King County Housing Authority

SPECIAL MEETING
OF THE
BOARD OF COMMISSIONERS

June 20, 2016 at 8:30 a.m.

Renton Housing Authority
Conf. Room: One Stop
2900 NE 10th Street
Renton, WA 98056

A G E N D A

I. **Call to Order**

II. **Roll Call**

III. **Public Comment**

IV. **Tour of Proposed Choice Neighborhood Initiative Site – Renton**

V. **Approval of Minutes** 1
Board Meeting Minutes – May 16, 2016

VI. **Approval of Agenda**

VII. **Consent Agenda**

A. Voucher Certification Reports April 2016 (General & Bond Properties) **2**

VIII. **Resolutions for Discussion & Possible Action**

A. Resolution No. 5537: Authorizing the submission of a Choice Neighborhoods Implementation Grant Application, in cooperation with the City of Renton and Renton Housing Authority for the Sunset Neighborhood Area of Renton in King County **3**

B. Resolution No. 5538: A Resolution of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed $25,000,000, to provide financing for the Sunset Area Transformation Plan Housing Project within King County, Washington, and determining related matters **4**

C. Resolution No. 5539: Authorizing the sale and disposition of Greenbridge West Bulk Parcels to Conner Homes **5**

IX. Briefings & Reports

A. Greenbridge Homeownership Buildout – Continued

B. First Quarter FY 2016 Financial Report **6**

C. Fourth Quarter FY 2015 Summary Write-offs **7**

D. First Quarter FY 2016 Summary Write-offs **8**

E. First Quarter FY 2016 Executive Dashboard Report **9**

X. Executive Director's Report

XI. KCHA in the News **10**

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.

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

Monday, May 16, 2016

I. CALL TO ORDER

The Annual Meeting of the Board of Commissioners of the King County Housing Authority was held telephonically on Monday, May 16, 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 Vice-Chair Michael Brown at 8:32 a.m.

II. ROLL CALL

Present: Commissioner Michael Brown (Vice-Chair), Commissioner TerryLynn Stewart, Commissioner Susan Palmer and Commissioner John Welch

Excused: Commissioner Doug Barnes (Chair)

Staff: Stephen Norman (Secretary) *via telephone*, Connie Davis, Mike Reilly, Monalisa Gonzales, Sean Heron, Jessica Olives, Jennifer Ramirez-Robson, Rhonda Rosenberg, Tim Walter, and Dan Watson

III. PUBLIC COMMENT

Maria Hudson, Resident, provided public comment via telephone. Ms. Hudson commented on the denial of her request for reasonable accommodation to purchase a home using her Housing Choice Voucher. Ms. Hudson mentioned her daughter's participation in the 504 Education Plan and supports her daughter's disability and urged KCHA to recognize it as such.

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 April 18, 2016. Commissioner Welch abstained.

V. APPROVAL OF AGENDA

On motion by Commissioner Welch, seconded by Commissioner Stewart, the Board unanimously approved the May 16, 2016 Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

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

March 2016

GENERAL PROPERTIES		
Bank Wires / ACH Withdrawals		2,210,325.78
	Subtotal	***2,210,325.78***
Accounts Payable Vouchers		
Key Bank Checks #301721-#302150		3,363,732.31
Tenant Accounting Checks #10068- #10087		4,478.87
Commerce Bank Direct Payment		43,395.89
	Subtotal	***3,411,607.07***
Payroll Vouchers		
Checks - #90058 – #90084		35,227.42
Direct Deposit		1,273,593.65
	Subtotal	***1,308,821.07***
Section 8 Program Vouchers		
Checks - #613218-#613537		221,067.97
ACH - #342114-#345210		10,057,660.55
	Subtotal	***10,278,728.52***
Purchase Card / ACH Withdrawal		144,176.93
	Subtotal	***144,176.93***
	GRAND TOTAL	***17,353,659.37***
BOND PROPERTIES		
Bond Properties Total (30 different properties)		***2,268,099.55***

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

VII. RESOLUTIONS FOR DISCUSSION AND POSSIBLE ACTION

None.

VIII. BRIEFINGS & REPORT

None.

XI. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman, Executive Director, mentioned that County Executive Dow Constantine will make an announcement regarding the credit enhancement partnership between the County and KCHA. Mr. Norman stated that this type of financing provides KCHA with broader access to municipal banking. Mr. Norman stated that the stretch goal is to develop up to 2200 housing units over a six year period.

XII. KCHA IN THE NEWS

None.

XIII. COMMISSIONER COMMENTS

None.

XIV. ADJOURNMENT

On motion by Commissioner Palmer, seconded by Commissioner Stewart, the Board adjourned the meeting at 8:38 a.m.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

____
MICHAEL BROWN, Vice-Chair
Board of Commissioners

____
STEPHEN J. NORMAN
Secretary

TAB NUMBER 2

King County Housing Authority

To: Board of Commissioners

From: Linda Riley, Controller

Date: June 2, 2016

Re: **VOUCHER CERTIFICATION FOR APRIL 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
June 2, 2016

Bank Wires / ACH Withdrawals		3,351,881.23
	Subtotal	***3,351,881.23***
Accounts Payable Vouchers		
Key Bank Checks - #302151-#302807		5,088,967.58
Tenant Accounting Checks - #10088-#10114		3,832.38
Commerce Bank Direct Payment		62,090.24
	Subtotal	***5,154,890.20***
Payroll Vouchers		
Checks - #90085-#90112		33,964.27
Direct Deposit		1,257,181.87
	Subtotal	***1,291,146.14***
Section 8 Program Vouchers		
Checks - #613538-#613828		219,427.26
ACH - #345211-#348130		9,955,610.37
	Subtotal	***10,175,037.63***
Purchase Card / ACH Withdrawal		180,636.73
	Subtotal	***180,636.73***
	GRAND TOTAL	***20,153,591.93***

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

FROM: Wen Xu

SUBJECT: **VOUCHER CERTIFICATION FOR APRIL 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
May 17, 2016

Property	Wired to Operating Account(s) for Obligations of Property				Notes:
Apr-16	Date	$		Claim	
Bellepark East	4/7/2016	$	13,022.14	A/P	
	4/14/2016	$	14,012.24	A/P & Payroll	
	4/21/2016	$	11,539.40	A/P	
	4/28/2016	$	18,623.15	A/P & Payroll	
Colonial Gardens	4/7/2016	$	4,815.07	A/P	
	4/14/2016	$	7,488.24	A/P & Payroll	
	4/21/2016	$	11,519.12	A/P	
	4/28/2016	$	14,865.14	A/P & Payroll	
Cottonwood	4/7/2016	$	23,111.16	A/P	
	4/14/2016	$	12,934.65	A/P & Payroll	
	4/21/2016	$	15,629.26	A/P	
	4/28/2016	$	18,627.75	A/P & Payroll	
Cove East	4/7/2016	$	5,039.77	A/P	
	4/14/2016	$	28,098.39	A/P & Payroll	
	4/21/2016	$	24,332.16	A/P	
	4/28/2016	$	32,730.27	A/P & Payroll	
Landmark	4/14/2016	$	22,852.08	A/P & Payroll	
	4/21/2016	$	9,544.49	A/P	
	4/28/2016	$	47,001.46	A/P & Payroll	
Timberwood	4/7/2016	$	19,044.28	A/P	
	4/14/2016	$	25,734.94	A/P & Payroll	
	4/21/2016	$	31,153.90	A/P	
	4/28/2016	$	58,305.26	A/P & Payroll	
Woodland North	4/7/2016	$	3,505.31	A/P	
	4/14/2016	$	36,693.01	A/P & Payroll	
	4/21/2016	$	21,578.72	A/P	
	4/28/2016	$	16,363.56	A/P & Payroll	
Woodside East	4/7/2016	$	2,748.34	A/P	
	4/14/2016	$	19,957.79	A/P & Payroll	
	4/21/2016	$	2,926.85	A/P	
	4/28/2016	$	87,125.87	A/P & Payroll	
Allied Consolidated	4/6/2016	$	8,581.00	To Corinthian TOD	
	4/27/2016	$	1,771.17	Correct Deposit Error	Arbor Heights laundry Income Deposited to Consolidated by mistake.
Alpine Ridge	4/7/2016	$	2,311.32	Payroll	
	4/13/2016	$	12,213.00	Correct Deposit Error	Heritage rents deposited to Alpine by mistake.
	4/14/2016	$	5,754.61	A/P	
	4/22/2016	$	2,654.61	Payroll	
	4/28/2016	$	12,355.60	A/P	
Aspen Ridge	4/7/2016	$	6,089.90	Payroll	
	4/14/2016	$	14,970.16	A/P	
	4/22/2016	$	5,369.41	Payroll	
	4/28/2016	$	4,895.05	A/P	
Auburn Square	4/7/2016	$	10,387.86	Payroll	
	4/14/2016	$	48,530.58	A/P	
	4/22/2016	$	8,064.71	Payroll	
	4/28/2016	$	42,553.98	A/P	
Carriage House	4/7/2016	$	15,946.17	Payroll	
	4/14/2016	$	28,260.05	A/P	
	4/22/2016	$	11,457.09	Payroll	
	4/28/2016	$	25,856.84	A/P	
Cascadian	4/7/2016	$	15,071.23	Payroll	
	4/14/2016	$	26,568.61	A/P	
	4/22/2016	$	11,110.67	Payroll	
	4/28/2016	$	26,758.90	A/P	
Fairwood	4/7/2016	$	10,184.15	Payroll	
	4/14/2016	$	57,940.79	A/P	
	4/22/2016	$	12,126.71	Payroll	
	4/28/2016	$	18,797.23	A/P	
Heritage Park	4/7/2016	$	6,270.33	Payroll	
	4/14/2016	$	11,355.11	A/P	
	4/22/2016	$	5,027.15	Payroll	
	4/28/2016	$	9,775.41	A/P	
Laurelwood	4/7/2016	$	6,051.30	Payroll	
	4/14/2016	$	9,886.81	A/P	
	4/22/2016	$	6,201.79	Payroll	
	4/28/2016	$	16,435.66	A/P	
Meadows	4/7/2016	$	6,457.06	Payroll	
	4/14/2016	$	13,584.34	A/P	
	4/22/2016	$	5,352.16	Payroll	
	4/28/2016	$	16,451.95	A/P	
Newporter	4/7/2016	$	9,740.25	Payroll	

	4/14/2016	$ 31,493.09	A/P	
	4/22/2016	$ 7,080.08	Payroll	
	4/28/2016	$ 10,419.70	A/P	
Parkwood	4/7/2016	$ 6,223.80	Payroll	
	4/14/2016	$ 12,841.91	A/P	
	4/20/2016	$ 10,800.00	A/P	
	4/22/2016	$ 4,872.86	Payroll	
	4/28/2016	$ 22,525.75	A/P	
Somerset East	4/7/2016	$ 5,835.51	Payroll	
	4/14/2016	$ 4,737.93	A/P	
	4/14/2016	$ 16,586.25	Debt Svc	
	4/22/2016	$ 5,305.74	Payroll	
	4/28/2016	$ 6,059.85	A/P	
	4/29/2016	$ 10,889.20	Debt Svc	
Somerset West	4/7/2016	$ 6,718.58	Payroll	
	4/14/2016	$ 7,163.54	A/P	
	4/14/2016	$ 23,155.00	Debt Svc	
	4/22/2016	$ 4,450.47	Payroll	
	4/28/2016	$ 3,924.18	A/P	
	4/29/2016	$ 5,363.34	Debt Svc	
Walnut Park	4/7/2016	$ 8,238.04	Payroll	
	4/14/2016	$ 40,334.46	A/P	
	4/22/2016	$ 6,093.16	Payroll	
	4/28/2016	$ 24,208.16	A/P	
Windsor Heights	4/7/2016	$ 21,127.53	Payroll	
	4/14/2016	$ 56,501.78	A/P	
	4/22/2016	$ 15,100.81	Payroll	
	4/28/2016	$ 14,758.97	A/P	
Woodridge Park	4/7/2016	$ 13,458.68	Payroll	
	4/14/2016	$ 48,992.46	A/P	
	4/22/2016	$ 11,061.63	Payroll	
	4/28/2016	$ 55,445.15	A/P	
Gilman Square	4/6/2016	$18,780.07	A/P & Payroll	
	4/20/2016	$8,562.10	Payroll	
	4/21/2016	$43,757.68	A/P	
Meadowbrook	4/6/2016	$ 13,692.49	A/P & Payroll	
	4/20/2016	$ 11,732.90	Payroll	
	4/21/2016	$ 35,954.48	A/P	
Villages at South Station	4/6/2016	$23,177.47	A/P & Payroll	
	4/20/2016	$14,633.46	Payroll	
	4/21/2016	$27,424.26	A/P	
Bellevue Manor	4/14/2016	$ 6,525.94	A/P	
Charter House	None	$ -		
Northwood Square	None	$ -		
Patricia Harris	4/14/2016	$ 5,086.92	A/P	
Vashon Terrace	4/19/2016	$ 6,905.90	A/P	
Rainier View I	4/13/2016	$34,146.62	A/P	
	4/19/2016	$10,286.88	A/P	
Rainier View II	4/13/2016	$15,081.67	A/P	
	4/19/2016	$5,317.00	A/P	
Si View	4/13/2016	$10,513.73	A/P	
	4/19/2016	$8,476.18	A/P	
	Portfolio Total:	**$ 2,051,917.85**		

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TO: Board of Commissioners

FROM: Dan Watson, Deputy Executive Director

DATE: June 14, 2016

RE: **Resolution No. 5537:** Authorizing the submission of a Choice Neighborhoods Implementation Grant Application, in cooperation with the City of Renton and Renton Housing Authority for the Sunset Neighborhood Area of Renton in King County

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Executive Summary

In 2015, KCHA partnered with the City of Renton and Renton Housing Authority (RHA) to submit a $30 million Choice Neighborhoods Implementation (CNI) grant to help finance the redevelopment of Renton's Sunset Neighborhood. While the grant application was competitive and selected as a finalist, it ultimately was not successful.

In April, HUD announced a new funding round for 2016 CNI grants and KCHA has been asked again by the City of Renton and the RHA to be a partner and the Lead Applicant in a new $27 million CNI application to revitalize Renton's Sunset Neighborhood. The City of Renton and RHA would again be co-applicants.

Similar to the previous grant application, KCHA would also assume the role of Housing Implementation Entity which is to ensure that the housing component of the proposed project is successfully developed.
Resolution No. 5537:

(1) authorizes the Executive Director to jointly submit the CNI application with RHA and the City of Renton;
(2) assume the roles of Lead Applicant and Housing Implementation Entity, enter into a Memorandum of Understanding and other agreements with the parties to clarify roles and responsibilities;
(3) and to execute all certifications and other documentation necessary for the grant application.

If the grant is awarded and KCHA's Board authorizes KCHA to proceed, all three entities would be party to the grant agreement with HUD. This resolution only authorizes KCHA to take the actions necessary to apply for and meet the requirements of the grant application. Should the grant be awarded, KCHA will not enter into a grant agreement with HUD until the Board of Commissioners has been fully apprised of the specific responsibilities required of KCHA, and has determined that the Housing Authority will be adequately reimbursed for its administrative costs and has sufficiently mitigated any financial risk.

Background

The Choice Neighborhoods Program is the successor program to HOPE VI and focuses on distressed neighborhoods with HUD assisted housing rather than solely on distressed public housing. Choice Neighborhoods uses a comprehensive approach to neighborhood transformation where local communities, residents, and stakeholders such as public housing authorities, cities, schools, police, business owners, nonprofits, and private developers, come together to create and implement a plan that transforms distressed HUD housing and addresses the challenges in the surrounding neighborhood with a heavy emphasis on investment in and improved connectivity with schools and employment readiness. The program is designed to catalyze critical improvements in neighborhood assets, housing, services and education institutions.

In Renton, the focus of the CNI grant will be the transformation of the Sunset Neighborhood in the Renton Highlands, which was home to RHA's Sunset Terrace, a 100-unit severely distressed public housing development. During World War II, the Sunset neighborhood had over 2,000 public housing units for workers employed in the defense industries at Boeing and PACCAR. The defense worker housing was sold off or demolished after the war but many of the very modest single story duplexes remain, often in poor condition and occupied by very low income families, contributing further to neighborhood distress. The 269-acre Sunset Area of Renton is one of the most diverse neighborhoods in the City. It has the lowest incomes in Renton, with a median annual income of $42,500 – $22,000 lower than the rest of the City. The Transformation Plan makes investments in housing, the neighborhood, and a variety services targeted at improving resident education and economic opportunities.

Strategic Rationale

The City of Renton and RHA have asked KCHA to be the Lead Applicant and Housing Implementation Entity, because of its demonstrated experience and successful implementation of two HOPE VI grants. Intense competition is expected from other communities around the country for the 4 or 5 CNI grants of up to $30 million that will be awarded nationally. Without the capacity and credentials KCHA brings to the team, Renton's application would not score high enough to be competitive. KCHA and the region will benefit from the award of a $27 million CNI grant, which will expand affordable housing, employment and education options for low income households. A CNI grant award will also strengthen KCHA's partnerships with important stakeholders and participants in the proposed Sunset Neighborhood revitalization such as the City of Renton, RHA, Renton Technical College and Neighborhood House. KCHA operates six affordable housing developments comprising 418 units within the City of Renton and our ongoing working relationship with the City will benefit from this partnership opportunity.

Risk Considerations

There are two overarching risk considerations. First, a grant of this size and complexity requires careful administration, coordination, and reporting. As Lead Applicant, KCHA would be responsible for utilizing its staff and experience to help the other grantees learn how to perform under the obligations imposed by the grant agreement. This concern is mitigated by the fact that KCHA has extensive experience with HUD's project management and data collection, tracking and reporting requirements from its HOPE VI projects. The preliminary budget allocates $3,000,000 of RHA funds to cover KCHA's and RHA's administrative and staff costs. RHA understands and has agreed that if costs to administer this project exceed this projection, they will be responsible for all additional costs.

Second, the grant will require the development of 133 units of new housing and the rehabilitation of 15 units of existing RHA owned housing. As the Housing Implementation Entity, KCHA would be responsible for ensuring that the housing component is executed according to the terms, conditions and requirements of the CNI contract. As with any development project there will be site and design issues and financing considerations that would need to be addressed as part of the project. KCHA would be indemnified by its partners for financial or other risks before entering into any contractual agreements relating to development. RHA already has site control of all necessary sites, has completed the master planning, and has an intimate knowledge of this site and the overall community.

JH Brawner and Company is serving as the financial consultant for this CNI grant application. Jim Brawner has significant experience with these types of developments and has worked closely with KCHA on both of the Authority's HOPE VI projects. A careful assessment of financial feasibility has significantly reduced the size and scope of the project from what was proposed in last year's application. A copy of the draft sources and uses of funds for the project is attached.

Staff Recommendation

If this resolution is passed and the grant is awarded, staff will come back to the Board with a comprehensive outline of KCHA's specific commitments and the mitigations in place to offset or compensate KCHA for any risk it would assume. Staff recommends approval of Resolution No. 5537.

CNI Housing Strategy 5 - SUMMARY INFORMATION

Scattered Site Portfolio, Renton WA

1-Jun-16

BRAWNER

Project	9% LIHTC - Sunset Court	4% LIHTC Suncrest Homes	Highland House	4% LIHTC - Harrington Park	Homeownership	TOTAL
Key CNI Figures						
Total Units	50	64	15	19	12	148
Replacement Units	30	17	0	17		64
Market Units	0	23	7	0		30
Percent Low Income	80%	27%	0%	89%		39%
Percent Market	0%	36%	47%	0%		20%
CNI Funds	$2,908,311	$8,813,435	$0	$5,036,697		$16,758,444
Phase	I	I	II	II		
Leverage						
Tax Credit Equity	$10,410,000	$5,170,000	$698,772	$2,140,000		$18,418,772
Permanent Loan	$2,250,000	$3,100,000	$775,000	$1,650,000		$7,775,000
Soft Funding	$1,800,000	$1,400,000	$0	$0		$3,200,000
Sponsor Seller Financing		$1,285,000	$1,000,000	$0		$2,285,000
RHA Gap Financing		$5,400,000	$575,000	$0		$5,975,000
Homeownership Construction Costs						$0
CoR Permit Fee Waiver	$489,313	$610,057		$190,637		$1,290,007
	$14,949,313	$16,965,057	$3,048,772	$3,980,637		$38,943,779
Development Revenue Sources						
Tax Credit Equity	$10,410,000	$5,170,000	$698,772	$2,140,000		$18,418,772
Permanent Loan	$2,250,000	$3,100,000	$775,000	$1,650,000		$7,775,000
Choice Neighborhoods	$2,908,311	$8,813,435	$0	$5,036,697		$16,758,444
Sponsor Seller Financing		$1,285,000	$1,000,000	$0		$2,285,000
Sponsor Subordinate Financing			$0	$0		$0
Soft Funding	$1,800,000	$1,400,000	$0		$1,500,000	$4,700,000
Homebuyer Mortgages			$0		$2,376,000	$2,376,000
Restricted Gap/(Surplus)			$0			$0
RHA Gap Financing		$5,400,000	$575,000	$0	$1,428,955	$7,403,955
	$17,368,311	$25,168,435	$3,048,772	$8,826,697	$5,304,955	$59,717,171
Development Cost						
Acquisition	$1,898,848	$1,285,000	$1,200,000	$1,235,000	$1,249,853	$6,868,701
Construction	$11,912,287	$18,097,500	$886,876	$5,286,684	$3,257,648	$39,440,995
Soft/Indirect	$2,057,176	$2,785,936	$636,896	$1,330,013	$497,454	$7,307,475
Developer Fee	$1,500,000	$3,000,000	$325,000	$975,000	$300,000	$6,100,000
	$17,368,311	$25,168,436	$3,048,772	$8,826,697	$5,304,955	$59,717,171
Key Cost Indicators						
Total Per Unit Cost	$347,366	$393,257	$203,251	$464,563	$442,080	
Per Unit Construction Costs	$238,246	$282,773	$59,125	$278,247	$271,471	
Developer Fee %	9.7%	14.7%	14.76%	14.51%		
Tax Credits						
Annual Credits Generated	$1,122,302	$461,801	$27,133	$213,788		
Applicable Tax Credit Percentage	9.00%	3.20%	3.18%	3.18%		
Percent Low Income	100%	64%	53.33%	100.00%		
Investor Pricing per Credit	$1.150	$1.120	$1.100	$1.000		
Total LP Funded Equity	$10,410,000	$5,170,000	$698,772	$2,140,000		
Operations						
Expenses per Unit	$6,626	$6,628	$6,639	$6,655		
Net Operating Income (NOI)	$196,801	$245,362	$60,483	$156,296		
"Hard" Debt	($146,194)	($183,390)	($45,847)	($103,968)		
Net Cash Flow	$50,607	$61,973	$14,636	$52,328		
Permanent Debt Underwriting						
Loan Amount	$2,250,000	$3,100,000	$775,000	$1,650,000		
Amortization Period	35	35	35	35		
Term	17	17	17	17		
Rate	5.50%	4.75%	4.75%	5.25%		
Average Annual Debt Payment	$146,194	$183,390	$45,847	$103,968		
Debt Coverage Ratio	1.35	1.34	1.32	1.50		
Project Financing Gap Summary						
Restricted Sponsor Gap Financing	$0	$0	$0	$0	$0	
Unrestricted Sponsor Gap Financing	$0	$5,400,000	$575,000	$0	$1,428,955	$7,403,955
Acquistion Proceeds From Sale	-$980,348	$0	-$200,000	-$1,235,000		-$2,415,348
CNI Admin and Library Less Park Sale						$516,000
CNI Demo Costs to RHA						-$991,268
Total Project Unrestricted Gap	($980,348)	$5,400,000	$375,000	($1,235,000)	$1,428,955	$4,513,339
Add 50% Cash Developer Fee						$3,050,000
Add RHA Unrestricted Cash						$1,463,339
Total Offset Gap						$0

Key Assumptions

Subsidy Distribution

Building	ACC	811	Section 8	Market	LIHTC	Total
Sunset Court	21	10	9	-	10	50
Suncrest Homes	17	-	-	23	24	64
Highland House	-	-	-	7	8	15
Harrington Park	5	-	12	-	2	19
Total	43	10	21	30	44	148

Total Unit Distribution

Building	0 BDRM	1 BDRM	2 BDRM	3 BDRM	4 BDRM	Total
Sunset Court		12	20	18		50
Suncrest Homes		28	20	16		64
Highland House		9	6			15
Harrington Park				19		19
Total	-	49	46	53	-	148

Replacement Housing Unit Distribution

Building	0 BDRM	1 BDRM	2 BDRM	3 BDRM	4 BDRM	Total
Original Sunset Terrace	-	20	36	36	8	100
Glennwd Townhomes					8	8
Kirkland Townhomes			12	4		16
Sunset Court			16	14		30
Suncrest Homes		8	8	1		17
Harrington Park				17		17
Offsite:	-	(12)	-	-	-	(12)

Unit and Building SF

Building	0 BDRM	1 BDRM	2 BDRM	3 BDRM	Parking	Building
Sunset Court						
Suncrest Homes		625	900	1,100	16,720	67,920
Harrington Park				1,100	8,270	21,738
						-

New Construction Costs

Building	Parking Garage	Parking Surface	Elevator	Townhomes	TOTAL
Sunset Court					-
Suncrest Homes	1,755,600		13,244,400		15,000,000
Harrington Park				4,347,600	4,347,600
				-	-

CNI FUNDS

Total	Admin	Non-Admin	Housing	Neighborhood	People
26,789,583	-	26,789,583	18,752,709	4,018,437	4,018,437
Latecomers/Demo	991,268	Housing - Latecomers/Demo:		16,758,444	

Grant Sizing

Building Type	Bedrooms	Count
Detached	1	-
	2	-
	3	-
	4	-
Elevator	1	8
	2	8
	3	1
	4	-
Row House	1	-
	2	-
	3	27
	4	-
Walk-Up	1	-
	2	16
	3	4
	4	-
Total Units		64
TDC		16,087,902
Extraordinary Site Costs		1,673,539
Total Potential CNI Grant		26,789,583

Other Potential Costs/Sources

Balance Dev Fee	3,050,000
Edmonds Sale	600,000

CNI Funds By TDC Less Latecomers

Sunset Court	7,647,604
Suncrest Homes	4,074,143
Harrington Park	5,036,697
CNI Per Repl. Unit	261,850.68

Building Type Matrix

Building	Units	Phase	Ownership	Replacement	ACC	811	Section 8	Market	LIHTC
Sunset Court	50	Phase I	Partner A	30	21	10	9		10
Suncrest Homes	64	Phase I	Partner A	17	17		-	23	24
Highland House	15	Phase II	Partner B	-	-	-		7	8
Harrington Park	19	Phase II	Partner B	17	5		12		2
Total	**148**		-	**64**	**43**	**10**	**21**	**30**	**44**

20% or More Market Rate Test

Phase I	Phase II	Total
0.20175	0.20588	**20.27%**

50% or Less Assisted Test

Phase I	Phase II	Total
50.00%	50.00%	**50.00%**

Demo and Extraordinary Site Costs

Demo Costs:	991,268
Latecomers:	
Suncrest Homes	452,246
Harrington Park	550,751
Other Extraordinary:	
Sunset Court	156,954
Suncrest Homes	414,184
Harrington Park	99,404
Total Extraordinary Costs:	1,673,539

Assumptions & Limiting Conditions

Global Observations

1. RHA's "Available Cash" is limited to 3.8MM - or 50% of unrestricted cash after addressing portfolio capital needs through syndication.
2. "Total Offset Gap" represents unrestricted gap for which there is no identified source
3. CNI Admin costs are no longer paid for by the grant. These costs are assumed paid for by RHA. There is potential to use proceeds from the sale of the brow to help offset.
4. Latecomers Fees and Demo costs are accounted for through the reduction in distributed Housing CNI funds of $2,940,365
5. Rents are underwritten as follows: LIHTC rents at 95% Gross Potential LIHTC Rent, Market Rents at 90% Gross Potential Market Rent, PBV at Gross Potential Market Rent, ACC at $500
6. This strategy assumes homeownership units are not part of a housing phase and do not count towards leverage and market %
7. This strategy assumes 12 offsite replacement housing units
8. This strategy results in 3 leverage points out of 6.

Memorandum of Understanding

Among

City of Renton, Housing Authority of the County of King and Housing Authority of the City of Renton

Choice Neighborhoods Implementation Grant for Sunset Area Transformation Plan

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made this 20th day of June, 2016 by and among the City of Renton, a municipal corporation of the State of Washington ("City"), the Housing Authority of the County of King ("KCHA"), a municipal corporation, and the Housing Authority of the City of Renton, a municipal corporation ("RHA") (individually a "Party" and collectively, the "Parties").

WHEREAS, the United States Department of Housing and Urban Development ("HUD") has established the Choice Neighborhoods Implementation ("CNI") grant program to support locally driven solutions for transforming distressed neighborhoods using place-based strategies to address the interconnected challenges of poor quality housing, inadequate schools, poor health, high crime and lack of capital.

WHEREAS, the Parties desire to revitalize the Sunset Area neighborhood, a severely distressed community in northeast Renton and pledge to work together to the benefit of the Sunset Area residents, the community and the City, and these revitalization efforts have been detailed in the Sunset Area Transformation Plan (the "Plan").

WHEREAS, the Parties intend to submit an application (the "Application") to HUD for a CNI Grant (the "Grant") in accordance with FY2016 Choice Neighborhoods program. KCHA will be the Lead Applicant and Housing Implementation Entity, the City will be the Neighborhood Entity and a Co-Applicant and RHA will be a Co-Applicant and all three of the Parties, in accordance with CNI requirements, will be jointly responsible for performance of the Grant.

WHEREAS, at the time of the Grant award, HUD will execute a CNI Grant agreement (the "CNI Grant Agreement") with the Parties and this MOU and any further clarifications by the Parties and/or HUD will be incorporated into the CNI Grant Agreement with HUD in a manner acceptable to all Parties.

NOW, THEREFORE, in consideration of the foregoing recitals and underlying promises, which the Parties agree to be good and valuable consideration, and in compliance with the requirements of the FY2016 Notice Of Funding Availability for the CNI Grant (the "NOFA"), the Parties hereby agree as follows:

A. Commitments of the Parties

1) The Parties each acknowledge and certify that it:

a) has reviewed the NOFA;

b) is fully committed to the goals and requirements of the NOFA, the Application, the requirements of the Grant, and this MOU; and

c) will take all actions necessary to effectuate the requirements of the Grant, if awarded, in accordance with HUD requirements.

2) Commitment to Work Collaboratively. The Parties acknowledge and certify as to their commitment to work collaboratively throughout the entirety of the Grant period and to work cooperatively toward the successful achievement of the Grant's goals and objectives.

3) Incorporation of NOFA and Grant Agreement Requirements. The Parties intend that this MOU shall conform to and satisfy all requirements of the NOFA. In the event of any inconsistency between any NOFA requirement and the provisions of this MOU, this MOU shall be construed to incorporate a provision satisfying such NOFA requirement(s). In addition, the Parties agree to amend this MOU to comply with the provisions of the HUD Grant Agreement, if necessary, should a Grant be awarded.

B. Responsibilities of the Parties

1) Lead Applicant.

- As Lead Applicant, KCHA shall be the primary entity responsible for implementing all activities in the Plan and shall oversee and coordinate the work of the City and RHA, and in conjunction with the City and RHA, oversee and coordinate the work of other entities engaged to implement the Plan.

- KCHA shall oversee the hiring of a project implementation team to ensure that all activities are implemented consistent with HUD's NOFA and regulations. KCHA shall work with the City and RHA to secure HUD approval for all Project phases and to submit all required reports to HUD within the timeframes laid out in the Grant Agreement.

- KCHA shall organize and lead regular team meetings with all principal team members throughout the Grant period to ensure all aspects of the Plan are implemented successfully and in accordance with the implementation schedule.

- KCHA shall administer the CNI exterior home improvement and weatherization assistance program to homeowners and rental property owners in the target neighborhood.

- KCHA will oversee the design and administration of a reporting and evaluation system to provide all Grant reports in accordance with HUD policies and regulations and to assure that Grant goals and objectives are either fully met, or adapted, as needed to improve service levels and resident outcomes. KCHA will oversee the completion of a mid-Grant and final Grant evaluation.

2) Housing Implementation Entity.

- As Housing Implementation Entity, KCHA is responsible for the successful implementation of the Housing component of the Plan, including overseeing the development activities.

- KCHA shall assume financial responsibility for the development of the Housing phases by ensuring that all financing is secured and by offering completion and long-term operating guarantees as requested by project investors.

- KCHA shall assist and mentor RHA in building RHA's internal housing finance and development capacity.

- KCHA shall issue the tax-exempt bonds necessary to finance the housing developments included in the Plan and shall work with RHA to secure allocations of Low-Income Housing Tax Credits and any other financing needed.

- KCHA shall provide asset management for the housing projects and assist RHA in developing its own asset management capacity. KCHA shall ensure that appropriate property management services are provided for each property.

- KCHA shall provide 12 Section 8 project-based vouchers to be used for Sunset Terrace replacement units. These units shall be located in projects located within 25 miles of the Sunset Terrace site in neighborhoods that offer access to economic opportunities and public transportation and be accessible to social, recreational, educational, commercial, health facilities and services, and other municipal services and facilities that are comparable to those that will be provided in the target neighborhood. The units shall not be located in projects that are in areas of minority concentration, as defined by HUD, nor in areas with a poverty rate above 40 percent.

3) Neighborhood Implementation Entity.

- As Neighborhood Implementation Entity, City is responsible for coordinating, overseeing and implementing the Neighborhood Strategy and, in particular, the Critical Community Improvements ("CCI") included in the Plan. The CCI include the development of Sunset Neighborhood Park, street and pedestrian improvements, installation of public art, rehabilitation of the former public library into the new community service center, coordination of a homeownership development program and façade improvements for the World War II era duplexes in the neighborhood. City shall be responsible for securing the necessary funds to carry out the Neighborhood Strategy and CCI and ensuring their successful completion in accordance with HUD policies and regulations.

- City shall provide regular reports to KCHA on status of completion of the CCI and the achievement of measurable objectives included in the Grant. City shall provide KCHA with documentation of the costs incurred and funds leveraged from these activities.

4) RHA Responsibilities.

- As Co-Applicant, RHA shall assist KCHA in financing and developing the housing developments included in the Plan. RHA shall provide or oversee property management services to the housing developments and assist KCHA in the asset management activities.

- RHA shall contribute $8,260,000 in funding towards the developments in the Housing Strategy and $1,728,955 in funding the Neighborhood Strategy. RHA shall provide project-based Section 8 assistance for 21 of the housing units and work with HUD to activate 45 units of public housing operating assistance for the replacement units in the Housing Strategy.

- RHA shall oversee the day to day activities to design and renovate the former public library into the new community service center.

- RHA shall collaborate with the Homestead Community Land Trust to oversee the day to day activities of the affordable homeownership development program.

- RHA shall provide KCHA with the tenant data needed to report to HUD on the achievement of measurable objectives included in the Grant. RHA shall provide KCHA with documentation of funds it leverages in completing the Grant activities.

- RHA shall provide office space and administrative support to any KCHA staff hired to implement Grant.

- RHA shall expand its organizational knowledge and capacity in the areas of affordable housing finance, development and asset management.

C. Duration of this MOU. This MOU shall commence on June 20th, 2016 (the "Effective Date") and shall continue until the end date of the Grant as provided in the Grant Agreement. It is understood and acknowledged by the Parties that the services described above are expected to be completed within this time period, provided, however, in the event the Parties are not selected for a CNI Grant for funding year FY2016, then any Party may terminate its involvement in this MOU by written notice and the entire MOU shall thereafter terminate. Additionally, the Parties may renew or otherwise extend this MOU in accordance with applicable law at any time.

D. Termination of MOU and Survival. The Parties shall each have the right to terminate this MOU for cause, effective within thirty (30) days after the receipt of written notice by the Party of its intent to terminate and the reasons therefore. A Party shall have the opportunity to respond to the written notice within five (5) business days after the receipt of said notice. A Party shall have the opportunity to cure any breach of this MOU or other cause forming the basis of the termination, as provided in the written notice, within fifteen (15) business days after receipt of the written notice, or as otherwise agreed to by the Parties. All representations and warranties and all responsibilities regarding record retention, access and ownership, cooperation with OIG investigations, indemnification and payment for services rendered shall survive the termination of this MOU and continue in full force and effect.

E. Liability Among the Parties. Unless expressly provided to the contrary, no Party assumes liability for the acts or omissions of the other Parties or their agents and nothing in this MOU shall be construed to extend the immunities of one Party and its agents to any other Party(ies) or its agents. All Parties shall retain all immunities, defenses, rights and remedies available at law and in equity.

F. Compliance with Law. The Parties shall each comply with all federal, state, and local laws regarding discrimination and shall prohibit unlawful discrimination on the basis of race, creed, color, gender, gender identity or expression, sexual orientation, national origin, disability, age, political affiliation, marital status, source of income, and religion.

G. General Provisions

1) Assignment. This MOU is personal to each of the Parties hereto, and may not be assigned without the prior written approval of the other Parties hereto.

2) Governing Law. This MOU shall be construed and enforced in accordance with the laws of the State of Washington, without regard to conflicts of law provisions.

3) Notice. Any communication or request required or permitted hereunder shall be in writing and delivered in person or by certified mail, return receipt requested, as follows:

If to the City: C.E. “Chip” Vincent, Administrator
Department of Community & Economic Development
City of Renton
1055 South Grady Way, 6th Floor
Renton, WA 98057-3232

If to the KCHA: Stephen Norman, Executive Director
King County Housing Authority
600 Andover Park W
Seattle, WA 98188

If to the RHA: Mark Gropper, Executive Director

Renton Housing Authority
2900 NE 10th Street
Renton, WA 98056

Notices shall be effective when received by each of the above-referenced individuals at the addresses specified above. Each Party shall be responsible for notifying the other in writing that references this MOU of any changes in the respective addresses set forth above. Nothing contained in this Article shall be construed to restrict the transmission of routine communications between and among representatives of the Parties.

4) Entire Agreement; Amendment; Counterparts. This MOU sets forth the entire agreement between the Parties relative to the subject matter hereof. No representation, promise or condition, whether oral or written, not incorporated herein shall be binding upon any Party to this MOU. No waiver, modification or amendment of the terms of this MOU shall be effective unless made in writing and signed by an authorized representative(s) of the Party sought to be bound thereby. This MOU may be signed in counterpart.

5) No Third Party Beneficiaries. This MOU is entered into for the exclusive benefit of the Parties, and the Parties expressly disclaim any intent to benefit anyone not a party hereto.

6) Time is of the Essence. The Parties each acknowledge and agree that time is of the essence in the performance of this MOU.

IN WITNESS WHEREOF, the Parties have duly executed this MOU on or as of the date first written above.

KING COUNTY HOUSING AUTHORITY

____
Stephen Norman, Executive Director

RENTON HOUSING AUTORITY

____
Mark Gropper, Executive Director

CITY OF RENTON

____
Denis Law, Mayor

APPROVED AS TO FORM:	ATTEST:
______________________________	______________________________
City Attorney	Jason Seth, City Clerk

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION No. 5537

AUTHORIZING THE SUBMISSION OF A CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT APPLICATION IN COOPERATION WITH THE CITY OF RENTON AND RENTON HOUSING AUTHORITY FOR THE SUNSET NEIGHBORHOOD AREA OF RENTON IN KING COUNTY

WHEREAS, the Department of Housing and Urban Development (HUD) has issued a Notice of Fund Availability for the Choice Neighborhoods Implementation Grant Program and applications are due June 28, 2016; and,

WHEREAS, the purpose of grant awards will be: (1) to replace distressed public housing and assisted housing with high quality mixed income housing, (2) to improve educational outcomes and intergenerational mobility for youth and their families, and (3) to create the conditions necessary for public and private investment in distressed neighborhoods; and,

WHEREAS, the Renton Housing Authority (RHA) and the City of Renton (City) have asked the King County Housing Authority (KCHA) to join them in a mutual effort to apply for the grant and if successful, administer the grant and build mixed income housing primarily in the Sunset neighborhood of Renton; and,

WHEREAS, regional cooperation in affordable housing development, preservation, and resource development will expand the housing, employment and education options of low income residents of King County; and,

WHEREAS, the City and RHA have taken significant steps towards planning and implementing substantial housing and neighborhood improvements in the Sunset neighborhood which include a new library, 26 units of new affordable housing, a new early learning center, a new accessible park and two storm water projects, as well as relocation of residents from the distressed public housing development known as Sunset Terrace; and,

WHEREAS, the experience and capacity of KCHA in the execution of similar complex neighborhood and housing development projects will greatly assist the City and RHA to gain expertise and capacity and be successful in significantly improving the lives and homes of low income households in the Sunset distressed neighborhood; and,

WHEREAS, KCHA has six affordable housing developments located in the City of Renton with 418 total units;

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

KCHA is hereby authorized and directed to cooperate with the City and RHA in the preparation and submission to HUD of a $27 million Choice Neighborhoods Implementation (CNI) grant application, including such certifications, exhibits, attachments and other documentation as may form a part of such Application. Under the Application, KCHA will commit to serve as the Lead Applicant and Housing Implementation Entity, with RHA and the City serving as co-applicants and sharing joint and several liability for the performance of all duties and obligations under the Application. KCHA is authorized to enter into various agreements and memoranda with the City, RHA and others for the purpose of clarifying the roles and responsibilities of various parties in the implementation of grant funding in the event the Application is successful.

The Executive Director is authorized to take such additional steps and to execute, deliver and file any and all government forms, affidavits, certificates, documents and agreements that the Executive Director determines to be necessary or advisable to give effect to this resolution.

ADOPTED AT A SPECIAL MEETING OF THE BOARD OF THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 20TH DAY OF JUNE 2016.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

____
DOUGLAS J. BARNES, Chair
Board of Commissioners

____
STEPHEN NORMAN
Secretary

TAB NUMBER 4

TO: Board of Commissioners

FROM: Tim Walter, Senior Director of Development & Asset Management

DATE: June 14, 2016

RE: **Resolution No. 5538:** A Resolution of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed $25,000,000, to provide financing for the Sunset Area Transformation Plan Housing Project within King County, Washington, and determining related matters

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Executive Summary

In connection with Resolution No. 5537, as part of the Choice Neighborhood Implementation (CNI) grant submission, Resolution No. 5538 acknowledges KCHA's intention to issue up to $25 million in private activity bonds to provide tax-exempt financing for four of the Sunset Neighborhood revitalization housing developments. The passage of this resolution in no way obligates or commits KCHA to issuing these bonds in the future. If the CNI grant is received, and KCHA elects to issue the bonds at that time, staff will provide the Board with comprehensive project profiles for review and consideration.

Background

This resolution serves two purposes. First, as required in the CNI grant application, the resolution provides evidence of the entity who would be issuing the bonds necessary to finance certain projects within the Sunset Area Transformation Plan, and demonstrates their willingness and intent to do so; and second, the IRS requires the passage of a bond inducement resolution by the bond issuer, in order to allow project related costs (incurred prior to the issuance of the bonds) to be reimbursed out of bond proceeds.

The four developments, which are covered under this resolution are:

Sunset Court, 50 units, up to $2.25 million in bonds

Suncrest Homes, 64 units, up to $15.25 million in bonds

Highland House, 15 units, up to $2.0 million in bonds

Harrington Park, 19 units, up to $5.5 million in bonds

If the CNI grant is received and the Board subsequently authorizes KCHA to enter into the grant agreement and become the Housing Implementation Entity, the bonds for the Sunset Court and Suncrest Homes developments are anticipated to be issued in the spring of 2017 and the bonds for the Highland House and Harrington Park apartments in the spring of 2019. As mentioned above, the passage of this resolution does not obligate nor commit KCHA to issue bonds for the project.

Staff Recommendation

Passage of Resolution No. 5538 is recommended.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5538

(SUNSET AREA REVITALIZATION HOUSING PROJECT)

A RESOLUTION of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed $25,000,000 to provide financing for the Sunset Area redevelopment project within King County, Washington, and determining related matters.

This document was prepared by:
FOSTER PEPPER PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98101
(206) 447-4400

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5538

(SUNSET AREA REVITALIZATION HOUSING PROJECT)

A RESOLUTION of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed $25,000,000 to provide financing for the Sunset Area redevelopment project within King County, Washington, and determining related matters.

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

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

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

WHEREAS, it is anticipated that one or more Washington limited partnerships or limited liability limited partnerships of which the Authority and/or the Housing Authority of the City of Renton will be general partner and/or one or more Washington limited liability companies of which the Authority and/or the Housing Authority of the City of Renton will be the sole member will be formed (collectively, the "Borrower") to finance the redevelopment of the Sunset Area of Renton, including, without limitation, the acquisition, construction, rehabilitation and/or equipping of apartment complexes known as Sunset Court, Sunset Homes, Highland House and Harrington Park, all to provide housing for low-income persons (the "Project"), the estimated cost of which is not expected to exceed $55,000,000; and

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

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

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

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

Section 1. To assist in the financing of the Project, with the public benefits resulting therefrom, the Authority declares its intention, subject to the conditions and terms set forth herein, to issue and sell its revenue bonds or other obligations (the "Bonds") in a principal amount of not to exceed $25,000,000, and to reimburse itself, the Housing Authority of the City of Renton or the Borrower, as applicable, from proceeds of the Bonds for expenditures for the Project made by itself, the Housing Authority of the City of Renton or the Borrower before the issue date of the Bonds.

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

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

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

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

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

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

Section 8. 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 20th day of June, 2016.

HOUSING AUTHORITY OF THE COUNTY OF KING

____
Chair, Board of Commissioners

ATTEST:

____
Secretary-Treasurer and Executive Director

51527588.1

TAB NUMBER 5

T0: Board of Commissioners

From: John Eliason, HOPE VI Development Director

Date: June 14, 2016

Re: **Resolution No. 5539:** Authorizing Sale and Disposition of Greenbridge West Bulk Parcels to Conner Homes

Executive Summary

Resolution No. 5539 authorizes the Executive Director to enter into a purchase and sale agreement to sell the Greenbridge West Bulk Parcels to Conner Homes for the purpose of developing 77 townhomes as well as necessary roadway infrastructure, a trail segment and a park. The proposed purchase price is $3,850,000.

Background

The Greenbridge West Bulk Parcels known as Property 5b consists of Tract A-401, Parcels Z-401 and Z-402 Greenbridge Division 4 and Parcels Z-1 and Z-3 Greenbridge Master Plat. KCHA has platted, and provided utility service to the property boundaries. The 7.1- acre property is located on the far west side of Greenbridge and includes a pedestrian trail segment that will connect Greenbridge to the 16th Ave White Center commercial core.

Disposition Process

The property has been on the market since 2010. Two prior offers, from Polygon and Element Ventures, were received for the property but due to financing and other reasons, neither builder was able to waive feasibility. An offer of $1,100,000 from BDR Homes LLC was subsequently received but not accepted due to the low offering price. A competing offer to the Conner Homes proposal was received from Azure Northwest. KCHA staff reviewed both offers and recommend the Conner Homes proposal. The Conner Homes bid offers the best purchase price, the most earnest money, and a site plan that is better integrated with the overall Greenbridge community design.

Terms of the Transaction

Conner has predicated their offer on the placement of 77 homes on the property. Site planning, engineering, and permit approvals prior to closing will determine how many homes can be constructed on this sloping site. Their offer includes an increase or deduction of $50,000 per home based on the number of homes contained in the final site design. The feasibility period is 45 days from the mutual acceptance of a purchase and sale agreement and a $150,000 earnest money promissory note will be converted to cash upon waiver of feasibility. Waiver of contingencies does not lock in the final sales price since the price can be adjusted based on the number of approved single family lots but does solidify Conner's commitment to move forward with the pr0ject. The major deal terms and a comparison with the Azure offer are summarized below:

Summary Table of Offers Received

	Conner Homes	Azure NW
1. Property	Tract A-401, Parcel Z-401 and Parcel Z-402 Greenbridge Division 4 together with Parcel Z-3 and Parcel Z-1 Greenbridge Master Plat.	Tract A-401, Parcel Z-401 and Parcel Z-402 Greenbridge Division 4 together with Parcel Z-3 and Parcel Z-1 Greenbridge Master Plat.
2. Proposed Development	77 Attached 1,760 sf to 2,200 sf	88 Attached 1,200 sf to 2,000 sf
3. Earnest Money	$150,000 promissory note converted to cash at waiver of feasibility	$50,000 promissory note converted to cash at waiver of feasibility
4. Feasibility Period	45 days from date of mutual acceptance of RESPA	45 days from date of mutual acceptance of RESPA
5. Closing Date	Closing to occur 30 days after engineering approval but no later than June 1, 2017	Closing to occur 30 days after engineering approval with no fewer than 88 units but no later than 10 months after mutual acceptance of the RESPA
6. Title/Escrow	Chicago Title Insurance Company	Chicago Title Insurance Company
7. Profit Participation	KCHA receives 20% of difference between base price and sales price with inflation and cost adjusters	KCHA receives 20% of difference between base price and sales price with inflation and cost adjusters
8. Design Guidelines	Included	included
Owner-Occupancy	Included	included
Community Association	Included	included
Related Documents	Included	included
Damage Deposit	Included	included
Lot Repurchase	Included	included

Company Background

Conner Homes has been a Puget Sound regional homebuilder for over sixty years, with extensive experience in all facets of land development and homebuilding including entitlement, development, construction, marketing, sales, and warranty.

Family owned and operated, Conner Homes has developed and built over 6,000 single-family and multi-family residences and has a well-earned reputation for building a high quality product, which is typically marketed to a higher priced segment of the market than is currently buying homes in White Center.

They currently have 77 homes under development in King County in 6 small subdivisions, most of which will be priced much higher than that proposed for Greenbridge. This is Conner Homes' first development on a HOPE VI site, although they have extensive experience working in master planned communities.

Property 5b Independent Appraisal

In 2013 - 2014, Kidder Mathews valued Property 5b at $3,100,000. Staff is working on a letter update of the appraisal for the Greenbridge West Bulk Parcels but is confident that the Conner Homes offer is at or above current appraised value. KCHA believes that the very strong offers from both Conner and Azure are the result of the very low inventory of homes in the local for sale market and in both builders' 2017 pipelines. The latest these builders could realistically close on a parcel of land and start their engineering work is this month in order for them to commence construction in 2017, otherwise, they would miss the 2017 building cycle altogether.

Risks

Market Risk: There is a risk that Conner Homes will not close on the Greenbridge West Bulk Parcels, due to changing market conditions. This risk includes factors such as softening of the residential market or Conner's perception of a weakening market. This risk is mitigated by projected continued economic expansion in the region and the very low inventory of homes for sale in the King County market, particularly new product this proximate to the Seattle CBD. The market remains very strong and there are no immediate signs of a weakening in home sales.

Builder Capability and Timing Risk: The West Bulk Parcels require that the builder permit, build and plat infrastructure that will contain utilities including communications, power, water and sewer. This will be the most complex building and platting project that a builder has attempted at Greenbridge so far. The risk is that the development could be slowed or stopped due to needed permits and developer extensions being delayed or not approved in time for the May 2017 construction window. Conner Homes will have to make a significant investment in the site engineering, permitting, construction and platting work needed to construct the infrastructure. This risk is mitigated by KCHA's staff and Conner Home's staff having the technical knowledge and experience to navigate the design and permitting process and secure needed approvals and entitlements.

Site Conditions Risk: It is possible that environmental issues or unknown site conditions will be encountered that would delay development or prompt renegotiation of the terms of the deal. One example of this would be a proposed site design that generates storm water run-off in excess of the existing storm water detention and water quality pond capacity. This risk is mitigated by KCHA having undertaken site engineering and extensive environmental studies in connection with the master plat. There are no known environmental issues and Conner's site design is expected to take into account known limitations on total impervious surface. This risk is further mitigated by an adjacent property, sold to BDR Homes, closing at full price earlier this year with no unknown site conditions identified to date during construction.

Staff Recommendation

Conner Homes has extensive land development and home building experience and a 60 year reputation as a high quality Northwest homebuilder. Conner Homes has a capable staff that can efficiently obtain needed permits and approvals in accordance with the Greenbridge Master Plan entitlements. Staff believes that Conner Homes has made an excellent offer for Property 5b and Conner's presence at Greenbridge will continue to strengthen the value of the remaining land. Staff recommends passage of Resolution No. 5539.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5539

AUTHORIZING THE DISPOSITION OF GREENBRIDGE WEST BULK PARCELS BY NEGOTIATED SALE TO CONNER HOMES

WHEREAS, one objective of the King County Housing Authority's Greenbridge HOPE VI project in White Center is the provision of up to 400 new home ownership opportunities in the community; and,

WHEREAS, KCHA has platted, and has provided utility service to the property boundaries of the Greenbridge West Bulk Parcels comprised of Tract A-401, Parcels Z-401 and Z-402 within Greenbridge Division 4 and Parcels Z-1 and Z-3 within Greenbridge Master Plat; and,

WHEREAS, KCHA has offered this land for bulk sale through an open public offering to developers and builders of for-sale housing; and,

WHEREAS, Conner Homes has made an offer to purchase the Greenbridge West Bulk Parcels pursuant to the open public offering for a sales price of $3,850,000; and,

WHEREAS, Conner Homes has a successful record of developing land and building new homes in communities in the Puget Sound region for over 60 years; and,

WHEREAS, KCHA has entered into a nonbinding Letter of Intent with Conner Homes, dated May 11, 2016, setting forth the major terms of the sale; and,

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

1. Executive Director, or his designee, is hereby authorized to execute a purchase and sale agreement with Conner Homes, to sell and dispose of Greenbridge West Bulk

Parcels for the price of $3,850,000. HUD restricted proceeds from this sale will be used to offset land development and carrying costs associated with the "for sale" land parcels at Greenbridge and other uses as may be approved by HUD. The Executive Director, or his designee, is authorized to adjust the price by up to 15% to account for unknown or unforeseen conditions so long as the final sales price is supported by a market rate appraisal.

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

ADOPTED AT A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 20TH DAY OF JUNE, 2016.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

____
DOUGLAS J. BARNES, Chair
Board of Commissioners

____

STEPHEN J. NORMAN
Secretary

CERTIFICATE

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

1. That the attached Resolution No. 5539 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on June 20, 2016, and duly recorded in the minute books of the Authority.

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail or by personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix 1;

3. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of June, 2016.

____
Stephen J. Norman
Executive Director of the Authority

CONNER
HOMES

May 11, 2016

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

RE: Greenbridge Property Offering Letter of Intent

Dear Mr. Eliason:

This non-binding Letter of Intent sets forth the general terms and conditions which CHG SF, LLC ("Purchaser") desires to enter into a binding Purchase and Sale Agreement ("REPSA") and related documents with the King County Housing Authority ("KCHA") for the described property in the Greenbridge Master Planned Community:

1 Property	Tract A-401, Parcel Z-402 and Parcel Z-40 Greenbridge Division 4 together with Parcel Z-3 and Parcel Z-1 Greenbridge Master Plat.
2 Proposed Development	Attached and Detached homes ranging in square footage from 1,760 sq. ft. to 2,200 sq. ft.
3 Purchase Price	Proposed alley loaded lots (41) and front loaded lots (36) for a total of 77 homes. The bulk purchase price of the Property $3,850,000. Purchase Price adjusted up or down by $50,000 per lot on the final number of lots with a Minimum Purchase Price of $3,500,000 (70 lots). It is the intent of both parties to maximize the number of lots that are consistent with design guidelines, topographical considerations, and economic considerations to product lots (grading, walls, paved surfaces to name three). Site plan to be approved by KCHA prior to end of Feasibility Period.
4 Earnest Money	$150,000 promissory note held in escrow and converted to cash upon waiver of feasibility.
5 Feasibility Period	45 days from date of mutual acceptance of the REPSA.
6 Closing Date	Closing to occur 30 days after Engineering Approval but no later than June 1, 2017.
7 Title/Escrow	Chicago Title Insurance Company – Karen Kirkwood, Mike Harris
8 Profit Participation	Purchaser agrees to profit participation on the sale of homes on purchased lots. KCHA shall be entitled to 20% of the difference between the listed price for profit participation below and the price at the time of the sale.

Home Type (Sq Ft)	Base Home Sales Price	Lot Premium	Inflation Buffer (2%)	Total Base Price for Profit Participation Calculation
1,760	$360,500	$0	$7,210	$367,710

CONNER HOMES

9 Additional Terms	**Design Guidelines:** All of Purchaser's building plans, landscaping and improvements must be approved by KCHA based on the Greenbridge Design Guidelines. Purchaser must identify any Greenbridge Design Guidelines for which it requests a waiver or modification prior to waiver of feasibility. **Owner-Occupancy Requirement:** Purchaser may not lease or rent units and shall sell finished housing units only to parties who agree, as consideration for their purchase of a housing unit, to occupy the housing unit for a minimum of eighteen months, unless such requirement is waived in writing by KCHA. The procedures for compliance with this requirement shall be set forth in the REPSA. **Community Association:** Purchaser understands that there is a community association for Greenbridge and that the housing units developed on the Property are obligated to join and pay assessments to the Greenbridge Association. A Declaration of Conditions, Covenants and Restrictions for Greenbridge contains a number of requirements and rules applicable to the Property. **Related Documents:** As master developer, KCHA has recorded several Declarations (including CCR's) to be reflected in the title report. Permitted exceptions will be listed in the REPSA and further identified during review of title reports. **Damage Deposit:** Purchaser shall post a damage deposit in the amount of $10,000. The cash deposit will be placed in escrow at closing. The damage deposit will cover damage to KCHA constructed improvements in Greenbridge. **Lot Repurchase:** Lots purchased by Purchaser shall have a resale restriction. Purchaser shall give KCHA first opportunity to repurchase lots at the original Purchase Price, or upon KCHA election not to repurchase, the lots may be sold to another KCHA approved builder and any net proceeds from such approved sale above the lot price Purchase paid KCHA shall be shared 70% to Purchaser 30% with KCHA.				

CONNER
HOMES

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

The parties agree to negotiate, in good faith, with the goal of reaching agreement on a Purchase and Sale Agreement, to be executed no later than 60 days after this letter is signed. Once this letter is fully signed, KCHA will direct its legal counsel to prepare a draft Purchase and Sale Agreement. Purchaser acknowledges that final approval of a Purchase and Sale Agreement requires approval of KCHA's Board of Commissioners. KCHA will endeavor to obtain such approval as promptly as possible.

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

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

PURCHASER

CHG SF, LLC

____

By: [signature]

Its: SR. V.P.

AGREED AND ACCEPTED:

KING COUNTY HOUSING AUTHORITY

____

TAB NUMBER 6

To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: June 14, 2016

Re: **First Quarter 2016 Financial Statements**

EXECUTIVE SUMMARY

The funding outlook for 2016 is positive as KCHA received a 12% inflation adjustment for the Housing Choice Voucher (HCV) program. When combined with an actual prorate of 99.582% vs. the budget of 99.0%, KCHA's 2016 funding will increase by $12.5 million over 2015 and will be $13.8 million greater than anticipated in the budget. Due to HUD cash management limitations, KCHA was only allowed to draw 18.2% of its 2016 block grant allocation of $116.2 million, resulting in a first quarter negative revenue variance of $4.8 million.

The monthly fee received from HUD to administer the non-block grant HCV programs was originally budgeted at a prorated 77% but will actually be closer to 84%. This increase will result in an additional $53,000 funding from HUD compared to the 2016 budget.

On the Public Housing side, during the first quarter HUD provided operating fund subsidy at an average prorate of 87.0% vs. the budget of 83.5%, resulting in first quarter funding levels higher than projected in the budget. The Authority continues to consult with Johnson Controls to maximize the subsidy through its Energy Performance Contract. Anticipated adjustments to the 2016 Public Housing subsidy request are expected to yield an additional $180,000 beyond the $635,000 already requested for energy incentives. Under program rules, up to 25% of these amounts can be retained by KCHA to support general housing operations.

QUARTERLY HIGHLIGHTS

Operating income for the first quarter was 4.1% below budget projections, while operating expenses lagged by 3.1%. The revenue variance is entirely related to HUD'S cash management procedures described above, while the expense variance is mostly timing as maintenance, utility and administrative expenses are all low. This is a common first quarter pattern.

Both Spiritwood and Corinthian Apartments were sold to tax credit investors during the quarter, and rehabilitation work is proceeding at both sites. Charter House was sold to the

Bremerton Housing Authority during the quarter. Sales proceeds were used to pay off the related debt.

New payment standards were implemented during the quarter, but the impact of the five-tier system won't significantly impact HAP costs until at least the second quarter.

During the first quarter, total working capital, defined as the difference between short-term assets and short-term liabilities, and the basis on which the attached financial statements are prepared, increased by $655,000.

CASH AND INVESTMENT SUMMARIES

Overall cash balances decreased by $4.6 million during the quarter, driven predominantly by block grant expenses that exceeded funding received from HUD due to cash management procedures. As HUD increased the cash that was available to draw in the second quarter, $7.9 of additional block grant cash was requested and received in April but is not reflected in this report. For a complete report on KCHA's overall cash position at the end of the first quarter, please see page 9.

Investment Summaries (in millions)	Amount	Yield	% of Total
Invested in the Local Government Investment Pool	$25.1	0.25%	19.7%
Invested by KCHA	53.1	1.07%	41.6%
Cash held by trustees	16.8	0.10% *	13.1%
Cash held in checking and savings accounts	27.0	0.10% *	21.1%
Invested by KCHA	$122.0	0.55%	95.5%
Cash loaned for low income housing purposes	5.7	4.87%	4.5%
Loaned by KCHA	5.7	4.87%	4.5%
Total	$127.7	0.75%	100.0%

*Estimate

The overall Return on Investment (ROI) on KCHA investments, including loans made for low income housing purposes, was 0.75%, up from 0.69% last quarter. The Washington State Treasurer's Local Government Investment Pool (LGIP) average interest rate for the quarter was 0.43%, while the projected rate as of May 26th was 0.44%.

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

MTW Reserve Balances
(in millions of dollars)

MTW Cash, Beginning of Quarter	$14.1
Quarterly change:	
Block grant HAP payments in excess of quarterly funding from HUD	(1.8)
Additional subsidy transferred to Public Housing properties	(0.6)
Capital construction projects	(0.6)
Unit Upgrades	(0.3)
Direct social service expenses	(1.4)
Tenmast Software expenses	(0.1)
Other net changes	(0.9)
MTW Cash, End of Quarter	$8.4
Less Reserves:	
Restricted Reserve-Green River Collateral	(7.8)
Construction Reserve	(0.9)
HAP Reserve ($4.8 million is pledged as FHLB collateral)	(6.9)
Supportive Housing Reserve	(2.2)
Technology Reserve	(0.6)
MTW Working Capital Cash, End of Quarter	($10.0)

COCC Reserve Balances
(in millions of dollars)

COCC Cash, Beginning of Quarter	$34.5
Quarterly change:	
Excess cash transferred in from tax credit partnerships and bond properties	0.8
Payment on MKCRF Federal Home Loan Bank loan	(0.2)
Other net change	(0.5)
COCC Cash, End of Quarter	$34.6
Less Reserves:	
Liquidity Reserves for King County credit enhancement	(9.0)
COCC Working Capital Cash, End of Quarter	$25.6

CAPITAL INVESTMENTS (Including tax credit partnerships)

The following schedule shows the budget versus actual costs of both KCHA-owned properties and KCHA-managed tax credit partnerships' capital projects through the first quarter.

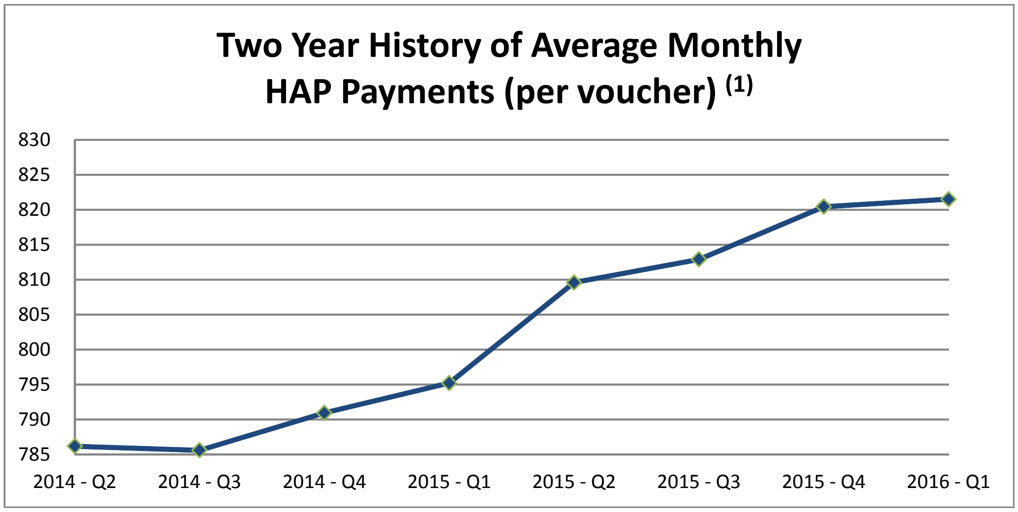
	Actuals Thru 3/31/2016		Budget Thru 3/31/2016	YTD Variance	Percent of Annual Budget	2016 Annual Budget
CONSTRUCTION ACTIVITIES						
Managed by Capital Construction Department						
Public Housing	$710,939	(1)	$2,334,504	($1,623,565)	8.4%	$8,486,863
509 Properties	244,158		351,615	(107,457)	13.3%	1,830,183
Other Properties	28,619		-	28,619	2.9%	979,317
	983,717		2,686,119	(1,702,402)	8.7%	11,296,363
Managed by Housing Management Department						
Unit Upgrade Program	821,278		1,013,327	(192,049)	20.3%	4,053,279
Other Projects	313,606	(1)	621,564	(307,958)	10.3%	3,045,986
	1,134,883		1,634,891	(500,008)	16.0%	7,099,265
Managed by Asset Management Department						
Bond Properties-managed by KCHA staff	258,422		37,500	220,922	8.9%	2,897,000
Bond Properties-managed by external property mgt	1,047,672	(1)	2,054,094	(1,006,422)	12.0%	8,747,397
Other Properties	-		-	-	N/A	-
	1,306,094		2,091,594	(785,500)	11.2%	11,644,397
Subtotal Construction Activities	**3,424,694**		**6,412,604**	**(2,987,910)**	**11.4%**	**30,040,025**
DEVELOPMENT ACTIVITY						
Managed by Hope VI Department						
Seola Gardens	770		-	770	N/A	-
Greenbridge	99,104	(1)	263,339	(164,235)	10.0%	995,155
Salmon Creek/Nia	-		16,050	(16,050)	0.0%	208,200
	99,874		279,389	(179,515)	8.3%	1,203,355
Managed by Development Department						
Vantage Point	4,017		88,155	(84,138)	3.1%	129,065
Spiritwood	1,083,855	(1)	2,817,604	(1,733,749)	3.6%	30,164,590
Notch	36,130		55,244	(19,114)	11.0%	327,290
	1,124,002		2,961,003	(1,837,001)	3.7%	30,620,945
Subtotal Development Activity	**1,223,876**		**3,240,392**	**(2,016,516)**	**3.8%**	**31,824,300**
TOTAL CONSTRUCTION & DEVELOPMENT	**$4,648,570**		**$9,652,996**	**($5,004,426)**	**7.5%**	**$61,864,325**
PROPERTY ACQUISITIONS & OTHER ASSETS						
Acquisitions	26,530,000	(2)				
Software	76,743					
Other Assets	235,243					
TOTAL PER WORKING CAPITAL REPORT	**$31,490,556**					

1) Rate of activity will increase as the year progresses. Ths has been a pattern in most years as work tends to be done during months with better weather.
2) Acquisition of Spiritwood capital assets by the Spiritwood tax credit partnership.

PROGRAM ACTIVITIES

HOUSING CHOICE VOUCHERS

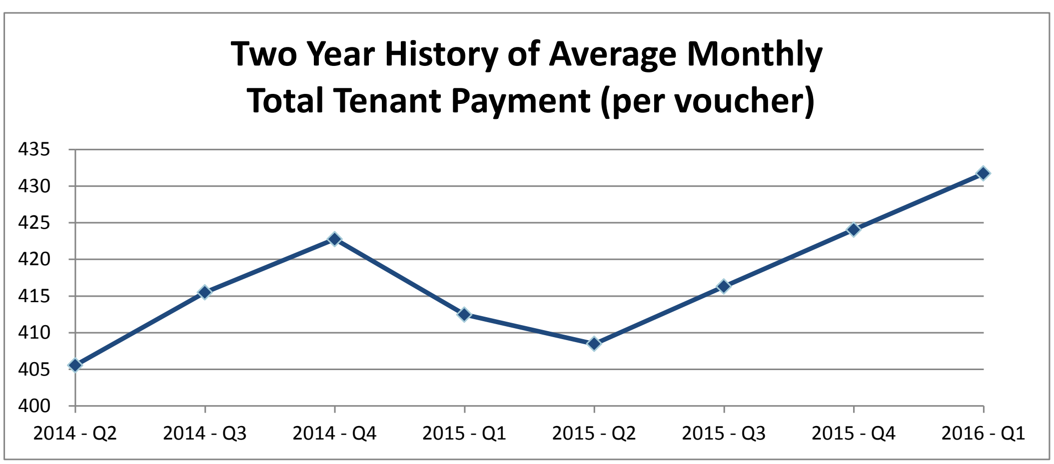
The average quarterly HAP payment to landlords for all HCV vouchers was $821.50, compared to $820.44 last quarter and $795.22 one year ago.



(1) Average HAP expenses from October 2015 through January 2016 include some extrapolated estimates as certain Tenmast data was not available

KCHA's average HAP cost steadily rose throughout 2015 and into 2016, influenced by new payment standards adopted by the Board in December 2014. With the implementation of new multi-tiered payment standards in February 2016 and steadily rising market rents, the increase in average HAP costs is expected to continue.

Total Tenant Payment (TTP) is the tenant's monthly contribution towards rent and utilities and is benchmarked at 28.3% of their income. Average TTP during the quarter was $431.72, up from $424.05 the previous quarter, increasing despite the recent change in payment standards.



Based on KCHA's experience with the December 2014 payment standard increase, it will be several more months before the TTP declines as tenants move to the new standards only as a result of annual reviews, rent changes, moves, and hardship requests.

Data pertaining to the number of families who are paying more than 30%, 40% and 50% of their income towards rent is not yet available from the leased housing software. The issue has been elevated in importance with the software developer and continues to be worked on by the Authority.

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***

   Even though KCHA drew all block grant funding available in the first quarter, the amount was still below budgeted levels due to HUD cash management procedures.

(In thousands of dollars)	Actual	Budget	Variance	%Var	
HCV Block Grant Revenue	$21,157.6	$25,673.4	($4,515.9)	(17.6%)	(1)
Funding of HAP Payments to Landlords	(21,041.4)	(20,777.5)	263.9	(1.3%)	
Funding of Section 8 Administrative Costs	(1,955.6)	(1,937.3)	18.3	(0.9%)	
Excess of HCV Block Grant Funding over Expenses	($1,839.4)	$2,958.7	($4,798.1)	(162.2%)	

1) Standard monthly block grant payments from HUD are based on prior years leasing levels. Additional amounts are requested by KCHA as HUD receives specific funding authority. Due to HUD cash management procedural constraints, no additional cash was available to draw in the first quarter.

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

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

(In thousands of dollars)	Actual	Budget	Variance	%Var
Public Housing Subsidy (outside managed tax credits)	$93.5	$92.9	$0.6	0.7%
Additional Transfers to PH AMPs Based on Need	(545.2)	(545.2)	(0.0)	0.0%
Net Flow of Cash(from)/to MTW from/(to) PH	($451.7)	($452.4)	$0.6	(0.1%)

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	$150.0	$651.6	($501.6)	(77.0%)	(1)
Resident Services	1,141.7	1,293.0	($151.3)	(11.7%)	
Use of MTW Funds for Special Programs	$1,291.7	$1,944.6	($652.9)	(33.6%)	

1) Variance is due to errors in Highline School District Rapid Rehousing Program invoices resulting in payments being delayed. Slow billing by partner agencies such as PACT and Housing First also contributed to the variance. The Authority has seen an increase in billing during the 2nd quarter.

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	$963.21	$3,208.59	($2,245.4)	(233.1%)	(1)
Misc. Other Uses	63.6	71.0	(7.4)	(11.7%)	
	$1,026.8	$3,279.6	($2,252.8)	(219.4%)	

1) Construction activity is expected to catch up to budget as the year progresses.

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 $132,000 or 0.62% of program gross revenues. Expenses are below the budget of $241,500 due to timing issues.

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

(In thousands of dollars)

	YTD Actual	YTD Budget	Variance	%Var	
Revenues					
Management fees	$1,892.0	$2,065.0	($173.0)	(9.1%)	
Cash transferred-in from local properties	839.9	875.0	(35.1)	(4.2%)	
Investment income	347.7	356.8	(9.0)	(2.6%)	
Other income	338.4	252.5	85.9	25.4%	
	$3,418.1	$3,549.2	($131.2)	(3.8%)	
Expenses					
Salaries & Benefits	$2,377.0	$2,424.0	($47.0)	(2.0%)	
Administrative Expenses	475.2	793.1	(317.8)	(66.9%)	(1)
Occupancy Expenses	50.2	49.3	0.9	1.7%	
Other Expenses	143.3	154.3	(11.0)	(7.7%)	
	$3,045.7	$3,420.7	($375.0)	(12.3%)	
Net Change in Available COCC Resources	$372.4	$128.5	$243.8		

1) Administrative contracts and professional services have been less than anticipated in the budget but are expected to increase as the year progresses

REPORTS TABLE OF CONTENTS

Summary Reports

Budget vs. Actual Reports

King County Housing Authority
Consolidated Cash Report
As of 3/31/2016

	KCHA-Owned Cash					
	Oper Cash & State Pool 3/31/2016	Outside Investments 3/31/2016	Other Cash Accounts 3/31/2016	Total Cash 3/31/2016	Total Cash 12/31/2015	Cash of Other Entities 3/31/2016
Cash-Unrestricted						
COCC	$8,932,545	$16,640,098	$50	$25,572,692	$25,473,754	$0
Other Funds	2,100,673	2,501,751	13,864,801	18,467,225	17,910,388	4,866,459
Total Cash-Unrestricted	11,033,218	19,141,848	13,864,851	44,039,917	43,384,142	4,866,459
Cash for Use Within Specific Programs						
MTW	(13,127,862)	3,111,068	0	(10,016,794)	(4,960,166)	0
Public Housing	4,828,970	0	0	4,828,970	5,033,432	392,637
Section 8	(7,449,309)	0	7,174,295	(275,014)	(166,885)	0
Other Funds	2,793,093	1,000,000	0	3,793,093	3,576,881	0
Total Cash for Use Within Specific Programs	(12,955,108)	4,111,068	7,174,295	(1,669,745)	3,483,262	392,637
Cash Set-aside to Pay Short-term Debt (P & I Reserves)						
Other Funds	2,247,758	239,763	1,278,589	3,766,110	3,366,658	0
Total Cash Set-aside to Pay Short-term Debt	2,247,758	239,763	1,278,589	3,766,110	3,366,658	0
Cash Dedicated for Specific Purposes						
MTW	3,720,195	2,398,855	0	6,119,050	6,745,385	0
Section 8	36,346	0	0	36,346	0	0
COCC	2,027,835	7,006,732	0	9,034,567	9,039,844	0
Other Funds	15,942,313	15,297,990	3,200,000	34,440,303	34,238,699	1,798,835
Total Cash Dedicated for Specific Purposes	21,726,689	24,703,577	3,200,000	49,630,266	50,023,928	1,798,835
Cash Restricted by Outside Entities						
MTW	62,106	4,501,145	7,773,229	12,336,480	12,324,973	0
Public Housing	197,356	0	0	197,356	197,581	9,375
Section 8	782,041	0	0	782,041	787,151	0
COCC	0	0	6,801	6,801	6,800	0
Other Funds	2,018,180	443,871	10,417,606	12,879,657	12,978,646	2,905,845
Total Cash Restricted by Outside Entities	3,059,683	4,945,016	18,197,636	26,202,335	26,295,151	2,915,220
TOTAL CASH BALANCES	$25,112,241	$53,141,272	$43,715,371	$121,968,883	$126,553,141	$9,973,151

Detail of Cash Dedicated for Specific Purposes		
Rehab Reserves	$927,874	$1,210,000
Cash at Former PH Sites-Set Aside for Future Use	6,488,000	6,488,000
Project Reserves	3,200,000	3,200,000
Exit Tax Designation-Reserves	6,052,827	6,052,827
HAP Reserves*	2,398,855	2,398,855
Program Income from Hope VI Loans	743,666	743,666
Program Income from Hope VI Lot Sales	5,250,502	5,250,502
Not currently used	51,183	0
Replacement Reserves	12,654,126	12,503,704
Technology Reserves	600,219	678,697
Liquidity Reserves	9,006,732	9,006,732
Supportive Housing Reserves	2,192,102	2,457,833
HASP	36,346	33,112
State Gas Tax Rebate	27,835	0
Total Cash-Dedicated for Specific Purposes	$49,630,266	$50,023,928

Detail of Restricted Cash		
Excess Cash Reserves-Overlake	$2,470,923	2,232,191
Endowment Reserves	196,802	307,621
Replacement Reserves	7,086,071	6,908,323
Operations Reserves	63,943	359,149
Bond Reserves-1 Yr Payment	632,146	639,173
Residual Receipt Reserves	564,899	564,899
FSS-Reserves	844,147	837,750
Collateral Reserves	7,773,229	7,773,229
HAP Reserves Used as Collateral*	4,501,145	4,501,145
HASP	0	0
Security Deposits & Escrow Accounts	2,069,031	2,171,671
Total Restricted Cash	$26,202,335	$26,295,151

KING COUNTY HOUSING AUTHORITY
Statements of Financial Position
(In $1,000's; excludes non-KCHA-managed component units)
For the Period Ended March 31, 2016

	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	$56.3	$486.5	$5,588.4	$4,349.0	$.0	$.0	$10,651.6	$1,269.6	$(291.5)	$229.0	$824.1	$25,604.9	$48,768.0
Cash-Restricted Within Program	4,970.7	390.7	.0	.0	(274.1)	(10,016.8) (2)	.0	.0	.0	2,916.6	678.5	.0	(1,334.4)
Cash-Restricted for WC Purposes	.0	.0	.0	3,141.3	.0	.0	580.6	.0	44.2	.0	.0	.0	3,766.1
Accounts Receivables	151.8	5,135.0	70.4	2,991.2	783.1	15,937.9	167.5	734.6	1,022.6	106.9	682.6	1,909.1	29,692.6
Prepaid Assets & Inventory	97.4	68.2	48.1	95.0	38.6	1.1	313.6	13.6	10.1	.6	3.2	91.0	780.5
Total Working Capital Assets	5,276.2	6,080.3	5,706.9	10,576.6	547.5	5,922.3	11,713.3	2,017.8	785.4	3,253.2	2,188.3	27,605.0	81,672.9
Liabilities Offsetting Working Capital Assets													
Accounts Payable	(79.0)	(231.4)	(240.7)	(826.3)	(437.7)	(15.2)	(577.7)	(89.9)	(28.0)	(473.6)	(243.9)	(37.6)	(3,281.0)
Payroll Liabilities	(205.0)	(116.4)	(54.1)	(166.9)	(480.7)	(272.1)	(31.4)	(29.7)	.0	(9.9)	(585.3)	(1,322.0)	(3,273.6)
Accrued Liabilities	(12.7)	(184.6)	(28.2)	(1,470.5)	(23.7)	(622.0)	(342.8)	(296.3)	(56.9)	(452.1)	(129.2)	.0	(3,619.1)
Deferrals	(21.3)	(56.7)	(99.5)	.0	.0	.0	(87.3)	.0	(43.8)	(1,600.0)	(764.6)	.0	(2,673.2)
Current Portion of Long-term debt	(180.3)	(3,206.0)	(279.8)	(4,767.3) (1)	.0	.0	(8,894.4) (3)	(73.1)	(250.0)	(18,428.5) (5)	.0	(900.0)	(36,979.4)
Total Offsetting Liabilities	(498.4)	(3,795.1)	(702.4)	(7,231.0)	(942.2)	(909.3)	(9,933.6)	(489.0)	(378.7)	(20,964.1)	(1,723.0)	(2,259.6)	(49,826.3)
Working Capital	4,777.8	2,285.2	5,004.5	3,345.6	(394.7)	5,013.0	1,779.7	1,528.8	406.7	(17,710.9) (5)	465.4	25,345.4	31,846.6
Other Assets													
Cash-Designated	.0	3,300.6	2,819.6	11,442.1	36.3	5,834.1	12,619.5	.0	.0	6,045.4	.0	9,034.6	51,132.1
Cash-Restricted	247.5	1,329.5	1,219.2	702.4	782.0	12,621.5	8,850.9	705.4	2,470.9	378.0	.0	6.8	29,314.2
Receivables	.0	122,007.8	.0	73,972.3	.0	15,545.1	536.9	22,734.3	70,782.7	363.0	209.6	21,031.9	327,183.5
Capital Assets	94,343.1	85,516.4	47,639.0	164,907.3	.0	.0	177,133.0	11,439.2	(.0)	29,778.8	.0	14,149.2	624,905.9
Work-in-Process	4,139.0	234.5	1,001.5	1,374.0	1.5	1,695.0	565.9	.0	26.9	44,237.6	6.9	.0	53,282.8
Suspense	.0	.0	.1	(.5)	(112.2)	.0	20.5	(39.8)	.0	.0	.0	24.5	(107.4)
Other Assets	.0	2,373.1	.0	861.2	.0	.0	(2,386.3) (4)	100.0	36.5	99.6	.0	.0	1,084.1
Total Other Assets	98,729.6	214,761.9	52,679.3	253,258.8	707.7	35,695.6	197,340.4	34,939.1	73,317.0	80,902.3	216.6	44,246.9	1,086,795.2
TOTAL ASSETS (net of WC offsets)	$103,507.4	$217,047.1	$57,683.9	$256,604.4	$313.0	$40,708.6	$199,120.1	$36,467.8	$73,723.7	$63,191.5	$682.0	$69,592.4	$1,118,641.7
LIABILITIES & EQUITY													
Other Liabilities													
Deferrals-Related to Restr Cash	$184.6	$73.7	$142.7	$100.5	$782.0	$58.9	$1,699.4	$36.4	$.0	$40.0	$.0	$6.8	$3,125.1
Debt	188.9	82,385.9	12,289.3	123,748.4	.0	.0	183,184.9	15,153.9	38,721.4	34,943.6	.0	14,837.9	505,454.2
Other Liabilities	20.7	8,431.9	1,091.2	2,051.5	.0	.0	536.9	2,148.6	321.5	12,136.7	.0	.0	26,738.9
	394.1	90,891.5	13,523.2	125,900.5	782.0	58.9	185,421.2	17,338.9	39,042.9	47,120.3	.0	14,844.7	535,318.2
Equity													
Equity	103,113.3	126,155.6	44,160.7	130,703.9	(469.0)	40,649.6	13,665.5	19,129.0	34,714.3	16,071.2	682.0	54,747.7	583,323.5
	103,113.3	126,155.6	44,160.7	130,703.9	(469.0)	40,649.6	13,665.5	19,129.0	34,714.3	16,071.2	682.0	54,747.7	583,323.5
TOTAL LIAB & EQ (net of curr liab)	$103,507.4	$217,047.1	$57,683.9	$256,604.4	$313.0	$40,708.6	$199,086.7	$36,467.8	$73,757.2	$63,191.5	$682.0	$69,592.4	$1,118,641.7

1) $2.4m Birch Creek bonds; $865k Birch Creek Lease; $863k Green River Homes II bonds. Expected sources of repayments include CF P, 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.
3) Current portion of bond payments; source of funding will be P & I reserves
4) Fair market value of derivatives is a negative $2.4m-required by Generally Accepted Accounting Principles (GAAP). This is not a cash transaction.
5) $18.4m Vantage Point Bridge loan which will be repaid with tax credit equity contributions expected in 2016.

KING COUNTY HOUSING AUTHORITY
Working Capital Statements
(In $1,000's; excludes non-KCHA-managed component units)
For the Period Ended March 31, 2016

	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)						LOCAL PROGRAMS						
	Public Housing		Other Housing		Other Programs		KCHA	Outside	Tax Credit				Memo:
	KCHA	Outside	KCHA	Outside	Section 8	MTW	Owned	Owned	Gen Prtnr	Develop			KCHA
Revenues	Owned	Owned	Owned	Owned	Program	Program	Housing	Housing	Activity	Activity	Other	COCC	**COMBINED**
Tenant Revenue	$1,249.0	$514.5	$1,504.6	$3,246.9	$24.4	$.0	$12,013.5	$367.1	$1.6	$1.4	$.0	$.0	$18,923.1
Operating Fund Subsidy from HUD	1,037.4	1,574.3	.0	.0	.0	93.5	.0	.0	.0	.0	95.3	.0	2,800.4
Section 8 Subsidy from HUD	.0	.0	92.7	.0	25,666.1	(1,839.4) **(2)**	.0	.0	.0	.0	.0	.0	23,919.3
Other Operating Revenue	18.8	23.5	167.3	396.1	7,818.2	2.7	40.3	22.7	1,092.4	27.0	815.7	3,008.2	13,433.2
Non-operating Revenue	151.2	1,015.1	15.0	980.2	.0	86.4	67.3	198.8	24,392.3 **(5)**	52.9	.0	394.9	27,354.1
Total Revenues	2,456.4	3,127.4	1,779.7	4,623.2	33,508.7	(1,656.8)	12,121.2	588.6	25,486.3	81.3	910.9	3,403.1	86,430.2
Expenses													
Salaries & Benefits	462.3	208.9	150.7	357.1	1,451.1	367.8	979.9	70.3	54.7	133.8	236.3	2,629.3	7,102.2
Routine Maintenance, Utilities, Taxes & Insurance	883.4	472.9	347.7	719.9	65.8	.0	2,618.6	119.8	.0	.1	2.6	418.2	5,649.1
Direct Social Service Salaries & Benefits	.0	.0	.0	.0	28.1	459.1	.0	.0	.0	10.6	13.2	.0	511.0
Other Social Service Support Expenses & HAP	23.6	1,118.0	13.9	.3	31,074.8	551.9	28.7	19.0	.0	15.2	574.4	.0	33,419.9
Administrative Support Expenses	480.9	256.6	156.1	320.0	912.7	52.3	1,129.7	107.9	102.8	6.4	14.1	529.6	4,069.1
Non-operating Expenses	27.1	666.5	78.5	1,305.7	.0	.0	1,959.9	152.9	102.8	136.7	.0	141.1	4,571.1
Total Expenses	1,877.4	2,722.8	746.9	2,703.0	33,532.6	1,431.1	6,716.8	469.9	260.3	302.8	840.6	3,718.3	55,322.3
Net Income	579.0	404.6	1,032.8	1,920.2	(23.9)	(3,087.8)	5,404.4	118.7	25,226.0	(221.5)	70.4	(315.1)	31,107.8
Other Sources/(Uses) of Working Capital													
(Increase) in Restricted/Designated Cash	(2.8)	(50.9)	(37.1)	(59.7)	(36.3)	.0	(330.0)	(16.5)	(238.7)	(142.0)	.0	(9.8)	(924.1)
Decrease in Restricted/Designated Cash	3.2	.0	.6	.0	5.1	614.8	425.1	.0	19.8	110.9	.0	15.1	1,194.6
(Increase) in LT Receivables	.0	(710.9)	.0	(84.7)	.0	.0	.0	(108.9)	(37,995.5) **(6)**	(.2)	.0	(10.3)	(38,910.6)
Decrease in LT Receivables	.0	100.0	.0	.0	.0	18.7	.0	.0	125.0	.0	.0	172.8	416.5
Acquisition of Capital Assets	(709.7)	(1.5)	(26.5)	(228.8)	.0	(90.8)	.0	.0	.0	(27,759.7)	(2.4)	(211.2)	(29,030.7)
Maintenance Projects	(352.3)	(66.8)	(349.8)	(358.9)	.0	.0	(1,205.5)	(.1)	(122.5)	.0	.0	(4.1)	(2,459.9)
Acquisition of Capital Assets	(1,062.0)	(68.3)	(376.3)	(587.6)	.0	(90.8)	(1,205.5)	(.1)	(122.5)	(27,759.7) **(9)**	(2.4)	(215.3)	(31,490.5)
Disposition of Capital Assets	.0	.0	2,944.7 **(1)**	.0	.0	.0	1,528.0	.0	9,955.4 **(7)**	.0	.0	.0	14,428.1
Change in Suspense	.0	.6	(.1)	.5	112.2	.0	(20.5)	39.8	.0	.0	.0	31.4	163.9
Change in Other Assets	.0	27.4	.0	.0	.0	.0	(.2)	(.0)	.0	.0	.0	.0	27.3
Change in Deferrals	(3.7)	(.2)	(.8)	(34.9)	(5.1)	9.5	(49.0)	(.1)	(19.8)	.0	.0	.0	(104.1)
Increase in LT Debt	.0	.0	.0	.2	.0	.0	.0	.0	.0	27,656.8 **(9)**	.0	.0	27,657.0
(Decrease) in LT Debt	(30.8)	(101.0)	(68.7)	(134.4)	.0	.0	(2,735.4) **(4)**	.0	(175.0)	.0	.0	(225.0)	(3,470.4)
Change in Other Liabilities	(5.2)	361.4	(19.2)	84.7	.0	.0	.0	113.0	5.2	.0	.0	.0	539.9
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	.0	.0	.0	.0	.0	.0	(.0)	.0	.0	34.9	(15.3)	.0	19.6
Total Other Sources/(Uses) of Working Capital	(1,101.5)	(441.9)	2,443.1	(816.0)	75.9	552.2	(2,387.5)	27.3	(28,446.2)	(99.4)	(17.7)	(241.0)	(30,452.8)
Transfer In from (Out to) Other Funds													
Transfers In from Other Funds	963.2	545.2	69.5	115.0	.0	.0	34.5	.0	2,959.4 **(1)**	51.2	237.4	839.9	5,815.3
Transfers Out to Other Funds	.0	.0	(3,010.6) **(1)**	(115.0)	.0	(1,562.2)	(839.9)	.0 **(2)**	.0	.0	(233.9)	(53.7)	(5,815.3)
Net Transfer In/(Out)	963.2	545.2	(2,941.1)	.0	.0	(1,562.2)	(805.4)	.0	2,959.4	51.2	3.5	786.2	-
Net Change in Working Capital	440.7	507.9	534.8	1,104.3	52.0	(4,097.8) **(3)**	2,211.5	146.0	(260.8) **(8)**	(269.7) **(10)**	56.1	230.0	655.0
Working Capital, 12/31/2013	4,337.2	1,777.3	4,469.7	2,241.3	(446.7)	9,110.8	(465.2)	1,382.8	700.9	(17,441.0)	409.2	25,115.4	31,191.7
Working Capital, 3/31/2016	$4,777.8	$2,285.2	$5,004.5	$3,345.6	$(394.7)	$5,013.0	$1,746.3	$1,528.8	$440.1	$(17,710.8)	$465.4	$25,345.4	$31,846.7

1) Spiritwood assets were transferred to the general partner fund for lease to the Spiritwood tax credit partnership.
2) Standard monthly block grant payments from HUD are based on prior years leasing levels. In January, February & March, block grant revenue dispersed from the MTW program exceeded the amount received. Additional HUD Subsidy will be requested in the seco nd quarter.
3) Due to Section 8 subsidy deficit, transfers out of funds for unit upgrades, operating subsidy, and capital construction as we ll as draws on rehabilitation and supportive housing reserves. Additional HUD subsidy will be requested in the second quarter.
4) Primarily due to payoff of Charter House line of credit and 2013 pool principal payments.
5) Gain on sale of assets to Spiritwood tax credit partnership.
6) New leases related to Corinthian ($10.2m) and Spiritwood ($26.5m) tax credit partnerships.
7) Disposition of Corinthian assets as part of sale to tax credit partnership.
8) Primarily due to new long-term receivable of Corinthian and Spiritwood subordinate loans as well as payments on the Corinthian l ine of credit and Overlake bond.
9) Acquisition of Spiritwood assets by the Spiritwood tax credit partnership development fund through a $26.5m capital lease.
10) Due to interest expense payments as well as draws on the Seola Gardens and Greenbridge endowments.

KCHA Combined
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

(n/m= not meaningful)

	Quarter Ended March 31, 2016				Year-to-Date				2016 Annual	Remainder to Receive/	Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$18,923,102	$18,564,442	$358,660	1.9%	$18,923,102	$18,564,442	$358,660	1.9%	$74,681,873	$55,758,771	25.3%	
Operating Fund Subsidy from HUD	2,800,398	2,650,966	149,432	5.6%	2,800,398	2,650,966	149,432	5.6%	10,603,838	7,803,440	26.4%	
Section 8 Subsidy from HUD	23,919,348	28,524,780	(4,605,432)	(16.1%)	23,919,348	28,524,780	(4,605,432)	(16.1%)	114,691,622	90,772,274	20.9%	(1)
Other Operating Revenue	13,433,183	11,845,513	1,587,670	13.4%	13,433,183	11,845,513	1,587,670	13.4%	58,413,458	44,980,275	23.0%	(2)
Non-operating Revenue	27,354,133	5,832,904	21,521,229	369.0%	27,354,133	5,832,904	21,521,229	369.0%	15,152,538	(12,201,595)	180.5%	(3)
Total Revenues	86,430,164	67,418,605	19,011,559	28.2%	86,430,164	67,418,605	19,011,559	28.2%	273,543,329	187,113,165	31.6%	
Expenses												
Salaries & Benefits	7,102,179	7,382,221	(280,042)	(3.8%)	7,102,179	7,382,221	(280,042)	(3.8%)	30,926,142	23,823,963	23.0%	
Routine Maintenance, Utilities, Taxes & Insurance	5,649,094	6,290,035	(640,941)	(10.2%)	5,649,094	6,290,035	(640,941)	(10.2%)	26,600,243	20,951,149	21.2%	(4)
Direct Social Service Salaries & Benefits	511,011	531,755	(20,744)	(3.9%)	511,011	531,755	(20,744)	(3.9%)	2,304,260	1,793,249	22.2%	
Other Social Service Support Expenses & HAP	33,419,853	33,426,610	(6,757)	(0.0%)	33,419,853	33,426,610	(6,757)	(0.0%)	138,192,415	104,772,562	24.2%	
Administrative Support Expenses	4,069,101	4,746,082	(676,981)	(14.3%)	4,069,101	4,746,082	(676,981)	(14.3%)	18,459,566	14,390,465	22.0%	(4)
Non-operating Expenses	4,571,098	4,271,944	299,154	7.0%	4,571,098	4,271,944	299,154	7.0%	18,931,835	14,360,737	24.1%	
Total Expenses	55,322,336	56,648,647	(1,326,311)	(2.3%)	55,322,336	56,648,647	(1,326,311)	(2.3%)	235,414,461	180,092,125	23.5%	
Net Income	31,107,828	10,769,958	20,337,870	188.8%	31,107,828	10,769,958	20,337,870	188.8%	38,128,868	7,021,040	81.6%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(924,077)	(2,708,112)	1,784,035	(65.9%)	(924,077)	(2,708,112)	1,784,035	(65.9%)	(4,462,869)	(3,538,792)	20.7%	(5)
Decrease in Restricted/Designated Cash	1,194,575	2,537,881	(1,343,306)	(52.9%)	1,194,575	2,537,881	(1,343,306)	(52.9%)	9,396,962	8,202,387	12.7%	(6)
(Increase) in LT Receivables	(38,910,602)	(1,174,592)	(37,736,010)	3212.7%	(38,910,602)	(1,174,592)	(37,736,010)	3212.7%	(12,006,484)	26,904,118	324.1%	(3)
Decrease in LT Receivables	416,519	431,692	(15,173)	(3.5%)	416,519	431,692	(15,173)	(3.5%)	4,793,467	4,376,948	8.7%	
Acquisition of Capital Assets	(31,490,556)	(13,296,622)	(18,193,934)	136.8%	(31,490,556)	(13,296,622)	(18,193,934)	136.8%	(75,693,037)	(44,202,481)	41.6%	(3)
Disposition of Capital Assets	14,428,123	0	14,428,123	n/m	14,428,123	0	14,428,123	n/m	2,020,000	(12,408,123)	714.3%	(3)
Change in Suspense	163,920	0	163,920	n/m	163,920	0	163,920	n/m	0	(163,920)	n/m	
Change in Other Assets	27,267	(500,000)	527,267	n/m	27,267	(500,000)	527,267	n/m	(2,000,000)	(2,027,267)	n/m	(7)
Change in Other Deferrals	(104,056)	0	(104,056)	n/m	(104,056)	0	(104,056)	n/m	0	104,056	n/m	
Increase in LT Debt	27,656,951	3,250,181	24,406,770	750.9%	27,656,951	3,250,181	24,406,770	750.9%	45,228,782	17,571,831	61.1%	(3)
(Decrease) in LT Debt	(3,470,392)	(2,049,357)	(1,421,035)	69.3%	(3,470,392)	(2,049,357)	(1,421,035)	69.3%	(29,051,291)	(25,580,899)	11.9%	(8)
Change in Other Liabilities	539,936	768,488	(228,552)	(29.7%)	539,936	768,488	(228,552)	(29.7%)	1,433,951	894,015	37.7%	(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	19,593	0	19,593	n/m	19,593	0	19,593	n/m	15,279,104	15,259,511	0.1%	
Total Other Sources/(Uses) of Working Capital	(30,452,800)	(12,740,441)	(17,712,359)	139.0%	(30,452,800)	(12,740,441)	(17,712,359)	139.0%	(45,061,415)	(14,608,615)	67.6%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	5,815,320	5,428,356	386,964	7.1%	5,815,320	5,428,356	386,964	7.1%	26,479,485	20,664,165	22.0%	
Transfers Out to Other Funds	(5,815,320)	(5,428,356)	(386,964)	7.1%	(5,815,320)	(5,428,356)	(386,964)	7.1%	(26,479,485)	(20,664,165)	22.0%	
Net Transfer In/(Out)	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Net Change in Working Capital	$655,028	($1,970,483)	$2,625,511	n/m	$655,028	($1,970,483)	$2,625,511	n/m	($6,932,547)	($7,587,575)	n/m	
Working Capital, Beginning of Period	31,191,666				31,191,666							
Working Capital, 3/31/2016	$31,846,695				$31,846,695							

1) In January, February & March, block grant revenue dispersed from the MTW program exceeded the amount received. Additional HUD Subsidy will be requested in the second quarter.
2) Primarily unbudgeted developer fee income from Spiritwood and Corinthian partnerships. Also, Section 8 portability revenue increased due to a higher than projected number of incoming ports.
3) Due to the timing of the Spiritwood and Corinthian tax credit partnership transactions, the gain on sale of the assets, disposition of the assets and booking of related debt and receivables were not included in the budget. This includes a $23.6m gain on the sale of the Spiritwood assets, $37.9m of leases and subordinate loans between KCHA and the partnerships, and the addition of $26.5m of assets to the Spiritwood partnership development fund.
4) Various categories are under target but are expected to catch up as the year progresses.
5) A deposit to the excess cash reserve from the 2015 Birch Creek net cash flow distribution was budgeted in the first quarter but occurred in the second quarter.
6) Budgeted 1st quarter draws from replacement reserve funds are expected to made in the 4th quarter when the related projects are completed. Also, the draw from restricted loan proceeds held by MKCRF to reimburse KCHA for construction costs at MKCRF properties budgeted in the 1st quarter occurred in the 2nd quarter.
7) $500k per quarter was budgeted for investment in the Regional Equitable Development Initiative fund to support future affordable housing projects. However, it is unknown when the first investment will actually be made.
8) Unbudgeted pay-off of the Charter House line of credit related to the sale of the property.
9) The budgeted draw from the Greenbridge internal loan is expected to be made in the second quarter.

Public Housing (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

	Quarter Ended March 31, 2016				Year-to-Date				2016 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$1,248,980	$1,185,567	$63,413	5.3%	$1,248,980	$1,185,567	$63,413	5.3%	$4,742,215	$3,493,235	26.3%	
Operating Fund Subsidy from HUD	1,037,355	1,038,778	(1,423)	(0.1%)	1,037,355	1,038,778	(1,423)	(0.1%)	4,155,095	3,117,740	25.0%	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	18,844	6,327	12,517	197.8%	18,844	6,327	12,517	197.8%	39,857	21,013	47.3%	(1)
Non-operating Revenue	151,200	1,847	149,353	8086.2%	151,200	1,847	149,353	8086.2%	7,341	(143,859)	2059.7%	(2)
Total Revenues	2,456,378	2,232,519	223,859	10.0%	2,456,378	2,232,519	223,859	10.0%	8,944,508	6,488,130	27.5%	
Expenses												
Salaries & Benefits	462,335	493,534	(31,199)	(6.3%)	462,335	493,534	(31,199)	(6.3%)	2,091,139	1,628,804	22.1%	
Routine Maintenance, Utilities, Taxes & Insurance	883,438	978,598	(95,160)	(9.7%)	883,438	978,598	(95,160)	(9.7%)	4,424,177	3,540,739	20.0%	
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	23,635	29,392	(5,757)	(19.6%)	23,635	29,392	(5,757)	(19.6%)	117,546	93,911	20.1%	
Administrative Support Expenses	480,935	686,442	(205,507)	(29.9%)	480,935	686,442	(205,507)	(29.9%)	3,027,343	2,546,408	15.9%	(3)
Non-operating Expenses	27,068	3,590	23,478	654.0%	27,068	3,590	23,478	654.0%	14,346	(12,722)	188.7%	
Total Expenses	1,877,412	2,191,556	(314,144)	(14.3%)	1,877,412	2,191,556	(314,144)	(14.3%)	9,674,551	7,797,139	19.4%	
Net Income	578,966	40,963	538,003	1313.4%	578,966	40,963	538,003	1313.4%	(730,043)	(1,309,009)	n/m	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(2,841)	(2,790)	(51)	1.8%	(2,841)	(2,790)	(51)	1.8%	(11,160)	(8,319)	25.5%	
Decrease in Restricted/Designated Cash	3,164	0	3,164	n/m	3,164	0	3,164	n/m	0	(3,164)	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	(1,062,008)	(3,001,384)	1,939,376	(64.6%)	(1,062,008)	(3,001,384)	1,939,376	(64.6%)	(11,208,456)	(10,146,448)	9.5%	(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	(3,741)	0	(3,741)	n/m	(3,741)	0	(3,741)	n/m	0	3,741	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(30,847)	(48,740)	17,893	(36.7%)	(30,847)	(48,740)	17,893	(36.7%)	(194,957)	(164,110)	15.8%	
Change in Other Liabilities	(5,246)	(5,535)	289	(5.2%)	(5,246)	(5,535)	289	(5.2%)	(22,140)	(16,894)	23.7%	
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	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Other Sources/(Uses) of Working Capital	(1,101,518)	(3,058,449)	1,956,931	(64.0%)	(1,101,518)	(3,058,449)	1,956,931	(64.0%)	(11,436,713)	(10,335,195)	9.6%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	963,215	3,213,920	(2,250,705)	(70.0%)	963,215	3,213,920	(2,250,705)	(70.0%)	12,166,756	11,203,541	7.9%	(5)
Transfers Out to Other Funds	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Net Transfer In/(Out)	963,215	3,213,920	(2,250,705)	(70.0%)	963,215	3,213,920	(2,250,705)	(70.0%)	12,166,756	11,203,541	7.9%	
Net Change in Working Capital	$440,663	$196,434	$244,229	124.3%	$440,663	$196,434	$244,229	124.3%	$0	($440,663)	n/m	
Working Capital, Beginning of Period	4,337,177				4,337,177							
Working Capital, 3/31/2016	$4,777,839				$4,777,839							

1) Due to unbudgeted cell tower lease income.
2) The CFP grant draw was higher than anticipated in the budget as the actual billing for the Valli Kee gas line project exceeded target.
3) Management fee expense for MTW-funded projects is under budget as some related project expenses have not yet been incurred. Project activity will increase throughout the year.
4) The Forest Glen unit upgrades budgeted for the 1st quarter didn't start until April. Construction expenditures will increase throughout the year as more projects begin.
5) Transfers of MTW funds for unit upgrades and other capital projects was less than anticipated in the budget, but will increase as the year progresses.

Public Housing (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

	Quarter Ended March 31, 2016				Year-to-Date				2016 Annual	Remainder to Receive/	Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$514,537	$481,910	$32,627	6.8%	$514,537	$481,910	$32,627	6.8%	$1,927,606	$1,413,069	26.7%	
Operating Fund Subsidy from HUD	1,574,273	1,423,056	151,217	10.6%	1,574,273	1,423,056	151,217	10.6%	5,692,215	4,117,942	27.7%	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	23,510	1,117	22,393	2004.7%	23,510	1,117	22,393	2004.7%	93,494	69,984	25.1%	(1)
Non-operating Revenue	1,015,127	1,014,426	701	0.1%	1,015,127	1,014,426	701	0.1%	4,171,547	3,156,420	24.3%	
Total Revenues	3,127,447	2,920,509	206,938	7.1%	3,127,447	2,920,509	206,938	7.1%	11,884,862	8,757,415	26.3%	
Expenses												
Salaries & Benefits	208,899	255,670	(46,771)	(18.3%)	208,899	255,670	(46,771)	(18.3%)	1,086,201	877,302	19.2%	
Routine Maintenance, Utilities, Taxes & Insurance	472,910	497,617	(24,707)	(5.0%)	472,910	497,617	(24,707)	(5.0%)	2,177,846	1,704,936	21.7%	
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	1,117,969	997,119	120,850	12.1%	1,117,969	997,119	120,850	12.1%	3,995,116	2,877,147	28.0%	(2)
Administrative Support Expenses	256,565	248,725	7,840	3.2%	256,565	248,725	7,840	3.2%	936,244	679,679	27.4%	
Non-operating Expenses	666,459	676,885	(10,426)	(1.5%)	666,459	676,885	(10,426)	(1.5%)	2,666,117	1,999,658	25.0%	
Total Expenses	2,722,801	2,676,016	46,785	1.7%	2,722,801	2,676,016	46,785	1.7%	10,861,524	8,138,723	25.1%	
Net Income	404,645	244,493	160,152	65.5%	404,645	244,493	160,152	65.5%	1,023,338	618,693	39.5%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(50,941)	(50,946)	5	(0.0%)	(50,941)	(50,946)	5	(0.0%)	(203,784)	(152,843)	25.0%	
Decrease in Restricted/Designated Cash	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Increase) in LT Receivables	(710,899)	(710,094)	(805)	0.1%	(710,899)	(710,094)	(805)	0.1%	(2,840,361)	(2,129,462)	25.0%	
Decrease in LT Receivables	100,000	100,000	0	0.0%	100,000	100,000	0	0.0%	398,391	298,391	25.1%	
Acquisition of Capital Assets	(68,271)	(500,790)	432,519	(86.4%)	(68,271)	(500,790)	432,519	(86.4%)	(2,090,706)	(2,022,435)	3.3%	(3)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	574	0	574	n/m	574	0	574	n/m	0	(574)	n/m	
Change in Other Assets	27,447	0	27,447	n/m	27,447	0	27,447	n/m	0	(27,447)	n/m	
Change in Deferrals	(229)	0	(229)	n/m	(229)	0	(229)	n/m	0	229	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(101,020)	(101,611)	591	(0.6%)	(101,020)	(101,611)	591	(0.6%)	(221,444)	(120,424)	45.6%	
Change in Other Liabilities	361,393	319,304	42,089	13.2%	361,393	319,304	42,089	13.2%	1,277,219	915,826	28.3%	
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	15,279,104	15,279,104	0.0%	(4)
Total Other Sources/(Uses) of Working Capital	(441,947)	(944,137)	502,190	(53.2%)	(441,947)	(944,137)	502,190	(53.2%)	11,598,419	12,040,366	n/m	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	545,226	561,227	(16,001)	(2.9%)	545,226	561,227	(16,001)	(2.9%)	2,389,093	1,843,867	22.8%	
Transfers Out to Other Funds	0	0	0	n/m	0	0	0	n/m	(1,295,000)	(1,295,000)	0.0%	
Net Transfer In/(Out)	545,226	561,227	(16,001)	(2.9%)	545,226	561,227	(16,001)	(2.9%)	1,094,093	548,867	49.8%	
Net Change in Working Capital	$507,924	($138,417)	$646,341	n/m	$507,924	($138,417)	$646,341	n/m	$13,715,850	$13,207,926	3.7%	
Working Capital, Beginning of Period	1,777,257				1,777,257							
Working Capital, 3/31/2016	$2,285,181				$2,285,181							

1) The Riverton Terrace street right-of way easement was purchased by the City of Tukwila for $23k. Unbudgeted.
2) The Vantage Point general partner fund sent a one-time additional subsidy of $150k to the tax credit partnership to fund payment for some development costs.
3) The budgeted Nia tenant improvements did not occur as related space was not yet leased to a tenant.
4) Budget of $15.2m represents the Vantage Point investor equity ($14.4m) and developer fee payments ($800k) budgeted for the 3rd and 4 th quarters, respectively.

Other Federally-supported (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

	Quarter Ended March 31, 2016				Year-to-Date				2016 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$1,504,636	$1,334,252	$170,384	12.8%	$1,504,636	$1,334,252	$170,384	12.8%	$5,335,506	$3,830,870	28.2%	(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	92,654	102,785	(10,131)	(9.9%)	92,654	102,785	(10,131)	(9.9%)	411,138	318,484	22.5%	
Other Operating Revenue	167,330	100,580	66,750	66.4%	167,330	100,580	66,750	66.4%	407,037	239,707	41.1%	(2)
Non-operating Revenue	15,042	8,645	6,397	74.0%	15,042	8,645	6,397	74.0%	34,622	19,580	43.4%	
Total Revenues	1,779,661	1,546,262	233,399	15.1%	1,779,661	1,546,262	233,399	15.1%	6,188,303	4,408,642	28.8%	
Expenses												
Salaries & Benefits	150,720	166,850	(16,130)	(9.7%)	150,720	166,850	(16,130)	(9.7%)	708,500	557,780	21.3%	
Routine Maintenance, Utilities, Taxes & Insurance	347,668	422,904	(75,236)	(17.8%)	347,668	422,904	(75,236)	(17.8%)	1,722,229	1,374,561	20.2%	
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	13,878	8,996	4,882	54.3%	13,878	8,996	4,882	54.3%	52,800	38,922	26.3%	
Administrative Support Expenses	156,070	126,173	29,897	23.7%	156,070	126,173	29,897	23.7%	500,659	344,589	31.2%	(3)
Non-operating Expenses	78,538	93,116	(14,578)	(15.7%)	78,538	93,116	(14,578)	(15.7%)	368,413	289,875	21.3%	
Total Expenses	746,873	818,039	(71,166)	(8.7%)	746,873	818,039	(71,166)	(8.7%)	3,352,601	2,605,728	22.3%	
Net Income	1,032,788	728,223	304,565	41.8%	1,032,788	728,223	304,565	41.8%	2,835,702	1,802,914	36.4%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(37,125)	(35,109)	(2,016)	5.7%	(37,125)	(35,109)	(2,016)	5.7%	(140,436)	(103,311)	26.4%	
Decrease in Restricted/Designated Cash	589	2,499	(1,910)	(76.4%)	589	2,499	(1,910)	(76.4%)	10,000	9,411	5.9%	
(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	(376,321)	(229,403)	(146,918)	64.0%	(376,321)	(229,403)	(146,918)	64.0%	(1,942,681)	(1,566,360)	19.4%	(4)
Disposition of Capital Assets	2,944,747	0	2,944,747	n/m	2,944,747	0	2,944,747	n/m	0	(2,944,747)	n/m	(5)
Change in Suspense	(60)	0	(60)	n/m	(60)	0	(60)	n/m	0	60	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Deferrals	(826)	0	(826)	n/m	(826)	0	(826)	n/m	0	826	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(68,658)	(71,211)	2,553	(3.6%)	(68,658)	(71,211)	2,553	(3.6%)	(290,771)	(222,113)	23.6%	
Change in Other Liabilities	(19,200)	(20,436)	1,236	(6.0%)	(19,200)	(20,436)	1,236	(6.0%)	(81,742)	(62,542)	23.5%	
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	0	0	0	n/m	0	0	n/m	
Total Other Sources/(Uses) of Working Capital	2,443,147	(353,660)	2,796,807	n/m	2,443,147	(353,660)	2,796,807	n/m	(2,445,630)	(4,888,777)	n/m	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	69,488	43,297	26,191	60.5%	69,488	43,297	26,191	60.5%	1,073,944	1,004,456	6.5%	
Transfers Out to Other Funds	(3,010,599)	(20,169)	(2,990,430)	14826.9%	(3,010,599)	(20,169)	(2,990,430)	14826.9%	(80,676)	2,929,923	3731.7%	(5)
Net Transfer In/(Out)	(2,941,112)	23,128	(2,964,240)	n/m	(2,941,112)	23,128	(2,964,240)	n/m	993,268	3,934,380	n/m	
Net Change in Working Capital	$534,823	$397,691	$137,132	34.5%	$534,823	$397,691	$137,132	34.5%	$1,383,340	$848,517	38.7%	
Working Capital, Beginning of Period	4,469,699				4,469,699							
Working Capital, 3/31/2016	$5,004,522				$5,004,522							

1) Spiritwood dwell rent for January had not been budgeted due to the expected sale of the property to the tax credit partnership.
2) Due to an error in processing Section 8 payments, Patricia Harris Manor and Northwood Square received excess funds. A management decision was made to allow the funds to remain with the properties.
3) Bellevue Manor, Patricia Harris & Northwood Square paid external management fees to an outside management company while budgeted fees were based on a lower internal rate.
4) Unit upgrades were over budget at Burien Park and Parkway as more units than were budgeted became available for upgrades.
5) Unbudgeted disposition and transfer of Spiritwood assets to Spiritwood general partner fund for sale to tax credit partnership.

Other Federally-supported (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

(n/m= not meaningful)

	Quarter Ended March 31, 2016				Year-to-Date				2016 Annual	Remainder to Receive/	Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$3,246,944	$3,365,278	($118,334)	(3.5%)	$3,246,944	$3,365,278	($118,334)	(3.5%)	$13,459,681	$10,212,737	24.1%	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	396,099	389,195	6,904	1.8%	396,099	389,195	6,904	1.8%	2,692,230	2,296,131	14.7%	
Non-operating Revenue	980,185	3,337,677	(2,357,492)	(70.6%)	980,185	3,337,677	(2,357,492)	(70.6%)	4,944,137	3,963,952	19.8%	(1)
Total Revenues	4,623,228	7,092,150	(2,468,922)	(34.8%)	4,623,228	7,092,150	(2,468,922)	(34.8%)	21,096,048	16,472,820	21.9%	
Expenses												
Salaries & Benefits	357,094	379,279	(22,185)	(5.8%)	357,094	379,279	(22,185)	(5.8%)	1,605,649	1,248,555	22.2%	
Routine Maintenance, Utilities, Taxes & Insurance	719,875	794,727	(74,852)	(9.4%)	719,875	794,727	(74,852)	(9.4%)	3,646,164	2,926,289	19.7%	
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	333	6,163	(5,830)	(94.6%)	333	6,163	(5,830)	(94.6%)	24,650	24,317	1.4%	
Administrative Support Expenses	319,976	318,857	1,119	0.4%	319,976	318,857	1,119	0.4%	1,252,978	933,002	25.5%	
Non-operating Expenses	1,305,720	1,313,091	(7,371)	(0.6%)	1,305,720	1,313,091	(7,371)	(0.6%)	6,392,541	5,086,821	20.4%	
Total Expenses	2,702,998	2,812,117	(109,119)	(3.9%)	2,702,998	2,812,117	(109,119)	(3.9%)	12,921,982	10,218,984	20.9%	
Net Income	1,920,230	4,280,033	(2,359,803)	(55.1%)	1,920,230	4,280,033	(2,359,803)	(55.1%)	8,174,066	6,253,836	23.5%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(59,717)	(1,904,656)	1,844,939	(96.9%)	(59,717)	(1,904,656)	1,844,939	(96.9%)	(2,098,624)	(2,038,907)	2.8%	(2)
Decrease in Restricted/Designated Cash	0	700,000	(700,000)	(100.0%)	0	700,000	(700,000)	(100.0%)	950,000	950,000	0.0%	(3)
(Increase) in LT Receivables	(84,746)	(66,442)	(18,304)	27.5%	(84,746)	(66,442)	(18,304)	27.5%	(265,766)	(181,020)	31.9%	
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	1,191,786	1,191,786	0.0%	
Acquisition of Capital Assets	(587,626)	(712,221)	124,595	(17.5%)	(587,626)	(712,221)	124,595	(17.5%)	(3,456,410)	(2,868,784)	17.0%	(4)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	512	0	512	n/m	512	0	512	n/m	0	(512)	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	(0)	n/m	
Change in Deferrals	(34,868)	0	(34,868)	n/m	(34,868)	0	(34,868)	n/m	0	34,868	n/m	
Increase in LT Debt	181	181	(0)	(0.0%)	181	181	(0)	(0.0%)	724	543	25.0%	
(Decrease) in LT Debt	(134,432)	(145,984)	11,552	(7.9%)	(134,432)	(145,984)	11,552	(7.9%)	(4,583,173)	(4,448,741)	2.9%	
Change in Other Liabilities	84,746	84,747	(1)	(0.0%)	84,746	84,747	(1)	(0.0%)	338,985	254,239	25.0%	
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	(815,951)	(2,044,375)	1,228,424	(60.1%)	(815,951)	(2,044,375)	1,228,424	(60.1%)	(7,922,478)	(7,106,527)	10.3%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	115,015	206,301	(91,286)	(44.2%)	115,015	206,301	(91,286)	(44.2%)	2,841,609	2,726,594	4.0%	(4)
Transfers Out to Other Funds	(115,015)	(412,230)	297,215	(72.1%)	(115,015)	(412,230)	297,215	(72.1%)	(2,676,161)	(2,561,146)	4.3%	(5)
Net Transfer In/(Out)	0	(205,929)	205,929	(100.0%)	0	(205,929)	205,929	(100.0%)	165,448	165,448	0.0%	
Net Change in Working Capital	$1,104,279	$2,029,729	($925,450)	(45.6%)	$1,104,279	$2,029,729	($925,450)	(45.6%)	$417,036	($687,243)	264.8%	
Working Capital, Beginning of Period	2,241,306				2,241,306							
Working Capital, 3/31/2016	$3,345,586				$3,345,586							

1) CFP grant draw totaling $3m was budgeted to finance the Birch Creek semi-annual bond payment. However, the actual draw was only $653k and the remaining was being paid from other sources.
2) Deposit to excess cash reserve from the 2015 Birch Creek net cash flow distribution was budgeted in the first quarter but occurred in the second quarter.
3) The draw from restricted loan proceeds held by MKCRF to reimburse KCHA for construction costs at MKCRF properties was budgeted for the 1st quarter but occurred in the 2nd quarter.
4) Various site improvement and building envelope projects at MKCRF properties were less than anticipated in the budget resulting in fewer unit upgrade transfers. Project costs are expected to increase as the year progresses.
5) The budgeted transfer from the Spiritwood partnership operating fund to the Spiritwood partnership development fund for payment of the financing lease is expected to occur in the second quarter.

Section 8
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

(n/m= not meaningful)

	Quarter Ended March 31, 2016				Year-to-Date				2016 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$24,410	$31,800	($7,390)	(23.2%)	$24,410	$31,800	($7,390)	(23.2%)	$127,200	$102,790	19.2%	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	25,666,121	25,463,335	202,786	0.8%	25,666,121	25,463,335	202,786	0.8%	105,289,140	79,623,019	24.4%	
Other Operating Revenue	7,818,213	7,108,843	709,370	10.0%	7,818,213	7,108,843	709,370	10.0%	28,635,080	20,816,867	27.3%	(1)
Non-operating Revenue	0	8	(8)	(100.0%)	0	8	(8)	(100.0%)	26	26	0.0%	
Total Revenues	33,508,745	32,603,986	904,759	2.8%	33,508,745	32,603,986	904,759	2.8%	134,051,446	100,542,701	25.0%	
Expenses												
Salaries & Benefits	1,451,121	1,464,272	(13,151)	(0.9%)	1,451,121	1,464,272	(13,151)	(0.9%)	6,143,960	4,692,839	23.6%	
Routine Maintenance, Utilities, Taxes & Insurance	65,800	63,421	2,379	3.8%	65,800	63,421	2,379	3.8%	253,173	187,373	26.0%	
Direct Social Service Salaries & Benefits	28,146	28,265	(119)	(0.4%)	28,146	28,265	(119)	(0.4%)	122,481	94,335	23.0%	
Other Social Service Support Expenses & HAP	31,074,849	30,197,675	877,174	2.9%	31,074,849	30,197,675	877,174	2.9%	124,349,116	93,274,267	25.0%	
Administrative Support Expenses	912,699	897,542	15,157	1.7%	912,699	897,542	15,157	1.7%	3,509,663	2,596,964	26.0%	
Non-operating Expenses	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Expenses	33,532,614	32,651,175	881,439	2.7%	33,532,614	32,651,175	881,439	2.7%	134,378,393	100,845,779	25.0%	
Net Income	(23,870)	(47,189)	23,319	(49.4%)	(23,870)	(47,189)	23,319	(49.4%)	(326,947)	(303,077)	7.3%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(36,346)	0	(36,346)	n/m	(36,346)	0	(36,346)	n/m	0	36,346	n/m	(2)
Decrease in Restricted/Designated Cash	5,110	0	5,110	n/m	5,110	0	5,110	n/m	0	(5,110)	n/m	(3)
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	0	(10,127)	10,127	(100.0%)	0	(10,127)	10,127	(100.0%)	(10,508)	(10,508)	0.0%	(4)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	112,199	0	112,199	n/m	112,199	0	112,199	n/m	0	(112,199)	n/m	(5)
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Deferrals	(5,110)	0	(5,110)	n/m	(5,110)	0	(5,110)	n/m	0	5,110	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	75,853	(10,127)	85,980	n/m	75,853	(10,127)	85,980	n/m	(10,508)	(86,361)	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	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Net Transfer In/(Out)	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Net Change in Working Capital	$51,983	($57,316)	$109,299	n/m	$51,983	($57,316)	$109,299	n/m	($337,455)	($389,438)	n/m	
Working Capital, Beginning of Period	(446,686)				(446,686)							
Working Capital, 3/31/2016	($394,702)				($394,702)							

1) The budget assumed 2,550 ports-in per month but actual ports have averaged 2,757
2) Due to new HASP reserve account that was created to track program funds.
3) Unbudgeted change in FSS reserve accounts.
4) 700 Building monument sign was budgeted for the 1st quarter was delayed until the 2nd quarter.
5) Refunds received from owners who had been overpaid are posted to suspense until related Tenmast issue is resolved.

MTW
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

	Quarter Ended March 31, 2016				Year-to-Date				2016 Annual	Remainder to Receive/	(n/m= not meaningful) Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$0	$0	$0	n/m	$0	$0	$0	n/m	$0	$0	n/m	
Operating Fund Subsidy from HUD	93,503	92,864	639	0.7%	93,503	92,864	639	0.7%	371,455	277,952	25.2%	
Section 8 Subsidy from HUD	(1,839,427)	2,958,660	(4,798,087)	n/m	(1,839,427)	2,958,660	(4,798,087)	n/m	8,991,344	10,830,771	n/m	(1)
Other Operating Revenue	2,723	2,723	(1)	(0.0%)	2,723	2,723	(1)	(0.0%)	10,890	8,168	25.0%	
Non-operating Revenue	86,436	89,396	(2,960)	(3.3%)	86,436	89,396	(2,960)	(3.3%)	319,097	232,661	27.1%	
Total Revenues	(1,656,766)	3,143,643	(4,800,409)	n/m	(1,656,766)	3,143,643	(4,800,409)	n/m	9,692,786	11,349,552	n/m	
Expenses												
Salaries & Benefits	367,786	434,790	(67,004)	(15.4%)	367,786	434,790	(67,004)	(15.4%)	1,818,771	1,450,985	20.2%	(2)
Routine Maintenance, Utilities, Taxes & Insurance	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Direct Social Service Salaries & Benefits	459,067	480,589	(21,522)	(4.5%)	459,067	480,589	(21,522)	(4.5%)	2,082,546	1,623,479	22.0%	
Other Social Service Support Expenses & HAP	551,859	1,119,897	(568,038)	(50.7%)	551,859	1,119,897	(568,038)	(50.7%)	4,908,816	4,356,957	11.2%	(3)
Administrative Support Expenses	52,344	154,992	(102,648)	(66.2%)	52,344	154,992	(102,648)	(66.2%)	599,965	547,621	8.7%	(4)
Non-operating Expenses	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Expenses	1,431,057	2,190,268	(759,211)	(34.7%)	1,431,057	2,190,268	(759,211)	(34.7%)	9,410,098	7,979,041	15.2%	
Net Income	(3,087,822)	953,375	(4,041,197)	n/m	(3,087,822)	953,375	(4,041,197)	n/m	282,688	3,370,510	n/m	
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	614,828	618,123	(3,295)	(0.5%)	614,828	618,123	(3,295)	(0.5%)	4,236,120	3,621,292	14.5%	
(Increase) in LT Receivables	0	(247,163)	247,163	(100.0%)	0	(247,163)	247,163	(100.0%)	(988,653)	(988,653)	0.0%	(5)
Decrease in LT Receivables	18,670	19,998	(1,328)	(6.6%)	18,670	19,998	(1,328)	(6.6%)	1,679,991	1,661,321	1.1%	
Acquisition of Capital Assets	(90,802)	(85,029)	(5,773)	6.8%	(90,802)	(85,029)	(5,773)	6.8%	(281,060)	(190,258)	32.3%	
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Deferrals	9,534	0	9,534	n/m	9,534	0	9,534	n/m	0	(9,534)	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	0	0	0	n/m	0	0	n/m	
Total Other Sources/(Uses) of Working Capital	552,229	305,929	246,300	80.5%	552,229	305,929	246,300	80.5%	4,646,398	4,094,169	11.9%	
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	(1,562,198)	(3,812,900)	2,250,702	(59.0%)	(1,562,198)	(3,812,900)	2,250,702	(59.0%)	(15,542,871)	(13,980,673)	10.1%	(6)
Net Transfer In/(Out)	(1,562,198)	(3,812,900)	2,250,702	(59.0%)	(1,562,198)	(3,812,900)	2,250,702	(59.0%)	(15,542,871)	(13,980,673)	10.1%	
Net Change in Working Capital	($4,097,791)	($2,553,596)	($1,544,195)	60.5%	($4,097,791)	($2,553,596)	($1,544,195)	60.5%	($10,613,785)	($6,515,994)	38.6%	
Working Capital, Beginning of Period	9,110,805				9,110,805							
Working Capital, 3/31/2016	$5,013,014				$5,013,014							

1) Standard monthly block grant payments from HUD are based on prior years leasing levels. In January, February & March, block grant revenue dispersed from the MTW program exceeded the amount received. Additional HUD subsidy will be requested in future quarters.
2) Two Policy positions were budgeted starting in January, but were filled in February and March. One Homeless Initiative positon was budgeted starting in January, but is not planned to be filled until mid year. A retirement payment budgeted for March, will not be paid until 2nd quarter.
3) Homeless programs subsidy expenditures - errors in Highline School District Rapid Rehousing invoices delayed payment until May. Other program partners have also been slow in billing.
4) Invoicing for professional evaluation services of Student Family Stability Initiative & Place Based Evaluation not yet received.
5) MTW funding for the Greenbridge construction loan is expected to be drawn in the 3rd quarter.
6) Transfers Out are under target due to delays in some construction projects. Construction activity is expected to increase as the year progresses.

Local Properties (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

(n/m= not meaningful)

	Quarter Ended March 31, 2016				Year-to-Date				2016 Annual	Remainder to Receive/	Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$12,013,545	$11,803,418	$210,127	1.8%	$12,013,545	$11,803,418	$210,127	1.8%	$47,640,797	$35,627,252	25.2%	
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	40,347	49,008	(8,661)	(17.7%)	40,347	49,008	(8,661)	(17.7%)	233,494	193,147	17.3%	
Non-operating Revenue	67,306	92,058	(24,752)	(26.9%)	67,306	92,058	(24,752)	(26.9%)	389,067	321,761	17.3%	
Total Revenues	12,121,198	11,944,484	176,714	1.5%	12,121,198	11,944,484	176,714	1.5%	48,263,358	36,142,160	25.1%	
Expenses												
Salaries & Benefits	979,875	1,005,627	(25,752)	(2.6%)	979,875	1,005,627	(25,752)	(2.6%)	4,259,064	3,279,189	23.0%	
Routine Maintenance, Utilities, Taxes & Insurance	2,618,580	2,991,212	(372,632)	(12.5%)	2,618,580	2,991,212	(372,632)	(12.5%)	12,011,330	9,392,750	21.8%	(1)
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	28,705	34,180	(5,475)	(16.0%)	28,705	34,180	(5,475)	(16.0%)	141,270	112,565	20.3%	
Administrative Support Expenses	1,129,710	1,207,772	(78,062)	(6.5%)	1,129,710	1,207,772	(78,062)	(6.5%)	4,327,877	3,198,167	26.1%	
Non-operating Expenses	1,959,913	1,488,170	471,743	31.7%	1,959,913	1,488,170	471,743	31.7%	6,178,943	4,219,030	31.7%	(2)
Total Expenses	6,716,782	6,726,961	(10,179)	(0.2%)	6,716,782	6,726,961	(10,179)	(0.2%)	26,918,484	20,201,702	25.0%	
Net Income	5,404,415	5,217,523	186,892	3.6%	5,404,415	5,217,523	186,892	3.6%	21,344,874	15,940,459	25.3%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(329,983)	(320,346)	(9,637)	3.0%	(329,983)	(320,346)	(9,637)	3.0%	(1,277,975)	(947,992)	25.8%	
Decrease in Restricted/Designated Cash	425,125	1,179,758	(754,633)	(64.0%)	425,125	1,179,758	(754,633)	(64.0%)	3,397,513	2,972,388	12.5%	(3)
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	(1,205,499)	(2,108,520)	903,021	(42.8%)	(1,205,499)	(2,108,520)	903,021	(42.8%)	(11,724,505)	(10,519,006)	10.3%	(4)
Disposition of Capital Assets	1,527,967	0	1,527,967	n/m	1,527,967	0	1,527,967	n/m	0	(1,527,967)	n/m	(5)
Change in Suspense	(20,541)	0	(20,541)	n/m	(20,541)	0	(20,541)	n/m	0	20,541	n/m	
Change in Other Assets	(180)	0	(180)	n/m	(180)	0	(180)	n/m	0	180	n/m	
Change in Deferrals	(48,956)	0	(48,956)	n/m	(48,956)	0	(48,956)	n/m	0	48,956	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(2,735,435)	(1,331,811)	(1,403,624)	105.4%	(2,735,435)	(1,331,811)	(1,403,624)	105.4%	(6,572,918)	(3,837,483)	41.6%	(6)
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	(3)	0	(3)	n/m	(3)	0	(3)	n/m	0	3	n/m	
Total Other Sources/(Uses) of Working Capital	(2,387,506)	(2,580,919)	193,413	(7.5%)	(2,387,506)	(2,580,919)	193,413	(7.5%)	(16,177,885)	(13,790,379)	14.8%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	34,461	34,456	5	0.0%	34,461	34,456	5	0.0%	137,810	103,349	25.0%	
Transfers Out to Other Funds	(839,898)	(854,834)	14,936	(1.7%)	(839,898)	(854,834)	14,936	(1.7%)	(3,419,324)	(2,579,426)	24.6%	
Net Transfer In/(Out)	(805,437)	(820,378)	14,941	(1.8%)	(805,437)	(820,378)	14,941	(1.8%)	(3,281,514)	(2,476,077)	24.5%	
Net Change in Working Capital	$2,211,473	$1,816,226	$395,247	21.8%	$2,211,473	$1,816,226	$395,247	21.8%	$1,885,475	($325,998)	117.3%	
Working Capital, Beginning of Period	(465,191)				(465,191)							
Working Capital, 3/31/2016	$1,746,282				$1,746,282							

1) Most maintenance categories are under target through the 1st quarter. Maintenance costs are expected to increase as the year progresses.
2) Due to technical accounting entry related to the sale of Charter House.
3) The budgeted draws from replacement reserve funds are expected to made in the 4th quarter when the related projects are compl eted.
4) Most maintenance & unit upgrade project costs are under target but expected to increase as the year progresses.
5) Charter House Land and Building disposed through a sale to Bremerton Housing Authority. Unbudgeted.
6) Pay-off of the Charter House kine of credit related to the sale of the property. Unbudgeted.

Local Properties (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

(n/m= not meaningful)

	Quarter Ended March 31, 2016				Year-to-Date				2016 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$367,053	$362,217	$4,836	1.3%	$367,053	$362,217	$4,836	1.3%	$1,448,868	$1,081,815	25.3%	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	22,747	33,505	(10,758)	(32.1%)	22,747	33,505	(10,758)	(32.1%)	137,994	115,247	16.5%	
Non-operating Revenue	198,821	198,875	(54)	(0.0%)	198,821	198,875	(54)	(0.0%)	795,524	596,703	25.0%	
Total Revenues	588,620	594,597	(5,977)	(1.0%)	588,620	594,597	(5,977)	(1.0%)	2,382,386	1,793,766	24.7%	
Expenses												
Salaries & Benefits	70,274	71,502	(1,228)	(1.7%)	70,274	71,502	(1,228)	(1.7%)	304,881	234,607	23.0%	
Routine Maintenance, Utilities, Taxes & Insurance	119,838	105,657	14,181	13.4%	119,838	105,657	14,181	13.4%	495,384	375,546	24.2%	
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	19,032	30,667	(11,635)	(37.9%)	19,032	30,667	(11,635)	(37.9%)	122,668	103,636	15.5%	
Administrative Support Expenses	107,913	58,253	49,660	85.2%	107,913	58,253	49,660	85.2%	232,557	124,644	46.4%	(1)
Non-operating Expenses	152,852	150,341	2,511	1.7%	152,852	150,341	2,511	1.7%	601,360	448,508	25.4%	
Total Expenses	469,910	416,420	53,490	12.8%	469,910	416,420	53,490	12.8%	1,756,850	1,286,940	26.7%	
Net Income	118,711	178,177	(59,466)	(33.4%)	118,711	178,177	(59,466)	(33.4%)	625,536	506,825	19.0%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(16,522)	(16,506)	(16)	0.1%	(16,522)	(16,506)	(16)	0.1%	(66,024)	(49,502)	25.0%	
Decrease in Restricted/Designated Cash	0	0	0	n/m	0	0	0	n/m	160,000	160,000	0.0%	
(Increase) in LT Receivables	(108,890)	(108,891)	1	(0.0%)	(108,890)	(108,891)	1	(0.0%)	(365,616)	(256,726)	29.8%	
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	214,937	214,937	0.0%	
Acquisition of Capital Assets	(65)	(42,837)	42,772	(99.8%)	(65)	(42,837)	42,772	(99.8%)	(271,184)	(271,119)	0.0%	(2)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	39,801	0	39,801	n/m	39,801	0	39,801	n/m	0	(39,801)	n/m	
Change in Other Assets	(0)	0	(0)	n/m	(0)	0	(0)	n/m	0	0	n/m	
Change in Deferrals	(80)	0	(80)	n/m	(80)	0	(80)	n/m	0	80	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	(273,109)	(273,109)	0.0%	
Change in Other Liabilities	113,046	113,047	(1)	(0.0%)	113,046	113,047	(1)	(0.0%)	162,185	49,139	69.7%	
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	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Other Sources/(Uses) of Working Capital	27,289	(55,187)	82,476	n/m	27,289	(55,187)	82,476	n/m	(438,811)	(466,100)	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	0	0	0	n/m	0	0	0	n/m	(217,502)	(217,502)	0.0%	
Net Transfer In/(Out)	0	0	0	n/m	0	0	0	n/m	(217,502)	(217,502)	0.0%	
Net Change in Working Capital	$146,000	$122,990	$23,010	18.7%	$146,000	$122,990	$23,010	18.7%	($30,777)	($176,777)	n/m	
Working Capital, Beginning of Period	1,382,767				1,382,767							
Working Capital, 3/31/2016	$1,528,767				$1,528,767							

1) Exit fee of $50k paid to the Investor Member of Harrison House Apartments LLC. Unbudgeted.
2) Most maintenance and building upgrade project costs are under target but expected to increase as the year progresses.

Local Properties Tax Credit GP
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

	Quarter Ended March 31, 2016				Year-to-Date				2016 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	$1,615	$0	$1,615	n/m	$1,615	$0	$1,615	n/m	$0	($1,615)	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	1,092,439	0	1,092,439	n/m	1,092,439	0	1,092,439	n/m	7,282,048	6,189,609	15.0%	(1)
Non-operating Revenue	24,392,264	719,552	23,672,712	3289.9%	24,392,264	719,552	23,672,712	3289.9%	3,009,518	(21,382,746)	810.5%	(2)
Total Revenues	25,486,318	719,552	24,766,766	3442.0%	25,486,318	719,552	24,766,766	3442.0%	10,291,566	(15,194,752)	247.6%	
Expenses												
Salaries & Benefits	54,653	52,724	1,929	3.7%	54,653	52,724	1,929	3.7%	226,504	171,851	24.1%	
Routine Maintenance, Utilities, Taxes & Insurance	49	2,943	(2,894)	(98.3%)	49	2,943	(2,894)	(98.3%)	11,759	11,710	0.4%	
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	33	0	33	n/m	33	0	33	n/m	0	(33)	n/m	
Administrative Support Expenses	102,804	103,682	(878)	(0.8%)	102,804	103,682	(878)	(0.8%)	416,155	313,351	24.7%	
Non-operating Expenses	102,780	154,783	(52,003)	(33.6%)	102,780	154,783	(52,003)	(33.6%)	849,083	746,303	12.1%	(3)
Total Expenses	260,319	314,132	(53,813)	(17.1%)	260,319	314,132	(53,813)	(17.1%)	1,503,501	1,243,182	17.3%	
Net Income	25,225,998	405,420	24,820,578	6122.2%	25,225,998	405,420	24,820,578	6122.2%	8,788,065	(16,437,933)	287.0%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(238,731)	(300,000)	61,269	(20.4%)	(238,731)	(300,000)	61,269	(20.4%)	(577,325)	(338,594)	41.4%	(4)
Decrease in Restricted/Designated Cash	19,780	0	19,780	n/m	19,780	0	19,780	n/m	577,325	557,545	3.4%	
(Increase) in LT Receivables	(37,995,547)	(6,689)	(37,988,858)	567930.3%	(37,995,547)	(6,689)	(37,988,858)	567930.3%	(7,154,838)	30,840,709	531.0%	(5)
Decrease in LT Receivables	125,000	125,000	0	0.0%	125,000	125,000	0	0.0%	561,588	436,588	22.3%	
Acquisition of Capital Assets	(122,513)	0	(122,513)	n/m	(122,513)	0	(122,513)	n/m	0	122,513	n/m	(6)
Disposition of Capital Assets	9,955,409	0	9,955,409	n/m	9,955,409	0	9,955,409	n/m	0	(9,955,409)	n/m	(7)
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	(19,780)	0	(19,780)	n/m	(19,780)	0	(19,780)	n/m	0	19,780	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	15,297,229	15,297,229	0.0%	
(Decrease) in LT Debt	(175,000)	(125,000)	(50,000)	40.0%	(175,000)	(125,000)	(50,000)	40.0%	(12,381,799)	(12,206,799)	1.4%	(8)
Change in Other Liabilities	5,198	5,198	(0)	(0.0%)	5,198	5,198	(0)	(0.0%)	20,791	15,593	25.0%	
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	1	0	1	n/m	1	0	1	n/m	0	(1)	n/m	
Total Other Sources/(Uses) of Working Capital	(28,446,184)	(301,491)	(28,144,693)	9335.2%	(28,446,184)	(301,491)	(28,144,693)	9335.2%	(3,657,029)	24,789,155	777.8%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	2,959,410	0	2,959,410	n/m	2,959,410	0	2,959,410	n/m	0	(2,959,410)	n/m	
Transfers Out to Other Funds	0	0	0	n/m	0	0	0	n/m	(890,099)	(890,099)	0.0%	
Net Transfer In/(Out)	2,959,410	0	2,959,410	n/m	2,959,410	0	2,959,410	n/m	(890,099)	(3,849,509)	n/m	
Net Change in Working Capital	($260,775)	$103,929	($364,704)	n/m	($260,775)	$103,929	($364,704)	n/m	$4,240,937	$4,501,712	n/m	
Working Capital, Beginning of Period	700,910				700,910							
Working Capital, 3/31/2016	$440,135				$440,135							

1) Developer fee income from Spiritwood and Corinthian partnerships was budgeted to be received in the fourth quarter. However, part of the developer fee income was earned when the financfing leases were signed in the first quarter. The balance of developer fee income is expected in late 2016 when final development costs have been determined.
2) Gain on sale of Spiritwood capital assets to the tax credit partnership under a capital lease agreement. Unbudgeted.
3) The Spiritwood and Corinthian Partnerships line of credit interest payments were budgeted in the 1st quarter but occurred in the 2nd quarter.
4) The annual budget of $300k for Overlake excess cash reserves deposit was budgeted entirely in the first quarter. However, the actual monthly deposits are expected to be made through out the year.
5) Variance due to new Spiritwood and Corinthian capital leases. Unbudgeted.
6) Unbudgeted relocation expense for Corinthian Apartments residents in connection with the rehab project.
7) Unbudgeted disposal of Corinthian capital assets. The capital assets were transferred to the partnership under a capital lease agreement.
8) Due to unbudgeted repayment of $50k Corinthian KeyBank line of credit.

Local-Development
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

(n/m= not meaningful)

	Quarter Ended March 31, 2016				Year-to-Date				2016 Annual	Remainder to Receive/	Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$1,382	$0	$1,382	n/m	$1,382	$0	$1,382	n/m	$0	($1,382)	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	27,016	0	27,016	n/m	27,016	0	27,016	n/m	711,731	684,715	3.8%	
Non-operating Revenue	52,880	12,509	40,371	322.7%	52,880	12,509	40,371	322.7%	50,041	(2,839)	105.7%	(1)
Total Revenues	81,278	12,509	68,769	549.8%	81,278	12,509	68,769	549.8%	761,772	680,494	10.7%	
Expenses												
Salaries & Benefits	133,839	141,949	(8,110)	(5.7%)	133,839	141,949	(8,110)	(5.7%)	608,751	474,912	22.0%	
Routine Maintenance, Utilities, Taxes & Insurance	118	0	118	n/m	118	0	118	n/m	0	(118)	n/m	
Direct Social Service Salaries & Benefits	10,558	9,350	1,208	12.9%	10,558	9,350	1,208	12.9%	40,515	29,957	26.1%	
Other Social Service Support Expenses & HAP	15,200	15,200	0	0.0%	15,200	15,200	0	0.0%	60,800	45,600	25.0%	
Administrative Support Expenses	6,365	74,006	(67,641)	(91.4%)	6,365	74,006	(67,641)	(91.4%)	296,014	289,649	2.2%	(2)
Non-operating Expenses	136,673	217,214	(80,541)	(37.1%)	136,673	217,214	(80,541)	(37.1%)	978,264	841,591	14.0%	(3)
Total Expenses	302,753	457,719	(154,966)	(33.9%)	302,753	457,719	(154,966)	(33.9%)	1,984,344	1,681,591	15.3%	
Net Income	(221,475)	(445,210)	223,735	(50.3%)	(221,475)	(445,210)	223,735	(50.3%)	(1,222,572)	(1,001,097)	18.1%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(142,024)	(68,009)	(74,015)	108.8%	(142,024)	(68,009)	(74,015)	108.8%	(68,041)	73,983	208.7%	(4)
Decrease in Restricted/Designated Cash	110,853	3,501	107,352	3066.3%	110,853	3,501	107,352	3066.3%	14,004	(96,849)	791.6%	(5)
(Increase) in LT Receivables	(206)	0	(206)	n/m	(206)	0	(206)	n/m	0	206	n/m	
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	(27,759,736)	(3,136,187)	(24,623,549)	785.1%	(27,759,736)	(3,136,187)	(24,623,549)	785.1%	(31,487,035)	(3,727,299)	88.2%	(6)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	2,020,000	2,020,000	0.0%	
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	27,656,770	0	27,656,770	n/m	27,656,770	0	27,656,770	n/m	16,930,829	(10,725,941)	163.4%	(7)
(Decrease) in LT Debt	0	0	0	n/m	0	0	0	n/m	(3,633,120)	(3,633,120)	0.0%	
Change in Other Liabilities	0	272,163	(272,163)	(100.0%)	0	272,163	(272,163)	(100.0%)	(261,347)	(261,347)	0.0%	(8)
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	34,900	0	34,900	n/m	34,900	0	34,900	n/m	0	(34,900)	n/m	
Total Other Sources/(Uses) of Working Capital	(99,442)	(2,928,532)	2,829,090	(96.6%)	(99,442)	(2,928,532)	2,829,090	(96.6%)	(16,484,710)	(16,385,268)	0.6%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	51,189	205,929	(154,740)	(75.1%)	51,189	205,929	(154,740)	(75.1%)	909,780	858,591	5.6%	(9)
Transfers Out to Other Funds	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Net Transfer In/(Out)	51,189	205,929	(154,740)	(75.1%)	51,189	205,929	(154,740)	(75.1%)	909,780	858,591	5.6%	
Net Change in Working Capital	($269,728)	($3,167,813)	$2,898,085	(91.5%)	($269,728)	($3,167,813)	$2,898,085	(91.5%)	($16,797,502)	($16,527,774)	1.6%	
Working Capital, Beginning of Period	(17,441,032)				(17,441,032)							
Working Capital, 3/31/2016	($17,710,760)				($17,710,760)							

1) Higher than anticipated Seola Gardens lot sales price participation.
2) Professional services below budget due to timing of projects and delayed activities.
3) The first quarter Spiritwood lease interest expense is below budget as the budget assumed a lease effective date of January 1st while the actual effective date of the lease was January 27th.
4) Due to the unbudgeted receipt of loan proceeds received by the Spiritwood partnership development fund to support rehabilitation.
5) Unbudgeted draw from Seola Gardens and Greenbridge endowment reserves.
6) Spiritwood capital assets were acquired by the Spiritwood partnership under a $26.5m capital lease agreement.
7) Increase in long term debt due to Spiritwood acquisition and development financing loans.
8) The budgeted draw from Greenbridge internal loan is expected to be made in the second quarter.
9) The budgeted transfer from Spiritwood operations for payment of the financing lease is expected to occur in the second quarter.

Local-Other Funds
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

(n/m= not meaningful)

	Quarter Ended March 31, 2016				Year-to-Date				2016	Remainder	Percent of	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Annual Budget	to Receive/ Spend	Annual Budget	
Tenant Revenue	$0	$0	$0	n/m	$0	$0	$0	n/m	$0	$0	n/m	
Operating Fund Subsidy from HUD	95,267	96,268	(1,001)	(1.0%)	95,267	96,268	(1,001)	(1.0%)	385,073	289,806	24.7%	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	815,683	1,131,259	(315,576)	(27.9%)	815,683	1,131,259	(315,576)	(27.9%)	5,831,710	5,016,027	14.0%	(1)
Non-operating Revenue	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Revenues	910,950	1,227,527	(316,577)	(25.8%)	910,950	1,227,527	(316,577)	(25.8%)	6,216,783	5,305,833	14.7%	
Expenses												
Salaries & Benefits	236,254	248,899	(12,645)	(5.1%)	236,254	248,899	(12,645)	(5.1%)	1,066,653	830,399	22.1%	
Routine Maintenance, Utilities, Taxes & Insurance	2,598	2,261	337	14.9%	2,598	2,261	337	14.9%	8,949	6,351	29.0%	
Direct Social Service Salaries & Benefits	13,240	13,551	(311)	(2.3%)	13,240	13,551	(311)	(2.3%)	58,718	45,478	22.5%	
Other Social Service Support Expenses & HAP	574,350	987,321	(412,971)	(41.8%)	574,350	987,321	(412,971)	(41.8%)	4,419,633	3,845,283	13.0%	(1)
Administrative Support Expenses	14,121	19,119	(4,998)	(26.1%)	14,121	19,119	(4,998)	(26.1%)	104,598	90,477	13.5%	
Non-operating Expenses	0	20,416	(20,416)	(100.0%)	0	20,416	(20,416)	(100.0%)	265,417	265,417	0.0%	
Total Expenses	840,563	1,291,567	(451,004)	(34.9%)	840,563	1,291,567	(451,004)	(34.9%)	5,923,968	5,083,405	14.2%	
Net Income	70,387	(64,040)	134,427	n/m	70,387	(64,040)	134,427	n/m	292,815	222,428	24.0%	
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	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	(2,436)	(3,250,024)	3,247,588	(99.9%)	(2,436)	(3,250,024)	3,247,588	(99.9%)	(13,000,096)	(12,997,660)	0.0%	(2)
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	3,250,000	(3,250,000)	(100.0%)	0	3,250,000	(3,250,000)	(100.0%)	13,000,000	13,000,000	0.0%	(3)
(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	(15,305)	0	(15,305)	n/m	(15,305)	0	(15,305)	n/m	0	15,305	n/m	
Total Other Sources/(Uses) of Working Capital	(17,741)	(24)	(17,717)	73822.4%	(17,741)	(24)	(17,717)	73822.4%	(96)	17,645	18480.6%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	237,419	288,223	(50,804)	(17.6%)	237,419	288,223	(50,804)	(17.6%)	1,152,892	915,473	20.6%	(4)
Transfers Out to Other Funds	(233,918)	(284,723)	50,805	(17.8%)	(233,918)	(284,723)	50,805	(17.8%)	(1,138,892)	(904,974)	20.5%	(4)
Net Transfer In/(Out)	3,501	3,500	1	0.0%	3,501	3,500	1	0.0%	14,000	10,499	25.0%	
Net Change in Working Capital	$56,147	($60,564)	$116,711	n/m	$56,147	($60,564)	$116,711	n/m	$306,719	$250,572	18.3%	
Working Capital, Beginning of Period	409,234				409,234							
Working Capital, 3/31/2016	$465,381				$465,381							

1) Variance due to slow spending on the HHS and Matchmaker grants. HHS grant draws are expected catch up to budget in the second quarter. Matchmaker grant draws are under target due to timing as the funds remain available until June 30, 2017.
2) Due to delay of the Energy Performance Contract projects, most of the project expenses are expected to be incurred in the second half of the fiscal year. The actual target for 2016 is expected to be reforecast at a lower level.
3) Draws from Energy Performance Contract bond and line of credit proceeds are expected to catch up to budget in the third quarter when the related project costs are incurred. See note #2.
4) Weatherization program support allocation was below budget due to an unfilled position and timing.

COCC
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2016

	Quarter Ended March 31, 2016				Year-to-Date				2016 Annual	Remainder to Receive/	(n/m= not meaningful) Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$0	$0	$0	n/m	$0	$0	$0	n/m	$0	$0	n/m	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	3,008,234	3,022,956	(14,722)	(0.5%)	3,008,234	3,022,956	(14,722)	(0.5%)	12,337,893	9,329,659	24.4%	
Non-operating Revenue	394,873	357,911	36,962	10.3%	394,873	357,911	36,962	10.3%	1,431,618	1,036,745	27.6%	
Total Revenues	3,403,107	3,380,867	22,240	0.7%	3,403,107	3,380,867	22,240	0.7%	13,769,511	10,366,404	24.7%	
Expenses												
Salaries & Benefits	2,629,329	2,667,125	(37,796)	(1.4%)	2,629,329	2,667,125	(37,796)	(1.4%)	11,006,069	8,376,740	23.9%	
Routine Maintenance, Utilities, Taxes & Insurance	418,221	430,695	(12,474)	(2.9%)	418,221	430,695	(12,474)	(2.9%)	1,849,232	1,431,011	22.6%	
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	10	0	10	n/m	10	0	10	n/m	0	(10)	n/m	
Administrative Support Expenses	529,600	850,519	(320,919)	(37.7%)	529,600	850,519	(320,919)	(37.7%)	3,255,513	2,725,913	16.3%	(1)
Non-operating Expenses	141,094	154,338	(13,244)	(8.6%)	141,094	154,338	(13,244)	(8.6%)	617,351	476,257	22.9%	
Total Expenses	3,718,253	4,102,677	(384,424)	(9.4%)	3,718,253	4,102,677	(384,424)	(9.4%)	16,728,165	13,009,912	22.2%	
Net Income	(315,146)	(721,810)	406,664	(56.3%)	(315,146)	(721,810)	406,664	(56.3%)	(2,958,654)	(2,643,508)	10.7%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(9,849)	(9,750)	(99)	1.0%	(9,849)	(9,750)	(99)	1.0%	(19,500)	(9,651)	50.5%	
Decrease in Restricted/Designated Cash	15,126	34,000	(18,874)	(55.5%)	15,126	34,000	(18,874)	(55.5%)	52,000	36,874	29.1%	
(Increase) in LT Receivables	(10,313)	(35,313)	25,000	(70.8%)	(10,313)	(35,313)	25,000	(70.8%)	(391,250)	(380,937)	2.6%	(2)
Decrease in LT Receivables	172,849	186,694	(13,845)	(7.4%)	172,849	186,694	(13,845)	(7.4%)	746,774	573,925	23.1%	
Acquisition of Capital Assets	(215,278)	(220,100)	4,822	(2.2%)	(215,278)	(220,100)	4,822	(2.2%)	(220,396)	(5,118)	97.7%	
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	31,436	0	31,436	n/m	31,436	0	31,436	n/m	0	(31,436)	n/m	
Change in Other Assets	0	(500,000)	500,000	(100.0%)	0	(500,000)	500,000	(100.0%)	(2,000,000)	(2,000,000)	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%	(225,000)	(225,000)	0	0.0%	(900,000)	(675,000)	25.0%	
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	0	0	0	n/m	0	0	n/m	
Total Other Sources/(Uses) of Working Capital	(241,029)	(769,469)	528,440	(68.7%)	(241,029)	(769,469)	528,440	(68.7%)	(2,732,372)	(2,491,343)	8.8%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	839,898	875,003	(35,105)	(4.0%)	839,898	875,003	(35,105)	(4.0%)	5,807,601	4,967,703	14.5%	
Transfers Out to Other Funds	(53,693)	(43,500)	(10,193)	23.4%	(53,693)	(43,500)	(10,193)	23.4%	(1,218,960)	(1,165,267)	4.4%	
Net Transfer In/(Out)	786,205	831,503	(45,298)	(5.4%)	786,205	831,503	(45,298)	(5.4%)	4,588,641	3,802,436	17.1%	
Net Change in Working Capital	$230,031	($659,776)	$889,807	n/m	$230,031	($659,776)	$889,807	n/m	($1,102,385)	($1,332,416)	n/m	
Working Capital, Beginning of Period	25,115,418				25,115,418							
Working Capital, 3/31/2016	$25,345,449				$25,345,449							

1) Various categories are under budget but are expected to catch up as the year progresses.
2) A $25k loan to HomeSight was delayed until the 2nd quarter.
3) $500k per quarter was budgeted for investment in the Regional Equitable Development Initiative fund to support future afforda ble housing projects. However, it is uncertain that a disbursement to the fund will be made in 2016

TAB NUMBER 7

King County Housing Authority

TO: Board of Commissioners

FROM: Linda Riley, Controller LR

DATE: May 26, 2016

RE: **4th Quarter 2015 Summary Write-Offs**

For the 4th quarter of 2015, there were seven accounts written off totaling $5,492.73. The write-off amount represents accounts from only October. Due to the focus shifting during the last two months of the year to implementation and training on the new Tenmast software, no accounts were written off in November or December. We expect to see an increase in write-off amounts in the first quarter of 2016. A breakdown for accounts written off is listed below. The net collections remitted from our collection agency are $1,128.87 or approximately $312 less than this period last year.

	Total Write-offs	YTD Write-offs
Rent Balance Forward to Vacate Month	$ 691.97	$ 3,324.45
Retro Rent Write-offs		1,467.39
VACATE CHARGES:		
Rent Delinquent in Vacate Month	1,190.42	5,352.10
Cleaning & Damages	3,490.03	35,547.81
Paper Service & Court Costs	1,137.96	3,138.92
Miscellaneous Charges	149.77	1,962.66
Total Vacate	5,968.18	46,001.49
Total All Charges	6,660.15	50,793.33
CREDITS:		
Security Deposits	(975.00)	(6,100.00)
Miscellaneous Payments & Credits	(192.42)	(3,425.76)
Total Credits	(1,167.42)	(9,525.76)
Total Net Write-offs	**$ 5,492.73**	**$ 41,267.57**
Net Write-offs by Portfolio		
Public Housing	$ 3,122.96	$ 14,280.14
Valley Park		541.06
Green River II		7,185.14
Egis	2,369.77	3,396.81
Birch Creek		15,864.42
	$ 5,492.73	**$ 41,267.57**

Write-off and Collection Summary
2013 - 2015

NET WRITE-OFFS

	2015	2014	2013
January to March	15,702.57	40,825.34	5,427.11
April to June	6,936.09	23,983.44	11,417.43
July to September	13,136.18	19,120.45	23,457.12
October to December	5,492.73	19,003.22	41,413.64
TOTAL	41,267.57	102,932.45	81,715.30

NET COLLECTIONS

	2015	2014	2013
January to March	2,141.47	1,175.65	530.51
April to June	1,709.91	2,013.79	1,029.32
July to September	490.48	966.30	1,073.05
October to December	1,128.87	1441.03	2,522.43
TOTAL	5,470.73	5,596.77	5,155.31

****Detail by tenant is available by request.**

TAB NUMBER 8

King County Housing Authority

TO: Board of Commissioners

FROM: Linda Riley, Controller LR

DATE: May 26, 2016

RE: **1st Quarter 2016 Summary Write-Offs**

For the 1st quarter of 2016, 13 accounts were written off with a total of $23,434.99, compared to $15,702.57 in the same period last year. With the implementation of Tenmast, staff now has tools to review tenant account details providing better information on account status. We expect to see a higher rate of write-offs in the coming months as the accounts are reviewed. A breakdown for accounts written off is listed below.

The net collections remitted from our collection agency are $6,130.40 or approximately $3,989 higher than this period last year.

	Total WRITE-OFFS	YTD WRITE-OFFS
Rent Balance Forward to Vacate Month	$ 2,792.12	$ 2,792.12
Retro Rent Write-offs		
VACATE CHARGES:		
Rent Delinquent in Vacate Month	1,352.56	1,352.56
Cleaning & Damages	18,525.33	18,525.33
Paper Service & Court Costs	-	-
Miscellaneous Charges	4,735.92	4,735.92
Total Charges	24,613.81	24,613.81
Total All Charges	27,405.93	27,405.93
CREDITS:		
Security Deposits	(1,950.00)	(1,950.00)
Miscellaneous Payments & Credits	(2,020.94)	(2,020.94)
Total Credits	(3,970.94)	(3,970.94)
Total Net Write-offs	**$ 23,434.99**	**$ 23,434.99**
Net Write-offs by Portfolio		
Public Housing	$ 7,711.70	$ 7,711.70
Valley Park	2,657.26	2,657.26
Green River II	1,188.93	1,188.93
Egis	1,375.97	1,375.97
Birch Creek	10,501.13	10,501.13
	$ 23,434.99	**$ 23,434.99**

Write-off and Collection Summary
2014 - 2016

NET WRITE-OFFS

	2016	2015	2014
January to March	23,434.99	15,702.57	40,825.34
April to June		6,936.09	23,983.44
July to September		13,136.18	19,120.45
October to December		5,492.73	19,003.22
TOTAL	23,434.99	41,267.57	102,932.45

NET COLLECTIONS

	2016	2015	2014
January to March	6,130.40	2,141.47	1,175.65
April to June		1,709.91	2,013.79
July to September		490.48	966.30
October to December		1128.87	1441.03
TOTAL	6,130.40	5,470.73	5,596.77

****Detail by tenant is available by request.**

TAB NUMBER 9

King County Housing Authority Executive Dashboard

1st Quarter Dashboard: January 1 - March 31, 2016

		actuals jan '13 - mar '16	march 2016	target	3-yr avg	3-yr high	3-yr low
Finance							
LGIP Rate	●		0.45%	0.45%	0.15%	0.45%	0.09%
Non-LGIP Investment Rate			1.04%	0.65%	0.88%	1.10%	0.67%
Revenue to Budget (Budgeted $235,803,118)	●		96%	100%	100%	105%	93%
Expenditures to Budget (Budgeted $203,509,087)			97%	100%	98%	100%	97%
Property Management							
Public Housing Occupancy Rate (3,666 units)[1]			98.7%	98.0%	98.7%	99.3%	97.9%
Local Program Occupancy Rate (5,465 units)			98.8%	96.5%	98.6%	100.0%	97.8%
KCHA Units Owned			9,397	9,397	8,984	9,397	8,647
Section 8 Operations							
Utilization Rate[2] (Vouchers Leased: 9,466)			102%	102%	103%	106%	99.7%
Households Paying >40% Income to Rent (n = 2,775)	●		24%	<25%	21%	24%	19%
Exit Data							
Positive Exits			23%	>25%	32%	64%	15%
Negative Exits			13%	<20%	20%	39%	9%
Total Monthly Exits			30	–	55	113	26

● Denotes indicators of interest

[1] Excludes some units in portfolio where turnover is not tracked monthly.

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

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KCHA IN THE NEWS

King County

News

King County Executive
Dow Constantine

Executive proposes partnership to develop or preserve more than 2,000 units of affordable housing across King County

May 19, 2016

Summary

Under a proposal by Executive Constantine, King County Housing Authority would have access to King County's triple-A credit rating, enabling the Authority to develop or preserve up to 2,200 units of affordable housing in strategic locations, such as near mass transit or high-performing schools.

Story

King County Executive Dow Constantine today proposed a new partnership with the King County Housing Authority that would develop or acquire more than 2,000 units of affordable housing with low-cost financing made possible by the county's stellar credit rating.

Under the Executive's proposal, King County Housing Authority would have access to King County's triple-A credit rating. That would enable the Housing Authority to develop or preserve up to 2,200 units of affordable housing over the next six years in strategic locations, such as near mass transit or high-performing schools.

"To ensure a strong, thriving middle class in our region, we must have more housing that is both affordable and connected to opportunity," said Executive Constantine. "By joining forces with the King County Housing Authority, we will deliver more than two thousand units of affordable housing countywide – near mass transit and in vibrant neighborhoods."

King County Housing Authority has a proven track record of outstanding financial performance, but changes in banking practices in recent years have made it harder for housing authorities to get low-cost financing. With King County guaranteeing the loans, banks will extend a line of credit to the Housing Authority to acquire property sooner while it's still relatively affordable.

"This partnership leverages the County's credit authority to support the County's social equity and smart growth agenda," said Stephen Norman, Executive Director of King County Housing Authority. "County government's support enables KCHA to work with the market to set the stage for the long term social and economic health of the region.

Executive Constantine and Executive Director Norman have directed their staffs to negotiate the details of this agreement. It needs to provide flexibility for the Housing Authority to act quickly while ensuring the protection of the County's bond rating. A detailed proposal is expected in the summer.

The initiative would expand a partnership that over the past 20 years has helped the Housing Authority acquire more than 2,000 apartments that are affordable to working families.

Increasing inventory of affordable housing connected to opportunity

The partnership is the latest in a series of actions Executive Constantine has taken to increase the inventory of affordable housing that's connected to high-capacity transit.

Today, he will send to the County Council his plan to invest $48 million in transit-oriented development, with mixed-income housing connected to shopping, schools and job centers. Using new authority granted by the Legislature, King County will borrow against future revenue generated from lodging taxes to pay for the investments.

In February, he announced $7 million for capital projects that will create an additional 237 units of affordable housing, including units reserved for military veterans and residents who have previously been homeless. He also announced $10 million for services that help families and individuals remain in housing through case management, help finding employment and other services.

Relevant links

- King County Housing Authority
- Confronting homelessness, increasing access to affordable housing
- Creating 700 units of workforce housing based around high-capacity transit

Quotes

> To ensure a strong, thriving middle class in our region, we must have more housing that is both affordable and connected to opportunity. By joining forces with the King County Housing Authority, we will deliver more than two thousand units of affordable housing countywide – near mass transit and in vibrant neighborhoods.
>
> *Dow Constantine, King County Executive*

> Every jurisdiction across our region has a responsibility to do what it can to address our homelessness crisis and work to ensure that people have their most basic need met – a safe place to lay their head at night. The approach announced today does just that. No one jurisdiction can do this alone. This is a regional problem, and we must have regional solutions.
>
> *Joe McDermott, King County Council Chair*

> Equitable access to housing near high capacity transit areas is critical to the health and wellbeing of working families. It's important to move quickly to acquire these properties as costs rise.
>
> *Jeanne Kohl-Welles, King County Councilmember*

> Working families in South King County need safe and affordable homes with access to transit. This is a smart investment that can help bring stability and economic security to people who need it most.
>
> *Dave Upthegrove, King County Councilmember*

Everyone deserves a safe, affordable roof over their heads. Our kids deserve to grow up in a community where they have access to opportunities like a quality education, stable housing, and reliable transit service. Being able to harness King County's authority to generate more affordable units near transit facilities, we are building a diverse, mixed-use and mixed-income community that will lift up our region and ultimately make us stronger.

Claudia Balducci, King County Councilmember

This partnership leverages the County's credit authority to support the County's social equity and smart growth agenda. County government's support enables KCHA to work with the market to set the stage for the long term social and economic health of the region.

Stephen Norman, Executive Director of King County Housing Authority

HDC is excited to see the fruition of many years of perseverance in the formal launch of King County's Transit Oriented Development Initiative. It is equally gratifying to have it occur during Affordable Housing Week as we together invoke our collective sense of urgency to take bold action. Leveraging King County's credit rating to add to the panoply of tools we need is a remarkable example!

Marty Kooistra, Executive Director of Housing Development Consortium

FOR MORE INFORMATION, CONTACT:

Chad Lewis, Executive Office, 206-263-1250

SJN Remarks - Announcement of County/KCHA Credit Enhancement Partnership at the Corinthian Apartments: 5/19/16

Good Morning!

Everybody here today knows we have an affordable housing crisis problem that has reached crisis proportions.

It is a problem that impacts not only the very poor, not only elderly and disabled households, but increasingly working families and the middle class.

It is part of a larger set of challenges for the region that include homelessness, the success of our schools in educating poor children, our ability to develop a transportation system that serves our community's growing population.

I want to salute the County Executive, the State legislature, the County Council and Suburban City governments for their vision and leadership in collectively addressing these challenges.

They understand that there is no silver bullet.

Rather there is the need for a wide array of approaches – some of which we are here to announce today.

One of these is our credit enhancement partnership. Building on a unique and highly successful 25 year track record, the County and the Housing Authority are taking this partnership to the next level.

We are leveraging the County's stellar AAA credit rating to provide the Housing Authority with significantly expanded and more flexible access to private capital markets.

The Authority will use this credit enhancement to access private capital for the acquisition or construction of up to 2200 units of housing over a six year period. Without this new tool our ability to finance these projects under current market conditions in this banking environment would be close to zero.

Investments will be located strategically – near good schools, within transit corridors, where seniors can walk to stores. Much of this is focused on preserving affordability in communities impacted by rising rents.

The Corinthian, where we are today, is a good example of this. We bought this complex last year when it came on the market. Rents in this neighborhood are rising dramatically. Any private buyer would have raised rents significantly – forcing lower income residents to move.

KCHA will keep rents where they are and is investing $5.6 million, raised through the sale of Federal tax credits, to upgrade the complex, eliminate life/safety hazards and extend the life span of these units. Over time, these units will become increasingly below market as rents in this neighborhood continue to increase.

This is regional government doing what it should be doing – combining resources, leveraging private sector tools, working efficiently to invest limited taxpayer dollars in assuring our community's future. A future where children succeed, seniors and disabled households can live with dignity, there are no homeless on our streets <u>and</u> people can get to work on time.

My profound thanks to our regional leadership for their support and vision.

Officials make way for more affordable housing in King County

May 19, 2016 at 11:13AM

Dow Constantine — *Image Credit: Courtesy Photo*

For the Reporter

King County Executive Dow Constantine today proposed a new partnership with the King County Housing Authority (KCHA) that would develop or acquire more than 2,000 units of affordable housing with low-cost financing made possible by the county's credit rating.

Under the Constantine's proposal, KCHA would have access to King County's triple-A credit rating. That would enable the Housing Authority to develop or preserve up to 2,200 units of affordable housing over the next six years in strategic locations, such as near mass transit or high-performing schools.

"To ensure a strong, thriving middle class in our region, we must have more housing that is both affordable and connected to opportunity," Constantine said. "By joining forces with the King County Housing Authority, we will deliver more than two thousand units of affordable housing countywide – near mass transit and in vibrant neighborhoods."

Changes in banking practices in recent years have made it harder for housing authorities to get low-cost financing. With King County guaranteeing the loans, banks will extend a line of credit to the Housing Authority to acquire property sooner while it's still relatively affordable.

"This partnership leverages the County's credit authority to support the County's social equity and smart growth agenda," said Stephen Norman, executive director of King County Housing Authority. "County government's support enables KCHA to work with the market to set the stage for the long term social and economic health of the region.

Constantine and Norman have directed their staffs to negotiate the details of this agreement. It needs to provide flexibility for the Housing Authority to act quickly while ensuring the protection of the County's bond rating. A detailed proposal is expected in the summer.

The initiative would expand a partnership that over the past 20 years has helped the Housing Authority acquire more than 2,000 apartments that are affordable to working families.

Increasing inventory of affordable housing connected to opportunity

The partnership is the latest in a series of actions Constantine has taken to increase the inventory of affordable housing that's connected to high-capacity transit.

Today, he will send to the County Council his plan to invest $48 million in transit-oriented development, with mixed-income housing connected to shopping, schools and job centers. Using new authority granted by the Legislature, King County will borrow against future revenue generated from lodging taxes to pay for the investments.

In February, he announced $7 million for capital projects that will create an additional 237 units of affordable housing, including units reserved for military veterans and residents who have previously been homeless. He also announced $10 million for services that help families and individuals remain in housing through case management, help finding employment and other services.

COMMUNITY/PUBLIC SERVICE

Valley Cities Phoenix Rising
Donovan Brothers

Architect: The Keimig Associates
Owner: Valley Cities
ABC member: Parker, Smith & Feek

Valley Cities Phoenix Rising helps displaced youth and young adults ages 18-24 transition out of homelessness to independent living.

The three-building complex in Auburn consists of two 4,394-square-foot residential buildings and a 4,556-square-foot common building. The group residences contain 24 single-occupancy units in a dorm-like environment. The common building houses the job training center with a focus on food service, providing an opportunity for young adults to learn real-life job skills in a commercial kitchen.

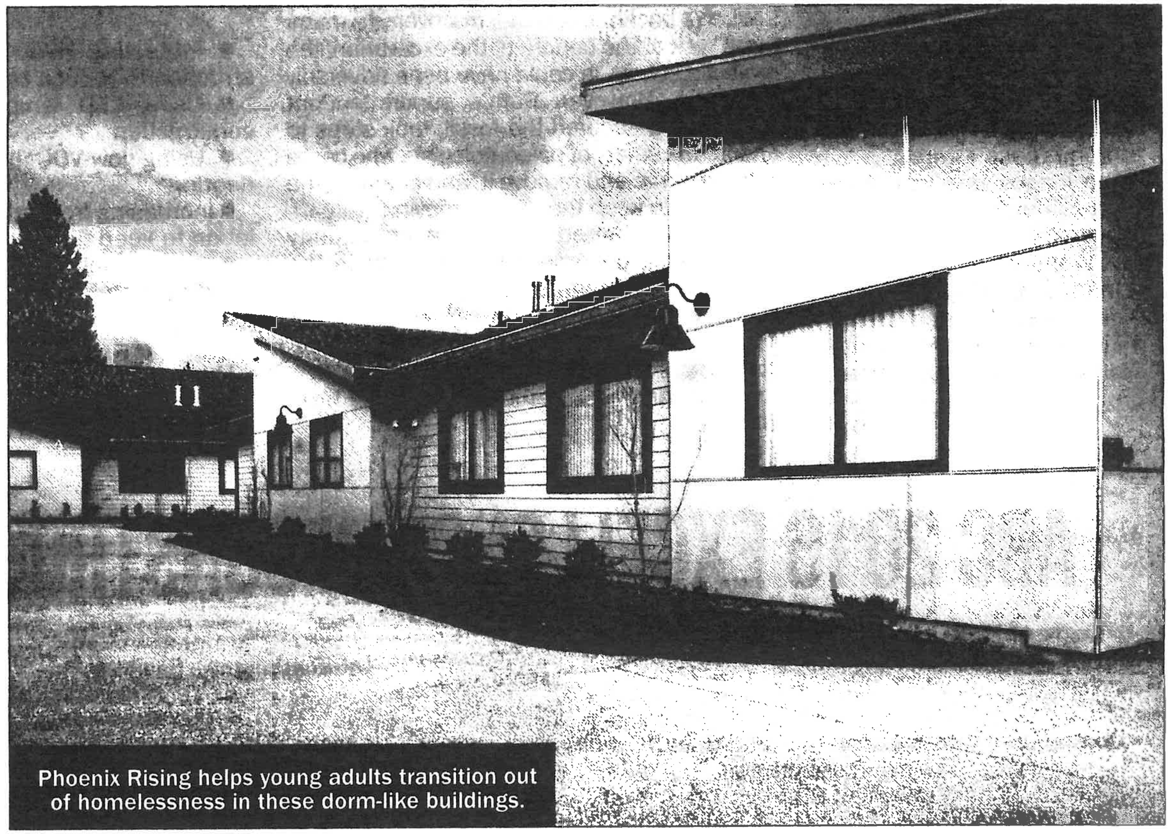
The complexities of the project included environmental concerns, the discovery of a gas main running through the right of way and navigating many layers of government oversight.

Concerns over the specified pervious asphalt in the right of way required that the civil engineer prove the long-term performance of the material by providing research about its durability in many jurisdictions. A redesign specifying a uniform flat subgrade required another review and approval by the city.

It was after construction began that a gas main running directly through the right of way was discovered, requiring the utility to re-engineer and relocate it. In addition, a low-permeability layer had to be installed under all drive aisles because infiltration exceeded the maximum allowable rate. This required extensive testing because the infiltration rates were unknown.

Phoenix Rising falls under the guidelines of an affordable housing project, so the state required that the facility be built to Evergreen Sustainable Development Standards. Meeting these standards and building a long-lasting facility that could withstand hard use by tenants required an additional round of research.

The result is a building with a projected 50-year-life with minimal maintenance featuring LED lighting, EnergyStar appliances and pervious paving throughout. The project uses low-flow and high-efficiency products that minimize energy and water consumption, both conserving resources and reducing utility bills.



Phoenix Rising helps young adults transition out of homelessness in these dorm-like buildings.

PHOTO FROM DONOVAN BROTHERS

To meet Section 3 requirements to direct employment or other economic opportunities to low-income persons, Donovan Brothers created a plan for hiring and subcontracting during the project.

Also, the state Department of Labor & Industries required the use of apprenticeship training programs on the project. Donovan Brothers met the goal of 15 percent of total labor hours by enrolling three laborers in a carpentry program to further their education and encouraged their subcontractors to do the same.

Despite the challenges, this complex project was delivered on time and on budget. There were no time-loss or medical injuries during the 13,062 hours worked.

Seattle Daily Journal of Commerce

Thursday, May 19, 2016

Phoenix Rising designed to help young adults

Valley Cities Behavioral Health Care in April completed two residential buildings for the Phoenix Rising Project at 2704 I Street N.E. in Auburn.

The program is designed to help people 18 to 25 years old transition from homelessness and alcohol and drug addiction with a blend of housing, case management and life skills development.

The two 4,394-square-foot residential buildings each have 12 housing units and a common living room and kitchen area.

A 4,556-square-foot common building that will be called Recovery Cafe is under construction. It will house a job training center with a focus on food service, providing an opportunity for the young adults to learn job skills in a commercial kitchen.

Phoenix Rising also provides access to behavioral health services at the adjacent Valley Cities Auburn office.

Valley Cities said in a press release that the housing units are for homeless young adults with incomes below 30 percent of the area median income.

They have quartz shower surrounds, solid wood cabinets and polished concrete flooring. The property is near transit lines, parks, stores and restaurants.

The Phoenix Rising Project team includes The Keimig Associates, architect; Donvoan Brothers, general contractor; Bellwether Housing; developer consultant; DCG, structural and civil engineer; Travis Fitzmaurice, electrical; Franklin Engineering, mechanical and plumbing; and Eagle Design, landscape architect.

The project won a 2016 Excellence in Construction award in the community/public service category from the Associated Builders and Contractors of Western Washington.

Seattle Daily Journal of Commerce

Friday, May 20, 2016

County to guarantee loans for 2,200 affordable units

By JOURNAL STAFF

King County wants to guarantee loans for its housing authority to acquire or build approximately 2,200 affordable housing units over the next six years.

King County Executive Dow Constantine said at a press conference Thursday that King County Housing Authority has a strong financial track record, but banks today are hesitant to lend to affordable housing providers. Using the county's triple-A credit rating to back the housing authority would make it easier to get credit from banks to acquire or develop affordable units.

Constantine said the county will focus on sites near mass transit or well-performing schools.

A detailed proposal is expected to come this summer. The deal should give the housing authority the ability to act quickly to acquire properties, while still protecting the county's credit rating, according to a press release from Constantine's office.

Last year Constantine announced a plan to create approximately 700 affordable units as part of transit-oriented development projects that would also include shopping, schools and job centers near Sound Transit light rail stations. In February, the county said it would create 237 additional affordable units through a series of capital projects, increase emergency funding for homeless shelters and provide $10 million in rental assistance.

COMMUNITY IN ACTION

Examples of programs, policies, and tools in action.

Creating a multicultural mixed-use community in Greenbridge, WA

To provide affordable housing and on-site community resources in a healthy environment, King County Housing Authority (KCHA) transformed Greenbridge, a suburb of Seattle, WA, from World War II-era temporary housing to modern, brightly colored apartments and townhomes. Determined to meet the needs of the community, KCHA collaborated with partners to gather feedback from residents across the age spectrum via surveys and focus groups in multiple languages. KCHA then incorporated residents' vision of a mixed-use community into the redesign.

In addition to redeveloping living spaces using green building principles, KCHA added an elementary school, a community center, a library, a Head Start Center, a Boys & Girls Club, and a YWCA Adult Learning Center to the area. Parks, play areas, and community gardens are interspersed and connected through pedestrian paths and trails to the area's commercial core.

Today, Greenbridge is culturally and environmentally friendly. Residents speak over a dozen languages, plant ethnic foods in the community garden, and live in a neighborhood designed to conserve natural resources and reduce energy use.

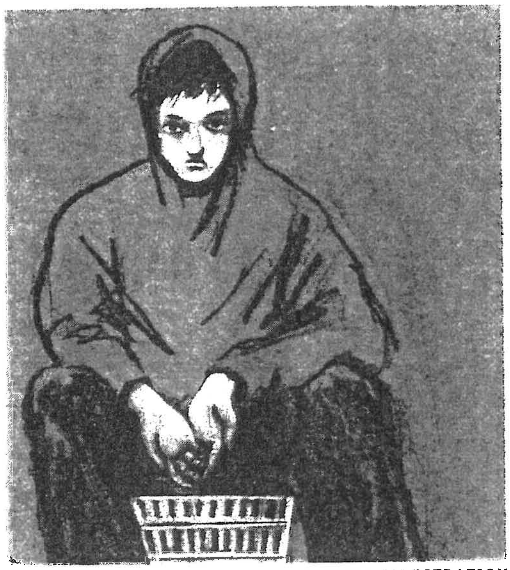
To learn more about this effort, visit the Active Living By Design (ALBD) summary of the program. To connect with King County Housing Authority, contact Elizabeth Westburg, Resident Services Development Manager, ElizabethW@kcha.org. KCHA has additional information about Greenbridge here.

Communities in Action provide examples of strategies or tools in action. Their purpose is to connect like-minded communities in their implementation efforts, giving insight into how others are tackling key challenges and what they've accomplished. To learn more about the evidence supporting this strategy's effectiveness or resources to help move towards implementation, see the What Works for Health summary of Mixed-use development.

Date added: May 23, 2016

To succeed in school, you need a home

By STEPHEN NORMAN, SUSAN ENFIELD AND MARK OKAZAKI
Special to The Times



SEATTLE TIMES ILLUSTRATION

AS the school year began, 6-year-old Brandon was scared. His mom, Julie, was scared, too. The family became homeless after Brandon's dad lost his job and the family couldn't survive on his mom's income as an in-home caregiver.

First, the family lived in a motel. Then they doubled-up with relatives in a small apartment. Wherever they spent the night, Julie was determined that Brandon get to school on time, every day before racing off to her job. She was stressed, and Brandon developed severe separation anxiety. He couldn't bear to leave his mom's side, let alone speak.

Brandon, not his real name, is just one of more than 7,200 students in King County and 35,500 in Washington state who experienced homelessness last year. A recent Seattle Times article ["The hidden homeless: families in the suburbs," Page One, April 21] chronicled the effects of homelessness on these children and their academic performance.

Being homeless affects how kids develop. Kids who are sleeping on a different relative's couch each week can't do their homework. Kids who keep changing classrooms don't keep up with their school work. Kids who must travel longer distances because they are living out of the district come to school tired and become hungry long before lunch time, making it hard for them to concentrate on their school work. Studies confirm that homelessness creates tremendous stress in children, hindering their ability to learn and develop social skills. School failure sets in, and the vicious cycle of poverty is perpetuated.

Aware of the traumatic effects that homelessness can have on children — physically, emotionally and academically — the King County Housing Authority, Highline Public Schools (where 1,027 students were homeless at some point during the 2014-15 school year) and Neighborhood House have partnered on an innovative program to rapidly rehouse families with children identified as homeless by school staff.

While many families require ongoing rental support to remain stably housed in this increasingly expensive rental market, others just need temporary assistance to tide them over a rough patch and get them back on their feet. The Student and Family Stability Initiative (SFSI) offers these households short-term help with housing expenses, such as rent, security deposits and moving costs, combined with case management focused on eliminating barriers to housing stability and employment.

The program is showing promise. Since its inception in late 2013, a total of 115 homeless families, with 294 children, have been rehoused. Of these families:

• Eighty-two percent remain stable in their housing post assistance.

• Sixty-five percent of the assisted families show a monthly income gain, with median monthly incomes increasing from $1,234 at entry to $2,040 at exit.

• Eighty-nine percent of the students housed through the program remain at their original school.

Using its flexibility under the Moving to Work program, KCHA is investing $800,000 to rapidly rehouse another 100 families with an estimated 250 children in the Highline school district in 2016.

Support for the program is also being provided by the city of Burien, Building Changes and the Siemer Institute for Family Stability through the United Way of King County.

For an average one-time cost of about $10,200 per family, this approach can mitigate the devastating impacts of homelessness on children and the shattering cycle of problems it triggers.

This was certainly true for Brandon. Once his family entered the SFSI program, they were able to secure a suitable apartment close to Brandon's school.

Now that his housing is stable, Brandon has opened up. He joined the first-grade book club at his school. His counselor notes that he smiles and waves and isn't afraid to raise his hand and speak. "He's doing amazing," she said. "I definitely think stable housing was a piece of that."

For homeless students like Brandon, stable housing is a critical prerequisite to achieving better academic outcomes and future success.

SFSI shows what can be done when housing, education, and employment systems work in partnership to end child homelessness. In acknowledgment of the promise of this approach, the state Legislature recently approved TSHB 1682, which provides grant funds for schools that partner with local organizations to serve homeless students and their families through programs like SFSI.

A stronger school system is not enough. If we truly want children who live in poverty to succeed and break the cycle of poverty in our communities, we need to ensure that every student has a safe and secure place to go at night.

Stephen Norman is executive director of the King County Housing Authority. Susan Enfield is superintendent of Highline Public Schools. Mark Okazaki is executive director of Neighborhood House.

DAILY JOURNAL OF COMMERCE

June 8, 2016

KCHA opens 77 units for seniors in Renton

By JOURNAL STAFF

Photo by William Wright Photography [enlarg

King County Housing Authority held a grand opening last Friday for Vantage Point Senior Apartments, a 77-unit complex at 17901 105th Place S.E. in Renton.

The $18 million project serves very low-income seniors and people with disabilities.

Vantage Point is the first new public housing built by KCHA since 1992, aside from HOPE VI redevelopments such as Greenbridge in White Center.

The building has 72 one-bedroom units and five two-bedroom units.

Half the units are reserved for tenants earning less than 50 percent of the area median income, and half are for people earning less than 30 percent of the area median income.

Vantage Point has a fitness room, library, game room, community living rooms, and an arts-and-crafts room.

The site is near North Benson Shopping Center and less than a mile from Valley Medical Center.

Federal housing subsidies will generate around $26 million over a 40-year period for operation and maintenance of the property, according to KCHA.

Tonkin Architecture was the architect and Walsh Construction was the general contractor. Additional design team members include KPFF Consulting Engineers, Tres West Engineers, I.L. Gross Structural Engineers, GeoDesign and Nakano Associates.

King Co. Delegation Secures Boost in Local Rental Assistance

06/08/2016

WASHINGTON, D.C. – Today, Congresswoman Suzan DelBene (WA-01) led the congressional delegation representing Washington's King County in sending a letter to thank the Department of Housing and Urban Development (HUD) for answering their call for increased local rental assistance in 2016 to reflect the region's rapidly escalating rental costs. The delegation also continued to press for a permanent fix to the inflation formula in the Housing Choice Voucher (HCV) program, which provides rental assistance to low-income households.

Sens. Patty Murray and Maria Cantwell joined Reps. DelBene, Jim McDermott, Adam Smith and Dave Reichert in sending a letter to HUD Secretary Julián Castro, following up on their letter from June 2015. The current HCV formula has been particularly damaging in areas with steep increases in rental costs, such as the Puget Sound region.

"We greatly appreciate HUD's efforts to address the consequences of this policy for families across the country, including in the Puget Sound region, where our local rental market has seen some of the fastest growing rental costs in the nation," the letter states. "However, unless HCV inflation factors continue to be aligned with local rental costs, families could be forced to live in neighborhoods that are farther from employment opportunities, with higher levels of poverty and lower performing schools."

Last June, DelBene led the delegation in calling on HUD to take action after the King County Housing Authority saw a 26 percent increase in rental costs between 2014 and 2015, but did not receive a HCV inflation adjustment due to the flawed formula. For 2016, the agency provided a 12 percent increase to King County to reflect substantial growth in local rental costs, but still hasn't established a permanent solution to avoid similar problems in the future.

A copy of the signed letter is available HERE, and the full text follows:

Dear Secretary Castro:

We write to express our gratitude for the Department's improvements to the methodology for determining the renewal funding inflation factors used to allocate Housing Choice Voucher (HCV) funds among Public Housing Authorities (PHAs). In particular, we appreciate HUD's decision to incorporate two prior years of rental data in determining inflation factors for 2016, addressing the serious unintended consequences of last year's calculations on areas with rapidly escalating rental costs — including the Puget Sound region in Washington state. We encourage HUD to continue working to establish a permanent solution to ensure the methodology fully captures variability across local rental markets in future years.

Prior to 2012, the HCV renewal funding inflation factors were determined primarily using Consumer Price Index (CPI) data that account for variations in rent and utility inflation among different geographic regions — the same indicators used to calculate the Fair Market Rents (FMR) for areas across the United States. This was a well-reasoned and equitable formula, as PHAs are required to establish the level of subsidies they provide to HCV recipients using the FMR. In 2012,

NEWS

Local cadet graduates from West Point

Give Your Children the Gift of (Financial) Knowledge

Highline College honors longtime nurse and Army veteran

Condos in Burien

King Co. Delegation Secures Boost in Local Rental Assistance

Barkery is going to the dogs

Highline Schools Superintendent Dr. Susan Enfield receives National Communication Technology Award

The fate of the Myers Way Parcels has finally been unveiled

Sports Radio Host is Featured in May #HighlineAlum Campaign

Reception is June 3 at Burien Arts Gallery

Genesis Global Spiritual Center Welcomes New Senior Minister

Highline Garden Tour Filled with Good Ideas

Don ' t Keep Family in the Dark About Your Plans

Genesis Global Spiritual Center Welcomes New Senior Minister

Highline Capital Facilities Advisory

Committee Prioritizes Facility Solutions

Reception is June 3 at Burien Arts Gallery

Highline Garden Tour Filled with Good Ideas

Click It or Ticket" Safety Campaign Aims for 100% Seatbelt Compliance

Port of Seattle seeks summer employment for high school students

Federal fugitive arrested at SeaTac motel

Special board meeting

Announcing the 2016 Highline Schools Foundation Scholarship Winners

Pat's View: "The Narrowism of Heroism"

Elementary Teacher Featured in May #HighlineAlum Campaign

BarreTwist to open at Hot Feet Fitness in Burien

however, HUD updated its methodology to allocate HCV renewal funds among PHAs based on expected changes in the national Per-Unit Cost (PUC) for the HCV program. While this methodology may be effective when the change in PUC is positive, as was the case between 2012 and 2014, it has extraordinarily damaging consequences when the national PUC declines. Between 2014 and 2015, when the expected change in PUC was negative, no area in the nation — regardless of how steeply rental costs climbed — received an inflation factor.

We greatly appreciate HUD's efforts to address the consequences of this policy for families across the country, including in the Puget Sound region, where our local rental market has seen some of the fastest growing rental costs in the nation. As we wrote to you on June 19, 2015, the King County Housing Authority saw a 26 percent increase in their neighborhoods' FMR between 2014 and 2015 — and in 2016, the local FMR rose another 7.6 percent. During such periods of rapidly rising rents, it is imperative the HCV inflation factor be commensurate with local rental costs. That's why we were pleased to see HUD publish a methodology for 2016 that incorporates regional changes since 2014, providing the King County region with an inflation factor of 12 percent in 2016.

However, unless HCV inflation factors continue to be aligned with local rental costs, families could be forced to live in neighborhoods that are farther from employment opportunities, with higher levels of poverty and lower performing schools. This risks concentrating wealth, increasing racial disparities, and limiting the career and educational opportunities available to lower-income families. To limit such consequences, we encourage HUD to continue incorporating stakeholder feedback and making adjustments to the HCV inflation factor methodology to effectively measure changes in local rental markets going forward.

The HCV program is built on the promise of providing the most vulnerable members of our community with safe, affordable housing, in order to expand access to economic opportunity nationwide. By ensuring the HCV program fully captures variations in local rental markets and awards funding accordingly, we can ensure PHAs have the necessary funding to meet these critical goals. We appreciate your efforts on this matter and we look forward to continuing to work with you to meet the housing needs of low-income families across the country.

SHARE

We encourage our readers to comment. No registration is required. We ask that you keep your comments free of profanity and keep them civil. They are moderated and objectionable comments will be removed.

Federal Way City Council passes temporary apartment ban

File photo — *Image Credit:*

by RAECHEL DAWSON, Federal Way Mirror Reporter
Jun 9, 2016 at 12:00AM updated at 1:24PM

The Federal Way City Council passed a temporary ban on the development of apartment complexes in a 5-2 vote at its regular council meeting Tuesday night.

Council members Dini Duclos and Martin Moore voted against Council Bill No. 708, a six-month moratorium on the expansion or creation of multi-family housing in Federal Way. The ordinance wasn't initially on the City Council's meeting agenda; it was added early in the meeting by a unanimous vote that both placed the item on the agenda and allowed the ordinance to be enacted on its first reading if voted on by five council members.

Typically, an ordinance gets two readings before there's an opportunity for the council to vote.

With a recommendation from Mayor Jim Ferrell for approval, Assistant City Attorney Mark Orthmann told the council a moratorium is to "maintain the status quo" as city staff continues to research zoning standards that determine where multi-family housing should be. It is currently allowed in six zoning districts, including Commercial Enterprise, City Center Core and City Center Frame zoning.

But Duclos questioned the timing of the moratorium.

"It just strikes me as strange that we're doing this right after we've had some pretty serious crime in the city, and I hope it's not reflective that multi-family housing is the basis for those crimes," Duclos said.

In May, the city was hit with three murders within 48 hours. To address community concerns, city officials and the council held an emergency council meeting to address public safety. At the meeting, many citizens questioned multi-family and affordable housing in Federal Way and how the increase was related to crime, while several others defended those who live in apartments or receive Section 8 assistance.

Ferrell said the moratorium "has nothing to do with crime" and was more about the disproportionate impact of population growth on schools.

Councilwoman Kelly Maloney said the council has been talking about zoning designs as they relate to apartments in Federal Way for years, but she added that "the timing is unfortunate that it reflects in this way."

Kelly Rider with the Housing Development Consortium, speaking during the meeting's public comment period, reminded the council that there are many Federal Way residents struggling with housing insecurity and homelessness who need a "Safe Place" to turn to in the wake of the recent tragedies. A "Safe Place" is an official designation given to public places like schools and libraries so that young people who are thinking of running away or are homeless can have a safe place to go. The city has designated their own City Hall as a "Safe Place."

"We know, right now, that 7,000 Federal Way households are paying over half of their income for their housing costs, placing them just one crisis away from homelessness," Ryder said. "We know that 236 students in the Federal Way school district are struggling with homelessness or living with families and friends, waiting for an affordable place so that they can have a home, and we know that 263 individuals were without shelter in the most recent One Night Count."

Ryder said these people are struggling, and adopting the multi-family moratorium "will send them a signal that housing options for them are causing a safety problem or that they are to blame."

"We know, actually, in study after study it has been proven that affordable and multi-family housing is in no way connected to or increases or results in crime, but we know that when people's needs are met – they're safe and warm and their stress is reduced – they will, in fact, be less likely to have crime," she said.

Mark Putnam, the director of All Home King County, said he can't imagine why the city, which is part of Sound Cities Association– a multi-city collaborative group that works to find solutions to regional problems – would risk setting aside and not developing affordable housing in any part of the county.

"The housing costs and the housing wage for a resident in King County right now is $29 an hour," he said. "That's what it costs in this county to afford housing."

Maloney clarified that the city is not putting a moratorium on affordable housing but on all multi-family housing. However, none of the council members could provide an answer when Duclos asked why a moratorium wasn't imposed on all housing, including single-family homes.

Moore questioned how likely it was that a developer would want to "put through" another project. Ferrell said he couldn't say anything publicly at the time, but answered the question with, "Do you really want to roll the dice?"

Although Councilwoman Lydia Assefa-Dawson voted for the moratorium, she, too, had concerns.

"If we're talking about zoning in terms of what our city to look like and our future, I understand, but I still have concerns as to what's been discussed," said Assefa-Dawson, who works for the King County Housing Authority. "You look at who lives in multi-family housing and it still affects the same population: people who can't afford to own their own homes, seniors, people with challenges and disabilities, the list goes on, and you're still talking about the same population."

Reading from a city staff-prepared document, Maloney said that 43 percent of Federal Way's total housing is multi-family units while 16 percent of that is considered affordable housing. In comparison to other cities in the region, Federal Way is "on the high side": Kent has 15 percent affordable housing, Renton has 9 percent, Burien has 6 percent, Des Moines has 10 percent, Tukwila has 6 percent, Bellevue has 10 percent, Kirkland has 5 percent, Redmond has 9 percent and Issaquah has 11 percent, she said.

Ultimately, the council agreed to change the wording of the ordinance to clarify that the moratorium was not in response to any recent crime within the city.

In spite of the council's approval of the moratorium, which immediately went into effect, there will be a public hearing scheduled for the community to give input on the ordinance. The hearing is tentatively scheduled for June 21.

During that same meeting, the council unanimously approved the Community Development Block Grant 2016 plan, which allocated $101,000 toward public services such as FW Inclusion, a program for developmentally disabled adults; Hospitality House, a regional women's shelter in Burien; Multi-Service Center Rent Assistance; Multi-Service Youth Employment Services; Orion Employment Services; and the Pediatric Interim Care Center.

RAECHEL DAWSON, Federal Way Mirror Reporter