



**SPECIAL  
MEETING OF THE  
BOARD OF COMMISSIONERS**

**August 21, 2017 at 8:30 a.m.**

Somerset Gardens  
Community Conference Room  
14700 N.E. 29<sup>th</sup> Place  
Bellevue, WA 98007

**A G E N D A**

- I. Call to Order**
- II. Roll Call**
- III. Welcome to Somerset Gardens**
- IV. Public Comment**
- V. Approval of Minutes** **1**
  - Board Meeting Minutes – June 19, 2017
- VI. Approval of Agenda**
- VII. Consent Agenda** **2**
  - A. Voucher Certification Reports for May 2017
  - B. Voucher Certification Reports for June 2017
- VIII. Briefings & Reports**
  - A. Second Quarter Financial Statements **3**
  - B. Second Quarter CY 2017 Procurement Report **4**
  - C. Second Quarter CY 2017 Summary Write-off Report **5**
  - D. Midyear CY 2017 Budget Reforecast **6**
  - E. Midyear CY 2017 Capital Report **7**
  - F. 2017 Syndication/Re-syndication Strategies **8**
- IX. Executive Director Report**

**X. KCHA in the News**

**XI. Commissioner Comments**

**XII. Adjournment**

Following the Board meeting, Commissioners are invited to visit nearby KCHA properties. A map has been included for reference. Contact Jessica Olives if you would like a staff member to accompany you.

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.

# T A B N U M B E R

1

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

**Monday, June 19, 2017**

**I. CALL TO ORDER**

The special meeting of the Board of Commissioners of the King County Housing Authority was held on Monday, June 19, 2017 at Hidden Village in the Boys & Girls Club Conference Room, 14508 S.E. 24<sup>th</sup> Street, Bellevue. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:30 a.m.

**II. ROLL CALL**

**Present:** Commissioner Doug Barnes (Chair), Commissioner Susan Palmer, Commissioner TerryLynn Stewart, and Commissioner John Welch

**Excused:** Commissioner Michael Brown (Vice-Chair)

**III. WELCOME TO HIDDEN VILLAGE**

Mayra Jacobs, Southwest Regional Manager, welcomed the Board to Hidden Village and introduced Dina Alfather, Southwest Area Senior Property Manager. Ms. Jacobs provided background information along with an overview of the property.

Stephen Norman, Executive Director, acknowledged Kathy Haggart, President/CEO of Bellevue Boys and Girls Club, thanked her for the longstanding partnership with KCHA and commended her on making a difference in the community.

Ted Dezember, Senior Resident Services Manager for Educational Initiatives, gave an update on the academic programs and their success in collaboration with the Bellevue Boys & Girls Club.

**IV. INTRODUCTION OF PRESIDENT/CEO- BELLEVUE BOYS & GIRLS CLUB**

Kathy Haggart, President/CEO of the Bellevue Boys & Girls (B&G) Club welcomed the group and provided a detail overview of afterschool programs provided. Ms. Haggart mentioned some of the challenges youth in the area had been experiencing prior to the opening of the B&G Club and shared success stories from a historical perspective. Ms. Haggart thanked the King County Housing Authority for their longstanding partnership and looks forward to its continuation.

**V. PUBLIC COMMENT**

None.

## VI. APPROVAL OF MINUTES

Commissioner Palmer noted a minor correction should be made to Section III of the May 15, 2017 Minutes pertaining to the Election of Officers.

On motion by Commissioner Welch and seconded by Commissioner Palmer, the Board unanimously approved the minutes from the Board of Commissioners' annual meeting of May 15, 2017 as revised.

## VII. APPROVAL OF AGENDA

On motion by Commissioner Stewart and seconded by Commissioner Palmer, the Board unanimously approved the June 19, 2017 Special Board of Commissioners' meeting agenda.

## VIII. CONSENT AGENDA

### A. Voucher Certification Reports for April 2017

#### GENERAL PROPERTIES

Bank Wires / ACH Withdrawals	4,657,915.69	
	<i>Subtotal</i>	<b><u>4,657,915.69</u></b>
Accounts Payable Vouchers		
Key Bank Checks #309037-#309516	4,640,643.06	
Tenant Accounting Checks #10369-#10383	4,352.13	
Commerce Bank Direct Payment	42,949.71	
	<i>Subtotal</i>	<b><u>4,687,944.90</u></b>
Payroll Vouchers		
Checks - #90435 - #90461	31,961.48	
Direct Deposit	1,329,312.81	
	<i>Subtotal</i>	<b><u>1,361,274.29</u></b>
Section 8 Program Vouchers		
Checks - #617344-#617690	370,046.47	
Refund Checks	38,456.68	
ACH - #379532-#382355	11,354,610.27	
	<i>Subtotal</i>	<b><u>11,763,113.42</u></b>
Purchase Card / ACH Withdrawal	245,261.80	
	<i>Subtotal</i>	<b><u>245,261.80</u></b>
	<b>GRAND TOTAL</b>	<b>22,715,510.10</b>

#### BOND PROPERTIES

Bond Properties Total (31 different properties)	<b>\$6,609,676.61</b>
---	-----------------------

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

## **IX. RESOLUTIONS FOR DISCUSSION AND POSSIBLE ACTION**

- A. **Resolution No. 5566: A change in the Salary Schedule for Represented Employees authorizing a 2.3% Cost of Living Adjustment (COLA) in Year One and 100% of the CPI-W in Year Two of the Collective Bargaining Agreement**

Connie Davis, Deputy Executive Director, presented Resolution No. 5566 and provided a brief overview of the process and negotiations that took place. Ms. Davis mentioned the Resolution allows for a 2.3% COLA for the maintenance employees represented by The Seattle-King County Building and Construction Trades Council, and is equal to the adjustment approved by the Board for non-represented employees in November 2016. Represented employees were also approved to receive a COLA for the second year of the contract equal to 100% of CPI-W as annualized based on January-June 2017.

Ms. Davis provided an updated version of Exhibit A and explained that a revision was made due to a minor calculation error.

On motion by Commissioner Palmer, seconded by Commissioner Welch, and abstention by Commissioner Stewart, the Board approved Resolution No. 5566 with the modification to Exhibit A.

## **X. BRIEFINGS & REPORTS**

- A. **New Bank Accounts**

Craig Violante, Director of Finance, reported that KCHA had opened five new bank accounts related to Wonderland Estates.

- B. **First Quarter 2017 Financial Statements**

Mr. Violante briefed the Board on the Financial Statements for the First Quarter in Calendar Year 2017.

## **XI. STUDY SESSION: KCHA MANAGED PROPERTY CONDITION REPORT**

Following a brief introduction by Mike Reilly, Senior Director of Housing Management, Bill Cook, Director of Property Management, gave an update on the physical condition of KCHA-managed properties. Mr. Cook presented detailed information on the progress KCHA has made over the past 20 years. Mr. Cook discussed Property Redevelopment and New Construction Projects as well as Unit Upgrades, Small Capital Projects and REAC Physical Condition Scores.

## **XII. EXECUTIVE DIRECTOR'S REPORT**

Stephen Norman, Executive Director, announced that the July 2017 KCHA Board meeting will be cancelled. Mr. Norman mentioned that staff will be contacting Board members to find a date for a Board retreat.

Mr. Norman also provided an update on the legislative events in Washington DC, including the status of the THUD Appropriations bill for Federal Fiscal Year 2018.

Mr. Norman announced that staff has submitted an offer for the acquisition of Reunion at Redmond Ridge, located in Redmond, WA. Dan Watson, Deputy Executive Director, provided a handout with details of property and mentioned that if the offer is accepted, staff will return with more detailed information.

### **XIII. NEIGHBORHOOD HOUSING STRATEGY**

Mr. Norman offered Board of Commissioners a self-guided tour of the nine properties sites located in Bellevue. Mr. Norman provided detailed information on the background of those properties and a map of the area, which showed the nearby locations.

### **XIV. KCHA IN THE NEWS**

None.

### **XV. COMMISSIONER COMMENTS**

None.

### **XVI. ADJOURNMENT**

On motion by Commissioner Stewart, seconded by Commissioner Palmer, the Board adjourned the meeting at 10:23 a.m.

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

---

**DOUGLAS J. BARNES**, Chair  
Board of Commissioners

---

**STEPHEN J. NORMAN**  
Secretary

# T A B N U M B E R





**To:** Board of Commissioners

**From:** Linda Riley, Controller

**Date:** July 5, 2017

**Re:** **VOUCHER CERTIFICATION FOR MAY 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  
July 5, 2017

Bank Wires / ACH Withdrawals		4,797,804.39
	<i>Subtotal</i>	<b><i>4,797,804.39</i></b>
Accounts Payable Vouchers		
Key Bank Checks - #309517-#310039		5,492,827.78
Tenant Accounting Checks - #10384-#10394		2,807.19
Commerce Bank Direct Payment		81,122.58
	<i>Subtotal</i>	<b><i>5,576,757.55</i></b>
Payroll Vouchers		
Checks - #90462-#90487 & #90496		29,971.45
Direct Deposit		1,323,314.11
	<i>Subtotal</i>	<b><i>1,353,285.56</i></b>
Section 8 Program Vouchers		
Checks - #617691-#618047		209,794.57
Refund Checks		24,424.52
ACH - #382356-#385163		11,544,540.61
	<i>Subtotal</i>	<b><i>11,778,759.70</i></b>
Purchase Card / ACH Withdrawal		208,081.26
	<i>Subtotal</i>	<b><i>208,081.26</i></b>
	<b><i>GRAND TOTAL</i></b>	<b><i>23,714,688.46</i></b>

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

FROM: Wen Xu

SUBJECT: VOUCHER CERTIFICATION FOR MAY 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  
June 6, 2017

Property May-17	Wired to Operating Account(s) for Obligations of Property			Notes:
	Date	\$	Claim	
<b>Bellepark East</b>	5/3/2017	\$40,250.24	A/P	
	5/11/2017	\$40,250.24	A/P & Payroll	
	5/18/2017	\$28,302.21	A/P	
	5/24/2017	\$14,455.26	A/P & Payroll	
	5/31/2017	\$10,376.20	A/P	
<b>Colonial Gardens</b>	5/3/2017	\$18,047.55	A/P	
	5/11/2017	\$5,982.25	A/P & Payroll	
	5/18/2017	\$10,224.22	A/P	
	5/24/2017	\$17,637.49	A/P & Payroll	
	5/31/2017	\$10,785.73	A/P	
<b>Cottonwood</b>	5/3/2017	\$1,128.19	A/P	
	5/11/2017	\$13,744.16	A/P & Payroll	
	5/18/2017	\$7,297.95	A/P	
	5/24/2017	\$9,497.86	A/P & Payroll	
	5/31/2017	\$6,766.29	A/P	
<b>Cove East</b>	5/3/2017	\$4,709.25	A/P	
	5/11/2017	\$26,798.24	A/P & Payroll	
	5/18/2017	\$26,687.99	A/P	
	5/24/2017	\$23,577.06	A/P & Payroll	
	5/31/2017	\$5,002.29	A/P	
<b>Landmark</b>	5/3/2017	\$499.33	A/P	
	5/11/2017	\$17,697.85	A/P & Payroll	
	5/18/2017	\$90,564.91	A/P	
	5/24/2017	\$13,559.50	A/P & Payroll	
	5/31/2017	\$3,575.53	A/P	
<b>Timberwood</b>	5/3/2017	\$35,191.70	A/P	
	5/11/2017	\$26,191.78	A/P & Payroll	
	5/18/2017	\$87,148.18	A/P	
	5/24/2017	\$62,463.99	A/P & Payroll	
	5/31/2017	\$9,902.95	A/P	
<b>Woodland North</b>	5/3/2017	\$5,812.99	A/P	
	5/11/2017	\$14,921.80	A/P & Payroll	
	5/18/2017	\$18,909.05	A/P	
	5/24/2017	\$13,874.42	A/P & Payroll	
	5/31/2017	\$7,163.51	A/P	
<b>Woodside East</b>	5/3/2017	\$4,412.06	A/P	
	5/11/2017	\$29,959.32	A/P & Payroll	
	5/18/2017	\$66,353.40	A/P	
	5/24/2017	\$23,782.71	A/P & Payroll	
	5/31/2017	\$16,568.96	A/P	
<b>Alpine Ridge</b>	5/4/2017	\$2,587.39	Payroll & A/P	
	5/11/2017	\$15,528.96	A/P	
	5/18/2017	\$2,737.20	Payroll & A/P	
	5/25/2017	\$9,656.00	A/P	
<b>Arbor Heights</b>	5/4/2017	\$6,591.71	Payroll & A/P	
	5/11/2017	\$25,766.19	A/P	
	5/18/2017	\$8,369.66	Payroll & A/P	
	5/25/2017	\$27,029.09	A/P	
<b>Aspen Ridge</b>	5/4/2017	\$4,320.76	Payroll & A/P	
	5/11/2017	\$14,682.52	A/P	
	5/18/2017	\$4,571.10	Payroll & A/P	
	5/25/2017	\$30,531.69	A/P	
<b>Auburn Square</b>	5/4/2017	\$10,009.83	Payroll & A/P	
	5/11/2017	\$62,949.97	A/P	
	5/18/2017	\$9,004.62	Payroll & A/P	
	5/25/2017	\$51,630.22	A/P	
<b>Carriage House</b>	5/4/2017	\$11,694.09	Payroll & A/P	
	5/5/2017	\$4,621.18	A/P	
	5/11/2017	\$28,406.61	A/P	
	5/18/2017	\$11,594.41	Payroll & A/P	
	5/25/2017	\$51,851.52	A/P	
<b>Cascadian</b>	5/4/2017	\$11,672.14	Payroll & A/P	
	5/11/2017	\$227,036.73	A/P	

	5/18/2017	\$11,752.30	Payroll & A/P	
	5/25/2017	\$24,119.62	A/P	
<b>Fairwood</b>	5/4/2017	\$16,871.82	Payroll & A/P	
	5/11/2017	\$48,196.44	A/P	
	5/18/2017	\$11,325.56	Payroll & A/P	
	5/25/2017	\$39,420.54	A/P	
<b>Heritage Park</b>	5/4/2017	\$5,000.61	Payroll & A/P	
	5/11/2017	\$15,170.93	A/P	
	5/18/2017	\$5,403.39	Payroll & A/P	
	5/25/2017	\$51,722.74	A/P	
<b>Laurelwood</b>	5/4/2017	\$7,041.24	Payroll & A/P	
	5/11/2017	\$22,283.83	A/P	
	5/18/2017	\$6,367.79	Payroll & A/P	
	5/25/2017	\$16,811.41	A/P	
<b>Meadows</b>	5/4/2017	\$11,803.25	Payroll & A/P	
	5/11/2017	\$25,069.32	A/P	
	5/18/2017	\$5,592.35	Payroll & A/P	
	5/25/2017	\$9,479.33	A/P	
<b>Newporter</b>	5/4/2017	\$7,080.14	Payroll & A/P	
	5/11/2017	\$38,394.73	A/P	
	5/18/2017	\$7,088.18	Payroll & A/P	
	5/25/2017	\$35,477.42	A/P	
<b>Parkwood</b>	5/4/2017	\$4,940.87	Payroll & A/P	
	5/11/2017	\$38,520.68	A/P	
	5/18/2017	\$4,960.18	Payroll & A/P	
	5/25/2017	\$10,998.37	A/P	
<b>Somerset East</b>	5/4/2017	\$3,679.85	Payroll & A/P	
	5/11/2017	\$23,977.15	A/P	
	5/18/2017	\$4,106.21	Payroll & A/P	
	5/25/2017	\$11,633.02	A/P	
<b>Somerset West</b>	5/4/2017	\$4,225.15	Payroll & A/P	
	5/11/2017	\$24,216.86	A/P	
	5/18/2017	\$4,810.64	Payroll & A/P	
	5/25/2017	\$5,501.36	A/P	
<b>Southwood Square</b>	5/4/2017	\$6,797.14	Payroll & A/P	
	5/11/2017	\$10,491.59	A/P	
	5/18/2017	\$6,572.53	Payroll & A/P	
	5/25/2017	\$17,739.28	A/P	
<b>Walnut Park</b>	5/4/2017	\$8,197.86	Payroll & A/P	
	5/11/2017	\$45,337.03	A/P	
	5/18/2017	\$7,405.51	Payroll & A/P	
	5/25/2017	\$59,295.09	A/P	
<b>Windsor Heights</b>	5/4/2017	\$25,739.94	Payroll & A/P	
	5/11/2017	\$66,368.58	A/P	
	5/18/2017	\$16,974.71	Payroll & A/P	
	5/25/2017	\$35,881.69	A/P	
<b>Woodridge Park</b>	5/4/2017	\$15,122.70	Payroll & A/P	
	5/11/2017	\$37,086.08	A/P	
	5/18/2017	\$13,556.61	Payroll & A/P	
	5/25/2017	\$53,102.51	A/P	
<b>Gilman Square</b>	5/3/2017	\$40,309.51	A/P & Payroll	
	5/17/2017	\$26,003.24	A/P & Payroll	
	5/31/2017	\$27,936.62	A/P & Payroll	
<b>Meadowbrook</b>	5/4/2017	\$49,464.73	A/P & Payroll	
	5/17/2017	\$20,349.13	A/P & Payroll	
	5/31/2017	\$39,400.79	A/P & Payroll	
<b>Villages at South Station</b>	5/3/2017	\$42,172.40	A/P & Payroll	
	5/17/2017	\$70,362.58	A/P & Payroll	
	5/31/2017	\$32,767.54	A/P & Payroll	
<b>Rainier View I</b>	5/4/2017	\$11,530.23	A/P	
	5/17/2017	\$13,811.11	A/P	
<b>Rainier View II</b>	5/4/2017	\$9,381.83	A/P	
	5/17/2017	\$12,448.58	A/P	
<b>Si View</b>	5/4/2017	\$5,904.22	A/P	
	5/17/2017	\$10,258.26	A/P	
<b>Abbey Ridge</b>	5/4/2017	\$43,641.94	A/P & Payroll	
	5/18/2017	\$27,000.13	A/P & Payroll	
<b>Highland Village</b>	5/4/2017	\$13,415.03	A/P & Payroll	
	5/18/2017	\$13,808.44	A/P & Payroll	
<b>Vashon Terrace</b>	5/4/2017	\$4,419.57	A/P	
	5/18/2017	\$6,651.14	A/P	
<b>Portfolio Total:</b>		<b>\$3,012,647.35</b>		



**To:** Board of Commissioners

**From:** Linda Riley, Controller

**Date:** July 31, 2017

**Re:** **VOUCHER CERTIFICATION FOR JUNE 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  
July 31, 2017

Bank Wires / ACH Withdrawals		8,878,110.89
	<i>Subtotal</i>	<b>8,878,110.89</b>
Accounts Payable Vouchers		
Key Bank Checks - #310040-#310637		5,388,309.38
Tenant Accounting Checks - #10395-#10411		2,979.31
Commerce Bank Direct Payment		80,797.92
	<i>Subtotal</i>	<b>5,472,086.61</b>
Payroll Vouchers		
Checks - #90488-#90524 & #90533-#90547		52,288.87
Direct Deposit		2,092,482.77
	<i>Subtotal</i>	<b>2,144,771.64</b>
Section 8 Program Vouchers		
Checks - #618048-#618414		214,619.04
Refund Checks		16,797.50
ACH - #385164-#387971		11,725,077.50
	<i>Subtotal</i>	<b>11,956,494.04</b>
Purchase Card / ACH Withdrawal		199,388.66
	<i>Subtotal</i>	<b>199,388.66</b>
	<b>GRAND TOTAL</b>	<b>28,650,851.84</b>

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

FROM: Wen Xu

SUBJECT: VOUCHER CERTIFICATION FOR JUNE 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  
July 28, 2017

Property Jun-17	Wired to Operating Account(s) for Obligations of Property			Notes:
	Date	\$	Claim	
<b>Bellepark East</b>	6/7/2017	\$15,095.41	A/P & Payroll	
	6/8/2017	\$60,000.00	Excess Cash	
	6/14/2017	\$8,685.93	A/P	
	6/21/2017	\$9,198.55	A/P & Payroll	
	6/29/2017	\$13,665.03	A/P	
<b>Colonial Gardens</b>	6/7/2017	\$13,597.42	A/P & Payroll	
	6/8/2017	\$65,000.00	Excess Cash	
	6/14/2017	\$9,551.82	A/P	
	6/21/2017	\$14,477.03	A/P & Payroll	
	6/29/2017	\$4,671.29	A/P	
<b>Cottonwood</b>	6/7/2017	\$12,614.82	A/P & Payroll	
	6/8/2017	\$20,000.00	Excess Cash	
	6/14/2017	\$5,924.52	A/P	
	6/21/2017	\$10,538.16	A/P & Payroll	
	6/29/2017	\$2,285.10	A/P	
<b>Cove East</b>	6/7/2017	\$22,471.35	A/P & Payroll	
	6/8/2017	\$90,000.00	Excess Cash	
	6/14/2017	\$16,960.08	A/P	
	6/15/2017	\$3,500.00	A/P	
	6/21/2017	\$34,410.90	A/P & Payroll	
<b>Landmark</b>	6/29/2017	\$10,200.41	A/P	
	6/7/2017	\$37,205.72	A/P & Payroll	
	6/8/2017	\$255,000.00	Excess Cash	
	6/14/2017	\$4,230.36	A/P	
	6/21/2017	\$73,566.93	A/P & Payroll	
<b>Timberwood</b>	6/29/2017	\$2,016.45	A/P	
	6/7/2017	\$67,412.47	A/P & Payroll	
	6/8/2017	\$120,000.00	Excess Cash	
	6/14/2017	\$25,265.66	A/P	
	6/21/2017	\$25,793.35	A/P & Payroll	
<b>Woodland North</b>	6/29/2017	\$14,980.00	A/P	
	6/29/2017	\$1,664.84	A/P	
	6/7/2017	\$17,651.94	A/P & Payroll	
	6/8/2017	\$70,000.00	Excess Cash	
	6/14/2017	\$8,932.55	A/P	
<b>Woodside East</b>	6/21/2017	\$13,567.92	A/P & Payroll	
	6/29/2017	\$2,243.55	A/P	
	6/7/2017	\$38,727.05	A/P & Payroll	
	6/8/2017	\$86,000.00	Excess Cash	
	6/14/2017	\$29,075.95	A/P	
<b>Alpine Ridge</b>	6/21/2017	\$67,125.08	A/P & Payroll	
	6/29/2017	\$5,507.90	A/P	
	6/1/2017	\$3,027.08	Payroll	
<b>Arbor Heights</b>	6/15/2017	\$7,689.56	A/P & Payroll	
	6/29/2017	\$26,306.67	A/P & Payroll	
	6/1/2017	\$7,468.81	Payroll	
<b>Aspen Ridge</b>	6/15/2017	\$20,772.05	A/P & Payroll	
	6/29/2017	\$33,131.31	A/P & Payroll	
	6/1/2017	\$4,734.78	Payroll	
	6/8/2017	\$111,000.00	Excess Cash	
<b>Auburn Square</b>	6/15/2017	\$11,700.91	A/P & Payroll	
	6/29/2017	\$11,333.23	A/P & Payroll	
	6/1/2017	\$9,696.17	Payroll	
	6/8/2017	\$115,000.00	Excess Cash	
<b>Carriage House</b>	6/15/2017	\$30,901.91	A/P & Payroll	
	6/29/2017	\$36,383.73	A/P & Payroll	
	6/1/2017	\$11,606.16	Payroll	
	6/8/2017	\$95,000.00	Excess Cash	
	6/15/2017	\$36,265.78	A/P & Payroll	
	6/29/2017	\$38,859.14	A/P & Payroll	

<b>Cascadian</b>	6/1/2017	\$20,799.46	Payroll
	6/8/2017	\$300,000.00	Excess Cash
	6/8/2017	\$154,000.00	Excess Cash
	6/15/2017	\$135,551.05	A/P & Payroll
	6/29/2017	\$34,006.85	A/P & Payroll
<b>Fairwood</b>	6/1/2017	\$10,507.70	Payroll
	6/8/2017	\$277,000.00	Excess Cash
	6/15/2017	\$67,762.46	A/P & Payroll
	6/29/2017	\$61,379.70	A/P & Payroll
<b>Heritage Park</b>	6/1/2017	\$4,816.40	Payroll
	6/15/2017	\$20,971.72	A/P & Payroll
	6/29/2017	\$15,552.54	A/P & Payroll
<b>Laurelwood</b>	6/1/2017	\$6,404.92	Payroll
	6/8/2017	\$102,000.00	Excess Cash
	6/15/2017	\$22,766.85	A/P & Payroll
	6/21/2017	\$3,490.00	A/P
	6/29/2017	\$32,058.38	A/P & Payroll
<b>Meadows</b>	6/1/2017	\$4,389.86	Payroll
	6/8/2017	\$190,000.00	Excess Cash
	6/15/2017	\$68,979.55	A/P & Payroll
	6/29/2017	\$41,174.82	A/P & Payroll
<b>Newporter</b>	6/1/2017	\$6,230.15	Payroll
	6/8/2017	\$70,000.00	Excess Cash
	6/15/2017	\$19,702.09	A/P & Payroll
	6/29/2017	\$61,845.45	A/P & Payroll
<b>Overlake TOD</b>	6/1/2017	\$15,218.81	Payroll
	6/8/2017	\$14,533.00	A/P
	6/15/2017	\$153,164.63	A/P & Payroll
	6/29/2017	\$54,224.92	A/P & Payroll
<b>Parkwood</b>	6/1/2017	\$5,318.22	Payroll
	6/7/2017	\$12,423.00	Deposit Correction
	6/8/2017	\$60,000.00	Excess Cash
	6/15/2017	\$23,168.41	A/P & Payroll
	6/29/2017	\$21,999.25	A/P & Payroll
<b>Somerset East</b>	6/1/2017	\$3,370.47	Payroll
	6/8/2017	\$115,000.00	Excess Cash
	6/15/2017	\$12,364.66	A/P & Payroll
	6/29/2017	\$9,758.37	A/P & Payroll
<b>Somerset West</b>	6/1/2017	\$3,748.69	Payroll
	6/8/2017	\$40,000.00	Excess Cash
	6/15/2017	\$16,796.22	A/P & Payroll
	6/29/2017	\$11,082.98	A/P & Payroll
<b>Southwood Square</b>	6/1/2017	\$6,747.25	Payroll
	6/15/2017	\$11,171.02	A/P & Payroll
	6/29/2017	\$23,658.93	A/P & Payroll
<b>Walnut Park</b>	6/1/2017	\$7,151.92	Payroll
	6/8/2017	\$1,350.00	A/P
	6/8/2017	\$180,000.00	Excess Cash
	6/15/2017	\$429,622.28	A/P & Payroll
	6/29/2017	\$21,327.06	A/P & Payroll
<b>Windsor Heights</b>	6/1/2017	\$18,586.99	Payroll
	6/8/2017	\$10,828.61	A/P
	6/8/2017	\$150,000.00	Excess Cash
	6/15/2017	\$100,047.57	A/P & Payroll
	6/21/2017	\$3,715.00	A/P
	6/29/2017	\$92,881.67	A/P & Payroll
<b>Woodridge Park</b>	6/1/2017	\$13,029.23	Payroll
	6/8/2017	\$196,000.00	Excess Cash
	6/15/2017	\$77,531.70	A/P & Payroll
	6/29/2017	\$65,188.46	A/P & Payroll
<b>Gilman Square</b>	6/8/2017	\$90,000.00	Excess Cash
	6/14/2017	\$59,444.05	A/P & Payroll
	6/29/2017	\$55,059.56	A/P & Payroll
<b>Meadowbrook</b>	6/8/2017	\$50,000.00	Excess Cash
	6/14/2017	\$38,787.80	A/P & Payroll
	6/29/2017	\$21,516.82	A/P & Payroll
<b>Villages at South Station</b>	6/8/2017	\$110,000.00	Excess Cash
	6/14/2017	\$26,429.80	A/P & Payroll
	6/29/2017	\$79,682.74	A/P & Payroll
<b>Rainier View I</b>	6/1/2017	\$2,962.43	A/P
	6/7/2017	\$9,489.75	A/P
	6/15/2017	\$11,877.02	A/P
<b>Rainier View II</b>	6/1/2017	\$6,465.24	A/P
	6/7/2017	\$8,920.28	A/P
	6/15/2017	\$9,107.01	A/P

<u>St View</u>	6/7/2017	\$4,239.41	A/P	
	6/15/2017	\$7,192.18	A/P	
	6/22/2017	\$5,092.35	A/P	
<u>Abbey Ridge</u>	6/1/2017	\$25,441.82	A/P & Payroll	
	6/8/2017	\$80,000.00	Excess Cash	
	6/15/2017	\$71,602.75	A/P & Payroll	
	6/20/2017	\$8,510.93	A/P	
	6/28/2017	\$27,526.23	A/P & Payroll	
<u>Highland Village</u>	6/1/2017	\$24,416.22	A/P & Payroll	
	6/8/2017	\$65,000.00	Excess Cash	
	6/15/2017	\$16,473.88	A/P & Payroll	
	6/28/2017	\$15,891.97	A/P & Payroll	
<u>Vashon Terrace</u>	6/8/2017	\$4,933.77	A/P	
	6/8/2017	\$10,000.00	A/P	
	6/29/2017	\$1,098.03	A/P	
<b>Portfolio Total:</b>		<b>\$6,679,254.14</b>		

# T A B N U M B E R

3





**To:** Board of Commissioners

**From:** Craig Violante, Director of Finance

**Date:** August 15, 2017

**Re:** **Second Quarter CY 2017 Financial Statements**

---

### ***EXECUTIVE SUMMARY***

The Housing Choice Voucher (HCV) funding letter for the 2017 block grant and other special-purpose vouchers was received from HUD during the quarter. It included an RFIF inflation factor adjustment of 2.6% and a prorate of 97%. The budget assumed no RFIF adjustment and a prorate of 97%. Block grant funding is confirmed to be \$116.2 million, approximately \$2.7 million above the original budget and essentially flat compared to 2016 receipts. Actual second quarter cash disbursements from HUD exceeded budget projections as HUD is now factoring-in non-HAP MTW expenditures made during the previous year when calculating current year monthly disbursements. See the first bullet point on page 2 for further discussion.

Cash received from the Public Housing Operating Fund Subsidy program has been below budget projections for two reasons. First, initial funding for Burien Park, Northwood and Northlake House - three properties recently transferred into the Public Housing program - was delayed until July. Complete 2017 funding for these properties, as well as three months of retroactive funding for the last quarter of 2016, will be received by the end of the year. Second, the 2017 subsidy budget inadvertently overstated the effect of some tenant energy incentives. Helping to offset these two issues, HUD has been using a prorate of 92.5% versus the budget of 86%. By the end of 2017, it is expected that final subsidy receipts will be close to budget projections.

Average Housing Choice Voucher (HCV) Housing Assistance Payments (HAP) have trended much higher than anticipated in the budget. For all voucher types, the budget assumed average costs for the first six months would be \$880.00 per voucher at the end of June, but actual costs in June were \$935.86. If this trend continues, current projections show that total 2017 costs could be at least \$3.3 million higher than budgeted, consuming the incremental 2017 funding.

KCHA working capital (the difference between the agency's current assets and current liabilities) rose by \$11.6 million during the quarter with the MTW program accounting for \$10.6 million of this increase.

The two main drivers responsible for this increase in available MTW resources are:

- HUD changed how they calculate the monthly block grant disbursements. Last year, the monthly cash payment was based on the previous year's HAP payments to landlords, plus an estimated amount for administrative fees. This year, they are also factoring in non-HAP expenditures KCHA made the previous year, such as for debt service or capital construction projects. As a result, they have disbursed more cash than KCHA has spent during the quarter.
- Using the proceeds from the sale of land to Conner Homes, \$3.8 million of the internal loan from MTW to Greenbridge was repaid.

### ***QUARTERLY HIGHLIGHTS***

Net Operating Income for the quarter was well over budget projections and was mostly due to the additional block grant cash received from HUD.

Work continued on the EPC project. The chart below reflects progress through the end of July.

Installed vs. Unit Scheduled	
Water Conserv.	100.0%
Lighting	86.0%
DHPs	65.9%
ERVs	46.0%
Bath Fans	74.0%

An 8-acre parcel of land at Greenbridge was sold to Connor Homes for \$3.8 million and the proceeds were used to partially pay down internal debt sourced from the MTW program. The remaining balance on this loan is \$7.7 million. This parcel will eventually house 78 townhomes and 2 single family residences.

A \$1,950,000 million grant from the State of Washington was received in May as the final piece of the funding for Vantage Point.

Due to certain debt covenants, KCHA must maintain a debt service coverage ratio of 1.1 or better. The debt service coverage ratio is calculated by dividing net operating income by the annual required debt service payments and is a measure of the ability of a borrower to meet current debt obligations. A ratio of 1.0 or greater means the borrower has sufficient income to cover its obligations. For the first half of 2017, KCHA's ratio is 1.81.

## ***CASH AND INVESTMENT SUMMARIES***

Overall cash balances were fairly static during the quarter, increasing by \$1.8 million. Below is a snapshot of cash and investments at June 30<sup>th</sup>, 2017 along with current rates of return. For a complete report on KCHA's overall cash position at the end of the second quarter, please see page 10.

<b>Investment Summaries (in millions)</b>	<b>Amount</b>	<b>Yield</b>	<b>% of Total</b>
Invested in the Local Government Investment Pool & Masterfund	\$71.1	0.98%	39.9%
Invested by KCHA	54.7	1.07%	30.7%
Cash held by trustees	15.7	0.10% *	8.8%
Cash held in checking and savings accounts	19.7	0.10% *	11.1%
Invested by KCHA	\$161.3	0.91%	90.5%
Cash loaned for low income housing & EPC project purposes	16.9	4.98%	9.5%
Loaned by KCHA	16.9	4.98%	9.5%
Total	<u>\$178.2</u>	<u>1.29%</u>	<u>100.0%</u>

\*Estimate

The overall Return on Investment (ROI) on KCHA investments, including loans made for low income housing and EPC project purposes, was 1.29%, up from 1.21% last quarter. The Washington State Treasurer's Local Government Investment Pool (LGIP) average interest rate for the quarter was 0.98%.

Second Quarter CY 2017 Financial Report  
August 21, 2017 KCHA Special Board Meeting  
Page 4 of 9

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

Reserve Balances

(in millions of dollars)

MTW Cash, Beginning of Quarter	\$15.8
--------------------------------	--------

*Quarterly change:*

Standard Block Grant cash receipts from HUD	31.1
Additional Section 8 HAP funding requested and received from HUD	2.4
Quarterly Block Grant HAP payments	(23.0)
Quarterly Block Grant administrative fees paid to Section 8	(2.0)
Repayment on Greenbridge internal loan	3.7
Other cash returned to MTW program	1.2
Additional subsidy transferred to Public Housing properties	(0.8)
Capital construction projects	0.5
Unit Upgrades	(0.4)
Direct social service expenses	(1.4)
Homeless Housing expenses	(0.5)
Administrative expenses	(0.3)
Other net changes	(0.1)

MTW Cash, End of Quarter	\$26.2
--------------------------	--------

*Less Reserves:*

Restricted Reserve-Green River Collateral	(6.9)
HAP Reserve (\$4.7 million is pledged as FHLB collateral)	(7.0)
Supportive Housing Reserve	(0.9)
Technology Reserve	(0.3)

MTW Available Cash, End of Quarter	\$11.1
------------------------------------	--------

COCC Cash, Beginning of Quarter	\$44.6
---------------------------------	--------

*Quarterly change:*

Fee revenue	2.2
Transfer of excess cash to COCC	0.8
Interest income on investments and loans	0.5
Used for lending purposes	(1.0)
Used for construction projects	(1.5)
Administrative expenses	(3.5)
Other net change	(0.2)

COCC Cash, End of Quarter	\$41.9
---------------------------	--------

*Less Reserves:*

Liquidity Reserves for King County credit enhancement	(9.0)
Replacement reserves of former Section 8 New Construction properties	(0.4)

COCC Working Capital Cash, End of Quarter	\$32.5
---	--------

***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.

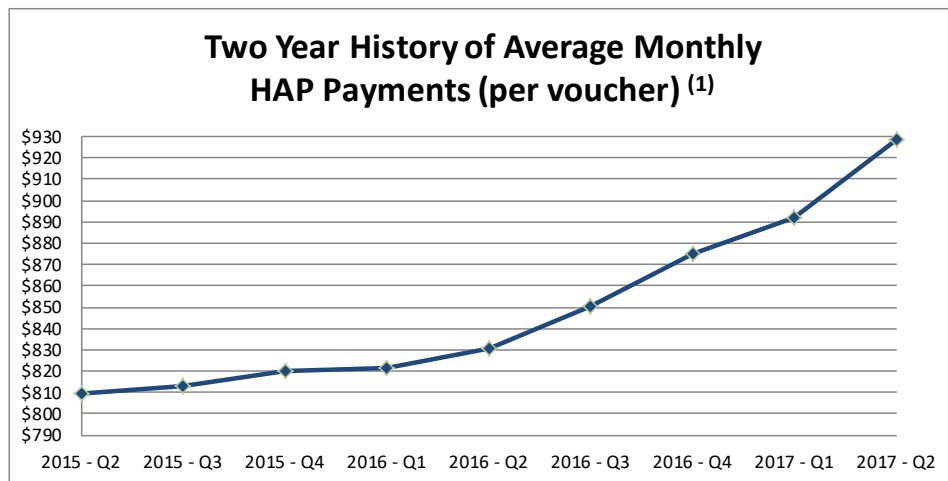
	Actuals Thru 6/30/2017	Budget Thru 6/30/2017	YTD Variance	Percent of Annual Budget	2017 Annual Budget
<b>CONSTRUCTION ACTIVITIES</b>					
<b><i>Managed by Capital Construction Department</i></b>					
Public Housing	\$1,842,632 (1)	\$3,476,078	(\$1,633,446)	22.7%	\$8,115,639
509 Properties	307,038	324,189	(17,151)	21.5%	1,426,916
Other Properties	975,075 (2)	1,781,431	(806,356)	48.0%	2,031,351
	3,124,745	5,581,698	(2,456,953)	27.0%	11,573,906
<b><i>Managed by Housing Management Department</i></b>					
Unit Upgrade Program	1,960,881	1,958,147	2,734	50.1%	3,916,279
Energy Performance Contract	5,691,391	5,238,154	453,237	54.3%	10,476,305
Other Projects	517,810 (3)	1,747,908	(1,230,098)	13.5%	3,824,145
	8,170,082	8,944,209	(774,127)	44.8%	18,216,729
<b><i>Managed by Asset Management Department</i></b>					
Bond Properties-managed by KCHA staff	246,539	349,900	(103,361)	37.5%	656,650
Bond Properties-managed by external property mgt	5,015,070 (4)	6,607,516	(1,592,446)	35.6%	14,093,252
	5,261,609	6,957,416	(1,695,807)	35.7%	14,749,902
<b>Subtotal Construction Activities</b>	<b>16,556,435</b>	<b>21,483,323</b>	<b>(4,926,888)</b>	<b>37.2%</b>	<b>44,540,537</b>
<b>DEVELOPMENT ACTIVITY</b>					
<b><i>Managed by Hope VI Department</i></b>					
Greenbridge	718,744	887,626	(168,882)	46.6%	1,540,792
Notch	92,232	138,201	(45,969)	43.7%	211,200
Salmon Creek/Nia	7,339	37,025	(29,686)	1.4%	541,641
	818,316	1,062,852	(244,536)	35.7%	2,293,633
<b><i>Managed by Development Department</i></b>					
Spiritwood	206,313 (5)	1,269,638	(1,063,325)	16.2%	1,269,638
Other Projects	153,936	253,888	(99,952)	42.6%	361,664
	360,249	1,523,526	(1,163,277)	22.1%	1,631,302
<b>Subtotal Development Activity</b>	<b>1,178,565</b>	<b>2,586,378</b>	<b>(1,407,813)</b>	<b>30.0%</b>	<b>3,924,935</b>
<b>TOTAL CONSTRUCTION &amp; DEVELOPMENT</b>	<b>\$17,735,000</b>	<b>\$24,069,701</b>	<b>(\$6,334,701)</b>	<b>36.6%</b>	<b>\$48,465,472</b>
<b>PROPERTY ACQUISITIONS &amp; OTHER ASSETS</b>					
Acquisitions	3,989,018				
Other Assets	162,368				
<b>TOTAL PER WORKING CAPITAL REPORT</b>	<b>\$21,886,386</b>				

- 1) Timing. Several projects are starting later than anticipated in the budget. Northridge envelope upgrades began construction in July. The Ballinger sewer line replacement is expected to go out to bid in the 4th quarter. Construction on the Valli Kee site improvements is expected to begin in August. Electrical panel replacement at Boulevard Manor and Yardley Arms is expected in the 3rd quarter and water line replacement at Cascade Apartments is expected to go out to bid in the 3rd quarter.
- 2) Timing. Construction on the Hidden Village envelope project was completed but invoicing continued into July.
- 3) Elevator replacement projects at Munro Manor and Plaza Seventeen were budgeted to occur in the 1st quarter but are delayed to the 3rd or 4th quarters. Also, other capital work is expected to catch up as the year progresses.
- 4) Maintenance projects at bond properties that would occur after tenants vacate units were behind schedule as unit turnover was less than anticipated.
- 5) Some construction costs related to the Spiritwood Partnership development project that were budgeted for 2017 were actually incurred in late 2016. As a result, actual 2017 expenditures will be below budget.

## ***PROGRAM ACTIVITIES***

### ***HOUSING CHOICE VOUCHERS***

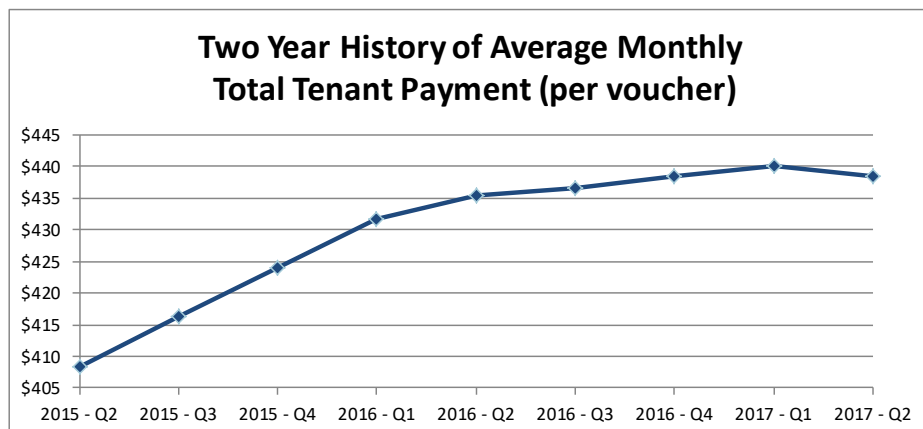
The average quarterly HAP payment to landlords for all HCV vouchers was \$928.30, compared to \$891.60 last quarter and \$830.63 one year ago.



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

KCHA's average HAP cost has continued to rise. With rising market rents, continued low vacancy rates and KCHA's commitment to adequately sizing subsidy payments to enable program participants to reside in higher priced sub-markets, 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. The average TTP for the quarter fell for the first time in two years, finishing at \$438.40, down from \$440.17 the previous quarter. This change was likely influenced by the new payment standards. TTP one year ago was \$435.41.



The data below shows how the number of families who are paying more than 30%, 40% and 50% of their income towards rent has changed over the past year.

Families Paying More Than 30%		Families Paying More Than 40%		Families Paying More Than 50%	
Jul-16	Jun-17	Jul-16	Jun-17	Jul-16	Jun-17
2,259	2,348	875	856	971	923

## **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**

Through the first six months, block grant payments from HUD have been received at a brisker pace than anticipated in the budget as HUD now factors-in non-HAP expenditures made in the prior year when calculating the amount of current year monthly disbursements.

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var
HCV Block Grant Revenue	60,038.5	56,690.0	\$3,348.5	5.9%
Funding of HAP Payments to Landlords	(45,371.3)	(44,765.9)	605.3	(1.4%)
Funding of Section 8 Administrative Costs	(4,055.8)	(4,127.0)	(71.2)	1.7%
Excess of HCV Block Grant Funding over Expenses	\$ 10,611.5	\$ 7,797.1	\$ 2,814.4	36.1%

- 1) Receiving block grant payments from HUD is a three stage process. First, HUD must issue budget authority to housing authorities, which it does on a periodic basis. Second, cash is advanced to each PHA based on prior year expense levels. Finally, additional cash is requested from HUD when sufficient budget authority exists and KCHA has a need for additional cash. Accordingly, quarterly cash receipts vary but total annual funding will not.

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

Through the first six months, the transfer of MTW funds to subsidize Public Housing operations has been on target.

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var
Additional Transfers to PH AMPs Based on Need	(\$1,555.3)	(\$1,555.3)	(\$0.0)	0.0%
Net Flow of Cash(from)/to MTW from/(to) PH	(\$1,555.3)	(\$1,555.3)	(\$0.0)	0.0%

### 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:

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var
Public Housing Subsidy earmarked for resident services	\$189.4	\$201.5	(\$12.1)	(6.0%)
Homeless Initiatives	(720.9)	(1,145.5)	\$424.6	(37.1%) (1)
Resident Services	(2,743.9)	(2,818.9)	\$74.9	(2.7%)
Use of MTW Funds for Special Programs	<u>(\$3,275.5)</u>	<u>(\$3,762.9)</u>	<u>\$487.4</u>	<u>(13.0%)</u>

- 1) Service providers have been slow in billing the Authority. Also, the Highline School District Rapid Rehousing Program was budgeted to incur \$276K of expenses through the 2nd quarter but the Authority has only begun to be billed in June (\$124K). Also, the Flat Rent Project-based Assistance program was budgeted but will not be implemented in 2017 (\$126K).

### 4. Other uses of MTW funds

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

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var
Construction Activity & Management Fees	\$1,013.97	\$3,288.15	(\$2,274.2)	(69.2%) (1)
Misc. Other Uses	1,617.3	1,710.7	(93.4)	(5.5%)
	<u>\$2,631.3</u>	<u>\$4,998.9</u>	<u>(\$2,367.6)</u>	<u>(47.4%)</u>

- 1) The Ballinger sewer line project is not slated to go to bid until the 4th quarter. Also, in order to draw down an expiring Capital Funds Program grant, CFP funds were used for capital work in lieu of budgeted MTW funds in the 2nd quarter

### 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 \$424,038 or 0.70% of program gross revenues. Expenses are below the year-to-date budget of \$526,915 due mainly 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	
<b>Revenues</b>					
Management fees	3,836.2	4,264.7	(\$428.5)	(11.2%)	(1)
Cash transferred-in from local properties	1,548.3	3,207.1	(1,658.8)	(107.1%)	(2)
Investment income	998.3	947.1	51.2	5.1%	
Other income	552.9	573.4	(20.6)	(3.7%)	
	<u>\$6,935.7</u>	<u>\$8,992.3</u>	<u>(\$2,056.7)</u>	<u>(29.7%)</u>	
<b>Expenses</b>					
Salaries & Benefits	4,986.5	5,356.3	(\$369.8)	(7.4%)	
Administrative Expenses	984.1	1,470.2	(486.1)	(49.4%)	(3)
Occupancy Expenses	94.3	129.8	(35.5)	(37.6%)	(3)
Other Expenses	383.2	376.1	7.1	1.9%	
	<u>\$6,448.1</u>	<u>\$7,332.4</u>	<u>(\$884.3)</u>	<u>(13.7%)</u>	
Net Change in Available COCC Resources	<u>\$487.5</u>	<u>\$1,659.9</u>	<u>(\$1,172.4)</u>		

- 1) CFP management fees were budgeted to be received in June but were received in July.
- 2) Excess cash of \$1.6 million was budgeted to be transferred from the Overlake general partner to the COCC; instead the excess cash was transferred to a different fund group to pay down the Abbey Ridge line-of-credit
- 3) Various categories are under target but are expected to catch up as the year progresses.

## REPORTS TABLE OF CONTENTS

### *Summary Reports*

Cash Report	10
Statements of Financial Position	11
Working Capital Summary, by Fund Group	12

### *Budget vs. Actual Reports*

Combined	13
Public Housing Properties, KCHA-owned	14
Public Housing Properties, Other Ownership	15
Other Federally-supported Housing Properties, KCHA-owned	16
Other Federally-supported Housing Properties, Other Ownership	17
Section 8 Program	18
MTW Program	19
Non-federal Housing Properties, KCHA-owned	20
Non-federal Housing Properties, Other Ownership	21
Tax Credit Partnership General Partner Activity	22
Development	23
Other Funds	24
Central Office Cost Center	25

**King County Housing Authority**  
**Consolidated Cash Report**  
**As of 6/30/2017**

	Total Cash 6/30/2017	Total Cash 3/31/2017	Cash of Other Entities 6/30/2017
<b>Unrestricted</b>			
COCC	\$ 32,351,139	\$ 35,065,182	\$ -
Other Funds	11,534,716	13,834,738	2,707,067
<i>Total</i>	43,885,855	48,899,920	2,707,067
<b>For Program Use Only</b>			
MTW	11,118,461	526,153	0
Public Housing	3,936,026	5,053,455	2,278,561
Section 8	(865,887)	(380,437)	0
Other Funds	10,634,033	12,776,700	0
<i>Total</i>	24,822,633	17,975,871	2,278,561
<b>Set Aside for Short-term Debt Service</b>			
Other Funds	3,113,948	3,106,193	0
<i>Total</i>	3,113,948	3,106,193	0
<b>Dedicated for Specific Purposes</b>			
MTW	3,321,446	3,590,493	0
Public Housing	0	0	268,919
Section 8	17,846	17,846	0
COCC	9,559,277	9,559,277	0
Other Funds	46,052,484	45,857,289	0
<i>Total</i>	58,951,052	59,024,904	268,919
<b>Restricted</b>			
MTW	11,770,821	11,717,042	0
Public Housing	252,484	251,515	1,505,675
Section 8	1,531,091	1,462,981	0
Other Funds	16,996,102	17,050,171	1,191,622
<i>Total</i>	30,550,498	30,481,709	2,697,296
<b>TOTAL CASH BALANCES</b>	<b>\$ 161,323,986</b>	<b>\$ 159,488,597</b>	<b>\$ 7,951,844</b>
<b>Dedicated for Specific Purposes</b>			
Excess Cash Reserves	9,388,000	9,388,000	
Exit Tax Reserves (Designated)	6,052,827	6,052,827	
HAP Reserves	2,113,882	2,113,882	
Program Income from Hope VI loans	1,083,291	1,102,102	
Revenue Reserves	10,658,767	10,658,767	
Program Income from Hope VI Lot Sales	6,325,257	6,291,065	
Restricted Interest	132,101	101,550	
Replacement Reserves	12,844,017	12,679,754	
Operating Reserves	75,529	90,529	
Technology Reserves	344,117	347,433	
Liquidity	9,006,732	9,006,732	
Supportive Housing Reserves	863,447	1,129,178	
HASP	17,846	17,846	
State Gas Tax Rebate	45,240	45,240	
	<u>\$ 58,951,052</u>	<u>\$ 59,024,904</u>	
<b>Restricted</b>			
Excess Cash Reserves	\$ 553,711	\$ 548,432	
Project Reserves	4,634,220	4,634,220	
Endowment Reserves	71,032	71,032	
Replacement Reserves	8,747,600	8,551,562	
Operating Reserves	144,717	144,654	
Bond Reserves-1 year payments	159,676	437,000	
Residual Receipt Reserves	564,899	564,899	
FSS Reserves	977,582	855,693	
Collateral Reserves	6,909,091	6,909,091	
HAP Reserves-Also collateral	4,742,605	4,742,605	
HAP Reserves - Non-Block Grant vouchers	672,634	672,634	
Earnest Money	0	25,000	
Security Deposit	2,372,731	2,324,888	
	<u>\$ 30,550,498</u>	<u>\$ 30,481,709</u>	

KING COUNTY HOUSING AUTHORITY  
Statements of Financial Position  
(In \$1,000's; excludes non-KCHA-managed  
component units)  
For the Period Ended June 30, 2017

	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)						LOCAL PROGRAMS						Memo: KCHA COMBINED
	Public Housing		Other Housing		Other Programs		KCHA Owned Housing	Outside Owned Housing	Tax Credit Gen Prtnr Activity	Develop Activity	Other	COCC	
	KCHA Owned	Outside Owned	KCHA Owned	Outside Owned	Section 8 Program	MTW Program							
<b>ASSETS</b>													
<b>Working Capital Assets</b>													
Cash-Unrestricted	\$ -	\$ (312.5)	\$ 4,769.6	\$ 2,591.0	\$ -	\$ -	\$ 4,996.2	\$ 429.5	\$ 365.8	\$ 128.8	\$ 1,115.1	\$ 32,351.1	\$ 46,434.8
Cash-Restricted Within Program	3,936.0	2,282.3	(44.00)	-	(865.9)	11,118.5	\$ 1,000.0	(3.7)	-	1,998.6	8,678.9	0.0	27,101.6
Cash-Restricted for WC Purposes	-	-	-	2,487.5	0.0	0.0	538.5	-	88.0	-	-	-	3,113.9
Accounts Receivables	1,322.8	1,173.6	65.4	2,212.2	670.2	601.9	193.8	273.0	8,135.6	399.2	1,250.7	1,210.1	17,508.4
Prepaid Assets & Inventory	54.0	45.8	18.0	67.5	21.6	0.4	459.2	2.3	1.1	0.0	\$27.8	41.5	739.2
Total Working Capital Assets	5,312.8	3,189.1	4,809.0	7,358.2	(174.1)	11,720.7	6,188.7	701.1	8,590.5	2,526.7	11,072.5	33,602.8	94,898.0
<b>Liabilities Offsetting Working Capital Assets</b>													
Accounts Payable	(115.0)	(201.6)	(259.4)	(194.2)	70.8	(15.2)	(468.8)	(28.6)	(1.5)	(0.0)	(350.0)	(44.3)	(1,608.0)
Payroll Liabilities	(305.4)	(148.9)	(101.4)	(233.1)	(669.3)	(376.5)	(60.1)	(17.3)	(26.4)	(6.2)	(969.1)	(1,554.8)	(4,468.5)
Accrued Liabilities	(6.4)	(153.5)	(21.9)	(724.8)	(48.4)	(580.6)	(254.0)	(20.1)	(77.0)	(201.1)	(1,759.6)	(36.89)	(3,884.3)
Deferrals	(0.0)	(8.0)	(81.7)	-	(21.1)	-	(140.6)	-	(84.4)	-	(479.0)	-	(814.7)
Current Portion of Long-term debt	-	(215.0)	(290.8)	(9,009.8) (1)	-	-	(5,353.0) (2)	-	(305.0)	-	-	(900.0)	(16,073.6)
Total Offsetting Liabilities	(426.8)	(727.1)	(755.2)	(10,161.9)	(668.0)	(972.3)	(6,276.5)	(66.0)	(494.3)	(207.3)	(3,557.7)	(2,536.0)	(26,849.1)
<b>Working Capital</b>	<b>4,886.0</b>	<b>2,462.0</b>	<b>4,053.7</b>	<b>(2,803.7)</b>	<b>(842.1)</b>	<b>10,748.5</b>	<b>(87.8)</b>	<b>635.0</b>	<b>8,096.2</b>	<b>2,319.4</b>	<b>7,514.9</b>	<b>31,066.8</b>	<b>68,048.9</b>
<b>Other Assets</b>													
Cash-Designated	-	3,300.6	1,492.3	12,988.0	17.8	3,321.4	20,999.9	-	-	7,540.6	-	9,559.3	59,220.0
Cash-Restricted	252.5	1,511.7	1,271.2	999.1	1,531.1	11,770.8	9,829.5	278.6	553.7	131.0	4,634.2	-	32,763.4
Receivables	-	127,752.1	0.0	71,118.4	-	22,174.5	505.3	17,424.8	79,963.5	453.9	209.6	32,240.1	351,842.3
Capital Assets	98,378.7	108,779.2	46,840.7	187,086.4	-	-	227,715.8	5,476.4	-	2,770.4	-	14,857.4	691,905.0
Work-in-Process	4,826.2	333.6	2,849.4	20,583.4	0.0	0.0	330.9	-	(32.1)	12,511.5	10,323.2	22.8	51,749.0
Suspense	-	-	0.0	-	(7.1)	-	26.0	-	-	-	(48.9)	(25.7)	(55.7)
Other Assets	-	2,077.5	-	810.4	-	-	(1,591.5) (3)	20.7	24.3	49.6	-	-	1,391.0
Total Other Assets	103,457.4	243,754.7	52,453.5	293,585.8	1,541.9	37,266.8	257,815.9	23,200.3	80,509.5	23,457.1	15,118.2	56,653.9	1,188,814.9
<b>TOTAL ASSETS (net of WC offsets)</b>	<b>\$ 108,343.5</b>	<b>\$ 246,216.7</b>	<b>\$ 56,507.2</b>	<b>\$ 290,782.1</b>	<b>\$ 699.7</b>	<b>\$ 48,015.2</b>	<b>\$ 257,728.1</b>	<b>\$ 23,835.4</b>	<b>\$ 88,605.6</b>	<b>\$ 25,776.5</b>	<b>\$ 22,633.1</b>	<b>\$ 87,720.7</b>	<b>\$ 1,256,863.3</b>
<b>LIABILITIES &amp; EQUITY</b>													
<b>Other Liabilities</b>													
Deferrals-Related to Restr Cash	\$ 175.2	\$ 74.1	\$ 81.7	\$ 167.8	\$ 858.5	\$ 119.1	\$ 1,924.8	\$ 16.5	\$ -	\$ 60.0	\$ -	\$ -	3,477.7
Debt	-	93,238.7	12,041.8	155,311.7	-	-	222,605.5	9,292.4	50,223.0	19.8	0.0	24,177.4	566,910.4
Other Liabilities	1.2	9,072.6	985.1	2,440.5	-	-	707.3	980.4	343.0	9,394.7	21,379.52	-	45,304.2
	176.5	102,385.4	13,108.5	157,919.9	858.5	119.1	225,237.6	10,289.3	50,566.0	9,474.5	21,379.5	24,177.4	615,692.3
<b>Equity</b>													
Equity	108,167.0	143,831.3	43,398.3	132,862.2	(158.7)	47,896.1	32,490.4	13,546.1	38,039.6	16,302.0	1,253.6	63,543.2	641,171.0
	108,167.0	143,831.3	43,398.3	132,862.2	(158.7)	47,896.1	32,490.4	13,546.1	38,039.6	16,302.0	1,253.6	63,543.2	641,171.0
<b>TOTAL LIAB &amp; EQ (net of curr liab)</b>	<b>\$ 108,343.5</b>	<b>\$ 246,216.7</b>	<b>\$ 56,506.9</b>	<b>\$ 290,782.1</b>	<b>\$ 699.7</b>	<b>\$ 48,015.2</b>	<b>\$ 257,728.0</b>	<b>\$ 23,835.4</b>	<b>\$ 88,605.6</b>	<b>\$ 25,776.5</b>	<b>\$ 22,633.1</b>	<b>\$ 87,720.7</b>	<b>\$ 1,256,863.3</b>

1) \$3.6M Spiritwood developer fee note, \$2.1M Birch Creek bonds; \$1.6M Birch Creek Lease; \$864K Green River Homes II bonds; \$270 K Green River Homes notes, and \$583K MKCRF-KCHA note. Expected sources of repayments include some combination of CFP, Replacement Housing Factor (RHF) grants, MTW revenue, site operations and current reserves.

2) Current portion of bond payments; source of funding will be P & I reserves.

3) Fair market value of derivatives is a negative \$1.6M -required by Generally Accepted Accounting Principles (GAAP) and calculated at the end of each year. This is not a cash transaction.

## KING COUNTY HOUSING AUTHORITY

## Working Capital Statements

(In \$1,000's; excludes non-KCHA-managed component units)

For the Period Ended June 30, 2017

	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)						LOCAL PROGRAMS						Memo:
	Public Housing		Other Housing		Other Programs		KCHA	Outside	Tax Credit				KCHA
	KCHA	Outside	KCHA	Outside	Section 8	MTW	Owned	Owned	Gen Ptnr	Develop		COCC	COMBINED
Revenues	Owned	Owned	Owned	Owned	Program	Program	Housing	Housing	Activity	Activity	Other		
Tenant Revenue	\$2,716.9	\$1,047.5	\$1,953.3	\$7,300.8	\$50.2	\$0.0	\$28,312.5	\$332.1	\$0.0	\$0.0	\$0.0	\$0.0	\$41,713.3
Operating Fund Subsidy from HUD	2,144.6	1,095.1	31.5	-	-	189.4	-	-	-	-	936.2	-	4,396.8
Section 8 Subsidy from HUD	-	-	191.7	-	56,465.7	10,611.5	-	-	-	-	-	-	67,268.9
Other Operating Revenue	24.8	2,296.5	215.6	1,085.3	17,487.8	17.8	452.2	55.2	264.1	19.8	2,836.4	5,889.2	30,644.9
Non-operating Revenue	1,528.9	4,027.5	28.4	716.0	-	441.4	166.9	275.4	1,439.5	132.4	71.7	1,009.3	9,837.4
Total Revenues	6,415.1	8,466.6	2,420.6	9,102.2	74,003.8	11,260.0	28,931.6	662.6	1,703.6	152.2	3,844.3	6,898.5	153,861.3
Expenses													
Salaries & Benefits	1,200.9	531.8	229.4	853.9	3,335.3	950.3	2,306.7	88.3	74.3	314.5	554.1	5,556.5	15,996.0
Routine Maintenance, Utilities, Taxes & Insurance	2,479.0	1,232.1	646.9	1,738.0	132.0	0.3	6,505.8	153.2	1.4	-	6.2	937.2	13,832.0
Direct Social Service Salaries & Benefits	-	-	-	-	63.3	1,095.7	-	-	-	1.6	45.6	-	1,206.3
Other Social Service Support Expenses & HAP	52.4	2,741.0	14.0	1.2	68,845.2	1,674.6	136.3	-	0.0	-	1,956.3	8.5	75,429.5
Administrative Support Expenses	975.5	516.8	184.8	660.3	1,834.5	213.0	2,563.3	53.3	219.9	97.3	93.0	1,103.2	8,514.9
Non-operating Expenses	(61.1)	1,359.1	195.3	3,164.3	0.3	-	2,890.4	140.2	541.3	0.2	0.1	377.2	8,607.3
Total Expenses	4,646.7	6,380.8	1,270.4	6,417.7	74,210.6	3,933.9	14,402.5	434.9	837.0	413.6	2,655.3	7,982.6	123,586.0
Net Income	1,768.4	2,085.9	1,150.2	2,684.5	(206.8)	7,326.2	14,529.1	227.7	866.6	(261.4)	1,189.1	(1,084.0)	30,275.3
Other Sources/(Uses) of Working Capital													
(Increase) in Restricted/Designated Cash	(28.2)	(104.9)	(49.3)	(663.9)	(121.8)	(61.9)	(819.3)	(13.1)	(260.6)	(742.3)	.0	(19.5)	(2,884.7)
Decrease in Restricted/Designated Cash	26.3	.3	2.1	451.6	.0	538.9	278.5	-	1,700.0	106.4	5,691.3	.0	8,795.5
(Increase) in LT Receivables	-	(1,487.6)	-	(132.9)	-	.0	.0	(96.1)	(13,170.0) (1)	(4.8)	-	(1,461.4) (6)	(16,352.8)
Decrease in LT Receivables	-	967.0	-	1,751.3	-	4,618.2	.0	115.4	17,634.8 (5)	-	-	468.8	25,555.5
Acquisition of Capital Assets	(2,709.1)	(636.4)	(1,520.0)	(891.8)	(.3)	(.0)	(9,409.0) (3)	(50.9)	1.3	(818.5)	(5,691.2)	(160.4)	(21,886.4)
Disposition of Capital Assets	-	-	.0	-	-	-	.0	-	.0	4,305.6	-	8.8	4,314.3
Change in Suspense	-	.0	.0	.0	7.1	-	(26.0)	-	-	-	48.9	28.0	57.9
Change in Other Assets	-	.0	-	(0.00)	-	-	.1	0.00	-	.0	-	-	0.1
Change in Deferrals	(18.7)	(.3)	(2.0)	36.0	121.8	61.9	58.8	(.8)	.0	(15.0)	-	.0	241.8
Increase in LT Debt	-	.0	.0	12,490.4 (1)	-	-	3,399.6	-	3,019.6	.0	.0	.0	18,909.6
(Decrease) in LT Debt	.0	(185.9)	(145.0)	(15,864.8) (2)	-	-	(5,452.3)	(386.0) (4)	(18,524.6) (5)	.0	-	(450.0)	(41,008.7)
Change in Other Liabilities	.0	798.3	(43.5)	256.8	-	-	13.1	(15.1)	5.9	(2,872.8)	(328.7)	-	(2,185.9)
Other Non-Working Capital Inc/Exp	-	-	-	-	-	-	.0	-	.0	.0	-	-	-
Non Income/Expense Change in Equity	-	.0	.0	.0	-	-	596.6	-	(575.0)	.0	145.3	18.5	185.5
Total Other Sources/(Uses) of Working Capital	(2,729.6)	(649.5)	(1,757.7)	(2,567.3)	6.8	5,157.0	(11,359.9)	(446.6)	(10,168.7)	(41.3)	(134.4)	(1,567.2)	(26,258.4)
Transfer In from (Out to) Other Funds													
Transfers In from Other Funds	1,014.0	3,612.6	1,060.9	472.7	-	-	1,799.0	-	1,141.0	513.7	521.8	1,556.0	11.7
Transfers Out to Other Funds	(7.7)	(513.7)	-	(472.7)	-	(3,717.6)	(1,493.0)	-	(1,755.3)	-	(1,521.8)	(2,210.0) (6)	(11.7)
Net Transfer In/(Out)	1,006.3	3,098.9	1,060.9	-	-	(3,717.6)	306.0	-	(614.3)	513.7	(1,000.0)	(654.0)	-
Net Change in Working Capital	45.1	4,535.2	453.4	117.2	(200.0)	8,765.6	3,475.2	(218.9) (4)	(9,916.4) (1)	211.0	54.7	(3,305.2) (6)	4,016.9
Working Capital, 12/31/2016	4,883.3	(2,073.2)	3,557.6	(2,920.9)	(642.1)	1,982.8	(3,563.1)	854.0	18,012.6	2,108.4	7,460.1	34,372.0	64,031.5
Working Capital, 6/30/2017	4,928.5	\$2,462.0	\$4,011.0	\$(2,803.7)	\$(842.1)	\$10,748.5	\$(87.9)	\$635.0	\$8,096.2	\$2,319.4	\$7,514.9	\$31,066.8	\$68,048.4

1) Primarily due to an \$12.5M subordinate loan due to KCHA from the Spiritwood Manor tax credit partnership.

2) Due to an \$11.7M payment on the Spiritwood Manor line-of-credit by the tax credit partnership as well as a \$2.2M payment on Birch Creek bonds and a \$1.5M payment by the Birch Creek tax credit partnership on notes payable to KCHA.

3) Primarily due to addition of Southwood Square assets acquired upon the exit of the tax credit partnership.

4) Due to a payment by the New Market Tax Credit partnership on a KeyBank line-of-credit.

5) Primarily due to the receipt of \$11.7M from the Spiritwood Manor tax credit partnership and the related payment of the same amount by KCHA on the Key Bank Line-of-Credit. Also, a \$3M receivable from the Southwood Square tax credit partnership was written off as well as \$6.7M of Southwood Square long-term debt.

6) Due to an \$1.4M internal loan to Development as well as transfers out for Capital Construction projects and a \$1.1M transfer for the Corinthian subordinate loan.

**KCHA Combined**
**Working Capital Budget vs. Actual Report  
For the Period Ended 6/30/2017**

	Quarter Ended June 30, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget
<b>Revenues</b>	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$21,007,784	\$20,259,861	\$747,923	3.7%	\$41,713,311	\$40,370,020	\$1,343,291	3.3%	\$81,390,738	\$39,677,427	51.3%
Operating Fund Subsidy from HUD	2,570,972	2,318,235	252,737	10.9%	4,396,840	4,636,470	(239,630)	(5.2%)	9,272,913	4,876,073	47.4%
Section 8 Subsidy from HUD	37,192,716	31,967,765	5,224,951	16.3%	67,268,935	63,853,472	3,415,463	5.3%	128,128,381	60,859,446	52.5%
Other Operating Revenue	15,428,044	14,688,151	739,893	5.0%	30,337,813	29,095,893	1,241,920	4.3%	59,106,800	28,768,987	51.3%
Non-operating Revenue	6,736,126	5,070,482	1,665,644	32.8%	10,144,407	8,262,183	1,882,224	22.8%	17,780,465	7,636,058	57.1%
<b>Total Revenues</b>	<b>82,935,642</b>	<b>74,304,494</b>	<b>8,631,148</b>	<b>11.6%</b>	<b>153,861,306</b>	<b>146,218,038</b>	<b>7,643,268</b>	<b>5.2%</b>	<b>295,679,297</b>	<b>141,817,991</b>	<b>52.0%</b>
<b>Expenses</b>											
Salaries & Benefits	8,548,897	9,029,151	(480,254)	(5.3%)	15,996,046	17,011,732	(1,015,686)	(6.0%)	34,025,474	18,029,428	47.0%
Routine Maintenance, Utilities, Taxes & Insurance	7,250,557	7,545,362	(294,805)	(3.9%)	13,831,969	14,394,855	(562,886)	(3.9%)	29,525,330	15,693,361	46.8%
Direct Social Service Salaries & Benefits	640,591	664,810	(24,219)	(3.6%)	1,206,264	1,234,643	(28,379)	(2.3%)	2,469,280	1,263,016	48.9%
Other Social Service Support Expenses & HAP	38,655,709	37,522,492	1,133,217	3.0%	75,429,474	74,070,701	1,358,773	1.8%	151,242,898	75,813,424	49.9%
Administrative Support Expenses	4,336,771	4,871,368	(534,597)	(11.0%)	8,514,949	9,625,723	(1,110,774)	(11.5%)	19,187,155	10,672,206	44.4%
Non-operating Expenses	4,327,843	4,711,467	(383,624)	(8.1%)	8,607,291	9,495,944	(888,653)	(9.4%)	19,986,605	11,379,314	43.1%
<b>Total Expenses</b>	<b>63,760,368</b>	<b>64,344,650</b>	<b>(584,282)</b>	<b>(0.9%)</b>	<b>123,585,993</b>	<b>125,833,598</b>	<b>(2,247,605)</b>	<b>(1.8%)</b>	<b>256,436,742</b>	<b>132,850,749</b>	<b>48.2%</b>
<b>Net Income</b>	<b>19,175,274</b>	<b>9,959,844</b>	<b>9,215,430</b>	<b>92.5%</b>	<b>30,275,312</b>	<b>20,384,440</b>	<b>9,890,872</b>	<b>48.5%</b>	<b>39,242,555</b>	<b>8,967,243</b>	<b>77.1%</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	(1,486,740)	(882,926)	(603,814)	68.4%	(2,884,730)	(1,996,435)	(888,295)	44.5%	(3,356,491)	(471,761)	85.9%
Decrease in Restricted/Designated Cash	4,675,489	3,783,423	892,066	23.6%	8,795,469	8,092,978	702,491	8.7%	18,167,633	9,372,164	48.4%
(Increase) in LT Receivables	(2,771,303)	(2,025,432)	(745,871)	36.8%	(16,352,850)	(18,610,400)	2,257,550	(12.1%)	(20,432,605)	(4,079,755)	80.0%
Decrease in LT Receivables	9,026,999	767,095	8,259,904	1076.8%	25,555,499	21,948,608	3,606,891	16.4%	40,090,636	14,535,137	63.7%
Acquisition of Capital Assets	(15,041,393)	(12,760,900)	(2,280,493)	17.9%	(21,886,386)	(28,235,695)	6,349,309	(22.5%)	(72,698,325)	(50,811,939)	30.1%
Disposition of Capital Assets	3,825,737	12,023	3,813,714	31720.2%	4,314,340	505,479	3,808,861	753.5%	4,017,434	(296,906)	107.4%
Change in Suspense	173,086	-	173,086	n/m	57,941	-	57,941	n/m	-	(57,941)	n/m
Change in Other Assets	100	0	100	n/m	100	0	100	n/m	(1,082,088)	(1,082,188)	n/m
Change in Other Deferrals	151,784	-	151,784	n/m	241,803	-	241,803	n/m	-	(241,803)	n/m
Increase in LT Debt	4,099,801	232,585	3,867,216	1662.7%	18,909,602	18,540,294	369,308	2.0%	17,435,081	(1,474,521)	108.5%
(Decrease) in LT Debt	(7,706,919)	(4,309,132)	(3,397,787)	78.9%	(41,008,730)	(36,232,009)	(4,776,721)	13.2%	(71,759,556)	(30,750,826)	57.1%
Change in Other Liabilities	(2,677,651)	834,559	(3,512,210)	n/m	(2,185,892)	1,601,122	(3,787,014)	n/m	(280,878)	1,905,014	778.2%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	0	-	0	n/m	-	0	n/m
Non Income/Expense Change in Equity	41,782	0	41,782	n/m	185,455	(20,735)	206,190	n/m	16,382,353	16,196,898	1.1%
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(7,689,228)</b>	<b>(14,348,705)</b>	<b>6,659,477</b>	<b>(46.4%)</b>	<b>(26,258,380)</b>	<b>(34,406,793)</b>	<b>8,148,413</b>	<b>(23.7%)</b>	<b>(73,516,806)</b>	<b>(47,258,426)</b>	<b>35.7%</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	4,566,005	4,882,742	(316,737)	(6.5%)	11,691,659	12,542,235	(850,576)	(6.8%)	31,638,386	19,946,727	37.0%
Transfers Out to Other Funds	(4,566,005)	(4,882,745)	316,740	(6.5%)	(11,691,659)	(12,542,235)	850,576	(6.8%)	(31,638,386)	(19,946,727)	37.0%
<b>Net Transfer In/(Out)</b>	<b>0</b>	<b>(3)</b>	<b>3</b>	<b>(100.0%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n/m</b>	<b>0</b>	<b>0</b>	<b>n/m</b>
<b>Net Change in Working Capital</b>	<b>\$11,486,046</b>	<b>(\$4,388,864)</b>	<b>\$15,874,910</b>	<b>n/m</b>	<b>\$4,016,932</b>	<b>(\$14,022,353)</b>	<b>\$18,039,285</b>	<b>n/m</b>	<b>(\$34,274,251)</b>	<b>(\$38,291,183)</b>	<b>n/m</b>
Working Capital, Beginning of Period	56,562,395				64,031,511						
<b>Working Capital, 6/30/2017</b>	<b>\$68,048,441</b>				<b>\$68,048,443</b>						

1) Received \$1.9M grant from Washington State for the construction of Vantage Point. This cash receipt was expected to be received late in 2016 and was therefore not budgeted in 2017.

2) \$350K of CFP management fees were budgeted for June but actual CFP management fees of \$480K won't be incurred until July. Also, various categories are under target (Administrative contracts, Training, Professional services) but are expected to increase as the year progresses.

3) Primarily due to an unbudgeted Spiritwood Partnership subordinate loan draw. Also, Hope IV loan interest income to Notch program and the Hope VI program income from lot sales was higher than anticipated in the budget.

4) \$2.5M was budgeted to be loaned to the Corinthian tax credit partnership from the general partner fund in order to make a payment on a line-of-credit. Instead a \$3 million loan of Transit-Oriented Development funds was received from the County, and this internal loan was not made.

5) Repayment on the MTW internal loan to Greenbridge from lot sale proceeds was budgeted for the 3rd quarter and occurred in the 2nd quarter.

6) Various capital projects are under target and beginning later than anticipated in the budget while some capital projects at Spiritwood budgeted for 2017 were actually completed in 2016. Additionally, some maintenance work at various bond properties that depends on unit turnover (decks, carpets, doors and cabinets) is under target as turnover has been less than anticipated while other projects (Carpentry, Paving) are expected to catch up later in the year.

7) Sale of Greenbridge lots to Connor Homes and related payment on MTW loan from sale proceeds were budgeted for the 3rd quarter but occurred in the 2nd quarter.

8) Acquisition of Southwood Square debt was budgeted for the 1st quarter but occurred during the 2nd quarter.

**Public Housing (KCHA)**  
**Working Capital Budget vs. Actual Report**  
**For the Period Ended 6/30/2017**

	Quarter Ended June 30, 2017				Year-to-Date				2017	Remainder	Percent of	
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Annual Budget	to Receive/ Spend	Annual Budget	
<b>Revenues</b>												
Tenant Revenue	\$ 1,353,384	\$ 1,290,018	\$ 63,366	4.9%	\$ 2,716,881	\$ 2,580,048	\$ 136,833	5.3%	\$ 5,160,087	\$ 2,443,206	52.7%	(2)
Operating Fund Subsidy from HUD	1,254,753	1,140,908	113,845	10.0%	2,144,602	2,281,815	(137,213)	(6.0%)	4,563,615	2,419,013	47.0%	
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m	
Other Operating Revenue	11,394	-	11,394	n/m	24,762	-	24,762	n/m	11,766	(12,996)	210.5%	
Non-operating Revenue	1,452,314	2,056,783	(604,469)	(29.4%)	1,528,884	2,269,373	(740,489)	(32.6%)	6,352,428	4,823,544	24.1%	(2)
<b>Total Revenues</b>	<b>4,071,845</b>	<b>4,487,709</b>	<b>(415,864)</b>	<b>(9.3%)</b>	<b>6,415,129</b>	<b>7,131,236</b>	<b>(716,107)</b>	<b>(10.0%)</b>	<b>16,087,896</b>	<b>9,672,767</b>	<b>39.9%</b>	
<b>Expenses</b>												
Salaries & Benefits	634,440	717,664	(83,224)	(11.6%)	1,200,872	1,360,943	(160,071)	(11.8%)	2,721,686	1,520,814	44.1%	(3)
Routine Maintenance, Utilities, Taxes & Insurance	1,353,428	1,396,356	(42,928)	(3.1%)	2,478,982	2,569,560	(90,578)	(3.5%)	5,380,024	2,901,042	46.1%	
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m	
Other Social Service Support Expenses & HAP	21,221	29,977	(8,756)	(29.2%)	52,421	51,457	964	1.9%	102,911	50,490	50.9%	
Administrative Support Expenses	422,223	969,113	(546,890)	(56.4%)	975,509	1,557,585	(582,076)	(37.4%)	2,708,060	1,732,551	36.0%	(4)
Non-operating Expenses	(56,959)	1,517	(58,476)	n/m	(61,053)	3,033	(64,086)	n/m	6,056	67,109	n/m	(5)
<b>Total Expenses</b>	<b>2,374,353</b>	<b>3,114,627</b>	<b>(740,274)</b>	<b>(23.8%)</b>	<b>4,646,732</b>	<b>5,542,578</b>	<b>(895,846)</b>	<b>(16.2%)</b>	<b>10,918,737</b>	<b>6,272,005</b>	<b>42.6%</b>	
<b>Net Income</b>	<b>1,697,492</b>	<b>1,373,082</b>	<b>324,410</b>	<b>23.6%</b>	<b>1,768,397</b>	<b>1,588,658</b>	<b>179,739</b>	<b>11.3%</b>	<b>5,169,159</b>	<b>3,400,762</b>	<b>34.2%</b>	
<b>Other Sources/(Uses) of Working Capital</b>												
(Increase) in Restricted/Designated Cash	(25,537)	(16,719)	(8,818)	52.7%	(28,173)	(33,438)	5,265	(15.7%)	(66,876)	(38,703)	42.1%	
Decrease in Restricted/Designated Cash	26,099	-	26,099	n/m	26,325	-	26,325	n/m	-	(26,325)	n/m	(6)
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m	
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m	
Acquisition of Capital Assets	(913,906)	(2,712,544)	1,798,638	(66.3%)	(1,842,035)	(3,542,939)	1,700,904	(48.0%)	(8,249,359)	(6,407,324)	22.3%	
Maintenance Projects	(538,873)	(787,262)	248,389	(31.6%)	(867,050)	(1,586,747)	719,697	(45.4%)	(3,195,783)	(2,328,733)	27.1%	
Acquisition of Capital Assets	(1,452,779)	(3,499,806)	2,047,027	(58.5%)	(2,709,085)	(5,129,686)	2,420,601	(47.2%)	(11,445,142)	(8,736,057)	23.7%	(7)
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m	
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m	
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m	
Change in Deferrals	(14,484)	-	(14,484)	n/m	(18,662)	-	(18,662)	n/m	-	18,662	n/m	
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m	
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m	
Change in Other Liabilities	-	(9,254)	9,254	(100.0%)	-	(18,509)	18,509	(100.0%)	(37,011)	(37,011)	0.0%	
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m	
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m	
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(1,466,701)</b>	<b>(3,525,779)</b>	<b>2,059,078</b>	<b>(58.4%)</b>	<b>(2,729,595)</b>	<b>(5,181,633)</b>	<b>2,452,038</b>	<b>(47.3%)</b>	<b>(11,549,029)</b>	<b>(8,819,434)</b>	<b>23.6%</b>	
<b>Transfer In from (Out to) Other Funds</b>												
Transfers In from Other Funds	(65,715)	1,838,605	(1,904,320)	n/m	1,013,973	3,256,153	(2,242,180)	(68.9%)	6,379,870	5,365,897	15.9%	(8)
Transfers Out to Other Funds	-	-	-	n/m	(7,663)	-	(7,663)	n/m	-	7,663	n/m	
<b>Net Transfer In/(Out)</b>	<b>(65,715)</b>	<b>1,838,605</b>	<b>(1,904,320)</b>	<b>n/m</b>	<b>1,006,311</b>	<b>3,256,153</b>	<b>(2,249,842)</b>	<b>(69.1%)</b>	<b>6,379,870</b>	<b>5,373,559</b>	<b>15.8%</b>	
<b>Net Change in Working Capital</b>	<b>\$ 165,077</b>	<b>\$ (314,092)</b>	<b>\$ 479,169</b>	<b>n/m</b>	<b>\$ 45,112</b>	<b>\$ (336,822)</b>	<b>\$ 381,934</b>	<b>n/m</b>	<b>\$ -</b>	<b>\$ (45,112)</b>	<b>n/m</b>	
Working Capital, Beginning of Period	4,763,385				4,883,350							
<b>Working Capital, 6/30/2017</b>	<b>\$ 4,928,462</b>				<b>\$ 4,928,462</b>							

- Dwell rent budgets for Valli Kee and Cascades homes were low, resulting in positive Tenant Revenue variances for these properties
- Various projects are under budget resulting in fewer draws on capital grants. Ballinger Homes water lines were budgeted throughout the year. However, the project is being redesigned to mitigate the needs for tenant relocation and will be bid in the 4th quarter. Construction on the Valli Kee site improvements and Northridge envelope upgrades began in July. Cascade water line replacement is expected to begin in the 3rd quarter.
- Primarily due to unfilled open positions and other positions being filled by temporary employees who don't qualify for benefits at Ballinger, Firwood Circle, Casa Juanita, and College Place.
- \$350K of CFP management fees were budgeted for June but actual CFP management fees of \$480K won't be incurred until July. Also, various categories are under target.
- Through the end of June, casualty loss insurance receipts for fires at Lake House and Forest Glen exceed the cost of internal KCHA crews to repair the damages. An additional \$50,000 was spent at Lake House in July.
- Burien Park, Northwood, and Northlake House transferred Replacement Reserves to the COCC upon becoming public housing properties.
- Several projects are beginning later than anticipated in the budget. The Northridge Envelope project began construction in the 2nd quarter. Contracts have been signed for the Valli Kee Site Improvements and construction is due to begin in the 3rd quarter. Replacement of electrical panels at Boulevard Manor and Yardley Arms will also occur in the 3rd quarter. The Cascade water line project will go out to bid in the 3rd quarter while the Ballinger sewer line replacement project is due to go out to bid in the 4th quarter.
- It was anticipated that MTW funding of unit upgrades at Ballinger would occur during the tenant relocation related to the water line replacement project. As that project has been delayed, transfers of MTW funds are under target. The Burndale building envelope was budgeted to be funded with MTW funds but CFP proceeds were used in lieu of MTW funds in order to draw down a CFP grant which was due to expire (\$1M). (See note 6).

**Public Housing (Other)**  
**Working Capital Budget vs. Actual Report**  
**For the Period Ended 6/30/2017**

	Quarter Ended June 30, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
<b>Revenues</b>	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 518,839	\$ 499,450	\$ 19,389	3.9%	\$ 1,047,496	\$ 998,911	\$ 48,585	4.9%	1,997,817	950,321	52.4%
Operating Fund Subsidy from HUD	639,180	561,720	77,460	13.8%	1,095,060	1,123,440	(28,380)	(2.5%)	2,246,869	1,151,809	48.7%
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	1,125,416	1,122,978	2,438	0.2%	2,296,541	2,285,353	11,188	0.5%	3,488,301	1,191,760	65.8%
Non-operating Revenue	2,990,096	1,036,580	1,953,516	188.5%	4,027,534	2,073,977	1,953,557	94.2%	4,144,700	117,166	97.2%
<b>Total Revenues</b>	<b>5,273,531</b>	<b>3,220,728</b>	<b>2,052,803</b>	<b>63.7%</b>	<b>8,466,631</b>	<b>6,481,681</b>	<b>1,984,950</b>	<b>30.6%</b>	<b>11,877,687</b>	<b>3,411,056</b>	<b>71.3%</b>
<b>Expenses</b>											
Salaries & Benefits	283,798	296,084	(12,286)	(4.1%)	531,805	559,801	(27,996)	(5.0%)	1,119,479	587,674	47.5%
Routine Maintenance, Utilities, Taxes & Insurance	579,483	703,381	(123,898)	(17.6%)	1,232,071	1,304,141	(72,070)	(5.5%)	2,692,413	1,460,342	45.8%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	1,363,401	1,369,496	(6,095)	(0.4%)	2,740,996	2,735,418	5,578	0.2%	5,485,432	2,744,436	50.0%
Administrative Support Expenses	249,326	221,845	27,481	12.4%	516,790	470,795	45,995	9.8%	937,248	420,458	55.1%
Non-operating Expenses	674,431	666,664	7,767	1.2%	1,359,107	1,333,333	25,774	1.9%	2,666,656	1,307,549	51.0%
<b>Total Expenses</b>	<b>3,150,439</b>	<b>3,257,470</b>	<b>(107,031)</b>	<b>(3.3%)</b>	<b>6,380,769</b>	<b>6,403,488</b>	<b>(22,719)</b>	<b>(0.4%)</b>	<b>12,901,228</b>	<b>6,520,459</b>	<b>49.5%</b>
<b>Net Income</b>	<b>2,123,092</b>	<b>(36,742)</b>	<b>2,159,834</b>	<b>n/m</b>	<b>2,085,862</b>	<b>78,193</b>	<b>2,007,669</b>	<b>2567.6%</b>	<b>(1,023,541)</b>	<b>(3,109,403)</b>	<b>n/m</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	(52,443)	(52,416)	(27)	0.1%	(104,861)	(104,832)	(29)	0.0%	(209,664)	(104,803)	50.0%
Decrease in Restricted/Designated Cash	151	249,999	(249,848)	(99.9%)	300	499,998	(499,698)	(99.9%)	1,000,000	999,700	0.0%
(Increase) in LT Receivables	(743,816)	(743,808)	(8)	0.0%	(1,487,632)	(1,487,622)	(10)	0.0%	(2,975,237)	(1,487,605)	50.0%
Decrease in LT Receivables	0	-	0	n/m	967,020	735,947	231,073	31.4%	850,947	(116,073)	113.6%
Acquisition of Capital Assets	(391,922)	(671,499)	279,577	(41.6%)	(636,427)	(1,240,450)	604,023	(48.7%)	(2,944,839)	(2,308,412)	21.6%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	66	-	66	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	(0)	-	(0)	n/m	0	-	0	n/m	-	(0)	n/m
Change in Deferrals	(308)	-	(308)	n/m	(275)	-	(275)	n/m	-	275	n/m
Increase in LT Debt	-	-	-	n/m	-	1,500,000	(1,500,000)	(100.0%)	1,500,000	1,500,000	0.0%
(Decrease) in LT Debt	-	(276)	276	(100.0%)	(185,938)	(105,550)	(80,388)	76.2%	(221,098)	(35,160)	84.1%
Change in Other Liabilities	399,146	396,635	2,511	0.6%	798,292	793,268	5,024	0.6%	1,586,532	788,240	50.3%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(789,126)</b>	<b>(821,365)</b>	<b>32,239</b>	<b>(3.9%)</b>	<b>(649,521)</b>	<b>590,759</b>	<b>(1,240,280)</b>	<b>n/m</b>	<b>(1,413,359)</b>	<b>(763,838)</b>	<b>46.0%</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	1,784,987	792,650	992,337	125.2%	3,612,635	2,642,327	970,308	36.7%	4,702,237	1,089,602	76.8%
Transfers Out to Other Funds	-	(325,000)	325,000	(100.0%)	(513,740)	(325,000)	(188,740)	58.1%	(325,000)	188,740	158.1%
<b>Net Transfer In/(Out)</b>	<b>1,784,987</b>	<b>467,650</b>	<b>1,317,337</b>	<b>281.7%</b>	<b>3,098,896</b>	<b>2,317,327</b>	<b>781,569</b>	<b>33.7%</b>	<b>4,377,237</b>	<b>1,278,341</b>	<b>70.8%</b>
<b>Net Change in Working Capital</b>	<b>\$ 3,118,954</b>	<b>\$ (390,457)</b>	<b>\$ 3,509,411</b>	<b>n/m</b>	<b>\$ 4,535,237</b>	<b>\$ 2,986,279</b>	<b>\$ 1,548,958</b>	<b>51.9%</b>	<b>1,940,337</b>	<b>(2,594,900)</b>	<b>233.7%</b>
Working Capital, Beginning of Period	(656,917)				(2,073,200)						
<b>Working Capital, 6/30/2017</b>	<b>\$ 2,462,036</b>				<b>\$ 2,462,036</b>						

- Received \$1.9M grant from Washington State for the construction of Vantage Point. This cash receipt was expected to be received late in 2016 and was therefore not budgeted in 2017.
- A \$1 million draw from Egis exit tax reserve was inadvertently budgeted as the funding source for the Egis elevator projects. These projects will actually be funded as part of the EPC project.
- Repayments to KCHA of loans made to various tax credit partnerships was higher than anticipated in the budget as the partnerships finished 2016 with higher net cash flow than originally anticipated
- The elevator projects at Munro Manor and Plaza Seventeen were budgeted evenly throughout the year but the projects are not expected to occur until 3rd and 4th quarters. Munro Manor is design only in 2017 and Plaza Seventeen is a full replacement.
- A \$2.0 million loan from King County for Vantage Point was originally budgeted to be received in two installments: \$500,000 at the end of 2016 and \$1.5 million in the first quarter of 2017. The \$500,000 was not received in 2016 and instead the entire \$2 million was received in August.
- \$1M was transferred from the EPC fund to Egis in order to fund the elevator replacement project. Unbudgeted.(See Note #2)
- Interest from HOPE VI grant proceeds loaned to the various partnerships is transferred to the Development fund, and was greater than anticipated in the budget.



**Other Federally-supported (KCHA)**  
**Working Capital Budget vs. Actual Report**  
**For the Period Ended 6/30/2017**

	Quarter Ended June 30, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
<b>Revenues</b>	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 976,269	\$ 1,027,668	\$ (51,399)	(5.0%)	\$ 1,953,318	\$ 2,055,341	\$ (102,023)	(5.0%)	\$ 4,110,678	\$ 2,157,360	47.5%
Operating Fund Subsidy from HUD	18,458	16,783	1,675	10.0%	31,548	33,566	(2,018)	(6.0%)	67,132	35,584	47.0%
Section 8 Subsidy from HUD	103,914	103,444	470	0.5%	191,738	206,888	(15,150)	(7.3%)	413,775	222,037	46.3%
Other Operating Revenue	108,103	102,090	6,013	5.9%	215,592	204,181	11,411	5.6%	358,537	142,945	60.1%
Non-operating Revenue	15,872	11,816	4,056	34.3%	28,372	18,424	9,948	54.0%	31,710	3,338	89.5%
<b>Total Revenues</b>	<b>1,222,615</b>	<b>1,261,801</b>	<b>(39,186)</b>	<b>(3.1%)</b>	<b>2,420,568</b>	<b>2,518,400</b>	<b>(97,832)</b>	<b>(3.9%)</b>	<b>4,981,832</b>	<b>2,561,264</b>	<b>48.6%</b>
<b>Expenses</b>											
Salaries & Benefits	106,113	141,370	(35,257)	(24.9%)	229,415	267,164	(37,749)	(14.1%)	534,284	304,869	42.9% (1)
Routine Maintenance, Utilities, Taxes & Insurance	352,026	345,808	6,218	1.8%	646,911	671,370	(24,459)	(3.6%)	1,354,685	707,774	47.8%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	8,257	4,350	3,907	89.8%	13,984	8,700	5,284	60.7%	17,400	3,416	80.4%
Administrative Support Expenses	103,783	88,171	15,612	17.7%	184,823	171,784	13,039	7.6%	337,715	152,892	54.7%
Non-operating Expenses	92,412	85,938	6,474	7.5%	195,256	171,876	23,380	13.6%	343,749	148,493	56.8% (2)
<b>Total Expenses</b>	<b>662,591</b>	<b>665,637</b>	<b>(3,046)</b>	<b>(0.5%)</b>	<b>1,270,389</b>	<b>1,290,894</b>	<b>(20,505)</b>	<b>(1.6%)</b>	<b>2,587,833</b>	<b>1,317,444</b>	<b>49.1%</b>
<b>Net Income</b>	<b>560,025</b>	<b>596,164</b>	<b>(36,139)</b>	<b>(6.1%)</b>	<b>1,150,179</b>	<b>1,227,506</b>	<b>(77,327)</b>	<b>(6.3%)</b>	<b>2,393,999</b>	<b>1,243,820</b>	<b>48.0%</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	(29,737)	(10,683)	(19,054)	178.4%	(49,289)	(21,366)	(27,923)	130.7%	(42,732)	6,557	115.3% (3)
Decrease in Restricted/Designated Cash	2,140	-	2,140	n/m	2,140	-	2,140	n/m	-	(2,140)	n/m
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(756,001)	(698,188)	(57,813)	8.3%	(1,520,018)	(2,148,387)	628,369	(29.2%)	(2,663,336)	(1,143,318)	57.1% (4)
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspende	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	(806)	-	(806)	n/m	(1,980)	-	(1,980)	n/m	-	1,980	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	(73,831)	(70,694)	(3,137)	4.4%	(145,041)	(141,388)	(3,653)	2.6%	(282,776)	(137,735)	51.3%
Change in Other Liabilities	(21,750)	(21,750)	-	0.0%	(43,500)	(43,500)	-	0.0%	(87,000)	(43,500)	50.0%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(879,983)</b>	<b>(801,315)</b>	<b>(78,668)</b>	<b>9.8%</b>	<b>(1,757,688)</b>	<b>(2,354,641)</b>	<b>596,953</b>	<b>(25.4%)</b>	<b>(3,075,844)</b>	<b>(1,318,156)</b>	<b>57.1%</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	394,040	534,886	(140,846)	(26.3%)	1,060,940	1,878,178	(817,238)	(43.5%)	1,903,325	842,385	55.7% (5)
Transfers Out to Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
<b>Net Transfer In/(Out)</b>	<b>394,040</b>	<b>534,886</b>	<b>(140,846)</b>	<b>(26.3%)</b>	<b>1,060,940</b>	<b>1,878,178</b>	<b>(817,238)</b>	<b>(43.5%)</b>	<b>1,903,325</b>	<b>842,385</b>	<b>55.7%</b>
<b>Net Change in Working Capital</b>	<b>\$ 74,081</b>	<b>\$ 329,735</b>	<b>\$ (255,654)</b>	<b>(77.5%)</b>	<b>\$ 453,431</b>	<b>\$ 751,043</b>	<b>\$ (297,612)</b>	<b>(39.6%)</b>	<b>\$ 1,221,480</b>	<b>\$ 768,049</b>	<b>37.1%</b>
Working Capital, Beginning of Period	3,936,902				3,557,553						
<b>Working Capital, 6/30/2017</b>	<b>\$ 4,010,984</b>				<b>\$ 4,010,984</b>						

1) Salaries are under target due to some open positions.

2) Primarily due to a technical accounting correction and interest expense on the Woodcreek Lane line-of-credit being greater than anticipated in the budget.

3) Additions to replacement reserves were inadvertently not budgeted for Bellevue Manor, Patricia Harris Manor and Northwood Square

4) Invoicing on the Hidden Village envelope upgrade project has been delayed due to outstanding Davis-Bacon issues related to some subcontractors. The invoicing issues are expected to be resolved later in the year.

5) Transfers from the COCC to fund the Hidden Village envelope upgrade project are below target due to timing. See note 4.

**Other Federally-supported (Other)**  
**Working Capital Budget vs. Actual Report**  
**For the Period Ended 6/30/2017**

	Quarter Ended June 30, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
<b>Revenues</b>	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 3,651,079	\$ 3,735,325	\$ (84,246)	(2.3%)	\$ 7,300,836	\$ 7,471,085	\$ (170,249)	(2.3%)	\$ 14,941,626	\$ 7,640,790	48.9%
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	389,344	386,873	2,471	0.6%	778,303	773,746	4,557	0.6%	2,978,237	2,199,934	26.1%
Non-operating Revenue	496,174	397,649	98,525	24.8%	1,023,085	944,878	78,207	8.3%	1,239,031	215,946	82.6%
<b>Total Revenues</b>	<b>4,536,598</b>	<b>4,519,847</b>	<b>16,751</b>	<b>0.4%</b>	<b>9,102,225</b>	<b>9,189,709</b>	<b>(87,484)</b>	<b>(1.0%)</b>	<b>19,158,894</b>	<b>10,056,669</b>	<b>47.5%</b>
<b>Expenses</b>											
Salaries & Benefits	457,463	445,072	12,391	2.8%	853,907	844,198	9,709	1.2%	1,688,273	834,366	50.6%
Routine Maintenance, Utilities, Taxes & Insurance	958,070	992,105	(34,035)	(3.4%)	1,737,984	1,806,208	(68,224)	(3.8%)	3,775,777	2,037,793	46.0%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	833	6,326	(5,493)	(86.8%)	1,215	12,656	(11,441)	(90.4%)	25,280	24,065	4.8%
Administrative Support Expenses	324,218	330,480	(6,262)	(1.9%)	660,274	668,972	(8,698)	(1.3%)	1,335,730	675,456	49.4%
Non-operating Expenses	1,632,200	1,676,617	(44,417)	(2.6%)	3,164,338	3,472,032	(307,694)	(8.9%)	7,754,452	4,590,114	40.8%
<b>Total Expenses</b>	<b>3,372,783</b>	<b>3,450,600</b>	<b>(77,817)</b>	<b>(2.3%)</b>	<b>6,417,718</b>	<b>6,804,066</b>	<b>(386,348)</b>	<b>(5.7%)</b>	<b>14,579,512</b>	<b>8,161,794</b>	<b>44.0%</b>
<b>Net Income</b>	<b>1,163,814</b>	<b>1,069,247</b>	<b>94,567</b>	<b>8.8%</b>	<b>2,684,506</b>	<b>2,385,643</b>	<b>298,863</b>	<b>12.5%</b>	<b>4,579,382</b>	<b>1,894,876</b>	<b>58.6%</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	(590,317)	(72,786)	(517,531)	711.0%	(663,912)	(145,572)	(518,340)	356.1%	(291,144)	372,768	228.0%
Decrease in Restricted/Designated Cash	428,584	-	428,584	n/m	451,605	487,996	(36,391)	(7.5%)	1,807,996	1,356,391	25.0%
(Increase) in LT Receivables	(66,442)	(66,441)	(1)	0.0%	(132,883)	(132,883)	(0)	0.0%	(265,766)	(132,883)	50.0%
Decrease in LT Receivables	-	-	-	n/m	1,751,337	1,751,337	-	0.0%	1,751,337	-	100.0%
Acquisition of Capital Assets	(374,613)	(339,585)	(35,028)	10.3%	(891,827)	(2,025,782)	1,133,955	(56.0%)	(3,695,822)	(2,803,995)	24.1%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	117	-	117	n/m	35,990	-	35,990	n/m	-	(35,990)	n/m
Increase in LT Debt	700,181	232,585	467,596	201.0%	12,490,362	12,567,059	(76,697)	(0.6%)	11,461,846	(1,028,516)	109.0%
(Decrease) in LT Debt	(2,330,753)	(2,444,988)	114,235	(4.7%)	(15,864,813)	(15,251,313)	(613,500)	4.0%	(28,324,925)	(12,460,112)	56.0%
Change in Other Liabilities	177,739	66,441	111,298	167.5%	256,841	132,883	123,958	93.3%	265,766	8,925	96.6%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	16,403,088	16,403,088	0.0%
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(2,055,505)</b>	<b>(2,624,774)</b>	<b>569,269</b>	<b>(21.7%)</b>	<b>(2,567,300)</b>	<b>(2,616,275)</b>	<b>48,975</b>	<b>(1.9%)</b>	<b>(887,624)</b>	<b>1,679,676</b>	<b>289.2%</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	172,840	160,080	12,760	8.0%	472,658	468,814	3,844	0.8%	1,716,164	1,243,507	27.5%
Transfers Out to Other Funds	(172,840)	(160,080)	(12,760)	8.0%	(472,658)	(468,814)	(3,844)	0.8%	(1,716,164)	(1,243,507)	27.5%
<b>Net Transfer In/(Out)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/m</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/m</b>	<b>-</b>	<b>-</b>	<b>n/m</b>
<b>Net Change in Working Capital</b>	<b>\$ (891,691)</b>	<b>\$ (1,555,527)</b>	<b>\$ 663,836</b>	<b>(42.7%)</b>	<b>\$ 117,206</b>	<b>\$ (230,632)</b>	<b>\$ 347,838</b>	<b>n/m</b>	<b>\$ 3,691,758</b>	<b>\$ 3,574,552</b>	<b>3.2%</b>
Working Capital, Beginning of Period	(1,912,029)				(2,920,926)						
<b>Working Capital, 6/30/2017</b>	<b>\$ (2,803,720)</b>				<b>\$ (2,803,720)</b>						

- 1) Primarily due to a Spiritwood Partnership subordinate loan draw. Variance due to timing.
- 2) Some capital projects at Spiritwood budgeted for 2017 were actually completed in 2016.

**Section 8**  
**Working Capital Budget vs. Actual Report**  
**For the Period Ended 6/30/2017**

	Quarter Ended June 30, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
<b>Revenues</b>	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 28,911	\$ 22,500	\$ 6,411	28.5%	\$ 50,241	\$ 45,000	\$ 5,241	11.6%	\$ 90,000	\$ 39,759	55.8%
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	28,535,854	28,170,048	365,806	1.3%	56,465,709	55,849,493	616,216	1.1%	114,001,921	57,536,212	49.5%
Other Operating Revenue	8,951,407	8,337,407	614,000	7.4%	17,487,843	16,670,054	817,789	4.9%	33,359,147	15,871,304	52.4%
Non-operating Revenue	-	3,255	(3,255)	(100.0%)	-	6,506	(6,506)	(100.0%)	13,016	13,016	0.0%
<b>Total Revenues</b>	<b>37,516,171</b>	<b>36,533,210</b>	<b>982,961</b>	<b>2.7%</b>	<b>74,003,793</b>	<b>72,571,053</b>	<b>1,432,740</b>	<b>2.0%</b>	<b>147,464,084</b>	<b>73,460,291</b>	<b>50.2%</b>
<b>Expenses</b>											
Salaries & Benefits	1,800,447	1,878,906	(78,459)	(4.2%)	3,335,301	3,536,946	(201,645)	(5.7%)	7,073,868	3,738,567	47.1%
Routine Maintenance, Utilities, Taxes & Insurance	64,332	63,493	839	1.3%	131,951	128,201	3,750	2.9%	256,265	124,314	51.5%
Direct Social Service Salaries & Benefits	34,079	34,398	(319)	(0.9%)	63,302	63,882	(580)	(0.9%)	127,764	64,462	49.5%
Other Social Service Support Expenses & HAP	35,037,458	33,685,804	1,351,654	4.0%	68,845,187	66,801,536	2,043,651	3.1%	135,905,882	67,060,695	50.7%
Administrative Support Expenses	911,722	987,773	(76,051)	(7.7%)	1,834,540	1,969,892	(135,352)	(6.9%)	3,842,365	2,007,825	47.7%
Non-operating Expenses	279	-	279	n/m	279	-	279	n/m	-	(279)	n/m
<b>Total Expenses</b>	<b>37,848,317</b>	<b>36,650,374</b>	<b>1,197,943</b>	<b>3.3%</b>	<b>74,210,560</b>	<b>72,500,457</b>	<b>1,710,103</b>	<b>2.4%</b>	<b>147,206,144</b>	<b>72,995,584</b>	<b>50.4%</b>
<b>Net Income</b>	<b>(332,145)</b>	<b>(117,164)</b>	<b>(214,981)</b>	<b>183.5%</b>	<b>(206,767)</b>	<b>70,596</b>	<b>(277,363)</b>	<b>n/m</b>	<b>257,940</b>	<b>464,707</b>	<b>n/m</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	(68,110)	-	(68,110)	n/m	(121,844)	-	(121,844)	n/m	-	121,844	n/m (1)
Decrease in Restricted/Designated Cash	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(286)	(318)	32	(10.2%)	(286)	(15,635)	15,349	(98.2%)	(16,270)	(15,984)	1.8%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	12,690	-	12,690	n/m	7,080	-	7,080	n/m	-	(7,080)	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	68,110	-	68,110	n/m	121,844	-	121,844	n/m	-	(121,844)	n/m (1)
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>12,404</b>	<b>(318)</b>	<b>12,722</b>	<b>n/m</b>	<b>6,794</b>	<b>(15,635)</b>	<b>22,429</b>	<b>n/m</b>	<b>(16,270)</b>	<b>(23,064)</b>	<b>n/m</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Transfers Out to Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
<b>Net Transfer In/(Out)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/m</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/m</b>	<b>-</b>	<b>-</b>	<b>n/m</b>
<b>Net Change in Working Capital</b>	<b>\$ (319,741)</b>	<b>\$ (117,482)</b>	<b>\$ (202,259)</b>	<b>172.2%</b>	<b>\$ (199,973)</b>	<b>\$ 54,961</b>	<b>\$ (254,934)</b>	<b>n/m</b>	<b>\$ 241,670</b>	<b>\$ 441,643</b>	<b>n/m</b>
Working Capital, Beginning of Period	(522,367)				(642,135)						
<b>Working Capital, 6/30/2017</b>	<b>\$ (842,108)</b>				<b>\$ (842,108)</b>						

1) Change in FSS reserve account. Unbudgeted.

**MTW**
**Working Capital Budget vs. Actual Report  
For the Period Ended 6/30/2017**

	Quarter Ended June 30, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
<b>Revenues</b>	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	110,816	100,761	10,055	10.0%	189,401	201,522	(12,121)	(6.0%)	403,043	213,642	47.0%
Section 8 Subsidy from HUD	8,552,949	3,694,273	4,858,676	131.5%	10,611,488	7,797,091	2,814,397	36.1%	13,712,685	3,101,197	77.4%
Other Operating Revenue	15,070	6,972	8,098	116.2%	17,793	13,945	3,848	27.6%	27,890	10,097	63.8%
Non-operating Revenue	229,333	205,776	23,557	11.4%	441,362	417,577	23,785	5.7%	811,012	369,650	54.4%
<b>Total Revenues</b>	<b>8,908,168</b>	<b>4,007,782</b>	<b>4,900,386</b>	<b>122.3%</b>	<b>11,260,045</b>	<b>8,430,135</b>	<b>2,829,910</b>	<b>33.6%</b>	<b>14,954,630</b>	<b>3,694,585</b>	<b>75.3%</b>
<b>Expenses</b>											
Salaries & Benefits	498,480	541,019	(42,539)	(7.9%)	950,315	1,026,614	(76,299)	(7.4%)	2,053,186	1,102,871	46.3%
Routine Maintenance, Utilities, Taxes & Insurance	329	-	329	n/m	329	-	329	n/m	-	(329)	n/m
Direct Social Service Salaries & Benefits	574,906	614,240	(39,334)	(6.4%)	1,095,706	1,140,729	(45,023)	(3.9%)	2,281,454	1,185,748	48.0%
Other Social Service Support Expenses & HAP	1,063,769	1,166,533	(102,764)	(8.8%)	1,674,569	2,041,103	(366,534)	(18.0%)	4,549,591	2,875,022	36.8%
Administrative Support Expenses	121,797	160,093	(38,296)	(23.9%)	212,954	317,389	(104,435)	(32.9%)	701,705	488,751	30.3%
Non-operating Expenses	-	-	-	n/m	-	-	-	n/m	-	-	n/m
<b>Total Expenses</b>	<b>2,259,282</b>	<b>2,481,885</b>	<b>(222,603)</b>	<b>(9.0%)</b>	<b>3,933,873</b>	<b>4,525,835</b>	<b>(591,962)</b>	<b>(13.1%)</b>	<b>9,585,936</b>	<b>5,652,063</b>	<b>41.0%</b>
<b>Net Income</b>	<b>6,648,886</b>	<b>1,525,897</b>	<b>5,122,989</b>	<b>335.7%</b>	<b>7,326,171</b>	<b>3,904,300</b>	<b>3,421,871</b>	<b>87.6%</b>	<b>5,368,694</b>	<b>(1,957,477)</b>	<b>136.5%</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	(53,779)	-	(53,779)	n/m	(61,854)	-	(61,854)	n/m	-	61,854	n/m
Decrease in Restricted/Designated Cash	269,047	452,226	(183,179)	(40.5%)	538,872	904,452	(365,580)	(40.4%)	2,672,540	2,133,668	20.2%
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	4,410,947	126,922	4,284,025	3375.3%	4,618,155	253,844	4,364,311	1719.3%	1,725,871	(2,892,284)	267.6%
Acquisition of Capital Assets	-	(11,411)	11,411	(100.0%)	(30)	(22,773)	22,743	(99.9%)	(252,095)	(252,065)	0.0%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	53,779	-	53,779	n/m	61,854	-	61,854	n/m	-	(61,854)	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>4,679,994</b>	<b>567,737</b>	<b>4,112,257</b>	<b>724.3%</b>	<b>5,156,997</b>	<b>1,135,523</b>	<b>4,021,474</b>	<b>354.2%</b>	<b>4,146,316</b>	<b>(1,010,681)</b>	<b>124.4%</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Transfers Out to Other Funds	(761,078)	(2,681,889)	1,920,811	(71.6%)	(3,717,558)	(5,992,720)	2,275,162	(38.0%)	(10,688,025)	(6,970,467)	34.8%
<b>Net Transfer In/(Out)</b>	<b>(761,078)</b>	<b>(2,681,889)</b>	<b>1,920,811</b>	<b>(71.6%)</b>	<b>(3,717,558)</b>	<b>(5,992,720)</b>	<b>2,275,162</b>	<b>(38.0%)</b>	<b>(10,688,025)</b>	<b>(6,970,467)</b>	<b>34.8%</b>
<b>Net Change in Working Capital</b>	<b>\$ 10,567,802</b>	<b>\$ (588,255)</b>	<b>\$ 11,156,057</b>	<b>n/m</b>	<b>\$ 8,765,610</b>	<b>\$ (952,897)</b>	<b>\$ 9,718,507</b>	<b>n/m</b>	<b>\$ (1,173,015)</b>	<b>\$ (9,938,625)</b>	<b>n/m</b>
Working Capital, Beginning of Period	180,657				1,982,849						
<b>Working Capital, 6/30/2017</b>	<b>\$ 10,748,459</b>				<b>\$ 10,748,459</b>						

- 1) Receiving block grant payments from HUD is a three stage process. First, HUD must issue budget authority to housing authorities, which it does on a periodic basis. Second, cash is advanced to each PHA based on prior year expense levels. Finally, additional cash is requested from HUD when sufficient budget authority exists and KCHA has a need for additional cash. Accordingly, quarterly cash receipts vary.
- 2) Service providers have been slow in billing the Authority. Also, the Highline School District Rapid Rehousing Program was budgeted to incur \$276K of expenses through the 2nd quarter but the Authority has only begun to be billed in June (\$124K). Also, the Flat Rent BPA program was budgeted but will not be implemented in 2017 (\$126K).
- 3) Various categories are under target (Administrative contracts, Professional Services, Software maintenance).
- 4) Releases from collateral reserves were budgeted monthly but actual releases will be booked later in the year.
- 5) Repayment on the MTW internal loan to Greenbridge from lot sale proceeds was budgeted for the 3rd quarter and occurred in the 2nd quarter.
- 6) Transfers from MTW for Capital Construction and Unit Upgrades are below target. In order to draw down an expiring Capital Funds Program grant, CFP funds were used for capital work in lieu of budgeted MTW funds in the 2nd quarter. This practice will be reversed in the 3rd and 4th quarters to catch up to budget. Unit upgrades performed in concert with tenant relocation at Ballinger during the sewer line replacement project are anticipated to occur in the 4th quarter or early 2018 as the project has been delayed.

**Local Properties (KCHA)**  
**Working Capital Budget vs. Actual Report**  
**For the Period Ended 6/30/2017**

	Quarter Ended June 30, 2017				Year-to-Date				2017	Remainder	Percent of
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Annual Budget	to Receive/ Spend	Annual Budget
<b>Revenues</b>											
Tenant Revenue	\$ 14,315,674	\$ 13,514,400	\$ 801,274	5.9%	\$ 28,312,478	\$ 26,878,635	\$ 1,433,843	5.3%	\$ 54,408,530	\$ 26,096,052	52.0%
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	209,443	27,228	182,215	669.2%	452,236	199,671	252,565	126.5%	282,450	(169,786)	160.1%
Non-operating Revenue	137,052	119,320	17,732	14.9%	166,900	226,204	(59,304)	(26.2%)	452,447	285,547	36.9%
<b>Total Revenues</b>	<b>14,662,170</b>	<b>13,660,948</b>	<b>1,001,222</b>	<b>7.3%</b>	<b>28,931,614</b>	<b>27,304,510</b>	<b>1,627,104</b>	<b>6.0%</b>	<b>55,143,427</b>	<b>26,211,813</b>	<b>52.5%</b>
<b>Expenses</b>											
Salaries & Benefits	1,255,601	1,277,728	(22,127)	(1.7%)	2,306,747	2,420,922	(114,175)	(4.7%)	4,847,019	2,540,272	47.6%
Routine Maintenance, Utilities, Taxes & Insurance	3,346,014	3,451,945	(105,931)	(3.1%)	6,505,765	6,804,635	(298,870)	(4.4%)	13,625,863	7,120,098	47.7%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	75,828	81,265	(5,437)	(6.7%)	136,316	162,730	(26,414)	(16.2%)	335,352	199,036	40.6%
Administrative Support Expenses	1,331,546	1,163,716	167,830	14.4%	2,563,346	2,527,529	35,817	1.4%	4,937,533	2,374,187	51.9%
Non-operating Expenses	1,472,459	1,572,634	(100,175)	(6.4%)	2,890,372	3,050,785	(160,413)	(5.3%)	6,300,084	3,409,712	45.9%
<b>Total Expenses</b>	<b>7,481,448</b>	<b>7,547,288</b>	<b>(65,840)</b>	<b>(0.9%)</b>	<b>14,402,546</b>	<b>14,966,601</b>	<b>(564,055)</b>	<b>(3.8%)</b>	<b>30,045,851</b>	<b>15,643,305</b>	<b>47.9%</b>
<b>Net Income</b>	<b>7,180,722</b>	<b>6,113,660</b>	<b>1,067,062</b>	<b>17.5%</b>	<b>14,529,069</b>	<b>12,337,909</b>	<b>2,191,160</b>	<b>17.8%</b>	<b>25,097,576</b>	<b>10,568,507</b>	<b>57.9%</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	(427,906)	(375,633)	(52,273)	13.9%	(819,323)	(1,287,849)	468,526	(36.4%)	(2,047,282)	(1,227,959)	40.0%
Decrease in Restricted/Designated Cash	276,113	450,000	(173,887)	(38.6%)	278,484	450,000	(171,516)	(38.1%)	1,565,000	1,286,516	17.8%
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(7,789,325)	(4,450,872)	(3,338,453)	75.0%	(9,408,972)	(10,973,455)	1,564,483	(14.3%)	(38,957,034)	(29,548,062)	24.2%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	(25,474)	-	(25,474)	n/m	(25,992)	-	(25,992)	n/m	-	25,992	n/m
Change in Other Assets	100	-	100	n/m	100	-	100	n/m	-	(100)	n/m
Change in Deferrals	60,900	-	60,900	n/m	58,807	-	58,807	n/m	-	(58,807)	n/m
Increase in LT Debt	3,399,620	-	3,399,620	n/m	3,399,620	4,473,235	(1,073,615)	(24.0%)	4,473,235	1,073,615	76.0%
(Decrease) in LT Debt	(1,677,715)	(1,568,174)	(109,541)	7.0%	(5,452,318)	(3,106,860)	(2,345,458)	75.5%	(7,807,482)	(2,355,164)	69.8%
Change in Other Liabilities	(27,940)	2,100	(30,040)	n/m	13,141	4,200	8,941	212.9%	8,399	(4,742)	156.5%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	598,265	-	598,265	n/m	596,597	-	596,597	n/m	-	(596,597)	n/m
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(5,613,362)</b>	<b>(5,942,579)</b>	<b>329,217</b>	<b>(5.5%)</b>	<b>(11,359,856)</b>	<b>(10,440,729)</b>	<b>(919,127)</b>	<b>8.8%</b>	<b>(42,765,164)</b>	<b>(31,405,308)</b>	<b>26.6%</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	49,487	49,482	5	0.0%	1,798,973	98,967	1,700,006	1717.8%	197,928	(1,601,045)	908.9%
Transfers Out to Other Funds	(735,051)	(757,924)	22,873	(3.0%)	(1,492,968)	(1,515,846)	22,878	(1.5%)	(3,031,678)	(1,538,710)	49.2%
<b>Net Transfer In/(Out)</b>	<b>(685,565)</b>	<b>(708,442)</b>	<b>22,878</b>	<b>(3.2%)</b>	<b>306,005</b>	<b>(1,416,879)</b>	<b>1,722,884</b>	<b>n/m</b>	<b>(2,833,750)</b>	<b>(3,139,755)</b>	<b>n/m</b>
<b>Net Change in Working Capital</b>	<b>\$ 881,796</b>	<b>\$ (537,361)</b>	<b>\$ 1,419,157</b>	<b>n/m</b>	<b>\$ 3,475,218</b>	<b>\$ 480,301</b>	<b>\$ 2,994,917</b>	<b>623.5%</b>	<b>\$ (20,501,338)</b>	<b>\$ (23,976,556)</b>	<b>n/m</b>
Working Capital, Beginning of Period	(969,710)				(3,563,132)						
<b>Working Capital, 6/30/2017</b>	<b>\$ (87,915)</b>				<b>\$ (87,915)</b>						

- Gain on acquisition of assets from Southwood Square general partner fund. Unbudgeted.
- Home sales, primarily at Vantage Glen, were lower than anticipated in the budget.
- The acquisition of the Southwood Square restricted cash was less than anticipated in the budget.
- \$277K unbudgeted decrease in restricted cash represents the maturing of the Somerset Gardens CD. \$450K of Replacement Reserve s were budgeted to fund the siding project at Walnut Apartments but unrestricted Operating Reserves were used instead.
- Various maintenance work at various properties that depends on unit turnover (decks, carpets, doors and cabinets) is under ta rget (\$913K) as turnover has been less than anticipated while other projects (Carpentry, Paving) are expected to catch up later in the year (\$824K).
- Debt transferred from Southwood Square was less than anticipated in the budget.
- Made unbudgeted line of credit payments related to Village at South Station (\$650K) and Abbey Ridge (\$1.7 Million) to free up borrowing capacity
- Southwood Square equity transferred from Fund Group 9 to Fund Group 7 as part of partnership exit.
- Funds originally budgeted to be transferred from the Overlake General Partner fund to the COCC were instead transferred to th is fund group in order to pay down the Abbey Ridge line-of-credit (\$1.7M).

**Local Properties (Other)**  
**Working Capital Budget vs. Actual Report**  
**For the Period Ended 6/30/2017**

	Quarter Ended June 30, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
<b>Revenues</b>											
Tenant Revenue	\$ 164,858	\$ 170,500	\$ (5,642)	(3.3%)	\$ 332,061	\$ 341,000	\$ (8,939)	(2.6%)	\$ 682,000	\$ 349,939	48.7%
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	26,043	42,261	(16,218)	(38.4%)	55,151	89,705	(34,554)	(38.5%)	149,753	94,602	36.8%
Non-operating Revenue	137,865	137,399	466	0.3%	275,408	274,799	609	0.2%	549,596	274,188	50.1%
<b>Total Revenues</b>	<b>328,766</b>	<b>350,160</b>	<b>(21,394)</b>	<b>(6.1%)</b>	<b>662,620</b>	<b>705,504</b>	<b>(42,884)</b>	<b>(6.1%)</b>	<b>1,381,349</b>	<b>718,729</b>	<b>48.0%</b>
<b>Expenses</b>											
Salaries & Benefits	46,496	43,202	3,294	7.6%	88,339	81,387	6,952	8.5%	162,763	74,424	54.3%
Routine Maintenance, Utilities, Taxes & Insurance	82,433	74,906	7,527	10.0%	153,164	137,594	15,570	11.3%	293,490	140,326	52.2%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Administrative Support Expenses	23,617	26,602	(2,985)	(11.2%)	53,271	53,188	83	0.2%	109,829	56,558	48.5%
Non-operating Expenses	50,157	90,408	(40,251)	(44.5%)	140,175	180,819	(40,644)	(22.5%)	361,637	221,462	38.8%
<b>Total Expenses</b>	<b>202,702</b>	<b>235,118</b>	<b>(32,416)</b>	<b>(13.8%)</b>	<b>434,949</b>	<b>452,988</b>	<b>(18,039)</b>	<b>(4.0%)</b>	<b>927,719</b>	<b>492,770</b>	<b>46.9%</b>
<b>Net Income</b>	<b>126,064</b>	<b>115,042</b>	<b>11,022</b>	<b>9.6%</b>	<b>227,670</b>	<b>252,516</b>	<b>(24,846)</b>	<b>(9.8%)</b>	<b>453,630</b>	<b>225,960</b>	<b>50.2%</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	(6,168)	(6,951)	783	(11.3%)	(13,126)	(13,902)	776	(5.6%)	(27,804)	(14,678)	47.2%
Decrease in Restricted/Designated Cash	-	-	-	n/m	-	-	-	n/m	50,000	50,000	0.0%
(Increase) in LT Receivables	(48,060)	(44,859)	(3,201)	7.1%	(96,120)	(89,719)	(6,401)	7.1%	(179,438)	(83,318)	53.6%
Decrease in LT Receivables	-	-	-	n/m	115,404	115,404	-	0.0%	115,404	-	100.0%
Acquisition of Capital Assets	(30,671)	(31,000)	329	(1.1%)	(50,885)	(45,800)	(5,085)	11.1%	(124,000)	(73,115)	41.0%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	(525)	-	(525)	n/m	(775)	-	(775)	n/m	-	775	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	(386,000)	-	(386,000)	n/m	(200,000)	186,000	193.0%
Change in Other Liabilities	50,157	50,158	(1)	(0.0%)	(15,090)	(15,085)	(5)	0.0%	85,233	100,323	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(35,267)</b>	<b>(32,652)</b>	<b>(2,615)</b>	<b>8.0%</b>	<b>(446,592)</b>	<b>(49,102)</b>	<b>(397,490)</b>	<b>809.5%</b>	<b>(280,605)</b>	<b>165,987</b>	<b>159.2%</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Transfers Out to Other Funds	-	(91,281)	91,281	(100.0%)	-	(91,281)	91,281	(100.0%)	(91,281)	(91,281)	0.0%
<b>Net Transfer In/(Out)</b>	<b>-</b>	<b>(91,281)</b>	<b>91,281</b>	<b>(100.0%)</b>	<b>-</b>	<b>(91,281)</b>	<b>91,281</b>	<b>(100.0%)</b>	<b>(91,281)</b>	<b>(91,281)</b>	<b>0.0%</b>
<b>Net Change in Working Capital</b>	<b>\$ 90,797</b>	<b>\$ (8,891)</b>	<b>\$ 99,688</b>	<b>n/m</b>	<b>\$ (218,921)</b>	<b>\$ 112,133</b>	<b>\$ (331,054)</b>	<b>n/m</b>	<b>\$ 81,744</b>	<b>\$ 300,665</b>	<b>n/m</b>
Working Capital, Beginning of Period	544,241				853,959						
<b>Working Capital, 6/30/2017</b>	<b>\$ 635,038</b>				<b>\$ 635,038</b>						

- 1) A reimbursement from the YWCA for unit rehabilitation expenses was budgeted for 2017 but was fully accrued in 2016.
- 2) 2nd quarter interest expense on the New Market Tax Credit line-of-credit was paid in July.
- 3) Wonderland Estates pay down of the KeyBank LOC. Unbudgeted.
- 4) \$91K of excess cash was budgeted to be transferred to the COCC from Valley Park in the 2nd quarter but is now planned for the 4th quarter.

**Local Properties Tax Credit GP**  
**Working Capital Budget vs. Actual Report**  
**For the Period Ended 6/30/2017**

	Quarter Ended June 30, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
<b>Revenues</b>	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ (1,230)	\$ -	\$ (1,230)	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	-	-	-	n/m	264,101	35,822	228,279	637.3%	35,822	(228,279)	737.3%
Non-operating Revenue	629,387	573,142	56,245	9.8%	1,439,496	1,122,068	317,428	28.3%	2,268,343	828,847	63.5%
<b>Total Revenues</b>	<b>628,157</b>	<b>573,142</b>	<b>55,015</b>	<b>9.6%</b>	<b>1,703,598</b>	<b>1,157,890</b>	<b>545,708</b>	<b>47.1%</b>	<b>2,304,165</b>	<b>600,567</b>	<b>73.9%</b>
<b>Expenses</b>											
Salaries & Benefits	17,524	39,163	(21,639)	(55.3%)	74,263	73,318	945	1.3%	146,628	72,365	50.6%
Routine Maintenance, Utilities, Taxes & Insurance	468	2,092	(1,624)	(77.6%)	1,440	4,209	(2,769)	(65.8%)	8,500	7,060	16.9%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	34	-	34	n/m	48	-	48	n/m	-	(48)	n/m
Administrative Support Expenses	108,668	89,290	19,378	21.7%	219,902	179,454	40,448	22.5%	366,986	147,084	59.9%
Non-operating Expenses	272,272	168,625	103,647	61.5%	541,326	380,782	160,544	42.2%	718,033	176,707	75.4%
<b>Total Expenses</b>	<b>398,966</b>	<b>299,170</b>	<b>99,796</b>	<b>33.4%</b>	<b>836,978</b>	<b>637,763</b>	<b>199,215</b>	<b>31.2%</b>	<b>1,240,147</b>	<b>403,169</b>	<b>67.5%</b>
<b>Net Income</b>	<b>229,192</b>	<b>273,972</b>	<b>(44,780)</b>	<b>(16.3%)</b>	<b>866,619</b>	<b>520,127</b>	<b>346,492</b>	<b>66.6%</b>	<b>1,064,018</b>	<b>197,399</b>	<b>81.4%</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	(5,280)	-	(5,280)	n/m	(260,605)	-	(260,605)	n/m	(200,000)	60,605	130.3%
Decrease in Restricted/Designated Cash	-	-	-	n/m	1,700,000	500,000	1,200,000	240.0%	500,000	(1,200,000)	340.0%
(Increase) in LT Receivables	(695,419)	(291,832)	(403,587)	138.3%	(13,170,000)	(15,502,890)	2,332,890	(15.0%)	(14,516,171)	(1,346,171)	90.7%
Decrease in LT Receivables	4,311,706	32,288	4,279,418	13253.9%	17,634,762	18,283,412	(648,650)	(3.5%)	31,947,987	14,313,225	55.2%
Acquisition of Capital Assets	-	-	-	n/m	1,266	-	1,266	n/m	-	(1,266)	n/m
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	(1,082,088)	(1,082,088)	0.0%
Change in Deferrals	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Increase in LT Debt	-	-	-	n/m	3,019,620	-	3,019,620	n/m	-	(3,019,620)	n/m
(Decrease) in LT Debt	(3,399,620)	-	(3,399,620)	n/m	(18,524,620)	(17,176,898)	(1,347,722)	7.8%	(34,023,275)	(15,498,655)	54.4%
Change in Other Liabilities	2,931	2,932	(1)	(0.0%)	5,862	5,863	(1)	(0.0%)	11,725	5,863	50.0%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	(574,999)	-	(574,999)	n/m	(574,999)	(20,735)	(554,264)	2673.1%	(20,735)	554,264	2773.1%
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(360,682)</b>	<b>(256,612)</b>	<b>(104,070)</b>	<b>40.6%</b>	<b>(10,168,714)</b>	<b>(13,911,248)</b>	<b>3,742,534</b>	<b>(26.9%)</b>	<b>(17,382,557)</b>	<b>(7,213,843)</b>	<b>58.5%</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	1,141,000	-	1,141,000	n/m	1,141,000	-	1,141,000	n/m	2,948,855	1,807,855	38.7%
Transfers Out to Other Funds	(55,342)	-	(55,342)	n/m	(1,755,342)	(1,600,000)	(155,342)	9.7%	(9,010,710)	(7,255,368)	19.5%
<b>Net Transfer In/(Out)</b>	<b>1,085,658</b>	<b>-</b>	<b>1,085,658</b>	<b>n/m</b>	<b>(614,342)</b>	<b>(1,600,000)</b>	<b>985,658</b>	<b>(61.6%)</b>	<b>(6,061,855)</b>	<b>(5,447,513)</b>	<b>10.1%</b>
<b>Net Change in Working Capital</b>	<b>\$ 954,168</b>	<b>\$ 17,360</b>	<b>\$ 936,808</b>	<b>5396.4%</b>	<b>\$ (9,916,437)</b>	<b>\$ (14,991,121)</b>	<b>\$ 5,074,684</b>	<b>(33.9%)</b>	<b>\$ (22,380,394)</b>	<b>\$ (12,463,957)</b>	<b>44.3%</b>
Working Capital, Beginning of Period	7,141,988				18,012,592						
<b>Working Capital, 6/30/2017</b>	<b>\$ 8,096,156</b>				<b>\$ 8,096,156</b>						

- Due to unbudgeted Spiritwood weatherization grant funds.
- Distribution from Overlake net operating income deposited into the Interest Stabilization account was higher than anticipated in the budget resulting in higher than anticipated fees.
- Southwood Square bond interest payment was inadvertently not budgeted.
- Deposit into Overlake Interest Stabilization account. Unbudgeted.
- Draw from Overlake Stabilization account to pay down the Key bank line-of-credit was higher than anticipated in the budget.
- Draws from KCHA subordinate loan to the Corinthian and Spiritwood Tax Credit Partnerships was less than expected in the budget. \$2.5M was budgeted to be loaned to the Corinthian tax credit partnership from the general partner fund in order to make a payment on a line-of-credit; however, as a \$3 million loan from King County for Corinthian was received, this internal loan is no longer needed.
- Unbudgeted draw of \$3 Million from Key Bank line-of-credit to pay off the Southwood Square bonds.
- Spiritwood Line-of-Credit payment (\$740K) and transfer of Southwood Square liabilities to Fund Group 7 (\$2.3M) were greater than anticipated in the budget. This variance was offset by a payment on the Corinthian LOC (referenced in footnote #6) being postponed from the 2nd quarter to later in the year (\$1.6M).
- Southwood Square equity transferred from Fund Group 9 to Fund Group 7 as part of partnership exit.
- \$2.9M of COCC funding of the Corinthian subordinate loan was budgeted to be transferred in the 4th quarter. However, \$1.1M of this amount was transferred in June.

**Local-Development**  
**Working Capital Budget vs. Actual Report**  
**For the Period Ended 6/30/2017**

	Quarter Ended June 30, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
<b>Revenues</b>											
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	13,551	-	13,551	n/m	19,801	-	19,801	n/m	3,000	(16,801)	660.0%
Non-operating Revenue	95,720	31,779	63,941	201.2%	132,392	(88,877)	221,269	n/m	(63,225)	(195,617)	n/m
<b>Total Revenues</b>	<b>109,272</b>	<b>31,779</b>	<b>77,493</b>	<b>243.8%</b>	<b>152,194</b>	<b>(88,877)</b>	<b>241,071</b>	<b>n/m</b>	<b>(60,225)</b>	<b>(212,419)</b>	<b>n/m</b>
<b>Expenses</b>											
Salaries & Benefits	169,935	119,112	50,823	42.7%	314,456	222,909	91,547	41.1%	445,810	131,354	70.5%
Routine Maintenance, Utilities, Taxes & Insurance	(329)	-	(329)	n/m	-	-	-	n/m	200,000	200,000	0.0%
Direct Social Service Salaries & Benefits	-	-	-	n/m	1,646	-	1,646	n/m	-	(1,646)	n/m
Other Social Service Support Expenses & HAP	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Administrative Support Expenses	69,310	5,286	64,024	1211.2%	97,325	69,074	28,251	40.9%	313,951	216,626	31.0%
Non-operating Expenses	107	-	107	n/m	205	-	205	n/m	50,000	49,795	0.4%
<b>Total Expenses</b>	<b>239,024</b>	<b>124,398</b>	<b>114,626</b>	<b>92.1%</b>	<b>413,631</b>	<b>291,983</b>	<b>121,648</b>	<b>41.7%</b>	<b>1,009,761</b>	<b>596,130</b>	<b>41.0%</b>
<b>Net Income</b>	<b>(129,752)</b>	<b>(92,619)</b>	<b>(37,133)</b>	<b>40.1%</b>	<b>(261,437)</b>	<b>(380,860)</b>	<b>119,423</b>	<b>(31.4%)</b>	<b>(1,069,986)</b>	<b>(808,549)</b>	<b>24.4%</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	(227,463)	(347,738)	120,275	(34.6%)	(742,276)	(380,476)	(361,800)	95.1%	(452,989)	289,287	163.9%
Decrease in Restricted/Designated Cash	40,632	-	40,632	n/m	106,398	-	106,398	n/m	71,032	(35,366)	149.8%
(Increase) in LT Receivables	(206)	-	(206)	n/m	(4,776)	-	(4,776)	n/m	-	4,776	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(528,148)	(432,339)	(95,809)	22.2%	(818,493)	(1,225,827)	407,334	(33.2%)	(1,951,992)	(1,133,499)	41.9%
Disposition of Capital Assets	3,819,980	12,023	3,807,957	31672.3%	4,305,566	505,479	3,800,087	751.8%	4,017,434	(288,132)	107.2%
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	(15,000)	-	(15,000)	n/m	(15,000)	-	(15,000)	n/m	-	15,000	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	(3,116,832)	453,198	(3,570,030)	n/m	(2,872,754)	953,804	(3,826,558)	n/m	(1,690,917)	1,181,837	169.9%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(27,037)</b>	<b>(314,856)</b>	<b>287,819</b>	<b>(91.4%)</b>	<b>(41,335)</b>	<b>(147,020)</b>	<b>105,685</b>	<b>(71.9%)</b>	<b>(7,432)</b>	<b>33,903</b>	<b>556.2%</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	-	325,000	(325,000)	(100.0%)	513,740	325,000	188,740	58.1%	325,000	(188,740)	158.1%
Transfers Out to Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
<b>Net Transfer In/(Out)</b>	<b>-</b>	<b>325,000</b>	<b>(325,000)</b>	<b>(100.0%)</b>	<b>513,740</b>	<b>325,000</b>	<b>188,740</b>	<b>58.1%</b>	<b>325,000</b>	<b>(188,740)</b>	<b>158.1%</b>
<b>Net Change in Working Capital</b>	<b>\$ (156,789)</b>	<b>\$ (82,475)</b>	<b>\$ (74,314)</b>	<b>90.1%</b>	<b>\$ 210,967</b>	<b>\$ (202,880)</b>	<b>\$ 413,847</b>	<b>n/m</b>	<b>\$ (752,418)</b>	<b>\$ (963,385)</b>	<b>n/m</b>
Working Capital, Beginning of Period	2,476,180				2,108,424						
<b>Working Capital, 6/30/2017</b>	<b>\$ 2,319,392</b>				<b>\$ 2,319,392</b>						

- 1) Seola Gardens lot sales price participation was higher than anticipated in the budget.
- 2) The Greenbridge and Seola Gardens staff salary and benefits were budgeted evenly throughout the year. Fewer salary and benefits costs were attributed to projects and, in turn, capitalized than the budget anticipated which resulted in a greater amount of salary and benefits expense. Capital activity is expected to increase as the year progresses which should enable the budget to catchup.
- 3) Legal services related to Park Place Apartments. Unbudgeted.
- 4) Interest from HOPE VI grant proceeds loaned to the various partnerships is transferred to the Development fund and was greater than anticipated in the budget. Additions to restricted cash from lot sale profit participation also exceeded budget.
- 5) Greenbridge lot development project costs were less than anticipated in the budget but are expected to increase.
- 6) Sale of Greenbridge lots to Connor Homes and related payment on MTW loan from sale proceeds were budgeted for the 3rd quarter but occurred in the 2nd quarter.
- 7) Interest from HOPE VI grant proceeds loaned to the various partnerships is transferred to the Development fund, and was greater than anticipated in the budget.



**Local-Other Funds**  
**Working Capital Budget vs. Actual Report**  
**For the Period Ended 6/30/2017**

	Quarter Ended June 30, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
<b>Revenues</b>	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	547,765	498,063	49,702	10.0%	936,229	996,127	(59,898)	(6.0%)	1,992,254	1,056,025	47.0%
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	1,718,796	1,340,639	378,157	28.2%	2,836,441	2,569,112	267,329	10.4%	6,338,421	3,501,980	44.7%
Non-operating Revenue	36,805	22,627	14,178	62.7%	71,673	48,529	23,144	47.7%	83,966	12,293	85.4%
<b>Total Revenues</b>	<b>2,303,367</b>	<b>1,861,329</b>	<b>442,038</b>	<b>23.7%</b>	<b>3,844,343</b>	<b>3,613,768</b>	<b>230,575</b>	<b>6.4%</b>	<b>8,414,641</b>	<b>4,570,298</b>	<b>45.7%</b>
<b>Expenses</b>											
Salaries & Benefits	318,813	379,111	(60,298)	(15.9%)	554,118	711,768	(157,650)	(22.1%)	1,423,513	869,395	38.9%
Routine Maintenance, Utilities, Taxes & Insurance	2,862	2,878	(16)	(0.6%)	6,186	5,859	327	5.6%	11,817	5,631	52.3%
Direct Social Service Salaries & Benefits	31,606	16,172	15,434	95.4%	45,610	30,032	15,578	51.9%	60,062	14,452	75.9%
Other Social Service Support Expenses & HAP	1,076,560	1,178,741	(102,181)	(8.7%)	1,956,270	2,257,101	(300,831)	(13.3%)	4,821,050	2,864,780	40.6%
Administrative Support Expenses	71,065	39,283	31,782	80.9%	93,018	63,702	29,316	46.0%	133,552	40,534	69.6%
Non-operating Expenses	53	261,015	(260,962)	(100.0%)	53	527,187	(527,134)	(100.0%)	1,033,745	1,033,692	0.0%
<b>Total Expenses</b>	<b>1,500,958</b>	<b>1,877,200</b>	<b>(376,242)</b>	<b>(20.0%)</b>	<b>2,655,254</b>	<b>3,595,649</b>	<b>(940,395)</b>	<b>(26.2%)</b>	<b>7,483,739</b>	<b>4,828,485</b>	<b>35.5%</b>
<b>Net Income</b>	<b>802,408</b>	<b>(15,871)</b>	<b>818,279</b>	<b>n/m</b>	<b>1,189,088</b>	<b>18,119</b>	<b>1,170,969</b>	<b>6462.7%</b>	<b>930,902</b>	<b>(258,186)</b>	<b>127.7%</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in Restricted/Designated Cash	3,632,723	2,624,949	1,007,774	38.4%	5,691,344	5,238,034	453,310	8.7%	10,476,065	4,784,721	54.3%
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(3,632,624)	(2,625,009)	(1,007,615)	38.4%	(5,691,246)	(5,238,154)	(453,092)	8.6%	(10,476,305)	(4,785,059)	54.3%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	48,880	-	48,880	n/m	48,880	-	48,880	n/m	-	(48,880)	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	(141,102)	(105,901)	(35,201)	33.2%	(328,684)	(211,802)	(116,882)	55.2%	(423,605)	(94,921)	77.6%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	145,340	-	145,340	n/m	-	(145,340)	n/m
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(92,124)</b>	<b>(105,961)</b>	<b>13,837</b>	<b>(13.1%)</b>	<b>(134,366)</b>	<b>(211,922)</b>	<b>77,556</b>	<b>(36.6%)</b>	<b>(423,845)</b>	<b>(289,479)</b>	<b>31.7%</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	298,973	332,834	(33,861)	(10.2%)	521,767	665,669	(143,902)	(21.6%)	1,331,338	809,571	39.2%
Transfers Out to Other Funds	(1,298,973)	(332,834)	(966,139)	290.3%	(1,521,767)	(665,669)	(856,098)	128.6%	(1,331,338)	190,429	114.3%
<b>Net Transfer In/(Out)</b>	<b>(1,000,000)</b>	<b>-</b>	<b>(1,000,000)</b>	<b>n/m</b>	<b>\$ (1,000,000)</b>	<b>\$ -</b>	<b>\$ (1,000,000)</b>	<b>n/m</b>	<b>-</b>	<b>1,000,000</b>	<b>n/m</b>
<b>Net Change in Working Capital</b>	<b>(289,715)</b>	<b>(121,832)</b>	<b>(167,883)</b>	<b>137.8%</b>	<b>54,723</b>	<b>(193,803)</b>	<b>248,526</b>	<b>n/m</b>	<b>\$ 507,057</b>	<b>\$ 452,334</b>	<b>10.8%</b>
Working Capital, Beginning of Period	7,804,588				7,460,150						
<b>Working Capital, 6/30/2017</b>	<b>7,514,872</b>				<b>\$ 7,514,872</b>						

- Weatherization program salary expenses were less than target due to two unfilled positions. In addition, two Gates Foundation Grant financed positions were unfilled through the second quarter, although one was filled in July.
- Variance due to slow spending on the HHS and BPA grants. The grant draws are under target due to timing as the funds remain available until September 30.
- The EPC MTW loan interest is capitalized as project cost instead of being expensed as budgeted.
- Interest was accrued for only two months before the first quarterly payment was made on the MTW internal loan to EPC project which resulted in a higher than budgeted amount being applied to the principal balance.
- Prior period entry to adjust the 2016 EPC loan interest
- \$1M of cash was transferred to Egis (KCHA) from the EPC fund to finance elevator replacement. Unbudgeted.

## COCC

Working Capital Budget vs. Actual Report  
For the Period Ended 6/30/2017

	Quarter Ended June 30, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
<b>Revenues</b>	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	2,859,476	3,321,703	(462,227)	(13.9%)	5,889,248	6,254,304	(365,056)	(5.8%)	12,073,476	6,184,228	48.8%
Non-operating Revenue	515,506	474,356	41,150	8.7%	1,009,300	948,725	60,575	6.4%	1,897,441	888,141	53.2%
<b>Total Revenues</b>	<b>3,374,982</b>	<b>3,796,059</b>	<b>(421,077)</b>	<b>(11.1%)</b>	<b>6,898,548</b>	<b>7,203,029</b>	<b>(304,481)</b>	<b>(4.2%)</b>	<b>13,970,917</b>	<b>7,072,369</b>	<b>49.4%</b>
<b>Expenses</b>											
Salaries & Benefits	2,959,788	3,150,720	(190,932)	(6.1%)	5,556,507	5,905,762	(349,255)	(5.9%)	11,808,965	6,252,458	47.1%
Routine Maintenance, Utilities, Taxes & Insurance	511,441	512,398	(957)	(0.2%)	937,187	963,078	(25,891)	(2.7%)	1,926,496	989,309	48.6%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	8,349	-	8,349	n/m	8,466	-	8,466	n/m	-	(8,466)	n/m
Administrative Support Expenses	599,496	789,716	(190,220)	(24.1%)	1,103,199	1,576,359	(473,160)	(30.0%)	3,462,481	2,359,282	31.9%
Non-operating Expenses	190,432	188,049	2,383	1.3%	377,235	376,097	1,138	0.3%	752,193	374,958	50.2%
<b>Total Expenses</b>	<b>4,269,506</b>	<b>4,640,883</b>	<b>(371,377)</b>	<b>(8.0%)</b>	<b>7,982,593</b>	<b>8,821,296</b>	<b>(838,703)</b>	<b>(9.5%)</b>	<b>17,950,135</b>	<b>9,967,542</b>	<b>44.5%</b>
<b>Net Income</b>	<b>(894,524)</b>	<b>(844,824)</b>	<b>(49,700)</b>	<b>5.9%</b>	<b>(1,084,045)</b>	<b>(1,618,267)</b>	<b>534,222</b>	<b>(33.0%)</b>	<b>(3,979,218)</b>	<b>(2,895,173)</b>	<b>27.2%</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	-	-	-	n/m	(19,467)	(9,000)	(10,467)	116.3%	(18,000)	1,467	108.1%
Decrease in Restricted/Designated Cash	-	6,249	(6,249)	(100.0%)	-	12,498	(12,498)	(100.0%)	25,000	25,000	0.0%
(Increase) in LT Receivables	(1,217,361)	(878,492)	(338,869)	38.6%	(1,461,439)	(1,397,286)	(64,153)	4.6%	(2,495,993)	(1,034,554)	58.6%
Decrease in LT Receivables	304,347	607,885	(303,538)	(49.9%)	468,821	808,664	(339,843)	(42.0%)	3,699,090	3,230,269	12.7%
Acquisition of Capital Assets	(85,025)	(873)	(84,152)	9639.4%	(160,383)	(169,746)	9,363	(5.5%)	(171,490)	(11,107)	93.5%
Disposition of Capital Assets	5,757	-	5,757	n/m	8,774	-	8,774	n/m	-	(8,774)	n/m
Change in Suspense	136,924	-	136,924	n/m	27,973	-	27,973	n/m	-	(27,973)	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	(225,000)	(225,000)	-	0.0%	(450,000)	(450,000)	-	0.0%	(900,000)	(450,000)	50.0%
Change in Other Liabilities	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	18,517	-	18,517	n/m	18,517	-	18,517	n/m	-	(18,517)	n/m
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(1,061,841)</b>	<b>(490,231)</b>	<b>(571,610)</b>	<b>116.6%</b>	<b>(1,567,205)</b>	<b>(1,204,870)</b>	<b>(362,335)</b>	<b>30.1%</b>	<b>138,607</b>	<b>1,705,812</b>	<b>n/m</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	790,393	849,205	(58,812)	(6.9%)	1,555,973	3,207,127	(1,651,154)	(51.5%)	12,133,669	10,577,696	12.8%
Transfers Out to Other Funds	(1,542,721)	(533,737)	(1,008,984)	189.0%	(2,209,964)	(1,882,905)	(327,059)	17.4%	(5,444,190)	(3,234,226)	40.6%
<b>Net Transfer In/(Out)</b>	<b>(752,328)</b>	<b>315,468</b>	<b>(1,067,796)</b>	<b>n/m</b>	<b>(653,991)</b>	<b>1,324,222</b>	<b>(1,978,213)</b>	<b>n/m</b>	<b>6,689,479</b>	<b>7,343,470</b>	<b>n/m</b>
<b>Net Change in Working Capital</b>	<b>\$ (2,708,693)</b>	<b>\$ (1,019,587)</b>	<b>\$ (1,689,106)</b>	<b>165.7%</b>	<b>\$ (3,305,241)</b>	<b>\$ (1,498,915)</b>	<b>\$ (1,806,326)</b>	<b>120.5%</b>	<b>\$ 2,848,868</b>	<b>\$ 6,154,109</b>	<b>n/m</b>
Working Capital, Beginning of Period	33,775,480				34,372,027						
<b>Working Capital, 6/30/2017</b>	<b>\$ 31,066,787</b>				<b>\$ 31,066,787</b>						

1) Various categories are under target (i.e. administrative contracts, agency wire training, professional services)

2) Greenbridge Homesight internal loan payment was budgeted to be received in June but is now expected later in the year

3) Excess cash of \$1.6 million was budgeted to be transferred from Overlake to the COCC; instead \$1.7 million was transferred to a different fund group to pay down the Abbey Ridge LOC.

4) Transfers to fund the Hidden Village envelope upgrade project are expected to catch up as the year progresses.

# T A B N U M B E R



**TO:** Board of Commissioners

**FROM:** Tim Baker, Senior Management Analyst

**DATE:** August 15, 2017

**RE:** **Second Quarter CY 2017 Procurement Report**

---

In order to update the Board concerning KCHA's procurement activities, staff is presenting the attached Quarterly Procurement Report. This report covers all procurement activities from April through June 2017 that involved the award of contracts valued over the amount of \$100,000 and change orders that have cumulatively exceeded 10% of the original or not to exceed contract amount.

**Awarded Contracts Over \$100,000:**

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

In the first quarter, there were 25 contracts awarded and valued at more than \$100,000, representing 97% of the contracts executed in the quarter. The largest contract executed for construction work was for \$2,181,680 awarded to Pacific West for the Northridge building envelope project.

The three largest non-construction contracts executed were for six-year, \$1 million procurements for geotechnical services. KCHA has maintained a roster of A&E firms and in this quarter there was a need to procure firms to join the roster. Task orders are written on these contracts, and are limited to \$75,000 each. A&E contracts are "on-call", meaning there is no guarantee of any work to any firm.

The Board may note several sole source type contracts on this listing. Whenever a procurement receives a single bid, staff will determine whether it is in the best interest of KCHA to accept this bid, or re-bid. The factors which might be considered include:

- Price offered in relationship to pre-bid estimates

- Rationales offered by contractors solicited, but who did not bid. These generally include availability of other, non-public work; challenging construction environment such as in occupied units; and, seasonality creating a demand for goods such as asphalt.
- Vendors who are uniquely qualified for the work. Julie Badger, for example, has already created significant portions of KCHA's Tenmast User Guide, and Housing Management believed that she could finish the project most economically and in conformance with existing documents. The YWCA is already located at Greenbridge and had initially been procured in concert with grant applications.

Of note, beginning with this quarter, staff will be using an additional category to describe a procurement process. Cooperative purchasing ("co-op purchase") is allowed by Federal and State laws and gives KCHA the option to "piggyback" on to other governmental agencies' procurement processes. KCHA may then enter directly into a contract with those companies that have been procured by other agencies or purchasing groups. This process makes administration much simpler; however, procuring departments must still verify that pricing and services are cost effective. Three such contracts were entered into in the second quarter.

**Contract Change Orders Exceeding 10%:**

KCHA's internal procedures require heightened oversight and review once a contract has incurred change orders valued at more than 10% of the original contract amount. The change order (CO) section of the report includes the issuing department, contract type, company awarded the contract, the original amount awarded, as well as the number of change orders, the amounts of the total change orders to date expressed both in dollars and percentages above the original contract value, and notes about the procurement.

Per the Board's request, this section was divided between change orders issued in response to unforeseen field conditions or expanded project scopes, and change orders which were foreseen at the time the initial contract was let (primarily through contract extensions on multi-year contracts). The not-to-exceed total for the "foreseen" change order section is the projected total amount of the contract once all the foreseen change orders are completed.

There were two "field condition" changes or "scope change" orders on contracts whose total value had exceeded 10% of the initial contract amount. The largest one was \$250,000 and was issued to CGI for asbestos abatement work. Although the Not-to-Exceed for this contract was already \$500,000, the initial contract was for three years and \$250,000, with additional years to be added for up to another \$250,000. The abatement work for the EPC project caused the contract funds to be expended at a higher rate than anticipated within those first three years. The not to exceed (NTE) remains unchanged. Similarly the spend rate for HVAC services

accelerated beyond the original contract cap and additional funds were added before the first contract term expired.

There were two anticipated change orders involving the extension of the contract as allowed in the original contract. They were issued by the Resident Services Department for education initiative projects.

**April-June 2017 (Second Quarter)**

## April-June 2017 (Second Quarter)

### Awarded Contracts Over \$100,000

Issuing Department	Contract type	Contract Awarded to	Estimate/Budget Amount	Initial Contract Amount	NTE with extensions	Procurement Process	# of bids	Notes
Asset Management	Timberwood exterior painting	Mattila Painting	\$187,869	\$181,555	\$181,555	sealed bid	6	Contractor has performed many successful projects for KCHA
Asset Management	A&E services	Innova	\$743,380	\$404,000	\$404,000	RFQ	6	Firm merged with another one (ORB) that had completed many KCHA projects
Asset Management	Greenbridge exterior painting	Pete Almond Development	\$368,229	\$412,007	\$412,007	sealed bid	4	Contractor has performed many successful projects for KCHA
Asset Management	Asphalt replacement at multiple sites	NW Asphalt	\$507,317	\$475,854	\$475,854	sealed bid	1	Contractor has performed many successful projects for KCHA; extremely competitive construction market limits bidder interest
Asset Management	Plaza 17 elevator replacement	RC Zeigler	\$692,847	\$706,103	\$706,103	sealed bid	1	Contractor has performed many successful projects for KCHA; extremely competitive construction market limits bidder interest
Capital Construction	Kings Court envelope upgrades	Libby Builders	\$1,306,837	\$997,500	\$997,500	sealed bid	3	Contractor has performed many successful projects for KCHA
Capital Construction	geotechnical engineering services	GeoDesign	\$1,000,000	\$1,000,000	\$1,000,000	RFQ	4	Prior consultant for KCHA; part of the A&E roster
Capital Construction	geotechnical engineering services	GeoEngineers	\$1,000,000	\$1,000,000	\$1,000,000	RFQ	4	Prior consulatant for KCHA; part of the A&E roster
Capital Construction	geotechnical engineering services	Amec Foster Wheeler	\$1,000,000	\$1,000,000	\$1,000,000	RFQ	4	New consultant for KCHA; part of the A&E roster
Capital Construction	Firwood Circle building envelope	American West	\$1,488,777	\$1,289,000	\$1,289,000	sealed bid	2	Contractor has performed many successful projects for KCHA
Capital Construction	Northridge building envelope upgrades	Pacific West	\$2,289,021	\$2,181,680	\$2,181,680	sealed bid	2	New contractor for KCHA
Communications	Videography services	Feliks Banel	\$180,000	\$180,000	\$180,000	RFP	1	Consultant has provided prior video services & has valued experience in PNW history telling
HOPE VI	Wind Rose electrical service	Seattle City Light	\$216,000	\$216,000	\$216,000	sole source	n/a	SCL is the sole provider for electrical service in this area
HOPE VI	Greenbridge water infrastructure	Water District 45	\$643,000	\$643,000	\$643,000	sole source	n/a	WD 45 is the sole provider for water service in this area
Housing Management	technical writing services	Julie Badger	\$140,000	\$140,000	\$140,000	sole source	n/a	Consultant has completed majority of the work to date as KCHA employee
Housing Management-maint	painting supplies	Home Depot	\$115,000	\$115,000	\$500,000	co-op purchase	n/a	Contractor hired from US Communities cooperative purchasing
Housing Management-maint	electrical services	VECA	\$195,000	\$195,000	\$500,000	RFP	1	New contractor for KCHA; extremely competitive construction market limits bidder interests
Housing Management-maint	fire alarm and suppression services	Simplex Grinnell	\$250,000	\$250,000	\$1,000,000	co-op purchase	n/a	Contractor hired from the State of WA cooperative purchasing
Housing Management-maint	tree services	Gray Owl	\$292,000	\$292,000	\$584,000	RFP	1	Contractor has provided tree services for the last 6 years; extremely competitive construction market limits bidder interests
Housing Management-maint	elevator maintenance and repair	Eltec	\$500,000	\$500,000	\$1,000,000	co-op purchase	n/a	Contractor hired from the State of WA cooperative purchasing
Resident Services	Greenbridge workforce development programs	YWCA	\$192,889	\$192,889	\$1,200,000	sole source	n/a	The Y is deeply integrated into the facilities being used & has on site staff & maintains the current client case load
Resident Services	interpretation & translation services	Dynamic Language	\$225,000	\$225,000	\$225,000	RFP	4	Firm has been KCHA provider the last 6 years; woman owned company
Resident Services	moving services	Reliable Movers	\$300,000	\$300,000	\$300,000	RFP	2	Vendor has provided moving services for the last 6 years
Resident Services	moving services	Eco-Movers	\$300,000	\$300,000	\$300,000	RFP	2	New vendor for KCHA
Weatherization	King Court ductless heat pump installs	UCONS	\$128,933	\$104,267	\$104,267	sealed bid	3	Contractor has performed many successful projects for KCHA
Totals			\$14,262,099	\$13,300,855	\$16,539,966			

### Contracts exceeding 10% cumulative change order-Condition Changes

Issuing Department	Contract type	Contract awarded to		Initial Contract Amount/NTE*	Change Order Amount & No. This Quarter	Total Contract Value to Date	*% of NTE	Notes (Current Quarter Change Orders)
Housing Management-maint	asbestos abatement & removal	CGI		\$500,000	\$250,000 (1)	\$500,000	100%	contract funds expended at a higher rate than expected due to EPC project; increased task order limit allowed by policy
Housing Management-maint	HVAC servicing & repair	TRS Mechanical		\$500,000	\$150,000 (1)	\$400,000	80%	20 additional sites needed quarterly maintenance due to staff limitations; expended funds higher than expected
			Totals	\$1,000,000		\$900,000		

### Contracts with contract extensions or other foreseen change orders

Issuing Department	Contract type	Contract awarded to		NTE*	Change Order Amount & No. This Quarter	Current Contract Value	% of NTE*	Notes (Current Quarter Change Orders)
Resident Services	Education and employment services	Bellevue Community College		\$538,000	\$90,000 (1)	\$178,000	33%	1st contract extension
Resident Services	community choice program counseling	Hopelink		\$349,621	\$75,000 (2)	\$349,621	100%	last extension to the contract
Totals				\$887,621		\$527,621		

**\*NTE = Not To Exceed**

T  
A  
B

N  
U  
M  
B  
E  
R

5





# King County Housing Authority

**TO:** Board of Commissioners

**FROM:** Linda Riley, Controller

**DATE:** August 8, 2017

**RE:** 2nd Quarter 2017 Summary Write-Offs

For the 2nd quarter of 2017, 18 accounts were written off with a total balance of \$28,988, compared to \$23,594 in the same period last year. Out of the 18 accounts, four large accounts totaling \$21,245 accounted for 73% of the total write-offs. 62% of the amounts written off are for damage and cleaning charges. Property Management staff continue to aggressively collect outstanding balances from residents who have vacated their units and left either outstanding rent balances and/or significant cleaning and damage charges. We expect this trend to continue for the foreseeable future. A breakdown for accounts written off is listed below.

The net collections remitted from our collection agency are \$4,104 or approximately \$694 less than this period last year.

	<b>Total WRITE-OFFS</b>	<b>YTD WRITE-OFFS</b>
Rent Balance Forward to Vacate Month	\$ 13,266.01	\$ 22,679.14
Retro Rent Write-offs	\$ -	\$ 986.97
<b><u>VACATE CHARGES:</u></b>		
Rent Delinquent in Vacate Month	1,348.06	4,618.66
Cleaning & Damages	17,967.89	34,928.74
Paper Service & Court Costs	-	1,979.47
Miscellaneous Charges	639.44	1,606.44
Total Charges	19,955.39	43,133.31
Total All Charges	33,221.40	66,799.42
<b><u>CREDITS:</u></b>		
Security Deposits	(2,911.00)	(5,236.00)
Miscellaneous Payments & Credits	(1,322.00)	(3,165.00)
Total Credits	(4,233.00)	(8,401.00)
<b>Total Net Write-offs</b>	<b>\$ 28,988.40</b>	<b>\$ 58,398.42</b>
<b>Net Write-offs by Portfolio</b>		
KCHA	25,483.01	40,788.79
Green River	458.50	1,368.97
Green River II	544.72	5,026.73
Egis	30.20	2,364.17
Soosette Creek	1,829.90	2,703.00
Zephyr	-	-
Fairwind	-	-
Vantage Point	-	5,504.69
Spiritwood Manor	642.07	642.07
	<b>\$ 28,988.40</b>	<b>\$ 58,398.42</b>

**Write-off and Collection Summary  
2015 - 2017**

<b>NET WRITE-OFFS</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>
January to March	29,410.02	23,434.99	15,702.57
April to June	28,988.40	23,594.38	6,936.09
July to September		39,776.14	13,136.18
October to December		38,819.29	5,492.73
<b>TOTAL</b>	<b>58,398.42</b>	<b>125,624.80</b>	<b>41,267.57</b>

<b>NET COLLECTIONS</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>
January to March	3,757.85	6,130.40	2,141.47
April to June	4,104.25	4,798.56	1,709.91
July to September		2,098.53	490.48
October to December		1,996.72	1128.87
<b>TOTAL</b>	<b>7,862.10</b>	<b>15,024.21</b>	<b>5,470.73</b>

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

# T A B N U M B E R

6



**To:** Board of Commissioners

**From:** Craig Violante, Director of Finance

**Date:** August 15, 2017

**Re:** **Midyear CY 2017 Budget Reforecast**

---

## **EXECUTIVE SUMMARY**

The Board adopted the Calendar Year 2017 Operating and Capital Budget (“2017 budget”) via Resolution No. 5559 on December 19, 2016. As a budget is a plan based a set of assumptions that don’t always match actual results during the execution phase, it is prudent to review the plan and make adjustments, so that the plan is consistent with revised expectations.

This 2017 Midyear Financial Forecast includes several adjustments resulting in a combined projected cash balance at December 31, 2017 of \$153.4 million, a net increase of \$4.3 million or 2.9% from the initial \$149.1 million forecast. This increase is due to a \$3.9 million adjustment in beginning cash balances plus \$370,000 in aggregated other changes.

Net Income is forecast to remain essentially unchanged from the original budget at \$39.2 million. Excluding the effects of changes to both port-in income and port-in HAP expense which net to zero, revenues rise from \$295.7 million to \$299.2 million while expenses increase from \$256.4 million to \$259.8 million, resulting in an overall increase in Net Income of only \$35,000. The changes to both operating income and expense are fully discussed in the Federal Funding and Expenditures section below.

## **Background**

The Midyear Financial Forecast provides the Board with an overall synopsis of the changes in the current and near-term fiscal outlook for KCHA in relation to the Authority’s adopted 2017 budget. Reported changes are limited to those with an aggregate financial impact of \$1 million or greater, those affecting Moving to Work (MTW) that have an aggregate impact of \$500,000 or greater, and other changes significant enough to include even though neither dollar threshold is met. The format on the following page is presented in lieu of the standard working capital format as cash basis is a better tool for providing a short-term expenditure analysis.

Midyear CY 2017 Budget Reforecast  
August 21, 2017 KCHA Special Board Meeting  
Page 2 of 4

Changes to the approved number of employee full-time equivalents (FTEs) are also included in this report to the Board, but are not included in the fiscal projection as their inclusion would not materially impact the forecast.

## SUMMARY OF FORECASTED CHANGES IN CASH BALANCES

The following table shows forecasted changes from the adopted budget for the MTW program, the Central Office Cost Center (COCC), and the remainder of KCHA's operations. The MTW funds reflect changes in our HUD-based operations while the COCC reflects changes in overhead-type balances. Major changes and comments follow in the Financial Forecast Highlights section below.

	MTW	COCC	Other Programs	Total
<b>Original Projected Cash Balances at 12/31/2017</b>				
Unrestricted	-	29,197,651	25,860,718	55,058,370
Designated & Program Restricted	(228,713)	10,054,146	54,458,296	64,283,729
Restricted	9,715,100	6,800	16,632,898	26,354,799
Set-aside to pay short-term debt	-	-	3,366,658	3,366,658
<i>Projected cash at 12/31/2017, adopted 2017 budget</i>	9,486,387	39,258,598	100,318,571	149,063,555
<b>2017 Midyear Adjustments</b>				
Adjustments in beginning cash balances	\$3,214,843	\$6,058,093	(\$5,324,484)	\$3,948,452
Increase in Block Grant for Section 8 Subsidy	2,713,030	0	0	2,713,030
Increase in Other Section 8 Subsidy	0	0	612,276	612,276
Increase in HAP expense & FSS	(2,909,000)	0	(381,000)	(3,290,000)
Increase in Port-In Income	0	0	2,750,000	2,750,000
Increase in Port-In HAP expense	0	0	(2,750,000)	(2,750,000)
Greenbridge lot sale proceeds to pay down MTW loan	2,317,818	(2,317,818)	0	0
Corinthian Subordinate Loan partially financed by King County TOD loan	0	2,948,855	(2,948,855)	0
Egis elevator upgrades budgeted twice	0	0	1,000,000	1,000,000
Overlake cash transferred to Abbey Ridge to pay down line of credit balance	0	(1,600,000)	(100,000)	(1,700,000)
Fairwind, Zephyr and Vantage Pt subsidy receipts administrative budget adj.	0	0	1,036,000	1,036,000
<i>Total Projected Adjustments</i>	5,336,691	5,089,130	(6,106,063)	4,319,758
<b>Revised Forecast of Cash Balance, 12/31/17</b>				
Unrestricted	-	34,814,918	12,017,954	46,832,872
Designated & Program Restricted	3,705,681	9,532,810	59,058,322	72,296,813
Restricted	11,117,396	-	19,883,985	31,001,381
Set-aside to pay short-term debt	-	-	3,252,247	3,252,247
<i>Revised Projected cash at 12/31/2017</i>	\$14,823,077	\$44,347,728	\$94,212,508	\$153,383,313

## FINANCIAL FORECAST HIGHLIGHTS

### Changes to Cash

#### ***Federal Funding and Expenditures***

KCHA received an unexpected 2.6% inflation adjustment for the Housing Choice Voucher (HCV) program, while the prorate came in exactly as budgeted-97%. As a result, 2017 block grant revenue will be \$2.7 million higher than budgeted, while

special-purpose voucher funding will exceed budget by \$612,000. Actual 2017 HCV funding is at 99.9% of 2016 levels.

Through midyear 2017, HUD has been using a Public Housing prorate of 92.4%, while the budget assumed 86%. However, the original 2017 Operating Fund Subsidy budget was over-stated due to a technical error; as the two essentially cancel each other out, there is no change in the midyear projection.

Housing Assistance Payments made to Section 8 landlords, on behalf of program participants, is projected to be approximately \$3.3 million higher than originally projected; as the average per unit cost (PUC) throughout the first six months has exceeded budget projections by nearly \$39 per voucher. This variance is due in part to program participants moving to higher payments standards sooner than originally anticipated in the budget and in part to the continued rapid rise in area rental rates.

### ***Greenbridge Lot Sales***

While \$3.5 million was projected in the original budget for the sale of raw land at Greenbridge, actual proceeds were \$3.7 million. This cash was originally to be used to partially pay off internal loans from both the Moving To Work (MTW) program and the Central Office Cost Center, but a mid-year decision was made to direct the proceeds exclusively to the MTW loan. As a result, a mid-year adjustment of \$2.3 million between MTW and the COCC has been included.

### ***Corinthian TOD LLLP Subordinate Loan***

In the 2017 budget, it was projected that the COCC would transfer \$2.9 million to the KCHA Corinthian general partner fund, which would in turn make a subordinate loan to the Corinthian Partnership. Upon the award of an approximately \$3 million loan of Transit-Oriented-Development (TOD) funds from the County, the transfer from the COCC is being removed.

### ***Egis Elevator Upgrades***

Funding of \$1.0 million in elevator upgrades at three Egis properties (Plaza Seventeen, Munro Manor and Paramount House) will now come from proceeds of Energy Performance Contracts (EPC) debt issuance instead of the Egis exit tax reserves. This mid-year adjustment reduces the amount of construction work showing on EPC's books by \$1 million as the construction project will instead appear on the books of the Egis partnership. Although there is no impact on EPC's cash position at year end, overall KCHA cash increases by \$1.0 million as the planned reserve draw will not occur.

### ***Operating Subsidy at Low Income House Tax Credit (LIHTC) Public Housing Properties***

KCHA forwards Public Housing Operating Fund Subsidies received from HUD onto certain LIHTC partnerships, that own public housing properties. During the budget process, it was calculated that KCHA would send the owners of Fairwind, Zephyr and Vantage Point \$1,036,000. These amounts were inadvertently omitted from the final

budget. As a result, a mid-year adjustment is necessary to correct this oversight. All actual payments to the partnerships have occurred as scheduled.

***Abbey Ridge Line of Credit Payment***

The original budget included a receipt of \$1.6 million of excess cash from the Overlake TOD Housing Limited Partnership and was to be transferred to the COCC. Instead, \$1.7 million was declared excess and was instead transferred to the Abbey Ridge fund to pay down a portion of the Key Bank line of credit. A mid-year adjustment shows the \$1.6 million that was not deposited to the COCC and an additional \$100,000 that was transferred from KCHA to fund the additional line of credit payment.

**APPROVED CHANGES TO STAFFING LEVELS**

Although the mid-year forecast has not quantified or included the following personnel changes in the fiscal outlook due to materiality, these modifications are presented as they help provide clarity regarding staffing needs:

- The Asset Management Department hired a Property Manager and a Property Specialist to manage the Wonderland Estates Mobile Home Park in Renton. Previously managed by a third-party management company, their decision to exit their contract afforded KCHA the opportunity to move management in-house. As Wonderland Estates is owned by an outside entity under the New Market Tax Credit program, its budget is excluded from KCHA's. However, it is expected that Wonderland will be transferred back to KCHA ownership near the end of 2018. The overall impact upon Wonderland Estate's operating budget is expected to be negligible.
- Resident Services Department hired two unbudgeted Long Term Temporary Resident Services Coordinators in May. These positions are funded by an increase in funding from HUD's Resident Opportunities and Self Sufficiency (ROSS) Grant Program. In addition, employment for the budgeted Short-Term Temporary 504 Coordinator is extended for the second half of the year.

In summary, the Authority added two new regular positions, two grant-funded temporary positions, and extended the employment for one temporary position, bringing the total full-time employees (FTE) count of the Authority to 405.5.

T  
A  
B

N  
U  
M  
B  
E  
R

7





**TO:** Board of Commissioners

**FROM:** Dan Watson, Deputy Executive Director

**DATE:** August 16, 2017

**RE:** **Mid-Year CY 2017 Capital Expenditure Report**

---

This report provides a detailed summary of construction related capital expenditures through July 31, 2017.

The total amount budgeted in 2017 for capital construction projects planned and managed by various KCHA departments is \$45,105,864. The actual construction related capital expenditures to date are \$16,574,411 or 37% of the 2017 budget. A summary of expenditures to date in 2017 is as follows:

Dept.	Project Category	No. of projects	2017 Budget	2017 YTD Expenditures	% Expended
Construction	Public Housing	12	\$8,115,639	\$2,542,854	31%
Construction	509 Properties	4	\$1,426,916	\$505,837	35%
Construction	Other	2	\$2,031,351	\$1,821,414	90%
	<b>Subtotal</b>	<b>18</b>	<b>\$11,573,906</b>	<b>\$4,870,105*</b>	<b>42%</b>
HOPE VI	Seola Gardens	1	\$123,000**	\$49,378	40%
HOPE VI	Greenbridge land dev.	1	\$1,123,394	\$620,439	55%
HOPE VI	Wind Rose	1	\$75,820	\$51,518	68%
HOPE VI	Retail TI	1	\$541,641	\$5,796	1%
	<b>Subtotal</b>	<b>4</b>	<b>\$1,863,855</b>	<b>\$727,131</b>	<b>39%</b>
Asset Mgmt.	Bond Properties	29	\$4,902,250	\$1,100,457	22%
Asset Mgmt.	Tax Credit Prop.	9	\$1,461,100	\$193,026	13%
Asset Mgmt.	Nike/Vantage Glen	4	\$197,000	\$94,000	48%
Asset Mgmt.	Other unbudgeted	2	-	\$358,216	-
	<b>Subtotal</b>	<b>44</b>	<b>\$6,560,350</b>	<b>\$1,745,699</b>	<b>27%</b>
Housing Mgmt.	Unit Upgrades	150	\$3,916,279	\$1,997,302	51%
Housing Mgmt.	Small repairs	189	\$3,697,389	\$1,770,581	48%
Housing Mgmt.	EPC	n/a	\$17,494,185	\$5,463,593	31%
	<b>Subtotal</b>	<b>247</b>	<b>\$25,107,853</b>	<b>\$9,231,476</b>	<b>37%</b>
<b>All</b>	<b>Total Construction</b>		<b>\$45,105,964</b>	<b>\$16,574,411</b>	<b>37%</b>

\* Does not include \$1.3 million in weatherization funds spent to date on KCHA buildings

\*\* Expenditures not capitalized for accounting purposes due to project closeout in 2016

## Overall Construction Progress

Most scheduled projects have been, or are on track to be completed by year end and overall spending as a percent of budget (37%) at mid-year is consistent with past years. It should be noted that the year to date spending amount is heavily influenced by the EPC project which was never expected to fully expend its remaining budget in 2017. Excluding the EPC, brings the overall YTD expenditure rate to 40% which compares favorably to past years. Also, some projects are just now starting and expenditures will not occur until to 3<sup>rd</sup> or 4<sup>th</sup> quarter of 2017 such as the tenant improvements for the retail space at Nia which has a budget of \$541,641, the \$706,103 Egis Plaza 17 Elevator Replacement project, and the \$388,000 Woodland North Building Envelope project. Other projects have been delayed until 2018 due to poor bid conditions such as the \$450,000 Newporter plumbing project that received only 1 bid that was 20% over the Engineer's Estimate. Other projects have been cancelled such as the \$150,000 Villages at South Station fire alarm upgrade project where the current fire alarm was determined to be adequate after further consultation and review.

## Capital Construction

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

Of the 18 projects planned for 2017, 13 involve construction activity while the remainder involve design and scope development for projects where construction will start in 2018 or 2019. Major completed projects include:

Project	Project Cost
Burndale Homes Envelope Upgrade	\$1,115,752
Evergreen Court Envelope Upgrade	\$129,510
Hidden Village Envelope Upgrades	\$1,721,243

Major projects currently out to bid or under construction include:

- Ballinger Homes Water Line Replacement
- Cascade Apartments Water Line Replacement
- Firwood Circle Envelope Upgrades
- Kings Court Envelope Upgrades
- Kirkland Place Structural Repair
- Northridge I & II Envelope Upgrades
- Valli Kee Site Improvements Phase II

Projects in design for construction in 2018 or 2019 include:

- Casa Juanita Roof Replacement
- College Place Envelope Upgrades
- Eastridge House Roof Replacement

### Projected vs. Planned Expenditures in 2017

The Capital Construction department expects to expend the 2017 budget by year end, barring unforeseen delays in the remaining projects. The Ballinger Homes Waste and Waterline project has been redesigned so that the waste lines will be lined, rather than excavated and replaced, which will mitigate the impact on residents and minimize resident relocation costs. That work and the roof replacement at Kirkland Place will likely be carried over into 2018. Weatherization funds are being spent at Burndale Homes, Firwood Circle and Kings Court in conjunction with the envelope upgrades. To date in 2017, \$1.3M in weatherization funds have been spent at KCHA-owned properties, allowing for either reductions in KCHA's capital expenditures or opportunities to increase scopes of work.

### **HOPE VI**

HOPE VI's budget for 2017 is \$1,863,855 for Greenbridge and Seola Gardens. Project progress in 2017 is highlighted by the following:

- Greenbridge West Bulk Parcel 5b: In June, KCHA sold Greenbridge Property 5b for \$3,787,500 to Conner Homes. Construction of site infrastructure by Conner Homes on Property 5b is currently under way to support 2 single family and 78 multifamily market rate homes.
- Nia Retail Tenant Improvements: Staff recently executed a lease with an optometry clinic allowing the TI work to begin in August.
- Windrose Bulk Parcel: Permits for the Windrose infrastructure are in final review with King County with issuance of permits expected in the 3<sup>rd</sup> or 4<sup>th</sup> quarter of 2017. Once issued, KCHA can proceed with a land offering to private developers and homebuilders, which will allow construction on the infrastructure and related single family homes to potentially begin in the spring of 2018.
- HomeSight Phase 3: The HomeSight Phase 3 affordable homeownership project is being split into 2 phases. Three of the five lots for HomeSight 3 are planned to start construction in September of this year. Two large lots on 8<sup>th</sup> Avenue in Greenbridge originally planned for HomeSight 3 are being reevaluated and may be subdivided into 3 or more lots and developed for other purposes.
- Bulk Parcels 9,10, 11: Engineering for Parcels 9, 10 and 11 located along the west side of 4<sup>th</sup> Ave SW resulted in permit applications being submitted to King County and developer extension documents being submitted to franchise utility agencies. Expected issuance of permits and developer extension agreements for Property 9, 10, 11 is the fall of 2018.
- 4<sup>th</sup> Ave SW Street Improvements: \$620,000 in grant funds has been appropriated for the project as a part of the State transportation budget. Another appropriation for approximately \$1,200,000 is confirmed to be in the State Capital budget which has not yet been approved by the legislature. These state funds will flow through the State Department of Transportation to the King County Roads Division.

## Mid-Year CY 2017 Capital Expenditure Report

August 21, 2017 KCHA Board Meeting

Page 4 of 6

- **2017 Home Sales:** Sale of homes at Seola Gardens by Richmond American Homes and at Greenbridge by BDR resulted in closing 14 home sales so far in 2017. KCHA realized \$282,982 in profit participation revenue for the homes sold. Richmond American Homes completed the final 108<sup>th</sup> home sale at Seola Gardens in May of 2017.
- **Seola Gardens:** Supplemental street improvement and warranty work was completed in the first half of the year. Speed limit signage, crosswalks, and stop signs were approved by King County Department of Transportation and installed at the site. Sidewalk failures and driveway crack failures were removed and replaced reducing tripping hazards.

### Asset Management

The Asset Management department has a three person construction management staff that typically oversees smaller repair jobs such as roof replacement, siding replacement, deck repairs, painting, asphalt/concrete repair, plumbing upgrades and similar repairs and replacements within the Asset Management department portfolios.

In 2017, Asset Management budgeted \$6,560,350 for typical repair and upgrade projects. \$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. Major projects that are underway or already completed are as follows:

Project	Estimated Project Costs
<b>Bond Program</b>	
Auburn Square Roof	\$88,924
Cascadian Asphalt	\$88,729
Cascadian Plumbing	\$312,369
Fairwood Asphalt	\$91,080
Gilman Square Asphalt	\$50,606
Gilman Square Roof	\$96,006
Meadows on Lea Hill Asphalt	\$49,337
Newporter Asphalt	\$53,637
Parkwood Windows	\$80,650
Timberwood Exterior Painting	\$187,869
Villages at South Station Roof	\$65,840
Walnut Park Building Envelope	\$1,066,100
Windsor Heights Asphalt	\$87,550
Woodland North Building Envelope	\$388,000
<b>Home Ownership Program</b>	
Nike Roof	\$94,000
Nike Siding	
<b>Tax Credit</b>	
Egis Elevator - Plaza 17	\$706,103
Egis Elevator Design Services	\$99,800
Eastbridge Ext Paint	\$198,278
Nia Ext Paint	\$76,393
Salmon Creek Ext Paint	\$137,336
<b>Non Budgeted Items</b>	
Highland Village A&E	\$264,000
Somerset Gardens A&E	\$140,000

Other major projects, that are currently being bid out that are expected to be substantially complete in 2018 are:

- Abbey Ridge Storm System Repair - \$100,000
- Woodside East Pool Renovations- \$50,000
- Vantage Glen Storm Water and Asphalt Repairs \$50,000

#### Projected vs. Planned Expenditures in 2017

Asset Management expects to spend approximately 65% of its capital budget in 2017 with the shortfall primarily due to changes in schedule, cost, or the scope of needed work. Examples include:

- The \$150,000 fire alarm system upgrade at the Villages at South Station was cancelled when it was determined that the current system was adequate.
- \$120,000 in pool repairs at Somerset Gardens and emergency improvements at Highland Village were deferred to 2018 to be included in the full tax credit financed renovations of both properties.
- The \$450,000 Newporter plumbing replacement project was deferred until next year after receiving only one bid that was 20% above the Engineer's Estimate. The project will be rebid in late fall when bid conditions are expected to be more competitive.
- Small projects budgeted for Carriage House, Woodridge Park, Vantage Glen, Fairwind and Zephyr totaling \$236,000 are being reevaluated and postponed until 2018.
- The contract for the \$706,000 Egis Plaza 17 Elevator Upgrade project has been executed but the start of work has been delayed due to lack of immediately available elevator parts.
- A \$500,000 line item for miscellaneous repairs and upgrades at Abbey Ridge was a placeholder budget that could be used as KCHA become more familiar with a new property. Immediate needs were not as great as feared, with only \$100,000 being spent on upgrading the storm drainage to remove standing water that collects around the site particularly in the building crawlspaces.
- The low bid for the Woodland North Building Envelope came in at \$388,000 which \$162,000 below the budgeted amount.

#### **Housing Management**

The unit upgrade crew has completed interior upgrades in 79 units and is on pace to reach the budgeted goal of 150 units. In addition, housing management also completed 97 of the originally planned 189 small projects. Examples of small projects completed or underway include:

- Catch basin cleaning at multiple sites
- Window replacements
- Exterior 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

Housing management expects to fully expend its entire \$7,613,668 budget for unit upgrades and small projects by year end.

The budgeted Energy Performance Contract (EPC) work in 2017 is managed by Johnson Controls Inc. (JCI) and has seen steady progress with 31% of the budget for energy conservation measures (ECMs) and related professional services spent to date. An additional \$5 million in measures and professional services is expected to be completed in 2017 bringing the budget expenditure percentage up to 60% by year end, with the remaining \$7 million in measures to be completed in 2018. Of this \$7 million, approximately \$5 million will be for additional EPC work, outside of the JCI contract, that is owner controlled and managed. KCHA EPC staff is in the process of identifying the exact ECMs to be added to KCHA public housing, but will likely consist of additional DHPs, elevator upgrades and water line replacements.

# T A B N U M B E R

8



**TO:** Board of Commissioners

**From:** Dan Landes, Senior Development Manager

**Date** August 15, 2017

**Re: Briefing on the development of Somerset Gardens and the Highland Village Apartments**

---

At the August 21, 2017 Board Meeting the Development Staff will brief the Board on the status of the Somerset Gardens and Highland Village projects. Somerset Gardens was originally acquired by KCHA and syndicated as a Low-Income Housing Tax Credit project in 2000. KCHA exited the original tax credit partnership in 2015, and will be resyndicating the project to a new investor in order to finance the rehabilitation of the units and allow for the conversion of some smaller units into 3-BR apartments.

Highland Village was acquired by KCHA in 2016, with assistance from the City of Bellevue, King County and Washington State. KCHA will be syndicating the project with a Low-Income Housing Tax Credit investor, which will provide financing to rehabilitate existing units and add new units. Both projects are targeted to close with investors in December 2017.