



Moving to Work

# 2014 Annual Plan



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

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# Seattle Housing Authority

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# I. Introduction

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

## What is "Moving to Work"?

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

Fiscal year 2014 will be Seattle Housing Authority's sixteenth year as a MTW agency. Each year the agency adopts a plan that describes activities planned for the following fiscal year. At the end of the year, we prepare a report describing our accomplishments.

## Stakeholder involvement

As part of developing the MTW Plan and annual budget, Seattle Housing Authority provides opportunities for public review and comment. The public comment period began on August 30, 2013 and ended September 30, 2013. The agency published articles in The Voice (a monthly newspaper for Seattle Housing Authority residents) to notify residents of the public hearing and the availability of draft documents, as well as a notice on rent statements, flyers in Seattle Housing Authority buildings, and a letter sent out to more than 100 resident leaders. The agency also informed the general public about the plan and budget through our website ([seattlehousing.org](http://seattlehousing.org)) and an ad in the Seattle/King County newspaper of record, the Daily Journal of Commerce.

All comments were taken into consideration before the agency finalized the plan.

**Public hearing:** A public hearing was held on September 16, 2013 at 3:00 at the Central Office at 190 Queen Anne Ave N. The agency presented the draft plan and annual budget and received public testimony. Eleven residents attended and three presented testimony.

**Resident leaders:** The Joint Policy Advisory Committee (JPAC), made up of residents who advise Seattle Housing Authority on various issues, discussed plan activities and the budget at their September meeting. Seattle Housing Authority staff also attended a meeting of the Resident Action Council (RAC) at the Council's request, to present the 2014 budget and MTW plan.

**Seattle Senior Housing Program (SSHP) Review Committee:** At the September meeting of the SSHP Review Committee, Seattle Housing Authority staff provided an overview of the draft 2014 budget for the SSHP program.

**Additional public comment:** Seattle Housing also accepted one comment in writing and two comments by phone during the comment period.

## What is in this plan?

The 2014 Annual Plan complies with a format required by HUD that is outlined in the 2008 Amended and Restated MTW Agreement between HUD and Seattle Housing Authority, and where possible begins the transition to new requirements set forth by HUD in June 2013. For this year's plan, the new guidance is optional. As a result, this document combines elements from both sets of requirements.

*Section I: Introduction* provides an overview of the layout of the document and Seattle Housing Authority's short-term and long-term MTW goals.

*Section II: General Housing Authority Operating Information* provides an overview of the agency's housing portfolio, leasing rates, and waiting list information.

*Section III: Proposed MTW Activities* describes the new MTW activities that the agency plans to pursue in 2014, including evaluation criteria and waiver citations that provide the agency with the authority to undertake the new activities.

*Section IV: Ongoing MTW Activities* provides information on previously approved uses of MTW authority.

*Section V: Sources and Uses of Funding* describes the agency's projected revenues and expenditures for 2013, local asset management program, and use of MTW Block Grant fungibility.

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

## MTW Goals and Objectives

Seattle Housing Authority's primary goals for new and existing MTW strategies in 2014 align with the primary goals of the MTW program: promoting cost effectiveness, housing choice, and self sufficiency. Seattle Housing Authority's new proposed strategies for 2014 include:

- An inter-agency domestic violence transfer agreement that will help households experiencing domestic violence to move to a new location in order to maintain their housing, safety, and connection to services
- A streamlined approach to income documentation that will allow Seattle Housing Authority to simplify requirements across programs and align with the requirements of other funders
- A pilot initiative to increase housing choice by providing financial assistance for security deposits and similar moving costs for voucher households seeking access to improved housing opportunities
- The ability to disregard one-time or short-term emergency assistance from other sources to prevent households from losing their housing in determining eligibility and rent contribution

All proposed new MTW activities are described in greater detail in Section III.

## Long-Term MTW Goals

Seattle Housing Authority continues to contemplate rent reform and will be engaging in a series of analyses and discussions with our community, Board, and staff to explore our approach. Seattle Housing Authority may submit an amendment to the 2014 MTW Plan to propose new MTW rent reform activities in future months.

## II. General Housing Authority Operating Information

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

### Mission statement

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

### Agency overview

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

Nearly 10,000 Seattle Housing Authority residents are children. More than 5,000 Seattle Housing Authority residents are elderly and an additional 5,000 are non-elderly disabled adults. The majority (86 percent) of households have annual incomes below 30 percent of the area median income.

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

Funding for Seattle Housing Authority's activities comes from a variety of sources, including HUD's MTW Block Grant, which the agency can use for a variety of activities in support of the agency's mission, special purpose HUD funds that can only be used for specific purposes, other government grants, tenant rents, and revenue from other activities.

### Housing stock information: units funded with the MTW Block Grant

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

### Public housing units

**The Low Income Public Housing program (also referred to as public housing or LIPH) is projected to include 6,295 units as of the beginning of 2014**, including high-rises (large apartment buildings), scattered sites (small apartment buildings or single family housing), and communities at NewHolly, Rainier Vista, High Point, Lake City Court, and Yesler Terrace. HUD's MTW Block Grant provides funding to help contribute to costs exceeding rental income. Households typically pay 30 percent of their adjusted monthly income for rent and utilities.

A total of 120 of these units are leased to service providers who use the units to provide transitional housing or services to residents. An additional forty units receiving public housing subsidy through Seattle Housing Authority are owned and operated by nonprofits as traditional public housing.



Nearly 900 of these units are in the Seattle Senior Housing Program (SSHP). These communities provide affordable housing to senior households and non-elderly disabled participants.

### Projected changes in public housing stock

Seattle Housing Authority does not anticipate adding new public housing units in 2014. The agency may seek HUD approval for demolition and/or disposition of the following during the year, including dispositions outlined in prior year plans:

- Up to 150 units at Yesler Terrace for Choice Neighborhoods redevelopment and subsequent disposition of the vacant land
- Approximately two acres of land at Yesler Terrace for a new public park
- If not complete in 2013, four scattered site public housing units as previously approved for the first phase of Seattle Housing Authority's asset repositioning strategy
- Up to 200 public housing units in our scattered site and partnership housing as part of a second phase of asset repositioning
- One building at Holly Court, currently leased to a non-profit service provider for homeless family housing

Planned Public Housing Units to be Removed During the Fiscal Year		
PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
WA001000001 Yesler Terrace	150	Yesler Terrace redevelopment
WA001000056 Scattered Sites	4	Phase 1 of scattered sites asset repositioning
WA001000050-57 Scattered Sites	200	Phase 2 of scattered sites asset repositioning
WA001000041 Holly Court	31	Lease to a non-profit service provider for homeless family housing
<b>Total Number of Units to be Removed</b>	<b>385</b>	

### Major capital activities

No capital activities planned for 2014 will use 30 percent or more of the agency's capital budget through the MTW Block Grant, which is HUD's current definition of a major capital project. Within the context of dwindling federal funding, addressing repairs and improvements remains a challenge for Seattle Housing Authority and public housing authorities nationwide. However, Seattle Housing Authority is planning to implement smaller-scale capital projects, including elevator repairs within Seattle Senior Housing Program (SSHP) buildings, fuel source conversion for the heating system at Jefferson Terrace, siding and window replacement at Pinehurst Court, and assorted projects to repair and replace windows, roofs, siding, floors, appliances, fences, and mailboxes.

Seattle Housing Authority is also planning substantial rehabilitation and expansion at Leschi House. Beginning in 2013 and continuing into 2014, Seattle Housing Authority will construct 35 additional units. Planned work on the project includes installation of a new waterproof facade, a new elevator, and expanded laundry facilities. The building will be built to the Evergreen Sustainable Development Standard and incorporate funding from the City, State Housing Trust Fund, and Low-Income Housing Tax Credit investors.

## **MTW Housing Choice Vouchers**

The Housing Choice Voucher program (also referred to as the voucher program, HCV, and Section 8) is a public/private partnership that provides housing subsidies through vouchers to low-income families for use in the private rental housing market. **At the beginning of 2014, Seattle Housing Authority will administer a projected 9,134 authorized vouchers funded through HUD's MTW Block Grant.**

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

- Tenant-based (tenants can take their voucher into the private rental market)
- Project-based (the subsidy stays with the unit)
- Program-based (Seattle Housing Authority uses MTW flexibility to provide unit-based subsidies that float within a group of units or properties)
- Provider-based (Seattle Housing Authority uses MTW flexibility to provide subsidy to service providers to master lease units, who then sublet to participants in need of highly-supportive housing)

## **Project-based Vouchers**

**Seattle Housing Authority anticipates awarding more than 200 new project-based vouchers in 2014.** These new project-based vouchers will support Yesler Terrace redevelopment and homeless housing projects funded through the King County Combined Funders initiative.

Vouchers project-based at Leschi House will serve an additional 35 units. Seattle Housing Authority will begin the occupied rehabilitation of Leschi House in 2013 and in 2014 complete the construction of a new wing, which will add much needed new units for seniors in this popular location, as well as solving long-standing building envelope problems.

See the table on the following page for more information on planned project-based vouchers.



New Housing Choice Vouchers to be Project-Based During the Fiscal Year		
Property Name	Anticipated Number of New Vouchers to be Project-Based *	Description of Project
Leschi House	35	Project-based vouchers will be located in newly constructed units at Leschi House, doubling capacity at this popular location serving low-income seniors
The Baldwin Apartments	15	Yesler Terrace replacement
1105 Fir Street	83	Yesler Terrace replacement
Homeless housing	103	Homeless housing projects funded through the King County Combined Funders NOFA
Anticipated Total New Vouchers to be Project-Based	236	Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year 3,372 Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year 3,136
*New refers to tenant-based vouchers that are being project-based for the first time. The count should only include agreements in which a HAP agreement will be in place by the end of the year.		

## Other HUD-funded housing

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

### Special Purpose Vouchers

At the beginning of 2014 Seattle Housing Authority will administer an authorized 570 non-MTW vouchers provided by HUD for special purposes, including 295 Veterans Affairs Supportive Housing vouchers, 200 Family Unification Program vouchers, and 75 mainstream vouchers. These vouchers are often awarded competitively and funding is provided outside of the MTW Block Grant. This number fluctuates over time, not only due to new vouchers, but also because the agency is able to move certain types of vouchers into the MTW Block Grant after the first year.

These projections of authorized vouchers do not include Yesler tenant protection vouchers that have not yet been awarded.

### Moderate Rehab

The agency administers HUD Section 8 Moderate Rehab funding for 759 units operated by partner nonprofits serving extremely low-income individuals. Over 600 of these units are designated for homeless individuals.

## Section 8 New Construction

Seattle Housing operates 130 units of locally owned units that receive Section 8 New Construction funding and serve people with extremely low-incomes.

## Local housing

Local housing programs are operated outside of HUD's MTW Block Grant. They receive no operating subsidy except project-based vouchers in selected properties. In a small number of cases, MTW Block Grant funds are used for capital improvements in local housing properties serving low-income residents (as discussed further in Section IV, MTW Activity 20.A.01). In such cases, the residents are counted as local, non-traditional households.

Seattle Housing Authority operates more than 1,700 units of local housing in properties throughout Seattle, including low- and moderate-income rental housing in the agency's redeveloped communities (NewHolly, Rainier Vista, and High Point) and three SSHP buildings.

## Leasing information

In 2014, Seattle Housing Authority anticipates continued strong rates of leasing for both public housing and vouchers. The following tables represent projected utilization for vouchers and occupancy for Seattle Housing Authority-operated housing.

Projected Leasing in 2014		
	Total Units/Vouchers* (Year End 2014)	Projected Utilization* (Year End 2014)
MTW Public Housing Units**	5,998	5,889
Local (Non-MTW) Housing***	1,842	1,783
MTW Vouchers	9,134	8,650
Non-MTW (VASH)	295	293
Non-MTW (FUP)	200	192
Non-MTW (Mainstream)	75	75

\* Yesler tenant protection and replacement vouchers are not included in projections for authorized and utilized vouchers, because they have not yet been awarded.

\*\* Includes MTW non-dwelling units.

\*\*\* Local (Non-MTW) Housing is not equivalent to local, non-traditional assistance as defined by HUD in the next table. Seattle Housing Authority uses the term "Local housing" to refer to units outside of the traditional public housing portfolio such as, for example, three SSHP buildings and low and moderate units in redeveloped HOPE VI communities.

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

MTW Households to be Served Through:	Planned Number of Households to be Served*	Planned Number of Unit Months Occupied/Leased***
Federal MTW Public Housing Units to be Leased	5,889	70,665
Federal MTW Voucher (HCV) Units to be Utilized	8,522	102,264
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs **	288	2,112
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs ****	55	210
<b>Total Households Projected to be Served</b>	<b>14754</b>	<b>175251</b>

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

\*\* Does not include households served through the medical respite program at Jefferson Terrace.

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

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

We do not anticipate leasing difficulties for public housing units. Federal MTW voucher utilization will be lower due to low utilization of tenant protection vouchers in 2011-2012; their conversion to MTW decreases overall utilization rates. The issuance of new vouchers has also been slowed by staff turnover and leasing has required more time due to a very tight local rental market.

## Waiting list information

Seattle Housing's waiting list strategies vary to match the needs of different properties and housing programs. Applicants may be, and often are, on multiple waiting lists at the same time.

## Housing Choice Vouchers

The agency maintains a single tenant-based waiting list, which has been closed since the 2013 lottery and projected to remain closed during 2014. Project-based voucher properties operate their own site-specific waiting lists.

As of the beginning of 2014 Seattle Housing Authority anticipates 2,000 households will be on the HCV tenant-based waiting list that was established in 2013. We plan to contact applicants at a projected rate of 70 per month throughout 2014.

## Seattle Housing Authority-operated housing

Site-specific waiting lists are offered for all of Seattle Housing Authority's affordable housing properties. The larger HOPE VI communities (NewHolly, High Point, Lake City Court, and Rainier Vista) operate waiting lists on-site. All other site-specific waiting lists are maintained centrally, by program, to maximize efficiencies and housing choice. Most waiting lists are updated on an ongoing basis through the use of Save My Spot, a system that allows applicants to check in monthly by phone or computer to indicate their continued interest in housing opportunities with the agency.

## Anticipated waiting list changes

Seattle Housing Authority anticipates that community need for public housing and vouchers will remain high in 2014. Most public housing waiting lists will remain open, while the waiting list for HCV vouchers will remain closed. The following table shows the projected number of households on waiting lists for public housing units and vouchers as of the beginning of 2014. Seattle Housing Authority does not maintain waiting lists for local non-traditional programs or other types of waiting lists and the agency does not currently envision organizational or policy changes to waiting lists.

Wait List Information Projected for the Beginning of the Fiscal Year				
Housing Program(s) *	Wait List Type**	Number of Households on Wait List	Wait List Open, Partially Open or Closed***	Are There Plans to Open the Wait List During the Fiscal Year
MTW Public Housing	Site-Based at HOPE VI sites; Community-Wide for traditional public housing communities	9,371	Partially Open	Yes (partially)
MTW Housing Choice Vouchers	Community-Wide	2,000	Closed	No
<p>* <i>Select Housing Program</i> : Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.</p> <p>** <i>Select Wait List Types</i> : Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).</p> <p>*** For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.</p> <div> <p>The public housing waiting list is open for all public housing units at High Point, Rainier Vista, and traditional public housing communities, as well as 4 and 5 bedroom units at NewHolly. The waiting list is closed for Lake City Court. SHA plans to open the list for 3 bedroom units at NewHolly and 2, 3, and 4 bedroom units at Lake City Court in 2014.</p> </div> <p>If Local, Non-Traditional Housing Program, please describe:</p> <p>N/A</p> <p>If Other Wait List Type, please describe:</p> <p>N/A</p> <p>If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.</p> <p>N/A</p>				

### III. Proposed MTW Activities: HUD approval requested

This section provides information detailing proposed new uses of MTW authority, including evaluation criteria and specific waivers to be used.

#### New proposed MTW activities

##### Streamlined income verification

Seattle Housing Authority is proposing this activity in order to increase consistency in requirements regarding the length of time income verification documents are considered valid in the income review process. Seattle Housing Authority may adopt tax credit rules, or the rules of other major funders, regarding the timeline for income verification for both the public housing and voucher programs. This will help Seattle Housing Authority reduce confusion and staff time spent investigating discrepancies by funding source in the standard for the length of time the agency will consider documentation to be valid.

<b>MTW Activity #10.A.01</b>	<b>Streamlined Income Verification:</b> Seattle Housing Authority may adopt tax credit rules or the rules of other major funders regarding the length of time income verification documents are considered valid for income review processes.			
<b>Targeted MTW statutory objective</b>	Cost Effectiveness			
<b>Anticipated Impact</b>	This initiative, combined with other previously-approved rent reforms, will increase cost effectiveness by reducing staff time spent reconciling and responding to questions regarding the different requirements regarding the length of time income documentation will be considered valid.			
<b>Schedule</b>	Implementation will begin in 2014, following HUD approval.			
	<b>Metric</b>	<b>Baseline 2009</b>	<b>Benchmark</b>	<b>Final Projected Outcome</b>
	CE1: Total cost of reviews	\$814,099 in wage costs attributable to preparing and conducting certifications	\$885,546 in wage costs attributable to preparing and conducting certifications	\$885,546 in wage costs annually, adjusted for future wage rates and changes in units/vouchers

<b>Outcome Measures</b>	CE2: Total amount of staff time spent on reviews	34,552 staff hours	37,361 staff hours (Seattle Housing Authority anticipates that local rent policy efficiencies will offset the additional time required by increased public housing and vouchers since 2009.)	37,361 staff hours annually, adjusted for future wage rates and changes in units/vouchers
	Staff time savings from local rent policy	0	1,100 hours saved from local rent policy strategies	1,100 staff hours saved annually
<b>Data sources</b>	<ul style="list-style-type: none"> <li>▪ Seattle Housing Authority conducted a 2013 time study to determine the amount of staff time spent on public housing annual and interim recertifications and a 2011 time study for the HCV program.</li> <li>▪ SHA began implementing rent reforms in 2001. However, meaningful data from that time period is unavailable. We use 2009 as the baseline year for this activity because data is available and because this year precedes the most recent round of rent policy strategies that have a measurable impact on staff hours, including implementation of triennial recertifications in the HCV program.</li> <li>▪ Costs reported in this category reflect only staff wages attributable to conducting certifications that impact rent or income and do not include benefits, taxes, or costs for resources such as postage and paper. Total wages are calculated by multiplying median wage rates for the staff positions times the amount of time per certification times the number of certifications. This methodology is used rather than total wages because many staff are engaged in a number of activities not related to certifications, such as processing work orders.</li> <li>▪ It should be noted that the methodology for metrics CE1 and CE2 are prescribed by HUD and do not allow for a meaningful understanding of the impacts of these MTW activities. Many factors change over time that are not attributable to MTW activities, such as the number of households served, wage rates, regulatory and administrative requirements (such as income verification rules or tracking of HUD's Community Service and Self-Sufficiency Requirement). Even since 2009, Seattle Housing Authority has increased the number of public housing and voucher units by 1,633. This will result in an increase in total staff time and costs. Using HUD's methodology it will appear that the MTW activities are actually making certifications take longer, but this is not the case. Therefore, Seattle Housing Authority utilizes additional metrics to more accurately reflect the impact of the activity.</li> </ul>			



<b>Authorizations Cited</b>	MTW Agreement: Attachment C (C)(4); (D)(1)(c); (D)(3)(b)
<b>Hardship Policy</b>	Not applicable. This policy has no impact on households' financial contribution or eligibility.
<b>Impact Analysis</b>	This policy will have no financial impact for participants or for Seattle Housing Authority.

## Interagency Domestic Violence Transfer Program

In collaboration with other MTW agencies and designated local domestic violence agency partners, Seattle Housing Authority intends to implement an inter-jurisdictional transfer program to assist residents and program participants who become victims of domestic violence. The program will ensure continued access to stable and safe housing for households that need to move to another jurisdiction and will assist clients who need to move out of Seattle Housing Authority's jurisdiction as well as those moving into the local area from a MTW partner agency. Seattle Housing Authority will allocate up to \$2,000 per household from its single fund budget to provide relocation assistance when current participants referred by the domestic violence agency need to relocate into the jurisdiction of an MTW partner agency. Seattle Housing Authority will also provide up to 5 vouchers annually to assist current federally subsidized clients referred into Seattle Housing Authority's jurisdiction by another participating MTW agency.

Current households living in public housing or with an HCV voucher administered by Seattle Housing Authority are eligible to apply for participation. However, all households must be referred through the designated domestic violence agency responsible for ensuring that the client meets eligibility guidelines and for providing advocacy and assistance in determining relocation venues. All transferring clients will be assigned to a local domestic violence agency who will work with the client in their new location –assisting the family in integrating into their new community and providing local access to services and advocacy programs designed to keep the household safe.

<b>MTW Activity #18.A.01</b>	<b>Interagency Domestic Violence Transfer Program:</b> In collaboration with partnering MTW agencies and domestic violence service providers, Seattle Housing Authority will join an inter-jurisdictional transfer program to assist residents and program participants who become victims of domestic violence. The program will ensure continued access to stable and safe housing for households that need to move to another jurisdiction.
<b>Targeted MTW statutory objective</b>	Housing choice
<b>Anticipated Impact</b>	This initiative will increase housing choice by providing housing and services in different communities for participants that need to leave their current jurisdiction in order to maintain secure safe, stable housing out of the reach of their abuser.
<b>Schedule</b>	Implementation may begin in 2014, following HUD approval and depending on when requests from participants are received. The pace and number of transfers completed will depend on participant requests.

	<b>Metric</b>	<b>Baseline (2013)</b>	<b>Benchmark</b>	<b>Final Projected Outcome</b>
<b>Outcome Measures</b>	HC1: Number of new housing units for domestic violence survivors made available for households at or below 80% AMI through the interagency domestic violence transfer program	0	0-5 households annually	0-5 households per year
	HC5: Number of households able to move to a better unit and/or neighborhood opportunity	0	0-5 households annually	0-5 households per year
	HC7: Number of households receiving services aimed to increase housing choice through SHA's short term assistance programs	0 households	0-50 households annually (combined for 18.A.01, 18.A.02, 18.H.01)	0-50 households per year (combined for 18.A.01, 18.A.02, 18.H.01)
<b>Data sources</b>	Seattle Housing Authority maintains data on transferring and newly admitted households. Domestic violence service providers will provide information about households' receipt of services.			
<b>Authorizations Cited</b>	MTW Agreement: Attachment C (B)(1). Seattle Housing Authority will use its single fund budget authority.			

### Emergency Assistance for Housing Stability

Participants in Seattle Housing Authority's voucher and public housing programs may encounter financial or personal crises that result in a sudden loss of income or onset of expenses. Emergency assistance can be essential so that households can pay their bills and avoid losing their housing and becoming homeless. Seattle Housing Authority therefore proposes that it may disregard emergency assistance provided by other sources when determining eligibility and calculating rent portions for our applicants and participants. These resources are typically not given directly to the family, but are paid by the agency directly to the source, such as a housing provider to prevent eviction or to a utility provider to prevent a shutoff. Such assistance is typically one-time-only

or short-term and is not a regular or predictable source of income. This activity supports stable housing by preventing families from becoming or re-entering homelessness.

<b>MTW Activity #18.A.02</b>	<b>Emergency Assistance for Housing Stability:</b> Seattle Housing Authority may disregard one-time or short-term emergency assistance from other sources to prevent households from losing their housing in determining eligibility and rent contribution.			
<b>Targeted MTW statutory objective</b>	Housing choice			
<b>Anticipated Impact</b>	This initiative will prevent loss of subsidized housing and displacement by allowing Seattle Housing Authority to disregard one-time or short-term emergency assistance that enables participants to pay their bills and avoid eviction and homelessness.			
<b>Schedule</b>	Implementation will begin in 2014, following HUD approval.			
<b>Outcome Measures</b>	<b>Metric</b>	<b>Baseline (2013)</b>	<b>Benchmark</b>	<b>Final Projected Outcome</b>
	HC4: Number of households at or below 80% AMI that would lose assistance or need to move without access to emergency assistance funds.	0 (the potential pool of households is 598 emergency assistance recipients, however, because households were not previously reporting the assistance to SHA, no action was taken and their ability to access the funds was not impeded)	0	0
	HC7: Number of households receiving services aimed to increase housing choice through short term assistance programs	0	0-50 households annually (combined for 18.A.01, 18.A.02, 18.H.01)	0-50 households per year (combined for 18.A.01, 18.A.02, 18.H.01)
<b>Data sources</b>	As Seattle Housing Authority is proposing to disregard this type of emergency assistance, we will not maintain future records beyond routine income documentation. The baseline figure of 598 emergency assistance recipients is an estimate based on a report from the Washington State Department of Commerce on the prevalence of emergency housing stability assistance to working age adults in public housing in King County. We plan to have actual figures to replace this baseline estimate in our 2014 report.			

<b>Authorizations Cited</b>	MTW Agreement: Attachment C (C)(4); (D)(1)(c); (D)(3)(b). Seattle Housing Authority will use its flexibility in eligibility determination and re-examination processes to disregard one-time or short-term emergency assistance in determining eligibility and rent portion for public housing residents and voucher holders.
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## Housing Choice Moving Cost Assistance

Security deposits and other moving costs can create a barrier for Housing Choice Voucher participants seeking to access improved housing opportunities. Seattle Housing Authority will develop a moving cost assistance program to assist voucher holders in this situation. We plan to implement a pilot in 2014 with an initial allocation of \$10,000 to be used as a fund for security deposits or similar move-related costs. Selection criteria for the assistance will be developed in light of Seattle Housing Authority's strategic plan priorities. This assistance will likely take the form of a loan, with a possible repayment term of two years and /or loan forgiveness if the household meets certain goals related to the purpose of their move. To be eligible, tenants will likely have to complete Ready to Rent, a rental preparedness course currently offered at Seattle Housing Authority.

While Seattle Housing Authority recognizes that many components of the moving cost assistance pilot program could be provided without use of MTW authority, the potential inclusion of elements such as loan forgiveness in return for households achieving goals related to mobility makes it advisable to propose this pilot as a new MTW strategy as program details are finalized. In future reports, Seattle Housing Authority will describe the final set of pilot components and criteria that are decided upon and will make note of the fact if no MTW authorizations are in fact required.

<b>MTW Activity #19.H.02</b>	<b>Housing Choice Moving Cost Assistance:</b> Seattle Housing Authority will develop an assistance fund for security deposits and similar costs for voucher participants.			
<b>Targeted MTW statutory objective</b>	Housing choice			
<b>Anticipated Impact</b>	This initiative will increase housing choice by providing financial assistance for security deposits and similar moving costs for households for whom these costs create a barrier to accessing improved housing opportunities.			
<b>Schedule</b>	Implementation may begin in 2014, following HUD approval and depending on when requests from participants are received.			
<b>Outcome Measures</b>	<b>Metric</b>	<b>Baseline (2013)</b>	<b>Benchmark</b>	<b>Final Projected Outcome</b>
	HC5: Number of households able to move to a better unit and/or neighborhood of opportunity	0	5	5 households per year access assistance and move to improved opportunity areas

<b>Data sources</b>	Seattle Housing Authority uses opportunity mapping analysis to identify opportunity areas within the City of Seattle and will maintain records on households' addresses and participation in this program.
<b>Authorizations Cited</b>	MTW Agreement: Attachment C (B)(1). Seattle Housing Authority will use its single fund budget authority.

## IV. Approved MTW Activities: HUD approval previously granted

This section provides HUD-required information detailing previously HUD-approved uses of MTW authority.

### Background

Seattle Housing Authority has made an effort to include all previously approved MTW activities. Any exclusion is unintentional and should be considered continuously approved. If additional previously approved activities are discovered, we will add them to subsequent plans or reports.

### MTW activities

MTW activities are overarching areas of reform that Seattle Housing Authority is pursuing, such as rent reform and the local project-based voucher program, often with multiple different strategies to reach our goals. The agency obtained approval from HUD for these activities through previous Annual Plans and other means prior to execution of the Amended and Restated MTW Agreement. During that time, MTW agencies were not required to specify policy elements or waivers being used to implement the activity. For the purpose of evaluating the impact and success of these activities, the agency has made an effort to break down the specific elements of the initiative into different strategies.

Seattle Housing has developed 20 MTW activities, which are:

1. Development Simplification
2. Family Self-Sufficiency Program
3. Inspection Protocol
4. Investment Policies
5. Local Leases
6. MTW Block Grant and Fungibility (*no longer reported as an MTW activity*)
7. Procurement (*no longer reported as an MTW activity*)
8. Special Purpose Housing
9. Project-based Program
10. Rent Policy Reform
11. Resource Conservation
12. Waiting Lists, Preferences, and Admission
13. Homeownership and Graduation from Subsidy
14. Related Nonprofits
15. Combined Program Management



16. Local Asset Management Program
17. Performance Standards
18. Short-term Rental Assistance
19. Portability
20. Local Non-Traditional Affordable Housing

In the following pages, we provide a list of ongoing MTW activities that have been previously approved, with an update on any changes anticipated for 2014.

To reflect the guidance recently issued by HUD in the revised Form 50900, activities are organized in separate sections based on whether they are active, not yet implemented, or closed out.

The agency is not using outside evaluators for any of the following ongoing activities.

## **Implemented MTW Activities**

### **MTW Activity #1 – Development Simplification**

#### **Status**

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

#### **Description**

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

#### **2014 Updates**

Seattle Housing Authority is planning a second phase of the scattered sites repositioning strategy, which would include the disposition of up to approximately 200 scattered site units, in addition to the four remaining units that were part of phase one if not complete in 2013. We will also dispose of up to 150 units and land at Yesler Terrace as part of Choice Neighborhoods redevelopment. Seattle Housing Authority may also seek approval for disposition of one building at Holly Court, currently under lease to a non-profit service provider for homeless family housing.

Seattle Housing Authority plans to implement existing MTW Activity 1.P.03 to develop local Total Development Cost (TDC) limits for 2014. HUD's TDC standards, last updated in 2011, no longer correspond with the Seattle market, where the construction industry has experienced strong local growth and escalating costs. Seattle Housing Authority will submit the proposed methodology for local TDC limits to HUD for approval before beginning Phase 2A of Yesler redevelopment in 2014.

## Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

### Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Public Housing Strategies					
1.P.01	Design guidelines: Seattle Housing Authority may establish reasonable, modest design guidelines, unit size guidelines and unit amenity guidelines for development and redevelopment activities.	1999 MTW Agreement	Has not yet been needed	Inactive	None
1.P.02	Streamlined public housing acquisitions: Acquire properties for public housing without prior HUD approval, provided that HUD site selection criteria are met.	1999 MTW Agreement	2004	Active	None
1.P.03	Total Development Cost limits: Replace HUD's Total Development Cost limits with reasonable limits that reflect the local market place for quality construction.	1999 MTW Plan	2014	Active	See preceding 2014 Update
1.P.04	Streamlined mixed-finance closings: Utilize a streamlined process for mixed-finance closings	2000 MTW Plan	2005	Active	None
1.P.05	Streamlined public housing demo/dispo process: Utilize a streamlined demolition/disposition protocol negotiated with the Special Applications Center for various public housing dispositions	2000 MTW Plan	2004	Active	None

## MTW Activity #3 - Inspection Protocol

### Status

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

### Description

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

## 2014 Updates

Seattle Housing Authority has previously established a cost benefit approach to inspections that includes interchangeable use of UPCS and HQS (3.A.03), as well as allowing Seattle Housing Authority staff to conduct inspections at Seattle Housing Authority-owned properties rather than a third party (3.H.01). Seattle Housing Authority would like to clarify that this cost benefit approach may include the use of UPCS rather than HQS for new move-in inspections for tenant-based vouchers in Seattle Housing Authority-owned properties and self-certification if the units passed its last inspection. This will protect housing quality while improving efficiencies in staff time and training, as property management staff are more familiar with UPCS and the UPCS inspection protocol is rigorous and HUD-approved.

## Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

## Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Agency-wide Strategies					
3.A.01	Private sector cost benefit and risk management approaches to inspections such as avoiding duplicative inspections by using other recent inspections for agencies such as the Washington State Housing Finance Commission	1999 MTW Plan	Has not been implemented	Inactive	None
3.A.03 (formerly 3.H.03, 3.P.01)	Reduced frequency of inspections: Cost-benefit approach to housing inspections allows Seattle Housing to establish local inspection protocol, including interchangeable use of HQS/UPCS	1999 MTW Plan	2003	Active	See preceding narrative
Voucher Strategies					
3.H.01	Inspect Seattle Housing Authority-owned properties: Allows Seattle Housing Authority staff, rather than a third party entity, to complete HQS inspection of Seattle Housing Authority owned properties.	2000 MTW Plan	2001	Active	See preceding 2014 Update
3.H.02	Fines for no-shows at inspections: Impose fines on the landlord or participant for failing to be present at scheduled inspections.	2005 MTW Plan	Has not been implemented	Inactive	None
3.H.04	Self-certification for minor fails: Self-certification by landlords of correction of minor failed inspection items.	2010 MTW Plan	2010	Inactive	None

## MTW Activity #4 – Investment Policies

### Status

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

### Description

Seattle Housing Authority's MTW investment policies give the agency greater freedom to pursue additional opportunities to build revenue by making investments allowable under Washington State's investment policies in addition to HUD's investment policies. Each year, Seattle Housing Authority staff assess potential investments and make a decision about whether this MTW flexibility will be needed.

### 2014 Updates

We anticipate no changes in this activity.

### Changes in Authorization, Metrics, Baselines, or Metrics

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

### Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Agency-wide Strategies					
4.A.01	Investment policies: Seattle Housing Authority may replace HUD investment policies with Washington State investment policies.	1999 MTW Plan	1999	Active	None

## MTW Activity #5 – Local Leases

### Status

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

### Description

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

### 2014 Updates

We anticipate no changes in this activity.

## Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

### Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
<b>Agency-wide Strategies</b>					
5.A.01	Self-sufficiency requirement: All households receiving subsidy from Seattle Housing Authority (public housing or voucher) in HOPE VI communities must participate in self-sufficiency activities.	1999 MTW Plan	1999	Active	None
<b>Public Housing Strategies</b>					
5.P.01	Local lease: Seattle Housing Authority may implement its own lease, incorporating industry best practices.	2001 MTW Plan	2011	Active	None
5.P.02	Grievance procedures: Modify grievance policies to require tenants to remedy lease violations and be up to date in their rent payments before granting a grievance hearing for proposed tenancy terminations.	2008 MTW Plan	Has not been implemented	Inactive	None
5.P.03	Lease term for public housing units with Tax Credit overlay: Allow leases of less than one year.	2009 MTW Plan	2009	Active	None
5.P.04	Property-specific pet policies: Seattle Housing Authority may establish pet policies, which may include the continuation or establishment of pet-free communities or limits on the types of pets allowed, on a building by building basis.	2011 MTW Plan	2011	Active	None

## MTW Activity #8 – Special Purpose Housing Use

### Status

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

### Description

Seattle Housing Authority utilizes public housing units to provide special purpose housing and to improve quality of services or features for targeted populations and other residents. In partnership with agencies that provide social services, Seattle Housing Authority is able to make affordable housing available to households that would not likely be admitted in traditional public housing units. With this program Seattle Housing Authority and partner agencies use residential units for service-enriched transitional/short-term housing, for office space for community activities and service delivery, and for management uses tied to MTW goals. The ability to designate public housing units for specific purposes and populations facilitates this work, including allowing units to target populations with specific service and housing needs, and specific purposes such as pet-free housing.

### 2014 Updates

Seattle Housing Authority plans to transition six special purpose housing units at Jefferson Terrace to residential use, as the supportive service agency is relocating to a different Seattle Housing Authority property.

### Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

### Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Agency-wide Strategies					
8.A.01	Conditional housing: Housing program for those who do not currently quite meet Seattle Housing Authority's minimum LIPH qualifications	8.A.01	Has not been implemented	Inactive	None
8.A.02	Program-specific waiting lists: Operate separate waiting lists (or no waiting list) for specific programs such as service enriched units.	2000 MTW Plan	Prior to MTW participation	Inactive	None
8.A.03	Service enriched housing: With the help of key partners, Seattle Housing Authority may develop supportive housing communities.	2001 MTW Plan	Has not been implemented	Inactive	None



Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Public Housing Strategies					
8.P.01	Agency units for housing and related supportive services: Make residential units available for service-enriched housing by partner agencies.	1999 MTW Agreement	Prior to MTW participation	Active	None
8.P.02	Agency units for services: Make residential units available as office space for community activities, management use, and partner agencies providing services in and around the community.	1999 MTW Agreement	Prior to MTW participation	Active	None
8.P.03	Designate LIPH units for specific purposes/ populations: Seattle Housing Authority may designate properties/units for specific purposes such as elderly or smoke-free.	2000 MTW Plan	2011	Active	None
8.P.04	Definition of elderly: Change definition of elderly for HUD-designated elderly preference public housing from 62 to 55.	2008 MTW Plan	Has not been implemented	Inactive	None
8.P.05	Pet-free environments: Establish pet-free environments in connection with selected service enriched housing.	2009 MTW Plan	Has not been implemented	Inactive	None

## MTW Activity #9 - Project-based Program

### Status

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

### Description

Seattle Housing Authority uses MTW to develop and implement a local project-based program, providing vouchers to subsidize units in Seattle Housing Authority-owned and non-profit-owned properties throughout Seattle. Seattle Housing Authority's project-based activities include a large number of MTW strategies to reduce costs, make project-based programs financially feasible for owners, and to provide housing choice in the City. The project-based program promotes housing choice through strategies such as offering site-specific waiting lists maintained by providers (and, therefore, does not issue exit vouchers), expanding the definition of eligible unit types, allowing more project-based units per development and overall, admitting certain types of felons, allocating vouchers to programs and providers (not just units), allowing payment standards that promote services and the

financial viability of projects, and coupling housing assistance with services by working with partners. The project-based program reduces Seattle Housing Authority's costs through strategies allowing project-based staff to self-certify selected inspections and maintain their own waiting list, reducing the frequency of inspections by Seattle Housing Authority staff, streamlining admissions, and non-competitively allocating subsidies to Seattle Housing Authority units. Project-based program strategies also make contract terms consistent with requirements for other leveraged funding sources.

## 2014 Updates

We anticipate no changes in this activity.

## Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

## Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modification, or Additions to Authorizations
Voucher Strategies					
9.H.01	Cost-benefit inspection approach: Cost-benefit approach to housing inspections allows Seattle Housing Authority to establish local inspection protocol.	1999 MTW Plan	2004	Active	None
9.H.02	Assets in rent calculation: Only calculate income on assets declared as valuing \$5,000 or more.	2000 MTW Plan	2005	Inactive (superseded by \$50,000 threshold in 10.H.12)	None
9.H.03	Choice offered at beginning (no exit vouchers): Housing choice is offered at the beginning of the project-based admissions process (by nature of site-specific waiting lists); exit vouchers are not offered.	2000 MTW Plan	2000	Active	None
9.H.04	Contract term: Project-based commitments renewable up to 40 years.	2000 MTW Plan	2000	Active	None
9.H.05	Eligible unit types: Modify the types of housing accepted under a project-based contract - allows shared housing and transitional housing.	2000 MTW Plan	2002	Active	None
9.H.06	HAP contracts: Modify the HAP contract to ensure consistency with MTW changes and add tenancy addendum.	2000 MTW Plan	2000	Active	None

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modification, or Additions to Authorizations
9.H.07	Non-competitive allocation of assistance: Allocate project-based subsidy non-competitively to Seattle Housing Authority controlled units.	2000 MTW Plan	2000	Active	None
9.H.08	Owners may conduct new and turnover inspections: Seattle Housing Authority may allow project-based owners to conduct their own new construction/rehab inspections and to complete unit turnover inspections	2000 MTW Plan	2005	Active	None
9.H.09	Percent of vouchers that may be project-based: Raise the percentage of vouchers that may be project-based above HUD limits.	2000 MTW Plan	2000	Active	None
9.H.10	Unit cap per development: Waives the 25% cap on the number of units that can be project-based in a multi-family building without supportive services or elderly/disabled designation.	2000 MTW Plan	2008	Active	None
9.H.11	Rent cap-30% of income: Project-based participants can not pay more than 30% of their adjusted income for rent and utilities.	2000 MTW Plan	2000	Inactive	None
9.H.12	Streamlined admissions: Streamline applications process for project-based HCV units.	2000 MTW Plan	2000	Active	None
9.H.13	Competitive allocation process: Commit vouchers to the City's competitive process for housing funding.	2004 MTW Plan	2005	Active	None
9.H.14	Payment standards for Seattle Housing Authority units: Allows higher than Voucher Payment Standard for Seattle Housing Authority-operated project-based units if needed to support the project budget (while still taking into account rent reasonableness).	2004 MTW Plan	2004	Active	None

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modification, or Additions to Authorizations
9.H.15	Subsidy cap in replacement units: Cap subsidy at levels affordable to households at 30% AMI in project-based HOPE VI replacement units where Seattle Housing Authority also contributed capital to write-down the unit's affordability to that level.	2004 MTW Plan	2004	Active	None
9.H.16	Admissions-admit felons under certain conditions: Allows for the admission into Project-based Voucher units of Class B and Class C felons subject to time-limited sex offender registration requirements who do not, in the opinion of the owner of the subsidized units, constitute a threat to others.	2005 MTW Plan	2005	Active	None
9.H.17	Program-based vouchers: Allocate floating voucher subsidy to a defined group of units or properties.	2003 MTW Plan	2004	Active	None
9.H.18	Provider-based vouchers: Provide vouchers to selected agencies to couple with intensive supportive services. The agency master leases units and subleases to tenants.	2007 MTW Plan	2007	Active	None
9.H.19	Streamlined admissions and recertifications: Seattle Housing Authority may streamline admissions and recertification processes for provider-based and project-based programs.	2009 MTW Plan	Not yet implemented	Inactive	None
9.H.20	Partners maintain own waiting lists: Allow partners to maintain waiting lists for partner-owned and/or operated units/vouchers and use own eligibility and suitability criteria.	2000 MTW Plan	2000	Active	None
9.H.21 (formerly 9.H.20)	COPES housing assistance payment calculations: Count as zero income for residents who are living in project-based units at assisted living properties where Medicaid payments are made on their behalf through the COPES system	2012 MTW Plan	Prior to MTW participation	Active	None

## **MTW Activity #10 – Local Rent Policy**

### **Status**

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

### **Description**

Seattle Housing Authority's rent policy program tackles a number of objectives, including increasing housing choice by increasing flexibility in calculations determining the eligibility of units and payment standards. Rent policies also promote cost effectiveness and self sufficiency through a minimum rent and asset income threshold and through streamlined rent review processes.

### **2014 Updates**

In order to maximize efficiencies in scheduling through our previously implemented triennial re-certification policy (10.H.10, 10.P.03), Seattle Housing Authority would like to clarify that individual households' re-certifications may occur within a period of up to 40 months, as needed to streamline scheduling.

The previously approved MTW Activity #10.P.20: Simplified Utility Allowance for HOPE VI communities has been partially implemented. While Seattle Housing Authority has decided not to pursue the simplified calculation of the Utility Allowance, Seattle Housing Authority now applies changes in utility assistance at households' next regularly scheduled annual review or update.

Seattle Housing Authority plans to update previously approved MTW Activity #10.H.02: Rent Cap – Use Gross Income to clarify that voucher holders may use up to 40 percent of their gross income rather than 30 percent of their adjusted income in Seattle Housing Authority's calculation of allowable rent burden. The purpose of this change is to make Seattle Housing Authority consistent in policies for approval of leasing units and determination of rent burden. Without this clarification, the policies are contradictory given that Seattle Housing Authority will approve a household to lease a unit at 40 percent of gross income but consider a household rent burdened above 30 percent. With this update Seattle Housing Authority will use the 40 percent cap for approval of leases and determination of rent burden.

Seattle Housing Authority continues to contemplate rent reform and will be engaging in a series of analyses and discussions with our community, Board, and staff to develop our approach. Seattle Housing Authority may submit an amendment to the 2014 MTW Plan to propose new MTW rent reform activities in future months.

### **Changes in Authorization, Metrics, Baselines, or Benchmarks**

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

## Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Voucher Strategies					
10.H.01	Rent burden-include exempt income: Exempt income included for purposes of determining affordability of a unit in relation to 40% of household income.	2000 MTW Plan	2005	Active	None
10.H.02	Rent cap-use gross income: Rent burden calculated on 40% of Gross Income, up from HUD's standard 30% of Adjusted Income.	2000 MTW Plan	2005	Active	See preceding 2014 Update
10.H.03	Rent Reasonableness at Seattle Housing Authority owned units: Allows Seattle Housing Authority staff to perform Rent Reasonable determination for Seattle Housing Authority owned units.	2000 MTW Plan	2000	Active	None
10.H.04	Payment standard: Seattle Housing Authority may develop local voucher payment standards.	2002 MTW Plan	2002	Active	None
10.H.05	Absolute minimum rent: The minimum rent for all residents will be established annually by Seattle Housing Authority. No rent will be reduced below the minimum rent amount by a utility allowance.	2003 MTW Plan	Has not been implemented	Inactive	None
10.H.06	Payment standard-SROs: Seattle Housing Authority may use the studio payment standard for SRO units.	2003 MTW Plan	2003	Active	None
10.H.07	Tenant-based self-sufficiency incentives: Rent policies to foster self-sufficiency among employable households, including income disregards proportional to payroll tax; allowances for employment-related expenses; intensive employment services coupled with time limits; locally-defined hardship waivers.	2005 MTW Plan	Has not been implemented	Inactive	None
10.H.08	Imputed income from TANF: Impute TANF income if household appears eligible and has not documented ineligibility. TANF not counted toward income if family is sanctioned.	2006 MTW Plan	Has not been implemented	Inactive	None

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
10.H.09	Rent reasonableness streamlining: Allows Seattle Housing Authority to streamline rent reasonable determinations.	2006 MTW Plan	Has not been implemented	Inactive	None
10.H.10	Rent reviews for entirely elderly/disabled adult households every three years: Rent reviews conducted for households with 100 percent elderly and/or disabled adults only every three years.	2009 MTW Plan	2010	Active	See preceding 2014 Update
10.H.11	Recategorized as 13.H.02. See Activity #13.				
10.H.12	Asset income threshold: Seattle Housing Authority will establish a threshold for calculating asset income to an amount up to \$50,000.	2010 MTW Plan	2010	Active	None
10.H.13	Streamlined medical deduction: Seattle Housing Authority will provide medical deductions based on a standardized schedule.	2010 MTW Plan	Has not been implemented	Inactive	None
10.H.14	Simplified utility allowance schedule: HCV participants' rent will be adjusted for a Utility Estimate based on the number of bedrooms (defined as the lower of voucher size or actual unit size) and tenant responsibility for payment of energy, heat, and sewer/water under their lease, with a proration for energy-efficient units.	2011 MTW Plan	2011	Active	None
Public Housing Strategies					
10.P.01	Absolute minimum tenant payment: Tenants pay a minimum rent (\$50 or more) even if rent calculation and/or utility allowance would normally result in a lower rental payment or even reimbursement.	2000 MTW Plan	2001	Active	None
10.P.02	Earned Income Disregard: HUD's Earned income Disregard is not offered to public housing residents.	2000 MTW Plan	2001	Active	None

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
10.P.03	Every third year rent reviews for entirely elderly/disabled adult households: Rent reviews conducted for households with 100 percent elderly and/or disabled adults only every three years.	2001 MTW Plan	2004	Active	See preceding 2014 Update
10.P.04	Rent freezes: Voluntary rent policy freezes rent in two year intervals.	2000 MTW Plan	2000	Inactive	None
10.P.05	TANF rent calculation: Calculate TANF participant rent on 25% of gross income.	2000 MTW Plan	2000	Inactive	None
10.P.06	Tenant Trust Accounts: A portion of working public housing residents' income may be deposited in an escrow account for use toward self-sufficiency purposes.	2000 MTW Plan	2001	Inactive	None
10.P.07	Ceiling rent 2 year time limit: When a tenant's calculated rent reaches the ceiling rent for their unit, the rent will not be increased beyond the rent ceiling for 24 months. After that time, the tenant's rent is calculated as 30% of adjusted gross income.	2000 MTW Plan	2001	Inactive	None
10.P.08	Impute income from public benefits: Seattle Housing Authority may impute income in rent calculation for tenants declaring no income who appear eligible for but decline to collect benefits from the State's Employment Security or Department of Social and Health Services (such as Unemployment or TANF).	2000 Annual Plan	2001	Active	None
10.P.09	Partners develop separate rent policies: Allow partner providers and HOPE VI communities to develop separate rent policies that are in line with program goals and/or to streamline.	2005 MTW Plan	Has not been implemented	Inactive	None
10.P.10	Studio vs. 1 bedroom: Differentiate rents for studios vs. 1 bedroom units.	2005 MTW Plan	Has not been implemented	Inactive	None



Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
10.P.11	Utility allowance-self-sufficiency and resource conservation: Change utility allowance where metering permits to encourage self-sufficiency and resource conservation.	2005 MTW Plan	Has not been implemented	Inactive	None
10.P.12	Utility allowance-schedule: Seattle Housing Authority may change utility allowances on a schedule different for current residents and new move-ins.	2008 MTW Plan	2008	Active	None
10.P.13	Streamlined for fixed income: Further streamline rent policy and certification process for fixed income households.	2009 MTW Plan	Has not been implemented	Inactive	None
10.P.14	Streamlined rent policy for partnership units: Allow non-profit partners operating public housing units to implement simplified rent policies.	2009 MTW Plan	Has not been implemented	Inactive	None
10.P.15	Utility allowance-frequency of utility allowance updates: Seattle Housing Authority may revise the schedule for reviewing and updating utility allowances due to fluctuations in utility rates to no more than annually.	2009 MTW Plan	2010	Active	None
10.P.16	Utility allowance-local benchmark: Seattle Housing Authority may develop new benchmarks for "a reasonable use of utilities by an energy conservative household" - the standard by which utility allowance are calculated.	2009 MTW Plan	Has not been implemented	Inactive	None
10.P.17	SSHP rent policy: Rents in SSHP units receiving public housing subsidy will be one of four flat rents based on the tenant's percentage of Area Median Income (Under 20 percent, 20-29 percent, 30-39 percent, or 40 percent or over).	2011 MTW Plan	2011	Active	None
10.P.18	No HUD-defined flat rents: Seattle Housing Authority does not offer tenants the choice of "flat rents" as required of non-MTW agencies.	2000 MTW Plan	2001	Active	None

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
10.P.19 (formerly 10.P.17)	Asset income threshold: Seattle Housing Authority will increase the threshold for including asset income in rent contribution calculations to an amount up to \$50,000	2012 MTW Plan	2012	Active	None
10.P.20	Simplified Utility Allowance for HOPE VI communities: Changes in HOPE VI utility assistance will be applied at the household's next regularly scheduled annual review or update.	2013 MTW Plan	2013	Active	See preceding 2014 Update

## MTW Activity #11 – Resource Conservation

### Status

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

### Description

Seattle Housing Authority's resource conservation strategies take advantage of the agency's existing relationships with the City of Seattle and local utility providers, which continuously identify opportunities to increase resource conservation and reduce costs, rather than conducting a HUD-prescribed energy audit every five years.

Conservation strategies have already achieved significant energy and cost savings to the agency, including conversion to more efficient toilets and electrical upgrades.

### 2014 Updates

We anticipate no changes in this activity.

### Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

## Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Public Housing Strategies					
11.P.01	Energy protocol: Employ a cost-benefit approach for resource conservation in lieu of HUD-required energy audits every five years.	2000 MTW Plan	2000	Active	None

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

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

### Description

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

### 2014 Updates

We anticipate no changes in this activity.

### Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

## Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Agency-wide Strategies					
12.A.01	Local preferences: Seattle Housing Authority may establish local preferences for federal housing programs.	2002 MTW Plan	2002	Not currently needed	None
Voucher Strategies					
12.H.01	Recategorized as 9.H.20. See Activity #9.				
12.H.02	Voucher distribution through service provider agencies: Up to 30% of Seattle Housing Authority's tenant-based vouchers may be made available to local nonprofits, transitional housing providers, and divisions of local government that provide direct services for use by their clients without regard to their client's position on Seattle Housing Authority's waiting list.	2000 MTW Plan	2002	Active	None
12.H.03	Special issuance vouchers: Establish a "special issuance" category of vouchers to address circumstances where timely issuance of vouchers can prevent homelessness or rent burden.	2003 MTW Plan	2003	Active	None
12.H.04	Admit applicants owing Seattle Housing Authority money: Provide voucher assistance to households owing Seattle Housing Authority money from prior tenancy under specific circumstances, for example if they enter into a repayment agreement.	2008 MTW Plan	2008	MTW authority no longer required	None
12.H.05	Limit eligibility for applicants in subsidized housing: Implement limits or conditions for tenants living in subsidized housing to participate in the HCV program. For example, before issuing a Public Housing resident a Voucher, they must fulfill the initial term of their public housing lease.	2008 MTW Plan	2011	Active	None

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
12.H.06	Streamlined eligibility verification: Streamline eligibility verification standards and processes, including allowing income verifications to be valid for up to 180 days.	2009 MTW Plan	2013	Active	None
Public Housing Strategies					
12.P.01	Site-based waiting lists: Applicants can choose from several site-specific and/or next available waiting lists.	1999 MTW Plan	1999	Not currently needed	None
12.P.02	Partners maintain own waiting lists: Allow partners to maintain waiting lists for partner-owned and/or operated units (traditional LIPH units; service provider units, etc.) and use own eligibility and suitability criteria.	2000 MTW Plan	2000	Active	None
12.P.03	Expedited waiting list: Allow applicants referred by selected partners (primarily transitional housing providers) to receive expedited processing and receive the "next available unit."	2004 MTW Plan	2004	Active	None
12.P.04	No waiting list: Allows for filling units without a waiting list.	2008 MTW Plan	Has not been implemented	Inactive	None
12.P.05	Eligibility criteria: Unique eligibility criteria for specific units or properties, such as service enriched units.	2008 MTW Plan	Has not been implemented (except for the agency units governed by 8.P.01)	Inactive	None
12.P.06	Seattle Senior Housing Program (SSHP) Waiting List Policy: Seattle Housing Authority will not distinguish between senior and non-senior disabled households in filling vacancies in the SSHP portfolio based on bedroom size. The SSHP program will maintain a 90 percent senior, 10 percent non-senior disabled ratio at the AMP level.	2013 MTW Plan	2013	Active	None

## MTW Activity #13 – Homeownership and Graduation from Subsidy

### Status

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

### Description

Seattle Housing Authority provides support for the multiple ways that households can successfully move away from housing subsidy – not only through homeownership, but also through unsubsidized rentals in the private market. These strategies include a savings match pilot program, as well as End of Participation clocks for households whose income has increased to the point where they no longer require substantial subsidy.

### 2014 Updates

We anticipate no changes in this activity.

### Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

### Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Agency-wide Strategies					
13.A.01	Down payment assistance: Allocate MTW Block Grant funds to offer a local down payment assistance program.	2004 MTW Plan	2004	Inactive	None
13.A.02	Savings match incentive: Seattle Housing Authority will implement a new program that will match savings for qualifying public housing and HCV households leaving subsidized housing for homeownership or unsubsidized rental units.	2012 MTW Plan	2013	Active	None
Voucher Strategies					
13.H.01	Monthly mortgage assistance: Seattle Housing Authority may develop a homeownership program that includes a monthly mortgage subsidy.	2008 MTW Plan	Has not been implemented	Inactive	None
13.H.02	180-day EOP clock: The 180-day End of Participation “clock” due to income will start when a family’s Housing Assistance Payment (HAP) reaches \$50 or less.	2010 MTW Plan	2010	Active	None

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Public Housing Strategies					
13.P.01	End of Participation for higher income households in mixed-income communities: In mixed-income communities, Seattle Housing Authority will remove subsidy when household income exceeds the established limit for six months.	2012 MTW Plan	Has not been implemented	Under development	None

## MTW Activity #15 – Combined Program Management

### Status

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

### Description

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

### 2014 Updates

Seattle Housing Authority's data systems of record - Elite (the information system for Seattle Housing Authority's voucher program) and Yardi (the system in place for public housing) - differ in their treatment of rounding up/rounding down numbers in the rent calculation for the tenant's 50058. Seattle Housing Authority is updating existing MTW Activity 15.A.01 to clarify that the agency will accept these slight differences (generally less than \$1) in the calculation of Total Tenant Payment (TTP) for SLIHP units when differences are caused by the information systems' divergent approaches to rounding.

### Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

## Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Agency-wide Strategies					
15.A.01	Combined program management: Combined program management for project-based vouchers and public housing in communities operating both subsidy types.	2008 MTW Plan	2008	Active	None

## MTW Activity #17 – Performance Standards

### Status

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

### Description

Seattle Housing Authority has used alternative performance measurements since becoming a MTW agency in 1999. Because MTW agencies are allowed to try out new strategies that fall outside of regular HUD activities, some of the standard measures that HUD uses to measure housing authorities' accomplishments may not apply to MTW agencies. Seattle Housing Authority continues to collaborate with other housing authorities to develop HUD-approved measures for MTW agencies that can serve as alternatives to systems such as HUD's Public Housing Assessment System (PHAS).

### 2014 Updates

Seattle Housing Authority will continue to work collaboratively with other MTW agencies to develop an evaluation system that would, among other purposes, serve as an alternative to PHAS.

### Changes in Authorization, Metrics, Baselines, or Benchmarks

No changes anticipated.



## Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Agency-wide Strategies					
17.A.01	Local performance standards in lieu of HUD measures: Develop locally relevant performance standards and benchmarks to evaluate the agency performance in lieu of HUD's Public Housing Assessment System (PHAS).	1999 MTW Plan	1999	Active	None

## MTW Activity #20: Use of Funds for Local Non-Traditional Affordable Housing

### Status

Active - First included in the 2013 MTW Annual Plan and first implemented with HUD's definition of local non-traditional activities in 2011.

### Description

Seattle Housing Authority may use MTW Block Grant funds to support affordable housing outside of the traditional public housing and voucher programs. This activity includes both short and long term funding for development, capital improvement, and maintenance of affordable housing units. It may also provide financial maintenance, such as the contribution of funds to meet an established Debt Coverage Ratio, required for continued operation of the affordable units. Seattle Housing Authority follows applicable requirements regarding local non-traditional use of MTW funds.

### 2014 Updates

No changes are anticipated.

### Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

## Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Agency-wide Strategies					
20.A.01	Use of Funds for Local Non-Traditional Affordable Housing: Seattle Housing Authority may use Block Grant funds to develop, capially improve, and maintain and operate affordable housing outside of the traditional public housing and voucher programs.	2013 MTW Plan	2011	Active	None

## Not Yet Implemented MTW Activities

### MTW Activity #2 – Family Self-Sufficiency Program

#### Status

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

#### Description

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

#### 2014 Updates

Historically, Seattle Housing Authority has delayed implementation of FSS MTW strategies due to language in FSS NOFAs that did not allow agencies to exercise MTW authority while continuing to receive FSS funding. That language has become less restrictive in recent NOFAs for the HCV FSS program, but continues to present a barrier for the public housing FSS program.

Seattle Housing Authority may want to revisit the FSS program as the agency contemplates broader rent reform in the future. Determining a course of action for rent reform will likely precede implementation of existing MTW authority or development of new strategies for the FSS program. If Seattle Housing Authority decides to pursue rent reform, we will develop a 2014 Plan Amendment that will describe new or updated activities as well as any plans to newly implement Seattle Housing Authority's existing FSS MTW authorities

## Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

## Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Agency-wide Strategies					
2. A.01	FSS: Partner with City: Partner with the City of Seattle to share responsibilities and resources for a new integrated FSS program.	1999 MTW Plan	Has not been implemented	Inactive	None
2.A.02	SJI preference + time limits: Preference for Seattle Jobs Initiative participants coupled with time limits.	1999 MTW Plan	Has not been implemented	Inactive	None
2.A.03	FSS escrow accounts: Use local policies for determining escrow calculation, deposits, and withdrawals.	2007 MTW Plan	Has not been implemented	Inactive	None
2.A.04	FSS participation contract: Locally designed contract terms including length, extensions, interim goals, and graduation requirements.	2007 MTW Plan	Has not been implemented	Inactive	None
2. A. 05	FSS Program Coordinating Committee: Restructure Program Coordinating Committee (PCC) to better align with program goals and local resources.	2007 MTW Plan	Has not been implemented	Inactive	None
2.A.06	FSS program incentives: Provide incentives to FSS participants who do not receive escrow deposits.	2007 MTW Plan	Has not been implemented	Inactive	None
2.A.07	FSS selection preferences: Up to 100% of FSS enrollments may be selected by local preferences.	2007 MTW Plan	Has not been implemented	Inactive	None

## MTW Activity #18 – Short-Term Assistance

### Status

Under development – First included in the 2013 MTW Plan.

### Description

Seattle Housing Authority is working on multiple fronts with community partners to develop innovative new assistance programs that are designed to be short-term in length. These strategies include the Short-Term Rent Assistance program approved in the plan for 2013 and two new strategies proposed for 2014 that will address

services for domestic violence survivors and short-term emergency assistance for housing stability. To more accurately reflect the fact that all of these strategies are short-term or one-time in nature but not necessarily confined to rental assistance, we have changed the name of this MTW activity to Short-Term Assistance.

The new programs will help households both access and retain housing through one-time or temporary assistance such as rent, deposits, arrears, and utility assistance as needed. Short-term assistance is paired with targeted services when needed, including connections to employment, childcare services, and domestic violence counseling.

## 2014 Updates

Seattle Housing Authority is renaming this MTW activity “Short Term Assistance,” in order to incorporate the new strategies previously described in Section III (18.A.01: Interagency Domestic Violence Transfer Program and 18.A.02: Emergency Assistance for Housing Stability).

As the Short-Term Rent Assistance initiative described in the 2013 Plan has developed, Seattle Housing Authority and community partners are envisioning a broader range of eligible services, including short-term assistance with rents, deposits, arrears, and utilities as needed for targeted households. In addition, the pilot will not be limited to homelessness prevention alone, but will also help homeless households and individuals gain access to housing.

## Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

## Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Agency-wide Strategies					
18.H.01	Short-Term Rental Assistance: Seattle Housing Authority will provide funding for short-term shallow rental assistance through a cooperative community initiative to help families and youth obtain and retain housing.	2013 MTW Plan	Has not been implemented	Under development	See preceding 2014 Update

## MTW Activity #19 – Mobility and Portability

### Status

Not yet implemented – First included in the 2013 MTW Plan.

### Description

Seattle Housing Authority has adopted strategies related to the mobility and portability of vouchers. As previously described in Section III: Proposed MTW Activities, Seattle Housing Authority is planning to develop a moving

cost assistance program to help voucher holders access improved housing opportunities when security deposits and other moving costs pose a barrier. Seattle Housing Authority has also previously proposed a strategy aimed at cost effectiveness that would allow Seattle Housing Authority to deny requests for portability moves to another jurisdiction when the receiving housing authority intends to administer rather than absorb the voucher and the combination of higher payment standards and/or more generous subsidy standards would result in a higher payment standard for the household than the payment standard applicable within Seattle Housing Authority's jurisdiction.

## 2014 Updates

Seattle Housing Authority is renaming this MTW activity "Mobility and Portability," in order to incorporate the new mobility activity previously described in Section III (19.H.02: Security Deposit Loan for Opportunity Moves).

Implementation of 19.H.01: Limiting portability in high cost areas is not currently planned, but Seattle Housing Authority will continue to revisit whether this activity should be implemented based on the federal funding context and number of port-outs.

## Changes in Authorization, Metrics, Baselines, or Benchmarks

The 2014 MTW Report may include changes to metrics, baselines, and benchmarks for this activity in order to comply with the new standard metrics issued by HUD in the revised Form 50900.

## Previously Approved Strategies

Strategy	Description	First Identified	First Implemented	Current Status	Anticipated Changes, Modifications, or Additions to Authorizations
Agency-wide Strategies					
19.H.01	Limiting portability in high cost areas: Seattle Housing Authority may deny requests for portability moves to another jurisdiction when the receiving housing authority intends to administer rather than absorb the voucher and the resulting payment standard would be higher than Seattle Housing Authority's payment standard.	2013 MTW Plan	Has not been implemented	Inactive	See preceding 2014 Update

## Closed Out Activities

## **MTW Activity #6: MTW Block Grant and Fungibility**

First implemented with MTW participation in 1999.

While Seattle Housing Authority maintains MTW Block Grant and fungibility authority, we no longer report on this as an MTW activity at HUD's request. Previously approved strategies for this activity were:

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

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

## **MTW Activity #7: Procurement**

First implemented with MTW participation in 1999.

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

Previously approved strategies for this activity were:

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

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

## **MTW Activity #14 – Related Nonprofits**

First approved in the 2004 MTW Annual Plan.

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

Previously approved strategies for this activity were:

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

This activity may be considered closed out as of 2014.

## **MTW Activity #16 – Local Asset Management Program**

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

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

Previously approved strategies for this activity were:

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

Although Seattle Housing Authority continues to operate under the LAMP and this remains an essential element of the agency's participation in the MTW program, this activity may be considered closed out as of 2014.

## V. MTW Sources and Uses of Funds

This section describes the agency's projected revenues and expenditures for MTW funds for 2014, local asset management program, and reflects use of MTW Block Grant single fund flexibility.

### Sources and uses of MTW funds

The following table summarizes estimated MTW sources of funds for 2014 by Financial Data Schedule (FDS) line item, as required in the new HUD guidance on MTW plans and reports.

Estimated Sources of MTW Funding for the Fiscal Year		
Sources		
FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	\$ 10,336,397
70600	HUD PHA Operating Grants	\$ 111,130,801
70610	Capital Grants	\$ 13,681,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$ 4,500
71100+72000	Interest Income	\$ 13,899
71600	Gain or Loss on Sale of Capital Assets	0
71200+71300+71310+71400+71500	Other Income	\$ 1,065,083
70000	Total Revenue	\$ 136,231,680

The next table summarizes estimated MTW expenditures of funds for 2014 by FDS line item. Unlike the previous table, which includes capital grants, the summary of expenditures does not include capital expenses, which accounts for approximately \$11.2 million. The FDS line item format captures only select capital costs and excludes others from the table, in contrast to Seattle Housing Authority's belief that it is more appropriate to group and budget all capital-related costs together. In addition, the following table does not include \$7.8 million which Seattle Housing Authority plans to spend on low income housing and voucher participant activities such as community services and parks, which are described in greater detail in the following single fund flexibility section, as well as \$0.9 million for various reserve contributions. As a result of the different categories that are included and excluded in the tables, comparing totals will not correlate.



### Estimated Uses of MTW Funding for the Fiscal Year

Uses		
FDS Line Item	FDS Line Item Name	Dollar Amount
<b>91000</b> (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$ 22,405,969
<b>91300+91310+92000</b>	Management Fee Expense	\$ 1,929,162
<b>91810</b>	Allocated Overhead	0
<b>92500 (92100+92200+92300+92400)</b>	Total Tenant Services	\$ 226,783
<b>93000 (93100+93600+93200+93300+93400+93800)</b>	Total Utilities	\$ 4,349,154
<b>93500+93700</b>	Labor	0
<b>94000 (94100+94200+94300+94500)</b>	Total Ordinary Maintenance	\$ 7,619,974
<b>95000 (95100+95200+95300+95500)</b>	Total Protective Services	\$ 234,965
<b>96100 (96110+96120+96130+96140)</b>	Total Insurance Premiums	\$ 926,638
<b>96000 (96200+96210+96300+96400+96500+96600+96800)</b>	Total Other General Expenses	\$ 325,723
<b>96700 (96710+96720+96730)</b>	Total Interest Expense and Amortization Cost	0
<b>97100+97200</b>	Total Extraordinary Maintenance	\$ 1,016,000
<b>97300+97350</b>	Housing Assistance Payments + HAP Portability-In	\$ 77,260,188
<b>97400</b>	Depreciation Expense	0
<b>97500+97600+97700+97800</b>	All Other Expenses	0
<b>90000</b>	Total Expenses	\$ 116,294,558

### Local Asset Management Program

Seattle Housing Authority has implemented a local asset management program (LAMP) since the inception of its MTW participation. The agency detailed the LAMP in its HUD-approved 2010 MTW Annual Plan, which is provided for ease of reference in Appendix A of this plan. Seattle Housing Authority continues to implement the local asset management program.

The agency has not created a Central Office Cost Center as described in HUD's Asset Management plans. Instead, Seattle Housing Authority uses an indirect services fee (IDSF) that complies with the federal Office of Management and Budget (OMB) Circular A-87 requirements, but differs from HUD's prescribed options.

Seattle Housing Authority's Central/Indirect Service Fee is more comprehensive than HUD's asset management system. HUD's asset management and fee for service systems focus only on a fee for service at the LIPH property level. The agency's LAMP is much broader and includes local housing and other activities not found in traditional HUD programs. Seattle Housing's IDSF is based on anticipated indirect costs for the fiscal year. The fee is updated each year as part of the annual budget process. Pursuant to the requirements of OMB Circular A-87, the IDSF is determined in a reasonable and consistent manner based on total units and leased vouchers. Thus, the IDSF is

calculated as a per-housing-unit or per-leased-voucher fee per month charged to each program. For the 2014 budget, the per unit month (PUM) cost for housing units is \$49.88 and for leased vouchers is \$20.63.

B. MTW Plan: Local Asset Management Plan	
Is the PHA allocating costs within statute?	<input type="text" value="Yes"/>
Is the PHA implementing a local asset management plan (LAMP)?	<input type="text" value="Yes"/>
If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.	
Has the PHA provided a LAMP in the appendix?	<input type="text" value="Yes"/>
<div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>No significant changes to the Local Asset Management Plan are anticipated.</b> </div>	

## Single-fund flexibility

Seattle Housing Authority established a MTW Block Grant Fund under the original MTW Agreement and continues to use single-fund flexibility under the First Amendment to the Amended and Restated MTW Agreement. Seattle Housing Authority's flexibility to use MTW Block Grant resources is central to support its array of low-income housing services and programs. The agency exercises its authority to move MTW funds and project cash flow among projects and programs as the agency deems necessary to further its mission and cost objectives.

The agency analyzes its housing, rental assistance, community service, administrative, and capital needs on an annual basis through the budget process to determine the level of service and resource needs to meet the agency's strategic objectives. MTW flexibility to allocate MTW Block Grant revenues among the Authority's housing and administrative programs enables the agency to balance the mix of housing types, services, capital investments and administrative support to different low-income housing programs and different groups of low-income residents. It enables the agency to tailor resource allocation to best achieve our cost, program, and strategic objectives and therefore maximize our services to low-income residents and applicants having a wide diversity of circumstances, needs, and personal capabilities.

The bulk of Seattle Housing Authority's use of its MTW single fund authority is to provide MTW Block Grant funds for activities in MTW communities and other funds that directly support low income housing and services for public housing and housing choice voucher participants. Examples are community supportive services; parks and open space serving our low income communities; and, planning, pre-development, and construction management services for public housing redevelopment. The MTW Block Grant has also enabled Seattle Housing Authority to continue addressing some of the most urgent capital needs in both MTW communities and other local housing programs with Section 8 and 9 eligible housing units; to demonstrate the effectiveness of short-term or shallow subsidies in the voucher program; and to augment reserves in low income housing programs that serve Section 8 and 9 residents.

For 2014, Seattle Housing Authority plans to use MTW Block Grant funding flexibility of approximately \$7.8M for the purposes described in the previous paragraph. The three largest MTW Block Grant uses are for community and supportive services (\$3.2 million), support of low-income housing new and redevelopment activities (\$2.3 million), and housing assistance payments and costs for special purpose vouchers (\$0.9M).

### **Replacement Housing Factor (RHF) Funding**

Seattle Housing Authority estimates that in 2014 it will receive approximately \$2.2 million in Replacement Housing Factor (RHF) funding. RHF expenditures will exceed that amount and will be used for Yesler Terrace redevelopment as part of our Choice Neighborhoods Initiative and other low income housing development. For more information, see Seattle Housing Authority's RHF plan in Appendix B.

## **VI. Administrative Information**

This section provides documentation of Board of Commissioners actions regarding this plan and describes agency-directed evaluations of MTW, if any.

### **Agency-directed evaluations**

The agency is not currently engaged in any agency-wide evaluations of its MTW program.

### **Seattle Housing Authority Board of Commissioners resolution**

On October 14, 2013, the Board of Commissioners passed a resolution to approve this plan. The resolution approving the Plan and certification of compliance with regulations are provided as a separate attachment.

# Appendix A – Local Asset Management Plan

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

## I. Introduction

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

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

### A. Mission and Values

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

#### ***Our Mission***

*Our mission is to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and increase self-sufficiency for people with low-income.*

## ***Our Values***

*As stewards of the public trust, we pursue our mission and responsibilities in a spirit of service, teamwork, and respect. We embrace the values of excellence, collaboration, innovation, and appreciation.*

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

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

## **B. Overarching Policy and Cost Objectives**

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

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

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

## **C. Local Asset Management Program – Eight Guiding Principles**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Over time, Seattle Housing Authority has developed a balance of on-site capacity to perform property manager, resident manager and basic maintenance/handyperson services, with asset preservation services performed by a central capacity of trades and specialty staff. Seattle Housing Authority's LAMP reflects this cost-effective balance of on-site and central maintenance services for repairs, unit turnover, landscaping, pest control, and asset preservation as direct costs to properties. Even though certain maintenance functions are performed by central trade crews, the control remains at the property level, as it is the property manager and/or area or program manager who calls the shots as to the level of service required from the "vendor" – the property services group – on a unit turnover, site landscaping, and maintenance and repair work orders. Work is not performed at the property by the central crews without the prior authorization of the portfolio manager or his/her designee. And all services are provided on a fee for service basis.



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

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

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

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

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

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

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

The practice of transferring capital assets when they are complete and operational, also best preserves clear lines of accountability and responsibility between development and operations; preserves the relationship and accountability of the contractor to the project manager; aligns with demarcations between builders risk and property insurance applicability; protects warranty provisions and requirements through commissioning; and,

maintains continuity in the owner's representative to ensure all construction contract requirements are met through occupancy permits, punch list completion, building systems commissioning, and project acceptance.

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

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

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

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

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

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

#### **A. Comprehensive Operations**

Consistent with the guiding principles above, a fundamental driver of Seattle Housing Authority's LAMP is its application comprehensively to the totality of Seattle Housing Authority's MTW program. Seattle Housing

Authority's use of MTW resource and regulatory flexibility and Seattle Housing Authority's LAMP encompass our entire operations; accordingly:

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

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

## **B. Project-based Portfolio Management**

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

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

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

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

## **C. Cost Allocation Approach**

## ***Classification of Costs***

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

## ***Cost Objectives***

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

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

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

## ***Seattle Housing Authority Direct Costs***

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

- Contract costs readily identifiable with delivering housing assistance to low-income families.
- Housing Assistance Payments, including utility allowances, for vouchers
- Utilities
- Surface Water Management fee
- Insurance
- Bank charges
- Property-based audits
- Staff training
- Interest expense
- Information technology fees
- Portability administrative fees

- Rental Assistance department costs for administering Housing Choice Vouchers including inspection activities
- Operating costs directly attributable to operating Seattle Housing Authority-owned properties
- Fleet management fees
- Central maintenance services for unit or property repairs or maintenance
- Central maintenance services include, but are not limited to, landscaping, pest control, decorating and unit turnover
- Operating subsidies paid to mixed income, mixed finance communities
- Community Services department costs directly attributable to tenants services
- Gap financing real estate transactions
- Acquisition costs
- Demolition, relocation and leasing incentive fees in repositioning Seattle Housing Authority-owned real estate
- Homeownership activities for low-income families
- Leasing incentive fees
- Certain legal expenses
- Professional services at or on behalf of properties or a portfolio, including security services
- Extraordinary site work
- Any other activities that can be readily identifiable with delivering housing assistance to low-income families
- Any cost identified for which a grant award is made. Such costs will be determined as Seattle Housing Authority receives grants
- Direct Finance staff costs
- Direct area administration staff costs

### ***Seattle Housing Authority Indirect Costs***

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

- Executive
- Communications
- Most of Legal
- Development
- Finance

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

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

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

#### ***Equitable Distribution Base***

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

#### ***Derivation and Allocation***

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

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

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

### ***Annual Review of Indirect Service Fee Charges***



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

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

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

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

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

#### ***Balance Sheet Accounts***

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

- Accounts Receivable
- Notes Receivable
- Accrued Interest Receivable

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



## **Appendix B – Replacement Housing Factor (RHF) Plan**

*In the following pages is a republishing of Seattle Housing Authority's Replacement Housing Factor (RHF) Plan, originally submitted to HUD as a standalone document. The RHF Plan was also included in the appendices of the 2013 MTW Plan and is republished here for ease of reference.*

## Seattle Housing Authority Replacement Housing Factor (RHF) Plan

### Introduction

Since 2001, Seattle Housing Authority (SHA) has used first and second increment RHF funding to create new affordable housing with several large-scale mixed finance projects at NewHolly, Rainier Vista, and High Point. In total, we have spent more to replace housing (\$26.7 million) than we have received in first and second RHF funding combined (\$20.6 million). Please see the tables below.

<b>RHF Funds Received since 2001</b>			
	1st Increment	2nd Increment	TOTAL RHF
2001	\$139,997		\$139,997
2002	\$151,573		\$151,573
2003	\$929,706		\$929,706
2004	\$1,924,591		\$1,924,591
2005	\$1,151,306		\$1,151,306
2006	\$217,070	\$716,085	\$933,155
2007	\$718,411	\$755,174	\$1,473,585
2008	\$2,686,260	\$719,088	\$3,405,348
2009	\$1,163,627	\$852,533	\$2,016,160
2010	\$1,946,628	\$1,131,739	\$3,078,367
2011	\$1,666,585	\$1,076,820	\$2,743,405
2012	\$1,063,696	\$1,620,294	\$2,683,990
<b>Total</b>	<b>\$13,759,450</b>	<b>\$6,871,733</b>	<b>\$20,631,183</b>

<b>Funds Spent to Replace Housing</b>	
Project	Amount
NewHolly II	\$1,766,796
Rainier Vista I	\$5,114,164
New Holly III	\$5,354,000
High Point I (North)	\$7,500,000
High Point II (South)	\$2,400,000
Rainier Vista II (Tamarack/South)	\$2,649,634
Rainier Vista III (Northeast/North)	\$1,956,452
<b>Total</b>	<b>\$26,741,046</b>

In the following sections of the plan we break this information down separately for first and second increment RHF funds as is required by HUD guidance.

### First Increment Funding

SHA is currently receiving first increment RHF funds as a result of the demolition and/or disposition of public housing units at multiple sites. SHA plans to utilize these RHF funds pursuant to Option 3 of SHA's MTW Agreement. SHA intends to continue to combine RHF funds into the MTW Block Grant, spend five years worth of first increment RHF funds on replacement housing, and be eligible for the second increment of RHF funds. SHA needs all five years of first increment RHF funding in order to have sufficient funds to develop new affordable housing units.

<b>First Increment RHF Funds Received (Actual)</b>	
FY 2001	\$139,997
FY 2002	\$151,573
FY 2003	\$929,706
FY 2004	\$1,924,591
FY 2005	\$1,151,306
FY 2006	\$217,070
FY 2007	\$718,411

FY 2008	\$2,686,260
FY 2009	\$1,163,627
FY 2010	\$1,946,628
FY 2011	\$1,666,585
FY 2012	\$1,063,696
Total First Increment	\$13,759,450

Anticipated Future First Increment RHF Funds to be Received from Existing Grants (Estimated)*		
Fiscal Year	Estimated Grant Funding Anticipated	Project Numbers
2013	\$1,528,481	WA001000006, WA001000008, WA001000050, WA001000052, WA001000054, WA001000056
2014	\$2,600	WA001000050
2015	\$2,600	WA001000050
Total First Increment*	\$1,533,681	WA001000006, WA001000008, WA001000050, WA001000052, WA001000054, WA001000056

**\*Estimated total future funding does not include first increment RHF funds for new projects, such as future RHF funds for the redevelopment of Yesler Terrace, for which SHA has already secured approval. SHA intends to continue with the same approach to first increment RHF funding outlined in this plan with the Yesler Terrace redevelopment, as well as other future projects. The estimated total future funding also does not include the potential impacts of sequestration.**

First increment RHF funding will be used to fill gaps in financing as needed to develop affordable housing units. SHA will ensure that the requisite number of affordable housing units required under the “Proportionality Test” will be developed. SHA will develop new units in accordance with the requirements found in SHA’s MTW Agreement and will meet the obligation and disbursement deadlines.

## Second Increment Funding

Seattle Housing Authority (SHA) is currently receiving second increment RHF funds as a result of the demolition and/or disposition of public housing units at multiple sites. SHA plans to utilize these RHF funds pursuant to Option 3 of SHA's MTW Agreement. SHA intends to continue to combined RHF funds into the MTW Block Grant and spend five years worth of second increment RHF funds on replacement housing. SHA needs all five years of second increment RHF funding in order to have sufficient funds to develop new affordable housing units.

<b>Second Increment RHF Funds Received (Actual)</b>	
FY 2006	\$716,085
FY 2007	\$755,174
FY 2008	\$719,088
FY 2009	\$852,533
FY 2010	\$1,131,739
FY 2011	\$1,076,820
FY 2012	\$1,620,294
Total Second Increment	\$6,871,733

<b>Anticipated Future Second Increment RHF Funds to be Received from Existing Grants (Estimated)*</b>		
<b>Fiscal Year</b>	<b>Estimated Grant Funding Anticipated</b>	<b>Project Numbers</b>
2013	\$1,167,836	WA001000001, WA001000007, WA001000008, WA001000050, WA001000052, WA001000054, WA001000056, WA001000059
2014	\$2,217,716	WA001000006, WA001000007, WA001000008, WA001000050, WA001000052, WA001000054, WA001000056, WA001000059
2015	\$1,827,624	WA001000006, WA001000008, WA001000050, WA001000052, WA001000054, WA001000056, WA001000059
2016	\$1,666,582	WA001000006, WA001000008, WA001000050, WA001000052, WA001000054, WA001000056
2017	\$1,592,114	WA001000006, WA001000008, WA001000050, WA001000052, WA001000054, WA001000056
2018	\$1,531,081	WA001000006, WA001000008, WA001000050, WA001000052, WA001000054, WA001000056
2019	\$2,600	WA001000050
2020	\$2,600	WA001000050

Total Second Increment*	\$10,008,152	WA001000001, WA001000006, WA001000007, WA001000008, WA001000050, WA001000052, WA001000054, WA001000056, WA001000059
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**\*Estimated total future funding does not include second increment RHF funds for new projects, such as future RHF funds for the redevelopment of Yesler Terrace. SHA intends to continue with the same approach to second increment RHF funding outlined in this plan with the Yesler Terrace redevelopment, as well as other future projects. The estimated total future funding also does not include the potential impacts of sequestration.**

Second increment RHF funding will be used to fill gaps in financing as needed to develop affordable housing units. SHA will ensure that the requisite number of affordable housing units required under the “Proportionality Test” will be developed. SHA will develop new units in accordance with the requirements found in SHA’s MTW Agreement and will meet the obligation and disbursement deadlines.

SHA confirms that its amended FY 2012 MTW Annual Plan was approved by HUD on May 4, 2012. SHA is in compliance with the obligation and expenditure deadlines on all of its Capital Fund Grants and is current on its LOCCS reporting.

SHA has obtained a firm commitment of additional funds other than public housing funds to meet the leveraging requirement. In total, SHA has leveraged more than \$100 million in funding from city, state, and foundation funders, as well as permanent debt. These leveraged funds substantially exceed the standard of one third of SHA’s RHF second increment funds, or \$3,336,050. In fact, for every \$1 spent from the MTW Block Grant, SHA has leveraged \$5.99 in other funds.

<b>Leveraged Funds, 2001-2012</b>								
	NewHolly II	NewHolly III	Rainier Vista I	Rainier Vista II	Rainier Vista III	High Point I	High Point II	Total
Permanent Mortgage	\$2,440,000	\$7,980,000	\$5,275,000	\$2,100,000	\$2,700,000	\$10,600,000	\$16,500,000	\$47,595,000
City of Seattle	\$1,700,000	\$2,066,671						\$3,766,671
State Housing Trust Funds	\$2,000,000	\$2,000,000				\$2,000,000	\$2,000,000	\$8,000,000
Federal Home Loan Bank	\$300,000	\$820,000						\$1,120,000
Tax Credit Equity	\$6,369,307	\$16,863,640	\$12,368,888	\$3,422,215	\$4,572,452	\$27,181,493	\$27,181,888	\$97,959,883
Seattle Public Utilities						\$742,500	\$300,000	\$1,042,500
Sound Families							\$400,000	\$400,000
Healthy Homes						\$185,000	\$140,000	\$325,000
<b>Total</b>	<b>\$12,809,307</b>	<b>\$29,730,311</b>	<b>\$17,643,888</b>	<b>\$5,522,215</b>	<b>\$7,272,452</b>	<b>\$40,708,993</b>	<b>\$46,521,888</b>	<b>\$160,209,054</b>