

2014 Entry Form
(Complete one for each entry.)

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name _____

HFA _____

Submission Contact _____

Phone _____ **Email** _____

Qualified Entries must be received by **Tuesday, July 1, 2014**.

For more information about Qualified Entries, [click here to access the 2014 Entry Rules](#).

Use this header on the upper right corner of each page.

HFA _____

Entry Name _____

| Communications | Homeownership | Rental Housing | Special Needs Housing |
|---|---|--|--|
| <input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media | <input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production | <input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production | <input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs |
| Legislative Advocacy | Management Innovation | Special Achievement | Are you providing visual aids? |
| <input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy | <input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology | <input type="checkbox"/> Special Achievement | <input type="checkbox"/> YES <input type="checkbox"/> NO |

Situation: Tennessee Housing Development Agency manages 6,000 rental assistance vouchers in 72 rural counties many of which would go unserved but for THDA. The question was how to continue this work after federal cuts in administrative fees left THDA \$2 million short of what's needed to cover our direct costs.

With neither a mandate nor the political appetite to subsidize the federal government, THDA's challenge was to either reorganize and reduce costs or give up administration of the program. Since it was important from a mission standpoint to serve these areas of Tennessee, we undertook a complete restructuring of our Rental Assistance division. It was difficult work and we made hard choices:

- 25% reduction in force
- Four of eight field offices closed
- Main office staffing restructured
- Contracting inspections

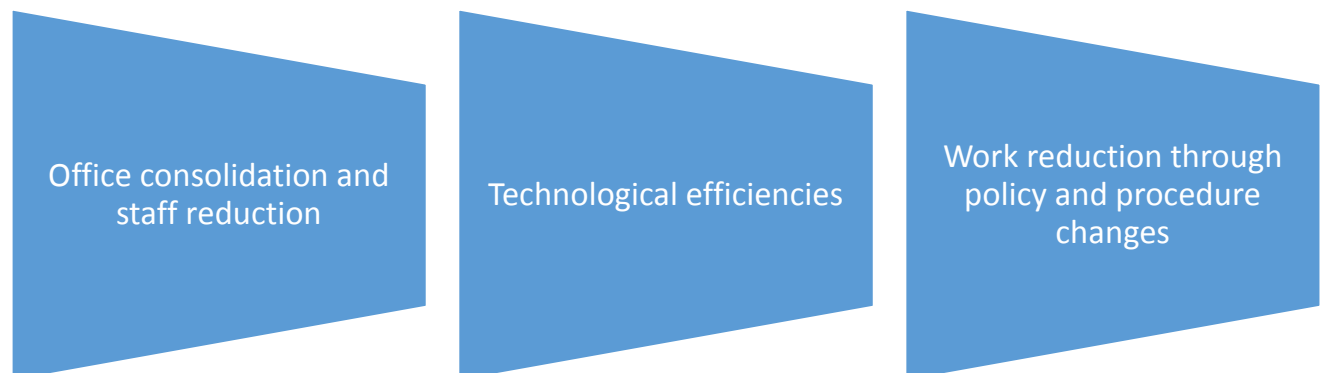
Results: We still administer 6,000 vouchers in 72 counties. We have eliminated the \$2 million shortfall. We have new operating procedures to even the ebb and flow of lease-ups.

Process: Achieving this kind of improvement took an agency-wide effort. The team included executive and senior level management with assistance from our Rental Assistance field office managers, and colleagues in Operations, IT, Legal, Accounting, and Human Resources. We started with a strategic discussion asking, "**Where should THDA allocate its vouchers?**" This was a complicated question with several factors, including:

- Where is there a greatest need for rental assistance?
- Are households successful in utilizing housing choice vouchers in that area?
- Does that area lack other housing assistance providers?
- Is it operationally feasible to serve that area?

Answers to these questions led to other decisions about our existing capabilities, management systems, and changes that would be required.

Three focus areas guided the process:



Office Consolidation and Staff Reduction: Previously, the THDA Rental Assistance Division consisted of a Central Office with nine full-time staff positions, and eight field office locations with 43 full-time staff positions. The Reorganization Plan rolled out January 2014.

- Cost savings were achieved by ceasing operations in one geographic area being served by another PHA. Our expenses far outweighed the revenue from a long-time partnership that had not been re-evaluated for many years. The community PHA resumed administration of those vouchers.
- Closing and consolidating Field Offices resulted in four regional offices, down from eight. Satellite offices were secured at no cost to facilitate resident meetings in two additional cities.
- Personnel costs represented 81% of the direct expense of the program. We implemented a 25% reduction in force (from 48 to 36), not including the Family Self-Sufficiency (FSS) Program that is funded separately. The Central Office now has three positions, a director, a liaison, and a coordinator. The new Field Offices' organizational structure includes staff in three positions: Manager (4), Coordinator (4), and Rental Assistance Specialist (25).
- There was not an evident business reason for inconsistent management-to-staff ratios across field offices. The new structure brought consistency to that ratio and having fewer managers increased the likelihood of consistent program implementation.
- All job descriptions were reviewed and revised to reflect changing responsibilities. A Management Development Training Plan to enhance and develop leadership competencies is planned for implementation later this year.

Within this new structure the THDA Housing Choice Voucher program staff continues to administer effectively a HUD ACC baseline of 6,131 vouchers.

We believe there are greater efficiencies in consolidating our service area. Where other PHAs are serving the same counties as THDA, THDA may be able to give or swap vouchers. This could lead to more efficient service provision for the administrators, and clarity and shorter travel time for tenants. The regulatory, practical, and customer service hurdles of voucher exchanges are not clearly known. This will have to be determined.

Technological Efficiencies: Our internal Cost Study recommended the need for investment in new technologies to enhance employee productivity among the remaining staff. The results allowed full- and part-time telecommuting opportunities. The agency made technology upgrades to all laptops and provided portable printing devices for home offices. Use of cell phones and smart devices was expanded.

Web-based scheduling, handheld devices, and a landlord/tenant portal that enhances communication came with outsourcing of the Housing Quality Standards (HQS) inspections process. A committed effort to use these tools and the existing electronic content management (ECM) system assisted in implementing the reduction in force.

In April 2014, the Division leadership developed and established an intra-divisional budget tool for four Regional Office managers and the Central Office FSS/HV manager to monitor and track "controllable cost center expenditures" related to training, travel, and supplies.

Better uses for existing technologies have emerged. The Quality Assurance Log, a comprehensive, customizable, and user friendly web-based application, allows staff to perform QA/QC activities on THDA's PBCA portfolio. The QA log software will be used to manage QA and QC for our SEMAP requirements, increasing efficiency over a manual or paper audit process.

Work Reduction through Policy and Procedure Changes: The third part of the equation deals with policies and procedures. There is a commitment to continuous improvement of our processes. With benchmarks and clear goals, this existing strength is leveraged further. The next goal (September 2014) is to achieve a 4%-5% efficiency improvement. The cost study recommended that the Division explore process improvements which could generate near-term and long-term costs savings. Two of THDA's staff became certified LEAN facilitators and led discussions regarding major processes such as intake, inspection, termination, and ECM. These discussions resulted in development of process maps such as the "Ideal Intake Map." To date, the process improvements taken by the Division with the greatest results are (1) Outsourcing the HQS inspections process, and (2) Implementing "maintenance leasing" to available HUD funding levels.

In October 2013, THDA entered into a contract to outsource the HQS inspections process. Effective January 2014, all HQS inspections were transferred to a contractor with oversight by the Division. A substantial cost savings of "Contracted" inspections versus "In-House" inspections has been realized.

The THDA HCV Program baseline is 6,131 vouchers. However, due to recent HUD funding limitations, the actual funding received from HUD allows THDA to maintain and sustain a current lease-up rate between 97% and 97.5% of the ACC baseline. As a result, from August 2013 to March 2014, THDA developed, then instituted "maintenance leasing" to insure that lease levels remain consistent with actual funding received from HUD. Employing this methodology allows THDA to avoid potential financial shortfalls, as well as potential HUD penalties that could result from leasing above the ACC baseline.

Conclusion: Change is hard, but conscientious review of procedures and policies can reveal unnecessary redundancies and inefficiencies. Coordinated effort builds commitment and support while releasing creativity. THDA's Section 8 Rental Assistance Division is leaner and more effective, clients are assisted, and the financials are realistic.