King County Housing Authority

SPECIAL MEETING OF THE BOARD OF COMMISSIONERS

September 15, 2014, 8:30 a.m.
Woodridge Park Apartments
Woodridge New Futures Community Building
12424 28th Avenue S, Burien, WA 98168

AGENDA

I. **Call to Order**

II. **Roll Call**

III. **Welcome**

IV. **Public Comment**

V. **Approval of Minutes -** Board Meeting Minutes from August 18, 2014 **1**

VI. **Approval of Agenda**

VII. **Consent Agenda**

A. Voucher Certification Report for July 2014 (General and Bond Properties) **2**

B. Resolution No. 5481: Authorizing (i) the transfer of the Somerset Gardens Project to the Authority through the Acquisition of the Leasehold Interest of Limited Partnership in the Project by the Authority and/or the acquisition of the interests of the limited partner of the Partnership by the Authority; (ii) the submission to the Washington State Housing Finance Commission of a request for consent to transfer the Project; (iii) the assignment and assumption by the Authority of the obligations of the Partnership with respect to the Project and bonds issued to finance the Project; and (iv) the approval, execution and delivery of all documents necessary to effectuate the foregoing and determining related matters **3**

VIII. Resolutions for Discussion & Possible Action

A. Resolution No. 5482: Authorizing the Housing Authority of the County of King to provide a loan to Plum Court Housing Associates LLC, in an amount not to exceed $825,000 for the purpose of financing the rehabilitation of the Plum Court Apartments in Kirkland, Washington and funding a reserve for the Project; authorizing the Authority to acquire an option to purchase the Project; directing appropriate officers of the Authority to negotiate, execute and deliver such documents as are useful for or necessary to the purposes of this resolution, and determining related matters **4**

IX. Briefings & Reports

A. New Bank Accounts **5**

B. Executive Dashboard Report, Second Quarter 2014 **6**

C. Capital Fund Progress Report **7**

D. Moving To Work 2015 Draft Plan Briefing **8**

E. Retreat Background Data and Policy Briefing

F. Executive Director's Report

X. Commissioner Comments

XI. Adjournment

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Board Coordinator, Jessica Olives, in writing at 600 Andover Park West, Seattle, WA 98188 or by calling 206-574-1194 prior to the meeting date.

Next Board Meeting:
Special Meeting: Monday, October 13, 2014

TAB NUMBER 1

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

Monday, August 18, 2014

I. CALL TO ORDER

The special meeting of the Board of Commissioners of the King County Housing Authority was called to order by Commissioner Doug Barnes at 8:32 a.m. on Monday, August 18, 2014, at Wonderland Estates located at 14645 SE Renton Maple Valley Road in Renton, Washington.

II. ROLL CALL

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

Staff: Stephen Norman, Connie Davis, Ted Dezember, John Eliason, Jenna Higgins, Megan Hyla, Dan Landes, Jessica Olives, Beth Pearson, Jennifer Ramirez Robson, Mike Reilly, Craig Violante, Tim Walter, Dan Watson, and Wen Xu

Excused: Commissioner Richard Mitchell

Guests: Lillie Clinton (Public), Donna Cleveland and Randy Cleveland (Wonderland Estates Management)

III. WELCOME TO WONDERLAND ESTATES

Tim Walter, Senior Director of Acquisitions and Asset Management welcomed the Board and guests to Wonderland Estates. Mr. Walter provided a brief history of the property and infrastructure improvements. Mr. Walter also introduced Wonderland Management staff, Randy and Donna Cleveland.

IV. PUBLIC COMMENT

Lilly Clinton commented on concerns regarding a proposed change to the definition of family.

Commissioner Barnes asked Executive Director, Stephen Norman, to brief the Board on the process of the proposed change in the definition of family and how the change would take effect.

Mr. Norman explained that the proposed changes would require updates to the agency's administrative policies for the Public Housing and Section 8 programs. Mr. Norman stated that staff has made initial recommendations which are currently being evaluated through discussions in the form of informational public meetings with residents, community stakeholders, the Resident Advisory Council (RAC) and legal aid groups with the intent to receive feedback.

Mr. Norman further explained that staff will discuss the outcome and feedback resulting from these initial meetings and then develop a revised set of recommendations that will be brought to public forums to gather further input from residents. Mr. Norman stated that once staff has established the final recommendations, they will be presented to the Board for consideration. Mr. Norman also stated that this process would take a few months to complete.

V. APPROVAL OF MINUTES

On motion by Commissioner Palmer, seconded by Commissioner Stewart, which motion duly carried by unanimous vote, the Board approved the minutes from the Board of Commissioner's special meeting of July 21, 2014.

VI. APPROVAL OF AGENDA

Chair Barnes asked that Item E. Executive Dashboard Report and Item F. Capital Fund Progress Report under IX. Briefings and Reports be deferred until the next meeting.

On motion by Commissioner Palmer, seconded by Commissioner Brown, which motion duly carried by unanimous vote, the Board approved the August 18, 2014 Board of Commissioners' agenda with the changes requested by the Chair.

VII. CONSENT AGENDA

A. Voucher Certification Report for May 2014 (General and Bond Properties)

GENERAL PROPERTIES		
Bank Wires/ACH Withdrawals		$1,302,458.35
Accounts Payable	Checks# 241873-242484	$4,257,801.95
Payroll Vouchers		
	Checks #83246-83295	$55,858.59
	Direct Deposit	$1,170,420.09
Section 8 Program Vouchers		
	Checks #605148-605540	$256,774.44
	ACH #276627-279808	$9,318,006.50
Purchase Card / ACH Withdrawal		$246,521.27
	General Properties Total	$16,607,841.19
BOND PROPERTIES		
Bond Properties Total (30 different properties)		**$1,514,942.19**

On motion by Commissioner Brown, seconded by Commissioner Palmer, which motion was duly carried by unanimous vote, the Board approved the 2014 June Voucher Reports.

B. Resolution No. 5478: Authorization for the Executive Director of the Housing Authority of King County to enter into an Interlocal Agreement with the Housing Authority of the City of Yakima for Financial Consulting Services

On motion by Commissioner Brown, seconded by Commissioner Palmer, which motion was duly carried by unanimous vote, the Board approved Resolution No. 5478.

VIII. RESOLUTIONS FOR DISCUSSION AND POSSIBLE ACTION

A. Resolution No. 5479: Authorizing the Adoption of a Revised Risk Management Policy

Connie Davis, Deputy Executive Director, briefed the Board on the proposed Revised Risk Management Policy.

All questions raised by the Commissioners were satisfactorily addressed by staff.

On motion by Commissioner Brown, seconded by Commissioner Palmer, which motion was duly carried by unanimous vote, the Board approved Resolution No. 5479.

B. Resolution No. 5480: Authorizing the Executive Director to approve, execute and deliver all documents relating to a Bridge Loan in the amount of up to $20,500,000 from the Authority to the Vantage Point Apartments, LLC to be funded in whole or in part from the proceeds of a taxable line of credit to the Authority from Bank of America and/or funds of the Authority

Tim Walter, Senior Director of Acquisitions and Asset Management, briefed the Board of Commissioners on Resolution No. 5480, which authorizes the Executive Director to approve, execute and deliver all documents related to a Bridge Loan from the KCHA to Vantage Point Apartments, LLC.

All questions raised by the Commissioners were satisfactorily addressed by staff.

On motion by Commissioner Brown, seconded by Commissioner Palmer, which motion was duly carried by unanimous vote, the Board approved Resolution No. 5480.

VIII. BRIEFINGS & REPORTS

A. New Bank Accounts

Craig Violante, Director of Finance, announced that KCHA had opened four new bank checking accounts that will be used to hold tenant security deposits for the Nia, Salmon Creek, and Seola Crossing properties.

B. Second Quarter Financial Report

Craig Violante briefed the Board on the Second Quarter Financial Statements for 2014.

C. Resource Conservation Briefing

Jenna Higgins, Resource Conservation Specialist, gave a presentation on the progress and goals achieved related to KCHA's Resource Management Plan. Ms. Higgins explained the history of KCHA's sustainability program and provided a status update on the targets pertaining to energy use, solar energy generation, utility costs, waste and water use.

D. Education Briefing

Executive Director, Stephen Norman, and Senior Resident Services Manager for Education, Ted Dezember, gave a presentation on KCHA's Educational Initiatives.

E. Executive Dashboard Report, Second Quarter 2014

This item was not discussed and was deferred to the next meeting in September 2014.

F. Capital Fund Progress Report

This item was not discussed and was deferred to the next meeting in September 2014.

XII. RECESS FOR MOVING KING COUNTY RESIDENTS FORWARD (MKCRF) SPECIAL BOARD OF DIRECTORS' MEETING

Chair Barnes called for a recess for the Moving King County Forward Special Board meeting at 10:20 a.m.

XIII. RECONVENE AT CONCLUSION OF MOVING KING COUNTY RESIDENTS (MKCRF) FORWARD BOARD MEETING

The meeting of the Board of Commissioners was reconvened at 10:23 a.m. by Chair Barnes.

VIII. BRIEFINGS & REPORTS (CONTINUED)

G. Executive Directors Report
Executive Director, Stephen Norman, briefed the Board on the Vantage Point Groundbreaking event and provided an update on the progress of construction.

XI. COMMISSIONER COMMENTS

Commissioner Stewart commented on the notification process for the location of the next KCHA Board meeting.

X. EXECUTIVE SESSION

Chair Barnes called for an Executive Session at 10:27 a.m. as authorized by RCW 42.30.110 (1) (g) – “To review the performance of a public employee”.

The meeting of the Board of Commissioners was reconvened at 10:35 a.m. by Chair Barnes.

No action was taken by the Board as a result of the Executive Session.

XIV. TOUR OF WONDERLAND ESTATES

The tour of Wonderland Estates started at 10:35 a.m.

The tour of the Wonderland Estates ended at 10:50 a.m.

XV. ADJOURNMENT

On motion by Commissioner Stewart, seconded by Commissioner Palmer, which motion was duly carried by unanimous vote, the Board adjourned the meeting at 10:50 a.m.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

____
DOUGLAS J. BARNES, Chair
Board of Commissioners

____
STEPHEN J. NORMAN
Secretary

TAB NUMBER 2

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 JULY 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

Linda Riley
Controller
August 28, 2014

Bank Wires / ACH Withdrawals		10,221,677.15
	Subtotal	***10,221,677.15***
Accounts Payable Vouchers		
Checks - #242485-#243050		3,210,039.78
	Subtotal	***3,210,039.78***
Payroll Vouchers		
Checks - #83296-#83353		65,942.94
Direct Deposit		1,214,247.72
	Subtotal	***1,280,190.66***
Section 8 Program Vouchers		
Checks - #605541-#605950		273,551.62
ACH - #279810-#282963		9,218,534.08
	Subtotal	***9,492,085.70***
Purchase Card / ACH Withdrawal		223,761.20
	Subtotal	***223,761.20***
	GRAND TOTAL	***24,427,754.49***

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

FROM: Wen Xu

SUBJECT: **VOUCHER CERTIFICATION FOR JULY 2014**

I, Wen Xu, 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
August 12, 2014

Property	Wires per Bank Statement		Funds Requested for Operations		Difference
Jul-14	Date	$	$	Details	$
Bellepark East	7/3/2014	$ 29,396.25	$ 29,396.25	A/P	$ -
	7/10/2014	$ 28,021.99	$ 28,021.99	A/P & Payroll	$ -
	7/17/2014	$ 24,998.53	$ 24,998.53	A/P	$ -
	7/24/2014	$ 14,068.51	$ 14,068.51	A/P & Payroll	$ -
	7/31/2014	$ 6,084.13	$ 6,084.13	A/P	$ -
Colonial Gardens	7/10/2014	$ 4,982.05	$ 4,982.05	A/P & Payroll	$ -
	7/17/2014	$ 5,859.61	$ 5,859.61	A/P	$ -
	7/24/2014	$ 7,574.88	$ 7,574.88	A/P & Payroll	$ -
	7/31/2014	$ 267.60	$ 267.60	A/P	$ -
Cottonwood	7/3/2014	$ 8,148.79	$ 8,148.79	A/P	$ -
	7/10/2014	$ 21,429.03	$ 21,429.03	A/P & Payroll	$ -
	7/17/2014	$ 8,261.56	$ 8,261.56	A/P	$ -
	7/24/2014	$ 21,364.16	$ 21,364.16	A/P & Payroll	$ -
	7/31/2014	$ 2,125.80	$ 2,125.80	A/P	$ -
Cove East	7/3/2014	$ 8,821.08	$ 8,821.08	A/P	$ -
	7/10/2014	$ 21,482.51	$ 21,482.51	A/P & Payroll	$ -
	7/17/2014	$ 73,319.35	$ 73,319.35	A/P	$ -
	7/24/2014	$ 20,446.84	$ 20,446.84	A/P & Payroll	$ -
	7/31/2014	$ 4,154.69	$ 4,154.69	A/P	$ -
Landmark	7/3/2014	$ 20,391.31	$ 20,391.31	A/P	$ -
	7/10/2014	$ 20,408.62	$ 20,408.62	A/P & Payroll	$ -
	7/17/2014	$ 27,201.99	$ 27,201.99	A/P	$ -
	7/24/2014	$ 58,986.86	$ 58,986.86	A/P & Payroll	$ -
	7/31/2014	$ 3,739.63	$ 3,739.63	A/P	$ -
Timberwood	7/3/2014	$ 41,003.63	$ 41,003.63	A/P	$ -
	7/10/2014	$ 19,541.14	$ 19,541.14	A/P & Payroll	$ -
	7/17/2014	$ 20,936.61	$ 20,936.61	A/P	$ -
	7/24/2014	$ 78,542.17	$ 78,542.17	A/P & Payroll	$ -
	7/31/2014	$ 35,494.95	$ 35,494.95	A/P	$ -
Woodland North	7/3/2014	$ 13,026.29	$ 13,026.29	A/P	$ -
	7/10/2014	$ 16,802.35	$ 16,802.35	A/P & Payroll	$ -
	7/17/2014	$ 15,899.19	$ 15,899.19	A/P	$ -
	7/24/2014	$ 8,725.74	$ 8,725.74	A/P & Payroll	$ -
	7/31/2014	$ 25,203.80	$ 25,203.80	A/P	$ -
Woodside East	7/3/2014	$ 30,254.33	$ 30,254.33	A/P	$ -
	7/10/2014	$ 25,134.69	$ 25,134.69	A/P & Payroll	$ -
	7/17/2014	$ 7,391.10	$ 7,391.10	A/P	$ -
	7/24/2014	$ 79,697.60	$ 79,697.60	A/P & Payroll	$ -
	7/31/2014	$ 11,646.39	$ 11,646.39	A/P	$ -
Alpine Ridge	7/3/2014	$ 4,229.40	$ 4,229.40	Payroll, A/P	$ -
	7/17/2014	$ 11,309.83	$ 11,309.83	Payroll, A/P	$ -
	7/31/2014	$ 16,307.21	$ 16,307.21	Payroll, A/P	$ -
Aspen Ridge	7/3/2014	$ 6,102.47	$ 6,102.47	Payroll, A/P	$ -
	7/17/2014	$ 11,279.63	$ 11,279.63	Payroll, A/P	$ -
	7/31/2014	$ 23,905.54	$ 23,905.54	Payroll, A/P	$ -
Auburn Square	7/3/2014	$ 14,248.97	$ 14,248.97	Payroll, A/P	$ -
	7/17/2014	$ 128,319.71	$ 128,319.71	Payroll, A/P	$ -
	7/31/2014	$ 34,621.13	$ 34,621.13	Payroll, A/P	$ -
Carriage House	7/3/2014	$ 16,318.99	$ 16,318.99	Payroll, A/P	$ -
	7/17/2014	$ 38,123.01	$ 38,123.01	Payroll, A/P	$ -
	7/31/2014	$ 28,172.72	$ 28,172.72	Payroll, A/P	$ -
Cascadian	7/3/2014	$ 19,328.81	$ 19,328.81	Payroll, A/P	$ -
	7/17/2014	$ 69,897.71	$ 69,897.71	Payroll, A/P	$ -
	7/31/2014	$ 32,334.97	$ 32,334.97	Payroll, A/P	$ -
Fairwood	7/3/2014	$ 13,897.96	$ 13,897.96	Payroll, A/P	$ -
	7/17/2014	$ 30,047.32	$ 30,047.32	Payroll, A/P	$ -
	7/31/2014	$ 49,801.65	$ 49,801.65	Payroll, A/P	$ -
Heritage Park	7/3/2014	$ 8,223.20	$ 8,223.20	Payroll, A/P	$ -
	7/17/2014	$ 24,974.13	$ 24,974.13	Payroll, A/P	$ -
	7/31/2014	$ 14,851.62	$ 14,851.62	Payroll, A/P	$ -
Laurelwood	7/3/2014	$ 10,070.73	$ 10,070.73	Payroll, A/P	$ -
	7/17/2014	$ 22,242.92	$ 22,242.92	Payroll, A/P	$ -
	7/31/2014	$ 16,302.61	$ 16,302.61	Payroll, A/P	$ -
Meadows	7/3/2014	$ 8,566.67	$ 8,566.67	Payroll, A/P	$ -
	7/17/2014	$ 18,595.96	$ 18,595.96	Payroll, A/P	$ -
			$ 16,030.34	Payroll, A/P	$ (16,030.34)
Newporter	7/3/2014	$ 13,254.06	$ 13,254.06	Payroll, A/P	$ -
	7/17/2014	$ 19,318.39	$ 19,318.39	Payroll, A/P	$ -

	7/31/2014	$	34,655.12	$	34,655.12	Payroll, A/P	$	-
Parkwood	7/3/2014	$	7,800.80	$	7,800.80	Payroll, A/P	$	-
	7/17/2014	$	84,724.90	$	84,724.90	Payroll, A/P	$	-
	7/24/2014	$	7,626.25	$	7,626.25	A/P	$	-
	7/31/2014	$	28,505.08	$	28,505.08	Payroll, A/P	$	-
Walnut Park	7/3/2014	$	11,786.44	$	11,786.44	Payroll, A/P	$	-
	7/17/2014	$	55,680.28	$	55,680.28	Payroll, A/P	$	-
	7/31/2014	$	17,638.70	$	17,638.70	Payroll, A/P	$	-
Woodridge Park	7/3/2014	$	17,637.40	$	17,637.40	Payroll, A/P	$	-
	7/17/2014	$	39,706.67	$	39,706.67	Payroll, A/P	$	-
	7/31/2014	$	45,920.34	$	45,920.34	Payroll, A/P	$	-
Meadowbrook	7/3/2014	$	21,033.17	$	21,033.17	A/P	$	-
	7/17/2014	$	34,122.47	$	34,122.47	A/P	$	-
	7/22/2014	$	98,200.82	$	98,200.82	A/P	$	-
	7/31/2014	$	14,791.70	$	14,791.70	A/P	$	-
Bellevue Manor	7/8/2014	$	12,332.59	$	12,332.59	A/P	$	-
	7/17/2014	$	23,566.90	$	23,566.90	A/P	$	-
Charter House	7/8/2014	$	1,133.53	$	1,133.53	A/P	$	-
	7/17/2014	$	12,239.83	$	12,239.83	A/P	$	-
Northwood Square	7/8/2014	$	3,204.25	$	3,204.25	A/P	$	-
	7/17/2014	$	8,490.65	$	8,490.65	A/P	$	-
Patricia Manor	7/8/2014	$	8,262.54	$	8,262.54	A/P	$	-
	7/17/2014	$	15,501.35	$	15,501.35	A/P	$	-
Vashon Terrace	7/17/2014	$	7,646.35	$	7,646.35	A/P	$	-
Rainier View I	7/15/2014	$	25,690.18	$	25,690.18	A/P	$	-
Rainier View II	7/15/2014	$	17,063.90	$	17,063.90	A/P	$	-
Si View	7/15/2014	$	11,209.75	$	11,209.75	A/P	$	-
Gilman Square	7/16/2014	$	10,304.19	$	10,304.19	A/P - Payroll	$	-
	7/24/2014	$	1,634.00	$	1,634.00	A/P	$	-
	7/30/2014	$	3,822.06	$	3,822.06	Payroll	$	-
Portfolio Totals:		$	2,257,415.28	$	2,273,445.62		$	(16,030.34)

Withdrawals Per Bank	$2,257,415.28
Funds Requested for Operations	$2,273,445.62
Balance	-$16,030.34

CashPro reporting still does not work for Meadows. The statement date cuts of prior to end of month.

TAB NUMBER 3

King County
Housing
Authority

To: Board of Commissioners

From: Tim Walter, Senior Director of Acquisitions & Asset Management

Date: September 10, 2014

Re: Resolution No. 5481 – Authorizing (i) the transfer of the Somerset Gardens Project to the Authority through the Acquisition of the Leasehold Interest of Limited Partnership in the Project by the Authority and/or the acquisition of the interests of the limited partner of the Partnership by the Authority;(ii) the submission to the Washington State Housing Finance Commission of the request for consent to transfer the Project; (iii) the assignment and assumption by the Authority of the obligations of the Partnership with respect to the Project and bonds issued to finance the Project; and (iv) the approval, execution and delivery of all documents necessary to effectuate the foregoing and determining related matters

---

The attached resolution authorizes the Executive Director to take all actions necessary for KCHA to acquire the investor limited partner's and special limited partner's interests in the KCHA–Kona Village Limited Partnership that currently owns the Somerset Gardens Development. KCHA is the sole general partner in this tax credit limited partnership.

Somerset Gardens is a 198-unit workforce housing development, located in Bellevue, which was acquired and rehabilitated by KCHA in 1999. KCHA utilized the low-income housing tax credit program as well as local and state funding to finance the transaction. As part of the tax credit structure, the ownership of the property was placed in the hands of the tax credit investor through the KCHA-Kona Village Limited Partnership. As the general partner, KCHA manages the day to day operations of the property through a third party fee manager.

The tax credit model is structured to pass through tax credits and tax deductions to passive investors in exchange for their investment of capital into affordable housing. The tax credit benefits are generally distributed over a 10 to 15 year window. The basic assumption is that once the primary investment return has been realized the investor will deed the property over to the non-profit general partner.

The investor in the KCHA-Kona Village Limited Partnership is an affiliate of J.P. Morgan Chase managed by the tax credit syndicator, PNC Multifamily Capital. The proposed structure of the transfer of the property to KCHA is consistent with the terms of KCHA’s prior transactions with PNC, where KCHA has simply assumed all outstanding debt and incurred no other costs other than normal transaction and closing costs. Subject to the approval of the Board of Commissioners, KCHA anticipates the transfer to occur in January 2015.

KCHA currently serves or has served as the managing general partner or managing member of 25 different tax credit partnerships and limited liability companies. The tax credit equity has been an invaluable tool without which KCHA would not have been able to develop most of the housing it has developed or redeveloped over the last 20 years.

KCHA has successfully acquired the limited partnership’s interests in eight other tax credit projects.

Passage of the resolution is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5481

(Limited Partnership Exit Resolution – Somerset Gardens)

> A RESOLUTION of the Housing Authority of the County of King (the "Authority") authorizing (i) the transfer of Somerset Gardens project (the "Project") to the Authority through the acquisition of the leasehold interest of limited partnership (the "Partnership") in the Project by the Authority and/or the acquisition of the interests of the limited partner of the Partnership by the Authority; (ii) the submission to the Washington State Housing Finance Commission of a request for consent to transfer the Project; (iii) the assignment and assumption by the Authority of the obligations of the Partnership with respect to the Project and bonds issued to finance the Project; and (iv) the approval, execution and delivery of all documents necessary to effectuate the foregoing; and determining related matters.

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

WHEREAS, RCW 35.82.070(2) provides that a housing authority may, among other things, "prepare, carry out, acquire, lease and operate housing projects; . . . ." and

WHEREAS, RCW 35.82.020 defines "housing project" to include, among other things, "any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income;" and

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things, and if certain conditions are met, "own, hold, and improve real or personal property" and "sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;" and

WHEREAS, RCW 35.82.080(1) provides that a housing authority may, among other things, "make and execute contracts and other instruments, . . . necessary or convenient to the exercise of the powers of the authority;" and

WHEREAS, the Authority is the general partner of KCHA-Kona Village Limited Partnership, a Washington limited partnership (the "Partnership"), and Columbia Housing/PNC Institutional Fund VI Limited Partnership, a Delaware limited partnership ("Investment Limited Partner"), and Columbia Housing SLP Corporation, an Oregon corporation ("Special Limited Partner," together with Investment Limited Partner, collectively, the "Limited Partner") is the limited partner; and

WHEREAS, the Authority is the fee owner of the real property located at 14700 NE 29th Place, Bellevue, King County, Washington (the "Property"), and pursuant to the terms of (1) a Financing Lease between the Authority and the Partnership dated as of August 1, 2000, pertaining to the lease of Building I/Lot 1 of the Property, and (2) an Amended and Restated Lease Agreement between the Authority and the Partnership dated as of September 1, 2002, pertaining to the lease of Building II/Lot 2 of the Property (together, the "Lease"), the Partnership has a leasehold interest in that certain 198-unit multi-family apartment complex located on the Property now commonly known as Somerset Gardens, and previously known as Building I and Building II of the Kona Village Apartments (the "Project"), which was financed in part with low income housing tax credits ("LIHTC") and proceeds of the Authority's Housing Revenue Bonds, 2002 (Kona Village Project – Building II) (the "Building II Bonds"), the Authority's Housing Revenue Bonds, 1999 (Kona Village Project – Building I) (the "Building I Bonds"), the Authority's Kona Village Revenue Bond, 1999, Series A (the "Series A Seller Bond") and the Kona Village Revenue Bond, 1999, Series B (the "Series B Seller Bond"). The

Series A Seller Bond has matured and been paid in full. The Building I Bonds, Building II Bonds and Series B Seller Bond are collectively referred to herein as the "Bonds; and

WHEREAS, the Project has been operating as "qualified low income housing" pursuant to Section 42 of the Internal Revenue Service Code ("Code") and, as such, the Partnership has been receiving LIHTC during the 15-year compliance period pursuant to the Code ("Compliance Period"); and

WHEREAS, the Compliance Period for the Project has or will soon expire; and

WHEREAS, the Authority desires to own the Project and continue its operation as affordable low income housing; and

WHEREAS, the Authority has determined that the Limited Partner has or will soon have received all of the tax and other economic benefits originally anticipated by such Limited Partner, and the Limited Partner is expected to be willing to transfer its interest in the Partnership (the "Limited Partnership Interests") to the Authority; and it is in the best interest of the Authority to acquire such Limited Partnership Interests and/or to acquire the Partnership's leasehold interest in the Project; and

WHEREAS, the Authority, in its own capacity and as general partner of the Partnership, desires to take such steps as are reasonably necessary to acquire the leasehold interest of the Partnership in the Project and/or to acquire the Limited Partnership Interests, for consideration of the assumption of the debt encumbering the Project, including the Bonds (the "Debt"); and

WHEREAS, the Authority, in its own capacity and as general partner of the Partnership, desires to take such steps as are reasonably necessary to obtain consents necessary to effect the Authority's assumption of the Debt, and to negotiate, execute and deliver such documents as may be required in connection with the foregoing, including, without limitation, any loan assumption documents; and

WHEREAS, the Washington State Housing Finance Commission (“Commission”) must approve the transfer of the Project from the Partnership to the Authority; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING as follows:

Section 1. Approval of Transfer of Leasehold Interest and/or Limited Partnership Interests. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps that are reasonably necessary to effectuate the transfer of the leasehold interest in the Project from the Partnership to the Authority or, in the alternative, to acquire the Limited Partnership Interests with respect to the Partnership, and to negotiate, execute, and deliver such documents as may be reasonably required to effectuate such transfer.

Section 2. Authorization of Assignment and Assumption. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps as may be necessary or desirable for (1) the Authority to assume all of the Partnership’s obligations with respect to the Debt, including, without limitation, the Partnership’s obligations under any financing leases or other lease agreements, loan agreements, deeds of trust, hazardous substances agreements, continuing disclosure agreements, and any other documents executed in connection with the applicable series of Bonds (collectively, the “Bond Documents”); and (2) the Partnership to assign to the Authority all of its rights and obligations under the Bond Documents. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps as may be necessary or desirable to obtain consent of the lenders of the Debt, the trustees for the Bonds, the owners of the Bonds, or other necessary parties, and to negotiate, execute and deliver such documents as may be required of such parties in connection with the foregoing, including, without limitation, any loan assumption documents.

Section 3. Lease and Bond Document Amendments. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to make any amendments to the Lease or the other Bond Documents as may be necessary or desirable in connection with the transaction contemplated by this resolution.

Section 4. Commission Approval. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps as may be necessary to obtain the Commission's approval of the transfer of the Project from the Partnership to the Authority, and to negotiate, execute and deliver such documents as may be required by the Commission in connection with the foregoing, including, without limitation, submitting a request to the Commission for the Commission's consent to transfer the Project form the Partnership to the Authority, and paying any transfer fee required by the Commission.

Section 5. Documents to be Executed by Executive Director. Any and all documents contemplated by this resolution which are authorized to be executed by or on behalf of the Authority, in its own capacity or as general partner of a Partnership, are authorized to be executed by the Executive Director of the Authority.

Section 6. 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, in its own capacity and as general partner of the Partnership, any government forms, affidavits, certificates, letters, documents, agreements and instruments that the Executive Director determines to be necessary or advisable to give effect to this resolution and to consummate the transaction contemplated herein.

Section 7. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may in the absence of such person be taken by a Deputy Executive Director of the Authority.

Section 8. Expenditures. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to make any reasonable expenditures, including, but not limited to, attorney's fees and costs necessary or required in conjunction with actions authorized by this resolution.

Section 9. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 10. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this __15th ___ day of _September___, 2014.

HOUSING AUTHORITY OF THE COUNTY OF KING

By: ________________________________
Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:

____
Stephen J. Norman, Secretary

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and 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 copy of Resolution No. 5481 (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on September 15, 2014, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's administrative office at 700 Andover Park W., Tukwila, Washington 98188 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. 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 15th day of September, 2014.

Stephen Norman, Secretary and Executive Director
of the Authority

APPENDIX I

RESOLUTION CERTIFICATE

APPENDIX I

King County Housing Authority

SPECIAL MEETING OF THE BOARD OF COMMISSIONERS

September 15, 2014, 8:30 a.m.
Woodridge Park Apartments
Woodridge New Futures Community Building
12424 28th Avenue S, Burien, WA 98168

AGENDA

I. **Call to Order**

II. **Roll Call**

III. **Welcome**

IV. **Public Comment**

V. **Approval of Minutes -** Board Meeting Minutes from August 18, 2014 **1**

VI. **Approval of Agenda**

VII. **Consent Agenda**

A. Voucher Certification Report for July 2014 (General and Bond Properties) **2**

B. Resolution No. 5481: Authorizing (i) the transfer of the Somerset Gardens Project to the Authority through the Acquisition of the Leasehold Interest of Limited Partnership in the Project by the Authority and/or the acquisition of the interests of the limited partner of the Partnership by the Authority; (ii) the submission to the Washington State Housing Finance Commission of a request for consent to transfer the Project; (iii) the assignment and assumption by the Authority of the obligations of the Partnership with respect to the Project and bonds issued to finance the Project; and (iv) the approval, execution and delivery of all documents necessary to effectuate the foregoing and determining related matters **3**

VIII. Resolutions for Discussion & Possible Action

A. Resolution No. 5482: Authorizing the Housing Authority of the County of King to provide a loan to Plum Court Housing Associates LLC, in an amount not to exceed $825,000 for the purpose of financing the rehabilitation of the Plum Court Apartments in Kirkland, Washington and funding a reserve for the Project; authorizing the Authority to acquire an option to purchase the Project; directing appropriate officers of the Authority to negotiate, execute and deliver such documents as are useful for or necessary to the purposes of this resolution, and determining related matters **4**

IX. Briefings & Reports

A. New Bank Accounts **5**

B. Executive Dashboard Report, Second Quarter 2014 **6**

C. Capital Fund Progress Report **7**

D. Moving To Work 2015 Draft Plan Briefing **8**

E. Retreat Background Data and Policy Briefing

F. Executive Director's Report

X. Commissioner Comments

XI. Adjournment

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Board Coordinator, Jessica Olives, in writing at 600 Andover Park West, Seattle, WA 98188 or by calling 206-574-1194 prior to the meeting date.

Next Board Meeting:
Special Meeting: Monday, October 13, 2014

T

A

B

N

U

M

B

E

R

4

King County
Housing
Authority

To: Board of Commissioners

From: Tim Walter, Senior Director of Acquisitions & Asset Management

Date: September 10, 2014

Re: Resolution No. 5482 – Authorizing the Housing Authority of the County of King to provide a loan to Plum Court Housing Associates LLC, in an amount not to exceed $825,000 for the purpose of financing the rehabilitation of the Plum Court Apartments in Kirkland, Washington and funding a reserve for the Project; authorizing the Authority to acquire an option to purchase the Project; directing appropriate officers of the Authority to negotiate, execute and deliver such documents as are useful for or necessary to the purposes of this resolution, and determining related matters

---

The attached resolution authorizes King County Housing Authority (KCHA) to make an $825,000 Deferred Maintenance Loan to Plum Court LLC, for rehabilitation improvements at the Plum Court Apartments and to acquire an option to purchase the property for an Option Fee of $525,000. The purchase price for the property will be the amount of the outstanding indebtedness (and related fees) at the time the option is exercised.

The Deferred Maintenance Loan and the Option to purchase, provide KCHA with an opportunity to preserve a large affordable multifamily property in the heart of Kirkland. The improvements made to the property through the Deferred Maintenance Loan will help to ensure that important short-term capital needs have been addressed before KCHA exercises its option to purchase the property.

Inclusive of the Deferred Maintenance Loan, the Option and debt (including pre-payment penalties) the total cost to KCHA of acquiring this property in 2019 would be $7,090,000 or $107,425/unit. If acquisition is delayed until 2021 the full cost would be $6,570,000 or $99,500/unit. In either case the cost would be significantly below the market value of the property. Repayment of KCHA expenses can be covered by long term cash flow on the project.

This proposed loan and option to purchase Plum Court are consistent with KCHA's goals to ensure the long-term preservation of affordable housing and to expand housing choices for low-income persons in high opportunity areas.

Project Summary

Plum Court Apartments is a 66 unit low-income housing development located in Kirkland that was acquired and rehabilitated by Plum Court LLC in 2003. Plum Court LLC is a low-income housing tax credit partnership managed by DASH (Downtown Action to Save Housing, a 501(c)(3) that focuses on the development of affordable housing on the eastside of the county). The property was built in 1967 and consists of 14 one bedroom, 24 two bedroom and 28 three bedroom apartment homes. Twenty four units are set aside for households with incomes at or below 30% of the Area Median Income (AMI), 30 units for households below 50% of the AMI and 6 units for households below 60% of the AMI. To assist in the underwriting and in attaining affordability targets, KCHA, at the request of ARCH (A Regional Coalition for Housing), has project-based 16 Section 8 Housing Choice vouchers on the site.

The deep income targeting and the relatively large number of three bedroom units make the property an important affordable housing resource. The property is currently in its final year of generating low-income housing tax credits to the LLC and will have an additional 5 years of tax credit compliance through approximately November 1, 2019. Quantum Management Services, Inc., the company that manages Greenbridge for KCHA, also provides property management at Plum Court.

In late 2013, KCHA was approached by DASH regarding the possibility of KCHA making a loan to the property to address a number of deferred capital needs that were impacting unit rentals – creating vacancies that were in turn having a negative impact on the financial and operating viability of the project. The deferred repairs included deck replacement, water line repairs, exterior painting and appliance replacement. In exchange for making the loan, DASH offered KCHA the opportunity to purchase an option to acquire the project (Option) at a below market price and up-front fee of $525,000. The final purchase price for the property, should KCHA exercise the option, would be an amount equal to the assumption and/or retirement of the existing debt.

Summary of Project Indebtedness

The property is encumbered by loans from Prudential Multifamily Mortgage, the Washington State Housing Trust Fund, King County and ARCH. With the exception of Prudential, the lenders are considered ‘soft lenders’ with below market interest rates and extended and/or deferred loan repayment provisions. These preferential loan rates and terms were provided in exchange for extended low-income housing covenants and commitments at Plum Court. The principal amounts of outstanding debt are approximately:

Prudential Multifamily Mortgage:	$3,350,000
State Housing Trust Fund	$675,000
King County	$1,230,000
ARCH	$840,000
Total	**$6,095,000**

Deferred Maintenance Loan:

The KCHA loan is tied to acquiring an option to purchase the property. There is no strategic benefit to KCHA in making a loan to the property without also acquiring an option to purchase the property. The $825,000 Deferred Maintenance Loan will be used to fund $790,000 in capital work including exterior decks, envelope repairs and unit upgrades. The remaining $35,000 would be used to capitalize a replacement reserve for future needs. KCHA construction staff will be working directly with DASH to scope the project, prioritize the improvements and when the work has been completed, inspect the work. The proposed loan terms are as follows:

Amount of Loan:	$825,000
Term of Loan:	35 year
Interest Rate:	3% compounding
Payment Terms:	Payable from excess cash flow and any unpaid balance due in full upon maturity of the loan

Option to Purchase

KCHA has structured the Option such that the target date for exercising the Option is immediately after the LLC has satisfied the 15 year tax credit compliance period (2019), although, KCHA will have the ability to exercise the option and purchase the property at any time through November 1, 2021. The general terms of the Option are as follows:

Option Fee:	$525,000 ($250,000 payable upon mutual execution of the Option and $275,000 payable upon completion of the mutually agreed upon rehab repairs).
Option Window:	October 1, 2014 – November 1, 2021
Option Terms:	1) If the Option is exercised between October 1, 2014 and November 1, 2019, in addition to the assumption and/or payment of the debt, including the prepayment fee on the Prudential note, KCHA will pay an Early Exercise Payment equal to $2,000 per month times the number of months between the date the Option is exercised and November 1, 2019. 2) If the Option is exercised between November 1, 2019 and November 1, 2021, KCHA shall assume and/or pay off the existing indebtedness of the property including the prepayment fee on the Prudential note. 3) If the Option is not exercised by November 1, 2021, KCHA may negotiate an extension to the Option for a payment of an extension fee which will be negotiated based on the condition of the property and property operations.

The estimated cost to KCHA to acquire the property, in addition to the Option Fee of $525,000 and Deferred Maintenance Loan of $825,000, depends on the date the option is exercised. If KCHA exercises the Option, the Prudential note will need to be retired and there is a significant prepayment fee if the loan is paid off prior to November 1, 2022. If the loan is paid off October 1, 2014 the prepayment fee would be approximately $860,000. As of November 1, 2019, the prepayment fee would be $300,000 and as of November 1, 2021 it would be $90,000. Because a number of the notes are amortizing and the principal amount of the notes decrease over time the total estimated cost to KCHA decreases over time as follows:

As of:	10/1/14	11/1/19	11/1/21
Prudential Multifamily Mortgage	$3,350,000	$2,870,000	$2,635,000
Prudential Early Termination Fee	$860,000	$300,000	$90,000
DASH Early Termination Fee	$50,000	$0	$0
State Housing Trust Fund	$675,000	$580,000	$540,000
King County	$1,230,000	$1,230,000	$1,230,000
ARCH	$840,000	$760,000	$725,000
Total	$7,050,000	$5,740,000	$5,220,000

If KCHA were to exercise the Option after the 5 year federal tax credit compliance period, approximately November 1, 2019, the total cost to KCHA to acquire Plum Court would be the sum of the Option Fee ($525,000), KCHA's Deferred Loan ($825,000) plus the outstanding indebtedness ($5,740,000) for a total investment of $7,090,000 or $107,425/unit. This amount is estimated to be less than half of the actual market value and only a fraction of the cost required to acquire the land and build comparable sized family apartments. If KCHA elected to wait until November 1, 2021 to exercise the Option, the total investment would be approximately $6,570,000 or $99,500/unit.

Long-Term Financing Strategy:

The current plan is to exercise the Option in 2019 and then resyndicate and refinance the property. Property operations are projected to support $4.5 million in debt which would be sufficient to repay the Prudential mortgage, the Prudential early termination fee and to repay the Authority $1.35 million to reimburse KCHA for the cost of the Option and the Deferred Maintenance Loan. Staff estimates a resyndication would additionally generate an estimated $5 million in tax credit equity from the tax credit investor allowing for approximately $4 million in capital work plus a small developer fee to KCHA after other transaction costs have been paid. The projected capital work involves interior unit upgrades including replacement of galvanized waste and water lines, siding repairs or replacement, painting and other related repairs. The roofs were replaced in 2003 with 35 year roofs and are not anticipated to need to be replaced as part of the rehab. Should additional work be identified, KCHA would likely need to pay for the work through an equity investment into the property although each dollar of additional work would generate $.35 in additional tax credit equity providing an off-set to the cost.

Risks Assessment

- Non-refundable Option Fee: It is highly unlikely that KCHA would not exercise the Option to purchase the property. The property is in an excellent Kirkland location. The tax record currently lists the value of the property at $9.5 million which is over $1 million more than what it would cost KCHA to exercise the Option today. With inflation and the reduction in principal owed over time, when KCHA expects to exercise the Option in 2019, the estimated cost to KCHA will be approximately $5 million below the market value of the property.

- The Deferred Maintenance Loan is insufficient to adequately address the necessary improvements: KCHA staff has inspected the property and worked with DASH to develop the budget for the improvements. KCHA's construction staff are comfortable that the anticipated repairs will enable this property to provide quality housing, including maintaining full occupancy, until after acquisition by KCHA and the implementation of a recapitalization plan. If KCHA exercises the Option, one potential recapitalization strategy would be to re-syndicate the property and use the low-income housing tax credit equity to rehabilitate the property more extensively at that time. Staff estimates the acquisition credit alone under that scenario would generate close to $4 million in investor equity for capital improvements. KCHA also has the ability to increase the number of project-based Section 8 vouchers, increasing project cash flow.

- Prudential Multifamily deems the mortgage in technical default as a result of KCHA's subordinate Deferred Maintenance Loan and the Option and requires an early repayment of the loan and the payment of the prepayment fee:
  The underlying Prudential Multifamily Mortgage loan requires the lender's consent for the sale of the property. It is possible the lender could take the position that an Option to purchase the property is deemed to be a sale pursuant to the terms of the loan agreement. A lender also has consent rights with respect to subordinate secured loans, including the proposed Deferred Maintenance Loan from KCHA. As such, the lender could potentially require that the loan be prepaid and the payment of the prepayment fee. It is unlikely the lender would call the loan. The interest rate on the loan is above market rate and the subordinate loan from KCHA is being used to improve the property which is in Prudential's best interest.

  In the event the note was called, KCHA could exercise its Option earlier than planned, pay off the loan and take possession of the property. Alternatively, KCHA could loan DASH the amount necessary to repay the Prudential loan. In the latter case, the Prudential mortgage would essentially be refinanced with a KCHA mortgage.

Passage of the proposed resolution is recommended.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5482

A RESOLUTION of the Housing Authority of the County of King authorizing the Authority to provide a loan to Plum Court Housing Associates LLC in an amount not to exceed $825,000 for the purpose of financing the rehabilitation of the Plum Court Apartments in Kirkland, Washington (the "Project") and funding a reserve for the Project; authorizing the Authority to acquire an option to purchase the Project; directing appropriate officers of the Authority to negotiate, execute and deliver such documents as are useful for or necessary to the purposes of this resolution, and determining related matters.

ADOPTED September 15, 2014

This document was prepared by:

FOSTER PEPPER PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98101
(206) 447-4400

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5482

A RESOLUTION of the Housing Authority of the County of King authorizing the Authority to provide a loan to Plum Court Housing Associates LLC in an amount not to exceed $825,000 for the purpose of financing the rehabilitation of the Plum Court Apartments in Kirkland, Washington (the "Project") and funding a reserve for the Project; authorizing the Authority to acquire an option to purchase the Project; directing appropriate officers of the Authority to negotiate, execute and deliver such documents as are useful for or necessary to the purposes of this resolution, and determining related matters.

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

WHEREAS, RCW 35.82.070(1) provides that a housing authority may, among other things, "make and execute contracts and other instruments . . ."; and

WHEREAS, RCW 35.82.070(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing for persons of low income"; and

WHEREAS, Plum Court Housing Associates LLC, a Washington limited liability company (the "Seller") owns certain real property located at 451 4th Avenue S. in Kirkland, Washington, comprised of an improved lot with a 66-unit apartment complex including seven residential buildings and a community building (the "Project"), which Project provides affordable rental housing for persons of low income in the County; and

WHEREAS, Downtown Action to Save Housing, a Washington nonprofit corporation ("DASH") is managing member of the Seller and has applied to the Authority for financial assistance in the principal amount of up to $825,000 for the purpose of rehabilitating the Project; and

WHEREAS, the Authority desires to purchase an option to purchase the Project;

WHEREAS, the Authority has determined that the loan authorized herein and the Authority's acquisition of an option to purchase the Project is important for the feasibility of the Project and the preservation and affordability of housing for low-income persons residing within the County; and

WHEREAS, RCW 35.82.040 provides that a housing authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper;

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

Section 1. Authorization of Loan to Seller. The Board approves the use of Authority funds to make a loan to the Seller in a principal amount not to exceed $825,000 for the purpose of providing funds with which to finance repairs and improvements to the Project (including the replacement of equipment, fixtures and furnishings) and to fund a replacement reserve for the Project (the "Loan"), all as described in the Memorandum of Understanding to be executed by the Seller, DASH and the Authority (the "MOU") in substantially the form on file with the Executive Director of the Authority. The terms of the Loan shall be documented in a Rehabilitation Loan Agreement to be executed by and Authority and the Seller, a Promissory Note to be executed by the Seller in favor of the Authority, a Deed of Trust, Assignment Rents and Leases, Security Agreement and Fixture Filing to be executed by the Seller in favor of the Authority, and a Regulatory Agreement to be executed by the Seller and the Authority, all substantially in the forms on file with the Executive Director (collectively, the "Loan

Documents"). The terms of the Loan shall be as set forth in the MOU and the Loan Documents. The Executive Director of the Authority is authorized to further negotiate and enter into the MOU and the Loan Documents. The Board authorizes and directs the Executive Director of the Authority to do everything necessary for the negotiation, execution and delivery, on behalf of the Authority, of such documents as may be useful or necessary to the purpose of this Section 1, as determined by the Executive Director.

Section 2. Authorization Acquisition of Option. The Board approves the acquisition by the Authority of an option (the "Option") to purchase the Project pursuant to an Option Agreement to be executed by the Seller and the Authority (the "Option Agreement") in substantially the form on file with the Executive Director. The terms of the Option shall be as set forth in the MOU and the Option Agreement. The Executive Director of the Authority is authorized to further negotiate and enter into the Option Agreement. The Board authorizes and directs the Executive Director of the Authority to do everything necessary for the negotiation, execution and delivery, on behalf of the Authority, of such documents as may be useful or necessary to the purpose of this Section 2, as determined by the Executive Director.

Section 3. Expenditures. The Authority is authorized to expend such funds as are necessary to pay for costs relating to the actions authorized by this resolution, including, without limitation, the costs of a physical needs assessment for the Project and a portion of the legal fees associated with the preparation of the Option Agreement, as described in the MOU.

Section 4. Execution and Delivery of Additional Documents. The Executive Director is hereby directed, and granted the discretionary authority, to execute and deliver any and all notices and other certificates, documents, agreements and instruments that are necessary or appropriate in his discretion to give effect to this resolution and to consummate the transactions contemplated herein.

Section 5. Authorization of Future Acts. The Board further authorizes and directs the Executive Director and all other proper officers, agents, attorneys and employees of the Authority to carry out, or cause to be carried out, all obligations of the Authority under the documents authorized by this resolution, and to perform or cause to be performed such other acts as they shall consider necessary or advisable in connection with the making of the Loan to the Seller, the acquisition of the Option and the purchase of the Project pursuant to the Option, or in order to give effect to this resolution and the transactions contemplated herein.

Section 6. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may in the absence of such person be taken by a Deputy Executive Director of the Authority.

Section 7. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 8. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 15th day of September, 2014.

HOUSING AUTHORITY OF THE COUNTY OF KING

By: ____
Chair

ATTEST:

____
Stephen Norman, Secretary

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and 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 copy of Resolution No. 5482 (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on September 15, 2014, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's administrative office at 700 Andover Park W., Tukwila, Washington 98188 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. 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 15th day of September, 2014.

Stephen Norman, Secretary and Executive Director
of the Authority

CERTIFICATE

APPENDIX I

APPENDIX I

King County Housing Authority

SPECIAL MEETING OF THE BOARD OF COMMISSIONERS

September 15, 2014, 8:30 a.m.
Woodridge Park Apartments
Woodridge New Futures Community Building
12424 28th Avenue S, Burien, WA 98168

AGENDA

I. **Call to Order**

II. **Roll Call**

III. **Welcome**

IV. **Public Comment**

V. **Approval of Minutes -** Board Meeting Minutes from August 18, 2014 **1**

VI. **Approval of Agenda**

VII. **Consent Agenda**

A. Voucher Certification Report for July 2014 (General and Bond Properties) **2**

B. Resolution No. 5481: Authorizing (i) the transfer of the Somerset Gardens Project to the Authority through the Acquisition of the Leasehold Interest of Limited Partnership in the Project by the Authority and/or the acquisition of the interests of the limited partner of the Partnership by the Authority; (ii) the submission to the Washington State Housing Finance Commission of a request for consent to transfer the Project; (iii) the assignment and assumption by the Authority of the obligations of the Partnership with respect to the Project and bonds issued to finance the Project; and (iv) the approval, execution and delivery of all documents necessary to effectuate the foregoing and determining related matters **3**

VIII. Resolutions for Discussion & Possible Action

A. Resolution No. 5482: Authorizing the Housing Authority of the County of King to provide a loan to Plum Court Housing Associates LLC, in an amount not to exceed $825,000 for the purpose of financing the rehabilitation of the Plum Court Apartments in Kirkland, Washington and funding a reserve for the Project; authorizing the Authority to acquire an option to purchase the Project; directing appropriate officers of the Authority to negotiate, execute and deliver such documents as are useful for or necessary to the purposes of this resolution, and determining related matters **4**

IX. Briefings & Reports

A. New Bank Accounts **5**

B. Executive Dashboard Report, Second Quarter 2014 **6**

C. Capital Fund Progress Report **7**

D. Moving To Work 2015 Draft Plan Briefing **8**

E. Retreat Background Data and Policy Briefing

F. Executive Director's Report

X. Commissioner Comments

XI. Adjournment

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Board Coordinator, Jessica Olives, in writing at 600 Andover Park West, Seattle, WA 98188 or by calling 206-574-1194 prior to the meeting date.

<u>Next Board Meeting:</u>
Special Meeting: Monday, October 13, 2014

TAB NUMBER 5

King County
Housing
Authority

To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: September 10, 2014

Re: New Bank Accounts

Since the last Board meeting KCHA has opened 1 new bank account.

Fairwind LLLP Special Purpose Reserve Account

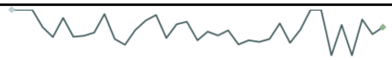
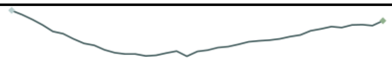
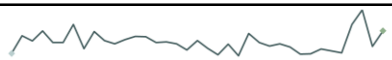
Bank: US Bank

Purpose: The Fairwind Apartment LLLP Special Purpose Reserve Account holds development proceeds remaining after the payment of the Fairwind financing lease as required by the Fairwind operating agreement. This reserve currently has a balance of $268,000 and is not expected to increase except for interest earnings. These funds will be used to cover future Fairwind operating shortfalls and unforeseen expenses at the discretion of KCHA, general partner for Fairwind Apartment LLLP.

TAB NUMBER 6

King County Housing Authority Executive Dashboard

2nd Quarter Dashboard: April 1 - June 30, 2014

		actuals june 11 - june 14	june 2014	target	3-yr avg	3-yr high	3-yr low
Finance							
LGIP Rate			0.09%	0.08%	0.14%	0.24%	0.09%
Non-LGIP Investment Rate			0.83%	0.65%	0.91%	1.25%	0.67%
Revenue to Budget[1] (Budgeted $210.1m)			100%	100%	99%	102%	93%
Expenditures to Budget[1] (Budgeted $187.0m)	●		97%	100%	97%	99%	93%
Property Management							
Public Housing Occupancy Rate (3,047 units)			98.8%	98.0%	98.5%	99.1%	97.9%
Local Program Occupancy Rate (4,893 units)			98.8%	96.5%	98.3%	100.0%	97.3%
KCHA Units Owned Online			8,882	9,007[2]	8,591	8,882	8,380
Section 8 Operations							
Utilization Rate[3] (Vouchers Leased: 9,249)			102%	103%	102%	106%	96.2%
Shopping Success Rate (New vouchers issued 1st Q '14: 126)			90%	>85%	89%	100%	75%
Households Paying >40% Income to Rent (n = 2,414)	●		22%	<25%	20%	23%	18%
Exit Data							
Positive Exits			44%	>25%	32%	64%	21%
Negative Exits			23%	<20%	20%	31%	9%
Total Monthly Exits			43	–	62	113	39

● Denotes indicators of interest

[1] Not reflective of mid-year adjustments

[2] Projected total units by 12/31/14

[3] Adjusted for 12-month incremental lease-up of new vouchers

TAB NUMBER 7

King County
Housing
Authority

To: Board of Commissioners

From: Dan Watson, Deputy Executive Director

Date: September 11, 2014

Re: 2014 Mid-Year Capital Fund Progress Report

The total amount budgeted for capital construction projects planned and managed by various KCHA departments in 2014 was originally $38,027,641. This was revised during the mid-year budget process to $33,027,641. The FY 2014 capital budget can be summarized as follows:

2014 Capital Construction Budget

Dept.	Project Category	2014 Projects	2014 Budget	2014 Revised Budget	2014 Revised Projects	2014 Expend.To Date	% of Budget Expend
Construction	Public Housing	21	$8,011,203	$5,932,341	24	$3,467,904	58%
Construction	509 Properties	19	$6,930,843	$6,344,241	21	$3,225,825	51%
Construction	Other Properties	8	$2,933,007	$2,124,969	17	$537,200	25%
Construction	Com. Buildings	-	-	$88,701	5	$33,268	38%
Construction	Green River	-	-	$500	1	$28,919	5784%
	Subtotal	**48**	**$17,875,053**	**$14,490,752**	**68**	**$7,293,116**	**50%**
Development	Vantage Point	1	$6,300,000	$5,000,000	1	$0	0%
	Subtotal	**1**	**$6,300,000**	**$5,000,000**	**1**	**$0**	**0%**
HOPE VI	Seola Gardens	1	$450,214	$500,214	1	$285,484	57%
HOPE VI	Greenbridge land dev.	1	$583,482	$583,482	1	$242,541	42%
HOPE VI	Retail TI	1	$428,157	$428,157	1	$263,793	62%
	Subtotal	**3**	**$1,461,853**	**$1,511,853**	**3**	**$791,818**	**52%**
Asset Mgmt.	Bond Properties	54	$5,040,000	$5,040,000	54	$1,085,598	22%
Asset. Mgmt.	Tax Credit Prop.	13	$1,454,000	$1,454,000	13	$728,133	50%
Asset Mgmt.	Nike	3	$91,500	$91,500	3	$0	0%
Asset Mgmt.	Homeownership	3	$277,000	$277,000	3	$120,203	43%
	Subtotal	**73**	**$6,862,500**	**$6,862,500**	**73**	**$1,933,934**	**28%**
Housing Mgmt.	Unit Upgrades	217	$5,205,173	$5,205,173	217	$2,963,579	57%
Housing Mgmt.	Small repairs	48	$323,062	$373.062	49	$35,602	10%
	Subtotal	**265**	**$5,528,235**	**$5,528,235**	**266**	**$2,999,271**	**54%**
All Depts.	**Total**	**390**	**$38,027,641**	**$33,393,340**	**411**	**$13,018,139**	**39%**

In addition to the budgeted expenditures above, in 2014 KCHA's Weatherization Program expects to contribute an additional $1.65 million in funded weatherization improvements to KCHA's Public and Asset Managed housing portfolio. These projects are typically coordinated in connection with other planned work, including building envelope upgrades or ventilation projects. The contributions from KCHA's Weatherization Department are opportunistic and driven by the type of work being undertaken at the site and the weatherization funding available at the time the work takes place.

Budget Adjustments and Project Progress

KCHA undertakes a wide variety of repair, upgrade, and new construction projects using different design consultants, engineers, and contractors. As preconstruction work progresses for budgeted projects and more extensive inspection, engineering, design and permitting work is undertaken, the scope of work, its estimated cost, the start date and the completion date for projects can change from that planned in the KCHA annual budget, resulting in changes in the amount of planned expenditures in the current year's budget. Also, new priorities may emerge after the annual budget is adopted, causing planned projects to be deferred and replaced with new projects.

After the start of construction, a variety of events such as permitting and code inspection issues, inclement weather, contractor performance, unforeseen site or building conditions, and KCHA directed additions to the scope can delay or extend the completion date. In some instances, where projects span two calendar years, contractor progress can proceed faster than originally anticipated and, depending on the timing, can increase expenditures in one year but decrease projected expenditures in the following year. For example, progress occurred more quickly on the Wayland Arms Sewer and Building Upgrade project causing expenditures totaling $820,000 to occur in 2013 that were originally budgeted for 2014. As a result, a number of smaller projects originally planned for 2015 were added to the 2014 revised budget to offset other project cost reductions or schedule deferrals. The mid-year budget provides the opportunity to true up the budget based upon the current status of various projects.

Capital Construction - Capital Plan Revisions

The Capital Construction Department primarily handles major renovation projects and construction of community facilities within existing KCHA housing developments. The department is responsible for identifying, prioritizing, scoping, bidding and supervising capital repairs and improvements for KCHA's federally assisted and locally owned housing inventory.

In the first and second quarters of this year, staff capacity was significantly reduced due to unexpected illnesses and early retirements of two key KCHA project managers. Because needed capital work is expected to tail off over the next few years, these managers were not replaced in order to “right size” the staff to the needed capacity starting in the second quarter of 2014. Due to staff capacity, several large projects have been deferred to 2015. Combined with the timing issues discussed above, overall budgeted spending has been reduced in the revised mid-year budget from $17,875,053 to $14,490,752 or by 19%, although 20 smaller projects, which were not part of the original 2014 budget, were added to partially offset some of the lost production and to address more urgent priorities.

The following is a summary of the largest changes that occurred in projects coordinated by Capital Construction:

- Cedarwood Building Envelope Project (-$975,000) The majority of the project was deferred to 2015 although the design drawings are complete and have been submitted for permit. Bids will be solicited in the next few weeks with work starting this fall.

- Greenleaf Civil upgrades (-$125,000) – The scope was changed to address the most immediate need in 2014 (i.e. water collecting in crawl spaces). Other site work was deferred to 2015.

- Pickering Court Building Envelope and Decks (-112,150) – The scope was changed to address the most immediate needs (i.e. deteriorated decks). The siding and roofing work is now planned to start in 2015.

- Burndale Office-Food Bank Access/ Site Improvements – (-$579,000). Roof replacement was moved ahead of office access and site work projects at the request of Housing Management. Roofing work will occur in 2014 along with design, engineering and environmental review work for the balance of the project.

- Forest Glen Site Improvements (-$558,989) – Project deferred to 2015.

- Wayland Arms Sewer and Building Upgrades (-$820,000) – This project is complete. More expenditures occurred in 2013 than originally planned due to faster than expected contractor progress.

- Valli-Kee Sewer Replacements (-$228,598) – Bids and costs came in lower than estimated.

- Valli-Kee Site Improvements (-280,000) – The addition of a gas main replacement required significant excavation, which triggered an update to the NEPA environmental assessment and delays to the start of the project.

- Island Crest Building Envelope (-$573,577) – The scope was changed to address the most immediate needs (i.e. deteriorated decks, stairs, walkways and master electrical panel). The balance of the work was delayed to consider alternative financing options, including tax credits.

- Hidden Village Drainage and Site Upgrades (-$550,000) – The original budget was based on past drainage projects. Considerable less construction was needed than originally anticipated to solve first floor flooding and drainage problems.

- Harrison House Fire Alarm (-$215,393) – The project has been transferred to Asset Management. The original budget was based on past fire alarm replacement projects. Considerably less replacement was needed than originally anticipated dramatically reducing the cost.

- Burien Park Foundation and Crawl Space Drainage (+$200,000) . This project was added to the 2014 project list at the request of Housing Management.

- Burndale Homes Roof Replacement (+$500,000). This project was moved from 2015 to 2014 at the request of Housing Management due to the deteriorating condition of the roofs.

- Juanita Court Building Envelope (+$200,000). Scope of work was increased to include the management office upgrades and repairs.

- Northridge Roof (+$450,000). This was a timing issue. This 2013 project was delayed and was added to the 2014 mid-year budget.

- Valli-Kee Office Remodel (+$482,737). This was a timing issue. This 2013 project was delayed and the 2013 expenditures were added to the 2014 mid-year budget.

Capital Construction – Progress to Date

To date Capital Construction has spent 50% of its budgeted funds based on the revised mid-year budget and has completed the following projects:

Site	Project	Total Cost	2014 Cost
Ballinger Homes	Attic Upgrades	$ 680,158	$ 174,086
Campus Ct	Envelope/Site Drainage	$ 1,068,067	$ 108,811
Cedarwood	IAQ/Reroof	$ 363,114	$ 202,430
Glenview Hts	IAQ	$ 93,842	$ 76,171
Glenview Hts	Civil Upgrades	$ 207,534	$ 176,711
Greenleaf	Civil Upgrades	$ 328,494	$ 260,351
Gustaves Manor	Deck Railings	$ 104,098	$ 73,984
Island Crest	Electrical/Fire Alarm	$ 206,228	$ 202,235
Juanita Ct	Envelope Upgrade	$ 1,789,966	$ 1,391,577
Northridge	Site Lighting Upgrade	$ 117,720	$ 56,004
Northridge 2	Ventilation Upgrades	$ 308,809	$ 105,438
Pickering Ct	Deck/Structural Upgrades	$ 395,233	$ 89,273
Shoreham	Envelope Upgrade	$ 1,258,396	$ 160,478
Valli Kee	Office Remodel	$ 992,544	$ 639,467
Victorian Woods	Envelope Upgrade	$ 1,074,105	$ 292,435
Wayland Arms	Building Upgrades	$ 1,467,048	$ 61,363
Yardley Arms	Reroof	$ 579,465	$ 293,098

Although Capital Construction is ahead of last year's rate of progress: 50% of budgeted expenditures compared to 43% at the midyear mark in 2013, NEPA environmental clearances from outside agencies are still in progress for gas main replacement at Burndale Homes, Firwood Circle and Valli-Kee, and are holding up the planned start of construction for these projects. Much of the Department's work – scoping, engineering, permitting, construction documents etc. is complete, but bidding documents cannot be issued until environmental clearance is received from HUD. The late start is expected to cause the Department to fall short of its year end full expenditure goal.

HOPE VI – Progress to Date

Although virtually all of the HOPE VI Department's costs are capitalized for accounting purposes, unlike previous years, HOPE VI had only one very small construction project budgeted for 2014, which was the completion of the tenant improvements for the Greenbridge Café. The work was completed this spring and the Café is in full operation. The balance of the retail tenant improvements budget is for the two additional retail spaces at Nia, provided a tenant can be identified.

At Seola Gardens staff has completed the sale of the remaining 54 lots to Richmond American Homes and continues to review the design and construction of RAH's single family homes. Staff is also working on finishing the punch list work needed to close out the Zephyr infrastructure.

At Greenbridge, staff continues to work with BDR on the sale of the west bulk parcel and continues to inspect the construction of BDR's single family homes. Also, staff is working with design and engineering consultants on the submission of the final revised subdivision application to the King County Department of Permitting and Environmental Review (DPER) for the northeast 10 acres of Greenbridge known as Windrose. After receiving comments from DPER, staff expects to submit applications for infrastructure permits and developer extension agreements in 2015, so the site will ready for the issuance of permits and development in 2016. The 2014 budget assumed complete permitting by year end but due to Vantage Point and other development activities, the permitting schedule for Windrose has been extended until 2016. As a result, not all of the funds budgeted for Greenbridge land development will be spent this year.

Asset Management – Progress to Date

Asset Management has spent 28% of its budgeted funds. Based on progress to date the department expects to complete most of its budgeted projects by year end with the exception of the following: building envelope work at Nike, Landmark roof replacement, Seola Crossing exterior painting and the Windsor Heights police station. Due to scope changes and strong bid competition early in the year, actual costs are approximately 15% less than budgeted. As a result of this budget underrun 9 projects totaling $375,000 that have been added to the current budget. These new projects are primarily comprised of work being planned at the recently acquired Bellevue Manor and Patricia Harris Manor properties. Even with the addition of these projects approximately 90% of the budgeted funds are expected to be expended by year end.

The following projects have been completed:

Project	Construction Cost
Auburn Square Fencing-	$22,891
Bellepark East Asphalt -	$25,455
Bellevue Manor Lighting -	$108,000
Cottonwood Roofing -	$24,700
Cove East Roofing -	$69,800
Fairwood Play Area -	$56,442
Landmark Asphalt -	$18,205
Landmark Exterior Painting -	$48,818
Meadowbrook Asphalt -	$59,300
Meadowbrook Roofing -	$140,000

Parkwood Shelter and Play Area -	$81,619
Si View Asphalt	$10,000
Timberwood Asphalt	$31,430
Timberwood Fence	$15,000
Woodside East Asphalt	$28,595
Woodside East Fire Alarm	$20,179
Somerset Gardens Roofing	$58,782
Windsor Heights Roofing	$59,130

Housing Management – Progress to Date

As of the end of August, 134 unit upgrades have been completed out of the 217 units planned for 2014, including 10 upgrades performed by Capital Construction's contractor in connection with the Valli-Kee sewer replacement project. Fifty seven percent of the budgeted funds have been spent to date putting Housing Management on pace to fully expend its budget and meet its production goal by the end of the year. At a cost averaging about $24,000 per unit, special KCHA force account crews replace most of all of a apartment's interior components including cabinets, countertops, fixtures, appliances, doors and floorcoverings giving KCHA's older apartments the look of a new unit. By undertaking this work with KCHA force account crews at turnover, costs are significantly reduced by avoid relocation and contractor costs for mobilization, overhead and profit.

Housing Management has completed 28 of the 59 small projects although only 10% of the budgeted funds have been expended to date. Housing Management expects to spend about $290,000 by year's end or 90% of the budget. These projects include items such as replacing the common area carpets ($50,000) and upgrading the community room kitchen at Burien Park ($10,000); several small-scale fence repairs and replacements ($12,500), approximately $40,000 in tree trimming/pruning at several sites, exterior lighting upgrades at several sites, seal coating and asphalt repairs budgeted at $25,000. Housing Management expects to perform much of the work using task order contractors. Several of the task order contracts recently expired and the process of renewal has delayed the start of approximately $65,000 is scheduled work. Also, an additional $50,000 was added to the small repairs budget to be used at Shelcor in preparation for turning on Public Housing subsidy at the property.

TAB NUMBER 8

King County
Housing
Authority

To: Board of Commissioners

From: Katie Escudero, Moving To Work Policy Analyst

Date: September 10, 2014

Re: Moving To Work 2015 Draft Plan Briefing

As a participant in the Department of Housing and Urban Development's (HUD) Moving to Work (MTW) demonstration program, KCHA is required to submit an annual plan (attached) that outlines the agency's goals, operations, programs, and proposed new MTW activities for HUD's review and approval. This memo provides an overview of the Draft MTW Plan for 2015. Staff will provide a short presentation and be available to answer questions at the Board Meeting.

No action is requested of the Board at the September Board Meeting. A final draft of the Plan and a request for approval will be presented to the Board of Commissioners at a Special Meeting in October. At that time staff will provide the Commissioners with a summary of the public comments received and any changes to the Draft Plan for 2015.

Background

The Moving to Work (MTW) demonstration program provides a select number of housing authorities with the flexibility needed to develop innovative and community-specific approaches to using federal resources in addressing local affordable housing needs. Since 2003, the King County Housing Authority has been among 39 high performing housing authorities benefitting from this flexibility, enabling the agency to initiate new approaches to preserving its existing housing inventory, increasing the number of households served, assisting low-income families in reaching self-sufficiency, expanding housing choice and de-concentrating poverty, and streamlining the administration of housing assistance programs. MTW has enabled KCHA to do more with less, design more effective programs and enter into partnerships that have leveraged significant outside resources. The single most effective tool KCHA has for developing and testing innovative solutions to local and regional challenges is the MTW designation. A discussion of KCHA's long term strategic goals under this program begins on page four of the Plan.

MTW Accomplishments

Over the past 11 years, KCHA has advanced a number of initiatives and goals by using the flexibility available under the MTW program. By leveraging private capital, KCHA has stabilized and significantly reduced the repair backlog in its federally subsidized housing portfolio. The authority now owns and operates more federally subsidized housing than when it entered the program, and more of this housing is located in high opportunity areas. In addition, new forms of rental assistance have allowed KCHA to partner with public and behavioral health care systems and local nonprofits to develop “housing first” options and to pilot flexible rent and rapid rehousing approaches to assure that scarce resources serve the most vulnerable and hard to house families and individuals in King County. KCHA has also piloted new approaches to geographic mobility and household self-sufficiency under the Resident Opportunity Plan and Community Choice Program. These complement KCHA’s growing partnership with the region’s school districts to enhance classroom stability, increase parental engagement, coordinate early learning and after-school initiatives, and encourage middle-school mentoring and tutoring. The flexibility provided through the MTW designation has been a critical tool in meeting the needs of the low-income households living in the Puget Sound Region.

Ongoing Goals and Initiatives for 2015

The MTW goals and initiatives for 2015 will sustain these past achievements while nimbly meeting the changing and growing needs of low-income households and individuals living in King County.

KCHA will continue to increase the number of extremely low-income households it serves by developing a pipeline of new projects and leveraging banked public housing subsidies to increase the supply of housing for this vulnerable population. Public Housing subsidies, in combination with MTW working capital, will ensure that these units remain affordable to extremely low-income households while assuring a sufficient cash flow to sustain operations over the long term. The number of deeply subsidized “hard units” owned by KCHA or supported through HAP agreements with nonprofit partners is 2,406 units and will increase by 6% by the end of 2015. Additionally, KCHA is working to ensure that its existing housing portfolio retains its viability by leveraging $15 million in building and site improvements.

Many of these extremely low-income households face multiple barriers in finding and securing housing such as mental illness, past involvement with the criminal justice system, and homelessness. **KCHA continues to forge new partnerships to address the varied and often complex needs of these vulnerable populations.** For example, a Rapid Rehousing Demonstration Program, administered in partnership with Highline School District, provides short-term rental assistance and support services to 60 homeless families, assisting them in their paths towards self-sufficiency. Additionally, KCHA will meet the unique needs of survivors of domestic violence by providing flexible housing assistance and other supportive services specific to the needs of the resident.

Providing access to high opportunity areas remains another central goal in 2015. KCHA employs a variety of tools to promote and enable housing choice: multi-tiered payment standards; mobility counseling; acquisition of new complexes in high-opportunity areas where banked public housing subsidies can be activated; and use of the extensive inventory of workforce housing that KCHA has built or acquired in these areas over the past two decades. Through further refinement in 2015 of housing choice voucher payment standards, KCHA will seek to increase its responsiveness to the greatly varying rent levels in the Puget Sound area's housing submarkets. By implementing a more fine grained payment standard policy, KCHA anticipates an increased ability to support households in accessing high-opportunity neighborhoods. At the same time, the authority will have the necessary tools in place to assure that its payment standards are not driving market rents upward in lower rent areas of the county. Another strategy is to continue partnering with nonprofits, landlords, and social service networks to educate households about the connection among neighborhoods, educational opportunities and life outcomes, provide one-on-one counseling to households in their decision-making and assure on-going support after they move to their new neighborhoods.

Entering into the fourth year of the resource conservation plan, KCHA will continue to **implement strategies to meet its long-term sustainability goals**. The benefits from these conservation activities are three-fold: KCHA is able to reduce its operating costs; lower utility costs for its residents; and sustain the environment.

Finally, **KCHA continues to innovate and streamline business processes**. The implementation of the Tenmast WinTen 2+ software, risk-based Housing Quality Standard (HQS) inspection policies, and the transition to an electronic document imaging system increases operational efficiency, allowing KCHA to respond to the growing demand for affordable housing and increasing the quality of our customer service.

Proposed New MTW Activities for 2015:

In 2015, KCHA will propose the following two new activities for HUD approval:

ACTIVITY 2015 (1): Block Grant Project-Based Assistance

What: This proposed activity will revise the administration of KCHA project-based assistance by providing a flat, per-unit subsidy in lieu of monthly Housing Assistance Payments. Funding provided to KCHA's service provider partners will be block-granted, based on the number of units authorized under contract and occupied in each program. The tenant portion of the rent and length of stay will be determined by the service provider's housing model. KCHA will review and approve the tenant rent structure for each program using its standard rent protocols, including hardship policies.

Why: KCHA will save staff time administering the funds, its service provider partners will save staff time in administering the assistance, and entrance barriers will be lowered for extremely low-income homeless individuals and families.

Anticipated Impact: This activity has the potential to reduce staff time by 400 hours. By simplifying the certification process and administration of funds, KCHA employees and service provider partners will reduce housing barriers, save staff time and be able to redirect their efforts to individualized case management.

ACTIVITY 2015 (2): Reporting on the Use of Net Proceeds from Disposition Activities
What: KCHA is requesting authorization to report on the use of net proceeds from disposition activities in the annual MTW reports and plans instead of a separate reporting structure. The MTW module aligns closely with the reporting guidelines for disposition activities and provides an opportunity to streamline reporting. The net proceeds from land sales at the last HOPE VI site, Seola Gardens, are approximately $5 million and the use of these funds will continue to align with HUD's requirements.
Why: By streamlining its reporting protocol, KCHA has the opportunity to realize time-savings and administrative efficiencies.
Anticipated Impact: Up to 140 hours of staff time could be redirected to other activities.

General Operating Information
Housing Stock and Households to be Served: KCHA will use banked Public Housing Operating Subsidy (ACC) to bring three previously purchased developments into its Public Housing inventory, totaling 62 units. In addition to these previously purchased developments, KCHA will complete and lease-up Vantage Point, a new 77-unit apartment complex serving seniors and people with disabilities.

KCHA will continue to provide housing vouchers to 230 more households than authorized under the HUD Section 8 program baseline. Additionally, Public Housing units will increase by 7% over this next year, totaling 2,182 units. KCHA anticipates serving 11,761 households through its federally subsidized housing programs in 2015.

Budgetary Information: The sources and uses section proposes how KCHA intends to use its MTW funds in the next fiscal year. More detailed information and tables can be found on page forty six of the Plan. Total revenue for fiscal year 2015, including tenant revenue, PHA operating grants, capital grants, interest and other income is projected at $121,633,000. Estimated expenses total $126,118,000. The deficit of $4,485,000 is made up of $2,500,000 in depreciation that is a non-cash item and does not need coverage. The remaining $1,985,000 will be covered by MTW reserves.

In 2015, KCHA will leverage $33 million in capital expenditures: $15 million in capital improvements critical to maintaining its 81 federally subsidized properties and $18 million in the development of Vantage Point. Capital improvements include unit upgrades; site improvements; building envelope and related components upgrades; sewer, storm water, domestic water and waste lines and other utility system upgrades; and 509 initiative improvements.

King County
Housing
Authority

DRAFT

Moving to Work Annual Plan

2015

September 10, 2014

This document should be considered a DRAFT only. KCHA continues to actively work with residents, staff, community leaders and stakeholders to obtain input and formulate final policy recommendations that will be presented to KCHA's Board of Commissioners. As such, this is a working document and is subject to change. Content may be added, revised or deleted based upon analysis of compiled data and feedback until approved by KCHA's Board of Commissioners and submitted to HUD.

King County Housing Authority

DRAFT Moving to Work Annual Plan FY 2015

TABLE OF CONTENTS

9/10/14

Introduction

The King County Housing Authority (KCHA) serves the metropolitan region surrounding the City of Seattle. The region is home to 1.8 million residents, with nearly two-thirds living outside of Seattle's municipal boundaries. Reflecting national trends, the urban and suburban areas surrounding the central core are now home to the majority of the region's poor households. KCHA works closely with over 30 local governments to address local priorities and the challenges that shifting demographic patterns pose for the health of individual communities and the region as a whole.

What are these challenges?

In 2013, apartment rents in the region rose by 6 percent – reflecting a strong economy and in-migration in the technology sector.[1] Bellevue, the region's second largest city saw rent increases averaging 7.9 percent and rental costs there now average $1,912 a month. However, this growing prosperity is not evenly distributed. Higher wage jobs have primarily gone to new households coming into the region and lower wage jobs have not kept pace with rising costs. Income disparities, as in much of the rest of the country, are increasing. In the Tukwila School District, south of Seattle, 70 percent of students are eligible for subsidized lunches. To the east, in the Bellevue School District, where, according to *U.S. News & World Report,* four of the state's top five high schools are located, the subsidized lunch rate is 19 percent.[2]

What are local and regional priorities?

Communities want to provide stable housing so that children have the opportunity to succeed in school and grow up to participate in the workforce of tomorrow. They want to end the revolving door of homelessness for youth, families, disabled individuals, and veterans. They want low-wage families to be able to live near their places of employment, thereby reducing the need to continuously increase the region's highway capacity. And they want to respond to the growing need for affordable housing for seniors as the baby boomer generation ages out of the workforce.

---

[1] Seattle is the fastest growing city among the 82 major U.S. metropolitan areas tracked by Reis, a New York-based real-estate research firm. Some industry experts, such as Greg Willett of MPF Research, say Seattle will have the strongest rental market in the nation in 2014. http://www.multifamilyexecutive.com/multifamily-trends/nations-strongest-markets-some-weaker-than-others.aspx

[2] Office of Superintendent of Public Instruction, Washington State Report Card. http://reportcard.ospi.k12.wa.us/DataDownload.aspx.

How does KCHA address the challenges and achieve the priorities?

The single most effective tool KCHA has for developing and testing innovative solutions to local and regional challenges is the Moving to Work (MTW) program. KCHA's participation in MTW enables us to be thoughtful and creative – and to improve every aspect of our operations. It provides the flexibility needed to develop, test and evaluate new approaches, engage in long-term strategic and financial planning, and forge strategic cross-cutting community partnerships. The results of this flexibility are clear – we are serving more households, more effectively, than we were prior to entrance into the program.

In 2015, KCHA will enter its 12th year of participating in the MTW program. It will be a year of continued growth, innovation, increased efficiency and expanded partnerships with our stakeholders. As always, our plan is ambitious. We will implement and build upon the success of policy and program initiatives begun in years past, which are detailed in the body of this plan. These include over-issuing vouchers, utilizing new public housing subsidies, improving access to opportunity neighborhoods, and providing the tools for families to achieve self-sufficiency and children to succeed in school. We also will continue to innovate, focusing on:

- **Creating new affordable housing** for seniors and people with disabilities by leveraging "banked" public housing subsidies.
- **Implementing new, multi-tiered payment standards** that maximize scarce resources while expanding geographic choice and allowing families to access neighborhoods rich in opportunities.
- **Creating a responsive, flexible program model** that assists highly mobile populations experiencing homelessness in accessing project-based Section 8 housing.
- **Increasing operational efficiency** through expanded use of technology, caseload optimization and the implementation of more efficient risk-based Housing Quality Standard inspection policies.
- **Streamlining rent calculations** so seniors and people with disabilities have a stable rental subsidy formula that is easier for them to understand.

MTW has enabled KCHA to do more with less, design more effective programs and enter into partnerships that have leveraged significant outside resources. Yet the challenges ahead of us are daunting. Shelter burdens are rising, geographic choices are becoming more circumscribed, and homelessness, despite significant reductions in the number of chronically homeless individuals and homeless veterans, is rising overall.

- Local market rents are outpacing both wages and defined benefits (such as Social Security), increasing the gap between incomes and housing costs for low- and moderate-income families and individuals. These rent increases are also outpacing the Section 8 subsidy inflation factors provided by HUD, making it more difficult for families with a voucher to find and keep housing. These factors present a challenge for KCHA in maintaining and advancing our efforts to promote housing choice around the region.
- Even in the face of growing need, virtually no new Section 8 vouchers are being provided and congressional cuts are shrinking the size of the program nationally.
- Our Section 8 waiting list has been closed for more than three years due to overwhelming demand. More than 13,000 households are currently on the waiting list for Public Housing.
- The number of homeless students being reported by the region's school districts is rising precipitously. During the 2013-14 school year local classrooms reported an 18 percent increase in the number of homeless students from two years ago. Almost 6,200 children in King County this year were trying to do their homework and get to school on time while couch surfing, living in shelters, or living crowded five to a room in a motel.
- Seniors are also a growing regional issue, with some languishing on our waiting lists for more than a decade. An increasing number of our community's seniors are paying more than 50 percent of their income for rent and utilities – and having to choose between rent and food.
- Our MTW authorization from HUD expires in 2018. Long-term planning and future initiatives may be stifled without a renewed commitment.

All of these challenges are deeply concerning, but one is immediately solvable – the MTW contract expiration. KCHA has been engaged in conversations for the past two years with HUD regarding the extension of our MTW contract. While 2018 may seem far off, the current uncertainty creates difficulties in pursuing and expanding strategic partnerships with local school districts, regional public and behavioral health care systems, private capital and equity investors, and local governments. ***To ensure our continued progress and success in building and leveraging these critical partnerships, extensions of existing MTW agreements should be prioritized by HUD and executed as soon as possible.***

KCHA's MTW innovations and efficiencies help more than just the households we serve in King County. Program innovations that we and other MTW housing authorities have designed and tested have been included in national legislation and in new HUD regulations. While only 1 percent of all housing authorities participate in MTW, our efforts benefit every housing authority in the country and the communities they serve. Overall, we believe that ***the MTW demonstration program provides the flexibility and the regulatory environment necessary for housing authorities to increase quality housing opportunities, foster self-sufficiency among residents and promote operational efficiency while at the same time being accountable to Congress and the public.*** In 2015, we will continue to use this program to address our region's housing challenges and community priorities.

EXECUTIVE SUMMARY

What is Moving to Work?

The Moving to Work (MTW) demonstration program, created by Congress and administered by the Department of Housing and Urban Development (HUD), permits a select number of housing authorities the flexibility needed to develop adaptive, community-specific approaches to using federal resources in addressing local affordable housing needs. This freedom to innovate allows these agencies to design policies and programs that better meet the diverse needs of low-income families living in their particular city or region. Since 2003, the King County Housing Authority has been among 39 high performing housing authorities benefitting from this flexibility, enabling us to initiate new approaches to ***preserving our existing housing inventory, increasing the number of households served, assisting low-income families in reaching self-sufficiency, expanding housing choice and de-concentrating poverty, and streamlining the administration of housing assistance programs.***

Our 2015 Moving to Work Plan follows HUD's format for outlining operations, leasing and waitlist information, followed by a discussion of the activities established under the demonstration program, and concluding with funding and administrative information for this coming year.

The King County Housing Authority's 12th year as a Moving to Work (MTW) agency will be defined by continued innovation, increased housing opportunities and creative solutions to meeting the diverse needs of low-income households living in our region. Given the challenges we face – including inadequate and uncertain federal funding levels and the region's growing housing affordability gap - our plan is ambitious: We will serve more households, become even nimbler in our responses to the community's housing needs, and continue to improve our business practices. The flexibility provided through our MTW designation is a critical tool in rising to these challenges.

What has KCHA accomplished under the MTW program over the past 11 years? By leveraging private capital, we have stabilized and significantly reduced the repair backlog in our federally subsidized housing portfolio. We currently own and operate more federally subsidized housing than we did when we entered the program, and more of this housing is located in high opportunity areas. Program efficiencies are enabling us to provide housing vouchers to 230 more households than authorized under our HUD Section 8 program baseline in 2014. In addition, new forms of rental assistance have allowed us to partner with public and behavioral health care systems and local nonprofits to develop "housing first" options and to pilot flexible rent and rapid rehousing approaches that assure our resources serve the most vulnerable and hard to house families and individuals in our community. KCHA also is piloting new approaches to geographic mobility and household self-sufficiency. These complement our growing partnership with the region's school districts to enhance classroom stability, increase parental engagement, coordinate early learning and after-school initiatives, and encourage middle-school mentoring and tutoring.

For these initiatives to add value on the national level, as envisioned in the MTW legislation, they must be carefully evaluated. KCHA is working with our partners to collect the data necessary to assess the short-term and long-term implications of these policy changes. We are committed to a rigorous evaluation of the impact of new approaches on our families' immediate housing circumstances and on longer term outcomes, including academic success and economic self-sufficiency. Most importantly, we are interested in identifying how housing policy and program initiatives can affect the life trajectory of the 14,500 children we house in our federally subsidized programs. To assist us in this, we have engaged third-party consultants and academic institutions to work with us in designing and evaluating new approaches. As we move forward, our level of understanding of the true impacts and best approaches to achieving long-term goals should deepen and become more useful.

Despite our successes and progress over the past decade, our current initiatives and investments are at risk because **our status as an MTW agency is scheduled to sunset in less than four years**. Without prompt action by HUD to extend our contract, KCHA's ability to enter into new or expanded long-term partnerships with other regional stakeholders and to engage in multi-year strategic and financial planning will begin to diminish. The advances being made in coordinating between housing programs and the educational, health care and the homeless service systems in our community could come undone.

2015 Policy Directions

Over the course of 2015, we will continue to improve and refine the innovative programs and activities begun in prior years that have made it possible for us to serve more households, increase access to high opportunity neighborhoods, strengthen coordination with other systems serving low income households, realize programmatic and administrative cost savings, and encourage economic self-sufficiency among our residents.

In addition, KCHA will seek approval for a new activity: block granting our project-based assistance in order to meet the unique needs of individuals exiting the cycle of homelessness, lowering the barriers faced by some of the most vulnerable households in the region.

Our plan for 2015 will allow us to:

__Preserve and Increase the Region's Affordable Housing Inventory__

With the cost of housing increasing dramatically in the Puget Sound region, it is crucial that we use all available resources to ensure that at-risk, extremely low-income families – households not adequately served through other affordable housing programs – have access to stable, affordable housing opportunities. KCHA will add over 140 new public housing units to our portfolio this year by turning on "banked" public housing subsidies in several recently acquired multifamily complexes and by opening the Vantage Point Apartments – a new senior complex currently under construction. Public Housing subsidies, in combination with MTW working capital, will ensure that these units remain affordable to extremely low-income households while assuring a sufficient cash flow to sustain operations over the long term. The number of deeply subsidized "hard units" owned by KCHA or supported through HAP agreements with our nonprofit partners will have increased to 2,406 by the end of the year.[1] 39 percent of these hard units are located in "high opportunity areas" of the Puget Sound region.[2]

We must also preserve existing affordable housing by ensuring that our present inventory is viable for years to come. **We anticipate investing $33 million in improvements** to this portfolio in 2015. Building envelopes, mechanical systems, community landscaping and site utilities will be replaced or upgraded, and we anticipate completing 150 substantial unit interior renovations utilizing force account crews. Over the past two years KCHA has acquired five privately owned sites, with 272 units, that were likely to opt out of HUD Section 8 contracts or faced expiring state rental restrictions. As part of this year's rehabilitation efforts, work will continue on upgrading these buildings.

The flexibility provided under the MTW program enables these initiatives to move forward*.* For example, the Vantage Point Apartments is our first newly constructed public housing development that is not part of a Hope VI redevelopment project in over 20 years. Our MTW

---

[1] Hard Soft Unit Counts, M:\2015 MTW Plan Documents\Plan Citations\inventories. This figure does not include Project-based Section 8.

[2] Neighborhood opportunity designations are from the Puget Sound Regional Council and Kirwan Institutes' Opportunity Mapping index (http://www.psrc.org/growth/growing-transit-communities/regional-equity/opportunity-mapping/). Neighborhoods are rated based upon a variety of neighborhood quality indicators, including indicators of educational, employment, and transportation opportunities.

single-fund flexibility allowed us to cover pre-development costs, leverage and bridge local and state funding commitments, and close the equity gap created by the use of public housing subsidies to underwrite operations. This project, scheduled for completion by the end of 2015, will provide 77 extremely low-income senior or disabled households with a permanent place to call home.

Promote Geographic Mobility

KCHA believes that the likelihood of low income households achieving economic self-sufficiency is significantly enhanced if these households have adequate access to neighborhoods that are rich in employment and educational opportunities. As rental costs increase and subsidy levels stagnate in the face of Congressional funding cuts, low-income families, even those with housing vouchers, are increasingly being excluded from the economic centers and high-opportunity neighborhoods of our region. KCHA employs a variety of tools to promote and enable housing choice: multi-tiered payment standards; mobility counseling; acquisition of new complexes in high-opportunity areas where banked public housing subsidies can be activated; and use of the extensive inventory of workforce housing that KCHA has built or acquired in these areas over the past two decades.

Through further **refinement in 2015 of our housing choice voucher payment standards**, KCHA will seek to increase its responsiveness to the greatly varying rent levels in the Puget Sound area's housing submarkets. According to the most recent market data, a two-bedroom rental unit at the 40th percentile in East King County costs $515 more than the same unit in South King County.[3] At the end of 2013, 31 percent of our tenant-based Section 8 households lived in high-opportunity neighborhoods. With the conversion of our software system in late 2015, it will be possible to implement a multi-tiered payment standard system calculated by ZIP code. By implementing a more fine grained payment standard, we anticipate an increased ability to support households in accessing high-opportunity neighborhoods. At the same time, we will have the necessary tools in place to assure that our payment standards are not driving market rents upward in lower rent areas of the county.

Accessing high-opportunity neighborhoods is not just a matter of subsidy level. It also is dependent on a family's understanding of the opportunities available in those areas, and the

---

[3] Dupree & Scott, 2014 Rental Data to Analyze the Effectiveness of KCHA's Payment Standard

ability of households to connect with an adequate support system – supports vital to enabling them to sustain residency in the long term. KCHA piloted a new program in 2014, the Community Choice Program, to both assist families in accessing high-opportunity neighborhoods and to help them successfully transition to their new community. We will continue to partner with nonprofits, landlords and social service networks to educate households about the connection among neighborhoods, educational opportunities and life outcomes, provide one-on-one counseling to households in their decision-making and assure on-going support after they move to their new neighborhoods. We anticipate assisting 20 families with young children to move to high-opportunity education zones under this pilot program in 2015.

Support Household Self-sufficiency

Self-sufficiency involves different approaches and different outcomes for different individuals. For some, it involves weathering a particular challenge and getting back on their feet. For others, it means a more gradual transition to earning a higher income and living without government subsidy. For still others, it simply means the ability to remain stable in subsidized housing. The appropriate level of housing subsidy intervention – shallow or deep, time-limited or not – is a subject of much debate. National studies indicate that some families experiencing homelessness can sustain unsubsidized housing with limited one-time assistance from short-term rental subsidies and individualized case management plans.

KCHA is testing this assumption on the local level in partnership with the Highline School District. Last year, Highline reported that 917 students, reflecting 5 percent of total student enrollment, were homeless at some point during the school year. Our **Rapid Rehousing demonstration program** seeks to rapidly place families living in cars, motels or emergency shelters back into permanent housing within the catchment area of their existing school. The program provides short-term rental assistance, initial deposit subsidies, and support services, such as employment counseling. School liaisons refer the homeless families to a community-based nonprofit that KCHA and the school district jointly select. Using MTW flexibility, we can fund this program to create individualized approaches to determine the length of subsidy and the service mix that will help stabilize each family. During the 2014-2015 school year, we will continue to pilot and evaluate this approach for as many as 60 additional families.

Serve the Hard to House

KCHA continues to develop creative solutions for meeting the varied and often complex needs of residents who struggle with mental illness, have past involvement with the criminal justice system, and/or are transitioning out of the foster care system. Many of the individuals we serve face a combination of these challenges, which are barriers for securing and maintaining housing. One approach is to match project-based rental subsidies with social service agencies that can provide the supports necessary for success. As service resources are limited, it is critical that we make these programs as administratively efficient as possible. Our partner agencies report that almost all the households being served have little or no income when entering the program, making full income verifications unproductive. Due to the highly transient nature of this population, move-in and move-out paperwork is required twice as frequently as the average Section 8 tenant, making the administrative burden to serve this population unmanageable.[4] To solve these problems and effectively serve these individuals, we intend to explore **a flat subsidy** for provider-administered, project-based Section 8 housing units serving targeted populations in 2015.

This funding model allows us to meet two goals. First, we will increase efficiency for both service providers and KCHA employees by eliminating the income calculation that occurs before an individual can move into their new residence. By bypassing this requirement, households engaging with services can be quickly transitioned and stabilized in housing. Second, because our service provider partners face less of an administrative burden, they will have more time to focus on providing services and assisting these individuals in maintaining safe, stable housing. In 2015, we anticipate redirecting approximately 400 hours toward individualized case management services that will aid these residents in reaching and sustaining housing self-sufficiency.[5]

Increase Program Efficiency

Operating in an uncertain funding environment means program efficiencies, cost reductions,

---

[4] Comparison of average length of stay for some tenant-based programs targeted at the hard-to-house (specifically, Avondale (FOY) TB FUP Youth, Supportive Housing YMCA, and Enumclaw) and the average length of stay for all tenant-based voucher households that went on subsidy on or after January 1, 2004 and had exited subsidy by August 1, 2014. Excludes portability and project-based vouchers. KCHA's 50058 Table 2 & MST Table SECTENM, M:\2015 MTW Plan Documents\Plan Citations\voucher moves

[5] By streamlining front end eligibility processing and providing a flat subsidy, program staff project saving 400 hours in staff time.

and efforts to streamline operations are essential to maintaining service levels. Over the next year, we will continue to identify and implement new approaches to improving our business processes, utilizing technology, eliminating unnecessary procedures, increasing customer service and reducing energy costs.

One example of this is the standard HUD protocol for Housing Quality Standards (HQS) inspections in Section 8 housing. This approach is inefficient and burdensome not only for KCHA, but also landlords and residents. Our data shows that many of the larger, multi-family rental complexes tend to be in good condition and easily pass HQS inspections each year. In 2015, we will implement a new approach to inspection scheduling – moving these low-risk developments from an annual to a biennial inspection schedule. This **risk-based inspection model** will save an estimated 1,810 hours in staff time, freeing up our inspectors to focus on higher-risk properties and assist with ongoing fraud investigations while reducing the intrusiveness of the program for property owners and residents who adhere to the standards.[6]

KCHA will also continue to seek ways to **refine and streamline our rent policies for elderly and disabled households**. By introducing triennial reviews and simplifying income and deduction calculations, we have already reduced staff hours dedicated to administering complicated rent policies by 20 percent. These households live on fixed incomes that do not change drastically from year to year so annual reviews to recertify their earnings are unnecessary.

Entering into the fourth year of our resource conservation plan, we will continue to implement **strategies to meet our long-term sustainability goals**. The benefits from these conservation activities are three-fold: we are able to reduce our operating costs; lower utility costs for our residents; and sustain the local environment. KCHA is now receiving whole-building consumption data from our local utilities. This enables us to benchmark performance against regional standards and identify poorly performing properties. It also informs our approaches to envelope weatherization and heating system design and operation. As conservation practices become embedded in our maintenance operations, tenant behaviors related to environmental sustainability also change for the better. KCHA is on track to accomplish the wide array of goals outlined in the conservation plan.

---

[6] HUD's HQS inspection protocols often require multiple trips to the same neighborhood, the use of third-party inspectors, and blanket treatment of diverse housing types, adding an estimated $59,730 in administrative costs (equivalent to 1,810 staff hours) annually.

Moving Affordable Housing Policy Forward

The innovations made possible by our MTW flexibility benefit not just the families and the communities we serve, but all housing authorities, MTW or not, that administer the public housing and Section 8 programs. Our successes and failures provide critical learnings for the delivery of effective and efficient affordable housing options in a tightening fiscal environment. The program innovations that MTW Housing Authorities are testing are an important element in the national discussion regarding the future direction of affordable housing policy. In fact, many of the approaches piloted under the MTW demonstration have already found their way into national legislation. The challenges housing authorities face are only intensifying as demand grows, the housing affordability gap widens and federal funding lags – the laboratory that MTW offers and the flexibility it provides is a key element in the future of these programs.

SECTION I: INTRODUCTION

A. Overview of Short-Term MTW Goals and Objectives

In this section, we outline our short-term goals and objectives for 2015. We continue to focus on ensuring that our housing assistance reaches people with the greatest need while also dedicating significant resources toward improving educational and economic opportunities for our residents and program participants. In 2015, KCHA intends to:

- **Increase the number of extremely low-income households we serve.** KCHA employs multiple strategies to expand our reach: property acquisitions; use of banked Annual Contributions Contract (ACC) authority; lease-up of new incremental vouchers; overleasing of existing Section 8 baseline; "step-down" or time-limited vouchers for specific populations; and the design and implementation of short-term rental assistance and Rapid Rehousing programs.
- **Continue to develop a pipeline of new projects intended to increase the supply of housing dedicated to extremely low-income households.** In 2015, KCHA will complete construction of Vantage Point, a 77-unit affordable housing community for seniors and people with disabilities and begin to plan for the development of additional senior housing on the "notch" property in White Center.
- **Continue to support families in gaining greater economic self-sufficiency**. During 2015, KCHA anticipates assisting 50 households under the Resident Opportunity Plan (ROP), a locally designed self-sufficiency program, and an additional 300 Public Housing and Section 8 households in the Family Self-Sufficiency program. These programs advance families toward self-sufficiency through individualized case management, supportive services, and program incentives.
- **Expand partnerships that address the multi-faceted needs of our most vulnerable populations**. KCHA houses more than 3,000 households through programs, operated in partnership with service providers and the behavioral health care system, that address the wide variety of our community's supportive housing needs.[1]

  In 2015, KCHA will continue to expand these efforts by partnering with Valley Cities Counseling and Consultation to provide 24 Single Room Occupancy (SRO) units targeted specifically for youth and

---

[1] The figure includes all project-based contract units: Sound Families, 240; supportive housing, 147; sponsor-based supportive housing, 137; Student Family Stability Initiative, 60. Tenant-based vouchers: VASH, 268; HASP, 1772; FUP, 408; domestic violence programs, 97; ACRS, VCCC, and UYF, 28. Project-based Units and Programs, M:\2015 MTW Plan Documents\Plan Citations\Project-based Units

young adults transitioning out of homelessness. This housing is designed to be communal, pairing safe and stable housing with on-site supportive services that help the youth transition to self-sufficiency. When complete, KCHA will be housing 103 formerly homeless youth in an array of different housing and service settings.[2] Partnering with the Federal Way Veterans' Program KCHA will assist in developing supportive housing for 33 households headed by homeless veterans eligible for services and support under the Veterans Affairs Supportive Housing (VASH) program. In total, KCHA anticipates housing more than 350 formerly homeless veterans by the end of the year.

- **Expand assistance to homeless and at-risk households with a short-term rental assistance pilot.** We continue to partner with the Highline School District and its McKinney-Vento liaisons to pilot a Rapid Rehousing approach to addressing the growing problem of homeless students in our public school system. This demonstration program, launched in November 2013, provides short-term rental assistance to help homeless families attain stable housing. By stabilizing families near their local school, we anticipate that attendance will improve, school transportation costs will decrease, and academic performance will be strengthened.
- **Provide housing choice through programs and policies that reduce barriers to high-opportunity neighborhoods.** This multi-pronged initiative includes the use of tiered payment standards, mobility counseling and new property acquisitions combined with placement of project-based Section 8 vouchers in targeted high-opportunity neighborhoods. In 2015, KCHA anticipates assisting up to 30 percent of its residents attain or sustain residency in high-opportunity neighborhoods.
- **Continue to implement comprehensive rent reform policies**. By the end of FY 2015, KCHA anticipates that 25 higher income households could transition out of public housing under revised rent policies, making these units available to extremely low-income households currently on the waiting list. These households will join the 396 others that have positively graduated to unsubsidized housing since the policy was implemented in 2012.
- **Deepen partnerships with parents and local school districts with the goal of improving educational outcomes.** KCHA houses more than 14,500 children in our federally assisted programs.[3] The academic success of these youth is the cornerstone of our efforts to prevent multi-generational cycles of poverty and promote social mobility. KCHA continues to make educational outcomes an integral

---

[2] Programs include Coming Up, Friends of Youth, and Phoenix Rising. Project-based Units and Programs, M:\2015 MTW Plan Documents\Plan Citations\Project-based Units

[3] Children housed at least one day from July 2013 – June 2014 in either public housing, or tenant-based and project-based vouchers. Excludes portability vouchers. Data from KCHA's MST SECMEMB, SECTENM, PHAMEMB, and PHATENM tables. M:\2015 MTW Plan Documents\Plan Citations\child count

element of our core mission and is actively partnering with local educational stakeholders around common outcomes. We are focusing on achieving grade-level reading competency by the end of third grade while also improving educational outcomes for older youth through after-school programs, parental engagement and mentoring. In 2015, we will continue to expand these place-based initiatives through the use of our MTW single fund along with philanthropic funding.

- **Commit additional MTW resources to the elimination of accrued capital repair and system replacement needs in our federally subsidized housing inventory.** In 2015, KCHA intends to invest more than $33 million in public and private financing to improve quality, reduce maintenance costs and extend the life expectancy of our federally assisted housing stock. KCHA will maintain its record of excellence in the physical condition of its housing, averaging a score of over 90 percent on property inspections performed by HUD's Real Estate Assessment Center (REAC) for our portfolio.
- **Make our federal housing programs more cost-effective through streamlining business processes, digitizing client files and implementing a new software platform for core business functions.** By the last quarter of 2015, our new integrated software system, Tenmast WinTen 2+, will be fully operational. Combined with on-line access to tenant files, this software will provide greater efficiency in our operations and reporting, allowing us to provide a continually improving customer experience for our residents and landlords.
- **Reduce the environmental impact of KCHA's programs and facilities.** In 2015, KCHA will be implementing the fourth year of our Resource Management Plan. The plan includes strategies to reduce energy and water consumption, divert materials from the waste stream, handle hazardous waste and influence tenant behavior. We will continue to analyze "whole building" consumption data from local utility companies and compile the information into a database. This data will enable us to track energy usage, benchmark against similar properties, and assess the effectiveness of conservation measures more accurately, providing guidance for future investments in energy efficiency.
- **Explore collaborative opportunities among MTW agencies.** We continue to work in partnership with other housing authorities to advance the goals of the MTW demonstration, including the evaluation of new policies and approaches. We will be working with Portland's Home Forward, the Seattle Housing Authority and the Tacoma Housing Authority to procure research and evaluation services from local and national academic and research institutions.

B. Overview of Long-Term MTW Goals and Objectives

Through participation in the MTW demonstration program, KCHA is able to address the wide range of affordable housing needs in the Puget Sound region. We use the single-fund and regulatory flexibility provided by this initiative in support of our overarching strategic goals:

- **Strategy 1:** Continue to strengthen the physical, operational, financial and environmental sustainability of our portfolio of almost 9,000 affordable housing units.[4]
- **Strategy 2:** Increase the supply of housing in the region that is affordable to extremely low-income households – those earning below 30 percent of Area Median Income (AMI) – through the development of new housing and the preservation of existing housing, as well as expanding the size and reach of our rental subsidy programs.
- **Strategy 3:** Provide greater geographic choice for low-income households, including disabled residents and elderly residents with mobility impairments, so that our clients have the opportunity to live in neighborhoods with high-performing schools and convenient access to services, transit and employment.
- **Strategy 4:** Coordinate closely with behavioral healthcare and other social services organizations to increase the supply of supportive housing for people who have been chronically homeless and/or have special needs, with the goal of ending homelessness.
- **Strategy 5:** Engage in the revitalization of King County's low-income neighborhoods, with a focus on housing and other services, amenities, institutions and partnerships that create strong, healthy communities.
- **Strategy 6:** Work with King County, regional transit agencies and suburban cities to support sustainable and equitable regional development by integrating new affordable housing into regional growth corridors aligned with mass transit.
- **Strategy 7:** Expand and deepen partnerships with school districts, Head Start programs, after-school care providers, public health departments, community colleges, the philanthropic community and our residents to eliminate the achievement gap and improve educational and life outcomes for the low-income children and families we serve.
- **Strategy 8:** Promote greater economic self-sufficiency for families and individuals in subsidized housing by addressing barriers to employment and facilitating access to training and education programs, with the goal of enabling moves to market-rate housing at the appropriate time.

---

[4] KCHA Agresso Property Table, M:\2015 MTW Plan Documents\Plan Citations\inventories.

- **Strategy 9:** Continue to develop institutional capacity and efficiencies at KCHA to make the most effective use of federal resources. Continue to expand our non-federally subsidized programs to address the region's need for additional workforce housing and to support and ensure the financial sustainability of our operations.
- **Strategy 10:** Continue to reduce KCHA's environmental footprint through energy conservation, renewable energy generation, waste stream diversion, green procurement policies, water usage reduction and fleet management practices.

SECTION II: GENERAL HOUSING AUTHORITY OPERATING INFORMATION

A. Housing Stock Information

KCHA will use banked ACC authority this year to bring three previously purchased developments into our Public Housing inventory. The transition of Northwood Square, Shelcor, and Island Crest to the public housing program stabilizes existing tenants and ensures that these units, 77 percent of which are sited in opportunity neighborhoods[5], will be available to extremely low-income households over the long term. In addition to these previously purchased developments, we will complete and occupy Vantage Point, a new 77-unit apartment complex serving seniors and people living with disabilities.

Planned New Public Housing Units to be Added During the Fiscal Year

AMP Name and Number	Bedroom Size							Total Units	Population Type	Fully Accessible	Adaptable
	0	**1**	**2**	**3**	**4**	**5**	**6+**				
Island Crest **213**	0	16	14	0	0	0	0	**30**	**General**	**0**	**0**
Northwood Square **467**	0	0	18	6	0	0	0	**24**	**General**	**1**	**0**
Shelcor **480**	0	1	7	0	0	0	0	**8**	**General**	**0**	**8**
Vantage Point ***AMP # not assigned***	0	72	5	0	0	0	0	**77**	**Elderly/Disabled**	**7**	**0**
Total Public Housing Units to be Added[6]								**139**			

---

[5] Neighborhood opportunity designations are from the Puget Sound Regional Council and Kirwan Institutes' Opportunity Mapping index (http://www.psrc.org/growth/growing-transit-communities/regional-equity/opportunity-mapping/). Neighborhoods are rated based upon a variety of neighborhood quality indicators, including indicators of educational, employment, and transportation opportunities. Island crest is located in a "very high" opportunity neighborhood; Vantage Point is located in a "moderate" opportunity neighborhood.

[6] These, and other properties yet to be identified, may convert to Public Housing in 2015.

Planned Public Housing Units to be Removed During the Fiscal Year

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
N/A	0	N/A
	Total Number of Units to be Removed	0

New Housing Choice Vouchers to be Project-Based During the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-Based	Description of Project
Phoenix Rising	24	Located in Auburn, Phoenix Rising is a new construction project that provides 24 units of low-barrier, non-time limited supportive housing for homeless youth living with chronic mental illness. The project will encourage the residents to participate in the services and activities provided in the common space as a way to combat the isolation often experienced by this population. Valley Cities Counseling and Consulting (VCCC) will provide comprehensive mental health services.
Federal Way Veterans Program	33	Developed by the Multi Service Center (MSC), this new construction property located in Federal Way will serve 33 VASH-eligible veterans and their families with Project-based assistance. Using a Housing First approach, the program allows homeless veterans and their families immediate access to housing along with holistic case management services, such as food/clothing, housing, energy assistance, employment education and financial management.

Anticipated Total New Vouchers to be Project-Based	57	**Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year**[7]	2,487
		Anticipated Total Number of Project-Based Vouchers Leased-Up or Issued to a Potential Tenant at the End of the Fiscal Year[8]	2,456

Other Changes to the Housing Stock Anticipated During the Fiscal Year

KCHA continues to use banked public housing subsidy to provide deep affordability as units turn over in the Pepper Tree, Westminster and Kirkland Place developments – private properties acquired by the Housing Authority in opportunity neighborhoods. These units are added to our Public Housing inventory only when a current resident moves out. Due to the uncertainty surrounding the timing of existing residents' individual housing choices, we are not able to project an exact figure for the number of newly subsidized units to be added to our Public Housing portfolio.

General Description of All Planned Capital Fund Expenditures During the Plan Year

<<Please note: This is a DRAFT list of capital improvements and may be altered based upon resident, staff, community leader and stakeholder recommendations that will be presented to KCHA's Board of Commissioners. As such, this is a working document and is subject to change.>>

In 2015, KCHA plans to spend about $33 million to complete capital improvements critical to maintaining our 81 federally subsidized properties. Expenditures include:

- **Vantage Point Construction** ($18 million). KCHA will leverage $18 million to complete the construction of Vantage Point, a 77-unit apartment complex serving seniors and people living with disabilities.
- **Unit Upgrades** ($4 million). KCHA's ongoing efforts to significantly upgrade the interiors of our affordable housing inventory as units turn over will continue in 2015. KCHA's in-house, skilled workforce will perform the renovations, which include installation of new flooring, cabinets and fixtures that will extend the useful life of unit interiors by 20 years.

---

[7] AHAP and HAP.

[8] HAP only.

- **Site Improvements** ($4 million). Deterioration of paving, sidewalks, storm drainage systems and other existing infrastructure have resulted in significant failures at Burndale Homes (Auburn), Firwood Circle (Auburn), Forest Glen (Redmond), Lake House (Shoreline) and Valli Kee (Kent). KCHA will fund improvements at these sites through either MTW block-grant or Capital Fund Program funding. Some projects are multi-year, including Burndale, Firwood and Valli Kee. Work at those sites commenced in 2014 and will be completed in 2015.
- **Building Envelope and Related Components Upgrades** ($2 million). Our capital needs assessments have identified a number of building envelope upgrades, including roofing repairs at Peppertree (Shoreline) as well as siding and other envelope improvements at Hidden Village (Bellevue), Island Crest (Mercer Island), Northridge I and II (Shoreline), and Spiritwood Manor (Bellevue) as being priority work items for 2015. The envelope work will be completed with funding from KCHA's MTW block-grant resources, reserves, utility company weatherization funding, and other sources.
- **Sewer, Storm Water, Domestic Water and Waste Lines, and Other Utility System Upgrades** ($2 million). Various utility system upgrades will be completed at Briarwood (Shoreline), Hidden Village (Bellevue), Southridge (Federal Way), and Westminster Manor (Shoreline).
- **"509" Initiative Improvements** ($3 million). Our assessment identified approximately $33 million in capital needs for the previously approved 509 initiative, which converted scattered site public housing to a project-based Section 8 portfolio. Major improvements to be completed in 2015 include the building envelope upgrades at Riverton Terrace (Tukwila), Green Leaf (Kenmore), and Juanita Trace (Kirkland). Additional projects include site upgrades, roofing, deck replacement, indoor air quality improvements, domestic water upgrades, and surface water management improvements at various sites.

B. Leasing Information

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

MTW Households to be Served Through:	Planned Number of Households to be Served	Planned Number of Unit Months Occupied/ Leased
Federal MTW Public Housing Units to be Leased[9]	2,083	25,002
Federal MTW Voucher (HCV) Units to be Utilized[10]	9,466	112,174
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs	0	0
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs[11]	212	2,544
Total Households Projected to be Served	**11,761**	**139,720**

Reporting Compliance with Statutory MTW Requirements

N/A

Description of Any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers, and/or Local, Non-Traditional Units and Possible Solutions

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
Veterans Affairs Supportive Housing (VASH) Vouchers	VASH vouchers consistently are not leasing to 100 percent as client referrals from Veterans Affairs (VA) are slow and irregular. KCHA has initiated regular meetings with the VA to address this problem. Senior staff members from both the VA and KCHA will continue to meet to discuss the issue and possible solutions such as streamlining the voucher application process.

---

[9] Estimates based on 98% occupancy of public housing units projected to be in use during 2015. M:\2015 MTW Plan Documents\Plan Citations\households served estimates\public housing

[10] Section 8 Department December 2015 estimates: block grant anticipated ACC is 8,234 and anticipated unit-months used is 98,808; non-block grant anticipated ACC is 1,232 and anticipated unit-months used is 13,366. M:\2015 MTW Plan Documents\Plan Citations\households served estimates\hcv

[11] Includes sponsor-based supportive housing (Coming Up, Housing First, FACT, PACT) and flexible rental assistance programs (Student Family Stability Initiative, Next Step), M:\2015 MTW Plan Documents\Plan Citations\households served estimates\non-traditional tenant-based

C. Wait List Information

Wait List Information Projected for the Beginning of the Fiscal Year

Housing Program	Wait List Type	Number of Households on Wait List	Wait List Open, Partially Open or Closed	Are there plans to open the wait list during 2015?
Section 8 Housing Choice Voucher	Community-wide	1,125[12]	Partially Open (*accepting targeted voucher referrals only)*	Yes
Public Housing	Regional	8,439[13]	Open	N/A
Public Housing	Site-based	7,247[14]	Open	N/A
Project-Based	Regional	3,063[15]	Open	N/A
Public Housing – Conditional Housing	Program-specific	30[16]	Open	N/A
Local Non-Traditional	N/A	N/A	N/A	N/A

Description of Partially Open Wait List: Section 8 Housing Choice Voucher Program

The general Section 8 Housing Choice Voucher Program has not been open to new applicants since May 2011. By the end of 2015, we anticipate that the existing waiting list will have been exhausted and we anticipate reopening the waiting list in either late 2015 or early 2016. We continue to serve targeted populations under VASH, the Family Unification Program (FUP) and the Non-Elderly Disabled (NED) voucher programs through referrals from our service partners.

---

[12] Projected estimate from Housing Choice Voucher director based on Section 8 waitlist data. M:\2015 MTW Plan Documents\Plan Citations\waitlist estimates\hcv

[13] Projected estimate from analysis of regional waiting list dynamics for the first six months of 2014. KCHA's MST APPMAST table, M:\2015 MTW Plan Documents\Plan Citations\waitlist estimates\ph regional

[14] Projected estimate from analysis of site-based waiting list dynamics for the first six months of 2014. KCHA's MST APPMAST table, M:\2015 MTW Plan Documents\Plan Citations\waitlist estimates\ph site-based

[15] Projected estimate from analysis of project-based waiting list dynamics for the first six months of 2014. KCHA's MST APPMAST table, M:\2015 MTW Plan Documents\Plan Citations\waitlist estimates\project-based

[16] Projected estimate from analysis of conditional housing waiting list dynamics for the first six months of 2014. KCHA's MST APPMAST table, M:\2015 MTW Plan Documents\Plan Citations\waitlist estimates\conditional

SECTION III: PROPOSED MTW ACTIVITIES

ACTIVITY 2015-1: Block Grant Project-Based Assistance

A. Proposed MTW Activity Description

KCHA requests authorization to develop a local, non-traditional housing program that will revise the administration of a portion of our project-based assistance to better meet the needs of extremely low-income homeless individuals and families while realizing administrative efficiencies. This flexibility will allow KCHA to better support a “housing first” approach in placing homeless populations in supportive housing programs designed to meet their unique needs. These populations are highly mobile and often face additional barriers to securing and maintaining housing.

By eliminating front end barriers and simplifying the administration of rental subsidy funds to our community partners that provide supportive housing, we will achieve three objectives. Administrative costs will be reduced for both KCHA and our non-profit service providers, and we will be able to house some of the most vulnerable households in our community more quickly. We will accomplish these goals by providing a flat, per-unit subsidy in lieu of monthly Housing Assistance Payments (HAP) and allowing the service provider to dictate the terms of the tenancy. The funding will be block-granted based on the number of units authorized under contract and occupied in each program. As income levels of homeless individuals and families generally are extremely low, an income-based rent calculation for the tenants may not be conducted. The tenant portion of the rent and length of stay shall be determined by the service provider’s housing model. KCHA will review and approve the tenant rent structure for each program using our standard rent protocols that provide hardship policies.

Under existing policies, the subsidy only may be applied to the unit after an extensive eligibility determination and an income-based rent calculation has been conducted. The administrative costs of determining incomes and calculating tenant rent responsibility are high. Individuals transitioning out of homelessness typically have extremely low incomes and are highly mobile, adding to the challenges of tracking and managing frequent moves. To nimbly meet the needs of these individuals and save staff time, we will contract with owners of supportive housing properties to provide a flat subsidy based on the total number of occupied units.

As with our other federal housing programs, all units will be subject to an initial Housing Quality Standards (HQS) inspection before entering into a contract with a housing owner. Due to the transient nature of this population, however, inspections will not be administered based on occupancy turnover, but instead will occur annually. Our plan is for all units in each property to be inspected during the same period on a set schedule, with additional HQS inspections performed as needed.

B. Statutory Objective

This initiative decreases costs by reducing KCHA and service agency staff time spent on program administration, and streamlines front end eligibility processing and lowers entrance barriers for homeless individuals and families. This approach will allow KCHA to increase housing choices for vulnerable, hard-to-house populations.

C. Anticipated Impact

This policy change will allow us to more successfully engage and housel vulnerable and difficult to house individuals and families while reducing administrative costs. By providing a flat subsidy per unit, we reduce administrative burdens for a population that has extremely low incomes while swiftly linking individuals and families to safe, stable homes.

D. Schedule

We plan to implement this initiative in early 2015, pending HUD's approval.

E. Activity Metrics Information

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Projected Outcome	Data Source
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	0	$13,266[17] saved	Increases cost savings	HR records
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete task in staff hours	0	402 hours saved	Reduces staff time administering this assistance	Internal time audit
Increase housing choice	HC #7: Number of households receiving services aimed to increase housing choice	0	67	Increases in number of households served	MST, HMIS, partner databases

---

[17] This figure was calculated by multiplying the median hourly wage and benefits ($33) of the staff member who oversees this activity by the number of hours saved. This number represents a hypothetical estimate of the dollar amount that could be saved in staff hours by implementing this activity.

F. Need/Justification for MTW Flexibility

The cited authorization under MTW Use of Funds (Attachment D, Item A) is necessary to change the way project-based subsidy is administered to local housing providers. Flexibility regarding the administration of the project-based program (i.e. block-granting to partners, Attachment C, Section D.1.a; changing income verification, Attachment C, Section D.1.a; and flat rent, Attachment C, Section D.2.a) is necessary to achieve operational efficiency and increase access to housing for homeless populations.

ACTIVITY 2015-2: Reporting on the Use of Net Proceeds from Disposition Activities

A. Proposed MTW Activity Description

KCHA requests authorization to report on the use of net proceeds from disposition activities in the annual MTW reports and plans. This activity will allow KCHA to streamline our reporting protocol while continuing to adhere to the guidelines outlined in 24 CFR 941 Subpart F of Section 18 demolition and disposition code. The current MTW reporting module aligns with the reporting guidelines in Section 18, allowing for an opportunity to streamline these activities, and realize time-savings and additional administrative efficiencies.

We will use our net proceeds from our last HOPE VI disposition, Seola Gardens, in some of the following ways, all of which are accepted uses under Section 18(a)(5):

1. Repair or rehabilitation of existing ACC units.

2. Development and/or acquisition of new ACC units.

3. Provision of social services for residents.

4. Implementation of a preventative and routine maintenance strategy for specific single-family scattered-site ACC units.

5. Modernization of a portion of a residential building in our inventory to develop a recreation room, laundry room or day-care facility for residents.

6. Funding of a HUD-approved homeownership program authorized under Section 32, 9, 24 or any other Section of the Act, for assistance to purchasers, for reasonable planning and implementation costs, and for acquisition and/or development of homeownership units.

7. Leveraging of proceeds in order to partner with a private entity for the purpose of developing mixed-finance public housing under 24 CFR 905.604.

We also will report on the proceeds' uses in the MTW reports. The net proceeds from this project are estimated to be $5 million.

B. Statutory Objective

This initiative reduces costs and achieves greater administrative efficiency by streamlining the reporting requirements, as allowed uses under Section 18 are similar to those found in the MTW single fund authorization.

C. Anticipated Impact

This policy change will allow us to administer funds more efficiently by eliminating a separate and duplicative reporting structure that expends additional staff time and resources.

D. Schedule

We plan to implement this initiative in early 2015, pending HUD's approval.

E. Activity Metrics Information

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Projected Outcome	Data Source
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	0	$11,840[18] saved	Increased cost savings	HR Records
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete task in staff hours	0	160 hours saved	Reduced staff time administering this assistance	Internal Time Audit

F. Need/Justification for MTW Flexibility

The cited authorizations under MTW Use of Funds (Attachment D, Item A) and Authorizations Related to Both Public Housing and Section 8 Housing Choice Vouchers (Attachment C, Item B) are required in order to change the way these disposition funds are tracked and reported to HUD. Flexibility in regards to these net proceeds will provide administrative efficiency and cost savings.

---

[18] This figure was calculated by multiplying the median hourly wage and benefits ($74) of the staff member who oversees this activity by the number of hours saved. This number represents a hypothetical estimate of the dollar amount that could be saved in staff hours by implementing this activity.

SECTION IV: APPROVED MTW ACTIVITIES

A. Implemented Activities

The following table provides an overview of previously approved activities, the statutory objectives they aim to meet, and the page number in which more detail can be found. Activities are listed by the year they were proposed, with the most recent first.

Year-Activity #	MTW Activity	Statutory Objective	Page
2014-1	Stepped-Down Assistance for Homeless Youth	Self-Sufficiency	16
2014-2	Revised Definition of "Family"	Housing Choice	17
2013-1	Passage Point Conditional Housing Program	Housing Choice	17
2013-2	Flexible Rental Assistance Program	Housing Choice	18
2013-3	Short-Term Rental Assistance Program	Housing Choice	19
2012-2	Community Choice Program	Housing Choice	19
2009-1	Project-Based Section 8 Local Program Contract Term	Housing Choice	20
2008-1	Acquire New Public Housing	Housing Choice	20
2008-10 & 11	EASY & WIN Rent Policies	Cost Effectiveness Self-Sufficiency	21
2008-21	Public Housing & Section 8 Utility Allowances	Cost Effectiveness	23
2007-6	Develop a Sponsor-Based Housing Program	Housing Choice	24
2007-8	Remove Cap on Voucher Utilization	Housing Choice	25
2007-14	Enhanced Transfer Policy	Cost Effectiveness	25
2007-18	Resident Opportunity Plan (ROP)	Self-Sufficiency	26
2005-4	Payment Standard Changes	Cost Effectiveness Housing Choice	27
2004-2	Local Project-Based Section 8 Program	Cost Effectiveness Housing Choice	28
2004-3	Develop Site-Based Waiting Lists	Cost Effectiveness Housing Choice	30
2004-5	Modified HQS Inspection Protocols	Cost Effectiveness	31
2004-7	Streamline PH & Section 8 Forms & Data Processing	Cost Effectiveness	32
2004-9	Rent Reasonableness Modifications	Cost Effectiveness	34
2004-16	Section 8 Occupancy Requirements	Cost Effectiveness	34

ACTIVITY 2014-1: Stepped-Down Assistance for Homeless Youth
Plan Year: 2014

Challenge: During the 2013 annual homeless count in King County, 779 youth were identified as homeless or unstably housed.[19] Local service providers have identified the need for a short-term, gradually diminishing rental subsidy structure that will provide a better approach to assisting this population in transitioning to independent housing opportunities than a traditional, non-time limited Section 8 voucher.

Solution: KCHA is implementing a flexible, "stepped-down" rental assistance model that serves the particular needs of youth transitioning out of homelessness. Our local youth service provider partners find that a short-term rental subsidy is the most appropriate way to serve this particular population as a majority of these young adults are not struggling with disabilities that require extended tenure in a supportive housing environment. By providing limited term rental assistance and promoting transition to independent living, we are able to serve more young adults in need of assistance. One of the pilot programs established under this activity, Next Step, will provide independent housing opportunities to 15 young adults (ages 18 to 25) who currently are living in transitional housing. KCHA is providing rental subsidies in coordination with wrap-around services provided by the YMCA. Participants will secure their apartment, sign their own lease with a landlord, and work with a resource specialist to assure longer term housing stability. We are continuing to expand this approach to our other service partners who already are implementing young adult housing programs with KCHA rental subsidies. These programs include Coming Up, a sponsor-based rental assistance program that provides supportive services to formerly homeless young adults in south King County, and a project-based assistance program operating in partnership with Friends of Youth and Imagine Housing.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase self-sufficiency	SS #8: Households transition to self-sufficiency	0 households	45 households

---

[19] Count Us In 2014: King County's Point-in-Time Count of Homeless & Unstably Housed Young People. http://www.cehkc.org/doc_reports/CUI2014FINALReport.pdf

ACTIVITY 2014-2: Revised Definition of "Family"
Plan Year: 2014

Challenge: On Jan. 24, 2013, 3,120 families with children were living in emergency or temporary housing in King County.[20] Thousands more elderly and disabled people, many with severe rent burdens, are on our waiting lists. To make the greatest use of our limited resources, we seek to target the most vulnerable populations, including families with children, elderly and people with disabilities. Currently, KCHA serves about 475 households that do not include a minor, elderly, or disabled family member.[21]

Solution: This policy modifies the Public Housing Admissions and Continued Occupancy Policy (ACOP) and Section 8 Administrative Plans in an effort to direct our limited resources to populations facing the greatest need: elderly, near-elderly and disabled households, and families with children. Through this set of policy revisions, we will refine our focus on the most at-risk people in our communities Exceptions will be made for participants in programs that target specialized populations such as domestic violence victims. In 2015, we will continue the planning necessary to finalize and implement these changes, including public hearings and public comment periods.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC #4: Number of housing units preserved for households at or below 80% AMI	0 units	0 units; 511 units (63 PH; 448 HCV/PBS8)by 2018

ACTIVITY 2013-1: Passage Point Conditional Housing Program
Plan Year: 2013

Challenge: In 2013, 1,422 individuals re-entered the community in King County after experiencing a period of incarceration.[22] Nationally, more than half of all inmates are parents who will face barriers to securing housing and employment upon release due to their criminal record or lack of employable skills. [23] Without a place to live or a job, these individuals are unable to reunite with their children.

Solution: Passage Point is a unique supportive housing program model that serves parents seeking to reunify with their children following incarceration. KCHA provides project-based assistance to the 46

---

[20] CoC Dashboard Report (WA-500). 2013 Point in Time Count Summarized by Household Type. https://www.onecpd.info/reports/CoC_PopSub_CoC_WA-500-2012_WA_2013.pdf.

[21] Analysis of Impact of Family Definition Change, M:\2015 MTW Plan Documents\Plan Citations\Households not including an elderly, disabled, or minor family member.

[22] Washington State Department of Corrections. Number of Prison Releases by County of Release. http://www.doc.wa.gov/aboutdoc/docs/msPrisonReleases.pdf

[23] Glaze, E and Maruschak (2008). Parents in Prison and Their Minor Childern. http://www.bjs.gov/index.cfm?ty=pbdetail&iid=823

units comprising this community. The YWCA provides property management and supportive services, along with outreach to prisons and correctional facilities. Passage Point residents who successfully complete the service program and regain custody of their children may submit a “graduation packet” for access to KCHA’s Public Housing program. These households are given priority placement on the wait list. In contrast to transitional housing programs that typically have strict 24-month occupancy limits, participants in the Passage Point program may remain in place until they have completed the reunification process and successfully stabilized and can demonstrate their ability to succeed in traditional subsidized housing. No major modifications are anticipated.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC #5: Number of households able to move to a better unit and/or neighborhood of opportunity	0 households move	5 households move

ACTIVITY 2013-2: Flexible Rental Assistance Program
Plan Year: 2013

Challenge: Each day in the U.S., more than 37,000 domestic violence survivors and their children rely on emergency shelters for housing. [24] Traditional housing programs, such as Section 8, don’t always meet their needs. In some situations, rapidly re-keying a door lock is a higher priority than securing an ongoing rent subsidy.

Solution: This program, developed with our community partners that provide domestic violence services, pairs case management with a flexible subsidy. The purpose is to provide housing assistance, beyond just rent, by quickly and effectively finding and securing housing for those in crisis situations. KCHA is providing the funding equivalent of 20 rental subsidies to support this pilot while the contracted providers deliver services to the family. Participants will secure their own housing and work with a resource specialist to maintain housing stability both during the program and beyond. With our partners, we will provide services to assist program participants in finding and securing housing.

---

[24] National Alliance to End Homelessness (2011). Homelessness Prevention and Rapid Re-Housing for Survivors of Domestic Violence. http://www.endhomelessness.org/library/entry/homelessness-prevention-and-rapid-re-housing-for-survivors-of-domestic-viol

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC #7: Number of households receiving services aimed to increase housing choice	0 households	20 households

ACTIVITY 2013-3: Short-Term Rental Assistance Program

Plan Year: 2013

Challenge: There are a growing number of homeless students being reported by school districts in King County. During the 2012-2013 school year, 6,188 students were homeless during some part of the academic term. KCHA does not have the resources to adequately respond to this crisis by issuing additional Section 8 vouchers and making available new public housing units. Some of these families may be adequately served through the use of short-term rental assistance coupled with services in the form of security deposits, applicant fees, and utility payments.

Solution: A Rapid Rehousing demonstration is being piloted in partnership with the Highline School District. Known as the Student and Family Stability Initiative (SFSI), the program pairs short-term rental assistance with housing stability and employment connection services for families experiencing homelessness or for those about to become homeless. Participating households are referred by school-based McKinney-Vento liaisons. A community-based service provider screens referrals, administers the short-term rental assistance, and provides appropriate supportive and employment services. Caseworkers are given the flexibility to determine the most effective approach to quickly stabilizing participants, including rent, move-in assistance, security deposits, application fees, rent arrears, and utility assistance payments. Critical outcomes for this program include reductions in the number of homeless families and students, increased classroom stability and academic success, and a decrease in school district McKinney-Vento mandated transportation costs.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC # 1: Number of new housing units made available for households at or below 80% AMI	0 units	40 units
Increase housing choices	HC #5: Number of households able to move to a better unit and/or neighborhood	0 families	40 families

ACTIVITY 2012-2: Community Choice Program
Plan Year: 2012

Challenge: Research increasingly demonstrates that where people live matters enormously in terms of health, employment, and educational success. About 75 percent of KCHA's tenant- based Housing Choice Voucher holders do not live in the higher-opportunity neighborhoods of King County that can promote these outcomes.[25] These are neighborhoods with higher rents and a more limited supply of rental housing. In addition to formidable barriers to entry, many households are not aware of the link between location and educational and employment opportunities. For a wide variety of reasons, low income families opt to live in familiar communities with higher poverty rates and less access to these locational benefits.

Solution: This initiative is designed to encourage and enable Housing Choice Voucher households with young children to relocate in high-opportunity areas of the county. Through collaboration with local nonprofits and landlords KCHA is educating families about the link between location, educational opportunities and life outcomes; counseling families as they are making decisions about where and when to move; and supporting their transition into their new neighborhoods. We do not anticipate any major modifications to the program in 2015.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC #5: Number of households able to move to a better unit and/or neighborhood of opportunity	0 households move	20 households move
Increase housing choices	HC #7: Number of households receiving services aimed to increase housing choice	0 households	50 households

ACTIVITY 2009-1: Project-Based Section 8 Local Program Contract Term
Plan Year: 2009

Challenge: Prior to 2009, our non-profit development partners faced difficulties in securing private financing for development and acquisition projects. By banking and private equity standards, the HAP contract term set by HUD is short and is not helpful in underwriting debt on affordable housing projects.

---

[25] Neighborhood opportunity designations are from the Puget Sound Regional Council and Kirwan Institutes' Opportunity Mapping index (http://www.psrc.org/growth/growing-transit-communities/regional-equity/opportunity-mapping/). Neighborhoods are rated based upon a variety of neighborhood quality indicators, including indicators of educational, employment, and transportation opportunities. For all tenant-based vouchers leased-up on July 1, 2014, 76.9% lived outside of "high" or "very high" opportunity neighborhoods. This excludes portability and project-based vouchers. Data comes from KCHA's 50058 database (table 2). M:\2015 MTW Plan Documents\Plan Citations\current voucher holders opportunity

Solution: We extended the length of the allowable term for Section 8 project-based contracts up to 15 years in order to help our partners underwrite and leverage private financing for development and acquisition projects. In 2015, we will continue to consider other exceptions to HAP contract terms in order to support the preservation and development of affordable housing opportunities in King County.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC #1: Number of new housing units made available for households at or below 80% AMI	0 units	57 units

ACTIVITY 2008-1: Acquire New Public Housing
Plan Year: 2008

Challenge: In King County, 45 percent of all renter households spend more than 30 percent of their income on rent.[26] County-wide, fewer than 5 percent of all apartments are affordable to households earning less than 30 percent AMI.[27] In the context of these challenges, KCHA's Public Housing waiting lists continue to grow. With the widening gap between available affordable housing and the need of low-income renters, we must continue to find ways to increase the inventory of units affordable to extremely low income households.

Solution: KCHA's Public Housing ACC is currently below the Faircloth limit, providing the opportunity for the housing authority to turn on "banked" public housing subsidies to add to the affordable housing supply. This approach is challenging – as public housing units cannot support debt. We continue to use MTW working capital creatively to leverage this opportunity with a particular focus on the creation or preservation of hard units in high opportunity neighborhoods. In 2015, we will create 139 new public housing units that provide housing opportunities to low-income families, seniors and people living with disabilities.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC # 1: Number of new housing units made available for households at or below 80% AMI	0 units (2004)	700 units (cumulative through 2018); 139 units in 2015

---

[26] Committee to End Homelessness. Homelessness Facts for King County. http://www.cehkc.org/scope/cost.aspx.

[27] Committee to End Homelessness. Homelessness Facts for King County. http://www.cehkc.org/scope/cost.aspx.

ACTIVITIES 2008-10 and 2008-11: EASY and WIN Rent Policies

Plan Year: 2008

Challenge: Administering rent protocols under existing HUD rules is administratively complex and confusing to the households we serve. Significant staff time is unnecessarily spent complying with federal requirements that do not promote better outcomes for residents, safeguard program integrity nor save the tax payers money. The rules regarding deductions, annual reviews and recertifications, and income calculations are unnecessarily cumbersome and often hard to understand, especially for the elderly and disabled people we serve. These households live on fixed incomes that change only when there is a Cost of Living Adjustment (COLA), making annual reviews unnecessary. For working households, the existing rent rules include excessively burdensome earned income disregards, disincentivizing income progression and advances in employment.

Solution: KCHA's EASY Rent policy streamlines our operations through triennial reviews and modified income and deduction calculations for the Public Housing, Housing Choice Voucher, and Project-based Section 8 program for elderly and disabled households living on fixed incomes. To be eligible for EASY Rent, households must derive 90 percent of their income from a fixed source such as Social Security, Supplemental Security Income (SSI) or pension benefits. In exchange for eliminating the standard $400 Elderly Family deduction and limiting other deductions, rents are set at 28 percent of adjusted income, with deductions for Medical/Handicapped expenses in $2,500 bands and a cap on deductions at $10,000. Recertification reviews are performed on a three-year cycle, with annual adjustments to rent based on COLA increases in Social Security and SSI payments in the intervening years.

As a complement to the EASY Rent policy, KCHA developed the WIN Rent policy in FY 2010 to encourage economic self-sufficiency for non-elderly, non-disabled households. The WIN Rent policy eliminates flat rents, income disregards and deductions (other than childcare for eligible households), and excludes employment income of household members under age 21 from the rent calculation. Household rent is based on a series of income bands. The tenant's portion of the rent does not change until household income increases to the next band level. Rent is set at 28.3 percent of the low end of each income band. For households with little or no income, a true minimum rent of $25 applies following a six-month window at a lower (or credit) rent, during which time the family is expected to seek assistance and/or income restoration. We recertify WIN Rent households every two years rather than annually. We also have revised review policies to streamline processing and limit the number of interim reviews, as well as limiting tenant-requested interim reviews to reduce rent to two in a two-year period.

We estimate that these policy and operational modifications have reduced the relevant administrative workloads in the Section 8 and Public Housing programs by 20 percent.

KCHA continues to review additional policy changes, such as aligning EASY Rent guidelines with WIN Rent policies and adjustments to the triennial recertification reviews and annual rent adjustments. In early 2015, the Section 8 Voucher staff are planning to eliminate the annual update packets and simplify the update process. This includes calculating COLA updates for all of our Easy Rent households at one time. KCHA may change the eligibility for EASY Rent recipients from 90 percent to 100 percent for the proportion of income an individual is receiving from a fixed source. Additionally, the department will implement a caseload optimization process to even out the workload and reassign staff to work specifically on WIN or Easy Rent household files.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	0 dollars saved	$113,248 saved[28]
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete task in staff hours	0 hours saved	3,087 HCV staff hours saved; 452 PH staff hours saved
Increase self-sufficiency	SS #1: Increase in household income	HCV households: $7,983; PH households: $14,120	5% increase
Increase self-sufficiency	SS #8: Households transition to self-sufficiency	0 households	25 households

ACTIVITY 2008-21: Public Housing and Section 8 Utility Allowances
Plan Year: 2008

Challenge: KCHA would spend an estimated $21,825 in additional staff time (291 additional staff hours) annually administering utility allowances under HUD's one-size-fits-all national guidelines. HUD's national approach fails to effectively capture the Puget Sound's average consumption levels.

Solution: Working in tandem with our rent policy changes, this activity simplifies the HUD rules on Public Housing and Section 8 Utility Allowances and provides allowances that more accurately reflect local consumption patterns and costs. This approach produces administrative savings through simplified utility cost methodologies that can be universally applied to Section 8 and Public Housing units, ensuring

---

[28] This figure was calculated by multiplying the median hourly wage and benefits ($32) of the staff members who oversees this activity by the number of hours saved. This number represents an estimate of the dollar amount that could be saved in staff hours by implementing this activity.

equal treatment of participants in both programs. Working with data from a Seattle City Light study completed in late 2009, we were able to identify key factors in household energy use and to project average consumption levels for various types of units in the Puget Sound region. Factors considered in these calculations included the type of unit (single vs. multifamily apartments), the size of the unit and the utility provider. We also modified allowances for units where the resident pays water and/or sewer charges. Implementation of revised allowances, renamed Energy Assistance Supplements (EAS), began in November 2010. In addition to simplifying utility schedules, we modified HUD rules on how allowances are updated, making the updates annual rather than with each cumulative 10 percent increase for Public Housing units. Modified allowances are applied to tenant accounts at the next recertification. KCHA's Hardship Policy, adopted in July 2010, allows KCHA to respond to unique household or property circumstances and documented cases of financial hardship, including utility rate issues. Additionally, KCHA adjusts the allowance calculation to account for reduced consumption levels in high-rise units. No modifications are anticipated in 2015.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	0 dollars saved	$21,825 saved[29]
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete task in staff hours	0 hours saved	291 hours saved
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete task in staff hours	0 minutes saved per HCV file and 0 minutes saved per PH file	2.5 minutes saved per HCV file and 5 minutes saved per PH file

ACTIVITY 2007-6: Develop a Sponsor-Based Housing Program

Plan Year: 2007

Challenge: In a 2012 point-in-time count in King County, 523 homeless persons reported suffering from a mental illness, 588 struggled with chronic substance abuse, and 841 individuals were chronically homeless.[30] Despite receiving dependable rent through Section 8, some landlords still are hesitant to sign a lease with these individuals due to their rent, employment or criminal history. Many of these households require additional support, beyond rental subsidy, to secure and maintain a safe, stable place to live.

---

[29] This figure was calculated by multiplying the median hourly wage and benefits ($75) of the staff member who oversees this activity by the number of hours saved. This number represents a hypothetical estimate of the dollar amount that could be saved in staff hours by implementing this activity.

[30] CoC Dashboard Report (WA-500). 2012 Point in Time Count Summarized by Sub-Population. https://www.onecpd.info/reports/CoC_Dash_CoC_WA-500-2012_WA_2012.pdf

Solution: In our sponsor-based housing program, KCHA uses MTW block grant proceeds to provide housing funds directly to service provider partners. In turn, these service providers use the funds to secure private market rentals that are then subleased to program participants. Programs currently underway are providing "housing first" to individuals referred from the mental health and criminal justice systems, street outreach teams, and youth providers serving young adults who are homeless or transitioning out of foster care. The program also allows for the transition of stabilized tenants to tenant-based Section 8 subsidies. We do not anticipate any modifications in 2015.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC #1: Number of new units made available for households at or below 80% AMI	0 units	137 sponsor-based units

ACTIVITY 2007-8: Remove Cap on Voucher Utilization
Plan Year: 2007

Challenge: The need for rental assistance in King County is high. More than 25,000 households applied for just 2,500 placements on our Housing Choice Voucher waitlist when it was last opened in May 2011. Further, the region lacks affordable rental housing: 59 percent of King County's rental housing units have rents exceeding $1,000, making them unaffordable to most unassisted extremely low-income households.[31]

Solution: This initiative allows us to award Section 8 assistance to more households than permissible under the HUD-established baseline. Our savings from a two-tiered payment standard, operational efficiencies, and other policy changes have been critical in helping us respond to the growing housing needs of the extremely low-income households in the region. Despite ongoing uncertainties around federal funding levels, we intend to continue to use MTW program flexibility to support housing voucher issuance levels above HUD's established baseline.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC # 1: Number of new housing units made available for households at or below 80% AMI	0 vouchers above baseline	230 vouchers above baseline

---

[31] American Community Survey (2008-2012). King County, Washington, DP04.

ACTIVITY 2007-14: Enhanced Transfer Policy
Plan Year: 2007

Challenge: KCHA estimates that 19 percent of our households are either over- or under-housed, creating an inefficient allocation of finite housing resources and often an inability to meet the needs or preferences of our residents.[32]

Solution: This policy aims to increase the housing choices available for our residents by allowing them to transfer among KCHA's various subsidized programs. In 2009, KCHA modified its transfer policy to encourage over- or under-housed residents to transfer when an appropriately sized unit became available. In 2010, we allowed expedited access to Uniform Federal Accessibility Standards (UFAS) rated units for mobility impaired households. No major changes are anticipated in 2015.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost effectiveness	HC # 5: Number of households able to move to a better unit and/or opportunity neighborhood	0 households	10 households

ACTIVITY 2007-18: Resident Opportunity Plan (ROP)
Plan Year: 2007

Challenge: For every household receiving housing subsidy, another two are estimated to be in need of assistance.[33] To serve more households with finite resources, households receiving subsidies need to be supported in their efforts to achieve economic self-sufficiency and cycle off the program. KCHA is concerned that the Family Self-sufficiency Program does not contain the fully range of services needed to achieve self-sufficiency and successfully graduate from assisted housing.

Solution: An expanded and locally designed version of the FSS program, KCHA's ROP program began enrolling households in May 2009. The program's goal is to advance families toward self-sufficiency through the provision of case management, supportive services and program incentives, leading to positive transition from Public Housing or Section 8 into private market rental housing or home

---

[32] Analysis of public housing, and tenant-based and project-based voucher households in occupancy on August 1, 2014. Data from KCHA's MST database (tables SECTENM, PHATENM, and PHAUNIT). M:\2015 MTW Plan Documents\Plan Citations\over & under housed

[33] Worst Case Housing Needs 2011: Report to Congress, page ix. http://www.huduser.org/portal//Publications/pdf/HUD-506_WorstCase2011_reportv3.pdf

ownership. The ROP seeks gains in resident education, job skills, employment and income. The five-year pilot program is being implemented in collaboration with community partners, including Bellevue College and the YWCA. Under the program, participant rent is calculated according to established KCHA policy. In lieu of a standard FSS escrow account, each household receives a monthly deposit into a savings account, which continues throughout program participation. Deposits to the household savings account are made available to residents upon graduation from Public Housing or Section 8 subsidy. ROP's five-year pilot phase ends in 2015. KCHA is utilizing an outside consulting firm to evaluate the program and measure outcomes and will make decisions as to whether to expand the program and/or incorporate specific ROP program elements into the FSS program.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase self-sufficiency	SS #1: Average earned income of households in dollars	$20,012	$21,000
Increase self-sufficiency	SS #2: Average amount of savings/escrow in dollars	$0	$5,000
Increase self-sufficiency	SS #3: Employment status for heads of household	(1) Employed Full-Time: 23 (2) Employed Part-Time: 25 (3) Enrolled in an Educational Program: 13 (4) Enrolled in Job Training Program: 2 (5) Unemployed: 5 (6) Other: 1	*Point in Time* (1) Employed Full-Time: 35 (2) Employed Part-Time: 10 (3) Enrolled in an Educational Program: 35 (4) Enrolled in Job Training Program: 5 (5) Unemployed: 0 (6) Other: 1
Increase self-sufficiency	SS #5: Households assisted by services that increase self-sufficiency	0 households	50 households
Increase self-sufficiency	SS #8: Households transitioned to self-sufficiency[34]	0 households	5 households

ACTIVITY 2005-4: Payment Standard Changes
Plan Year: 2005

Challenge: KCHA has mapped "high opportunity" areas in King County using a set of metrics developed by the Kirwan Institute. Three in four voucher households live outside of low-poverty areas and thus are unable to access the benefits that come with living in one of these neighborhoods: improved educational opportunities, increased access to public transportation and greater economic

---

[34] Self-sufficiency is defined as successful transition to unsubsidized housing.

opportunities.[35] High opportunity neighborhoods are more expensive to live in. According to the most recent market data, a two-bedroom rental unit at the 40th percentile in East King County, typically a high-opportunity area, costs $515 more than the same unit in South King County.[36] Residents wanting to move to these areas need sufficient resources to do so, which are not available under current payment standards. Conversely, broadly applied payment standards, encompassing multiple housing markets, result in Section 8 rents “leading the market” in lower priced markets, resulting in inefficient allocation of HAP funds.

Solution: This initiative develops local criteria for the determination and assignment of payment standards in order to increase affordability in high-opportunity neighborhoods while also ensuring the best use of limited financial resources. In FY 2005, KCHA began applying new payment standards at the time of a resident’s next annual review. In FY 2007, we expanded this initiative to allow approval of payment standards of up to 120 percent of the fair market rent (FMR) without HUD approval. In early FY 2008, we decoupled the payment standards from HUD’s FMR calculations entirely so that we could be responsive to the range of rents in Puget Sound’s submarkets. The approach means that we can provide subsidy levels sufficient for families to afford the rents in low-poverty, high-opportunity areas of the county, without paying market-leading rents in less expensive neighborhoods. We develop our payment standards through an annual analysis of local submarket conditions, trends and projections. As a result, our residents leasing in low-poverty neighborhoods are not squeezed out by a tighter rental market, and we can increase the number of voucher tenants living in high-opportunity neighborhoods. Due to federal funding cutbacks, KCHA has been forced to suspend the annual recalibration of its payment standards, jeopardizing the long term success of this program. This coming year, we are hopeful that we can implement revised payment standards, reflecting the rapidly rising rents in the region’s submarkets. As part of this initiative, KCHA may transition to more fine grained, zip code based standards.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	TBD	TBD

---

[35] Neighborhood opportunity designations are from the Puget Sound Regional Council and Kirwan Institutes’ Opportunity Mapping index (http://www.psrc.org/growth/growing-transit-communities/regional-equity/opportunity-mapping/). Neighborhoods are rated based upon a variety of neighborhood quality indicators, including indicators of educational, employment, and transportation opportunities. For all tenant-based vouchers leased-up on July 1, 2014, 76.9% lived outside of “high” or “very high” opportunity neighborhoods. This excludes portability and project-based vouchers. KCHA’s 50058 database Table 2, M:\2015 MTW Plan Documents\Plan Citations\current voucher holders opportunity

[36] Dupree & Scott, 2014 Rental Data to Analyze the Effectiveness of KCHA’s Payment Standard

Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete the task in staff hours	TBD	TBD
Increase housing choices	HC # 5: Number of households able to move to a better unit and/or opportunity neighborhood	0	30% of tenant-based Section 8 households live in high opportunity neighborhoods

ACTIVITY 2004-2: Local Project-Based Section 8 Program
Plan Year: 2004

Challenge: Households facing multiple barriers to securing housing oftentimes cannot do so independently. Private market landlords simply won't rent to some people with imperfect credit or rental history, especially in tight rental markets such as ours. Many suburban jurisdictions in King County have also not enacted source of income discrimination statutes.

In addition, non-profit housing acquisition and development projects require reliable sources of rental subsidies in order to serve extremely low income households. The reliability of these sources is critical for the financial underwriting of these projects and successful engagement with banks and tax credit equity investors.

Current project-basing regulations are cumbersome and present multiple obstacles to effectively and efficiently partnering with non-profit developers, serving high need households, and promoting housing options in high opportunity areas.

Solution: The ability to streamline the process of project-basing Section 8 subsidies provides a unique tool for addressing the distribution of affordable housing in King County and facilitating coordination with local initiatives through three strategies. First, KCHA strategically places project-based Section 8 subsidies in high-opportunity areas of the county in order to increase access to these desirable neighborhoods for low-income households. Second, KCHA partners with nonprofit community service providers to create housing targeted to special needs populations, opening new housing opportunities for chronically homeless, mentally ill or disabled individuals, and homeless families with children who traditionally have not been served through our mainstream Public Housing and Section 8 programs. Finally, we are coordinating with county government and suburban jurisdictions to underwrite a pipeline of new affordable housing developed by local nonprofit housing providers. MTW has enabled our project-based voucher program to:

- Allow project sponsors to manage project waiting lists as determined by KCHA (FY 2004).
- Use KCHA's standard HCV process for determining Rent Reasonableness for units in lieu of requiring third-party appraisals. (FY 2004)
- Prioritize assignment of Project-based Section 8 (PBS8) assistance to units located in high-opportunity census tracts, including those with poverty rates below 20 percent. (FY 2004)
- Allow participants in "wrong-sized" units to remain in place and pay the higher rent, if needed. (FY 2004)
- Assign PBS8 subsidy to a limited number of demonstration projects not qualifying under standard policy in order to serve important public purposes. (FY 2004)
- Waive the 25 percent cap on the number of units that can be project-based on a single site for transitional, supportive or elderly housing and for sites with fewer than 20 units. (FY 2004)
- Allocate PBS8 subsidy non-competitively to KCHA-controlled sites and transitional units, or use an existing local government procurement process for project-basing Section 8 assistance. (FY 2004)
- Allow owners and agents to conduct their own construction and/or rehab inspections and the management entity to complete the initial inspection rather than KCHA, with inspection sampling at annual review. (FY 2004)
- Modify eligible unit and housing types to include shared housing, cooperative housing, transitional housing and high-rise buildings. (FY 2004)
- Assign standard HCV payment standards to PBS8 units, allowing modification with approval of the KCHA executive director where deemed appropriate. (FY 2004)
- Offer moves to Public Housing in lieu of a Section 8 HCV exit voucher. (FY 2004)
- Exception: Tenant- based HCV could be provided for a limited period as determined by KCHA in conjunction with internal PH disposition activity. (FY 2012)
- Allow KCHA to modify the HAP contract to ensure consistency with MTW changes. (FY 2004)
- Allow PBS8 rules to defer to Public Housing rules when used in conjunction with a mixed finance approach to housing preservation or when assigned to a redeveloped former Public Housing property. (FY 2008)
- Use Public Housing preferences for PBS8 units in place of HCV preferences. (FY 2008)
- Modify the definition of "homeless" to include overcrowded households entering transitional housing to align with entry criteria for nonprofit-operated transitional housing. (FY 2004)
- Allow KCHA to inspect units at contract execution rather than contract proposal. (FY 2009)
- Modify the definition of "existing housing" to include housing that could meet HQS within 180 days. (FY 2009)
- Allow direct owner referral to a PBS8 vacancy when the unit has remained vacant for more than 30 days. (FY 2010)
- Waive the 20 percent cap on the amount of HCV budget authority that can be project-based, allowing KCHA to determine the size of our PBS8 program. (FY 2010)

No modifications are anticipated in 2015.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	0 dollars saved	$1,980 saved[37]
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete task in staff hours	0 hours saved per contract for RFP	45 hours saved per contract for RFP
Increase housing choices	HC # 1: Number of new housing units made available for households at or below 80% AMI	0 units	2,239 units
Increase housing choices	HC #3: Average applicant time on wait list in months (decrease)	28.8 months	28.8 months

ACTIVITY 2004-3: Develop Site-Based Waiting Lists

Plan Year: 2004

Challenge: Under traditional HUD waiting list guidelines, an individual can wait more than two-and-a-half years for a public housing unit.[38] For homeless families, this is too long. For other families, once a unit becomes available, it might not meet the recipient's needs or preferences, such as proximity to their child's school or access to local service providers.

Solution: This initiative streamlines the Public Housing waiting list system. Regional lists provide quicker access for families where the need for housing out weighs the need to be in a specific locale. Priority access for households graduating from the region's network of transitional housing programs keeps the "back door" open and supports the coordinated entry system for homeless families. In general, applicants are selected for occupancy using a regular rotation among site-based, regional, and transitional housing applicant pools. Units are not held vacant if a particular waiting list does not have an eligible applicant waiting for assistance. Instead, a qualified applicant is pulled from the next waiting list in the rotation. Our new software system, to be implemented in 2015, will improve our waitlist processes even more by streamlining our data entry and analysis.

---

[37] This figure was calculated by multiplying the median hourly wage and benefits ($44) of the staff member who oversees this activity by the number of hours saved. This number represents a hypothetical estimate of the dollar amount that could be saved in staff hours by implementing this activity.

[38] Average wait (2.72 years) of households on the regional waitlist that were listed on or after January 1, 2004 and housed by August 1, 2014. KCHA's MST APPMAST table, M:\2015 MTW Plan Documents\Plan Citations\average wait

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	0 dollars saved	$4,176 saved[39]
	CE#2: Total time to complete task in staff hours	0 hours saved	144 hours saved
Increase housing choices	HC #3: Average applicant time on wait list in months	27.5 months	27.5 months
	HC #5: Number of households able to move to a better unit and/or opportunity neighborhood	0% of applicants	33% of applicants housed from site-based waiting lists

ACTIVITY 2004-5: Modified HQS Inspection Protocols

Plan Year: 2004

Challenge: HUD's HQS inspection protocols often require multiple trips to the same neighborhood, the use of third-party inspectors, and blanket treatment of diverse housing types, adding an estimated $59,730 in administrative costs (equivalent to 1,810 staff hours) annually. Follow-up inspections for minor fail items impose additional burdens on landlords, who may become resistant to renting to families with Section 8 vouchers.

Solution: Through a series of Section 8 program modifications, we continue to streamline the HQS inspection process to simplify program administration, improve stakeholder satisfaction and reduce administrative costs. Specific policy changes include: (1) permitting the release of HAP payments when a unit fails an HQS inspection due to minor deficiencies (initially implemented in 2004 to cover annual HQS inspections and modified in 2007 to include inspections completed at initial move-in); (2) clustering inspections to reduce repeat trips to the same neighborhood or building by allowing annual inspections to be completed from eight to 20 months after initial inspection and aligning inspection timing of multiple units in the same geographic location; and (3) allowing our staff to self-inspect KCHA-owned units rather than require inspection by a third party.

In 2015, we will continue to make advances in our inspection process by piloting a risk-based model. This pilot moves to a biennial inspection schedule for well maintained, large apartment complexes with

---

[39] This figure was calculated by multiplying the median hourly wage and benefits ($29) of the staff member who oversees this activity by the number of hours saved. This number represents a hypothetical estimate of the dollar amount that could be saved in staff hours by implementing this activity.

a significant number of Section 8 vouchers. Our analysis shows that these complexes have higher passage rates than other types of developments, enabling our inspectors to instead focus on providing landlord trainings, assisting fraud investigations and speeding up new move-in inspections. We continue monitoring these properties between scheduled inspections by inspecting 20 units per year to ensure that residents continue to live in high-quality housing and our targeting of inspection resources is appropriate.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	0 dollars saved	$59,730 saved[40]
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete task in staff hours	0 hours saved	1,810 hours saved

ACTIVITY 2004-7: Streamlining Public Housing and Section 8 Forms and Data Processing
Plan Year: 2004

Challenge: We estimate that 2,000 staff hours (equivalent to $58,000) are used inefficiently and unnecessarily each year to process the forms and data required by the Public Housing and Section 8 programs. Recertifications, income calculations and strict timing rules cause unnecessary intrusions into the lives of the people we serve while expending limited resources for little purpose.

Solution: In response to this issue, KCHA has analyzed our business processes, forms and verification requirements, and eliminated or replaced those that provide little or no value. Through the use of lean engineering techniques, KCHA continues to review office workflow and identify ways in which tasks could be accomplished more efficiently, while assuring program integrity and quality control and intruding less into the lives of program participants. Under this initiative, we have implemented changes in order to:

- Exclude payments made to a landlord by the state Department of Social and Health Services (DSHS) on behalf of a tenant from the income and rent calculation under the Section 8 program. (FY 2004)
- Allow Section 8 residents to self-certify income of $50 or less received as a pass-through DSHS childcare subsidy. (FY 2004)
- Modify Section 8 policy to require notice to move prior to the 20th of the month in order to have paperwork processed during the month. (FY 2004)

---

[40] This figure was calculated by multiplying the median inspector hourly wage and benefits ($33) by the number of hours saved. These positions are not eliminated so this is a hypothetical estimate of the dollar amount that could be saved in staff hours by implementing this activity. Inspectors will instead undertake more auditing and monitoring inspections, assist the fraud investigator, provide landlord trainings, and speed up the timeline for new move-in inspections.

- Allow applicant households to self-certify membership in the family at the time of admission. (FY 2004)
- Extend to 180 days the term over which verifications are considered valid. (FY 2008)
- Modify the definition of "income" to exclude income from assets with a value less than $50,000, and income from Resident Service Stipends that are less than $500 per month. (FY 2008)
- Modify HQS inspection requirements for units converted to project-based subsidy from another KCHA subsidy and allow the most recent inspection completed within the prior 12 months to substitute for the initial HQS inspection required before entering the HAP contract. (FY 2012)
- Modify standard PBS8 requirements to allow use of the most recent recertification (within last 12 months) to substitute for the full recertification required when tenant's unit is converted to a PBS8 subsidy. (FY 2012)
- Allow Public Housing applicant households to qualify for a preference when household income is below 30 percent of AMI. (FY 2004)
- Eliminate verification of Social Security numbers for household members under age 18 (action was reversed due to Enterprise Income Verification/Public and Indian Housing reporting requirements). (FY 2004)
- Apply any decrease in Payment Standard at the time of the next annual review or update, rather than using HUD's two-year phase-in approach. (FY 2004)
- Modify the HQS inspection process to allow streamlined processing of inspection data. (FY 2010)
- Allow Section 8 residents who are at $0 HAP to self-certify income at the time of review. (FY 2004)
- Streamline procedures for processing interim rent changes resulting from wholesale reductions in state entitlement program. (FY 2011)

In 2015, KCHA is considering removing eligibility for public housing for those currently participating in a federal subsidy program. We also will complete a caseload optimization project to equalize the recertification workload among department staff. Additionally, our software conversion to Tenmast WinTen 2+ will allow us to continuously analyze our business processes and implement new strategies to realize additional time savings.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	0 dollars saved	$58,000 saved[41]
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete the task in staff hours	0 hours saved	2,000 hours saved

---

[41] This figure was calculated by multiplying the median Property Management Specialist hourly wage and benefits ($29) by the number of hours saved. This position not eliminated so this is a hypothetical estimate of the dollar amount that could be saved in staff hours by implementing this activity.

ACTIVITY 2004-9: Rent Reasonableness Modifications
Plan Year: 2004

Challenge: Rent Reasonableness modifications under HUD regulations waste some 1,000 hours of KCHA staff time annually. Typically, if a property owner does not request a rent increase, the rent does not fall outside of federal guidelines, making this annual modification unnecessary.

Solution: Under HUD regulations, completion of a Rent Reasonableness review is required annually in conjunction with each recertification completed under the program. Our review of this policy found that if an owner had not requested a rent increase, it was unlikely that current rent fell outside of established guidelines. In those cases, the time expended to complete annual Rent Reasonableness reviews was of little value. In response to this analysis, KCHA now performs Rent Reasonableness determinations only when the landlord requests a rent increase rather than annually. MTW flexibility also allows KCHA to perform Rent Reasonableness inspections at our own properties, rather than contracting with a third party. No major modifications are anticipated for 2015.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	0 dollars saved	$33,000 saved[42]
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete task in staff hours	0 staff hours saved	1,000 staff hours saved

ACTIVITY 2004-16: Section 8 Occupancy Requirements
Plan Year: 2004

Challenge: More than 28 percent of tenant-based voucher households move two or more times while on subsidy.[43] Moves can be beneficial if they lead to gains in neighborhood or housing quality for the household. But moves also can be burdensome to households. Moves entail costs, both for finding a new unit, through application and credit check fees, through physical moving expenses.

---

[42] This figure was calculated by multiplying the median inspector hourly wage and benefits ($33) by the number of hours saved. These positions are not eliminated so this is a hypothetical estimate of the amount that could be saved in staff hours by implementing this activity. Inspectors will instead undertake more auditing and monitoring inspections, assist the fraud investigator, provide landlord trainings, and perform new move-in inspections.

[43] Calculated from tenant-based voucher households that went on subsidy on or after January 1, 2004 and had exited subsidy by August 1, 2014. Excludes portability and project-based vouchers. Used data from KCHA's 50058 Table 2, M:\2015 MTW Plan Documents\Plan Citations\voucher moves

Additionally, moves have the potential to disrupt a child's educational progress due to the necessity of changing schools. The goal of this activity is to help households avoid burdensome moves triggered solely by the family growing in size by one member.

Solution: This initiative allows households to continue occupying their current unit when their family size exceeds standard occupancy requirements by one member. For example, under standard guidelines, a seven-person household living in a three-bedroom unit would be considered overcrowded and required to move to a larger unit. Instead, this MTW-modified policy allows the family to remain voluntarily in the current unit, avoiding the costs and disruption of moving. This initiative reduces the number of processed annual moves, increasing housing choice among these families while also reducing our administrative and HAP expenses. We do not anticipate any modifications in 2015.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	0 dollars saved	$8,613 saved[44]
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete task in staff hours	0 hours saved per file	87 hours saved

---

[44] This dollar figure was calculated by multiplying the median Property Management Specialist hourly wage and benefits ($33) by the number of hours saved.

B. Not Yet Implemented Activities

Supportive Housing for High-Need Homeless Families
Plan Year: 2010

Develop a demonstration program for up to 20 households in a project-based FUP-like environment. This activity is currently deferred as our program partners opted for a tenant-based model this upcoming fiscal year. However, it might be brought forward in a future program year.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase self-sufficiency	SS #8: Number of households transitioned to self-sufficiency[45]	0 households	75% have maintained housing for one year or longer
Increase housing choices	HC #5: Number of households able to move to a better unit and/or neighborhood	0 households	20 households

Limit Number of Moves for a Section 8 Participant
Plan Year: 2010

Increase family and student classroom stability and reduce program administrative costs by limiting the number of times a HCV participant can move per year or over a set time. Reducing household and classroom relocations during the school year is currently being addressed through a pilot counseling approach. This activity is currently deferred for consideration in a future year, if the need arises.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	0 dollars saved	TBD
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete the task in staff hours	0 hours saved	TBD

Implement a Maximum Asset Threshold for Program Eligibility
Plan Year: 2010

Limit the value of assets that can be held by a family in order to obtain (or retain) program eligibility. We are deferring for consideration in a future year, if the need arises.

---

[45] Self-sufficiency is defined as maintaining housing for a significant period of time.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase self-sufficiency	SS #8: Number of households transitioned to self-sufficiency	0 households	24 households

Incentive Payments to Section 8 Participants to Leave the Program

Plan Year: 2010

Offer incentives to families receiving less than $100 per month in HAP[46] to voluntarily withdraw from the program. This activity is not currently needed in our program model but may be considered in a future fiscal year.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase self-sufficiency	SS #8: Number of households transitioned to self-sufficiency[47]	0 households	TBD

Allow Limited Double Subsidy between Programs (Project-Based Section 8/Public Housing/Housing Choice Vouchers)

Plan Year: 2008

Facilitate program transfers in limited circumstances, increase landlord participation and reduce the impact on the Public Housing program when tenants transfer. Following the initial review, this activity was placed on hold for future consideration.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC #4: Number of households at or below 80% AMI that would lose assistance or need to move	0 households	TBD

FSS Program Modifications

Plan Year: 2008

Explore possible changes to increase incentives for resident participation and income growth, and decrease costs of program management. This activity is temporarily placed on hold but changes to eligibility and escrow rules might be considered in the near term.

---

[46] At the end of the second quarter in 2014, there were 103 actively leasing voucher households with a HAP payment of $100 or less. KCHA's MST database SECTENM table, M:\2015 MTW Plan Documents\Plan Citations\voucher hap

[47] Self-sufficiency is defined as successful transition to unsubsidized housing.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost effectiveness	CE #1: Total cost of task in dollars	TBD	TBD

Income Eligibility and Maximum Income Limits

Plan Year: 2008

Consider a policy that would cap the income that residents may have and still be eligible for KCHA programs. This activity might be considered in future years if the WIN Rent policy does not efficiently address client needs.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC #5: Number of households able to move to a better unit and/or neighborhood	0 households	TBD

C. Activities on Hold

None

D. Closed Out Activities

Supplemental Support for the Highline Community Healthy Homes Project
Plan Year: 2012
Closeout Year: 2012

Provided supplemental financial support to low-income families not otherwise qualified for the Healthy Homes project but who required assistance to avoid loss of affordable housing. This activity is completed. An evaluation of the program by Breysse *et al* was included in KCHA's 2013 Annual MTW Report.

Redesign the Sound Families Program
Plan Year: 2011
Closeout Year: 2014

Developed an alternative model to the Sound Families program through the combination of HCV funds with DSHS funds. The goal was to continue the support of at-risk, homeless households in a FUP-like model after the completion of the Sound Families demonstration. This activity is completed as the services have been incorporated into our existing conditional housing program.

Transfer of Public Housing Units to Project-Based Subsidy
Plan Year: 2011
Closeout Year: 2012

Preserved the long-term viability of 509 units of Public Housing with disposition to KCHA-controlled entity, leveraged funds to accelerate capital repairs and increased tenant mobility through the provision of tenant-based voucher options to existing public housing residents. This activity is completed.

Resident Satisfaction Survey
Plan Year: 2010
Closeout Year: 2010

Developed an internal Satisfaction Survey in lieu of requirement to comply with Resident Assessment Subsystem portion of HUD's Public Housing Assessment System. *Note: KCHA continues to survey public housing households, Section 8 households and Section 8 landlords on an ongoing basis.*

Definition of Live-In Attendant
Plan Year: 2009
Closeout Year: 2014

Considered a policy change that would redefine who is considered a "Live-in Attendant." This policy is no longer under consideration.

Combined Program Management
Plan Year: 2008
Closeout Year: 2009

Streamlined program administration through a series of policy changes that ease operations of units converted from Public Housing to Project-Based Section 8 subsidy or those located in sites supported by mixed funding streams. *Note: KCHA may further modify our combined program management to streamline administration and increase tenant choice.*

Performance Standards
Plan Year: 2008
Closeout Year: 2014

Investigated developing performance standards and benchmarks to evaluate the MTW program. We worked with other MTW agencies in the development of the performance standards now being field tested across the country. This activity is closed out as KCHA continues to collaborate with other MTW agencies on industry metrics and standards.

Section 8 Applicant Eligibility
Plan Year: 2007
Closeout Year: 2007

Increased program efficiency by removing eligibility for those currently on a federal subsidy program.

Develop a Local Asset Management Funding Model
Plan Year: 2007
Closeout Year: 2007

Streamlined current HUD requirements to track budget expenses and income down to the Asset Management Project level. This activity is completed.

Block Grant Non-Mainstream Vouchers
Plan Year: 2006
Closeout Year: 2006

Expanded KCHA's MTW Block Grant to include all non-mainstream program vouchers. This activity is completed.

Modified Rent Cap for Section 8 Participants
Plan Year: 2005
Closeout Year: 2005

Allowed tenants' portion of rent to be capped at up to 40 percent of gross income upon initial lease-up rather than 40 percent of adjusted income. *Note: KCHA may implement a rent cap modification in the future to increase mobility.*

Resident Opportunities and Self-Sufficiency (ROSS) Grant Homeownership
Plan Year: 2004
Closeout Year: 2006

Funded financial assistance through MTW reserves with rules modified to fit local circumstances, modified eligibility to include public housing residents with HCV, required minimum income and minimum savings prior to entry, and expanded eligibility to include more than first-time homebuyers. This activity is completed.

Energy Service Companies (ESCo) Development
Plan Year: 2004
Closeout Year: 2004

Used MTW program and single fund flexibility to develop and operate our own ESCo. This activity is completed. KCHA will be looking to extend its existing ESCo agreement in 2015.

SECTION V: SOURCES AND USES OF MTW FUNDS

A. Sources and Uses of MTW Funds

Estimated Sources of MTW Funding for the Fiscal Year

Sources		
FDS Line Item	**FDS Line Item Name**	**Dollar Amount**
70500 (70300+70400)	Total Tenant Revenue	$4,040,000
70600	HUD PHA Operating Grants	$106,928,000
70610	Capital Grants	$6,505,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	$0
71100+72000	Interest Income	$90,000
71600	Gain or Loss on Sale of Capital Assets	$0
71200+71300+71310+71400+71500	Other Income	$2,070,000
70000	**Total Revenue**	**$119,633,000**

Estimated Uses of MTW Funding for the Fiscal Year

Uses		
FDS Line Item	**FDS Line Item Name**	**Dollar Amount**
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	($13,129,000)
91300+91310+92000	Management Fee Expense	($5,055,000)
91810	Allocated Overhead	$0
92500 (92100+92200+92300+92400)	Total Tenant Services	($5,521,000)
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	($1,643,000)
93500+93700	Labor	$0
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	($2,600,000)
95000 (95100+95200+95300+95500)	Total Protective Services	($130,000)
96100 (96110+96120+96130+96140)	Total Insurance Premiums	($202,000)
96000 (96200+96210+96300+96400+96500+96600	Total Other General Expenses	($49,000)

+96800)		
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	($36,000)
97100+97200	Total Extraordinary Maintenance	($2,361,000)
97300+97350	Housing Assistance Payments + HAP Portability-In*	($82,019,000)
97400	Depreciation Expense	($2,500,000)
97500+97600+97700+97800	All Other Expenses	($10,873,000)
90000	**Total Expenses**	**($126,118,000)**

*HAP will be increased by an estimate for the effect of 2014 payment standard changes.

Describe the Activities that Will Use Only MTW Single Fund Flexibility

A key aspect of the MTW demonstration program is the freedom to strategically budget and financially plan beyond just one year. Our ability to blend funding sources and mechanisms allows us to achieve long-term growth and operational goals that would not be possible under HUD's traditional funding and program constraints. This flexibility enables us to respond to the varied and complex housing needs of low-income people living in the Puget Sound region and, as a result, serve more of the most vulnerable and poorest households. KCHA's initiatives demonstrate the value and effectiveness of single fund flexibility:

- **Block Grant Project-Based Assistance.** This program revises the administration of a portion of our project-based assistance to better meet the needs of extremely low-income homeless individuals. This population is highly mobile and often faces additional barriers to securing and maintaining housing. By simplifying the administration of rental subsidy funds to our supportive housing partners, we can reduce costs while maintaining our commitment to support our community's most vulnerable households.
- **KCHA's Sponsor-Based Program.** Formerly known as Provider-based, this program was implemented in 2007 and gives the county's most vulnerable households access to safe, secure housing with wraparound supportive services – much of it under a "housing first" model. This population includes people with chronic mental illness, people with criminal justice involvement and homeless young adults. These households likely would not find success under traditional subsidized program structures and rules, or, in all likelihood, landlord acceptance.

- **Resident Opportunity Plan (ROP).** Approved for implementation by the KCHA Board of Commissioners in 2009, ROP helps residents gain the tools to move up and out of subsidized housing. KCHA is conducting side-by-side evaluations of participant outcomes under the ROP and FSS programs to determine next steps in the development of effective self-sufficiency programs.
- **Client Assistance Fund.** This fund provides emergency financial assistance to qualified residents to cover unexpected costs, such as medical or educational needs, utility or car repairs, costs that can cause non-payment of rent and utility bills and lead to eviction. An overarching objective of all of our programs is to stabilize families and assist them on their paths to self-sufficiency. Eviction leaves households homeless, unable to access additional housing due to landlord history, or relegated to substandard housing. It undermines significant public investment in the long term success of these households. Small amounts of assistance can prevent this and also reduce costs involved when the eviction is from publicly owned housing. KCHA partners with local service providers to disburse limited funding in qualified circumstances to program participants.
- **Redevelopment of Distressed Public Housing.** With MTW's single-fund flexibility, KCHA continues to undertake the repairs necessary to preserve more than 1,580 units of Public Housing over the long-term.[48] This flexibility enables effective use of the initial and second five-year increments of Replacement Housing Factor (RHF) funds from the former Springwood and Park Lake I and II developments, and the disposition of 509 scattered site public housing units for the redevelopment of Birch Creek and Green River. Following HUD disposition approval in 2012, KCHA is successfully addressing the substantial deferred maintenance needs of 509 former public housing units in 22 different communities. Utilizing MTW flexibility, we have transitioned these properties to the Project-Based Section 8 program and utilize cash flow to leverage$18 million from the Federal Home Loan Bank (FHLB) on extremely favorable terms for property repairs. As the FHLB requires that such loans be fully collateralized by cash, investments and/or the underlying mortgage on the properties, we continue to use a portion of our MTW working capital as collateral for this loan.
- **Acquisition and Preservation of Affordable Housing.** We use MTW resources to preserve affordable housing that is at risk of loss to for-profit redevelopment and to acquire additional

---

[48] Sites with significant revitalization activity: Park Lake I and II, Springwood, the Egis senior developments, 509 scattered sites, and Green River.

housing in proximity to existing KCHA properties in opportunity neighborhoods where banked public housing subsidies can be utilized.

- **Support of Family Unification Program (FUP) and Veterans Affairs Supportive Housing (VASH) Vouchers.** KCHA has 139 FUP vouchers. Due to inadequate federal funding, the program continues to operate at a loss. KCHA plans to budget $24,960 in MTW funds to support the anticipated shortfall. The VASH vouchers may also face a funding shortfall and if so, we will use MTW funding to meet our commitment of supporting 310 vouchers. KCHA also anticipates using approximately $50,000 in MTW funds to provide down payment assistance to veterans entering the program. This assistance is critical to ensure that veterans are able to successfully secure housing.
- **Development of Vantage Point.** In 2015, KCHA will leverage $18 million to aid in the construction of Vantage Point, a new 77-unit public housing complex in Renton for seniors and people living with disabilities.
- **Short-Term Rental Assistance Program.** We continue to implement a Rapid Rehousing program in collaboration with the Highline School District to reduce the number of homeless students in our public school classrooms. We plan to assist up to 40 additional families in 2015 and release an assessment of this two year pilot at the end of the year.
- **Ensuring the Long-Term Viability of Our Portfolio.** KCHA uses our single fund flexibility to reduce outstanding financial liabilities and protect the long-term viability of our inventory. A short-term line of credit remains for the redevelopment of the Greenbridge HOPE VI site and is scheduled to be retired with the proceeds from land sales to private homebuilders. This loan has been outstanding for longer than originally planned due to the slow rebound in the local market for new homes. MTW working capital provides an essential backstop for these liabilities, addressing risk concerns of lenders, and enabling KCHA continued access to private capital markets. The Seola Gardens HOPE VI site had all of its outstanding lines of credit retired through sales proceeds in 2014.
- **Flexible Rental Assistance Program.** KCHA uses our single fund flexibility to provide time limited housing assistance to young adults who currently live in transitional housing. We match rental subsidies with wraparound services provided by the YMCA to help these young adults maintain housing. We are exploring the expansion of this model to support victims of domestic violence in partnership with locally based providers.

B. Local Asset Management Plan

Has the PHA allocated costs within statute during the plan year?	No
Has the PHA implemented a local asset management plan (LAMP)?	Yes
Has the PHA provided a LAMP in the appendix?	Yes

In FY 2008, as detailed in the MTW Annual Plan for that year and adopted by our Board of Commissioners under Resolution No. 5116, KCHA developed and implemented our own local funding model for Public Housing and Section 8 using our MTW block grant authority. Under our current agreement, KCHA's Public Housing Operating, Capital, and Section 8 Housing Choice Voucher funds are considered fungible and may be used interchangeably. In contrast to 990.280 regulations, which require transfers between projects only after all project expenses are met, KCHA's model allows budget-based funding at the start of the fiscal year from a central ledger, not other projects. We maintain a budgeting and accounting system that gives each property sufficient funds to support annual operations, including allowable fees. Actual revenues include those provided by HUD and allocated by KCHA based on annual property-based budgets. As envisioned, all block grants are deposited into a single general ledger fund. In 2015, KCHA will create a fund that centralizes all Resident Services costs. Previously, these costs were rolled up into each site's operating budget. By establishing this separate fund, we anticipate clearer reporting of the costs of distinct housing operation and resident support services.

SECTION VI: ADMINISTRATIVE

A. Board of Commissioners Resolution

The resolution is forthcoming in the final version of the 2015 plan. The resolution will be shared at the October 13th board meeting.

B. Public Review Process

Draft MTW Plan Public Review Period: *August 22, 2014 to September 23, 2014*

- Meetings and Hearings
    - September 9: Service Provider Meeting, Seola Gardens Community Center
    - September 10: Resident Advisory Council Meeting, Main Office
    - September 22: Public Hearing, Seola Gardens Community Center
- Mailing
    - Sharing draft plan via email with stakeholders, partners, and the Resident Advisory Council, accompanied by a request for participation in upcoming hearings.
- Publishing and Posting
    - August 22: Seattle Times
    - August 22 Daily Journal of Commerce
    - August 22: NW Asian Weekly
    - August 22: available on KCHA's website (http://kcha.org)
    - August 25: available in KCHA's public housing and project-based developments

Comments received will be shared in the final plan.

C. KCHA-Directed Evaluations

In the accompanying appendix, two evaluations are shared. The first analyzes KCHA's energy efficiency by studying various properties, their energy consumption over time, capital costs, and the possibility of installing upgrades. The study concludes with various recommendations to improve efficiency including physical upgrades, the creation of administrative plans, and staff and resident education and training.

The second evaluation provides an impact analysis of KCHA's rent reform policies, EASY and WIN. It finds that earned income has increased in work-able households, staff time has been saved through recertification efficiencies, and that the average HAP has remained stable for HCV and PH tenants.

D. Annual Statement/Performance and Evaluation Report

The Performance and Evaluation Report will be included in the final version of the plan.

APPENDIX A. KCHA’s LOCAL ASSSET MANAGEMENT PLAN

As detailed in KCHA’s FY 2008 MTW Annual Plan and adopted by the Board of Commissioners under Resolution No. 5116, KCHA has implemented a Local Asset Management Plan that considers the following:

- KCHA will develop its own local funding model for Public Housing and Section 8 using its block grant authority. Under its current agreement, KCHA can treat these funds and CFP dollars as fungible. In contrast to 990.280 regulations, which require transfers between projects after all project expenses are met, KCHA’s model allows budget-based funding at the start of the fiscal year from a central ledger, not other projects. KCHA will maintain a budgeting and accounting system that gives each property sufficient funds to support annual operations, including allowable fees. Actual revenues will include those provided by HUD and allocated by KCHA based on annual property-based budgets. As envisioned, all block grants will be deposited into a single general ledger fund. This will have multiple benefits.

    - KCHA gets to decide subsidy amounts for each public housing project. It’s estimated that HUD’s new funding model has up to a 40% error rate for individual sites. This means some properties get too much, some too little. Although funds can be transferred between sites, it’s simpler to determine the proper subsidy amount at the start of the fiscal year rather than when shortfalls develop. Resident services costs will be accounted for in a centralized fund that is a sub-fund of the single general ledger, not assigned to individual programs or properties.

    - KCHA will establish a restricted public housing operating reserve equivalent to two months’ expenses. KCHA will estimate subsidies and allow sites to use them in their budgets. If the estimate exceeds the actual subsidy, the difference will come from the operating reserve. Properties may be asked to replenish this central reserve in the following year by reducing expenses, or KCHA may choose to make the funding permanent by reducing the unrestricted block grant reserve.

  - Using this approach will improve budgeting. Within a reasonable limit, properties will know what they have to spend each year, allowing them autonomy to spend excess on “wish list” items and carefully watch their budgets. The private sector doesn’t wait until well into its fiscal year to know how much revenue is available to support its sites.

- Reporting site-based results is an important component of property management and KCHA will continue accounting for each site separately; however, KCHA, as owner of the properties will determine how much revenue will be included as each project’s subsidy. All subsidies will be properly accounted for under the MTW rubric.

- Allowable fees to the central office cost center (COCC) will be reflected on the property reports, as required. The MTW ledger won’t pay fees directly to the COCC. As allowable under the asset management model, however, any subsidy needed to pay legacy costs, such as pension or terminal leave payments and excess energy savings from the Authority’s ESCO, may be transferred from the MTW ledger or the projects to the COCC.

- Actual Section 8 amounts needed for housing assistance payments and administrative costs will be allotted to the Housing Choice Voucher program, including sufficient funds to pay asset management fees. Block grant reserves and their interest earnings will not be commingled with Section 8 operations, enhancing budget transparency. Section 8 program managers will become more responsible for their budgets in the same manner as public housing site managers.

- Block grant ledger expenses, other than transfers out to sites and Section 8, will be those that support MTW initiatives, such as the South County Pilot or resident self-sufficiency programs. Isolating these funds and activities will help KCHA’s Board of Commissioners and its management keeps track of available funding for incremental initiatives and enhances KCHA’s ability to compare current to pre-MTW historical results with other housing authorities that do not have this designation.

- In lieu of multiple submissions of Operating Subsidy for individual Asset Management Projects, KCHA may submit a single subsidy request using a weighted average project expense level (WAPEL) with aggregated utility and add-on amounts.

Boulevard Manor

Cascade

Briarwood

Avondale Manor

Energy Consumption Case Studies

Environmental Defence Fund Climate Corps Fellowship

Thomas Romanoff- August 2014

Energy Consumption Case Studies

Through a partnership with the Environmental Defense Fund (www.edf.org) KCHA examined its energy conservation efforts. As part of this partnership, KCHA placed a Climate Corps Fellow in its offices. The Fellow's role was to collect information and present case studies on specific properties. The focus of this study was to look at the energy efficiency upgrades that have been done to KCHA properties. The Fellow looked at the energy consumption over time, the capital costs, and the process for installing upgrades.

The project's ultimate goal was to check how well KCHA has done with its goal to reduce energy consumption, and if there is anything else that can be done. Using a data centered approach, the Fellow made several recommendations to improve energy efficiency at KCHA.

Client:

The King County Housing Authority (KCHA) is a municipal corporation that was created in 1939 in order to provide housing assistance to low-income residents. KCHA operates in King County, Washington outside the cities of Seattle and Renton, and provides subsidized housing to over 18,000 low and moderate income families dispersed among 23 suburban cities and the unincorporated areas of the county. Using a variety of federal, state and local housing programs the agency assists a mix of single, family, disabled and special needs households. The agency's portfolio includes 3,500 owned and managed units, 4,500 workforce units and 11,000 Section 8 vouchers serving a total of approximately 43,000 residents. Primarily financed by the U.S. Department of Housing and Urban Development (HUD), KCHA has been designated as a high performing Public Housing Authority and is also one of approximately 35 Public Housing Agencies nationally in the Moving to Work Program (MTW). KCHA has approximately 340 employees and an annual operating budget of $ 200 million.

King County Housing Authority has a history of work dedicated to sustainability. Reduction of the Authority's impact on the region's environment is one of KCHA's five strategic goals. Since 2007, KCHA has been actively working on energy-related conservation, through its Resource Conservation program. In 2011, KCHA adopted a Resource Management Plan, a five-year environmental strategic plan. With a focus on low and no cost measures, KCHA has been reducing property energy consumption and tracking the changes in KCHA paid common area accounts.

In the last five years, KCHA has expended more than $100 million in capital improvements on its portfolio, much of it focused on energy efficiency. These measures benefit both the Authority and its tenants who pay their units' electricity costs directly. Unfortunately KCHA has been unable to assess the efficacy of all measures installed because it did not have access to the combined KCHA/tenant energy consumption.

In order to gain a more full perspective of the entire portfolio's energy use, KCHA recently sought out and acquired the meter numbers for all residential paid accounts serving its properties-some 8,000 meters in all. The combination of tenant energy accounts and KCHA common area accounts represents the complete portfolio energy consumption. Using this unique database, KCHA wishes to do a more comprehensive analysis of the effects of large scale measures that have been completed at its housing properties. The following EDF partnership report represents the beginning of this analysis.

The Environmental Defense Fund:

Climate Corps is Environmental Defense Fund's innovative summer fellowship program that places specially trained graduate students in companies, cities and universities as dedicated energy problem solvers. Working with hundreds of leading organizations, EDF Climate Corps fellows have found an average of $1 million in energy savings for each participant.

But the heart of the program is the EDF Climate Corps fellows. EDF recruits leading graduate students from the country's top academic programs. They train them and place them in companies, cities, and universities where they become champions of energy efficiency for the summer, analyzing energy-saving opportunities and developing customized energy efficiency investment plans. EDF Climate Corps delivers energy and cost savings today, while training tomorrow's leaders to create value through environmental initiatives

Goals of the Climate Corps Fellow:

- Review the energy consumption at select properties
- Identify trends in the consumption and investigate the causes
- Find potential solutions that will conserve energy and save money
- Create a template for future case studies and investigations
- Create a narrative that explains the process and outcomes for energy conservation measures

Special Acknowledgments:

Throughout the process this project has received advice and help from a number of people. Through interviews, meetings, phone calls, and emails a wealth of guidance has been shared. A special thank you goes to:

- Connie Davis
- Jenna Higgins
- Angela Wallis
- Craig Violante
- Steve Jefferis
- Nikki Parrott
- Zack Clegg
- Chris Clevenger
- Dave Gashler
- Caprice Witherspoon
- Barbie Hanchey
- Angelina Holverstott
- Bill Cook
- Tony Beltran
- Steve Brehan
- Nate Morris

Table of Contents

Common Terms:

EUI: Energy Use Intensity- is energy per square foot of a building, per year. It is calculated by dividing the total energy consumed by the building in one year (measured in kBtu) by the total gross floor area of the building.

$$\mathit{Total\ Energy\ Consumption} \div \mathit{Gross\ Floor\ Area}$$

R-value- is a measure of thermal resistance used in the building and construction industry. It is a gauge as to how well a building is insulated.

Heat Pump- is a device that provides heating and cooling. Heat pumps are designed to move thermal energy opposite to the direction of spontaneous heat flow by absorbing heat from a cold space and releasing it to a warmer one, and vice-versa.

Air Seal- Sealing of the building envelope with materials (i.e. caulking, weather-stripping) that stop or prevent air leakage into or through a living unit.

Air Ventilators- bring fresh outdoor air into a home during the cooling season without lowering the efficiency of a heating/cooling unit.

Baseboard Heaters- Electric baseboard heaters are zone heaters. They are typically installed underneath windows where the heater's rising air counteracts falling cool air from the window's glass. They are not as efficient as other heating appliances, but have low capital and overhead costs.

CFL Bulbs- A compact fluorescent lamp (CFL), also called compact fluorescent light, energy-saving light, and compact fluorescent tube, is a fluorescent lamp designed to replace an incandescent lamp; some types fit into light fixtures formerly used for incandescent lamps.

Rim Joists- In the framing of a deck or building, a rim joist is the final joist that caps the end of the row of joists that support a floor or ceiling. A rim joist makes up the end of the box that comprises the floor system.

LED- Light-emitting diode (LED) is a product that is assembled into a lamp (or light bulb) for use in lighting fixtures.

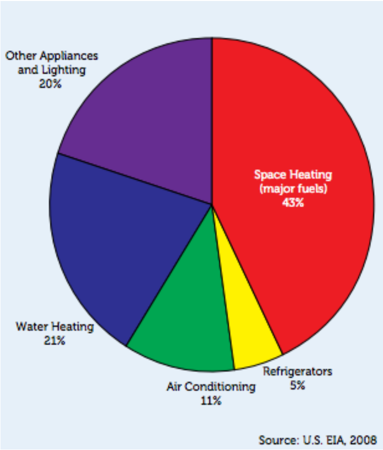
Heating Degree Day-is a measurement designed to reflect the demand for energy needed to heat a building. It is derived from measurements of outside air temperature.

Tier 1 Energy Upgrades – low cost energy conservation items such as low-flow showerheads, sink aerators, and compact fluorescent light bulbs.

Background on Energy Conservation:

Energy Consumption

Households across the US spend over $160 billion on energy consumption[i]. They account for more than 20% of energy consumed nationwide. A McKinsey and Company report estimates that it would cost $46 billion between 2009 and 2020 to upgrade buildings with energy conservation measures, but it would save over $80 billon on utility expenses[ii]. Making homes more energy efficient reduces the financial burden for residents and housing authorities.



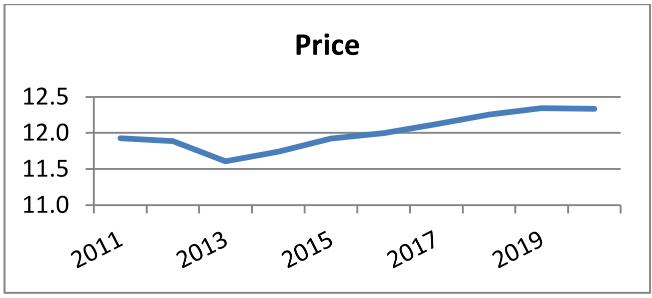
Source: U.S. EIA, 2008

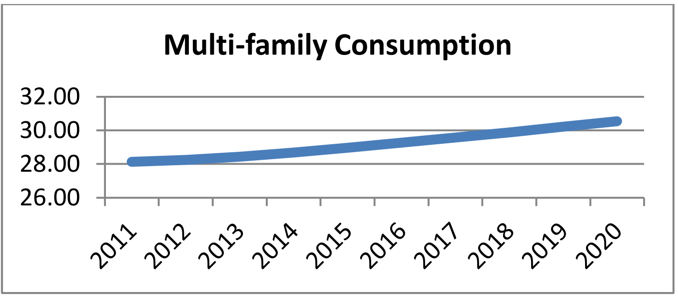
For populations served by KCHA, this financial burden is greater. Low-income families can pay more than four times the national average. HUD spends $4 billion each year on utility assistance programs[iii].

Typically heating and cooling consume the most energy in a household. Appliances and water heating are the next biggest consumers. In the last ten years, electronics and appliances have embodied a bigger share of home energy consumption[iv]. As electronics become more integrated into our daily lives, energy consumed by these products will continue to rise.

Energy Demand and Price over Time

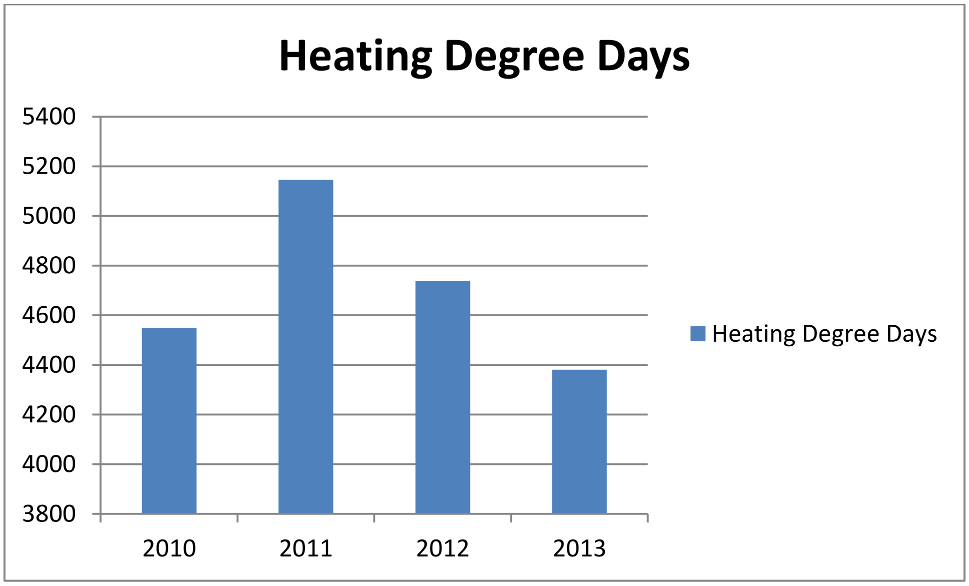
The Energy Information Administration (EIA) estimates that energy consumption in the residential sector will increase over time, but at a rate of less than 1% per year.[v] The price of electricity will increase over the same period[vi]. It is very difficult to forecast the demand for energy nationally. Part of the difficulty is predicting the Heating Degree Days. Climate Change and recent changes in the weather pattern skew data used to predict the amount of energy needed in the future for heating and cooling. The EIA predicts that the weather in the Pacific Northwest region will continue to get warmer. This means that buildings will need less energy to heat their space. There is also increased demand for energy efficient appliances, which will also decrease energy consumption. Expanding population will offset these efficiency gains.





Heating Degree Days

Heating Degree days indicate the intensity of weather for a given year. The more Heating Degree Days (HDD) there are over a year, the more energy is needed in a home. For Seattle, HDD is listed below:



Portfolio of Energy Consumption:

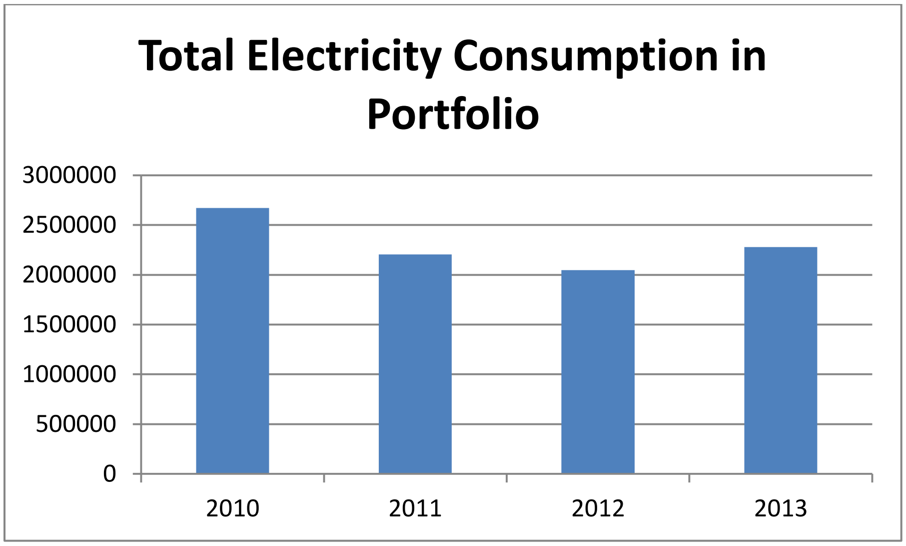
Data Sources and Portfolio Manager

The statistics used in this analysis came from the "Whole Building Data" datasets available in Portfolio Manager. Portfolio Manager is an online tool used to measure and track energy and water consumption, as well as greenhouse gas emissions. Utility companies upload their data to this system, and clients have access to data, analytic tools, and tracking. The Federal Government is pushing for this system to be the standard utility tracking program. KCHA moved toward this system last year. Whole Building Data represents the electricity consumption in the both residents' units and in the buildings' common space, including exterior lights. For properties with multiple buildings, Whole Building Data provides the information in aggregate for all buildings, not building-by-building.

Data consistency was an ongoing challenge throughout the project. Portfolio Manager has accurate data for 2011, 2012, 2013, and 2014. Since KCHA's baseline year is 2010, data needed to be retrieved from an older database called Utility Manager. In some cases the data from Utility Manager did not match the data from Portfolio Manager. This is only an issue for properties at the extreme ends of consumption spectrum. For the properties examined in this report, the data was checked multiple times.

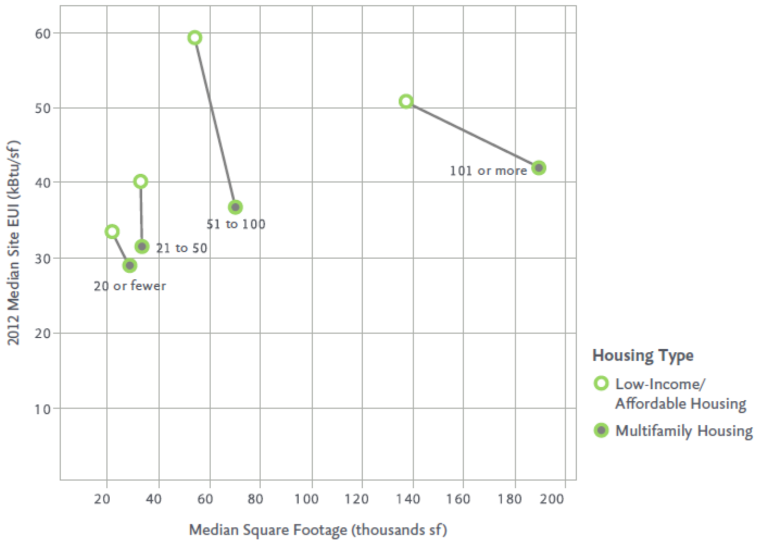
Electricity Consumption throughout KCHA

Consumption in 60 properties throughout KCHA's portfolio has gone down since 2010. There was a slight increase in 2013. Heating Degree Day normalization was not taken into account as the trend did not affect the data seen below. This graph represents the raw consumption data.



Benchmarking

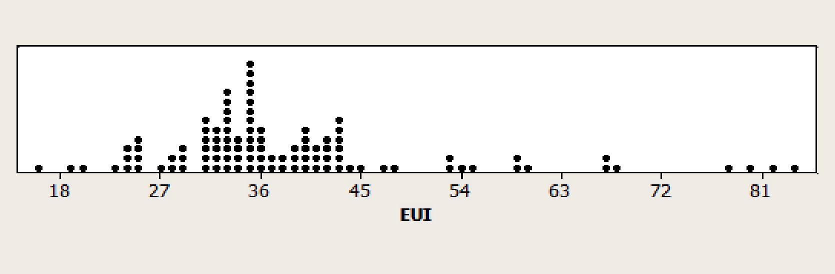
Using the Seattle Building Energy Benchmarking Analysis Report, we can come up with a range to benchmark KCHA's Property EUIs. Low-income housing units typically have a higher EUI then privately managed properties. This is because they have less unit space and higher unit occupancy. The density for each unit contributes to a higher consumption of energy[vii]. Smaller buildings tend to have higher EUI then the larger buildings. The behavior of residents is different in low-income family units. Residents spend more time at home and less time at work. Below is a graph that details the range in EUI between low-income housing and privately managed housing:



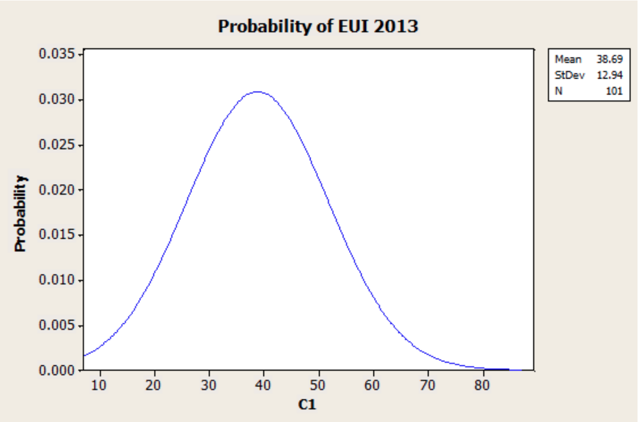
For benchmarking KCHA properties the following table is used to determine specific property performance based on its gross square footage:

Square Feet	**25000**	**35000**	**70000**	**170000**
EUI	33	40	60	50

Listed below is a comparison of EUI for the entire KCHA portfolio. The baseline year is 2010, and 2013 is the most recent whole year data that we have. The majority of properties in the KCHA portfolio have a EUI range between 25 and 51. If we assume this is the normal distribution, there are 14 properties that lie outside the 90% of the other properties.



Below is the probability curve for KCHA's Property EUI. This is a visual representation of the probability that a property will have a certain EUI.



Properties that are Over Consuming Energy

The over consumers based on property size are listed below:

Under 25,000 Sq. Feet	25,000-35,000 Sq. Feet	35,000-70,000 Sq. Feet
Cedar Grove	Valley Park East	Burndale Home
Wiley Center	Youngs Lake	Mardi Gras
Birch Creek Rec Center	Brittany Park	Casa Juanita
Kent Family Center	Kings Court	
Firwood Circle Community Building	Kirkwood Terrace	
Avondale House (Pinecrest)	Juanita Court	
Valli Kee Community Building	Riverton Terrace	
Burndale Homes Community Building		
Rainier View II		
Glenview Heights		
Shelcor		
Kirkland Place		
Avondale Manor		
Forest Glen		
Shoreham Apartments		

Properties:

The four case studies in this report are for:

- Boulevard Manor
- Briarwood
- Cascade
- Avondale Manor

These properties were selected because they recently had upgrades done to their facilities that should have made them more energy efficient. There are two senior homes and two multi-family homes. Each is similar in construction. They were all built from 1968-1970. Each property received new high efficiency washers and dryers in 2012.

Boulevard Manor

Energy conservation measures include:

- New siding - 2" of rigid insulation, R-5
- Insulation of footing walls
- Tier 1 energy upgrades
- Triple pane windows, U-value 0.26
- New bathroom fans and timers
- Removed electric baseboard heater in living rooms and installed ductless heat pumps
- Ductless heat pumps in the lobby, office and community room
- New washers and dryers in the common laundry rooms

Briarwood

Energy conservation measures include:

- New roof including rigid insulation, R-40
- New cement siding
- General air sealing
- Tier 1 energy upgrades
- Double pane windows U-value 0.30
- New bathroom fans with timers
- New patio/deck doors, R-5
- New washers and dryers in the common laundry rooms

Cascade Homes

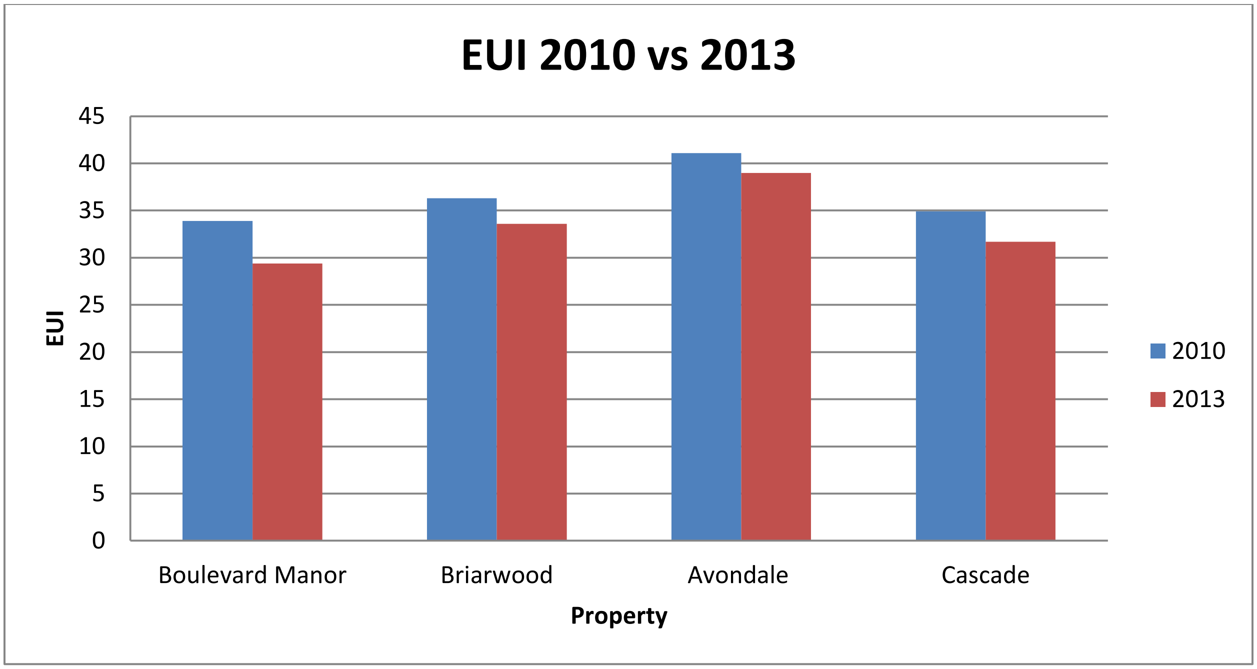
Energy conservation measures include:

- Cascade
- Air Seal and insulate attic, R-38
- Dense pack walls with cellulose insulation, R-14
- Insulate rim joists
- Insulate crawlspace, R-30
- Energy Recovery Ventilators in each unit
- Tier 1 energy upgrades
- Double pane windows, U-value 0.30
- New doors, R-5
- Ductless heat pump installed in management office and community center
- New washers and dryers in the common laundry rooms

Avondale Manor

Energy conservation measures include:

- Air seal and insulate attic, R-38
- Dense pack walls - cellulose insulation, R-14
- Insulate rim joists
- Air seal crawls space
- New bathroom fans with programmable timers
- Tier 1 energy upgrades
- Removed electric baseboard heater in first floor rooms of each unit and installed ductless heat pumps
- New washers and dryers in the common laundry room



Property Case Studies: Boulevard Manor

Type of Housing:

Boulevard Manor was originally built in 1969. It is a senior/ younger disabled facility. There are 70 units. Each unit is a one bedroom/ bathroom apartment. The property is approximately 46,472 ^{ft2}. There are elevators and handrails throughout the property to accommodate the elderly population. There are three coin operated laundry rooms. Renovations to this property started in 2011 and were funded by a combination of ARRA and MTW funds.

Energy Conservation Measures:

Beginning in September 2010, the Capital Construction and the Weatherization departments began upgrades to Boulevard Manor. These upgrades included the following:

- New siding including 2" of rigid insulation, R-5
- Insulation of footing walls
- Tier 1 energy upgrades
- Triple pane windows, U-value 0.26
- New bathroom fans and timers
- Removed electric baseboard heater in living rooms and installed ductless heat pumps
- Ductless heat pumps in the lobby, office and community room
- New washers and dryers in the common laundry rooms

Upgrade Timeline:

Date	Upgrade
September 2010	Consultations and contracts
May 2010	HVAC upgrades
May 2011	Siding and roofing
July 2011	Weatherization finish

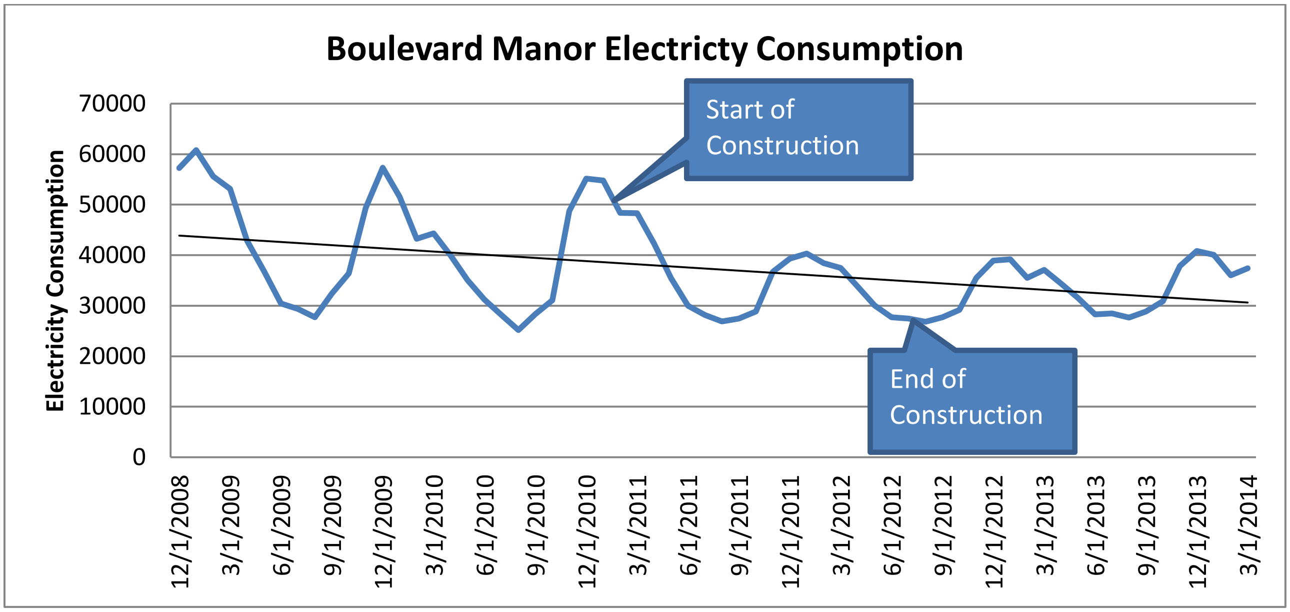
Energy Performance:

EUI over the last four years has declined and is currently averaging 29. Using the benchmarking data from Seattle Building Energy Benchmarking Analysis Report, the average EUI for a multi-family housing property that is 46,472 ^{ft2} would be approximately between 45 and 50. Boulevard Manor is doing very well compared to other properties of a similar design.

	2010	2011	2012	2013
Boulevard Manor	33.9	32.8	28.9	29.4

Electricity Performance:

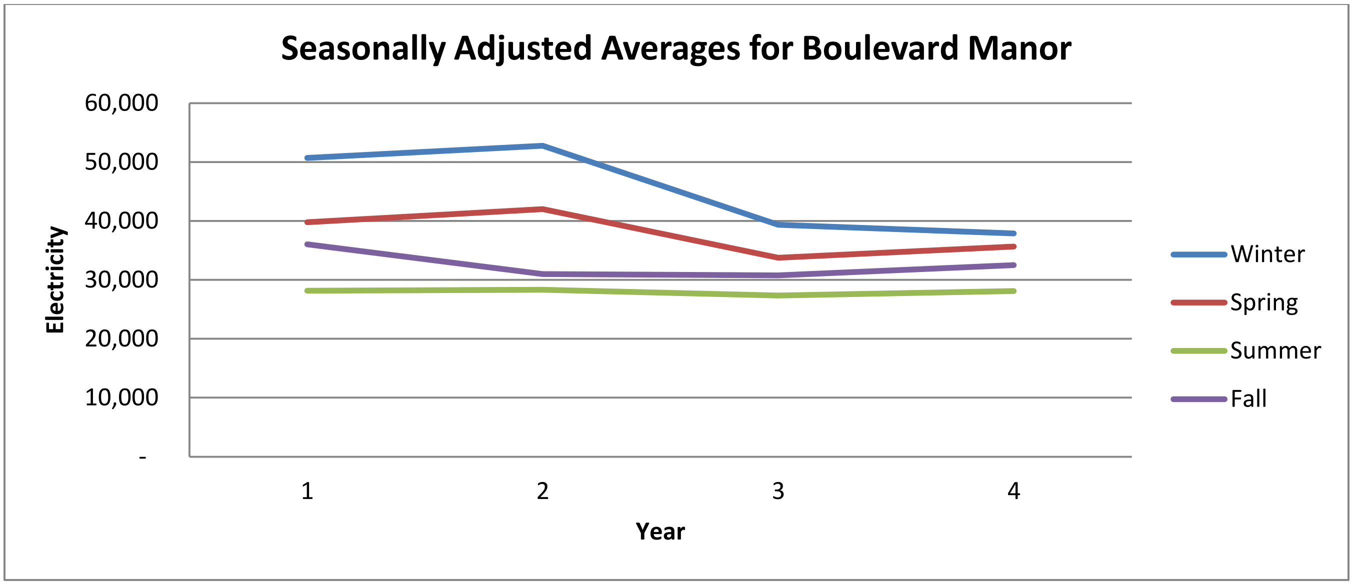
Over the last six years, Boulevard Manor has seen a substantial drop in energy consumption. In this graph there is a clear trend down in electricity consumption. The peak usage is December and January of each year.



Seasonally Adjusted Electricity Consumption Averages:

Seasonally adjusted averages take into account the heating and cooling for each unit. It quantifies the seasonal patterns that you see in the graph above. Using this method, we can extrapolate the energy needs for the winter, which is historically when the most energy is consumed in a household for the Pacific Northwest. You would expect to see summer as the lowest energy consuming period. This is because the region does not typically utilize air conditioners.

Months	Average 2010	Average 2011	Average 2012	Average 2013
Winter: December-February	50,687	52,787	39,361	37,880
Spring: March- May	39,768	42,016	33,778	35,649
Summer: June- August	28,174	28,344	27,329	28,126
Fall: September-November	36,063	31,004	30,798	32,534



Costs and Savings

In order to get an accurate comparison of the savings over time, the electricity consumption was normalized by Heating Degree day. The baseline comparison for this report is 2010. Below is a description of avoided costs:

Year	Energy Costs
2010	$ 28,526.21
2011	$ 27,790.36
2012	$ 24,209.50
2013	$ 24,298.55

In absolute terms, utility Costs savings have been $4,227.66 since 2010.

Adjusted for rate increases and normalized for Heating Degree Days savings have been $12,810.00.

	Electricity Cost Per Year	Consumption	HDD	HDD/HDH	Normalized	Avoided	Monetized using Current Rates	Difference
2010	$28,526.21	461904.71	4549	101.54	461,904.71	-	$28,526.21	$0.00
2011	$27,790.36	446629.07	5146	86.79	522,523.99	75,894.92	$32,512.73	$4,722.37
2012	$24,209.50	393422.49	4738	83.04	481,095.74	87,673.25	$29,604.53	$5,395.03
2013	$24,298.55	400468.82	4381	91.41	444,846.02	44,377.20	$26,991.15	$2,692.60
								$12,810.00

Interviews with Staff/Maintenance/ and Residents

The following interviews were conducted on site. Opinions expressed by the participants are their own and do not reflect the opinions of KCHA.

Barbie Hanchey- Barbie is the current Property Manager for Boulevard Manor. She has been in that position for 9 months. When she came to Boulevard Manor, she did not receive any information about the energy systems in the building. There was a binder that was left in the office, which included warranties, but no maintenance instructions. She says that her Maintenance Technician is familiar with the systems and handles most of the issues.

"The heat pumps were good additions to the building and of a high quality. The symbols used to indicate an increase or decrease in temperature were confusing for some residents. This issue was fixed by a hands-on training with the residents. In general, the residents are not using their backup heating systems, which are electric baseboards. Common areas are often used by the residents, and the lights are often left on. Occupancy sensors would conserve energy in these spaces."

Moving forward, the building is getting upgraded with hallway heaters that are more energy efficient. LEDs are replacing the outside lights.

Chris Clevenger- Chris was the Property Manager while the energy efficiency upgrades were being installed.

"The planning went well, and there were several lunch meetings that were beneficial. Meetings throughout the process included residents. Staff posted notices about the construction. People were well informed about the energy savings that the upgrades would bring to the building.

Windows were difficult for residents to adjust to. They could not clean them from the inside of their apartments. Prior to the upgrades, residents could clean the outside of their windows by pulling the panes out of the frame. The thermometers used to control the heat pumps were hard for residents to understand. Sometimes residents would turn off the power to the heat pumps to reset the programing. This would default the system to 72 degrees. Doing this interfered with the programing of the units, and impacted its efficiency. Parts were hard to find for the heat pumps. There was no training for the maintenance staff. There were complaints that the filters were difficult to maintain."

Steve Brehan- Steve has been with KCHA as a Maintenance Mechanic for 25 years and has been at Boulevard Manor for 10 years. He was present when the building had major upgrades installed. Since these upgrades, Steve noted that the equipment is running well.

"The new bathroom fans are inefficient. These devices are on a crank timer. Residents either don't use them, or over use them. Replacing the crank timers with switches or humidity sensors would save energy. Residents don't understand how to use the heat pumps. They are opening windows instead of turning down the heat. The newly installed appliances do not include a list of suppliers for replacement parts. This leads to mis-matched parts being used in the same system. There is not an inventory of parts that are installed in the building. The lights in the hallways and the laundry rooms are on most of the time. Occupancy sensors would cut costs. The new windows have black mold growing inside the vents.

Common space is not secure and has been used by homeless people during the weekends. Replacing the hallway heaters will not help with energy efficiency. They have not turned the heaters on for at least two years.

There is an issue with black mold in the window units. Each window has a vent that is supposed to remain open. Residents close these vents. As a result, mold will grow. Whenever Maintenance does a repair to a unit, they make sure to check these air vents."

Units sometimes get upgraded when a tenant moves out. This includes upgrading the bathroom tub, cabinets, closets, carpet, hot water heater, and electric baseboard heater. Bathroom lights and living room lights are supposed to get upgraded as well, to LEDs. In the renovated apartment that I saw, there were no LED lights. This surprised Steve since he was told that there was LED lighting in that apartment.

Briarwood

Type of Housing:

Briarwood was built in 1970 and is open to seniors aged 62 and older and younger disabled persons. There are 70, one-bedroom, one-bath units in the building. The property is approximately 45,318 $^{\text{ft}^2}$ with common spaces, courtyards, and decks.

The building has electric baseboard heating in each unit. There are two HVAC units. The unit on the roof provides heat and air for the hallways. The unit on the side of the building provides heat and air for the offices. There are two heat pump heads in the administrative offices. Throughout the building there is fluorescent lighting that is connected to occupancy sensors. Common laundry facilities feature new, high efficiency washers and dryers.

Energy Conservation Measures

The property was renovated starting in 2010. Upgrades include the following energy efficiency measures:

- New roof including rigid insulation, R-40
- New cement siding
- General air sealing
- Tier 1 energy upgrades
- Double pane windows U-value 0.30
- New bathroom fans with timers
- New patio/deck doors, R-5
- New washers and dryers in the common laundry rooms

Upgrade Timeline:

Date	Upgrade
8/2010	Started envelope work
1/2011	Completed roof work
1/2011	Completed insulation and air sealing
3/2011	Completed siding installation

Energy Performance:

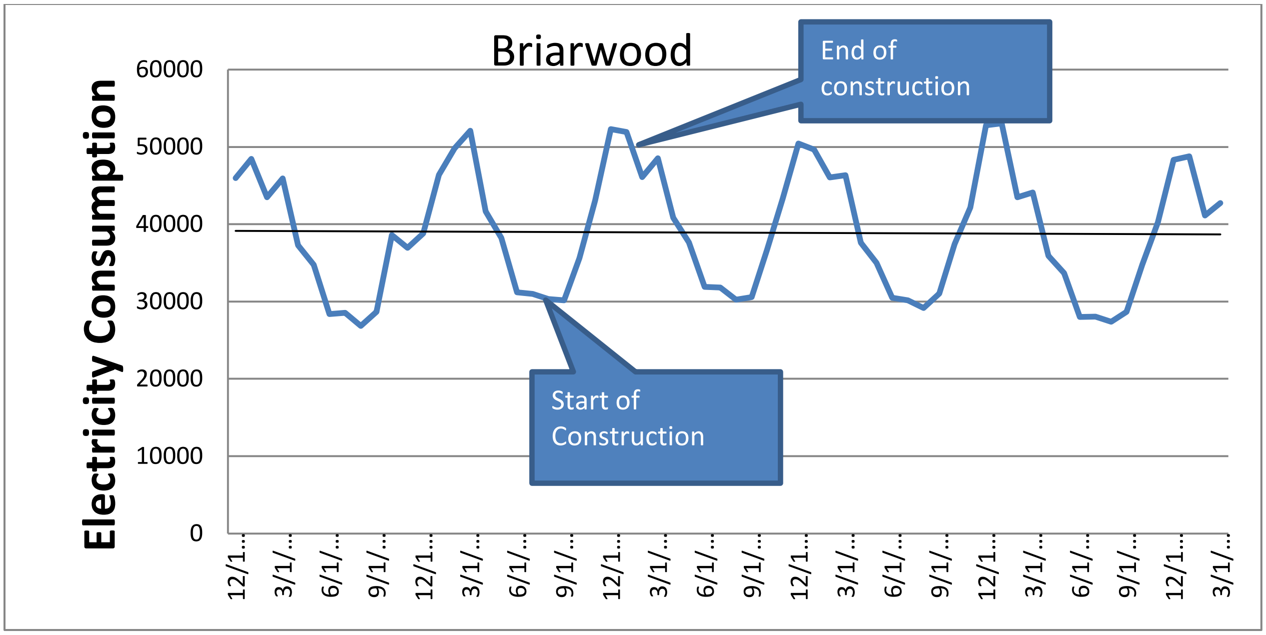
Building performance at Briarwood has improved marginally since upgrades were installed in 2010. In 2010, the building's EUI was at 36.3. In 2013 the EUI was at 33.6. That is an improvement of 7.4%.

Using the benchmarking data from Seattle Building Energy Benchmarking Analysis Report, the average EUI for a multi-family housing property that is 45,318 $^{\text{ft.}}$ is between 44 and 49. Compared to other similar buildings in the region, Briarwood is doing well. It is not performing better than Boulevard Manor, and its energy reduction is stagnant.

	2010	2011	2012	2013	Average
Briarwood	36.3	36.1	35.2	33.6	35.3

Electricity Consumption Performance:

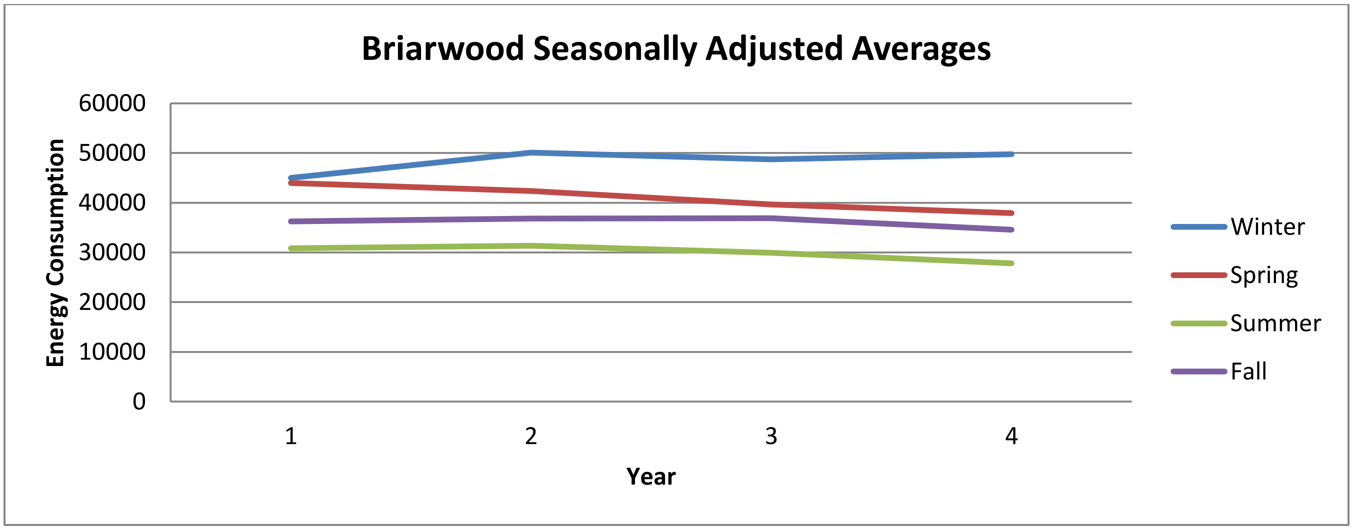
There is no significant trend in the energy consumption over the past 4 years. There is a slightly negative slope, but considering the envelope upgrades, the trend should be more significant.



Seasonally Adjusted Electricity Consumption Averages:

Seasonally adjusted averages take into account the heating and cooling for each unit. It quantifies the seasonal patterns that you see in the graph above. You would expect to see summer as the lowest energy consuming period.

Months	Average 2010	Average 2011	Average 2012	Average 2013
Winter: December-February	45012	50106	48725	49783
Spring: March- May	43985	42341	39644	37909
Summer: June- August	30832	31321	29932	27815
Fall: September-November	36273	36852	36866	34559



Costs and Savings:

Date	Energy Costs
2010	$ 30,321.39
2011	$ 30,517.79
2012	$ 30,713.48
2013	$ 29,106.36

In absolute terms, utility Costs savings have been $1,215 since 2010.

Adjusted for rate increases and normalized for Heating Degree Days savings have been $7,556.23.

Year	Electricity Cost Per Year	Consumption	HDD	HDD/HDH	Normalized	Avoided	Monetized using Current Rates	Difference
2010	$30,321.39	481792.14	4549	105.91	481,792.14	N/A	$30,321.39	$0.00
2011	$30,517.79	479999.79	5146	93.28	545,021.40	65,021.61	$34,651.78	$4,133.99
2012	$30,713.48	467862.26	4738	98.75	501,809.44	33,947.18	$32,941.99	$2,228.51
2013	$29,106.36	445718.92	4381	101.74	463,998.98	18,280.06	$30,300.09	$1,193.73
								$7,556.23

Interviews with Staff/Maintenance/ and Residents

The following interviews were conducted on site. Opinions expressed by the participants are their own and do not reflect the opinions of KCHA.

Caprice Witherspoon:

Caprice Witherspoon has been the Property Manager at Briarwood for three years. In that time, there have been several upgrades to the building. When asked about the education that KCHA provided regarding the upgrades, she talked about a construction binder that is stored in the administrative offices. She did not receive any other instructions or information regarding the energy upgrades. She also mentioned that she started after the major construction was complete. There have been no other educational materials or classes offered.

She mentioned that the heat pumps in the offices are too large for the space. The units are loud and blow paper off of the desks. The space itself is very small, and the units are designed to accommodate larger areas. Because of the size of the heat pumps, the staff usually uses only one, or they turn off the units all together.

Dean Hastler:

Dean Hastler is the Maintenance Technician at Briarwood. Our conversation included issues with energy efficiency and issues with repair.

"The new air ventilation unit was probably the source of the increased energy costs. During the winter it is always on, heating the air 10 degrees warmer than the thermostat setting. This creates a loop, where air is heated and discharged inefficiently. There are also two different HVAC units, where only one is needed."

Steve Jefferis mentioned that there are two systems for the property, but they have different functions.

Dean continued speaking about some missed opportunities in with the retrofits.
"The windows that are west facing do not have any solar shield. During the day, the units on the upper floors tend to get hot, causing the HVAC system to work harder. Plug load in the units are also an issue. The staff has

seen increased numbers of electronics in the units. This includes computers, and new TVs. Lighting could be repaired and updated. There are fluorescent lights throughout the building. At least one of the occupancy sensors has malfunctioned, which causes the light to stay on. There is no list of parts to use when replacing malfunctioning equipment. This has led to some issues, when a wrong part is used."

Cascade

Type of Housing:

Cascade was originally built in 1969. It is open to families, seniors aged 55 and above, and disabled persons. It has multi-family Townhome style apartments. The property is approximately 112,132 ft^2. There are 108 units in 27 4-plexes. The building has electric baseboard heating. There are hot water heaters in every unit. There are no washers or dryers in the units.

Energy Conservation Measures

This property was renovated in 2010. Upgrades include the following energy efficiency measures:

- Air Seal and insulate attic, R-38
- Dense pack walls with cellulose insulation, R-14
- Insulate rim joists
- Insulate crawlspace, R-30
- Energy Recovery Ventilators (ERV) in each unit
- Tier 1 energy upgrades
- Double pane windows, U-value 0.30
- New doors, R-5
- Ductless heat pump installed in management office and community center
- New washers and dryers in the common laundry rooms

These measures were expected to save KCHA and residents money each month by cutting energy costs. Billing analysis showed a savings of $23 per month. A cost benefit analysis showed savings at $33 per month. Each unit uses electric baseboard heating. There is limited common space on the property.

Upgrade Timeline:

Date	Upgrade
12/20/10	Tier 1
2/2/11	Ventilation upgrades – ERV and Heat Lamps
4/46/11	Attic is air sealed
4/27/11	Attic is blown
2/8/11	Wall and Rim Insulation
6/7/11	Underfloor

Energy Performance:

EUI over the last four years has shown a decrease in energy consumption. In 2010, when the renovations were first completed, Cascade had a EUI of 34.9. The latest data indicates that the EUI in 2013 is 31.7. That is an improvement of 9.1 %.

Using the benchmarking data from Seattle Building Energy Benchmarking Analysis Report, the average EUI for a multi-family housing property that is 112,132 $^{\text{ft}^2}$ is approximately 55. This benchmark is misleading for Cascade. Cascade's gross footage is large, but the individual buildings are separated into 4-plexes.

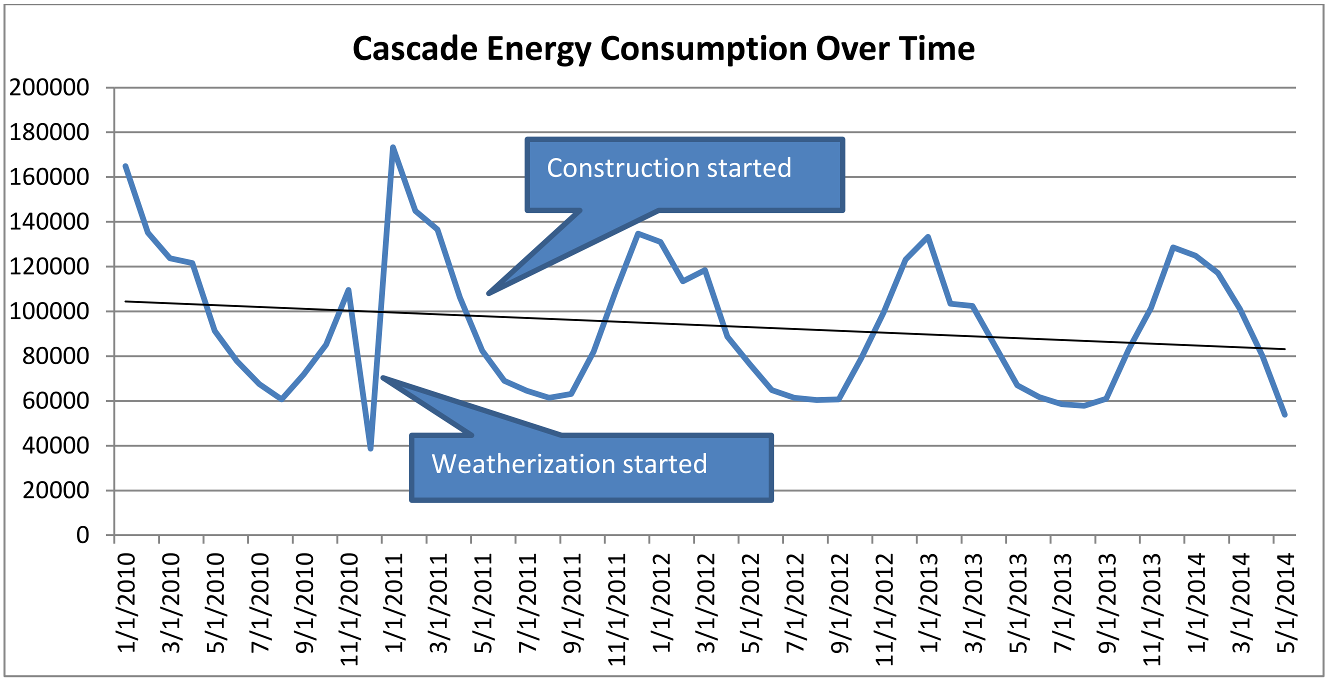
Therefore an appropriate benchmark for this property will be based on the number of units in each building. According to the report properties with 20 or less units that were built between 1946 and 1969 have an approximant EUI of 25. After accounting for a 20% increase in EUI that usually occurs in subsidized housing, a reasonable benchmark is 30.

Cascade performs slightly less efficiently then similar properties in the area. Since 2010 there has been an improvement in efficiency. This may be due to improvements to the buildings' envelope. Typically resident behavior accounts for a very different trend in EUI. The technology installed made it easier to heat and cool each apartment.

	2010	2011	2012	2013
Cascade Apartments	34.9	37.4	32.8	31.7

Electricity Performance:

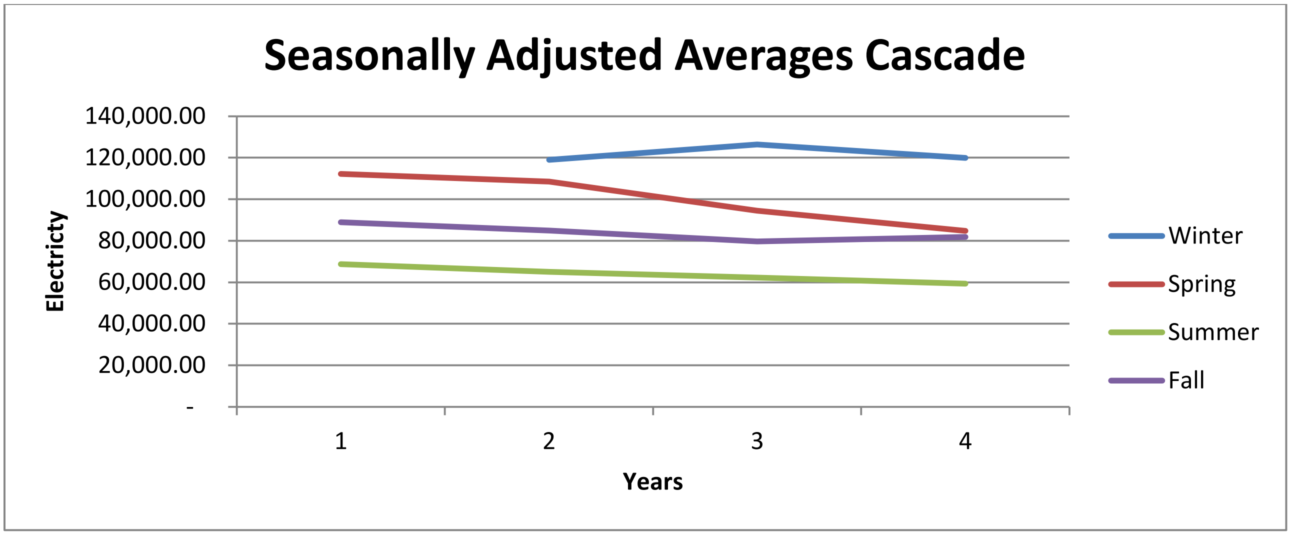
Over a four year period Cascade Apartments has seen a drop in energy consumption. This graph represents the total electricity consumption by date. There is a clear trend down in electricity consumption. The most energy consumption occurs between January and March for each year. KCHA's Capital Construction division took 1 year and 11 months to install the upgrades. The equipment that was installed early in the process accounted for a significant decrease in energy consumption. After December 2012 energy did not spike again, even when seasonally adjusted.



Seasonally Adjusted Electricity Consumption Averages:

Seasonally adjusted averages take into account the heating and cooling for each unit. It quantifies the seasonal patterns that you see in the graph above.

Months	Average 2010	Average 2011	Average 2012	Average 2013
Winter: December-February	--	118,958	126,389	119,932
Spring: March- May	112190	108,422	94,524	84,706
Summer: June- August	68,703	64,973	62,215	59,314
Fall: September-November	88,850	84,863	79,710	81,829



Costs and Savings

Below is a chart representing the total costs of the electricity per year. The peak for costs occurs in 2011. This is unexplained.

Year	Cost
2010	$ 107,666.16
2011	$ 125,072.09
2012	$ 108,402.10
2013	$ 105,362.00

In absolute terms, utility savings have been $2,304.16 since 2010.

Adjusted for rate increases and normalized for Heating Degree Days savings have been $25,511.37.

Year	Electricity Cost Per Year	Consumption	HDD	HDD/HDH	Normalized	Avoided	Monetized using Current Rates	Difference
2010	107,666.16	1,147,954.18	4549	252.35	1,147,954.18		$107,666.16	$0.00
2011	125,072.09	1,227,652.33	5146	238.56	1,298,608.97	70,956.64	$132,301.09	$7,229.00
2012	108,402.10	1,076,939.88	4738	227.30	1,195,648.91	118,709.03	$120,351.06	$11,948.96
2013	105,362.00	1,042,870.84	4381	238.04	1,105,558.86	62,688.02	$111,695.42	$6,333.42
								$25,511.37

Interviews with Staff/Maintenance/ and Residents

The following interviews were conducted on site. Opinions expressed by the participants are their own and do not reflect the opinions of KCHA.

Dave Gashler- Property Manager

Dave has been at Cascade since April 1, 2014. Prior to that position he was the property manager at Green River Homes.

"Since coming on board there have been very few energy efficiency upgrades. The parking lot lights are being replaced with LEDs. Energy efficient laundry machines have been well received. After new windows were installed, there were some mold problems in units where a lot of cooking occurred."

In later meetings, weatherization acknowledged the issue and has taken measures to improve the situation.

"The CFL lights in the units were difficult to replace, and management is moving toward bulbs that they can purchase at common hardware stores."

Nate Morris- Maintenance Technician

Nate has been at Cascade since 2010. He started when the building upgrades were being installed. The interview with Nate reflected many of the ideas and points that Dave Gashler said about the property.

"The building is excessively sealed. There are not enough measures in place to allow it to ventilate. There have been issues with mold in some of the apartments. LED lights are going into the parking lot lights. As the old bulbs burnout, they replace them with the new LEDs. There are up to four baseboard heaters in each unit. Maintenance does not do any maintenance on the heat pumps. Heat pumps are installed in the Recreation Center and the administrative offices. There was no training on how to maintain the heat pumps. There is no manual on the property's systems. Some of the siding on the exterior of the building is starting to buckle and bend. This can lead to mold and leakage in the apartments. The upgraded door frames are starting to crack and lose their seal. This causes air to leak out of the apartment."

Avondale Manor

Type of Housing

Avondale Manor was built in 1970 as multi family housing. The property consists of five buildings that total approximately 22,000 ^{ft2}. There are 20 units throughout the buildings. It is open to families, residents older then 55, and disabled persons. Each unit is equipped with laundry hook ups.

Energy Conservation Measures:

Energy conservation measures include:

- Air seal and insulate attic, R-38
- Dense pack walls with cellulose insulation, R-14
- Insulate rim joists
- Air seal crawls space
- New bathroom fans with programmable timers
- Tier 1 energy upgrades
- Removed electric baseboard heater in first floor rooms of each unit and installed ductless heat pumps
- New washers and dryers in the common laundry room

Upgrade Timeline:

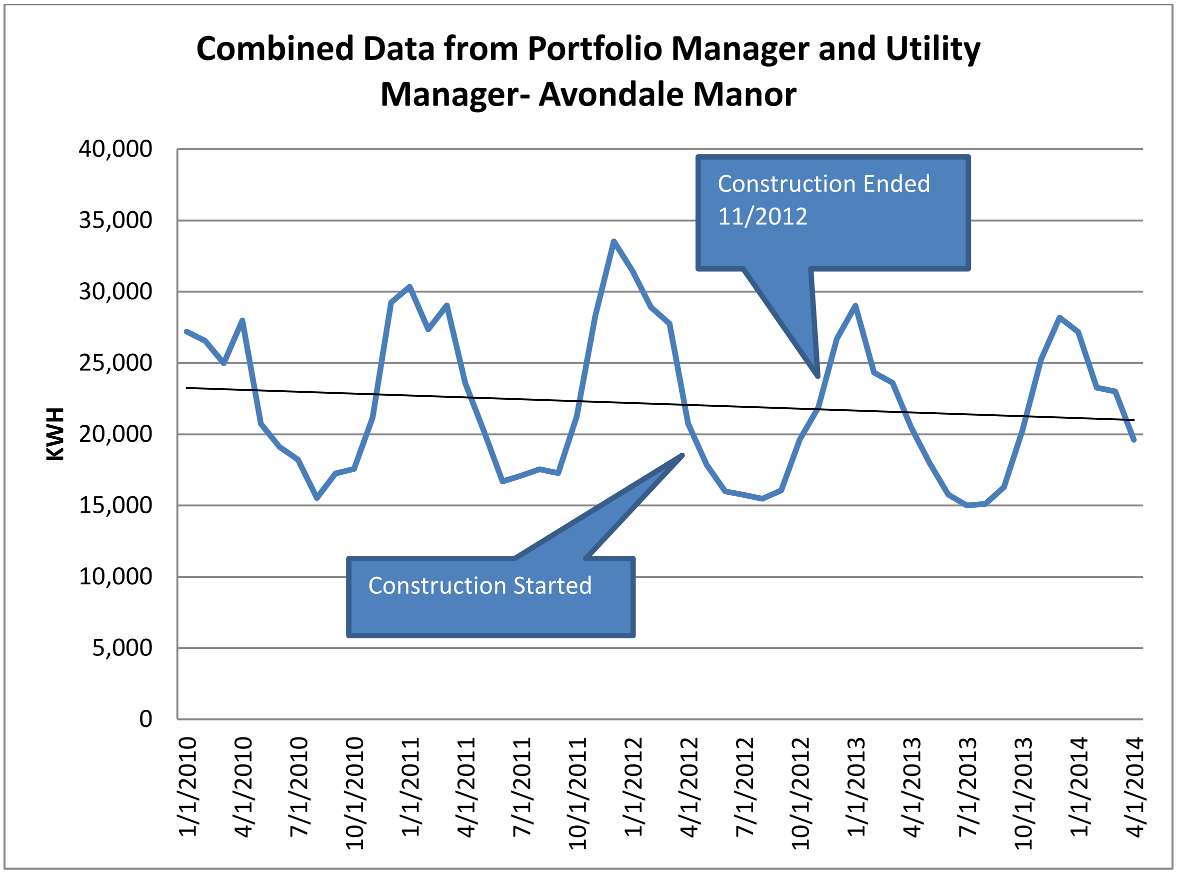
Date	Upgrade
1/2009	Ventilation installed
5/2012	Heat Pumps installed (Daiken AC FDXS)
5/2012	Blower Door Air Sealing
1/2013	Attic Insulation

Energy Performance:

Avondale's EUI has improved over the last four years. In 2010 its EUI was 41, and in 2013 it was 39. That is an improvement of 4.8%. Avondale is still performing less efficiently then other buildings in Seattle of a similar type. Multi-family housing units usually have a EUI of 31. Avondale has an unusual trend in the data. In 2011 the energy consumption and EUI went up, and then dropped in subsequent years. This is unexplained.

	2010	2011	2012	2013
Avondale (EUI)	41	44	40	39

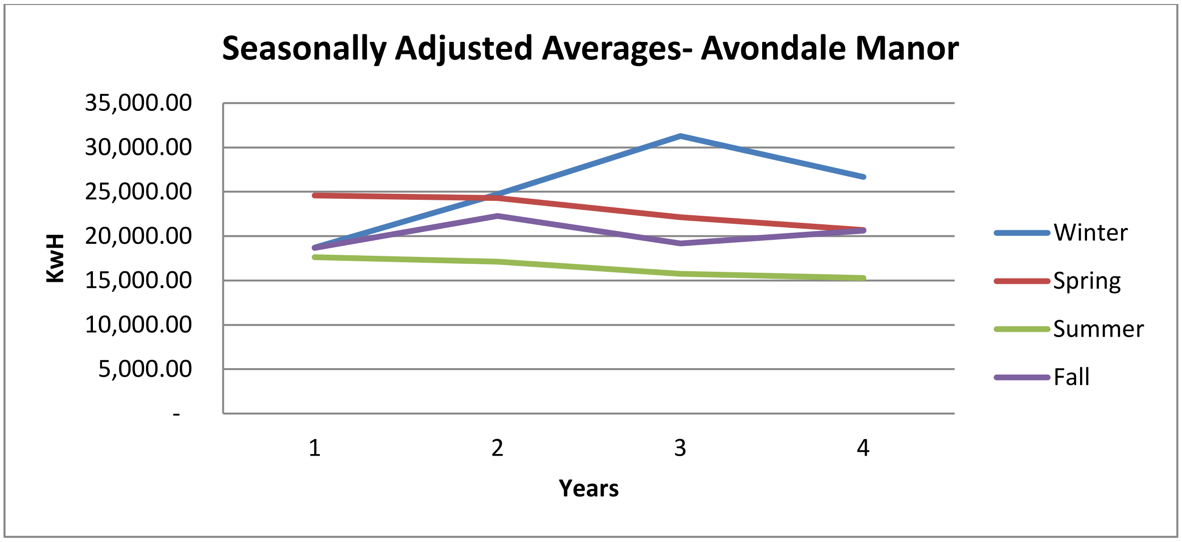
Electricity Consumption Performance:



Seasonally Adjusted Electricity Consumption Averages:

Seasonally adjusted averages take into account the heating and cooling for each unit. It quantifies the seasonal patterns that you see in the graph above. You would expect to see summer as the lowest energy consuming period. This is because the region does not typically utilize air conditioners.

Months	Average 2010	Average 2011	Average 2012	Average 2013
Winter: December-February	18,717	24,718	31,304	26,688
Spring: March- May	24,566	24,279	22,126	20,696
Summer: June- August	17,611	17,106	15,743	15,293
Fall: September-November	18,658	22,270	19,186	20,606



Costs and Savings:

Year	Total Energy Costs
2010	$24,949
2011	$30,342
2012	$26,754
2013	$24,926

Utility Costs have gone down $23.00 in absolute terms.

Adjusted for rate increases and normalized for Heating Degree Days savings have been $4,274.19.

Year	Electricity Cost Per Year	Consumption	HDD	HDD/HDH	Normalized	Avoided	Monetized using Current Rates	Difference
2010	$24,949.00	265,498	4549	58.36	265,498.00		$24,949.00	$0.00
2011	$30,342.00	282,210.87	5146	54.84	300,341.33	18,130.46	$32,291.30	$1,949.30
2012	$26,754.00	258,248.64	4738	54.51	276,528.80	18,280.16	$28,647.79	$1,893.79
2013	$24,926.00	251,345.74	4381	57.37	255,692.84	4,347.10	$25,357.10	$431.10
								$4,274.19

Interviews with Staff/Maintenance

The following interviews were conducted on site. Opinions expressed by the participants are their own and do not reflect the opinions of KCHA.

Angelina Holverstott:

Angelina has been the Property Manager at Avondale manor since November 2013. She previously managed other properties at KCHA.

Angelina talked about a lack of institutional memory with the upgrades. She relies on the maintenance people to assist her with the functions of the units. When she is showing tenants around their future home, she often has to get the advice from the maintenance people to understand the heat pumps. There is little educational programing for residents at Avondale. If KCHA wants to implement an education program, it would need to be incentivized. Residents would not come to an education program that focused on energy conservation.

Tony Beltran:

Tony has been the Maintenance Tech at Avondale for almost eight years. He reflected many of the points that Angelina made about the property. Because of his tenure, he described the construction process.

"There were no energy efficiency upgrades done to the common areas. For the most part, energy utilities have gone down for the residents. Upgrades to the facility helped solve a moisture problem in the units.

There were no new windows were installed, even though new windows were planned. The siding was not replaced either. Doors were weatherized but not replaced. The only upgrades were to the insulation, roof, attic, ventilations, and heat systems.

Maintenance didn't receive training on the heat pumps. Residents don't know how to use the heat pumps. There is no one-on-one training. Residents are using the electric baseboards in their bedrooms. Heat pumps are only effective in the residents' living rooms. Heat pumps get filter maintenance. Some issues with the heat pumps not functioning, but very few. Maintenance doesn't have a list of parts, or know where to purchase replacement parts. Thermostats malfunction frequently and are hard to understand. Residents throw away the simplified versions of the instructions for the thermostats.

Units are upgraded with more efficient appliances as residents move out. Only about half of the units have been upgraded. Upgrades include more efficient baseboard heaters. There are incandescent lights throughout the property. No CFLs or LEDs light are installed. Each unit has its own laundry hookup. Some residents have inefficient washers and dryers"

Interviews with Administrative Staff at KCHA

Steve Jefferis:

Steve spoke extensively about the installations to properties that were made by the Capital Construction division. Some important points that came out of the interview were as follows:

All capital improvement projects are completed by means of public bid and are contracted to outside companies. The 5-year capital improvement plan incorporates a wide range of upgrades including energy enhancements as part of the overall project planning process. For example a building envelope upgrade will generally include new energy efficient windows, ventilation improvements, heat pumps, and insulation improvements. Some of the KCHA senior/young disabled buildings received new Energy Star single-ply membrane roofing as part of a capital improvement project. Energy conservation upgrades to components such as equipment can be part of the major capital improvement project or replaced as a life-cycle component. Phasing energy upgrades if the work is not completed during a major capital improvement project can be challenging as the work scopes usually provide for construction projects to be all inclusive in order to maximize efficiencies and minimize costs. If equipment is not replaced, and the end of the remaining useful life is approaching, it could lead to degradation of equipment. Also some lack of preventative maintenance could shorten the useful life of the equipment. Capital improvements made to properties are expected to have a life cycle span of approximately 10 years to 30 years.

Operations and Maintenance (O&M) manuals are provided to Property Management upon completion of a capital project. Those manuals now contain contact information for parts and technical assistance for newly installed components and systems.

Any upgrades to the individual units are done by Housing Management. Education and training is part of a contract for installing new equipment. Often Property Managers and Maintenance Staff do not come to these trainings. There is usually a binder or technical data provided by the equipment manufacturer that explains maintenance for a unit. The data in some cases is technically complicated, requiring other forms of training for maintenance staff for improved comprehension.

There are no clear budget rules on who is responsible for paying for energy conservation measures. Usually Weatherization will pay part of the costs, and rely on Capital Construction to cover the shortfall. Many of the funds coming from Weatherization are sourced from grants and subsidies. The overall scope of work may include energy improvements during the budgeting phase. It may be included as a mid-year budget revision depending on available funding and sources of funding. Some energy conservation measures were completed at all public housing properties as part of the Energy Performance Contract (EPC). Work that conserves water including the installation of low flow toilets, faucet aerators, and low flow shower heads was completed. The work also included the installation of new compact fluorescent fixtures in common areas and within the kitchens and bathrooms of each unit. The EPC work was completed approximately eight years ago.

Level One energy audits have been recently completed at all public housing properties. That process will provide additional recommended energy improvement measures. These measures will be included in the Capital Construction 5-year capital plan.

Bill Cook:

Bill is the Director of Property Management for KCHA. We discussed a range of topics, from education to strategic initiatives. When asked about training for Property Managers and Maintenance Techs, he acknowledged that there is a need to address this issue. His department does not provide training to these employees on the technical aspects of the systems in their buildings. His department lacks the knowhow to do trainings. However, they do train on routine maintenance such as filter replacement. Capital Construction does a little training that is vendor initiated. Property Management has requested a summary of the routine maintenance work that these systems require. Its plan is to contract out major repairs although this has not been an issue with the newness of the systems and the warranties. The department's objective is to complete all the maintenance of these systems; however, additional training on what is required is necessary. This has led to some issues with new equipment malfunctioning. If there is a warranty on an appliance that is faulty, Property Management will notify Capital Construction that a repair is needed. Property Management rarely fixes or replaces these systems because these systems are still relatively new.

At the regional level, Property Managers are encouraged to address problems locally. They have received training from KCHA's Resource Conservation Manager on how to address energy conservation concerns. Initiative for energy issues comes from the Resource Conservation Department. Residents do not receive an orientation on their units as to how to use their appliances. They do not have a written protocol, but some Property Managers have been addressing this on an individual basis. Bill mentioned that he would like to see his staff interact more with the residents on these issues.

Over the next year, the Department's priority is a software upgrade for work orders. This project will take up to a year to complete. It will change the way work and maintenance will be done at the properties. There is also an inventory feature that could be used to track the parts that are installed at properties.

Recommendations and Observations:

Physical Upgrades

LED Lighting:

LEDs are typically 75% more energy efficient then traditional light bulbs. If you spend $100 a year to light your home, you would save $75. LEDs last 30-40 times longer then traditional light bulbs. On average they have a 12 year life span when used 24 hours a day, and a 22 year life span when used eight hours a day. Incandescent lights have a lifespan of 41.6 days when used 24 hours a day. You would have to replace 105 incandescent bulbs over the lifespan of 1 LED bulb. That would cost you $38.59 to purchase those incandescent bulbs. One LED light bulb would cost you $9.47.

KCHA can phase-in LED lights in their portfolio. Some resident units get upgrades as tenants move out. LED fixtures could be part of the upgrade package. Parking lots and common areas at each property should have LED lights installed as soon as possible. This is because these lights are on for extended periods of time, and KCHA would benefit immediately from an upgrade.

HVAC Upgrades:

Each of the properties that had HVAC upgrades showed improved energy efficiency. This saves money. The properties that only upgraded their envelope didn't see a significant improvement in their energy efficiency. Moving forward, the focus of retrofits should be HVAC, envelope, and appliances. Systems that conserve energy during the winter should be prioritized.

Smart Power Strips:

Smart power strips are designed to eliminate energy consumption while appliances are off. Phantom loads can cost as much as $200 per year[viii] in the average household. Interviews with staff revealed that residents are purchasing more electronics. In order to combat this energy draw, KCHA could start using Smart Power Strips in their offices. This option does not require an education component for saving energy, as these devices work automatically.

Administrative:

Create a Five Year Plan for Energy Retrofits:

Currently there is no five-year plan that identifies which buildings get upgraded with energy efficient measures. The Capital Construction and Weatherization Teams could work with Housing Management to create a plan. Identifying the buildings that are the most inefficient would be the first step. The document incorporates the goals listed in the Resource Management Plan.

Focus on the Highest Consumers:

Priority should be placed on residential properties. Other properties such as office buildings and recreation centers should also be examined, but only as a part of the overall strategy.

Listed below are the buildings that consume the most energy per sq. foot:

Property	EUI	Benchmark EUI	Percentage Difference
Wiley Center	82.3	33	60%
Birch Creek Rec Center	77.4	33	58%
Kent Family Center	76.4	33	57%
Firwood Circle Community Building	62.4	33	47%
Avondale House (Pinecrest)	59	33	44%
Valley Park East	79.2	40	49%

High EUI in Multi-Family Properties:

Of the buildings that have a high EUI, the following are Multi-Family properties:

- Cove East Apartments
- Ballinger Homes
- Valli Kee Homes
- Burndale Homes
- Southridge House
- Casa Juanita
- Plaza Seventeen
- Wayland Arms
- Green River Homes
- Nike
- Mardi Gras
- Youngs Lake
- Brittany Park
- Kings Court
- Wellswood
- Eastridge House
- Kirkwood Terrace
- Rainier View II
- Glenview Heights
- Kirkland Place
- Shelcor

Training for Staff and Maintenance on Site:

Throughout the interview process, staff repeatedly expressed the lack of training on new building systems. Property Managers relied on Maintenance Technicians to fix and maintain HVAC units. Technicians received very little training on these units and were told not to work on a unit they do not have the expertise to fix. This leads to equipment neglect. Several individuals did not feel the need to maintain the systems because the units were under warranty. When the documentation was checked, it revealed that the warranties had expired.

HVAC and water heaters that are not properly maintained can waste energy. This negative cycle has led to new equipment malfunctioning, buildings running inefficiently, and a drain on institutional memory.

A monthly workshop that trains the Maintenance Technicians could address the issue. By ensuring that there is expertise on site to address malfunctioning equipment, it would protect KCHA's investment and help save energy costs. This time can also be used to collect information on the functionality of appliances at each site. Some equipment may require the expertise of outside technicians who specialize in that type of system or component to properly maintain the equipment.

Property Managers should be trained on the same systems, but not as regularly as the Maintenance Staff. They should at least be aware of the types of appliances in their buildings, and the necessary maintenance needed. Their training can also include ways to conserve energy.

In order to make these trainings relevant, an incentive system could be used to ensure participation. Since the goal is to reduce energy consumption, and therefore reduce costs, a competition among buildings could instill the competitive drive needed to see reductions in electricity consumption. This would also shift the administrative burden to a more local level since properties would be forced to find solutions that work for their buildings.

Education for Residents on HVAC/Heating Units

Residents found the controls for the Heat Pump difficult to understand. This is due to the pictography used to denote hot and cold. Hands on training would solve this issue, and should be part of a resident orientation. Another solution would be to create an infographic that can be mounted next to the thermostat.

Finalized List of Installed Upgrades

Research showed that there was no finalized list of equipment installed. Often different equipment was installed, or changes to the construction plan were not documented. This led to a lack of information on what is in each building. This affects KCHA's ability to check on the cost effectiveness of the retrofit process. A finalized inventory of all the unit specific upgrades should be included in the building folders. The inventory should also include the costs of the upgrades.

Claude DaCorsi Comment–

"All capital construction work has "As-built" plans and all plan changes are documented by a variety of methods including Requests for Information (RFI's), through the construction coordinator daily reports, and by means of the documented weekly progress meetings. That information is readily available to property management. There are virtually no last minute changes made to equipment installed as part of a capital project as the lead time for most equipment is long lead and also requires a contractor to offer a substitution very early in the project if the equipment is not available or if we have value engineered the equipment. The O&M manuals also have all the information documented for every item installed as part of the capital project. That manual is handed to the property manager at the completion of each project."

This recommendation would create a new document that incorporates the information that is contained in the referenced reports. It would also include products that were installed by the Weatherization department. The goal would be to create an itemized list of products that will be used to assess the cost effectiveness of the upgrades. Rather than rely on the building binders, administration can have a summarized list of upgrades.

An Inventory of Current Appliances and Parts

There is no current inventory of building appliances or parts. Often maintenance staff has to find new parts to install in a unit because there is no information readily available for them to find and purchase replacements. There is also no supplier lists for these parts. This has led to some malfunctioning in the building systems.

An inventory of all the installed appliances and their parts would solve this issue. This would be a good assignment for staff members coming back from an injury or medical leave. It is fairly easy to find the parts and create an inventory. This could be classified as "light work" and would allow staff members to contribute to an ongoing project.

The new work order system that Housing Management is implementing has an inventory function. This project can be incorporated into their goals for implementing their software. It would create a template for staff to use to create the inventory, and build a repository of information for future use.

Reassessment of TREAT Analysis

Before upgrades to a building begin, Weatherization conducts what is called a TREAT Analysis. This is a comprehensive cost-benefit model. It is used to justify the costs of the upgrades. There is no follow-up done to see if the TREAT Analysis correctly measured the energy savings. Sometimes the parameters used to justify the upgrades are not implemented once construction begins. This is because there are often changes to a construction plan, and it doesn't make sense to update the TREAT Analysis.

KCHA has access to whole building data, and can use this to reassess the TREAT Analysis. This could lead to more energy savings and help predict future costs. It will also identify upgrades that had more cost saving impacts.

End Notes

---

[i] http://www.eia.gov/todayinenergy/detail.cfm?id=10271&src=‹ Consumption Residential Energy Consumption Survey (RECS)-f1

[ii] https://www.db.com/usa/img/DBLC_Recognizing_the_Benefits_of_Energy_Efficiency_01_12.pdf

[iii] http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/energy

[iv] http://www.eia.gov/todayinenergy/detail.cfm?id=10271&src=‹ Consumption Residential Energy Consumption Survey (RECS)-f1

[v] http://www.energynaturalresourceslaw.com/2013/02/the-new-normal-has-low-growth-and-limited-capacity-become-the-norm-in-the-pacific-northwest.html

[vi] http://www.eia.gov/forecasts/aeo/

[vii] http://www.seattle.gov/Documents/Departments/OSE/EBR-2011-2012-report.pdf

[viii] http://www.nativeenergy.com/phantom-load-how-unplugging-can-save-you-$100-or-more.html

King County Housing Authority
MTW Rent Reform
Final Impact Analysis Report

March 18, 2014

Report Structure

- **Introduction and executive summary**
- Income analysis for work-able population
- Staff time analysis related to recertifications
- Household subsidy and rent analysis for work-able households
- Recommendations
- Appendix

Introduction

- KCHA implemented its WIN Rent policy for work-able families effective November 2011 and its EASY Rent policy for elderly/disabled families in 2008.
- Work-able (WIN Rent) households started to have their rent calculated based on a tiered rent system whereby rents are determined based on income bands (28.5% of the lower edge of each tiered rent band).
- WIN families were placed on a biennial recertification cycle starting in 2011 whereby they receive full recertifications every two years instead of once per year.
- Combining the tiered rent model with biennial recertifications provides an incentive to work-able families to earn more between recertifications, since their rent doesn't change as a result of increases in income in that time period.
- Elderly/disabled (EASY Rent) families simply had their rent calculated on 28.5% of their adjusted income.
- Elderly disabled families were placed on a triennial recertification cycle whereby they receive full recertifications every three years.
- Additional changes included bands for medical and childcare deductions and streamlining of utility allowances.

Executive Summary

- When comparing unique households (those who have continued with HCV or PH from 2010 to 2013), earned income has increased 4.6% annually for HCV work-able households and 7.1% for PH work-able households. These increases far exceed the annual inflation rate of approximately 2% over that timeframe.

- Although a drop in TANF benefits may have been a contributing factor to increased earnings (working to fill income gap), it is difficult to confirm this hypothesis. Other contributing factors could have included WIN rent policy, a general improvement in the local economy, KCHA self-sufficiency activities, etc.

- Earnings are higher (compared to all unique households) for WIN households who have had their second full MTW recertification in which income was verified (November recertification months). Additional analysis should be performed over time to see if this represents a trend.

- Staff time savings related to the recertification process are highest in the HCV program, with roughly 3,000 hours saved annually (equivalent of roughly 1.7 FTEs*) when comparing 2010 to 2013. Efficiencies in income verification and follow-up related to missing items drive much of the time savings.

- KCHA can realize additional staff time savings if off-year adjustments are eliminated. These adjustments nearly mimic the full recertification process with the exception of income and expense verification.

- Average HAP (housing assistance payment) for unique HCV WIN households has remained relatively stable between 2010 and 2013. Average PH rents have also remained relatively stable over that period.

**assuming 1,800 annual working hours per FTE*

- Introduction and executive summary
- **Income analysis for work-able population**
- Staff time analysis related to recertifications
- Household subsidy and rent analysis for work-able households
- Recommendations
- Appendix

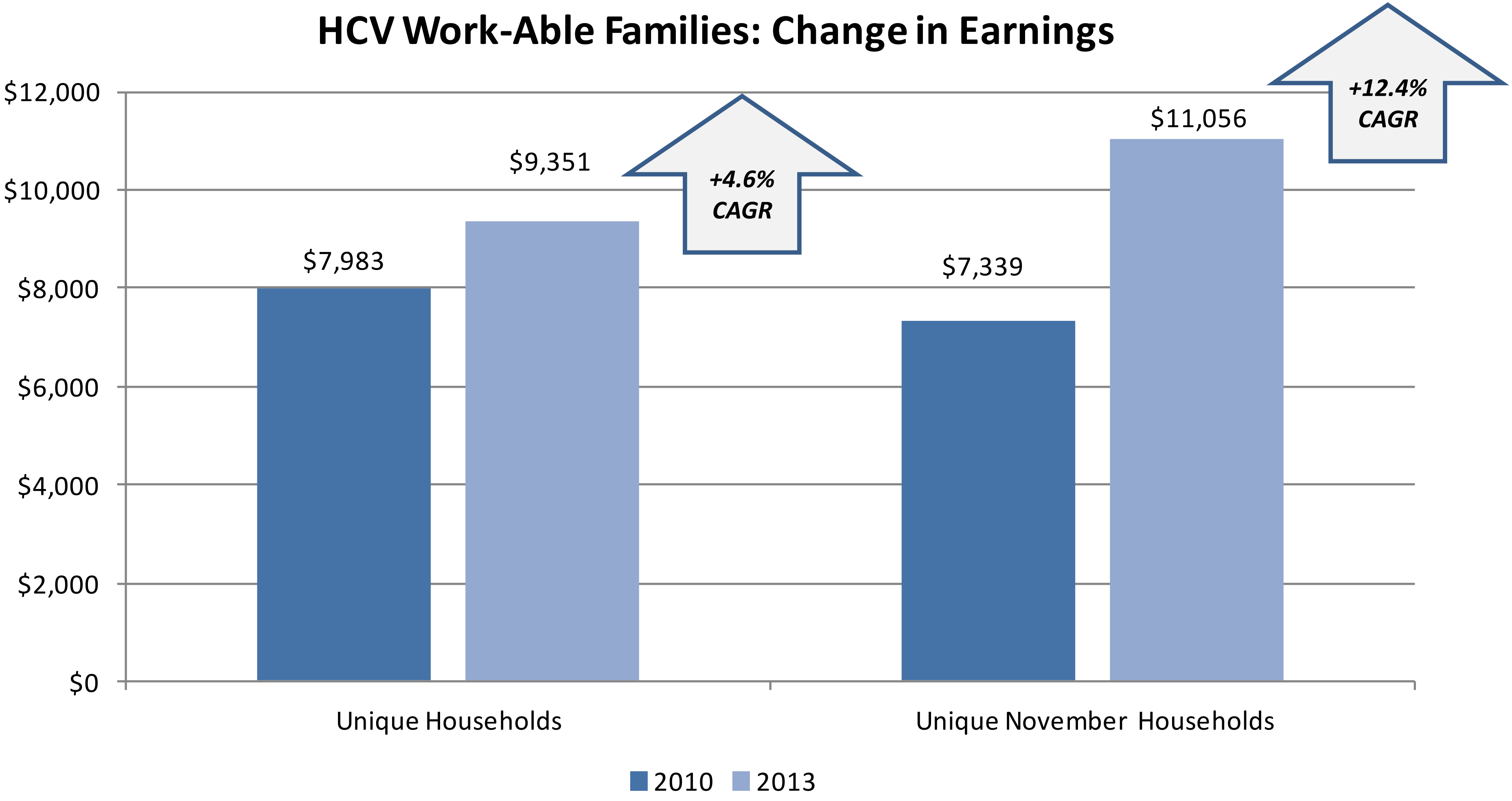
Income Analysis Approach

- Household data from MST downloads was run through a model to identify work-able and elderly/disabled populations for both the HCV and PH programs.
- Baseline MST downloads used in the analysis were from 5/27/2010 (HCV) and 6/24/2010 (PH). “Future-state” MST downloads were from 12/12/2013 (HCV & PH).
- Different categories of income including earnings (wages and self-employment), unearned income, and TANF) were identified for work-able families. Total household income was also indentified for elderly/disabled families.
- A comparison was made in earnings increases and TANF decreases to understand whether the two may have been correlated.
- In order to “annualize” the changes in income, a compound annual growth rate (CAGR) formula was used. Because the time difference in the MST data downloads was roughly 3.5 years, that was the timeframe used in the CAGR formula.

HCV Income Analysis

- Earnings for unique HCV Work-Able HHs increased 4.6% annually. This increase exceeds the annual inflation rate (which was about 2%) by over 100%.
- However, overall HH income for HCV unique Work-Able HHs increased only .2% annually; the increase in earnings was nearly offset by a 5% annual drop in unearned income.
- A drop in TANF benefits was largely responsible for the drop in unearned income (average annual HCV HH TANF dropped from $2,106 to $967 over the 3.5 year period).
- Although the drop in TANF benefits may have been a contributing factor to increased earnings in HCV households, it is difficult to confirm this hypothesis. Other contributing factors could have included a general improvement in the local economy, KCHA self-sufficiency activities, etc.
- Income for unique HCV Elderly/Disabled HHs rose 1.8% annually, roughly in-line with annual COLA adjustments over the same period.

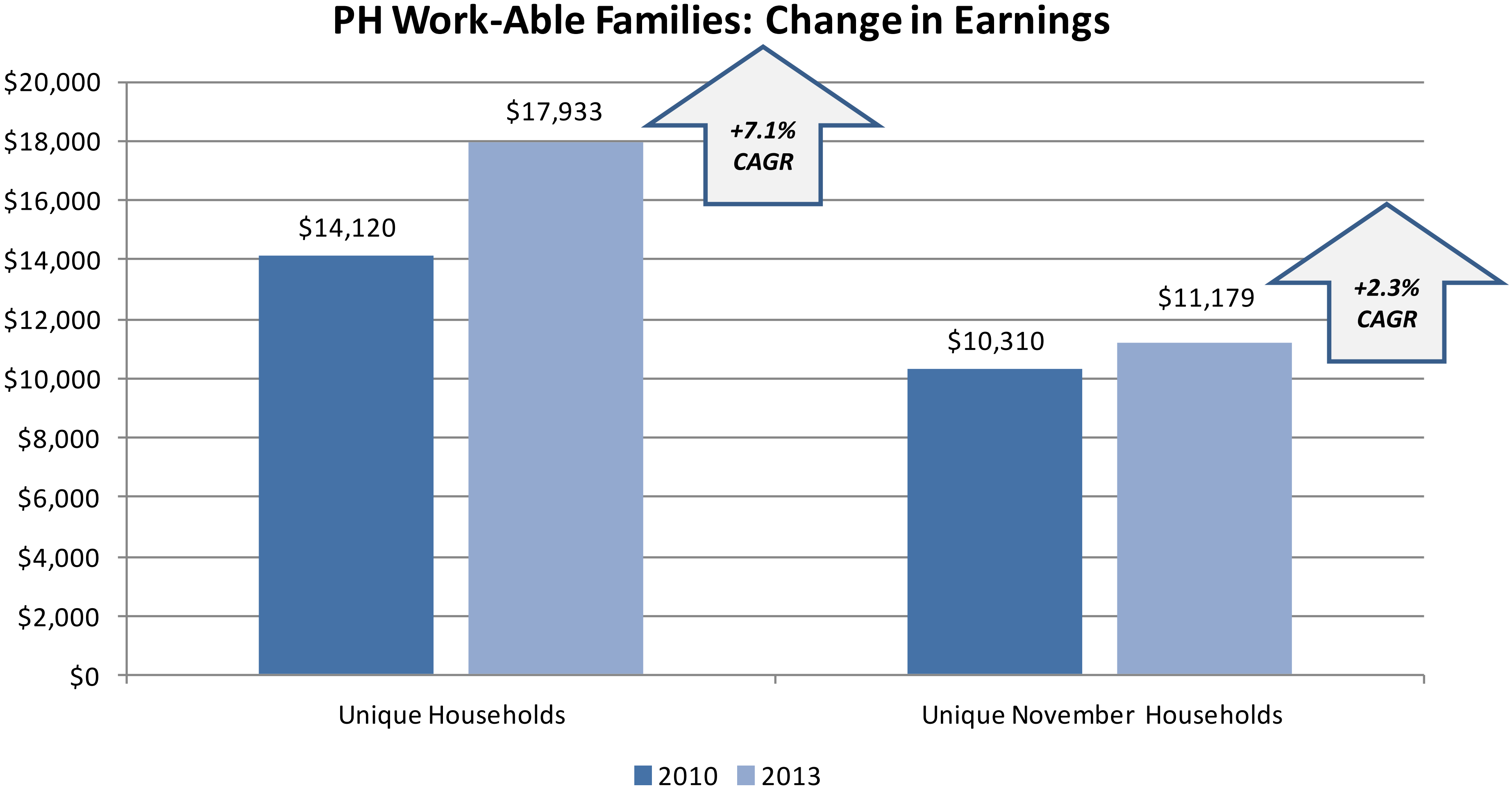
Comparing all unique HCV work-able households yields a 4.6% change; whereas comparing only the unique households with November recert months yields a 12.4% change.



Public Housing Income Analysis

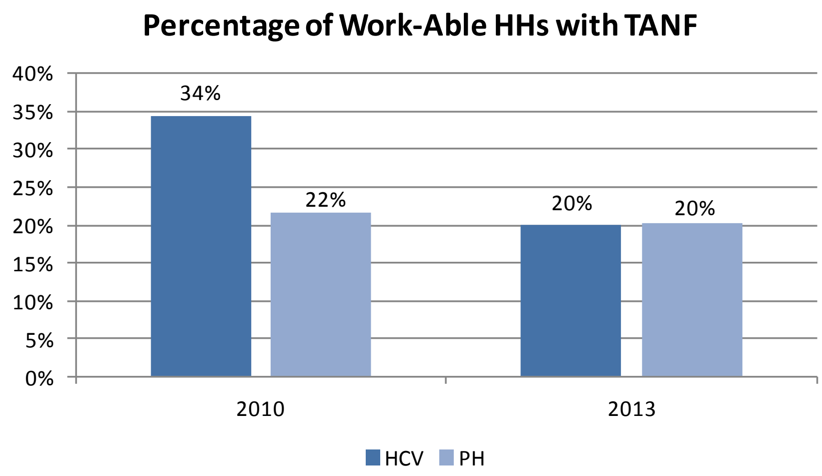
- Earnings for unique PH Work-Able HHs increased 7.1% annually. This increase exceeds the annual inflation rate (which was about 2%) by 300%.
- Earnings for All PH Work-Able HH decreased 5.5% annually. This decrease (compared to the increase for unique HHs) was anticipated as a result of the removal of Flat and Ceiling rents. Many higher income residents (those who had previously benefited by the HA's Flat and Ceiling rents) moved as a result of the increased rents faced with KCHA's new policies.
- Overall HH income for PH unique Work-Able HHs increased 3.3% annually; the increase in earnings was offset by a 6.6% annual drop in unearned income. A drop in TANF was largely responsible for the drop in unearned income.
- Although the drop in TANF benefits may have been a contributing factor to increased earnings in PH households, it is difficult to confirm this hypothesis. Other contributing factors could have included a general improvement in the local economy, KCHA self-sufficiency activities, etc.
- Income for unique PH Elderly/Disabled HHs rose 1.9% annually, roughly in-line with annual COLA adjustments over the same period.

Comparing all unique PH work-able households yields a 7.1% change; whereas comparing only the unique households with November recert months yields a 2.3% change.

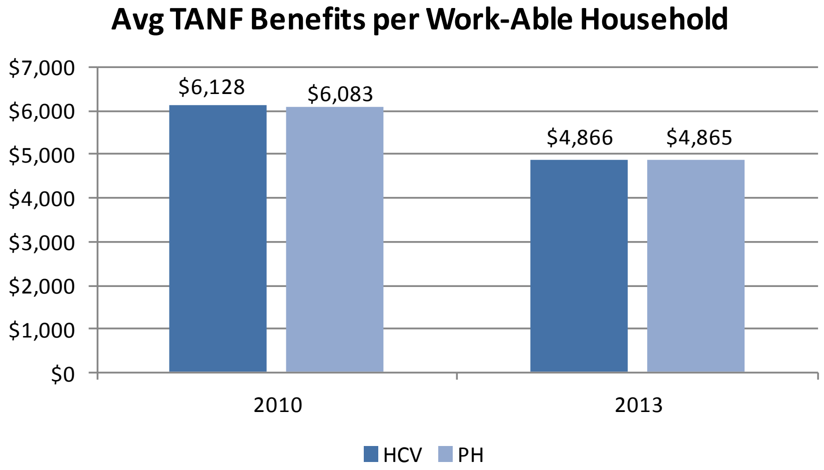


Assessing the Impact of TANF Reductions

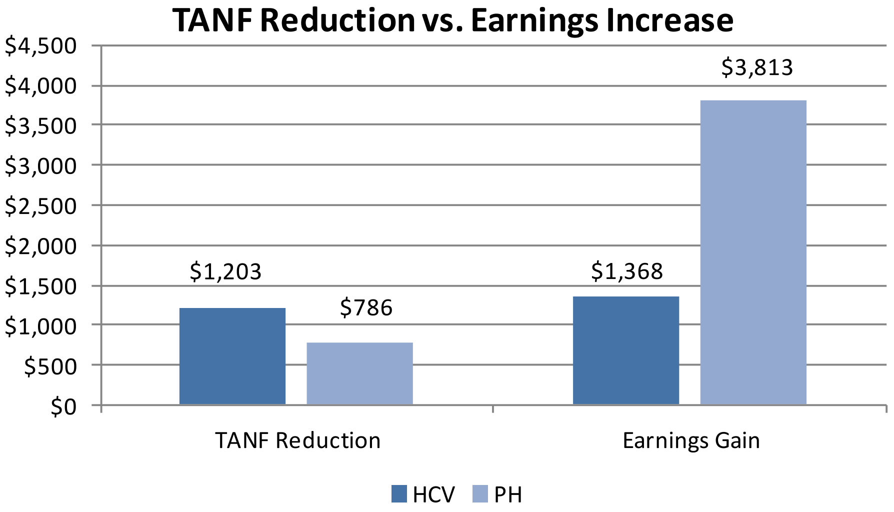
The % of work-able households receiving TANF has decreased since rent reform was implemented…



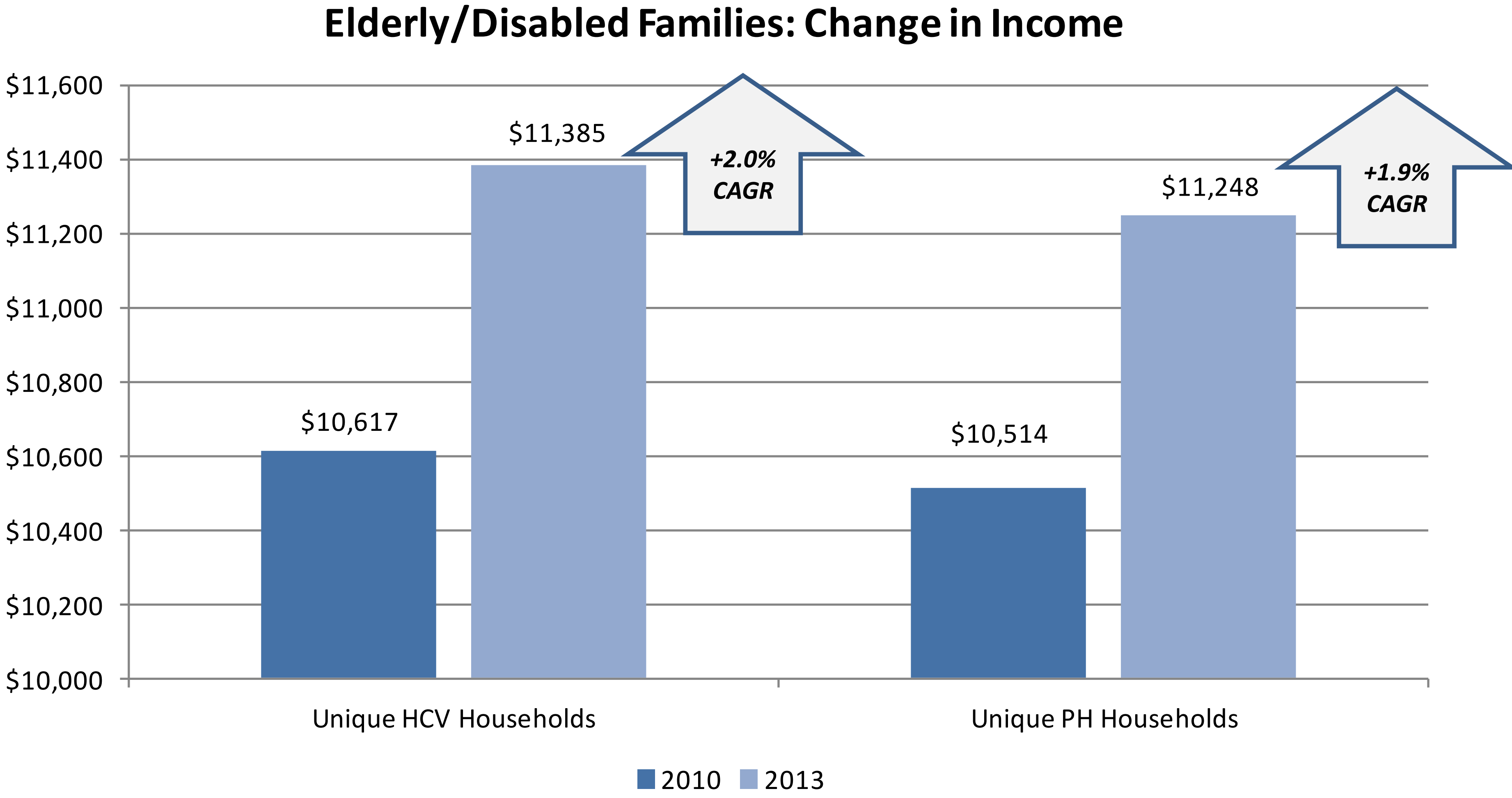
….and the average amount of TANF per receiving household has decreased.



In HCV, the average TANF reduction is similar to the increase in earnings while the earnings increase in PH far outpaces TANF reductions (unique households).



Elderly/Disabled households experienced income changes consistent with federal COLAs (approximately 2% annually).



- Introduction and executive summary
- Income analysis for work-able population
- **Staff time analysis related to recertifications**
- Household subsidy and rent analysis for work-able households
- Recommendations
- Appendix

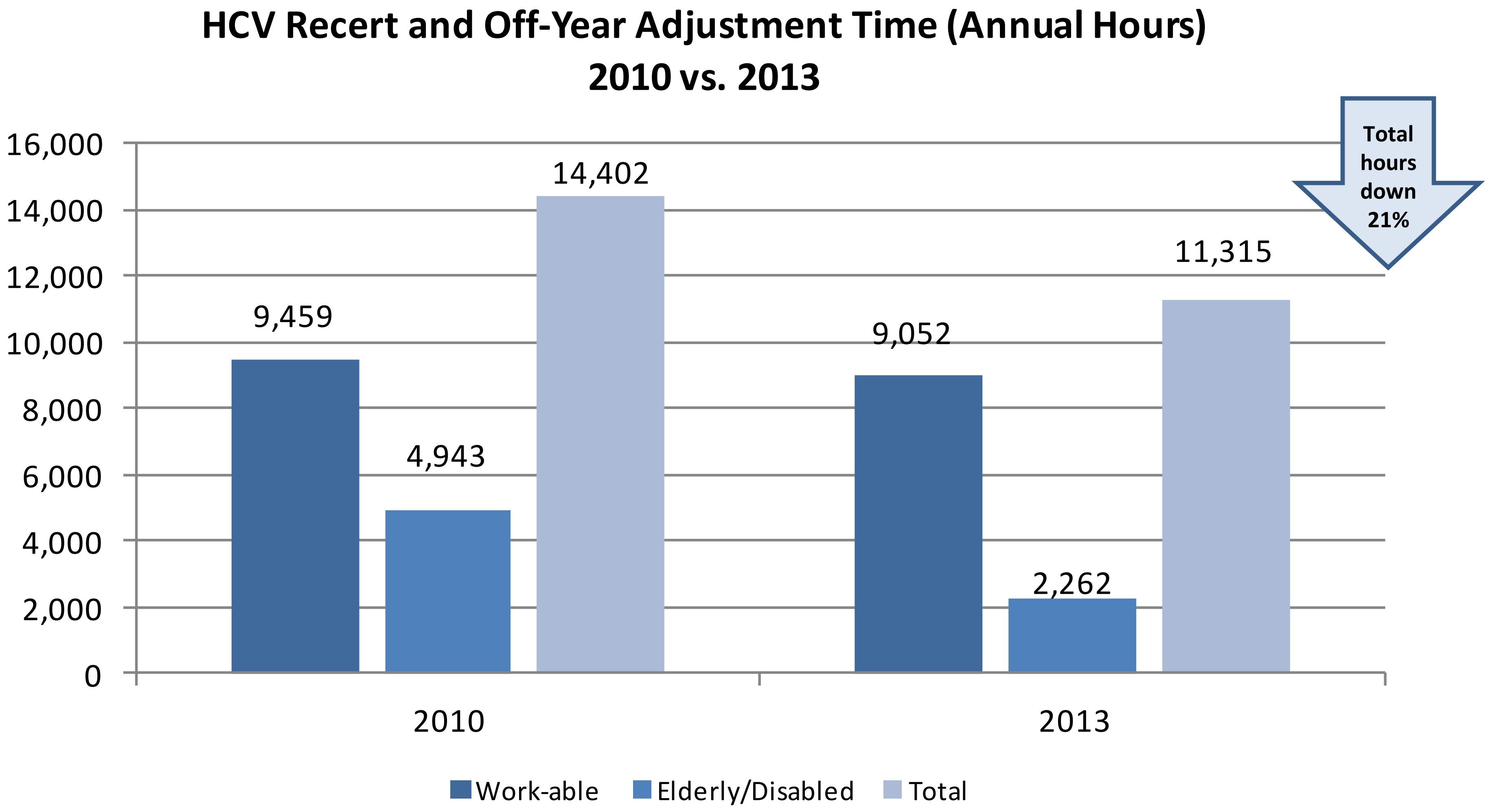
Recert Staff Time Analysis Approach

- Interviews to understand HCV staff time spent on recerts and off-year adjustments were conducted on 12/11/13 and again on 2/19/14 to review the preliminary findings.
- Interviews to understand PH staff time spent on recerts and off-year adjustments were conducted on 12/10/13 with PH staff at the following properties: Ballinger, Birch Creek, Boulevard Manor, and Seola Gardens.
- An estimate of the number of recerts and adjustments was made based on the number of vouchers and the MTW implementation schedule. Modeling assumed that EASY Rent households received a full recert in 2010 and an adjustment in 2013; and WIN Rent households received a full recert in both 2010 and 2013.
- Baseline MST downloads used in the analysis were from 5/27/2010 (HCV) and 6/24/2010 (PH). “Future-state” MST downloads were from 12/12/2013 (HCV & PH).
- Populations (work-able and elderly/disabled) were designated by running the aforementioned downloads through a model that used KCHA’s current MTW population definitions.
- A previous recert staff time analysis conducted in 2008 was used as a baseline to calculate any changes that may have resulted from MTW rent reforms.
- This analysis also considers time spent conducting off-year rent adjustments since these have effected the actual time savings.

HCV Recert Time Analysis

- HCV staff time spent processing work-able recerts is down 16% (15 minutes) in 2013 (compared to 2008). Most of the savings is driven by more efficient income verification (8 minutes) and calculation of energy assistance/utility allowance (3 minutes).
- HCV staff time spent processing elderly/disabled recerts is down 49% (41 minutes) in 2013 (compared to 2008). The savings are driven by a reduction in time spent following-up with tenants for missing information (13 minutes), income verification (7 minutes), packet preparation/pull file (5 minutes), medical expense verification (3 minutes), and
- Staff time spent on off-year adjustments (rent adjustments processed for years without a full recertification) processed in 2013 for work-able and elderly/disabled populations nearly mimic the full recert process with the exception of income and expense verification which saves 7 minutes for elderly/disabled recerts and 32 minutes for work-able recerts (including 15 minutes less time for work-able follow-up).
- Note that the total number of HCV families increased by roughly 1,200 between 2013 and 2010 which contributes to total staff time spent on recerts and off-year adjustments.
- Overall HCV staff time spent on recerts and off-year adjustments is down 21% between 2013 and 2010 (approximately 4,800 hours saved).

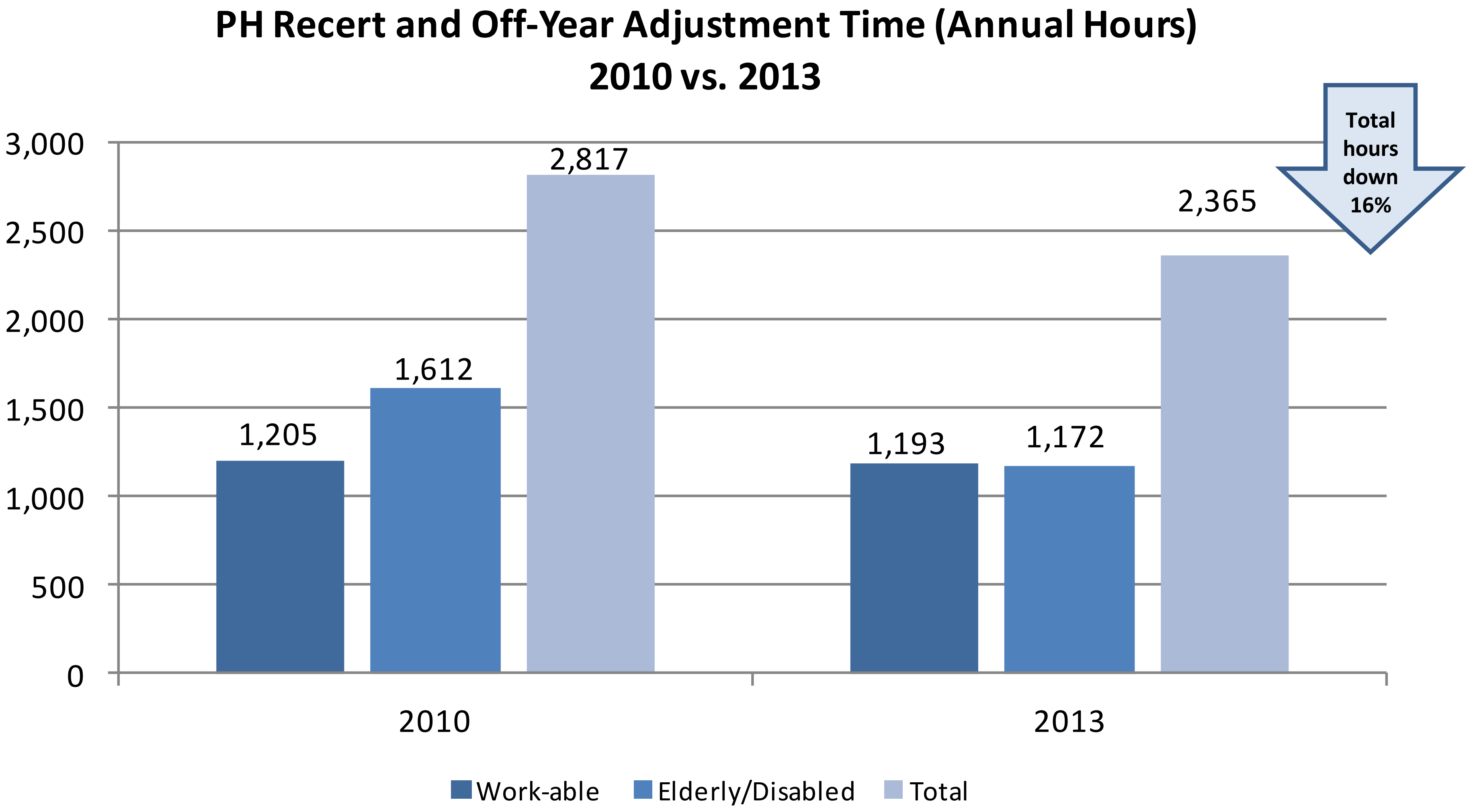
Including off-year adjustments, total staff time spent on HCV recerts has decreased 21% between 2010 and 2013.



Public Housing Recert Time Analysis

- PH staff time spent processing work-able recerts is down 10% (7 minutes) in 2013 (compared to 2008). Most of the savings is driven by more efficient income verification.
- PH staff time spent processing elderly/disabled recerts is down 18% (13 minutes) in 2013 (compared to 2008). Most of the savings is driven by more efficient income and medical expense verification.
- Staff time spent on off-year adjustments (rent adjustments processed for years without a full recertification) processed in 2013 for work-able and elderly/disabled populations nearly mimic the full recert process with the exception of income and expense verification which saves roughly 10 minutes for both elderly/disabled and work-able recerts.
- Note that the total number of PH families increased by 200 between 2013 and 2010 which contributes to total staff time spent on recerts and off-year adjustments.
- Overall PH staff time spent on recerts and off-year adjustments is down 16% between 2013 and 2010 (approximately 450 hours saved).

Including off-year adjustments, total staff time spent on PH recerts has decreased 16% between 2010 and 2013.



- Introduction and executive summary
- Income analysis for work-able population
- Staff time analysis related to recertifications
- **Household subsidy and rent analysis for work-able households**
- Recommendations
- Appendix

Summary of Rent and HAP Analysis

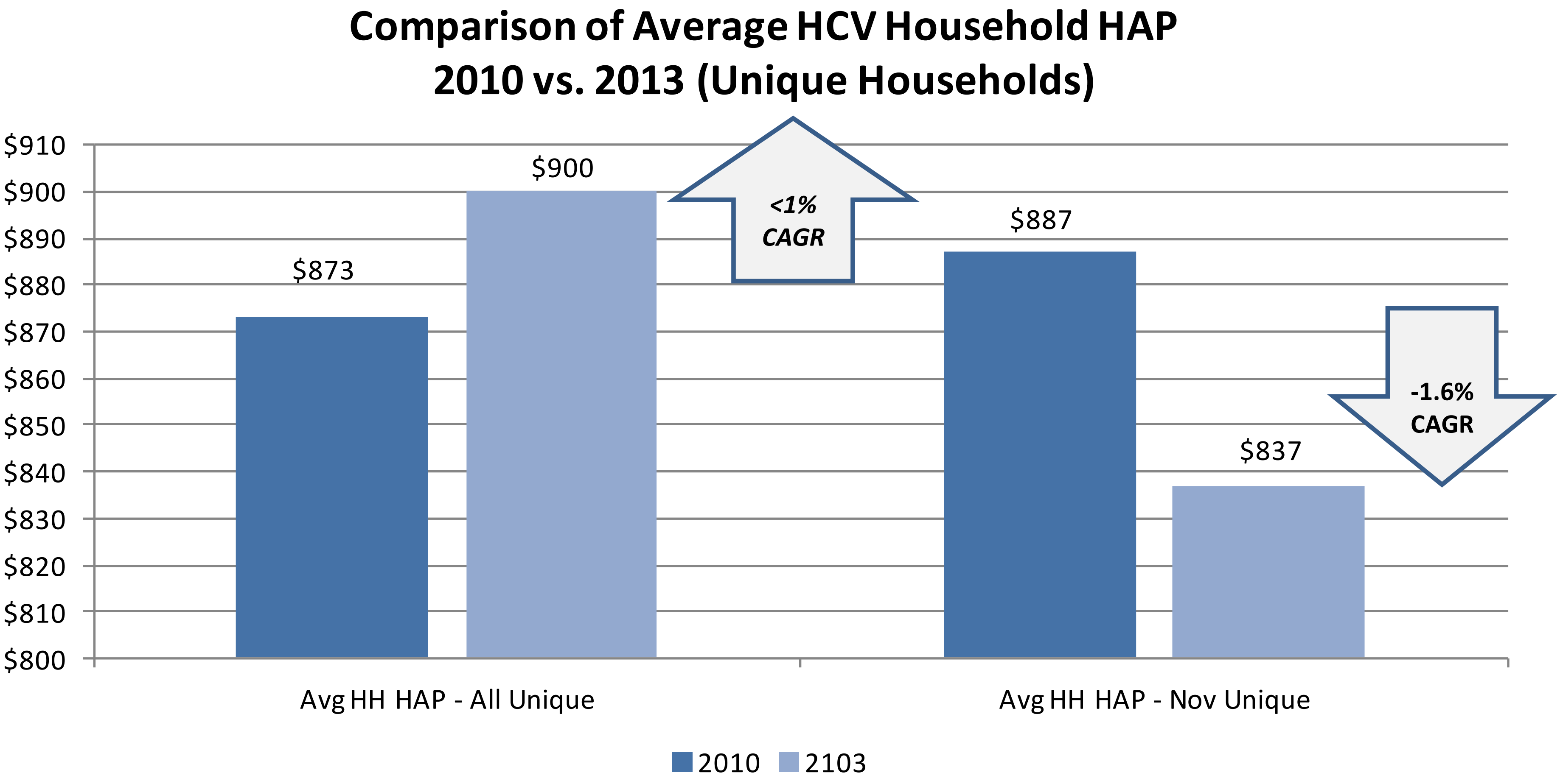
HCV

- Average HAP (housing assistance payment) for unique HCV WIN households increased from $873 to $900 between 2010 and 2013 (annual change of <1%).
- Average HAP (housing assistance payment) for unique HCV WIN households who have received their second MTW full recertification (November recert months) decreased from $887 in 2010 to $837 in 2013 (annual change of -1.6%).
- Average tenant rents for unique HCV WIN households increased from $266 to $306 between 2010 and 2013 (annual change of 4.1%).
- Average tenant rents for unique HCV WIN households who have received their second MTW full recertification (November recert months) decreased from $283 in 2010 to $363 in 2013 (annual change of 7.4%).

Public Housing

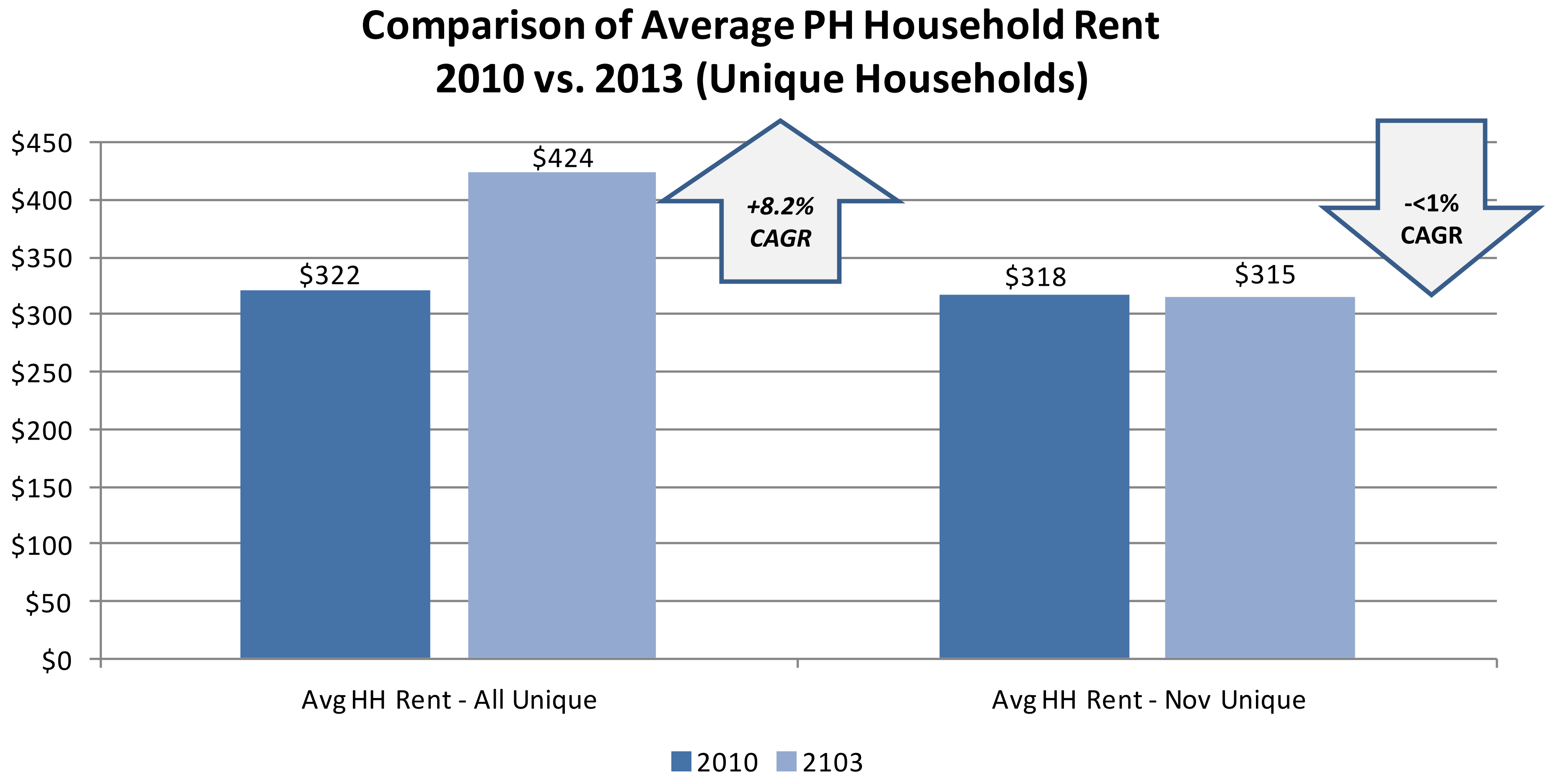
- Average tenant rents for unique PH WIN households increased from $322 to $424 between 2010 and 2013 (annual change of 8.2%).
- Average tenant rents for unique PH WIN households who have received their second MTW full recertification (November recert months) decreased from $318 in 2010 to $315 in 2013 (annual change of <1%).

HCV Household HAP Analysis



**Shelter Burden = (Rent+UA)/Gross Income*

PH Household Rent Analysis



**Shelter Burden = (Rent+UA)/Gross Income*

HAP and Rent Change Details

All S8 Work-Able HHs	2010	2013	Change	CAGR
Avg HH HAP	**$856**	**$879**	**$23**	**0.8%**
Avg HH Rent	**$287**	**$298**	**$11**	**1.1%**

S8 Work-Able Unique HHs	2010	2013	Change	CAGR
Avg HH HAP	**$873**	**$900**	**$27**	**0.9%**
Avg HH Rent	**$266**	**$306**	**$40**	**4.1%**

S8 Work-Able Nov Recerts Unique HHs	2010	2013	Change	CAGR
Avg HH HAP	**$887**	**$837**	**-$50**	**-1.6%**
Avg HH Rent	**$283**	**$363**	**$80**	**7.4%**

All PH Work-Able HHs	2010	2013	Change	CAGR
Avg HH Rent	**$320**	**$324**	**$4**	**0.4%**

PH Work-Able Unique HHs	2010	2013	Change	CAGR
Avg HH Rent	**$322**	**$424**	**$102**	**8.2%**

PH Work-Able Nov Recerts Unique HHs	2010	2013	Change	CAGR
Avg HH Rent	**$318**	**$315**	**-$3**	**-0.3%**

- Introduction and executive summary
- Income analysis for work-able population
- Staff time analysis related to recertifications
- **Household subsidy and rent analysis for work-able households**
- Recommendations
- Appendix

Recommendations

Recommendation #1

- **Re-run earned income analysis this May 2014 when 50% of work-able households will have completed their second full recertification under MTW rent reform. This will allow KCHA to assess whether the November increase is the start of a trend or a data anomaly.**
- Justification: Earned income per household is 18% higher (compared to all unique households) for WIN households who have had their second full MTW recertification.

Recommendation #2

- **Begin more rigorous tracking of full recerts and off-year adjustments to fully understand annual variation in work and benefits of reducing adjustments with improved operations and new software application.**
- Justification: It is difficult to differentiate full recerts from off-year adjustments in the current system (MST).

Recommendation #3

- **Eliminate off-year adjustments for the work-able population and automate off-year COLA adjustments for elderly/disabled population with new software.**
- Justification: In 2013, KCHA staff spent approximately 2,300 hours processing off-year adjustments in HCV and 1,200 hours in PH.

Recommendations (Cont.)

Recommendation #4

- **Implement "waves" for biennial and triennial recertifications that will allow for even distribution of work by month and year.** ***Note: this work is currently underway for HCV as part of the caseload optimization project.***
- Justification: KCHA is not realizing the full benefits of biennial and triennial recerts. Actual implementation was done so that all households received full recerts in the same year which leads to spikes in work during the full recert year and lulls in work during off-years.

Recommendation #5

- **Streamline recert packet preparation process in PH.**
- Justification: PH staff currently spend 15 minutes per recert and adjustment (approximately 650 hours in 2013) preparing packets. HCV staff prepare packets on a batch basis and only spend 2-5 minutes preparing packets for each recert or adjustment.

Recommendation #6

- **Execute a survey with work-able households that have realized large increased in earned income to understand the biggest drivers for success.**
- Justification: KCHA can use information related to working success stories in the evolution of its MTW and self-sufficiency policies.

- Introduction and executive summary
- Income analysis for work-able population
- Staff time analysis related to recertifications
- Household subsidy and rent analysis for work-able households
- Recommendations
- **Appendix**

November Unique HCV Household Income Analysis

Section 8: Unique Households (contained in 2010 and 2013 downloads) November Recerts Only

Population and Income Categories	2010 Avg HH*	2013 Avg HH*	Total % Change	% CAGR
Work-Able: All Income	$15,195	$17,711	16.6%	4.5%
Work-Able: Earnings + Self-Employment	$7,339	$11,056	50.6%	12.4%
Work-Able: Income Excl. Earnings & Self-Employment	$7,855	$6,656	-15.3%	-4.6%
Elderly/Disabled: All Income	$10,079	$10,941	8.5%	2.4%

Public Housing: Unique Households (contained in 2010 and 2013 downloads) November Recerts Only

Population and Income Categories	2010 Avg HH*	2013 Avg HH*	Total % Change	% CAGR
Work-Able: All Income	$18,590	$17,367	-6.6%	-1.9%
Work-Able: Earnings + Self-Employment	$10,310	$11,179	8.4%	2.3%
Work-Able: Income Excl. Earnings & Self-Employment	$8,280	$6,188	-25.3%	-8.0%
Elderly/Disabled: All Income	$11,209	$12,164	8.5%	2.4%

ALL and All Unique HCV Household Income Analysis

Section 8: All Households

Population and Income Categories	2010 Avg HH*	2013 Avg HH*	Total % Change	% CAGR
Work-Able: All Income	$15,428	$15,190	-1.5%	-0.4%
Work-Able: Earnings + Self-Employment	$7,700	$8,945	16.2%	4.4%
Work-Able: Income Excl. Earnings & Self-Employment	$7,728	$6,246	-19.2%	-5.9%
Elderly/Disabled: All Income	$10,579	$11,273	6.6%	1.8%

Section 8: Unique Households (contained in 2010 and 2013 downloads)

Population and Income Categories	2010 Avg HH*	2013 Avg HH*	Total % Change	% CAGR
Work-Able: All Income	$15,528	$15,658	0.8%	0.2%
Work-Able: Earnings + Self-Employment	$7,983	$9,351	17.1%	4.6%
Work-Able: Income Excl. Earnings & Self-Employment	$7,544	$6,307	-16.4%	-5.0%
Elderly/Disabled: All Income	$10,617	$11,385	7.2%	2.0%

ALL and All Unique PH Household Income Analysis

Public Housing: All Households

Population and Income Categories	2010 Avg HH*	2013 Avg HH*	Total % Change	% CAGR
Work-Able: All Income	$21,998	$17,985	-18.2%	-5.6%
Work-Able: Earnings + Self-Employment	$15,790	$12,971	-17.9%	-5.5%
Work-Able: Income Excl. Earnings & Self-Employment	$6,208	$5,014	-19.2%	-5.9%
Elderly/Disabled: All Income	$10,463	$10,895	4.1%	1.2%

Public Housing: Unique Households (contained in 2010 and 2013 downloads)

Population and Income Categories	2010 Avg HH*	2013 Avg HH*	Total % Change	% CAGR
Work-Able: All Income	$20,372	$22,847	12.1%	3.3%
Work-Able: Earnings + Self-Employment	$14,120	$17,933	27.0%	7.1%
Work-Able: Income Excl. Earnings & Self-Employment	$6,252	$4,914	-21.4%	-6.6%
Elderly/Disabled: All Income	$10,514	$11,248	7.0%	1.9%

TANF Analysis

Section 8: All Households

					ALL UNITS	*ALL UNITS*
	2010 TANF Units	**2010 Avg TANF**	**2013 TANF Units**	**2013 Avg TANF**	**2010 Avg TANF**	**2013 Avg TANF**
Work-Able	2,161	$6,128	1,427	$4,866	$2,107	$968
Elderly/Disabled	347	$692	319	$671	$67	$55

Section 8: Unique Households (contained in 2010 and 2013 downloads)

					ALL UNITS	*ALL UNITS*
Population and Income	**2010 TANF Units**	**2010 Avg TANF**	**2013 TANF Units**	**2013 Avg TANF**	**2010 Avg TANF**	**2013 Avg TANF**
Work-Able	1,672	$6,221	959	$4,811	$2,162	$959
Elderly/Disabled	276	$706	277	$672	$75	$72

Public Housing: All Households

					ALL UNITS	*ALL UNITS*
Population and Income	**2010 TANF Units**	**2010 Avg TANF**	**2013 TANF Units**	**2013 Avg TANF**	**2010 Avg TANF**	**2013 Avg TANF**
Work-Able	218	$6,083	225	$4,865	$1,314	$983
Elderly/Disabled	49	$1,398	38	$885	$50	$23

Public Housing: Unique Households (contained in 2010 and 2013 downloads)

					ALL UNITS	*ALL UNITS*
Population and Income	**2010 TANF Units**	**2010 Avg TANF**	**2013 TANF Units**	**2013 Avg TANF**	**2010 Avg TANF**	**2013 Avg TANF**
Work-Able	89	$6,250	47	$4,746	$1,312	$526
Elderly/Disabled	26	$1,541	21	$710	$47	$18

Assumed HCV Number of Recerts by Population

HCV Number of Full Recerts & Off-Year Adjustments Performed				
	2010	2013	Change	% Change
Work-able	6,285	7,174	889	14.1%
Elderly/Disabled	3,592	3,926	334	9.3%
Total	**9,877**	**11,100**	**1,223**	**12.4%**

HCV Recert Assumptions		
	2010	2013
WIN	**6,285**	**7,174**
WIN Full Recerts	6,285	7,174
WIN Off-Year Adj	n/a	0
Eld/Dis	**3,592**	**3,926**
Eld/Dis Full Recerts	3,592	0
Eld/Dis Off-Year Adj	n/a	3,926
All HCV	**9,877**	**11,100**
ALL Full Recerts	9,877	7,174
ALL Off-Year Adj	n/a	3,926

Analysis of HCV Staff Time for Recerts and Off-Year Adjustments

HCV Full Recert Time (mins)

	2010	2013	Change	% Change
Work-able	90.3	75.7	-14.6	-16.2%
Elderly/Disabled	82.6	41.8	-40.8	-49.4%

HCV Number of Full Recerts Performed

	2010	2013	Change	% Change
Work-able	6,285	7,174	889	14.1%
Elderly/Disabled	3,592	0	-3,592	-100.0%
Total	**9,877**	**7,174**	**-2,703**	**-27.4%**

HCV Staff Time (Hours) for Full Recerts Performed

	2010	2013	Change	% Change
Work-able	9,459	9,052	-407	-4.3%
Elderly/Disabled	4,943	0	-4,943	-100.0%
Total	**14,402**	**9,052**	**-5,350**	**-37.1%**

HCV Off-Year Adjustment Time (mins)

	2010	2013	Change	% Change
Work-able	n/a	43.8	43.8	n/a
Elderly/Disabled	n/a	34.6	34.6	n/a

HCV Number of Off-Year Adjustments Performed

	2010	2013	Change	% Change
Work-able	n/a	0	0	n/a
Elderly/Disabled	n/a	3,926	3,926	n/a

HCV Staff Time (Hours) for Off-Year Adjustments Performed

	2010	2013	Change	% Change
Work-able	n/a	0	0	n/a
Elderly/Disabled	n/a	2,262	2,262	n/a
Total	**0**	**2,262**	**2,262**	**n/a**

Assumed PH Number of Recerts by Population

PH Number of Full Recerts & Off-Year Adjustments Performed

	2010	2013	Change	% Change
Work-able	1,009	1,114	105	10.4%
Elderly/Disabled	1,370	1,465	95	6.9%
Total	**2,379**	**2,579**	**200**	**8.4%**

PH Recert Assumptions

	2010	2013
WIN	**1,009**	**1,114**
WIN Full Recerts	1,009	1,114
WIN Off-Year Adj	n/a	0
Eld/Dis	**1,370**	**1,465**
Eld/Dis Full Recerts	1,370	0
Eld/Dis Off-Year Adj	n/a	1,465
All PH	**2,379**	**2,579**
ALL Full Recerts	2,379	1,114
ALL Off-Year Adj	n/a	1,465

Analysis of PH Staff Time for Recerts and Off-Year Adjustments

PH Full Recert Time (mins)

	2010	2013	Change	% Change
Work-able	71.6	64.3	-7.4	-10.3%
Elderly/Disabled	70.6	58.1	-12.5	-17.8%

PH Number of Full Recerts Performed

	2010	2013	Change	% Change
Work-able	1,009	1,114	105	10.4%
Elderly/Disabled	1,370	0	-1,370	-100.0%
Total	**2,379**	**1,114**	**-1,265**	**-53.2%**

PH Staff Time (Hours) for Full Recerts Performed

	2010	2013	Change	% Change
Work-able	1,205	1,193	-12	-1.0%
Elderly/Disabled	1,612	0	-1,612	-100.0%
Total	**2,817**	**1,193**	**-1,624**	**-57.6%**

PH Off-Year Adjustment Time (mins)

	2010	2013	Change	% Change
Work-able	n/a	54.5	54.5	n/a
Elderly/Disabled	n/a	48.0	48.0	n/a

PH Number of Off-Year Adjustments Performed

	2010	2013	Change	% Change
Work-able	n/a	0	0	n/a
Elderly/Disabled	n/a	1,465	1,465	n/a

PH Staff Time (Hours) for Off-Year Adjustments Performed

	2010	2013	Change	% Change
Work-able	n/a	0	0	n/a
Elderly/Disabled	n/a	1,172	1,172	n/a
Total	**0**	**1,172**	**1,172**	**n/a**

2013 HCV Recert Process: Work-Able Families

	Process Steps	Relevant % Units	Mins per HH	Pro-rated mins per HH	Responsibility
1	Pulling annual review data from MST	100%	1.0	1.0	Sr HS
2	Prepare packets, run mail merge, and send to tenant and LL	100%	5.0	5.0	HA
3	Pull paper files from file room	100%	1.0	1.0	HA
4	Prepare list of missing items and mail to tenant	75%	25.0	18.8	HA
5	Run EIV and income discrpancy report if relevant	100%	5.0	5.0	HA
6	Run DSHS (TANF, wages, SS/SSI, zero income)	100%	2.0	2.0	HA
7	Verify child support	22%	5.0	1.1	HA
8	Verify wages	42%	15.0	6.3	HA
9	Verify self-employment income	3%	15.0	0.4	HA
10	Verify asset income*	0%	20.0	0.0	HA
11	Verify pension income	1%	0.0	0.0	HA
12	Verifying medical expenses	2%	30.0	0.6	HA
13	Verifying childcare expenses	8%	10.0	0.8	HA
14	Calculate energy assistance	100%	2.0	2.0	HA
15	Calculate effect of pro-rations	1%	15.0	0.2	HA
16	Rent reasonableness check	25%	7.5	1.9	HA
17	Complete rent calculation worksheet	100%	7.5	7.5	Sr HS
18	Enter rent calculation data into MST	100%	7.5	7.5	Sr HS
19	Mail rent change letter to tenant and landlord	100%	7.5	7.5	Sr HS
20	Enter into log, file, return to file room	100%	2.0	2.0	Sr HS
21	Audit files	10%	17.5	1.8	Sr HS
22	Post review Q&A with tenant	18%	20.0	3.5	Sr HS

**Only $5K threshold for tax credit properties*

TOTAL PRO-RATED RECERT TIME (MINS) 75.7

HA MINS 46.0

SR HS MINS 29.8

▨ shading indicates n/a or reduced for adjustments

Off-year adjustment mins 43.8

2013 HCV Recert Process: Elderly/Disabled Families

	Process Steps	Relevant % Units	Mins per HH	Pro-rated mins per HH	Responsibility
1	Pulling annual review data from MST	100%	1.0	1.0	Sr HS
2	Prepare packets, run mail merge, and send to tenant and LL	100%	2.0	2.0	HA
3	Pull paper files from file room	100%	1.0	1.0	HA
4	Prepare list of missing items and mail to tenant	20%	10.0	2.0	HA
5	Run EIV	100%	3.0	3.0	HA
6	Run DSHS	100%	2.0	2.0	HA
7	Verify child support	0%	5.0	0.0	HA
8	Verify wages	1%	15.0	0.2	HA
9	Verify self-employment income	0%	5.0	0.0	HA
10	Verify asset income*	0%	20.0	0.0	HA
11	Verify pension income	6%	5.0	0.3	HA
12	Verifying medical expenses	2%	30.0	0.7	HA
13	Verifying childcare expenses	0%	15.0	0.0	HA
14	Calculate energy assistance	100%	2.0	2.0	HA
15	Calculate effect of pro-rations	0%	15.0	0.0	HA
16	Rent reasonableness check	15%	7.5	1.1	HA
17	Complete rent calculation worksheet	100%	7.5	7.5	Sr HS
18	Enter rent calculation data into MST	100%	7.5	7.5	Sr HS
19	Mail rent change letter to tenant and landlord	100%	7.5	7.5	Sr HS
20	Enter into log, file, return to file room	100%	2.0	2.0	Sr HS
21	Audit files	10%	17.5	1.8	Sr HS
22	Post review Q&A with tenant	2%	10.0	0.2	Sr HS

**Only $5K threshold for tax credit properties*

TOTAL PRO-RATED RECERT TIME (MINS) 41.8

▨ shading indicates n/a or reduced for adjustments

HA MINS	**15.4**
SR HS MINS	**26.5**

Off-year adjustment mins 34.6

2013 PH Recert Process: Work-Able Families

PH WIN Rent Families

	Process Steps	Relevant % Units	Mins per HH	Pro-rated mins per HH	Responsibility
1	Pulling annual review data from MST	100%	2	2.0	PMS
2	Assembling annual review packets and mail/post; verify family comp; schedule inspection	100%	15	15.0	PMS
3	Sending reminder letters (and packets); and follow-up	25%	10	2.5	PMS
4	Make sure forms completed; check sex offender site; parking, send back if incomplete	100%	10	10.0	PMS
5	Run EIV	100%	3	3.0	PMS
6	Run DSHS (if TANF, child support, SSPS); currently running for all HHs	100%	2	2.0	PMS
7	Verify child support	11%	1	0.1	PMS
8	Verify wages with employers	47%	5	2.3	PMS
9	Verify self-employment income	3%	2	0.1	PMS
10	Verify pension income	0%	5	0.0	PMS
11	Verifying asset income	0%	5	0.0	PMS
12	Verifying medical expenses	0%	29	0.0	PMS
13	Verifying childcare expenses	0%	2	0.0	PMS
14	Verifying community service (those who are not exempt)	2%	2	0.0	PMS
15	Verify energy assistance	100%	0	0.0	PMS
16	Completing rent calculation worksheet/enter into MST	100%	8	7.5	PMS
17	Preparing final rent package (lease rider and letter)	100%	5	5.0	PMS
18	Rent change reviewed during inspection (excl. inspection time)	33%	5	1.7	PM
19	Follow-up to get lease rider signed	10%	5	0.5	PMS
20	Certify the file (QA checking numbers match forms/MST, all forms included); sign the 58	100%	10	10.0	PM
21	File away hard copy	100%	2	2.0	PMS
22	Post review Q&A with resident	10%	5	0.5	PM

TOTAL PRO-RATED RECERT TIME (MINS 64.3

shading indicates n/a or reduced for adjustments

PMS MINS 57.4
PM MINS 12.2

Off-year adjustment mins 54.5

Inspection time 10.0

Incremental Activities	Relevant % Units	Mins per HH	Pro-rated mins per HH	Responsibility
Verifying parking, registration and insurance	75%	5	3.8	PMS
Scan, index (OnBase) and file	100%	3	3.0	PMS

2013 PH Recert Process: Elderly/Disabled Families

PH EASY Rent Families

	Process Steps	Relevant % Units	Mins per HH	Pro-rated mins per HH	Responsibility
1	Pulling annual review data from MST	100%	1	1.0	PMS
2	Assembling annual review packets and mail/post; verify family comp; schedule inspection	100%	15	15.0	PMS
3	Sending reminder letters (and packets); and follow-up	15%	10	1.5	PMS
4	Make sure everything is there; check sex offender site; send back if incomplete	100%	5	5.0	PMS
5	Run EIV	100%	5	5.0	PMS
6	Run DSHS (if GAU or SS Supplement)	50%	5	2.5	PMS
7	Verify child support	0%	5	0.0	PMS
8	Verify wages with employers (1/2 of working families)	4%	5	0.2	PMS
9	Verify self-employment income	0%	5	0.0	PMS
10	Verify pension income	23%	6	1.4	PMS
11	Verifying asset income	1%	15	0.1	PMS
12	Verifying medical expenses	4%	20	0.8	PMS
13	Verifying childcare expenses	0%	0	0.0	PMS
14	Verifying community service (nearly all are exempt)	0%	0	0.0	PMS
15	Verify energy assistance	100%	0	0.0	PMS
16	Completing rent calculation worksheet/enter into MST	100%	5	5.0	PMS
17	Preparing final rent package (lease rider and letter)	100%	5	5.0	PMS
18	Rent change reviewed during inspection (excl. inspection time)	100%	5	5.0	PM
19	Follow-up to get lease rider signed	15%	15	2.3	PM
20	Certify the file (QA checking numbers match forms/MST, all forms included); sign the 58	100%	6	6.0	PM
21	File away hard copy	100%	2	2.0	PMS
22	Post review Q&A with resident	5%	5	0.3	PM

TOTAL PRO-RATED RECERT TIME (MINS) **58.1**

▭ shading indicates n/a or reduced for adjustments

PMS MINS **46.8**
PM MINS **11.3**

Off-year adjustment mins **48.0**

Inspection time **5.0**

Incremental Activities	Relevant % Units	Mins per HH	Pro-rated mins per HH	Responsibility
Verifying parking, registration and insurance	0%	5	0.0	PMS
Scan, index (OnBase) and file	100%	5	5.0	PMS

2008 HCV Recert Time Analysis*

HCV Elderly/Disabled

Process Steps	Relevant % Units	Time	Weighted Mins	Responsibility
Pull data from MST	100%	3.0	3.0	HA
Prepare and mail annual review packets	100%	5.0	5.0	HA
Find files for annual reviews	100%	5.0	5.0	HA
Fax letters to inspectors if landlord has indicated rent increase	50%	10.0	5.0	HA
Sending reminders and follow-ups: wave 1	50%	10.0	5.0	HA
Sending reminders and follow-ups: wave 2	25%	30.0	7.5	HA
Sending reminders and follow-ups: wave 3	10%	30.0	3.0	HA
Verify income in systems and via communications	100%	10.0	10.0	HA
Send follow-up letters for income verification	25%	10.0	2.5	HA
Verify reported assets	1%	2.0	0.0	HA
Verify reported medical expenses	17%	15.0	2.6	HS
Determine new utility allowance	100%	5.0	5.0	HS
Check/fix completed packet for errors and calculate rent	50%	30.0	15.0	HS
Prepare final package	100%	10.0	10.0	HS
File final forms	100%	3.0	3.0	HS
Answer questions from residents	20%	5.0	1.0	HS
		Total Minutes	82.6	

HCV Work-Able

Process Steps	Relevant % Units	Time	Weighted Mins	Responsibility
Pull data from MST	100%	3.0	3.0	HA
Prepare and mail annual review packets	100%	5.0	5.0	HA
Find files for annual reviews	100%	5.0	5.0	HA
Fax letters to inspectors if landlord has indicated rent increase	50%	10.0	5.0	HA
Sending reminders and follow-ups: wave 1	50%	10.0	5.0	HA
Sending reminders and follow-ups: wave 2	25%	30.0	7.5	HA
Sending reminders and follow-ups: wave 3	10%	30.0	3.0	HA
Verify income in systems and via communications	100%	20.0	20.0	HA
Send follow-up letters for income verification	25%	10.0	2.5	HA
Verify reported assets	1%	2.0	0.0	HA
Verify reported medical expenses	2%	15.0	0.3	HS
Determine new utility allowance	100%	5.0	5.0	HS
Check/fix completed packet for errors and calculate rent	50%	30.0	15.0	HS
Prepare final package	100%	10.0	10.0	HS
File final forms	100%	3.0	3.0	HS
Answer questions from residents	20%	5.0	1.0	HS
		Total Minutes	90.3	

**low time estimates per task used from 2008 low/high analysis since high estimates were more likely outlier situations*

2008 PH Recert Time Analysis*

PH Elderly/Disabled

Process Steps	Relevant % Units	Time	Weighted Mins	Responsibility
Pulling annual review data from MST	100%	3.00	3.0	PM/HA
Checking MST data against cards	100%	1.00	1.0	PM/HA
Assembling annual review packets	100%	15.00	15.0	PM/HA
Sending reminders and follow-ups	15%	5.00	0.8	PM/HA
Verifying SS, SSI, other income	100%	10.00	10.0	PM/HA
Verifying asset income	15%	5.00	0.8	PM/HA
Verifying medical expenses	17%	30.00	5.1	PM/HA
Completing rent calculation form/enter into MST	100%	15.00	15.0	PM/HA
Preparing final rent package	100%	10.00	10.0	PM/HA
Reviewing new rental agreement with tenant	100%	5.00	5.0	PM/HA
Filing final signed forms	100%	5.00	5.0	PM/HA
		Total	70.6	

PH Work-Able

Process Steps	Relevant % Units	Time	Weighted Mins	Responsibility
Pulling annual review data from MST	100%	3.00	3.0	PM/HA
Checking MST data against cards	100%	1.00	1.0	PM/HA
Assembling annual review packets	100%	15.00	15.0	PM/HA
Sending reminders and follow-ups	20%	10.00	2.0	PM/HA
Verifying SS, SSI, other income	100%	15.00	15.0	PM/HA
Verifying asset income	5%	5.00	0.2	PM/HA
Verifying medical expenses	1%	30.00	0.4	PM/HA
Completing rent calculation form/enter into MST	100%	15.00	15.0	PM/HA
Preparing final rent package	100%	10.00	10.0	PM/HA
Reviewing new rental agreement with tenant	100%	5.00	5.0	PM/HA
Filing final signed forms	100%	5.00	5.0	PM/HA
		Total	71.6	

**low time estimates per task used from 2008 low/high analysis since high estimates were more likely outlier situations*