King County Housing Authority

SPECIAL MEETING
OF THE
BOARD OF COMMISSIONERS

September 21, 2015 at 8:30 a.m.

Village at Overlake Station
Community Room
2580 152nd Avenue N.E.
Redmond, WA 98052

A G E N D A

I. Call to Order

II. Roll Call

III. Welcome to The Village at Overlake Station

IV. Public Comment

V. Approval of Minutes

Special Board Meeting Minutes – July 27, 2015 **1**

VI. Approval of Agenda

VII. Consent Agenda

A. Voucher Certification Reports for June 2015 **2**

B. Voucher Certification Reports for July 2015

VIII. Resolutions for Discussion & Possible Action

A. Resolution No. 5510: A Resolution of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed $10,000,000 to provide financing to a Washington limited partnership or limited liability limited partnership of which the Authority will be sole general partner in connection with the acquisition and rehabilitation of **3**

Corinthian Apartments project within King County, Washington and determining related matters

B. Resolution No. 5511: A Resolution of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed $17,000,000 to provide financing to a Washington limited partnership or limited liability limited partnership of which the Authority will be sole general partner in connection with the acquisition and rehabilitation of Spiritwood Manor project within King County, Washington, and determining related matters **4**

IX. Briefings & Reports

A. New Bank Accounts **5**

B. Second Quarter 2015 Financial Statements **6**

C. Risk Management & Insurance Programs Report **7**

D. 2010-2016 Resource Management Plan Report **8**

E. Moving to Work 2016 Draft Plan **9**

F. Executive Dashboard Report **10**

X. Study Session

A. Education Initiatives **11**

XI. Executive Director's Report

XII. KCHA in the News **12**

XIII. Commissioner Comments

XIV. 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:

Monday, October 12, 2015

TAB NUMBER 1

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

Monday, July 27, 2015

I. CALL TO ORDER

The special meeting of the Board of Commissioners of the King County Housing Authority was held on Monday, July 27, 2015, at Vantage Glen 18100 107th Place S.E. Renton, WA. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:30 a.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair), Commissioner Susan Palmer, Commissioner TerryLynn Stewart, Commissioner John Welch and Commissioner Michael Brown (Vice-Chair) who was not present during Roll Call arrived at 8:33 a.m.

Staff: Stephen Norman (Secretary), Aran Church, Bill Cook, John Eliason, Kathryn Escudero, Benita Farhound, Mary Gonzales-Hansen, Shawli Hathaway, Sean Heron, Megan Hyla, Dan Landes, Mary Kathleen Frances Moore, Jessica Olives, Sarah Oppenheimer, Nikki Parrott, Beth Pearson, Jennifer Ramirez Robson, Mike Reilly, Rhonda Rosenberg, Craig Violante, Tim Walter, Dan Watson, Kristin Winkel, and Wen Xu

Guests: Professor Kyle Crowder, Department of Sociology (University of Washington)

III. WELCOME TO VANTAGE GLEN

Mary Gonzales-Hansen welcomed the board, staff and guests and provided an overview of the property and the Vantage Glen community. Ms. Gonzales-Hansen explained that Vantage Glen is one of KCHA's senior living properties and has a unique buyback program. Ms. Gonzales-Hansen also introduced on-site Property Manager, Benita Farhound.

IV. PUBLIC COMMENT

Lillie Clinton, Citizen, commented that the computer available for residents at Villages at Overlake was too high and not accessible. She suggested a height adjustment is needed. Ms. Clinton also commented on concerns regarding the construction at Wells Wood and submitted request for reimbursement of her expenses related to the construction activities.

Jay Heist, Vantage Glen resident, had a question on KCHA's buyback program. Mr. Heist was advised that KCHA management will address his questions following the meeting.

Cecila Miller, Vantage Glen resident, commented on safety concerns regarding electrical service boxes behind units at the site. Ms. Miller also raised concerns about the condition of some trees on the property that might be a hazard when there is snow or wind.

Janet Murray, Vantage Glen resident, commented on a trip and fall incident in which she filed an incident report. Ms. Murray stated she wanted to bring the incident to KCHA's attention so that the sidewalk with the tripping hazard would be repaired.

V. APPROVAL OF MINUTES

On motion by Commissioner Stewart, seconded by Commissioner Palmer, the Board unanimously approved the minutes from the Board of Commissioner's special meeting of June 22, 2015.

VI. APPROVAL OF AGENDA

On motion by Commissioner Brown, seconded by Commissioner Stewart, the Board unanimously approved the July 27, 2015 Board of Commissioners' agenda.

VII. CONSENT AGENDA

A. Voucher Certification Report for May 2015 (General and Bond Properties)

May 2015

GENERAL PROPERTIES		
Bank Wires / ACH Withdrawals		4,956,574.47
	Subtotal	***4,956,574.47***
Accounts Payable Vouchers		
Checks - #248509-#249211		3,922,843.91
	Subtotal	***3,922,843.91***
Payroll Vouchers		
Checks - #83768-#83772 & #83784-#83806		34,852.32
Direct Deposit		1,226,157.32
	Subtotal	***14,261,009.64***
Section 8 Program Vouchers		
Checks - #609605-#610072		323,906.42
ACH - #311360-#314467		9,757,743.88
	Subtotal	***10,081,650.30***
Purchase Card / ACH Withdrawal		195,411.97
	Subtotal	***195,411.97***
	GRAND TOTAL	***24,448,532.29***
BOND PROPERTIES		
Bond Properties Total (30 different properties)		***2,254,093.26***

On motion by Commissioner Stewart, seconded by Commissioner Palmer, the Board unanimously approved the Consent items.

VIII. RESOLUTIONS FOR DISCUSSION AND POSSIBLE ACTION

A. Resolution No. 5509: A Resolution authorizing the acquisition of the Woodcreek Lane Apartments

Tim Walter, Senior Director of Acquisitions and Asset Management presented Resolution No. 5509 and stated that the Resolution would authorize the acquisition of Woodcreek Lane Apartments, a 20 unit property adjacent to KCHA's 30 unit Wells Wood Apartments. KCHA is currently in negotiations with the property owner and has not signed a purchase agreement. Mr. Walter explained that the purchase of the property would be subject to satisfactory results of due diligence inspections of the property.

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

On motion by Commissioner Brown, seconded by Commissioner Stewart, the Board unanimously approved Resolution No. 5509.

IX. BRIEFINGS & REPORTS

A. New Bank Accounts
Craig Violante, Director of Finance, reported that KCHA opened seven new bank accounts. Three checking accounts in relation to the acquisition of the Corinthian Apartments, three bank accounts pertaining to the Villages at South Station and one bank account and a full business checking account as part of the transition of the Authority's banking services to KeyBank.

B. Second Quarter 2015 Summary Write-Offs
Mr. Violante also reported on the Second Quarter write-offs for 2015 and explained that they were lower than the previous year as a result of efforts to clean up old and past-due accounts.

C. 2015 Mid-Year Financial Forecast
Mr. Violante also provided a 2015 Mid-Year Financial Forecast. Mr. Violante described the Forecast as a new process that replaced the formal approval of a mid-year budget revision. Mr. Violante provided a summary of the key revenue and expense projections. All questions raised by the Commissioners were satisfactorily addressed by staff.

D. Second Quarter 2015 Procurement Report
Connie Davis, Deputy Executive Director, reported on the procurement activities for the period January through March 2015. Ms. Davis mentioned that the report represents the activity involved in the award of contracts over the amount of $100,000 and change orders that cumulatively exceed 10% of the original contract amount.

E. 2015 Mid-Year Capital Expenditure Report
Dan Watson, Deputy Executive Director, provided a detail presentation on the 2015 Mid-Year Capital Expenditure Report.

F. Services for Seniors Living in Family Developments
Shawli Hathaway, Assistant Director of Resident Services, provided an overview of a recent assessment of services provided to seniors living in KCHA family development properties.

X. STUDY SESSION

Executive Director, Stephen Norman, provided an overview and framing of the study session on housing mobility and geographic choice. Mr. Norman explained that KCHA has long recognized the importance of mobility and has implemented a number of strategies over the years to improve geographic choice and access to high opportunity neighborhoods. The recent Supreme Court ruling on disparate impact and the passage of new fair housing rules by HUD have increased the focus on the importance of neighborhood choice, segregation and mobility.

Mr. Norman introduced Kyle Crowder, Professor of the Sociology Department at the University of Washington. Mr. Crowder provided the Board of Commissioners with an overview of recent research on the impacts of neighborhoods on families and individuals and what factors are involved in neighborhood selection and geographic mobility.

XI. EXECUTIVE DIRECTOR'S REPORT

None.

XII. KCHA in the News

None.

XIII. COMMISSIONER COMMENTS

None.

XIV. TOUR OF VANTAGE POINT CONSTRUCTION PROGRESS

The Chair adjourned the meeting at 11:05 a.m. and provided notice that the board will reconvene at the entrance to the Vantage Point construction site at 17901 105th Place, Renton, Washington at 11:15 a.m. for a construction progress tour.

XV. ADJOURNMENT

Following the Vantage Point Construction site tour, the Board adjourned the meeting at 11:50 a.m.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

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DOUGLAS J. BARNES, Chair
Board of Commissioners

____
STEPHEN J. NORMAN
Secretary

TAB NUMBER 2

King County Housing Authority

To: Board of Commissioners

From: Linda Riley, Controller

Date: July 29, 2015

Re: **VOUCHER CERTIFICATION FOR JUNE 2015**

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
July 29, 2015

Bank Wires / ACH Withdrawals		8,226,192.63
	Subtotal	***8,226,192.63***
Accounts Payable Vouchers		
Checks - #249212-#249729		3,254,947.36
	Subtotal	***3,254,947.36***
Payroll Vouchers		
Checks - #83807-#83848		41,139.55
Direct Deposit		1,220,796.71
	Subtotal	***1,261,936.26***
Section 8 Program Vouchers		
Checks - #610073-#610453		227,447.53
ACH - #314468-#317593		9,816,299.33
	Subtotal	***10,043,746.86***
Purchase Card / ACH Withdrawal		168,414.39
	Subtotal	***168,414.39***
	GRAND TOTAL	***22,955,237.50***

King County Housing Authority

To: Board of Commissioners

From: Linda Riley, Controller

Date: August 31, 2015

Re: **VOUCHER CERTIFICATION FOR JULY 2015**

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 31, 2015

Bank Wires / ACH Withdrawals		4,663,402.13
	Subtotal	***4,663,402.13***
Accounts Payable Vouchers		
Checks - #249730-#250410 + #300001		4,157,713.31
	Subtotal	***4,157,713.31***
Payroll Vouchers		
Checks - #83849-#83900		60,673.25
Direct Deposit		1,885,022.07
	Subtotal	***1,945,695.32***
Section 8 Program Vouchers		
Checks - #610454-#610829		215,171.13
ACH - #317594-#320649		9,759,938.72
	Subtotal	***9,975,109.85***
Purchase Card / ACH Withdrawal		172,534.78
	Subtotal	***172,534.78***
	GRAND TOTAL	***20,914,455.39***

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

FROM: Wen Xu

SUBJECT: **VOUCHER CERTIFICATION FOR JUNE 2015**

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
July 15, 2015

Property	Wired to Operating Account(s) for Obligations of Property			Notes:
Jun-15	Date	$	Claim	
Bellepark East	06/01/2015	$75,000.00	Cash to KCHA	
	06/04/2015	$7,955.49	A/P	
	06/11/2015	$18,855.12	A/P & Payroll	
	06/18/2015	$3,615.17	A/P	
	06/25/2015	$14,641.10	A/P & Payroll	
Colonial Gardens	06/01/2015	$50,000.00	Cash to KCHA	
	06/04/2015	$6,914.77	A/P	
	06/11/2015	$5,520.30	A/P & Payroll	
	06/18/2015	$4,448.85	A/P	
	06/25/2015	$6,041.67	A/P & Payroll	
Cottonwood	06/01/2015	$25,000.00	Cash to KCHA	
	06/04/2015	$6,678.03	A/P	
	06/11/2015	$16,554.85	A/P & Payroll	
	06/18/2015	$9,408.74	A/P	
	06/25/2015	$9,210.03	A/P & Payroll	
Cove East	06/01/2015	$50,000.00	Cash to KCHA	
	06/04/2015	$13,621.08	A/P	
	06/11/2015	$20,854.28	A/P & Payroll	
	06/18/2015	$20,968.07	A/P	
	06/25/2015	$41,516.64	A/P & Payroll	
Landmark	06/01/2015	$200,000.00	Cash to KCHA	
	06/04/2015	$18,448.44	A/P	
	06/11/2015	$24,908.66	A/P & Payroll	
	06/18/2015	$2,017.78	A/P	
	06/25/2015	$17,440.74	A/P & Payroll	
Timberwood	06/01/2015	$75,000.00	Cash to KCHA	
	06/04/2015	$17,102.68	A/P	
	06/11/2015	$27,020.16	A/P & Payroll	
	06/18/2015	$10,117.49	A/P	
	06/25/2015	$37,895.00	A/P & Payroll	
Woodland North	06/04/2015	$33,407.33	A/P	
	06/11/2015	$8,689.99	A/P & Payroll	
	06/18/2015	$9,025.59	A/P	
	06/25/2015	$17,464.56	A/P & Payroll	
Woodside East	06/01/2015	$200,000.00	Cash to KCHA	
	06/04/2015	$15,123.65	A/P	
	06/11/2015	$52,773.28	A/P & Payroll	
	06/25/2015	$25,328.00	A/P & Payroll	
Alpine Ridge	06/01/2015	$38,000.00	Cash to KCHA	
	06/04/2015	$4,099.07	Payroll & A/P	
	06/11/2015	$5,076.62	A/P	
	06/15/2015	$4,375.00	Buffer Funds	
	6/18/2015	$2,156.89	Payroll	
	6/25/2015	$14,252.62	A/P	
Aspen Ridge	06/01/2015	$100,000.00	Cash to KCHA	
	06/04/2015	$6,876.01	Payroll & A/P	
	06/11/2015	$15,458.53	A/P	
	06/15/2015	$4,375.00	Buffer Funds	
	6/18/2015	$4,244.00	Payroll	
	6/25/2015	$3,626.36	A/P	
Auburn Square	06/01/2015	$100,000.00	Cash to KCHA	
	06/04/2015	$13,224.42	Payroll & A/P	
	06/11/2015	$48,603.13	A/P	
	06/15/2015	$4,375.00	Buffer Funds	
	6/18/2015	$8,642.34	Payroll	
	6/25/2015	$36,081.76	A/P	
Carriage House	06/01/2015	$100,000.00	Cash to KCHA	
	06/04/2015	$16,077.07	Payroll & A/P	
	06/11/2015	$25,915.62	A/P	
	06/15/2015	$4,375.00	Buffer Funds	
	6/18/2015	$11,098.72	Payroll	
	6/25/2015	$18,697.16	A/P	
Cascadian	06/01/2015	$201,000.00	Cash to KCHA	
	06/04/2015	$19,207.38	Payroll & A/P	
	06/11/2015	$14,406.19	A/P	
	06/15/2015	$4,375.00	Buffer Funds	
	6/18/2015	$11,363.89	Payroll	
	6/25/2015	$33,112.95	A/P	
Fairwood	06/01/2015	$117,000.00	Cash to KCHA	
	06/04/2015	$14,416.11	Payroll & A/P	
	06/11/2015	$28,351.01	A/P	
	06/15/2015	$4,375.00	Buffer Funds	
	6/18/2015	$9,173.07	Payroll	
	6/25/2015	$16,198.15	A/P	
Heritage Park	06/01/2015	$60,000.00	Cash to KCHA	
	06/04/2015	$8,165.12	Payroll & A/P	
	06/11/2015	$25,474.59	A/P	

	06/15/2015	$4,375.00	Buffer Funds
	6/18/2015	$4,858.28	Payroll
	6/25/2015	$10,280.81	A/P
Laurelwood	06/01/2015	$50,000.00	Cash to KCHA
	06/04/2015	$9,787.53	Payroll & A/P
	06/11/2015	$17,692.94	A/P
	06/15/2015	$4,375.00	Buffer Funds
	6/18/2015	$5,824.54	Payroll
	6/25/2015	$32,565.69	A/P
Meadows	06/04/2015	$22,011.67	Payroll & A/P
	06/11/2015	$7,255.92	A/P
	06/15/2015	$4,375.00	Buffer Funds
	6/18/2015	$10,356.71	Payroll
	6/25/2015	$39,436.36	A/P
Newporter	06/04/2015	$12,645.68	Payroll & A/P
	06/11/2015	$16,377.33	A/P
	06/15/2015	$4,375.00	Buffer Funds
	6/18/2015	$8,224.67	Payroll
	6/25/2015	$57,029.13	A/P
Parkwood	06/01/2015	$100,000.00	Cash to KCHA
	06/04/2015	$8,464.47	Payroll & A/P
	06/11/2015	$15,072.19	A/P
	06/15/2015	$4,375.00	Buffer Funds
	6/18/2015	$4,521.60	Payroll
	6/25/2015	$16,593.86	A/P
Somerset East	06/01/2015	$10,889.20	Debt Service
	06/04/2015	$7,340.93	Payroll & A/P
	06/11/2015	$35,619.40	A/P
	06/15/2015	$4,375.00	Buffer Funds
	6/18/2015	$4,329.67	Payroll
	6/25/2015	$20,801.00	A/P
	6/26/2015	$813.03	A/P
Somerset West	06/01/2015	$5,363.34	Debt Service
	06/04/2015	$9,590.76	Payroll & A/P
	06/11/2015	$52,569.24	A/P
	06/15/2015	$4,375.00	Buffer Funds
	6/18/2015	$7,072.93	Payroll
	6/25/2015	$24,219.39	A/P
	6/26/2015	$993.71	A/P
Walnut Park	06/01/2015	$200,000.00	Cash to KCHA
	06/04/2015	$10,909.45	Payroll & A/P
	06/11/2015	$172,398.89	A/P
	06/15/2015	$4,375.00	Buffer Funds
	6/18/2015	$5,040.13	Payroll
	6/25/2015	$9,334.23	A/P
Windsor Heights	06/04/2015	$22,664.16	Payroll & A/P
	06/11/2015	$91,922.38	A/P
	06/15/2015	$4,375.00	Buffer Funds
	6/18/2015	$14,359.18	Payroll
	6/25/2015	$52,939.24	A/P
Woodridge Park	06/01/2015	$59,000.00	Cash to KCHA
	06/04/2015	$16,574.15	Payroll & A/P
	06/11/2015	$34,221.86	A/P
	06/15/2015	$4,375.00	Buffer Funds
	6/18/2015	$11,180.92	Payroll
	6/25/2015	$54,115.66	A/P
Meadowbrook	06/04/2015	$18,628.19	A/P
	06/18/2015	$81,420.63	A/P
Bellevue Manor	06/11/2015	$17,423.79	A/P
	06/25/2015	$5,945.42	A/P
Charter House	06/11/2015	$8,519.93	A/P
	06/25/2015	$3,728.80	A/P
Northwood Square	06/11/2015	$13,687.19	A/P
	06/25/2015	$4,838.28	A/P
Patricia Harris	06/11/2015	$11,822.18	A/P
	06/25/2015	$31,712.63	A/P
Vashon Terrace	06/11/2015	$4,227.55	A/P
	06/25/2015	$3,383.99	A/P
Rainier View I	06/09/2015	$11,674.00	A/P
	06/09/2015	$14,592.79	A/P
Rainier View II	06/09/2015	$7,185.19	A/P
	06/16/2015	$9,097.99	A/P
Si View	06/16/2015	$3,833.80	A/P
	06/16/2015	$8,242.00	A/P
Gilman Square	06/02/2015	$6,119.07	Payroll
	06/04/2015	$3,687.85	A/P
	06/16/2015	$5,457.59	Payroll
	06/18/2015	$23,929.94	A/P
	06/30/2015	$6,270.00	Payroll
	Portfolio Total:	**$4,085,348.25**	

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

FROM: Wen Xu

SUBJECT: **VOUCHER CERTIFICATION FOR JULY 2015**

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 5, 2015

Property	Wired to Operating Account(s) for Obligations of Property			Notes:
Jul-15	Date	$	Claim	
Bellepark East	07/09/2015	$20,534.55	A/P & Payroll	
	07/16/2015	$22,276.48	A/P	
	07/23/2015	$5,015.54	A/P & Payroll	
Colonial Gardens	07/09/2015	$9,817.56	A/P & Payroll	
	07/16/2015	$1,567.63	A/P	
	07/23/2015	$9,182.57	A/P & Payroll	
	7/30/2015	$5,854.22	A/P	
Cottonwood	07/02/2015	$2,888.79	A/P	
	07/09/2015	$24,786.77	A/P & Payroll	
	07/16/2015	$2,351.18	A/P	
	07/23/2015	$13,769.81	A/P & Payroll	
	7/30/2015	$3,152.52	A/P	
Cove East	07/02/2015	$2,917.21	A/P	
	07/09/2015	$19,489.67	A/P & Payroll	
	07/16/2015	$10,632.88	A/P	
	07/23/2015	$14,175.25	A/P & Payroll	
	7/30/2015	$5,990.30	A/P	
Landmark	07/02/2015	$1,033.24	A/P	
	07/09/2015	$40,369.47	A/P & Payroll	
	07/16/2015	$13,450.44	A/P	
	07/23/2015	$43,012.78	A/P & Payroll	
	7/30/2015	$47,202.47	A/P	
Timberwood	07/02/2015	$28,578.06	A/P	
	07/09/2015	$35,769.75	A/P & Payroll	
	07/16/2015	$55,485.39	A/P	
	07/23/2015	$111,250.21	A/P & Payroll	
	7/30/2015	$19,915.29	A/P	
Woodland North	07/02/2015	$14,648.96	A/P	
	07/09/2015	$11,084.73	A/P & Payroll	
	07/16/2015	$4,810.99	A/P	
	07/23/2015	$6,149.18	A/P & Payroll	
	7/30/2015	$12,242.22	A/P	
Woodside East	07/02/2015	$11,198.61	A/P	
	07/09/2015	$68,299.79	A/P & Payroll	
	07/16/2015	$44,819.79	A/P	
	07/23/2015	$24,825.58	A/P & Payroll	
	7/30/2015	$58,598.68	A/P	
Alpine Ridge, Aspen Ridge, Auburn Square, Carriage House, Cascadian, Fairwood, Heritage Park, Laurelwood, Meadows, Newporter, Parkwood, Somerset East, Somerset West, Walnut Park, Windsor Heights,	07/02/2015	$117,250.94	Payroll	
	07/09/2015	$78,563.85	A/P	
	07/16/2015	$713,311.20	A/P & Payroll	
	07/16/2015	$271,990.47	A/P & Payroll	
	07/16/2015	$23,155.00	Debt Service	
	07/16/2015	$16,586.33	Debt Service	
	7/30/2015	$658,149.27	A/P & Payroll	
	7/30/2015	$152,941.04	A/P & Payroll	
Somerset West	7/30/2015	$1,103.09	Correct Deposit	
Meadowbrook	07/02/2015	$28,893.25	A/P	
	7/16/2015	$24,725.01	A/P	
	7/30/2015	$24,073.67	A/P	
Bellevue Manor	07/16/2015	$28,007.85	A/P	
	7/30/2015	$4,509.83	A/P	
Charter House	07/16/2015	$9,259.41	A/P	
	7/30/2015	$3,809.66	A/P	
Northwood Square	07/16/2015	$13,096.21	A/P	
	7/30/2015	$22,785.08	A/P	
Patricia Harris	07/16/2015	$19,235.35	A/P	
	7/30/2015	$31,481.84	A/P	
Vashon Terrace	07/16/2015	$18,171.42	A/P	
	7/30/2015	$2,624.47	A/P	

Rainier View I	07/09/2015	$4,559.37	A/P	
	07/16/2015	$8,581.30	A/P	
	07/23/2015	$3,399.75	A/P	
Rainier View II	07/09/2015	$11,907.69	A/P	
	07/16/2015	$11,262.25	A/P	
	07/23/2015	$4,098.82	A/P	
Si View	07/09/2015	$9,164.48	A/P	
	07/16/2015	$6,818.39	A/P	
	07/23/2015	$1,985.99	A/P	
Gilman Square	07/02/2015	$55,862.54	A/P	
	07/10/2015	$22,704.07	A/P	
	7/28/2015	$6,117.36	Payroll	
	07/28/2015	$50,557.84	A/P	
Villages at South Station	7/2/2015	$5,300.00	New account buffer	
	07/20/2015	$4,211.52	A/P	
	7/28/2015	$23,829.45	Payroll	
	7/30/2015	$11,171.58	A/P	
	Portfolio Total:	**$3,332,358.00**		

TAB NUMBER 3

King County Housing Authority

To: Board of Commissioners

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

Date: September 14, 2015

Re: **Resolution No. 5510: A Resolution of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed $10,000,000 to provide financing to a Washington limited partnership or limited liability limited partnership of which the Authority will be sole general partner in connection with the acquisition and rehabilitation of Corinthian Apartments project within King County, Washington, and determining related matters**

Resolution No. 5510 is a bond inducement resolution authorizing KCHA's intention to issue up to $10,000,000 in private activity bonds to provide financing for the tax credit conversion and rehabilitation of KCHA's recently acquired Corinthian Apartments. The passage of this resolution in no way obligates or commits KCHA to ultimately issue these bonds but meets an IRS requirement that allows project related costs incurred prior to the issuance of the bonds to be later reimbursed out of bond proceeds if and when the bonds are issued. KCHA will bring a full project review to the Board of Commissioners describing the proposed financing and rehabilitation of the Corinthian later this fall.

The Corinthian Apartments are located at 3039 S 154th St. in SeaTac and consist of 95 units – 14 Studios, 55 one-bedroom and 26 two-bedroom units.

Subject to the final review and approval of the Board of Commissioners later this fall, the bonds are anticipated to be issued in December 2015 or January 2016. As mentioned above, the passage of this resolution does not obligate nor commit KCHA to issue bonds for the project at this time.

Staff recommends passage of Resolution No. 5510.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5510

(CORINTHIAN APARTMENTS)

A RESOLUTION of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed $10,000,000 to provide financing to a Washington limited partnership or limited liability limited partnership of which the Authority will be sole general partner in connection with the acquisition and rehabilitation of Corinthian Apartments project within King County, Washington, and determining related matters.

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. 5510

(CORINTHIAN APARTMENTS)

A RESOLUTION of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed $10,000,000 to provide financing to a Washington limited partnership or limited liability limited partnership of which the Authority will be sole general partner in connection with the acquisition and rehabilitation of Corinthian Apartments project within King County, Washington, 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(5) provides that a housing authority may, among other things and if certain conditions are met, "lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project"; 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(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income"; and

WHEREAS, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

WHEREAS, the Authority intends to form a Washington limited partnership or limited liability limited partnership of which the Authority will be the sole general partner (the "Borrower") to finance the acquisition (for federal tax purposes) by the Borrower and rehabilitation of the 95-unit multifamily housing complex known as the Corinthian Apartments located at 3039 S 154th Street, SeaTac, in King County, Washington, to provide housing for low-income persons (the "Project"), the estimated cost of which is not expected to exceed $20,000,000; and

WHEREAS, the Authority anticipates that the Borrower will request that the Authority issue and sell its revenue bonds for the purpose of assisting the Borrower in financing the Project; and

WHEREAS, the Authority desires to provide such assistance, if certain conditions are met; and

WHEREAS, Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility that are made before the issue date of bonds issued to provide financing for that facility to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse any such expenditures from the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of such regulations; NOW, THEREFORE,

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

<u>Section 1</u>. To assist in the financing of the Project, with the public benefits resulting therefrom, the Authority declares its intention, subject to the conditions and terms set forth herein, to issue and sell its revenue bonds or other obligations (the "Bonds") in a principal amount of not to exceed $10,000,000, and to reimburse itself or to permit the Borrower to reimburse itself, as

applicable, from proceeds of the Bonds for expenditures for the Project made by the Authority or the Borrower before the issue date of the Bonds.

Section 2. The proceeds of the Bonds will be used to assist in financing the Project, and may also be used to pay all or part of the costs incident to the authorization, sale, issuance and delivery of the Bonds.

Section 3. The Bonds will be payable solely from the revenues derived as a result of the Project financed by the Bonds, including, without limitation, amounts received under the terms of any financing document or by reason of any additional security furnished by or on behalf of the Borrower in connection with the financing of the Project, as specified by resolution of the Board of Commissioners of the Authority. The Bonds may be issued in one or more series, and shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall later be provided by resolution of the Board of Commissioners of the Authority.

Section 4. The Bonds shall be issued subject to the conditions that (a) the Authority, the Borrower and the purchaser of the Bonds shall have first agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of the loan or other agreement for the Project, and (b) all governmental approvals and certifications and findings required by laws applicable to the Bonds first shall have been obtained. The Executive Director of the Authority or his or her designee is authorized to seek an allocation of volume cap for the Bonds from the Washington State Department of Commerce (or a transfer of volume cap from the Washington State Housing Finance Commission), and to seek such other approvals and funding as may be necessary or desirable in connection with the Project.

Section 5. For purposes of applicable Treasury Regulations, the Borrower is authorized to commence financing of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issue of Bonds authorized herein. However, the adoption of this resolution does not constitute a guarantee that the Bonds will be issued or that the Project will be financed as described herein, or an endorsement of the Project by the Authority. The Board of Commissioners of the Authority shall have the absolute right to rescind this resolution at any time if it determines in its sole judgment that the risks associated with the issuance of the Bonds are unacceptable.

Section 6. It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of the Bonds, for the purposes of Treasury Regulations Sections 1.103-8(a)(5) and 1.150-2.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 21st day of September, 2015.

HOUSING AUTHORITY OF THE COUNTY OF KING

____
Chair, Board of Commissioners

ATTEST:

____
Secretary-Treasurer and Executive Director

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. 5510 (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 21, 2015, 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 600 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 21st day of September, 2015.

____
Stephen Norman, Secretary and Executive Director
of the Authority

APPENDIX I

TAB NUMBER 4

To: Board of Commissioners

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

Date: September 14, 2015

Re: **Resolution No. 5511: A Resolution of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed $17,000,000 to provide financing to a Washington limited partnership or limited liability limited partnership of which the Authority will be sole general partner in connection with the acquisition and rehabilitation of Spiritwood Manor project within King County, Washington, and determining related matters**

Resolution No. 5511 is a bond inducement resolution authorizing KCHA's intention to issue up to $17,000,000 in private activity bonds to provide financing for the tax credit conversion and rehabilitation of KCHA's Spiritwood Manor Apartments. The passage of this resolution in no way obligates or commits KCHA to ultimately issue these bonds but meets an IRS requirement that allows project related costs incurred prior to the issuance of the bonds to be later reimbursed out of bond proceeds if and when the bonds are issued. KCHA will bring a full project review to the Board of Commissioners describing the proposed financing and rehabilitation of Spiritwood Manor later this fall.

The Spiritwood Manor Apartments are located at 1424 148th Ave SE in Bellevue and consist of 128 residential units - 12 one-bedroom, 61 two-bedroom and 55 three-bedroom units.

Subject to the final review and approval of the Board of Commissioners later this fall, the bonds are anticipated to be issued in December, 2015 or January 2016. As mentioned above, the passage of this resolution does not obligate nor commit KCHA to issue bonds for the project at this time.

Staff recommends passage of Resolution No. 5511.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5511

(SPIRITWOOD MANOR)

A RESOLUTION of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed $17,000,000 to provide financing to a Washington limited partnership or limited liability limited partnership of which the Authority will be sole general partner in connection with the acquisition and rehabilitation of Spiritwood Manor project within King County, Washington, and determining related matters.

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. 5511

(SPIRITWOOD MANOR)

A RESOLUTION of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed $17,000,000 to provide financing to a Washington limited partnership or limited liability limited partnership of which the Authority will be sole general partner in connection with the acquisition and rehabilitation of Spiritwood Manor project within King County, Washington, 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(5) provides that a housing authority may, among other things and if certain conditions are met, "lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project"; 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(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income"; and

WHEREAS, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

WHEREAS, the Authority intends to form a Washington limited partnership or limited liability limited partnership of which the Authority will be the sole general partner (the "Borrower") to finance the acquisition (for federal tax purposes) by the Borrower and rehabilitation of the 128-unit multifamily housing complex known as Spiritwood Manor, located at 1424 148th Avenue SE, Bellevue, in King County, Washington, to provide housing for low-income persons (the "Project"), the estimated cost of which is not expected to exceed $33,000,000; and

WHEREAS, the Authority anticipates that the Borrower will request that the Authority issue and sell its revenue bonds for the purpose of assisting the Borrower in financing the Project; and

WHEREAS, the Authority desires to provide such assistance, if certain conditions are met; and

WHEREAS, Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility that are made before the issue date of bonds issued to provide financing for that facility to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse any such expenditures from the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of such regulations; NOW, THEREFORE,

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

<u>Section 1</u>. To assist in the financing of the Project, with the public benefits resulting therefrom, the Authority declares its intention, subject to the conditions and terms set forth herein, to issue and sell its revenue bonds or other obligations (the "Bonds") in a principal amount of not to exceed $17,000,000, and to reimburse itself or to permit the Borrower to reimburse itself, as

applicable, from proceeds of the Bonds for expenditures for the Project made by the Authority or the Borrower before the issue date of the Bonds.

Section 2. The proceeds of the Bonds will be used to assist in financing the Project, and may also be used to pay all or part of the costs incident to the authorization, sale, issuance and delivery of the Bonds.

Section 3. The Bonds will be payable solely from the revenues derived as a result of the Project financed by the Bonds, including, without limitation, amounts received under the terms of any financing document or by reason of any additional security furnished by or on behalf of the Borrower in connection with the financing of the Project, as specified by resolution of the Board of Commissioners of the Authority. The Bonds may be issued in one or more series, and shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall later be provided by resolution of the Board of Commissioners of the Authority.

Section 4. The Bonds shall be issued subject to the conditions that (a) the Authority, the Borrower and the purchaser of the Bonds shall have first agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of the loan or other agreement for the Project, and (b) all governmental approvals and certifications and findings required by laws applicable to the Bonds first shall have been obtained. The Executive Director of the Authority or his or her designee is authorized to seek an allocation of volume cap for the Bonds from the Washington State Department of Commerce (or a transfer of volume cap from the Washington State Housing Finance Commission), and to seek such other approvals and funding as may be necessary or desirable in connection with the Project.

Section 5. For purposes of applicable Treasury Regulations, the Borrower is authorized to commence financing of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issue of Bonds authorized herein. However, the adoption of this resolution does not constitute a guarantee that the Bonds will be issued or that the Project will be financed as described herein, or an endorsement of the Project by the Authority. The Board of Commissioners of the Authority shall have the absolute right to rescind this resolution at any time if it determines in its sole judgment that the risks associated with the issuance of the Bonds are unacceptable.

Section 6. It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of the Bonds, for the purposes of Treasury Regulations Sections 1.103-8(a)(5) and 1.150-2.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 21st day of September, 2015.

HOUSING AUTHORITY OF THE COUNTY OF KING

____
Chair, Board of Commissioners

ATTEST:

____
Secretary-Treasurer and Executive Director

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. 5511 (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 21, 2015, 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 600 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 21st day of September, 2015.

____

Stephen Norman, Secretary and Executive Director
of the Authority

APPENDIX I

TAB NUMBER 5

To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: September 14, 2015

Re: **New Bank Accounts**

Since the last Board meeting KCHA has opened 10 new bank accounts.

Meadowbrook Apartments

- Housing Authority of the County of King – Meadowbrook Depository
- Madrona Ridge Residential LLC Trustee – Housing Authority of the County of King – Meadowbrook Operating
- Madrona Ridge Residential LLC Trustee – Housing Authority of the County of King – Meadowbrook Security Deposit

Bank: Bank of America (Depository), U.S. Bank (Operating and Security Deposit)

Purpose: The Authority has changed management companies for Meadowbrook Apartments resulting in the need for new bank accounts.

The Authority opened a full business checking account with Bank of America that will be used to receive and hold property income. The Depository Account will also wire funds to the Operating Account to fund operating expenses.

The Operating Account will be used to pay operating expenses related to the property. The account will primarily receive wires from the Depository Account and issue checks. Wire transfers will be made to the Operating Account to pay for the property's operating expenses.

The Security Deposit Account will be used to hold tenant security deposits. Transactions will include and be limited to deposits from the depository account and transfers to the operating account for tenant refunds. KCHA policy requires tenant security deposits and the practice is to hold security deposits in separate bank accounts.

Tenant Accounting

- Egis Housing Limited Partnership
- Soosette Creek LLC
- Harrison House Apartments LLC
- Green River Homes LLC
- Zephyr Apartments LLLP
- Green River Homes 2 LLC
- Fairwind Apartments LLLP

Bank: KeyBank

Purpose: As part of the implementation process of the Authority's new tenant accounting software, the Authority determined that opening accounts for KCHA-managed tax credit partnerships to handle certain tenant transactions would help streamline the tenant accounting process. As a result, the Authority opened zero balance checking accounts that will be used to issue refunds to tenants and possibly collect rent checks in the future. The tenant accounts will issue checks and draw required funds from the related operating accounts.

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King County Housing Authority

To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: August 13, 2015

Re: **Second Quarter 2015 Financial Statements**

EXECUTIVE SUMMARY

The fiscal outlook for 2015 continues to be stable. KCHA is receiving block grant funding at 101.25% of eligibility while the budget assumed 96%, resulting in additional unbudgeted revenues of $5.4 million. Through the first six months, this additional funding has resulted in a positive Section 8 subsidy variance of $2.3 million. Beyond 2015, funding will be influenced by a number of factors including Congressional appropriations, Annual Adjustment Factor (inflation) eligibility and the number of vouchers leased nation-wide.

A portion of the increased 2015 block grant revenues are being targeted toward the higher average HAP payments resulting from the new payment standards adopted by the Board in December 2014. While the budget assumed the new payment standards would increase 2015 HAP costs by $750,000, the midyear financial projection, presented to the Board in June, raised this estimate to $1.65 million.

On the Public Housing side, the U.S. Department of Housing and Urban Development (HUD) has used an average interim proration of 84.31% for the first eight months of 2015, while the budget assumed 83.5%. This increased interim proration, paired with higher subsidy eligibility than originally anticipated, has resulted in $210,000 more subsidy receipts through the first six months than anticipated.

QUARTERLY HIGHLIGHTS

Excluding the increased Section 8 block grant receipts, operating income for the second quarter and year-to-date was 2.7% and 0.7% ahead of budget projections, respectively, driven by the increased Public Housing Operating Fund Subsidy payments from HUD. Tenant revenues are right on target.

Operating expenses for the second quarter and year-to-date were 0.5% and 1.9% below budget projections, respectively. The primary drivers for the lower expense levels include multiple unfilled positions, some maintenance projects that have not yet been undertaken, and several billings from Homeless program partners that have not yet been received.

During the quarter, two major acquisitions were closed: Corinthian Apartments and the Villages at South Station. Both complexes are within walking distance of the Tukwila light rail station. Corinthian Apartments, built in 1968, has 95 units ranging from studio to 2-bedroom, and was purchased for $10.25 million. Village at South Station, built between 1984 and 1986, has 191 units ranging from studios to 3-bedrooms, and was purchased for $29.3 million.

Although these new properties exceed the 2015 acquisition budget of $14 million, the purchases were fully-funded with low-interest rate short-term lines of credit, and therefore none of the budgeted $4 million KCHA equity investment was needed.

Development of the 77-unit Vantage Point senior housing project in Renton continues within expected budgetary parameters, and full lease-up of the units will occur by the end of the year.

The Tenmast software conversion is also proceeding within the project budget scope, and go-live is currently scheduled for November.

A $425,000 loan made in 2014 to Downtown Action to Save Housing (DASH) to allow DASH to acquire the limited partner's 99.99% ownership in Ashwood Court, a 51-unit building located in downtown Bellevue, was repaid in full in April. KCHA received all required interest payments.

During the second quarter, total working capital declined by $4.2 million:

Change to KCHA-Wide Working Capital		***A decline of $4.2 million***
Description	Fund Group	Amount
Section 8 subsidy from HUD	MTW	$5.0
Vantage Point construction expenditures	Development	($5.5)
Birch Creek bond payment	Federal- Other	($2.9)
Net of all other sources/(uses)	All others	($0.8)

CASH AND INVESTMENT SUMMARIES

Overall cash balances increased by $5.1 million during the quarter, driven predominantly by a draw of Section 8 block grant funds reimbursing KCHA for prior year property rehabilitation project expenditures. For a complete report on cash, please see page 10.

Restriction Type	6/30/2015	3/31/2015	Change
Unrestricted	$38.1	$37.7	$0.4
Restricted to Program Uses	9.4	5.5	3.8
Designated/Committed for Specific Uses	51.5	50.9	0.5
Externally Restricted	30.2	29.9	0.3
Externally Restricted to pay for short-term liabilities	3.3	3.3	(0.1)
Total	$132.5	$127.4	$5.1

The overall Return on Investment (ROI) on KCHA investments, including loans made for low income housing purposes, was 0.68%, unchanged from last quarter. The Washington State Treasurer's Local Government Investment Pool (LGIP) average interest rate for the quarter was 0.15%, while the projected rate as of August 13th was 0.14%.

Investment Summaries (in millions)	Amount	Yield	% of Total
Invested in the Local Government Investment Pool	$47.6	0.15%	34.5%
Invested by KCHA	52.4	1.07%	38.0%
Cash held by trustees	16.6	0.10% *	12.0%
Cash held in checking and savings accounts	15.8	0.10% *	11.5%
Invested by KCHA	$132.5	0.50%	96.0%
Cash loaned for low income housing purposes	5.6	4.95%	4.0%
Loaned by KCHA	5.6	4.95%	4.0%
Total	$138.0	0.68%	100.0%

*Estimate

Using the Total Rate of Return (TRR) approach, KCHA periodically sells investments prior to maturity to either secure a gain or increase interest rates. This approach has increased KCHA's overall quarterly yield, exclusive of gains earned on the swaps, by .095% or approximately $12,600. Since inception in 2014, 16 trades have been executed with a total gain of $37,000.

Balances and quarterly activity for MTW and COCC cash reserves are:

MTW Cash, Beginning of Quarter	$23.4
Quarterly change:	
Block grant subsidy payments from HUD in excess of direct expenses	5.1
Capital construction projects	(0.4)
Direct social service expenses	(1.4)
Tenmast Software expenses	(0.2)
Other net changes	(0.7)
MTW Cash, End of Quarter	$25.8
Less Reserves:	
Restricted Reserve-Green River Collateral	(8.6)
Construction Reserve	(2.4)
HAP Reserve ($6.0 M is pledged as FHLB collateral)	(6.6)
Additional investments pledged as collateral with the FHLB	(1.4)
Supportive Housing Reserve	(3.1)
Technology Reserve	(1.6)
MTW Working Capital Cash, End of Quarter	$2.1

COCC Reserve Balances	
(in millions of dollars)	
COCC Cash, Beginning of Quarter	$32.4
Quarterly change:	
Vantage Point Bridge Loan	(3.2)
Plum Court Loan	(0.3)
Excess cash transferred in from tax credit partnerships and bond proper	1.5
Other net change	(0.3)
COCC Cash, End of Quarter	$30.1
Less Reserves:	
Investments pledged as collateral with the FHLB	0.0
Liquidity Reserves for King County credit enhancement	(9.0)
PERS Reserve	0.0
COCC Working Capital Cash, End of Quarter	$21.1

CAPITAL INVESTMENTS (Including tax credit partnerships)

The following schedule shows the budget versus actual costs of both KCHA-owned properties and KCHA-managed tax credit partnerships' capital projects through the first half of 2015. Capital Construction results are below budget as expenses that were projected to be paid in the first quarter were actually disbursed in 2014.

	Actuals Thru 6/30/2015		Budget Thru 6/30/2015	YTD Variance	Percent of Annual Budget	2015 Annual Budget
CONSTRUCTION ACTIVITIES*						
Managed by Capital Construction Department						
Public Housing	$1,390,231	(1)	$2,135,900	($745,669)	37.8%	$3,680,900
509 Properties	2,412,840	(2)	3,892,180	(1,479,340)	41.9%	5,757,480
Other Properties	892,297	(1)	1,273,400	(381,104)	45.1%	1,978,400
	4,695,368		7,301,480	(2,606,112)	41.1%	11,416,780
Managed by Housing Management Department						
Unit Upgrade Program	1,829,461		2,127,118	(297,657)	43.0%	4,254,190
Other Projects	44,150		644,361	(600,211)	3.5%	1,268,066
	1,873,611		2,771,479	(897,868)	33.9%	5,522,256
Managed by Asset Management Department						
Bond Properties- managed by KCHA staff	1,597,747	(3)	1,633,334	(35,587)	39.8%	4,015,000
Bond Properties- managed by OUTSIDE property managers	2,920,384		4,383,298	(1,462,914)	36.4%	8,019,313
Other Properties	168,919		275,000	(106,081)	25.2%	671,000
	4,687,050		6,291,632	(1,604,582)	36.9%	12,705,313
Subtotal Construction Activities	**11,256,029**		**16,364,591**	**(5,108,562)**	**38.0%**	**29,644,349**
DEVELOPMENT ACTIVITY*						
Managed by Hope VI Department						
Seola Gardens	284,630	(4)	291,164	(6,534)	48.9%	582,328
Greenbridge	122,081	(5)	363,165	(241,084)	17.4%	702,329
Salmon Creek/Nia	-	(6)	374,250	(374,250)	0.0%	748,500
	406,711		1,028,579	(621,868)	20.0%	2,033,157
Managed by Development Department						
Vantage Point	8,065,198		8,261,297	(196,099)	52.9%	15,233,948
Notch	74,253	(7)	269,783	(195,530)	14.0%	531,232
	8,139,451		8,531,080	(391,629)	51.6%	15,765,180
Subtotal Development Activity	**8,546,162**		**9,559,659**	**(1,013,497)**	**48.0%**	**17,798,337**
TOTAL CONSTRUCTION & DEVELOPMENT	**$19,802,191**		**$25,924,250**	**($6,122,059)**	**41.7%**	**$47,442,686**
PROPERTY ACQUISITIONS & OTHER ASSETS						
Acquisitions	48,393,747					
Software	299,176					
Other Assets	352,240					
TOTAL PER WORKING CAPITAL REPORT	**$68,847,355**					

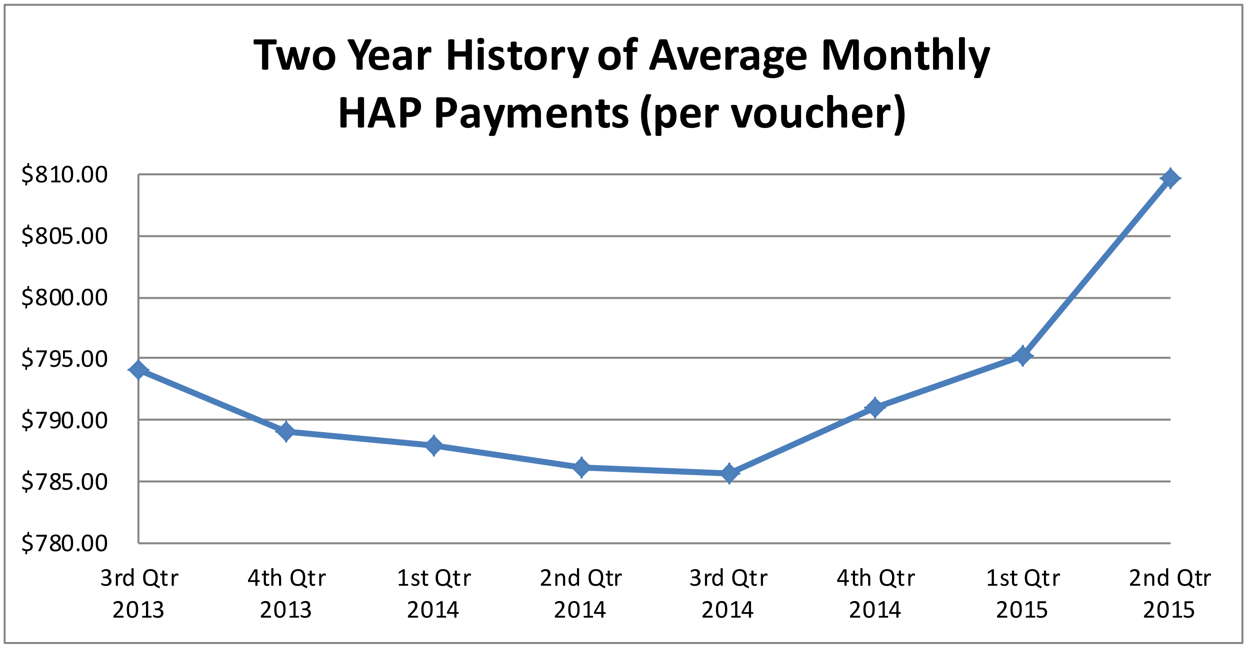
* Some numbers vary from July 2015 Mid-Year Capital Expenditure report due to classifcation differences. Mid-Year report included only development construction costs while this chart lists all costs captured in accounting system.

1) Budget includes some expenditures that were actually paid at the end of 2014
2) 2015 expenditures are now expected to be closer to $4.3 million as some work is being deferred to future periods
3) Actual results include expenditures that were budgeted in 2014
4) Expected 2015 expenditures reduced by $20k
5) Expected 2015 expenditures reduced by $140k
6) Deferred to a future year
7) Expected 2015 expenditures reduced by $120k

PROGRAM ACTIVITIES

HOUSING CHOICE VOUCHERS

The average quarterly HAP payment to landlords for all HCV vouchers was $809.58, compared to $795.22 last quarter and $786.17 one year ago.



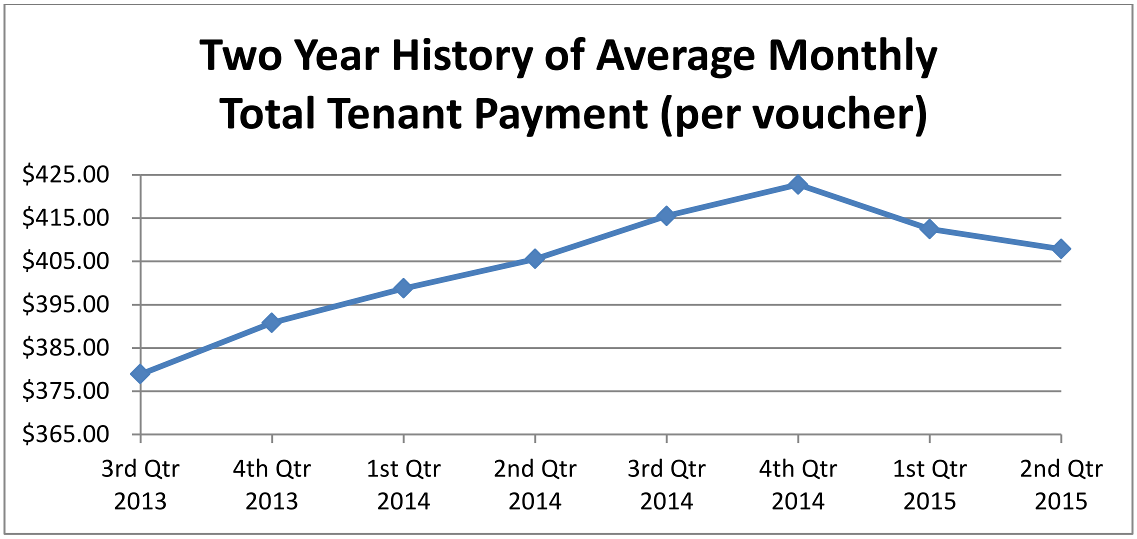
KCHA's average HAP cost per voucher bottomed out in the third quarter of 2014 and has since been rising, influenced in 2015 by the new payment standards adopted by the Board at the December 2014 meeting.

Over most of the past two years, households had been shouldering an increasingly higher Total Tenant Payment (TTP). The TTP is the tenant's monthly contribution towards rent and utilities and is benchmarked at 28.3% of their income.

The data below shows how the number of families who are paying more than 30%, 40% and 50% of their income towards rent has changed over the past two years. The drop in the most current quarter reflects the positive impact of the new payment standards.

Families Paying More Than 30%			Families Paying More Than 40%			Families Paying More Than 50%		
Jun-14		Jun-15	Jun-14		Jun-15	Jun-14		Jun-15
3,025		2,816	1,228		1,038	1,186		1,103

Average TTP during the quarter was $407.86, down from $412.46 the previous quarter but up from $405.55 one year ago.



The most likely explanations for increasing TTPs over most of the last two years included rising tenant income and the old payment standard, which is the maximum amount KCHA is willing to pay for units of various sizes and types. As rents rise, tenants "max out" the payment standard, and any rent increases become the family's responsibility. The December 2014 change in payment standards has had an immediate effect on the rent burden of program participants.

MTW PROGRAM

In the *MOVING TO WORK (MTW) FUND*, KCHA combines certain HUD Public Housing revenues with Housing Choice Vouchers (HCV) Block Grant funding. Out of these aggregated revenues, there are five distinct uses:

1. *Transfers to the Section 8 program to pay for Housing Assistance Payments to landlords and administrative expenses*

2015 Block Grant funding will be $5.4 million greater than anticipated in the budget as the actual prorate is 101.25% vs. the budget of 96%.

(In thousands of dollars)	Actual	Budget	Variance	%Var	
HCV Block Grant Revenue	$51,849.9	$49,673.3	$2,176.7	4.4%	(1)
Funding of HAP Payments to Landlords	(40,519.9)	(40,226.8)	293.1	(0.7%)	
Funding of Section 8 Administrative Costs	(3,763.8)	(3,756.4)	7.4	(0.2%)	
Excess of HCV Block Grant Funding over Expenses	$7,566.2	$5,690.0	$1,876.1	33.0%	

1) Standard monthly block grant payments from HUD are based on prior years leasing levels. Additional amounts are requested by KCHA as HUD receives specific funding authority. Consequently the monthly cash receipts vary.

2. *Payments to Public Housing sites to subsidize the difference between operating costs and tenant revenue*

Through the first two quarters, the transfer of MTW revenue (consisting of certain Public Housing revenues and block-granted Housing Choice Voucher subsidy) from MTW to Public Housing has been right on target.

(In thousands of dollars)	Actual	Budget	Variance	%Var
Public Housing Asset Repositioning Fees (ARF)	$135.2	$126.5	$8.7	6.9%
Additional Transfers to PH AMPs Based on Need	(508.7)	(508.7)	(0.0)	0.0%
Net Flow of Cash(from)/to MTW from/(to) PH	($373.5)	($382.2)	$8.7	(2.3%)

3. *Expenditures for homeless and resident service programs*

MTW dollars support nearly all resident service programs and various initiatives designed to alleviate and prevent homelessness:

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Homeless Initiatives	$663.4	$1,127.3	($463.8)	(41.1%)	(1)
Resident Services	2,528.5	2,783.7	($255.2)	(9.2%)	
Use of MTW Funds for Special Programs	$3,191.9	$3,910.9	($719.1)	(18.4%)	

1) Variance is due to slow billing by partner agencies and a delay in getting contracts executed for the Domestic Violence and PACT programs. Billing by some partners did increase in July.

4. *Other uses of MTW funds*

MTW working capital is used for a variety of other purposes. Year-to-date expenditures include:

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Construction Activity & Management Fees	$1,263.60	$2,336.09	($1,072.5)	(84.9%)	(1)
Misc. Other Uses	198.8	221.4	(22.6)	(11.4%)	
	$1,462.4	$2,557.4	($1,095.1)	(74.9%)	

1) Some MTW-funded construction costs budgeted for 2015 were actually incurred in late-2014. In addition, expenditures for unit upgrades are under target as more one-bedroom units have been rehabilitated than orginally forecast resulting in lower costs

5. *Costs to administer the MTW program*

Administrative costs are primarily salaries and benefits of those who manage or analyze MTW-funded programs, with year-to-date expenses of $206,000 or 0.4% of program gross revenues. Expenses are below the budget of $268,000.

AGENCY OVERHEAD

The Central Office Cost Center (COCC) aggregates overhead costs for the Authority. The COCC is supported by fees charged to both Federal and non-Federal programs and housing properties, and by transfers of excess cash from non-Federal housing programs. During the quarter, a total of $1.6 million of such transfers were received from tax credit partnerships, $80,000 greater than anticipated in the budget. KCHA continues to administer its programs in a fiscally-prudent manner and within HUD guidelines. The chart below reflects a summary of COCC activity, excluding Regional Maintenance crews, as Regional Maintenance activity is accounted for in a business-like fund and is not considered part of KCHA's general overhead.

(In thousands of dollars)

Revenues	YTD Actual	YTD Budget	Variance	%Var	
Management fees	$3,973.8	$3,861.1	$112.6	2.8%	
Cash transferred-in from local properties	2,646.7	2,141.9	504.8	19.1%	(1)
Investment income	719.1	646.1	73.0	10.2%	
Other income	566.5	563.8	2.6	0.5%	
	$7,906.0	$7,212.9	$693.1	8.8%	
Expenses					
Salaries & Benefits	$4,658.6	$4,720.6	($62.0)	(1.3%)	
Administrative Expenses	871.8	1,354.9	(483.1)	(55.4%)	(2)
Occupancy Expenses	118.4	100.0	18.4	15.5%	
Other Expenses	334.6	329.7	4.9	1.5%	
	$5,983.3	$6,505.1	($521.8)	(8.7%)	
Net Change in Available COCC Resources	$1,922.7	$707.8	$1,214.9		

1) Includes an unbudgeted $561K transfer of excess cash from the Green River re-development project
2) Administrative contracts and professional services have been less than anticipated in the budget through the first two quarters

REPORTS TABLE OF CONTENT

Summary Reports

Budget vs. Actual Reports

King County Housing Authority
Consolidated Cash Report
As of 6/30/2015

	KCHA-Owned Cash					
	Oper Cash & State Pool 6/30/2015	Outside Investments 6/30/2015	Other Cash Accounts 6/30/2015	Total Cash 6/30/2015	Total Cash 3/31/2015	Cash of Other Entities 6/30/2015
Cash-Unrestricted						
COCC	$4,377,463	$16,640,098	$50	$21,017,610	$23,179,537	$0
Other Funds	7,522,704	2,501,751	7,107,843	17,132,298	14,546,492	2,538,959
Total Cash-Unrestricted	11,900,167	19,141,848	7,107,893	38,149,908	37,726,029	2,538,959
Cash for Use Within Specific Programs						
MTW	100,758	2,011,068	0	2,111,825	(2,082,818)	0
Public Housing	4,107,650	0	0	4,107,650	4,347,266	368,561
Section 8	(1,854,723)	0	1,869,628	14,905	(192,105)	0
Other Funds	3,173,109	0	0	3,173,109	3,421,325	0
Total Cash for Use Within Specific Programs	5,526,794	2,011,068	1,869,628	9,407,489	5,493,668	368,561
Cash Set-aside to Pay Short-term Debt (P & I Reserves)						
Other Funds	2,247,758	239,763	781,940	3,269,461	3,331,693	0
Total Cash Set-aside to Pay Short-term Debt	2,247,758	239,763	781,940	3,269,461	3,331,693	0
Cash Dedicated for Specific Purposes						
MTW	7,022,154	0	0	7,022,154	8,850,438	0
COCC	2,067,394	7,006,732	0	9,074,126	9,245,612	0
Other Funds	16,393,183	15,357,990	3,615,000	35,366,173	32,842,103	3,985,302
Total Cash Dedicated for Specific Purposes	25,482,732	22,364,722	3,615,000	51,462,454	50,938,153	3,985,302
Cash Restricted by Outside Entities						
MTW	0	8,000,000	8,636,364	16,636,364	16,636,364	0
Public Housing	235,697	0	0	235,697	231,031	9,199
Section 8	808,361	0	0	808,361	751,852	0
COCC	0	0	6,800	6,800	6,801	0
Other Funds	1,447,769	671,825	10,375,225	12,494,819	12,251,610	2,911,650
Total Cash Restricted by Outside Entities	2,491,827	8,671,825	19,018,389	30,182,041	29,877,658	2,920,849
TOTAL CASH BALANCES	$47,649,277	$52,429,226	$32,392,850	$132,471,353	$127,367,201	$9,813,670

	Total Cash 6/30/2015	Total Cash 3/31/2015
Detail of Cash Dedicated for Specific Purposes		
Rehab Reserves	$2,358,500	$2,718,500
Cash at Former PH Sites-Set Aside for Future Use	6,800,000	4,900,000
Project Reserves	3,615,000	3,615,000
Exit Tax Designation-Reserves	6,052,827	6,052,827
HAP Reserves	0	600,000
Program Income from Hope VI Loans	743,666	586,460
Revenue	246,261	246,261
Program Income from Hope VI Lot Sales	5,250,502	5,122,184
PERS Designation Reserves	0	600,192
Replacement Reserves	12,657,918	12,319,371
Technology Reserves	1,599,955	1,759,978
Liquidity Reserves	9,006,732	9,006,732
Supportive Housing Reserves	3,063,699	3,343,254
State Gas Tax Rebate	67,394	67,394
Total Cash-Dedicated for Specific Purposes	$51,462,454	$50,938,153
Detail of Restricted Cash		
Excess Cash Reserves-Overlake	$1,764,870	1,540,463
Project Reserves	50	50
Endowment Reserves	544,565	544,563
Replacement Reserves	6,351,831	6,301,347
Operations Reserves	389,201	389,174
Bond Reserves-1 Yr Payment	1,076,846	1,195,616
Residual Receipt Reserves	564,899	564,861
FSS-Reserves	849,192	787,447
Collateral Reserves	10,036,364	10,636,365
HAP Reserves Used as Collateral	6,600,000	6,000,000
Security Deposits & Escrow Accounts	2,004,222	1,917,772
Total Restricted Cash	$30,182,041	$29,877,658

KING COUNTY HOUSING AUTHORITY
Statements of Financial Position
(In $1,000's; excludes non-KCHA-managed
component units)
For the Period Ended June 30, 2015

	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)						LOCAL PROGRAMS						
	Public Housing		Other Housing		Other Programs		KCHA	Outside	Tax Credit				Memo:
ASSETS	KCHA	Outside	KCHA	Outside	Section 8	MTW	Owned	Owned	Gen Prtnr	Develop			**KCHA**
Working Capital Assets	Owned	Owned	Owned	Owned	Program	Program	Housing	Housing	Activity	Activity	Other	COCC	**COMBINED**
Cash-Unrestricted	$.0	$901.0	$5,086.3	$1,471.5	$.0	$.0	$9,982.3	$1,061.5	$399.8	$(67.6)	$600.7	$21,017.6	$40,453.1
Cash-Restricted Within Program	4,107.7	368.6	.0	.0	14.9	2,111.8	(6.7)	.0	.0	3,321.1	(141.3)	.0	9,776.1
Cash-Restricted for WC Purposes	.0	.0	.0	2,487.5	.0	.0	714.0	.0	67.9	.0	.0	.0	3,269.5
Accounts Receivables	44.2	675.9	(1.1)	7,295.4	391.1	200.0	179.4	557.6	858.9	133.4	245.2	6,615.3	17,195.4
Prepaid Assets & Inventory	37.6	42.5	14.5	42.2	30.4	.4	346.7	7.3	1.5	.3	4.8	59.1	587.4
Total Working Capital Assets	4,189.5	1,988.0	5,099.8	11,296.7	436.4	2,312.2	11,215.7	1,626.4	1,328.2	3,387.2	709.3	27,692.0	71,281.5
Liabilities Offsetting Working Capital Assets													
Accounts Payable	(215.9)	(168.0)	(293.7)	(1,985.9)	(3.6)	(15.2)	(597.1)	(50.1)	(1.9)	(560.7)	(193.2)	(54.4)	(4,139.7)
Payroll Liabilities	(390.2)	(211.9)	(106.9)	(284.0)	(745.0)	(70.1)	(63.6)	(48.7)	(.5)	(11.8)	(417.5)	(1,604.5)	(3,954.4)
Accrued Liabilities	(13.0)	(185.6)	(11.4)	(454.5)	(47.5)	(876.4)	(466.2)	(222.6)	(269.9)	(297.6)	(74.6)	.0	(2,919.2)
Deferrals	.0	(75.0)	(72.2)	.0	.0	.0	(161.4)	.0	(67.9)	(171.0)	(4.5)	.0	(552.0)
Current Portion of Long-term debt	(180.3)	(206.0)	(59.3)	(7,837.0) (1)	.0	.0	(7,816.3) (2)	(73.1)	(730.4)	(9,775.0) (3)	.0	(995.7)	(27,673.1)
Total Offsetting Liabilities	(799.4)	(846.5)	(543.4)	(10,561.4)	(796.0)	(961.7)	(9,104.5)	(394.5)	(1,070.6)	(10,816.0)	(689.8)	(2,654.6)	(39,238.4)
Working Capital	3,390.1	1,141.5	4,556.4	735.3	(359.6)	1,350.5	2,111.2	1,232.0	257.6	(7,428.9)	19.5	25,037.4	32,043.1
Other Assets													
Cash-Designated	.0	3,300.6	2,768.5	13,850.2	.0	7,022.2	13,185.7	.0	.0	5,994.2	246.3	9,074.1	55,441.8
Cash-Restricted	235.7	1,186.2	1,061.8	831.1	808.4	16,636.4	9,030.3	769.8	1,764.9	557.2	.0	6.8	32,888.3
Receivables	.0	112,944.8	.0	80,718.5	.0	18,050.2	536.9	22,650.1	33,188.7	362.4	209.6	21,237.6	289,898.9
Capital Assets	64,048.1	86,858.1	21,521.7	160,639.0	.0	.0	206,750.4	11,835.4	.0	3,244.3	.0	13,954.1	568,851.0
Work-in-Process	25,051.0	35.4	4,589.2	7,095.2	.0	886.2	3,494.9	9.7	.0	72,527.7	.0	346.5	114,035.9
Suspense	.3	.2	.0	.2	(.1)	.0	.0	.0	.0	.1	(58.9)	23.0	(35.1)
Other Assets	.0	2,246.9	.0	891.6	.0	.0	(2,941.4) (4)	108.2	16.0	49.6	.0	.0	370.9
Total Other Assets	89,335.1	206,572.2	29,941.2	264,025.7	808.3	42,595.0	230,056.8	35,373.2	34,969.7	82,735.4	397.0	44,642.2	1,061,451.7
TOTAL ASSETS (net of WC offsets)	$92,725.2	$207,713.7	$34,497.7	$264,761.0	$448.6	$43,945.5	$232,168.0	$36,605.2	$35,227.3	$75,306.5	$416.6	$69,679.6	$1,093,494.8
LIABILITIES & EQUITY													
Other Liabilities													
Deferrals-Related to Restr Cash	$198.0	$67.0	$103.4	$132.9	$808.4	$(1.2)	$1,686.8	$34.2	$.0	$12.6	$.0	$6.8	$3,048.8
Debt	326.2	82,690.4	1,790.6	124,939.1	.0	.0	205,346.2	15,482.1	28,486.1	6,687.0	.0	15,512.9	481,260.6
Other Liabilities	58.9	5,959.9	1,151.1	3,263.9	.0	.0	536.9	1,901.1	72.7	14,445.4	.0	.0	27,389.9
	583.0	88,717.3	3,045.1	128,336.0	808.4	(1.2)	207,569.8	17,417.4	28,558.8	21,145.0	.0	15,519.7	511,699.3
Equity													
Equity	92,142.2	118,996.4	31,452.6	136,425.1	(359.7)	43,946.7	24,598.1	19,187.8	6,668.5	54,161.5	416.6	54,159.9	581,795.5
	92,142.2	118,996.4	31,452.6	136,425.1	(359.7)	43,946.7	24,598.1	19,187.8	6,668.5	54,161.5	416.6	54,159.9	581,795.5
TOTAL LIAB & EQ (net of curr liab)	$92,725.2	$207,713.7	$34,497.7	$264,761.0	$448.6	$43,945.5	$232,168.0	$36,605.2	$35,227.3	$75,306.5	$416.6	$69,679.6	$1,093,494.8

1) $2.4M Birch Creek bonds; $1M Birch Creek Lease; $863K Green River Homes II bonds. Expected sources of repayments include CFP, site operations and investor equity currently held in reserve. $3M is due on a Vantage Point Line of Credit in 2015 but is expected to be extended to 2016 with ultimate repayment from tax credit equity investments. Also includes the current portion of the KCHA loan due to MKCRF.
2) Current portion of bond payments; source of funding will be P & I reserves
3) $9.8M attributable to the Vantage Point Bridge loan which will be repaid with tax credit equity contributions expected in 2016.
4) Fair market value of derivatives at year-end 2014 was a negative $2.9 million-required by Generally Accepted Accounting Principles (GAAP)

KING COUNTY HOUSING AUTHORITY
Working Capital Statements
(In $1,000's; excludes non-KCHA-managed component units)
For the Period Ended June 30, 2015

	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)						LOCAL PROGRAMS						
	Public Housing		Other Housing		Other Programs		KCHA	Outside	Tax Credit				Memo:
	KCHA	Outside	KCHA	Outside	Section 8	MTW	Owned	Owned	Gen Prtnr	Develop			KCHA
Revenues	Owned	Owned	Owned	Owned	Program	Program	Housing	Housing	Activity	Activity	Other	COCC	**COMBINED**
Tenant Revenue	$2,110.1	$863.1	$2,528.0	$5,629.7	$56.8	$.0	$22,271.1	$732.2	$.0	$.0	$.0	$.0	$34,191.0
Operating Fund Subsidy from HUD	2,191.0	2,181.7	.0	.0	.0	135.2	6.9	.0	.0	.0	.0	.0	4,514.8
Section 8 Subsidy from HUD	.0	.0	196.7	.0	49,534.5	7,566.2	.0	.0	.0	.0	.0	.0	57,297.4
Other Operating Revenue	13.1	27.8	175.6	775.1	14,723.5	6.4	754.4	59.6	73.8	14.9	1,434.6	6,103.8	24,162.5
Non-operating Revenue	1,019.5	1,925.4	17.1	3,646.5	.0	151.4	671.1	397.0	798.4	208.1	.0	721.0	9,555.5
Total Revenues	5,333.7	4,997.9	2,917.4	10,051.3	64,314.8	7,859.3	23,703.4	1,188.8	872.2	223.1	1,434.6	6,824.7	129,721.2
Expenses													
Salaries & Benefits	987.0	425.9	304.9	788.9	2,793.3	618.7	1,905.9	130.5	5.4	92.3	436.5	5,182.8	13,672.0
Routine Maintenance, Utilities, Taxes & Insurance	2,272.8	1,045.7	839.3	1,434.8	126.7	.0	5,215.0	253.6	4.8	.3	4.8	957.0	12,154.8
Direct Social Service Salaries & Benefits	.0	.0	.0	.0	59.2	905.4	.0	.0	.0	12.9	83.3	.0	1,060.8
Other Social Service Support Expenses & HAP	49.4	1,300.8	6.8	.9	59,253.0	1,714.1	57.3	61.3	.0	88.0	1,166.9	.0	63,698.6
Administrative Support Expenses	1,265.1	449.0	244.5	621.8	1,771.9	177.7	2,185.1	118.5	196.4	.8	43.6	997.9	8,072.5
Non-operating Expenses	10.2	1,215.4	66.6	2,728.4	.0	.0	3,019.4	296.5	1,788.0 (5)	186.4	2.2	602.7	9,915.8
Total Expenses	4,584.5	4,436.8	1,462.1	5,574.9	64,004.2	3,415.9	12,382.8	860.4	1,994.6	380.7	1,737.2	7,740.3	108,574.3
Net Income	749.2	561.2	1,455.3	4,476.4	310.6	4,443.4	11,320.7	328.3	(1,122.4)	(157.6)	(302.6)	(915.6)	21,146.9
Other Sources/(Uses) of Working Capital													
(Increase) in Restricted/Designated Cash	(1.8)	(87.4)	(58.8)	(2,022.4)	(48.4)	.0	(1,269.3)	(32.1)	(464.1)	(285.5)	.0	(.0)	(4,269.9)
Decrease in Restricted/Designated Cash	4.1	.0	20.4	2,519.6	.0	3,520.9	325.2	.3	277.3	715.5	.0	8,918.0 (8)	16,301.4
(Increase) in LT Receivables	.0	(1,247.5)	.0	(285.2)	.0	.0	.0	(215.7)	(13.8)	(.4)	.0	(523.7)	(2,286.4)
Decrease in LT Receivables	.0	183.4	.0	2,013.9	.0	82.7	.0	321.4	9,969.8	.0	.0	328.4	12,899.5
Acquisition of Capital Assets	(2,061.2)	(405.7)	(830.9)	(2,901.9)	(.8)	(285.4)	(53,395.0) (2)	(62.1)	.0	(8,546.2) (6)	.0	(358.1)	(68,847.3)
Disposition of Capital Assets	.0	.0	.0	.0	.0	.0	.0	.0	.0	177.1	.0	.0	177.1
Change in Suspense	.6	.4	.3	(.2)	.1	.0	.1	.0	.0	(.1)	58.9	(21.9)	38.2
Change in Other Assets	.0	40.8	.0	(.0)	.0	.0	15.2	(.0)	1,672.0	.1	.0	.0	1,728.1
Change in Deferrals	(2.3)	(.2)	(2.1)	.6	48.4	(1.2)	119.4	(.3)	.0	.0	.0	.0	162.4
Increase in LT Debt	.0	.0	.0	.4	.0	.0	51,694.4 (2)	.0	.0	.0	.0	.0	51,694.8
(Decrease) in LT Debt	(74.5)	(2.5)	(29.6)	(3,824.7)	.0	.0	(8,767.8)	(73.1)	(9,847.0)	(550.0)	.0	(450.0)	(23,619.2)
Change in Other Liabilities	(10.1)	599.5	(36.1)	(74.2)	.0	.0	.0	(24.3)	(54.1)	97.2	.0	.0	497.7
Other Non-Working Capital Inc/Exp	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
Non Income/Expense Change in Equity	337.1	.0	.0	(2.5)	.0	65.3	(277.3) (3)	.0	(67.3)	(.7)	(9.0)	7.9	53.4
Total Other Sources/(Uses) of Working Capital	(1,808.3)	(919.3)	(936.8)	(4,576.7)	(.7)	3,382.3	(11,555.1)	(86.0)	1,472.8	(8,393.0)	49.9	7,900.6	(15,470.3)
Transfer In from (Out to) Other Funds													
Transfers In from Other Funds	1,107.4	530.8	237.8	971.1	.0	313.7	995.3	.0	.0	157.2	496.6	2,646.7	7,456.5
Transfers Out to Other Funds	.0	(202.2)	(157.3)	(321.1)	(313.7) (1)	(1,945.7)	(1,034.9)	(368.0) (4)	(919.4)	(561.3)	(425.5)	(1,207.4)	(7,456.5)
Net Transfer In/(Out)	1,107.4	328.6	80.5	650.0	(313.7)	(1,632.0)	(39.7)	(368.0)	(919.4)	(404.1)	71.1	1,439.3	-
Net Change in Working Capital	48.3	(29.6)	599.0	549.6	(3.8) (1)	6,193.7	(274.1) (3)	(125.6) (4)	(569.0) (5)	(8,954.7) (7)	(181.6)	8,424.2 (8)	5,676.6
Working Capital, 12/31/2013	3,341.8	1,171.1	3,957.4	185.7	(355.9)	(4,843.2)	2,385.3	1,357.6	826.6	1,525.8	201.1	16,613.2	26,366.5
Working Capital, 6/30/2015	$3,390.1	$1,141.5	$4,556.4	$735.3	$(359.6)	$1,350.5	$2,111.2	$1,232.0	$257.6	$(7,428.9)	$19.5	$25,037.4	$32,043.1

1) Net Restricted Assets of Bellevue Manor and Vashon Terrace were transferred to the MTW fund.
2) New debt was issued to purchase Corinthian Apts and Villages at South Station as well as pay off the Windsor Heights bond. Somerset Gardens capital assets and bond liabilities were acquired from the tax credit partnership in the second quarter.
3) Primarily due to unbudgeted equity adjustment to transfer Shelcor to Public Housing.
4) Excess cash transferred to COCC from Harrison House and Valley Park.
5) The investment in the Somerset Gardens tax credit partnership was written off as a result of the closing of the partnership.
6) Vantage Point construction costs. Also, the Green River Homes 2 Pre-development fund was closed resulting in a transfer of $561K of cash to the COCC
7) Development expenditures are being funded via a short term loan, resulting in a reduction of working capital
8) $8.8 M of investments no longer pledged as collateral

KCHA Combined
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

	Quarter Ended June 30, 2015				Year-to-Date				2015 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$17,371,583	$17,153,217	$218,366	1.3%	$34,191,000	$34,196,849	($5,849)	(0.0%)	$68,775,409	$34,584,409	49.7%	
Operating Fund Subsidy from HUD	2,394,582	2,152,251	242,331	11.3%	4,514,827	4,304,479	210,348	4.9%	8,608,981	4,094,154	52.4%	
Section 8 Subsidy from HUD	30,176,381	27,544,379	2,632,002	9.6%	57,297,423	54,998,871	2,298,552	4.2%	110,215,811	52,918,388	52.0%	
Other Operating Revenue	12,684,588	12,276,795	407,793	3.3%	24,162,451	23,960,492	201,959	0.8%	48,190,117	24,027,666	50.1%	
Non-operating Revenue	6,928,604	6,126,581	802,023	13.1%	9,555,512	9,472,891	82,621	0.9%	18,657,451	9,101,939	51.2%	
Total Revenues	69,555,738	65,253,223	4,302,515	6.6%	129,721,213	126,933,582	2,787,631	2.2%	254,447,769	124,726,556	51.0%	
Expenses												
Salaries & Benefits	6,514,153	6,923,221	(409,068)	(5.9%)	13,671,989	14,452,150	(780,161)	(5.4%)	28,972,346	15,300,357	47.2%	
Routine Maintenance, Utilities, Taxes & Insurance	6,545,906	6,450,970	94,936	1.5%	12,154,753	12,484,758	(330,005)	(2.6%)	25,909,239	13,754,486	46.9%	
Direct Social Service Salaries & Benefits	508,118	547,641	(39,523)	(7.2%)	1,060,794	1,186,551	(125,757)	(10.6%)	2,373,094	1,312,300	44.7%	
Other Social Service Support Expenses & HAP	32,489,786	32,285,917	203,869	0.6%	63,698,550	63,964,048	(265,498)	(0.4%)	129,562,069	65,863,519	49.2%	
Administrative Support Expenses	4,259,041	4,384,467	(125,426)	(2.9%)	8,072,451	8,500,764	(428,313)	(5.0%)	16,665,356	8,592,905	48.4%	
Non-operating Expenses	5,620,353	3,923,188	1,697,165	43.3%	9,915,777	9,513,168	402,609	4.2%	18,010,802	8,095,025	55.1%	
Total Expenses	55,937,358	54,515,404	1,421,954	2.6%	108,574,315	110,101,439	(1,527,124)	(1.4%)	221,492,906	112,918,591	49.0%	
Net Income	13,618,381	10,737,819	2,880,562	26.8%	21,146,899	16,832,143	4,314,756	25.6%	32,954,863	11,807,964	64.2%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(3,526,197)	(2,843,957)	(682,240)	24.0%	(4,269,885)	(4,131,177)	(138,708)	3.4%	(5,260,811)	(990,926)	81.2%	
Decrease in Restricted/Designated Cash	3,891,940	3,680,873	211,067	5.7%	16,301,383	6,964,288	9,337,095	134.1%	19,141,283	2,839,900	85.2%	(1)
(Increase) in LT Receivables	(1,267,508)	(1,249,823)	(17,685)	1.4%	(2,286,411)	(2,499,653)	213,242	(8.5%)	(7,599,295)	(5,312,884)	30.1%	
Decrease in LT Receivables	12,168,584	2,221,431	9,947,153	447.8%	12,899,490	11,818,846	1,080,644	9.1%	12,852,184	(47,306)	100.4%	
Acquisition of Capital Assets	(61,071,504)	(27,588,150)	(33,483,354)	121.4%	(68,847,354)	(49,754,948)	(19,092,406)	38.4%	(71,791,166)	(2,943,812)	95.9%	(2)
Disposition of Capital Assets	0	0	0	n/m	177,119	0	177,119	n/m	0	(177,119)	n/m	
Change in Suspense	2,713	0	2,713	n/m	38,184	0	38,184	n/m	0	(38,184)	n/m	
Change in Other Assets	1,708,169	0	1,708,169	n/m	1,728,066	1,421,976	306,090	21.5%	1,146,976	(581,090)	150.7%	
Change in Other Deferrals	167,328	0	167,328	n/m	162,373	0	162,373	n/m	0	(162,373)	n/m	
Increase in LT Debt	51,694,227	10,000,181	41,694,046	416.9%	51,694,768	19,402,591	32,292,177	166.4%	21,402,953	(30,291,815)	241.5%	(3)
(Decrease) in LT Debt	(21,687,136)	(5,043,921)	(16,643,215)	330.0%	(23,619,210)	(16,130,601)	(7,488,609)	46.4%	(22,380,593)	1,238,617	105.5%	(4)
Change in Other Liabilities	28,814	439,821	(411,007)	(93.4%)	497,730	1,074,636	(576,906)	(53.7%)	2,945,438	2,447,708	16.9%	(5)
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	53,436	0	53,436	n/m	53,436	610,000	(556,564)	(91.2%)	610,000	556,564	8.8%	(6)
Total Other Sources/(Uses) of Working Capital	(17,837,134)	(20,383,545)	2,546,411	(12.5%)	(15,470,311)	(31,224,042)	15,753,731	(50.5%)	(48,933,031)	(33,462,720)	31.6%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	3,835,191	4,108,685	(273,494)	(6.7%)	7,456,510	8,388,811	(932,301)	(11.1%)	18,643,391	11,186,881	40.0%	(7)
Transfers Out to Other Funds	(3,835,191)	(4,108,685)	273,494	(6.7%)	(7,456,510)	(8,388,811)	932,301	(11.1%)	(18,645,551)	(11,189,041)	40.0%	(7)
Net Transfer In/(Out)	0	0	0	n/m	0	0	0	n/m	(2,160)	(2,160)	n/m	
Net Change in Working Capital	($4,218,753)	($9,645,726)	$5,426,973	(56.3%)	$5,676,588	($14,391,899)	$20,068,487	n/m	($15,980,328)	($21,656,916)	n/m	
Working Capital, Beginning of Period	36,261,841				26,366,501							
Working Capital, 6/30/2015	$32,043,088				$32,043,089							

1) Restriction removed from $9.75M of collateral investments as note between KCHA and MKCRF was pledged with the FHLB in lieu of the investments. Was budgeted in 2014.
2) $14M was budgeted for new acquisitions in 2015. However, the acquisition of Corinthian Apartments and Villages at South Station exceeded the budgeted amount by $26M.
3) Primarily due to the issuance of a $50 million KeyBank line of credit to KCHA for the purchase of Corinthian Apartments and Villages at South Station as well as the pay off of the Windsor Heights bonds. $10M of new debt had been anticipated in the budget.
4) Variance primarily due to the unbudgeted pay off of the Windsor Heights bonds and disposition of debt from the Somerset Gardens tax credit partnership.
5) An increase in the Greenbridge Internal Loan from the MTW fund to Development was budgeted but no draws have been made through June. Only payments on the existing loan balance have been recorded. Also, an unbudgeted net cash flow distribution of $211K from Green River Homes 2 Partnership was applied to interest on notes receivable
6) The transfer of equity related to the acquisition of Somerset Gardens was less than budgeted and offset by the Shelcor transfer of equity to public housing.
7) Unit upgrade expenditures were less than anticipated plus capital construction activity was under target due to late starts of some projects resulting in fewer MTW funds being transferred.

Public Housing (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

	Quarter Ended June 30, 2015				Year-to-Date				2015 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$1,068,702	$1,024,402	$44,300	4.3%	$2,110,086	$2,048,813	$61,273	3.0%	$4,097,616	$1,987,530	51.5%	
Operating Fund Subsidy from HUD	1,182,976	1,028,202	154,774	15.1%	2,190,994	2,056,397	134,597	6.5%	4,112,801	1,921,807	53.3%	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	8,440	5,298	3,142	59.3%	13,142	10,595	2,547	24.0%	40,207	27,065	32.7%	
Non-operating Revenue	962,309	490,386	471,923	96.2%	1,019,481	1,038,791	(19,310)	(1.9%)	2,075,174	1,055,693	49.1%	(1)
Total Revenues	3,222,427	2,548,288	674,139	26.5%	5,333,703	5,154,596	179,107	3.5%	10,325,798	4,992,095	51.7%	
Expenses												
Salaries & Benefits	468,622	455,475	13,147	2.9%	987,011	964,239	22,772	2.4%	1,928,336	941,325	51.2%	
Routine Maintenance, Utilities, Taxes & Insurance	1,214,461	1,010,402	204,059	20.2%	2,272,770	1,987,523	285,247	14.4%	4,354,919	2,082,149	52.2%	
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	24,876	19,814	5,062	25.5%	49,397	39,572	9,825	24.8%	79,262	29,865	62.3%	
Administrative Support Expenses	843,642	793,210	50,432	6.4%	1,265,136	1,305,375	(40,239)	(3.1%)	2,282,988	1,017,852	55.4%	
Non-operating Expenses	5,832	9,449	(3,617)	(38.3%)	10,206	18,900	(8,694)	(46.0%)	37,795	27,589	27.0%	
Total Expenses	2,557,434	2,288,350	269,084	11.8%	4,584,521	4,315,609	268,912	6.2%	8,683,300	4,098,779	52.8%	
Net Income	664,993	259,938	405,055	155.8%	749,182	838,987	(89,805)	(10.7%)	1,642,498	893,316	45.6%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	570	(18)	588	n/m	(1,845)	(36)	(1,809)	5025.5%	(72)	1,773	2562.7%	
Decrease in Restricted/Designated Cash	(5,236)	0	(5,236)	n/m	4,135	0	4,135	n/m	0	(4,135)	n/m	
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	(1,225,281)	(1,495,646)	270,365	(18.1%)	(2,061,234)	(3,262,337)	1,201,103	(36.8%)	(5,911,786)	(3,850,552)	34.9%	(2)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	(330)	0	(330)	n/m	602	0	602	n/m	0	(602)	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Deferrals	4,650	0	4,650	n/m	(2,321)	0	(2,321)	n/m	0	2,321	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(44,865)	(43,010)	(1,855)	4.3%	(74,534)	(86,021)	11,487	(13.4%)	(172,034)	(97,500)	43.3%	
Change in Other Liabilities	(5,089)	(5,323)	234	(4.4%)	(10,135)	(10,647)	512	(4.8%)	(21,294)	(11,159)	47.6%	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	0	0	0	n/m	337,075	0	337,075	n/m	0	(337,075)	n/m	(3)
Total Other Sources/(Uses) of Working Capital	(1,275,582)	(1,543,997)	268,415	(17.4%)	(1,808,258)	(3,359,041)	1,550,783	(46.2%)	(6,105,186)	(4,296,928)	29.6%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	624,516	1,081,876	(457,360)	(42.3%)	1,107,355	2,377,429	(1,270,074)	(53.4%)	4,620,455	3,513,100	24.0%	(2)
Transfers Out to Other Funds	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Net Transfer In/(Out)	624,516	1,081,876	(457,360)	(42.3%)	1,107,355	2,377,429	(1,270,074)	(53.4%)	4,620,455	3,513,100	24.0%	
Net Change in Working Capital	$13,927	($202,183)	$216,110	n/m	$48,279	($142,625)	$190,904	n/m	$157,767	$109,488	30.6%	
Working Capital, Beginning of Period	3,376,180				3,341,828							
Working Capital, 6/30/2015	$3,390,107				$3,390,107							

1) CFP draws to fund site improvements at various Public Housing sites were budgeted to begin in January but the draws occurred mostly in the second quarter.
2) Unit upgrade expenditures were less than anticipated plus capital construction activity was under target due to late starts of some projects while others (such as Forest Glen water waste line project) have been postponed to 2016 which results in fewer management fees charged and lower MTW transfers.
3) Equity adjustment due to transfer of Shelcor to Public Housing.

Public Housing (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

	Quarter Ended June 30, 2015				Year-to-Date				2015 Annual	Remainder to Receive/	Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$432,095	$416,239	$15,856	3.8%	$863,089	$832,471	$30,618	3.7%	$1,664,943	$801,854	51.8%	
Operating Fund Subsidy from HUD	1,134,859	1,056,846	78,013	7.4%	2,181,691	2,113,673	68,018	3.2%	4,227,365	2,045,674	51.6%	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	27,473	76,549	(49,076)	(64.1%)	27,775	122,359	(94,584)	(77.3%)	213,036	185,261	13.0%	(1)
Non-operating Revenue	953,628	952,408	1,220	0.1%	1,925,368	1,904,817	20,551	1.1%	3,859,621	1,934,253	49.9%	
Total Revenues	2,548,056	2,502,042	46,014	1.8%	4,997,924	4,973,320	24,604	0.5%	9,964,965	4,967,041	50.2%	
Expenses												
Salaries & Benefits	205,280	207,274	(1,994)	(1.0%)	425,945	439,934	(13,989)	(3.2%)	879,761	453,816	48.4%	
Routine Maintenance, Utilities, Taxes & Insurance	589,596	502,779	86,817	17.3%	1,045,708	969,775	75,933	7.8%	1,979,293	933,585	52.8%	(2)
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	654,554	648,694	5,860	0.9%	1,300,750	1,297,388	3,362	0.3%	2,594,953	1,294,203	50.1%	
Administrative Support Expenses	210,549	242,402	(31,853)	(13.1%)	449,001	463,672	(14,671)	(3.2%)	916,443	467,442	49.0%	
Non-operating Expenses	608,172	592,893	15,279	2.6%	1,215,360	1,185,790	29,570	2.5%	2,371,569	1,156,209	51.2%	
Total Expenses	2,268,151	2,194,042	74,109	3.4%	4,436,764	4,356,559	80,205	1.8%	8,742,019	4,305,255	50.8%	
Net Income	279,905	308,000	(28,095)	(9.1%)	561,160	616,761	(55,601)	(9.0%)	1,222,946	661,786	45.9%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(43,687)	(43,739)	52	(0.1%)	(87,399)	(87,472)	73	(0.1%)	(174,960)	(87,561)	50.0%	
Decrease in Restricted/Designated Cash	(108)	0	(108)	n/m	0	0	0	n/m	0	0	n/m	
(Increase) in LT Receivables	(614,085)	(633,459)	19,374	(3.1%)	(1,247,549)	(1,266,925)	19,376	(1.5%)	(2,533,844)	(1,286,295)	49.2%	
Decrease in LT Receivables	183,391	183,391	0	0.0%	183,391	183,391	0	0.0%	383,391	200,000	47.8%	
Acquisition of Capital Assets	(311,476)	(327,666)	16,190	(4.9%)	(405,733)	(683,375)	277,642	(40.6%)	(1,356,498)	(950,765)	29.9%	(3)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	(212)	0	(212)	n/m	371	0	371	n/m	0	(371)	n/m	
Change in Other Assets	20,337	0	20,337	n/m	40,774	0	40,774	n/m	0	(40,774)	n/m	
Change in Deferrals	223	0	223	n/m	(152)	0	(152)	n/m	0	152	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(1,483)	(1,550)	67	(4.3%)	(2,464)	(3,100)	636	(20.5%)	(206,199)	(203,735)	1.2%	
Change in Other Liabilities	299,632	305,314	(5,682)	(1.9%)	599,481	610,625	(11,144)	(1.8%)	1,221,245	621,764	49.1%	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Other Sources/(Uses) of Working Capital	(467,468)	(517,709)	50,241	(9.7%)	(919,280)	(1,246,856)	327,576	(26.3%)	(2,666,865)	(1,747,585)	34.5%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	254,454	441,479	(187,025)	(42.4%)	530,773	882,961	(352,188)	(39.9%)	1,765,916	1,235,143	30.1%	(4)
Transfers Out to Other Funds	(202,205)	(45,000)	(157,205)	349.3%	(202,205)	(155,000)	(47,205)	30.5%	(155,000)	47,205	130.5%	(5)
Net Transfer In/(Out)	52,248	396,479	(344,231)	(86.8%)	328,567	727,961	(399,394)	(54.9%)	1,610,916	1,282,349	20.4%	
Net Change in Working Capital	($135,315)	$186,770	($322,085)	n/m	($29,553)	$97,866	($127,419)	n/m	$166,997	$196,550	n/m	
Working Capital, Beginning of Period	1,276,841				1,171,079							
Working Capital, 6/30/2015	$1,141,526				$1,141,526							

1) The budgeted commercial tenant rent from Nia and Salmon Creek is being paid directly to the partnership instead of through KCHA where it was budgeted.
2) Unbudgeted sprinkler system replacement projects at Munro Manor and Casa Madrona properties due to pending REAC inspections. Also, due to unbudgeted special projects including common area painting and unit turnover expense.
3) Nia tenant improvements and Plaza Seventeen boiler replacement projects were budgeted for the first quarter but the boiler replacement will occur later in the year and it is highly unlikely the Nia tenant improvements will occur in 2015.
4) Transfer of COCC funding for Nia tenant improvements was budgeted evenly throughout the year but the improvements will not occur until a suitable tenant is signed, and is unlikely in 2015.
5) A HOPE VI loan interest payment from the Salmon Creek and Seola Crossing tax credit partnerships net cash flow was higher than anticipated in the budget. Loan terms allow payments to vary according to the size of the net cash flow.

Other Federally-supported (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

	Quarter Ended June 30, 2015				Year-to-Date				2015 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$1,282,654	$1,307,232	($24,578)	(1.9%)	$2,528,015	$2,614,476	($86,461)	(3.3%)	$5,228,949	$2,700,934	48.3%	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	95,606	99,488	(3,882)	(3.9%)	196,702	198,976	(2,274)	(1.1%)	397,952	201,250	49.4%	
Other Operating Revenue	88,336	93,427	(5,091)	(5.4%)	175,604	186,854	(11,250)	(6.0%)	380,188	204,584	46.2%	
Non-operating Revenue	9,605	5,448	4,157	76.3%	17,089	10,867	6,222	57.3%	21,775	4,686	78.5%	
Total Revenues	1,476,201	1,505,595	(29,394)	(2.0%)	2,917,410	3,011,173	(93,763)	(3.1%)	6,028,864	3,111,454	48.4%	
Expenses												
Salaries & Benefits	140,956	164,397	(23,441)	(14.3%)	304,912	348,833	(43,921)	(12.6%)	697,617	392,705	43.7%	(1)
Routine Maintenance, Utilities, Taxes & Insurance	454,728	424,633	30,095	7.1%	839,260	823,196	16,064	2.0%	1,664,135	824,875	50.4%	
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	3,395	4,266	(871)	(20.4%)	6,795	8,533	(1,738)	(20.4%)	17,065	10,270	39.8%	
Administrative Support Expenses	126,099	130,726	(4,627)	(3.5%)	244,526	261,474	(16,948)	(6.5%)	522,915	278,389	46.8%	
Non-operating Expenses	33,158	35,853	(2,695)	(7.5%)	66,605	71,708	(5,103)	(7.1%)	143,416	76,811	46.4%	
Total Expenses	758,336	759,875	(1,539)	(0.2%)	1,462,098	1,513,744	(51,646)	(3.4%)	3,045,148	1,583,050	48.0%	
Net Income	717,865	745,720	(27,855)	(3.7%)	1,455,312	1,497,429	(42,117)	(2.8%)	2,983,716	1,528,404	48.8%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(22,267)	(21,522)	(745)	3.5%	(58,752)	(43,041)	(15,711)	36.5%	(86,097)	(27,345)	68.2%	
Decrease in Restricted/Designated Cash	19,790	0	19,790	n/m	20,362	0	20,362	n/m	0	(20,362)	n/m	
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	(444,473)	(517,958)	73,485	(14.2%)	(830,925)	(911,923)	80,998	(8.9%)	(1,892,843)	(1,061,918)	43.9%	
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	1,810	0	1,810	n/m	299	0	299	n/m	0	(299)	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Deferrals	(1,137)	0	(1,137)	n/m	(2,069)	0	(2,069)	n/m	0	2,069	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(15,098)	(15,476)	378	(2.4%)	(29,597)	(30,515)	918	(3.0%)	(64,694)	(35,097)	45.7%	
Change in Other Liabilities	(18,040)	(19,200)	1,160	(6.0%)	(36,080)	(38,401)	2,321	(6.0%)	(76,802)	(40,722)	47.0%	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Other Sources/(Uses) of Working Capital	(479,414)	(574,156)	94,742	(16.5%)	(936,761)	(1,023,880)	87,119	(8.5%)	(2,120,436)	(1,183,675)	44.2%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	174,996	235,000	(60,004)	(25.5%)	237,810	440,000	(202,190)	(46.0%)	700,000	462,190	34.0%	(2)
Transfers Out to Other Funds	(157,350)	(195,000)	37,650	(19.3%)	(157,350)	(360,000)	202,650	(56.3%)	(540,000)	(382,650)	29.1%	(2)
Net Transfer In/(Out)	17,647	40,000	(22,353)	(55.9%)	80,461	80,000	461	0.6%	160,000	79,539	50.3%	
Net Change in Working Capital	$256,097	$211,564	$44,533	21.0%	$599,011	$553,549	$45,462	8.2%	$1,023,280	$424,269	58.5%	
Working Capital, Beginning of Period	4,300,341				3,957,427							
Working Capital, 6/30/2015	$4,556,438				$4,556,438							

1) Senior Property Manager position for the Preservation portfolio was budgeted starting January 2015 but the position was not filled until late June 2015.
2) Due to a delayed start, the Hidden Village lighting & fire alarm replacement project cost was less than anticipated in the budget through June. As a result, funds transferred from Spiritwood for the project were less than budgeted. Actual expense and related transfers are expected to catch up to budget as the project progresses.

Other Federally-supported (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

(n/m= not meaningful)

	Quarter Ended June 30, 2015				Year-to-Date				2015 Annual	Remainder to Receive/	Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$2,814,713	$2,775,263	$39,450	1.4%	$5,629,695	$5,533,927	$95,768	1.7%	$11,101,117	$5,471,422	50.7%	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	387,538	538,188	(150,650)	(28.0%)	775,071	1,076,430	(301,359)	(28.0%)	2,425,357	1,650,286	32.0%	(1)
Non-operating Revenue	3,322,782	2,908,038	414,744	14.3%	3,646,486	3,640,421	6,065	0.2%	7,116,111	3,469,625	51.2%	
Total Revenues	6,525,033	6,221,489	303,544	4.9%	10,051,252	10,250,778	(199,526)	(1.9%)	20,642,585	10,591,333	48.7%	
Expenses												
Salaries & Benefits	369,069	371,973	(2,904)	(0.8%)	788,882	787,683	1,199	0.2%	1,575,248	786,366	50.1%	
Routine Maintenance, Utilities, Taxes & Insurance	802,254	824,341	(22,087)	(2.7%)	1,434,766	1,581,413	(146,648)	(9.3%)	3,663,211	2,228,446	39.2%	(2)
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	515	2,827	(2,312)	(81.8%)	933	5,657	(4,724)	(83.5%)	11,314	10,381	8.2%	(3)
Administrative Support Expenses	290,724	306,051	(15,327)	(5.0%)	621,837	596,479	25,358	4.3%	1,175,455	553,618	52.9%	
Non-operating Expenses	1,400,130	1,373,439	26,691	1.9%	2,728,442	2,730,006	(1,564)	(0.1%)	5,741,886	3,013,444	47.5%	
Total Expenses	2,862,692	2,878,631	(15,939)	(0.6%)	5,574,859	5,701,238	(126,379)	(2.2%)	12,167,114	6,592,255	45.8%	
Net Income	3,662,341	3,342,858	319,483	9.6%	4,476,393	4,549,540	(73,147)	(1.6%)	8,475,471	3,999,078	52.8%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(1,961,528)	(2,060,264)	98,736	(4.8%)	(2,022,440)	(2,120,996)	98,556	(4.6%)	(2,240,593)	(218,153)	90.3%	
Decrease in Restricted/Designated Cash	1,283,831	1,564,500	(280,669)	(17.9%)	2,519,638	3,892,180	(1,372,542)	(35.3%)	8,643,385	6,123,747	29.2%	(4)
(Increase) in LT Receivables	(200,168)	(114,492)	(85,676)	74.8%	(285,232)	(228,985)	(56,247)	24.6%	(2,457,969)	(2,172,737)	11.6%	
Decrease in LT Receivables	1,463,915	1,036,105	427,810	41.3%	2,013,915	1,036,105	977,810	94.4%	1,036,105	(977,810)	194.4%	(5)
Acquisition of Capital Assets	(1,865,137)	(1,938,375)	73,238	(3.8%)	(2,901,890)	(4,958,861)	2,056,971	(41.5%)	(7,534,196)	(4,632,306)	38.5%	(6)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	319	0	319	n/m	(198)	0	(198)	n/m	0	198	n/m	
Change in Other Assets	(0)	0	(0)	n/m	(0)	0	(0)	n/m	0	0	n/m	
Change in Deferrals	602	0	602	n/m	585	0	585	n/m	0	(585)	n/m	
Increase in LT Debt	181	181	(0)	(0.0%)	362	362	(0)	(0.0%)	724	362	50.0%	
(Decrease) in LT Debt	(3,698,079)	(3,473,272)	(224,807)	6.5%	(3,824,702)	(3,610,732)	(213,970)	5.9%	(5,922,015)	(2,097,313)	64.6%	
Change in Other Liabilities	(159,302)	66,441	(225,743)	n/m	(74,238)	132,883	(207,121)	n/m	265,766	340,004	n/m	(7)
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	(2,542)	0	(2,542)	n/m	(2,542)	0	(2,542)	n/m	0	2,542	n/m	
Total Other Sources/(Uses) of Working Capital	(5,137,909)	(4,919,176)	(218,733)	4.4%	(4,576,743)	(5,858,044)	1,281,301	(21.9%)	(8,208,793)	(3,632,050)	55.8%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	145,447	257,200	(111,753)	(43.4%)	971,111	514,415	456,696	88.8%	1,273,816	302,705	76.2%	
Transfers Out to Other Funds	(145,447)	(257,200)	111,753	(43.4%)	(321,111)	(514,415)	193,304	(37.6%)	(1,028,816)	(707,705)	31.2%	
Net Transfer In/(Out)	0	0	0	n/m	650,000	0	650,000	n/m	245,000	(405,000)	265.3%	(9)
Net Change in Working Capital	($1,475,569)	($1,576,318)	$100,749	(6.4%)	$549,649	($1,308,504)	$1,858,153	n/m	$511,678	($37,971)	107.4%	
Working Capital, Beginning of Period	2,210,891				185,673							
Working Capital, 6/30/2015	$735,322				$735,322							

1) The Vantage Point developer fee income was budgeted evenly throughout the year but is expected to be earned in the 3rd quarter when the project is completed.
2) Most maintenance categories are under target but expected to catch up as the year progresses.
3) Variance due to miscoding of security patrol invoices. Correction made in third quarter.
4) The draw from restricted loan proceeds held by MKCRF to reimburse KCHA for construction costs at MKCRF properties was less than originally budgeted . The budget reflected on the
5) Due to unbudgeted reclassification of interest on the Vantage Point $5M loan from short term to long term.
6) Various site upgrade and building envelope projects at MKCRF properties were less than anticipated in the budget through the second quarter but are expected to increase as the year progresses
7) Due to unbudgeted net cash flow distribution of $211K from Green River Homes 2 Partnership applied to interest on notes receivable.
8) Due to equity transfer of $650K for bridge loan to Vantage Point General Partner that was budgeted in 2014 but occurred in 2015

Section 8
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

	Quarter Ended June 30, 2015				Year-to-Date				2015 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$25,998	$43,750	($17,752)	(40.6%)	$56,828	$87,500	($30,672)	(35.1%)	$175,000	$118,172	32.5%	(1)
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	25,088,327	24,693,390	394,937	1.6%	49,534,534	49,109,856	424,678	0.9%	98,985,953	49,451,419	50.0%	
Other Operating Revenue	7,427,606	7,321,420	106,186	1.5%	14,723,454	14,608,715	114,739	0.8%	29,374,583	14,651,129	50.1%	
Non-operating Revenue	(0)	729	(729)	n/m	33	1,461	(1,428)	(97.8%)	2,919	2,886	1.1%	
Total Revenues	32,541,930	32,059,289	482,641	1.5%	64,314,848	63,807,532	507,316	0.8%	128,538,455	64,223,607	50.0%	
Expenses												
Salaries & Benefits	1,297,108	1,397,736	(100,628)	(7.2%)	2,793,269	2,982,457	(189,188)	(6.3%)	5,964,885	3,171,616	46.8%	(2)
Routine Maintenance, Utilities, Taxes & Insurance	65,209	64,105	1,104	1.7%	126,744	128,195	(1,451)	(1.1%)	256,369	129,625	49.4%	
Direct Social Service Salaries & Benefits	27,007	31,908	(4,901)	(15.4%)	59,208	69,135	(9,927)	(14.4%)	138,269	79,061	42.8%	
Other Social Service Support Expenses & HAP	30,034,650	29,612,162	422,488	1.4%	59,253,028	58,927,730	325,298	0.6%	118,729,241	59,476,213	49.9%	
Administrative Support Expenses	905,935	857,111	48,824	5.7%	1,771,950	1,734,210	37,740	2.2%	3,478,904	1,706,954	50.9%	
Non-operating Expenses	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Expenses	32,329,909	31,963,022	366,887	1.1%	64,004,199	63,841,727	162,472	0.3%	128,567,668	64,563,469	49.8%	
Net Income	212,021	96,267	115,754	120.2%	310,649	(34,195)	344,844	n/m	(29,213)	(339,862)	n/m	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(48,391)	0	(48,391)	n/m	(48,391)	0	(48,391)	n/m	0	48,391	n/m	(3)
Decrease in Restricted/Designated Cash	(8,117)	0	(8,117)	n/m	0	0	0	n/m	0	0	n/m	
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	(845)	(317)	(528)	166.6%	(845)	(635)	(210)	33.1%	(1,270)	(425)	66.5%	
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	25	0	25	n/m	100	0	100	n/m	0	(100)	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Deferrals	56,508	0	56,508	n/m	48,391	0	48,391	n/m	0	(48,391)	n/m	(3)
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Other Liabilities	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Other Sources/(Uses) of Working Capital	(820)	(317)	(503)	158.7%	(745)	(635)	(110)	17.3%	(1,270)	(525)	58.7%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Transfers Out to Other Funds	(0)	0	(0)	n/m	(313,671)	(295,000)	(18,671)	6.3%	(295,000)	18,671	106.3%	
Net Transfer In/(Out)	(0)	0	(0)	n/m	(313,671)	(295,000)	(18,671)	6.3%	(295,000)	18,671	106.3%	
Net Change in Working Capital	$211,201	$95,950	$115,251	120.1%	($3,767)	($329,830)	$326,063	(98.9%)	($325,483)	($321,716)	1.2%	
Working Capital, Beginning of Period	(570,820)				(355,852)							
Working Capital, 6/30/2015	($359,618)				($359,618)							

1) Collections on retro-rent are less than anticipated in the budget
2) Due to three unfilled positions through May 2015. Of the three positions, two were filled in June while one remains unfilled.
3) Unbudgeted change in FSS reserve accounts.

MTW
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

	Quarter Ended June 30, 2015				Year-to-Date				2015	Remainder	(n/m= not meaningful) Percent of	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Annual Budget	to Receive/ Spend	Annual Budget	
Tenant Revenue	$0	$0	$0	n/m	$0	$0	$0	n/m	$0	$0	n/m	
Operating Fund Subsidy from HUD	73,003	63,258	9,745	15.4%	135,208	126,515	8,693	6.9%	253,031	117,823	53.4%	
Section 8 Subsidy from HUD	4,992,449	2,751,501	2,240,948	81.4%	7,566,188	5,690,039	1,876,149	33.0%	10,831,906	3,265,718	69.9%	(1)
Other Operating Revenue	3,722	2,722	1,000	36.7%	6,445	5,445	1,000	18.4%	10,890	4,445	59.2%	
Non-operating Revenue	77,478	69,678	7,800	11.2%	151,444	139,795	11,649	8.3%	277,387	125,943	54.6%	
Total Revenues	5,146,652	2,887,159	2,259,493	78.3%	7,859,285	5,961,794	1,897,491	31.8%	11,373,214	3,513,929	69.1%	
Expenses												
Salaries & Benefits	278,940	363,279	(84,339)	(23.2%)	618,737	767,432	(148,695)	(19.4%)	1,534,821	916,084	40.3%	(2)
Routine Maintenance, Utilities, Taxes & Insurance	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Direct Social Service Salaries & Benefits	433,123	465,868	(32,745)	(7.0%)	905,368	1,009,377	(104,009)	(10.3%)	2,018,748	1,113,380	44.8%	(3)
Other Social Service Support Expenses & HAP	1,054,869	1,111,456	(56,587)	(5.1%)	1,714,071	2,222,921	(508,850)	(22.9%)	4,823,440	3,109,369	35.5%	(4)
Administrative Support Expenses	76,812	75,421	1,391	1.8%	177,687	155,352	22,335	14.4%	436,691	259,004	40.7%	
Non-operating Expenses	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Expenses	1,843,744	2,016,024	(172,280)	(8.5%)	3,415,863	4,155,082	(739,219)	(17.8%)	8,813,700	5,397,837	38.8%	
Net Income	3,302,908	871,135	2,431,773	279.1%	4,443,422	1,806,712	2,636,710	145.9%	2,559,514	(1,883,908)	173.6%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Decrease in Restricted/Designated Cash	1,828,283	1,304,284	523,999	40.2%	3,520,890	2,090,624	1,430,266	68.4%	7,019,888	3,498,998	50.2%	(5)
(Increase) in LT Receivables	0	(174,175)	174,175	(100.0%)	0	(348,350)	348,350	(100.0%)	(696,700)	(696,700)	0.0%	(6)
Decrease in LT Receivables	64,914	19,024	45,890	241.2%	82,675	38,049	44,626	117.3%	76,098	(6,577)	108.6%	
Acquisition of Capital Assets	(143,956)	(236,025)	92,069	(39.0%)	(285,354)	(472,810)	187,456	(39.6%)	(747,706)	(462,352)	38.2%	(7)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Deferrals	(1,188)	0	(1,188)	n/m	(1,188)	0	(1,188)	n/m	0	1,188	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Other Liabilities	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	65,283	0	65,283	n/m	65,283	0	65,283	n/m	0	(65,283)	n/m	(8)
Total Other Sources/(Uses) of Working Capital	1,813,336	913,108	900,228	98.6%	3,382,306	1,307,513	2,074,793	158.7%	5,651,580	2,269,274	59.8%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	0	0	0	n/m	313,671	295,000	18,671	6.3%	295,000	(18,671)	106.3%	
Transfers Out to Other Funds	(1,027,530)	(1,417,930)	390,400	(27.5%)	(1,945,657)	(3,049,545)	1,103,888	(36.2%)	(6,266,841)	(4,321,184)	31.0%	(9)
Net Transfer In/(Out)	(1,027,530)	(1,417,930)	390,400	(27.5%)	(1,631,986)	(2,754,545)	1,122,559	(40.8%)	(5,971,841)	(4,339,855)	27.3%	
Net Change in Working Capital	$4,088,714	$366,313	$3,722,401	1016.2%	$6,193,742	$359,680	$5,834,062	1622.0%	$2,239,253	($3,954,489)	276.6%	
Working Capital, Beginning of Period	(2,738,201)				(4,843,229)							
Working Capital, 6/30/2015	$1,350,513				$1,350,513							

1) Standard monthly block grant payments from HUD are based on prior years leasing levels. Additional amounts are requested by KCHA as HUD receives specific funding authority. Consequently the monthly cash receipts vary. However, as 2015 block grant funding was $5.4 million greater than anticipated in the budget, actual receipts will be greater than budget.
2) 65% of the salary and benefit for the Director of Policy and Intergovernmental Affairs was budgeted to MTW. However, it was later determined to charge the entire amount to the COCC. Also, the Senior Research Analyst has been out on leave.
3) The salary for Resident Services Assistant Director was budgeted starting January 2015 but the position was not filled until April. Also, a Resident Services Coordinator position in the Educational Initiative program was budgeted starting January but the position wasn't filled until May .
4) The 2015 Homeless Programs expenses were below target mostly due to timing of invoicing and delay in getting contracts executed for new programs (i.e. New PACT and New DV Programs).
5) Release from restriction of collateral for FHLB loan was budgeted in 2014 but occurred in 2015.
6) MTW funding for 2015 Greenbridge internal loan was budgeted evenly throughout the year but is expected to occur in the 3rd quarter.
7) Due to an early delay in the Tenmast software project, most of the budgeted costs are expected to be paid in the 3rd and 4th quarters .
8) Due to prior period equity adjustment for invoice that was overpaid in 2014.
9) Capital construction activity was under target due to late starts of some projects while others (such as Forest Glen water waste line project) have been postponed to 2016 which results in fewer management fees charged and lower MTW transfers.

Local Properties (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

(n/m= not meaningful)

	Quarter Ended June 30, 2015				Year-to-Date				2015 Annual	Remainder to Receive/	Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$11,385,042	$11,236,657	$148,385	1.3%	$22,271,070	$22,379,930	($108,860)	(0.5%)	$45,108,427	$22,837,357	49.4%	
Operating Fund Subsidy from HUD	3,744	3,945	(201)	(5.1%)	6,934	7,894	(960)	(12.2%)	15,784	8,850	43.9%	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	712,848	46,131	666,717	1445.3%	754,358	92,013	662,345	719.8%	245,208	(509,150)	307.6%	(1)
Non-operating Revenue	610,451	771,619	(161,168)	(20.9%)	671,071	897,675	(226,604)	(25.2%)	1,533,980	862,909	43.7%	(2)
Total Revenues	12,712,084	12,058,352	653,732	5.4%	23,703,432	23,377,512	325,920	1.4%	46,903,399	23,199,967	50.5%	
Expenses												
Salaries & Benefits	996,665	1,115,295	(118,630)	(10.6%)	1,905,869	2,079,056	(173,187)	(8.3%)	4,166,631	2,260,762	45.7%	
Routine Maintenance, Utilities, Taxes & Insurance	2,840,529	3,075,492	(234,963)	(7.6%)	5,214,984	5,840,407	(625,423)	(10.7%)	11,682,693	6,467,709	44.6%	(3)
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	32,404	33,281	(877)	(2.6%)	57,347	66,663	(9,316)	(14.0%)	133,126	75,779	43.1%	
Administrative Support Expenses	1,097,963	1,008,528	89,435	8.9%	2,185,128	2,120,233	64,895	3.1%	4,148,015	1,962,887	52.7%	
Non-operating Expenses	1,639,092	1,522,127	116,965	7.7%	3,019,441	3,055,937	(36,496)	(1.2%)	6,286,240	3,266,799	48.0%	
Total Expenses	6,606,653	6,754,723	(148,070)	(2.2%)	12,382,769	13,162,296	(779,527)	(5.9%)	26,416,705	14,033,936	46.9%	
Net Income	6,105,431	5,303,629	801,802	15.1%	11,320,663	10,215,216	1,105,447	10.8%	20,486,694	9,166,031	55.3%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(925,027)	(350,022)	(575,005)	164.3%	(1,269,316)	(1,587,497)	318,181	(20.0%)	(2,284,834)	(1,015,518)	55.6%	(4)
Decrease in Restricted/Designated Cash	324,395	246,250	78,145	31.7%	325,217	296,500	28,717	9.7%	1,778,500	1,453,283	18.3%	
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	(48,687,616)	(14,124,600)	(34,563,016)	244.7%	(48,533,715)	(23,658,400)	(24,875,315)	105.1%	(24,008,400)	24,525,315	202.2%	
Maintenance Projects	(2,488,577)	(4,112,888)	1,624,311	(39.5%)	(4,861,315)	(6,386,332)	1,525,017	(23.9%)	(12,870,900)	(8,009,585)	37.8%	
Acquisition of Capital Assets	(51,176,193)	(18,237,488)	(32,938,705)	180.6%	(53,395,030)	(30,044,732)	(23,350,298)	77.7%	(36,879,300)	16,515,730	144.8%	(5)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	0	0	0	n/m	126	0	126	n/m	0	(126)	n/m	
Change in Other Assets	15,756	0	15,756	n/m	15,216	0	15,216	n/m	0	(15,216)	n/m	
Change in Deferrals	108,070	0	108,070	n/m	119,427	0	119,427	n/m	0	(119,427)	n/m	
Increase in LT Debt	51,694,046	10,000,000	41,694,046	416.9%	51,694,406	19,402,229	32,292,177	166.4%	19,402,229	(32,292,177)	266.4%	(6)
(Decrease) in LT Debt	(7,782,548)	(1,212,559)	(6,569,989)	541.8%	(8,767,850)	(2,474,950)	(6,292,900)	254.3%	(5,390,368)	3,377,482	162.7%	(7)
Change in Other Liabilities	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	(15,216)	0	(15,216)	n/m	(277,322)	560,000	(837,322)	n/m	560,000	837,322	n/m	(8)
Total Other Sources/(Uses) of Working Capital	(7,756,717)	(9,553,819)	1,797,102	(18.8%)	(11,555,126)	(13,848,450)	2,293,324	(16.6%)	(22,813,773)	(11,258,647)	50.6%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	674,135	156,550	517,585	330.6%	995,261	977,630	17,631	1.8%	1,396,535	401,274	71.3%	(9)
Transfers Out to Other Funds	(508,395)	(518,941)	10,546	(2.0%)	(1,034,925)	(1,037,883)	2,958	(0.3%)	(2,075,754)	(1,040,829)	49.9%	
Net Transfer In/(Out)	165,741	(362,391)	528,132	n/m	(39,663)	(60,253)	20,590	(34.2%)	(679,219)	(639,556)	5.8%	
Net Change in Working Capital	($1,485,546)	($4,612,581)	$3,127,035	(67.8%)	($274,127)	($3,693,487)	$3,419,360	(92.6%)	($3,006,298)	($2,732,171)	9.1%	
Working Capital, Beginning of Period	3,596,737				2,385,318							
Working Capital, 6/30/2015	$2,111,191				$2,111,191							

1) Somerset Gardens was acquired by KCHA in the second quarter; some income related to the acquisition was not budgeted.
2) Funds from a King County grant for Northwood Square and Vashon Terrace was budgeted to be received in the 2nd quarter but is now expected in the 3rd quarter.
3) Most maintenance categories are under target through the 2nd quarter. Maintenance costs are expected to increase as the year progresses.
4) The acquisition of Somerset Garden's restricted cash was budgeted for the 1st quarter but the property was acquired in the 2nd quarter.
5) The acquisition of Somerset Gardens' capital assets was budgeted for the 1st quarter but occurred in the 2nd quarter. $14M was budgeted for new acquisitions in 2015. However, the acquisition of Corinthian Apartments and Villages at South Station exceeded the budgeted amount by $26M.
6) $10M of new debt was budgeted to finance new acquisitions in 2015. However, $50M of new debt was issued to purchase Corinthian Apts ,Villages at South Station and payoff the Windsor Heights bond. Somerset bond and note liabilities were added in the second quarter.
7) Unbudgeted payoff of the Windsor Heights bond in the 2nd quarter.
8) Unbudgeted equity adjustment to transfer Shelcor to Public Housing. Also the transfer of equity related to the acquisition of Somerset Gardens was budgeted for the 1st quarter, but occurred in the 2nd quarter.
9) The transfer of Somerset Gardens to Fund Group 7 was budgeted for the 1st quarter but occurred in the 2nd quarter. Island Crest capital construction delays caused transfers from COCC that were budgeted for the 1st quarter to occur in the 2nd quarter.

Local Properties (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

	Quarter Ended June 30, 2015				Year-to-Date				2015 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$362,380	$349,674	$12,706	3.6%	$732,218	$699,732	$32,486	4.6%	$1,399,357	$667,139	52.3%	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	36,098	44,278	(8,180)	(18.5%)	59,563	90,315	(30,752)	(34.1%)	180,273	120,710	33.0%	(1)
Non-operating Revenue	198,543	198,500	43	0.0%	397,002	396,997	5	0.0%	793,995	396,993	50.0%	
Total Revenues	597,021	592,452	4,569	0.8%	1,188,783	1,187,044	1,739	0.1%	2,373,625	1,184,842	50.1%	
Expenses												
Salaries & Benefits	60,706	72,595	(11,889)	(16.4%)	130,461	154,448	(23,987)	(15.5%)	308,877	178,416	42.2%	(2)
Routine Maintenance, Utilities, Taxes & Insurance	126,407	125,341	1,066	0.9%	253,643	245,745	7,898	3.2%	491,633	237,990	51.6%	
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	30,667	30,667	0	0.0%	61,334	61,334	0	0.0%	122,668	61,334	50.0%	
Administrative Support Expenses	46,879	60,004	(13,125)	(21.9%)	118,506	120,830	(2,324)	(1.9%)	217,192	98,686	54.6%	
Non-operating Expenses	149,687	155,480	(5,793)	(3.7%)	296,506	310,959	(14,453)	(4.6%)	621,915	325,409	47.7%	
Total Expenses	414,345	444,087	(29,742)	(6.7%)	860,449	893,316	(32,867)	(3.7%)	1,762,285	901,836	48.8%	
Net Income	182,677	148,365	34,312	23.1%	328,335	293,728	34,607	11.8%	611,340	283,005	53.7%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(15,939)	(16,047)	108	(0.7%)	(32,087)	(32,094)	7	(0.0%)	(64,190)	(32,103)	50.0%	
Decrease in Restricted/Designated Cash	297	0	297	n/m	297	0	297	n/m	0	(297)	n/m	
(Increase) in LT Receivables	(107,864)	(107,864)	(0)	0.0%	(215,728)	(215,729)	1	(0.0%)	(431,457)	(215,729)	50.0%	
Decrease in LT Receivables	321,383	321,383	0	0.0%	321,383	321,383	0	0.0%	514,352	192,969	62.5%	
Acquisition of Capital Assets	(18,545)	(53,000)	34,455	(65.0%)	(62,101)	(53,000)	(9,101)	17.2%	(54,000)	8,101	115.0%	(3)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Other Assets	(0)	0	(0)	n/m	(0)	0	(0)	n/m	0	0	n/m	
Change in Deferrals	(400)	0	(400)	n/m	(300)	0	(300)	n/m	0	300	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(73,109)	(73,054)	(55)	0.1%	(73,109)	(73,054)	(55)	0.1%	(73,054)	55	100.1%	
Change in Other Liabilities	(136,296)	(83,020)	(53,276)	64.2%	(24,317)	28,959	(53,276)	n/m	252,915	277,232	n/m	(4)
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Other Sources/(Uses) of Working Capital	(30,473)	(11,602)	(18,871)	162.7%	(85,962)	(23,535)	(62,427)	265.3%	144,566	230,528	n/m	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Transfers Out to Other Funds	(368,000)	(368,000)	0	0.0%	(368,000)	(368,000)	0	0.0%	(368,000)	0	100.0%	
Net Transfer In/(Out)	(368,000)	(368,000)	0	0.0%	(368,000)	(368,000)	0	0.0%	(368,000)	0	100.0%	
Net Change in Working Capital	($215,796)	($231,237)	$15,441	(6.7%)	($125,627)	($97,807)	($27,820)	28.4%	$387,906	$513,533	n/m	
Working Capital, Beginning of Period	1,447,759				1,357,590							
Working Capital, 6/30/2015	$1,231,962				$1,231,962							

1) A management fee from GELC was budgeted for the second quarter but not received until July.
2) Variance due to budgeted asset manager position that was unfilled through June.
3) Variance due to the unbudgeted rehabilitation of YWCA emergency housing units at Valley Park. Exterior work budgeted for the 2nd quarter occurred in July.
4) Unbudgeted reclass of lease interest payments from long term to short term for Harrison House and Green River Homes.

Local Properties Tax Credit GP
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

(n/m= not meaningful)

	Quarter Ended June 30, 2015				Year-to-Date				2015 Annual	Remainder to Receive/	Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$0	$0	$0	n/m	$0	$0	$0	n/m	$0	$0	n/m	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	73,765	73,765	0	0.0%	73,765	73,765	0	0.0%	73,765	(0)	100.0%	
Non-operating Revenue	273,897	397,287	(123,390)	(31.1%)	798,416	794,566	3,850	0.5%	1,589,127	790,711	50.2%	(1)
Total Revenues	347,663	471,052	(123,389)	(26.2%)	872,182	868,331	3,851	0.4%	1,662,892	790,710	52.4%	
Expenses												
Salaries & Benefits	5,383	0	5,383	n/m	5,383	0	5,383	n/m	0	(5,383)	n/m	(2)
Routine Maintenance, Utilities, Taxes & Insurance	27	3,811	(3,784)	(99.3%)	4,813	7,621	(2,808)	(36.8%)	15,241	10,428	31.6%	
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	21	0	21	n/m	21	0	21	n/m	0	(21)	n/m	
Administrative Support Expenses	97,109	94,082	3,027	3.2%	196,410	182,671	13,739	7.5%	359,848	163,438	54.6%	
Non-operating Expenses	1,607,391	69,108	1,538,283	2225.9%	1,787,956	1,810,190	(22,234)	(1.2%)	1,948,401	160,445	91.8%	(3)
Total Expenses	1,709,930	167,001	1,542,929	923.9%	1,994,582	2,000,482	(5,900)	(0.3%)	2,323,490	328,908	85.8%	
Net Income	(1,362,267)	304,051	(1,666,318)	n/m	(1,122,400)	(1,132,151)	9,751	(0.9%)	(660,598)	461,802	169.9%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(224,408)	(352,325)	127,917	(36.3%)	(464,131)	(150,000)	(314,131)	209.4%	(300,000)	164,131	154.7%	(4)
Decrease in Restricted/Designated Cash	277,325	277,325	0	0.0%	277,325	277,325	0	0.0%	577,325	300,000	48.0%	
(Increase) in LT Receivables	(2,919)	(7,396)	4,477	(60.5%)	(13,770)	(14,789)	1,019	(6.9%)	(29,575)	(15,805)	46.6%	
Decrease in LT Receivables	9,969,766	485,369	9,484,397	1954.1%	9,969,766	9,887,598	82,168	0.8%	10,137,598	167,832	98.3%	(5)
Acquisition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Other Assets	1,671,976	0	1,671,976	n/m	1,671,976	1,671,976	0	0.0%	1,671,976	(0)	100.0%	(3)
Change in Deferrals	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(9,846,953)	0	(9,846,953)	n/m	(9,846,953)	(9,402,229)	(444,724)	4.7%	(9,652,229)	194,724	102.0%	(5)
Change in Other Liabilities	(49,249)	1,434	(50,683)	n/m	(54,139)	2,867	(57,006)	n/m	5,733	59,872	n/m	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	7,680	0	7,680	n/m	(67,289)	50,000	(117,289)	n/m	50,000	117,289	n/m	(6)
Total Other Sources/(Uses) of Working Capital	1,803,218	404,407	1,398,811	345.9%	1,472,785	2,322,748	(849,963)	(36.6%)	2,460,828	988,043	59.8%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Transfers Out to Other Funds	(919,384)	(691,000)	(228,384)	33.1%	(919,384)	(1,061,325)	141,941	(13.4%)	(1,061,325)	(141,941)	86.6%	(6)
Net Transfer In/(Out)	(919,384)	(691,000)	(228,384)	33.1%	(919,384)	(1,061,325)	141,941	(13.4%)	(1,061,325)	(141,941)	86.6%	
Net Change in Working Capital	($478,433)	$17,458	($495,891)	n/m	($568,999)	$129,272	($698,271)	n/m	$738,905	$1,307,904	n/m	
Working Capital, Beginning of Period	736,031				826,597							
Working Capital, 6/30/2015	$257,598				$257,598							

1) Somerset Gardens was expected to be acquired by KCHA in the first quarter but was acquired in the second quarter. Related accrued interest revenue was transferred to a different group of properties in the second quarter.
2) Payroll charged in error. Will be corrected in third quarter.
3) With the closing of the Somerset Gardens tax credit partnership, the original investment ($1.6M) was written off in the second quarter.
4) Deposits to excess cash reserves at Overlake were greater than anticipated in the budget
5) The transfer of the Somerset Gardens long-term debt to a different fund group was budgeted for the first quarter but occurred in the second quarter.
6) The remaining equity of Windsor Heights was transferred to a different fund group; also related to the acquisition of Somerset Gardens.
7) Cash and equity transfers related to the Somerset Gardens acquisition were budgeted for the first quarter, but occurred in the second quarter.

Local-Development
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

	Quarter Ended June 30, 2015				Year-to-Date				2015 Annual	Remainder to Receive/	(n/m= not meaningful) Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$0	$0	$0	n/m	$0	$0	$0	n/m	$0	$0	n/m	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	(0)	0	(0)	n/m	14,921	0	14,921	n/m	5,000	(9,921)	298.4%	
Non-operating Revenue	144,108	26	144,082	554161.9%	208,141	53	208,088	392619.0%	89	(208,052)	233866.4%	(1)
Total Revenues	144,108	26	144,082	554160.2%	223,062	53	223,009	420771.1%	5,089	(217,973)	4383.2%	
Expenses												
Salaries & Benefits	48,793	67,676	(18,883)	(27.9%)	92,288	145,229	(52,941)	(36.5%)	290,453	198,165	31.8%	(2)
Routine Maintenance, Utilities, Taxes & Insurance	269	0	269	n/m	269	0	269	n/m	0	(269)	n/m	
Direct Social Service Salaries & Benefits	6,033	6,047	(14)	(0.2%)	12,921	13,101	(180)	(1.4%)	26,202	13,281	49.3%	
Other Social Service Support Expenses & HAP	44,000	44,000	0	0.0%	88,000	88,000	0	0.0%	176,000	88,000	50.0%	
Administrative Support Expenses	172	1,757	(1,585)	(90.2%)	786	3,510	(2,724)	(77.6%)	7,015	6,229	11.2%	
Non-operating Expenses	9,232	0	9,232	n/m	186,427	0	186,427	n/m	200,225	13,798	93.1%	(3)
Total Expenses	108,498	119,480	(10,982)	(9.2%)	380,690	249,840	130,850	52.4%	699,895	319,205	54.4%	
Net Income	35,610	(119,454)	155,064	n/m	(157,628)	(249,787)	92,159	(36.9%)	(694,806)	(537,178)	22.7%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(285,519)	(20)	(285,499)	n/m	(285,523)	(110,041)	(175,482)	159.5%	(110,065)	175,458	259.4%	(4)
Decrease in Restricted/Designated Cash	(7)	117,028	(117,035)	n/m	715,507	236,173	479,334	203.0%	700,699	(14,808)	102.1%	(5)
(Increase) in LT Receivables	(207)	0	(207)	n/m	(413)	0	(413)	n/m	0	413	n/m	
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	(5,535,247)	(4,600,742)	(934,505)	20.3%	(8,546,161)	(9,185,409)	639,248	(7.0%)	(17,049,837)	(8,503,676)	50.1%	(6)
Disposition of Capital Assets	0	0	0	n/m	177,119	0	177,119	n/m	0	(177,119)	n/m	
Change in Suspense	(71)	0	(71)	n/m	(71)	0	(71)	n/m	0	71	n/m	
Change in Other Assets	100	0	100	n/m	100	0	100	n/m	0	(100)	n/m	
Change in Deferrals	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	2,000,000	2,000,000	0.0%	
(Decrease) in LT Debt	0	0	0	n/m	(550,000)	0	(550,000)	n/m	0	550,000	n/m	(7)
Change in Other Liabilities	97,159	174,175	(77,016)	(44.2%)	97,159	348,350	(251,191)	(72.1%)	1,297,875	1,200,716	7.5%	(8)
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	(0)	0	(0)	n/m	(699)	0	(699)	n/m	0	699	n/m	
Total Other Sources/(Uses) of Working Capital	(5,723,792)	(4,309,559)	(1,414,233)	32.8%	(8,392,982)	(8,710,927)	317,945	(3.6%)	(13,161,328)	(4,768,346)	63.8%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	157,205	0	157,205	n/m	157,205	110,000	47,205	42.9%	4,110,000	3,952,795	3.8%	(9)
Transfers Out to Other Funds	(100)	0	(100)	n/m	(561,287)	0	(561,287)	n/m	0	561,287	n/m	(10)
Net Transfer In/(Out)	157,106	0	157,106	n/m	(404,081)	110,000	(514,081)	n/m	4,110,000	4,514,081	n/m	
Net Change in Working Capital	($5,531,077)	($4,429,013)	($1,102,064)	24.9%	($8,954,692)	($8,850,714)	($103,978)	1.2%	($9,746,134)	($791,442)	91.9%	
Working Capital, Beginning of Period	(1,897,799)				1,525,816							
Working Capital, 6/30/2015	($7,428,876)				($7,428,876)							

1) Unbudgeted Greenbridge and Seola Gardens lot and homes sales price participation
2) Development Manager position was budgeted beginning in January but wasn't filled until May.
3) Unbudgeted write-off of Green River Homes II work-in-process not acquired by the tax credit partnership.
4) Unbudgeted program income from lot sales.
5) Due to technical accounting adjustment required to close the Vantage Point Pre-development fund. Unbudgeted.
6) Vantage Point Partnership development costs are slightly under target but will catch up as the year progresses and the project is completed.
7) Due to unbudgeted Vantage Point bridge loan reclassification from long term to short-term.
8) Additional Greenbridge internal loan was budgeted evenly throughout the year but is expected to occur in the 3rd quarter.
9) A HOPE VI loan interest payment from the Salmon Creek and Seola Crossing tax credit partnerships net cash flow was higher than anticipated in the budget. Loan terms allow payments to vary according to the size of the net cash flow.
10) Unbudgeted transfer of cash to COCC from the Green River Homes pre-development fund.

Local-Other Funds
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

	Quarter Ended June 30, 2015				Year-to-Date				2015 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$0	$0	$0	n/m	$0	$0	$0	n/m	$0	$0	n/m	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	708,594	1,014,841	(306,247)	(30.2%)	1,434,603	1,816,681	(382,078)	(21.0%)	3,875,597	2,440,994	37.0%	(1)
Non-operating Revenue	0	0	0	n/m	0	0	0	n/m	75,000	75,000	0.0%	
Total Revenues	708,594	1,014,841	(306,247)	(30.2%)	1,434,603	1,816,681	(382,078)	(21.0%)	3,950,597	2,515,994	36.3%	
Expenses												
Salaries & Benefits	217,478	264,174	(46,696)	(17.7%)	436,471	565,370	(128,899)	(22.8%)	1,130,718	694,247	38.6%	(2)
Routine Maintenance, Utilities, Taxes & Insurance	2,679	3,026	(347)	(11.5%)	4,810	6,052	(1,242)	(20.5%)	12,105	7,295	39.7%	
Direct Social Service Salaries & Benefits	41,955	43,818	(1,863)	(4.3%)	83,297	94,938	(11,641)	(12.3%)	189,875	106,578	43.9%	
Other Social Service Support Expenses & HAP	609,835	778,750	(168,915)	(21.7%)	1,166,874	1,246,250	(79,376)	(6.4%)	2,875,000	1,708,126	40.6%	
Administrative Support Expenses	28,904	38,474	(9,570)	(24.9%)	43,560	63,465	(19,905)	(31.4%)	136,887	93,327	31.8%	
Non-operating Expenses	(0)	0	(0)	n/m	2,184	0	2,184	n/m	0	(2,184)	n/m	
Total Expenses	900,852	1,128,242	(227,390)	(20.2%)	1,737,197	1,976,075	(238,878)	(12.1%)	4,344,585	2,607,388	40.0%	
Net Income	(192,258)	(113,401)	(78,857)	69.5%	(302,594)	(159,394)	(143,200)	89.8%	(393,988)	(91,394)	76.8%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Decrease in Restricted/Designated Cash	0	0	0	n/m	0	0	0	n/m	250,000	250,000	0.0%	
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	0	(60)	60	(100.0%)	0	(120)	120	(100.0%)	(240)	(240)	0.0%	
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	58,880	0	58,880	n/m	58,880	0	58,880	n/m	0	(58,880)	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Deferrals	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Other Liabilities	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	(8,987)	0	(8,987)	n/m	(8,987)	0	(8,987)	n/m	0	8,987	n/m	
Total Other Sources/(Uses) of Working Capital	49,893	(60)	49,953	n/m	49,893	(120)	50,013	n/m	249,760	199,867	20.0%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	245,474	313,639	(68,165)	(21.7%)	496,644	649,493	(152,849)	(23.5%)	1,301,915	805,271	38.1%	
Transfers Out to Other Funds	(210,723)	(278,889)	68,166	(24.4%)	(425,501)	(579,993)	154,492	(26.6%)	(1,162,915)	(737,414)	36.6%	
Net Transfer In/(Out)	34,750	34,750	0	0.0%	71,142	69,500	1,642	2.4%	139,000	67,858	51.2%	
Net Change in Working Capital	($107,615)	($78,711)	($28,904)	36.7%	($181,559)	($90,014)	($91,545)	101.7%	($5,228)	$176,331	3472.8%	
Working Capital, Beginning of Period	127,145				201,089							
Working Capital, 6/30/2015	$19,530				$19,530							

1) HHS Weatherization grant revenue $414k below budget. Extensions to perform the weatherization work have been received.
2) Some salary expense was moved to 2014 (the period in which it was incurred) in order to be reimbursed by Weatherization grants that were closing in December. Also, two positions were unfilled beginning in January with one being filled in July.

COCC
Working Capital Budget vs. Actual Report
For the Period Ended 6/30/2015

	Quarter Ended June 30, 2015				Year-to-Date				2015 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$0	$0	$0	n/m	$0	$0	$0	n/m	$0	$0	n/m	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	3,210,168	3,060,176	149,992	4.9%	6,103,750	5,877,320	226,430	3.9%	11,366,013	5,262,263	53.7%	
Non-operating Revenue	375,803	332,462	43,341	13.0%	720,981	647,448	73,533	11.4%	1,312,273	591,292	54.9%	
Total Revenues	3,585,971	3,392,638	193,333	5.7%	6,824,731	6,524,768	299,963	4.6%	12,678,286	5,853,555	53.8%	
Expenses												
Salaries & Benefits	2,425,155	2,443,347	(18,192)	(0.7%)	5,182,763	5,217,469	(34,706)	(0.7%)	10,494,999	5,312,236	49.4%	
Routine Maintenance, Utilities, Taxes & Insurance	449,747	417,040	32,707	7.8%	956,987	894,831	62,156	6.9%	1,789,640	832,653	53.5%	(1)
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Administrative Support Expenses	534,254	776,701	(242,447)	(31.2%)	997,925	1,493,493	(495,568)	(33.2%)	2,983,003	1,985,078	33.5%	(2)
Non-operating Expenses	167,659	164,839	2,820	1.7%	602,650	329,678	272,972	82.8%	659,355	56,705	91.4%	(3)
Total Expenses	3,576,815	3,801,927	(225,112)	(5.9%)	7,740,325	7,935,471	(195,146)	(2.5%)	15,926,997	8,186,672	48.6%	
Net Income	9,156	(409,289)	418,445	n/m	(915,594)	(1,410,703)	495,109	(35.1%)	(3,248,711)	(2,333,117)	28.2%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(0)	0	(0)	n/m	(0)	0	(0)	n/m	0	0	n/m	
Decrease in Restricted/Designated Cash	171,486	171,486	0	0.0%	8,918,011	171,486	8,746,525	5100.4%	171,486	(8,746,525)	5200.4%	(4)
(Increase) in LT Receivables	(342,265)	(212,437)	(129,828)	61.1%	(523,719)	(424,875)	(98,844)	23.3%	(1,449,750)	(926,031)	36.1%	(5)
Decrease in LT Receivables	165,215	176,159	(10,944)	(6.2%)	328,360	352,320	(23,960)	(6.8%)	704,640	376,280	46.6%	
Acquisition of Capital Assets	(350,351)	(180,873)	(169,478)	93.7%	(358,081)	(181,746)	(176,335)	97.0%	(363,490)	(5,409)	98.5%	(6)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	(57,708)	0	(57,708)	n/m	(21,925)	0	(21,925)	n/m	0	21,925	n/m	
Change in Other Assets	0	0	0	n/m	0	(250,000)	250,000	(100.0%)	(525,000)	(525,000)	0.0%	(3)
Change in Deferrals	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(225,000)	(225,000)	0	0.0%	(450,000)	(450,000)	0	0.0%	(900,000)	(450,000)	50.0%	
Change in Other Liabilities	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	7,219	0	7,219	n/m	7,918	0	7,918	n/m	0	(7,918)	n/m	
Total Other Sources/(Uses) of Working Capital	(631,404)	(270,665)	(360,739)	133.3%	7,900,564	(782,815)	8,683,379	n/m	(2,362,114)	(10,262,678)	n/m	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	1,558,963	1,622,941	(63,978)	(3.9%)	2,646,679	2,141,883	504,796	23.6%	3,179,754	533,075	83.2%	(7)
Transfers Out to Other Funds	(296,056)	(336,725)	40,669	(12.1%)	(1,207,419)	(967,650)	(239,769)	24.8%	(5,691,900)	(4,484,481)	21.2%	(8)
Net Transfer In/(Out)	1,262,908	1,286,216	(23,308)	(1.8%)	1,439,261	1,174,233	265,028	22.6%	(2,512,146)	(3,951,407)	n/m	
Net Change in Working Capital	$640,660	$606,262	$34,398	5.7%	$8,424,231	($1,019,285)	$9,443,516	n/m	($8,122,971)	($16,547,202)	n/m	
Working Capital, Beginning of Period	24,396,735				16,613,164							
Working Capital, 6/30/2015	$25,037,395				$25,037,395							

1) Primarily due to unbudgeted construction of office in 600 building and various central maintenance categories being slightly over target.
2) Various categories are under target (Administrative Contracts, Professional Services, Transportation-Vehicle Fuel) but are expected to see more activity as the year progresses
3) The Plum Court apartments purchase option fee of $250K was expensed as the cost will not be recovered. The amount was originally budgeted as an increase to other assets.
4) Restriction removed from $8.8M of collateral investments as note between KCHA and MKCRF was pledged with the FHLB in lieu of the investments. Was budgeted in 2014.
5) Draws on KCHA's loan to DASH for Plum Court Apartments rehab are based on actual rehabilitation costs which will be incurred through August. However, the draws were budgeted evenly throughout the entire year.
6) Vehicle replacement budgeted through June totaled $180k, but 14 vehicles with total cost of $353k were acquired. The budget i s expected to catch up in the 3rd quarter.
7) Due to unbudgeted transfer of Green River Homes predevelopment cash of $561k to COCC
8) $650K cash transfer from COCC to Vantage Point KCHA GP ledger to fund bridge loan to the partnership was budgeted in 2014 b ut occurred in 2015. Budgeted $374k transfer to support tenant improvements at Island Crest has not occurred.

TAB NUMBER 7

King County Housing Authority

To: Board of Commissioners

From: Mark Abernathy, Risk Manager

Date: September 14, 2015

Re: **Risk Management & Insurance Programs Report**

During the September 21, 2015 Board meeting, the KCHA Risk Management Department (Risk Management) will provide a short summary about the KCHA risk management program, including the following topics:

- KCHA Risk Management Staff Introduction
- Initiatives/Completed Projects
- Claims History
- 2015/16 Current Projects

Risk Management administers the KCHA risk, loss prevention, and insurance programs. Its mission is to provide loss prevention and control programs including insurance, environmental and casualty claims management services to KCHA departments in order to reduce or eliminate losses and protect KCHA's assets. Risk Management's primary activities are:

- Risk identification and mitigation
- Insurance procurement and broker selection
- Co-administration and monitoring of third party administrators' adjusting of workers' compensation claims
- Coordination of the casualty and property claims and lawsuits
- Safety training, reporting, and compliance
- Loss prevention and control programs
- Environmental investigation, remediation, and reporting
- Contractual indemnification and insurance requirement language drafting and review

Risk Management appreciates the opportunity to present a summary of KCHA's insurance, risk, and loss prevention/control initiatives and will be happy to answer any questions the Board may have following the presentation.

TAB NUMBER 8

To: Board of Commissioners

From: Jenna Smith, Resource Conservation Manager

Date: September 14, 2015

Re: **2010 – 2016 Resource Management Plan Report**

Executive Summary of Results for the 2014 Resource Management Plan Year:

2014 marks the fourth year of KCHA's Resource Management Plan (RMP), a six-year strategy to reduce the Authority's impact on the natural environment and reduce utility costs. KCHA has met or exceeded its 2014 benchmark goal in three out of six resource conservation areas. With the exception of portfolio-wide whole-building energy use, the Authority continues to make progress towards 2016 year end goals.

Discussion:

The RMP was adopted by the Board of Commissioners in August 2011. It established an energy, water and solid waste baseline from 2010 utility data to measure annual progress in the following six resource conservation areas *(Dashboard progress tables can be found at the end of this report)*:

- Common area energy-use at KCHA-managed sites (KCHA paid)
- Portfolio-wide whole-building energy use (KCHA and resident consumption combined)
- Water use per resident at KCHA-managed sites
- Avoided utility costs at KCHA-managed sites (water and energy)
- Waste diversion at KCHA-managed sites (recycling/garbage capacity)
- Solar energy production capacity

Common Area Energy – KCHA-paid common area energy reductions exceeded target by 3% in 2014 (Table 1). Since annual energy data is normalized with 2010 baseline year weather data, the increase in savings is due to improvements in the efficiency of building lighting and heating systems. Through regular life cycle replacements and utility company funded incentive and weatherization programs there is an on-going opportunity to continue to reduce consumption.

Whole Building Energy - While KCHA-managed areas continue to realize savings, Table 2 shows that portfolio-wide whole-building (common area and resident consumption) energy use per square foot (EUI) has remained stable from 2012 to 2014. Though KCHA's long-term goal is to reduce average EUI for the portfolio, national residential sector energy use has been trending upward partly due to increased plug loads. It has been theorized that low-income households in general have higher EUIs due both to more daytime usage and higher occupancy levels. As KCHA's 36.5 EUI is benchmarked against all types of multifamily buildings, attainment of this goal may be very difficult to achieve, although the new Energy Performance Contract (see page 3) should help to reduce the average EUI.

Water - Daily per capita water use from KCHA managed properties was 3% lower than the previous year and virtually equal to the 50 gallons per person per day target (Table 3). Field staff continues to manage utilities efficiently, identifying and fixing leaks quickly and upgrading plumbing fixtures with more efficient technologies, often with the assistance of utility rebate programs.

Avoided Costs - Compared to the 2010 baseline year, in 2014 KCHA saved $33k in water and $112k in energy costs (Table 4). These savings were 43% higher than the previous year due to decreases in water and gas consumption. Since energy is normalized to 2010 baseline weather data, and water is not, weather plays a larger role in water cost savings. In 2014, water savings were higher than 2012 and 2013, though less than the savings in 2011. Due to the exceptionally dry summer in 2015, next year's report may show higher water usage and less cost savings. Electricity savings has stayed relatively steady since 2012, however gas savings increased in 2014.

Waste Diversion – In 2014, the volume of recyclable material diverted from garbage exceeded projected targets by 5% (Table 5), similar to years 2011 through 2013. Resident education efforts coupled with free recycling and new food waste services continues to improve the diversion rate while reducing overall solid waste costs. Since 2010, KCHA has saved $105 thousand by adding recycling services and reducing contamination issues, all aimed at improving the diversion rate.

Solar - With the installation of two solar photovoltaic systems in 2014, Table 6 illustrates how KCHA's solar capacity rose by 46% compared to the previous year. Though this amount is 24% below the 2014 year end target, KCHA continues to explore opportunities to install new systems. In 2014, all the solar systems combined produced over 63,000 kWh, for an estimated savings of $6.3 thousand. The solar systems also receive a $10 thousand annual rebate from the energy utilities.

Current Initiatives

EnviroStars - KCHA has 40 properties certified by the King County EnviroStars program, which recognizes organizations for outstanding management of hazardous waste. In 2014, KCHA's commitment to environmental stewardship was honored at a special event sponsored by EnviroStars. Currently, staff is continuing efforts to recertify existing sites and enroll new properties in the program.

Solid Waste - In an effort to assess garbage costs and clarify diversion rates (the amount of material recycled vs landfilled), KCHA conservation staff have developed a new performance measurement tool to help identify properties that may be paying for unnecessary garbage capacity. “Right-sizing” garbage and recycling capacity to the actual needs of the property is the first step in identifying the property’s true diversion rate. Next steps include educational outreach and the introduction or expansion of yard/food waste services to further increase the diversion rate. Currently, 32 KCHA properties subscribe to organics collection and seven of these encourage residents to compost food scraps as part of the service. By the end of summer 2015, an additional seven properties will begin composting food.

Ductless Heat Pump (DHP) Review - In November 2014, conservation staff were tasked with assessing the costs and benefits of DHPs because of anecdotal concerns that the technology was difficult for residents to use and consumed an excessive amount of maintenance staff time. The assessment provided an objective review of how DHPs are performing, as well as a cost analysis comparing projected to actual energy savings. In addition, the assessment evaluated staff and residents’ experiences, as well as other multifamily property owners and housing authorities’ DHP experiences, and recommended steps KCHA should consider when implementing DHPs in the future. The findings showed that DHPs are highly reliable systems for KCHA, supported by most residents and staff, and that some additional training and simplified user guides would help both maintain and manage the technology to realize optimal energy savings.

Weatherization - The work of KCHA’s Weatherization Department directly impacts the energy use outcomes tracked by conservation staff. In 2014, Weatherization completed or substantially completed weatherization projects at 7 KCHA properties (80 buildings with 325 residential units) where wall insulation, floor insulation, attic insulation, air-sealing, ductless heat pumps and/or energy recovery ventilators (ERVs) were installed.

Utility Rebate Programs – KCHA conservation staff are taking advantage of utility related conservation programs to retrofit properties with energy and water saving technologies. For example, staff have partnered with Seattle City Light and Puget Sound Energy to provide free indoor LED lighting, power strips, and water heater pipe insulation for residents, and to secure financial incentives for energy efficient outdoor lighting installations. Year to date, KCHA has received free installation assistance for 40 indoor energy projects and over $57 thousand in rebates for 8 exterior lighting projects. Combined estimated energy savings for both KCHA and residents is 875 thousand kWh. Additional partnerships with the Saving Water Partnership and Cascade Water Alliance have provided free water audits to identify leaks and almost $40 thousand in funding to retrofit toilets, showerheads and aerators at 7 properties from second quarter 2014 to the present.

Energy Performance Contract- The Board has already had an initial briefing on this initiative. KCHA is exploring the use of HUD financial incentives to finance energy conservation measures such as DHPs, LED lighting, ERVs, energy efficient appliances and water conservation measures in our Public Housing inventory and to use the utility cost savings to amortize project costs and deliver supplemental cash flow to the Authority over a 20 year period. The shape of this project is now coming into focus. KCHA is focusing on a scenario that would deliver $27.7 million in efficiency improvements, leading to a projected $53.2 million in utility savings over 20 years, and result in $15.2 million in cash flow to KCHA over that same period to support operations. The Board will have another briefing on this project in either October or November 2015 as the numbers are finalized.

Looking Ahead

2016 is the final year of the 2011-2016 Resource Management Plan, and development of a new plan is underway. The new plan will establish further five year goals for measuring the impact of water, energy and solid waste conservation efforts, identify other areas where KCHA can reduce its impact on the environment and highlight the main initiatives KCHA will undertake to increase sustainability outcomes. The Plan will be brought to the Board for review and adoption.

2014 Dashboard Summary and Tables

KCHA RMP Dashboard Summary			
RMP Target Area	**2014 Actual**	**2016 Target**	**On Target to Meet 2016 Goals?**
KCHA managed common area energy in Millions of British Thermal Units (MBtu)	5,532 MBtu	8,079 MBtu	Yes
Portfolio whole building energy use per square foot (EUI)	38.7 EUI	36.5 EUI	No
KCHA managed gallons per person per day (GPD)	50.2 GPD	49.97 GPD	Yes
KCHA managed avoided cost	$146,161	$278,922	No
KCHA managed waste diversion rate (DR)	37% diverted	40% DR	Yes
Portfolio solar energy kW capacity	98.6 kW	195.5 kW	No

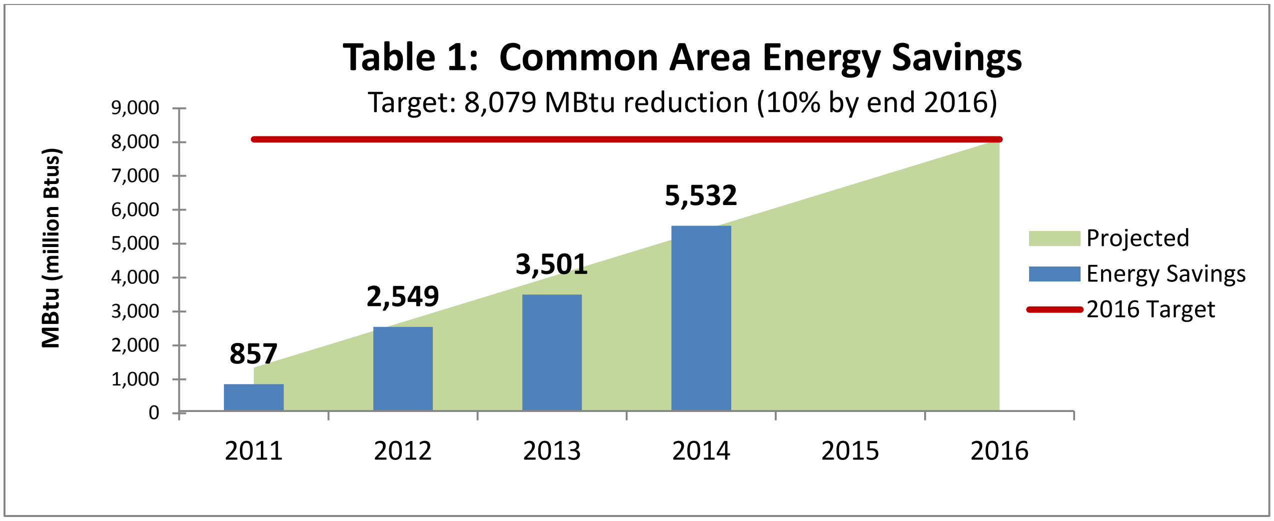


Table 1: Common Area Energy Savings
Target: 8,079 MBtu reduction (10% by end 2016)
MBtu (million Btus)
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
857
2,549
3,501
5,532
2011
2012
2013
2014
2015
2016
Projected
Energy Savings
2016 Target

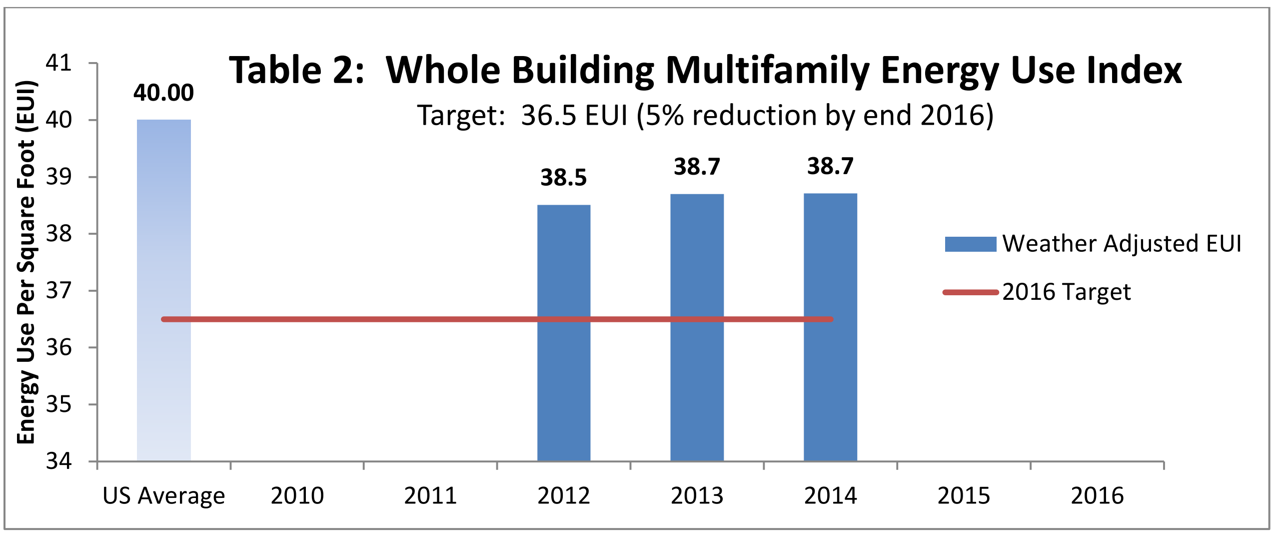


Table 2: Whole Building Multifamily Energy Use Index
Target: 36.5 EUI (5% reduction by end 2016)
Energy Use Per Square Foot (EUI)
41
40
39
38
37
36
35
34
40.00
38.5
38.7
38.7
US Average
2010
2011
2012
2013
2014
2015
2016
Weather Adjusted EUI
2016 Target

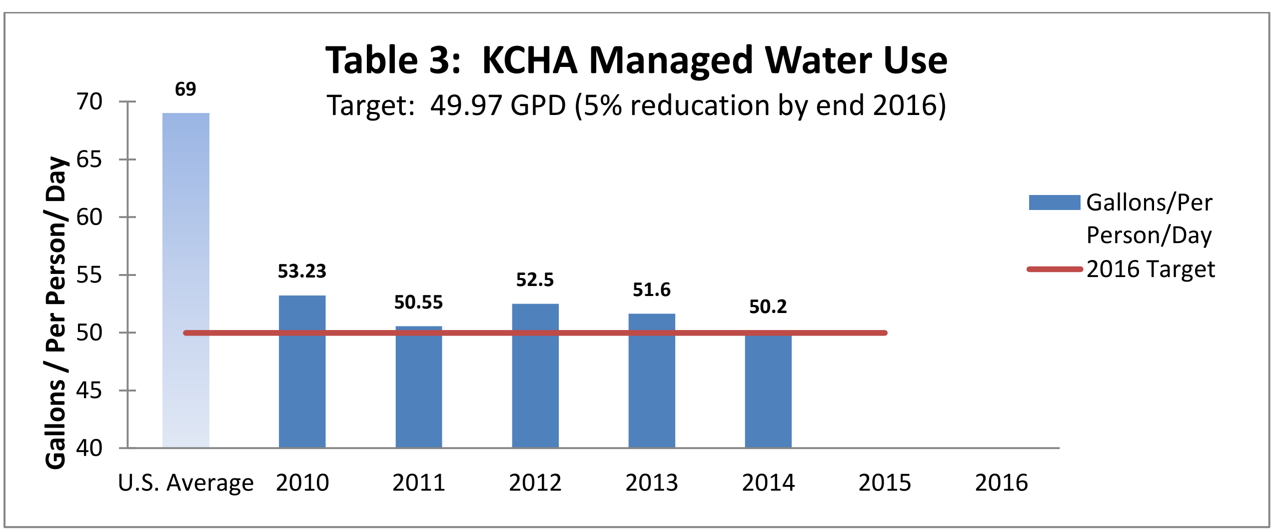


Table 3: KCHA Managed Water Use
Target: 49.97 GPD (5% reducation by end 2016)
Gallons / Per Person/ Day
70
65
60
55
50
45
40
69
53.23
50.55
52.5
51.6
50.2
U.S. Average
2010
2011
2012
2013
2014
2015
2016
Gallons/Per Person/Day
2016 Target

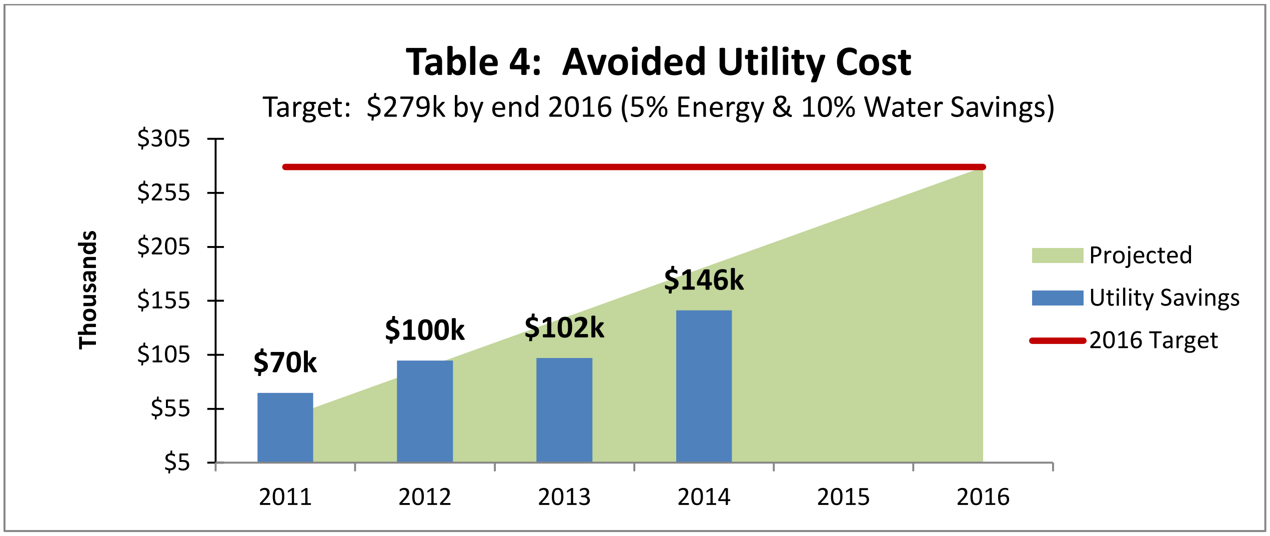


Table 4: Avoided Utility Cost
Target: $279k by end 2016 (5% Energy & 10% Water Savings)
Thousands
$305
$255
$205
$155
$105
$55
$5
$70k
$100k
$102k
$146k
2011
2012
2013
2014
2015
2016
Projected
Utility Savings
2016 Target

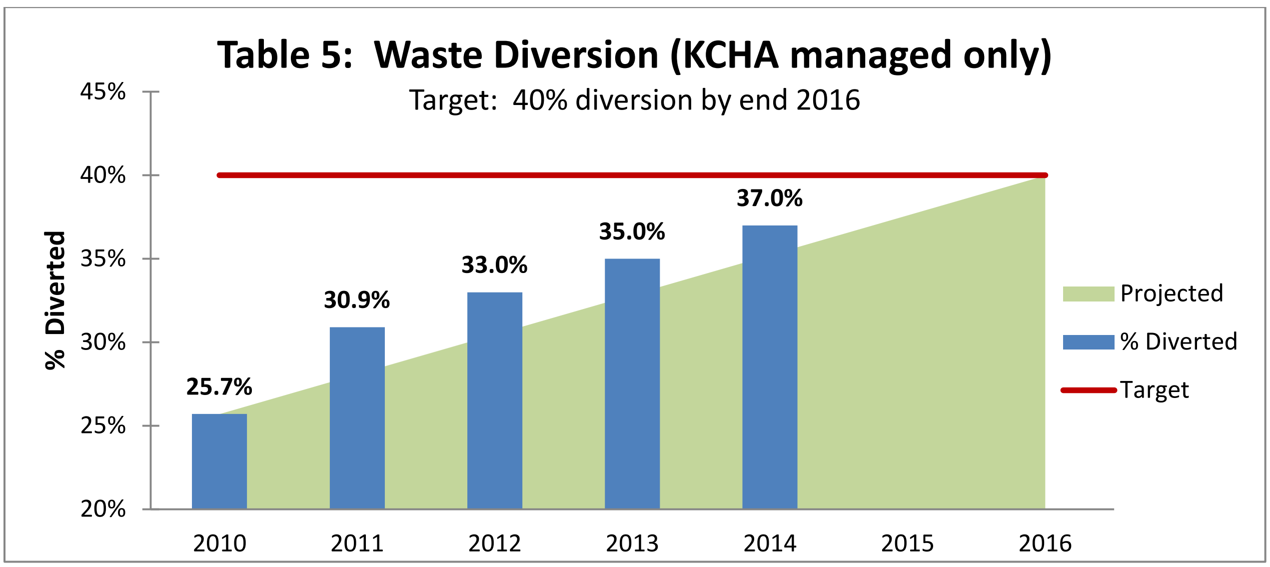


Table 5: Waste Diversion (KCHA managed only)
Target: 40% diversion by end 2016
% Diverted
45%
40%
35%
30%
25%
20%
25.7%
30.9%
33.0%
35.0%
37.0%
2010
2011
2012
2013
2014
2015
2016
Projected
% Diverted
Target

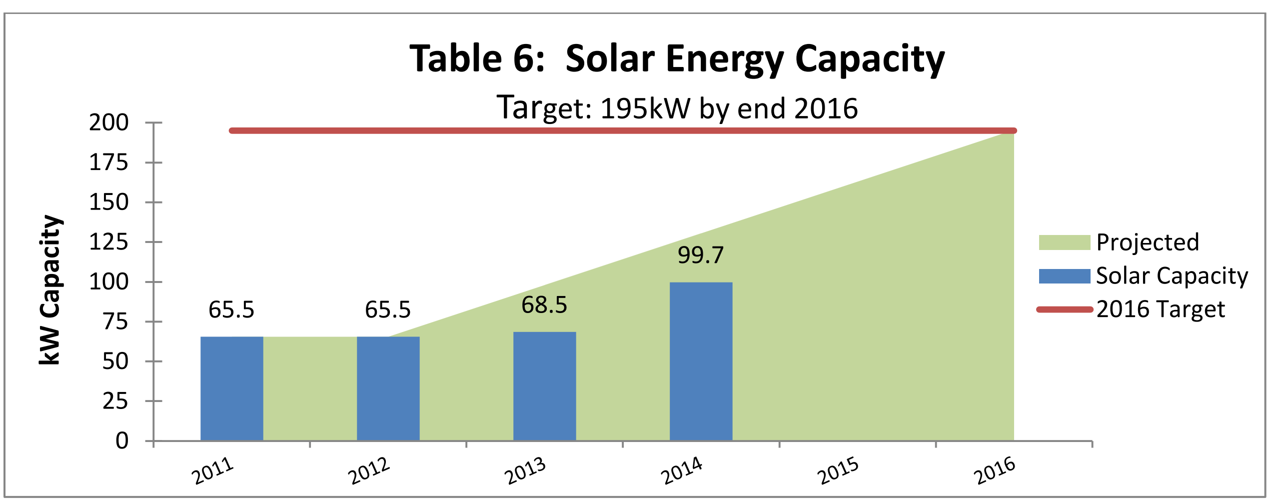


Table 6: Solar Energy Capacity
Target: 195kW by end 2016
kW Capacity
200
175
150
125
100
75
50
25
0
65.5
65.5
68.5
99.7
2011
2012
2013
2014
2015
2016
Projected
Solar Capacity
2016 Target

T
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9

To: Board of Commissioners

From: Katie Escudero, Moving To Work Policy Analyst

Date: September 14, 2015

Re: Moving To Work 2016 Draft Plan

At the September board meeting, staff will provide a brief overview of the Draft 2016 Moving to Work Annual Plan, present a summary of any public comments received to date, and be available to answer questions.

As a participant in the U.S. 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.

The format of this plan is prescribed by HUD. Pages one through 16 of the Draft Plan detail KCHA's goals under the MTW program, 2016 operational information, and the new activity proposals. The remainder of the plan describes the ongoing activities and does not provide new information.

No action is requested of the Board at this time. A final version of the Annual Plan, a summary of changes to the Draft, and a request for approval will be presented at a Special Meeting of the Board of Commissioners in October.

Background

The Moving to Work demonstration program provides 39 housing authorities the flexibility needed to develop innovative and community-specific approaches for the use of federal resources in addressing local affordable housing needs. Since 2003, KCHA has benefitted from this flexibility, enabling the agency to initiate new approaches to preserving its existing housing inventory, increasing the number of extremely low-income households served, assisting families in reaching self-sufficiency, de-concentrating poverty, and streamlining the administration of housing assistance programs. MTW enables KCHA to design more effective programs and enter into partnerships that leverage significant outside resources.

Public Outreach

The public comment period began on August 10th and concludes on September 28th. During this time, KCHA is providing many opportunities for residents, stakeholders, and the general public to review and comment on the draft plan that both meet and exceed HUD's requirements. Consistent with HUD's public comment requirements, KCHA has:

- Published Public Notices (August 10th) of the plan's availability and the date of the Public Hearing on KCHA's website and in local newspapers including the Seattle Times, the Daily Journal of Commerce, and the NW Asian Weekly. The notices are also posted at all KCHA developments in the agency's six most prominent languages: English, Khmer, Russian, Spanish, Somali, and Vietnamese.
- Presented the plan to the Resident Advisory Committee (RAC) and solicited resident feedback (September 8th and 9th).
- Held a formal Public Hearing (September 1st) to inform the public of KCHA's plans and proposals for the next fiscal year.

In addition to HUD's requirements, KCHA is conducting or has conducted supplemental outreach to solicit feedback from our residents and partners throughout the community, including:

- Mailed notices (August 10th and September 11th) of the plan's availability and the Public Hearing date to residents, partner agencies, and advocacy groups. Stakeholders were also invited to e-mail comments directly to our website.
- Invited more than fifty partner agencies to attend a planning meeting (July 1st) to discuss new and future MTW activities.
- Hosting an additional Public Hearing (September 22nd).

Proposed New Activities for 2016

In order to continue expanding housing opportunities for King County's low-income residents and to capture additional program efficiencies, KCHA is putting forth the following three new activities for HUD approval:

ACTIVITY 2016 (1): Budget-based Rent Model

What: A rent model for KCHA's Project-based Section 8 properties that takes into consideration variations in individual property budgets that reflect necessary operational expenses, property upgrades, and debt service to pay for needed renovations. KCHA will dedicate a larger budget to these properties to off-set increased costs without increasing the residents' portion of the rent payment.

Why: A property's needs and costs can change over time, necessitating an increased budget and accompanying rent structure that ensures a property is well-maintained and available to extremely low-income households.
Anticipated Impact: By setting a rent level that aligns with a property's costs, KCHA ensures that the 700 units in these properties are financially supported and sustained for the long-term.

ACTIVITY 2016 (2): Streamlining Land Sales and Disposition

What: Developing a streamlined sales process that reduces the administrative complexity and paper work for remaining land sales at the Greenbridge community.

Why: Despite approval by HUD for the sale of all land slated for homeownership development at Greenbridge in 2005, KCHA must still submit a detailed application (more than 40 pages) for each individual transaction. This process increases administrative costs and delays closings, hampering our ability to compete in the private marketplace and expeditiously complete build-out of the Greenbridge community.

Anticipated Impact: By streamlining this process, KCHA will be able to efficiently and effectively complete the final stages of the Greenbridge development.

ACTIVITY 2016 (3): Conversion of Former Opt-out Developments to Public Housing

What: Converting entire Project-based Section 8 properties to Public Housing all at once.

Why: Currently, a unit turns over to Public Housing only when a current resident moves out, making the process slow and unpredictable. Two sets of rules govern the management of the property, adding to the administrative complexity of providing housing assistance.

Anticipated Impact: By streamlining the conversion to Public Housing, KCHA can administer a single set of rules on a specific site and cut down on administrative complexity and costs.

King County
Housing
Authority

Moving to Work

FY 2016 ANNUAL PLAN

King County Housing Authority

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Rhonda Rosenberg

Craig Violante

Tim Walter

Dan Watson

Kristin Winkel

Wen Xu

Prepared by: Katie Escudero
Updated September 8, 2015

King County Housing Authority

Moving to Work Annual Plan FY 2016

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Dear Friends,

The King County Housing Authority's 2016 Moving to Work (MTW) plan reflects our steady progress in expanding assistance to low-income, elderly, and disabled residents in the region who are most in need of affordable housing. As we mark our 13th year in the program we will utilize the flexibility MTW offers to extend housing assistance to additional households, expand housing choice, streamline operations, and develop creative solutions for meeting the diverse needs of low-income families in our communities.

KCHA faces an on-going challenge in managing its federally funded programs within an uncertain budgetary and regulatory environment – uncertainty that undercuts strategic and operational planning at a time when the need for affordable housing in our communities is rising dramatically. As the regional economy has expanded, the growing demand for housing has translated into rapidly escalating costs for low-income renters across King County, nearly half of whom are currently rent-burdened. When KCHA opened its Housing Choice Voucher wait list last February, we received more than 22,000 applications within two weeks. The most recent annual point-in-time-count found 3,772 individuals living on our streets. Many more are living in temporary shelters, motel rooms or relative's couches. School districts across the county last year reported over 6,500 homeless schoolchildren in their classrooms. Diminished federal support and heightened local need require KCHA to be nimble, efficient, and innovative in how we use our resources. *The MTW program and the flexibility it provides is our most critical tool for ensuring we can effectively meet this challenge.*

This flexibility enables us to design, evaluate and take to scale innovative housing and service solutions that respond directly to local needs and priorities. During this coming year, we will build upon the successes of prior MTW policy and program initiatives: increasing families served; matching services with housing to support households with special needs; improving access to high opportunity neighborhoods; and connecting housing and education in ways that will allow children to succeed in school and families to achieve economic self-sufficiency. In 2016, we will continue to:

- **Expand access to high opportunity neighborhoods** by implementing small market payment standards, acquiring additional properties and siting subsidies in high opportunity neighborhoods. Using our Community Choice Program, now in its second year, we will provide one-on-one counseling and services to help families with young children make appropriate locational choices and to support them in succeeding in new neighborhoods. KCHA has established the goal of having 30% of its subsidized families with children living in high opportunity neighborhoods by the end of 2020.
- **Combat family homelessness** by expanding our Student and Family Stability Initiative (SFSI) with the Highline School District. SFSI is a Rapid Re-Housing program that provides homeless students and their families with short-term rental assistance, security deposits, and individualized case management and employment services. It has shown promising initial results in both stabilizing children in the classroom and reducing school district McKinney-Vento mandated transportation costs. We expect SFSI to serve 90 families in 2016.
- **Expand and preserve affordable housing opportunities** by leveraging "banked" Public Housing subsidies, by acquiring additional housing along emerging mass transit corridors and by investing in the revitalization of low-income communities. Projects already in planning include a new senior housing development near our Greenbridge site and the revitalization of Renton's Sunset neighborhood in partnership with the Renton Housing Authority.
- **Support families in achieving greater self-sufficiency** by investing in our FSS program and educational initiatives. Ensuring the academic success of the 14,500 children in our federally assisted housing programs is a cornerstone of our efforts to prevent the multi-generational cycle of poverty. We will continue to work in partnership with school districts, local foundations and neighborhood-based service providers to coordinate and expand our programs and measure impacts.
- **Increase our operational efficiency** through improved technology and re-engineered business processes that assure continued compliance with federal regulatory requirements while providing for streamlined operations and greater customer satisfaction. As part of this effort we will complete our conversion to a new software system, Tenmast WinTen 2+, which will provide easier access to tenant files, improved program efficiency, and more robust customer service, program analytics and quality control. New risk-based Housing Quality Standard inspection policies will provide better service to landlords, a critical issue in an increasingly competitive rental market.
- **Strengthen our research and evaluation capacity** by continuing to develop internal competencies and committing the resources necessary to conduct program evaluations,

assess the impact of new policies on our stakeholders, research evidence based best-practices, and advance a research agenda that contributes to local policy development and the national housing policy conversation. We recognize this as a core objective of the MTW program.

Our MTW designation allows us to pursue each of these priorities in innovative and creative ways. The net effect of these MTW-authorized changes is significant: *more families and individuals are being served, more effectively, than would otherwise have been possible.*

In 2016, our MTW plan proposes three new initiatives that build on our track record of success. We expect these three initiatives to produce an estimated 220 hours in annualized staff savings (translating to over $100,000) and to preserve over 700 housing units:

- **Adopt a budget-based rent model to support the high quality housing funded through our project-based rental subsidy programs.** This adjustment will ensure that these affordable and well-maintained units are available to extremely low-income households for years to come.
- **Allow entire properties to convert to Public Housing at one time to enable more efficient administration of this transition.** KCHA continues to designate properties, many of them in high opportunity neighborhoods, for conversion to subsidized housing. This authorization would allow KCHA to more effectively set budgets and serve individuals at these sites, while still ensuring that tenants have the right to a voucher if they choose to move.
- **Streamline land disposition to more competitively market and sell properties pursuant to approved HOPE VI disposition plans.** KCHA is proposing to streamline the land sales approval process for the remaining bulk parcels designated for home-ownership at the Greenbridge mixed-income housing community. The streamlining of the approval process for individual tracts of land will reduce KCHA and HUD staff time and ensure that the community is fully developed as expeditiously as possible.

Our proposed and ongoing MTW-authorized initiatives help more than just the households we serve in King County – the programs and policies that we and other MTW agencies have designed, tested, and evaluated have been included in national legislation and have informed new HUD regulations. While only one percent of all housing authorities participate in the MTW program, our efforts have far-reaching benefits that impact low-income families across the nation.

KCHA’s MTW designation continues to be the critical and necessary driver of our success. Recent proposals by HUD to significantly limit the flexibility provided under this program, if implemented, will have a direct and fundamental impact upon our existing partnerships in the region, including partnerships aimed at ending homelessness, improving educational outcomes for all children and expanding housing choice for low-income families. KCHA's ability to support its partners, develop and implement multi-year initiatives, pilot and evaluate new approaches, and serve the current number of families would all be significantly curtailed if this flexibility is lost. It is my hope that a close reading of this plan and of our annual MTW report will provide useful information that can inform HUD and other stakeholders' thinking as we move forward.

Sincerely,

Stephen Norman

SECTION I: INTRODUCTION

A. Overview of Short-term MTW Goals and Objectives

King County Housing Authority (KCHA) continues to focus on ensuring that our housing assistance reaches those with the greatest need and supports educational and economic opportunities that provide our residents and program participants the resources necessary for long-term success and economic independence. In 2016, we will:

- **Increase the number of extremely low-income households we serve.** KCHA employs multiple strategies to expand our reach: property acquisitions; new construction; use of banked Annual Contributions Contract (ACC) authority; project-basing of rental assistance in partnership with non-profit developers and service providers; lease-up of new incremental vouchers; over-leasing of our existing Section 8 baseline; flexible and stepped subsidies for special populations; short-term rental assistance and Rapid Re-Housing programs; and designation of some Public Housing units as MTW Neighborhood Services Units dedicated to meeting unique local needs.
- **Develop a pipeline of new projects intended to increase the supply of housing dedicated to extremely low-income households.** KCHA continues to actively seek out property acquisitions in strategic areas of the county, including current and emerging high-opportunity neighborhoods, and transit-oriented development (TOD) sites. We also continue to invest in the revitalization of some of the poorest neighborhoods in our region. In White Center, planning continues for the development of additional housing as part of the Greenbridge community. KCHA has also partnered with the City of Renton and Renton Housing Authority to advance a consortium approach to the revitalization of the Sunset neighborhood.
- **Support families in gaining greater economic self-sufficiency**. During 2016, KCHA anticipates assisting more than 300 Public Housing and Section 8 households in the Family Self-Sufficiency program. This program advances families toward economic self-sufficiency through individualized case management, supportive services and program incentives. We are exploring additional strategies to promote improved economic outcomes among residents by engaging local service provider partners in a strategic planning process.

- **Foster partnerships that address the multi-faceted needs of the most vulnerable populations in our region**. More than 35 percent of the households entering into one of our federally assisted programs are homeless. This includes: disabled veterans; individuals living with a chronic mental illness who often cycle among the street, the criminal justice system and hospital emergency rooms; youth who are homeless or transitioning out of foster care; and high-need, homeless families with children engaged with the child welfare system. In 2016, KCHA will continue to partner with service providers and the behavioral health care system to meet our community's supportive housing needs and regional goals for ending homelessness.
- **Expand assistance to homeless and at-risk households through Rapid Re-housing.** We will continue to partner with the Highline School District and its McKinney-Vento liaisons to implement a Rapid Re-housing approach for addressing the growing number of homeless students in our public schools. This program, launched in November 2013, provides short-term rental assistance to help as many as 65 homeless families attain housing each year. By stabilizing families within or near their children's schools, we anticipate that student attendance will improve and school transportation costs will decrease. The first-year evaluation supports this hypothesis – the district avoided $81,000 in transportation costs for five families that depended on taxis to attend school. In all, 164 children were re-housed under this program during the 2014-15 school year.
- **Increase housing choices in 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 rental subsidies in targeted high-opportunity neighborhoods. Currently, 24 percent of KCHA's HUD subsidized households with children live in high or very high-opportunity neighborhoods. We are committed to increasing this number to 30 percent by the end of 2020.
- **Streamline rental policies to encourage better economic outcomes for working households**. KCHA's rental policies – including revised recertification and utility allowance schedules, and the elimination of flat rents – assist in streamlining our operations. This results in significant savings in staff time, as well as reducing rent burdens for families, and providing them incentives to attain employment and increase economic self-sufficiency**.** Over the next year, we will be analyzing additional operational modifications that may improve economic outcomes for our residents while streamlining the administration of rent.
- **Improve educational outcomes of more than 14,500 children who live in our federally assisted housing programs**. 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 element of our core mission and actively partners with local education stakeholders around shared outcomes, including improved attendance, better academic performance and higher graduation rates. We focus on multiple approaches for achieving grade-level competency while also supporting improved educational outcomes for older youth through after-school programs, parental engagement and mentoring.

- **Invest in the elimination of accrued capital repair and system replacement needs in our federally subsidized housing inventory.** In 2016, KCHA will invest more than $19 million in public and private financing toward our five-year, $54 million capital plan, over $15 million of which is from the capital fund. This investment will improve quality, reduce maintenance costs and energy consumption, and extend the life expectancy of our federally assisted housing stock. KCHA also will work to maintain its record of excellence in the physical condition of its housing. In 2015, we averaged a score of 97.5 percent on property inspections performed by HUD's Real Estate Assessment Center (REAC).
- **Create more cost-effective programs by streamlining business processes, digitizing client files and implementing a new software platform for core business functions.** By the beginning of 2016, KCHA will have fully converted to a new integrated software system, Tenmast WinTen 2+. Combined with online access to tenant files, our MTW-funded investment in this software will provide greater efficiency in our operations and reporting, allowing for continually improving customer service, program evaluation and quality control.
- **Reduce the environmental impact of KCHA's programs and facilities.** KCHA's current Six-Year Resource Management Plan will be in its final year in 2016. The plan includes strategies to save energy and water, divert materials from the waste stream, handle and reduce hazardous waste, and influence tenant behavior. Major initiatives include retrofitting much of our housing portfolio with energy and water saving technologies, augmenting solar production capacity, adding food waste composting services for residents, and continuing to expand utility consumption tracking to additional properties. In 2016, we will be extending our existing Energy Performance Contract (EPC) – a financing tool that enables housing authorities to finance needed energy upgrades of Public Housing stock – and implementing a new 20-year performance contract.
- **Strengthen our research and evaluation capacity.** In 2015, KCHA established its first research agenda. In 2016, we will continue to develop an internal structure and external partnerships to oversee and conduct program evaluation, advance a long-term research agenda, and partner effectively in large regional studies. These actions support the intent of the MTW program to explore new approaches to

effectively and efficiently address the housing needs and life outcomes of our communities' extremely low-income residents.

B. Overview of Long-term MTW Goals and Objectives

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

- **Strategy 1:** Continue to strengthen the physical, operational, financial and environmental sustainability of our portfolio of more than 9,000 affordable housing units.
- **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 developing new housing, preserving existing housing, and expanding the size and reach of our rental subsidy programs. Currently, more than 87 percent of the households served through our Public Housing and Section 8 programs have incomes below 30 percent of AMI.
- **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 health care and other social service systems 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 program providers, public health departments, community colleges, the philanthropic community, and our residents, with the goal 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.
- **Strategy 9:** Continue to develop institutional capacity and efficiencies to make the most effective use of federal resources.
- **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.
- **Strategy 11:** Develop our capacity as a learning organization that incorporates research and evaluation to drive decisions and shape policy.

SECTION II: GENERAL HOUSING AUTHORITY OPERATING INFORMATION

A. Housing Stock Information

In 2016, KCHA will use banked Annual Contributions Contract (ACC) subsidies to migrate as many as four previously purchased developments into our Public Housing inventory. The transition of these properties to the Public Housing program will ensure that these units will be available to extremely low-income households over the long term.

Additionally, we may be adding up to 100 units to our inventory of MTW Neighborhood Services units as opportunities arise to partner with local providers to house high-needs populations.

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+				
Anita Vista 485	0	0	0	14	0	0	0	**14**	**Other: Victims of Domestic Violence**	**0**	**0**
Burien Park 390	0	102	0	0	0	0	0	**102**	**Elderly/Disabled**	**3**	**99**
Brookside 180	0	14	2	0	0	0	0	**16**	**Elderly/Disabled**	**16**	**0**
Federal Way Duplexes 581	0	0	0	0	4	0	0	**4**	**Elderly/Disabled**	**0**	**0**
Nike 400	0	0	7	22	0	1	0	**31**	**Other: Homeless**	**0**	**0**
Northwood 191	0	34	0	0	0	0	0	**34**	**Elderly/Disabled**	**2**	**32**
Northlake House 290	0	38	0	0	0	0	0	**38**	**Elderly/Disabled**	**4**	**34**
Shadrach 181	0	0	9	0	0	0	0	**9**	**Other: Homeless**	**0**	**0**
MTW Neighborhood Services Units	TBD	TBD	TBD	TBD	TBD	TBD	TBD	**TBD**	**TBD**	**TBD**	**TBD**
Total Public Housing Units to be Added[1]								**248+**			

[1] These, and other properties yet to be identified, may convert to Public Housing in 2016. Additionally, some Public Housing units might be designated MTW Neighborhood Services units over this next year upon approval from the HUD field office.

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
John Gabriel House	8	Senior housing project in Redmond being developed by Providence Health & Services.
Southwood Square	104	KCHA-owned property in Kent that will "opt out" of a multi-family Section 8 contract and convert to project-based assistance.
Ronald Commons	8	Project for homeless families being developed in Shoreline by Compass Housing Alliance.
King County Combined Funders NOFA	16	KCHA, in coordination with other local funders, has made available up to 16 subsidies through a combined Notice of Funding Availability (NOFA) intended to serve homeless individuals and families. These Project-based Housing Choice Vouchers are available for existing housing or new construction projects in King County.

Anticipated Total New Vouchers to be Project-based	136	**Anticipated Total Number of Project-based Vouchers Committed at the End of the Fiscal Year**[2]	2,581

[2] AHAP and HAP.

Anticipated Total Number of Project-based Vouchers Leased-up or Issued to a Potential Tenant at the End of the Fiscal Year[3]	2,515

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, which are all properties we acquired in high-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. Additionally, upon approval from the local HUD field office, KCHA's Pacific Court apartments will be converted from Public Housing to MTW Neighborhood Services units.

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

In 2016, KCHA plans to spend over $15 million to complete capital improvements critical to maintaining our 81 federally subsidized properties. Expenditures include:

- **Unit Upgrades** ($4.2 million). KCHA's ongoing efforts to significantly upgrade the interiors of our affordable housing inventory as units turn over will continue in 2016. KCHA's in-house, skilled workforce will perform the renovations, which include installation of new flooring, cabinets and fixtures that will extend by 20 years the useful life of 150 additional units.
- **Site Improvements** ($5.7 million). Paving of parking areas and replacement of curbs, gutters and walkways will take place at Burndale Homes (Auburn) and Firwood Circle (Auburn). Site work including drainage improvements, new walkways, replacement of a pedestrian bridge, repaving of the parking lot and new curbs and gutters will be completed at Forest Glen (Redmond). At Lakehouse (Shoreline), improvements will be made to the site drainage system and brick patio/planter; the parking lot will be re-graded and repaved; new curbs and gutters will be constructed; and landscaping will be replaced in selected areas. Valli Kee (Kent) will also receive improvements to the site drainage system, the gas main will be relocated, and a school bus turnout will be constructed. At College Place, site improvements

[3] This projection takes into consideration the slow and unpredictable nature of leasing up project-based vouchers at Southwood Square. Units turn over to project-based assistance only when current residents decide to move with their tenant protection voucher.

include walkway upgrades for ADA accessibility. Improvements including sidewalk replacement, site lighting and repaving of the parking lot at Briarwood (Shoreline) will be designed and constructed in 2016. KCHA will fund improvements at these sites through either MTW single fund or Capital Fund Program funding.

- **Building Envelope and Related Components Upgrades** ($2.6 million). In 2016, the roofs will be replaced at Firwood Circle (Auburn) and Kirkland Place (Kirkland), and a full envelope project including siding, doors and windows will be completed at Hidden Village (Bellevue). At Shelcor Apartments, the roof, siding, windows, and doors will be replaced while Lakehouse (Shoreline), outdoor decks will receive repairs. The envelope work will be completed with funding from KCHA's MTW single fund and other sources.
- **"509" Initiative Improvements** ($1.6 million). Work will be done at several of the sites where Public Housing units were converted to Section 8 project-based subsidy under the previously approved 509 initiative. Evergreen Court (Federal Way) will receive a new roof, siding, doors, and windows. Roofs will be replaced at Green Leaf (Kenmore) and Juanita Trace (Kirkland).
- **Other Improvements** ($1.1 million). At Forest Glen (Redmond), the in-unit water and waste lines will be replaced while at Peppertree (Shoreline), a new main entry and unit entry doors will be installed.

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	2,333	27,996
Federal MTW Voucher (HCV) Units to be Utilized	9,407	112,884
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	305	3,660
Total Households Projected to be Served	**12,045**	**144,540**

Reporting Compliance with Statutory MTW Requirements

KCHA is currently in compliance with the statutory MTW requirements.

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
Federal MTW Public Housing	No leasing issues are anticipated for this program in 2016.
Federal MTW Voucher (HCV)	King County is experiencing unprecedented growth, decreasing the affordability of available housing stock and increasing competition among renters. We continue to closely monitor our shopping success rate while establishing more fine-grained payment standards that better match a particular area's market. The failure of HUD to provide any inflation factor whatsoever for 2015 while raising our regional Fair Market Rents by 26 percent leaves KCHA with insufficient Section 8 funding to adequately support the number of households we currently subsidize. Our choices are to lag payment standards behind rapidly rising rental costs – leading to lower shopping success rates, rising shelter burdens, and subsidized households being priced out of (or failing to gain access to) high-opportunity neighborhoods – or increase payment standards that necessitate a reduction by KCHA in the number of households served. The solution to this issue is for HUD to issue a revised methodology for calculating inflation factors for 2016 that captures the increases in local Fair Market Rates established by HUD in 2015.
Local, Non-Traditional, MTW Funded Tenant-Based Assistance	Successfully leasing an apartment in a tightening rental market with a population that already faces multiple barriers is a challenge for our local, non-traditional programs. The very design of these programs is intended to provide additional resources including housing search assistance and housing stability support. Limitations on the use of MTW resources for these purposes, as HUD has proposed, would significantly jeopardize KCHA and its local service provider partners' ability to support these vulnerable, high-need populations.

C. Wait List Information

No changes to the organizational structure or policies regarding the wait lists are anticipated in 2016.

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 2016?
Section 8 Housing Choice Voucher	Community-wide	2,050	Partially open (*accepting targeted voucher referrals only)*	No
Public Housing	Other: Regional	5,912	Open	N/A

Public Housing	Site-based	5,332	Open	N/A
Project-Based	Other: Regional	2,556	Open	N/A
Public Housing – Conditional Housing	Program-specific	37	Open	N/A
Local Non-Traditional	N/A	N/A	N/A	N/A

Description of Other Wait Lists

Public Housing, Other. Applicants are given the choice among three regions, each with its own wait list. The applicant is able to choose two of the three regions. KCHA uses a rotation system among this applicant pool and among those who enter through specialized programs, such as our transitional housing program, when assigning a household to a unit in its region of choice.

Project-based, Other. This wait list mirrors the Public Housing program's regional wait lists. An applicant is given the opportunity to apply for a number of KCHA's subsidized housing programs. KCHA then pre-screens a cluster of applicants prior to receiving notice of available units from an owner in order to ensure eligibility and increase efficiency.

Description of Partially Open Wait List

Section 8 Housing Choice Voucher (HCV) Program. The general Section 8 HCV program wait list last opened to the general public in February 2015. More than 22,000 applications were received in a two-week period. There are currently no plans to reopen the process in 2016. However, we continue to serve targeted populations, such as survivors of domestic violence, those who are facing a terminal illness and the homeless through referrals from targeted programs such as Veteran Affairs Supportive Housing (VASH), the Family Unification Program (FUP), and the Housing Access and Services Program (HASP).

SECTION III: PROPOSED MTW ACTIVITIES

ACTIVITY 2016-1: Budget-based Rent Model

A. Proposed MTW Activity Description

KCHA requests authorization to adopt a budget-based approach to calculating the contract rent at its Project-based Section 8 developments. Currently, KCHA sets rent in accordance with Rent Reasonableness statutes. These statutes require that a property's costs reflect the average costs of a comparable building in the same geographic region. Using these costs, an agency sets the comparable rent as determined at that time. However, a property's needs and purpose can change over time and this set of rules does not take into consideration variations in costs, which might include added operational expenses, necessary upgrades and increased debt service to pay for renovations. Consider an aging former Public Housing development utilizing Project-based Section 8 rental subsidies that is nearing the end of its useful life and in need of capital upgrades. Under current rules, this property could not achieve a rent structure high enough to support the capital improvements and debt service necessary to extend its life as a Project-based Section 8 development.

We are proposing a budget-based rent model that allows KCHA to create an appropriate annual budget for each property from which a reasonable, cost-conscious rent level would derive. These budgets may set some units above the Rent Reasonableness rent level, within reason, and in that case, KCHA will contribute more toward the rent. The calculation of the resident's rent payment will not change as it will still be determined by a resident's income level. KCHA will pay any increase in rent, increasing a property's ability to support debt without any undue burden on residents.

With affordable housing stock decreasing across the county, KCHA wants to ensure that these properties remain livable and available to tenants for the long term. The ability to fine-tune a property's rent model allows us to do so.

B. Statutory Objective

This initiative increases housing choice by ensuring that KCHA properties are financially supported and available to low-income residents for the long term.

C. Anticipated Impact

By setting rent at a level that aligns with a property's costs, KCHA ensures that these properties are financially supported and sustained.

D. Schedule

We plan to implement this initiative in early 2016, pending HUD's approval.

E. Activity Metrics Information

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Projected Outcome	Data Source
Increase housing choices for low-income families	HC #2: Units of Housing Preserved	0 units	700 units[4]	Project-based units are preserved for the long term	Property Management Database

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 adopt this initiative.

ACTIVITY 2016-2: Streamlining Land Sales and Disposition

A. Proposed MTW Activity Description

KCHA requests authorization to streamline land sales and disposition activities at Greenbridge, which is the HOPE VI project formerly known as Park Lake Homes. Each time a builder is interested in purchasing land, KCHA must seek approval from the Special Applications Center and then HUD's local field office – even though HUD already approved the disposition of the remaining land in September 2005. Despite this approval, KCHA still must submit a detailed disposition application (more than 40 pages) for each individual parcel. Once the disposition is approved for a second time, KCHA then has to submit another document to the local field office that removes the Declaration of Trust from the land, finally allowing

[4] Includes 509 units from KCHA's "509" Initiative and as many as 262 units at Birch Creek.

the sale. This process is unpredictable, extensive and duplicative – taking more than five months – and hampers our ability to compete in the private marketplace.

In our proposed process, KCHA would submit a single document for approval to the local HUD office that then releases the Declaration of Trust on all remaining property. All future land sale transactions follow the process established by the numerous disposition approvals from the Special Applications Center. As required in previous approvals, KCHA still will pay down the infrastructure loan plus any seller closing costs while holding Net Disposition Proceeds in a segregated account – to be used only in qualifying projects authorized under Section 18(a)(5) of the U.S. Housing Act of 1937.

B. Statutory Objective

This initiative removes administrative inefficiencies by creating a more predictable, streamlined process that saves staff time, and allows for the successful sale and disposition of the remaining land while ensuring adherence to HUD requirements.

C. Anticipated Impact

By streamlining the disposition process at Greenbridge, KCHA and HUD staff resource commitments will be reduced significantly. KCHA also will be able to more efficiently market and sell the remaining land from this HOPE VI project, completing the final stage of development for this community.

D. Schedule

We plan to implement this initiative in early 2016, 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 saved	$8,400 saved/land sale for approximately a dozen more land sales[5]	Increase cost savings	Asset Management Department Data
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete task in staff hours	0 hours saved	140 hours saved/land sale	Reduce the time necessary to complete a land sale	Asset Management Department Data

[5] This figure was calculated by multiplying the median hourly wage and benefits ($60) of staff who oversee 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. It is a monetization of the hours saved through the implementation of this program.

F. Need/Justification for MTW Flexibility

The cited authorization under MTW Use of Funds (Attachment D, Item A) is required in order to change the disposition process.

ACTIVITY 2016-3: Conversion of Former Opt-out Developments to Public Housing

A. Proposed MTW Activity Description

KCHA requests authorization to convert entire Project-based Section 8 opt-out properties to Public Housing at once. Currently, there is one development[6] already approved for inclusion in the Public Housing portfolio where units convert only when the original resident moves out with an enhanced voucher. This transition is gradual, and at properties housing seniors or disabled residents, turnover of units tends to be especially slow. In the meantime, two sets of rules – project-based Section 8 and Public Housing – simultaneously govern the management of the development, adding to the administrative complexity of providing housing assistance.

Instead, KCHA proposes to convert an entire property to Public Housing at once while guaranteeing a mobility voucher out of its existing pool of vouchers should a resident wish to move at any time in the future. Because these developments already are in the Public Housing portfolio, residents do not need the ongoing protections afforded by an enhanced voucher, and the conversion of their unit should be seamless and without impact to them. Meanwhile, KCHA is able to convert to one set of rules and simplify the administration of its housing programs.

Upon approval of this plan, several former opt-out properties[7] will convert to Public Housing and face the same property management challenges that this proposal seeks to correct. If approved, this activity will greatly streamline operations while saving staff time.

B. Statutory Objective

This initiative achieves greater cost effectiveness by streamlining the conversion process and operating certain developments under a single set of rules.

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[6] Westminster.

[7] Burien Park, Northwood, and Northlake House. Additionally, the Chaussee portfolio may be converted to Public Housing in the future.

C. Anticipated Impact

By streamlining the conversion of opt-out development to Public Housing, KCHA can administer housing assistance in a more simplified, efficient way. The governance of these properties under a single set of rules saves staff time, cuts down on the complexity of administering housing assistance, and increases cost savings.

D. Schedule

We plan to implement this initiative in early 2016, pending HUD's approval. No development would be converted using this flexibility prior to the initial renewal of the voucher increment.

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 saved	$2,560[8]	Increased cost savings	Administrative Data
Reduce costs and achieve greater cost effectiveness	CE #2: Total time to complete task in staff hours	0 hours saved	80 hours saved	Reduced staff time	Administrative Data

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 streamline the conversion to Public Housing.

[8] This figure was calculated by multiplying the median hourly wage and benefits ($32) of staff who oversee 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. It is a monetization of the hours saved through the implementation of this program.

SECTION IV: APPROVED MTW ACTIVITIES

A. Implemented Activities

The following table provides an overview of KCHA's approved activities, the statutory objectives they aim to meet, and the page number in which more detail can be found.

Year-Activity #	MTW Activity	Statutory Objective	Page
2015-1	Flat Subsidy for Local, Non-traditional Housing Programs	Cost Effectiveness	18
2015-2	Reporting on the Use of Net Proceeds from Disposition Activities	Cost Effectiveness	18
2014-1	Stepped-down Assistance for Homeless Youth	Self-sufficiency	20
2014-2	Revised Definition of "Family"	Housing Choice	21
2013-1	Passage Point Prisoner Re-entry Housing Program	Housing Choice	21
2013-2	Flexible Rental Assistance	Housing Choice	22
2012-2	Community Choice Program	Housing Choice	23
2009-1	Project-based Section 8 Local Program Contract Term	Housing Choice	24
2008-1	Acquire New Public Housing	Housing Choice	24
2008-3	FSS Program Modifications	Self-sufficiency	25
2008-10 & 2008-11	EASY & WIN Rent Policies	Cost Effectiveness Self-sufficiency	27
2008-21	Public Housing and Section 8 Utility Allowances	Cost Effectiveness	28
2007-6	Develop a Sponsor-based Housing Program	Housing Choice	29
2007-14	Enhanced Transfer Policy	Cost Effectiveness	30
2007-18	Resident Opportunity Plan (ROP)	Self-sufficiency	31
2005-4	Payment Standard Changes	Cost Effectiveness Housing Choice	32
2004-2	Local Project-based Section 8 Program	Cost Effectiveness Housing Choice	33
2004-3	Develop Site-based Waiting Lists	Cost Effectiveness Housing Choice	35
2004-5	Modified Housing Quality Standards (HQS) Inspection Protocols	Cost Effectiveness	36
2004-7	Streamlining Public Housing and Section 8 Forms and Data Processing	Cost Effectiveness	37
2004-9	Rent Reasonableness Modifications	Cost Effectiveness	38
2004-12	Energy Services Company (ESCo) Development	Cost Effectiveness	39
2004-16	Section 8 Occupancy Requirements	Cost Effectiveness	40

ACTIVITY 2015-1: Flat Subsidy for Local, Non-traditional Housing Programs

MTW Statutory Objective: Increase Cost Effectiveness
Approval: 2015
Implemented: 2015
Data Source: Service Provider Partner

Challenge: KCHA's service provider partners estimate spending more than 400 additional hours each year in the administration of federal housing rules. These are 400 hours that could be dedicated to case management and client support but instead are spent calculating tenant rent for homeless individuals whose income is very small or non-existent.

Solution: This local, non-traditional housing program revises the administration of a portion of our project-based assistance, allowing our partners to better meet the needs of extremely low-income homeless individuals and families. Under existing policies, the subsidy may be applied to the unit only 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 and often duplicative of the service provider's eligibility determination. Additionally, individuals transitioning out of homelessness typically have extremely low incomes and are highly mobile, adding to the challenges of tracking and managing frequent moves.

Instead, KCHA is 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 (such as length of stay and the tenant portion of rent). The funding is block-granted based on the number of units authorized under contract and occupied in each program. This flexibility allows KCHA to better support a "Housing First" approach that places high-risk homeless populations in supportive housing programs tailored to nimbly meet an individual's needs.

Proposed Changes to Activity: No major modifications are anticipated and no additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

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

MTW Statutory Objective: Increase Cost Effectiveness
Approval: 2015
Implemented: 2016
Data Source: Administrative Data

Challenge: The reporting process for the use of net proceeds from KCHA's disposition activities is duplicitous and burdensome, taking up to 160 hours to complete each year. The reporting protocol for the Moving to Work program aligns with the Section 18 disposition code reporting requirements, allowing for an opportunity to simplify reporting.

Solution: KCHA reports on the use of net proceeds from disposition activities in the annual Moving to Work report. This streamlining activity allows us to realize time-savings and administrative efficiencies while continuing to adhere to the guidelines outlined in 24 CFR 941 Subpart F of Section 18 demolition and disposition code.

We use our net proceeds from the 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 report on the proceeds' uses, including administrative and overhead costs, in the MTW reports. The net proceeds from this project are estimated to be $5 million.

Proposed Changes to Activity: No major modifications are anticipated and no additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2014-1: Stepped-down Assistance for Homeless Youth

MTW Statutory Objective: Increase Self-sufficiency
Approval: 2014
Implemented: 2014
Data Source: Service Provider Partner

Challenge: During the January 2015 point-in-time homeless count in King County, 824 youth were identified as homeless or unstably housed, a 6 percent increase over 2014.[9] Local service providers have identified the need for a short-term, gradually diminishing rental subsidy structure to meet the unique needs of these youth.

Solution: KCHA has begun to implement a flexible, "stepped-down" rental assistance model in partnership with local youth service providers. Our service provider partners find that a short-term rental subsidy, paired with supportive services, is the most effective way to serve homeless youth as a majority of these young adults do not require extended tenure in a supportive housing environment. By providing limited-term rental assistance and promoting graduation to independent living, more youth can be served effectively through this program model. As part of this initiative, KCHA currently partners with the YMCA to administer Next Step, and Valley Cities Counseling and Consultation to provide the Coming Up program. These programs offer independent housing opportunities to 50 young adults (ages 18 to 25) who are either exiting homelessness or currently living in service-rich transitional housing. Participants secure their apartment, sign a lease with a landlord, and work with a resource specialist to assure longer-term housing stability.

Proposed Changes to Activity: No major modifications are anticipated and no additional authorizations are needed at this time.

Changes to Metrics: KCHA is transferring eight of the Coming Up subsidies to a project-based program that Valley Cities Counseling and Consultation currently is developing. The program, Phoenix Rising, will serve 24 homeless young adults. This contract change will result in the reduction of 10 households served in this stepped-down rent assistance model. The changes are reflected in the included metrics below:

[9] Count Us In 2015: King County's Point-in-Time Count of Homeless & Unstably Housed Young People,. http://www.kingcounty.gov/socialservices/Housing/ServicesAndPrograms/Programs/Homeless/HomelessYouthandYoungAdults.aspx.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase self-sufficiency	SS #5: Households assisted by services that increase self-sufficiency	0 households	42 households
Increase self-sufficiency[10]	SS #8: Households transition to self-sufficiency	0 households	42 households

ACTIVITY 2014-2: Revised Definition of "Family"

MTW Statutory Objective: Increase Housing Choice
Approval: 2014
Implemented: 2014
Data Source: Wait List and KCHA Resident Database (MST)

Challenge: On Jan. 22, 2015, 3,046 families with children were living in emergency or temporary housing in King County.[11] Thousands more elderly and disabled people, many with severe rent burdens, are on our waiting lists with no new federal resources anticipated.

Solution: This policy directs KCHA's limited resources to populations facing the greatest need: elderly, near-elderly and disabled households; and families with children. We modified the eligibility standards outlined in the Public Housing Admissions and Continued Occupancy Policy (ACOP) and Section 8 Administrative Plans to limit eligible households to those that include at least one elderly or disabled individual or a minor/dependent child. The current policy affects only admissions and does not affect the eligibility of households currently receiving assistance. Exceptions will be made for participants in programs that target specialized populations such as domestic violence victims or individuals who had been chronically homeless.

Proposed Changes to Activity: Currently, no modifications are anticipated in 2016 and no additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2013-1: Passage Point Prisoner Re-entry Housing Program

MTW Statutory Objective: Increase Housing Choice
Approval: 2013
Implemented: 2013

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[10] Self-sufficiency for this activity is defined as maintaining housing.
[11] HUD's 2014 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations (WA-500). https://www.hudexchange.info/reports/CoC_PopSub_CoC_WA-500-2014_WA_2014.pdf.

Data Source: Service Provider Partner and KCHA Resident Database (MST)

Challenge: In 2014, 1,395 individuals in King County returned to the community after a period of incarceration.[12] 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 job skills.[13] Without a home or employment, many of these parents are unable to reunite with their children.

Solution: Passage Point is a unique supportive housing program that serves parents trying to reunify with their children following a period of incarceration. KCHA provides 46 project-based Section 8 vouchers while the YWCA provides property management and supportive services. YWCA identifies eligible individuals through outreach to prisons and correctional facilities. In contrast to typical transitional housing programs that have strict 24-month occupancy limits, Passage Point participants may remain in place until they have completed the reunification process, are stabilized in employment and can demonstrate their ability to succeed in a less service intensive environment. Passage Point participants who complete the program and regain custody of their children may apply to KCHA's Public Housing program and receive priority placement on the wait list.

Proposed Changes to Activity: No major modifications are anticipated and no additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2013-2: Flexible Rental Assistance

MTW Statutory Objective: Increase Housing Choice
Approval: 2013
Implemented: 2013
Data Source: Service Provider Partner

Challenge: The one-size-fits-all approach of traditional housing programs does not provide the flexibility needed to quickly and effectively meet the needs of low-income individuals facing distinct housing crises, such as homelessness and domestic violence. In many of these cases, a short-term rental subsidy paired with responsive, individualized case management can help a family out of a crisis situation and into safe, stable housing.

[12] Washington State Department of Corrections. Number of Prison Releases by County of Release. http://www.doc.wa.gov/aboutdoc/docs/msAdmissionsandReleasesbyCounty.pdf
[13] Glaze, L E and Maruschak, M M (2008). Parents in Prison and Their Minor Children. http://www.bjs.gov/index.cfm?ty=pbdetail&iid=823

Solution: This activity, developed with local service providers, offers flexible housing assistance to families in crisis. KCHA provides flexible rental assistance, including time-limited rental subsidy, security deposits, rent arrears and funds to cover move-in costs, while our partners provide supportive services. Participants work with a resource specialist during the program and beyond to secure and maintain housing. Two housing programs make up this initiative. The first is the Student and Family Stability Initiative (SFSI) that pairs short-term rental assistance with housing stability and employment connection services for families experiencing or on the verge of homelessness. School-based McKinney-Vento liaisons identify and connect these families with community-based service providers while caseworkers have the flexibility to determine the most effective approach to quickly stabilize participants in housing. The second program quickly identifies and secures housing for survivors of domestic violence. Like SFSI, a case manager works with the individual to determine and administer support that addresses the most immediate needs.

Proposed Changes to Activity: This activity has been combined with Activity 2013-3: Short-term Rental Assistance Program as the program models are similar and enlist the same MTW flexibilities.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2012-2: Community Choice Program

MTW Statutory Objective: Increase Housing Choice
Approval: 2012
Implemented: 2013
Data Source: CCP Master Spreadsheet

Challenge: Research increasingly demonstrates that people's health, employment status and educational success are influenced enormously by where they live. Only 30 percent of KCHA's tenant-based Housing Choice Voucher holders live in the high-opportunity neighborhoods of King County that can help promote positive outcomes. High-opportunity neighborhoods are characterized by lower poverty rates, better educational and employment opportunities, and proximity to major transportation hubs. These neighborhoods also have higher rents and a more limited supply of rental housing. For a wide variety of reasons, low-income families are more likely to live in communities most familiar to them, which tend to have higher poverty rates and less access to these benefits.

Solution: This initiative aims to encourage and enable Housing Choice Voucher households with young children to relocate to areas of the county with higher achieving school districts. In addition to formidable barriers accessing these neighborhoods, many households are not aware of the link between location and educational and employment opportunities. Through collaboration with local nonprofits and landlords, KCHA educates families about the link between location, educational opportunities and life outcomes. The program offers one-on-one counseling to households making the decision of where to live, along with ongoing support once a family moves to a new neighborhood.

Proposed Changes to Activity: No major modifications are anticipated and no additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2009-1: Project-based Section 8 Local Program Contract Term

MTW Statutory Objective: Increase Housing Choice
Approval: 2009
Implemented: 2009
Data Source: Leased Housing Department

Challenge: Prior to 2009, our non-profit development partners faced difficulties securing private financing for the development and acquisition of affordable housing projects. Measured against banking and private equity standards, the Housing Assistance Payments (HAP) contract term set by HUD is too short and hinders underwriting debt on affordable housing projects.

Solution: This activity extends the length of the allowable term for Section 8 project-based contracts up to 15 years. This change in term assists our partners in underwriting and leveraging private financing for development and acquisition projects. The longer-term commitment from KCHA signals to lenders and underwriters that these partner agencies have sufficient resources to take on the debt acquired through the new development of affordable housing units.

Proposed Changes to Activity: No major modifications are anticipated and no additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2008-1: Acquire New Public Housing

MTW Statutory Objective: Increase Housing Choice
Approval: 2008
Implemented: 2008
Data Source: Housing Management Department

Challenge: In King County, nearly half of all renter households spend more than 30 percent of their income on rent.[14] Countywide, fewer than 15 percent of all apartments are considered affordable to households earning less than 30 percent of AMI.[15] In the context of these challenges, KCHA's Public Housing waiting lists continue to grow. Given this gap between available affordable housing and the number of low-income renters, KCHA must continue to increase the inventory of units affordable to extremely low-income households.

Solution: KCHA's Public Housing ACC is currently below the Faircloth limit in the number of allowable units. These "banked" Public Housing subsidies allow us to add to the affordable housing supply in the region by acquiring new units. This approach is challenging, however, because Public Housing units cannot support debt. We continue our innovative use of MTW working capital, with a particular focus on the creation or preservation of units in high-opportunity neighborhoods.

Proposed Changes to Activity: KCHA is proposing to further streamline the acquisition and addition of units to our Public Housing inventory. Working with the local HUD field office, we are seeking to simplify the ACC process by streamlining the information needed to add these units to the PIC system and obtain operating and capital subsidies. We also will work with the field office to create a process for self-certification of neighborhood suitability standards and Faircloth limits.[16]

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2008-3: FSS Program Modifications

MTW Statutory Objective: Increase Self-sufficiency
Approval: 2008
Implemented: 2016
Data Source: KCHA Resident Database (MST) and Resident Services Department Program Files

Challenge: For every household receiving housing subsidy, two others may need assistance.[17] To serve more households with limited resources, subsidized households need to be supported in their efforts to

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[14] US Census Bureau, ACS 2013 5-year estimates, DP04: 47.9% of King County renter households pay 30% or more of household income on gross rent. http://factfinder.census.gov/bkmk/table/1.0/en/ACS/13_5YR/DP04/0500000US53033.
[15] US Census Bureau, ACS 2013 5-year estimates, DP04: 15.6% of King County rental units have gross rents under $750. http://factfinder.census.gov/bkmk/table/1.0/en/ACS/13_5YR/DP04/0500000US53033.HUD FY2013 Income Limits Documentation System: 30% AMI for a household of four is $26,000. For a household making $26,000 per year, spending no more than 30% of income on rent translates to $650 or less in asking rent.
[16] Some Public Housing units might be designated MTW Neighborhood Services units over this next year upon approval from the HUD field office.
[17] Worst Case Housing Needs 2015: Report to Congress, page viii. http://www.huduser.org/portal//Publications/pdf/WorstCaseNeeds_2015.pdf

achieve economic self-sufficiency and cycle out of the program. HUD's standard FSS program may not provide the full range of services and incentives needed to support greater self-sufficiency among participants.

Solution: KCHA is exploring possible modifications to the FSS program that could increase incentives for resident participation and income growth. These outcomes could pave the way for residents to realize a higher degree of economic independence. The program currently includes elements that unintentionally act as disincentives by punishing higher income earners, the very residents who could benefit most from additional incentives to exit subsidized housing programs. To address these issues, KCHA is considering the following modifications:

- Providing escrow funds to all participants upon enrollment, regardless of their level of earned income.
- Modifying the escrow calculation so as to not unintentionally punish higher earning households.
- Creating incentive payments to be awarded when a participant reaches a goal or completes certain activities.
- Establishing a fund to assist with education or training goals.

This activity is part of a larger strategic planning process with local service providers that seeks to increase positive economic outcomes for residents.

Proposed Changes to Activity: This activity is now active and no longer under the "Not Yet Implemented" section. During 2016, Resident Services staff and community partners will commence a strategic planning process that will put forward needed changes to the traditional FSS program. Implementation of these changes may occur in 2016 but are most likely to be implemented in 2017.

Changes to Metrics: The table provides the revised metrics for this activity. Outcomes will be reported in KCHA's annual MTW Report.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase self-sufficiency	SS #1: Average earned income of households in dollars	TBD	TBD

Increase self-sufficiency	SS #2: Average amount of savings/escrow in dollars	TBD	TBD
Increase self-sufficiency	SS #3: Employment status for heads of household	TBD	TBD
Increase self-sufficiency	SS #4: Number of households receiving TANF assistance	TBD	TBD
Increase self-sufficiency	SS #5: Households assisted by services that increase self-sufficiency	TBD	TBD
Increase self-sufficiency	SS #6: Average amount of Section 8 and/or Section 9 subsidy per household	TBD	TBD
Increase self-sufficiency	SS #7: Tenant rent share	TBD	TBD
Increase self-sufficiency[18]	SS #8: Households transitioned to self-sufficiency	TBD	TBD

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

MTW Statutory Objective: Increase Cost Effectiveness
Approval: 2008
Implemented: 2008
Data Source: KCHA Resident Database, Leased Housing Department, KCHA MTW Rent Reform Final Impact Analysis Report (Seasholtz)

Challenge: The administration of rental subsidy under existing HUD rules can be complex and confusing to the households we serve. Significant staff time was being spent complying with federal requirements that do not promote better outcomes for residents, safeguard program integrity or save taxpayer money. The rules regarding deductions, annual reviews and recertifications, and income calculations were 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 superfluous. For working households, HUD's rent rules include complicated earned-income disregards that can manifest as disincentives to income progression and advances in employment.

Solution: KCHA has two rent reform policies. The first, **EASY Rent**, simplifies rent calculations and recertifications for elderly and disabled households that derive 90 percent of their income from a fixed source (such as Social Security, Supplemental Security Income [SSI] or pension benefits) and are enrolled in our Public Housing, Housing Choice Voucher or project-based Section 8 programs. Rents are calculated at 28 percent of adjusted income with deductions for medical- and disability-related expenses

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

in $2,500 bands and a cap on deductions at $10,000. EASY Rent streamlines KCHA operations and simplifies the burden placed on residents by reducing recertification reviews to a three-year cycle and rent adjustments based on COLA increases in Social Security and SSI payments to an annual cycle.

The second policy, **WIN Rent**, was introduced in FY 2010 to encourage increased economic self-sufficiency among households where individuals are able to work. WIN Rent is calculated on a series of income bands and the tenant's share of the rent is calculated at 28.3 percent of the lower end of each income band. This tiered system – in contrast to existing rent protocols – does not punish increases in earnings, as the tenant's rent does not change until household income increases to the next band level. Additionally, recertifications are conducted biennially instead of annually, allowing households to retain all increases in earnings during that time period without an accompanying increase to the tenant's share of rent. The WIN Rent structure also eliminates flat rents, income disregards and deductions (other than childcare for eligible households), and excludes the employment income of household members under age 21. Households with little or no income are given a six-month reprieve during which they are able to pay a lower rent or, in some cases, receive a credit payment. Following this period, the household pays a minimum rent of $25 regardless of income calculation.

In addition to the changes to the recertification cycle, we also have streamlined processing and reviews. For example, we limit the number of tenant-requested reviews to reduce rent to two occurrences 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.

Proposed Changes to Activity: In 2016, KCHA will be in the process of implementing a new housing management software system, Tenmast WinTen 2+. This new system may illuminate the need to reevaluate or make changes to the current rent policies.

Changes to Metrics: There are no changes to this activity's metrics.

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

MTW Statutory Objective: Increase Cost Effectiveness
Approval: 2008
Implemented: 2010
Data Source: Housing Management Department

Challenge: KCHA would spend almost $22,000 annually in additional staff time to administer utility allowances under HUD's one-size-fits-all national guidelines. HUD's national approach fails to capture average consumption levels in the Puget Sound area.

Solution: This activity simplifies the HUD rules on Public Housing and Section 8 Utility Allowances by applying a universal methodology that reflects local consumption patterns and costs. Before this policy change, allowances were calculated for each individual unit and household type with varied rules under the Section 8 and Public Housing programs. Additionally, HUD required an immediate update of the allowances with each cumulative 10 percent rate increase made by utility companies. Now, KCHA provides allowance increases annually rather than each time an adjustment is made to the utility equation. Additionally, we worked with data from a Seattle City Light study completed in late 2009, allowing us to identify key factors in household energy use and therefore project average consumption levels for various types of units in the Puget Sound region. We used this information to set a new utility schedule that considers various factors: type of unit (single vs. multi-family), size of unit, high-rise vs. low-rise units, and the utility provider. We also modified allowances for units where the resident pays water and/or sewer charges. 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.

Proposed Changes to Activity: Upon implementation of the new energy performance contract's efficiency measures, KCHA may revisit the utility schedule and set allowances according to a property's energy usage and upgrade needs.

Changes to Metrics: There are no changes to this activity's metrics.

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

MTW Statutory Objective: Increase Housing Choice
Approval: 2007
Implemented: 2007
Data Source: Homeless Housing Initiatives Department

Challenge: According to a 2014 point-in-time count, 885 individuals in King County were chronically homeless.[19] Many landlords are hesitant to sign a lease with an individual who has been chronically

[19] CoC Dashboard Report (WA-500). 2014 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations. https://www.hudexchange.info/resource/reportmanagement/published/CoC_PopSub_CoC_WA-500-2014_WA_2014.pdf

homeless, usually due to that person's spotty rental history, lack of consistent employment or criminal background. Additionally, most people who have been chronically homeless require additional support, beyond rental subsidy, to secure and maintain a safe, stable place to live.

Solution: In the sponsor-based housing program, KCHA provides housing funds directly to service provider partners, including Sound Mental Health, Navos Mental Health Solutions, and Valley Cities Counseling and Consultation. These providers use the funds to secure private market rentals that are then subleased to program participants. The programs operate under the "Housing First" model of supportive housing, which couples quick placement in permanent, scattered-site housing with intensive, individualized services that help a resident maintain long-term housing stability. Recipients of this type of support are referred from the mental health and criminal justice systems, street outreach teams, and youth providers serving homeless young adults referred through King County's Coordinated Entry and Assessment system. Once a resident is stabilized and ready for a more independent living environment, KCHA may offer transition to a tenant-based Section 8 subsidy.

Proposed Changes to Activity: No major modifications are anticipated and no additional authorizations are needed at this time.

Changes to Metrics: KCHA is increasing its benchmark for the number of households that transitioned to self-sufficiency to 124 households. The definition of self-sufficiency for this activity is stabilization in housing.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase self-sufficiency[20]	SS #8: Number of households transitioned to self-sufficiency	0 households	124 households

ACTIVITY 2007-14: Enhanced Transfer Policy

MTW Statutory Objective: Increase Cost Effectiveness
Approval: 2007
Implemented: 2007
Data Source: Housing Management Department

Challenge: HUD rules restrict a resident from moving from Public Housing to Section 8 or from Section 8 to Public Housing, which hamper our ability to meet the needs of our residents. For example, project-based Section 8 residents may need to move if their physical abilities change and they no longer can

[20] Self-sufficiency is defined as moving into and maintaining safe and stable housing.

access their second story, walk-up apartment. A Public Housing property may have an accessible unit available. Under traditional HUD regulations, this resident would not be able to move into this available unit.

Solution: Under existing HUD guidelines, a resident cannot transfer between the Section 8 and Public Housing programs, regardless of whether a more appropriate unit for the resident is available in the other program. This policy allows a resident to transfer among KCHA's various subsidized programs and expedites access to Uniform Federal Accessibility Standards (UFAS)-rated units for mobility-impaired households. In addition to mobility needs, a household might grow in size and require a larger unit with more bedrooms. The enhanced transfer policy allows a household to move to a larger unit when one becomes available in either program. In 2009, KCHA took this one step further by actively encouraging over-housed or under-housed residents to transfer when an appropriately sized unit becomes available. The flexibility provided through this policy allows us to swiftly meet the needs of our residents by housing them in a unit that suits their situation best, regardless of which federal subsidy they receive.

Proposed Changes to Activity: No major modifications are anticipated and no additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2007-18: Resident Opportunity Plan (ROP)

MTW Statutory Objective: Increase Self-sufficiency
Approval: 2007
Implemented: 2007
Data Source: Resident Services Department

Solution: An expanded and locally designed version of FSS, ROP's mission is to advance families toward self-sufficiency through the provision of case management, supportive services and program incentives, with the goal of positive transition from Public Housing or Section 8 into private market rental housing or home ownership. KCHA implemented this five-year pilot in collaboration with community partners, including Bellevue College and the YWCA. These partners provide education and employment-focused case management, such as individualized career planning, a focus on wage progression and asset-building assistance. 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. The five-year pilot concludes in 2015.

Proposed Changes to Activity: Over the next year, KCHA will be analyzing outcome data from the final evaluation of this program. From this analysis, we will determine if the outcomes support an extension of the program. If not, we will consider redesigning the program to improve outcomes.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2005-4: Payment Standard Changes

MTW Statutory Objective: Increase Housing Choice
Approval: 2005
Implemented: 2005
Data Source: Leased Housing Department

Challenge: KCHA has mapped high-opportunity areas in King County using a set of metrics developed by the Kirwan Institute. Only 30 percent of our voucher households live in high-opportunity areas of King County, which means 70 percent are unable to reap the benefits that come with living in such a neighborhood. These benefits include improved educational opportunities, increased access to public transportation and greater economic opportunities.[21] Not surprisingly, high-opportunity neighborhoods have more expensive rents. According to 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, which includes several high-poverty neighborhoods.[22] To move to high-opportunity areas, voucher holders need sufficient resources, which are not available under current payment standards. Conversely, broadly applied payment standards that encompass multiple housing markets – low and high – result in Section 8 rents "leading the market" in lower priced areas.

Solution: This initiative develops local criteria for the determination and assignment of payment standards to better match the local rental market, with the goals to increase affordability in high-opportunity neighborhoods and ensure the best use of limited financial resources. We develop our payment standards through an ongoing analysis of local submarket conditions, trends and projections. This approach means that we can provide subsidy levels sufficient for families to afford the rents in high-opportunity areas of the county and not have to pay market-leading rents in less expensive neighborhoods. As a result, our residents are not squeezed out by tighter rental markets, and we can increase the number of voucher tenants living in high-opportunity neighborhoods. In 2005, KCHA began applying new payment standards at the time of a resident's next annual review. In 2007, we expanded

[21] 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/).
[22] Dupree & Scott, 2014 Rental Data to Analyze the Effectiveness of KCHA's Payment Standard

this initiative and allowed approval of payment standards of up to 120 percent of Fair Market Rent (FMR) without HUD approval. In early 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. This next year, KCHA will continue to revise payment standards to reflect the rapidly rising rents in the region's submarkets. As part of this effort, we will transition to multi-tiered, zip code-based standards in 2016.

Proposed Changes to Activity: Obtaining housing with a voucher in the region's competitive rental market can be challenging, especially in a high-opportunity area. Next year, we will explore changes to our shared housing policy that may include modification to Section 8 Payment Standards. Such a change would allow for expanded housing choices for voucher holders and increase the voucher shopping success rate in high-opportunity areas. No additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2004-2: Local Project-based Section 8 Program

MTW Statutory Objective: Increase Cost Effectiveness
Approval: 2004
Implemented: 2004
Data Source: Project-based Assistance Spreadsheet, Internal Time Audit; compiled and analyzed by Leased Housing

Challenge: Current project-basing regulations are cumbersome and present multiple obstacles to serving high-need households, partnering effectively and efficiently with non-profit developers, and promoting housing options in high-opportunity areas. Some private-market landlords refuse to rent to tenants with imperfect credit or rental history, especially in tight rental markets such as ours. In many suburban jurisdictions in King County, it is legal to refuse to rent to Section 8 voucher holders, as these jurisdictions have not enacted legislation prohibiting discrimination based on source of income.

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

Solution: The ability to streamline the process of project-basing Section 8 subsidies is an important tool for addressing the distribution of affordable housing in King County and coordinating effectively with local initiatives. KCHA 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. We also partner with non-profit 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 young adults and families 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 non-profit housing providers. MTW flexibility granted by this activity has helped us implement the following policies.

Create Housing Targeted to Special Needs Populations by:

- Assigning project-based Section 8 (PBS8) subsidy to a limited number of demonstration projects not qualifying under standard policy in order to serve important public purposes. (FY 2004)
- Modifying the definition of "homeless" to include overcrowded households entering transitional housing to align with entry criteria for nonprofit-operated transitional housing. (FY 2004)

Support a Pipeline of New Affordable Housing by:

- Prioritizing assignment of PBS8 assistance to units located in high-opportunity census tracts, including those with poverty rates lower than 20 percent. (FY 2004)
- Waiving 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)
- Allocating PBS8 subsidy non-competitively to KCHA-controlled sites and transitional units, or using an existing local government procurement process for project-basing Section 8 assistance. (FY 2004)
- Allowing owners and agents to conduct their own construction and/or rehab inspections and having the management entity complete the initial inspection rather than KCHA, with inspection sampling at annual review. (FY 2004)
- Modifying eligible unit and housing types to include shared housing, cooperative housing, transitional housing and high-rise buildings. (FY 2004)
- Allowing 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)

Improve Program Administration by:

- Allowing project sponsors to manage project waiting lists as determined by KCHA. (FY 2004).
- Using KCHA's standard HCV process for determining Rent Reasonableness for units in lieu of requiring third-party appraisals. (FY 2004)
- Allowing participants in "wrong-sized" units to remain in place and pay the higher rent, if needed. (FY 2004)
- Assigning standard HCV payment standards to PBS8 units, allowing modification with approval of KCHA where deemed appropriate. (FY 2004)
- Offering 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 Public Housing disposition activity. (FY 2012)
- Allowing KCHA to modify the HAP contract to ensure consistency with MTW changes. (FY 2004)
- Using Public Housing preferences for PBS8 units in place of HCV preferences. (FY 2008)
- Allowing KCHA to inspect units at contract execution rather than contract proposal. (FY 2009)
- Modifying the definition of "existing housing" to include housing that could meet Housing Quality Standards within 180 days. (FY 2009)
- Allowing direct owner referral to a PBS8 vacancy when the unit has remained vacant for more than 30 days. (FY 2010)
- Waiving 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)

Proposed Changes to Activity: Local incentive zoning programs are intended to preserve affordability in competitive, burgeoning rental markets, such as King County's eastside. However, these programs have been ineffective in incentivizing development of deeply affordable housing units for our community's most vulnerable – extremely low-income residents, who earn 30% of AMI or less. Instead, developers opt to only include units that are affordable to the highest permissible income group under the program – those earning 80% of AMI.

In 2016, KCHA will partner with Bellevue, Redmond, and other East King County municipalities to provide housing opportunities for these extremely low-income households. We will develop a local competitive process that pairs Project-based Section 8 subsidy, aimed at households earning 30% of AMI or less, with local zoning incentives. This process will help ensure that a portion of affordable units set aside through incentive programs are available to extremely low-income households. No additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2004-3: Develop Site-based Waiting Lists

MTW Statutory Objective: Increase Cost Effectiveness and Housing Choice
Approval: 2004
Implemented: 2004
Data Source: Wait List Data, Internal Time Audit

Challenge: Under traditional HUD waiting list guidelines, an individual can wait more than two-and-a-half years for a Public Housing unit. For many families, this wait is too long. Once a unit becomes available, it might not meet the family's needs or preferences, such as proximity to a child's school or access to local service providers.

Solution: Under this initiative, we have implemented a streamlined waiting list system for our Public Housing program that provides applicants additional options for choosing the location they want to live. In addition to offering site-based waiting lists, we also maintain regional waiting lists and have established a list to accommodate the needs of graduates from the region's network of transitional housing facilities for homeless families. In general, applicants are selected for occupancy using a rotation between the site-based, regional and transitional housing applicant pool, based on an equal ratio. Units are not held vacant if a particular waiting list is lacking an eligible applicant. Instead, a qualified applicant is pulled from the next waiting list in the rotation.

Proposed Changes to Activity: No major modifications are anticipated and no additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2004-5: Modified Housing Quality Standards (HQS) Inspection Protocols

MTW Statutory Objective: Increase Cost Effectiveness
Approval: 2004
Implemented: 2004
Data Source: Internal Audit; Compiled and Analyzed by the Leased Housing Department

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 more than $60,000 in annual administrative costs. 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 have streamlined the HQS inspection process to simplify program administration, improve stakeholder satisfaction and reduce administrative costs. Specific policy changes include: (1) allowing the release of HAP payments when a unit fails an HQS inspection due to minor deficiencies (applies to both annual inspections and initial move-in inspections); (2) geographically clustering inspections to reduce repeat trips to the same neighborhood or building by accepting annual inspections completed eight to 20 months after initial inspection, allowing us to align inspection of multiple units in the same geographic location; and (3) self-inspecting KCHA-owned units rather than requiring inspection by a third party. KCHA also continues to pilot a risk-based model that places well-maintained, large apartment complexes with a number (10 or more) of Section 8 vouchers on a biennial inspection schedule. We are monitoring the outcomes from this pilot and depending on results, may consider moving all apartment units to the two-year cycle.

Proposed Changes to Activity: No major modifications are anticipated and no additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

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

MTW Statutory Objective: Increase Cost Effectiveness
Approval: 2004
Implemented: 2004
Data Source: Internal Time Audit; Compiled and Analyzed by the Housing Management Department

Challenge: Duplicative recertifications, complex income calculations and strict timing rules cause unnecessary intrusions into the lives of the people we serve and expend limited resources for little purpose.

Solution: After analyzing our business processes, forms and verification requirements, we have eliminated or replaced those with little or no value. Through the use of lean engineering techniques, KCHA continues to review office workflow and identify ways that tasks can be accomplished more efficiently and intrude less into the lives of program participants, while still assuring program integrity and quality control. Under this initiative, we have made a number of changes to our business practices and processes for verifying and calculating tenant income and rent.

Changes to Business Processes:

- 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)
- Allow applicant households to self-certify membership in the family at the time of admission. (FY 2004)
- 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)
- Streamline procedures for processing interim rent changes resulting from wholesale reductions in state entitlement programs. (FY 2011)
- Modify the HQS inspection process to allow streamlined processing of inspection data. (FY 2010)

Changes to Verification and Income Calculation Processes:

- 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)
- 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)
- 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)
- Allow Section 8 residents who are at $0 HAP to self-certify income at the time of review. (FY 2004)

Proposed Changes to Activity: No major modifications are anticipated and no additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2004-9: Rent Reasonableness Modifications

MTW Statutory Objective: Increase Cost Effectiveness
Approval: 2004
Implemented: 2004
Data Source: Leased Housing Department

Challenge: Under current HUD regulations, a housing authority must perform an annual Rent Reasonableness review for each Housing Choice Voucher holder. If a property owner is not requesting a rent increase, however, the rent does not fall out of federal guidelines and does not necessitate a review.

Solution: KCHA now saves close to 1,000 hours of staff time annually by performing Rent Reasonableness determinations only when a landlord requests an increase in rent. Under standard HUD regulations, a Rent Reasonableness review is required annually in conjunction with each recertification completed under the program. After reviewing this policy, we found that if an owner had not requested a rent increase, it was unlikely the current rent fell outside of established guidelines. In response to this analysis, KCHA eliminated an annual review of rent levels. By bypassing this burdensome process, we intrude in the lives of residents less and can redirect our resources to more pressing needs. Additionally, KCHA performs Rent Reasonableness inspections at our own properties, rather than contracting with a third party, allowing us to save additional resources.

Proposed Changes to Activity: No major modifications are anticipated and no additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2004-12: Energy Service Companies (ESCo) Development

MTW Statutory Objective: Increase Cost Effectiveness
Approval: 2004
Implemented: 2004
Data Source: Finance Department

Challenge: If provided the upfront investment necessary to make efficiency upgrades to its aging housing stock, KCHA could recapture up to $4 million in energy savings per year.

Solution: KCHA employs energy conservation measures and improvements through the use of an Energy Performance Contract (EPC) – a financing tool that allows PHAs to make needed energy upgrades without having to front the necessary capital expenses. The performance contractor, Johnson Controls, provides the upfront investment to make these improvements and is then reimbursed out of the energy savings while KCHA and its residents receive the long-term savings and benefits. Upgrades may include installation of energy-efficient light fixtures, solar panels, and low-flow faucets, toilets and showerheads; upgraded appliances and plumbing; and improved irrigation and HVAC systems.

Proposed Changes to Activity: In 2016, we will be extending the existing EPC for an additional eight years and implementing a new 20-year EPC for incremental Public Housing properties to make needed improvements to a number of our federally subsidized properties. KCHA will be working with an energy services partner to assure that energy conservation measures are continuing to operate as designed and to add new measures to achieve even greater energy efficiencies. All requirements for this project, as outlined in Attachment C of the Authority's 2006 MTW Agreement, are being followed.

Changes to Metrics: There are no changes to this activity's metrics.

ACTIVITY 2004-16: Section 8 Occupancy Requirements

MTW Statutory Objective: Increase Cost Effectiveness
Approval: 2004
Implemented: 2004
Data Source: Leased Housing Department

Challenge: More than 29 percent of tenant-based voucher households move two or more times while receiving subsidy. Moves can be beneficial if they lead to gains in neighborhood or housing quality for the household, but moves also can be burdensome to residents because they incur the costs of finding a new unit through application fees and other moving expenses. KCHA also incurs additional costs in staff time through processing moves and working with families to locate a new unit.

Solution: Households may continue to live in their current unit when their family size exceeds the standard occupancy requirements by just one member. For example, under standard guidelines, a seven-person household living in a three-bedroom unit would be considered overcrowded and thus be required to move to a larger unit. Under this modified policy, the family may remain voluntarily in their current unit, avoiding the costs and disruption of moving. This initiative reduces the number of processed annual moves, increases housing choice among these families, and reduces our administrative and HAP expenses.

Proposed Changes to Activity: Due to increased competition for units in the local rental market, many voucher holders experience months-long difficulties in locating appropriate housing options. Given limited funding for vouchers and the time limit to lease-up a unit, it is important that recipients can efficiently obtain housing. To better address this concern, KCHA is exploring modifications to the Section 8 Administrative Plan to allow for tenant-based voucher holders to share housing with other assisted or unassisted households. Currently, our Section 8 Administrative Plan only allows for assisted families with a member who is disabled to share housing with another individual. Once implemented, we may determine other necessary changes to the occupancy policy that enable residents to more successfully lease a unit. No additional authorizations are needed at this time.

Changes to Metrics: There are no changes to this activity's metrics.

B. Not Yet Implemented Activities

Activities listed in this section are approved but have not yet been implemented.

ACTIVITY 2010-1: Supportive Housing for High-need Homeless Families
Approval: 2010

Develop a demonstration program for up to 20 households in a project-based Family Unification Program (FUP)-like environment. This activity is currently deferred, as our program partners opted for a tenant-based model this upcoming fiscal year. It may return in a future program year, however.

ACTIVITY 2010-9: Limit Number of Moves for a Section 8 Participant
Approval: 2010

Increase family and student classroom stability and reduce program administrative costs by limiting the number of times an 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 counseling pilot. This activity is currently deferred for consideration in a future year, if the need arises.

ACTIVITY 2010-10: Implement a Maximum Asset Threshold for Program Eligibility
Approval: 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.

ACTIVITY 2010-11: Incentive Payments to Section 8 Participants to Leave the Program
Approval: 2010

Offer incentive payments to families receiving less than $100 per month in Housing Assistance Payments (HAP) to voluntarily withdraw from the program. This activity is not currently utilized in our program model but may be considered in a future fiscal year.

ACTIVITY 2008-5: Allow Limited Double Subsidy between Programs (Project-based Section 8/Public Housing/Housing Choice Vouchers)
Approval: 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.

ACTIVITY 2008-17: Income Eligibility and Maximum Income Limits

Approval: 2008

Consider a policy that would cap the income residents may have to 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.

C. Activities on Hold

None

D. Closed-out Activities

Activities listed in this section are closed out, meaning that we do not currently have plans to implement them in the future or they are obsolete.

ACTIVITY 2012-4: Supplemental Support for the Highline Community Healthy Homes Project

Approval: 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.

ACTIVITY 2011-1: Transfer of Public Housing Units to Project-based Subsidy

Approval: 2011
Closeout Year: 2012

Preserved the long-term viability of 509 units of Public Housing with disposition to a 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.

ACTIVITY 2011-2: Redesign the Sound Families Program

Approval: 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.

ACTIVITY 2010-2: Resident Satisfaction Survey

Approval: 2010
Closeout Year: 2010

Developed an internal Satisfaction Survey in lieu of a requirement to comply with the 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.*

ACTIVITY 2009-2: Definition of Live-in Attendant
Approval: 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.

ACTIVITY 2008-4: Combined Program Management
Approval: 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.

ACTIVITY 2008-6: Performance Standards
Approval: 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 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.

ACTIVITY 2007-4: Section 8 Applicant Eligibility
Approval: 2007
Closeout Year: 2007

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

ACTIVITY 2007-8: Remove Cap on Voucher Utilization
Approval: 2007
Closeout Year: 2014

This initiative allowed 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 region’s extremely low-income households. 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. This activity is no longer active as agencies are now permitted to lease above their ACC limit.

ACTIVITY 2007-9: Develop a Local Asset Management Funding Model

Approval: 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.

ACTIVITY 2006-1: Block Grant Non-mainstream Vouchers

Approval: 2006
Closeout Year: 2006

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

ACTIVITY 2005-18: Modified Rent Cap for Section 8 Participants

Approval: 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.*

ACTIVITY 2004-8: Resident Opportunities and Self-sufficiency (ROSS) Grant Homeownership

Approval: 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.

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	$4,300,000
70600	HUD PHA Operating Grants	$107,158,000
70610	Capital Grants	$10,206,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	$0
71100+72000	Interest Income	$328,000
71600	Gain or Loss on Sale of Capital Assets	$0
71200+71300+71310+71400+71500	Other Income	$150,000
70000	**Total Revenue**	**$122,142,000**

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	($13,755,000)
91300+91310+92000	Management Fee Expense	($4,500,000)
91810	Allocated Overhead	$0
92500 (92100+92200+92300+92400)	Total Tenant Services	($7,367,000)
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	($1,689,000)
93500+93700	Labor	$0
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	($2,984,000)
95000 (95100+95200+95300+95500)	Total Protective Services	($104,000)

96100 (96110+96120+96130+96140)	Total Insurance Premiums	($405,000)
96000 (96200+96210+96300+96400+96500+96600 +96800)	Total Other General Expenses	($52,000)
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	($36,000)
97100+97200	Total Extraordinary Maintenance	($2,340,000)
97300+97350	Housing Assistance Payments + HAP Portability-in	($84,616,000)
97400	Depreciation Expense	($2,500,000)
97500+97600+97700+97800	All Other Expenses	($3,375,439)
90000	**Total Expenses**	**($123,723,439)**

Description of Activities Using Only MTW Single-fund Flexibility

KCHA strives to make the very best and most creative use of our single-fund flexibility under MTW, while also adhering to the statutory requirements of the program. Our ability to blend funding sources gives us the freedom to implement new approaches to program delivery in response to the varied and challenging housing needs of low-income people in the Puget Sound region. MTW enables us to become a leaner, more nimble and financially stronger agency. With MTW flexibility, we assist more of our county's households – and, among those, the most vulnerable and poorest households – than would be possible under HUD's traditional funding and program constraints.

KCHA's MTW initiatives, described below, demonstrate the value and effectiveness of single-fund flexibility in practice:

- **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 young adults who are homeless. These households are unlikely to secure housing successfully on the private market utilizing traditional tenant-based vouchers. As the regional vacancy rate drops and landlords grow increasingly more selective in choosing tenants, this program design becomes even more critical for housing our most at-risk clients.

- **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, and eviction prevention. Under the program design, a designated agency partner disburses funding to qualified program participants, screening for eligibility according to established guidelines. We assist close to 100 families in maintaining their housing and avoiding the far greater safety net costs to the region that could occur if they became homeless.
- **Education Initiatives.** KCHA continues to actively partner with local education stakeholders to improve outcomes for the 14,500 children who live in our federally assisted housing. Educational outcomes, including improved attendance, grade-level performance and graduation are an integral part of our core mission. By investing in the next generation, we are working to close the cycle of poverty that persists among the families we serve.
- **Redevelopment of Distressed Public Housing.** With MTW's single-fund flexibility, KCHA continues to undertake the repairs necessary to preserve more than 3,000 units of federally subsidized housing over the long term. For example, 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 to redevelop and support the debt service for Birch Creek and Green River.

  Following HUD disposition approval in 2012, KCHA is using MTW flexibility to successfully address the substantial deferred maintenance needs of 509 former Public Housing units in 22 different communities. Utilizing MTW authorizations, we have transitioned these properties to the project-based Section 8 program and have leveraged $18 million from the Federal Home Loan Bank (FHLB) on extremely favorable terms for property repairs. As the FHLB requires such loans to be collateralized by cash, investments and/or underlying mortgages on real property, we continue to use a portion of our MTW working capital as collateral for this loan. Additionally, the Sunset Terrace Transformation Plan, a partnership with Renton Housing Authority and the City of Renton, is a finalist for HUD's Choice Neighborhoods Initiative Implementation grant. If granted, the Plan will redevelop the Sunset Terrace Public Housing development into an energy-efficient, mixed-income community. KCHA will provide technical support and assistance to Renton Housing Authority.
- **Acquisition and Preservation of Affordable Housing.** We use MTW resources to preserve affordable housing at risk of for-profit development and create additional affordable housing

opportunities in partnership with state and local jurisdictions. Where possible, we have been acquiring additional housing adjacent to existing KCHA properties in emerging and current high-opportunity neighborhoods where banked Public Housing subsidies can be utilized.

- **Support of Family Unification Program (FUP) and Veterans Affairs Supportive Housing (VASH) Vouchers.** Due to inadequate federal funding, the FUP and VASH programs continue to operate at a loss. KCHA plans to budget $106,000 in MTW funds to support the anticipated 2016 shortfall. We are also using MTW funds to provide deposit assistance to VASH households leasing their first unit under our voucher assistance program. The goal of providing this one-time assistance is to increase these disabled and formerly homeless households' success in securing housing.
- **Rapid Re-housing.** We continue to implement a Rapid Re-housing 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 90 families in 2016 and continue to evaluate this promising program.
- **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. Single-fund flexibility allows us to make loans in conjunction with Low Income Housing Tax Credit (LIHTC) rehabilitation projects to properties we own or control through a partnership. This partnership leverages private capital to make repairs and improvements necessary to extend the life of the properties. Additionally, a short-term line of credit remains outstanding from the redevelopment of the Greenbridge HOPE VI site that is scheduled to be retired with future proceeds from land sales to private homebuilders. KCHA also loans MTW funds to support energy conservation measures as part of our EPC projects and uses the energy savings from these projects to repay the loans. MTW working capital provides an essential backstop for these types of liabilities, addressing risk concerns of lenders, enhancing our credit worthiness, and enabling our continued access to private capital markets.
- **Landlord Liaison Program.** We are committed to our voucher holders' continued success leasing up in the increasingly competitive and constrained private housing market. To sustain our positive shopping success rate, KCHA is dedicating staff time and MTW resources to recruit and retain landlords, and build mutually beneficial relationships with them. Some retention and recruitment strategies may include incentive payments, damage claim funds, a preferred owners program, and/or priority placement in advertising materials.

- **Removing the Cap on Voucher Utilization:** This initiative allows us to award Section 8 assistance to more households than permissible under the HUD-established baseline. Our savings from a multi-tiered payment standard, revised occupancy standards, operational efficiencies, and other policy changes have been critical in helping us respond to the growing housing needs of extremely low-income households in our 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 for as long as feasible.

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.

SECTION VI: ADMINISTRATIVE

A. Board of Commissioners Resolution

Attached as Appendix B.

B. Public Review Process

MTW Plan Public Review Period

August 10, 2015 to September 28, 2015

- Meetings and Hearings
  - July 1: Planning Meeting with Service Provider Partners, Seola Gardens Community Center
  - September 8 and 9: Resident Advisory Committee Meetings, Main Office
  - September 1 and 22: Public Hearing, Seola Gardens Community Center
- Mailing
  - Sharing draft plan via email with stakeholders, partners and the Resident Advisory Committee, accompanied by a request for participation in the hearings
  - Mailing notice of the Public Hearings to federally assisted KCHA residents
- Publishing and Posting
  - August 10: Seattle Times
  - August 10: Daily Journal of Commerce
  - August 13: NW Asian Weekly
  - August 10: Posted on KCHA website (www.kcha.org)
  - August 10: Posted notice in KCHA's Public Housing and project-based Section 8 developments; available in main office and Public Hearing site, Seola Gardens

Comments Received

C. Results of Latest KCHA-directed Evaluations

N/A

D. Annual Statement/Performance and Evaluation Report

Attached as Appendix C.

APPENDIX A. KCHA's LOCAL ASSET 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.

APPENDIX B. BOARD OF COMMISSIONERS RESOLUTION

The resolution will be presented to KCHA's Board of Directors on Monday, October 12, 2015.

APPENDIX C. ANNUAL STATEMENT/PERFORMANCE AND EVALUATION REPORT

The report begins on the following page.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name: HA County of King	Grant Type and Number Capital Fund Program Grant No: WA19P002501-10 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2010 FFY of Grant Approval:

Type of Grant

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)

☒ Performance and Evaluation Report for Period Ending: 12/31/2014 ☐ Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised[2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	4,376,681.00	4,376,681.00	4,376,681.00	4,376,681.00
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]				

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

form **HUD-50075.1** (07/2010)

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name: HA County of King	Grant Type and Number Capital Fund Program Grant No: WA19P002501-10 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2010 FFY of Grant Approval:

Type of Grant
☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 12/31/2014 ☐ Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised [2]	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	642,905.00	642,905.00	642,905.00	642,905.00
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	5,019,586.00	5,019,586.00	5,019,586.00	5,019,586.00
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director	Date 7/9/15	Signature of Public Housing Director	Date

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
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Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part II: Supporting Pages								
PHA Name: HA County of King		**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-10** CFFP (Yes/ No): Replacement Housing Factor Grant No:			**Federal FFY of Grant: 2010**			
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Part II: Supporting Pages

PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-10** CFFP (Yes/ No): Replacement Housing Factor Grant No:	**Federal FFY of Grant: 2010**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Part III: Implementation Schedule for Capital Fund Financing Program

PHA Name: HA County of King					Federal FFY of Grant: 2010
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
WA002	07/14/2012	02/15/2012	07/14/2014		

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: HA County of King					**Federal FFY of Grant: 2010**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name: HA County of King	Grant Type and Number Capital Fund Program Grant No: **WA19P002501-11** Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2011 FFY of Grant Approval:

Type of Grant

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)

☒ Performance and Evaluation Report for Period Ending: 12/31/2014 ☐ Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised[2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	3,736,161.00	3,736,161.00	3,736,161.00	1,562,578.47
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]				

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-11** Replacement Housing Factor Grant No: Date of CFFP:	**FFY of Grant: 2011** **FFY of Grant Approval:**

Type of Grant

☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**

☒ **Performance and Evaluation Report for Period Ending: 12/31/2014** ☐ **Final Performance and Evaluation Report**

Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised** [2]	**Obligated**	**Expended**
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	642,380.00	642,380.00	642,380.00	0
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	4,378,541.00	4,378,541.00	4,378,541.00	1,562,578.47
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director	**Date** 7/9/15	**Signature of Public Housing Director**	**Date**

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part II: Supporting Pages								
PHA Name: HA County of King		**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-11** CFFP (Yes/ No): Replacement Housing Factor Grant No:				**Federal FFY of Grant: 2011**		
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Part II: Supporting Pages

PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-11** CFFP (Yes/ No): Replacement Housing Factor Grant No:	**Federal FFY of Grant: 2011**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: HA County of King					**Federal FFY of Grant: 2011**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
WA002	08/02/2013	07/03/2013	08/02/2015		

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: HA County of King					**Federal FFY of Grant: 2011**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name: HA County of King	Grant Type and Number Capital Fund Program Grant No: WA19P002501-12 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2012 FFY of Grant Approval:

Type of Grant

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)

☒ Performance and Evaluation Report for Period Ending: 12/31/2014 ☐ Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised[2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	4,050,127.00	4,050,127.00	4,050,127.00	405,012.70
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]				

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary		
PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-12** Replacement Housing Factor Grant No: Date of CFFP:	**FFY of Grant: 2012** **FFY of Grant Approval:**

Type of Grant

☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**

☒ **Performance and Evaluation Report for Period Ending: 12/31/2014** ☐ **Final Performance and Evaluation Report**

Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised** [2]	**Obligated**	**Expended**
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	4,050,127.00	4,050,127.00	4,050,127.00	405,012.70
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director	**Date** 7/9/15	**Signature of Public Housing Director**	**Date**

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part II: Supporting Pages

PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-12** CFFP (Yes/ No): Replacement Housing Factor Grant No:	**Federal FFY of Grant: 2012**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part II: Supporting Pages

PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-12** CFFP (Yes/ No): Replacement Housing Factor Grant No:	**Federal FFY of Grant: 2012**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: HA County of King					**Federal FFY of Grant: 2012**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
WA002	03/11/2014		3/11/2016		

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Part III: Implementation Schedule for Capital Fund Financing Program

PHA Name: HA County of King					**Federal FFY of Grant: 2012**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name: HA County of King	Grant Type and Number Capital Fund Program Grant No: **WA19P002501-13** Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2013 FFY of Grant Approval:

Type of Grant
☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 12/31/2014 ☐ Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised[2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	3,162,965.00	3,162,965.00	316,296.50	316,296.50
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]				

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
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U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-13** Replacement Housing Factor Grant No: Date of CFFP:	**FFY of Grant: 2013** **FFY of Grant Approval:**

Type of Grant

☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**

☐ **Performance and Evaluation Report for Period Ending: 12/31/2014** ☐ **Final Performance and Evaluation Report**

Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised** [2]	**Obligated**	**Expended**
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	3,162,965.00	3,162,965.00	316,296.50	316,296.50
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director	**Date** 4/9/15	**Signature of Public Housing Director**	**Date**

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Part II: Supporting Pages								
PHA Name: HA County of King		**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-13** CFFP (Yes/ No): Replacement Housing Factor Grant No:				**Federal FFY of Grant: 2013**		
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
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OMB No. 2577-0226
Expires 06/30/2017

Part II: Supporting Pages								
PHA Name: HA County of King		**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-13** CFFP (Yes/ No): Replacement Housing Factor Grant No:			**Federal FFY of Grant: 2013**			
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: HA County of King					**Federal FFY of Grant: 2013**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
WA002	09/08/2015		09/08/2017		

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: HA County of King					**Federal FFY of Grant: 2013**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

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Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name: HA County of King	Grant Type and Number Capital Fund Program Grant No: **WA19P002501-14** Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2014 FFY of Grant Approval:

Type of Grant

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)

☒ Performance and Evaluation Report for Period Ending: 12/31/2014 ☐ Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised[2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	3,257,875.00	3,684,067.00	325,787.50	325,787.50
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]				

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary		
PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-14** Replacement Housing Factor Grant No: Date of CFFP:	**FFY of Grant: 2014** **FFY of Grant Approval:**

Type of Grant

☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**

☒ **Performance and Evaluation Report for Period Ending: 12/31/2014** ☐ **Final Performance and Evaluation Report**

Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised** [2]	**Obligated**	**Expended**
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	3,257,875.00	3,684,067.00	325,787.50	325,787.50
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director	**Date** 7/9/15	**Signature of Public Housing Director**	**Date**

[1] To be completed for the Performance and Evaluation Report.
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[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Part II: Supporting Pages

PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-14** CFFP (Yes/ No): Replacement Housing Factor Grant No:	**Federal FFY of Grant: 2014**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	
	‼ FORMTEXT							

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Part II: Supporting Pages

PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-14** CFFP (Yes/ No): Replacement Housing Factor Grant No:	**Federal FFY of Grant: 2014**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: HA County of King					**Federal FFY of Grant: 2014**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
WA002	05/12/2016		05/12/2018		

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: HA County of King					**Federal FFY of Grant: 2014**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

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Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name: HA County of King	Grant Type and Number Capital Fund Program Grant No: WA19P002501-15 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2015 FFY of Grant Approval:

Type of Grant

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)

☒ Performance and Evaluation Report for Period Ending: 06/30/2015 ☐ Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised[2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
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15	1492 Moving to Work Demonstration	3,795,767.00	3,795,767.00	379,576.70	379,576.70
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]				

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Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-15** Replacement Housing Factor Grant No: Date of CFFP:	**FFY of Grant: 2015** **FFY of Grant Approval:**

Type of Grant

☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☒ **Performance and Evaluation Report for Period Ending: 12/31/2014** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
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Signature of Executive Director	**Date** 4/9/15	**Signature of Public Housing Director**	**Date**

[1] To be completed for the Performance and Evaluation Report.
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Part II: Supporting Pages

PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-15** CFFP (Yes/ No): Replacement Housing Factor Grant No:	**Federal FFY of Grant: 2015**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
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PHA Name: HA County of King	**Grant Type and Number** Capital Fund Program Grant No: **WA19P002501-15** CFFP (Yes/ No): Replacement Housing Factor Grant No:	**Federal FFY of Grant: 2015**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

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Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: HA County of King					**Federal FFY of Grant: 2015**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
WA002	04/12/2017		04/12/2019		

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Part III: Implementation Schedule for Capital Fund Financing Program

PHA Name: HA County of King

Federal FFY of Grant: 2015

Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

TAB NUMBER 10

King County Housing Authority Executive Dashboard

2nd Quarter Dashboard: April 1 - June 30, 2015

		actuals jun 12 - jun 15	jun 2015	target	3-yr avg	3-yr high	3-yr low
Finance							
LGIP Rate	●		0.17%	0.12%	0.14%	0.24%	0.09%
Non-LGIP Investment Rate	●		1.07%	0.65%	0.82%	1.10%	0.67%
Revenue to Budget (Budgeted $210.1m)			102%	100%	99%	102%	93%
Expenditures to Budget (Budgeted $187.0m)			98%	100%	97%	99%	93%
Property Management							
Public Housing Occupancy Rate (3,191 units)			99.2%	98.0%	98.6%	99.2%	97.9%
Local Program Occupancy Rate (5,323 units)			98.8%	96.5%	98.6%	100.0%	98.0%
KCHA Units Owned Online	●		9,293	9,293[1]	8,792	9,293	8,523
Section 8 Operations							
Utilization Rate[2] (Vouchers Leased: 9,272)			103%	102%	103%	106%	96.2%
Shopping Success Rate (New vouchers issued 3rd Q '14: 154)			93%	>85%	86%	100%	67%
Households Paying >40% Income to Rent (n = 2,639)			19%	<25%	20%	23%	18%
Exit Data							
Positive Exits			35%	>25%	33%	64%	15%
Negative Exits			22%	<20%	20%	31%	9%
Total Monthly Exits			55	–	61	113	26

● Denotes indicators of interest

[1] Projected total units by 12/31/15

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

TAB NUMBER 11

King County Housing Authority

To: Board of Commissioners

From: Jenn Ramirez Robson, Director of Resident Services

Date: September 14, 2015

Re: Study Session - KCHA Education Initiatives

At the September meeting, the Board of Commissioners will have the opportunity to participate in a study session on the topic of KCHA's Education Initiatives. This study session is intended to provide the Board with a broad understanding of the principal elements of the initiatives, including rapidly rehousing homeless families, providing access to high quality schools, aligning home, neighborhood and schools for success, strengthening classroom stability, and improving the quality of youth programs.

Staff will provide an overview of the history and evolution of the initiative, a summary of the progress to date, and information on ongoing challenges. Commissioner Welch will then lead the Board in a discussion on trends related to education in the region and strategic questions for the Board to consider for the next three to five years.

Why Focus on Education?

More than 20,000 children sleep in KCHA-supported housing each night. Their first language may be English, Ukrainian, Somali, or one of more than 20 other languages. They may be born in the United States or newly arrived as either a refugee or immigrant. Whatever their background, these children live in very low-income households with parents who have low levels of education. Very few connect with any formal early learning opportunities. As a result of these risk factors, KCHA youth face a significant achievement gap compared to their peers. This gap starts as early as kindergarten, widens through elementary school, and leads to low rates of high school completion, resulting in reduced opportunities later in life. The initial student data generated through our partnerships with our school districts indicates that a significant number of our students are at risk of not graduating high school. This supports both the importance and the magnitude of this challenge.

KCHA's Education Initiatives seek to eliminate this achievement gap and support the long-term success of these families. KCHA and its partners are working together to address the specific needs of the children we serve. We are also learning as we go, identifying evidence-based programs and policies that can be adopted and scaled to serve the diverse needs of our families.

What are KCHA's Strategies Around Education?

Access to High Quality Schools

Research on educational outcomes indicates that a child's neighborhood strongly influences his or her educational success. Through a variety of strategies, including two-tier payment standards, property acquisitions, targeted project-basing of Section 8 subsidies and development partnerships, KCHA is broadening regional housing and education choice for families. The Community Choice Program, a mobility counseling initiative, is testing what types of services and supports work best in helping families move to and thrive in opportunity neighborhoods.

Rapidly Rehousing Homeless Families

Homelessness disrupts a child's academic progress and has long-term impacts on child and family outcomes. KCHA's Student Family Stability Initiative, or SFSI, is a rapid rehousing pilot that leverages the connections that schools have with students to identify families who are homeless, doubled-up, or couch surfing. The Initiative provides rental assistance, counseling, and employment connections to stabilize families, ensure continuity of school attendance, and reduce school district transportation costs.

Aligning Home, Neighborhood And Schools For Success

KCHA's Place-based Initiatives in Bellevue, Kent, and White Center coordinate housing policies and resources with families, community-based service providers, and schools. Cross-sector teams analyze the assets and challenges of each community, collectively determine goals, and create multi-year action plans. Focusing on family engagement, early learning, and after-school and summer programming, these teams are building cradle-to-career support for educational success in some of King County's poorest communities.

Strengthening Classroom Stability

Attendance and classroom stability are critical elements for student success. Significant absences significantly increase the likelihood that students will fail to graduate. Changing classrooms in the middle of the school year disrupts learning for the student who is moving and the entire classroom. Schools in low-income neighborhoods typically experience both significant absentee rates classroom turn-over throughout the year. KCHA is testing communication strategies and policy approaches that motivate regular school attendance and encourage families to move within their school neighborhood or to postpone moves until after the school year.

Youth Program Quality

KCHA has made significant capital investments in community facilities to support programs in our residential properties. Early after-school programs essentially served as drop-in centers, with the primary goal of providing a safe place for kids while their parents were at work. Today, KCHA contracts with six youth program providers that serve 15 KCHA communities. Starting in 2015, KCHA began working with youth program providers to ensure that the sites incorporate high quality programming more rigorously focused on improving the academic and life outcomes for children and youth served by these programs.

What Are Some of the Challenges?

Measurement of outcomes involves significant tracking over prolonged periods to evaluate success. KCHA has been able to establish data-sharing agreements with three school districts partners where KCHA supports a significant number of students; 10 percent of students in Kent School District, 9 percent in Highline Public Schools, and 4 percent in Bellevue School District. However, even in other districts where we have a sizable number of students that could arguably also benefit from similar partnerships, it would take significant staff time and resources to expand this tracking and evaluation.

Data tracking and measurement is not the only challenge to scaling up this work. As we begin to see improved outcomes in our three place-based education initiative areas, KCHA is being asked to expand the work to new communities. While this development is positive, it is not feasible to scale the efforts that are currently in place in Bellevue, Kent, and White Center without a significantly different funding model.

These initial education initiatives have also been designed around specific housing sites where there is, in effect, a “captive market” of a group of residents who receive these services in one place that happens to be near their home. In contrast to these place-based strategies, it is a challenge to effectively connect with and serve students and families in the tenant-based Housing Choice Voucher program given their widespread distribution throughout King County.

There is also an ongoing tension between self-sufficiency goals that involve moving households off of subsidized housing programs and the “cradle to career” approach where families and children benefit from long term access to affordable housing, stable communities and high quality programing.

What are Some of the Opportunities for Future Expansion?

In light of recent studies demonstrating the importance of neighborhood quality and the U.S. Supreme Court ruling earlier this year on the Affirmatively Furthering Fair Housing Act, there has been an increased push to create greater access to higher opportunity areas, including cities on the Eastside, utilizing such

tools at source of income discrimination statutes, combining Section 8 subsidies with local incentive zoning or tax exemption programs and project-basing Section 8 units in new developments. While KCHA currently houses 24 percent of families with children in high or very high opportunity communities, KCHA Commissioners recently set a goal of increasing this to 30 percent by the end of 2020.
The initial two-year pilot period for the rapid re-housing Student Family Stability Initiative (SFSI) came to a close at the end of August. Based on the evaluation currently underway, KCHA may move forward on the stretch goal set by Commissioners to increase the number of homeless families served through the SFSI program from 96 re-housed by the end of 2015 to 500 families re-housed annually by the end of 2020.

There is a growing focus on public education at both the State and local level. Significant new funding is anticipated to flow to school districts as a result of the McCleary lawsuit. Locally, Seattle and school districts in south King County have organized a collaborative effort (the Roadmap Project) to support improved academic outcomes. KCHA is a partner in these efforts. Significant foundation support (Gates and Seattle Foundation) is being provided and the Federal government has awarded the consortium a $40 million Race to the Top grant, a portion of which is being directed to schools with significant KCHA student populations.

In addition, KCHA has entered into a five year partnership with the Gates Foundation to explore new ways in which housing authorities and school districts can work together to improve educational outcomes for extremely low income students. The Foundation has awarded initial funding to KCHA and its school district partners in Bellevue, Highline and Kent, and has committed up to a total of $3.5 million to KCHA and its partners to support these initiatives over five years.

The early promise of partnerships such as our work with area school districts has prompted national systems alignment efforts. Earlier this year, the Council of Large Public Housing Authorities (CLPHA) held a national Affordable Housing and Education Summit. As a result of the summit, a group that consisted of summit participants and the Council of Great City Schools released an Affordable Housing and Education Action Agenda with the goal of achieving greater cooperation between housing and education systems to better serve low-income students. One of the objectives of this advocacy work is to generate sustainable support and funding for local collaborations.

In November, King County voters will have the opportunity to consider the “Best Starts for Kids” levy to support additional investment in early childhood development as well as strategies focused on children and youth aged five through twenty-four. A small portion will also be invested in community-level strategies through the expansion and sustainability of the partnership between King County and The Seattle Foundation on Communities of Opportunity (COO).

Aligning Education and Housing Initiatives:

Building a Foundation

The Council of Large Public Housing Authorities
455 Massachusetts Ave, NW, Suite 425
Washington, DC 20001
www.clpha.org

February 2015

Introduction

The Council of Large Public Housing Authorities (CLPHA) is committed to improving life outcomes by better aligning systems that impact those we serve. CLPHA's systems alignment initiative is based on the premise that when systems work together, outcomes for families and individuals living in poverty are improved. Research shows that housing stability can decrease the risks of bad health and poor educational attainment.[1] It stands to follow that collaborating with community supports and other services will further increase positive outcomes for low-income children and families. CLPHA recognizes that, independently, these systems are working with the same populations on the same goals; collaboration through shared resources and coordinated efforts will strengthen and increase the impacts.

Based on growing evidence that housing matters to education, CLPHA is focused on developing and strengthening partnerships between the housing and education sectors to improve the educational outcomes of children served by affordable housing programs. We believe that every child deserves access to stable housing and a quality education to improve their life outcomes, and if we are to build a foundation for improved life outcomes for all children—from cradle to career—we must integrate and align the policies, resources, and programs of our education and housing systems. To build a foundation for better aligning education and housing systems, CLPHA is convening an affordable housing and education summit in February 2015 to develop an agenda for action.

This paper provides a framework for identifying promising approaches to create and sustain housing-education partnerships by exploring four topic areas—early childhood initiatives, family engagement, out-of-school learning time, and neighborhood revitalization—that can have a significant impact on improving educational outcomes for low-income children served by affordable housing programs.

Establishing a Framework for Housing and Education Partnerships

We know that housing matters to education in a myriad of ways. A lack of housing security—in the form of constant moves or episodes of homelessness—is one of the primary causes of poor attendance, contributes to high student turnover in struggling schools, and can cause emotional stress that prevents children from engaging in school.[2] The context of a child's housing also matters to his or her educational outcomes because housing location generally dictates which school a child will attend and the external education resources that are available to bolster in-school learning. There has been much research on the importance that housing stability plays in increasing positive educational outcomes for low-income children, as well as why parents make certain choices around housing or education. However, there has been very little formal investigation into the intersection of efforts by low-income housing providers like housing authorities and education partners such as public school systems.

Federal data from 2013 shows that, for the first time in at least 50 years, a majority of U.S. public school students come from low-income households.[3] A majority-poor student population means that even more children start public school kindergarten behind their more privileged peers and do not catch up. Part of this achievement gap is due to low-income students having less support at home, less exposure to enriching out-of-school activities, and an increased risk for dropping out. These children face hunger and family stressors like involvement with the child welfare or criminal justice systems. All of these challenges translate to lower rates of academic success.[4] Aligning systems can help alleviate these barriers by coordinating services and producing healthier, more focused children who are better able to learn.[5]

Expanding the intersection of the affordable housing and education fields should help reduce the education achievement gap. Looking at eighth grade math—an essential skill to succeed in the U.S. labor market—the average African-American eighth grader is performing at the 19th percentile of white students, and the average Hispanic student is at the 26th percentile.[6] Besides furthering inequality itself, such outcomes affect our country's future economic well-being. If, on average, African-American and Hispanic students performed academically at the level currently achieved by white students, overall student performance for the United States would rise from below the developed-country average to surpass that of countries like Australia and Germany. If that performance grew comparable and remained as such for the next 80 years, estimates project it would add over $50 trillion to the economy.[7] That amount is more than three times the size of the current GDP and shows what we forgo by not ensuring equity for all of our students. Other estimates say that achieving a 90 percent graduation rate for students of color could add as much as $6.6 billion in annual earnings.[8]

Early Childhood Initiatives

Research has shown that the nation's youngest children are at highest risk of experiencing poverty[9] and that the achievement gap between rich and poor children is not only substantial but also increasing.[10] Policies that intervene at this age are essential for preventing these children from becoming impoverished adults. Studies have shown that the first five years are a time of critical learning because of how the brain develops.[11] Since poor children are disadvantaged from the start compared to their more affluent peers and since gaps will only widen without action,[12] it is vital that interventions occur early. Doing so will help decrease the harmful effects of poverty as well as save money that otherwise would have been spent on outcomes associated with impoverished youth like benefits for teenage mothers, substance abuse programs, and/or incarceration programs.[13] While some early childhood interventions—notably Head Start—have shown dissipated effects,[14] other research shows lasting benefits in reducing long-term effects of poverty among poor children.[15]

Over the past several decades, research has also shown that low socio-economic status hinders children's development and school-readiness.[16] Cognitive, social, and emotional development, as well as environment, all have an effect regardless of socioeconomic status, but low-income children are more at-risk for poor development.[17] A 1998 Early Childhood and Longitudinal Study showed significant gaps in math and reading skills among African-American and Hispanic children when compared to white children of the same age.[18] Structural factors like race often affect families' abilities to access education and obtain living-wage jobs, which in turn cause these families to descend into or remain in lower—if not the lowest—income brackets. Low-income children face many barriers to success, including parents who work long hours, parental stress, and unsafe living conditions such as violent neighborhoods or pollutants in the home; and when they enter school, their skills are significantly behind those of their peers.[19] Low-income families are often less able to provide their children with the same type of learning environments as parents with higher incomes, a factor that many researchers point to as cause for the children's lower academic performance.[20]

Early childhood initiatives not only address vital brain development but also generate long-term cost savings. A 20-year randomized intervention study conducted in Jamaica gave psychosocial stimulation to stunted toddlers living in poverty; the stimulation included one-hour weekly visits from community health workers that taught parenting skills and encouraged mothers to interact and play with their children in ways that would develop their children's cognitive and personality skills. Follow-up interviews showed that participants who received the stimulation as toddlers had increased the average earnings by 42 percent, and that treatment group earnings caught up to the earnings of a matched non-stunted comparison group.[21] Although other early childhood initiatives later show dissipated effects, cost-benefit analysis shows other programs still seem promising. In addition to the Jamaica study's results showing substantial effects on labor market outcomes and ability to reduce later life inequality, other interventions create savings by reducing costly homelessness, incarcerations, or substance abuse issues later in life.[22]

Family Engagement

Intrinsically linked to early childhood initiatives, along with older student achievement, is family engagement. Programs that aim to involve parents in their children's academic growth often show greater success.[23] Parents who receive targeted services like adult education, vocational skills, and service referrals will likely have an increased capacity to support child learning and health; when schools have additional systems for confronting social challenges that impede learning, teachers and administrators can instruct more effectively.[24] Some states have implemented family resource centers, using evidence-based practices to enact statewide programs. Kentucky, for instance, operates family resource centers, housed within its Department of Health and Family Services since the 1990s, with the explicit aim of addressing non-academic barriers to student success.[25] Located in schools with a low-income population of 20 percent or more and accessible to all families, the resource centers offer a mix of services and referrals, including child care and afterschool programs, adult education, health services, employment assistance, and family crisis intervention.[26] A study of the efficacy of the initiative found that children of families accessing the center had higher student achievement on proficiency exams, as well as positive behavior and higher academic ratings from teachers.[27]

Dual-Generation Approach

Many programs that focus on family engagement are part of the two-generation, or dual-generation, approach, which is broadly defined as strategies aimed at simultaneously improving outcomes for low-income children and their parents. Programs employing this type of approach often seek to improve family well-being through the provision of job training, post-secondary education, strengthening parenting capacity and/or economic supports for parents, and high-quality early care and education opportunities for their children. There is considerable variation across programs, however, with respect to the specific goals and the extent to which both parents and their children are engaged. Dual-generation initiatives are a move away from single-focused approaches that aim to help either kids or adults.

One such example is a prominent and rigorously evaluated home-visiting program, the Nurse-Family Partnership. Developed by Professor David Olds of the Colorado School of Medicine, the program strives to improve outcomes for single, low-income women and their children. It has three primary goals: (1) "improve pregnancy outcomes by helping women to engage in good preventive health practices;" (2) "improve child health and development by helping parents provide responsible and competent care;" and (3) "improve the economic self-sufficiency of the family" by helping mothers to plan future pregnancies and develop a strategy for continuing their education and obtaining employment. In order to be eligible for the program, participants must be first-time mothers with low incomes who enroll in the program early in their pregnancy and receive their first home-visit no later than the 28th week of pregnancy. The participant is visited during her pregnancy until her child reaches two years of age, with the frequency of visits falling as the child grows older. Since its creation in 1977, the program has been subjected to three randomized controlled trials in different parts of the country with participants from different racial and ethnic backgrounds (Elmira, NY in 1977; Memphis, TN in 1988; and Denver, CO in 1994). Consistent results, meaning those found in at least two of the three trials, include "improved prenatal health, fewer childhood injuries, fewer subsequent pregnancies, improved school readiness, and increased maternal employment." While the model has been implemented by agencies across the country, all replications are managed by the not-for-profit Nurse-Family Partnership and must maintain fidelity to the national model.[28] Such a program shows the clear link between family engagement and early childhood initiatives in creating avenues for positive educational outcomes for low-income children.

The Housing Opportunities and Services Together (HOST) Demonstration is another example of a dual-generation approach and specifically works with housing authorities. Under the umbrella of the Urban Institute, HOST launched in 2010 in Chicago, IL; Portland, OR; Washington, DC; and New York, NY. It follows a traditional understanding of dual-generation initiatives, working in low-income neighborhoods to combat parents' key barriers to self-sufficiency—poor physical and mental health, addiction, low literacy and educational attainment, and historically weak connections to the labor force—in addition to providing services for children and youth.[29]

Other models seem to employ the concept of dual-generation initiatives for addressing family engagement to a degree but remain more focused on either the parents or the children. One study examined the impact of a comprehensive Canadian academic and social support program for high school-aged youth living in Toronto's largest public housing project called Pathways to Education. Although the program required both children and their parents to sign a contract, all the supports focused on the children, including twice-monthly meetings with a social worker to deal with academic or social issues, as well as weekly tutoring and group activities like sports or cooking classes. For seven years, the researchers looked at about 6,900 students to compare outcomes before and after the introduction of the program with outcomes for students who resided in other Toronto public housing projects and also attended Toronto high schools during the same time period. They found evidence that the intervention worked: five-year high school graduation rates increased from about 38 to 58 percent, and postsecondary enrollment rates increased by more than 50 percent. The program was expanded to two other sites in 2007, and those sites saw an immediate 10 percent increase in high school graduation rates and a similar increase in post-secondary enrollment. The program costs, on average, $14,000 for each student's full participation throughout high school. Federal, provincial, and local governments pay for half; foundations and donors cover the rest.[30] While not inexpensive, the long-term cost savings and economic multiplier effects could make such a model a compelling option.

Absenteeism

If parental involvement can foster positive outcomes, programs focused on engaging parental involvement may be able to make an impact on absenteeism rates for low-income students. Not surprisingly, research shows that kids must be in school to learn. Research also suggests that this is especially important for younger students to avoid increasing the education gap in the future.[31] The impact of missing school is much greater for children from low-income families.[32]

Of great importance is the research that shows children living in public housing have higher rates of absenteeism than other children in the same school district. Children living in affordable housing in San Francisco, for instance, have markedly lower academic achievement, higher rates of truancy, and higher rates of enrollment in special education than other children in the city. The matched data between the San Francisco Housing Authority and the San Francisco Unified School District provides evidence of the depth of the truancy problem for children in public housing. Among children for whom there is attendance data, 61 percent of children in public housing were truant last year, meaning they had three or more unexcused absences during the school year, compared to 25 percent of students in the school district not living in public housing. More than a quarter of children (27 percent) from public housing were habitual or chronic truants with at least 10 unexcused absences.[33]

With such high rates of truancy, although disappointing it is not surprising that children living in public housing consistently performed more poorly on standardized tests than other children in the district. Test score data from the last school year was available for only about half the students who matched into the master list of public housing residents. Their scores were low even when compared only to other economically disadvantaged students—defined as those who received free or reduced-price lunch based on their family's income.[34]

Out-of-School Learning Time

For many children, the end of the school day marks the beginning of an afternoon without supervision, productive activities, or direction. Afterschool and summer learning programs can fill the invaluable role of providing essential services—such as a safe and supervised environment, academically enriching activities, healthy snacks and meals, and caring and supportive mentors—to children and families most in need of support. Research shows that African-American and Hispanic students face greater disparities than white students in access to extracurricular activities.[35]

More than 4.1 million, or 61 percent, of African-American parents and 4.2 million, or almost half, of Hispanic parents of children who are not enrolled in an afterschool program say that they would enroll their children in quality afterschool programs if one were available—significantly higher than the national average of 38 percent.[36] The demand for summer learning programs is even greater. More than 3 in 4 African-American kids and 7 in 10 Hispanic kids would likely enroll in a summer learning program, based on parent interest.[37]

These programs provide access to academically enriching activities that help close the racial achievement gap and the opportunity gap between higher- and lower-income families through increased attendance, homework completion and engagement in school—ultimately raising graduation rates and test scores. Many out-of-school learning programs also address the vital concern of food insecurity, which is especially important during the summer months when schools are out of session.[38]

Indeed, research has shown that two-thirds of the achievement gap between lower- and higher-income youth can be explained by unequal access to summer learning opportunities. As a result, low-income youth are less likely to graduate from high school or enter college.[39] Statistically, low-income children begin school with lower achievement scores, but during the school year, they progress at about the same rate as their peers. But during the summer months, disadvantaged children at best maintain but often fall behind. In contrast, better off children build their skills steadily over the summer months likely as a result of more expansive opportunities such as going to the library or engaging in a variety of enrichment experiences including museum visits and field trips. In a study conducted with almost 100 first graders in Baltimore City, 40 percent of the kids left high school without diplomas.[40] In a different study, research from a meta-analysis—a review and synthesis of multiple research studies—reviewed 93 evaluations of summer school programs serving grades K-12 and conducted interviews with administrators, parents, and educators. The study corroborated other findings that, at best, students showed little or no academic growth over the summer, and at worst, students lost one to three months of learning. The study also found that summer loss was greater in math than reading, and summer loss was greatest in math computation and spelling; for disadvantaged students, reading scores were disproportionately affected and achievement gap widened.[41]

More specifically, while most students lose about two months of grade-level equivalency in mathematical computation skills over the summer months, low-income students also lose more than two months in reading achievement, while their middle-class peers make slight gains. When this pattern continues throughout the elementary school years, lower-income youth fall more than two and one-half years behind their more affluent peers by the end of fifth grade.[42] By way of example, in New York, by ninth grade, nearly half of higher-income students are proficient in math and reading, but only one-fifth of low-income students are.[43] Extending the school year or at least making quality summer time opportunities more widely available is one solution, but some research also advocates for lengthening the school day. In addition to a lack of access to afterschool programs and summer activities, parents of low-income children are more likely to need to work, and employment schedules rarely match the hours of the school day.[44] The gap is even wider for low-income students of color. Although some progress has been made to shrink academic disparities between low-and higher-income children, poor performance and high dropout rates for low-income minority students still persist.[45] For those minority students who do make gains, the effects of the progress seem to dissipate by eighth grade.[46]

Afterschool programs that coordinate with the school-day curriculum can help reinforce student learning and complement without duplicating lessons. Such programs can also help students remain engaged in school-day learning, which will improve academic success. Additionally, afterschool programs have been found to decrease absenteeism by re-instilling excitement for learning and creating a link between what is being done after school with what is happening during the day.[47]

Afterschool programming has also been found to have positive impacts on graduation rates. Reducing dropout rates is essential in stimulating long-term outcomes for low-income children, notably employment opportunities and fostering financial benefits for the United States including through juvenile and adult crime, and health care costs like Medicaid. Cultivating an educated population also serves to help the United States remain competitive. Qualitative and quantitative studies demonstrate the ability of afterschool programs to help stymie dropout rates.[48]

Neighborhood Revitalization

Through federal programs, neighborhood revitalization has become an essential component of public housing redevelopment. Neighborhood revitalization is an open term and encompasses a wide variety of physical, demographic, and service-level changes. In terms of education, a housing authority's neighborhood revitalization efforts might range from increased availability of early childhood and afterschool enrichment programs to reconstituting a distressed public school. At this time, there is limited research on the impact of these efforts such that researchers have proposed the development of a typology to understand core program dimensions.[49]

School-centered community revitalization (SCCR)—which combines the improvement of at least one elementary school in the neighborhood with housing, health, and economic development strategies—is of interest to housing researchers and policymakers.[50] One of the earliest examples of such a strategy came in the form of the HOPE VI program, with the Atlanta Housing Authority's redevelopments of Centennial Place and East Lake serving as archetypes.[51] Before de-funding in 2011, the HOPE VI program made housing authorities eligible to apply for grants to fund demolition of severely distressed housing, capital improvements, and acquisition of sites for off-site construction, and community and supportive service programs.[52] In 2010, the Choice Neighborhoods Initiative was proposed as an intended successor of HOPE VI. Choice Neighborhoods provides competitive grants to rebuild both public and assisted housing into mixed-income communities with access to quality schools, transportation, and other vital community services. Notably, Choice Neighborhood grants offer a preference for funding housing redevelopment that is coordinated with local school improvements, based on the premise that children may simultaneously benefit from improved housing and schools.[53] Both HOPE VI and Choice Neighborhoods received funding through the U.S. Department of Housing and Urban Development.

Underscoring the importance of collaboration, the U.S. Department of Education has a program similar to Choice Neighborhoods in the form of their Promise Neighborhoods program. This place-based community development initiative focuses on helping communities create comprehensive birth-to-college educational strategies for their children. To encourage continued partnerships and coordination of investments, Promise Neighborhoods and Choice Neighborhoods share a similar structure and program requirements.[54]

SCCR's theory of change is based upon the evident relationship between a neighborhood and its school(s). It hypothesizes that coordinated investment will more effectively improve neighborhood and school quality than will uncoordinated efforts. SCCR requires community organizations, often a housing authority, to form a partnership with the local school district, which is an acknowledged challenge. Although SCCR allows for variation in strategies to improve neighborhoods and schools in order to reflect local contexts, by definition it does require some form of school reform. School reforms might include creating a charter school, creating a new public school, or working with the existing school to change the quality of education provided.[55]

Although there is limited research on the lasting impacts of SCCR, the Administration's Neighborhood Revitalization Initiatives, such as Promise and Choice Neighborhoods, should generate more knowledge on its implementation and results. Moreover, the movement towards coordinating education, housing, health, and workforce and economic development planning is likely to create future opportunities for housing authorities to engage in SCCR.

Abt Associates identified a small number of active SCCR sites across the country including: East Lake, Atlanta; Centennial Place, Atlanta; Mechanicsville, Atlanta; Sandown-Winchester, Baltimore; Revere Community, Chicago; Murphy Park, St. Louis; Payne-Halen, St. Paul; and University City, Philadelphia.[56] There are also a handful of other sites identified in research in which public housing revitalization was linked to school improvements, which arguably could be categorized as SCCR.[57] As researchers study SCCR and the more traditional education supports included in neighborhood revitalization efforts, research evaluation opportunities for housing authorities will arise. These evaluation opportunities may even bring new resources to distressed neighborhoods.

Although housing authorities' education initiatives are not generally as extensive as SCCR, the education and community supports provided and facilitated by housing authorities might act as the foundation for collaboration with a school district to reform a neighborhood school, such as with the McCarver School in Tacoma, WA.[58] Trends in housing and community development policy—as evidenced by the partnerships discussed at the summit—suggest that SCCR is becoming a larger component of public housing revitalization strategies in the future. Due to housing authorities' prior education initiatives, an argument can be made that they are primed to be the catalyst for SCCR growth.

Measuring Progress

Two needs emerge clearly from the review of literature and programs on aligning education and assisted housing systems: the need to continue building the evidence base for aligned systems; and the need to define indicators or metrics for success, so that it becomes possible to track and compare results. Together, a stronger evidence base and clearer metrics will enable practitioners and scholars to provide information that is more understandable, convincing and easily communicated to the public and to policy-makers.

Following are some initial thoughts on possible indicators and metrics for success in the major programmatic areas reviewed in this paper. We have created space during the summit to discuss whether these are the right areas on which to focus for research and policy, what metrics we should establish, what the correct strategies to accomplish our goals might be, and what a reasonable timeline might look like. We welcome responses and refinements to this list from summit participants and partners.

Early Childhood

- Kindergarten Readiness: Low-income children are disadvantaged when they begin school. They need to be prepared to begin learning during this vital stage of development. Studies show that as a child's kindergarten readiness scores improve, third-grade reading and math scores rise accordingly.[59] Additionally, kindergarten reading skills have been shown to determine later reading skills and influencing overall reading ability throughout a student's educational career.[60]
  - Make available—either through the housing authority or a partner—early childhood initiatives to all families living in affordable housing by XX time
  - Increase kindergarten enrollment of children living in affordable housing by XX percent by XX time

Family Engagement

- Early Grade Reading: Studies show that third-grade levels are a consistent predictor in later achievement; if a child is behind by third grade, they generally stay behind.[61] Additionally, reading at grade level earlier has been shown to result in higher high school graduation rates and higher college attendance rates.[62] One study found that students who are behind in third grade reading are four times more likely to drop out of high school than their proficient peers.[63]
  - Make available—either through the housing authority or a partner—reading tutoring to all families living in affordable housing by XX time
  - Make available—either through the housing authority or a partner—parenting classes aimed at teaching skills to assist your child in school to all families living in affordable housing by XX time
  - Increase grade-level reading of children living in affordable housing by XX percent by XX time
  - Reduce absenteeism by XX days per child living in affordable housing by XX time

Out of School Learning Time

- High School Graduation: High school graduation is associated with higher earnings from employment and other measures of success. With a college education being more important for future earnings than in past years, graduating from high school is critical.[64] On average, high school graduates make at least $10,000 more annually than those without a high school degree.[65] Those who do not complete high school are also more likely to produce negative social outcomes relating to health, mortality, teen childbearing, and crime.[66] After school and summer programming has been shown to keep students more engaged during the school day, increase attendance, and promote sustained learning achievements.[67]
  - Make available—either through the housing authority or a partner—tutoring to all families living in affordable housing by XX time
  - Reduce absenteeism by XX days per youth living in affordable housing by XX time
  - Increase graduation rates of youth living in affordable housing by XX percent by XX time

Conclusion

In order to lessen the achievement gap through collective impact, CLPHA is helping to foster housing-education partnerships that will work together to increase positive outcomes for low-income children. The summit is part of that effort and aims to develop shared outcomes and indicators of success to use across systems, identify promising practices, and facilitate meaningful change.

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POLICY BRIEF

Public Housing and Public Schools: How Do Students Living in NYC Public Housing Fare in School?

Over the past few decades, a broad consensus has emerged that much of the public housing built over the last half-century was based upon a flawed model, and creates unhealthy environments for its tenants. As a result, policy debates and research over the past two decades have focused on alternative housing programs, such as subsidies for privately-owned rental housing, tenant-based vouchers, and efforts to encourage homeownership. Indeed, the most prominent housing policy research in recent years comes from the Moving to Opportunity program, which relocated families out of public housing to mixed-income neighborhoods.

While research and policy debates now center on residents moving out of public housing, many families still live in public housing around the country, and it is important to consider how to improve their well-being. Approximately 1.2 million units of public housing are still in service around the country, housing about 3 million tenants. In New York City, there are 180,000 units of public housing—more than any other city in the United States. These developments house an estimated 130,000 children, or about one out of every nine students in City's public schools.

Despite these large numbers, there has been little examination of the life chances of the families and children living in the City's many public housing complexes. Indeed, there has been virtually no work done in any city to analyze the academic performance of children and teens living in public housing. To fill this gap, NYU's Furman Center for Real Estate and Urban Policy and its Institute for Education and Social Policy came together to examine the school performance of children living in housing managed by the New York City Housing Authority (NYCHA) and compare their educational outcomes with the outcomes of other comparable students who do not live in public housing.

While this policy brief points to an achievement gap between students who live in NYCHA housing and those who do not, our data do not allow us to isolate the reason for the disparity. In our conclusion, we discuss some possible factors that might contribute to the disparities in school outcomes reported in this policy brief: underlying differences in family characteristics, resources or behaviors, lower quality schools or NYCHA residency itself. But it is important to note here that we do not claim that living in NYCHA housing causes students to perform differently from students living in other housing.

What do we know about how public housing residents fare in school?

While public housing has been widely criticized as a residential model, there are several reasons to suspect that school-aged children may actually benefit from living in public housing. Research suggests that residential instability and high rent burdens negatively affect educational performance. Public housing, which keeps rents low and minimizes residential instability, accordingly might help residents achieve better educational success. Moreover, overcrowding may be linked to negative education outcomes, and to the extent that public housing developments offer residents less crowded residential environments than they could afford in the private market, public housing residents again might achieve better educational outcomes. Lastly, families living in public housing pay lower rents, and therefore parents may have more disposable income and time to devote to their children.

On the other hand, there are a number of reasons to suspect that children living in public housing might fare worse in school compared to other poor children. Most notably, the acute concentration of poverty in public housing developments may leave children without role models for strong educational performance, and expose them to higher rates of crime and other social deviance. Moreover, the poor families living in public housing may be significantly more disadvantaged than other poor families, perhaps because they come from families that have been poor for generations or because the long waiting list to get into public housing means that the families who eventually move in have been living in poverty for some time (and likely have been in unstable housing arrangements).

Our research questions

To test these various hypotheses and better understand how children living in NYCHA housing are performing in school, we asked the following questions:

1. **Are NYCHA students concentrated in a few schools? If so, do the characteristics of the schools that children living in public housing attend differ from those of other schools?**

2. **Do public housing students perform at the same level as students of similar background who do not live in NYCHA housing?**

3. **Does the performance of NYCHA students vary depending on the neighborhood where the public housing is located?**

To address these questions, we brought together two large data sets. The first, from the Department of Education, compiles data on the City's public school students and their schools, including information on student demographics, test scores and attendance rates, as well as the teacher characteristics, the pupil-teacher ratio and the characteristics of other students at their schools during the 2002-2003 school year. The second, from the New York City Housing Authority, describes the location of all 343 public housing developments in the City.

Are the characteristics of the typical school attended by children living in NYCHA housing different from the typical school attended by students not living in NYCHA housing?

Before considering student performance, it is important to examine the distribution of public housing students across the City's elementary schools and identify whether children living in NYCHA housing attend a different set of schools than other children. We find that students living in public housing are highly concentrated in a small number of the City's elementary schools.

About a quarter of all NYCHA elementary school students attend just 4% of the City's elementary schools, or 33 schools. Half of the elementary school-aged students in public housing attend just 10% of the City's elementary schools, or 83 schools. This pattern of concentration holds at the high school level as well.

In order to better understand how the average school attended by a NYCHA student differs from the average school attended by a non-NYCHA student, we average the characteristics of all the schools NYCHA students attend, but weight the contribution each of the schools makes to the average according to the share of all NYCHA students who attend that school. We find that the typical school attended by public housing students looks quite different from the typical school attended by non-NYCHA students. As shown in Table A, it has fewer white students and more poor students than most schools throughout the City.[1]

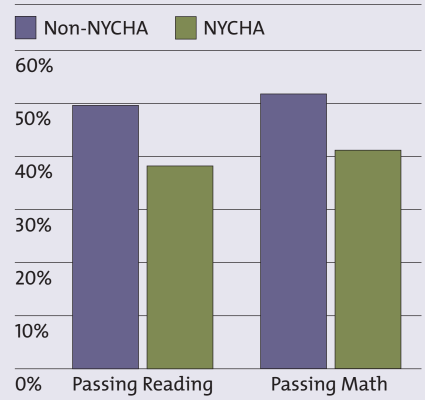
Teachers in the average school attended by NYCHA students have slightly less education and experience than their peers in the average school attended by non-NYCHA students. The average schools attended by NYCHA students have a more favorable student-to-teacher ratio than the average school attended by non-NYCHA students (13:1 compared to 14:1), but have lower average attendance rates (91% in the average schools attended by public housing students, compared to 93% in other citywide elementary schools).

Perhaps most significantly, the schools attended by NYCHA students are relatively low-performing, as measured by the average test scores of their students. The percentage of students passing standardized math and reading exams at the average school attended by NYCHA students is notably lower than those at the average school attended by non-NYCHA students. As seen in Figure A, only 38% of students in the average school attended by NYCHA students passed their reading exams, and just 41% passed their math exams. In the average school attended by non-NYCHA students, almost 50% passed their reading exams, while nearly 52% passed their math exams. This is significant given the research that suggests that a student's academic performance is shaped in part by the performance of his or her peers.

Table A: Demographics of the Typical Public Elementary School Attended by NYCHA and non-NYCHA Students (2002-03)

	Non-NYCHA	NYCHA
White	16%	6%
Black	31%	45%
Hispanic	39%	43%
Asian	14%	6%
Eligible for Free Lunch	72%	85%

Figure A: Percentage of Students Passing Reading and Math Exams in the Typical Elementary School attended by NYCHA and non-NYCHA Students (2002-03)



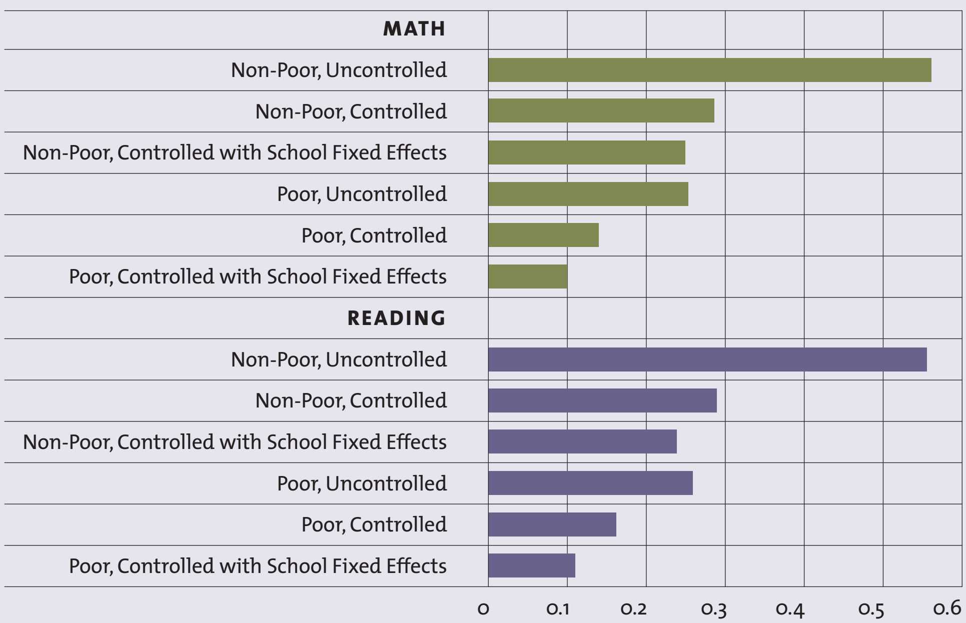
[1] In this analysis, we use eligibility for free lunch as a proxy for poverty, and define poor students as free-lunch eligible students.

Are NYCHA students performing as well on tests, and graduating from high school at the same rates, as other students?

In considering academic performance, we look at students' scores on standardized reading and math exams. Specifically, we examine how 5th graders living in public housing fared compared to their counterparts who were not living in public housing during the 2002-2003 academic year.[2] Figure B illustrates our findings. Each bar in Figure B shows the gap between the average score of a 5th grader living in NYCHA housing and the average score of a 5th grader not living in NYCHA housing. For both math and reading scores, we look at how this performance gap changes when we control for various individual and school characteristics, and we look at how the gap is different among poor and non-poor students.[3] As you can see, non-poor NYCHA students performed significantly worse on standardized math and reading tests than other non-poor students, and these disparities persist even when we control for student characteristics such as race, gender, and nativity status. When we control for the characteristics of the school a student attends, we still find significant differences. When we compare poor NYCHA students and poor students not living in NYCHA housing, we see smaller but still significant differences in test scores

What does this mean? These findings indicate that even after we take into account a student's race, gender, nativity status, whether or not the student is poor, and the

Figure B: The Gap in 5th Grade Standardized Reading and Math Scores for NYCHA Students After Controlling for Gender, Race, Nativity Status and School Characteristics (2002-2003)



In Figure B, each bar represents the difference in standardized test scores between non-NYCHA and NYCHA 5th graders. In both the math and reading sections, the bars labeled "uncontrolled" show the differences in scores with no controls for other factors that might affect performance. The bars labelled "controlled" show the difference in academic performance when we control for the gender, race and nativity status of students, and the bars labeled "controlled with school fixed effects" control for differences in both individual and school characteristics. This analysis is completed for the sub-sample of poor and non-poor students.

[2] We use regression analysis to compare the performance of students living in public housing with the performance of those who do not. In order to come up with a measure of performance that is comparable across years and tests, education researchers commonly use z-scores, which reveal how close a student's score is to the mean for that test. The differences are measured by "standard deviations." We use this approach here too. So for example, we find that on standardized reading tests, the average 5th grade student living in public housing scored 0.33 standard deviations below the citywide mean score, while the average 5th grade student living elsewhere scored 0.06 standard deviations above the citywide mean. The average 5th grade student living in public housing, in other words, scored 0.41 standard deviations below the average 5th grade student who did not live in public housing.

[3] Some households living in NYCHA housing are "non-poor" because the maximum allowable income for public housing eligibility is above the poverty line. A family of three is currently eligible to apply for NYCHA housing if they earn less than $55,300, which is well above the poverty line.

school he or she attends, we see persistent disparities between the academic performance of students that live in NYCHA housing and other students. A 5th grader living in NYCHA housing performs significantly worse on math and reading tests than a demographically similar student who does not live in NYCHA housing but who attends the very same school.

Finally, we also consider differences in performance among high school students, by examining students' outcomes on the Regents exams[4] and their graduation rates. Consistent with the disparities discussed above, we find that public housing students are slightly less likely to take the Math Regents exams than other students and, among those who take the tests, they are less likely to pass. Only 53% of NYCHA students taking the Math Regents pass the exam, compared to 60% of other students. Similarly, about 70% of NYCHA students taking the English Regents pass, while slightly over 75% of other students pass. Students living in public housing are also more likely to drop out of high school and less likely to graduate in four years than their peers not living in public housing. Only 55% of NYCHA students graduate from high school in four years, compared with 61% of their non-NYCHA peers.

Does the neighborhood matter?

A growing body of research suggests that neighborhoods are an important determinant of how students perform in school. In neighborhoods with concentrated poverty, high unemployment and few neighborhood institutions, students are likely to perform worse than their peers in neighborhoods with more advantages.

Because the City's public housing stock is located in many different kinds of neighborhoods, we were able to assess whether public housing students living in neighborhoods with high concentrations of poverty perform worse than public housing students living in neighborhoods with less concentrated poverty. We find that there is a performance gap among NYCHA students living in high versus lower poverty neighborhoods. Specifically, the average 5th grade student living in a public housing development in a high-poverty neighborhood scored 0.34 standard deviations below the citywide mean math score, while the average 5th grade student living in a public housing development in a lower poverty neighborhood had a smaller achievement gap, scoring 0.28 standard deviations below the citywide mean.

What might explain these differences in the experience and performance of NYCHA students?

Our research provides important new information about how the school experience and performance of children living in NYCHA housing differ from that of other children attending New York City public schools. The disparities, particularly in performance on standardized tests, are discouraging. The finding that kids in public housing are consistently doing worse in school than their peers should make all of us think hard about how to narrow the gap. Our research does not, however, provide an answer as to why these disparities exist.

As in much of the rest of the United States, the local zoning of New York City's elementary schools partially explains why public housing students are concentrated in a handful of elementary schools. Schools are located in unique zones, which largely draw their student population from the families living in those zones. The dense, high-rise structure of most public housing developments, and the fact that zones generally

[4] In New York State, in order to receive a regular high school diploma, students must pass a series of Regents exams in various subject areas.

do not bisect developments, therefore concentrate public housing students in a relatively small number of schools.

As noted earlier, teachers in the schools attended by public housing students have, on average, somewhat less education and lower levels of experience than teachers in other schools. It may be that experienced teachers are choosing to work in schools with lower concentrations of public housing students. The differences in teacher qualifications and related school characteristics are relatively small. It is unlikely that these minor differences are driving the larger differences in student performance.

What, then, can explain the public housing students' lower pass rates on standardized exams relative to their peers? There are a few possible explanations. First, schools attended by public housing students may be disadvantaged in ways our statistics are unable to measure—such as higher rates of in-school violence and poorer facilities. Such "unobservable" school characteristics could be responsible for the differences between the academic performance of NYCHA students and their peers.

An alternative explanation relates to something unique to the public housing experience. Perhaps the concentration of poverty in public housing makes it hard for students to find adults in their community who can help them with their homework and who can serve as a role models for the importance of education. Other aspects of living in public housing, such as peer pressure from students who are not performing well in school, may make it more difficult to concentrate on schoolwork.

A third explanation suggests that it is neither the schools nor the housing that drives the difference in how students living in public housing perform in school, compared to those living elsewhere in the City. Instead, perhaps the residents of public housing are different in ways that we have not been able to measure. Poor students living in public housing might come from families that are systematically different from the families of poor students living elsewhere in the City. There may be differences in wealth, or parents' employment, or family support between families living in public housing and those living elsewhere.

Key Findings

- Public school students living in NYCHA housing are concentrated in a handful of schools: 25% of all NYCHA students attend just 4% of the City's public elementary schools.
- NYCHA students attend schools in which their peers are more likely to be poor and more likely to be racial and ethnic minorities. The students in the average schools NYCHA students attend perform worse on standardized tests.
- Even controlling for differences in race, gender, nativity status, and school characteristics, we find that 5th grade students living in public housing perform worse on standardized tests than those living elsewhere.
- At the high school level, the gap persists but is a little less pronounced: 53% of NYCHA students taking the Math Regents pass the exam, compared to 60% of other students. Similarly, about 70% of NYCHA students taking the English Regents pass, while slightly over 75% of other students pass.
- Neighborhoods matter: NYCHA students living in high-poverty neighborhoods score lower on standardized tests than NYCHA students living in lower poverty neighborhoods.

Finally, our research reveals that the neighborhood context matters even within the NYCHA population; NYCHA students living in neighborhoods with concentrated poverty tend to do worse in school than those living in lower-poverty neighborhoods. This may be because high-poverty neighborhoods have fewer institutional resources, or because the social networks in high-poverty neighborhood may be less useful for enhancing academic performance than those in lower-poverty neighborhoods. Whatever the reasons, our findings suggest that mixed-income communities may benefit NYCHA youth, and point to the need for continued research on the impact that neighborhoods have on child development.

What does this mean for policymakers?

Ultimately, the lower academic performance of NYCHA students may result from some combination of all of the above factors—unobserved family characteristics, resources, or behaviors, features of the public housing environment, and unobserved differences in schools.

Whatever the cause, these disparities require action. Our findings suggest that the City, State and Federal governments should reconsider budget cuts and funding policies that threaten to reduce or eliminate NYCHA's after-school and other enrichment programs for youth. NYCHA and the City should take a closer look at how they can learn from and coordinate with non-profit programs such as I Have a Dream, which provide critical support for disadvantaged youth in public schools. More research to identify which NYCHA youth succeed, and what factors contributed to their success, would help inform future program development.

The Department of Education also should consider whether there are ways to target its assistance or enrichment programs to NYCHA youth, or to schools that have a high concentration of NYCHA youth. This may include identifying NYCHA students and tracking their performance as part of the school accountability system. It also may mean that increased resources should be provided at the individual or family level to help close the achievement gap, including improving kids' access to networks outside of their public housing development. Interventions such as charter schools, while controversial, should also be explored to find new ways to address the critical needs of NYCHA students.

Our findings should sound an alarm about the critical need to better address the educational needs of children living in public housing. The challenge for policymakers is to undertake research that will allow them to better understand, then to address, the factors that contribute to the troubling gap between the academic performance of NYCHA students and that of their peers.

Authored by Amy Armstrong, Ingrid Gould Ellen, Brian McCabe, Amy Ellen Schwartz

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is a joint research center of the New York University School of Law and the Robert F. Wagner Graduate School of Public Service. Since its founding in 1995, the Furman Center has become the leading academic research center in New York City dedicated to providing objective academic and empirical research on the legal and public policy issues involving land use, real estate, housing and urban affairs in the United States, with a particular focus on New York City. More information about the Furman Center can be found at www.furmancenter.nyu.edu.

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Double Jeopardy

How Third-Grade Reading Skills and Poverty Influence High School Graduation

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The Annie E. Casey Foundation

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Double Jeopardy Overview: How Third-Grade Reading Skills and Poverty Influence High School Graduation

Educators and researchers have long recognized the importance of mastering reading by the end of third grade. Students who fail to reach this critical milestone often falter in the later grades and drop out before earning a high school diploma. Now, researchers have confirmed this link in the first national study to calculate high school graduation rates for children at different reading skill levels and with different poverty rates. Results of a longitudinal study of nearly 4,000 students find that those who do not read proficiently by third grade are four times more likely to leave school without a diploma than proficient readers. For the worst readers, those who could not master even the basic skills by third grade, the rate is nearly six times greater. While these struggling readers account for about a third of the students, they represent more than three-fifths of those who eventually drop out or fail to graduate on time. What's more, the study shows that poverty has a powerful influence on graduation rates. The combined effect of reading poorly and living in poverty puts these children in double jeopardy.

The study relies on a unique national database of 3,975 students born between 1979 and 1989. The children's parents were surveyed every two years to determine the family's economic status and other factors, while the children's reading progress was tracked using the Peabody Individual Achievement Test (PIAT) Reading Recognition subtest. The database reports whether students have finished high school by age 19, but does not indicate whether they actually dropped out.

For purposes of this study, the researchers divided the children into three reading groups that correspond roughly to the skill levels used in the National Assessment of Educational Progress (NAEP): proficient, basic and below basic. The children were also divided by family income and the poverty levels in the neighborhoods where they lived.

The findings include:

- About 16 percent of children who are not reading proficiently by the end of third grade do not graduate from high school on time, a rate four times greater than that for proficient readers.
- For children who were poor for at least a year and were not reading proficiently, the proportion failing to graduate rose to 26 percent.
- For children who were poor, lived in neighborhoods of concentrated poverty and not reading proficiently, the proportion jumped to 35 percent.

- Overall, 22 percent of children who lived in poverty do not graduate from high school, compared to 6 percent of those who have never been poor. The figure rises to 32 percent for students spending more than half of their childhood in poverty.

- Even among poor children who were proficient readers in third grade, 11 percent still did not finish high school. That compares to 9 percent of subpar third-grade readers who have never been poor.

- About 31 percent of poor African-American students and 33 percent of poor Hispanic students who did not hit the third-grade proficiency mark failed to graduate. These rates are greater than those for White students with poor reading skills. But the racial and ethnic graduation gaps disappear when students master reading by the end of third grade and are not living in poverty.

Background

More than three decades ago, research began to suggest that children with low third-grade reading test scores were less likely to graduate from high school than children with higher reading scores.[1] Third grade is an important pivot point in a child's education, the time when students shift from learning to read and begin reading to learn. Interventions for struggling readers after third grade are seldom as effective as those in the early years.[2] Recognizing the importance of early reading skills, the No Child Left Behind Act has, from the outset, required states to test reading skills annually for all students beginning in third grade, and to report these results for children by poverty status and race-ethnicity, as well as for English Language Learners and for children with disabilities.[3] This Act asserted "President Bush's unequivocal commitment to ensuring that every child can read by the end of third-grade."[4] More recently, in March 2010, the Obama Administration released its blueprint for revising the Act, known as the Elementary and Secondary Education Act, calling for "Putting Reading First" by significantly increasing the federal investment in scientifically based early reading instruction.[5] President Obama has also called for restoring the United States to its position as number one in percentage of college graduates. (It is now tied for 9th.) Accomplishing that goal will mean ensuring that millions more students graduate from high school.[6]

Meanwhile, the National Assessment of Educational Progress (NAEP), also known as the "The Nation's Report Card," showed in 2011 that only 34 percent of fourth graders read at a "proficient" level, while the remaining students do not, and instead read at the "basic" level (33 percent), or below the basic level (33 percent).[7] According to the NAEP, "Fourth grade students performing at the Proficient level should be able to integrate and interpret texts and apply their understanding of the text to draw conclusions and make evaluations."[8] Thus, two-thirds of students did not finish third grade with these essential reading skills. This report presents the first-ever analysis of high school graduation rates separately for children with reading test scores that correspond roughly to the proficiency levels set by NAEP, with additional results for children reading below the proficient level, at either the basic level or below basic on reading tests.

Findings

One in Six Children Who Are Not Reading Proficiently in Third Grade Fail to Graduate from High School On Time, Four Times the Rate for Children with Proficient Third-Grade Reading Skills

Overall, the research analysis shows that 88 percent of children graduate from high school by age 19, while the remaining 12 percent do not. This is similar to the 90 percent "status completion" rate recorded by the National Center for Education Statistics. Other analyses that measure how many students in a particular high school or school district graduate with their class tend to reflect lower graduation rates.[9] Because the students in this database are spread across the country, its not possible to assess the school-wide measure. That said, the analysis offers rich detail on how family and neighborhood poverty influence their academic success. It finds that graduation rates vary enormously for children with different reading skills in third grade. Among proficient readers, only 4 percent fail to graduate, compared to 16 percent of those who are not reading well in third grade. Among those not proficient in reading, 9 percent of those with basic reading skills fail to graduate, and this rises to 23 percent of those who don't reach the basic level (Figure 1a and 1b).

As a result, children with the lowest reading scores account for a third of students but for more than three-fifths (63 percent) of all children who do not graduate from high school (Figure 2). Third-grade reading matters.

Figure 1a: Children Not Graduating from High School by Age 19

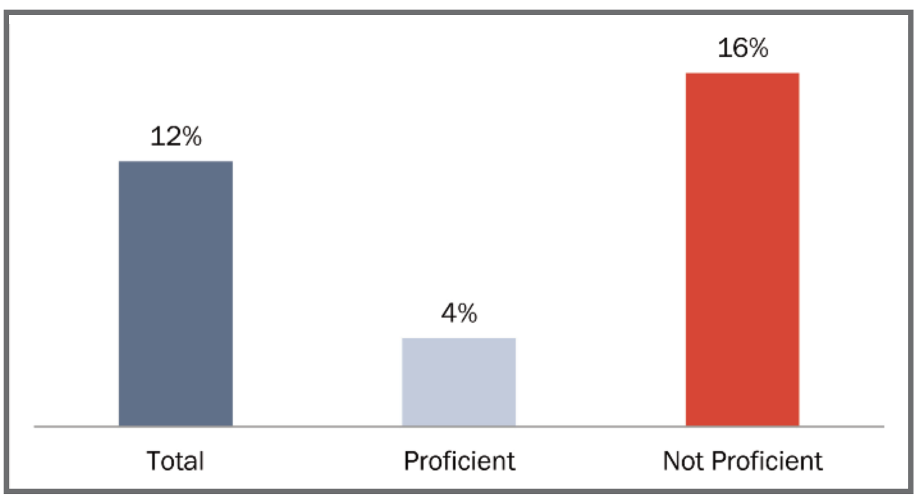


Figure 1b: Further Analysis of Children Not Proficient Who Did Not Graduate from High School By Age 19

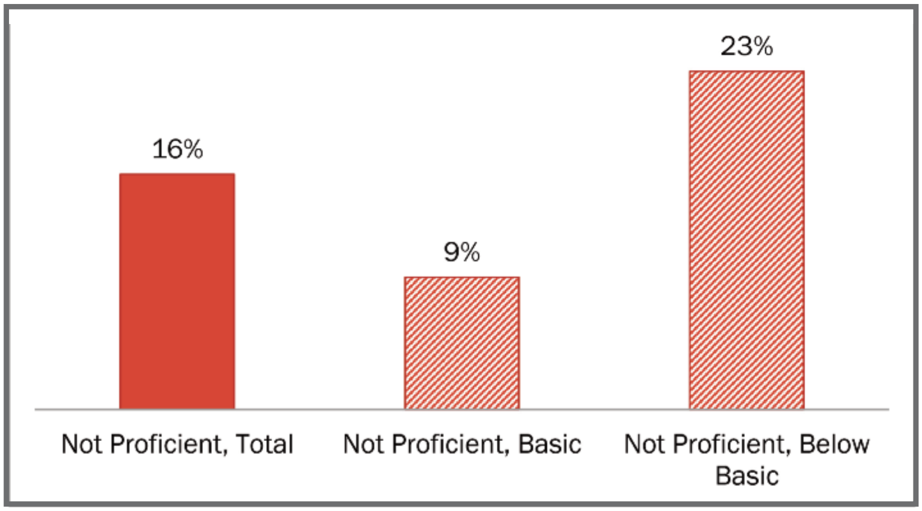
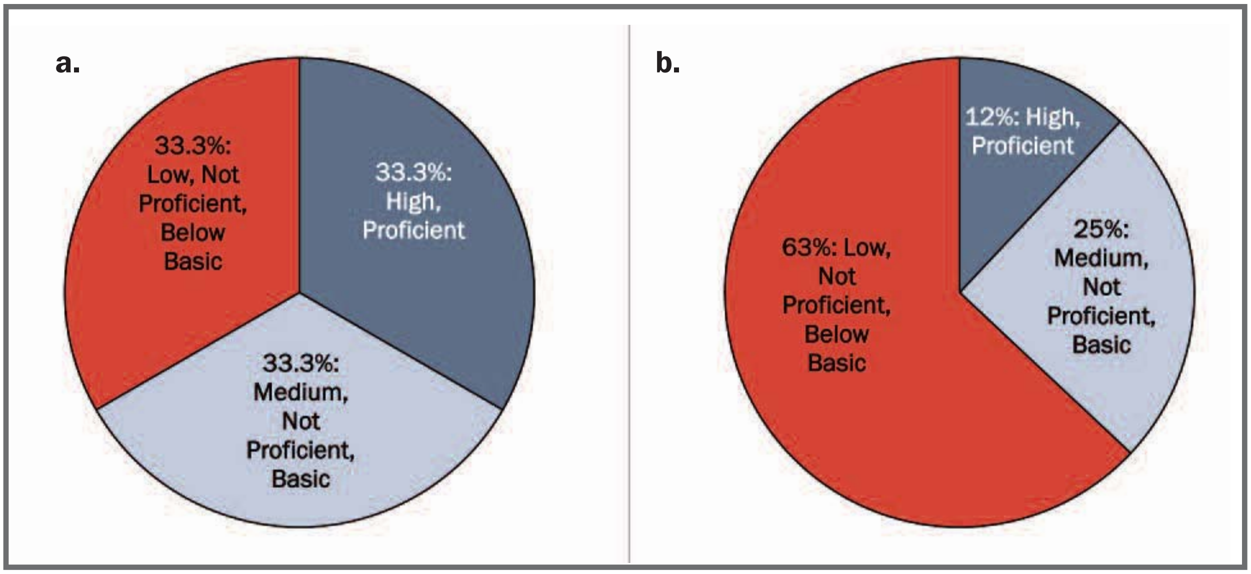


Figure 2, a: Third-Grade Reading Test Scores, All Children
b: Children Not Graduating High School by Third-Grade Reading Test Scores, All Children



Children Who Have Lived in Poverty and Are Not Reading Proficiently in Third Grade Are About Three Times More Likely to Dropout or Fail to Graduate From High School Than Those Who Have Never Been Poor

Children whose families live in poverty often lack resources for decent housing, food, clothing, and books, and they often do not have access to high-quality child care and early education or to health care. They also are more likely to live in neighborhoods with low-performing schools. Consequently, children in poor families tend to develop weaker academic skills and to achieve less academic success. Many arrive at kindergarten without the language or social skills they need for learning. They miss school frequently because of health or family concerns. They slip behind in the summer with little access to stimulating educational programs or even regular meals.

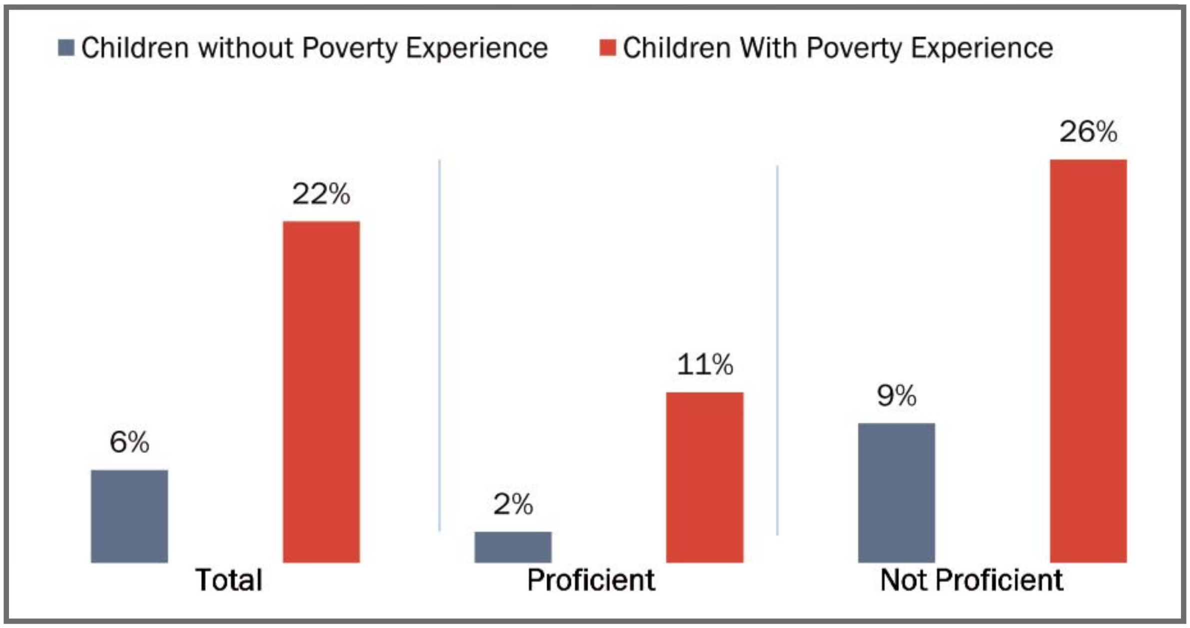
Consequently, the children in poor families are in double jeopardy: They are more likely to have low reading test scores and, at any reading-skill level, they are less likely to graduate from high school.

Using eligibility for the National School Lunch Program to classify children as living in low-income families, results of the NAEP show that nationwide 55 percent of fourth graders in moderate- and high-income families have reading skills below the proficient mark. This jumps to 83 percent for children in low-income families.[10] Results calculated for this study show that children whose families have incomes below the federal poverty threshold are less likely to finish high school, especially if they have low third-grade reading scores. (The federal poverty threshold in 2010 was $22,162 for a family of four with two children.)[11]

For the database used in this study, known as the National Longitudinal Survey of Youth 1979, or NLSY79, children and mothers are interviewed biennially in even-numbered years. Thus, poverty status is measured for each sample child in five of the years between the second and 11th grades (see Appendix I for additional information). Children are characterized in this report as having experience with poverty if, in at least one of these five years, they lived in a family with an income below the federal poverty threshold, and as spending more than half of their childhood in poverty if they lived in poor families for more than half of these years.

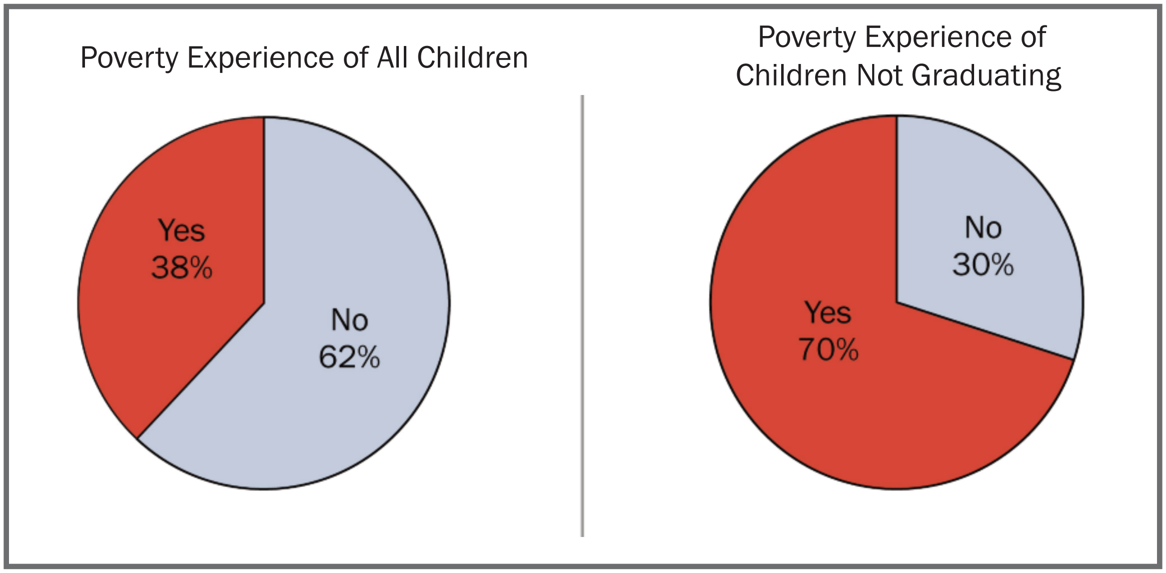
Overall, 22 percent of children with some family poverty experience do not graduate from high school, a figure about three times greater than the 6 percent rate for children with no family poverty experience (Figure 3). This rises to 32 percent for children spending more than half of the survey period in poverty.

Figure 3: Children Not Graduating from High School by Age 19, by Poverty Experience and Reading Proficiency



Among children with two risk factors—poverty and reading skills below the proficient mark—26 percent do not graduate from high school, compared to 9 percent with these subpar reading scores who have never experienced poverty. The graduation rates improve when poor children are reading at a proficient level in third grade. Even so, 11 percent of the top readers who spent at least one year in poverty failed to graduate on time, compared to 2 percent of those who have never been poor. Overall, children who spend a year or more in poverty account for 38 percent of all children, but they account for seven-tenths (70 percent) of all children who do not graduate from high school. Poverty matters (Figure 4).

Figure 4: Poverty Experience of Children Not Graduating from High School

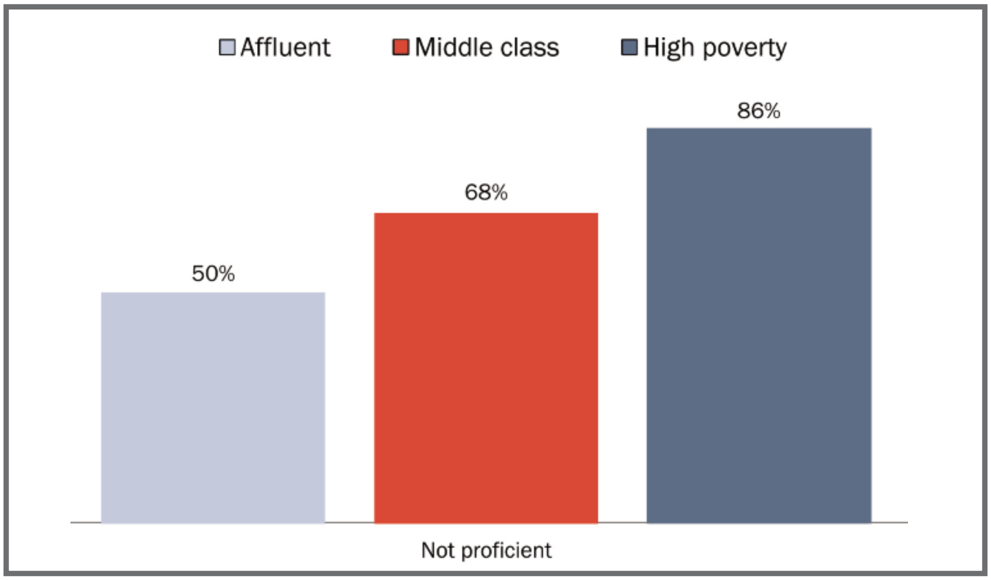


Living in a High-Poverty Neighborhood Exacerbates the Ill Effects of Poor Reading Skills and Family Poverty: More Than a Third of Students with All Three Risk Factors Fail to Finish High School

Neighborhoods matter: Undesirable ones can reinforce the negative consequences of poverty for children, while communities with greater resources can help to ameliorate these consequences. For example, if a poor family rents the cheapest apartment or house in an affluent neighborhood, the children can attend school with higher achieving classmates, better teachers, and a greater variety of school programs, all factors associated with greater academic success. Other neighborhood amenities—good police patrols, lower crimes rates, regular garbage pickup, and good transportation services—also contribute to the family's well-being. The situation is reversed for children living in neighborhoods with high concentrations of poverty and limited services.

Children are classified in this report as living in a high-poverty neighborhood if, during one or more interviews, they lived in a place where the official federal poverty rate was greater than 30 percent, reflecting the definition used in other recent studies.[12] Even if children have lived in a high-poverty neighborhood for a limited time, recent research found that negative effects on verbal ability can linger after the child leaves that setting.[13] At the other extreme, children are classified in this report as living in an affluent neighborhood if, during one or more interviews, they lived in a community where more than 45 percent of families had relatively high incomes (see Appendix I for additional information). Research found more than a decade ago that young children ages 3 to 6 living in neighborhoods with a concentration of affluent families experience better cognitive outcomes.[14]

Figure 5: Children Not Reading Proficiently by Neighborhood Type



Among children in this study, 18 percent are classified as having lived in a high-poverty neighborhood, and 14 percent are classified as living in an affluent neighborhood. The remaining 68 percent are designated as having lived only in middle-class neighborhoods. Among children who have lived in an affluent neighborhood, half do not read proficiently by third grade, but this figure jumps to 68 percent for children who have lived only in middle-class settings and to 86 percent for those who have lived in a high-poverty neighborhood (Figure 5).

Not all children in poor neighborhoods are necessarily poor. But 70 percent have experienced family poverty, and they are even less likely to graduate from high school. Among children who experience all three risk factors—not reading proficiently at the end of third grade, having lived in a high-poverty neighborhood, and experiencing family poverty—the proportion failing to graduate is 35 percent. This demonstrates the compounding effect of the three risk factors (Figure 6).

Their chances for graduating improve when children live in better neighborhoods. About 20 percent of poor children not reading proficiently in affluent neighborhoods and 23 percent in middle-class places do not finish high school, compared to the 35 percent rate in concentrated poverty. Nonetheless, the low-income children in all neighborhoods are less likely to graduate than their peers (Figure 7).

Figure 6: Likelihood of Not Graduating from High School Based on Risk Factors

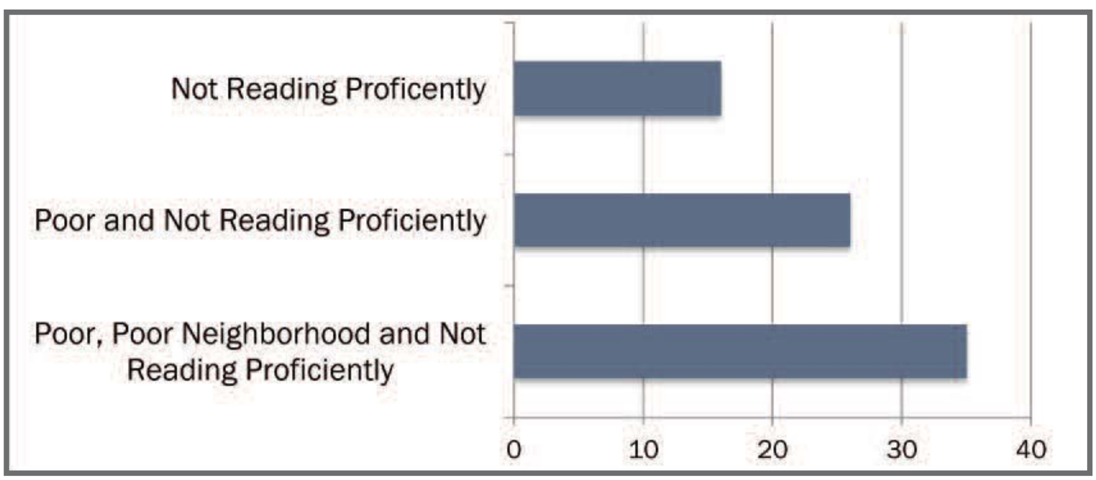
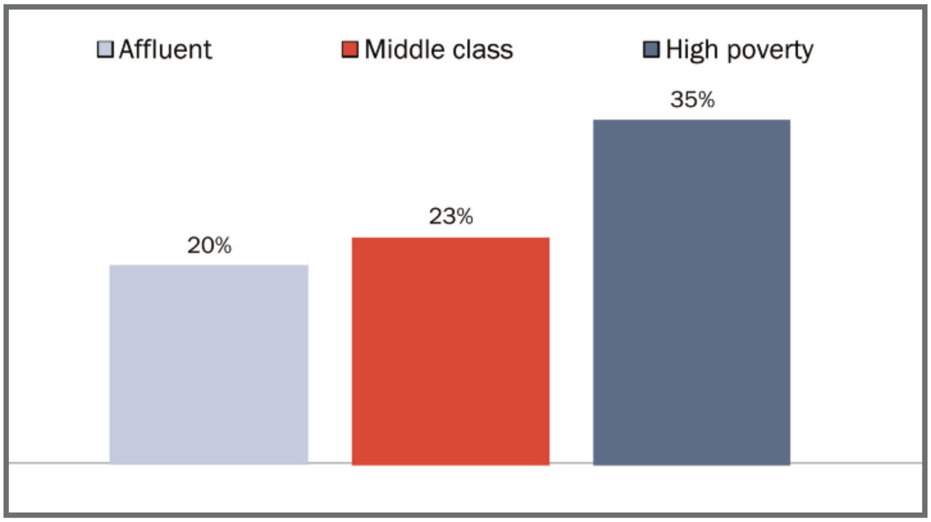


Figure 7: Poor Children Who Do Not Read Proficiently and Do Not Graduate from High School by Neighborhood Type



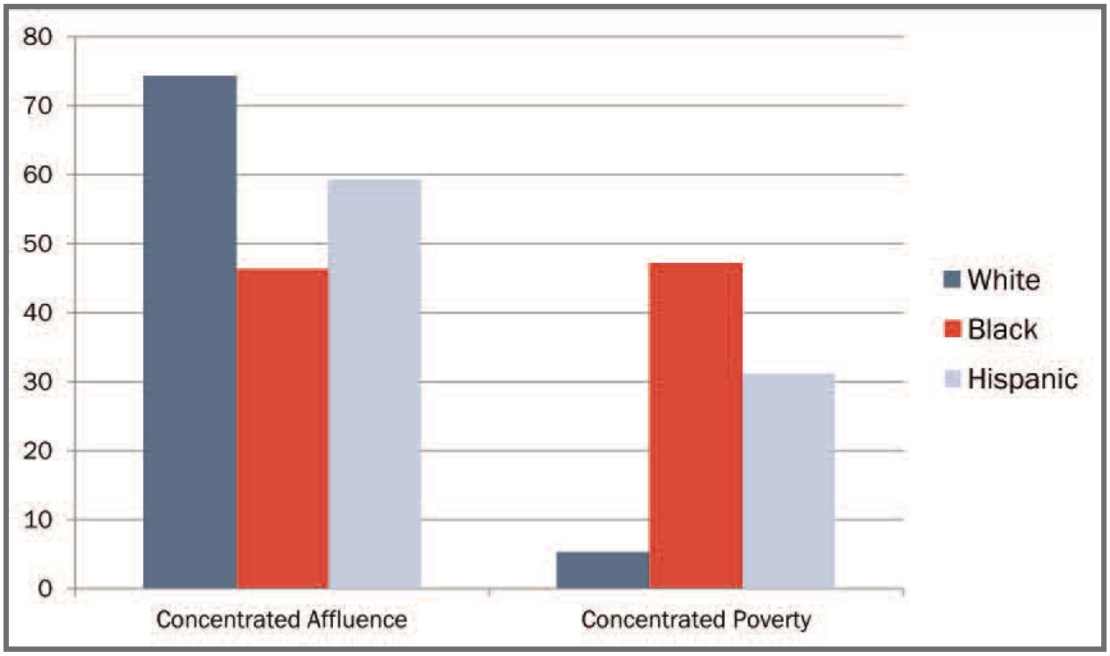
Among children who are not proficient readers in third grade, 7 percent of those from affluent neighborhoods fail to graduate from high school on time, compared to 27 percent of those who have lived in a high-poverty neighborhood. In middle-class neighborhoods, the proportion was 15 percent.

Even among proficient readers, neighborhood experience matters: Only 2 to 4 percent of good readers who have lived in affluent or middle-class neighborhoods do not graduate, compared to 14 percent of those from high-poverty communities.

Because of the limited sample size, it is not possible to conduct a full analysis of all risk factors for Black and Hispanic students. However, setting family poverty experience aside, the proportion of Black and Hispanic children failing to graduate is 22 to 28 percent respectively if they are not proficient third-grade readers and have never lived in an affluent neighborhood. The figures hold true whether the students lived in middle-class or poor neighborhoods (Figure 8). For White children who are not reading proficiently in third grade, the proportion failing to graduate rises from 5 percent in affluent neighborhoods, to 13 percent in middle-class settings and 28 percent for those in concentrated poverty.

Overall, 18 percent of children in this study have lived in a high-poverty neighborhood, but the numbers are skewed along racial and ethnic lines. About 5 percent of White children have lived in such communities, compared to 31 percent of Hispanic children and 47 percent of African Americans. At the other extreme, only 8 percent of Black children and 11 percent of Hispanic students have lived in an affluent neighborhood, compared to 21 percent of White children. The vast majority of White children (74 percent) have lived only in middle-class neighborhoods, but this falls to 59 percent for Hispanic children and less than one-half (46 percent) for Black children.

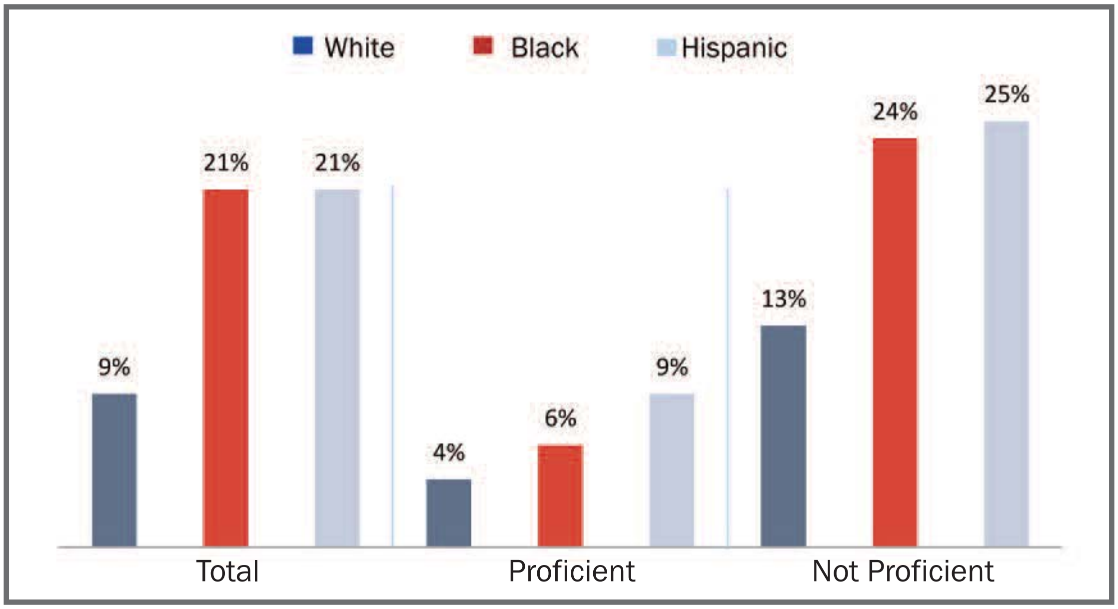
Figure 8: Percentage of Children by Race and Ethnicity Who Have Lived in Neighborhoods of Concentrated Affluence or Poverty



Black and Hispanic Children Who Are Not Reading Proficiently in Third Grade Are About Twice as Likely as Similar White Children Not to Graduate from High School

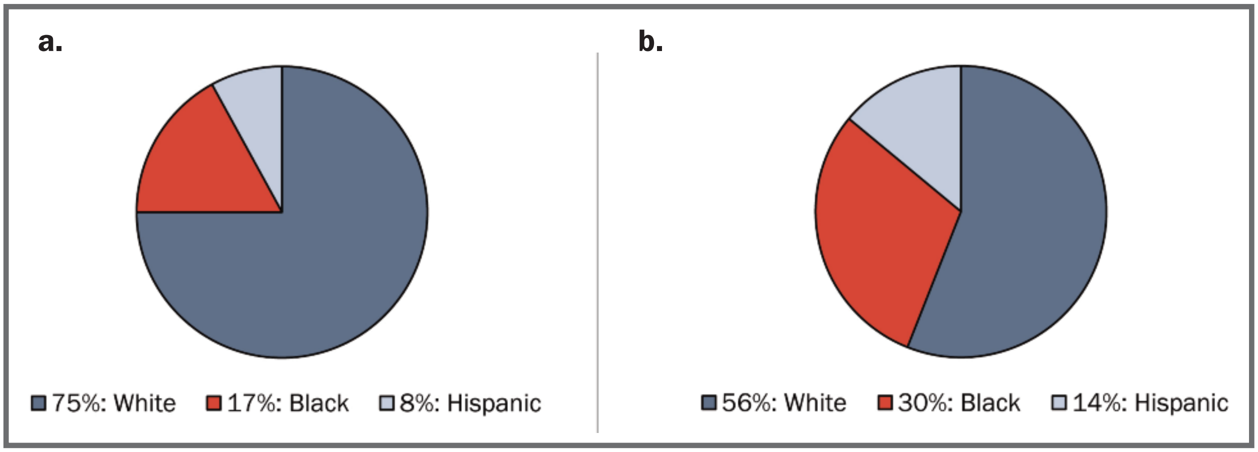
As the analysis shows, Black and Hispanic children are not only more likely to live in poverty, they also are more likely to live in neighborhoods with concentrated poverty and low-performing schools. NAEP results released in 2011 show that only 44 percent of White students read at the proficient level in fourth grade, and this falls to 17 percent for Black students and 18 percent for Hispanics.[15] The NLSY79 database provides racial and ethnic background for students, allowing for a breakdown of test scores on that basis. The study shows that about a quarter of Black and Hispanic students in the survey who are not reading proficiently in third grade do not graduate from high school, compared to 13 percent of other students. (Because there are few Asian families in the longitudinal survey they are combined in a single category largely composed of White students.) Thus, Black and Hispanic students who have not mastered reading in third grade are 11 to 12 percentage points less likely to graduate from high school than White students with similar reading skills. Only about 4 percent of White students who read well in third grade fail to graduate from high school, compared to 6 percent of Black students and 9 percent of Hispanics, differences that are not statistically significant (Figure 9). So the graduation rate gap closes when children reach proficiency in third grade.

Figure 9: Children Not Graduating by Race-Ethnicity



Among those who spend at least a year in poverty and do not read proficiently, the drop-out rates rise to 22 percent for White students and to 31 and 33 percent for Black and Hispanic students, respectively (Appendix II Table). Among those who read well and live in poverty a year or more, about 10 to 14 percent of White, Black, and Hispanic students do not graduate from high school; and if they both read well and do not experience poverty, only 2 to 5 percent do not graduate. Although Black and Hispanic students are more likely to be poor readers by third grade and more likely not to graduate from high school, a majority (56 percent) of students in this survey who failed to graduate are White, while 30 percent are Black, and 14 percent are Hispanic (Figure 10).

Figure 10, a: All Children by Race-Ethnicity
b: Children Not Graduating from High School by Race-Ethnicity



Policy and Program Strategies

The findings in this report point toward several distinct arenas where new policies and programs could foster children's school success. The first is schools, which have the immediate responsibility for teaching children to read. Second is the family, because poverty and limits on available resources in the home can undermine children's capacity and opportunities to learn. Third is federal, state, and local policy, which can profoundly influence the organization and focus of schools and the extent to which children and families live in poverty. Across these arenas, educators and policymakers must work to close the gaping racial and ethnic disparities in reading scores, family poverty, and neighborhood experiences. These findings point to the role that public policy could play in reducing these historic disparities that have affected educational outcomes.

High-quality early education is a cost-effective investment for improving both early and later school success, particularly for students in low-income families and for Black and Hispanic children.[16] Unfortunately, studies show the effects of good PreK programs can "fade out." But research also shows that gains for students are sustained if high-quality PreK is linked with the elementary grades, to create a common structure and coherent sets of academic and social goals.[17] The integrated PreK-3rd approach to education, if fully developed and effectively implemented, involves six components: (1) aligned curriculum, standards, and assessment from PreK through third grade; (2) consistent instructional approaches and learning environments; (3) availability of PreK for all children ages 3 and 4, as well as full-day kindergarten for older children; (4) classroom teachers who possess at least a bachelor's degree and are certified to teach grades PreK-3rd; (5) small class sizes; and (6) partnership between the school and families.[18] A recent study of an integrated PreK-3rd approach implemented in Chicago found improved educational outcomes leading to a long-term societal return of $8.24 for every $1 invested in the first four to six years of school, including the PreK years.[19]

Of course, both in the early years and later childhood, chronic school absence is associated with lower educational attainments.[20] This is particularly true for low-income children who are more likely to be chronically absent and more likely to lose out on the intensive literacy instruction in the early grades. The negative impact of school absences on literacy learning is 75 percent greater for low-income children than for their more affluent peers.[21] Schools must address this problem, as well as providing effective instruction whenever students are present in the classroom. Similarly, research spanning 100 years has shown that students lose ground during summer, particularly low-income students. They lose an average of more than two months in reading achievement over the summer, slowing their progress toward third-grade reading proficiency.[22] It is also, therefore, important for schools and communities to develop opportunities for summer learning that are aligned with instruction that occurs during the regular school year.

In families, parents are the first teachers, preparing their children to read simply by talking and reading to them frequently. They can also be the first to spot health and developmental problems that may lead to reading difficulties. But parents do not always know what to look for or how to help their children, and access to health care is essential. Poverty is strongly associated with lack of health insurance coverage. For example, 10 percent of people in families with incomes of $50,000 or more are not covered by health insurance, but this jumps to 19 percent for those with family incomes between $25,000 and $49,999, and to 29 percent for those with family incomes below $25,000.[23] Children in poor families also are more likely than their peers to have parents with limited education, because lower education is associated with earning lower incomes.[24] These findings suggest that policies and programs which would increase access to health insurance for children and to improved education for parents, particularly in low-income families, could play an important role in fostering children's educational success.

Schools and parents cannot, by themselves, bring about these changes. Federal, state, and local governments will be essential in the development and funding of efforts to expand PreK, to develop integrated PreK-3rd initiatives, to reduce chronic absenteeism, to expand summer learning opportunities, to assure that schools provide high-quality instruction, and to provide access to health insurance and to effective opportunities for parents to increase their educational levels and human capital. The links between parent education, family income and children's educational success further suggest the potential value in pursuing two-generation strategies, which seek to improve results for children by focusing simultaneously on school policies and programs, and on strengthening families through increased parental education and improved employment opportunities that reduce family poverty, as well as increased health insurance coverage for all family members.

Such poverty reduction strategies could help close the racial and ethnic disparities in high school graduation, since Black and Hispanic children and families are especially likely to experience poverty and to read poorly. Among White children, for example, 31 percent have been poor, but this jumps to 49 percent for Hispanic children and 63 percent for Black children . Similarly, the proportion who experience family poverty and are not reading proficient climbs from 22 percent for White children, to 41 percent for Hispanic children and 53 percent for Black children.

Effective policies that lift families out of poverty and increase reading skills would, at the same time, also reduce local poverty rates and the number of high-poverty neighborhoods. Such policies could also be transformative in middle-class neighborhoods, where, in the present study, 64 percent of all children with family poverty experience live. In short, these results point especially to the need for policies that invest in education, health and the economic security of families, particularly for Black and Hispanic families, in both high-poverty and middle-class neighborhoods across the United States.

Future Analyses Will Provide a Deeper Understanding

This brief presents the results from the first phases of research into the factors that keep students from finishing high school. Beyond that, the next phase of this research will systematically assess the living conditions of children to identify family, school and neighborhood resources that can foster resilience among children – resources that can make it possible for at-risk children to achieve third-grade reading success, and resources that can make it possible for children with limited third-grade reading skills to catch up so that they can graduate from high school on time. This research will focus especially on the impact of increased mother's education and family income, of access to health insurance and high-quality schools, and of neighborhood problems. I plan to expand the research to understand the role of specific family processes that link family, school and neighborhood resources to third-grade reading success and to high school graduation.

Appendix I

Technical Notes

The results for on-time high school graduation (by age 19) presented in this report are calculated from the National Longitudinal Survey of Youth 1979 (NLSY79) and the associated data for children of mothers in the sample. The NLSY79 is the only data source capable of providing such estimates, because it is the only nationally representative study that has assessed student reading in third grade, and then subsequently has followed the same children into their young adult years.

More specifically, this study calculates high school graduation rates for children born between 1979 and 1989 to mothers who were in the age range of 22 to 32 years. The mothers in the sample were originally selected to be nationally representative of all women born in the years 1957 to 1964, and who were residents in the United States in 1978. They were first interviewed at ages 14 to 22 in 1979.[25] Insofar as the baby-boom generation was born in the years 1946 to 1964, the high school graduation rates reported here are for children who are old enough (age 19 or more) to have graduated from high school on time, and who have mothers born in the last half of the baby boom.

The NLSY79 was conducted by the Bureau of Labor Statistics in the U.S. Department of Labor. The sample size for analyses in this report was 3,975 children. Reading assessments were conducted as early as 1986, and data used in this report were collected as recently as 2008. Reading skill is measured in this study using the Peabody Individual Achievement Test (PIAT) Reading Recognition subtest. This survey interviews children and their mothers biennially in even-numbered years. For half the sample, data were collected for children as of third, fifth, seventh, ninth and eleventh grades. For the other half of the sample, data were collected for children as of the second, fourth, sixth, eighth and tenth grades.

For reading test scores, results were used for third grade if available, otherwise test scores were calculated as the average of second-grade and fourth-grade scores if both were available, otherwise the second-grade assessment was used if available. This study calculates the proportion of years a child experiences family poverty as the number of "interview years" the child lived in a poor family divided by the number of interview years available for the child between second grade and eleventh grade.

This study calculates high school graduation rates for children in the top, middle and bottom thirds of the PIAT reading score distribution. These subpopulations were selected to correspond roughly to children classified in NAEP as reading at a proficient, basic or below basic level. In the years between 1992 and 2009, the proportion scoring at or above proficient on NAEP was in the narrow range of 29 to 33 percent, while the remaining 67 to 71 percent scored below proficient at either the basic or below basic level. The proportion scoring in the middle (basic) category was 18 to 26 percent in the years up to 2000, and in the higher range of 26 to 34 percent through 2009, while the proportion with test scores in the lowest (below basic) category was 38 to 41 percent up to 2000, and in the range of 33 to 27 percent in the years that followed.[26] In this report, as in most other studies of neighborhood effects, U.S. Census tracts are the geographic units designated as neighborhoods. Information on the location of the child's specific neighborhood was obtained from a restricted access version of the NLSY79 database and merged with neighborhood income information obtained from the 1980, 1990 and 2000 Censuses. Linear interpolation and extrapolation were used for data points that occurred between and after the Censuses.

Children were classified as having lived in a high-poverty neighborhood if, during at least one interview year, they lived in a neighborhood where the percent of families with incomes below the official federal threshold was more than 30 percent. Conversely, they were classified as having lived in an affluent neighborhood if, during at least one interview year, they lived in a neighborhood where more than 45 percent were classified as affluent. Affluence was defined as having a family income greater than $75,000 in 2000, with values for other years obtained by adjusting for inflation using the CPI-U-RS.[27]

These cut points were chosen because they capture the effects of income concentration at both ends of the spectrum, while providing for reasonable sample sizes for all three neighborhood groups—14 percent of children lived in affluent neighborhoods and 18 percent lived in high-poverty neighborhoods. Children who lived in neither of the extremes (and the 1.8 percent who reported living in both at different times) were classified as middle-class.

Appendix II, Table 1

Percent Failing to Graduate from High School by Age 19, for Children by Third-Grade Reading Test Scores, by Race-Ethnicity, and by Poverty Experience

			Reading Scores Below Proficiency		
	All Children	Proficient	Total	Basic	Below Basic
Total	12	4	16	9	23
White	9	4	13	7	19
Black	21	6	24	15	30
Hispanic	21	9	25	12	33
	Have Not Experienced Poverty				
Total	6	2	9	5	14
White	5	2	7	4	12
Black	10	3	12	6	18
Hispanic	12	5	15	5	24
	Have Experienced Poverty				
Total	22	11	26	18	31
White	19	11	22	15	27
Black	28	10	31	22	35
Hispanic	30	14	33	20	40

Appendix II, Table 2

Percent of Children Failing to Graduate from High School by Age 19 by Neighborhood Type and Third Grade Reading Score, by Race-Ethnicity, and by Poverty Experience								
	All Children		Concentrated Affluence		Middle-Class		Concentrated Poverty	
	Proficient	Not Proficient	Proficient	Not Proficient	Proficient	Not Proficient	Proficient	Not Proficient
All Children	4	16	2	7	4	15	14	27
White	4	13	2	5	4	13	**	28*
Black	6	24	**	18*	7	22	11	27
Hispanic	9	25	**	8*	5	27	**	28
Have Not Experienced Poverty	2	9	1	3	2	10	3	10
Have Experienced Poverty	11	26	7	20*	10	23	19	35

* Sample size is less than 100
** Sample size is less than 50

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King County

Best Starts for Kids Levy Proposal

Best Starts for Kids is an initiative to improve the health and well-being of King County residents by investing in prevention and early intervention for children, youth, families and community. The King County Council voted to put a six-year levy on the Nov. 3, 2015 ballot that would fund the initiative.

Levy Amount

A six-year levy at a rate of 14 cents per $1,000 of assessed property value. This would raise about $65 million per year at a cost to the average King County homeowner of about $56 per year.

Investing Early

Fifty percent of the revenue would be invested in strategies focused on children under age five and pregnant women such as home visiting for new parents and their children. This will include a modest investment to sustain and expand parent/child health services that are delivered through the county's Public Health Centers. The science and evidence shows us that the earlier we invest, the greater the return for both the child's development and our society.

Sustaining the Gain

Thirty-five percent would be invested in strategies focused on children and youth aged five through twenty-four such as early intervention to prevent teen depression and substance use. The science and research tells us that the brain continues to develop during this time and prevention efforts addressed at key developmental stages or transition points in a young person's life help to sustain gains made earlier in life.

Communities Matter

Ten percent would be invested in strategies to create safe and healthy communities such as increasing access to healthy affordable food, expanding economic opportunities and access to affordable housing. This strategy will sustain and expand the partnership between King County and The Seattle

Foundation on Communities of Opportunity (COO). COO is based on the latest research and evidence regarding the impact of place on a child's success and the importance of supporting communities in building their own capacity to create positive change.

Youth and Family Homelessness Prevention

A portion of the first year's levy funds would be used to create a youth and family homelessness prevention initiative modeled on a successful pilot implemented by organizations serving survivors of domestic violence.

Outcomes-Focused and Data Driven

Five percent would support evaluation, data collection and improving the delivery of services and programs for children and youth. This will ensure Best Starts for Kids strategies are tailored for children from every background in King County and that we deliver on the results for every child in King County.

Advisory Boards

An oversight and advisory board comprised of county residents and stakeholders with geographically and culturally diverse perspectives would be established. The advisory board will make recommendations and monitor distribution of levy proceeds.

Implementation

In order to reduce inequities in our County, Best Starts for Kids strategies are designed to be both universal and targeted, with the large majority of Best Starts for Kids levy funding competitively bid in outcomes-focused contracts to community-based organizations. This will help ensure that the strategies are implemented in a manner that is appropriate for all cultural and ethnic groups and that each child and her caregivers receive the tools and level of support they need. Should the voters approve it, the county will refine outcomes and indicators through development of a detailed implementation plan with input and consultation from the community.

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KCHA IN THE NEWS

tukwila reporter

City of Tukwila, housing authority, Starfire, two businesses recognized for recycling

by DEAN RADFORD, Tukwila Reporter Editor

Jul 28, 2015 at 10:47AM

The City of Tukwila, King County Housing Authority, Starfire Sports and two Tukwila businesses have been recognized by King County for their extra efforts to recycle and reduce waste.

The two businesses are Shasta Beverages and Rainier Industries Ltd.

The King County Solid Waste Division and county Executive Dow Constantine honored 112 businesses and organizations as Best Workplaces for Waste Prevention and Recycling this year.

Here are the Tukwila honorees:

• Rainier Industries, Ltd., a custom manufacturing company specializing in fabric, display and shade products, in 2014 switched hazardous waste haulers to a vendor able to remove inks, solvents and paints from scrap fabric.

• Shasta Beverages, a beverage-production facility that produces cans and bottles, continues to fine-tune its recycling program through frequent audits of Dumpster content, such as corrugated cardboard and aluminum.

• City of Tukwila provides varied opportunities for its residents and employees to prevent waste and recycle, recently expanding food-composting opportunities to include the city's four fire stations and offering training to all fire staff.

• Starfire Sports, the soccer complex at Fort Dent Park, uses reclaimed water to irrigate the grass fields and have recycling bins placed conveniently next to all garbage cans. Starfire Sports has also reduced paper waste by utilizing computer programs for daily tasks.

• King County Housing Authority encourages employees to reduce and recycle everything possible, with established recycling programs for all curbside materials, electronics, food scraps, batteries, plastic foam, fluorescent bulbs, and hazardous chemicals.

tukwila reporter

“These companies deserve special recognition for demonstrating their ingenuity and commitment in preventing waste,” said Constantine. “From composting in lunchrooms to reusing packing materials, they’re showing that sustainability can be simple and rewarding.”

The “Best Workplaces” list has been recognizing waste prevention and recycling in local businesses for nine years and features a wide array of businesses in King County, including hospitality, medical services, professional services, technology, retail, finance, government, arts and entertainment and others.

Companies that have made the list five years in a row are recognized with an honor roll designation, including Tukwila. This year, 29 businesses joined the “Best Workplaces” list for the first time.

All businesses operating in King County outside the City of Seattle are eligible for the list. To qualify, businesses must meet five basic criteria, as well as 10 additional waste reduction and recycling criteria. To see the complete list, visit www.kingcounty.gov/recyclemore.

BOTHELL/KENMORE REPORTER.com

Hopelink celebrates opening of the new Kenmore Place shelter

Hopelink CEO Lauren Thomas cuts the ribbon during the Aug. 18 grand reopening of Hopelink's Kenmore Place shelter. With Thomas are, from left, Kenmore Mayor David Baker; Adrienne Quinn, Director, King County Department of Community and Human Services; Thomas; King County Councilwoman Kathy Lambert; and Stephen Norman, Executive Director, King County Housing Authority.
— *image credit: Contributed photo*

Aug 19, 2015 at 2:54PM

Hopelink CEO Lauren Thomas cut the ribbon during the grand reopening of Hopelink's Kenmore Place shelter on Aug. 18.

The facility has served as the only homeless family shelter in north King County for nearly 30 years, and was recently renovated and enlarged from nine units to 11. During the next 60 years, the shelter is expected to help 1,000 local families get back on their feet.

Thomas was joined by Kenmore Mayor David Baker, King County Department of Community and Human Services Director Adrienne Quinn, King County Councilwoman Kathy Lambert and King County Housing Authority Executive Director Stephen Norman.