



MEETING OF THE BOARD OF COMMISSIONERS

**April 21, 2014
8:30 am**

KCHA Administrative Offices
700 Andover Park West
Tukwila, WA

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of Minutes

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March 17, 2014 Board of Commissioners' Meeting

V. Consent Agenda

February **Voucher Reports**
(General and Bond Properties)

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Resolution No. 5464: Authorizing Revisions to the Section 8
Live-in Aide Policy

3

Resolution No. 5465: Evidencing the Intent to Operate Bellevue
Manor as Housing for Persons 55 Years of Age or Older Under the
Terms of the Housing for Older Persons Act (HOPA)

4

VI. Resolutions for Discussion

Resolution No. 5466: Authorizing the Disposition of Seola
Gardens Lots by Competitive Proposal to Richmond American Homes

5

Resolution No. 5467: Line of Credit with Bank of America to Finance the Acquisition of the Gilman Square Apartments	6
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VII. Executive Session

VIII. Reports

• MTW Report	7
• Washington, DC Report	
• First Quarter 2014 Procurement Report	8

IX. Executive Director's Report

X. KCHA in the News

XI. New Business

XII. Commissioner Comments

XIII. Adjournment

Next Meeting
May 19, 2014

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**MINUTES OF THE MEETING OF THE
BOARD OF COMMISSIONERS OF THE
KING COUNTY HOUSING AUTHORITY**

March 17, 2014

I. CALL TO ORDER

The meeting of the Board of Commissioners of the King County Housing Authority was called to order by Chair Doug Barnes at 8:30AM on Monday, March 17, 2014, at the King County Housing Authority's Administrative Offices, 700 Andover Park West, Tukwila, Washington.

II. ROLL CALL

Present: Commissioner Doug Barnes, Chair; Commissioner Michael Brown, Commissioner TerryLynn Stewart, Commissioner Richard Mitchell and Commissioner Susan Palmer.

Staff: Stephen Norman, Marianne Everett, Dan Watson, John Eliason, Linda Weedman, Kristin Winkel, Gary Leaf, Steve Jefferis, Nikki Parrott, Megan Hyla, Claude DaCorsi, Mike Reilly, Tim Walter, Connie Davis, Beth Pearson, Rhonda Rosenberg, Wen Xu, Mike Sivia, Judi Jones, Craig Violante

III. PUBLIC COMMENT

Chair Barnes announced that members of the public in attendance at the meeting would have five minutes to speak before the Board of Commissioners. There was no public comment at this meeting.

IV. APPROVAL OF MINUTES

Minutes from the February 24, 2014 Board of Commissioners' Meeting were presented for approval. Commissioner Stewart noted that her absence from the December 16 meeting was because her appointment to the board had not been finalized at that time. Commissioner Brown moved for approval of the minutes with corrections, with Commissioner Palmer seconding the motion. Commissioner Palmer abstained on the final vote due to her absence at the February 24 meeting. The minutes were unanimously approved.

V. Consent Agenda

January 2014 Voucher Reports

General Properties: Bank Wires/ACH withdrawals for \$4,902,898.16; Accounts Payable checks #238619-239400 for \$7,326,263.55; Payroll vouchers, computer checks #83053-83102 for \$65,503.85; Payroll direct deposit for \$1,842,960.39; Section 8 Program vouchers, ACH withdrawals #260503-263730 for \$9,242,870.18, computer run checks #602945-603399 for \$370,864.62; purchase card/ACH withdrawal \$223,418.43. Total for January 2014 for the General Properties was \$23,974,779.18.

Bond Properties: \$2,504,074.94, related to 29 different properties.

There being no requests for removal of items from the Consent Agenda, Commissioner Palmer moved for approval. Commissioner Brown seconded the motion and the motion unanimously passed.

VI. RESOLUTIONS FOR DISCUSSION

Resolution No. 5458: Acceptance of Washington State Auditor's Accountability Audit Report (No. 1011240) for the Period Ending December 31, 2012.

Presented by: Craig Violante

Craig Violante began his presentation by reminding the Board of Commissioners that they had previously accepted the first phase of the audit which was the Financial and Single Audit Report that was issued with no findings or management letter items. There was one exit item discussed with staff that had been resolved prior to the issuance of the report. It was a clean report. Mr. Violante reported that the second phase of the audit- the Accountability Audit was now complete and ready for acceptance, without findings or management letter items.

Following the presentation, Mr. Violante answered questions posed by the Board of Commissioners.

MOTION: Moved that Resolution No. 5458: Acceptance of Washington State Auditor's Accountability Audit Report (No. 1011240) for the Period Ending December 31, 2012, be approved.

MOVED BY: Commissioner Brown, seconded by Commissioner Palmer. Motion unanimously passed.

Resolution No. 5459: Authorizing a Short-Term Loan to Downtown Action to Save Housing (DASH) for the Preservation of the Ashwood Court Apartments.

Presented by: Tim Walter

Tim Walter briefed the Board of Commissioners on this resolution which authorizes a short-term loan for up to \$425,000 at a 5% annual interest rate to Downtown Action to Save Housing (DASH), a local non-profit affordable housing developer/operator. DASH is the general partner of a tax credit partnership that owns Ashwood Court, which is a low income housing apartment building in downtown Bellevue. The loan will allow DASH to purchase the tax credit investor's 99.99% interest in the Ashwood Court Associates limited partnership and to pay costs associated with the acquisition including real estate excise tax, legal and loan fees and other related expenses. Without a buyout of the private investor's interest, DASH was at risk of losing ownership of the property. DASH expects to refinance and re-syndicate the property within the next year and use the re-syndication proceeds to repay KCHA.

Following the presentation, Mr. Walter answered questions posed by the Board of Commissioners.

MOTION: Moved that Resolution No. 5459: Authorizing a Short-Term Loan to Downtown Action to Save Housing (DASH) for the Preservation of the Ashwood Court Apartments, be approved.

MOVED BY: Commissioner Brown, seconded by Commissioner Palmer. Motion unanimously passed.

Resolution No. 5460: Authorizing a Loan to Park Villa LLC for the Purpose of Refinancing the Eastwood Square Apartments.
Presented by: Tim Walter

Tim Walter briefed the Board of Commissioners on this resolution that authorizes KCHA to make a loan to Park Villa LLC for the purpose of refinancing Eastwood Square Apartments, a 48-unit low income family development in Bellevue which is owned by the Authority and leased for 55 years to Park Villa LLC, a privately controlled partnership. The loan would be for up to \$4.2 million at 5% annual interest for 10 years. The proceeds from this loan would allow the Partnership to refinance existing, high rate debt and provide an opportunity for KCHA to increase its investment return on existing reserves.

Following Mr. Walter's presentation, the Commissioners had no further questions.

MOTION: Moved that Resolution No. 5460: Authorizing a Loan to Park Villa LLC for the Purpose of Refinancing the Eastwood Square Apartments, be approved.

MOVED: Commissioner Palmer, seconded by Commissioner Mitchell. Motion unanimously passed.

Resolution No. 5461: Authorizing Provisional Acceptance of an Offer to Purchase Low Income Housing Tax Credits and Admission of an Investor Member to the Vantage Point Apartments LLC.
Presented by: Tim Walter

Tim Walter briefed the Board of Commissioners on this resolution that authorizes the acceptance of RBC Capital Market's offer to purchase Low Income Housing Tax Credits to be used for financing the development of Vantage Point Apartments, a 77-unit apartment building for low income seniors to be built in south Renton on a site adjoining KCHA's Vantage Glen manufactured housing community. Additionally, this resolution admits RBC as an investor member to the Vantage Point Apartments LLC, whose formation was previously approved by the Board.

Following the presentation, Mr. Walter answered questions posed by the Board of Commissioners.

MOTION: Moved that Resolution No. 5461: Authorizing Provisional Acceptance for an Offer to Purchase Low Income Housing Tax Credits and Admission of an Investor Member to the Vantage Point Apartments LLC, be approved.

MOVED: Commissioner Palmer, seconded by Commissioner Brown. Motion unanimously passed.

VII. BRIEFINGS

2013 Fourth Quarter and Year-End Financial Statements

Presented by: Craig Violante

The 2013 Fourth Quarter and Year-End Financial Statements were contained in the meeting packet memorandums. Mr. Violante noted the 2013 fourth quarter was very busy for the Authority. KCHA acquired the four King County Chaussee properties – Bellevue Manor, Patricia Harris Manor, Northwood Square and Vashon Terrace. KCHA closed the \$65 million Key Bank Loan. This refinanced outstanding debt for 19 properties and provided permanent financing for the Chaussee acquisition. During the fourth quarter total working capital increased by \$13.1 million.

Mr. Violante noted the following 2013 financial highlights for the entire calendar year: KCHA received 93.976% of its \$99.1 million Section 8 Block Grant eligibility. This is a reduction, compared to original forecasts, of \$3 million; and the 2013 Operating Revenues were \$213.5 million compared to a budget of \$210.1 million, while Operating Expenses of \$185.4 million were less than the budget of \$187 million resulting in an overall working capital increase of \$1.6 million. The board memorandum contains further financial details. Following his briefing, questions posed by the Board of Commissioners were answered by staff.

2013 Investment Recap

Presented by: Craig Violante

Craig Violante recapped that at the beginning of 2009 KCHA invested most excess funds in the Local Government Investment Pool (LGIP). With the goal of increasing investment returns, in March 2009 KCHA embarked on a strategy to invest in securities outside of the LGIP. At the time KCHA embarked on this new strategy, it was projected that there would be a marginal increase in investment returns over a six-year horizon (2009 – 2014) of \$530,000 and that the internal pool would beat the LGIP by an average of 32 basis points. From 2009 through 2011 the KCHA Internal Pool performed exceptionally well, beating the LGIP by an average of 114 basis points. Starting in 2012 the Federal Reserve's monetary policy of Quantitative Easing has had a deleterious effect on KCHA's Internal Investment Pool. Even so, the Internal Pool beat the LGIP by an average of 56 basis points during 2013. Please refer to the packet memorandum for further details on the overall Investment Recap for 2013. There were no questions posed by the Board of Commissioners.

VIII. REPORTS

New Bank Accounts

Presented by: Craig Violante

There were no questions from the Board of Commissioners on the New Bank Accounts memo as contained in the meeting packets.

Fourth Quarter CY 2013 Procurement Report

Presented by: Connie Davis

There were no questions from the Board of Commissioners on the Fourth Quarter CY 2013 Procurement memo as contained in the meeting packets. Questions posed by the Board of Commissioners regarding the upcoming software conversion were answered by staff.

Dashboard Report

Presented by: Megan Hyla

Megan Hyla presented the Quarterly Dashboard Report as of December 2013 drawing the attention of the Board of Commissioners to the fact that in Section 8 Operations the number of households paying more than 40% of their income toward rent has been steadily rising. KCHA will be conducting a thorough review of the payment standards in late spring or early summer. Questions posed by the Board of Commissioners were answered by staff.

IX. EXECUTIVE SESSION

A motion was made by Chair Barnes to adjourn to Executive Session at 9:45AM for approximately twenty minutes as authorized by RCW 42.30.110(g) – “to review the performance of a public employee.”

The meeting of the Board of Commissioners was reconvened at 10:05AM by Chair Barnes.

With the regular meeting being reconvened Chair Barnes noted that an additional Resolution was being presented to the Board for approval authorizing payment of a retention and accomplishment incentive for the Executive Director for calendar year 2013 and a base salary increase. Following discussion, a motion was made for Resolution No. 5462.

MOTION: Moved that Resolution No. 5462: Authorizing Payment of a Retention and Accomplishment Incentive for the Executive Director for Calendar Year 2013 and a Base Salary Increase, be approved.

MOVED BY: Commissioner Palmer, seconded by Commissioner Mitchell. Motion unanimously passed.

X. EXECUTIVE DIRECTOR’S REPORT

Megan Hyla briefed the Board of Commissions on the wrap up of the State Legislative Session. Ms. Hyla also touched briefly on the upcoming Board of Commissioners Legislative trip to Washington, DC.

Stephen Norman noted that Deborah Gooden will be retiring at the end of the week, but wished to note the phenomenal job Deborah has done over the past twelve years. Mr. Norman also touched briefly on several other upcoming staff changes.

Tim Walter briefed the Board of Commissioners on the Gilman Square acquisition in Issaquah and the Key Bank credit facility.

Questions posed by the Board of Commissioners were addressed by staff.

XI. ADJOURNMENT

There being no further business, the meeting was officially adjourned at 10:25AM by a motion from Commissioner Brown, seconded by Commissioner Palmer and unanimously passed.

**THE HOUSING AUTHORITY OF THE
COUNTY OF KING, WASHINGTON**

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary

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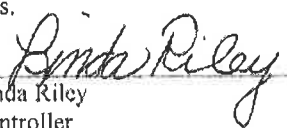
**KING COUNTY HOUSING AUTHORITY
INTEROFFICE MEMORANDUM**

TO: THE BOARD OF COMMISSIONERS, HOUSING AUTHORITY OF
THE COUNTY OF KING, WASHINGTON

FROM: LINDA RILEY

SUBJECT: VOUCHER CERTIFICATION FOR FEBRUARY 2014

I, Linda Riley, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims represented by the vouchers listed below were just obligations of the Housing Authority of the County of King, and that I am authorized to authenticate and certify said claims.


Linda Riley
Controller
March 24, 2014

Bank Wires / ACH Withdrawals	4,847,451.61
<i>Subtotal</i>	<u>4,847,451.61</u>
Accounts Payable Vouchers	
Checks - #239401-#239966	6,015,176.12
<i>Subtotal</i>	<u>6,015,176.12</u>
Payroll Vouchers	
Checks - #83103-#83134	39,734.20
Direct Deposit	1,195,751.10
<i>Subtotal</i>	<u>1,235,485.30</u>
Section 8 Program Vouchers	
Checks - #603400-#603855	311,520.63
ACH - #263731-#266928	9,254,157.74
<i>Subtotal</i>	<u>9,565,678.37</u>
Purchase Card / ACH Withdrawal	234,060.65
<i>Subtotal</i>	<u>234,060.65</u>
GRAND TOTAL	<u>21,897,852.05</u>

TO: THE BOARD OF COMMISSIONERS, HOUSING AUTHORITY OF
THE COUNTY OF KING, WASHINGTON

FROM: Wen Xu

SUBJECT: VOUCHER CERTIFICATION FOR FEBRUARY 2014

I, Tim Walter, do hereby certify under penalty of perjury that the claims represented by the transactions below were just, due, and unpaid obligations against the Housing Authority, and that I, and my designees, are authorized to authenticate and certify said claims.

Wen Xu
Wen Xu
Director, Managed Assets
March 14, 2014

Property Jan-14	Withdrawals per Bank Statement		Breakdown				Total
	Date	\$	A/P	Payroll	Other	\$	\$
Bellevue East	2/6/2014	\$ 9,740.94	\$ 3,226.35	\$ 6,514.59			\$ 9,740.94
	2/13/2014	\$ 20,291.40	\$ 20,291.40				\$ 20,291.40
	2/20/2014	\$ 6,294.67	\$ 852.04	\$ 5,442.63			\$ 6,294.67
	2/27/2014	\$ 4,818.27	\$ 4,818.27				\$ 4,818.27
Colonial Gardens	2/6/2014	\$ 13,916.37	\$ 8,616.48	\$ 5,299.89			\$ 13,916.37
	2/13/2014	\$ 5,818.37	\$ 5,818.37				\$ 5,818.37
	2/20/2014	\$ 9,383.03	\$ 5,399.46	\$ 3,983.57			\$ 9,383.03
	2/21/2014	\$ 300,000.00			Replacement Reserves	\$ 300,000.00	\$ 300,000.00
	2/21/2014	\$ 5,020.39			Replacement Reserves	\$ 5,020.39	\$ 5,020.39
	2/27/2014	\$ 2,072.15	\$ 2,072.15				\$ 2,072.15
Cottonwood	2/6/2014	\$ 11,798.90	\$ 5,587.99	\$ 6,210.91			\$ 11,798.90
	2/13/2014	\$ 3,722.63	\$ 3,722.63				\$ 3,722.63
	2/20/2014	\$ 11,839.71	\$ 3,694.95	\$ 8,144.76			\$ 11,839.71
	2/27/2014	\$ 2,741.87	\$ 2,741.87				\$ 2,741.87
Cove East	2/6/2014	\$ 25,139.27	\$ 11,297.39	\$ 13,841.88			\$ 25,139.27
	2/13/2014	\$ 7,389.03	\$ 7,389.03				\$ 7,389.03
	2/20/2014	\$ 35,087.50	\$ 19,917.23	\$ 15,170.27			\$ 35,087.50
	2/27/2014	\$ 5,341.50	\$ 5,341.50				\$ 5,341.50
Landmark	2/6/2014	\$ 18,838.45	\$ 8,191.30	\$ 12,445.15			\$ 18,838.45
	2/13/2014	\$ 39,829.31	\$ 39,829.31				\$ 39,829.31
	2/20/2014	\$ 21,182.05	\$ 9,962.20	\$ 11,219.85			\$ 21,182.05
	2/21/2014	\$ 41,655.31			Replacement Reserves	\$ 41,655.31	\$ 41,655.31
	2/21/2014	\$ 300,000.00			Replacement Reserves	\$ 300,000.00	\$ 300,000.00
	2/27/2014	\$ 7,249.66	\$ 7,249.66				\$ 7,249.66
Timberwood	2/6/2014	\$ 14,186.25	\$ 3,844.55	\$ 10,341.70			\$ 14,186.25
	2/13/2014	\$ 9,538.41	\$ 9,538.41				\$ 9,538.41
	2/20/2014	\$ 16,031.19	\$ 4,190.68	\$ 11,840.53			\$ 16,031.19
	2/27/2014	\$ 17,260.48	\$ 17,260.48				\$ 17,260.48
Woodland North	2/6/2014	\$ 11,636.55	\$ 5,733.67	\$ 5,902.88			\$ 11,636.55
	2/13/2014	\$ 5,445.75	\$ 5,445.75				\$ 5,445.75
	2/20/2014	\$ 27,442.48	\$ 20,014.13	\$ 7,428.35			\$ 27,442.48
	2/27/2014	\$ 6,454.21	\$ 6,454.21				\$ 6,454.21
Woodside East	2/6/2014	\$ 32,113.04	\$ 14,171.54	\$ 17,941.50			\$ 32,113.04
	2/20/2014	\$ 31,377.32	\$ 13,974.26	\$ 17,403.06			\$ 31,377.32
	2/27/2014	\$ 17,871.97	\$ 17,871.97				\$ 17,871.97
Alpine Ridge	2/13/2014	\$ 6,112.39	\$ 4,304.71	\$ 1,807.68			\$ 6,112.39
	2/21/2014	\$ 119,461.32			Replacement Reserves	\$ 119,461.32	\$ 119,461.32
	2/27/2014	\$ 13,479.33	\$ 9,703.62	\$ 2,027.71	Management Fee	\$ 1,748.00	\$ 13,479.33
Aspen Ridge	1/30/2014	\$ 25,731.87	\$ 19,331.67	\$ 3,622.20	Management Fee	\$ 2,578.00	\$ 25,731.87
	2/6/2014	\$ 817.93			To Operating	\$ 817.93	\$ 817.93
	2/13/2014	\$ 8,779.78	\$ 4,123.38	\$ 4,656.40			\$ 8,779.78
Auburn Square	1/30/2014	\$ 27,192.28	\$ 16,817.13	\$ 5,889.15	Management Fee	\$ 4,488.00	\$ 27,192.28
	2/6/2014	\$ 875.66			To Depository & A/P	\$ 875.66	\$ 875.66
	2/13/2014	\$ 20,020.86	\$ 13,374.88	\$ 6,645.98			\$ 20,020.86
Carriage House	1/30/2014	\$ 36,837.90	\$ 23,039.36	\$ 8,980.54	Management Fee	\$ 4,818.00	\$ 36,837.90
	2/6/2014	\$ 3,223.47			To Operating & A/P	\$ 3,223.47	\$ 3,223.47
	2/13/2014	\$ 20,696.56	\$ 10,256.65	\$ 10,439.91			\$ 20,696.56
Cascadian	2/6/2014	\$ 177.72			To Operating	\$ 177.72	\$ 177.72
	2/13/2014	\$ 40,852.61	\$ 28,730.52	\$ 11,922.09			\$ 40,852.61
	2/21/2014	\$ 300,000.00			Replacement Res.	\$ 300,000.00	\$ 300,000.00
	2/21/2014	\$ 288,277.10			Replacement Reserve	\$ 288,277.10	\$ 288,277.10
	2/27/2014	\$ 46,955.78	\$ 28,482.25	\$ 10,810.53	Management Fee	\$ 7,663.00	\$ 46,955.78
Fairwood	2/13/2014	\$ 24,656.53	\$ 15,442.43	\$ 9,658.15	To Depository	\$ (444.05)	\$ 24,656.53
	2/21/2014	\$ 231,476.84			Replacement Reserve	\$ 231,476.84	\$ 231,476.84
	2/21/2014	\$ 300,000.00			Replacement Reserve	\$ 300,000.00	\$ 300,000.00
	2/27/2014	\$ 27,204.41	\$ 12,692.33	\$ 8,900.08	Management Fee	\$ 5,612.00	\$ 27,204.41
Heritage Park	2/6/2014	\$ 31,110.10			To Operating & A/P	\$ 31,110.10	\$ 31,110.10
	2/13/2014	\$ 21,871.20	\$ 16,597.19	\$ 5,274.01			\$ 21,871.20
	2/21/2014	\$ 300,000.00			Replacement Reserve	\$ 300,000.00	\$ 300,000.00
	2/21/2014	\$ 60,350.87			Replacement Reserve	\$ 60,350.87	\$ 60,350.87
	2/27/2014	\$ 14,759.99	\$ 5,955.76	\$ 5,529.23	Management Fee	\$ 3,275.00	\$ 14,759.99
Laurelwood	2/6/2014	\$ 1,132.43			To Operating	\$ 1,132.43	\$ 1,132.43
	2/13/2014	\$ 32,816.19	\$ 25,728.99	\$ 7,087.20			\$ 32,816.19
	2/21/2014	\$ 300,000.00			Replacement Reserve	\$ 300,000.00	\$ 300,000.00
	2/21/2014	\$ 212,299.10			Replacement Reserve	\$ 212,299.10	\$ 212,299.10
	2/27/2014	\$ 30,432.84	\$ 19,820.08	\$ 6,832.78	Management Fee	\$ 3,780.00	\$ 30,432.84
Meadows	2/6/2014	\$ 11,791.67			To Operating & A/P	\$ 11,791.67	\$ 11,791.67
	2/13/2014	\$ 12,633.08	\$ 7,248.89	\$ 5,384.19			\$ 12,633.08
	2/21/2014	\$ 27,146.09			Replacement Reserve	\$ 27,146.09	\$ 27,146.09
	2/27/2014	\$ 15,230.57	\$ 7,547.49	\$ 5,270.08	Management Fee	\$ 2,413.00	\$ 15,230.57

Newporter	1/30/2014	\$ 57,275.76	\$ 45,644.88	\$ 7,509.78	Management Fee	\$ 4,121.00	\$ 57,275.76
	2/6/2014	\$ 173.89			To Operating	\$ 173.89	\$ 173.89
	2/13/2014	\$ 23,479.76	\$ 13,792.12	\$ 9,687.64			\$ 23,479.76
Parkwood	1/30/2014	\$ 22,748.48	\$ 15,804.64	\$ 4,011.84	Management Fee	\$ 2,932.00	\$ 22,748.48
	2/13/2014	\$ 25,985.25	\$ 21,161.33	\$ 4,973.01	To Depository	\$ (149.09)	\$ 25,985.25
Walnut Park	1/30/2014	\$ 34,211.26	\$ 22,131.13	\$ 8,387.13	Management Fee	\$ 5,693.00	\$ 34,211.26
	2/6/2014	\$ 478.66			To Operating	\$ 478.66	\$ 478.66
	2/13/2014	\$ 25,531.50	\$ 19,509.50	\$ 6,022.00			\$ 25,531.50
Woodridge Park	2/6/2014	\$ 750.03			To Depository & A/P	\$ 750.03	\$ 750.03
	2/13/2014	\$ 48,051.59	\$ 37,670.91	\$ 10,380.68			\$ 48,051.59
	2/21/2014	\$ 152,754.29			Replacement Reserve	\$ 152,754.29	\$ 152,754.29
	2/21/2014	\$ 300,000.00			Replacement Reserve	\$ 300,000.00	\$ 300,000.00
	2/27/2014	\$ 92,294.66	\$ 76,533.63	\$ 9,849.03	Management Fee	\$ 5,912.00	\$ 92,294.66
Bellevue Manor	2/6/2014	\$ 6,449.92			All	\$ 6,449.92	\$ 6,449.92
	2/13/2014	\$ 3,372.79			All	\$ 3,372.79	\$ 3,372.79
	2/27/2014	\$ 3,532.49			All	\$ 3,532.49	\$ 3,532.49
Northwood Square	2/6/2014	\$ 2,509.80			All	\$ 2,509.80	\$ 2,509.80
	2/13/2014	\$ 1,689.01			All	\$ 1,689.01	\$ 1,689.01
	2/27/2014	\$ 2,917.41			All	\$ 2,917.41	\$ 2,917.41
Patricia Manor	2/6/2014	\$ 4,158.92			All	\$ 4,158.92	\$ 4,158.92
	2/13/2014	\$ 4,770.41			All	\$ 4,770.41	\$ 4,770.41
	2/27/2014	\$ 10,846.44			All	\$ 10,846.44	\$ 10,846.44
Vashon Terrace	2/6/2014	\$ 1,797.20			All	\$ 1,797.20	\$ 1,797.20
	2/13/2014	\$ 1,917.43			All	\$ 1,917.43	\$ 1,917.43
	2/27/2014	\$ 2,450.96			All	\$ 2,450.96	\$ 2,450.96
Rainier View I	2/11/2014	\$ 5,000.00			To Operating	\$ 5,000.00	\$ 5,000.00
	2/13/2014	\$ 24,884.60	\$ 24,884.60				\$ 24,884.60
	2/25/2014	\$ 1,575.23	\$ 1,575.23				\$ 1,575.23
Rainier View II	2/11/2014	\$ 5,000.00			To Operating	\$ 5,000.00	\$ 5,000.00
	2/13/2014	\$ 16,371.21	\$ 16,371.21				\$ 16,371.21
	2/25/2014	\$ 1,173.24	\$ 1,173.24				\$ 1,173.24
SL View	2/11/2014	\$ 5,000.00			To Operating	\$ 5,000.00	\$ 5,000.00
	2/13/2014	\$ 9,177.88	\$ 9,177.88				\$ 9,177.88
	2/25/2014	\$ 2,833.08	\$ 2,833.08				\$ 2,833.08
Meadowbrook	2/6/2014	\$ 16,322.94			All	\$ 16,322.94	\$ 16,322.94
	2/13/2014	\$ 13,556.66			All	\$ 13,556.66	\$ 13,556.66
	2/20/2014	\$ 2,773.51			All	\$ 2,773.51	\$ 2,773.51
	2/27/2014	\$ 18,683.54			All	\$ 18,683.54	\$ 18,683.54
Portfolio Totals:		\$ 4,680,833.41	\$ 869,980.20	\$ 338,890.54		\$ 3,471,962.67	\$ 4,680,833.41

A/P - Operating and Capital Expenses:	\$869,980.20
Payroll Expenses:	\$338,890.54
Other Expenses:	\$3,471,962.67
TOTAL EXPENSES:	\$4,680,833.41

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TO: Board of Commissioners

FROM: Graeme Atkey, Section 8 Program Director

DATE: April 21, 2014

RE: **Resolution No. 5464:** Authorizing Revisions to the Section 8 Live-in Aide Policy

Resolution No. 5464 authorizes KCHA to implement three minor changes to the Live-in Aide policy for both the Section 8 Project-based and Tenant-based programs. These changes were made in consultation with both the Office of Civil Rights and local legal service agencies.

The first change was mandated by HUD notice 2008-20, requiring the live-in aide to be named prior to the housing contract being signed. The previous rule only required the family to provide documentation showing an aide was needed, without asking for a specific name. Unfortunately, this resulted in extra bedrooms being granted without ever being filled by a live-in aide. The requirement for a specific person is intended to eliminate this problem.

The second change relates to participants who have a live-in aide move out of their unit. It is quite common for live-in aides to change numerous times, and when they do change, there is often times a significant period where no live-in aide is living in the unit. To ensure KCHA does not continue to pay subsidy on units larger than needed, the requested policy change will require tenants to report the removal of the live-in aide from the household. The family will be given up to 180 days to replace the live-in aide, with possible extensions due to unforeseen circumstances, before any voucher size change will be made.

The remaining changes are strictly administrative by consolidating live-in aide policies spread throughout the administrative plans into one Section: Exhibit B for the Tenant-based plan and Section 15 for the Project-based plan.

THE HOUSING AUTHORITY OF THE COUNTY OF KING
RESOLUTION NO. 5464
AUTHORIZING REVISIONS TO THE SECTION 8 LIVE-IN AIDE
POLICY

WHEREAS, the Housing Authority operates a Section 8 Housing Voucher program governed by a pair of Section 8 Administrative Plans; and

WHEREAS, within each plan there are sections describing our policies on the allowance of live-in aides; and

WHEREAS, from time to time these policies need to be revised to correct unforeseen circumstances, such as live-in aides leaving the unit; and

WHEREAS, HUD will also institute program changes requiring Housing Authorities to adopt them as part of their program;

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING:

The Housing Authority is authorized to revise its policies on allowance of live-in aides to require the Section 8 participant to name the live-in aide prior to signing a housing contract and to report when the current live-aide moves out and a new live-in aide moves in.

ADOPTED AT A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 21st DAY OF APRIL, 2014.

**THE HOUSING AUTHORITY OF THE
COUNTY OF KING, WASHINGTON**

DOUGLAS BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary

accreditation standards of such an agency or association within a reasonable time; and

2. Institution of higher education also includes:

- a. Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (a), (b), (d), and (e) of subsection (1), above, and
- b. A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (1)(a) above, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

Interim (examination) Recertification. A reexamination of family income, expenses, and household composition conducted between the regular recertifications when a change in a household's circumstances warrants such a reexamination.

Jurisdiction. The area in which the HA has authority under State and local law to administer the Section 8 program.

Lease. A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner and the HA.

Lease Addendum. In the lease between the tenant and the owner, the lease language required by HUD (See Exhibit M).

Live-in Aide. A person who resides with one or more elderly persons, or near elderly persons, or persons with a disability, and who: (1) is determined to be essential to the care and well-being of the person; (2) is not obligated for the support of the person; and would not be living in the unit except to provide the necessary supportive services. (See Exhibit G.M.7, Section 3.D.1.b.)

Local Preference. A preference for admission as described in Section 5 of the Administrative Plan.

Low-income Family. A Family whose Annual Income does not exceed 80% of the median income for the area, as determined by HUD with adjustments for smaller and larger families.

Medical Deduction.¹³ The amount allowed under KCHA's EASY Rent program as a reduction from Annual Income when medical expenses (as defined) are incurred by a participating household. Households with income of

¹³ Approved under MTW 11/1/10

- a. Applicants shall not be placed on the waiting list where the Head of Household has not yet reached the age of 18 (the legal age to enter into and be held accountable for a lease under state law).
 - ~~b. A family that consists of one or more elderly, near elderly, or disabled persons may request a live in aide reside in the unit to provide necessary support services. The request must be approved by the Housing Authority as a reasonable accommodation to make the program accessible to and usable by a family member with a disability. However, the Housing Authority may refuse to approve a particular person as a live in aide, or withdraw such approval if:~~
 - ~~i. The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;~~
 - ~~ii. The person commits drug-related criminal activity or violent criminal activity; or~~
 - ~~iii. The person currently owes rent or other amounts to the Housing Authority or another Housing Authority in connection with the Section 8 or public housing program.~~
2. Have Annual Income, at the time of application that does not exceed the low-income limits set by HUD (cannot exceed 80% of the median income for the area). (See Exhibit D)
 - a. Income Limits apply only at admission and are not applicable for continued occupancy.
 - b. An applicant who initially qualifies but whose income subsequently increases beyond the income limits prior to housing shall be denied admission.
 3. Qualify as *Citizens* or as *Noncitizens* who have eligible immigration status (as defined in Section 2).
 - a. A family that consists of a single individual who does not contend to have citizenship or eligible immigration status **is not eligible**.
 - b. A family that includes two (2) or more individuals must include *at least* one household member who is a citizen or has eligible immigration status. The HA may not make assistance available to a family applying for assistance until at least the eligibility of one family member has been established by the submission of the required documentation (and then assistance must be prorated based on the number of individuals in the family for whom the required verification has been submitted).
 - c. Once the verification has been properly submitted, no family shall have their assistance delayed, denied, or reduced because of delays in verifying this information on the part of the USCIS.
 - d. *Applicants denied assistance as a result of their immigration status* will be informed of their right to request an appeal of the results of the USCIS verification to the USCIS or request an Informal Review with the Housing

Income and rent WILL NOT be adjusted to reflect increased income received by the household – except as outlined in Section F and G below.

- b. Families remain subject to regularly scheduled unit inspections.
- 2. **Families who move while on the program** will be required to fully recertify income and family composition prior to being issued a new voucher. The two year recertification process will start over based on their new move-in date.

E. Effective Date of Rent Change Recertifications

The new rent will generally be effective upon the anniversary date with thirty (30) days notice of any rent increase to the family.

If the rent determination is delayed due to a reason beyond the control of the family, then any rent increase will be effective the first of the month after the month in which the family receives a 30-day notice of the amount. (The family's recertification date **will not** change as a result of such a delay in implementation of the increased rent.) If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date.

If the family caused the delay, then any increase will be effective on the anniversary date. Any reduction will be effective the first of the month after the rent amount is determined. (The family's annual review date **will not** change as a result of such a delay in implementation of the decreased rent.)

F. Interim Recertification Rules for EASY Rent and WIN Rent Households

- 1. **KCHA Required Interim Reviews:** An interim review will be required in the following situations:
 - a. Whenever the family seeks approval to add a member to the household. However, tenant rent will be changed only when:
 - **For WIN Rent Households:** The addition of the household member results in increasing household income above the current income band.
 - **For EASY Rent Households:** The addition of the household member results in an increase in household income of greater than \$2,000.
 - b. When a family removes or changes a live-in aide;
 - c. When a family is removed from the Earned Income Disregard;
 - d. Increases in income for a household that is currently paying the Minimum Rent or has a reported income of \$0. In such cases, interim reviews will be required until the household no longer qualifies for the minimum rent;
 - e. An increase in income following a reported decrease in income that results in a change in rent;
 - f. Discovery of Errors, misrepresentation and/or fraud.

3. Other business expenses, except expenses related to business expansion or capital improvements.

Count as income any withdrawals of cash or assets by the family from the business unless the withdrawal is for reimbursement of amounts the family invested in the business.

For those families wishing to operate a small business out of their residence, the following will apply:

1. Prior to beginning the business, the tenant must obtain:
 - a. the proper business licenses and permits from the city in which the unit is located; and
 - b. prior written approval from the landlord.
2. The tenant must provide the HA with quarterly statements of income until a pattern of income can be established. Accepted forms of verification include: Financial Statements or Tax records filed with the IRS.

M. Income of Foster Children⁴

Income for care of foster children or foster adults is excluded.

N. Income of a Live-in Aide

Income received by a live-in aide is excluded and no deduction is allowed. ~~While a relative is not prohibited from serving as a live-in aide (and thus, having their income excluded), they must prove that:~~

- ~~1. They are essential to the care and well-being of the family member (for a person with disabilities or a person who is at least 50 years of age) and not obligated for their support; and~~
- ~~2. They must be one who would not be living in the unit except to provide the necessary supportive services.~~

O. Student Financial Assistance

Student financial assistance paid directly to the student or to the educational institutions shall not be counted as income.

⁴ Approved under MTW 11/1/10

M. SPECIFIC REASONABLE ACCOMMODATIONS

Listed below is a non-exclusive list of requests where the HA has determined there may be reason to grant an accommodation to make the program accessible to and usable by a family member with a disability provided proper documentation is received. Reasonable accommodation may be granted in cases where:

1. The applicant family fails to respond to the check-in letter because of the family members disability and their application is canceled from the waiting list. If the family can show how the disability prevented them from checking in, the application will be reinstated in its former position on the waiting list.
2. The family requests an additional bedroom to accommodate a member of the family or a person associated with that household who has a physical or mental disability
3. The family requests the term of their voucher be extended. If a person with a disability is unable to locate a unit within the maximum 120 day time limit and requests a reasonable accommodation to extend the term of the voucher prior to the expiration date, the HA will review such request and, at its sole discretion, will make a decision on whether further extension is warranted.
4. The family requests to rent a unit owned by the parent, child, grandparent, grandchild, sister, or brother of any member of their family. The request must state why the unit is the only unit that will meet the needs of the disabled family member. Normally, a Section 8 family cannot rent a unit owned by one of the above.
5. The family requests an exception to the Payment Standard. For families attempting to remain in place at the time of annual review or a rent increase, required documentation will consist of a request by the family stating their desire to remain in the unit. For families moving from one unit to another with Section 8 assistance or for those housing up for the first time on the program, the request **must** come from a health care provider and clearly state why the proposed unit is necessary. This accommodation will not be granted if a relative owns the unit.¹
6. The family requests a utility allowance which is higher than the applicable amount on the UA schedule, provided documentation is presented to show why an increase is needed. This increased amount will be determined by taking the families most recent three month average of actual utility bill amounts rather than the HA utility allowance. In no case will the UA be less than that on the approved HA schedules.
7. The family requests a live-in aide
 - a. ~~reside in their unit to provide necessary support services.~~ A family that consists of one or more elderly, near-elderly, or disabled persons may request a live-in aide reside in the unit to provide necessary support services. The request must be

¹ Approved under MTW 3/7/2007

approved by the HA to make the program accessible to and usable by a family member with a disability.

- b. The HA may refuse to approve a particular person as a live-in aide, or withdraw such approval if:
 - The person commits fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program;
 - The person commits drug-related criminal activity or violent criminal activity; or
 - The person currently owes rent or other amounts to the HA or another HA in connection with the Section 8 or Public Housing program.
- c. While a relative is not prohibited from serving as a live-in aide (and thus, having their income excluded), they must prove that:
 - They are essential to the care and well-being of the family member (for a person with disabilities or a person who is at least 55 years of age) and not obligated for their support; and
 - They must be one who would not be living in the unit except to provide the necessary supportive services.
- d. The identity (name) of the live-in aide must be presented to the HA prior to execution of the Section 8 lease and contract.
- e. Occasional, intermittent, multiple or rotating care givers do not reside in the unit and would not qualify as living in the unit. Therefore, an additional bedroom will not be approved under these circumstances (HUD Notice 2009-22).

Removal of a live-in aide from the unit must be reported to the HA within 30 days of its occurrence. The family will be given 180 days from the date the live-in aide left the unit to move-in a replacement. Time limit extensions may be granted on a case-by-case basis through the reasonable accommodation process. A family failing to move-in a replacement live-in aide by the end of the 180 days (or extension) will have their voucher size reduced to the appropriate size for the remaining family members.

8. The family requests to move to the jurisdiction of another HA prior to being eligible to move. Generally, a family attempting to port from one HA to another must have lived in the initial HA jurisdiction at the time of application or been living in the initial HA jurisdiction for at least 12 months under Section 8 contract before being allowed to transfer. While the above may be granted by the HA, it is subject to review by the receiving HA prior to the transfer being approved and does not apply to families participating on the Family Self-Sufficiency Program.
9. The family requests to terminate their lease prior to the end of the initial term and the owner agrees. Generally, a family and owner shall not be allowed to mutually terminate the lease during the first year of the lease and the family shall be restricted to no more than one move during any one year period.

such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time; and

2. Institution of higher education also includes:

- a. Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (a), (b), (d), and (e) of subsection (1), above, and
- b. A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (1)(a) above, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

Interim (examination) Recertification: A reexamination of family income, expenses, and household composition conducted between the regular recertifications when a change in a household's circumstances warrants such a reexamination.

King County Housing Authority (KCHA) Managed Properties. Properties managed by KCHA's Property Management department.

Lease: A written agreement between an Owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a Family with housing assistance payments under a HAP Contract between the Owner and the HA.

Lease Addendum: In the lease between the tenant and the Owner, the lease language required by HUD.

Live-In Aide: A person who resides with one or more elderly persons, or near elderly persons, or persons with a disability, and who: (1) is determined to be essential to the care and well-being of the person; (2) is not obligated for the support of the person; and would not be living in the unit except to provide the necessary supportive services. (See Exhibit G.M.7.)

Local Preference: A preference for admission as described in Section 13 of the Administrative Plan.

Low-income Family: A Family whose Annual Income does not exceed 80% of the median income for the area, as determined by HUD with adjustments for smaller and larger families.

4. Is a person with disabilities and was receiving Section 8 assistance as of November 30, 2005.

If the student does not meet any of the second set of criteria, then there is a two-part test that must be met in order for the student to be eligible for Section 8 assistance:

1. The student must be eligible for Section 8 assistance; AND
2. The student's parents, individually or jointly, must be eligible for Section 8 assistance; UNLESS the student can demonstrate his or her independence from their parents. (Parents eligibility only refers to "income" eligibility. Verification need only consist of a self-declaration by the parents unless the HA believes the information to be untrue.)

If a student is attempting to prove their independence from their parents, the following criteria should be considered:

1. The student must be of legal contract age under State Law (age 18 or over);
2. The student must have established a household separate from their parent(s) or legal guardian(s) for at least one year prior to application for Section 8 assistance or the individual meets the U.S. Department of Education's definition of an independent student (See Section 2);
3. The student must not be claimed as a dependent by parents or legal guardians pursuant to IRS regulations;
4. The student must obtain a certification of the amount of financial assistance that will be provided by the parents or legal guardian, signed by the individual providing support. Certification will still be required even if no financial assistance is being provided.

Any Family containing a student who is ineligible to receive assistance will not be eligible to receive assistance as long as that family member remains in the unit.

C. ~~LIVE-IN AIDES~~

~~A Family that consists of one or more elderly, near elderly, or disabled persons may request a live-in aide reside in the unit to provide necessary support services. The request must be approved by the Housing Authority as a reasonable accommodation to make the program accessible to and usable by a family member with a disability. However, the Housing Authority may refuse to approve a particular person as a live-in aide, or withdraw such approval if:~~

- ~~1. The person commits fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program;~~

- ~~2. The person commits drug-related criminal activity or violent criminal activity; or~~
- ~~3. The person currently owes rent or other amounts to the Housing Authority or another Housing Authority in connection with the Section 8 or Public Housing program.~~

D. KCHA OPTION TO PROVIDE INFORMATION TO OWNERS ABOUT APPLICANT HOUSEHOLDS

The HA will give the Owner the household's current and prior address as shown in KCHA's records (if known) and the name and address of the landlord at the Family's current and any prior address. KCHA may also share information regarding income verifications and eligibility with Owners. KCHA will give the Family a description of its policy on providing information to Owners. KCHA will provide the same types of information to all Owners.

E. OWNER-DETERMINED TENANT SELECTION CRITERIA ⁵⁹

Project Owners may establish additional eligibility criteria and written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to perform the lease obligations. The Owner's screening may include income eligibility in order to comply with other regulatory set-asides such as in the Low Income Housing Tax Credit Program. The Owner's tenant selection plan and criteria will be reviewed by KCHA in the Owners Application. The Owner is responsible for ensuring that their eligibility criteria meet all Federal Fair Housing and Civil Rights laws.

1. During the term of the HAP contract, the Owner must lease Contract Units only to eligible families selected in accordance with KCHA policies.
2. An Owner must promptly notify KCHA in writing of any rejected applicant and the grounds for any rejection.
3. The Owner must ensure that the Contract Unit leased to each Family is appropriate for the size of the Family under KCHA's subsidy standards. At the time of full Recertification or update, the family will be notified in writing by KCHA if the unit size does not meet subsidy standards. The family will be required to transfer to the appropriate bedroom size at or near another contracted property when a unit becomes available or may choose to remain in the larger unit and pay the difference in rent. KCHA will work in conjunction with the owner to resolve the occupancy issue (See Exhibit P of the ACOP for KCHA managed Properties).

⁵⁹ Approved MTW Policy Sections V.5 and V.19

- **For WIN Rent Households:** The addition of the household member results in increasing household income above the current income band;
 - **For EASY Rent Households:** The addition of the household member results in an increase in household income of greater than \$2,000;
- b. When a family removes or changes a live-in aide;
 - c. When a family is removed from the Earned Income Disregard;
 - d. Increases in income for a household that is currently paying the Minimum Rent, on a minimum rent waiver or has a reported income of \$0. In such cases, interim reviews will be required until the household no longer qualifies for the minimum rent;
 - e. An increase in income following a reported decrease in income that results in a change in rent;
 - f. Discovery of Errors, misrepresentation and/or fraud.

Increases in household income that are not the result of one of the actions listed above will not be included in the rent calculation until the next full recertification for a household.

2. **Tenant Requested Interim Reviews:** Upon request, KCHA will complete an interim review under the following circumstances:
 - a. For WIN Rent Households:
 - i. **A Household composition change** resulting in a decrease in income below the current income band;
 - ii. **A decrease in income** that results in a drop in income below the current income band;
 - iii. **Increase in unreimbursed childcare expenses** greater than \$2,000 when total childcare expenses exceed \$2,500 (available only to households eligible to claim a reduction in gross income for childcare expenses);
 - iv. **Increase in unreimbursed medical expenses** greater than \$2,000 when total medical expenses exceed \$2,500 (WIN Rent households must be granted an exception under KCHA's Hardship Policy in order to qualify for a deduction for medical expenses); or

Count as income any withdrawals of cash or assets by the family from the business unless the withdrawal is for reimbursement of amounts the family invested in the business.

For those families wishing to operate a small business out of their residence, the following will apply:

1. Prior to beginning the business, the tenant must obtain:
 - a. the proper business licenses and permits from the city in which the unit is located; and
 - b. prior written approval from the landlord.
2. The tenant must provide the HA with quarterly statements of income until a pattern of income can be established. Accepted forms of verification include: Financial Statements or Tax records filed with the IRS.

M. Income of Foster Children¹⁰¹

Income for care of foster children or foster adults is excluded.

N. Income of a Live-in Aide

Income received by a live-in aide is excluded and no deduction is allowed. ~~While a relative is not prohibited from serving as a live-in aide (and thus, having their income excluded), they must prove that:~~

- ~~1. They are essential to the care and well-being of the family member (for a person with disabilities or a person who is at least 50 years of age) and not obligated for their support; and~~
- ~~2. They must be one who would not be living in the unit except to provide the necessary supportive services.~~

O. Student Financial Assistance

Student financial assistance paid directly to the student or to the educational institutions shall not be counted as income.

P. Resident Stipend

A resident stipend is an amount received by a resident for performing a service for the owner (HA) on a part-time basis that enhances the quality of life in the development. Such

¹⁰¹ Approved under MTW 11/1/10

and/or administrative burden. The HA may, however, require additional documentation that the person needs the requested accommodation and that it is likely to be effective.

L. REVIEW AND/OR DISCONTINUANCE OF REASONABLE ACCOMMODATION

KCHA will not unilaterally change or discontinue a particular method of providing a reasonable accommodation, without giving notice. A family may be required to re-verify their need for a reasonable accommodation at the time of their annual review if there has been a change in family composition or any other change that would affect the need for the accommodation. Notice of change or discontinuation of a reasonable accommodation will be given to the participant with disabilities, including the participant's right to appeal the decision to change or discontinue the accommodation.

M. SPECIFIC REASONABLE ACCOMMODATIONS

Listed below is a non-exclusive list of requests where the HA has determined there may be reason to grant an accommodation to make the program accessible to and usable by a family member with a disability provided proper documentation is received.

Reasonable accommodation may be granted in cases where:

1. The applicant family fails to respond to the check-in letter because of the family members disability and their application is canceled from the waiting list. If the family can show how the disability prevented them from checking in, the application will be reinstated in its former position on the waiting list.
2. An additional bedroom has been granted to accommodate a household member with a disability when the additional bedroom is documented to be medically necessary. KCHA will verify use of the extra bedroom for the documented purpose at each annual inspection.
3. The family requests an EAS amount which is higher than the applicable amount on the EAS schedule, provided documentation is presented to show why an increase is needed. This increased amount will be determined by taking the families most recent three month average of actual utility bill amounts rather than from the HA EAS schedule. In no case will the EAS be less than that on the approved EAS schedules.
4. The family requests a live-in aide reside in their unit to provide necessary support services.
 - a. A family that consists of one or more elderly, near-elderly, or disabled persons may request a live-in aide reside in the unit to provide necessary support services. The request must be approved by the HA to make the program accessible to and usable by a family member with a disability.

- b. The HA may refuse to approve a particular person as a live-in aide, or withdraw such approval if:
 - i. The person commits fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program;
 - ii. The person commits drug-related criminal activity or violent criminal activity; or
 - iii. The person currently owes rent or other amounts to the HA or another HA in connection with the Section 8 or Public Housing program.
- c. While a relative is not prohibited from serving as a live-in aide (and thus having their income excluded), they must prove that:
 - i. They are essential to the care and well-being of the family member (for a person with disabilities or a person who is at least 55 years of age) and not obligated for their support; and
 - ii. They must be one who would not be living in the unit except to provide the necessary supportive services.
- d. The identity (name) of the live-in aide must be presented to the HA prior to execution of the lease.
- e. Occasional, intermittent, multiple or rotating care givers do not reside in the unit and would not qualify as living in the unit. Therefore, an additional bedroom will not be approved under these circumstances (HUD Notice 2009-22).

Removal of a live-in aide from the unit must be reported to the HA within 30 days of its occurrence. The family will be given 180 days from the date the live-in aide left the unit to move in a replacement. Time limit extensions may be granted on a case-by-case basis through the reasonable accommodation process. A family failing to move-in a replacement live-in aide by the end of 180 days (or extension) will have their voucher size reduced to the appropriate size for the remaining family members.

- 5. The family requests to terminate their lease prior to the end of the initial term and the owner agrees. Generally, a family and owner shall not be allowed to mutually terminate the lease during the first year of the lease and the family shall be restricted to no more than one move during any one year period.

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TO: Board of Commissioners

FROM: Tim Walter

DATE: April 21, 2014

RE: **Resolution No. 5465:** Evidencing the Intent to Operate Bellevue Manor as Housing for Persons 55 Years of Age or Older Under the Terms of the Housing for Older Persons Act (HOPA)

Executive Summary: This Resolution is submitted to confirm KCHA's on-going intent to operate Bellevue Manor as housing for persons 55 years of age or older under the terms of the Housing for Older Persons Act (HOPA). The Resolution authorizes KCHA officers to take the actions described in the Resolution to ensure the property conforms to the HOPA exemption regarding familial discrimination under the Fair Housing Act.

This Resolution is in the same form as Resolution No. 5440 passed by the Board on August 19, 2013 in connection with Vantage Glen, Rainier View, Harrison House, Westminster and Northlake House.

Background: Bellevue Manor is a former Section 8 Multifamily apartment complex for seniors located near downtown Bellevue acquired by KCHA in December 2013. When its Section 8 contract came up for renewal on February 2, 2014, KCHA opted out of the contract and entered into a new Project-based Section 8 contract. Bellevue Manor has been operated as a 55+ community since the opt out date.

As with KCHA's other HOPA-qualified senior properties (e.g. Vantage Glen and Harrison House), KCHA will fill vacancies at this site with a target of 90% senior residents and 10% nonelderly disabled.

KCHA has met the occupancy guidelines for the HOPA exemption at Bellevue Manor and has published and adhered to policies that demonstrate its intent to operate the facility as housing for persons 55 years of age or older. Management follows age verification procedures and the property has been consistently marketed as senior housing.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5465

**EVIDENCING THE INTENT TO OPERATE BELLEVUE
MANOR AS HOUSING FOR PERSONS 55 YEARS OF AGE OR
OLDER UNDER THE TERMS OF THE HOUSING FOR OLDER
PERSONS ACT (HOPA)**

WHEREAS, the Housing Authority of the County of King (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons, including seniors, residing within King County, Washington; and,

WHEREAS, RCW 35.82.070(2) provides that a housing authority may “prepare, carry out, acquire, lease and operate housing projects. . .”; and,

WHEREAS, in December, 2013, the Authority acquired Bellevue Manor, 143 Bellevue Way SE, Bellevue, WA which is occupied entirely or primarily by senior residents; and,

WHEREAS, Title VIII of the Civil Rights Act of 1968, as amended (the “Fair Housing Act”) prohibits discrimination against persons because of race, color, religion, sex, national origin, handicap and family status in the provision of housing and housing-related services, with certain exemptions from the ban against discrimination based on familial status for housing that is intended and operated for occupancy by persons age 55 or older if the housing satisfies criteria under the Housing for Older Persons Act (“HOPA”); and,

WHEREAS, in order to claim exemption from the familial status provision of the Fair Housing Act for housing intended and operated for occupancy by persons 55 years of age or older, a housing program must meet the following requirements: (i) at least 80 percent of the occupied units are occupied by at least one person who is 55 years of age or older (24 CFR 100.305); (ii) the housing facility must publish and adhere to policies and

procedures that demonstrate [such] intent (24 CFR 100.306); and (iii) the housing facility must comply with rules issued by the Secretary [of HUD] for verification of occupancy (24 CFR 100.307).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING:

Section 1: Intent to Operate Properties as Housing for Older Persons. The Authority intends to continue operating Bellevue Manor for occupancy by persons 55 years of age or older, and otherwise in the fullest practical conformance with the provisions of the HOPA. In that regard, the Authority shall continue to:

i) maintain an up-to-date database containing the name, address and date of birth of all owners/occupants in the residential units, with the age of each owner/occupant to be verified by driver's license, passport, birth certificate, military record or other allowable document;

ii) conduct a biannual age verification of all owners/occupants based on information contained in the resident file and retain a written report accurately representing the number and percentage of owners/occupants conforming to the Authority's age restriction criteria;

iii) ensure that no less than 80 percent of the occupied residential units are occupied by one or more persons 55 years of age or older;

iv) publish and adhere to policies that demonstrate the Authority's intent to primarily provide housing for persons 55 years of age or older; and

v) ensure that these properties are represented, through signage and internal and external communications, as housing primarily for older persons.

Section 2. Governmental Filings; Other Agreements. The Executive Director is further authorized to execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed), on behalf of the Authority, any government forms, affidavits, certificates, letters, documents, agreements and instruments that he determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein. He is further authorized to take such other actions as may be necessary or advisable to give effect to these resolutions.

Section 3. Effective Date. This Resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED AT A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 21st DAY OF APRIL, 2014.

**HOUSING AUTHORITY OF THE
COUNTY OF KING, WASHINGTON**

Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:

Stephen J. Norman
Secretary

HOPA Confirmation

This will confirm to the Commissioners of the Housing Authority of King County that Bellevue Manor qualifies for exemption from familial discrimination under the Housing for Older Persons Act (HOPA) and that the Authority intends to continue operating the property as housing primarily for persons aged 55 and older pursuant to HOPA requirements.

Stephen J. Norman
Executive Director

April 21st, 2014

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director of the Housing Authority of the County of King (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 5465 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a regular meeting of the Authority held on April 21, 2014, and duly recorded in the minute books of the Authority.
2. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of April, 2014.

Stephen J. Norman
Executive Director of the Authority

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TO: Board of Commissioners

FROM: John E. Eliason

DATE: April 4, 2014

RE: **Resolution No. 5466:** Related to Disposition and Sale of Seola Gardens Division 1 Lots 17-24 and Division 2 Lots 1-30, 33-48 to Richmond American Homes

Resolution No. 5466 authorizes the Executive Director to sell Seola Gardens Division 1 Lots 17-24 and Division 2 Lots 1-30, 33-48 (see attached map) to Richmond American Homes for construction of market rate, detached homes which will be offered for sale. The resolution authorizes the sale of this land to Richmond American on substantially the same terms outlined in a non-binding Letter of Intent (LOI) dated March 28, 2014 (attached). Resolution No. 5226, which was passed May 20, 2009, authorized the disposition of all vacant land at Seola Gardens.

Disposition Process

KCHA offered 54 lots for sale in a land offering document that was sent to home builders in the area on February 14, 2014. Proposals were due any time after March 14, 2014. On March 14, 2014, KCHA received 3 proposals. The proposals received were from BDR Homes, Lorenz Land Holdings and Richmond American Homes. The proposals were reviewed by King County Housing staff consisting of Tim Walter, Steve Clagett, Kevin Preston and John Eliason. The staff recommendation was to accept the Richmond American proposal. The review team concluded that the Richmond American proposal had the best price, proposes a single closing with the shortest feasibility period of 45 days and showed the best understanding of how to build out the site while minimizing disruptions to current Seola Gardens residents. Richmond American is also the best capitalized of the firms offering proposals. Richmond American Homes is a subsidiary of MDC Holdings, Inc., which is a publically traded homebuilder based in Denver. They currently service 11 states including Washington and have been building homes for over 30 years. Below is a table that provides a comparison of the proposals received.

Home Builder	Seola Gardens Model	Price Proposal per Lot	Price Participate Build/KCHA	# Close	Gross Revenue*	Increase Over Model*
BDR Homes	3,422,696	70,000	60/40	2	3,780,000	357,304
Lorenz Land Holdings	3,422,696	100,000	60/40	4	5,400,000	1,977,304
Richmond American Homes	3,422,696	110,000	60/40	1	5,940,000	2,517,304
* Based on 54 finished lots. Does not include seller's closing costs						

Terms of Sale

KCHA will sell the 54 lots as shown on the attached map for \$110,000 per lot or \$5,940,000 with a 45 day feasibility period. All of the lots are platted, serviced and ready for construction. Earnest Money of \$594,000 will be held in escrow in the form of a promissory note and converted to cash upon waiver of feasibility. The purchase price will be paid in cash at closing. The purchase price may be adjusted by the Executive Director by up to 10% to offset unforeseen or extraordinary site development costs identified by Richmond American during the feasibility process that substantially affect the lot values.

Profit Participation

KCHA and Richmond American will enter into a profit participation agreement which is important in the event land and home values escalate after execution of the Purchase and Sale Agreement or market experience demonstrates higher values than the agreement anticipates. For all lots sold, Richmond American will pay KCHA 40% of the difference between initial base prices and the price of actual future sales, after adjusting for buyer selected upgrades. The base prices will be negotiated with Richmond America during the feasibility period and will be based on sales prices of comparable homes in the area. If the properties sell at or below the base prices there will be no profit participation.

Risks

Like any real estate transaction there are risks associated with this transaction. KCHA will mitigate the risks to the extent possible.

Market Risk

The initial risk is that Richmond American misjudged the sales prices or volume of sales for new homes in the White Center area and will refuse to waive contingencies after expiration of the feasibility period unless KCHA agrees to price concessions on the lots.

This risk is mitigated in part by Richmond American's previous experience selling homes at Seola Gardens and their knowledge of the local marketplace. Also, the competitive offers received from other homebuilders and Richmond American's potential loss of credibility with KCHA should restrain them from seeking price concessions unless there is sudden shift in the regional for-sale home market.

A related risk is that after closing of the land sale, the homes offered don't sell, sell more slowly than predicted or sell at much lower prices. Although KCHA will suffer no immediate loss of revenue since these lots will have already been sold, an inventory of unsold homes and lots may depress future land sales at Greenbridge and slow the build out of both Seola Gardens and Greenbridge.

This risk is mitigated by working with an experienced, well capitalized homebuilder that has had good success in marketing and selling very similar homes in the White Center market. The preliminary home pricing in Richmond American's proposal indicates that the next phase of homes will sell for between \$303,000 to \$338,000, which appear to be reasonable for the market and puts the lot values at between 32% and 36% of the proposed home sale prices. And if the homes don't sell, Richmond American is sufficiently capitalized that, if necessary, it could offer price concessions to stimulate sales. It should be noted that all homes built by Richmond American at Seola Gardens must meet KCHA design guidelines.

Performance Risk

Another risk is that after waiving contingencies, Richmond American will not close on the 54 lots and defaults on the purchase and sale agreement. This risk is mitigated by a substantial earnest money deposit (\$594,000) and the potential to sell to other builders if Richmond American cannot takedown all of the lots. It is also possible that Richmond will sell lots to a third party builder. Richmond agreed to provide KCHA with the first right of refusal to repurchase any lots Richmond desires to sell to a third party. If KCHA does not exercise its first right of refusal and if the lots are sold by Richmond American for more than the original purchase price, Richmond agrees to pay KCHA 50% of any net difference in price. KCHA must also approve any subsequent buyer and they must adhere to all the conditions of the original purchase and sale agreement.

This Resolution authorizes the Executive Director to enter into a purchase and sale agreement with Richmond American Homes with terms substantially the same as the LOI and to take any and all actions necessary to close the transaction within the terms and structure of the current agreement. It also authorizes the Executive Director to adjust the land sales price by up to 10% which would only occur if unforeseen or extraordinary land development costs were identified by Richmond American during the feasibility period that affect the value of the lots. The proposed purchase price is well above the price offered by other homebuilders and is substantially higher than KCHA's internal estimates. Approval is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5466

**AUTHORIZING THE DISPOSITION OF SEOLA GARDENS LOTS BY
COMPETITIVE PROPOSAL TO RICHMOND AMERICAN HOMES**

WHEREAS, King County Housing Authority is developing the Seola Gardens HOPE VI project in White Center with the objective of providing up to 108 home ownership opportunities; and,

WHEREAS, KCHA has platted, and has provided utilities to all Seola Gardens for-sale lots; and,

WHEREAS, KCHA marketed this land for sale through an open public offering to developers and builders for for-sale housing from which an offer was made by Richmond American Homes; and,

WHEREAS, Richmond American Homes, a Colorado based company which has a successful record of developing and building communities, for ownership in the Puget Sound region, has made an offer to purchase 54 finished lots offered for a sales price of \$5,940,000 or \$110,000 per lot for all lots; and,

WHEREAS, KCHA has entered into a letter of intent regarding the major terms of sale dated March 28, 2014. The purchase and sale agreement will be entered substantially in the form as the agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF
KING:**

1. The Executive Director, or his designee, is authorized to execute a purchase and sale agreement to sell and dispose of Seola Gardens Division 1 Lots 17-24 and

Division 2 Lots 1-30, 33-48 to Richmond American Homes for the price of \$110,000 per lot for all lots. The transaction will total \$5,940,000, less closing costs. These proceeds will be used to offset KCHA's carrying costs associated with the "for sale" land parcels at Seola Gardens. The Director is authorized to adjust the price up to 10%.

2. The Executive Director is authorized, in his discretion to negotiate the specific provisions of the Purchase and Sale Agreement, based on the general terms and conditions set forth in Letter of Intent referenced above, provided that the Executive Director shall not authorize changes to the Purchase and Sale Agreement that would materially interfere with KCHA's objective for homeownership as set forth in the HOPE VI Revitalization Plan or its amendments.

ADOPTED AT A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 21ST DAY OF APRIL, 2014.

**THE HOUSING AUTHORITY OF THE
COUNTY OF KING, WASHINGTON**

DOUGLAS BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary



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March 28, 2014

John Eliason, Development Director
King County Housing Authority
600 Andover Park West
Seattle, WA 98188

RE: Seola Gardens North Phase Land Offering 1 Letter of Intent

Dear Mr. Eliason:

This non-binding Letter of Intent sets forth the general terms and conditions which Richmond American Homes ("Purchaser") desires to include in a binding Purchase and Sale Agreement ("REPSA") and related documents with the King County Housing Authority ("KCHA") for the described property in the Seola Gardens development:

1 Property:	Lots 1-17 of Seola Gardens Division 2 as recorded in King County Washington under recording number 20130716000943 [and/or] Lots 17-24 of Seola Gardens Division 1 as recorded in King County Washington under recording number 20101109000359; and Lots 18-30 and 33-48 of Seola Gardens Division 2 as recorded in King County Washington under recording number 20130716000943..
2 Proposed Development:	Detached single family homes ranging in square footage from 1,519 to 2,384 sq. ft..
3 Purchase Price:	54 Lots at \$110,000 per lot for a total purchase price of \$5,940,000.
4 Earnest Money:	\$594,000 promissory note held in escrow and converted to cash upon waiver of feasibility that would be applied pro rata at each takedown closing.
5 Feasibility Period:	45 days from date of mutual acceptance of the REPSA at the end of which Purchaser approves ("Feasibility Approval") or disapproves feasibility.
6 Closing Date:	Closing to occur on all 54 lots 30 days after Feasibility Approval.
7 Title/Escrow:	Chicago Title Insurance Company

Richmond American Homes of Washington, Inc. • 310 29th St NE, Ste 200 • Puyallup, WA 98372

RICHMONDAMERICAN.COM



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8 Profit Participation:	Purchaser agrees to profit participation on the sale of homes on purchased lots. KCHA shall be entitled to 40% of the difference between the base price for profit participation below and the total sales price minus offerings and concessions at the time of the sale. The profit participation payment based on this formula will be paid at each home sale closing out of escrow. Below is an example. The Base Prices by model name are established in the Purchase & Sale Agreement.				
	Total Home Sales Price	Offerings and Concessions	Base Price	Profit to Share	KCHA 40%/ Purchaser 60%
	\$225,000	\$20,000	\$175,000	\$30,000	\$12,000/\$18,000



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<p>9</p> <p>Additional Terms:</p>	<p>Design Guidelines: All of Purchaser's building plans, landscaping and Improvements must be approved by KCHA based on the Seola Gardens Design Guidelines. Purchaser must Identify any Seola Gardens Design Guideline for which it requests a waiver or modification prior to waiver of feasibility.</p> <p>Owner Occupancy Requirement: Purchaser may not lease or rent units and shall sell finished housing units only to parties who agree, as consideration for their purchase of a housing unit, to occupy the housing unit for a minimum of eighteen months, unless such requirement is waived in writing by KCHA. The procedures for compliance with this requirement shall be set forth in the REPSA.</p> <p>Community Association: Purchaser understands that there is a community association for Seola Gardens and that the housing units developed on the Property are obligated to join and pay assessments to the Seola Gardens Association. A Declaration of Conditions, Covenants and Restrictions for Seola Gardens contains a number of requirements and rules applicable to the Property.</p> <p>Related Documents: As master developer, KCHA has recorded several Declarations (Including CC&R's) to be reflected in the title report. Permitted exceptions will be listed in the REPSA and further identified during review of title reports.</p> <p>Damage Deposit: Purchaser shall post a damage deposit in the amount of \$20,000 The cash deposit will be placed in escrow following the 1st closing. The damage deposit will cover damage to KCHA constructed improvements in Seola Gardens.</p> <p>Lot Repurchase: Lots purchased by Purchaser shall have a resale restriction. Purchaser shall give KCHA first opportunity to repurchase lots at the original Purchase Price, or upon KCHA election not to repurchase, the lots may be sold to another KCHA approved builder and any net proceeds from such approved sale above the lot price Purchase paid KCHA shall be shared 50% to Purchaser 50% with KCHA.</p>
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If the terms of this letter of Intent are acceptable, please indicate your acceptance by signing below and returning this letter to the undersigned no later than 4:00 pm on the 5th business day after the date of this letter. This letter of Intent expires and is null and void if not signed and returned by that date.

This letter of intent is not binding on either party and merely identifies the basic terms and conditions of a proposed Purchase and Sale agreement between the parties. Until such time as a Purchase and Sale Agreement is executed by the parties, the parties agree that KCHA has no obligation to sell and Purchaser has no obligation to buy the Property.

The parties agree to negotiate, in good faith, with the goal of reaching agreement on a Purchase and Sale Agreement, to be executed no later than 30 days after this letter is signed. Once this letter is fully signed, KCHA will direct its legal counsel to prepare a draft Purchase and Sale Agreement and related documents within 10 business days for your review. Purchaser acknowledges that final approval of a Purchase and Sale Agreement requires approval of KCHA's Board of Commissioners. KCHA will endeavor to obtain such approval as promptly as possible.

The parties further acknowledge that KCHA must obtain approval of HUD before closing on the sale of any of the Properties. KCHA will diligently pursue such approval. KCHA does not anticipate that obtaining such approval will be a problem, but in the event that KCHA is unable to obtain HUD approval of this transaction, Purchaser shall be entitled to a refund of all Earnest Money Deposits, regardless of any other provision in this Letter of Intent.

We look forward to working on this transaction towards a successful purchase of the property.

PURCHASER

Richmond American Homes

A handwritten signature in cursive script, reading 'Michael J. Del Castillo', written over a horizontal line.

By: Michael J. Del Castillo
Its: VP, Land Acquisition

AGREED AND ACCEPTED:

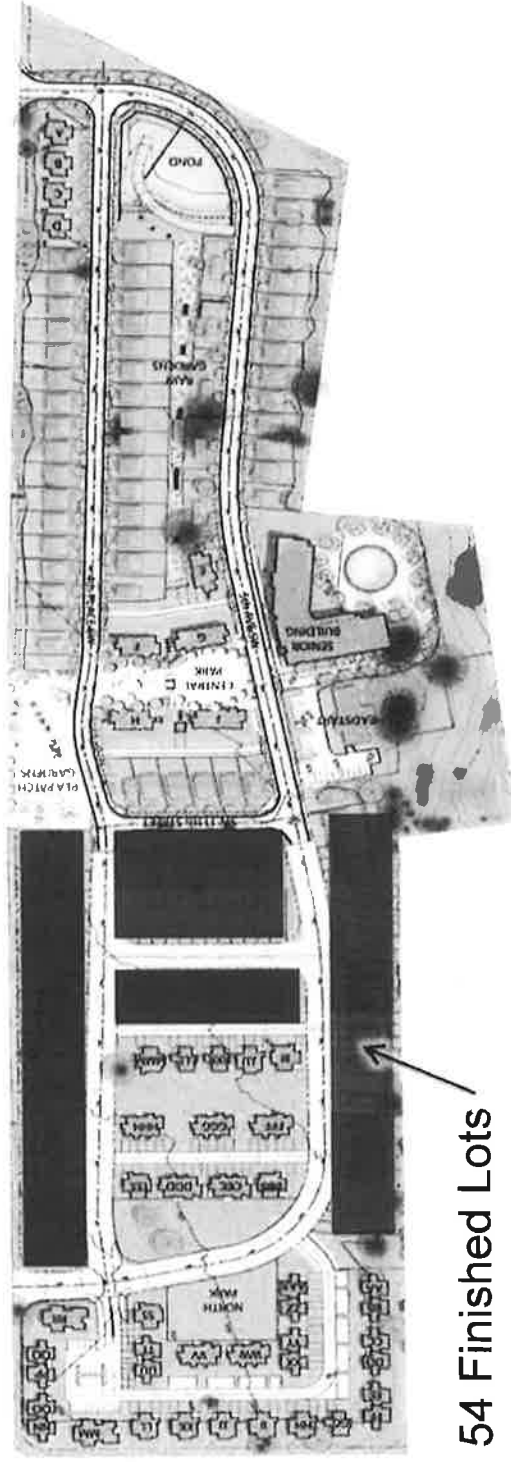
KING COUNTY HOUSING AUTHORITY

A handwritten signature in cursive script, reading 'Stephen J. Norman', written over a horizontal line.

By: Stephen J. Norman
Its: Executive Director

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54 Finished Lots

Seola Gardens North Phase 54 Finished Lots

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TO: Board of Commissioners

FROM: Tim Walter

DATE: April 16, 2014

RE: **Resolution No. 5467:** Line of Credit with Bank of America to Finance the Acquisition of the Gilman Square Apartments

Bank of America is finalizing its internal credit and pricing approval for the Gilman Square line of credit. KCHA expects to receive the term sheet and commitment for the financing facility from the Bank by the end of this week. Once the commitment has been received and the terms of the commitment reviewed and determined to be reasonable by KCHA, a resolution authorizing the establishment of the Gilman Square line of credit will be provided. It is expected that this resolution will be available for the April 21st Board of Commissioner's meeting.

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TO: Board of Commissioners

FROM: Megan Hyla, Director of Policy

DATE: April 11, 2014

RE: **2013 Moving to Work Report**

I am pleased to report that the 2013 Moving to Work (MTW) report was submitted on-time to HUD on March 31st. This report highlights activities undertaken by KCHA in 2013, and is submitted annually as part of our MTW contract. A brief overview of the report will be presented at the April 21st board meeting for informational purposes only.

Please note: I highly encourage you to read pages 3-16 which give an overview of KCHA's activities and MTW goals. You are welcome to read the report in its entirety, although the balance of the report is written and formatted in alignment with HUD requirements, making it less readable.



The King County Housing Authority's FY 2013 Moving to Work Annual Report will be distributed at the April 21, 2014 Meeting of the Board of Commissioners.

A PDF of this report is available on the King County Housing Authority's website under the April 21, 2014 Board Documents located on the Board Information and Meetings page.

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TO: Board of Commissioners

FROM: Tim Baker

DATE: April 2, 2014

RE: **First Quarter 2014 Procurement Report**

In order to update the Board concerning KCHA's procurement activities, attached is the Quarterly Procurement Report. This report covers all procurements from January through March 2014 that involved the award of contracts valued over \$100,000 and change orders that have cumulatively exceeded ten percent (10%) of initial contract value.

In the awarded contracts section, the Report lists the issuing department, contract type, company awarded the contract, the award and estimate/budgeted amounts, procurement process involved, the number of bids received and notes about the procurement. In the first quarter, there were 5 contracts valued at more than \$100,000 representing 65% of the contracts executed in the quarter. The largest contract was for the Overlake roof replacement project that was awarded to McDonald & Wetle for \$353,131.

KCHA's internal procedures require heightened oversight and review once a contract has incurred change orders valued at more than 10% of the original contract amount. The change order section of the Report includes the issuing department, contract type, company awarded the contract, the original award amount, number of change orders and the amounts of the total change orders to date expressed both in dollars and percentages above the original contract value, and notes about the procurement. At the Board's request, this section was divided between change orders issued in response to unforeseen field conditions or expanded project scopes, and change orders which were foreseen at the time the initial contract was let (primarily through contract extensions on multi-year contracts). The not-to-exceed total for the "foreseen" change order section is the projected total amount of the contract once all the foreseen change orders are completed.

There were 6 total "field condition" or "scope change" orders in the first quarter on contracts whose total value had exceeded 10% of the initial contract amount. The largest percentage change order (64%) was with JTatman Construction for the fire restoration work at the Newporter Apartments. Unseen smoke and fire damage along with City of Bellevue required code upgrades resulted in additional costs paid primarily from insurance proceeds.

There are 22 anticipated change orders involving a contract extension as allowed in the original contract. Nineteen were issued by the Resident Services Department for a variety of social services.

Awarded contracts over \$100,000

NTE = not to exceed