



MEETING OF THE BOARD OF COMMISSIONERS

March 20, 2017 at 8:30 a.m.

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

A G E N D A

- I. Call to Order**
- II. Roll Call**
- III. Public Comment**
- IV. Approval of Minutes**
 - Board Meeting Minutes – February 21, 2017 **1**
- V. Approval of Agenda**
- VI. Consent Agenda**
 - A. Voucher Certification Reports for January 2017 **2**
- VII. Resolutions for Discussion & Possible Action**
 - None.
- VIII. Briefings & Reports**
 - A. 2016 Year End Capital Report & 2017 Capital Budget **3**
 - B. 2016 Moving to Work Report **4**
 - C. Housing Management Software - Tenmast Update **5**
 - D. Housing Choice Vouchers Waitlist Opening **6**

IX. Executive Session

A. To review the performance of a public employee (RCW 42.30.110 (1) (g))

X. Executive Director Report

XI. KCHA in the News

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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
BOARD OF COMMISSIONERS OF THE
KING COUNTY HOUSING AUTHORITY**

Tuesday, February 21, 2017

I. CALL TO ORDER

The regular meeting of the Board of Commissioners of the King County Housing Authority was held on Tuesday, February 21, 2017 at the King County Housing Authority, 700 Andover Park West, Tukwila, WA 98188. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:30 a.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair), Commissioner Michael Brown (Vice-Chair), Commissioner Susan Palmer (*arrived at 8:36 a.m.*), Commissioner TerryLynn Stewart, and Commissioner John Welch

III. PUBLIC COMMENT

Resident Sharon Bosteder, voiced her concerns in regard to the policy 'Selection of a designated person' and stated the policy needs further clarification.

IV. APPROVAL OF MINUTES

On motion by Commissioner Welch and seconded by Commissioner Brown, the Board unanimously approved the minutes from the Board of Commissioners' meeting of December 19, 2016.

V. APPROVAL OF AGENDA

On motion by Commissioner Palmer and seconded by Commissioner Stewart, the Board unanimously approved the February 21, 2017 Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Reports for November 2016

November 2016

GENERAL PROPERTIES

Bank Wires / ACH Withdrawals	5,548,141.00
<i>Subtotal</i>	<u>5,548,141.00</u>
Accounts Payable Vouchers	
Key Bank Checks #306175-#306661	4,857,927.30
Tenant Accounting Checks #10277- #10292	5,635.30
Commerce Bank Direct Payment	87,749.64
<i>Subtotal</i>	<u>4,951,312.24</u>
Payroll Vouchers	

Checks - #90304 – #90330	27,036.52
Direct Deposit	1,298,700.09
<i>Subtotal</i>	<i>1,325,736.61</i>
Section 8 Program Vouchers	
Checks - #615696-#616017	183,253.80
Refund Checks	18,888.48
ACH - #365336-#368176	10,486,890.06
<i>Subtotal</i>	<i>10,689,032.34</i>
Purchase Card / ACH Withdrawal	171,367.73
<i>Subtotal</i>	<i>171,367.73</i>
GRAND TOTAL	22,685,589.92

BOND PROPERTIES
 Bond Properties Total (31 different properties) **6,469,786.38**

December 2016

GENERAL PROPERTIES

Bank Wires / ACH Withdrawals	3,334,149.96
<i>Subtotal</i>	<i>3,334,149.96</i>
Accounts Payable Vouchers	
Key Bank Checks #306662-#307340	8,704,754.00
Tenant Accounting Checks #10293- #10313	4,831.29
Commerce Bank Direct Payment	86,582.88
<i>Subtotal</i>	<i>8,796,168.17</i>
Payroll Vouchers	
Checks - #90331 – #90363	38,912.82
Direct Deposit	2,070,470.33
<i>Subtotal</i>	<i>2,070,470.33</i>
Section 8 Program Vouchers	
Checks - #616018-#616356	189,304.60
Refund Checks	11,587.84
ACH - #368177-#371115	10,802,148.85
<i>Subtotal</i>	<i>11,003,041.29</i>
Purchase Card / ACH Withdrawal	171,225.32
<i>Subtotal</i>	<i>171,225.32</i>
GRAND TOTAL	25,375,055.07

BOND PROPERTIES
 Bond Properties Total (31 different properties) **6,316,928.39**

- B. **Resolution No. 5560: A Resolution of the King County Housing Authority authorizing an Interlocal Cooperative Purchasing Agreement for Consulting Services related to renewal and expansion of an Energy Performance Contract by the Sedro-Woolley Housing Authority**

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

VII. RESOLUTIONS FOR DISCUSSION AND POSSIBLE ACTION

None.

VIII. BRIEFINGS & REPORTS

A. New Bank Accounts

Craig Violante, Director of Finance, reported that KCHA opened four new business bank accounts, three for Arbor Heights and one for the Southwood Square Apartments.

B. 2016 Year End Investment Report

Chair Barnes mentioned that the 'Rates of Return' graph on page 3 of the staff report has been updated and distributed to the board.

Craig Violante, Director of Finance, provided a briefing on the 2016 investments split between the Washington State Local Government Investment Pool (LGIP), the KCHA Internal Pool, cash held by trustees/held in traditional saving and checking accounts and loans to housing partners. Mr. Violante explained investment structure, average yields and the strategy for 2017.

Commissioner Welch asked for the definition of 'other entities' identified under cash held in the staff report. Mr. Violante explained that these funds are being held for properties owned by tax credit partnerships, where KCHA manages the property.

Commissioner Barnes inquired about the review process to determine the Boards' compliance with the Investment Policy. Mr. Violante mentioned that the Policy is reviewed by the Washington State Auditors, through the annual audit. In addition, Mr. Violante explained that it is a requirement to send the Investment Policy to brokers for review.

C. Fourth Quarter CY 2016 Procurement Report

Connie Davis reported on the procurement activities for the period October through December 2016. Ms. Davis mentioned that the report represents the activity involved in the award of contracts over the amount of \$100,000 and change orders that cumulatively exceed 10% of the original contract amount.

C. Fourth Quarter CY 2016 Summary Write-offs

Craig Violante provided an update on the Summary Write-offs for the fourth quarter of CY 2016.

D. Fourth Quarter CY 2016 Executive Dashboard Report

Andrew Calkins, Administrative Program Manager, provided an overview of the Executive Dashboard Report and discussed highlights.

IX. EXECUTIVE SESSION

A. To review the performance of a public employee (RCW 42.30.110 (1) (g))

Chair Barnes announced the start of the Executive Session at 9:08 a.m.

The meeting of the Board of Commissioners was reconvened at 9:30 a.m. by Chair Barnes.

Chair Barnes called for the board's consideration of Resolution No. 5561; pertaining to the payment of a retention and accomplishment incentive to the Executive Director.

Resolution No. 5561: Authorizing the payment of Retention and Accomplishment Incentive and the establishment of a Retention and Accomplishment Incentive for the Executive Director for the Calendar Years 2016 and 2017, respectively.

On motion by Commissioner Welch, seconded by Commissioner Palmer, Yea votes were recorded from Commissioners Barnes, Brown, Palmer, Welch and Commissioner Stewart abstained from voting; therefore Resolution No. 5561 was approved.

X. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman provided an overview and update on legislation regarding the Fire Benefit Charges and stated that KCHA is seeing significant increase in costs related to the Charges.

Mr. Norman also provided an update on Source of Income Discrimination legislation and mentioned it has now been adopted by the Cities of Renton, Kent and Auburn. Mr. Norman mentioned that Tukwila will possibly adopt the ordinance as well.

Dan Watson, Deputy Executive Director, Tim Walter and Dan Landes provided an overview of two major projects to take place in Issaquah and explained that KCHA was approached for its involvement in the upcoming projects. Handouts on the project sites were provided to the Board. Mr. Watson stated that staff plans to return to the Board with an update and Resolution for consideration.

John Eliason, Development Director for HOPE VI, provided an update on the Greenbridge property and home sales through Conner Homes.

Commissioner Stewart asked about the progress of the BDR project at Greenbridge. Mr. Eliason mentioned that construction is moving more slowly than KCHA staff had anticipated.

XI. KCHA IN THE NEWS

None.

XII. COMMISSIONER COMMENTS

Commissioner Welch asked staff if there has been any impact on KCHA residents in result of the recent Executive Order pertaining to immigration control.

Jennifer Ramirez-Robson, Director of Resident Services, stated that there has not been a direct impact on the Authority itself, but that residents are fearful and staff has fielded many questions in this regard.

Commissioner Barnes asked if KCHA has been requested by US Immigration and Customs Enforcement to provide data or information on immigration status of its residents. Mr. Norman stated that KCHA has not been asked for data although most of this data is reported to HUD through a database.

Commissioner Welch asked if KCHA collects data on documented and non-documented residents. Mike Reilly, Director of Housing Management confirmed that the Housing Authority collects and reports this data as a HUD requirement.

XIII. ADJOURNMENT

On motion by Commissioner Palmer, seconded by Commissioner Stewart, the Board adjourned the meeting at 10:08 a.m.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary

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To: Board of Commissioners

From: Linda Riley, Controller

Date: February 27, 2017

Re: **VOUCHER CERTIFICATION FOR JANUARY 2017**

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
 February 27, 2017

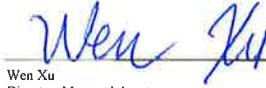
Bank Wires / ACH Withdrawals	1,740,115.47
<i>Subtotal</i>	<u>1,740,115.47</u>
Accounts Payable Vouchers	
Key Bank Checks - #307341-#307877	4,409,824.67
Tenant Accounting Checks - #10314-#10326	3,510.31
Commerce Bank Direct Payment	58,610.99
<i>Subtotal</i>	<u>4,471,945.97</u>
Payroll Vouchers	
Checks - #90364-#90388	24,940.77
Direct Deposit	1,333,500.45
<i>Subtotal</i>	<u>1,358,441.22</u>
Section 8 Program Vouchers	
Checks - #616357-#616665	180,600.20
Refund Checks	18,448.57
ACH - #371116-#373903	10,886,968.65
<i>Subtotal</i>	<u>11,086,017.42</u>
Purchase Card / ACH Withdrawal	173,645.00
<i>Subtotal</i>	<u>173,645.00</u>
GRAND TOTAL	<u>18,830,165.08</u>

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

FROM: Wen Xu

SUBJECT: VOUCHER CERTIFICATION FOR JANUARY 2017

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
Director, Managed Assets
March 8, 2017

Property Jan-17	Wired to Operating Account(s) for Obligations of Property			Notes:
	Date	\$	Claim	
Bellepark East	1/5/2017	\$7,074.59	A/P & Payroll	
	1/12/2017	\$6,106.47	A/P	
	1/19/2017	\$19,033.85	A/P & Payroll	
	1/26/2017	\$1,679.81	A/P	
Colonial Gardens	1/5/2017	\$5,845.62	A/P & Payroll	
	1/12/2017	\$3,222.37	A/P	
	1/19/2017	\$10,756.93	A/P & Payroll	
	1/26/2017	\$10,813.79	A/P	
Cottonwood	1/5/2017	\$7,562.60	A/P & Payroll	
	1/12/2017	\$2,371.60	A/P	
	1/19/2017	\$9,710.91	A/P & Payroll	
	1/26/2017	\$6,783.69	A/P	
Cove East	1/5/2017	\$15,026.30	A/P & Payroll	
	1/12/2017	\$5,387.05	A/P	
	1/19/2017	\$16,423.60	A/P & Payroll	
	1/26/2017	\$2,307.55	A/P	
Landmark	1/5/2017	\$14,630.73	A/P & Payroll	
	1/12/2017	\$6,781.80	A/P	
	1/19/2017	\$23,348.57	A/P & Payroll	
	1/26/2017	\$38,945.95	A/P	
Timberwood	1/5/2017	\$24,087.50	A/P & Payroll	
	1/12/2017	\$11,072.95	A/P	
	1/19/2017	\$34,766.06	A/P & Payroll	
	1/26/2017	\$62,518.33	A/P	
Woodland North	1/5/2017	\$12,294.38	A/P & Payroll	
	1/12/2017	\$4,659.16	A/P	
	1/19/2017	\$15,690.77	A/P & Payroll	
	1/26/2017	\$6,791.02	A/P	
Woodside East	1/5/2017	\$22,283.80	A/P & Payroll	
	1/12/2017	\$16,727.28	A/P	
	1/19/2017	\$63,418.50	A/P & Payroll	
	1/26/2017	\$7,880.48	A/P	
Alpine Ridge	1/12/2017	\$4,043.83	A/P & Payroll	
	1/26/2017	\$7,099.73	A/P & Payroll	
Arbor Heights	1/4/2017	\$8,827.00	Management Fee & Buffer	
	1/12/2017	\$25,650.95	A/P & Payroll	
	1/26/2017	\$24,373.50	A/P & Payroll	
Aspen Ridge	1/12/2017	\$16,815.63	A/P & Payroll	
	1/26/2017	\$36,767.36	A/P & Payroll	
Auburn Square	1/12/2017	\$55,075.94	A/P & Payroll	
	1/26/2017	\$36,272.81	A/P & Payroll	
Carriage House	1/12/2017	\$31,304.06	A/P & Payroll	
	1/26/2017	\$53,889.94	A/P & Payroll	
Cascadian	1/12/2017	\$59,762.74	A/P & Payroll	
	1/26/2017	\$37,613.93	A/P & Payroll	
Fairwood	1/12/2017	\$18,425.62	A/P & Payroll	
	1/26/2017	\$38,102.96	A/P & Payroll	
Heritage Park	1/12/2017	\$12,304.42	A/P & Payroll	
	1/26/2017	\$14,908.50	A/P & Payroll	
Laurelwood	1/12/2017	\$18,376.62	A/P & Payroll	
	1/26/2017	\$23,037.55	A/P & Payroll	
Meadows	1/5/2017	\$754.20	A/P	
	1/12/2017	\$12,974.39	A/P & Payroll	
	1/26/2017	\$25,371.80	A/P & Payroll	

Newporter	1/12/2017	\$16,062.70	A/P & Payroll
	1/26/2017	\$27,569.04	A/P & Payroll
Parkwood	1/12/2017	\$19,942.15	A/P & Payroll
	1/26/2017	\$51,830.45	A/P & Payroll
Somerset East	1/12/2017	\$23,063.31	A/P & Payroll
	1/26/2017	\$10,604.05	A/P & Payroll
Somerset West	1/12/2017	\$30,509.22	A/P & Payroll
	1/26/2017	\$14,766.52	A/P & Payroll
Walnut Park	1/12/2017	\$54,802.60	A/P & Payroll
	1/26/2017	\$35,371.82	A/P & Payroll
Windsor Heights	1/5/2017	\$18,573.06	A/P
	1/12/2017	\$37,825.25	A/P & Payroll
	1/26/2017	\$46,312.31	A/P & Payroll
Woodridge Park	1/12/2017	\$23,749.09	A/P & Payroll
	1/26/2017	\$42,526.36	A/P & Payroll
Gilman Square	1/11/2017	\$21,607.63	A/P & Payroll
	1/25/2017	\$28,141.65	A/P & Payroll
Meadowbrook	1/11/2017	\$ 14,549.34	A/P & Payroll
	1/25/2017	\$ 29,235.48	A/P & Payroll
Villages at South Station	1/11/2017	\$28,555.40	A/P & Payroll
	1/25/2017	\$153,142.69	A/P & Payroll
Rainier View I	1/5/2017	\$12,543.13	A/P
	1/12/2017	\$6,536.75	A/P
	1/19/2017	\$11,397.05	A/P
Rainier View II	1/5/2017	\$17,740.32	A/P
	1/12/2017	\$6,198.79	A/P
	1/19/2017	\$4,627.23	A/P
Si View	1/5/2017	\$9,621.55	A/P
	1/12/2017	\$15,970.13	A/P
	1/19/2017	\$5,020.21	A/P
Abbey Ridge	1/12/2017	\$24,649.14	A/P & Payroll
	1/26/2017	\$17,765.74	A/P & Payroll
Highland Village	1/12/2017	\$25,234.03	A/P & Payroll
	1/26/2017	\$12,543.61	A/P & Payroll
Vashon Terrace	1/19/2017	\$9,666.24	A/P
Portfolio Total:		\$1,966,021.13	

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TO: Board of Commissioners

FROM: Dan Watson, Deputy Executive Director

DATE: March 6, 2017

RE: **2016 Year End Capital Expenditure Report & 2017 Budget**

This report provides a detailed summary of construction related capital expenditures in 2016 as well as information about budgeted activity for 2017.

The total amount budgeted in 2016 for capital construction projects planned and managed by various KCHA departments was \$50,419,959. The actual construction related capital expenditures totaled \$40,949,660 or 81% of the budgeted amount. A summary of expenditure by the various categories of projects in 2016 is as follows:

Dept.	Project Category	No. of projects	2016 Budget	2016 Year End Expenditures*	% Expended
Construction	Public Housing	22	\$8,486,863	\$7,156,049	85%
Construction	509 Properties	5	\$1,830,183	\$3,342,235	183%
Construction	Other	2	\$979,317	\$2,308,439	236%
	Subtotal	29	\$11,296,363	\$12,806,723*	113%
HOPE VI*	Seola Gardens	1	\$106,000	\$82,587	78%
HOPE VI*	Greenbridge land dev.	1	\$960,953	\$950,574	99%
HOPE VI*	Retail TI	1	\$208,200	\$5,796	3%
	Subtotal	3	\$1,275,153	\$1,038,957**	81%
Development	Spiritwood Rehab	1	\$9,880,076	\$10,429,958	106%
	Corinthian Rehab	1	\$5,564,253	\$4,949,229	89%
	Subtotal	2	\$15,544,329	\$15,379,187	97%
Asset Mgmt.	Bond Properties	7	\$2,925,000	\$717,141	26%
Asset Mgmt.	Tax Credit Prop.	2	\$400,000	\$332,904	83%
Asset Mgmt.	Other	4	\$97,000	\$240,295	248%
	Subtotal	13	\$3,422,000	\$1,290,340	38%
Housing Mgmt.	Unit Upgrades	150	\$4,053,279	\$4,050,150	99%
Housing Mgmt.	Other Projects	100	\$1,828,835	\$1,893,640	103%
Housing Mgmt.	Energy Perf. Contract	1	\$13,000,000	\$4,490,663	35%
	Subtotal	251	\$18,882,114	\$10,434,453	55%
All	Total	298	\$50,419,959	\$40,949,660	81%

* Construction dept. includes \$2,007,353 in expenditures using unbudgeted weatherization funds that supplanted other KCHA capital sources

** HOPE VI budgeted and actual expenditure amounts do not include capitalized staffing/payroll costs.

Capital Construction – Completed Projects

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

Projects completed in 2016 include:

Project	Project Cost
Boulevard Manor Site Improvements	\$80,212
Burndale Parking, Sidewalks, Curb, & Fencing	\$898,946
College Place Site ADA Upgrades	\$337,273
Firwood Circle Gas Distribution System	\$122,565
Firwood Circle Roof Replacement	\$893,722
Firwood Circle Parking, Sidewalks, Curb, & Fencing	\$908,368
Forest Glen Waste and Water Line Replacement	\$1,009,175
Greenleaf Roof Replacement	\$396,732
Hillsview Roofing	\$178,608
Juanita Trace Roof Replacement	\$661,569
Lakehouse Deck Repair	\$124,776
Lakehouse Site Improvements	\$392,258
Northridge Pedestrian Bridge	\$186,716
Peppertree Doors	\$112,904
Peppertree Roof Improvements	\$68,040
Shelcor Envelope Upgrades	\$441,908
Valli Kee PSE Lighting	\$250,054
Wellswood Envelope Phase II	\$592,859
Westminster Backflow	\$60,239

Projects beginning construction in 2016 to be completed in 2017:

Project	Total Project Cost	% Complete (at 2016 year end)
Briarwood Parking and Sidewalks	\$313,615	70%
Burndale Envelope Upgrades	\$1,700,000	50%
Evergreen Court Envelope Upgrades	\$1,064,296	85%
Hidden Village Envelope Upgrades	\$2,689,171	50%
Valli Kee Site Improvements	\$500,386	45%

Projected vs. Planned Expenditures in 2016

The Capital Construction and Weatherization Department’s overall 2016 construction related expenditures of \$12,806,723 are 113% of the budget primarily due to the addition of \$2,007,353 of unbudgeted energy conservation improvements financed by the weatherization program. Change orders approved during the year accounted for 3% of the budget for completed projects.

Capital Construction – 2017 Projects

In 2017, Capital Construction is budgeting design or construction work for 24 projects totaling \$11,573,906. Of these, 19 projects are new projects for which construction has yet to begin. Five projects are already underway, and will finish up in 2017.

Major new projects planned for 2017 are as follows:

Project	Project Cost
Ballinger Homes Waste and Water Line Replacement	\$1,110,177
Boulevard Manor Electrical Panel Replacement	\$150,000
Casa Juanita Roof Replacement Design	\$80,839
Cascade Apartments Water Line Replacement	\$976,498
College Place Envelope Upgrade Design	\$80,839
Eastridge House Roof Replacement Design	\$80,839
Firwood Circle Envelope Upgrades (siding, doors & windows)	\$1,075,281
Kings Court Envelope Upgrades (siding, doors, & windows)	\$1,047,527
Kirkland Place Roof Replacement (roof, gutters, and downspouts)	\$202,064
Kirkland Place Structural Repair (stabilize building support posts)	\$160,101
Northridge I Envelope Upgrades (siding, doors, & windows)	\$1,096,576
Northridge II Envelope Upgrades (siding, doors, & windows)	\$1,110,260
Valli Kee Site Improvements (Phase 2) (parking, sidewalks, drainage)	\$503,781
Wells Wood Site Improvements Design	\$80,839
Yardley Arms Zinzco Panel Replacement (new electric panel)	\$150,000
Electrical Panel Replacements (sites to be determined)	\$442,019

HOPE VI - 2016 Activities

In 2016 HOPE VI focused on planning and development of vacant land parcels, facilitating lot sales, and overseeing homebuilding activity.

At Greenbridge, HOPE VI closed the sale of 13 single family and 22 multifamily lots within Property 7 to BDR Homes. The transaction brought in \$2,110,000 in land sales revenue to KCHA. In addition, HOPE VI monitored the construction and sale of 5 homes built by BDR in 2016, which closed out the original sale of 49 lots to them. The 5 home sales resulted in profit participation revenue to KCHA of \$198,061. Property 5b, the west side bulk parcel featuring lots for 80 attached and detached homes, was offered to the builder market and resulted in a sales contract for \$3,850,000 with Conner Homes. Conner Homes has waived feasibility with closing expected late in the 2nd quarter of 2017.

HOPE VI also completed design and submitted for permits for the development of the Wind Rose property, which is the northeast 10 acres of Greenbridge. This parcel is being planned and subdivided for the development of 31 single family homes and an 80 unit multifamily building. Completion of the permitting process for Wind Rose is anticipated in the 2nd quarter of 2017. Preparation of the Wind Rose site proceeded with completion of the abatement and demolition of the Roxbury house and the remaining 2 construction office buildings. Burn training was completed with fire departments from 15 districts to complete the demolition of the construction offices.

Design has also been proceeding on the largest remaining parcel at Greenbridge, Property 9,10,11, which is located along the west side of 4th Avenue SW. A minor plat modification and design development plans were completed in 2016 for this 102 lot development. Permit submittal for Property 9, 10, 11 is anticipated toward the end of the 1st quarter in 2017. At Greenbridge, 99% of the budgeted funds were expended.

Although no retail tenant had been identified at the beginning of the year, \$208,200 was budgeted for tenant improvements to the remaining retail space shell on the ground floor of Nia at Greenbridge. The budgeted funds were for design, engineering, permitting and partial

2016 Year End Capital Expenditure Report & 2017 Budget

March 20, 2017 Board Meeting

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buildout of the tenant improvements that are expected to total approximately \$545,000. Without an identified tenant, the TI design was to be a generic office that would be easily convertible to other uses when a tenant was identified. Early in the year, an optometrist clinic expressed an interest in leasing the space. Design of the space was put on hold pending the completion of lease negotiations so that the tenant improvements could be designed more specifically for the optometrist clinic, although this use that can still be easily converted to generic office purposes. The lease was finally signed near the end of the year, and the design and buildout expenses were pushed forward into 2017.

At Seola Gardens only 78% of the budgeted funds were spent primarily due to lower than anticipated costs for permit close out, engineering and other budgeted third party costs. HOPE VI monitored the construction and sale of 35 homes on the 54 lots sold to Richmond American Homes that resulted in \$346,065 in price participation revenue to KCHA. HOPE VI also completed the close-out of the Fairwind site permit with King County, which involved the final acceptance of public right-of-way infrastructure, roadway, landscaping, and parks.

HOPE VI – 2017 Budget

HOPE VI's budget for 2017 is \$1,863,855 which is a 46% increase from last year. Seola Gardens is nearing completion and now involves only noncapital administrative expenses. Primary expenditures are for completion of final public road speed limit signage, crosswalks with signage and repair of damaged concrete.

Capital expenditures at Greenbridge will increase and will involve \$541,641 in construction of selected Nia tenant improvements within the retail space, \$1,199,214 for design, engineering and other land development costs for the Wind Rose parcel and design and engineering for the permits and plat of Property 9, 10, 11. A HomeSight Phase 3 project is planned for 5 lots with expected sales revenue of \$350,000. KCHA will provide HomeSight with construction financing and technical support for design, construction and sales of 5 single family homes on scattered site lots located adjacent to Greenbridge.

The Department continues to design, permit and construct the remainder of the Nia tenant improvement space. It is anticipated that work will be completed and the space occupied by the end of 2017.

Asset Management/Development – 2016 Projects

The Asset Management Department has a three person construction management staff that typically oversees smaller repair jobs such as roof replacement, building envelope upgrades, deck repairs, exterior painting, asphalt/concrete repair, plumbing system replacements and similar improvements within the Asset Management Department portfolios. However in 2016, Asset Management assumed responsibility for two major renovation and upgrade projects: Spiritwood Manor and the Corinthian.

Due to the high priority in completing the Spiritwood and Corinthian projects by the end of 2016, staff capacity was directed to these projects and less urgent improvement and upgrade projects deferred to 2017. Both the Spiritwood and Corinthian major renovations were completed in 2016 at a total cost of \$15,379,187 and placed in service under tight tax credit deadlines which involved reoccupying all units vacated during the renovation and certifying all resident household incomes as meeting the 60% of area median income tax credit household income requirement. Over \$80,000 per unit was spent at Spiritwood. The Corinthian renovations cost approximately \$52,000 per unit.

2016 Year End Capital Expenditure Report & 2017 Budget

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In 2016, Asset Management expended \$1,290,340 or 38% of its capital budget on small projects and repairs. A variety of other projects totaling \$240,295 were also completed to address immediate needs and a delayed pool renovation.

Completed projects included:

Project	Project Cost
Bond Program	
Carriage House Fire Alarm System	\$209,400
Cascadian Asphalt	\$48,250
Fairwood Pool	\$36,950
Gilman Square Roof	\$83,646
Rainier View I Roof	\$16,000
Windsor Heights Roof	\$100,195
Windsor Heights Fire Alarm System	\$222,700
Tax Credit Program -	
Harrison Exterior Painting	\$81,904
Seola Crossing Exterior Paint	\$251,000
Other Items	
Meadowbrook Pool Deck	\$43,335
Meadowbrook Pool Fence	\$27,200
Meadowbrook Pool Resurfacing	\$39,810
Vantage Glen Retaining Wall	\$129,950

Asset Management – 2017 Budget

In 2017, Asset Management is budgeting \$6,535,250 for typical repair and upgrade projects. Overall this is a 73% increase in spending compared to 2016 excluding Spiritwood Manor and Corinthian Apartments. \$4,877,250 is budgeted to be spent on the bond properties, \$1,461,000 in KCHA's tax credit portfolio and \$197,000 at other properties such as Nike and Vantage Glen. The significant investment in the Egis portfolio is timed to bring down the exit tax liability that will be incurred when the investors exit the partnership. 2017 projects with budgets of \$50,000 or more include:

Project	2017 Budget
Bond Program	
Abbey Ridge Projects (Various)	\$500,000
Auburn Square Roof	\$100,000
Carriage House Asphalt	\$50,000
Cascadian Asphalt	\$100,000
Cascadian Plumbing	\$300,000
Cascadian Electrical	\$50,000
Fairwood Asphalt	\$100,000
Gilman Square Asphalt	\$50,000
Gilman Square Roof	\$90,000
Gilman Square HVAC	\$60,000
Highland Village Projects (Various)	\$80,000
Meadows on Lea Hill Asphalt	\$50,000
Newporter Asphalt	\$50,000
Newporter Plumbing	\$450,000
Parkwood Windows	\$75,000
Home Ownership Program	
Nike Siding	\$52,000
Vantage Glen Rockery	\$50,000

2016 Year End Capital Expenditure Report & 2017 Budget

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Project	2017 Budget
Vantage Glen Asphalt	\$50,000
Tax Credit Program	
Egis Siding	\$80,000
Egis Elevator	\$920,000
Eastbridge Ext Paint	\$150,000
Nia Ext Paint	\$85,000
Salmon Creek Ext Paint	\$125,000
Valley Park Ext Paint	\$50,000

Housing Management – 2016 Projects

In 2016, Housing Management expended \$5,943,790 or 101% of its budgeted funds. Upgrades were completed on 150 units at a cost of \$27,001 per unit for a total of \$4,050,150 versus a budget of \$4,053,279, or 99% of the budget. With increased staff capacity and coordination between internal staff and task order contractors, Housing Management completed 100 out of the 101 planned small projects (and an additional 125 small unbudgeted projects - see below) for a total of \$1,893,640, or 103% of the budgeted total of \$1,828,835. These projects included such items as:

- Catch basin cleaning at multiple sites
- Common area lighting upgrades
- Window replacements
- Exterior siding painting
- Maintenance storage sheds
- Two new playground installations
- Multiple parking lot repairs/resurfacing
- Common area carpet replacements
- Tree trimming/landscaping improvements
- Site drainage improvements
- Replacing intercom/Keyscan systems at several buildings
- Continuation of Birch Creek cabinet replacements
- Fire alarm panel replacements

In many cases, the projects were completed below the budgeted amounts, which allowed the new small projects force account crew to paint 103 vacated units and complete a total of 125 other unbudgeted small projects that supported preparation for REAC inspections. KCHA achieved an excellent overall REAC score of 92%, due in part to the increased capacity to undertake these special projects. This work is accounted for as extraordinary maintenance expense and is in addition to the capital expenses referenced above.

Although \$13 million was originally forecast to spent in connection with the energy performance contract with Johnson Controls Incorporated, the delay in the project start due to extended negotiations with JCI reduced the mid-year forecast to \$5 million. The actual expenditures by year end totaled \$4,490,663 or 35% of the original forecast. All of the work planned but not completed in 2016 will be accomplished in 2017.

Housing Management – 2017 Budget

2016 Year End Capital Expenditure Report & 2017 Budget

March 20, 2017 Board Meeting

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For 2017, Housing Management has budgeted for an additional 150 unit upgrades at a projected cost of \$3,916,279 or \$26,109 per unit. With increased staff capacity, the Department is projecting to undertake 189 small projects at cost of \$ \$3,697,389, a substantial increase in its small projects spending that includes several large capital projects associated with tax credit partnership pre-exit spend downs. Examples of the projects planned for 2017 are:

- Elevator replacement at Plaza 17
- Catch basin cleaning at multiple sites
- Patio deck replacements
- Window replacements
- Exterior siding painting
- Security camera system installations
- New playground installations
- Multiple parking lot repairs/resurfacing
- Common area carpet replacements
- Tree trimming/landscape improvements
- Signage installs
- Site drainage improvements
- Replacing intercom/Keyscan systems at several buildings
- Finishing up the Birch Creek cabinet replacements
- Fire alarm panel replacements

In addition, the Housing Management Department will continue to manage the installation of energy and water saving improvements planned for KCHA's public housing portfolio pursuant to the Energy Performance Contract (EPC) with Johnson Controls. The remaining measures, representing \$17,494,185 in costs, will be installed during the course of 2017 and into the 1st quarter of 2018. Several properties and new measures have been added to the scope since the beginning of 2016.

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To: Board of Commissioners

From: Katie Escudero, Moving To Work Policy Analyst

Date: March 15, 2017

Re: **2016 Moving to Work Report**

As a participant in the Department of Housing and Urban Development's Moving to Work (MTW) demonstration program, the King County Housing Authority is required to submit an annual report.

Following the format prescribed by HUD, the 2016 MTW Report (attached) outlines the agency's goals, provides an overview of operational information for the MTW program, and summarizes the status of previously approved initiatives.

At the March Board of Commissioners meeting, staff will provide a brief overview of the 2016 MTW Report. No action is required of the Board.

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To: Board of Commissioners

From: Katie Fries, Administrative Program Manager

Date: March 15, 2017

Re: **Housing Management Software Implementation Update**

In June, 2012 the Board of Commissioners approved a \$2.5 million commitment of MTW funds for the implementation of a new housing management software system, to replace an outdated and obsolete software platform.

With over 170 daily users, housing management software supports core operational functions of KCHA's subsidized housing programs including waitlist administration, payments to landlords, tenant accounting, and maintenance work orders. At the completion of a thorough review process, KCHA selected Tenmast Software to provide the new system.

Phase One of the contract with Tenmast, which was successfully completed in October 2014, focused on the planning and design of the new system. Phase Two of the project began after the contract was signed, and focused on customization testing, staff training and Go Live.

Staff briefed the Board on the progress of Phase Two in May 2015, and subsequently in October 2015, just prior to Go Live. On November 5, 2015, the software was officially implemented, and staff began completing all work tasks in Tenmast. Staff will provide a briefing on the progress of the software implementation project to date including an update on the budget and the 2017 implementation plan at the March Board of Commissioners meeting.

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To: Board of Commissioners

From: Sean Heron, Director of Leased Housing

Date: March 15, 2017

**Re: Briefing on Opening of the Housing Choice Voucher (HCV)
Waitlist**

At the Board of Commissioners meeting on March 20, 2017, staff will provide a brief report on the planned opening of the HCV waitlist from April 5 through 18, 2017. The waitlist was last opened in 2015 when 2,500 households were selected by random lottery from a total of almost 22,000 unduplicated applicants.

We are currently at number 2,200 on the 2015 waitlist, which is expected to be exhausted by the middle of the second quarter. A future presentation, including information about applicant demographics, will be provided to the Board when the 2017 waitlist process has been completed.

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KCHA IN THE NEWS

March 13, 2017

AFFORDABLE HOUSING FINANCE

PHA Leaders Fear Drastic Budget Cuts

What cuts to public housing and rental assistance would mean for families, seniors.

By [Donna Kimura](#)

The Trump administration is expected to unveil a stark Department of Housing and Urban Development (HUD) budget plan this week that would hit families and seniors depending on public housing and rental assistance.

If the cuts approach anything close to what public housing authority (PHA) leaders fear, longstanding federal housing programs that serve millions of people across the country will be devastated.

The reductions would be the loss of an important safety net for many poor families and elderly households. Observers also say that the budget proposal will send a loud message that the administration does not prioritize housing programs for the poor.

The Washington Post reported on March 8 that the administration has considered more than \$6 billion in cuts at HUD, which would shrink the agency's budget by 14% to \$40.5 billion in fiscal 2018. About \$1.3 billion would be cut from the public housing capital fund and another \$600 million from the public housing operating fund.

The newspaper also reported that the popular Community Development Block Grant program, which received about \$3 billion in fiscal 2016, would be cut entirely. The HOME program, which provides grants to communities to build affordable housing, would also go unfunded.

Local public housing officials and housing advocates are hopeful these numbers will be vastly improved when the budget plan is officially released. If not, the 2018 proposal will be the lowest starting point to begin the budget process in recent memory, says Sunia Zaterman, executive director of the Council of Large Public Housing Authorities (CLPHA).

CLPHA, representing more than 70 of the country's largest housing authorities, is calling on the administration and Congress to reject "the Draconian proposal."

The public housing capital fund provides modernization and rehabilitation funding for the 1.2 million-unit public housing portfolio.

AFFORDABLE HOUSING FINANCE

The reported \$1.3 billion cut to the capital fund represents close to a 70% reduction from last year's funding level. These proposed cuts will dramatically accelerate the current estimated loss of 10,000 to 12,000 public housing units already lost annually due to chronic underfunding, according to CLPHA.

“The public housing operating fund covers day-to-day operational and maintenance expenses not covered by resident rents. The reported cut to the operating fund of \$600 million is a 13% percent reduction from last year, and approximately 72% of what is needed,” said CLPHA leaders. “This funding level will have a devastating impact on the ability to operate and maintain this housing and severely endanger the health, well-being, and safety of our most vulnerable children, families, and seniors reliant on housing assistance.”

The numbers released so far are preliminary, notes Stephen Norman, head of the King County Housing Authority in Washington and CLPHA president.

“We’re looking to HUD Secretary (Ben) Carson to do what HUD secretaries have traditionally done in the conversations between OMB (Office of Management and Budget) and HUD, which is to interject some reality, and perhaps in this case some sanity, or at the very least a better understanding of what the implications of this kind of proposal would actually be on the ground and to get the numbers back to a point that make sense,” Norman says.

A retired neurosurgeon, Carson recently took over the reins at HUD. He’s made statements about understanding how fundamental affordable housing is to an array of important downstream outcomes such as children succeeding in schools and a determinant of health, Norman says.

Looking just at the potential cuts to the public housing capital fund, more than 2 million people could be in jeopardy, with safety and health issues, he says. “It’s penny wise and pound foolish to lose the housing,” he says.

The cuts also seem to go against the administration’s early commitment to invest in public infrastructure and inner cities.

“This walking away from the public housing inventory, walking away from senior citizens and the disabled, walking away from inner cities just makes no sense,” Norman says.

Shola Olatoye, chair and CEO of the New York City Housing Authority, the nation’s biggest PHA, has vowed to fight the anticipated reductions. “Washington does not get to walk away from public housing, so we will fight any and all cuts,” she said at a budget hearing today.

Impact on the streets

For housing leaders, HUD, and Congress, the industry’s “third rail” has been rental assistance

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AFFORDABLE HOUSING FINANCE

programs like Sec. 8. Everyone has been reluctant to reduce programs that could directly put families on the streets.

Even if these programs remain largely intact under a final budget, PHA leaders say they are falling behind as funding has failed to keep up pace with the expenses needed to grow or even maintain the key rental assistance programs.

“I have three main concerns. The first is for our families,” says Preston Prince, executive director and CEO of the Fresno Housing Authority in Fresno, Calif. His agency serves about 18,000 families through its different programs, including 13,000 that use Housing Choice Vouchers. The need goes even deeper—there were about 65,000 households on its waiting list last year.

The housing authority has been fortunate enough to be able to rely on its reserves to keep the program operating at the same level in recent years. However, if sequestration takes place or the budget ax falls, it is going to have to look at freezing new lease-up and possibly even terminating families from the program, says Prince.

It’s already a tight housing market in many parts of the country, including Fresno. The California Housing Partnership Corp. estimates that the county needs more than 37,000 affordable rental homes to meet the needs of its lowest-income renters.

Prince is also concerned about the upkeep of his public housing properties if the capital budget is cut, and he’s worried about the fate of his staff members if the Sec. 8 administration fee is reduced.

Fortunately, the Fresno Housing Authority is likely in better shape than many other PHAs because it’s an active developer and has cash flow coming in from other assets that will help cover potential cuts.

Agencies of all shapes and sizes would be hard hit by the federal cuts. Located in Northern California, the Housing Authority of the County of Butte (HACB) serves families and seniors through a number of programs, including about 2,100 voucher holders.

For HACB and other PHAs, the cost of business has been escalating while funding has failed to keep pace, so even before any potential cuts they are operating in a hole, says Ed Mayer, executive director.

In December, Congress passed a continuing resolution that provided fiscal 2016-level funding for the federal government through April 28. If HACB is operating in 2017 with 2016 budget levels, it is looking at about a 5% cut to its programs, estimates Mayer.

As a result, Mayer’s agency determined that it could not lease any new Sec. 8 vouchers between the first of the year and May, essentially freezing the program.

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While HACB hopes to achieve the necessary reductions through attrition, Mayer is now concerned that HACB may have to terminate assistance to some families. It's a difficult move, considering that two-thirds of the people served are seniors and the disabled.

Without Congressional action, and with attrition and possible terminations, HACB faces cutting assistance to about 250 to 300 households by the end of the year. "Basically, we're losing housing opportunities for the most vulnerable populations we serve," says Mayer, who has led the agency for 10 years.

While much attention has been focused on the affordable housing crisis in big metropolitans like New York City and San Francisco, the problem is seen throughout the country. Rural areas, like Butte County, are no exception—vacancy rates are below 1.5%, consistent with conditions found across California, a rate too low to provide adequate opportunity to low-income households seeking housing.

Mayer's housing authority serves Oroville and Chico. In Oroville, 60% of renter households are severely cost-burdened, paying more than half of their income for rent and utilities. In Chico, about 30% of the renter households pay more than half of their income for rent and utilities and over half pay more than 30%.

In addition, the region recently completed its point-in-time homelessness survey. Typically, it has found about 1,100 to 1,200 homeless households. This year, there were 1,800, according to Mayer. "Homelessness is getting worse not better," he says.

"We are concerned by the lower-income cohorts of the communities we serve. Available housing, affordable housing, and supportive services that preserve tenancies are insufficient to meet demand. As a result, community well-being is compromised; and federal inaction is aggravating, not helping the problem."

Even before looking at a fiscal 2018 plan, there's the matter of a 2017 budget. It has been estimated that operating on a continuing resolution for the full year would mean a drop of about 100,000 families assisted nationally by Sec. 8, says King County's Norman.

His agency has about 4,000 units of federally subsidized housing that it owns and manages and about 10,000 households with Sec. 8 vouchers.

So far, King County has avoided freezing its Sec. 8 program, but Norman is developing different contingency plans in case cuts become necessary. He'll also be working to make sure lawmakers understand the consequences of cutting federal housing programs.

"It's important to understand how these programs underpin other objectives that the country has around health-care costs, about quality of life, around children succeeding in school," Norman says. "None of that works unless there's affordable housing."