King County Housing Authority

MEETING
OF THE
BOARD OF COMMISSIONERS

April 18, 2016 at 8:30 a.m.

King County Housing Authority
Snoqualmie Conference Room
700 Andover Park W
Tukwila, WA 98188

A G E N D A

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of Minutes

Board Meeting Minutes – March 21, 2016 **1**

V. Approval of Agenda

VI. Consent Agenda

A. Voucher Certification Reports for February 2016 **2**

B. Administrative Correction to Resolution No. 5533 – Approval to renumber Resolution No. 5533, authorizing the transfer of the Harrison House project from Harrison House Apartments, LLC (the Company) to the Housing Authority, including but not limited to, the acquisition of the investor member interest in the Company's obligations, subsequent dissolution of the Company and all related matters; previously adopted by the Board, as Resolution No. 5534 **3**

C. Resolution No. 5535: Intergovernmental Cooperative Purchasing Agreement with the Renton Housing Authority **4**

VII. Resolutions for Discussion & Possible Action

A. Resolution No. 5536: Authorizing the disposition and sale to HomeSight of five lots adjacent to the Greenbridge Community, as well as the provision of up to $1.3 million in construction financing, a $350,000 note from HomeSight and deferred homebuyer loans in a cumulative amount not to exceed $20,000, to support low-income homeownership as part of the Greenbridge development **5**

VIII. Briefings & Reports

A. Fourth Quarter CY 2015 Financial Report **6**

B. First Quarter CY 2016 Procurement Report **7**

C. Resubmission of Renton's Choice Neighborhoods Implementation Grant Application **8**

D. Legislative Briefing **9**

IX. Study Session

E. Seola Gardens & Greenbridge Market Rate Land Development (continued) **10**

X. Executive Director's Report

XI. KCHA in the News **11**

XII. Commissioner Comments

XIII. 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.

REVISED 4/14/2016

TAB NUMBER 1

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

Monday, March 21, 2016

I. CALL TO ORDER

The meeting of the Board of Commissioners of the King County Housing Authority was held on Monday, March 21, 2016, at the King County Housing Authority Offices, 700 Andover Park West, Tukwila, 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 TerryLynn Stewart, Commissioner Susan Palmer, and Commissioner John Welch

Excused: Commissioner Michael Brown (Vice-Chair),

Staff: Stephen Norman (Secretary), Bill Cook, Connie Davis, John Eliason, Katie Escudero, Marianne Everett, Tonya Harlan, Sean Heron, Megan Hyla, Gary Leaf, Kristy Johnson, Susan Millan, Jessica Olives, Nikki Parrott, Jennifer Ramirez-Robson, Craig Violante, Tim Walter, Dan Watson, Elizabeth Westburg, Kristin Winkel, Wen Xu and Jodis Zhu

III. PUBLIC COMMENT

None.

IV. APPROVAL OF MINUTES

On motion by Commissioner Palmer, seconded by Commissioner Stewart, the Board approved the minutes from the Board of Commissioners' meeting of February 16, 2016.

V. APPROVAL OF AGENDA

On motion by Commissioner Stewart, seconded by Commissioner Welch, the Board unanimously approved the March 21, 2016 Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Report for January 2016 (General and Bond Properties)

January 2016

GENERAL PROPERTIES		
Bank Wires / ACH Withdrawals		1,504,295.49
	Subtotal	***1,504,295.49***
Accounts Payable Vouchers		
Key Bank Checks #300637-#301201		4,304,917.91
Tenant Accounting Checks #10029- #10042		2,599.76
Commerce Bank Direct Payment		37,928.15
	Subtotal	***4,345,445.82***
Payroll Vouchers		
Checks - #84074 – #90013		36,144.86
Direct Deposit		1,297,184.06
	Subtotal	***1,333,328.92***
Section 8 Program Vouchers		
Checks - #612520-#612901		251,727.13
ACH - #336051-#339087		10,008,307.99
	Subtotal	***10,260,035.12***
Purchase Card / ACH Withdrawal		179,812.04
	Subtotal	***179,812.04***
	GRAND TOTAL	***17,622,917.39***
BOND PROPERTIES		
Bond Properties Total (30 different properties)		***2,258,792.11***

On motion by Commissioner Welch seconded by Commissioner Palmer, the Board unanimously approved the consent agenda.

VII. RESOLUTIONS FOR DISCUSSION AND POSSIBLE ACTION

A. Resolution No. 5532: A Resolution of the Housing Authority of the County of King authorizing the transfer of the Harrison House project from Harrison House Apartments LLC (the Company) to the Housing Authority, including, but not limited to, the acquisition of the investor member interest in the Company's obligations, subsequent dissolution of the Company and all related matters

Tim Walter, Senior Director of Acquisitions and Asset Management provided a briefing on Resolution No. 5532 and mentioned that Harrison House Apartments is a senior living property located in Kent. Mr. Walter further explained that this action would authorize Harrison House Apartment to revert back to KCHA, following the conclusion of the tax credit limited partnership with the investor.

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

On motion by Commissioner Palmer seconded by Commissioner Stewart, the Board unanimously approved Resolution No. 5532.

VIII. BRIEFINGS & REPORT

A. 2015 Year End Investment Report
Craig Violante, Director of Finance, provided a briefing on the 2015 investments split between the Washington State Local Government Investment Pool (LGIP), the KCHA Internal Pool, cash held by trustees/held in traditional saving and checking accounts and loans to housing partners. Mr. Violante explained investment structure, average yields and the strategy for 2016.

B. 2015 Year End Capital Expenditure Report & 2016 Budget
Dan Watson, Deputy Executive Director, presented the 2015 Year End Capital Expenditure Report and 2016 Budget. Mr. Watson provided an update on capital construction project activities and foreseeable trends for 2016. Mr. Watson also addressed completed and budgeted projects pertaining to HOPE VI activities, Asset and Housing Management.

C. Fourth Quarter Dashboard Report
Megan Hyla briefed the Board on the Quarterly Executive Dashboard Report for the quarter ending 2015.

D. 2015 Moving To Work Report
Kathryn Escudero, Moving to Work Policy Analyst, briefed the board on KCHA's 2015 Moving to Work Report. Ms. Escudero summarized key highlights from the report including significant Agency achievements. Following a video presentation on the Rapid Rehousing Program, Kristy Johnson, Director of Homeless Initiatives, gave a brief overview of the goals and accomplishments of the program and provided information on student homelessness. Elizabeth Westburg, Resident Services Development Department, introduced Stephanie Pope and Jordan Plummer representatives from the partner agency HopeLink, a non-profit service provider, that provides voluntary mobility and housing counseling services to KCHA's tenant based households located in high opportunity areas.

IX. STUDY SESSIONS

A. Seola Gardens & Greenbridge Market Rate Land Development
John Eliason, Development Director Hope VI, led a study session and discussion relating to the current status of land sales and homeownership development at Greenbridge and Seola Gardens. Mr. Eliason introduced the HOPE VI development team and Alan Grainger, founding principal at GGLO and the master planning architect. Mr. Grainger provided a street layout overview and presented housing typologies. Per the Board's request,

continuance of the discussion and presentation was deferred to next month's meeting.

X. EXECUTIVE SESSION

Chair Barnes called for an Executive Session at 10:22 a.m. as authorized by RCW 42.30.110 (1) (g) – "To review the performance of a public employee".

The meeting of the Board of Commissioners was reconvened at 10:29 a.m. by Chair Barnes.

Chair Barnes called for the board's consideration of Resolution No. 5533; pertaining to the payment of a retention and accomplishment incentive to the Executive Director f.

Resolution No. 5533: Authorizing the payment of a Retention and Accomplishment Incentive and the establishment of a Retention and Accomplishment Incentive for the Executive Director for the Calendar Years 2015 and 2016, respectively

On motion by Commissioner Welch seconded by Commissioner Palmer, the Board unanimously approved Resolution No. 5533.

XI. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman, Executive Director, stated that HUD had increased KCHA's 2016 Housing Choice Voucher funding baseline by 12%, which is a significant step to addressing pressure in the regional rental market. Mr. Norman also briefly discussed the upcoming Board Legislative trip to Washington DC scheduled for April 2016.

XII. KCHA IN THE NEWS

None.

XIII. COMMISSIONER COMMENTS

None.

XIV. ADJOURNMENT

On motion by Commissioner Stewart, seconded by Commissioner Palmer, the Board adjourned the meeting at 10:38 a.m.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

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DOUGLAS J. BARNES, Chair
Board of Commissioners

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STEPHEN J. NORMAN
Secretary

TAB NUMBER 2

King County Housing Authority

To: Board of Commissioners

From: Linda Riley, Controller

Date: March 28, 2016

Re: **VOUCHER CERTIFICATION FOR FEBRUARY 2016**

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

Linda Riley
Controller
March 28, 2016

Bank Wires / ACH Withdrawals		4,238,823.83
	Subtotal	***4,238,823.83***
Accounts Payable Vouchers		
Key Bank Checks - #301202-#301720		3,816,802.93
Tenant Accounting Checks - #10043-#10067		7,309.66
Commerce Bank Direct Payment		42,739.21
	Subtotal	***3,866,851.80***
Payroll Vouchers		
Checks - #90014-#90057		37,889.74
Direct Deposit		1,243,252.14
	Subtotal	***1,281,141.88***
Section 8 Program Vouchers		
Checks - #612902-#613217		251,315.97
ACH - #339088-#342113		10,113,676.69
	Subtotal	***10,364,992.66***
Purchase Card / ACH Withdrawal		169,564.05
	Subtotal	***169,564.05***
	GRAND TOTAL	***19,921,374.22***

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

FROM: Wen Xu

SUBJECT: **VOUCHER CERTIFICATION FOR FEBRUARY 2016**

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
March 25, 2016

Property	Wired to Operating Account(s) for Obligations of Property			Notes:
Feb-16	Date	$	Claim	
Bellepark East	2/4/2016	$ 9,347.15	A/P & Payroll	
	2/11/2016	$ 2,784.13	A/P	
	2/18/2016	$ 11,733.66	A/P & Payroll	
	2/25/2016	$ 12,784.29	A/P	
Colonial Gardens	2/4/2016	$ 18,296.57	A/P & Payroll	
	2/11/2016	$ 7,673.71	A/P	
	2/18/2016	$ 14,311.49	A/P & Payroll	
	2/25/2016	$ 3,890.88	A/P	
Cottonwood	2/4/2016	$ 6,774.35	A/P & Payroll	
	2/11/2016	$ 5,391.15	A/P	
	2/18/2016	$ 15,926.32	A/P & Payroll	
	2/25/2016	$ 18,583.46	A/P	
Cove East	2/4/2016	$ 17,598.21	A/P & Payroll	
	2/11/2016	$ 6,124.72	A/P	
	2/18/2016	$ 43,758.51	A/P & Payroll	
	2/25/2016	$ 49,195.83	A/P	
Landmark	2/4/2016	$ 16,397.80	A/P & Payroll	
	2/11/2016	$ 1,614.80	A/P	
	2/18/2016	$ 28,491.62	A/P & Payroll	
Timberwood	2/4/2016	$ 31,268.62	A/P & Payroll	
	2/18/2016	$ 85,691.76	A/P & Payroll	
	2/25/2016	$ 8,751.24	A/P	
Woodland North	2/4/2016	$ 1,466.94	A/P & Payroll	
	2/5/2016	$ 3,000.00	Payroll	
	2/11/2016	$ 72,261.60	A/P	
	2/18/2016	$ 17,195.97	A/P & Payroll	
	2/25/2016	$ 3,103.14	A/P	
Woodside East	2/4/2016	$ 14,861.44	A/P & Payroll	
	2/11/2016	$ 15,308.17	A/P	
	2/18/2016	$ 184,712.73	A/P & Payroll	
	2/25/2016	$ 10,779.72	A/P	
Alpine Ridge, Aspen Ridge, Auburn Square, Carriage House, Cascadian, Corinthian, Fairwood, Heritage Park, Laurelwood, Meadows, Newporter, Parkwood, Somerset East, Somerset West, Walnut Park, Windsor Heights, Woodridge Park	2/4/2016	$ 42,275.28	M/F & OCR	
	2/11/2016	$ 381,800.75	A/P & Payroll	
	2/11/2016	$ 23,155.00	SOW Debt Svc	
	2/11/2016	$ 16,586.25	SOE Debt Svc	
	2/18/2016	$ 6,851.39	A/P	
	2/25/2016	$ 414,391.98	A/P, Payroll, M/F, OCR, Debt Svc	
Gilman Square	2/10/2016	$ 63,935.49	A/P & Payroll	
	2/24/2016	$ 24,376.29	A/P & Payroll	
Meadowbrook	2/10/2016	$ 25,123.13	A/P & Payroll	
	2/24/2016	$ 22,533.86	A/P & Payroll	
Villages at South Station	2/10/2016	$ 41,943.88	A/P & Payroll	
	2/24/2016	$ 40,525.66	A/P & Payroll	
Bellevue Manor	2/4/2016	$ 15,659.56	A/P	
Charter House	2/2/2016	$ 3,935.12	A/P	
	2/2/2016	$ 295,259.32	To BHA	
	2/2/2016	$ 122,841.14	To BHA	
Northwood Square	2/4/2016	$ 8,430.59	A/P	
Patricia Harris	2/4/2016	$ 51,066.26	A/P	
Vashon Terrace	2/4/2016	$ 1,652.23	A/P	
Rainier View I	2/10/2016	$ 11,138.46	A/P	
	2/25/2016	$ 11,580.38	A/P	
Rainier View II	2/10/2016	$ 10,388.11	A/P	
	2/25/2016	$ 7,285.90	A/P	
Si View	2/10/2016	$ 4,395.17	A/P	
	2/25/2016	$ 8,779.42	A/P	
	Portfolio Total:	**$ 2,394,990.60**		

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King County Housing Authority

To: Board of Commissioners

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

Date: April 12, 2016

Re: **Administrative Correction to Resolution No. 5533 – Approval to renumber Resolution No. 5533 authorizing the transfer of the Harrison House project from Harrison House Apartments, LLC (the Company) to the Housing Authority, including, but not limited to, the acquisition of the investor member interest in the Company's obligations, subsequent dissolution of the Company and all related matters, previously adopted by the Board as Resolution No. 5534**

Approval of Resolution No. 5534 is solely to make an administrative correction to the Resolution Number previously assigned, for record management purposes. The board approved the Resolution at the last board meeting held on March 21, 2016 numbered as 5533.

TAB NUMBER 4

King County Housing Authority

To: Board of Commissioners

From: Connie Davis, Deputy Executive Director

Date: April 12, 2016

Re: **Resolution No. 5535 – Intergovernmental Cooperative Purchasing Agreement with Renton Housing Authority**

Resolution No. 5535 authorizes the Executive Director to enter into an Intergovernmental Cooperative Purchasing Agreement with the Renton Housing Authority (RHA). This will allow RHA to "piggyback" on procurement for financial consulting services with J.H. Brawner & Company for the purposes of acquiring real estate financial services for their Choice Neighborhoods Initiative application.

KCHA conducted a procurement which conformed to HUD's 24 Part 85.36 as well as its own Board approved procurement policy in February 2012. J.H. Brawner & Company was selected to perform financial consulting services, primarily for KCHA's HOPE VI projects. The procurement authorized KCHA to contract with J.H. Brawner & Company through 2018.

Chapter 39.34 RCW, The Interlocal Cooperation Act permits public agencies to cooperate and exercise joint powers in carrying out their public purposes, including the purchase of goods and services. Execution of an Interlocal agreement in the form attached to Resolution No. 5535 will permit RHA to procure the services of J.H. Brawner & Company for financial consulting services.

Staff recommends passage of Resolution No. 5535.

INTERLOCAL COOPERATIVE PURCHASING AGREEMENT

Pursuant to Chapter 39.34 of the Revised Code of Washington State, Renton Housing Authority (RHA) and the King County Housing Authority (KCHA) hereby agree to the terms of this Interlocal Cooperative Purchasing Agreement for the use of the solicitation process in obtaining real estate financial services with J.H. Brawner & Company. The following terms and conditions are applicable to this Agreement:

1. Each party has agreed that KCHA has followed the HUD procurement process 24 CFR 85.36 and KCHA's Procurement Policy in obtaining real estate financial services with J.H. Brawner & Company.

2. Each party has agreed that KCHA's decision to contract with J.H. Brawner & Company is without prejudice and meets applicable laws and policies.

3. Each party has agreed to enter into separate contracts with J.H. Brawner & Company, with each contract having specific terms and agreements.

4. A party to this Agreement shall not accept responsibility for the performance of J.H. Brawner & Company contracted for by the other party as a result of this Agreement.

5. A party to this Agreement shall not be responsible for the payment of any item(s) or service(s) contracted for by the other party as a result of this Agreement.

6. For the purposes of complying with RCW 42.56, the Custodian of records shall be the Renton Housing Authority.

7. This Agreement shall continue in force until cancelled in writing by either party.

IN WITNESS WHEREOF, the parties hereto have executed this Interlocal Cooperative Purchasing Agreement by having their representatives affix their signatures below.

King County Housing Authority 600 Andover Park West Tukwila, WA 98188	Renton Housing Authority 2900 N.E. 10th St Renton, WA, 98056
____________________ ________ Signature Date	____________________ ________ Signature Date
Stephen J. Norman Executive Director	Mark Gropper Executive Director

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION No. 5535

AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY OF RENTON FOR ACQUIRING REAL ESTATE FINANCIAL SERVICES

WHEREAS, the Housing Authority of the City of Renton (RHA) seeks to secure a consultant to assist in financial consulting services; and,

WHEREAS, KCHA has followed the HUD procurement process 24 CFR 85.36 and KCHA's Procurement Policy in procuring financial consultation services with J.H. Brawner & Company in February 2012; and,

WHEREAS, RHA wishes to use the services of J.H. Brawner for acquiring real estate financial services; and,

WHEREAS, Chapter 39.34 RCW (The Interlocal Cooperation Act) permits public agencies to cooperate and exercise joint powers in carrying out their public purposes, including the purchase of goods and services; and,

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

The Executive Director is hereby authorized to enter into an Intergovernmental Cooperative Purchasing Agreement with the Housing Authority of the City of Renton substantially in the form attached.

ADOPTED AT A REGULAR MEETING OF THE BOARD OF THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 18TH DAY OF APRIL 2016.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

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DOUGLAS J. BARNES, Chair
Board of Commissioners

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STEPHEN NORMAN
Secretary

TAB NUMBER 5

TO: Board of Commissioners

FROM: John E. Eliason, Development Director, HOPE VI

DATE: April 12, 2016

RE: **Resolution No. 5536: Authorizing the disposition and sale to HomeSight of five lots adjacent to the Greenbridge community, as well as the provision of up to $1.3 million in construction financing, a $350,000 note from HomeSight and deferred homebuyer loans in a cumulative amount not to exceed $20,000, to support low-income homeownership as part of the Greenbridge development**

Summary

KCHA is proposing to collaborate with HomeSight on a third affordable homeownership project at Greenbridge. Modeled after our two previous successful partnerships with HomeSight at Greenbridge that have enabled 15 low-income home buyers to purchase homes in this community, this third homeownership project will provide five new construction homes for low-income home buyers by combining down payment assistance provided by outside funding sources with lot price discounts and potential loan deferrals to insure that monthly mortgage payments are affordable.

Resolution No. 5536 authorizes the disposition and sale of five lots, issuance of a land note of $350,000 and a construction loan of up to $1,300,000 to HomeSight to construct single family homes for sale to low-income families whose incomes are at or below 80% of the area median income. KCHA will sell the lots to HomeSight for $70,000 per lot and will defer up to $10,000 per lot for up to two homes as deferred loans. The deferred portion of the lot purchased price will become a standing subordinate loan to the homebuyer bearing a simple interest rate of 1.5%. This deferred principal and interest will be paid back either when the first owner resells the home or in thirty years, whichever occurs first. The construction loan and Land Purchase Note to HomeSight will be for eighteen months with a fixed financing fee of $5,000 for the land note and $6,000 for the construction loan.

HomeSight has applied for and received commitments for down payment assistance from King County and the Washington State Housing Trust Fund sufficient to provide deferred down payment assistance of up to $69,000 per low-income home buyer.

Roles and Responsibilities

KCHA will make five lots available to HomeSight. Two lots are adjacent to HomeSight's first homeownership project at Greenbridge and immediately west of the elementary school playground.

The remaining three lots are located just east of the Head Start building at the south end of Greenbridge. KCHA will provide technical assistance with permitting, design and construction and will advance construction financing as costs are incurred. The loan will be repaid from sales proceeds as the homes are sold. HomeSight will have primary responsibility for permitting, design, construction and the marketing and sale of the homes to qualified low-income home buyers. HomeSight will also provide homebuyers education classes, financial counseling, down payment assistance and assistance in securing first mortgage loans.

Sales Prices and Down Payment Assistance

These 3-bedroom and 4-bedroom homes have anticipated sales prices between $290,000 and $310,000. The down payment assistance assembled from HomeSight, the King County HOME Fund and the Washington State Housing Trust Fund is sufficient to allow families who earn between 60% of median and 80% of median income to qualify for home mortgages and purchase these homes. Some families will receive less subsidy and others more, depending upon their need for assistance. The down payment assistance will reduce the average 1st mortgage amount to approximately $231,000, resulting in a monthly payment of principal, interest, taxes and insurance of $1,417 using a 4.75% rate of interest with 30 years amortization.

Risks

Sales Risk

There is a possibility the homes don't sell, or don't sell in the timeframe forecast, or at the projected prices. Even with down payment assistance there is a limited pool of creditworthy homebuyers with incomes between 60% and 80% area median income looking to buy a home in White Center. This risk is mitigated by the working relationship and track record with HomeSight on the first two phases at Greenbridge. HomeSight provides financial counseling and down payment assistance to each homebuyer to insure that the mortgage payments are affordable to low- income purchasers. Interest rates are at historic lows and lower interest rates allow a larger segment of buyers to qualify to purchase these homes. Project underwriting is conservative, using a 4.75% interest rate on the permanent loan, even though current rates are more than 20% below that figure. HomeSight is the regional source for first time home buyer financing and, as such, draws potential buyers from all over the region.

Construction Lending and Performance Risk

KCHA is the land note holder, the construction lender and the land seller. If HomeSight is unable to sell the homes within a reasonable time frame the construction loan will need to be extended. Homes may need to be re-priced and incentives offered, all of which negatively affect HomeSight's ability to repay the construction loan in full. If HomeSight does not perform, or fails to make home sales, KCHA has the option to foreclose and remarket the homes, but most likely at a loss. This risk is mitigated in part by KCHA's and HomeSight's experience with Phases I and II. Using costs and revenues from these two phases KCHA can better predict the sales for the third phase. The current for-sale market is stronger than the depressed market which existed during the first phase and interest rates are lower, partially mitigating the risk of slow or discounted sales.

Construction Risk

Construction risks for KCHA include the possibility that these lots involve more costly site work than prior phases, that HomeSight's contractor does not perform or that there are unforeseen cost overruns that cannot be paid for out of sales proceeds. This risk will be partially mitigated by the contractor working closely with HomeSight and KCHA on the design to ensure final construction documents have few ambiguities or uncertainties and reflect the builder's suggestions. The builder will sign a fixed price contract with HomeSight and as construction lender, KCHA will sign a fixed price contract with HomeSight. As the construction lender KCHA approves all draws and construction contract changes and can foreclose if the builder doesn't progress in a timely and efficient way. KCHA construction managers will work closely with the contractor to ensure that all construction issues are properly addressed. KCHA followed this model in the first two phases and the relationship went smoothly. The homes were constructed within budget and are of high quality.

Given KCHA's priority of providing affordable homeownership opportunities at Greenbridge and given the success of the prior two HomeSight phases at Greenbridge, staff recommends passage of Resolution #5536.

HomeSight Phase 3

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5536

(Greenbridge HomeSight Phase III)

A RESOLUTION authorizing the disposition and sale to HomeSight of five lots adjacent to the Greenbridge community, as well as the provision of up to $1.3 million in construction financing, a $350,000 note from HomeSight and deferred homebuyer loans in a cumulative amount not to exceed $20,000, to support low-income homeownership as part of the Greenbridge development

WHEREAS, King County Housing Authority (KCHA) is developing the Greenbridge HOPE VI project in White Center with the objective of providing affordable rental and homeownership opportunities for KCHA residents and other low income residents of King County; and,

WHEREAS, HomeSight has a successful record of partnering with KCHA in developing and selling affordable homes for ownership by low-income households at Greenbridge and the South King County area; and,

WHEREAS, KCHA has acquired five platted lots adjacent to Greenbridge (parcels 0623049238, 0623049392, 7973201730, 7973201735 and 7973201740 and, collectively, the "Lots") and has demolished substandard housing on the Lots, thereby creating fully serviced finished lots; and,

WHEREAS, KCHA and HomeSight have been awarded home-owner down payment assistance from King County and the State of Washington; and,

WHEREAS, KCHA and HomeSight have negotiated a lot sales price of $70,000 for each of the Lots which amount will repay KCHA for the property acquisition and infrastructure expenses incurred as part of the redevelopment of Greenbridge; and,

WHEREAS, HomeSight ("Borrower") has applied to KCHA for financial assistance in the principal amount of up to $1,300,000 ("Loan") to finance the construction of five homes on the Lots that will provide homeownership opportunities to low-income persons in King County, Washington ("Project"); and

WHEREAS, HomeSight has already successfully repaid KCHA's Phase I and Phase II construction loans in an aggregate amount of $3,000,000 for the construction of 15 homes at Greenbridge; and

WHEREAS, KCHA has also previously provided deferred loans on a portion of the lot price as additional assistance for low income homebuyers; and

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

1. <u>Lot Disposition to HomeSight.</u> The Board hereby approves the disposition and sale of the Lots to HomeSight for the price of $70,000 per lot plus associated closing costs and a fixed finance fee of $5,000, to be evidenced by a note to KCHA. The sales are contingent upon completing documentation of funds previously awarded to KCHA by

King County HOME and Washington State Housing Trust Fund. The Executive Director or a Deputy Executive Director is authorized to execute all documents and related materials necessary or useful to effectuate such disposition.

2. Construction Financing Loan. The Executive Director or a Deputy Executive Director is authorized to make the Loan to the Borrower on the terms set forth in this resolution. Such financing is declared and determined to be necessary for feasibility of the Project. All proceeds of the Loan shall be disbursed pursuant to and subject to the conditions of the Loan Documents, as hereafter defined. The Loan shall be in a principal amount not to exceed $1,300,000; shall have an initial maturity date not more than 18 months from first disbursement with a fixed finance fee of $6,000. The Loan shall be governed by the terms of a loan agreement, evidenced by a note and secured by a deed of trust ("Loan Documents").

3. Deferred Homebuyer Loans. The Executive Director or Deputy Executive Director is authorized to make two deferred homebuyer loans at 1.5% annual interest in a principal amount up to a maximum of $10,000.00 each, a maturity date equal to the earlier of the first resale of the home or thirty years, and upon such other terms as are necessary to achieve the low-income targets of the Project.

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

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

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 18th day of April, 2016.

HOUSING AUTHORITY OF THE COUNTY OF KING

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

ATTEST:

____
Stephen J. Norman, Secretary

TAB NUMBER 6

To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: April 12, 2016

Re: Fourth Quarter CY 2015 Financial Report

This report reviews both fourth quarter and year-end financial results:

FOURTH QUARTER EXECUTIVE SUMMARY

- The new 77-unit senior and disabled public housing development Vantage Point was fully leased and occupied. Final costs are projected to be below previous board-authorized appropriations. After the tax credit partner equity payment has been received later in 2016, KCHA's final equity investment is expected to be approximately $5.2 million or 19.5% of total development costs. MTW reserves totaling $13.9 million were loaned into the project, replacing a like amount of locally-sourced Central Office Cost Center (COCC) reserves that had previously been loaned.
- The transition from MST to Tenmast occurred during the quarter and KCHA is now operating its housing management programs in the new software environment. Because of the complexity of converting over 12,000 Housing Choice vouchers to the new platform, charts showing Section 8 program operating metrics are not available for this report. First quarter data will be included in the next report.
- Although not applicable to 2015 results, significant funding news has been received from HUD whereby KCHA has received a 12% inflation adjustment in its HCV program funding. This will result in an increase in baseline block grant funding (before any funding proration) of $12.5 million to $116.2 million. 2016 HCV funding will reflect an increase of $13.8 million compared to the adopted budget which assumed a 99% prorate. The actual prorate is 99.582%.

2015 YEAR-END EXECUTIVE SUMMARY

- Operations for 2015 met or were favorable to budget projections, with 105.1% of expected operating revenues received and 99.9% of operating expenditures incurred. The main drivers for the revenue variance included $5.4 million in Housing Choice Voucher block grant receipts in excess of the budget, plus unbudgeted revenues related to three new properties acquired during the year.

- Core Federal funding was $6.0 million higher than anticipated in the budget due to a Housing Choice Voucher block grant prorate of 101.25% vs. the budget of 96% and a Public Housing prorate of 85.4% vs. the budget of 83.5%. Also, higher utility incentives resulting from the optimization of KCHA's first Energy Performance Contract (EPC) added an additional $635,000 of Public Housing Operating Fund subsidy.
- Overall corporate reserve levels remain adequate.

Other transactions of note during 2015 included:

- In addition to Vantage Point, 316 units were added to KCHA's portfolio with the purchase of Corinthian Apartments, Villages at South Station and Woodcreek Lane
- Somerset Gardens, a 198-unit complex located in Bellevue, was acquired from the KCHA-Kona Village Limited Partnership and added to KCHA's bond portfolio.
- A $435,000 loan to Downtown Action to Save Housing (DASH) made in 2014 which allowed DASH to acquire Ashwood Court was re-paid in full.
- A new $825,000 Deferred Maintenance Loan was made to Plum Court LLC, the owner of the 66-unit low-income Plum Court Apartments in Kirkland. This loan provided KCHA the opportunity to preserve a large affordable multifamily property in the heart of Kirkland. An option to purchase the property was also secured for an additional payment of $525,000.
- 24 building lots at Greenbridge were sold for nearly $1 million.

WORKING CAPITAL SUMMARY

During the fourth quarter, total working capital increased by $0.8 million:

Change to KCHA-Wide Working Capital		***An increase of $0.8 million***
Description	Fund Group	Amount
Section 8 block grant from HUD	MTW	$4.0
Vantage Point construction expenditures	Development	($3.3)
Green River Homes debt service payment	Other Federally-supported	($0.9)
Release of portion of FHLB collateral	MTW	$1.1
Net of all other sources/(uses)	All others	($0.1)

CASH AND INVESTMENT SUMMARIES

KCHA-owned cash, which excludes the operations and development activity of tax credit partnerships, declined by $4.6 million during the quarter. Cash balances at year end were $14.8 million higher than originally projected, due primarily to the receipt of $6 million of unbudgeted HCV block grant revenue and to $4 million in unspent reserves originally earmarked for new acquisitions.

Restriction Type	12/31/2015	9/30/2015	Change
Unrestricted	$43.4	$35.7	$7.7 (1)
Restricted to Program Uses	3.5	12.3	(8.9) (1)
Designated/Committed for Specific Uses	50.0	49.7	0.4 (2)
Externally Restricted	26.3	30.3	(4.1) (3)
Externally Restricted to pay for short-term liabilities	3.4	3.2	0.2
Total	$126.6	$131.1	($4.6)

1) MTW reserves were substituted for COCC reserves as the source for the Vantage Point loan, offset by other changes
2) $2.4 million reclassified from restricted, offset by other changes
3) $2.0 million reduction of collateral accounts and reclassification of $2.4 million to designated

Reasons for this decline include an additional $2 million loan to Vantage Point, a $925,000 Green River Homes debt service payment and $600,000 of public housing construction expenses not yet reimbursed by the CFP grant as of 12/31/2015. For a complete report on cash, please see page 9.

The overall quarterly Return on Investment (ROI) on KCHA investments, including loans made to low income housing properties, was 0.74%, up slightly from 0.69% last quarter. The Washington State Treasurer's Local Government Investment Pool (LGIP) average interest rate for the fourth quarter was 0.20%.

Investment Summaries (in millions)	Amount	Yield	% of Total
Invested in the Local Government Investment Pool	$35.8	0.25%	27.0%
Invested by KCHA	53.1	1.07%	40.2%
Cash held by trustees	16.0	0.10% *	12.1%
Cash held in checking and savings accounts	21.6	0.10% *	16.3%
Invested by KCHA	$126.6	0.55%	95.7%
Cash loaned for low income housing purposes	5.7	4.87%	4.3%
Loaned by KCHA	5.7	4.87%	4.3%
Total	$132.3	0.74%	100.0%

*Estimate

Using the Total Rate of Return (TRR) approach, KCHA periodically sells investments prior to maturity and purchases replacement instruments. This is done to either lock in a gain or increase yield. Because of the TTR strategy, since 2014 KCHA has cumulative gains of $38,139 and the portfolio's average yield is 8 basis points higher (0.08%) higher.

Balances and quarterly activity for MTW and COCC cash reserves are below.

MTW Reserve Balances
(in millions of dollars)

MTW Cash, Beginning of Quarter	$27.6
Quarterly change:	
Vantage Point Bridge Loan	(13.7)
Reduction in Green River Homes debt collateral	(0.9)
Block grant subsidy payments from HUD in excess of direct expenses	4.0
Additional subsidy transferred to Public Housing properties	(0.7)
Capital construction projects	(0.6)
Direct social service expenses	(1.0)
Tenmast Software expenses	(0.5)
Other net changes	(0.1)
MTW Cash, End of Quarter	$14.1
Less Reserves:	
Restricted Reserve-Green River Collateral	(7.8)
Construction Reserve	(1.2)
HAP Reserve ($4.5 million is pledged as FHLB collateral)	(6.9)
Additional investments pledged as collateral with the FHLB	0.0
Supportive Housing Reserve	(2.5)
Technology Reserve	(0.7)
MTW Working Capital Cash, End of Quarter	($4.9)

COCC Reserve Balances
(in millions of dollars)

COCC Cash, Beginning of Quarter	$23.6
Quarterly change:	
MTW substituted as source for loan to Vantage Point	13.5
Vantage Point Bridge Loan	(2.0)
Other net change	(0.6)
COCC Cash, End of Quarter	$34.5
Less Reserves:	
Liquidity Reserves for King County credit enhancement	(9.0)
COCC Working Capital Cash, End of Quarter	$25.5

CAPITAL INVESTMENTS (Including tax credit partnerships)

The following schedule shows the budget vs. actual costs of both KCHA-owned properties and KCHA-managed tax credit partnerships' capital projects for 2015:

	Actuals Thru 12/31/2015		Budget Thru 12/31/2015	YTD Variance	Percent of Annual Budget
CONSTRUCTION ACTIVITIES					
Managed by Capital Construction Department					
Public Housing	$3,806,292		$3,680,900	$125,392	103.4%
509 Properties	3,465,865	(1)	5,757,480	(2,291,615)	60.2%
Other Properties	2,121,350		1,978,400	142,950	107.2%
	9,393,507		11,416,780	(2,023,273)	82.3%
Managed by Housing Management Department					
Unit Upgrade Program	3,950,762	(2)	4,254,190	(303,428)	92.9%
Other Projects	1,252,584		1,268,066	(15,482)	98.8%
	5,203,345		5,522,256	(318,911)	94.2%
Managed by Asset Management Department					
Bond Properties-managed by KCHA staff	5,425,984	(7)	4,015,000	1,410,984	135.1%
Bond Properties-managed by external property mgt	6,679,872	(3)	8,019,313	(1,339,441)	83.3%
Other Properties	475,705		671,000	(195,295)	70.9%
	12,581,562		12,705,313	(123,751)	99.0%
Subtotal Construction Activities	**27,178,413**		**29,644,349**	**(2,465,936)**	**91.7%**
DEVELOPMENT ACTIVITY					
Managed by Hope VI Department					
Seola Gardens	415,964	(4)	582,328	(166,364)	71.4%
Greenbridge	524,658	(5)	702,329	(177,671)	74.7%
Salmon Creek/Nia	4,547	(6)	748,500	(743,953)	0.6%
	945,169		2,033,157	(1,087,988)	46.5%
Managed by Development Department					
Vantage Point	17,424,694	(7)	15,233,948	2,190,746	114.4%
Spiritwood	96,583		-	96,583	N/A
Notch	149,137	(8)	531,232	(382,095)	28.1%
	17,670,414		15,765,180	1,905,234	112.1%
Subtotal Development Activity	**18,615,583**		**17,798,337**	**817,246**	**104.6%**
TOTAL CONSTRUCTION & DEVELOPMENT	**$45,793,997**		**$47,442,686**	**($1,648,689)**	**96.5%**
PROPERTY ACQUISITIONS & OTHER ASSETS					
Acquisitions	53,114,376				
Software	998,433				
Other Assets	486,857				
TOTAL PER WORKING CAPITAL REPORT	**$100,393,663**		See page 11		

1) $1.9 million of variance is a permanent reduction of costs due to a combination of scope changes and favorable bid responses. Remainder is due to the deferral of some projects to 2016.
2) The Unit Upgrade program was budgeted to complete 150 units in 2015 but completed 152 units during the year. The variance is related to a reduction in per unit costs as more one bedroom units, which are less expensive to rehab than larger bedroom sizes, have been finished than originally anticipated.
3) Most of budgeted capital work is done upon unit turns, and sites have experienced lower turnover than anticipated.
4) Expected 2015 expenditures were reduced by $20k at midyear; additional costs were deferred to future periods.
5) Expected 2015 expenditures were reduced by $140k at midyear.
6) Related to tenant improvements; deferred to a future year.
7) 2015 variance is due to the inclusion of some costs that were expected to be paid at the end of 2014 and were therefore not included in the 2015 budget. Individual projects budgeted for 2015 were completed within original parameters.
8) Expected 2015 expenditures were reduced by $120k at midyear; additional costs were deferred to future periods.

PROGRAM ACTIVITIES

HOUSING CHOICE VOUCHERS

Due to the complexity of the Tenmast conversion, analytical data for the Section 8 program is not available this quarter. Reporting will resume in the next quarterly report.

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 is $5.6 million greater than anticipated in the budget as the actual prorate was 101.25% vs. the budget of 96.0%

(In thousands of dollars)	Actual	Budget	Variance	%Var	
HCV Block Grant Revenue	$105,009.8	$99,370.0	$5,639.7	5.7%	(1)
Funding of HAP Payments to Landlords	(81,786.2)	(81,010.5)	775.7	(1.0%)	(2)
Funding of Section 8 Administrative Costs	(7,234.4)	(7,527.7)	(293.3)	3.9%	
Excess of HCV Block Grant Funding over Expenses	$15,989.2	$10,831.9	$5,157.3	47.6%	

1) Variance due to higher-than-expected prorate
2) Due to inceasing rental rates and the revised payment standards adopted December 2014

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

   The actual 2015 transfer of MTW revenues (consisting of certain Public Housing revenues and block-granted Housing Choice Voucher subsidy) from MTW to Public Housing was 11.8% less than budgeted, due primarily to a better than expected prorate

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Public Housing Asset Repositioning Fees (ARF)	$278.5	$253.0	$25.5	10.1%	
Additional Transfers to PH AMPs Based on Need	(1,419.9)	(1,587.5)	(167.7)	11.8%	(1)
Net Flow of Cash(from)/to MTW from/(to) PH	($1,141.4)	($1,334.5)	($142.2)	10.7%	

1) The need for additional MTW cash transfers to public housing funds was less than anticipated in the budget.

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	$1,908.4	$2,632.1	($723.7)	(27.5%)	(1)
Resident Services	5,034.5	5,687.3	($652.8)	(11.5%)	(2)
Use of MTW Funds for Special Programs	$6,942.9	$8,319.4	($1,376.5)	(16.5%)	

1) Variance is primarily due to a delay in getting contracts executed for the Domestic Violence, Flat Rent, and PACT programs. The contract for the Flat Rent program was budgeted for $337k in 2015 and is expected to be executed in 2016.
2) Resident service salaries were under budget due to a retirement and the Assistant Director position being filled later than anticipated. Also, $120k was budgeted for scanning Resident Services files which has been delayed to 2016 or later. Two contracts were not executed and various other contracts were either underutilized or final billing is still being sought from the service provider.

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	$2,865.33	$4,024.81	($1,159.5)	(40.5%)	(1)
Misc. Other Uses	1,266.4	687.7	578.7	45.7%	(2)
	$4,131.8	$4,712.5	($580.8)	(14.1%)	

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 originally forecast resulting in lower per unit costs.
2) MTW funds were used to pay sewer capacity charges at Vantage Point. Unbudgeted.

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 $431,000 or 0.41% of program gross revenues. Expenses are well below the budget of $542,000.

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. 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-type fund and is not considered part of KCHA's general overhead.

(In thousands of dollars)

Revenues	YTD Actual	YTD Budget	Variance	%Var	
Management fees	$7,851.6	$7,365.5	$486.1	6.2%	(1)
Cash transferred-in from local properties	6,946.1	3,179.8	3,766.4	54.2%	(2)
Investment income	1,425.4	1,309.5	115.8	8.1%	
Other income	1,243.0	1,095.8	147.2	11.8%	
	$17,466.1	$12,950.6	$4,515.5	25.9%	
Expenses					
Salaries & Benefits	$9,520.0	$9,501.3	$18.7	0.2%	
Administrative Expenses	2,060.4	2,705.8	(645.3)	(31.3%)	(3)
Occupancy Expenses	253.0	199.9	53.1	21.0%	
Other Expenses	648.2	659.4	(11.2)	(1.7%)	
	$12,481.7	$13,066.3	($584.6)	(4.7%)	
Net Change in Available COCC Resources	$4,984.4	($115.7)	$5,100.1		

1) Additional fee revenue due to combination of new acquisitions, higher than expected CFP fees, and more Section 8 unit months than budgeted
2) $2.6 million more in excess cash was transferred from bond properties than anticipated in the budget. Variance also includes an unbudgeted $561k transfer of excess cash from the Green River pre-development fund
3) Administrative contracts and professional services have been less than anticipated in the budget

REPORTS TABLE OF CONTENTS

King County Housing Authority
Consolidated Cash Report
As of 12/31/2015

	KCHA-Owned Cash					
	Oper Cash & State Pool 12/31/2015	Outside Investments 12/31/2015	Other Cash Accounts 12/31/2015	Total Cash 12/31/2015	Total Cash 9/30/2015	Cash of Other Entities 12/31/2015
Cash-Unrestricted						
COCC	$8,833,607	$16,640,098	$50	$25,473,754	$14,530,930	$0
Other Funds	6,758,293	2,501,751	8,650,344	17,910,388	21,142,072	3,784,770
Total Cash-Unrestricted	15,591,900	19,141,848	8,650,394	43,384,142	35,673,002	3,784,770
Cash for Use Within Specific Programs						
MTW	(8,071,233)	3,111,068	0	(4,960,166)	5,218,801	0
Public Housing	5,033,432	0	0	5,033,432	3,910,332	375,475
Section 8	(6,641,872)	0	6,474,987	(166,885)	198,351	0
Other Funds	2,576,881	1,000,000	0	3,576,881	2,939,807	0
Total Cash for Use Within Specific Programs	(7,102,792)	4,111,068	6,474,987	3,483,263	12,267,291	375,475
Cash Set-aside to Pay Short-term Debt (P & I Reserves)						
Other Funds	2,247,758	239,763	879,137	3,366,658	3,176,209	0
Total Cash Set-aside to Pay Short-term Debt	2,247,758	239,763	879,137	3,366,658	3,176,209	0
Cash Dedicated for Specific Purposes						
MTW	4,346,530	2,398,855	0	6,745,385	5,752,393	0
COCC	2,033,112	7,006,732	0	9,039,844	9,074,126	0
Other Funds	15,740,710	15,297,990	3,200,000	34,238,699	34,824,907	1,795,835
Total Cash Dedicated for Specific Purposes	22,120,352	24,703,577	3,200,000	50,023,928	49,651,426	1,795,835
Cash Restricted by Outside Entities						
MTW	50,599	4,501,145	7,773,229	12,324,973	16,636,364	0
Public Housing	197,581	0	0	197,581	240,645	9,350
Section 8	787,151	0	0	787,151	796,722	0
COCC	0	0	6,800	6,800	6,800	0
Other Funds	1,872,854	443,871	10,661,921	12,978,646	12,669,455	2,796,925
Total Cash Restricted by Outside Entities	2,908,185	4,945,016	18,441,951	26,295,152	30,349,986	2,806,275
TOTAL CASH BALANCES	$35,765,402	$53,141,272	$37,646,470	$126,553,144	$131,117,914	$8,762,355

Detail of Cash Dedicated for Specific Purposes		
Rehab Reserves	$1,210,000	$1,848,500
Cash at Former PH Sites-Set Aside for Future Use	6,488,000	6,800,000
Project Reserves	3,200,000	3,615,000
Exit Tax Designation-Reserves	6,052,827	6,052,827
HAP Reserves	2,398,855	0
Program Income from Hope VI Loans	743,666	743,666
Revenue	0	246,261
Program Income from Hope VI Lot Sales	5,250,502	5,250,502
Replacement Reserves	12,503,705	12,116,651
Technology Reserves	678,697	1,131,438
Liquidity Reserves	9,006,732	9,006,732
Supportive Housing Reserves	2,457,833	2,772,455
State Gas Tax Rebate	33,112	67,394
Total Cash-Dedicated for Specific Purposes	$50,023,928	$49,651,426

Detail of Restricted Cash		
Excess Cash Reserves-Overlake	$2,232,191	1,993,771
Endowment Reserves	307,621	544,565
Replacement Reserves	6,908,323	6,645,016
Operations Reserves	359,149	389,230
Bond Reserves-1 Yr Payment	639,173	635,659
Residual Receipt Reserves	564,899	564,899
FSS-Reserves	837,750	842,689
Collateral Reserves	7,773,229	9,736,364
HAP Reserves Used as Collateral	4,501,145	6,900,000
Security Deposits & Escrow Accounts	2,171,671	2,097,793
Total Restricted Cash	$26,295,152	$30,349,986

KING COUNTY HOUSING AUTHORITY
Statements of Financial Position
(In $1,000's; excludes non-KCHA-managed component units)
For the Period Ended December 31, 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	$(278.7)	$687.7	$4,770.8	$3,692.8	$(23.8)	$(104.3)	$9,879.1	$1,163.1	$50.4	$(272.1)	$3,077.0	$26,162.4	$48,804.3
Cash-Restricted Within Program	4,267.3	353.6	.0	.0	(64.5)	(5,972.5) **(2)**	38.5	.0	.0	3,028.4	486.2	.0	2,137.0
Cash-Restricted for WC Purposes	.0	.0	.0	2,487.5	.0	.0	756.2	.0	122.9	.0	.0	.0	3,366.7
Accounts Receivables	488.9	5,170.5	59.3	2,633.0	489.2	13,895.0	304.6	694.5	913.8	167.8	870.8	1,099.6	26,787.0
Prepaid Assets & Inventory	138.1	94.8	53.7	139.1	55.6	1.9	547.4	19.9	4.9	.9	3.6	124.1	1,184.0
Total Working Capital Assets	4,615.6	6,306.7	4,883.8	8,952.4	456.4	7,820.1	11,525.8	1,877.4	1,092.1	2,925.0	4,437.6	27,386.1	82,278.9
Liabilities Offsetting Working Capital Assets													
Accounts Payable	(45.6)	(915.2)	(37.0)	(672.0)	(231.7)	(15.4)	(1,842.0)	(95.2)	(1.9)	(529.5)	(3,699.8)	(59.1)	(8,144.5)
Payroll Liabilities	(248.1)	(152.5)	(63.5)	(174.4)	(527.9)	(79.0)	(42.7)	(32.5)	(.2)	(7.8)	(277.9)	(1,175.6)	(2,782.2)
Accrued Liabilities	.0	(177.0)	(4.7)	(982.2)	.0	(181.8)	(465.5)	(296.3)	(56.9)	(250.5)	.0	.0	(2,415.0)
Deferrals	.0	(75.0)	(76.8)	.0	.0	.0	(94.2)	.0	(122.9)	.0	(4.5)	.0	(373.5)
Current Portion of Long-term debt	(180.3)	(3,206.0)	(59.3)	(4,767.3) **(1)**	.0	.0	(8,739.2) **(3)**	(73.1)	(250.0)	(17,895.0) **(4)**	.0	(900.0)	(36,070.2)
Total Offsetting Liabilities	(474.1)	(4,525.7)	(241.3)	(6,595.8)	(759.6)	(276.2)	(11,183.7)	(497.2)	(432.0)	(18,682.9)	(3,982.3)	(2,134.6)	(49,785.3)
Working Capital	4,141.5	1,781.0	4,642.5	2,356.5	(303.1)	7,543.9	342.1 **(3)**	1,380.2	660.1	(15,757.9) **(3)**	455.4	25,251.4	32,493.6
Other Assets													
Cash-Designated	.0	3,300.6	2,802.1	11,409.7	.0	6,745.4	12,518.9	.0	.0	5,994.2	.0	9,039.8	51,810.8
Cash-Restricted	198.1	1,278.6	1,073.0	675.1	787.2	12,325.0	9,248.8	688.9	2,232.2	347.6	.0	6.8	28,861.2
Receivables	.0	121,323.3	.0	73,813.0	.0	17,039.8	536.9	22,627.7	32,912.2	362.8	209.6	21,197.4	290,022.8
Capital Assets	62,523.7	86,185.6	26,868.8	158,589.3	.0	.0	203,271.1	11,579.2	.0	3,237.8	.0	14,092.4	566,347.9
Work-in-Process	27,401.2	264.3	5,397.0	8,416.6	1.5	1,604.1	3,825.9	.6	.0	80,370.1	4.5	.2	127,286.1
Suspense	.0	.6	.0	.0	.0	.0	(274.4)	.0	.0	.0	.0	(20.5)	(294.3)
Other Assets	.0	2,476.0	.0	871.3	.0	.0	(2,941.4) **(5)**	102.8	16.0	99.6	.0	.0	624.2
Total Other Assets	90,123.0	214,829.0	36,140.9	253,775.0	788.7	37,714.3	226,185.8	34,999.1	35,160.4	90,412.1	214.1	44,316.2	1,064,658.6
TOTAL ASSETS (net of WC offsets)	$94,264.4	$216,610.0	$40,783.5	$256,131.6	$485.5	$45,258.2	$226,527.9	$36,379.4	$35,820.6	$74,654.1	$669.5	$69,567.6	$1,097,152.2
LIABILITIES & EQUITY													
Other Liabilities													
Deferrals-Related to Restr Cash	$160.3	$74.0	$113.6	$135.4	$787.2	$49.4	$1,826.1	$36.5	$.0	$40.0	$.0	$6.8	$3,229.2
Debt	219.8	82,486.9	6,430.4	123,882.7	.0	.0	202,350.0	15,153.9	28,770.0	7,287.0	.0	15,062.9	481,643.5
Other Liabilities	48.5	8,050.9	1,110.4	1,892.3	.0	.0	536.9	2,035.5	316.3	13,689.6	.0	.0	27,680.3
	428.6	90,611.8	7,654.3	125,910.3	787.2	49.4	204,713.0	17,225.9	29,086.3	21,016.6	.0	15,069.7	512,553.0
Equity													
Equity	93,835.8	125,998.2	33,129.1	130,221.2	(301.6)	45,208.8	21,815.0	19,153.5	6,734.3	53,637.6	669.5	54,497.9	584,599.2
	93,835.8	125,998.2	33,129.1	130,221.2	(301.6)	45,208.8	21,815.0	19,153.5	6,734.3	53,637.6	669.5	54,497.9	584,599.2
TOTAL LIAB & EQ (net of curr liab)	$94,264.4	$216,610.0	$40,783.5	$256,131.6	$485.5	$45,258.2	$226,527.9	$36,379.4	$35,820.6	$74,654.1	$669.5	$69,567.6	$1,097,152.2

1) $2.4m Birch Creek bonds; $865k Birch Creek Lease; $863k Green River Homes II bonds. Expected sources of repayments include CFP, site operations and investor equity currently held in reserve. Also includes the current portion of the loan due to KCHA from MKCRF.
2) Primarily due to $13.7m portion of the Vantage Point Bridge Loan reclassified to MTW from the COCC which was partially offset by $5.5m in extra HUD block grant funds requested by the Authority.
3) Current portion of bond payments; source of funding will be P & I reserves
4) $17.9m Vantage Point Bridge loan which will be repaid with tax credit equity contributions expected in 2016.
5) Fair market value of derivatives is a negative $2.8m-required by Generally Accepted Accounting Principles (GAAP). This is not a cash transaction.

KING COUNTY HOUSING AUTHORITY
Working Capital Statements
(In $1,000's; excludes non-KCHA-managed component units)
For the Period Ended December 31, 2015

	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)						LOCAL PROGRAMS						
	Public Housing		Other Housing		Other Programs								**Memo:**
	KCHA Owned	Outside Owned	KCHA Owned	Outside Owned	Section 8 Program	MTW Program	KCHA Owned Housing	Outside Owned Housing	Tax Credit Gen Prtnr Activity	Develop Activity	Other	COCC	**KCHA COMBINED**
Revenues													
Tenant Revenue	$4,259.5	$1,794.7	$5,215.1	$11,387.6	$113.8	$.0	$47,466.7	$1,454.3	$.0	$.0	$.0	$.0	$71,691.8
Operating Fund Subsidy from HUD	4,513.4	4,439.8	.0	.0	.0	278.5	14.3	.0	.0	.0	.0	.0	9,245.9
Section 8 Subsidy from HUD	.0	.0	392.0	.0	99,827.3	15,989.2	.0	.0	.0	.0	.0	.0	116,208.4
Other Operating Revenue	68.1	708.8	357.4	1,816.0	29,975.2	60.4	250.2	200.5	721.5	45.0	4,669.7	11,962.7	50,835.4
Non-operating Revenue	2,534.4	3,977.8	42.2	5,825.5	.0	304.9	342.7	791.4	1,671.3	433.9	68.2	1,429.3	17,421.7
Total Revenues	11,375.4	10,921.1	6,006.8	19,029.1	129,916.3	16,633.0	48,073.9	2,446.2	2,392.8	478.9	4,737.9	13,392.0	265,403.2
Expenses													
Salaries & Benefits	1,888.1	977.0	640.9	1,459.8	5,846.1	1,315.2	4,070.2	317.2	1.2	306.6	996.3	10,549.3	28,368.0
Routine Maintenance, Utilities, Taxes & Insurance	4,484.7	1,999.2	1,837.4	3,239.1	276.7	.8	11,530.2	574.4	9.8	.9	13.2	1,872.6	25,839.0
Direct Social Service Salaries & Benefits	(21.6)	(17.5)	(7.5)	(9.3)	109.8	1,903.4	(2.6)	(1.9)	(.2)	32.1	233.6	.0	2,218.2
Other Social Service Support Expenses & HAP	101.4	2,481.3	13.4	3.2	119,669.8	3,813.0	134.8	123.5	.0	178.2	3,489.3	.1	130,007.9
Administrative Support Expenses	2,262.6	901.4	521.9	1,193.4	3,636.6	566.8	4,819.5	223.8	370.7	16.9	94.2	2,317.4	16,925.3
Non-operating Expenses	14.6	2,528.6	140.9	5,641.7	.0	.0	5,992.8	595.0	1,945.7 **(4)**	198.2	2.2	1,155.0	18,214.7
Total Expenses	8,730.0	8,870.0	3,146.9	11,527.9	129,538.9	7,599.2	26,544.9	1,831.9	2,327.2	732.8	4,828.8	15,894.3	221,573.1
Net Income	2,645.4	2,051.0	2,859.8	7,501.1	377.4	9,033.8	21,529.0	614.3	65.5	(254.0)	(90.9)	(2,502.3)	43,830.2
Other Sources/(Uses) of Working Capital													
(Increase) in Restricted/Designated Cash	(.1)	(179.8)	(108.2)	(2,165.7)	(27.2)	.0	(2,667.9)	(63.5)	(931.5)	(312.9)	.0	(.0)	(6,456.7)
Decrease in Restricted/Designated Cash	40.0	.0	25.0	5,259.3	.0	8,109.1	2,172.1	112.7	277.3	952.5	246.3	8,952.3 **(7)**	26,146.4
(Increase) in LT Receivables	.0	(2,754.3)	.0	(265.8)	.0	.0	.0	(431.5)	(18.0)	(.8)	.0	(825.0)	(4,295.3)
Decrease in LT Receivables	.0	528.5	.0	1,682.9	.0	1,093.1	.0	559.6	10,250.5	.0	.0	669.9	14,784.5
Acquisition of Capital Assets	(4,096.7)	(770.5)	(6,860.9)	(4,101.5)	(1.5)	(1,003.3)	(48,864.8)	(57.6)	.0	(17,374.8)	(4.5)	(449.2)	(83,585.3)
Maintenance Projects	(1,163.2)	(218.9)	(1,115.1)	(1,205.3)	(9.5)	(2.0)	(13,058.6)	(.0)	.0	(16.7)	(1.6)	(17.4)	(16,808.4)
Acquisition of Capital Assets	(5,259.9)	(989.4)	(7,976.0)	(5,306.8)	(11.0)	(1,005.2)	(61,923.4) **(2)**	(57.6)	.0	(17,391.5) **(5)**	(6.1)	(466.6)	(100,393.7)
Disposition of Capital Assets	.0	.0	.0	.0	.0	.0	60.7	.0	.0	1,163.4	.0	6.5	1,230.6
Change in Suspense	.9	.0	.3	.0	.0	.0	274.5	.0	.0	.0	.0	21.6	297.3
Change in Other Assets	.0	(339.0)	.0	(.0)	.0	.0	15.2	(.0)	1,672.0	(49.9)	.0	.0	1,298.3
Change in Deferrals	(40.0)	6.8	8.1	3.1	27.2	49.4	258.7	2.0	.0	27.4	.0	.0	342.7
Increase in LT Debt	.0	.0	4,669.5	.7	.0	.0	86,500.2 **(2)**	.0	.0	600.0	.0	.0	91,770.4
(Decrease) in LT Debt	(180.9)	(206.0)	(59.3)	(4,881.5)	.0	.0	(46,569.8) **(2)**	(401.3)	(9,563.1)	(550.0)	.0	(900.0)	(63,311.9)
Change in Other Liabilities	(20.5)	1,223.5	(76.8)	21.1	.0	.0	.0	110.1	189.5	(658.7)	.0	.0	788.2
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	(9.8)	(.0)	65.3	574.1	.0	(918.7)	49.3	(9.0)	7.9	96.2
Total Other Sources/(Uses) of Working Capital	(5,123.4)	(2,709.6)	(3,517.4)	(5,662.4)	(11.0)	8,311.6	(21,305.6)	(169.6)	958.1	(16,171.4)	231.1	7,466.5	(37,703.1)
Transfer In from (Out to) Other Funds													
Transfers In from Other Funds	3,760.6	1,770.8	1,852.2	1,184.4	.0	543.7	10,829.6	.0	281.8	844.4	1,043.2	6,969.4 **(7)**	29,080.2
Transfers Out to Other Funds	(483.0)	(432.2)	(509.5)	(922.4)	(313.7) **(1)**	(5,501.9)	(13,096.3)	(422.0)	(1,471.9)	(1,702.8) **(5)**	(929.1)	(3,295.3)	(29,080.1)
Net Transfer In/(Out)	3,277.6	1,338.6	1,342.7	262.0	(313.7)	(4,958.2)	(2,266.6) **(3)**	(422.0)	(1,190.1)	(858.4)	114.1	3,674.1	3.00
Net Change in Working Capital	799.6	680.1	685.1	2,100.7	52.7 **(1)**	12,387.1	(2,043.2) **(3)**	22.6	(166.5) **(4)**	(17,283.7) **(6)**	254.3	8,638.3 **(7)**	6,127.1
Working Capital, 12/31/2014	3,341.8	1,100.9	3,957.4	255.8	(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, 12/31/2015	$4,141.5	$1,781.0	$4,642.5	$2,356.5	$(303.1)	$7,543.9	$342.1	$1,380.2	$660.1	$(15,757.9)	$455.4	$25,251.4	$32,493.6

1) Transfer of Bellevue Manor and Vashon Terrace Section 8 Net Restricted Assets to MTW fund.
2) New debt was issued to purchase Corinthian Apts and Villages at South Station as well as refinance Windsor Heights, Meadowbro ok and Gilman Square debt. Somerset Gardens capital assets and bond liabilities were acquired from the tax credit partnership i n the second quarter.
3) Primarily due to excess cash transferred from bond properties to the COCC.
4) The investment in the Somerset Gardens tax credit partnership was written off as the property was acquired by KCHA, resulting in a non-cash book loss.
5) 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 as well as $1.1m of assets transferred to KCHA-owned other housing.
6) Development expenditures are being funded via a short term loan, resulting in a reduction of working capital
7) $8.8m of investments no longer pledged as collateral plus $6.4m of excess cash from local properties

KCHA Combined
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

	Quarter Ended December 31, 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	$18,878,350	$17,330,836	$1,547,514	8.9%	$71,691,760	$68,788,209	$2,903,551	4.2%	$68,788,209	($2,903,551)	104.2%	
Operating Fund Subsidy from HUD	2,256,042	2,152,251	103,791	4.8%	9,245,933	8,608,981	636,952	7.4%	8,608,981	(636,952)	107.4%	
Section 8 Subsidy from HUD	29,385,728	27,608,627	1,777,101	6.4%	116,208,393	110,215,811	5,992,582	5.4%	110,215,811	(5,992,582)	105.4%	(1)
Other Operating Revenue	13,788,588	12,292,236	1,496,352	12.2%	50,835,424	48,190,117	2,645,307	5.5%	48,190,117	(2,645,307)	105.5%	
Non-operating Revenue	4,648,343	4,076,385	571,958	14.0%	17,421,691	18,657,799	(1,236,108)	(6.6%)	18,657,799	1,236,108	93.4%	
Total Revenues	68,957,050	63,460,335	5,496,715	8.7%	265,403,201	254,460,917	10,942,284	4.3%	254,460,917	(10,942,284)	104.3%	
Expenses												
Salaries & Benefits	7,108,169	6,931,171	176,998	2.6%	28,367,962	28,975,044	(607,082)	(2.1%)	28,975,044	607,082	97.9%	
Routine Maintenance, Utilities, Taxes & Insurance	7,514,154	6,611,606	902,548	13.7%	25,839,034	25,930,593	(91,559)	(0.4%)	25,930,593	91,559	99.6%	(2)
Direct Social Service Salaries & Benefits	504,286	547,638	(43,352)	(7.9%)	2,218,184	2,373,094	(154,910)	(6.5%)	2,373,094	154,910	93.5%	
Other Social Service Support Expenses & HAP	33,509,693	33,102,150	407,543	1.2%	130,007,917	129,562,069	445,848	0.3%	129,562,069	(445,848)	100.3%	
Administrative Support Expenses	4,593,523	4,089,798	503,725	12.3%	16,925,287	16,668,287	257,000	1.5%	16,668,287	(257,000)	101.5%	(3)
Non-operating Expenses	4,231,989	4,222,749	9,240	0.2%	18,214,666	18,010,802	203,864	1.1%	18,010,802	(203,864)	101.1%	
Total Expenses	57,461,814	55,505,112	1,956,702	3.5%	221,573,051	221,519,889	53,162	0.0%	221,519,889	(53,162)	100.0%	
Net Income	11,495,237	7,955,223	3,540,014	44.5%	43,830,151	32,941,028	10,889,123	33.1%	32,941,028	(10,889,123)	133.1%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(947,077)	(564,997)	(382,080)	67.6%	(6,456,745)	(5,263,959)	(1,192,786)	22.7%	(5,263,959)	1,192,786	122.7%	(4)
Decrease in Restricted/Designated Cash	5,671,081	8,350,921	(2,679,840)	(32.1%)	26,146,399	19,141,283	7,005,116	36.6%	19,141,283	(7,005,116)	136.6%	(5)
(Increase) in LT Receivables	(1,500,151)	(1,549,817)	49,666	(3.2%)	(4,295,291)	(7,599,295)	3,304,004	(43.5%)	(7,599,295)	(3,304,004)	56.5%	(6)
Decrease in LT Receivables	1,258,521	838,152	420,369	50.2%	14,784,465	12,852,184	1,932,281	15.0%	12,852,184	(1,932,281)	115.0%	(7)
Acquisition of Capital Assets	(7,568,758)	(5,194,535)	(2,374,223)	45.7%	(83,585,295)	(53,563,597)	(30,021,698)	56.0%	(53,563,597)	30,021,698	156.0%	(9)
Maintenance Projects	(4,982,970)	(3,519,142)	(1,463,828)	41.6%	(16,808,367)	(18,227,569)	1,419,202	(7.8%)	(18,227,569)	(1,419,202)	92.2%	
Acquisition of Capital Assets	(12,551,728)	(8,713,677)	(3,838,051)	44.0%	(100,393,663)	(71,791,166)	(28,602,497)	39.8%	(71,791,166)	28,602,497	139.8%	(8)
Disposition of Capital Assets	70,852	0	70,852	n/m	1,230,552	0	1,230,552	n/m	0	(1,230,552)	n/m	(10)
Change in Suspense	176,966	0	176,966	n/m	297,303	0	297,303	n/m	0	(297,303)	n/m	
Change in Other Assets	(450,177)	(275,000)	(175,177)	63.7%	1,298,326	1,146,976	151,350	13.2%	1,146,976	(151,350)	113.2%	
Change in Other Deferrals	(547,774)	0	(547,774)	n/m	342,706	0	342,706	n/m	0	(342,706)	n/m	
Increase in LT Debt	600,181	10,000,181	(9,400,000)	(94.0%)	91,770,392	21,402,953	70,367,439	328.8%	21,402,953	(70,367,439)	428.8%	(9)
(Decrease) in LT Debt	(3,053,909)	(4,535,515)	1,481,606	(32.7%)	(63,311,905)	(22,380,593)	(40,931,312)	182.9%	(22,380,593)	40,931,312	282.9%	(11)
Change in Other Liabilities	567,692	935,989	(368,297)	(39.3%)	788,186	2,945,438	(2,157,252)	(73.2%)	2,945,438	2,157,252	26.8%	(12)
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	60,062	0	60,062	n/m	96,219	610,000	(513,781)	(84.2%)	610,000	513,781	15.8%	(13)
Total Other Sources/(Uses) of Working Capital	(10,645,462)	4,486,237	(15,131,699)	n/m	(37,703,056)	(48,936,179)	11,233,123	(23.0%)	(48,936,179)	(11,233,123)	77.0%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	10,826,439	6,911,516	3,914,923	56.6%	29,080,148	18,645,551	10,434,597	56.0%	18,645,551	(10,434,597)	156.0%	(14)
Transfers Out to Other Funds	(10,826,439)	(6,911,516)	(3,914,923)	56.6%	(29,080,148)	(18,645,551)	(10,434,597)	56.0%	(18,645,551)	10,434,597	156.0%	(14)
Net Transfer In/(Out)	0	0	0	n/m	0	0	0	n/m	0	(0)	n/m	
Net Change in Working Capital	$849,775	$12,441,460	($11,591,685)	(93.2%)	$6,127,095	($15,995,151)	$22,122,246	n/m	($15,995,151)	($22,122,246)	n/m	
Working Capital, Beginning of Period	31,643,821				26,366,501							
Working Capital, 12/31/2015	$32,493,596				$32,493,596							

1) Block grant prorate budget at 96%, actual was 101.25%
2) Some maintenance projects and utilities expense were under-target throughout the year but caught up in the fourth quarter.
3) Unbudgeted fees (Asset, bookkeeping & property management) for newly acquired properties, Villages at South Station and Corinthian Apartments.
4) Primarily due to the expired Overlake Swap contract; a larger portion of the monthly partnership contributions to the Overlake trustee account are being deposited to the excess cash reserve instead of being expensed.
5) 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.
6) A $2m King County grant to KCHA, a component of the Vantage Point financing plan, was to be loaned to the partnership in the third quarter. As the grant is now expected to be received during the second quarter of 2016, the resulting loan to the partnership is expected to occur then.
7) Due to unbudgeted reclassification of interest on the Vantage Point $5m loan from short term to long term. Also, an internal loan totaling $963k was repaid from lot sales proceeds which was unbudgeted.
8) $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. Plus the $4.5m acquisition of Woodcreek Lane Apts. was unbudgeted.
9) $40m of new debt (Key Bank LOC) was issued to purchase Corinthian Apts & Villages at South Station; $40m of new debt (2015 Pool) was issued to refinance Windsor Heights , Gilman Square and Meadowbrook. $10m of long-term debt had been budgeted for new acquisitions in 2015.
10) Variance primarily due to unbudgeted lot sales.
11) Windsor Heights, Gilman Square & Meadowbrook debt was refinanced.
12) The budgeted internal loan of $1.3m from MTW to Greenbridge is expected to occur in 2016. An internal loan totaling $820k was paid from proceeds of home and lot sales. Unbudgeted
13) 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.
14) Debt at Gilman Square, Windsor Heights, and Meadowbrook was refinanced and reallocated resulting in an unbudgeted $8.4M transfer between funds. Also, the $1.5m transfer of Hope VI -related assets (Joseph House common area and Seola Gardens Headstart building) and MTW funding for prepaid Vantage Point sewer expenses were unbudgeted.

Public Housing (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

	Quarter Ended December 31, 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	$1,074,993	$1,027,600	$47,393	4.6%	$4,259,500	$4,110,416	$149,084	3.6%	$4,110,416	($149,084)	103.6%	
Operating Fund Subsidy from HUD	1,077,482	1,028,202	49,280	4.8%	4,513,372	4,112,801	400,571	9.7%	4,112,801	(400,571)	109.7%	(1)
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	17,355	24,317	(6,962)	(28.6%)	68,090	40,207	27,883	69.3%	40,207	(27,883)	169.3%	(2)
Non-operating Revenue	664,011	797,575	(133,564)	(16.7%)	2,534,428	2,075,522	458,906	22.1%	2,075,522	(458,906)	122.1%	(3)
Total Revenues	2,833,842	2,877,694	(43,852)	(1.5%)	11,375,390	10,338,946	1,036,444	10.0%	10,338,946	(1,036,444)	110.0%	
Expenses												
Salaries & Benefits	413,072	456,047	(42,975)	(9.4%)	1,888,143	1,931,034	(42,891)	(2.2%)	1,931,034	42,891	97.8%	
Routine Maintenance, Utilities, Taxes & Insurance	1,350,276	1,145,699	204,577	17.9%	4,484,748	4,376,273	108,475	2.5%	4,376,273	(108,475)	102.5%	
Direct Social Service Salaries & Benefits	(21,619)	0	(21,619)	n/m	(21,619)	0	(21,619)	n/m	0	21,619	n/m	
Other Social Service Support Expenses & HAP	17,416	19,913	(2,497)	(12.5%)	101,424	79,262	22,162	28.0%	79,262	(22,162)	128.0%	(4)
Administrative Support Expenses	484,314	476,644	7,670	1.6%	2,262,637	2,285,919	(23,282)	(1.0%)	2,285,919	23,282	99.0%	
Non-operating Expenses	(895)	9,446	(10,341)	n/m	14,650	37,795	(23,145)	(61.2%)	37,795	23,145	38.8%	
Total Expenses	2,242,565	2,107,749	134,816	6.4%	8,729,983	8,710,283	19,700	0.2%	8,710,283	(19,700)	100.2%	
Net Income	591,277	769,945	(178,668)	(23.2%)	2,645,407	1,628,663	1,016,744	62.4%	1,628,663	(1,016,744)	162.4%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	6,723	(804)	7,527	n/m	(70)	(3,220)	3,150	(97.8%)	(3,220)	(3,150)	2.2%	
Decrease in Restricted/Designated Cash	35,839	0	35,839	n/m	39,974	0	39,974	n/m	0	(39,974)	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	(1,196,353)	(1,033,240)	(163,113)	15.8%	(4,096,716)	(3,756,674)	(340,042)	9.1%	(3,756,674)	340,042	109.1%	
Maintenance Projects	(422,078)	(511,185)	89,107	(17.4%)	(1,163,210)	(2,155,112)	991,902	(46.0%)	(2,155,112)	(991,902)	54.0%	
Acquisition of Capital Assets	(1,618,431)	(1,544,425)	(74,006)	4.8%	(5,259,926)	(5,911,786)	651,860	(11.0%)	(5,911,786)	(651,860)	89.0%	(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	932	0	932	n/m	0	(932)	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Deferrals	(401,747)	0	(401,747)	n/m	(39,974)	0	(39,974)	n/m	0	39,974	n/m	(6)
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(61,096)	(43,007)	(18,089)	42.1%	(180,935)	(172,034)	(8,901)	5.2%	(172,034)	8,901	105.2%	
Change in Other Liabilities	(5,195)	(5,323)	128	(2.4%)	(20,475)	(21,294)	819	(3.8%)	(21,294)	(819)	96.2%	
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	(7)
Total Other Sources/(Uses) of Working Capital	(2,043,908)	(1,593,559)	(450,349)	28.3%	(5,123,400)	(6,108,334)	984,934	(16.1%)	(6,108,334)	(984,934)	83.9%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	2,078,500	1,095,084	983,416	89.8%	3,760,646	4,622,615	(861,969)	(18.6%)	4,622,615	861,969	81.4%	(5)
Transfers Out to Other Funds	(483,029)	0	(483,029)	n/m	(483,029)	0	(483,029)	n/m	0	483,029	n/m	(8)
Net Transfer In/(Out)	1,595,471	1,095,084	500,387	45.7%	3,277,617	4,622,615	(1,344,998)	(29.1%)	4,622,615	1,344,998	70.9%	
Net Change in Working Capital	$142,841	$271,470	($128,629)	(47.4%)	$799,624	$142,944	$656,680	459.4%	$142,944	($656,680)	559.4%	
Working Capital, Beginning of Period	3,998,612				3,341,828							
Working Capital, 12/31/2015	$4,141,453				$4,141,453							

1) Public Housing subsidy higher than target due to higher subsidy eligibility than originally estimated.
2) Due to unbudgeted cell tower lease income.
3) The CFP grant draw was higher than budgeted as the Vali Kee gas line project being under-budgeted.
4) FSS program expenses are being accounted for differently than budgeted. The 2016 budget will be adjusted accordingly.
5) Unit upgrade expenditures less than anticipated mainly due to a reduction in per unit costs as more one bedroom units, which are less expensive to rehab than larger bedroom sizes, have been finished than originally anticipated. This also results in fewer management fees charged and reduced transfers-in from MTW.
6) October Public Housing subsidy was received in September and booked to deferred revenue. The amount was reversed and recognized as revenue in October.
7) Equity adjustment due to transfer of Shelcor to Public Housing.
8) Unbudgeted cash transfer to MTW related to adjustment of Public Housing cash balances for REAC scoring. Net adjustment was a transfer from MTW to Public Housing of $190k.

Public Housing (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

	Quarter Ended December 31, 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	$488,006	$416,204	$71,802	17.3%	$1,794,737	$1,664,943	$129,794	7.8%	$1,664,943	($129,794)	107.8%	
Operating Fund Subsidy from HUD	1,108,664	1,056,846	51,818	4.9%	4,439,764	4,227,365	212,399	5.0%	4,227,365	(212,399)	105.0%	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	679,739	195,338	484,401	248.0%	708,752	813,036	(104,284)	(12.8%)	813,036	104,284	87.2%	(1)
Non-operating Revenue	964,922	1,008,280	(43,358)	(4.3%)	3,977,810	6,076,874	(2,099,064)	(34.5%)	6,076,874	2,099,064	2.0%	(2)
Total Revenues	3,241,330	2,676,668	564,662	21.1%	10,921,062	12,782,218	(1,861,156)	(14.6%)	12,782,218	1,861,156	85.4%	
Expenses												
Salaries & Benefits	240,750	232,696	8,054	3.5%	976,964	989,167	(12,203)	(1.2%)	989,167	12,203	98.8%	(3)
Routine Maintenance, Utilities, Taxes & Insurance	547,359	526,526	20,833	4.0%	1,999,244	1,979,293	19,951	1.0%	1,979,293	(19,951)	101.0%	
Direct Social Service Salaries & Benefits	(17,480)	0	(17,480)	n/m	(17,480)	0	(17,480)	n/m	0	17,480	n/m	
Other Social Service Support Expenses & HAP	613,296	648,854	(35,558)	(5.5%)	2,481,310	2,594,953	(113,643)	(4.4%)	2,594,953	113,643	95.6%	
Administrative Support Expenses	233,003	217,044	15,959	7.4%	901,354	916,443	(15,089)	(1.6%)	916,443	15,089	98.4%	
Non-operating Expenses	724,638	609,764	114,874	18.8%	2,528,620	2,422,194	106,426	4.4%	2,422,194	(106,426)	104.4%	
Total Expenses	2,341,567	2,234,884	106,683	4.8%	8,870,012	8,902,050	(32,038)	(0.4%)	8,902,050	32,038	99.6%	
Net Income	899,763	441,784	457,979	103.7%	2,051,050	3,880,168	(1,829,118)	(47.1%)	3,880,168	1,829,118	52.9%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(47,615)	(43,746)	(3,869)	8.8%	(179,804)	(174,960)	(4,844)	2.8%	(174,960)	4,844	102.8%	
Decrease in Restricted/Designated Cash	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Increase) in LT Receivables	(1,241,892)	(681,507)	(560,385)	82.2%	(2,754,262)	(4,726,047)	1,971,785	(41.7%)	(4,726,047)	(1,971,785)	58.3%	(4)
Decrease in LT Receivables	325,753	200,000	125,753	62.9%	528,522	383,391	145,131	37.9%	383,391	(145,131)	137.9%	(5)
Acquisition of Capital Assets	(751,201)	(187,125)	(564,076)	301.4%	(770,492)	(798,500)	28,008	(3.5%)	(798,500)	(28,008)	96.5%	
Maintenance Projects	500,710	(119,891)	620,601	n/m	(218,949)	(557,998)	339,049	(60.8%)	(557,998)	(339,049)	39.2%	
Acquisition of Capital Assets	(250,491)	(307,016)	56,525	(18.4%)	(989,441)	(1,356,498)	367,057	(27.1%)	(1,356,498)	(367,057)	72.9%	(6)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	(403)	0	(403)	n/m	9	0	9	n/m	0	(9)	n/m	
Change in Other Assets	(400,177)	0	(400,177)	n/m	(338,966)	0	(338,966)	n/m	0	338,966	n/m	(7)
Change in Deferrals	(203,834)	0	(203,834)	n/m	6,778	0	6,778	n/m	0	(6,778)	n/m	(8)
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(202,020)	(201,550)	(470)	0.2%	(205,981)	(206,199)	218	(0.1%)	(206,199)	(218)	99.9%	
Change in Other Liabilities	324,558	305,310	19,248	6.3%	1,223,524	1,221,245	2,279	0.2%	1,221,245	(2,279)	100.2%	
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	(1,696,120)	(728,509)	(967,611)	132.8%	(2,709,622)	(4,859,068)	2,149,446	(44.2%)	(4,859,068)	(2,149,446)	55.8%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	335,701	441,479	(105,778)	(24.0%)	1,770,828	1,765,916	4,912	0.3%	1,765,916	(4,912)	100.3%	(9)
Transfers Out to Other Funds	(230,000)	0	(230,000)	n/m	(432,205)	(155,000)	(277,205)	178.8%	(155,000)	277,205	278.8%	(10)
Net Transfer In/(Out)	105,701	441,479	(335,778)	(76.1%)	1,338,622	1,610,916	(272,294)	(16.9%)	1,610,916	272,294	83.1%	
Net Change in Working Capital	($690,656)	$154,754	($845,410)	n/m	$680,050	$632,016	$48,034	7.6%	$632,016	($48,034)	107.6%	
Working Capital, Beginning of Period	2,471,615				1,100,908							
Working Capital, 12/31/2015	$1,780,959				$1,780,959							

1) The Vantage Point developer fee income of $600k which was evenly budgeted throughout the year was booked in the 4th quarter. Commercial rent from Nia and Salmon Creek tenants is being paid directly to the partnership instead of through KCHA where it was budgeted. The 2016 budget will be adjusted accordingly.
2) The King County grant of $2m to KCHA (for use at Vantage Point) is now expected to be received in 2016. See note #4.
3) Due to three pay periods in December while the budget is for two pay periods. Year-to-date expenses are on target.
4) A $2m King County grant to KCHA, a component of the Vantage Point financing plan, was to be loaned to the partnership in 2015. As the grant is now expected to be received during the second quarter of 2016, the resulting loan to the partnership is expected to occur then. The Vantage Point Bridge Loan of $550k was reclassified to short term. During the 4th quarter, unbudgeted developer fee receivable from Vantage Point partnership totaling $600k was booked.
5) 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.
6) The budgeted Nia tenant improvements did not occur in 2015 as related space was not leased
7) During the 4th quarter, Vantage Point sewer capacity charge totaling $420k was capitalized.
8) Public Housing subsidy received in advance was booked to deferred revenue in the 3rd quarter. The amount was reversed and recognized as revenue in 4th quarter .
9) During the 4th quarter, the Vantage Point sewer capacity cost was funded by a transfer from MTW.
10) 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. Also, due to unbudgeted of transfer of Eastbridge (KCHA) GP cash of $230k to MTW in the 4th quarter.

Other Federally-supported (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

	Quarter Ended December 31, 2015				Year-to-Date				2015 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget (n/m= not meaningful)	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$1,391,720	$1,307,231	$84,489	6.5%	$5,215,148	$5,228,949	($13,801)	(0.3%)	$5,228,949	$13,801	99.7%	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	104,795	99,488	5,307	5.3%	391,951	397,952	(6,001)	(1.5%)	397,952	6,001	98.5%	
Other Operating Revenue	93,207	99,907	(6,700)	(6.7%)	357,415	380,188	(22,773)	(6.0%)	380,188	22,773	94.0%	
Non-operating Revenue	13,090	5,456	7,634	139.9%	42,238	21,775	20,463	94.0%	21,775	(20,463)	194.0%	
Total Revenues	1,602,811	1,512,082	90,729	6.0%	6,006,752	6,028,864	(22,113)	(0.4%)	6,028,864	22,113	99.6%	
Expenses												
Salaries & Benefits	150,111	164,375	(14,264)	(8.7%)	640,906	697,617	(56,711)	(8.1%)	697,617	56,711	91.9%	
Routine Maintenance, Utilities, Taxes & Insurance	599,910	421,031	178,879	42.5%	1,837,351	1,664,135	173,216	10.4%	1,664,135	(173,216)	110.4%	(1)
Direct Social Service Salaries & Benefits	(7,538)	0	(7,538)	n/m	(7,538)	0	(7,538)	n/m	0	7,538	n/m	
Other Social Service Support Expenses & HAP	(3,234)	4,266	(7,500)	n/m	13,385	17,065	(3,680)	(21.6%)	17,065	3,680	78.4%	
Administrative Support Expenses	126,757	130,714	(3,957)	(3.0%)	521,922	522,915	(993)	(0.2%)	522,915	993	99.8%	
Non-operating Expenses	40,970	35,853	5,117	14.3%	140,907	143,416	(2,509)	(1.7%)	143,416	2,509	98.3%	
Total Expenses	906,976	756,239	150,737	19.9%	3,146,932	3,045,148	101,784	3.3%	3,045,148	(101,784)	103.3%	
Net Income	695,835	755,843	(60,008)	(7.9%)	2,859,820	2,983,716	(123,896)	(4.2%)	2,983,716	123,896	95.8%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(24,072)	(21,530)	(2,542)	11.8%	(108,222)	(86,097)	(22,125)	25.7%	(86,097)	22,125	125.7%	
Decrease in Restricted/Designated Cash	1,619	0	1,619	n/m	24,988	0	24,988	n/m	0	(24,988)	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	(1,580,864)	(30,000)	(1,550,864)	5169.5%	(6,860,929)	(715,000)	(6,145,929)	859.6%	(715,000)	6,145,929	959.6%	(2)
Maintenance Projects	(178,963)	(232,957)	53,994	(23.2%)	(1,115,050)	(1,177,843)	62,793	(5.3%)	(1,177,843)	(62,793)	94.7%	
Acquisition of Capital Assets	(1,759,828)	(262,957)	(1,496,871)	569.2%	(7,975,979)	(1,892,843)	(6,083,136)	321.4%	(1,892,843)	6,083,136	421.4%	(2)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	(10,120)	0	(10,120)	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	11,440	0	11,440	n/m	8,088	0	8,088	n/m	0	(8,088)	n/m	
Increase in LT Debt	0	0	0	n/m	4,669,491	0	4,669,491	n/m	0	(4,669,491)	n/m	(3)
(Decrease) in LT Debt	(14,903)	(15,457)	554	(3.6%)	(59,269)	(64,694)	5,425	(8.4%)	(64,694)	(5,425)	91.6%	
Change in Other Liabilities	(22,681)	(19,200)	(3,481)	18.1%	(76,802)	(76,802)	0	(0.0%)	(76,802)	(0)	100.0%	
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	(1,818,545)	(319,144)	(1,499,401)	469.8%	(3,517,405)	(2,120,436)	(1,396,969)	65.9%	(2,120,436)	1,396,969	165.9%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	1,396,426	70,000	1,326,426	1894.9%	1,852,205	700,000	1,152,205	164.6%	700,000	(1,152,205)	264.6%	(4)
Transfers Out to Other Funds	(174,236)	(30,000)	(144,236)	480.8%	(509,503)	(540,000)	30,497	(5.6%)	(540,000)	(30,497)	94.4%	
Net Transfer In/(Out)	1,222,190	40,000	1,182,190	2955.5%	1,342,702	160,000	1,182,702	739.2%	160,000	(1,182,702)	839.2%	
Net Change in Working Capital	$99,480	$476,699	($377,219)	(79.1%)	$685,117	$1,023,280	($338,163)	(33.0%)	$1,023,280	$338,163	67.0%	
Working Capital, Beginning of Period	4,543,063				3,957,427							
Working Capital, 12/31/2015	$4,642,543				$4,642,543							

1) The Eastside maintenance building roof project was budgeted in 2014 but occurred in 2015.
2) Due to the unbudgeted acquisition of Woodcreek Lane Apartments for $4.7m. Also, due to capitalization of Joseph House community space and Headstart buildings resulting in a transfer of the assets from another fund group
3) Due to the unbudgeted draw on the Key Bank LOC to finance the acquisition of Woodcreek Lane Apartments.
4) Due to unbudgeted transfer of Joseph House community space and Seola Gardens Headstart building from Development (see note #3).

Other Federally-supported (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

(n/m= not meaningful)

	Quarter Ended December 31, 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	$2,912,779	$2,802,985	$109,794	3.9%	$11,387,560	$11,101,117	$286,443	2.6%	$11,101,117	($286,443)	102.6%	
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	408,339	405,739	2,600	0.6%	1,816,013	1,825,357	(9,344)	(0.5%)	1,825,357	9,344	99.5%	
Non-operating Revenue	1,957,239	681,628	1,275,611	187.1%	5,825,493	4,898,858	926,635	18.9%	4,898,858	(926,635)	118.9%	(1)
Total Revenues	5,278,357	3,890,352	1,388,005	35.7%	19,029,065	17,825,332	1,203,733	6.8%	17,825,332	(1,203,733)	106.8%	
Expenses												
Salaries & Benefits	332,151	346,454	(14,303)	(4.1%)	1,459,819	1,465,842	(6,023)	(0.4%)	1,465,842	6,023	99.6%	
Routine Maintenance, Utilities, Taxes & Insurance	1,065,692	895,019	170,673	19.1%	3,239,124	3,663,211	(424,087)	(11.6%)	3,663,211	424,087	88.4%	(2)
Direct Social Service Salaries & Benefits	(9,307)	0	(9,307)	n/m	(9,307)	0	(9,307)	n/m	0	9,307	n/m	
Other Social Service Support Expenses & HAP	767	2,827	(2,060)	(72.9%)	3,226	11,314	(8,088)	(71.5%)	11,314	8,088	28.5%	
Administrative Support Expenses	302,944	275,971	26,973	9.8%	1,193,373	1,175,455	17,918	1.5%	1,175,455	(17,918)	101.5%	
Non-operating Expenses	1,363,331	1,366,564	(3,233)	(0.2%)	5,641,704	5,691,261	(49,557)	(0.9%)	5,691,261	49,557	99.1%	
Total Expenses	3,055,578	2,886,835	168,743	5.8%	11,527,939	12,007,083	(479,144)	(4.0%)	12,007,083	479,144	96.0%	
Net Income	2,222,778	1,003,517	1,219,261	121.5%	7,501,126	5,818,249	1,682,877	28.9%	5,818,249	(1,682,877)	128.9%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(79,125)	(59,683)	(19,442)	32.6%	(2,165,681)	(2,240,593)	74,912	(3.3%)	(2,240,593)	(74,912)	96.7%	
Decrease in Restricted/Designated Cash	1,355,218	3,288,600	(1,933,382)	(58.8%)	5,259,312	8,643,385	(3,384,073)	(39.2%)	8,643,385	3,384,073	60.8%	(3)
(Increase) in LT Receivables	(10,574)	(66,441)	55,867	(84.1%)	(265,766)	(265,766)	(0)	0.0%	(265,766)	0	100.0%	
Decrease in LT Receivables	218,991	0	218,991	n/m	1,682,906	1,036,105	646,801	62.4%	1,036,105	(646,801)	162.4%	(4)
Acquisition of Capital Assets	(1,420,347)	(728,409)	(691,938)	95.0%	(5,306,811)	(7,534,196)	2,227,385	(29.6%)	(7,534,196)	(2,227,385)	70.4%	(5)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	108	0	108	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	1,434	0	1,434	n/m	3,092	0	3,092	n/m	0	(3,092)	n/m	
Increase in LT Debt	181	181	(0)	(0.0%)	724	724	(0)	(0.0%)	724	0	100.0%	
(Decrease) in LT Debt	(926,342)	(2,173,823)	1,247,481	(57.4%)	(4,881,514)	(5,922,015)	1,040,501	(17.6%)	(5,922,015)	(1,040,501)	82.4%	(6)
Change in Other Liabilities	10,258	66,441	(56,183)	(84.6%)	21,084	265,766	(244,682)	(92.1%)	265,766	244,682	7.9%	(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	(7,217)	0	(7,217)	n/m	(9,759)	0	(9,759)	n/m	0	9,759	n/m	
Total Other Sources/(Uses) of Working Capital	(857,416)	326,866	(1,184,282)	n/m	(5,662,414)	(6,016,590)	354,176	(5.9%)	(6,016,590)	(354,176)	94.1%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	393,997	257,194	136,803	53.2%	1,184,418	1,273,816	(89,398)	(7.0%)	1,273,816	89,398	93.0%	
Transfers Out to Other Funds	(377,027)	(257,194)	(119,833)	46.6%	(922,448)	(1,028,816)	106,368	(10.3%)	(1,028,816)	(106,368)	89.7%	
Net Transfer In/(Out)	16,970	0	16,970	n/m	261,970	245,000	16,970	6.9%	245,000	(16,970)	106.9%	
Net Change in Working Capital	$1,382,332	$1,330,383	$51,949	3.9%	$2,100,682	$46,659	$2,054,023	4402.2%	$46,659	($2,054,023)	4502.2%	
Working Capital, Beginning of Period	974,193				255,844							
Working Capital, 12/31/2015	$2,356,526				$2,356,526							

1) Due to unbudgeted draw of $924k from the CFP grant for the Green River Homes II bond payment. It had been initially planned to draw from a different source,
2) Most maintenance categories are under target and some projects have been delayed to 2016.
3) The budgeted release from restriction of the $2.9 m from Green River Homes collateral reserves didn't occur as only the minimum debt principal payment was made . Also, the draw from restricted loan proceeds held by MKCRF to reimburse KCHA for construction costs at MKCRF properties was less than budgeted.
4) The Green River Homes 2 Partnership used $105k of development funds and $322k of operating net cash flow to make additional principal and interest payments to KCHA. The remaining amount of variance is a technical accounting adjustment.
5) $5.8m was budgeted in 2015 for various MKCRF site upgrades and building envelope projects. Actual spending was $4.0m due to a combination of scope changes and favorable bid responses.
6) $2.0m was budgeted for the 2015 Green River Homes principal payment but instead the minimum payment amount of $863k was paid.
7) The year-to-date budget of $265,766 represents the budgeted increase of interest payable from the Birch Creek partnership to KCHA. The actual increase is exactly on target with the budget. However, this increase is offset by an unscheduled internal loan interest payment by Green River Homes 2 of $244k from a net cash flow distribution.

Section 8
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

	Quarter Ended December 31, 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	$20,295	$43,750	($23,455)	(53.6%)	$113,833	$175,000	($61,167)	(35.0%)	$175,000	$61,167	65.0%	(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	25,226,686	25,018,539	208,147	0.8%	99,827,252	98,985,953	841,299	0.8%	98,985,953	(841,299)	100.8%	
Other Operating Revenue	7,620,384	7,410,323	210,061	2.8%	29,975,171	29,374,583	600,588	2.0%	29,374,583	(600,588)	102.0%	
Non-operating Revenue	0	729	(729)	(100.0%)	36	2,919	(2,883)	(98.8%)	2,919	2,883	1.2%	
Total Revenues	32,867,366	32,473,341	394,025	1.2%	129,916,292	128,538,455	1,377,837	1.1%	128,538,455	(1,377,837)	101.1%	
Expenses												
Salaries & Benefits	1,446,914	1,397,718	49,196	3.5%	5,846,068	5,964,885	(118,817)	(2.0%)	5,964,885	118,817	98.0%	(2)
Routine Maintenance, Utilities, Taxes & Insurance	68,451	64,092	4,359	6.8%	276,681	256,369	20,312	7.9%	256,369	(20,312)	107.9%	
Direct Social Service Salaries & Benefits	19,079	31,908	(12,829)	(40.2%)	109,771	138,269	(28,498)	(20.6%)	138,269	28,498	79.4%	
Other Social Service Support Expenses & HAP	30,391,758	29,995,785	395,973	1.3%	119,669,802	118,729,241	940,561	0.8%	118,729,241	(940,561)	100.8%	
Administrative Support Expenses	965,890	860,847	105,043	12.2%	3,636,576	3,478,904	157,672	4.5%	3,478,904	(157,672)	104.5%	
Non-operating Expenses	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Expenses	32,892,092	32,350,350	541,742	1.7%	129,538,897	128,567,668	971,229	0.8%	128,567,668	(971,229)	100.8%	
Net Income	(24,726)	122,991	(147,717)	n/m	377,395	(29,213)	406,608	n/m	(29,213)	(406,608)	n/m	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	9,571	0	9,571	n/m	(27,182)	0	(27,182)	n/m	0	27,182	n/m	(3)
Decrease in Restricted/Designated Cash	0	0	0	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	(1,514)	(317)	(1,197)	377.7%	(11,017)	(1,270)	(9,747)	767.5%	(1,270)	9,747	867.5%	(4)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	3,971	0	3,971	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	(9,571)	0	(9,571)	n/m	27,182	0	27,182	n/m	0	(27,182)	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	2,457	(317)	2,774	n/m	(11,017)	(1,270)	(9,747)	767.5%	(1,270)	9,747	867.5%	
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	($22,270)	$122,674	($144,944)	n/m	$52,706	($325,483)	$378,189	n/m	($325,483)	($378,189)	n/m	
Working Capital, Beginning of Period	(280,876)				(355,852)							
Working Capital, 12/31/2015	($303,146)				($303,146)							

1) Collections of retro-rent are less than anticipated in the budget
2) 4th quarter variance due to three pay periods in December while the budget is for two pay periods. Year-to-date salary expenses were on target.
3) Unbudgeted change in FSS reserve accounts.
4) Due to unbudgeted fence installation project at the 700 building-a portion of the coding was automatically charged to Section 8.

MTW
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

(n/m= not meaningful)

	Quarter Ended December 31, 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	$0	$0	$0	n/m	$0	$0	$0	n/m	$0	$0	n/m	
Operating Fund Subsidy from HUD	66,485	63,258	3,227	5.1%	278,512	253,031	25,481	10.1%	253,031	(25,481)	110.1%	
Section 8 Subsidy from HUD	4,054,247	2,490,600	1,563,647	62.8%	15,989,190	10,831,906	5,157,284	47.6%	10,831,906	(5,157,284)	147.6%	(1)
Other Operating Revenue	51,223	2,722	48,501	1781.8%	60,390	10,890	49,500	454.5%	10,890	(49,500)	554.5%	(2)
Non-operating Revenue	75,245	68,470	6,775	9.9%	304,924	277,387	27,537	9.9%	277,387	(27,537)	109.9%	
Total Revenues	4,247,200	2,625,050	1,622,150	61.8%	16,633,016	11,373,214	5,259,802	46.2%	11,373,214	(5,259,802)	146.2%	
Expenses												
Salaries & Benefits	412,764	363,254	49,510	13.6%	1,315,168	1,534,821	(219,653)	(14.3%)	1,534,821	219,653	85.7%	(3)
Routine Maintenance, Utilities, Taxes & Insurance	52	0	52	n/m	847	0	847	n/m	0	(847)	n/m	
Direct Social Service Salaries & Benefits	447,191	465,865	(18,674)	(4.0%)	1,903,438	2,018,748	(115,310)	(5.7%)	2,018,748	115,310	94.3%	(4)
Other Social Service Support Expenses & HAP	1,000,227	1,300,257	(300,030)	(23.1%)	3,812,970	4,823,440	(1,010,470)	(20.9%)	4,823,440	1,010,470	79.1%	(5)
Administrative Support Expenses	290,925	205,916	85,009	41.3%	566,823	436,691	130,132	29.8%	436,691	(130,132)	129.8%	(6)
Non-operating Expenses	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Expenses	2,151,160	2,335,292	(184,132)	(7.9%)	7,599,245	8,813,700	(1,214,455)	(13.8%)	8,813,700	1,214,455	86.2%	
Net Income	2,096,039	289,758	1,806,281	623.4%	9,033,771	2,559,514	6,474,257	252.9%	2,559,514	(6,474,257)	352.9%	
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	3,318,399	3,947,690	(629,291)	(15.9%)	8,109,051	7,019,888	1,089,163	15.5%	7,019,888	(1,089,163)	115.5%	(7)
(Increase) in LT Receivables	0	(174,175)	174,175	(100.0%)	0	(696,700)	696,700	(100.0%)	(696,700)	(696,700)	0.0%	(8)
Decrease in LT Receivables	28,616	19,024	9,592	50.4%	1,093,080	76,098	1,016,982	1336.4%	76,098	(1,016,982)	1436.4%	(9)
Acquisition of Capital Assets	(235,147)	(94,569)	(140,578)	148.7%	(1,005,247)	(747,706)	(257,541)	34.4%	(747,706)	257,541	134.4%	(10)
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	28,440	0	28,440	n/m	49,411	0	49,411	n/m	0	(49,411)	n/m	(11)
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	65,283	0	65,283	n/m	0	(65,283)	n/m	(12)
Total Other Sources/(Uses) of Working Capital	3,140,308	3,697,970	(557,662)	(15.1%)	8,311,577	5,651,580	2,659,997	47.1%	5,651,580	(2,659,997)	147.1%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	230,000	0	230,000	n/m	543,671	295,000	248,671	84.3%	295,000	(248,671)	184.3%	(13)
Transfers Out to Other Funds	(2,379,096)	(1,464,138)	(914,958)	62.5%	(5,501,888)	(6,266,841)	764,953	(12.2%)	(6,266,841)	(764,953)	87.8%	(14)
Net Transfer In/(Out)	(2,149,096)	(1,464,138)	(684,958)	46.8%	(4,958,217)	(5,971,841)	1,013,624	(17.0%)	(5,971,841)	(1,013,624)	83.0%	
Net Change in Working Capital	$3,087,252	$2,523,590	$563,662	22.3%	$12,387,131	$2,239,253	$10,147,878	453.2%	$2,239,253	($10,147,878)	553.2%	
Working Capital, Beginning of Period	4,456,650				(4,843,229)							
Working Capital, 12/31/2015	$7,543,902				$7,543,902							

1) This line reflects the amount of block grant funding "retained" by the MTW fund after paying monthly HAP and administrative fees and varies monthly depending on how much cash was actually received from HUD vs. how much was used for expenses. Due to federal cash management procedures, standard monthly block grant payments from HUD are based on prior years leasing levels. Additional amounts are periodically requested by KCHA as HUD receives specific spending authority. KCHA requested and received an additional $5.5m from HUD in December, resulting in the quarterly variance. The amount "retained" is used for a variety of programmatic purposes.
2) Due to settlement received from Big Rock Construction related to Northridge roof project. Unbudgeted.
3) 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. In addition, one employee was on unpaid leave for three months. Also, due to three pay periods in December while the budget is for two pay periods.
4) The AmeriCorps project director retired but the salary remains budgeted throughout the year. In addition, the salary for Resident Services Assistant Director was budgeted starting January 2015 but the position wasn't filled until April 2015. Also, due to three pay periods in December while the budget is for two pay periods.
5) 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, Flat Rent PBA and New DV Programs). Invoicing from service providers is still being collected for year-end from some of the resident services contracts.
6) Tenmast training was expensed per Generally Accepted Accounting Principles instead of capitalized.
7) Release from restriction of MCKRF collateral reserve was higher than anticipated in the budget..
8) The budgeted MTW funding for Greenbridge internal loan was deferred to 2016.
9) Internal loan totaling $963k was repaid from lot sales proceeds. Unbudgeted.
10) Due to delay in the Tenmast software project, some project costs budgeted in 2014 occurred in 2015.
11) For purpose of tracking FSS escrow balances with in a single fund, the Public Housing escrow balances were transferred to a different fund group
12) Due to prior period equity adjustment for invoice that was overpaid in 2014.
13) Unbudgeted transfer of Eastbridge (KCHA) GP cash of $230k to MTW.
14) Unit upgrade expenditures less than anticipated mainly due to a reduction in per unit costs as more one bedroom units, which are less expensive to rehab than larger bedroom sizes, have been finished than originally anticipated. This also results in fewer management fees transfers-out to other funds.

Local Properties (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

	Quarter Ended December 31, 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	$12,625,641	$11,383,393	$1,242,248	10.9%	$47,466,692	$45,108,427	$2,358,265	5.2%	$45,108,427	($2,358,265)	105.2%	(1)
Operating Fund Subsidy from HUD	3,411	3,945	(534)	(13.5%)	14,285	15,784	(1,499)	(9.5%)	15,784	1,499	90.5%	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	79,485	107,313	(27,828)	(25.9%)	250,235	245,208	5,027	2.1%	245,208	(5,027)	102.1%	
Non-operating Revenue	(24,680)	511,042	(535,722)	n/m	342,685	1,533,980	(1,191,295)	(77.7%)	1,533,980	1,191,295	22.3%	(2)
Total Revenues	12,683,857	12,005,693	678,164	5.6%	48,073,897	46,903,399	1,170,498	2.5%	46,903,399	(1,170,498)	102.5%	
Expenses												
Salaries & Benefits	1,069,307	1,091,259	(21,952)	(2.0%)	4,070,238	4,166,631	(96,393)	(2.3%)	4,166,631	96,393	97.7%	
Routine Maintenance, Utilities, Taxes & Insurance	3,235,290	3,013,895	221,395	7.3%	11,530,152	11,682,693	(152,541)	(1.3%)	11,682,693	152,541	98.7%	
Direct Social Service Salaries & Benefits	(2,645)	0	(2,645)	n/m	(2,645)	0	(2,645)	n/m	0	2,645	n/m	
Other Social Service Support Expenses & HAP	39,212	33,081	6,131	18.5%	134,771	133,126	1,645	1.2%	133,126	(1,645)	101.2%	
Administrative Support Expenses	1,286,821	1,016,747	270,074	26.6%	4,819,544	4,148,015	671,529	16.2%	4,148,015	(671,529)	116.2%	(3)
Non-operating Expenses	1,464,398	1,611,476	(147,078)	(9.1%)	5,992,847	6,286,240	(293,394)	(4.7%)	6,286,240	293,394	95.3%	(4)
Total Expenses	7,092,382	6,766,458	325,924	4.8%	26,544,906	26,416,705	128,201	0.5%	26,416,705	(128,201)	100.5%	
Net Income	5,591,475	5,239,235	352,240	6.7%	21,528,991	20,486,694	1,042,297	5.1%	20,486,694	(1,042,297)	105.1%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(561,682)	(348,179)	(213,503)	61.3%	(2,667,853)	(2,284,834)	(383,019)	16.8%	(2,284,834)	383,019	116.8%	(5)
Decrease in Restricted/Designated Cash	329,866	219,250	110,616	50.5%	2,172,092	1,778,500	393,592	22.1%	1,778,500	(393,592)	122.1%	(6)
(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	(4,855,983)	(2,494,050)	(2,361,933)	94.7%	(61,923,360)	(36,879,300)	(25,044,060)	67.9%	(36,879,300)	25,044,060	167.9%	(7)
Disposition of Capital Assets	60,675	0	60,675	n/m	60,675	0	60,675	n/m	0	(60,675)	n/m	(8)
Change in Suspense	278,554	0	278,554	n/m	274,500	0	274,500	n/m	0	(274,500)	n/m	(9)
Change in Other Assets	0	0	0	n/m	15,216	0	15,216	n/m	0	(15,216)	n/m	
Change in Deferrals	24,393	0	24,393	n/m	258,695	0	258,695	n/m	0	(258,695)	n/m	(10)
Increase in LT Debt	0	0	0	n/m	86,500,177	9,402,229	77,097,948	820.0%	9,402,229	(77,097,948)	920.0%	(11)
(Decrease) in LT Debt	(1,580,190)	(1,626,678)	46,488	(2.9%)	(46,569,786)	(5,390,368)	(41,179,418)	763.9%	(5,390,368)	41,179,418	863.9%	(12)
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	17,279	0	17,279	n/m	574,086	560,000	14,086	2.5%	560,000	(14,086)	102.5%	
Total Other Sources/(Uses) of Working Capital	(6,287,087)	(4,249,657)	(2,037,430)	47.9%	(21,305,558)	(32,813,773)	11,508,215	(35.1%)	(32,813,773)	(11,508,215)	64.9%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	1,617,640	214,950	1,402,690	652.6%	10,829,621	1,396,535	9,433,086	675.5%	1,396,535	(9,433,086)	775.5%	(13)
Transfers Out to Other Funds	(3,334,498)	(518,937)	(2,815,561)	542.6%	(13,096,256)	(2,075,754)	(11,020,502)	530.9%	(2,075,754)	11,020,502	630.9%	(14)
Net Transfer In/(Out)	(1,716,858)	(303,987)	(1,412,871)	464.8%	(2,266,636)	(679,219)	(1,587,417)	233.7%	(679,219)	1,587,417	333.7%	
Net Change in Working Capital	($2,412,471)	$685,591	($3,098,062)	n/m	($2,043,203)	($13,006,298)	$10,963,095	(84.3%)	($13,006,298)	($10,963,095)	15.7%	
Working Capital, Beginning of Period	2,754,585				2,385,318							
Working Capital, 12/31/2015	$342,115				$342,115							

1) Unbudgeted dwell rent from newly acquired properties, Villages at South Station and Corinthian Apartments.
2) King County grant of $1m for Bellevue Manor, Patricia Harris, Northwood Square and Vashon Terrace is now expected to be rece ived in the 2nd quarter of 2016. Vantage Glen & Rainier View home & lot sales price participation is lower than anticipated in the budget.
3) Unbudgeted fees related to the issuance of the 2015 Pool Bonds (Meadowbrook, Gilman Square & Windsor Heights). Also, unbudgeted fees (Asset, bookkeeping & property management) for newly acquired properties, Villages at South Station and Corinthian Apartments.
4) Due to favorable loan terms of the 2015 Pool Bonds, interest expense for Windsor Heights , Gilman Square and Meadowbrook was below budgeted.
5) Funding of Windsor Heights & Somerset Gardens replacement reserves. Also, higher than budgeted funding of the Somerset bond reserve.
6) Release of Windsor Heights bond reserves due to bond pay off. The draw from Woodland North replacement reserves of $330k budg eted in 2014 but occurred in 2015.
7) $14m was budgeted for new acquisitions in 2015. However, the acquisition of Corinthian Apartments and Villages at South Station exceeded the budgeted amount by $25m while various mainten ance categories are on target.
8) Unbudgeted disposal of Shadrach land
9) Excess cash transfer of $275k from Walnut Park and Parkwood cleared from suspense in January 2016.
10) Unbudgeted funding of Somerset Gardens, Villages at South Station and Corinthian Apartments security deposit accounts.
11) $40m of new debt (Key Bank LOC) was issued to purchase Corinthian Apts & Villages at South Station; $40m of new debt (2015 P ool) was issued to refinance Windsor Heights , Gilman Square and Meadowbrook.
12) $40m unbudgeted refinance of Windsor Heights, Gilman Square & Meadowbrook loans.
13) Unbudgeted 2015 Pool debt allocation made during the third quarter (Gilman Square $5.8M, Meadowbrook $2.1m). During the fourt h quarter, unbudgeted excess cash transfer from COCC ($828k) and operating fund subsidy transfer ($319k) were made.
14) 2015 Pool debt allocation of $8.4m to Windsor Heights was not budgeted. Also, excess cash transfer from bond properties to C OCC was higher than anticipated in the budget by $2.6m.

Local Properties (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

	Quarter Ended December 31, 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	$364,916	$349,673	$15,243	4.4%	$1,454,291	$1,399,357	$54,934	3.9%	$1,399,357	($54,934)	103.9%	
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	75,682	44,275	31,407	70.9%	200,494	180,273	20,221	11.2%	180,273	(20,221)	111.2%	
Non-operating Revenue	195,998	198,500	(2,502)	(1.3%)	791,433	793,995	(2,562)	(0.3%)	793,995	2,562	99.7%	
Total Revenues	636,596	592,448	44,148	7.5%	2,446,218	2,373,625	72,593	3.1%	2,373,625	(72,593)	103.1%	
Expenses												
Salaries & Benefits	76,291	72,587	3,704	5.1%	317,238	308,877	8,361	2.7%	308,877	(8,361)	102.7%	
Routine Maintenance, Utilities, Taxes & Insurance	194,426	121,474	72,952	60.1%	574,365	491,633	82,732	16.8%	491,633	(82,732)	116.8%	
Direct Social Service Salaries & Benefits	(1,869)	0	(1,869)	n/m	(1,869)	0	(1,869)	n/m	0	1,869	n/m	
Other Social Service Support Expenses & HAP	31,461	30,667	794	2.6%	123,462	122,668	794	0.6%	122,668	(794)	100.6%	
Administrative Support Expenses	58,651	48,180	10,471	21.7%	223,784	217,192	6,592	3.0%	217,192	(6,592)	103.0%	
Non-operating Expenses	148,362	155,478	(7,116)	(4.6%)	594,969	621,915	(26,946)	(4.3%)	621,915	26,946	95.7%	
Total Expenses	507,322	428,386	78,936	18.4%	1,831,949	1,762,285	69,664	4.0%	1,762,285	(69,664)	104.0%	
Net Income	129,275	164,062	(34,787)	(21.2%)	614,269	611,340	2,929	0.5%	611,340	(2,929)	100.5%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(15,054)	(16,049)	995	(6.2%)	(63,550)	(64,190)	640	(1.0%)	(64,190)	(640)	99.0%	
Decrease in Restricted/Designated Cash	112,652	0	112,652	n/m	112,652	0	112,652	n/m	0	(112,652)	n/m	(1)
(Increase) in LT Receivables	(107,865)	(107,864)	(1)	0.0%	(431,457)	(431,457)	(0)	0.0%	(431,457)	0	100.0%	
Decrease in LT Receivables	238,197	192,969	45,228	23.4%	559,580	514,352	45,228	8.8%	514,352	(45,228)	108.8%	
Acquisition of Capital Assets	53,750	0	53,750	n/m	(57,622)	(54,000)	(3,622)	6.7%	(54,000)	3,622	106.7%	
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	1,670	0	1,670	n/m	2,034	0	2,034	n/m	0	(2,034)	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(328,213)	0	(328,213)	n/m	(401,322)	(73,054)	(328,268)	449.3%	(73,054)	328,268	549.3%	(2)
Change in Other Liabilities	22,394	111,978	(89,584)	(80.0%)	110,056	252,915	(142,859)	(56.5%)	252,915	142,859	43.5%	(3)
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	(22,469)	181,034	(203,503)	n/m	(169,630)	144,566	(314,196)	n/m	144,566	314,196	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	(54,000)	0	(54,000)	n/m	(422,000)	(368,000)	(54,000)	14.7%	(368,000)	54,000	114.7%	(4)
Net Transfer In/(Out)	(54,000)	0	(54,000)	n/m	(422,000)	(368,000)	(54,000)	14.7%	(368,000)	54,000	114.7%	
Net Change in Working Capital	$52,805	$345,096	($292,291)	(84.7%)	$22,639	$387,906	($365,267)	(94.2%)	$387,906	$365,267	5.8%	
Working Capital, Beginning of Period	1,327,423				1,357,590							
Working Capital, 12/31/2015	$1,380,228				$1,380,228							

1) Withdrawal made from Valley Park replacement reserve account to pay for exterior painting and Meth Unit rebuilding projects . Unbudgeted.
2) New Market Tax Credit Key Bank LOC principal payment of $328k was made in December. Unbudgeted.
3) Unbudgeted reclassification of lease interest from long term to short term for Harrison House and Green River Homes.
4) During the fourth quarter, unbudgeted excess cash transfer was made from Harrison House to COCC .

Local Properties Tax Credit GP
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

(n/m= not meaningful)

	Quarter Ended December 31, 2015				Year-to-Date							
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	2015 Annual Budget	Remainder to Receive/ Spend	Percent of Annual 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	721,482	73,765	647,717	878.1%	73,765	(647,717)	978.1%	(1)
Non-operating Revenue	393,082	397,280	(4,198)	(1.1%)	1,671,294	1,589,127	82,167	5.2%	1,589,127	(82,167)	105.2%	
Total Revenues	393,082	397,280	(4,198)	(1.1%)	2,392,776	1,662,892	729,884	43.9%	1,662,892	(729,884)	143.9%	
Expenses												
Salaries & Benefits	(85)	0	(85)	n/m	1,200	0	1,200	n/m	0	(1,200)	n/m	
Routine Maintenance, Utilities, Taxes & Insurance	2,280	3,811	(1,531)	(40.2%)	9,812	15,241	(5,429)	(35.6%)	15,241	5,429	64.4%	
Direct Social Service Salaries & Benefits	(191)	0	(191)	n/m	(191)	0	(191)	n/m	0	191	n/m	
Other Social Service Support Expenses & HAP	0	0	0	n/m	25	0	25	n/m	0	(25)	n/m	
Administrative Support Expenses	84,098	88,584	(4,486)	(5.1%)	370,732	359,848	10,884	3.0%	359,848	(10,884)	103.0%	
Non-operating Expenses	99,116	69,105	30,011	43.4%	1,945,650	1,948,401	(2,751)	(0.1%)	1,948,401	2,751	99.9%	
Total Expenses	185,217	161,500	23,717	14.7%	2,327,229	2,323,490	3,739	0.2%	2,323,490	(3,739)	100.2%	
Net Income	207,865	235,780	(27,915)	(11.8%)	65,547	(660,598)	726,145	n/m	(660,598)	(726,145)	n/m	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(238,420)	(75,000)	(163,420)	217.9%	(931,452)	(300,000)	(631,452)	210.5%	(300,000)	631,452	310.5%	(2)
Decrease in Restricted/Designated Cash	0	300,000	(300,000)	(100.0%)	277,325	577,325	(300,000)	(52.0%)	577,325	300,000	48.0%	(3)
(Increase) in LT Receivables	14,572	(7,393)	21,965	n/m	(17,981)	(29,575)	11,594	(39.2%)	(29,575)	(11,594)	60.8%	
Decrease in LT Receivables	272,818	250,000	22,818	9.1%	10,250,516	10,137,598	112,918	1.1%	10,137,598	(112,918)	101.1%	
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	0	0	0	n/m	1,671,976	1,671,976	0	0.0%	1,671,976	(0)	100.0%	
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	283,855	(250,000)	533,855	n/m	(9,563,098)	(9,652,229)	89,131	(0.9%)	(9,652,229)	(89,131)	99.1%	(4)
Change in Other Liabilities	248,536	1,433	247,103	17243.7%	189,507	5,733	183,774	3205.5%	5,733	(183,774)	3305.5%	(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	0	0	0	n/m	(918,697)	50,000	(968,697)	n/m	50,000	968,697	n/m	(1)
Total Other Sources/(Uses) of Working Capital	581,361	219,040	362,321	165.4%	958,095	2,460,828	(1,502,733)	(61.1%)	2,460,828	1,502,733	38.9%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	0	0	0	n/m	281,816	0	281,816	n/m	0	(281,816)	n/m	(1)
Transfers Out to Other Funds	(392,000)	0	(392,000)	n/m	(1,471,929)	(1,061,325)	(410,604)	38.7%	(1,061,325)	410,604	138.7%	(6)
Net Transfer In/(Out)	(392,000)	0	(392,000)	n/m	(1,190,113)	(1,061,325)	(128,788)	12.1%	(1,061,325)	128,788	112.1%	
Net Change in Working Capital	$397,225	$454,820	($57,595)	(12.7%)	($166,470)	$738,905	($905,375)	n/m	$738,905	$905,375	n/m	
Working Capital, Beginning of Period	262,901				826,597							
Working Capital, 12/31/2015	$660,127				$660,127							

1) Technical accounting adjustment related to Somerset Gardens being acquired from the tax credit partnership.
2) As a result of the expired Overlake Swap contract, a larger portion of the monthly partnership contributions to the Overlake trustee account are being deposited to the excess cash reserve instead of being expensed.
3) The budgeted withdrawal of $300k from Overlake excess cash reserves is now expected to occur in March 2016.
4) During the 4th quarter, the Overlake 4th Mortgage was reclassified to long term . Payment is not required as it is a forgivable loan with the State of Washington.
5) Technical accounting adjustment to correct balance on Overlake forgivable loan. Unbudgeted.
6) In December, unbudgeted excess cash transfer of $392k was made from Southwood Square and Arbor Heights to COCC. .

Local-Development
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

	Quarter Ended December 31, 2015				Year-to-Date				2015 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget (n/m= not meaningful)	
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	16,250	0	16,250	n/m	45,021	5,000	40,021	800.4%	5,000	(40,021)	900.4%	
Non-operating Revenue	35,743	12	35,731	297761.5%	433,853	89	433,764	487375.6%	89	(433,764)	487475.6%	(1)
Total Revenues	51,993	12	51,981	433178.2%	478,874	5,089	473,785	9310.0%	5,089	(473,785)	9410.0%	
Expenses												
Salaries & Benefits	142,418	67,675	74,743	110.4%	306,617	290,453	16,164	5.6%	290,453	(16,164)	105.6%	(2)
Routine Maintenance, Utilities, Taxes & Insurance	635	0	635	n/m	903	0	903	n/m	0	(903)	n/m	
Direct Social Service Salaries & Benefits	11,955	6,047	5,908	97.7%	32,059	26,202	5,857	22.4%	26,202	(5,857)	122.4%	
Other Social Service Support Expenses & HAP	45,444	44,000	1,444	3.3%	178,205	176,000	2,205	1.3%	176,000	(2,205)	101.3%	
Administrative Support Expenses	16,134	1,752	14,382	820.9%	16,861	7,015	9,846	140.4%	7,015	(9,846)	240.4%	
Non-operating Expenses	5,288	200,225	(194,937)	(97.4%)	198,182	200,225	(2,043)	(1.0%)	200,225	2,043	99.0%	
Total Expenses	221,874	319,699	(97,825)	(30.6%)	732,826	699,895	32,931	4.7%	699,895	(32,931)	104.7%	
Net Income	(169,880)	(319,687)	149,807	(46.9%)	(253,952)	(694,806)	440,854	(63.4%)	(694,806)	(440,854)	36.6%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	2,598	(6)	2,604	n/m	(312,931)	(110,065)	(202,866)	184.3%	(110,065)	202,866	284.3%	(3)
Decrease in Restricted/Designated Cash	236,944	345,381	(108,437)	(31.4%)	952,451	700,699	251,752	35.9%	700,699	(251,752)	135.9%	(4)
(Increase) in LT Receivables	(206)	0	(206)	n/m	(825)	0	(825)	n/m	0	825	n/m	
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	(2,379,316)	(3,281,001)	901,685	(27.5%)	(17,374,818)	(17,049,837)	(324,981)	1.9%	(17,049,837)	324,981	101.9%	
Maintenance Projects	(16,729)	0	(16,729)	n/m	(16,729)	0	(16,729)	n/m	0	16,729	n/m	
Acquisition of Capital Assets	(2,396,044)	(3,281,001)	884,957	(27.0%)	(17,391,546)	(17,049,837)	(341,709)	2.0%	(17,049,837)	341,709	102.0%	(5)
Disposition of Capital Assets	10,176	0	10,176	n/m	1,163,381	0	1,163,381	n/m	0	(1,163,381)	n/m	(6)
Change in Suspense	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Other Assets	(50,000)	0	(50,000)	n/m	(49,900)	0	(49,900)	n/m	0	49,900	n/m	
Change in Deferrals	0	0	0	n/m	27,400	0	27,400	n/m	0	(27,400)	n/m	
Increase in LT Debt	600,000	10,000,000	(9,400,000)	(94.0%)	600,000	12,000,000	(11,400,000)	(95.0%)	12,000,000	11,400,000	5.0%	(7)
(Decrease) in LT Debt	0	0	0	n/m	(550,000)	0	(550,000)	n/m	0	550,000	n/m	(8)
Change in Other Liabilities	(10,178)	475,350	(485,528)	n/m	(658,706)	1,297,875	(1,956,581)	n/m	1,297,875	1,956,581	n/m	(9)
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	50,000	0	50,000	n/m	49,301	0	49,301	n/m	0	(49,301)	n/m	
Total Other Sources/(Uses) of Working Capital	(1,556,710)	7,539,724	(9,096,434)	n/m	(16,171,375)	(3,161,328)	(13,010,047)	411.5%	(3,161,328)	13,010,047	511.5%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	687,163	4,000,000	(3,312,837)	(82.8%)	844,369	4,110,000	(3,265,631)	(79.5%)	4,110,000	3,265,631	20.5%	(10)
Transfers Out to Other Funds	(1,141,494)	0	(1,141,494)	n/m	(1,702,781)	0	(1,702,781)	n/m	0	1,702,781	n/m	(11)
Net Transfer In/(Out)	(454,331)	4,000,000	(4,454,331)	n/m	(858,412)	4,110,000	(4,968,412)	n/m	4,110,000	4,968,412	n/m	
Net Change in Working Capital	($2,180,921)	$11,220,037	($13,400,958)	n/m	($17,283,739)	$253,866	($17,537,605)	n/m	$253,866	$17,537,605	n/m	
Working Capital, Beginning of Period	(13,577,002)				1,525,816							
Working Capital, 12/31/2015	($15,757,923)				($15,757,923)							

1) Unbudgeted Greenbridge and Seola Gardens lot sales price participation.
2) Starting in the 4th quarter, the Seola Gardens salaries and benefits costs are being expensed instead of capitalized as budgeted.
3) Unbudgeted reclassification of lot sales and Hope VI program income proceeds from unrestricted to restricted.
4) Due to technical accounting adjustment required to close the Vantage Point Pre-development fund. Also, the budgeted withdrawal of $356k from the restricted program income proceeds didn't occur.
5) The Vantage Point project costs were higher than anticipated in the budget.
6) Variance primarily due to unbudgeted lot sales.
7) A $2m grant from King County will be loaned to the Vantage Point tax credit partnership and will be reflected as a long-term payable by the partnership. This loan was expected to be made in 2016, coinciding with the revised estimate for the receipt of the grant. The budget includes $10m in new loans to finance new property acquisitions in 2015. However, the actual loan (Key Bank LOC of $40million) is now being reported in a different fund group
8) Due to unbudgeted Vantage Point bridge loan reclassification from long term to short-term.
9) The budgeted internal loan of $1.3m from MTW to Greenbridge is expected to occur in 2016. Internal loan totaling $820k was paid from proceeds of Home and Lots sales. Unbudgeted.
10) As purchases of Villages at South Station and Corinthian Apartments were fully-funded with low-interest rate short-term lines of credit, the budgeted $4m KCHA equity investment was not needed. Also, unbudgeted excess cash transfer of $600K from COCC.
11) Unbudgeted transfer of cash to COCC from the Green River Homes pre-development fund. Also, unbudgeted transfer of Joseph House community space and Seola Gardens Headstart building to a different fund group

Local-Other Funds
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

	Quarter Ended December 31, 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	1,679,548	1,258,576	420,972	33.4%	4,669,703	3,875,597	794,106	20.5%	3,875,597	(794,106)	120.5%	(1)
Non-operating Revenue	68,170	75,000	(6,830)	(9.1%)	68,170	75,000	(6,830)	(9.1%)	75,000	6,830	90.9%	
Total Revenues	1,747,718	1,333,576	414,142	31.1%	4,737,873	3,950,597	787,276	19.9%	3,950,597	(787,276)	119.9%	
Expenses												
Salaries & Benefits	293,289	264,163	29,126	11.0%	996,294	1,130,718	(134,424)	(11.9%)	1,130,718	134,424	88.1%	(2)
Routine Maintenance, Utilities, Taxes & Insurance	2,008	3,026	(1,018)	(33.6%)	13,234	12,105	1,129	9.3%	12,105	(1,129)	109.3%	
Direct Social Service Salaries & Benefits	86,709	43,818	42,891	97.9%	233,566	189,875	43,691	23.0%	189,875	(43,691)	123.0%	(3)
Other Social Service Support Expenses & HAP	1,373,301	1,022,500	350,801	34.3%	3,489,286	2,875,000	614,286	21.4%	2,875,000	(614,286)	121.4%	(4)
Administrative Support Expenses	22,702	45,731	(23,029)	(50.4%)	94,250	136,887	(42,637)	(31.1%)	136,887	42,637	68.9%	(5)
Non-operating Expenses	(751)	0	(751)	n/m	2,184	0	2,184	n/m	0	(2,184)	n/m	
Total Expenses	1,777,259	1,379,238	398,021	28.9%	4,828,814	4,344,585	484,229	11.1%	4,344,585	(484,229)	111.1%	
Net Income	(29,540)	(45,662)	16,122	(35.3%)	(90,941)	(393,988)	303,047	(76.9%)	(393,988)	(303,047)	23.1%	
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	246,261	250,000	(3,739)	(1.5%)	246,261	250,000	(3,739)	(1.5%)	250,000	3,739	98.5%	
(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	(3,138)	0	(3,138)	n/m	(4,494)	0	(4,494)	n/m	0	4,494	n/m	
Maintenance Projects	0	(60)	60	(100.0%)	(1,636)	(240)	(1,396)	581.7%	(240)	1,396	681.7%	
Acquisition of Capital Assets	(3,138)	(60)	(3,078)	5129.8%	(6,131)	(240)	(5,891)	2454.4%	(240)	5,891	2554.4%	
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	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	0	0	0	n/m	(8,987)	0	(8,987)	n/m	0	8,987	n/m	
Total Other Sources/(Uses) of Working Capital	243,123	249,940	(6,817)	(2.7%)	231,144	249,760	(18,616)	(7.5%)	249,760	18,616	92.5%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	283,248	313,872	(30,624)	(9.8%)	1,043,191	1,301,915	(258,724)	(19.9%)	1,301,915	258,724	80.1%	
Transfers Out to Other Funds	(264,285)	(279,122)	14,837	(5.3%)	(929,113)	(1,162,915)	233,802	(20.1%)	(1,162,915)	(233,802)	79.9%	
Net Transfer In/(Out)	18,963	34,750	(15,787)	(45.4%)	114,078	139,000	(24,922)	(17.9%)	139,000	24,922	82.1%	(6)
Net Change in Working Capital	$232,546	$239,028	($6,482)	(2.7%)	$254,281	($5,228)	$259,509	n/m	($5,228)	($259,509)	n/m	
Working Capital, Beginning of Period	222,824				201,089							
Working Capital, 12/31/2015	$455,370				$455,370							

1) The Gates Foundation grant award to KCHA was higher than anticipated in the budget as the Authority received funds that were historically sent directly from the Foundation to schools. KCHA will likely pass the extra funds through to the intended schools. Also, unbudgeted Weatherization grant of $214k was received from Seattle City Light.
2) Rehab/Weatherization salaries are under budget by $135k, due to majority of director position now being coded to Capital Construction department; also due to salary adjustment for technical grant accounting reasons.
3) During the fourth quarter, FSS salaries and benefits totaling $61k was transferred from MTW to the ROSS grant. Unbudgeted.
4) Most of the Bellevue Housing repair project budgeted in 2014 occurred in 2015. Also, unbudgeted Weatherization project expenses of $214k were charged to Seattle City Light grant.
5) As the AmeriCorps program was discontinued, the budgeted membership placement fee was not paid.
6) As the AmeriCorps program is discontinued, transfer-in to support the program was less than anticipated in the budget.

COCC
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2015

	Quarter Ended December 31, 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	3,067,377	2,743,726	323,651	11.8%	11,962,659	11,366,013	596,646	5.2%	11,366,013	(596,646)	105.2%	
Non-operating Revenue	305,522	332,413	(26,891)	(8.1%)	1,429,328	1,312,273	117,055	8.9%	1,312,273	(117,055)	108.9%	(1)
Total Revenues	3,372,899	3,076,139	296,760	9.6%	13,391,987	12,678,286	713,701	5.6%	12,678,286	(713,701)	105.6%	
Expenses												
Salaries & Benefits	2,531,187	2,474,943	56,244	2.3%	10,549,308	10,494,999	54,309	0.5%	10,494,999	(54,309)	100.5%	
Routine Maintenance, Utilities, Taxes & Insurance	447,774	417,033	30,741	7.4%	1,872,574	1,789,640	82,934	4.6%	1,789,640	(82,934)	104.6%	
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	45	0	45	n/m	52	0	52	n/m	0	(52)	n/m	
Administrative Support Expenses	721,283	721,668	(385)	(0.1%)	2,317,431	2,983,003	(665,572)	(22.3%)	2,983,003	665,572	77.7%	(2)
Non-operating Expenses	387,533	164,838	222,695	135.1%	1,154,953	659,355	495,598	75.2%	659,355	(495,598)	175.2%	(3)
Total Expenses	4,087,823	3,778,482	309,341	8.2%	15,894,318	15,926,997	(32,679)	(0.2%)	15,926,997	32,679	99.8%	
Net Income	(714,924)	(702,343)	(12,581)	1.8%	(2,502,331)	(3,248,711)	746,380	(23.0%)	(3,248,711)	(746,380)	77.0%	
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	34,282	0	34,282	n/m	8,952,293	171,486	8,780,807	5120.4%	171,486	(8,780,807)	5220.4%	(4)
(Increase) in LT Receivables	(154,186)	(512,437)	358,251	(69.9%)	(825,000)	(1,449,750)	624,750	(43.1%)	(1,449,750)	(624,750)	56.9%	(5)
Decrease in LT Receivables	174,147	176,159	(2,012)	(1.1%)	669,862	704,640	(34,778)	(4.9%)	704,640	34,778	95.1%	
Acquisition of Capital Assets	(63,936)	0	(63,936)	n/m	(449,150)	(360,000)	(89,150)	24.8%	(360,000)	89,150	124.8%	
Maintenance Projects	(618)	(873)	255	(29.2%)	(17,431)	(3,490)	(13,941)	399.5%	(3,490)	13,941	499.5%	
Acquisition of Capital Assets	(64,554)	(873)	(63,681)	7294.5%	(466,582)	(363,490)	(103,092)	28.4%	(363,490)	103,092	128.4%	(6)
Disposition of Capital Assets	0	0	0	n/m	6,495	0	6,495	n/m	0	(6,495)	n/m	
Change in Suspense	(95,144)	0	(95,144)	n/m	21,563	0	21,563	n/m	0	(21,563)	n/m	(7)
Change in Other Assets	0	(275,000)	275,000	(100.0%)	0	(525,000)	525,000	(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%	(900,000)	(900,000)	0	0.0%	(900,000)	0	100.0%	
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	0	0	0	n/m	7,918	0	7,918	n/m	0	(7,918)	n/m	
Total Other Sources/(Uses) of Working Capital	(330,455)	(837,151)	506,696	(60.5%)	7,466,549	(2,362,114)	9,828,663	n/m	(2,362,114)	(9,828,663)	n/m	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	3,803,764	518,937	3,284,827	633.0%	6,969,384	3,179,754	3,789,630	119.2%	3,179,754	(3,789,630)	219.2%	(8)
Transfers Out to Other Funds	(1,996,775)	(4,362,125)	2,365,350	(54.2%)	(3,295,324)	(5,691,900)	2,396,576	(42.1%)	(5,691,900)	(2,396,576)	57.9%	(9)
Net Transfer In/(Out)	1,806,989	(3,843,188)	5,650,177	n/m	3,674,060	(2,512,146)	6,186,206	n/m	(2,512,146)	(6,186,206)	n/m	
Net Change in Working Capital	$761,611	($5,382,682)	$6,144,293	n/m	$8,638,278	($8,122,971)	$16,761,249	n/m	($8,122,971)	($16,761,249)	n/m	
Working Capital, Beginning of Period	24,489,831				16,613,164							
Working Capital, 12/31/2015	$25,251,442				$25,251,442							

1) Due to unbudgeted gain on disposal of KCHA vehicles. Also, interest income on Central Investment Fund was higher than anticipated in the budget
2) Various categories finished the year under target (Administrative Contracts, Professional Services, Transportation-Vehicle Fuel & Communications).
3) The Plum Court apartments purchase option fee of $275k was expensed in the 4th quarter as the cost will not be recovered. Purchase option fee totaling $525k 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) The $600k budgeted HomeSight loan is deferred to 2016.
6) Three vehicles acquired during 2015 were not budgeted. Two vehicles were purchased using insurance proceeds.
7) Related to annual insurance renewal invoices cleared from suspense in the 4th quarter. The remaining annual insurance renewal premium and prepaid property taxes are expected to be cleared in January 2016.
8) Unbudgeted excess cash transfer of $3.2m from bond properties, surplus cash distribution of $216k from Charter House and transfer of $561k from the Green River Homes pre-development fund which was closed.
9) As purchases of Villages at South Station and Corinthian Apartments were fully-funded with low-interest rate short-term lines of credit, the budgeted $4m KCHA equity investment was not needed. The variance is partially offset by unbudgeted excess cash transfer of $1.5m from COCC to local properties and development funds.

TAB NUMBER 7

TO: Board of Commissioners

FROM: Tim Baker, Senior Management Analyst

DATE: April 12, 2016

RE: **First Quarter CY 2016 Procurement Report**

In order to update the Board concerning KCHA's procurement activities, staff is presenting the attached Quarterly Procurement Report. This report covers all procurement activities from January through March 2016 that involved the award of contracts valued over the amount of $100,000 and change orders that have cumulatively exceeded 10% of the original or not to exceed contract amount.

Awarded Contracts Over $100,000:

The awarded contracts section of the report lists the issuing department, contract type, the company awarded the contract, the award and estimate/budgeted amounts, procurement process involved, the number of bids received and notes about the procurement.

In the first quarter, there were 10 contracts awarded and valued at more than $100,000, representing 97% of the contracts executed in the quarter. The largest contract executed for construction work was for $9,216,000 awarded to CE&C Construction for the Spiritwood redevelopment project. The largest non-construction contract executed was for $540,000 to the YWCA for the Housing access and stability services program, which assists disabled voucher holders to lease and maintain.

Contract Change Orders Exceeding 10%:

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

There were five "field condition" changes or "scope change" orders on contracts whose total value had exceeded 10% of the initial contract amount. The largest one was $412,500 that was issued to Simplex Grinnell for fire alarm monitoring and testing. Simplex's contract funds were depleted during KCHA's preparation for REAC inspections.

There were 21 anticipated change orders involving the extension of the contract as allowed in the original contract. The largest one of $808,838 was issued to Neighborhood House for the Student Family Stability Initiative, which is a part of the Rapid Rehousing program. The first quarter of the year is typically the cycle for extension of the Resident Services contracts which provide services to seniors for meals at Harrison House and transportation throughout the County, and for a broad array of after school and career development services.

KING COUNTY HOUSING AUTHORITY
QUARTERLY PROCUREMENT REPORT
January-March 2016 (First Quarter)

Awarded Contracts Over $100,000

Issuing Department	Contract type	Contract Awarded to	Estimate/Budget Amount	Initial Contract Amount	NTE with extensions	Procurement Process	# of bids	Notes
Asset Management	Windsor Heights roof replacement	D&D Construction	$109,824	$100,195	$100,195	sealed bid	4	contractor has performed successfully on prior KCHA projects. Woman owned company.
Asset Management	Corinthian flooring replacement	American West Contracting	$161,623	$154,190	$154,190	sealed bid	3	contractor has performed on many successful KCHA projects.
Asset Management	Corinthian cabinet replacements	iBuild	$192,396	$189,313	$189,313	sealed bid	4	contractor has performed successfully on prior KCHA projects. Woman owned company.
Asset Management	Corinthian fire alarm upgrades	Accord Contractors	$252,320	$262,881	$262,881	sealed bid	5	contractor has performed on many successful KCHA projects. Section 3 company.
Asset Management	Seola Crossing exterior painting	Pete Almond Development	$313,455	$251,000	$251,000	sealed bid	6	new contractor for KCHA
Asset Management	Corinthian interior renovations	American West Contracting	$788,884	$697,900	$697,900	sealed bid	7	contractor has performed on many successful KCHA projects.
Asset Management	Spiritwood renovations	CE & C	$8,591,370	$9,216,000	$9,216,000	sealed bid	4	contractor has performed successfully on prior KCHA projects.
Capital Const/WX	Forest Glen water/sewer upgrades	CDK Construction	$802,101	$839,467	$839,467	sealed bid	3	contractor has performed successfully on prior KCHA projects.
HOPE VI	Wind Rose water infrastructure	Seattle Public Utilities	$233,744	$233,744	$233,744	sole source	n/a	SPU is the water provider for that area
Homeless Housing	Housing access and stability services	YWCA	$540,000	$540,000	$540,000	RFP	2	vendor has been providing services for this program since 2001
			$11,985,717	**$12,484,690**	**$12,484,690**			

Contracts exceeding 10% cumulative change order-Condition Changes

Issuing Department	Contract type	Contract awarded to		Initial Contract Amount/NTE*	Change Order Amount & No. This Quarter	Total Contract Value to Date	% Change from Original	Notes (Current Quarter Change Orders)
Capital Construction/WX	Campus Court warranty work	Iliad		$19,261	$4,755 (1)	$24,629	28%	engineer recommended additional water proofing of the footing
Capital Construction/WX	Kirkland Place structural inspection	Pete Almond Development		$3,875	$1,935 (1)	$5,810	50%	additional testing of the garage for water intrusion needed
HOPE VI	asbestos abatement work	NetCompliance		$17,432	$3,134 (1)	$20,566	18%	site conditions changed from job walk and notice to proceed
Housing Management	technical writing assistance	Julie Badger		$99,220	$75,000 (1)	$174,220	76%	additional technical manuals are needed for the Tenmast software project
Housing Management/Maint	fire alarm monitoring and testing	Simplex Grinnell		$375,000	$412,500 (1)	$787,500	110%	contract funds depleted due to REAC inspections, CO to maximize contract value
			Total	**$514,788**		**$1,012,725**		

Contracts with contract extensions or other foreseen change orders

Issuing Department	Contract type	Contract awarded to		NTE*	Change Order Amount & No. This Quarter	Current Contract Value	% of NTE*	Notes (Current Quarter Change Orders)
Administrative Services	finance law and bond counsel services	Foster Pepper		$1,000,000	$250,000 (1)	$1,000,000	100%	two year extension to the contract
Homeless Housing	Student family stability initiative	Neighborhood House		$4,053,298	$808,838 (4)	$1,626,784	40%	3rd year extension to the contract
Housing Mgmt-maint	Sedro Woolley landscaping	Clear Lawn Maintenance		$201,508	$34,021 (4)	$201,508	100%	last extension to the contract
Resident Services	KFC career development center	Neighborhood House		$510,000	$86,700 (3)	$458,115	90%	last extension to the contract
Resident Services	Harrison House meal services	Pioneer Human Services		$773,797	$122,669 (3)	$648,797	84%	5th year extension to the contract
Resident Services	housing stability program	YWCA		$323,420	$50,000 (1)	$100,000	31%	1st year extension to the contract
Resident Services	After school and summer learning programs	Kent Youth & Family Services		$2,037,549	$321,300 (1)	$636,300	31%	1st year extension to the contract
Resident Services	After school and summer learning programs	SW Boys & Girls Club		$880,655	$138,870 (1)	$275,017	31%	1st year extension to the contract
Resident Services	After school and summer learning programs	Bellevue Boys & Girls Club		$266,046	$41,953 (1)	$83,083	31%	1st year extension to the contract
Resident Services	Greenbridge early learning programs	Linda Hughes		$87,970	$15,000 (1)	$28,600	33%	1st year extension to the contract
Resident Services	After school and summer learning programs	Neighborhood House		$1,255,247	$218,339 (1)	$412,397	33%	1st year extension to the contract
Resident Services	transportation services	Senior Services		$229,798	$33,015 (3)	$163,798	71%	5th year extension to the contract
Resident Services	Greenbridge exercise programs	Fitness with a Purpose		$19,405	$4,000 (1)	$7,000	36%	1st year extension to the contract
Resident Services	After school and summer learning programs	Southwest Youth & Family Services		$1,098,556	$202,336 (2)	$372,170	34%	1st year extension to the contract
Resident Services	Community Choice program	Hopelink		$741,416	$160,000 (1)	$274,621	37%	1st year extension to the contract
Resident Services	increasing academic performance	Highline Public Schools		$70,500	$12,600 (2)	$32,700	46%	3rd year extension to the contract
Resident Services	After school and summer learning programs	Center for Human Services		$470,447	$107,605 (2)	$180,335	38%	1st year extension to the contract
Resident Services	increasing academic performance	Kent Youth & Family Services		$669,885	$85,000 (4)	$414,885	62%	3rd year extension to the contract
Resident Services	South King County career development programs	YWCA		$484,800	$81,600 (3)	$321,600	66%	3rd year extension to the contract
Resident Services	educational initiative consultation	Berk & Associates		$1,025,179	$175,950 (4)	$849,229	83%	last extension to the contract
Resident Services	FSS case management services	YWCA		$643,462	$109,061 (4)	$534,401	83%	4th year extension to the contract
Resident Services	Greenbridge Career Development services	YWCA		$1,106,558	$189,108 (5)	$1,106,558	100%	last extension to the contract
			Total	**$17,949,496**		**$9,727,898**		

***NTE = Not To Exceed**

TAB NUMBER 8

King County Housing Authority

To: Board of Commissioners

From: Dan Watson, Deputy Executive Director

Date: April 12, 2016

Re: **Resubmission of Renton's Choice Neighborhoods Implementation Grant**

At the April Board meeting, staff will provide a preliminary briefing on a proposed second joint application with the City of Renton and the Renton Housing Authority for a Choice Neighborhoods Implementation Grant.

On March 31, HUD published a Notice of Funding Availability (NOFA) inviting applications for Choice Neighborhood Implementation (CNI) grant funding. Last year, KCHA partnered with the City of Renton and the Renton Housing Authority in submitting a $30 million application called the Sunset Area Transformation Plan. The joint proposal was a finalist, but did not score high enough to be funded.

KCHA has tentatively agreed to partner with the City of Renton and the Renton Housing Authority in the submission of a second joint application, which has a June 28 deadline. The proposal will be similar to last year's, but will include substantial changes to certain plan elements to address weaknesses and concerns identified by HUD in the debrief of last year's application. KCHA's role in both the development of the application and implementation of the project is expected to be largely the same. A formal Memorandum of Understanding (MOU) will be developed with the City of Renton and the Renton Housing Authority to clearly define the roles of each agency to insure that KCHA's costs are full reimbursed. The MOU will also make clear that any downside financial risk associated with the housing developed in Renton will be shouldered by the City and the Renton Housing Authority, and not KCHA. Staff is working to ensure that participation in the partnership does not impact KCHA's own real estate development activities.

Board of Commissioner's action on submission of the Renton CNI application and for entering into the MOU is scheduled for the Board meeting in June, when a further briefing will be provided.

TAB NUMBER 9

To: Board of Commissioners

From: Stephen Norman, Executive Director

Date: April 12, 2016

Re: **Legislative Briefing**

At the April Board meeting, we will provide initial background in preparation for the Board's legislative briefing trip to Washington D.C. scheduled for April 27 – 29, 2016. Commissioners Barnes and Stewart will be attending. In addition to Megan Hyla, we will be joined in Washington by Teri Ekenman, a Senior Housing Program Manager in the Housing Choice Voucher Department.

Two *New York Times* articles on the status of budget negotiations in Congress and an analysis by the Center on Budget and Policy Priorities regarding the cumulative impact of on-going funding cuts on affordable housing programs are included in this tab.

The New York Times | http://nyti.ms/20kXr83

POLITICS

Congressional Republicans Balk at Obama's Budget, Sight Unseen

By JACKIE CALMES FEB. 8, 2016

WASHINGTON — President Obama sends Congress his eighth and last annual budget proposal on Tuesday, a lame-duck executive's accounting of national priorities that Republican leaders have branded sight unseen: dead before arrival.

But some new ideas that the administration previewed in recent weeks, including on cancer research, opioid abuse and military projects, could have more life than Republicans care to admit. A $10-a-barrel oil tax for infrastructure and clean transportation projects is certain to be too much for conservatives, but administration officials said some initiatives would prevail in some form.

Congressional Republicans went to new lengths to extinguish any such expectations. Breaking with a 41-year-old tradition, the Republican chairmen of the House and Senate budget committees announced that they would not even give the president's budget director, Shaun Donovan, the usual hearings in their panels this week.

G. William Hoagland, who was the Republican staff director at the Senate Budget Committee for much of the 1980s and 1990s, and is senior vice president of the Bipartisan Policy Center, said he could not recall a year since the modern budget process took effect in the 1970s when a president's budget director was not invited to testify before the budget committees.

"While the last budget of an outgoing president is usually aspirational, and sets a theme for what he or she hopes will be followed up by his or her successor, it nonetheless should be reviewed by the Congress," Mr. Hoagland said.

On Monday, 14 Democrats on the House Budget Committee signed a letter calling the snub "disrespectful to the committee members, the public and the president." And like Mr. Hoagland, other Republicans criticized the decision, which injects partisan toxicity early in a year of election pressures.

"I believe that permitting the administration the courtesy of explaining its intent and what it thinks of the policy should have been maintained," said Douglas Holtz-Eakin, a former director of the Congressional Budget Office and an economic adviser to Republicans. Besides, he added, "it gives you an opportunity to express why you disagree."

The rebuff of Mr. Donovan was at odds with the civility that Speaker Paul D. Ryan of Wisconsin has sought, going back to his time as House Budget Committee chairman. A senior adviser to Mr. Ryan, Brendan Buck, said the speaker was informed before his committee successor, Representative Tom Price of Georgia, issued the statement with his Senate counterpart, Mike Enzi of Wyoming, indicating Mr. Donovan was unwelcome.

"This was a decision made by the budget committee, but we support the chairman," Mr. Buck said.

Mr. Price and Mr. Enzi said in their statement, "Rather than spend time on a proposal that, if anything like this administration's previous budgets, will double down on the same failed policies that have led to the worst economic recovery in modern times, Congress should continue our work on building a budget that balances and that will foster a healthy economy."

But some of the president's spending priorities are shared by key Republicans, including senators seeking re-election in swing states. Those include $1 billion to research cures for cancer and another $1 billion over two years to expand treatment for people addicted to prescription opioids or heroin.

When Mr. Obama took office in 2009, the country was in a recession and running the first annual deficit exceeding $1 trillion, and unemployment reached 10 percent.

Since then, annual deficits have been cut by three-quarters to 2.5 percent of gross domestic product, which is below the level that most economists find troublesome. The jobless rate has been cut by more than half, to 4.9 percent. Contributing to the decline of deficits were bipartisan spending caps, the economic recovery and the end of some Bush-era tax cuts.

Mr. Obama's budget will project, as the Congressional Budget Office recently did, that the deficit will begin rising again this year, several years sooner than expected. The budget office concluded the main reason for the increase is Congress and the president's agreement in December to permanently extend a raft of temporary tax cuts for corporations and individuals without offsetting budget savings. The president had proposed closing some tax breaks, but Republicans oppose tax increases.

Mr. Obama's budget once again will emphasize domestic programs, recycling initiatives that he would offset with increased taxes from the wealthy and some corporations.

New ideas he has previewed include:

■ A state-based system of wage insurance to replace up to half of workers' wages if they lose a job or are forced to take lower-paying employment.

■ A $2 billion pilot program testing state and local innovations for aiding families in distress, for example because of job loss, serious illness or substance abuse.

■ Financial incentives for states that have not yet expanded their Medicaid programs to cover many more uninsured workers.

■ Expanded options for tax-favored retirement savings for workers at small businesses.

■ $12 billion over 10 years to expand food benefits for poor children in the summer, when they do not receive free or subsidized school meals.

■ A reduced version of the so-called Cadillac tax on employer-provided insurance plans, which was designed to control health spending but proved highly unpopular with unions and both parties.

Follow the New York Times's politics and Washington coverage on Facebook and Twitter, and sign up for the First Draft politics newsletter.

A version of this article appears in print on February 9, 2016, on page A15 of the New York edition with the headline: Republicans Balk Early at Obama Budget.

The New York Times | http://nyti.ms/1SRmM9Q

POLITICS

Ryan's Budget Proposal Runs Into Opposition From Some Hard-Line Republicans

By DAVID M. HERSZENHORN MARCH 15, 2016

WASHINGTON — Paul D. Ryan made his name as a master of budgets, putting forward sweeping documents that epitomized the Republican Party's preference for slashing taxes, curtailing spending and shrinking government. But his first chance to pass a fiscal blueprint as speaker of the House is at risk of being derailed by the conservatives who forced a government shutdown in 2013 and ousted his predecessor last fall.

On Monday night, hours before the House Budget Committee unveiled a $3.9 trillion budget for 2017, members of the hard-line House Freedom Caucus issued a statement saying they would oppose the plan because it adheres to an agreement reached last fall between Congressional Republican leaders and President Obama that includes modest increases in federal spending.

If the Freedom Caucus stays united, Republican leadership probably will not have enough votes to pass the budget.

Privately, Mr. Ryan has been preparing colleagues and staff for the possibility that Republicans would fail to reach an agreement, an outcome that might embarrass him personally. It would also deny Republicans some procedural weapons and probably disrupt the regular appropriations process. But ultimately, a spending plan would most likely be approved at the previously agreed-upon levels.

At a news conference on Tuesday, Mr. Ryan said that while he still hoped to adopt a budget, the decision would be made by the entire House Republican conference, clearly allowing for the prospect of failure.

"We want to pass a budget," Mr. Ryan said. "We believe it's very important for budgeting reasons. I used to write budgets here. But I promise in this speakership that we're not going to have a top-down, cram-it-down-people's-throat kind of leadership. We're going to make decisions as a team."

Democrats pointed out how quickly Mr. Ryan had found himself in a similar predicament as his predecessor, John A. Boehner, who clashed repeatedly with Freedom Caucus members over fiscal policy.

"Once again we are here facing another week of Republicans' failure to produce a budget," Representative Joseph Crowley, Democrat of New York, said at a news conference. "Now, as speaker, I think he has come to the realization of just how dysfunctional his caucus is."

Representative Tom Price, Republican of Georgia and chairman of the House Budget Committee, has scheduled a hearing on Wednesday to make final adjustments to the $3.9 trillion plan. He has expressed confidence that he will have the votes to move the proposal to the floor.

"We need real solutions to overcome the fiscal, economic, and national security challenges facing our nation," Mr. Price said in a prepared statement. "Surrendering to the status quo or failing to act boldly will mean Americans today and in the future will have less opportunity and less security."

In recent weeks, Mr. Price and other Republican leaders have tried to address the demand for further spending reductions by proposing $30 billion in cuts to mandatory programs like Medicare and Social Security. Those reductions would theoretically offset increases in discretionary spending that were part of the agreement with Mr. Obama last fall.

Many hard-line conservatives, however, have been unmoved, in part because they do not believe that Mr. Obama would sign legislation making those reductions.

In a statement on Monday night, the Freedom Caucus noted that the national debt now exceeds $19 trillion and that the deficit increased by $105 billion this year. The group said it could not go along with the budget drawn up by Mr. Price and his committee.

"From the beginning of the budget process, the House Freedom Caucus has called for a Republican budget that shows the American people we are serious about addressing Washington's out-of-control spending problem," the caucus said, adding, "As a group, we have decided that we cannot support the current budget at the $1.07 trillion level for discretionary spending."

Republicans said that Mr. Price's proposal would reduce deficits and create economic growth, while Democrats said it would benefit the wealthy and harm working-class Americans.

Representative Chris Van Hollen of Maryland, the senior Democrat on the budget committee, said that the Republicans' fiscal plan was divisive. "We have been told that Speaker Ryan and the Republicans in Congress were going to try and provide a counternarrative, that they were going to put forward a positive vision of Republican policies," Mr. Van Hollen told reporters on Tuesday. "In fact, this budget is also a budget that divides America."

Mr. Van Hollen called the Republicans' additional cuts to mandatory programs "a Tea Party appeasement plan."

Maya MacGuineas, the president of a watchdog group called the Committee for a Responsible Federal Budget, said that the Republican budget proposal demonstrated a positive move toward fiscal restraint, but she also cautioned that Congress had repeatedly failed to deliver on its promises of deficit reduction.

"Chairman Price should be commended for releasing a plan that calls for reversing the growth of our national debt, reforming entitlement programs, improving the budget process, and facilitating concrete action to begin reducing deficits," Ms. MacGuineas said in a statement.

But she also noted "last year's budget called for $5.5 trillion of deficit reduction, and Congress instead added nearly $1 trillion to the debt."

Mr. Ryan said the process would move forward as planned. "We're proceeding with our plan," he said, adding, "And at the end of the day, the decision will be made by all of the members of the Republican conference."

Follow The New York Times's politics and Washington coverage on Facebook *and* Twitter, *and sign up for the* First Draft politics newsletter.

A version of this article appears in print on March 16, 2016, on page A17 of the New York edition with the headline: Ryan's Budget Proposal Could Be Derailed by a Caucus of Hard-Line Republicans.

Center on Budget and Policy Priorities

Chart Book: Cuts in Federal Assistance Have Exacerbated Families' Struggles to Afford Housing

REPORT | APRIL 12, 2016

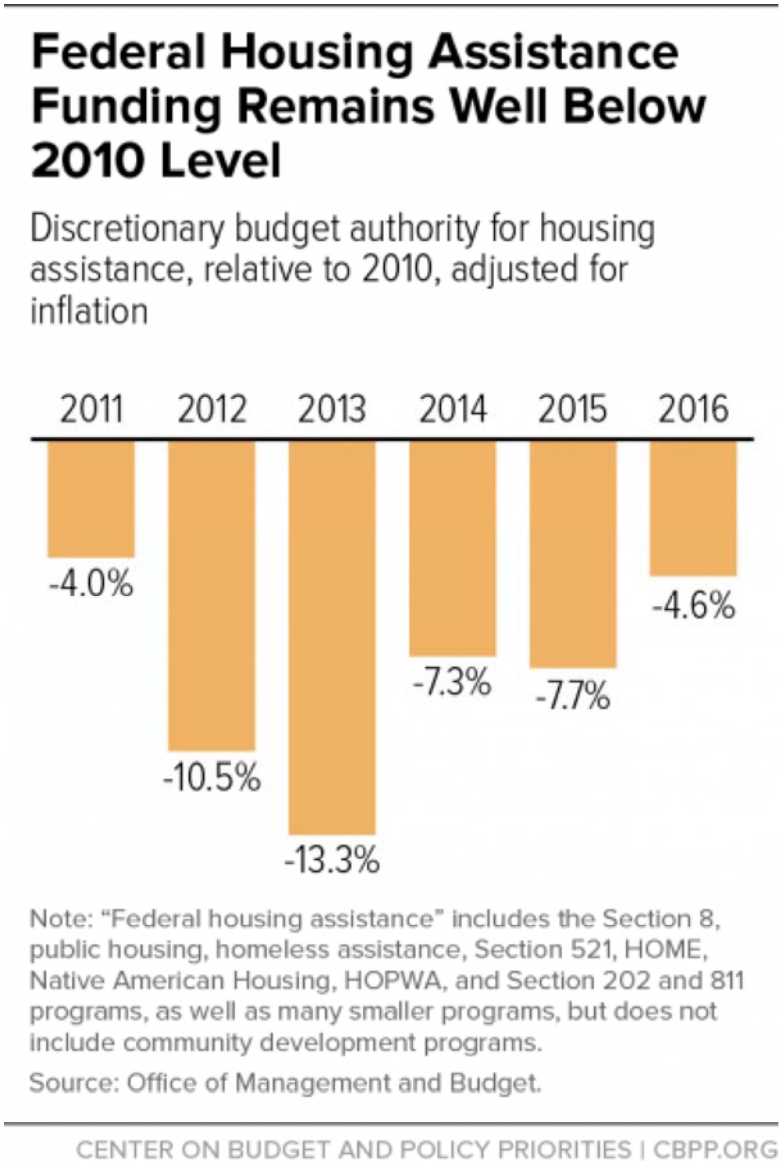
Increasing rents and stagnating wages have made it harder for families to keep a roof over their heads. Yet, funding for rental assistance has fallen sharply over the last six years, largely driven by rigid caps on non-defense discretionary programs that policymakers enacted as part of the Budget Control Act of 2011. Left unchanged, the budget caps could drive housing assistance spending to the lowest level since 1980, relative to the size of the economy.

These recent cuts have worsened a longer pattern of neglect by policymakers that's increased hardship for low-income families and hampered local communities' efforts to reduce homelessness.

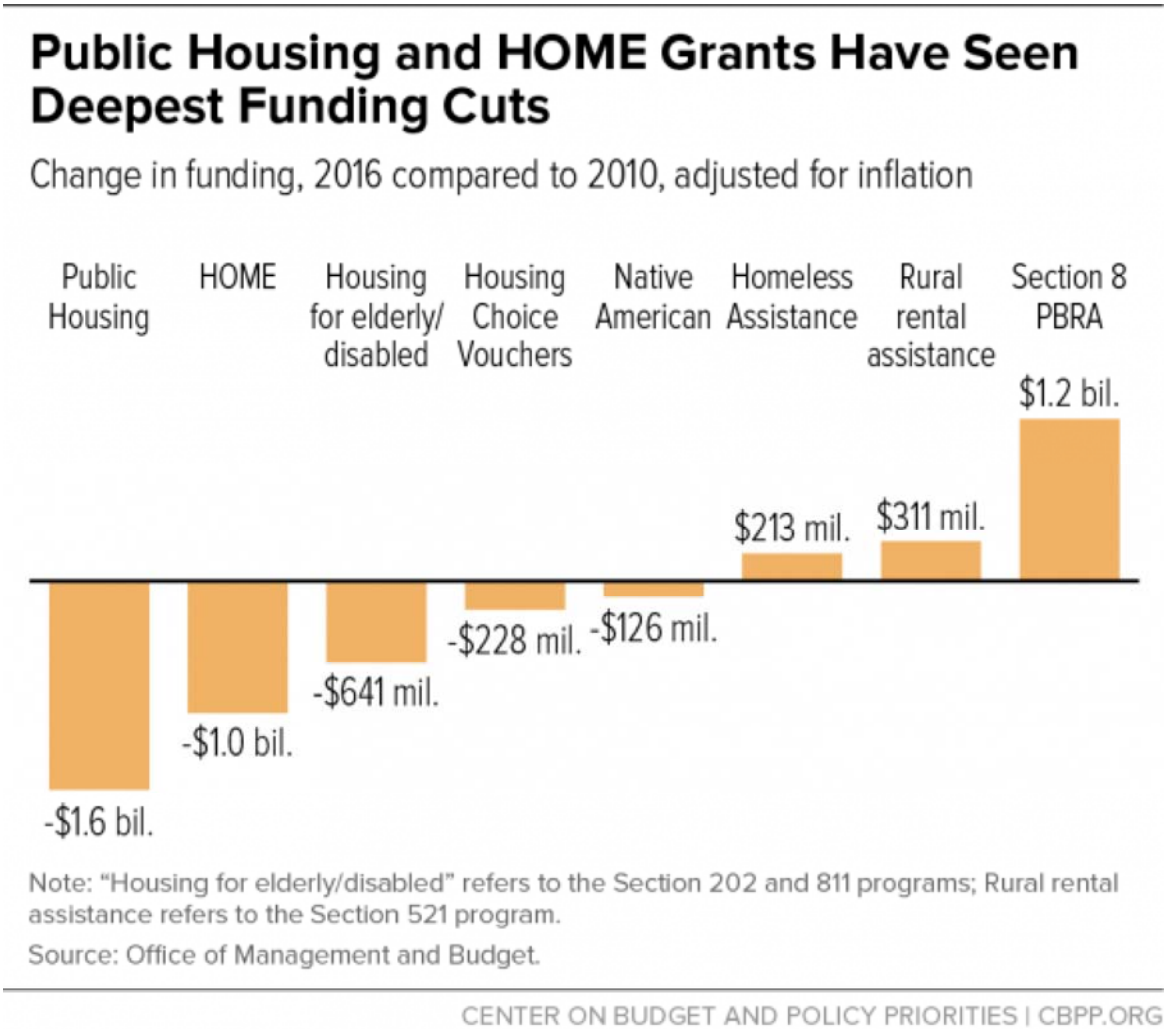
Section 1: Six Years of Budget Austerity Have Weakened Housing Assistance Programs

Beginning in 2011, policymakers enacted a series of budget cuts that hit non-defense discretionary programs — the category that includes most housing assistance for low-income families — particularly hard. Most importantly, they approved the Budget Control Act of 2011 (BCA), which established tight budget caps through 2021 and mandated further reductions through a process known as sequestration.

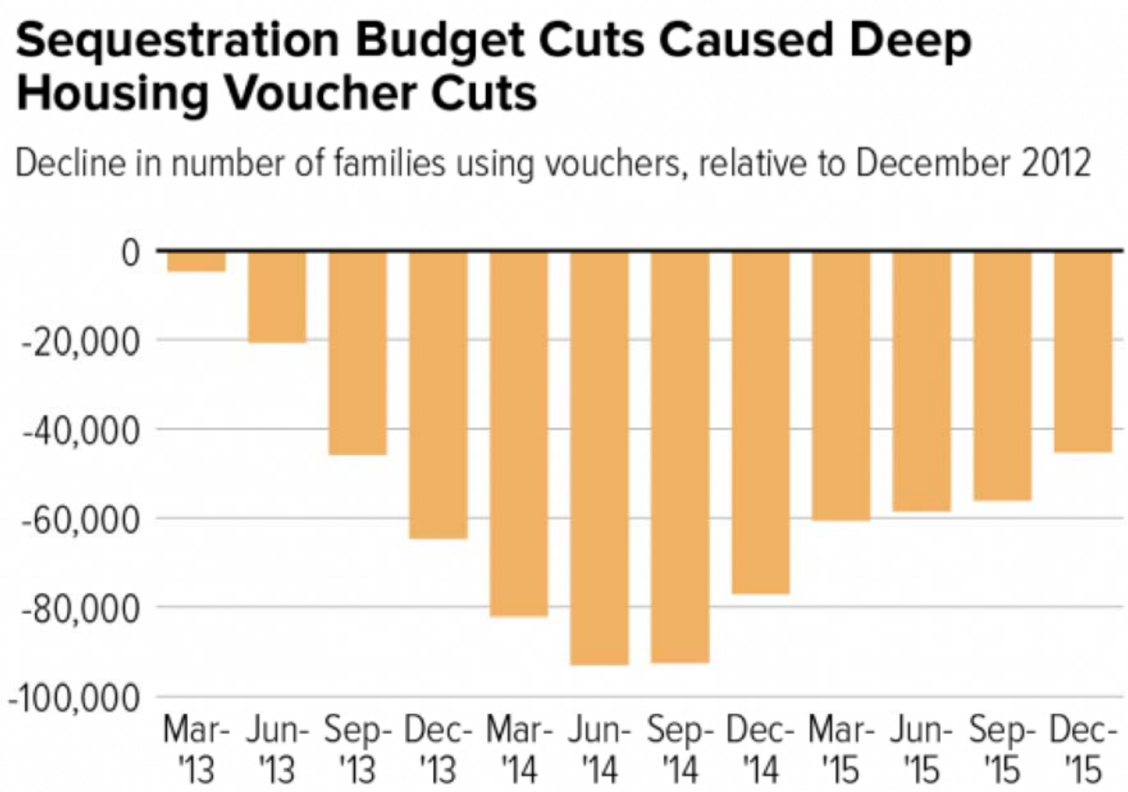
From 2010 to 2013, these actions caused annual housing assistance funding to fall by $6.2 billion, or 13.3 percent, in inflation-adjusted terms. Policymakers eased some of the sequestration cuts for 2014, 2015, and 2016, yet housing assistance funding in 2016 remains $2.1 billion, or 4.6 percent, below the 2010 level adjusted for inflation.



Public housing and the HOME block grant have suffered the deepest funding cuts. Public housing funding has fallen by $1.6 billion (21 percent) since 2010, while HOME funding has fallen by $1.0 billion (52 percent).



Cuts in Housing Choice Vouchers have had the largest and most immediate impact on low-income families. The number of families using housing vouchers fell sharply after the 2013 sequestration cuts. By June 2014, housing agencies were helping close to 100,000 fewer families due to sequestration. Agencies used the increased funds that lawmakers provided for 2014 and 2015 to restore about half of these vouchers by December 2015, but they were still serving some 45,000 fewer families than in December 2012.



Note: Figures exclude an estimated 50,000 new "tenant protection" vouchers (TPVs) issued to families since December 2012, as well as some 62,000 veterans' supportive housing (VASH) vouchers used by families as of December 2015. TPVs replace assisted housing that has been demolished or otherwise eliminated, so they do not represent a net gain in families assisted. The President and Congress exempted VASH from sequestration.

Source: CBPP analysis of Department of Housing and Urban Development data.

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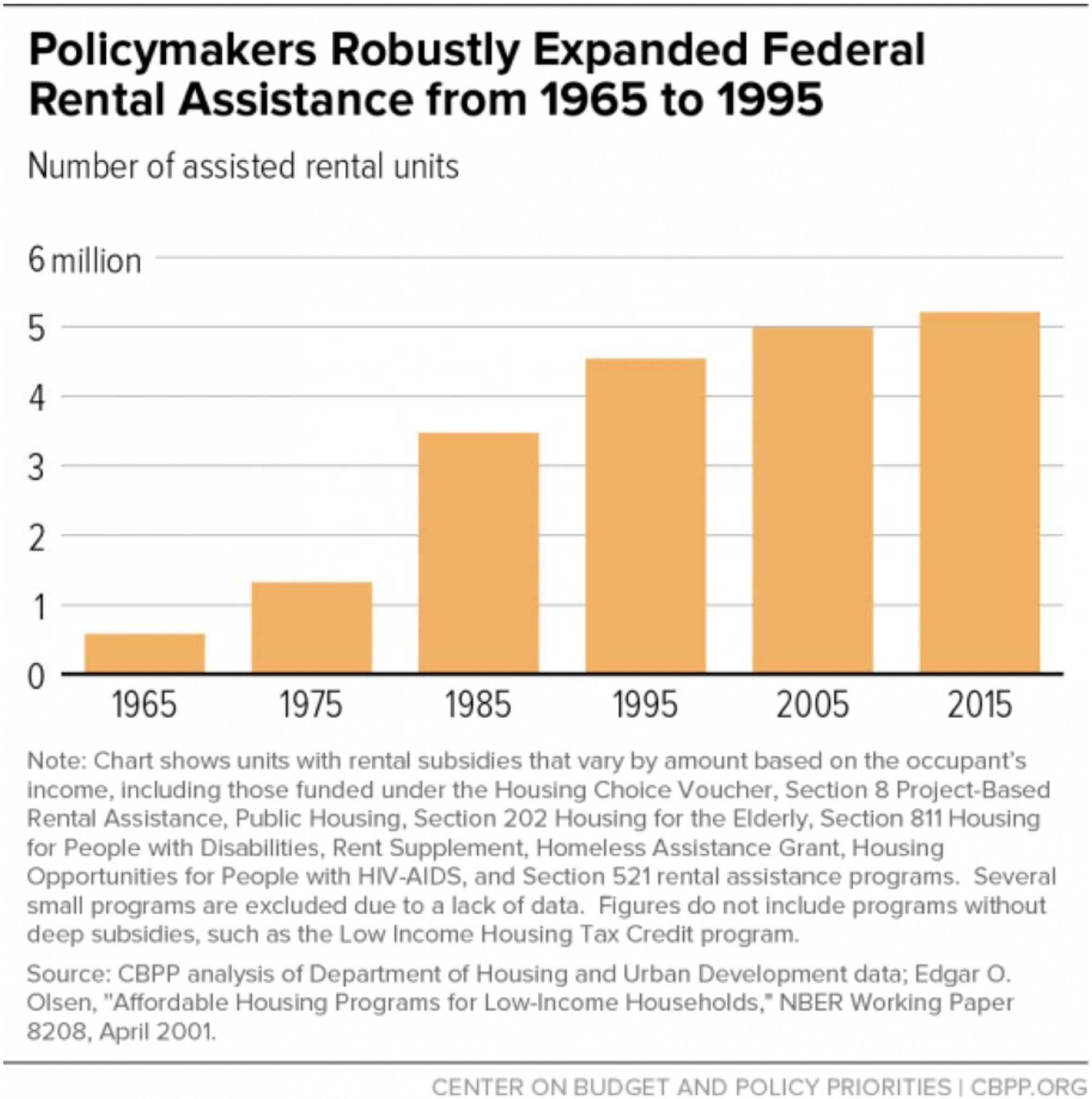
Section 2: Budget Caps Have Worsened a Pattern of Neglect

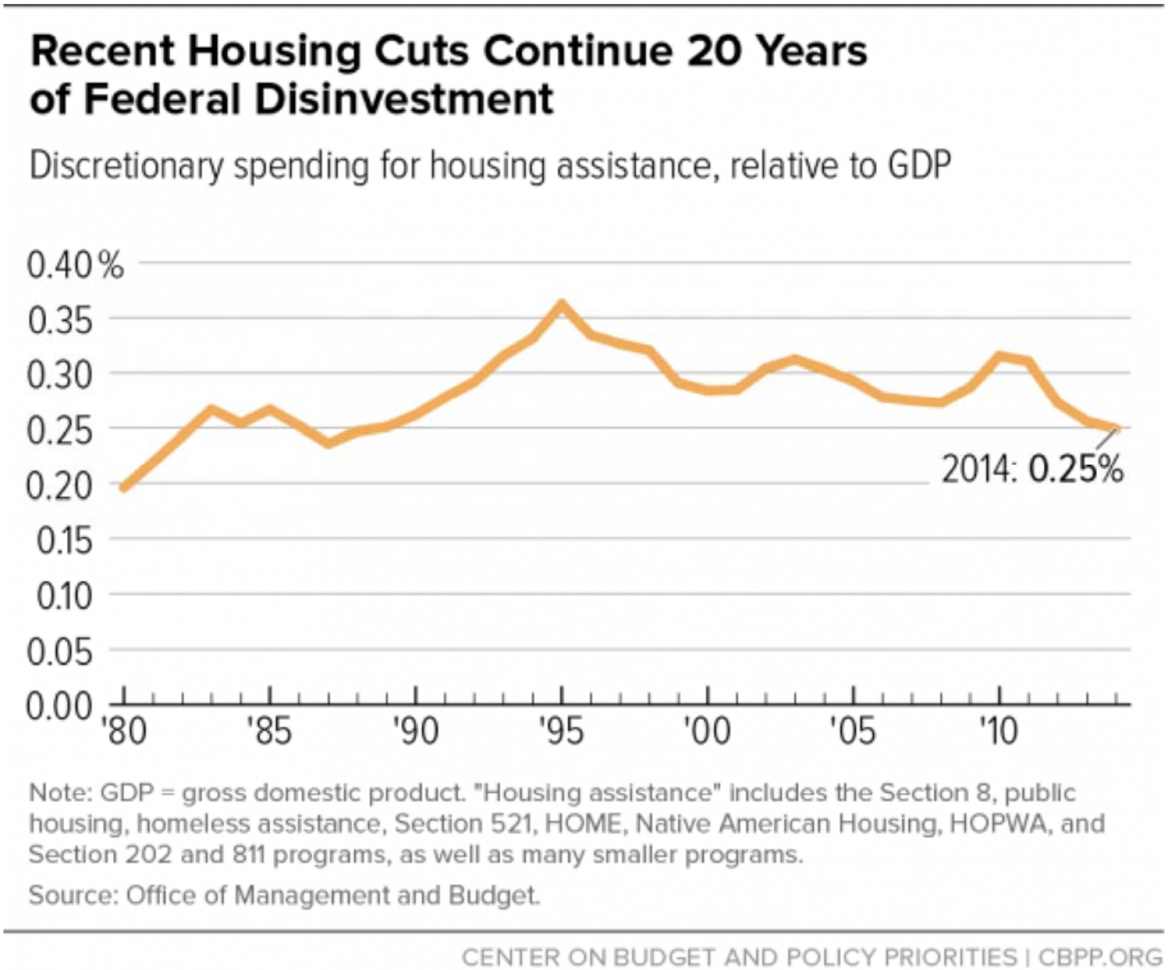
The federal budget caps have worsened a pattern of neglect of low-income housing programs that began in the mid-1990s and contrasts sharply with the expansion and innovation that occurred over the several prior decades.

In the wake of the urban riots of the late 1960s, policymakers on both sides of the aisle began a sustained effort to expand affordable rental housing for low-income families. From 1965 to 1995, federal rental assistance available to low-income families grew from less than 600,000 to more than 4.5 million units. The Housing Choice ("Section 8") Voucher and Section 8 Project-Based Rental Assistance programs, which lawmakers created in 1974 and expanded to serve nearly 3 million families by the mid-1990s, largely drove this growth.



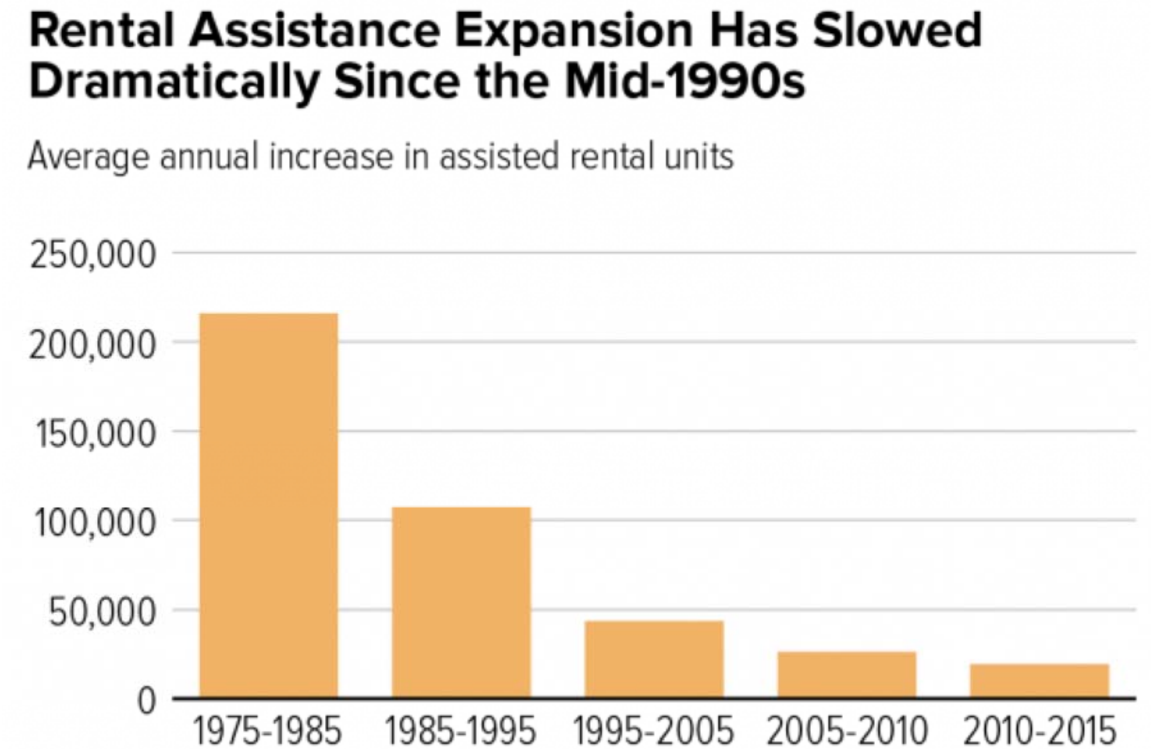
This expansion of rental assistance was one of a series of efforts to strengthen the safety net that have collectively reduced poverty since the 1960s and currently cut poverty by roughly half.

Federal housing policy took a sharp turn, however, in 1996. While federal spending on housing assistance grew robustly, relative to gross domestic product (or GDP, a measure of the size of the economy), before then, it has fallen by 30 percent since.



Since the mid-1990s, federal rental assistance has helped a shrinking number of additional families — just an average of 20,000 additional families per year from 2010-2015. This is a sharp contrast from the average of 160,000 additional families helped each year from 1975 to 1995.

Policymakers have established several important initiatives to boost rental assistance since the mid-1990s, including funding nearly 60,000 new units of supportive housing for chronically homeless individuals since 2001, and more than 100,000 new housing vouchers for special groups, mostly homeless veterans, since 2008. These efforts have helped reduce veterans' and chronic homelessness by significant margins. Nevertheless, these expansions have been modest compared to earlier efforts, and they have been offset in part by other cuts in rental assistance.



Note: Chart shows available units with rental subsidies that vary by amount based on the occupant's income, including those funded under the Housing Choice Voucher, Section 8 Project-Based Rental Assistance, Public Housing, Section 202 Housing for the Elderly, Section 811 Housing for People with Disabilities, Rent Supplement, Homeless Assistance Grant, Housing Opportunities for People with HIV-AIDS, and Section 521 rental assistance programs. Several small programs are excluded due to a lack of data. Figures do not include programs without deep subsidies, such as the Low Income Housing Tax Credit program.

Sources: CBPP analysis of Department of Housing and Urban Development data; Edgar O. Olsen, "Affordable Housing Programs for Low-Income Households," NBER Working Paper 8208, April 2001.

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Policymakers have also failed to make the investments required to preserve the existing 1.1 million units of public housing. Public housing relies primarily on two funding streams: the Public Housing Capital Fund, which agencies use to repair and renovate public housing developments; and the Operating Fund, which covers operations costs such as verifying residents' income and eligibility, maintaining units and preparing them for occupancy, and providing building security and other services.

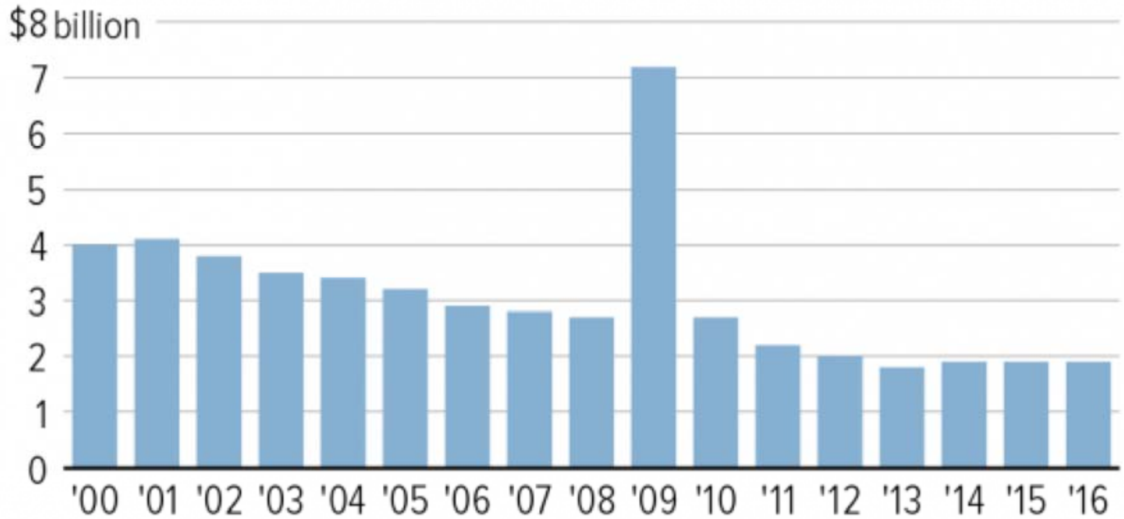
Funding for both streams has been inadequate. Lawmakers have provided sufficient operations funding in just three years since 2000, while capital funding has declined 53 percent in that time, in inflation-adjusted terms, to just $1.9 billion in 2016, a level far below the amount that agencies need simply to cover new repair needs that accrue each year. As a result, the backlog of needed repairs — which HUD estimated in 2010 to be some $26 billion — continues to grow.

This chronic underfunding has made it increasingly difficult for agencies to maintain public housing developments. When developments deteriorate to the point at which they become uninhabitable or too costly to renovate, agencies must demolish or sell them. On average, this leads to the loss of about 10,000 units of public housing each year.

Public Housing Funding Has Fallen Far Behind Need

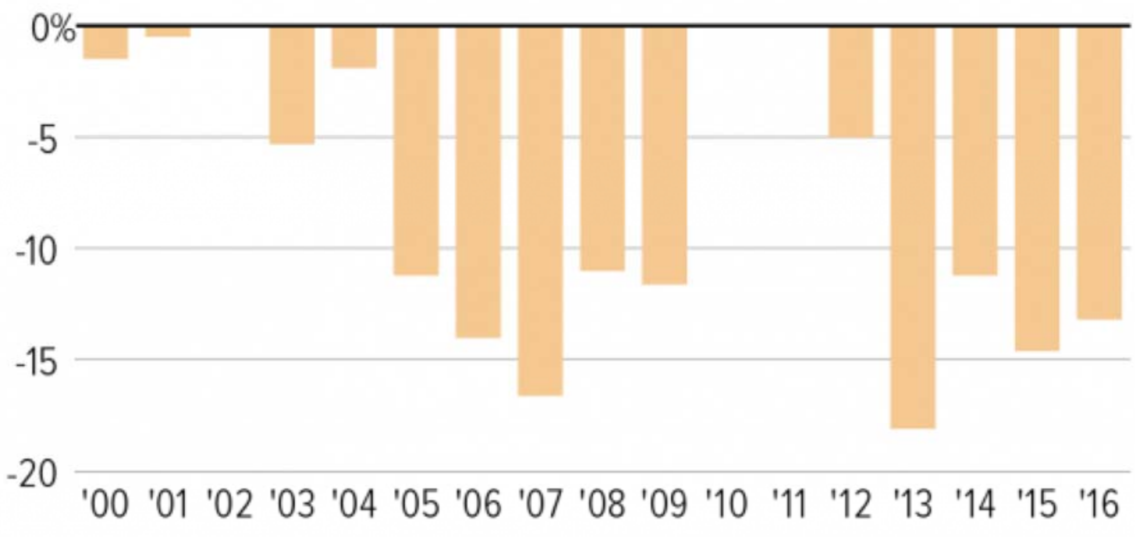
Funding for repairs has fallen 53 percent since 2000...

Budget authority, in billions of 2016 dollars



...While funding for operations has met need only 3 times since then

Budget authority shortfall, relative to HUD formula eligibility



Note: (top chart) 2009 reflects one-time funding under the Recovery Act. (bottom chart) "HUD formula eligibility" refers to agencies' funding eligibility under HUD's operating cost formula.

Source: Office of Management and Budget.

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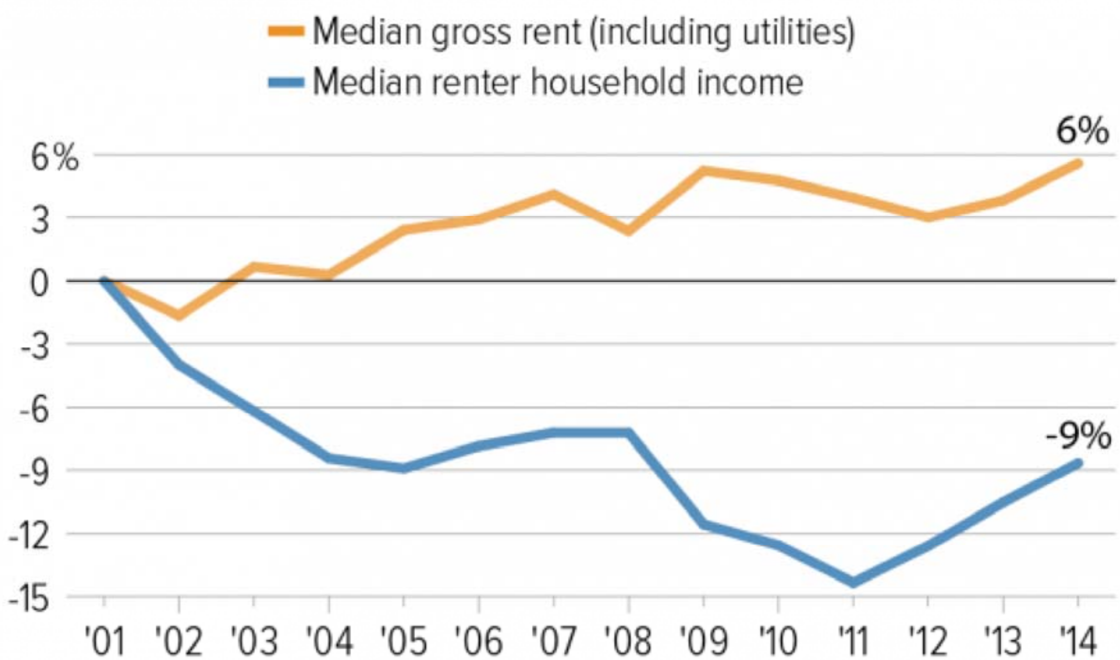
Section 3: Rental Affordability Problems Have Worsened as Rental Assistance Expansion Has Slowed

As policymakers have slowed the expansion of rental assistance to a trickle, the growth in the number of renters struggling to afford housing has far outpaced it. Renter incomes fell during the economic recessions that began in 2001 and 2007; as of 2014, they remained well below the 2001 level. At the same time, rental costs have continued to rise as the supply of rental units has failed to keep pace with a record-setting surge in the number of renter households.

Renters' Incomes Haven't Kept Pace With Housing Costs

Percent change since 2001, adjusted for inflation



Note: Includes households with zero rent who pay utilities.
Source: CBPP analysis of the Census Bureau's American Community Survey.

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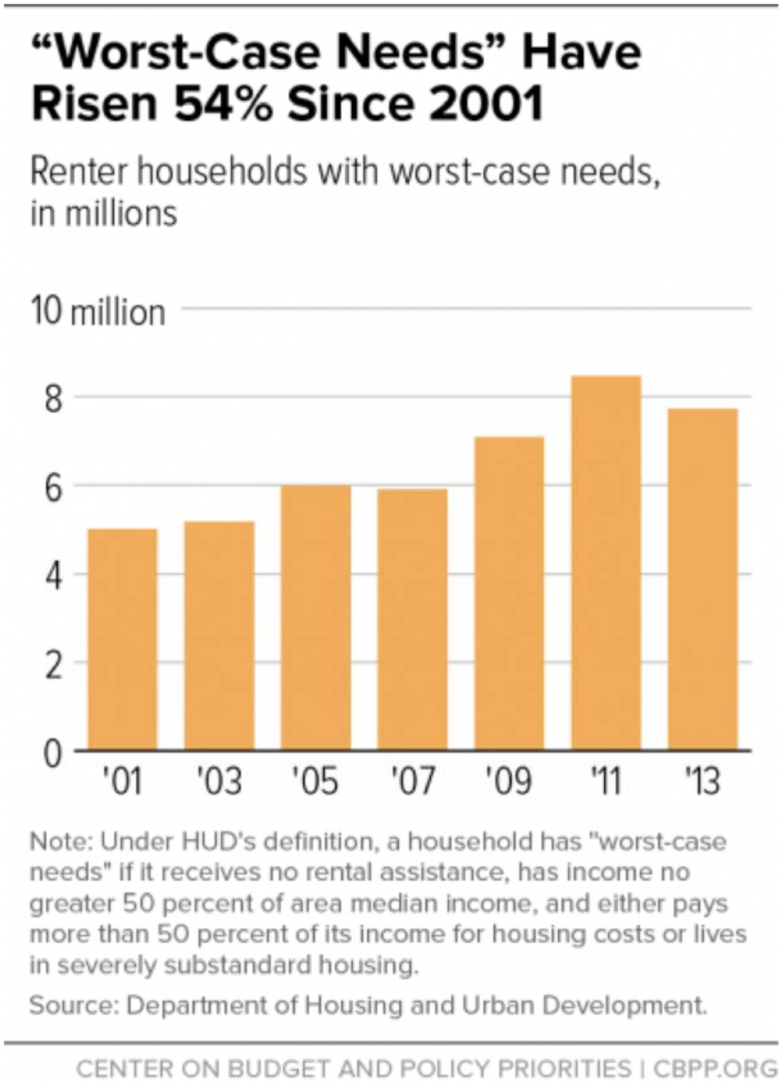
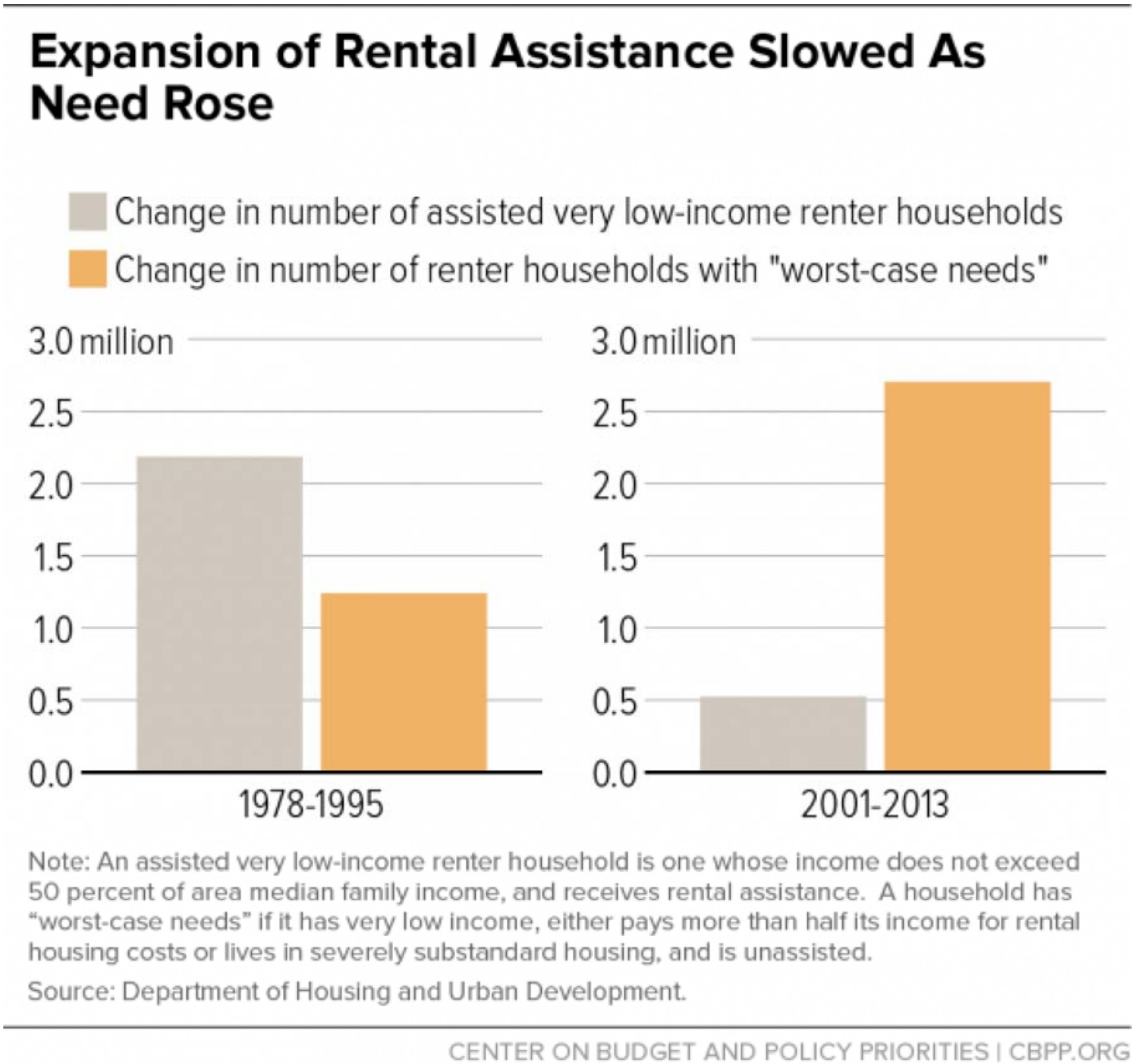
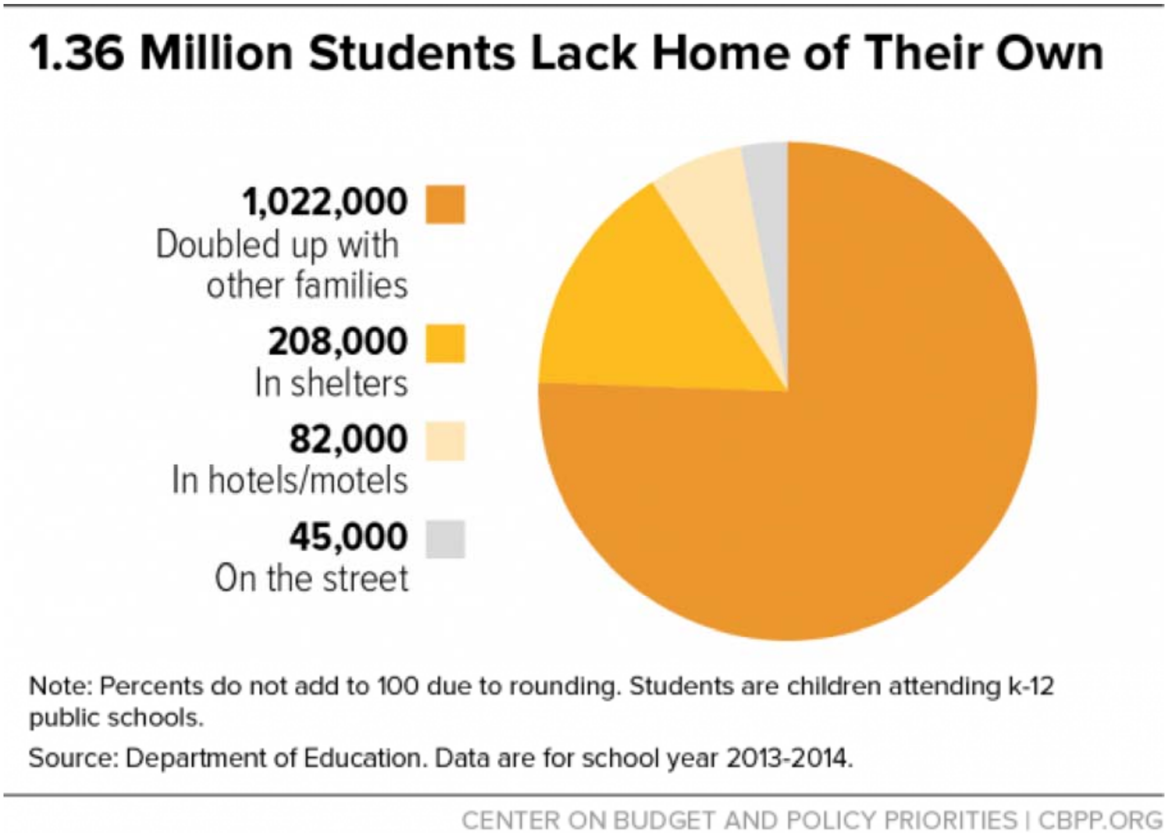
The growing gap between rents and incomes has particularly squeezed low-income families. From 2001 to 2013, the number of unassisted renter households with very low incomes (incomes no greater than 50 percent of the area median income) that are either paying more than half their income for rental costs or live in severely substandard housing — known as those with "worst-case needs" — increased 54 percent, from 5 million households in 2001 to 7.7 million households in 2013. Families with children have experienced the largest growth in worst-case needs.



Over this same period, the number of very low-income households that received rental assistance rose by only 525,000. This weak response contrasts sharply with policymakers' earlier successful efforts to address growing needs. As the number of very low-income renter households grew by 3.9 million from 1978 to 1995, policymakers expanded rental assistance to more than half this number of very low-income households. As a result, the increase in the number of renters with "worst-case needs" from 1978 to 1995 was about 1.4 million households — only *half* the size of the recent increase.



The impact of the growing gap between the incomes of low-income renters and the cost of rental housing also is evident in the large and persistent problem of housing instability and homelessness for families with children. Some 1.36 million school-aged children — an all-time high — lacked a home of their own in the 2013-2014 school year, Education Department data show. Numerous studies link homelessness to mental health and physical health problems, as well as poor school performance.

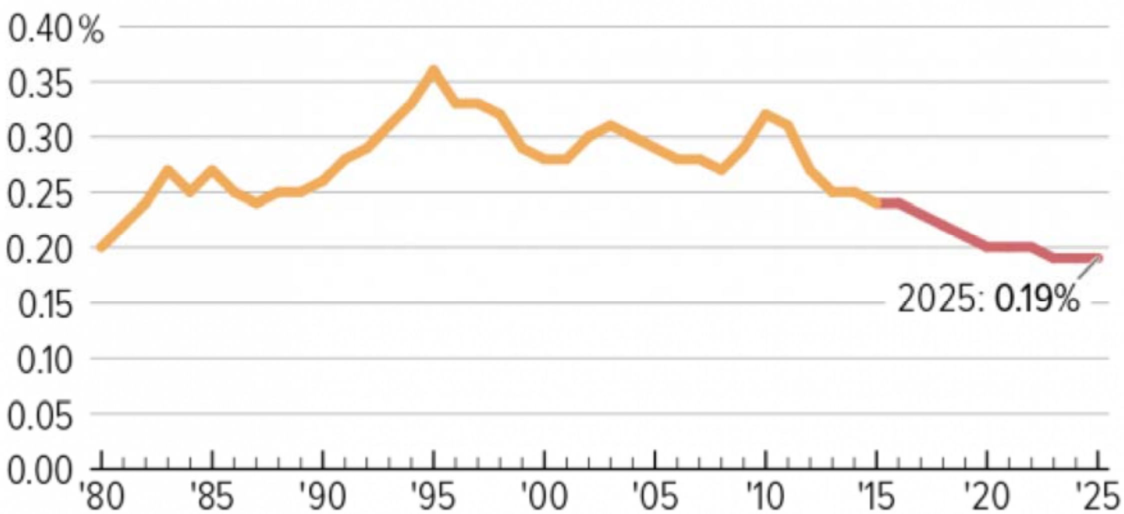


Section 4: Housing Assistance Funding Could Fall to Lowest Level in 40 Years

Federal budget caps created under the BCA have already caused deep cuts in housing assistance funding and could force even deeper cuts in coming years. If the caps are left unchanged and if housing assistance programs' share of total non-defense discretionary funding does not increase, funding for housing assistance will soon fall to its lowest level in 40 years, relative to GDP.

Budget Caps Could Drive Housing Assistance Spending to Lowest Level in 40 Years

Discretionary housing assistance outlays, relative to GDP



Note: Budget caps = annual caps on discretionary spending under the 2011 Budget Control Act. GDP = gross domestic product. Red line is CBPP projection, assuming housing assistance share of non-defense discretionary funding remains constant.

Source: Office of Management and Budget.

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Under the BCA caps, total non-defense discretionary program funding will increase at an average nominal rate of slightly more than 1 percent per year over the next five years. Meanwhile, the cost of renewing current federal rental assistance — which makes up roughly four-fifths of HUD's budget and is driven largely by changes in private market rents — is likely to grow significantly faster as rent increases continue to outpace tenant income gains. And there are sound reasons to believe that growth in renter households will remain strong in coming years, continuing to increase rental costs.

Policymakers will be faced with a stark choice: reduce the amount of rental assistance available to low-income families, or sustain assistance for these families while deepening cuts in other non-defense discretionary programs, potentially including other housing and community development programs that HUD administers. Any efforts beyond sustaining the status quo — such as expanding rental assistance programs to achieve federal goals of eliminating homelessness, for example — would require even deeper cuts in other areas.

To avoid these choices policymakers must raise the BCA caps and expand rental assistance for low-income families. In addition to increasing funding for housing vouchers and other current programs, policymakers should explore innovative approaches to assisting families via tax credits and other avenues outside the discretionary budget.

TOPICS: Housing, Funding

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King County Housing Authority

TO: Board of Commissioners

FROM: John E. Eliason, Development Director, HOPE VI

DATE: April 12, 2016

RE: **Seola Gardens & Greenbridge market Rate Land Development (continued)**

During the April Board meeting, staff will continue the presentation on the market rate land development at the Seola Gardens and Greenbridge mixed income communities.

At the last Board meeting in March, staff led a study session on the history and current status of land sales and homeownership development. The study session in April will focus on the market rate land development at Greenbridge, specifically Areas 9, 10 and 11 between 6th Avenue SW and 4th Avenue SW.

Staff will also provide financial information on the current and projected funding gap required for completion of the Seola Gardens and Greenbridge projects.

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KCHA IN THE NEWS

DAILY JOURNAL OF COMMERCE
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BUILDING GREEN

March 24, 2016

Big-box store gets a second life after a green makeover

- ***Adaptive reuse offers an eco-friendly way to transform urban sites.***

By GREG BELDING & ELIN HEADRICK
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We often see empty, underutilized buildings throughout our communities. The dilapidated warehouse, an abandoned strip mall, empty stores — each of these tell stories of recession, the flight to the suburbs, changes in the way we shop, and finding our way with new technologies.

What if these existing buildings could be repurposed to help strengthen our communities instead of leaving a void? Rice Fergus Miller's adaptive reuse work has focused on big-box, retail and warehouse renovations — to transform abandoned buildings into places where we work, gather as a community and, through strategic green building practices, become models of sustainability.

Adaptive reuse projects are innately sustainable — the greenest building is the one already standing.

Reused sites offer attractive benefits. They are centrally located, with ample parking and typically a strong existing shell and core that can be used and built upon. The infill of existing building stock can reduce urban sprawl and offer new ways to think about unstoppable growth and development, and acknowledge the heritage of the site.

From big-box to offices

Rice Fergus Miller worked with the King County Housing Authority to bring together previously separated KCHA departments into a central annex office facility in Tukwila.

This complete renovation of an existing 36,000-square-foot former big-box store promotes KCHA's desire to create a cohesive environment and be a more integrated agency. The converted space provides work areas that are flexible, comfortable, efficient, high-ceilinged and filled with daylight.

With a budget of under $95 per square foot, Rice Fergus Miller and our mechanical engineer, Ecotope, created a design with an Energy Use Intensity of 26 — one-third the energy use of KCHA's previous office buildings. The office space uses 50 percent less energy and 25 percent less water than their nearby executive office space.

Energy-efficiency features include new double low-e insulated glazing systems, energy recovery ventilation, variable refrigerant flow, zoned heat pump system, large skylights with internal light shelves, dimming lighting controls for corridors, and occupancy controls on all lights in rooms with doors.

Photo by William Wright Photography [enlarge]

This big-box store in Tukwila is now an energy-efficient office building for King County Housing Authority.

This high-performing building received from ASHRAE a national second-place technology award for existing commercial buildings. The central annex office also received Energy Star certification from the federal government.

With a score of 98 of 100 for energy efficiency, KCHA has one of the most efficient office buildings in the nation.

Alaska warehouse conversion

Rice Fergus Miller has designed a combined administrative office for the Tongass National Forest and the Sitka Ranger District, currently under construction, in Sitka, Alaska.

The project involves renovation of an existing warehouse into office space, and adapting an existing shop building for storage.

The new office space will have radiant floor heating, heat-recovery ventilation and a projected EUI of 30.

Biomass, a Forest Service resource, is the primary heat source for this administrative building. With Southeast Alaska's reliance on heating oil and their extremely limited supply of hydroelectricity, projects like this become a model for how towns like Sitka can grow without burdening the residents with additional infrastructure costs.

The two-story, 10,900-square-foot, wood-framed warehouse will become comfortable and efficient office space. The exteriors of the two structures are being designed to fit the context and character of historic Sitka, as well as the Forest Service's Built Environment Image Guide.

The renovation of the exterior walls includes new siding, insulation, flashing, building wrap, doors and windows. The intent is to make the entire building weather tight.

New use for Navy bunker

Forest City Military Communities (now Hunt Cos.) is working to redevelop the Landings (formerly Jackson Park Navy housing), a former Navy ammunition depot during World War I and World War II, and renovate other military housing at the Bangor Naval Submarine Base in Kitsap County.

The project includes complete interior and exterior renovation of over 350 mid-1970s housing units and the repurposing of an ammunition bunker to become the new community center.

Rather than let the bunker continue to be an eyesore, Forest City and Rice Fergus Miller adapted an existing ammunition bunker into a community center. These bunkers (only three remain on the site) are the last vestige of the site's war heritage. Instead of tearing them down, one was repurposed to recall history, reduce the carbon footprint of new construction, and take advantage of the construction to address Navy requirements for force protection.

The 5,000-square-foot bunker includes a multipurpose community room with a kitchen, fitness room with children's play area, leasing office and presentation space. This renovated bunker helps retain the military heritage of the area.

Strategically placed windows help bring in daylight while meeting the requirements for blast-resistant construction. The mechanical system, coupled with new insulation strategies, help drive the building's energy use down, resulting in greater efficiency.

This bunker-turned-community center anchors a redeveloped low-income naval housing community and brings a sense of place and identity it previously lacked.

These adaptive reuse buildings are comfortable, designed to last, and use materials and energy as efficiently as possible. Reuse is one way we can do the right thing for our community, our clients and our employees.

Greg Belding is an architect and principal at Rice Fergus Miller, where he focuses on high performing, energy-efficient projects. Elin Headrick is an associate and marketing director at Rice Fergus Miller.

Photo by William Wright Photography [enlarge]

KCHA's space uses a third of the energy of the agency's previous offices.

Photo by Austin Flink/Rice Fergus Miller VizLab [enlarge]

This Kitsap County naval bunker became a community center.

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Image courtesy of Rice Fergus Miller [enlarge]

This U.S. Forest Service warehouse will receive new siding, insulation and flashing.