Tacoma Housing Authority's Moving to Work Plan 2011

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SECTION I: INTRODUCTION AND SUMMARY

THA is proposing some ambitious activities this year. These activities include pilot rent reform policies that will compare the successes of individuals enrolled. THA is also planning to use its MTW authority in an innovative effort with the Tacoma School District to stabilize the population of students in a local elementary school and improve the school's educational outcomes.

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

- *Objective 1*: Reduce cost and achieve greater cost effectiveness in federal expenditures;

- *Objective 2*: Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and

- *Objective 3*: Increase housing choices for low-income families.

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

THA's MTW Goals

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

- Goal 1: Increase THA's administrative efficiency; and

- Goal 2: Encourage economic self-sufficiency among THA's participants;

- Goal 3: Increase housing options for low-income households residing in THA's jurisdiction;

In an effort to meet THA's first MTW goal and *reduce cost and achieve greater cost effectiveness in federal expenditures* THA will conduct the following activities:

- **Local Project-based voucher program.** THA will expand its use of project-based vouchers. It will increase the percentage of vouchers it will project-base from 20% to 30%, (not including those used in THA's developments). This

activity will achieve greater cost effectiveness in federal expenditures by allowing more developers to leverage these federal funds to finance the construction of affordable units. Banks will lend against the income stream of project-based HAP contracts. This will in turn increase the supply of hard affordable units in Tacoma, including units matched with supportive service for hard to house households.

- **Elderly/disabled recertifications.** Under this plan the following rent policies will govern Housing Choice Voucher and Public Housing households in which all adult members are either elderly or disabled and at least 90% of total household income comes from a fixed source such as social security, SSI, pension or State GAU:

    - Recertification reviews will be conducted once every 2 years;

    - Cost of living adjustments will not be applied automatically to social security income and rent calculation in intervening years; and

    - THA will use a simplified method of calculating un-reimbursed medical expenses.

- **Local verification policies.** Current regulations require the housing authority to follow a hierarchy of verification that involves contacting a tenant's employer to verify income. This can be embarrassing for the tenant. It is also unnecessary when other adequate sources of verification are available, such as HUD's Enterprise Income Verification (EIV) partnered with pay stubs. THA proposes to expand the use of EIV, accept hand-carried third-party income verification, disregard assets valued at less than $25,000, and set a threshold amount for processing decreases in income

  The notice PIH 2010-19 issued 5/17/10 outlines the requirements from the HUD Final Rule -_ Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System – that became effective 1/31/10. PHAs are now required to use the EIV system to verify tenant employment and income information during mandatory reexaminations of family composition and income. The Notice provides a verification hierarchy, which allows PHAs to use with EIV information tenant-provided third-party documents. THA will continue to follow this rule.

- **Modified housing choice voucher inspection process.** It is costly and time consuming to conduct annual inspections. Units are spread out geographically, tenants are not always home during scheduled inspection times, units fail for minor HQS issues, and residents often feel the inspection invades their privacy. Annual inspections are also frequently unnecessary. THA proposes to conduct biennial inspections for participants residing in the same unit for a minimum of three years and who pass two consecutive annual inspections on the first

visit.The biennial inspection system acts as a reward to those who are stable tenants and have a history of taking care of their unit.

- **Limit on number of moves for housing choice voucher households.** THA proposes to limit the number of moves a family can make to once every two years. THA intends to create exceptions to this policy in cases where a move is necessary due to unforeseen circumstances such as: unusually high landlord-requested rent increases, landlord-initiated lease terminations where the household is still eligible for housing assistance, units have become uninhabitable, the tenant is a victim of domestic violence, change in household composition resulting in the need for a different unit size, reasonable accommodations of the needs of disabled persons, employment outside of the housing authority's jurisdiction that requires portability, threats to personal safety, and verified need for a child to transfer to another school.

  Limiting the number of moves a family can make will decrease the amount of administrative time and expense attributed to processing inspections, HAP contracts and associated paperwork required when a family moves to a new unit under the program. Staff also believes that families who remain in their units will have a greater opportunity to save money and stabilize their children's learning environments. Households will also have an opportunity to familiarize themselves with the areas they live in and access resources and employment opportunities close to home.

- **Simplified Utility Allowances.** The housing authority proposes to simplify and streamline the utility allowance credit given to Housing Choice Voucher and Public Housing clients. Utility allowances vary by building type, bedroom size and type of fuel/energy used. These variables result in numerous possible utility allowance combinations that are difficult to explain to property owners and clients, and often result in frustration when the methodology is misunderstood. In addition, HUD has determined that incorrectly calculated utility allowances are one of the most common rent calculation errors.

To meet THA's second goal and MTW statutory objective to *give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient* THA has addressed this second goal by including a Tiered rent option that will allow families to earn up to the upper edge of each income band without seeing an increase in their rent.
Activities that address this statutory objective include:

- **Extend allowable tenant absence from unit for active duty soldiers.** THA will modify its policy for terminating households who are absent from their unit for more than 180 days when an adult household member is called to active military duty and deployed. This policy will make an exception for these households to allow them to remain eligible for housing assistance. The

initiative is intended to relieve the fear that families have of housing if they participate in the military reserve program; which serves as a valuable training program and provides important support to our nation's national security, especially in time of war.

- **McCarver Elementary School Project: Housing and Education.** THA will create a special rental assistance program in partnership with Tacoma Public Schools and McCarver Elementary School to create increased stability for up to fifty families in a neighborhood known for high levels of mobility, homelessness and low levels of school achievement. The result of this increased stability should be increased family self-sufficiency and increased school success for children of these families. THA hopes the long-term success of this program will lead to overall stabilization within that neighborhood and elementary school, which will benefit all attendees of that school.

- **Minimum Rents for all households.** THA will implement minimum tenant rents for all households. Households will be required to pay the greater of the established minimum rent or income based rent. This will encourage households to increase their income.

Initiatives to meet THA's third goal and MTW statutory objective to *increase housing choices for low-income families* include:

- **Allow transfers between public housing and voucher programs.** This change would allow tenants to transfer between programs to best fit the needs of the family and to free up underutilized bedrooms for other families on our waiting lists. This will also allow THA to match disabled households with units that match their modification needs and respond to emergency transfer requests more quickly. THA also anticipates that it will be able to process non-emergency transfers more quickly, and with less administrative burden, because there will be more options for providing households with transfer options that meet their specific needs.

HUD's Policy Priorities

HUD recently established a number of policy and organizational priorities for the department for FY2010-2015. THA's MTW initiatives will help meet many of these priorities:

- ***Meet the Need for Quality Affordable Rental Homes*:** THA's local project-based voucher program will meet this priority by making more funds available to leverage the financing for building long-term affordable housing. The direct impact of this activity will be more hard units of affordable housing.

- ***Utilize Housing as a Platform for Improving Quality of Life*:** The McCarver Elementary School project will provide housing subsidy to households who keep their children enrolled in school. The housing provided by THA will be a catalyst to improving the quality of life for this and future generations.

- ***Build Inclusive and Sustainable Communities Free from Discrimination*:** THA's local project-based voucher program will meet this priority. THA's RFP process for issuance of project-based vouchers will ensure this.

- ***Transform the Way HUD Does Business*:** All of THA's activities will help HUD meet this priority. The fundamental advantage of MTW is the ability that it gives housing authorities to work outside of HUD regulations to make better, more efficient programs. HUD will be able to use the data gathered from each of these activities to determine changes it would like to make "across the board" to allow all housing authorities to administer HUD programs in a more effective and affordable way.

THA's Fiscal Year

In Mid-2010, THA requested to change its Fiscal Year from a June 30 year-end to a December 31 year-end (Calendar Year). HUD approved this change in December 2010 and as a result, THA will extend its current Fiscal Year from June 31, 2011 to December 31, 2011, making it an eighteen-month year. THA requested this change so that the agency's Fiscal Year coincides with both its major funding streams and the Fiscal Years of the Tax Credit companies it manages.

SECTION II: GENERAL HOUSING AUTHORITY OPERATING INFORMATION

A. Housing Stock Information FY2011

Number of Public Housing Units at the beginning of FY2011

There are a total of 921 public housing units in Tacoma Housing Authority's portfolio. A breakdown of these units by AMP and property is provided below.

AMP Number	Property Information	Number of Public Housing Units
AMP 1	911 N K St	43
	1201 S M St	77
	401 N G St	40
AMP 2	3201 Fawcett St	30
	602 S Wright Ave	58
	2302 6th Ave	64
AMP 3	5425 Lawrence St	41
	5303 S Orchard (Bergerson Terrace)	72
	5420 Stevens (Dixon Village)	31
AMP 4	Hillside Terrace 2500 and 1800 blocks	104
AMP 6	Scattered Site public housing	34
AMP 7-9	Hillside Terrace 2300 and 1500 blocks	37
AMP 10-15	Salishan	290
	Total	**921**

Table 1: Listing of Public Housing Units by Site

Description of Planned Capital Expenditures

Revitalization capital improvements include:

- Amp 1: Energy upgrades; lighting, heating, misc. interior/exterior upgrades
- AMP 2: Repair or replace siding and windows, paint exterior, repair or replace roofing and drains, energy upgrades; lighting, misc. interior/exterior upgrades. This work is estimated at $539,661 which is over 30% of the total capital expenditure budget for the plan year.
- AMP 3: Replace energy upgrades; lighting, heating, new mailboxes, new siding and windows, new roofing. This work is estimated at $568,908 which is over 30% of the total capital expenditure budget for the plan year.
- AMP 6: Misc interior and exterior upgrades to include, siding repair, sidewalk repair, landscaping, painting, roofing, flooring, and fixtures

Description of New Public Housing Units to be Added

THA will apply for any and all grants that will benefit its properties and community.

THA may submit HOPE VI and/or Choice Neighborhoods applications to redevelop THA's Hillside Terrace 2500 and 1800 block developments. This may build additional public housing units. However, there are no concrete plans that exist at this time to add Public Housing units.

Number of Public Housing Units to be Removed from Inventory

THA plans to remove 104 units from its inventory in the Hillside 2500 and 1800 block developments (AMP 4). The 104 units of Public Housing are planned to be removed from THA's inventory during the plan year as the units (AMP 4) are severely distressed physically. They have a very poor apartment and site design, do not meet current codes, walkways, stairs and ramps are crumbling and the plumbing and electrical systems are failing. The units are also expensive to maintain and are considered a liability risk. The units will be replaced, however, not in the current plan year. Currently THA plans to replace the units with 104 affordable mixed subsidized units, of high quality design and material.

THA will consider other opportunities to remove public housing units from inventory. Specifically, THA may participate in the Transition to Rental Assistance (TRA) program if (1) it allows properties to more effectively cash flow and (2) it does not adversely affect residents.

THA will follow Section 18 requirements with respect to any demolition or disposition action it undertakes.

Number of MTW Housing Choice Voucher (HCV) Units Authorized

THA has 3,543 authorized Housing Choice Voucher Units. THA will apply for any and all grants that will increase the number of MTW and non-MTW HCV units to benefit THA's applicants, participants and the community.

Number of non-MTW HCV Units Authorized

There are 110 non-MTW HCV units authorized. These consist of 50 Family Unification Program (FUP) Vouchers and 60 Veterans Administration Supportive Housing (VASH) voucher. THA has pending applications for 200 Non-Elderly Disabled (NED) vouchers.

Number of HCV Units to be Project-Based during the Plan Year

THA will project-base 90 vouchers in Salishan 7 in FY2011. These vouchers have already been committed through an Agreement to Enter into a HAP Contract (AHAP).

THA may also issue a Request for Proposals (RFP) to project-base 200 vouchers during FY2011. THA cannot identify where these vouchers would be placed. The competitive RFP process will do that.

Number of non-MTW Moderate Rehab Vouchers

THA will continue administering 81 Moderate Rehab Vouchers under three separate increments in 2011.

Baseline Number of People Served Prior to Becoming MTW Housing Authority

THA is committed to meet the statutory objective to continue serving at least the same number of households. The baseline units to use in the measurement of this objective will be the number of households served as of July 1, 2010; which equals 4,145 households.

Program Type	Number of households
Housing Choice Voucher	3,425
Family Unification Program	36
VASH Vouchers	19
Moderate Rehab Vouchers	81
Public Housing	584
Total	**4,145**

Table 2: Baseline Number of People Served

B. Leasing Information—Planned

Below is a chart of THA's leasing information. This information is estimated and may change during the Plan year.

Anticipated total number of MTW PH units leased in the Plan year	921
Anticipated total number of non-MTW PH units leased in the Plan year	N/A
Anticipated total number of MTW HCV units leased in the Plan year (this includes 676 Project Based units)	3,543
Anticipated total number of non-MTW HCV units leased in the Plan year (FUP, VASH, and Mod Rehab)	180
Number of project-based vouchers in use at the start of the Plan year	676

Table 3: Leasing Planned

THA does not anticipate any issues relating to potential difficulties in leasing units in either program.

C. Waiting List Information

In order to meet the current HUD requirement that at least 75% of new voucher new admissions are extremely low-income (below 30% area median income). THA has a preference on its waiting list for these households. Per the MTW statute, at least 75% of new admissions must be very low-income (50% AMI). With Moving to Work status THA will

remove its local preference and give these very low income households an equal opportunity to receive housing assistance. Very low income households are typically households that are working but not making enough to pay for rent, food and utilities. They are often referred to as "working poor." THA hopes to use its rent reform programs to help these households get the skills and training necessary to move to higher paying jobs, earning enough to cover their expenses and move off the program.

THA intends to remove the preferences from both the Public Housing and Housing Choice Voucher waiting list in FY2011. THA will continue to consider preferences for its project-based vouchers and special programs on an as-needed basis.

THA is considering developing a regional transfer policy for victims of domestic violence. This is currently in the planning stages with King County Housing Authority, Seattle Housing Authority and Vancouver Housing Authority. Once a policy is developed it would be incorporated into the appropriate THA policy documents.

THA does not anticipate making any changes to the opening or closing of waiting lists in the next year. The Housing Choice Voucher waiting list is currently closed with a wait time of approximately five years. The Public Housing waiting list was re-opened on November 14, 2009 after being closed for eighteen months. THA plans to leave this list open.

THA is considering the option of site-based waiting lists for its public housing AMPs and project-based voucher sites.

THA is also planning an activity that includes rental assistance program for households in the McCarver School District. Should the program be determined to be feasible through a comprehensive impact analysis a separate waiting list will be established. Up to fifty (50) special purpose vouchers will be assigned to this activity.

SECTION III: NON-MTW RELATED HOUSING AUTHORITY INFORMATION

Below is THA's list of planned sources and uses of other HUD or other Federal Funds.

Sources of Federal Non-MTW Funds (FY 2011)	**Amount**
Housing Choice Vouchers	
FUP Vouchers	$475,240
VASH Vouchers	$417,390
FUP/VASH Admin Fees	74,130
Moderate Rehab HAP	$291,460
Moderate Rehab Program Administrative Fees earned	$61,090
HUD Grants – ROSS	$251,610
HUD Grant – FSS	$39,000
Comm Svcs - 2006 WA Families Fund	$40,000
Comm Svcs - Gates Education Project - FY 2011	$310,000
Comm Svcs - Paul G. Allen Foundation	$75,000
ARRA Funding	Completed
Total Sources	*$2,034,920*
Uses of Federal Non-MTW Funds	
Housing Choice Vouchers	
FUP Vouchers	$475,240
VASH Vouchers	$417,390
FUP/VASH Administrative Expenses	74,130
Moderate Rehab Program HAP	$291,460
Moderate Rehab Administrative expenses	$61,090
Resident Service Activities	$715,610
ARRA expenditures	Completed
Total Uses	*$2,034,920*

Table 4: Sources and Uses of Non-MTW Funds

Description of non-MTW activities proposed by the Agency

The following sources are not included in THA MTW Activities:

- Funding for VASH and Family Unification Vouchers in the Housing Voucher program, whether new allocations or renewal of existing vouchers.
- Vouchers under the Moderate Rehabilitation program.
- Family Self Sufficiency Coordinator positions and ROSS grant funding will be used for the intended purposes.

- THA received ARRA funds in the amount of $4,095,616. As of December 31, 2010, $3,657,970 had been expended. THA anticipates drawing down the remaining $437,646 in the first quarter of 2011.

SECTION IV: LONG-TERM MTW PLAN

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

Goal 1: Increase THA's administrative efficiency;

Goal 2: Encourage economic self-sufficiency among THA's participants;

Goal 3: Increase housing opportunities for low-income households residing in THA's jurisdiction; and,

Goal 4: Monitor program effectiveness and performance through a "digital dashboard."

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

Goal 1: Increase THA's Administrative Efficiency;

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

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

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

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

- *Regulatory reform for rent and definition of income*

THA's proposed initial MTW plan includes pilot formulations for rent and income seeking the best way to spur families to increase their earning potential and to work. Over the longer term, THA expects that this search will continue with increasing refinement and increasingly widespread application. **Although effective reforms of this sort must account for local factors, success in one place will be interesting in others. THA has certainly studied the experience of other MTW agencies. If THA is successful, other agencies will study our experience.**

- *Supportive Services to Spur Economic Self-Sufficiency*

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

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

Second, THA seeks to better link its housing resources with the supportive services of other organizations. Such linkage makes both the housing and the services more effective. Such leveraging of effect makes these linkages a very good use of a housing dollar. THA's present partnership with an organization called Helping Hands House (HHH) is a good example of a partnership we hope MTW status will make easier to arrange. HHH does an excellent job in getting homeless families into the employment market quickly with intensive case management and multi-layered and calibrated support toward a firm "graduation" date when the families are expected to support themselves. Using limited state funds, THA provides rental assistance to these families during their "training." In ways that the normal voucher rules would not permit, the state funded rental assistance is conditioned on family cooperation and its amount diminishes on an individualized schedule to push the family toward self-sufficiency. After "graduation," the rental assistance discontinues and is given to the next family entering the program. Because of HHH's success, and because the state funds are ending, THA will explore how MTW authority would allow it to match its public housing and voucher assistance to such a program.

- *THA's Education Project*

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

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

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

- That THA, and other public housing authorities, should find out the effective ways to do this;

- That THA should then embed these strategies into its normal program operations as part of the appropriate mission of an alert and engaged public housing authority.

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

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

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

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

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

McCarver Elementary School Initiative: As we mention above, THA will provide housing assistance to stabilize the student population of McCarver Elementary School. McCarver's student population is among the city's poorest. It has the most homeless students. In part because of these problem, more than 100% of its student population turns during each school year. This instability greatly detracts from the prospects for good school outcomes. THA will find out whether it can help in the recovery of McCarver.

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

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

- *Serve More Households*

Over the longer term, but starting right away, THA will seek to determine if the flexibility and efficiencies of MTW status will allow it to serve more households. Several examples of how this may work bear mention. **First**, saving administration costs of running the Housing Choice Voucher program may allow THA to transfer administrative funds to HAP funds to pay for more vouchers. **Second**, MTW fungability will allow THA to redirect savings in HAP

expenditures to assist more families or to sustain pubic housing operations. **These strategies should be available to other PHAs.**

- *Increase Housing Supply*

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

- *Increase housing throughout the continuum of need*

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

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

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

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

provides this ability to sustain supportive services then it would greatly interest many other PHAs.

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

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

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

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

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

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

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

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

A successful dashboard will allow staff to see the "needle" or gauge change as they succeed or fail at their work. It will place the important measures prominently in view. This system will change department meetings, cabinet meetings and board meetings. The focus of these meetings can then be where it belongs - on how we are doing and why or why not. This in turn will become a valuable source of data for program design – exactly what a creative MTW agency needs in order to make good use of MTW flexibility.

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

SECTION V: PROPOSED MTW ACTIVITIES: HUD APPROVAL REQUESTED

Table V.1, shown below, lists a summary of planned new initiatives for MTW Year 2 proposed by the housing authority. In accordance with MTW Plan format, detail regarding each of the activities summarized below is shown immediately following this table.

Table V.1: Proposed activities table

Activity #	Activity Name	Progrm Impacted	Household Type Impacted
1	Extend Allowable Tenant Absence from Unit for Active Duty Soldiers	HCV and PH	All households
2	McCarver Elementary School Project: Housing and Education	HCV	Work able households
3	Local Project-based Voucher Program	HCV	All households
4	Allow Transfers Between Public Housing and Voucher Programs	HCV and PH	All households
5	Local Policies for Elderly/Disabled Households	HCV and PH	Households where all members are elderly or disabled and 90% of income comes from elderly/disabled source.
6	Local Policies for Work-Able Households	HCV and PH	All non-pilot work-able households and households with an elderly/disabled household member who does not qualify for activity 5
7	Local Income and Asset Policies	HCV and PH	All households
8	Local Interim and Verification Processing Policies	HCV and PH	All households
9	Modified Housing Choice	HCV	All households

Activity #	Activity Name	Progrm Impacted	Household Type Impacted
	Voucher inspection process		
10	Special Program Vouchers	HCV	All households
111	Simplified Utility Allowances	HCV and PH	All households

Table 5: Proposed Activities

*HCV = Housing Choice Voucher Program
**PH = Public Housing Program

Activity 1: Extend Allowable Tenant Absence from Unit for Active Duty Soldiers (HCV/PH)

a. Description of MTW activity

THA intends to modify its policy for terminating households who are absent from their unit for more than 180 days. This proposal is necessary to account for households with adults who are called to active duty from retirement or from the reserves or national guards. THA's programs have reserve or guard military families in some number because of our close proximity to Fort Lewis, one of the nation's largest military bases. More of these reserve or guard members are activated then usual because of the war. This active duty may force a household to be absent from their assisted unit for more than 180 days; leaving them without housing assistance when the service member returns home. THA has had some recent experience with these troubling situations. THA will consider a policy to make an exception for these households to allow them to remain eligible for housing assistance. Current policy revisions under consideration are:

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

This activity would be implemented effective July 1, 2011. January-May will be used to make revisions to THA's Administrative Plan and Admissions and Continued Occupancy Policy (ACOP) and have public meetings regarding the change.

b. MTW statutory objective

This activity meets the statutory objective of giving incentives to families with children where the head of household is working by removing the threat that housing assistance will be lost due to military service. The military reserve program gives job training and experience and

also serves as a source of household income. Allowing households to participate in this program without jeopardizing future housing assistance will lead to greater participation.

This activity also meets the statutory objective of increasing housing options.

It also avoids the troubling circumstance of terminating a household's assistance permanently just because its father or mother is serving our country in war time.

c. Anticipated impact

There are currently only six THA households that receive "military" pay (five households in Section 8 and one household in Public Housing). It is possible that some members of these households could be called to active duty and deployed away from THA supported housing for more than 180 days. In the past, we have had only one military family deployed for more than 180 days that was affected by the current policy. Even by conservative estimates, fewer than five households could be affected, and the projected financial and administrative impact to THA is negligible. Even though the impact is small, the effect of this policy on even one impacted family is great enough to warrant this activity and change in policy. The one instance where current rules would have required us to terminate a family who did not use a voucher for more than 180 days due to military service was one where the head of household was serving our country in Iraq. Having to terminate a household in such a circumstance would have been very disturbing.

d. Metrics, baselines and benchmarks

Below is an outline of this initiative's key metrics, baselines, and benchmarks:

Metric	Baseline	Benchmark	Benchmark Target Date
Number of active duty households deployed or away from their unit for more than 180 days (who would have been susceptible to forced termination of assistance under previous policy)	1	0	12/31/2011

Table 6: Activity 1, Metrics Baselines, and Benchmarks

e. Data collection metrics and products

An electronic log will be developed to store the data. A report describing the above metric will be developed and analyzed on a quarterly and annual basis. We will conduct quarterly follow up with the households to determine their military status. Analyzing data on a frequent basis will assist us in quantifying results and identifying opportunities for continuous improvement in the program.

f. Authorization cited

Standard MTW Agreement: Attachment C Section C.2, C.10, and D.3.

Activity 2: McCarver Elementary School Project: Housing and Education (HCV)

a. Description of MTW activity

Family stabilization is a key component of self-sufficiency. A good education is as well. THA proposes using the flexibility provided under Moving to Work status to pilot an innovative program in which we will implement a special rental assistance program in partnership with Tacoma Public Schools to assist families at McCarver Elementary School and help that school transform. Among its many challenges, McCarver has a very high turnover of students. For 2007-08, the school's student population turned over 121%; the previous year the turnover rate was 170%. Part of this results from the very high poverty level of the students in the school (96%), and the attendant housing insecurity. Indeed, McCarver has more homeless students than other elementary schools.

THA will use its MTW authority to provide rental assistance for eligible families with students at McCarver for the duration of their enrollment at the school. THA will begin with serving up to 50 families and assess the results on stability and educational outcomes. THA believes that increased housing stability should show in better school performance. THA has recently completed a review of existing educational research pointing to the negative relationship between student mobility and academic outcomes ("Review of Literature on the Effect of Mobility on School Achievement," on file at THA).

THA will integrate two key components as a part of this initiative: (1) condition this rental assistance on the parents' commitment to their children's education and cooperation with the school. We will provide support through our community partners to help parents do this; (2) we also will ask the School District to complement this investment of housing dollars into McCarver School with its own reciprocal investment of resources and reform to make McCarver as excellent a school as leading edge school practices can make it.

Throughout a family's participation in the project their compliance with program requirements will be monitored by a case worker assigned to that family. If a family has difficulty meeting the requirements, the case worker will provide additional support. Should the family be determined to be unable or unwilling to comply with the requirements, their participation will be ended and the voucher will be granted to another qualifying family. Should a family drop out of the program for any reason, their voucher will be granted to another qualifying family. THA will keep detailed records on both family participation and movement in and out of the program.

Rents for participating families will be based on the following schedule:

- Year 1: $25 flat rent
- Year 2: 20% of gross rent
- Year 3: 40% of gross rent
- Year 4: 60% of gross rent

- Year 5: 80% of gross rent

See Baselines and Benchmarks section of this initiative for project financial impact and assumptions.
THA chose this rent model to encourage families to progress their income throughout the five years that they spend in the program. Year one will have a very low rent to allow families to adjust and begin the process of training and looking for work. THA will provide intensive case management to all of the McCarver families.

THA would implement this activity over a two year period:

Summer/Fall 2010 Activities

- Assure commitment of McCarver administration
- Analyze causes of turnover at McCarver
- Determine number of current THA clients at McCarver
- Determine number of possible participants
- Develop strategies for meeting with McCarver staff and parents
- Research housing status of current McCarver families
- Submit revised plan to THA
- Assure commitment of district administration
- Submit revised plan to THA Board
- Hold community comment events
- Submit revised plan to HUD
- Determine availability of housing in the area
- Develop plan for securing vouchers

Fall 2010 – Summer 2011 Activities

- Plan McCarver Teacher Training
- Hire 0.5 FTE THA Case Manager
- Secure Community Partners
- Consult with Community and School Staff
- Identify Training for Parents
- Design Data System
- Establish Eligibility Rules
- Establish Accountability Rules and Consequences
- Draw Up Family Contract

Fall 2011 Implementation Activities

- Parents Sign Agreements, Receive Vouchers
- 2 THA Case Managers Hired
- Baseline Data Collected
- Students Start School
- Parents Begin Program Activities

b. <u>MTW statutory objective</u>

This activity meets the statutory objective of giving incentives to families with children where the head of household is working. The incentive of stable housing and improved educational outcomes for children, and the personal and family benefit of greater involvement with their children's education will motivate the adults to improve their own employability and skills.

This activity also increases their housing options for families to stay in the McCarver community in order to be part of this innovative program.

c. <u>Anticipated impacts</u>

During year one of the project, THA will work with the school district and our community partners to study what the likely impacts of this initiative will be. THA will have access to summary data under an existing data sharing agreement with the school district and will make this comparison. Initially we anticipate these impacts:

- Parents will improve their economic and employment status.
- THA students at McCarver Elementary will show greater gains in school outcomes relative to other low income students at McCarver and at other local schools. Each participating child will be monitored several times per year (e.g., on a trimester basis as report cards come out and when state and district assessment scores become available) throughout the duration of their participation in the project.
- Parents of McCarver students will play a larger role in supporting their child's academic and social growth leading to improved achievement in school.

d. Baseline and benchmarks

Below is an outline of this initiative's key metrics, baselines, and benchmarks. Some of the metrics have TBD listed for baselines and benchmarks that cannot be completed until surveys are conducted or data is received from Tacoma Public Schools.

Metric	Baseline	Benchmark	Benchmark Target Date
5-year HAP impact (50 vouchers)	$0	-$510K (vs. standard HUD rent calculation)*	2016
Third grade students still enrolled in fifth grade (among students from participating households)	36%	100% enrollment	6/30/2014
Math and reading test scores among students from participating households	TBD from 2010-2011 school yr	5% annual improvement in both sets of scores	6/30/2012
Attendance among students from participating households	TBD from 2010-2011 school yr	5% annual improvement	6/30/2012
Suspensions among students from participating households	TBD from 2010-2011 school yr	10% annual reduction	6/30/2012
Number of school activities in which parents participated	TBD from survey	20% improvement	6/30/2012
Teacher effectiveness	TBD from survey	TBD	6/30/2012

Metric	Baseline	Benchmark	Benchmark Target Date
Number of adults from participating households involved in job training or educational programs	TBD from participant survey	% increase TBD	12/31/2012

Table 7: Activity 2, Metrics, Baselines and Benchmarks**Financial analysis assumptions for McCarver program as follows: participating families include 4 family members (3 dependents); $10K average household income; $948 gross rent; and 2 bedroom units. Projections based on 50 families. Projected HAP impact by year (vs. standard HUD-based rent calculation as follows: Yr1 +$113K; Yr2 +$15K; Yr3 -$165K; Yr4 -$355K; Yr5 -$327K; for a cumulative projected 5-year impact of -$511K.*

d. Data collection metrics and products

An electronic database (funding for which we expect to come from a Gates Foundation grant) will be developed to store the data. Reports describing the above metrics will be developed and analyzed on an annual basis. The report will summarize the data on annual and program to date basis. Analyzing data on a frequent basis will assist us in quantifying results and identifying opportunities for continuous improvement in the program.

f. Authorization cited

Standard MTW Agreement: Attachment C Section C.2., C.10., D.1.b, and D.3.b. THA has use of funds authorization for this activity in Attachment DMTW Agencies are permitted to do this through recent HUD authorization MTW agencies to use Section 8 and 9 funds for uses beyond those authorized in Sections 8 and 9, provided those activities continue to serve families at or below 80% area median income (AMI) and meet one of the three MTW statutory purposes.

Hardship Policy
THA is not proposing a hardship policy for this activity. All families coming into the McCarver project are new to THA and not receiving subsidy from THA at the time of entry. The subsidy methodology is being explained at program entry and all families will know that subsidies will cease at the end of year five. THA is providing intensive case management to help families succeed in increasing earned income and moving towards self-sufficiency.

Activity 3: Local Project-based Voucher Program (HCV)

a. Description of MTW activity

THA will implement a local project-based voucher (PBV) program to increase the number of vouchers that THA can project base. The local PBV program will include the following components:

- THA will maintain the 20% cap on the percentage of vouchers it may project-base at properties not owned or operated by THA. For project-base developments owned in whole or in part or operated by THA, whether subsidized or non-subsidized, there will

no longer be a cap on the percentage of vouchers it may project-base or on the percentage of project-based units per building.

- THA will waive the mobility option that allows PBV tenants to automatically receive a tenant-based voucher after one year of occupancy. THA would adopt an alternative policy that would allow PBV tenants to request to be added to the tenant-based voucher waiting list at any time after they have moved into the PBV unit, even if THA's regular waiting list is closed. The application date for that tenant would be the date the request for placement on the waiting list is received. THA may also incorporate language in individual contracts to allow for vouchers after successful completion of supportive service programs. THA will determine the applicability of the mobility option for households occupying PBV units prior to implementation during the Administrative Plan revision period.

- THA will establish a reasonable competitive process and contract terms, including the length of the contract, for project-basing HCV assistance at units owned by for-profit or non-profit entities provided such units meet existing HQS, or any standard developed by THA and approved by HUD pursuant to the requirements of this Restated Agreement. THA will implement these competitive processes in accordance with Part 85, existing HUD waivers, the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970, the National Environmental Policy Act of 1969, and the HUD Reform Act of 1989.

- THA will conduct Housing Quality Standards (HQS) inspections on units it owns or has interest in. A quality assurance system will be established where at least 5% of these units will be randomly selected and inspected by a third-party inspector.

THA shall be authorized to continue developing and implementing policies and procedures for project-basing MTW block grant funds in a manner that is similar to but may differ from the 1937 Act statue and requirements regarding the project-basing of Housing Choice Vouchers. Such program policies may include the following authorizations:

a. THA may award project-based assistance to agencies and have them, in turn, identify an owner with whom THA will contract.
b. THA may revise the manner in which advertising and solicitation is performed and how awards are publicized.
c. THA may allow for project-specific wait lists and/or take agency referrals rather than establishing wait lists for special needs and homeless housing.
d. THA is not required to take applicants directly off the Section 8 wait list or advertise the availability of project-based wait lists on the Section 8 wait list.
e. THA may allow for unique preference and occupancy standards to be established for each of its project-based programs.
f. THA is not required to offer continuing subsidy to participants leaving project-based units.
g. THA may allow use of project-based subsidy for transitional housing.
h. THA may establish unique payment standards for project-based programs and may allow project-based rents to exceed tax credit rents.

i. THA may provide project-based assistance in another jurisdiction under an agreement with another agency.
j. THA may allow project-based rules to mimic those of other government operating/rental subsidy sources in the case of development with mixed financing and when project based subsidy is assigned to a former public housing development.

This activity would be implemented effective July 1, 2011. January-May will be used to make revisions to THA's Administrative Plan and Admissions and Continued Occupancy Policy (ACOP) and have public meetings regarding the change.

b. MTW statutory objective

This activity will reduce costs and achieve greater cost effectiveness in federal expenditures by allowing these federal funds to be leveraged to create more affordable housing in our community.

c. Anticipated impacts

THA anticipates that this activity will have the following impacts:

- It will allow more developers to finance the construction of affordable units because banks have learned to lend against the income stream of project basing HAP contracts. This will increase the supply of hard affordable housing units in Tacoma.

- It will lock in that affordability for the long term of a HAP contract.

- It will make this arrangement available to nonprofit housing providers that also provide supportive services to special needs populations, such as mentally ill adults, people recovering from drug or alcohol dependency, households coming from homelessness.

- It will make tenant-based vouchers more accessible to applicants on the waiting list.

d. Metrics, baselines, and benchmarks

- ✓ THA has 676 reported project-based vouchers which represents approximately 19% of the currently authorized 3,543 HCV vouchers.
- ✓ Expanding project-based will add approximately 300 project-based vouchers (in FY2011, 90 additional project-based vouchers have been designated to Salishan 7 and another 200 to project TBD).
- ✓ Staff spend an average of 3.5 hours to process an in-take for a project-based household.
- ✓ As a quality metric related to HQS inspections on PBV units, we will measure the annual percentage of PBV units requiring special inspections.

- ✓ THA inspectors spend approximately 45 minutes to complete an HQS inspection.
- ✓ It is estimated that each HQS inspection costs THA approximately $30.
- ✓ There are currently 676 PBV units; and the estimated annual HQS inspection cost on these units is $20,280.
- ✓ Moving to audits (approximately 5% of units) will reduce the number of inspections. Factoring in some special inspections and re-inspections, we conservatively estimate that the number of inspections could be reduced by 75%.

Below is an outline of this initiative's key metrics, baselines, and benchmarks.

Metric	Baseline	Benchmark	Benchmark Target Date
Number of affordable housing units	1,284	1,350	12/31/2013
Number of new "special types of housing" (units)	0	25	12/31/2013
Annual staff time in hours required to administer PBV process (in-takes)	713	1,108	12/31/2013
Percentage of PBV units requiring special inspections (annually)	0	<10%	12/31/2013
Annual cost to conduct HQS inspections on PBV units	$20,280	$7,500	12/31/2013

Table 8: Activity 3, Metrics, Baselines and Benchmarks

e. Data collection metrics and products

THA will track the number of PBV units added to the jurisdiction by year.

THA will track the number of households served with tenant-based vouchers from the waiting list.

f. Authorization cited

Standard MTW Agreement: Attachment C Section D.1.e and D.7.

Activity 4: Allow Transfers Between Public Housing and Voucher Programs

a. Description of MTW activity

THA seeks an enhanced transfer policy that allows families to access the program that best fits their individual circumstances. THA proposes a policy that will combine the public housing transfer list and the list of HCV movers who are having difficulties finding a unit that meets their needs on the private rental market.

This activity would be implemented effective July 1, 2011. January-May will be used to make revisions to THA's Administrative Plan and Admissions and Continued Occupancy Policy (ACOP) and have public meetings regarding the change.

b. MTW statutory objective

THA's anticipates that this activity will increase housing choices for assisted families.

c. Anticipated impacts

THA anticipates this policy change will allow THA to better accommodate the needs of families by better matching the type of assistance to their need, complete emergency transfers more expeditiously, reduce the time to fulfill reasonable accommodation requests, increase the number of transfers completed per month, and return underutilized bedrooms to the housing authority inventory.

d. Metrics, baselines and benchmarks

- ✓ The number of standard housing transfers and reasonable accommodation requests are not available for the most recent calendar year. However, THA is now tracking this information in a database and we have annualized recent data that is included in the table below.
- ✓ Section 8 staff spend an average of 3.2 hours to process a standard transfer and 3.9 hours to process a reasonable accommodation transfer.
- ✓ Public Housing staff spend an average of 5.2 hours to process a standard transfer and 5.9 hours to process a reasonable accommodation transfer.

Below is an outline of this initiative's key metrics, baselines, and benchmarks.

Metric	Baseline	Benchmark	Benchmark Target Date
Annual number of reasonable accommodation requests due to bedroom size or accessibility issues	231	231	12/31/2012
Annual number of housing transfers due to bedroom size or accessibility issues	11	15	12/31/2012
Annual number of reasonable accommodation requests due to emergencies	2	2	12/31/2012
Annual number of housing transfers due to emergencies	2	2	12/31/2012

Annual staff time in hours to process housing transfers	55	55	12/31/2012
Annual number of underutilized housing units returned to inventory	0	0	12/31/2012
Number of days between approval of reasonable accommodation due to bedroom size and transfer to available unit (PH only)*	45	15	12/31/2012
Number of days between approval of reasonable accommodation due to accessibility and transfer to available unit (PH only)*	225	15	12/31/2012

** Note that the amount of time between the approval of the reasonable accommodation and transfer to an available unit is not a metric that was tracked in the past; the baseline for this metric was derived from feedback from staff directly involved in the process. Also note that these two metrics only apply to Public Housing as it is the more restrictive program in terms of mobility.*

Table 9: Activity 4, Metrics, Baselines and Benchmarks

e. Data collection metrics and products

THA intends to use the software that it has developed to track reasonable accommodation requests to identify the number of days to fulfill unit-specific requests. THA will use its transfer tracking system to assess the number of days to fulfill emergency transfer requests, number of transfers per month and number of transfers completed due to underutilization.

f. Authorization cited

Standard MTW Agreement: Attachment C Section C.2, C.10, and D.4.

Activity 5: Local Policies for Fixed-Income Households (HCV/PH)

a. Description of MTW activity

Under this plan households in which all adult members are either elderly or disabled and at least 90% of total household income comes from a fixed source such as social security, SSI, or pension will be subject to the following rent policy:

- Complete recertification reviews once every 2 years instead of every year (biennial recertifications) with no "off-year" COLA-related rent adjustments unless interim is triggered
- Eliminate elderly/disabled deduction;
- Eliminate dependent deduction;
- Eliminate medical deductions below $2500 and implement bands so that allowable medical expenses between $2500 and $4999 would receive an allowance of $2500; expenses between $5000 and $7499 would receive $5000; and over $7500 would receive $7500. The 3% of gross income medical expense threshold would no longer be used.
- Implement 28.5% TTP to help offset the elimination in the elderly/disabled deduction and simplification of medical expense allowances.
- Implement a tiered rent model based on adjusted income bands.
- Implement local verification policies as outlined in Activity 9.
- Implement minimum rent of $25 (and therefore eliminate utility allowance reimbursements)

Below is a summary of this initiative's components:

Table 10: Activity 5, Modeling Components – Elderly/disabled Households

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

Note: Cost of Living Adjustments will not be made to elderly/disabled in the off years and a rent change letter will not be sent to clients. This is based on the assumptions that rent foregone in the off years will not impact THA's subsidy and financial position.

An example of a tiered rent table is below:

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

Table 11: Tiered Rent Example

b. MTW statutory objective

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

c. Anticipated impacts

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

d. Metrics, baselines and benchmarks

- ✓ 1,647 households currently meet our elderly/disabled definition (1,204 Section 8 and 443 Public Housing households)
- ✓ 412 households currently claim medical expenses (311 Section 8 and 101 Public Housing)
- ✓ 349 of the claims (85%) would not meet our proposed $2500 threshold (259 Section 8 and 90 Public Housing)
- ✓ Staff spend on average 60 minutes to process a medical claim allowance during recertification

Below is an outline of this initiative's key metrics, baselines, and benchmarks.

Metric	Baseline	Benchmark	Benchmark Target Date
Annual Section 8 subsidy for elderly/disabled households	$6.9M	$7.0M	12/31/2012
Annual Public Housing rent roll for elderly/disabled households	$1.1M	$1.1M	12/31/2012
Annual staff time in hours required to process Public Housing elderly/disabled recertifications	516	258	12/31/2013
Annual staff time in hours required to process Section 8 elderly/disabled recertifications	1,587	794	12/31/2013
Annual postage costs mailing recertification documents related to elderly/disabled rent adjustments (Section 8 only)	$1,111	$555	12/31/2013

Table 12: Activity 5, Metrics, Baselines and Benchmarks

Undesirable outcomes may include:

- ✓ Potential increase in interim requests in the off-years (years between recertifications). For example, a household may make such a request when it has a significant medical expense.
- ✓ Potential significant increases in rent burden for households subject to the elimination of utility allowance reimbursements and/or minimum rent.
- ✓ ***See comprehensive MTW hardship policy at the end of Section V.***

e. Data collection metrics and products

Agency HAP and rent roll impact will be tracked through THA's existing financial analysis activities. Staff time to conduct recertifications will be tracked through a new staff time tracking system. Interims will also be tracked through existing systems. Household shelter burden will be tracked through a new field added to our existing system and will be evaluated annually (for those household receiving a recertification that year) and compared to hardship requests for the elderly/disabled population.

f. Authorization cited

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

g. Agency's Board approval of policy

This policy was approved by the board at the August 24, 2011 meeting.

h. Impact analysis on family contributions

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

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

i. Annual reevaluation of rent reform initiative

THA will review the impacts of this analysis on an annual basis to determine if it is worthwhile to continue with the activity.

j. Criteria to be used to consider hardship cases

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

k. Transition period

THA would implement this activity over a three year period:

- January - August 2011: Make revisions to THA's Administrative Plan and Admissions and Continued Occupancy Policy (ACOP) and have public meetings regarding the change.

- January 1, 2012 – December 31, 2012: Recertify all of the MTW households qualifying for this activity. All rent reform policy outlined in the plan including rent calculation methodology becomes active during this time.

- January 1, 2013 – December 31, 2013: Recertify the first half of households qualifying for this activity. Second half of households will not be recertified.

- January 1, 2014 – December 31, 2014: Recertify the second half of households qualifying for this activity. First half of households will not be recertified.

l. Documentation of public hearing

Public held on August 8th 2011.

elderly/disabled*elderly/disabled*elderly/disabledelderly/disabledelderly/disabledelderly/disabled

Activity 6: Local Policies for Work-Able Households (HCV/PH)

a. Description of MTW activity

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

- Complete recertification reviews once every 2 years instead of every year (biennial recertifications) with no "off-year" rent adjustments unless interim is triggered.

- Eliminate elderly/disabled deduction.

- Eliminate dependent deduction.

- Implement TTP % of 28.5% of adjusted income.

- Implement tiered rent structure (see example table).

- Implement local interim processing and verification policies as outlined in Activity 9.

- Work able households will be assigned “progressive” minimum rents that will increase every two years that they are on the minimum rent. Households would be required to pay the greater of the established minimum rent or income based rent.

Example:

Potential minimum rents	Year 1	Year 3	Year 5
Work able member households	$25	$50	$100

Table 13: Minimum Rents

- Utility allowance reimbursements would be eliminated upon implementation of minimum rents.

- At the time of initial implementation (January 1, 2012), households subject to the new minimum rents would be given 90 days notice of their rent increase.

- Allow child support paid by adult household members to be included as an eligible expense.

- Flat rents (public housing; non-tax credit) will be eliminated and these households will be transitioned onto the same MTW work-able rent calculation as other households.

b. MTW statutory objective

This activity serves the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures. It also addresses the MTW statutory objective to give incentives to families with children whose head of household is either working, seeking work, or is participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.

Below is a summary of this initiative's components:

Modeling Components	TODAY	Years 1-2	Years 3-4
Rent calculation methodology	Standard	Tiered	Tiered
TTP%	30.0%	28.5%	28.5%
Minimum TTP	$25	$0	$0
Minimum rent	n/a	$25	$50
Utility reimbursements	Yes	No	No
UA structure	HUD-based	Simplified	Simplified
Bedroom definition for UAs	Unit	Lower of voucher or unit	Lower of voucher or unit
Elderly/disabled deduction	$400	$0	$0
Dependent deduction	$480	$0	$0
Childcare deduction	Yes	Yes	Yes
Deduction for child support paid	No	Yes - all payments	Yes - all payments
PH flat rent	Yes	No	No
Recertification schedule	Annual	Biennial	Biennial

Table 14: Activity 6, Modeling Components

An example of a tiered rent table is below:

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

Table XX: Tiered Rent Example

c. Anticipated impacts

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

d. Metrics, baselines and benchmarks

- ✓ 2,647 households (2,189 Section 8 and 458 public housing households) meet our work-able definition.
- ✓ 1,033 of these households (39%) have some earnings (842 Section 8 and 191 public housing).
- ✓ 139 (5%) of these households have zero income (139 Section 8 and 14 Public Housing).
- ✓ 487 of these households currently receive a utility reimbursement (449 Section 8 and 38 public housing).

Below is an outline of this initiative's key metrics, baselines, and benchmarks.

Metric	Baseline	Benchmark	Benchmark Target Date

Annual Section 8 subsidy for work-able households	$20.20M	$18.7M	12/31/2012
Annual Public Housing rent roll for work-able households	$1.4M	$1.5M	12/31/2012
Percentage of Section 8 work-able households with gross income <$5000	12%	10%(219)	12/31/2012
Percentage of Public Housing work-able households with gross income <$5000	10%	5%(22)	12/31/2012

Table 15: Activity 6, Metrics, Baselines and Benchmarks

Undesirable outcomes may include:

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

e. Data collection metrics and products

THA will track the metrics outlined above related to rent reform for the work-able population. This data is already tracked in either THA's existing systems or through its financial analysis activities (agency-related HAP and rent roll). Since these work-able households will remain on an annual recertification schedule, we will be able to evaluate the actual impact every year.

f. Authorization cited

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

g. Agency's Board approval of policy

This policy was approved by the board at the August 24, 2011 meeting.

h. Impact analysis on family contributions

- 376 households (20%) are projected to see rent increases >$50 in years 1-2 (320 Section 8 and 56 public housing).
- Average household rent burden ((rent + utility allowance)/gross income) is expected to increase approximately 4% in years 1-2 for Section 8 and decrease 1% for public housing.
- Rent increases and rent burdens are expected to increase further in years 3+, but the projections would not take into consideration increased earnings which we expect to occur, but are difficult to project.

i. Annual reevaluation of rent reform initiative

THA will reevaluate this initiative on an annual basis to determine if its impacts make it a worthwhile activity to continue.

j. Criteria to be used to consider hardship cases

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

k. Transition period

THA would implement this activity over a three year period:

- January - August 2011: Make revisions to THA's Administrative Plan and Admissions and Continued Occupancy Policy (ACOP) and have public meetings regarding the change.

- January 1, 2012 – December 31, 2012: Recertify all of the MTW households qualifying for this activity.

- January 1, 2013 – December 31, 2013: Recertify the first half of households qualifying for this activity. Second half of households will not be recertified.

- January 1, 2014 – December 31, 2014: Recertify the second half of households qualifying for this activity. First half of households will not be recertified.

l. Documentation of public hearing

The public hearing was held on August 8, 2011I appreciate your advice.
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Activity 7: Local Income and Asset Policies (HCV/PH)

a. Description of MTW activity

THA will implement local verification policies for both the public housing and Housing Choice Voucher program. THA will implement the following policies:

- Allow tenants to self-certify assets valued at less than $25,000.
- Disregard income from assets valued at less than $25,000.
- Eliminate earned income disallowance (EID).
- Exclude resident stipends up to $500.
- Accept hand-carried third party verifications and increase number of days verifications are valid up to 180 days.
- Extend the authorization of the HUD 9886 form from 15 months to 24 months for work able households.

THA will also now accept hand-carried third party verifications. The number of days that verifications will remain valid will be increased to 180 days for new admissions and annual recertifications.

Since THA is requesting to modify the annual reexamination schedule to biennial reviews, authorization for release of information forms must be extended to encompass a larger timeframe in which THA can access information with written authorization from participants. The Federally mandated HUD-9886 Authorization for Release of Information form only allows PHAs to access income information for 15 months from the date of the signature on the form. THA is requesting permission to create an agency authorization form conferring the client's authorization to extend the use of the HUD-9886 for an additional 9 months (a total of 24 months) from the date of the signature. The additional 9 months accommodates the population of participants on the new proposed biennial reexamination schedules. This will also allow THA to continue to track income information during the off-review years in order to evaluate the success of the rent alternatives. With this authorization, staff will run EIV at each review without burdening the client with additional paperwork.

This activity would be implemented effective July 1, 2011. January-May will be used to make revisions to THA's Administrative Plan and Admissions and Continued Occupancy Policy (ACOP) and have public meetings regarding the change.

b. MTW statutory objective

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

c. Anticipated impacts

THA projects that this activity will reduce unnecessary intrusions into tenant privacy and pride because THA will not have to inquire with their employers and asset sources to verify private information and reveal to third parties that the tenant is receiving THA assistance.

d. Metrics, baselines, and benchmarks

- ✓ 2,311 households (1,736 Section 8 and 575 Public Housing households) have total assets valued greater than $0 and less than $25,000.
- ✓ These households have combined annual asset income of $18,655 ($17,449 for Section 8 and $1,206 for Public Housing)
- ✓ Only 9 households (6 Section 8 households and 3 Public Housing households) have total household assets >$25,000.
- ✓ Staff spend average of 25 minutes to verify assets and process asset income in an annual recertification
- ✓ 18 households currently enrolled in EID program
- ✓ 40% of interims and 70% of annual recertifications require third party income verifications; and each third party income verification takes staff approximately 25 minutes to complete.
- ✓ 50% of third party verifications are conducted via mail; and each mail-based verification costs $.63 in postage.

Below is an outline of this initiative's key metrics, baselines, and benchmarks.

Metric	Baseline	Benchmark	Benchmark Target Date
Annual staff time in hours to process asset income in recertifications	967	963	12/31/2012
Annual number of third party income verifications completed	4,241	3,632	12/31/2012
Annual staff time in hours required to process third party verifications	1,060	908	12/31/2012
Annual postage costs related to processing third party verifications	$1,336	$1,144	12/31/2012

Table 16: Activity 8, Metrics, Baselines and Benchmarks

Undesirable outcomes may include:

- ✓ Section 8 subsidy will increase slightly and Public Housing rent roll will decrease slightly due to the small increase in household income used in rent calculations as a result of the elimination of asset income related to households with assets <$25K as well as stipends.
- ✓ Because asset values and asset income will no longer be tracked for households with assets <$25K, we will not be able to monitor whether the impact will be magnified over time. To evaluate this issue, assumptions would need to be made regarding stock market growth, interest rates, etc. which would be highly subjective.
- ✓ EID participants will be subject to general work-able household rent policies; we will monitor their earnings growth to see if elimination of EID adversely affects their self-sufficiency (although we do not propose a hardship policy to address this).

e. Data collection metrics and products

THA will conduct or arrange a time study to confirm the estimated time for completion of third party verifications under this activity. THA will track the actual number of third party verifications that this policy avoids.

f. Authorization cited

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

Activity 8: Local Interim Processing and Verification Policies (HCV/PH)

a. Description of MTW activity

THA will streamline the interim review process. Currently, THA performs an interim review whenever a tenant reports a decrease in income and or has a permanent increase in income. This results in an excessive number of interim reviews. The interim review process can also deter households to increase their earned income since this income increase will result in a rent increase. THA will implement a policy that encourages increased income and reduces the number of interim reviews that are processed annually. These policy changes include:

Rent Increases

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

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

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

Rent Reductions

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

- Households may only request an interim reduction up to three times between regularly scheduled recertification periods (every two years since all households will be on a biennial recertification cycle)
- The rent reduction will only be implemented if the adjusted income will decrease by 10% or more;
- No reduction based upon loss of job will be processed until THA receives documentation of eligibility or ineligibility for unemployment benefits;
- Decreases in public assistance income that are the result of a finding of fraud or a failure to comply with work/school requirements will not be processed.
- New rent portion will only be processed if the decrease in income is expected to last for longer than ninety (90) days
- THA will apply payment standards at interim recertification's if the new payment standard is higher.

This activity would be implemented effective September 1, 2011. January-July will be used to make revisions to THA's Administrative Plan and Admissions and Continued Occupancy Policy (ACOP) and have public meetings regarding the change.

b. MTW statutory objective

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

c. Anticipated impacts

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

d. Metrics, baselines and benchmarks

- ✓ 3,207 interim reviews are conducted annually and each interim takes staff approximately one hour to complete.

Below is an outline of this initiative's key metrics, baselines, and benchmarks:

Metric	Baseline	Benchmark	Benchmark Target Date

Metric	Baseline	Benchmark	Benchmark Target Date
Annual number of “decrease in income” interims conducted	1,672	1,254	12/31/2012
Annual staff time in hours required to process “decrease in income” interims	1,672	1,254	12/31/2012
Annual number of "increase in income" interims conducted	1,535	1,075	12/31/2012
Annual staff time in hours required to process “increase in income” interims	1,535	1,075	12/31/2012

Table 17: Activity 9, Metrics, Baselines and Benchmarks

Undesirable outcomes may include:

- ✓ There may be a small number of households that have high job turnover and are therefore might exceed the 3 interims per biennial cycle. At this time, we are not planning to grant hardships for this situation, but we will monitor hardship requests and adjust policy if necessary.
- ✓ In addition, staff will need to calculate adjusted income in order to determine if a decrease in income interim is allowable, so the staff time savings resulting from the decrease in actual approved decrease in income approved interims will be somewhat diminished.

e. Data collection metrics and products

Metrics related to interim requests by type and staff time and postage spent to process interims will be tracked in a new interim database and analyzed on an annual basis. THA staff will also track the number of third party income verifications in the database and staff will record the time spent to complete third party income verifications in a new time tracking application.

f. Authorization cited

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

Activity 9: Modified Housing Choice Voucher inspection process (HCV)

a. Description of MTW activity

THA proposes to modify its annual inspection process to allow for biennial inspections of qualifying HCV units (instead of yearly) and decoupling annual recertification and inspection dates in order to group inspections geographically.

THA intends to inspect voucher units only once every two years if the following is true: (i) the participants resided in the same unit for a minimum of three years and (ii) they passed two consecutive annual inspections on the first visit. This would reward those who are stable tenants and have a history of taking care of their unit. THA will continue to inspect in response to complaints or other evidence of problems. THA will create a quality assurance process to randomly inspect 5-10% of these units during the "off" year.

The plan for decoupling annual recertification and inspection dates includes:

- Begin scheduling all inspections in one apartment building or complex for the same day.

- Where units are not in the same complex, create an inspection schedule by geographic area.

This activity would be implemented effective July 1, 2011. January-June 2011 will be used to make revisions to THA's Administrative Plan and have public meetings regarding the change.

b. MTW statutory objective

The activity addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures.

c. Anticipated impacts

This activity will enable THA to develop local inspection standards that meet the need of the community, allow for flexibility, produce a reduction in administrative burden for both THA and landlords, and provide incentives to THA to increase quality housing choice options for low-income families.

Time savings from these biennial inspections will allow THA to redirect inspector time to inspect units at THA-owned units once this is approved through Activity 4.

d. Metrics, baselines and benchmarks

- ✓ 1,526 households have received consecutive passes on their HCV inspections
- ✓ 504 of the aforementioned households (33%) have been living in the unit for 3 or more years
- ✓ Inspector spends average 45 minutes on HCV inspection (including drive time)
- ✓ Approximately 3,200 HCV households that receive annual inspections under current policy

Below is an outline of this initiative's key metrics, baselines, and benchmarks.

Metric	Baseline	Benchmark	Benchmark Target Date
Annual number of HCV inspections	3,200	2,950	12/31/2012
Annual staff time in hours spent on HCV inspections	2,400	2,213	12/31/2012

Table 18: Activity 10, Metrics, Baselines and Benchmarks

e. Data collection metrics and products

THA will develop a baseline report to identify the total number of inspections by type over the past 12 months prior to implementation.

f. Authorization cited

Standard MTW Agreement: Attachment C Section D.5.

Activity 10: Special Program Vouchers

a. Description of MTW activity

THA will establish a Special Program Voucher program similar to the project-based voucher program. Vouchers will be awarded to service partners for a special purpose or a special program. The service partners will be responsible for designing the program. This includes selecting households for the program, establishing program guidelines and eligibility criteria, length of time a household would be eligible for a voucher, level of assistance provided to each household, etc. Then THA would oversee the administration of these vouchers through an annual reporting and/or audit process.

THA would establish a cycle for requesting proposals for these vouchers. Based on funding availability, no more than 25 special vouchers would be awarded per cycle. Cycles would be established to coincide with the MTW Plan public process and once mid-year, if needed. Both cycles would take approximately 120 days from RFP to award. This timeline allows for advertising, proposal review, public comment and award. The final determination in whether to open a funding round will be determined based on whether sufficient funding is available and whether tenant-based vouchers have been issued since the last project-based/special programs funding cycle.

Proposals would be scored consistent with established THA policies such as deconcentration of poverty, etc. Additional points would be awarded for proposals that target a specific

population consistent with THA's mission and vision. Below is a list of some of the populations that may be targeted:

- Households below 30% AMI
- Households displaced by governmental action or domestic violence
- Households who are working more than 20 hours per week or enrolled in school or training programs
- Specialized housing for Homeless Programs, Chronically Mentally Ill, Persons With Aids, or Teen Parent

All proposals that receive any of these additional points would also need to commit to provide case management services for these households.

Upon implementation of this program, THA would remove the preferences from its tenant based waiting list since this program will allow for those preference groups to be served while receiving case management services.

b. MTW statutory objective

The proposed activity increases housing choice for low income households.

c. Anticipated impacts

By providing vouchers to service partners who are already serving targeted populations THA will be able to leverage the resources already provided by those partners. This will lead to improved tenant success on the voucher program and long-term housing stability.

d. Metrics, baselines, and benchmarks

- ✓ Approximately 150 new public housing tenants tenant based voucher participants are admitted each year.
- ✓ 100% of the households admitted to both programs qualify for preferences.

Below is an outline of this initiative's key metrics, baselines, and benchmarks:

Metric	Baseline*	Benchmark	Benchmark Target Date
Percentage of households with special program vouchers who remain in "good standing" after 1 year of occupancy	61%	85%	12/31/2012

Metric	Baseline*	Benchmark	Benchmark Target Date
Percentage of households with special program vouchers who receive case management services	100%	100%	12/31/2012
Percentage of households with special program vouchers who increase their income	22%	40%	12/31/2013
Percentage of households with special program vouchers who stay in place for 12 months or more	20%	50%	12/31/2013

**note: special program vouchers currently not tracked by THA so families with project based vouchers from Pacific Courtyard and Guadeloupe Vista used as proxy for baselines; these two projects closely mirror the Special Program Voucher projects this activity addresses in that there are services provided by the landlord and needs for these services are required in order to maintain residency.*

Table 19: Activity 11, Metrics, Baselines and Benchmarks

e. Data collection metrics and products

Data will be collected directly from the project partners regarding:

- Case management services
- Tenant good standing
- Change in individual household income
- Length of occupancy by unit for each household

f. Authorization cited

Standard MTW Agreement: Attachment C Section B.2, B.4, D.1,D.2, D.3, and D.4

Activity 11: Simplified Utility Allowances

a. Description of MTW activity

The Housing Authority proposes to simplify and streamline the utility allowance credit given to housing choice voucher and public housing clients. Utility allowances currently vary by building type, bedroom size and type of fuel/energy used. These variables result in numerous possible utility allowance combinations that are difficult to explain to property owners and clients, and often result in frustration when the methodology is misunderstood. In addition, HUD has determined that incorrectly calculated utility allowances are one of the most common rent calculation errors in the country.

The Housing Authority has calculated the average utility allowance currently provided to housing choice voucher and public housing program participants, and revised allowances. The revision will provide each household responsible for tenant supplied utilities with the average allowance based upon the unit bedroom size. Households will receive a greatly simplified explanation of utility allowance benefits and Housing Commission staff will be able to select an allowance based only on unit size instead of determining individual allowances for every unit leased. THA will calculate utility allowances based on the table below. The allowance will be assigned on whether the landlord or the tenant is paying sewer/water. This will be the only table used to calculate utility allowances.

In addition, the Housing Authority will simplify the definition of bedrooms used in the assignment of utility allowances. Currently, utility allowances are assigned to households based on the actual size of the physical unit. Situations exist where households rent a larger unit than assigned in the voucher. **The Housing Authority will simplify the definition to be the lower of the voucher size or physical unit bedrooms when defining bedrooms for the assignment of utility allowances.** This will follow the same definition used for the assignment of payment standards for Section 8 participants.

Below is what the new MTW UA schedule could look like:

Pays Sewer/Water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord	$34	$49	$65	$90	$110	$128
Tenant	$102	$121	$149	$186	$219	$250

Table 20: Utility Allowance Schedule

This activity would be implemented effective July 1, 2011. January-May will be used to make revisions to THA's Administrative Plan and have public meetings regarding the change.

b. MTW statutory objective

This activity will reduce costs and achieve greater cost effectiveness in federal expenditures.

c. Anticipated impacts

THA anticipates this activity will streamline existing rent calculation procedures; significantly reducing administrative time. It will also provide incentives for landlords with newer, more energy efficient units to participate in the voucher program.

d. Metrics, baselines, and benchmarks

- ✓ 3,102 Section 8 households (94%) currently receive a utility allowance
- ✓ 550 Public Housing households (61%) currently receive a utility allowance
- ✓ Staff spend an average of 5 minutes per recertification to determine a utility allowance
- ✓ Although currently not tracked, THA will start to monitor the error rate on determining utility allowances for recertifications. By simplifying the utility allowance structure, it is estimated that there will be very few (no more than 1%) erroneous utility allowances used in recertifications.

Below is an outline of this initiative's key metrics, baselines, and benchmarks.

Metric	Baseline	Benchmark	Benchmark Target Date
Total annual staff time in hours to determine utility allowances in recertifications	333 hours	50% reduction	12/31/2012
Utility allowance calculation error rate as a percentage of annual recertifications	n/a	< 1%	12/31/2012

Table 21: Activity 12, Metrics, Baselines and Benchmarks

Undesirable outcomes may include:

- ✓ A small number of households may see rent increases in excess of $50 as a result of decreases in utility allowances.

e. Data collection metrics and products

An electronic log will be developed to store the data. A report describing the above metrics will be developed and analyzed on an annual basis. Analyzing data on a frequent basis will

assist us in quantifying results and identifying opportunities for continuous improvement in the program

f. Authorization cited

Standard MTW Agreement: Attachment C Sections C.11 and D.2.a.

Hardship Policy: MTW Activities

THA recognizes that instituting minimum rents, changing the total tenant payment percentages in progressive steps, streamlining utility allowances, and eliminating certain deductions (among others) may impact some families to a greater degree than others. In response, the following hardship policy has been developed.

The family, either Work-Able or Elderly/disabled, may request (in writing) a hardship exemption if unable to pay their rent portion. This hardship policy may be changed during the policy revision stage of implementation based on public comments received at that time.

a. Household Preliminary Requirements

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

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

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

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

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

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

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

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

**the 50% shelter burden will be determined using the following formula ((rent + utility allowance)/gross income); rent for shelter burden for Section 8 HHs will be calculated with the gross rent capped at the payment standard*

b. Hardship Policy Review

THA will have up to 20 business days to review the request and make a determination. If the effective date of the increase occurs prior to the completed hardship review, the household would be required to pay the increased rent until the review is completed.

THA will appoint a Hardship Review Committee, made up of senior staff, which will review and make determinations on all hardship requests. Hardship exemptions will be temporary; the maximum time period will be 6 consecutive months and a family may only be approved for one hardship exemption every two calendar years, beginning with the effective date of the hardship reexamination.

During the hardship exemption period, the family's monthly rent portion will be reduced so that their shelter burden equals 50 percent for Work-Able families, or 40 percent for elderly/disabled families OR to zero for zero income families with no utility reimbursement. No rents will be adjusted below zero; so it is conceivable that a family receiving hardship assistance could continue to have a shelter burden greater than the hardship targets.

All work-able families who are approved for the hardship exemption will be transferred to a designated caseworker who will work with them and be the nexus between the families and the resident services to be provided by THA or its affiliates. The purpose of this caseworker will be to assist the families in regaining employment and/or receiving benefits for which they qualify.

At the point the exemption ceases, the family will be responsible to pay their true rent portion or the minimum rent for the household, whichever is higher.

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

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

SECTION VI: ONGOING MTW ACTIVITIES

THA did not undertake any activities in its first year. The first year consisted of activity planning and impact analysis.

SECTION VII: SOURCES AND USES OF FUNDING

A. List of Planned Sources and uses of MTW Funds

THA's Moving to Work plan covers the period January 1 through December 31, 2011. While this plan was under review by HUD, THA received approval to change its Fiscal Year from a June 30 year-end to a December 31 year-end. Since this approval came after the Board approved the current budget, the Planned Sources and Uses for this plan is based on information contained in the budget that runs through June 30, 2011, along with a projection of what is anticipated for the period July 1 – December 31, 2011. As this is the first full year of the plan, and the HAP funding and administrative fee income are not locked in, THA based its income projections on the information received from HUD describing how the amounts will be calculated.

Sources of MTW funds (FY2011)	**Amount**
HCV Housing Assistance Payments	$31,293,000
HCV Administrative fee income	$2,502,000
Public Housing operating subsidy	$2,280,000
Public Housing rental income	$2,813,000
Public Housing non-rental income	$45,000
Public Housing Capital Fund (including RHF funds)	$2,600,000
Interest income	$30,000
Management fee income	$2,569,000
Other revenue sources*	$130,000
MTW reserves	$455,000
Total Sources	*$44,717,000*
Uses of MTW Funds (FY2011 budget)	
HCV Housing Assistance Payments	$30,707,000
Program administration	$8,290,000
Utilities	$630,000
Maintenance	$1,564,000
Resident service activities	$380,000
Public housing rehabilitation (Capital expenditures)	$1,611,000
RHF Bond payments	$200,000
Subsidy payments to Tax Credit properties	$790,000
Insurance	$209,000
Other miscellaneous operations	$336,000
Total Uses	*$44,717,000*

Table 22: Sources and Uses of MTW Funds

*** Note:** Other Revenue Sources includes the following sources:

Other Revenue Source	Amount
Section 8 Port In Admin Fees earned	$ 30,000.00
Section 8 Fraud Recovery	$ 25,000.00
Other Revenue – PH Projects	$ 35,000.00
Interest Income	$ 40,000.00

B. List of Planned Sources and Uses of State or Local Funds

Sources of State/Local Funds	**Amount**
Washington State/City community service funds	$64,000
Tenant Based Rental Assistance (TBRA)	$74,250
Total Sources	*$138,250*
Uses of State/Local funds	
Washington State/City funded community services	$64,000
TBRA HAP	$67,500
TRBA administrative fees	$6,750
Total Uses	*$138,250*

Table 23: Sources and Uses of State/Local Funds

C. Planned Sources and Uses of Program Support Center

As discussed in the Local Asset Management Plan (Appendix-II), the agency is replacing the Central Office Cost Center with a Program Support Center (PSC), which supports each of its three activities - Conventional Affordable Housing (CAH), Tax Credit Management (TC), and Business Activities (BA). Both the CAH and TC support center will be reported on the FDS schedule as part of the MTW demonstration program, while the BA portion will be reported as part of Business Activities on the FDS. Any shortfalls in these centers will be covered by operational surpluses or reserves in the areas they support.

Planned Sources and Uses of Program Support Centers (Previously COCC)	**CAH**	**TC**	**BA**	**Amount**
Sources of Program Support Funds	**Amount**			
Public Housing management fee (includes Mixed Finance & THA properties)	$1,418,000	$370,000	$53,500	$1,841,500
Management support fees	$509,000			$509,000
CFP management fee	$362,000			$362,000
TBRA admin fee			$6,750	$6,750
Investment income - operating			$35,000	$35,000

Planned Sources and Uses of Program Support Centers (Previously COCC)	CAH	TC	BA	Amount
Other income	$14,000		$325,000	$339,000
Total Sources	**$2,303,000**	**$370,000**	**$420,250**	**$3,093,250**
Uses of Program Support funds				
Administrative salaries & benefits	$2,179,000	$265,000	$165,000	$2,609,000
Management fees		$147,000		$147,000
Other administrative expenses	$545,000	$106,000	$57,000	$708,000
Resident services	$124,000	$1,000	$1,000	$126,000
Utilities			$34,000	$34,000
Maintenance/facility expenses	$36,000		$106,000	$142,000
Insurance	$40,000	$5,000	$14,000	$59,000
Total Uses	**$2,924,000**	**$524,000**	**$377,000**	**$3,825,000**

Table 24: Planned Sources and Uses of Program Support Centers

D. Cost Allocation and Fee-for-Service Approach

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

E. Use of Single-fund Flexibility

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

THA will use this single funding source to fund Public Housing operations, the Public Housing Capital Fund and the Housing Choice Voucher programs in order to carry out the mission of the MTW Demonstration Program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 Act.

Below are listed some of the specific ways in which THA plans to exercise the Single-Fund Flexibility:

- THA will make changes to relieve the administrative burden on both the agency and the tenants by creating a more streamlined approach to both the certification process and inspections. THA intends it's processes to be less intrusive on people with elderly/disabled such as the elderly and disabled, and to relieve families from some of the more burdensome requirements of annual certification.

- THA will focus on housing, employment-related services, and other case management activities that will move families towards self sufficiency.

- THA will consider funding and developing a resident training program, through which residents would engage in training activities and take an assessment at the end of each activity. If the resident completes the training and passes each phase, they would then be assigned appropriate functions within the agency based on skills they obtained utilizing MTW funds.

- THA will continue the planning efforts for its Education program. THA will provide Housing Choice Vouchers to households with children who attend a school with an exceptionally high level of turnover to help stabilize the student population. THA believes this approach will help to improve educational out-comes, add stability to the neighborhood, and create a better learning environment for the community as a whole.

- THA will adjust administrative staff as necessary to ensure that activities are in line with the agreement. THA may also make necessary technological enhance-ments that will benefit the organization and the residents.

- THA will analyze its administrative overhead and charge expenses directly to the programs whenever possible. The agency will charge administrative or allocated costs to a newly created Program Support Center for each of its three activity areas as identified in the Local Asset Management Plan, along with a Community Services Central fund to track expenses associated with those functions.

- Even though not specifically identified in the plan, THA will investigate MTW's flexibility in the acquisition, new construction, reconstruction or moderate to substantial rehabilitation of housing. THA will do this in strict accordance with its mission, and the objectives of the MTW demonstration.

As THA will be in the first full year of our Moving to Work plan, the costs associated with changes in rent reform activities will not take effect until July, 2011. THA will monitor the cost effectiveness of changes that the agency implements based on the flexibility achieved in the Moving to Work demonstration. As staff identify cost savings, the agency will be able to more adequately determine funding availability.

SECTION VIII: ADMINISTRATIVE

A. Resolution Signed by Board of Commissioners

B. Description of Planned or Ongoing Agency-Directed Evaluations of the Demonstration

THA is contracting with a third-party evaluator to complete an impact analysis and financial modeling tool for each of the rent reform activities proposed in this plan. The contractor is assisting THA in creating baselines and benchmarks for each activity, evaluating potential effects on different protected classes, developing hardship criteria, and assisting in evaluating the financial impacts on both THA and its participants.

APPENDIX I: PUBLIC HEARING COMMENTS The plan amendment was posted for public review beginning July 19, 2011.. The public hearing for this document was held on August 8, 2011. THA also met independently with the local Legal Services program, Northwest Justice Project on June 30, 2011.

- A THA Board of Commissioners information session on June 3, 2011..

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- Final board approval on August 24, 2011.
- As the MTW PIH Notice 2009-29 required, THA also made copies of the draft plan publicly available for 30 days on its website and at its main office.

Public comments received are included on the following pages.

Source of comment	Date	Comments about rent calculation changes	THA Responses
staff	6/15/11	Will there be a child support deduction code in Visual Homes?	THA will install a child support selection on the software system
Staff	6/29/11	The interim language is confusing with too many exceptions and not fair to those who have less income.	We have made changes to simplify the interim policy and changed the decrease language from $200 to 10% to make it more fair for all households
Staff	6/18/11	How will child support payment deductions be verified?	Only payments through a State or Local agency will be used for deductions.
Staff	6/17/11	If a family only gets 3 interims between recertification's, do they get to choose when they use them?	There will be a box on the change of circumstances form for families to check if they want to use on of their interims if they qualify.
Northwest Justice	6/30/11	For the interim decrease policy, would someone dying in a household make an interim decrease?	A person passing away and being removed from the household will not count against the 3 interim decrease policy
Public Hearings	8/8/11	The new rent calculation method does not benefit residents. It only helps the housing authority	The tiered rent model will allow families to increase their income in the bands and not see an increase until they reach the next band.
Public Hearings	8/8/11	The threshold for the medical deduction is going to harm me. The deduction allows me to afford going to appointments	THA will monitor the effects of this policy on households
Phone call	8/9/11	When will the rent calculation changes take place	MTW Recertification's will take place at your next scheduled annual date in 2012.
Phone call	8/9/11	Will the rent calculation that was in the newsletter be my final rent?	The chart shown in the newsletter was an example
Public Hearing	8/8/11	The elimination of the dependent deduction will not be offset by using the 28.5% of	Some families with large dependent deductions will see

		income	increases in their rent portion. Other families may see decreases
Source of Comment	Date	THA Transfer Policy	THA Response
Public Hearing	8/8/11	It is not fair that THA will not let project based voucher holders transfer after one year. THA is taking away residents right to move.	Families that have a project based voucher receive a safe, decent and sanitary place to live while those on the waitlist continue to wait. By allowing households who already have a housing unit to skip those on the waitlist, unassisted households must wait longer for housing.
Source of Comment	Date	Utility Allowances	THA Response
Public Hearing	8/8/11	Are people going to have to start paying for sewer/water now?	The changes in the utility allowance structure will not affect what utilities you are paying. The changes simplify the way in which the utility allowance is calculated for a household
Public Hearing	8/8/11	How do you figure out the utility allowances	THA uses the following to determine the utility allowances: • Underlying household consumption provided by HUD utility model and adjusted for Seattle-Tacoma weather; using build date of 1996+ • Weighting applied to multi-family and single family data using actual THA structure type breakdowns • Latest Tacoma Public Utilities $/kWh rates applied to underlying consumption data • Latest sewer, water and

			trash collection rates from Tacoma Public Utilities used All tenants paying sewer/water also receive a trash allowance based on 20 gallon can assumption
Public Hearing	8/8/11	THA is benefiting from the utility allowance changes and is pocketing the money	Utility allowances vary from year to year and the numbers are based on average consumption rates and Tacoma Public Utilities $/kWh consumption data
Phone call	8/5/11	Can THA help me pay for my utilities?	THA has always had a utility allowance within the rent calculation and will continue to do so in a simplified manner. THA however does not provide utility assistance and will no longer issue utility reimbursement checks. Metropolitan Development Council and Tacoma Utilities have assistance programs to look into.
Phone calls	8/8/11	Do I have to pay utilities now?	The utilities you pay now will not change. THA has simplified the utility allowance chart.
Source	Date	All other questions and comments	THA Response
Phone call	8/5/11	I am on social security; do I have to get a job now?	The MTW program is meant to encourage work-able populations to seek and maintain employment. The escalating minimum rents will not affect senior/disabled buildings
Phone call	8/7/11	Will Senior/Disabled buildings be underneath Moving to Work	All Senior/Disabled buildings will fall underneath the new rent reform structures
Phone call	8/9/11	I am in a senior building do I have to downgrade to a studio?	No

APPENDIX II: LOCAL ASSET MANAGEMENT PROGRAM

Background and Introduction

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

The plan described herein is consistent with how the agency currently operates. Since 2007, THA has operated using project-based budgeting with on-site administrative and maintenance personnel responsible for the majority of the tasks associated with managing the properties. Where the plan deviates from THA's current methods is in the introduction of a new cost approach. This cost approach eliminates all current allocations and books all indirect revenues and expenses to a Program Support Center and then charges fees to the programs and properties.

Guiding Principles

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

Since then, THA has strived to meet the ever-increasing demands for low-income housing in the Tacoma area. With acceptance into the Moving to Work (MTW) program in 2010, THA took on three additional statutory objectives that further define the Agency's role on both a local and a national scale. THA is required to keep these objectives in mind through the development of each activity related to MTW, including the development of the LAMP. The three statutory objectives are: 1) reduce cost and achieve greater cost effectiveness in Federal expenditures; 2) give incentives to families with children whose heads of household are either working, seeking work, or are

participating in job training, educational or other programs that assist in obtaining employment and becoming economically self sufficient; and 3) increase housing choices for low-income families [Section 204(a) of the 1996 Appropriations Act].

Description of Asset-Based Operations

Overview of Organizational Structure

THA's Real Estate Management and Housing Services (REMHS) Department is responsible for the day-to-day operations of THA's portfolio and the Finance and Administration Department is responsible for strategic planning and compliance. The chart below shows this relationship and the positions responsible for these management functions.

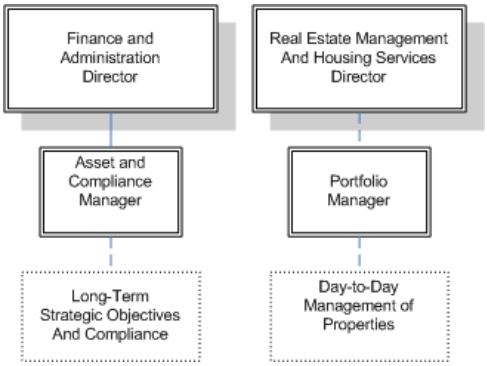

Figure 1: Organizational Structure

Conventional AMP Management at THA

Each AMP consists of one to three properties, which add up to an average of 100 units per AMP. A Portfolio Manager oversees all of THA's managed properties, including Public Housing, Local Fund, and Tax Credit Properties. At each of THA's properties other than the six properties included in the Salishan Tax Credit Portfolio, a Site Manager oversees the management of each AMP. Reporting to the Site Manager are one or two Site Assistants and various maintenance personnel. This structure enables THA to operate each of its AMPs in compliance with HUD's Asset Management model. The chart below shows this structure.

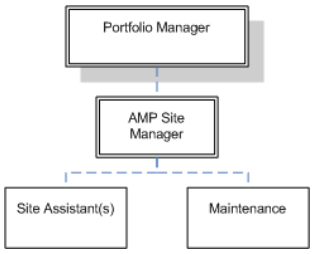

Figure 2: Conventional AMP Management

Salishan Portfolio

STRUCTURE

Salishan is a conglomerate of seven different Tax Credit developments, each consisting of ninety units and all located in a single 188-acre property. When phase seven is complete in early 2011, there will be 630 units in Salishan. One Property Manager oversees the entire Salishan portfolio. Three Site Managers, three assistants and several maintenance personnel report to the Property Manager. Each position has distinct roles that they are responsible for, from purchasing and work orders to compliance and site walks. The accounting specialist position, which traditionally resides at the main office, is located at Salishan to reduce issues in communication and interpretation of Finance policy and procedure. The chart below shows this structure.

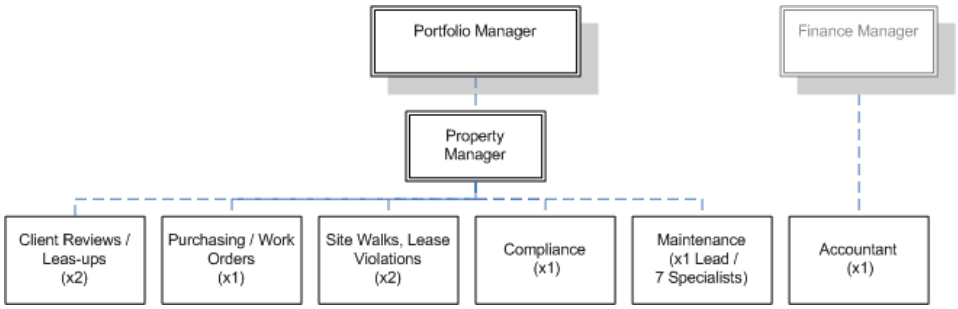

Figure 3: Salishan Portfolio Management Structure

COSTS

Whenever possible, charges will be booked directly to the Tax Credit entities, and will not be recorded in THA's general ledger. As THA manages properties for its Tax Credit partnerships, THA pays for staff and certain expenses directly related to the day to day operations of the Tax credit partnerships. These expenses are entered into THA's general ledger and reimbursed by the partnerships. The end result is that these charges will not show up in THA's financial information. In order to track costs incurred by THA in the management of units owned by the Tax Credit partnerships, these costs are all placed in the Tax Credit Program Support Center, which is described in the Cost Approach section of this plan.

Asset and Compliance Management

While the Property Management Division oversees the day-to-day operations of the properties, THA's Asset Management and Compliance Division oversees the long-term strategic objectives of the properties. Having an Asset Management and Compliance Division enables THA to effectively plan for the future, ensure compliance with Local and HUD regulations, and keep the agency's strategic objectives at the forefront when

making both operational and strategic decisions. Included within the scope of this division are the following responsibilities:

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

Project-Level Reporting

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

Centralized versus Decentralized Maintenance

In accordance with HUD Asset Management guidance, THA instituted a decentralized maintenance program in 2008. Each AMP has two to three maintenance personnel, depending on the size and maintenance requirements of the properties in the AMP.

THA also has two Lead Maintenance Specialists, which are centralized functions. The salaries and benefits for both of these positions are charged to the AMPs as a portion of the Management Support Fee discussed in the Cost Approach section of this plan. The leads are responsible for training the other Maintenance Specialists, assisting the AMPs with unit turns and other high-demand maintenance tasks, and performing maintenance duties that fall outside the scope of the generalists.

In the Salishan portfolio, THA contracted various vendors to turn units. The Lead Maintenance Specialist identifies the work required for each unit turn and contacts the appropriate contractors to perform the work. All other maintenance work is performed by the maintenance crew assigned to the Salishan portfolio.

THA adopted these maintenance practices in order to achieve a cost-effective balance of centralized, decentralized, and contracted maintenance. This hybrid approach shows THA's flexibility in finding the most effective balance of duties based on the needs of a specific AMP.

Acquisition of Goods

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

Acquisition of Services

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

Strategic Asset Planning

THA's Asset Management Committee

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

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

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

Cost Approach

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

THA developed this approach for the following reasons:

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

2. One of the goals of the MTW program is to increase administrative efficiency. By charging these costs out as a fee, it will be easier in the future to identify the administrative efficiencies at the program/project level and the indirect costs that support them. In the area of Community Services, it is the intent of the agency to increase the services offered in order to promote Self Sufficiency during the period of the demonstration program. This process easily allows the agency to see the effect of the demonstration program on the Community Services area by running comparative financial statements.

Activity Areas

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

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

THA decided to separate MTW activities into Conventional Affordable Housing and Tax Credit Management in order to tell how much it costs to manage its Tax Credit Portfolio versus its other affordable housing programs, including Public Housing and Local Fund Properties. THA will consider any other activities as Non-MTW and the revenues and expenses fall under the Business Activity area.

Program Support Center

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

Table 40 at the end of this plan indicates the breakdown of how the admin-istrative cost portion of the PSC will be charged out.

Direct Costs

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

Program Area	Cost Type	Comments
Property Management	Personnel Costs	
	Office Rent	
	Insurance	Includes property and liability insurance directly related to the AMP
	Program Support Fees	Administrative Support Fee, Management Support Fee, Community Services Support Fee
	Administrative Costs	Includes postage, legal, office supplies, training and travel, mileage, professional services, and eviction costs
	Maintenance Costs	Includes materials, maintenance personnel costs, and contracts
	Utilities	
	Security	
	Relocation due to Reasonable Accommodation	
	Collection Loss	
	PILOT	
	Debt Service Payments	
	Audit Costs	
Rental Assistance	Personnel Costs	
	Office Rent	
	Insurance	
	Program Support Fees	Administrative Support Fee, Management Support Fee, Community Services Support Fee

Program Area	Cost Type	Comments
	HAP Expenses	
	Audit Costs	
	Administrative Costs	Includes postage, legal, office supplies, training and travel, mileage, professional services, and eviction costs

Table 25: Direct Costs

Indirect Costs (Program Support Fees)

Any indirect costs incurred by THA in support of its projects and programs will be incurred by the Program Support Center or the Community Services Fund and charged out to the projects and programs in the form of a fee. The three fees are:

- Administrative Support Fee
- Management Support Fee
- Community Services Support Fee

Administrative Support Fee

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

- Executive Department
- Finance and Accounting
- Information Technology
- Purchasing
- Asset Management (not including Compliance)
- Human Resources Department
- Real Estate Management and Housing Services Director
- Real Estate Development Director

There will be two separate rates, one for Rental Assistance programs and one for managed housing units. The fee charged to Rental Assistance will be charged to all Rental Assistance Baseline units (Section 8, FUP, VASH, etc), except for TBRA, and the fee charged to Property Management will be charged to all managed housing units, regardless of occupancy status.

The following chart shows how these fees are derived. Note that THA uses the rates as determined by HUD (Management Fee, Bookkeeping Fee, and Asset Management Fee) to compare the performance of the cost centers to the HUD model.

Administrative Support Fee Components		
Fee	**Rental Assistance**	**Property Management**
HUD-Prescribed Management Fee	$12.00	$44.24
HUD-Prescribed Bookkeeping Fee	$7.50	$7.50
HUD-Prescribed Asset Management Fee	$0.00	$10.00
IT Fee (IT portion of Operating Subsidy)	$0.50	$2.00
Total Fee:	***$20.00***	***$63.74***

Table 26: Administrative Support Fee Components

For THA's tax credit properties, the agency receives management fees per the entity's operating agreement. THA will use any available excess operating subsidy remaining in the Tax Credit AMP (AMPs 7-15) to cover deficits in the Tax Credit PSC.

The chart below shows the fees distributed across the three activity areas.

Administrative Support Fee Support Fee by Project / Program			
Activity Area (Program Type)	**Units Supported**	**Per Unit Fee**	**Total Fee (Monthly)**
CAH (MTW)			
Rental Assistance	3,543	$20.00	$70,860
Property Management	800	$63.74	$50,991
Tax Credit (MTW)			
Tax Credit Portion: Hillside Terrace (by agreement)	62	$30.00	$1,860
Tax Credit Portion: Salishan (by agreement)	540	$42.00	$22,680
AMP Portion (Salishan)	290	$21.74	$6,304
Business Activities (Non-MTW)			
Rental Assistance	191	$20.00	$3,820
Property Management	10	$63.74	$637
		Totals:	**$157,152**

Table 27: Administrative Support Fee by Project / Program

Management Support Fee

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

- Portfolio Manager
- Operations Coordinator
- Compliance Staff
- Leasing Staff

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

Management Support Fee Summary					
Activity Area	**Portfolio Management**	**Operations Coordinator**	**Compliance**	**Leasing**	**Total Fee (Monthly)**
CAH (MTW)	$6,166	$4,443	$5,390	$14,565	$30,563
Tax Credit (MTW)	$2,663	$1,643	$1,994	$5,019	$11,318
Business Activities (Non-MTW)	$88	$164	$200	$0	$452
Totals (PUM):	$8,917	$6,250	$7,583	$19,583,326	$42,333

Table 28: Management Support Fee Summary

Community Services Support Fee

Costs for Community Service activities will be charged against a grant whenever possible. Additionally, it is the intention to provide services to the Affordable Housing clients we serve in both THA's managed units and the HCV Program. THA chose to set up a Community Services Fund to track expenses and to charge the properties a fee rather than insert the costs directly into the activity or project it supports. By doing this, it will force the agency to determine the level of Community Services it will provide to its clients, and help the projects to understand their costs based on the amount of their fee. If the fee charged is not sufficient to cover the anticipated Community services level, then Community Services must either negotiate with the program areas to increase its fees or reduce its level of service.

The Community Services Support Fee has three components: the Elderly/Disabled Program Fee, the Family Investment Center (FIC) Fee, and the Community Service Fee. The Elderly/Disabled Program Fee is a fee charged to all AMPs with elderly and disabled properties based on the number of elderly and disabled units with the AMP. This fee is used to cover the costs of the Elderly/Disabled program that is paid to the AMPs through Operating Subsidy. The FIC Fee is used to support the building costs for all of the Community Services support staff located at the Family Investment Center. The Community Service Fee component covers costs incurred by the Community Services Department that are not paid for by any other grants or funding sources and benefits THA's Affordable Housing clients.

Community Services supports Rental Assistance through FSS and other support functions; however, the support of the Property Management units is more intensive. Thus there will be separate rates for Rental Assistance programs and managed housing units. The fee charged to Rental Assistance will be charged to all Housing Choice Voucher Baseline units, and the fee charged to Property Management will be charged to all managed MTW housing units, regardless of occupancy status

The chart below shows the components of this fee and the amount associated with each and the following chart shows how the fee is distributed across the three activity areas.

Community Services Support Fee Components (Per Unit Month)			
Fee	**Rental Assistance**	**Property Management**	**Comments**
Elderly Disabled Program Fee	$0.00	$15.11	Only applies to Senior/Disabled Properties
Family Investment Center Fee	$6.85	$27.42	Office space for staff located in the Family Investment Center (FIC)
Community Service Fee	$1.25	$5.00	
Total Fee for Eld/Dis Props:	**$8.10**	**$47.53**	
Total Fee for All Other Props/Programs	***$8.10***	***$32.42***	

Table 29: Community Services Support Fee Components

Community Service Support Fee Monthly Fee by Activity Area				
Activity Area	**FIC**	**Elderly Svcs**	**CS Fee**	**Total Fee**
CAH (MTW)	$3,586	$5,333	$7,849	$16,768
Tax Credit (MTW)	$747	$0	$1,635	$2,382
Business Activities (Non-MTW)	$0	$0	$0	$0
Totals (Monthly):	$4,333	$5,333	$9,596	$19,150

Table 30: Community Services Support Fee by Project / Program

Summary

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

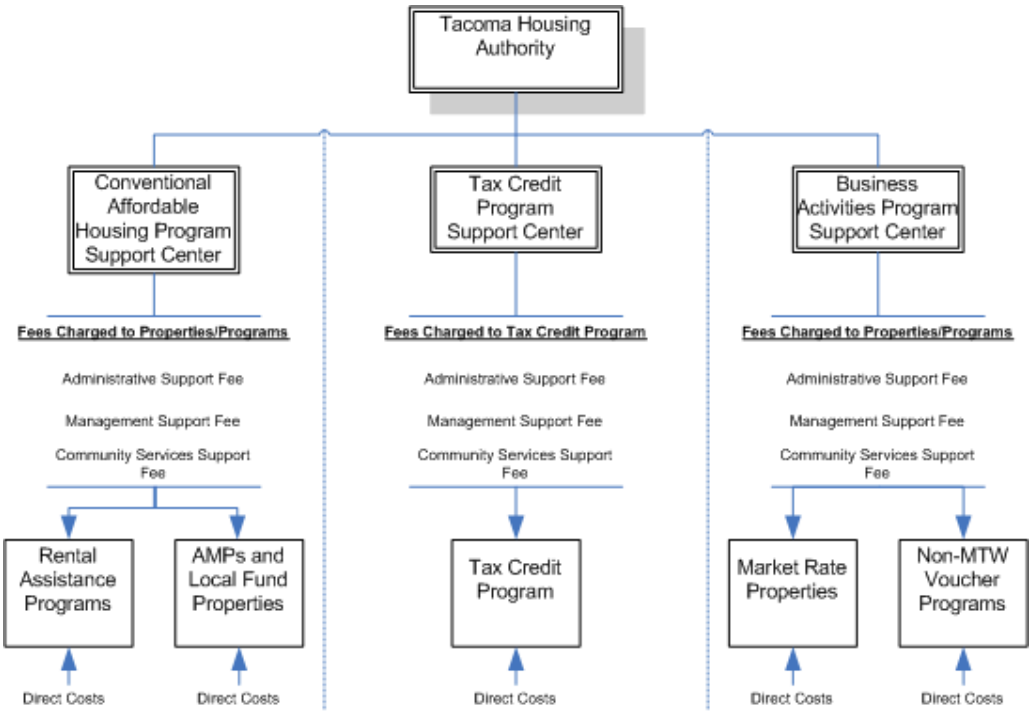

Figure 4: Program Summary Chart

Cost Centers

Property Management

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

Rental Assistance

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

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

Rental Assistance Unit Equivalencies		
CAH (MTW)	**Units Supported**	**Percentage**
Section 8	3543	94.63%
Non-MTW	**Units Supported**	**Percentage**
TBRA	10	0.27%
SRO	81	2.16%
FUP	50	1.34%
VASH	60	1.60%

Table 31: Rental Assistance Unit Equivalencies

Community Services

The revenue earned from all Community Service grants will be recorded in the activity area where it is allowed: any revenue from Federal, State, or Local grants will be recorded in Business Activities (Non-MTW) and all other revenue will be recorded in Conventional Affordable Housing (MTW). Staff positions and direct expenses funded in whole or in part by Federal, State or Local funds will be charged against the specific grant in Business Activities (Non-MTW). Any expenses for the Community Service department that support THA's Affordable Housing mission and are not reimbursed by a funding source will be charged to the Conventional Affordable Housing (MTW) Program Support Center.

Development

THA defines development activities to include modernization of the current portfolio, investigation and design of new affordable and market-rate development opportunities, and administration of the Capital Fund Grant. THA also acts as its own developer in building of affordable housing, and plans on expanding this role in the near future. THA's approach to these activities is to charge any activities related to the current stock of affordable housing or activities funded by the Capital Fund to one of the two MTW activity areas. Any time that THA earns a developer fee as a developer, or performs tasks as either a Public Development Entity (PDE) or a Community Development Authority (CDA), all revenues and expenses will be considered Business Activities (Non-MTW). Based on historic and projected activities, the agency estimates that Development activities make up 10% of the agency support. This figure will be reevaluated annually based on the projects in the pipeline, the funding available to

support the activities, and current staffing levels. No sources or uses are projected for new development activities in this year's plan, but if opportunities arise, THA intends to use its MTW flexibility for development and rehab of affordable housing units.

Other Considerations

Personnel

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

Rent

THA's main office houses the agency's administrative support staff, the Rental Assistance Division and the Real Estate Development Department. All areas not considered administrative support pay rent for the space used in the main office. The amount of rent charged to each area is determined by the number of square feet occupied in the main office. The per square foot charged to each area is determined by adding up all of the costs to operate the main office and dividing by the total occupied square feet. For FY2011, each area will be charged $20.87 per square foot per year to occupy the main office. The following chart gives the breakdown of these charges.

Annual Rent Paid by Program for Main Office Space ($20.87 / Sq Ft)					
Area	**Sq. Ft at Main Office**	**CAH Activity (MTW)**	**Tax Credit Activity (MTW)**	**Business Activity (Non-MTW)**	**TOTALS**
Rental Assistance	4,307	$85,033	$0	$4,854	$89,887
Real Estate Development	2,483	$6,737	$7,255	$37,829	$51,820
Total	***6,790***	***$91,770***	***$7,255***	***$42,683***	***$141,707***

Table 32: Annual Rent Paid by Program for Main Office Space

All rental revenue and the expense to operate the main office reside in the Business Activity (Non-MTW) Program Support Center (PSC). The chart on the next page gives the cost details used to determine rent amounts for FY2011.

Rent Business Activities (Non-MTW) Program Support Center	
Income	**FY2011 Budget**
Rental Income	$141,707.30
Total Income	$141,707.30
Expenses	
Depreciation	$113,295.27
Maintenance Salaries	$25,000.00
Maintenance Benefits	$7,500.00
Maintenance Contracts	$65,000.00
Maintenance Materials	$9,200.00
Other Maint Costs	$10,000.00
Utilities	$33,700.00
Security	$10,000.00
Property Insurance	$2,800.00
Total Expenses	$276,495.27
Net Income (Loss)	($134,787.97)

Table 33: Rental Income and Building Expenses

Since the expenses relate to both the administrative staff that reside within the main office building and the areas identified above that pay rent to the PSC, there will always be a loss in the Business Activities PSC. This loss will be covered by charging it out against the Program Support Centers based on unit allocation. Based on the figures in the Rental Income and Building Expenses chart above, the charge will be figured as follows:

Allocation of Rental Income Deficit	
Total Units (All Rental Assistance and Property Management Programs):	2,280
Total Loss:	$134,788
Rent Charged per Unit Month(Loss/Units):	$4.93

Table 34: Allocation of Rental Income Deficit

Differences – HUD Asset Management vs. THA Local Asset Management

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

1. THA decided not to use the standard Fee for Service as prescribed by HUD. THA's LAMP is much broader and includes local housing and other activities not found in traditional HUD programs. In addition, the fee structure deviation will allow THA to recognize its deficit areas and devise new methods for covering the overhead. Under this new structure, the Program Support Center will earn three separate fees from the programs and properties, a blended Administrative Support Fee, a Management Support Fee, and a Community Services Support Fee. The intention of expanding these fees is to allow the managers of our AMP's , Rental Assistance, and other direct program areas to determine how these areas are doing by looking at the direct costs under their control and easily identify the fees that are inserted into their area for administration or indirect costs. It also allows the agency to determine the profitability of the different support areas and see what changes may be needed in the administration of each of those areas.
2. Under this plan, THA renamed its Central Office Cost Center (COCC) to the Program Support Center (PSC) and split it into the three different activity areas. In addition, the PSC will track the program management salaries that cannot be directly attributed to a specific project or program, and therefore would be allocated, The fees will be received in the PSC where the costs that would have been allocated out reside.
3. HUD's rules limit the transfer of cash flow between projects, programs, and business activities. THA intends to use its MTW resources and regulatory flexibility to move its funds and project cash flow among projects that support affordable housing without limitation and to ensure that agency operations best meet THA's mission and serve the agency's low-income clientele.
4. In determining the units to use for the basis of the fee, THA chose to use total units, regardless of occupancy status. This differs from the HUD Asset Management model where Housing Authorities are only allowed to charge management and bookkeeping fees for occupied units in each AMP. THA chose to deviate from the rule for two reasons: 1) THA believes that charging a fee to an AMP for an unoccupied unit will serve as an incentive to the staff to get the unit leased because the AMP is paying a fee on a unit that is not receiving any revenue; and 2) doing so will allow both the AMPs and the administrative staff to

budget on a known fee amount, along with covering overhead incurred by the agency whether a unit is leased or not.

5. Under the HUD Asset Management Model the COCC financial information is reported as Business Activities. In THA's LAMP, each activity area has its own Program Support Center (PSC), which is the equivalent of the COCC, and the PSC's that support MTW will follow the MTW Demonstration Program and the Business Activities PSC will be reported in the Business Activities column on the FDS.
6. In THA's LAMP, the Local Fund properties that support Affordable Housing fall under the MTW Demonstration Program. However, the financial information related to these properties will continue to be reported under Business Activities on the FDS.

Charts

Unit Equivalencies

All Properties

CAH (MTW)	Units Supported	Percentage
AMP1	160	11.82%
AMP2	152	11.23%
AMP3	144	10.64%
AMP4	104	7.68%
AMP6	34	2.51%
Wedgewood	0	0.00%
Stewart Court	58	4.28%
Salishan 7	90	6.65%
		54.80%

Tax Credit (MTW)	Units Supported	Percentage
Tax Credit Properties	602	44.46%
		44.46%

Non-MTW	Units Supported	Percentage
9 Homes	9	0.66%
North Shirley	1	0.07%
		0.74%
	1,354	**100.00%**

All REMHS Units

CAH (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Section 8	3543	0.25	885.75	38.68%
AMP1	160	1	160	6.99%
AMP2	152	1	152	6.64%
AMP3	144	1	144	6.29%
AMP4	104	1	104	4.54%
AMP6	34	1	34	1.48%
Wedgewood	0	1	0	0.00%
Stewart Court	58	1	58	2.53%
Salishan 7	90	1	90	3.93%
				71.08%

Tax Credit (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Tax Credit Properties	602	1	602	26.29%
				26.29%

Non-MTW	Units Supported	Unit Factor	Factored Units	Percentage
TBRA	10	0.25	2.5	0.11%
SRO	81	0.25	20.25	0.88%
FUP	50	0.25	12.5	0.55%
VASH	60	0.25	15	0.66%
9 Homes	9	1	9	0.39%
North Shirley	1	1	1	0.04%
				2.63%
			2,290	**100.00%**

All REMHS Units (w/o Counting S8 Tax Credit Units Twice)

CAH (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Section 8	3543	0.15	531	36.57%
AMP1	160	1	160	11.02%
AMP2	152	1	152	10.47%
AMP3	144	1	144	9.92%
AMP4	104	1	104	7.16%
AMP6	34	1	34	2.34%
Wedgewood	0	1	0	0.00%
Stewart Court	0	1	0	0.00%
Salishan 7	0	1	0	0.00%
				77.48%

Tax Credit (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Tax Credit Properties	327	1	327	22.52%
				22.52%
			1,452	**100.00%**

Table 35: Unit Equivalency Charts

Program Support Center Allocation Detail

Program Support Center Unit Equivalencies					
Cost Center	**Funding Source**	**CAH (MTW) Unit Equiv.**	**Tax Credit (MTW) Unit Equiv.**	**Business Activities (Non-MTW) Unit Equiv.**	**Total Units**
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SC0002			10	10
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,543			3,543
	HUD FSS Grant	N/A			0
	TBRA			10	10
	FUP Vouchers			50	50
	VASH Vouchers			60	60
Property Management: Local Fund Units	N Shirley			1	1
	Alaska 9 Homes			9	9
	Local Fund - Stewart Court	58			58
	Wedgewood - 50 Units managed UMS*			X	0
	Salishan 7	90			90
Property Management: Public Housing AMPs	AMP 1 - K.G & M	160			160
	AMP 2 - 6th Wright, Fawcett	152			152
	AMP 3, Dixon, BT, Lawrence	144			144
	AMP 4, Old HT	104			104
	AMP 6 - Scattered Sites	34			34
Property Management: Tax Credit Partnerships	Hillside Terrace		21		21
	Hillside Terrace 2		25		25
	Hillside Terrace 1500 Blk		16		16
	Salishan 1		90		90
	Salishan 2		90		90
	Salishan 3		90		90
	Salishan 4		90		90
	Salishan 5		90		90
	Salishan 6		90		90
	Total Units	***4,285***	***602***	***211***	***5,098***
Development	THA as Developer - 30%			170	170
	Salishan Area 3 For Sale Lots - 5%			28	28
	Development Opportunities - Affordable Housing - 12.5%	71			71
	Development Opportunities - Market/Community - 12.5%			71	71
	CFP Grants -40%	226			226
	Unit Equivalents	*297*	*0*	*269*	*566*
	Total Units/Unit Equivalents - 10% of Units	***4,582***	***602***	***480***	***5,664***
Program Support Center Equivalencies (% of All Units)		***80.90%***	***10.63%***	***8.47%***	***100%***

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

Table 36: Program Support Center Allocation Detail

APPENDIX III: CAPITAL FUND DOCUMENTS