



**SPECIAL
MEETING OF THE
BOARD OF COMMISSIONERS**

September 18, 2017 at 8:30 a.m.

Briarwood Apartments
Community Room
18026 Midvale Avenue N.
Shoreline, WA 98133

*****REVISED***
A G E N D A**

- I. Call to Order**
- II. Roll Call**
- III. Approval of Agenda**
- IV. Consent Agenda**
 - A. Voucher Certification Reports for July 2017 **1**
 - B. **Resolution No. 5567:** Authorizing the Executive Director to enter into an Interlocal Agreement with the University of Washington for Professional Services related to Elevator Design **2**
- V. Resolutions for Discussion & Possible Action**
 - A. **Resolution No. 5568:** Authorizing a change in the Administrative Pay Schedule of 3.2% effective November 11, 2017 **3**
- VI. Approval of Minutes**
 - A. Board Meeting Minutes – August 21, 2017 **4**
- VII. Welcome to Briarwood Apartments**
- VIII. Public Comment**

IX. Briefings & Reports

- A. Second Quarter CY 2017 Executive Dashboard Report **5**
- B. Draft 2018 Moving to Work Plan **6**
- C. Resource Management Plan Final Year Report (2011-2016) and 2017
Environmental Sustainability Plan Initiatives Update **7**

X. Study Session: Homeless Housing Initiatives & Strategy **8**

XI. Executive Director Report

XII. KCHA in the News

XIII. Commissioner Comments

XIV. Adjournment

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Board Coordinator, Jessica Olives, in writing at 600 Andover Park West, Seattle, WA 98188 or by calling 206-574-1194 prior to the meeting date.

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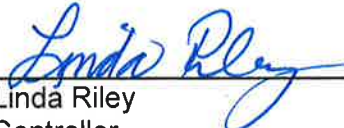
To: Board of Commissioners

From: Linda Riley, Controller

Date: August 28, 2017

Re: **VOUCHER CERTIFICATION FOR JULY 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
August 28, 2017

Bank Wires / ACH Withdrawals	1,331,266.61
<i>Subtotal</i>	<i>1,331,266.61</i>
Accounts Payable Vouchers	
Key Bank Checks - #310638-#311102	4,250,064.34
Tenant Accounting Checks - #10412-#10428	4,944.65
Commerce Bank Direct Payment	68,584.47
<i>Subtotal</i>	<i>4,323,593.46</i>
Payroll Vouchers	
Checks - #90525-#90532 & #90548-#90579	40,719.82
Direct Deposit	1,356,198.21
<i>Subtotal</i>	<i>1,396,918.03</i>
Section 8 Program Vouchers	
Checks - #618416-#618737	193,602.36
ACH - #387972-#390709	11,860,871.76
<i>Subtotal</i>	<i>12,054,474.12</i>
Purchase Card / ACH Withdrawal	198,049.40
<i>Subtotal</i>	<i>198,049.40</i>
GRAND TOTAL	<i>19,304,301.62</i>

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

FROM: Wen Xu

SUBJECT: VOUCHER CERTIFICATION FOR JULY 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
September 13, 2017

Property Jul-17	Wired to Operating Account(s) for Obligations of Property			Notes:
	Date	\$	Claim	
Bellepark East	7/5/2017	\$13,290.39	A/P & Payroll	
	7/12/2017	\$16,353.86	A/P	
	7/20/2017	\$56,541.13	A/P & Payroll	
	7/26/2017	\$7,632.92	A/P	
Colonial Gardens	7/5/2017	\$8,032.07	A/P & Payroll	
	7/12/2017	\$4,645.64	A/P	
	7/20/2017	\$10,244.36	A/P & Payroll	
	7/26/2017	\$9,850.47	A/P	
Cottonwood	7/5/2017	\$9,392.48	A/P & Payroll	
	7/12/2017	\$3,110.95	A/P	
	7/20/2017	\$8,409.61	A/P & Payroll	
	7/26/2017	\$11,637.07	A/P	
Cove East	7/5/2017	\$23,429.80	A/P & Payroll	
	7/12/2017	\$5,554.89	A/P	
	7/20/2017	\$16,302.21	A/P & Payroll	
	7/26/2017	\$7,050.90	A/P	
Landmark	7/5/2017	\$16,633.39	A/P & Payroll	
	7/12/2017	\$8,572.38	A/P	
	7/20/2017	\$69,412.64	A/P & Payroll	
	7/26/2017	\$17,322.54	A/P	
Timberwood	7/5/2017	\$97,611.42	A/P & Payroll	
	7/12/2017	\$44,101.63	A/P	
	7/20/2017	\$40,182.54	A/P & Payroll	
	7/26/2017	\$5,908.28	A/P	
Woodland North	7/5/2017	\$8,189.36	A/P & Payroll	
	7/12/2017	\$12,907.22	A/P	
	7/20/2017	\$11,163.68	A/P & Payroll	
	7/26/2017	\$7,081.29	A/P	
Woodside East	7/5/2017	\$16,075.34	A/P & Payroll	
	7/12/2017	\$60,132.31	A/P	
	7/20/2017	\$28,023.22	A/P & Payroll	
	7/26/2017	\$4,948.51	A/P	
Alpine Ridge	7/13/2017	\$4,811.38	A/P & Payroll	
	7/27/2017	\$7,130.46	A/P & Payroll	
Arbor Heights	7/13/2017	\$24,890.58	A/P & Payroll	
	7/27/2017	\$18,050.11	A/P & Payroll	
Aspen Ridge	7/13/2017	\$11,545.99	A/P & Payroll	
	7/27/2017	\$29,979.55	A/P & Payroll	
Auburn Square	7/13/2017	\$50,198.67	A/P & Payroll	
	7/27/2017	\$39,206.22	A/P & Payroll	
Carriage House	7/13/2017	\$20,297.63	A/P & Payroll	
	7/27/2017	\$43,276.87	A/P & Payroll	
Cascadian	7/6/2017	\$23,914.52	A/P	
	7/13/2017	\$91,158.38	A/P & Payroll	
	7/20/2017	\$32,078.94	A/P	
	7/27/2017	\$59,184.69	A/P & Payroll	
Fairwood	7/13/2017	\$34,444.95	A/P & Payroll	
	7/27/2017	\$38,228.20	A/P & Payroll	
Heritage Park	7/13/2017	\$28,788.22	A/P & Payroll	
	7/27/2017	\$16,287.94	A/P & Payroll	
Laurelwood	7/13/2017	\$22,564.66	A/P & Payroll	
	7/27/2017	\$21,366.44	A/P & Payroll	
Meadows	7/13/2017	\$9,499.87	A/P & Payroll	
	7/27/2017	\$18,655.67	A/P & Payroll	
Newporter	7/13/2017	\$56,810.77	A/P & Payroll	
Overlake TOD	7/13/2017	\$155,096.71	A/P & Payroll	
	7/27/2017	\$53,721.24	A/P & Payroll	
Parkwood	7/13/2017	\$39,339.34	A/P & Payroll	
	7/27/2017	\$31,022.16	A/P & Payroll	
Somerset East	7/13/2017	\$20,552.37	A/P & Payroll	
	7/27/2017	\$11,888.90	A/P & Payroll	
Somerset West	7/13/2017	\$26,092.88	A/P & Payroll	
	7/27/2017	\$15,328.47	A/P & Payroll	

<u>Southwood Square</u>	7/13/2017	\$18,496.31	A/P & Payroll	
	7/27/2017	\$16,225.94	A/P & Payroll	
<u>Walnut Park</u>	7/13/2017	\$53,097.91	A/P & Payroll	
	7/27/2017	\$31,423.19	A/P & Payroll	
<u>Windsor Heights</u>	7/6/2017	\$12,870.23	A/P	
	7/13/2017	\$40,867.01	A/P & Payroll	
	7/27/2017	\$57,702.31	A/P & Payroll	
<u>Woodridge Park</u>	7/13/2017	\$88,235.64	A/P & Payroll	
	7/20/2017	\$9,884.16	A/P	
	7/27/2017	\$58,762.62	A/P & Payroll	
<u>Gilman Square</u>	7/12/2017	\$24,162.86	A/P & Payroll	
	7/26/2017	\$27,446.25	A/P & Payroll	
<u>Meadowbrook</u>	7/12/2017	\$31,271.69	A/P & Payroll	
	7/26/2017	\$24,015.56	A/P & Payroll	
<u>Villages at South Station</u>	7/12/2017	\$77,283.52	A/P & Payroll	
	7/26/2017	\$54,730.86	A/P & Payroll	
<u>Rainier View I</u>	7/6/2017	\$10,182.42	A/P	
	7/13/2017	\$8,094.72	A/P	
	7/20/2017	\$7,805.55	A/P	
	7/27/2017	\$1,973.87	A/P	
<u>Rainier View II</u>	7/6/2017	\$6,590.39	A/P	
	7/13/2017	\$7,309.42	A/P	
	7/20/2017	\$4,815.19	A/P	
	7/27/2017	\$430.79	A/P	
<u>Si View</u>	7/6/2017	\$4,145.70	A/P	
	7/13/2017	\$2,042.87	A/P	
	7/20/2017	\$7,516.50	A/P	
	7/27/2017	\$831.42	A/P	
<u>Abbey Ridge</u>	7/13/2017	\$58,080.08	A/P & Payroll	
	7/27/2017	\$24,276.02	A/P & Payroll	
<u>Highland Village</u>	7/13/2017	\$17,018.46	A/P & Payroll	
	7/27/2017	\$6,884.39	A/P & Payroll	
<u>Vashon Terrace</u>	7/13/2017	\$8,329.79	A/P	
Portfolio Total:		\$2,517,960.94		

T A B N U M B E R



TO: Board of Commissioners

FROM: Connie Davis, Deputy Executive Director

DATE: September 12, 2017

RE: **Resolution No. 5567: Authorizing the Executive Director to enter into an Interlocal Agreement with the University of Washington for Professional Services related to Elevator Design**

Executive Summary

Resolution No. 5567 authorizes the Executive Director to enter into an Intergovernmental Cooperative Agreement with the University of Washington (UW). This will allow KCHA to “piggyback” on procurement for professional services with the Greenbusch Group, Inc. for the purpose of modernizing elevators at a number of the high rise buildings in KCHA’s Energy Performance Contract (“EPC”). The cost of this elevator design work will be paid for from the EPC project.

Background

The opportunity to work with the UW to procure professional services from Greenbusch for elevator design comes at a key moment. Many of the elevators at the EPC properties are over forty years old and are experiencing higher maintenance costs and more frequent breakdowns. With the restructuring of cash flows within the EPC this summer, KCHA will have the additional funds needed to begin making elevator upgrades in 2018. However, the design work must be completed, and funds for construction committed, by the end of 2017 in order close out EPC documentation with HUD. The extremely tight deadline for elevator design can be met using the interlocal procurement process, which will allow KCHA to be ready for construction work early next year.

The UW selected the Greenbusch Group, in June 2014, to perform on-going professional services for the UW’s high rise buildings. The Master Agreement for Professional Services between UW and Greenbusch, as amended, expires on June 25, 2018. The UW’s procurement of these services conformed to Chapter 39.80 RCW and the UW process, and will satisfy KCHA’s procurement for the anticipated work.

Recommendation

Chapter 39.34 RCW, The Interlocal Cooperation Act, permits public agencies to cooperate and exercise joint powers in carrying out their public purposes, including the purchase of goods and services. Execution of an Interlocal Agreement in the form

attached to Resolution No. 5567 will permit KCHA to procure the professional services of Greenbusch for its own elevator modernization projects.

The UW does not require a resolution or other action, other than signing the document, for this agreement to take effect. The document will be jointly signed by the parties upon passage of the KCHA resolution.

Passage of Resolution No. 5567 is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING
RESOLUTION NO. 5567
AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO
AN INTERLOCAL AGREEMENT WITH THE UNIVERSITY OF
WASHINGTON FOR PROFESSIONAL SERVICES
RELATED TO ELEVATOR DESIGN

WHEREAS, the Housing Authority of the County of King (KCHA) seeks to secure a consultant to provide professional services in connection with elevator modernization projects at a number of multifamily buildings subsidized in full or part by the Department of Housing and Urban Development (HUD) under Section 9 of the U.S. Housing Act of 1937, as amended; and

WHEREAS, the University of Washington (UW) has followed the state procurement process Chapter 39.80 of the Revised Code of Washington and its own procurement policy in procuring professional services, including services for elevator design, from the Greenbusch Group, Inc. ("Greenbusch"), and this procurement will satisfy KCHA's policy; and

WHEREAS, KCHA wishes to use the services of Greenbusch to design elevator upgrades at several of the multifamily buildings that it owns or controls; and

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

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

The Executive Director is hereby authorized to enter into an Interlocal Cooperative Agreement with the UW substantially in the form attached.

**ADOPTED AT A SPECIAL MEETING OF THE BOARD OF
COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY
OF KING THIS 18TH DAY OF SEPTEMBER 2017.**

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary

INTERLOCAL COOPERATIVE AGREEMENT

Pursuant to Chapter 39.34 of the Revised Code of Washington State, University of Washington (University) and the King County Housing Authority (KCHA) hereby agree to the terms of this Interlocal Cooperative Agreement for the use of the solicitation process in obtaining professional services with Greenbusch Group, Inc. The following terms and conditions are applicable to this Agreement:

1. The University has followed the requirements of RCW 39.80 in obtaining professional services with Greenbusch Group, Inc. (Greenbusch).
2. Each party has agreed to enter into separate contracts with Greenbusch, with each contract having specific terms and agreements.
3. A party to this Agreement shall not accept responsibility for the performance of Greenbusch contracted for by the other party as a result of this Agreement.
4. A party to this Agreement shall not be responsible for the payment of any item(s) or service(s) contracted for by the other party as a result of this Agreement.
5. KCHA's decision to contract with Greenbusch is without prejudice to the existing rights and claims of the University under its separate contract with Greenbusch.
6. For the purposes of complying with RCW 42.56, the Custodian of records documenting the University's solicitation of services shall be the University.
7. This Agreement shall continue in force until cancelled in writing by either party.

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

King County Housing Authority
600 Andover Park West
Tukwila, WA 98188

University of Washington
Capital Planning & Development
Box 352205
Seattle WA 98195-2205

Signature

Date

Signature

Date

Stephen J. Norman
Executive Director

By: _____
Its: _____

T A B N U M B E R

3



To: Board of Commissioners

From: Connie Davis, Deputy Executive Director

Date: September 12, 2017

Re: Resolution No. 5568: Authorizing a change in the Administrative Pay schedule of 3.2% effective November 11, 2017

Executive Summary

Resolution No. 5568 authorizes an increase in salaries for all Administrative employees of 3.2%, which represents 100% of the Consumer Price Index for Clerical Workers (CPI-W) for the Seattle-Tacoma area annualized for the first six months of 2017. The Board previously approved a COLA for represented employees in the second year of the current collective bargaining agreement. This resolution confirms the amount of that COLA at 3.2%.

Background

The King County Housing Authority has historically awarded a cost of living adjustment (COLA) effective with the first full pay period occurring entirely in the month of November. The percentage increase has traditionally reflected 100% of the CPI-W for the Seattle-Tacoma area based on first half of the calendar year. The CPI-W reported in June 2017 was 3.2%.

Staff has reviewed projected funding availability for all existing programs for CY 2018. Based on that review, which will be more fully discussed in the 2018 Budget presentations, confidence is high that an increase of 3.2% to the salary base of Administrative and represented employees is sustainable.

Moreover, given the competition for employees in KCHA's labor market, as well as the real cost increases in housing and other goods experienced by staff, this COLA is necessary to retain and attract qualified employees. There are, of course, significant uncertainties associated with Federal funding for KCHA's public housing and Section 8 program. It appears that rents paid in the Housing Choice Voucher (HCV) program during 2017 may average 12% higher than in 2016 and increases are expected to continue into 2018. We are cautiously optimistic however that the Authority will receive an inflation factor in its Housing Choice Voucher program in 2018 based on a recently completed rental market survey. That survey shows rents climbing a minimum of 15% over the 2017 Fair Market Rent (FMR); such an increase is an important driver in determining KCHA's eligibility for an inflation adjustment.

There are currently 294 administrative employees and 79 in the Collective Bargaining Unit for a total of 373 employees. At current rates of pay the overall annual impact to base pay of the proposed COLA on the Authority is \$819 thousand, and averages \$2,195 per employee. This total does not include variable benefits, discussed below.

KCHA continues to fund a merit pool for all eligible employees, calculated at 2% of base pay. Under our compensation system, employees who exceed standards are eligible for a 2-7% increase in pay effective on their anniversary date. Estimates of next year's merit pool are still being developed but it should approximate 2017's merit budget of \$405 thousand.

As KCHA begins assembling its 2018 budget, the following assumptions are informing our projections of personal service costs

- Total salary expense for all employees is \$26.4 million following application of the proposed COLA. We are also forecasting a 2.5% COLA increase next November, which will impact the last few pay periods in 2018.
- Medical insurance is provided by the Washington State Health Care Authority's Public Employee Benefits Board (PEBB). As of this writing we have not yet received our employer group rates, but based on other cohorts which participate in PEBB, we believe that rates will go up approximately 6%, bringing the average per employee net cost to the Authority to \$14,900. The employee portion of the medical premiums will also increase by roughly 6% across the board.
- KCHA will continue to offer its popular Deductible Reimbursement Plan or DRP which pays the employee's plan deductible up to \$250 per employee and \$750 per family.
- KCHA's retirement plan, funded through the Public Employee Retirement System (PERS) continues to require higher payments. The rate climbed to 12.52% of eligible pay on July 1, 2017 and will remain at that level until mid 2019. Employees are also paying higher shares at 7.38%. Post 2017 COLA, KCHA's retirement costs are budgeted at \$3.3 million. Interestingly, KCHA is seeing job applicants who specifically mention the PERS defined benefit pension plan as an important reason for their interest in KCHA, and we highlight it as a recruiting tool.

Recommendation

In summary, KCHA will be offering the highest COLA for employees since 2007, which when coupled with a greater match on retirement savings, no adverse plan changes in medical plan offerings and a continuation of merit pay, positions the Authority to remain an employer of choice in this competitive labor market. Staff believes that the incremental block grant funding levels that would result from the anticipated HUD

inflation adjustment, as well as projected workforce and tax credit inventory cash flows, will be sufficient to support this COLA in 2018 and beyond.

Approval of Resolution No. 5568 is recommended.

EXHIBIT A**King County Housing Authority
Administrative Pay Plan
Non-Represented Employees
November 11, 2017 - November 10, 2018**

Range	Type	Minimum	Midpoint	Maximum	Exceptional
O	Annual	133,003.1097	163,427.5710	193,852.0323	214,135.0066
O	Monthly	11,083.5925	13,618.9642	16,154.3360	17,844.5839
O	Hourly	63.9438	78.5709	93.1981	102.9495
N	Annual	120,911.9180	148,117.0994	175,322.2810	193,459.0686
N	Monthly	10,075.9932	12,343.0916	14,610.1901	16,121.5891
N	Hourly	58.1307	71.2101	84.2896	93.0092
M	Annual	113,340.7553	138,842.4254	164,344.0953	181,345.2086
M	Monthly	9,445.0629	11,570.2021	13,695.3413	15,112.1007
M	Hourly	54.4907	66.7512	79.0116	87.1852
L	Annual	107,943.5766	128,182.9972	148,422.4178	161,915.3650
L	Monthly	8,995.2981	10,681.9164	12,368.5348	13,492.9471
L	Hourly	51.8960	61.6264	71.3569	77.8439
K	Annual	98,132.7470	114,692.6483	131,252.5492	142,292.4832
K	Monthly	8,177.7289	9,557.7207	10,937.7124	11,857.7069
K	Hourly	47.1792	55.1407	63.1022	68.4098
J	Annual	89,211.5881	104,266.0438	119,320.4992	129,356.8030
J	Monthly	7,434.2990	8,688.8370	9,943.3749	10,779.7336
J	Hourly	42.8902	50.1279	57.3656	62.1908
I	Annual	81,101.4439	94,787.3125	108,473.1811	117,597.0936
I	Monthly	6,758.4537	7,898.9427	9,039.4318	9,799.7578
I	Hourly	38.9911	45.5708	52.1506	56.5371
H	Annual	70,522.9946	82,423.7501	94,324.5053	102,258.3422
H	Monthly	5,876.9162	6,868.6458	7,860.3754	8,521.5285
H	Hourly	33.9053	39.6268	45.3483	49.1627
G	Annual	61,324.3431	71,672.8261	82,021.3090	88,920.2976
G	Monthly	5,110.3619	5,972.7355	6,835.1091	7,410.0248
G	Hourly	29.4829	34.4581	39.4333	42.7501
F	Annual	53,325.5158	62,324.1965	71,322.8773	77,321.9979
F	Monthly	4,443.7930	5,193.6830	5,943.5731	6,443.4998
F	Hourly	25.6373	29.9636	34.2898	37.1740
E	Annual	48,477.7416	55,749.4028	63,021.0642	67,868.8384
E	Monthly	4,039.8118	4,645.7836	5,251.7554	5,655.7365
E	Hourly	23.3066	26.8026	30.2986	32.6292
D	Annual	44,070.6742	50,681.2753	57,291.8765	61,698.9438
D	Monthly	3,672.5562	4,223.4396	4,774.3230	5,141.5787
D	Hourly	21.1878	24.3660	27.5442	29.6630
C	Annual	40,064.2493	46,073.8868	52,083.5242	56,089.9490
C	Monthly	3,338.6874	3,839.4906	4,340.2937	4,674.1624
C	Hourly	19.2617	22.1509	25.0402	26.9663
B	Annual	36,422.0448	41,885.3516	47,348.6582	50,990.8627
B	Monthly	3,035.1704	3,490.4460	3,945.7215	4,249.2386
B	Hourly	17.5106	20.1372	22.7638	24.5148
A	Annual	33,110.2034	37,456.7621	41,802.5741	44,698.7746
A	Monthly	2,759.1836	3,121.3968	3,483.5478	3,724.8979
A	Hourly	15.9184	18.0081	20.0974	21.4898

EXHIBIT B**Building Trades Salary Schedule****Maintenance Wage Rates November 11, 2017 - November 10, 2018****3.2% COLA Increase**

POSITION	Position #	Term	% of RMM2	Hourly Rate	Annual
Landscaper/Cleaner - Grade 1 - Step 1	20713			18.66	38,812.80
Landscaper/Cleaner - Grade 1 - Step 2				19.43	40,419.72
Landscaper/Cleaner - Grade 1 - Step 3				20.20	42,008.18
Landscaper/Cleaner - Grade 1 - Step 4				20.98	43,639.56
Landscaper/Cleaner - Grade 1 - Step 5				21.71	45,156.80
Laborer - Grade 2 - Step 1	20704			24.39	50,731.20
Laborer - Grade 2 - Step 2				25.20	52,416.00
Laborer - Grade 2 - Step 3				26.00	54,080.00
Laborer - Grade 2 - Step 4				26.76	55,660.80
Laborer - Grade 2 - Step 5				27.55	57,304.00
Site Based Maintenance Mechanic - Grade 3 - Step 1	20700			26.12	54,329.60
Site Based Maintenance Mechanic - Grade 3 - Step 2				26.79	55,723.20
Site Based Maintenance Mechanic - Grade 3 - Step 3				27.47	57,137.60
Site Based Maintenance Mechanic - Grade 3 - Step 4				28.18	58,614.40
Site Based Maintenance Mechanic - Grade 3 - Step 5				28.92	60,153.60
Regional Maintenance Mechanic Trainee - Grade 7 - Step 1	20716	0-6 mos	80%	24.80	51,584.00
Regional Maintenance Mechanic Trainee - Grade 7 - Step 2	.	7-12 mos	85%	26.27	54,641.60
Regional Maintenance Mechanic Trainee - Grade 7 - Step 3		13-18 mos	90%	27.82	57,865.60
Regional Maintenance Mechanic Trainee - Grade 7 - Step 4		19-24 mos	95%	30.13	62,670.40
Regional Maintenance Mechanic - Grade 4 - Step 1	20702			30.91	64,292.80
Regional Maintenance Mechanic - Grade 4 - Step 2				31.71	65,956.80
Regional Maintenance Mechanic - Grade 4 - Step 3				32.48	67,558.40
Regional Maintenance Mechanic - Grade 4 - Step 4				33.28	69,222.40
Regional Maintenance Mechanic - Grade 4 - Step 5				34.07	70,865.60
Maintenance Operations Specialist - Grade 5 - Step 1	20703			35.77	74,401.60

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5568

**AUTHORIZING A CHANGE IN THE PAY SCHEDULES FOR
ADMINISTRATIVE AND REPRESENTED EMPLOYEES OF 3.2%
EFFECTIVE NOVEMBER 11, 2017**

WHEREAS, the Board of Commissioners annually reviews the salaries and benefits paid to administrative employees of the Housing Authority; and

WHEREAS, the Housing Authority has sufficient resources to increase base payroll so that employee wages can be maintained at their current inflation adjusted levels during 2018; and,

WHEREAS, Management is recommending that the Board of Commissioners approve a cost of living increase in wages for administrative employees effective November 11, 2017 equivalent to the CPI-W published by the Bureau of Labor Statistics annualized as of June 2017; and

WHEREAS, under terms of the current Collective Bargaining Agreement, authorized by the Board on Resolution No. 5566 dated June 19, 2017, maintenance employees are to receive a cost of living increase based on this same CPI-W statistic; and

WHEREAS, the CPI-W calculated as of June 2017 was 3.2 percent; and,

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

SECTION 1: The Administrative Salary Schedule is hereby amended to reflect a 3.2 percent cost of living increase in all ranges and as set forth in said Salary Schedule, a copy of which is attached as Exhibit A hereto and made a part hereof.

SECTION 2: The Maintenance Salary Schedule is hereby amended to reflect a 3.2 percent cost of living increase and as set forth in said Wage Schedule, a copy of which is attached as Exhibit B hereto and made a part hereof.

SECTION 3: The rates set forth in both the Administrative and Maintenance Schedules will be increased effective at the beginning of the pay period which begins on November 11, 2017.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING
AUTHORITY OF THE COUNTY OF KING AT A SPECIAL MEETING
THEREOF THIS 18th DAY OF SEPTEMBER 2017.**

**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

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

Monday, August 21, 2017

I. CALL TO ORDER

The special meeting of the Board of Commissioners of the King County Housing Authority was held on Monday, August 21, 2017 at Somerset Gardens, 14700 N.E. 29th Place, Bellevue. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:31 a.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair), Commissioner Michael Brown (Vice-Chair), and Commissioner John Welch. Commissioner Susan Palmer and Commissioner TerryLynn Stewart participated via phone.

III. WELCOME TO SOMERSET GARDENS

Wen Xu, Director of Asset Management welcomed the Board to Somerset Gardens and provided background information on the property. The Board took a short recess to tour the property including some apartment units. The meeting continued at 8:42 a.m.

IV. PUBLIC COMMENT

None.

V. APPROVAL OF MINUTES

On motion by Commissioner Welch and seconded by Commissioner Brown, the Board unanimously approved the Special meeting minutes from the Board of Commissioners' annual meeting of June 19, 2017.

VI. APPROVAL OF AGENDA

On motion by Commissioner Brown and seconded by Commissioner Welch, the Board unanimously approved the August 21, 2017 Special Board of Commissioners' meeting agenda.

VII. CONSENT AGENDA

A. Voucher Certification Reports for May 2017

GENERAL PROPERTIES

Bank Wires / ACH Withdrawals	4,797,804.39
<i>Subtotal</i>	<i>4,797,804.39</i>
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>	<i>5,576,757.55</i>
Payroll Vouchers	
Checks - #90462 – #90487 & #90496	29,971.45
Direct Deposit	1,323,314.11
<i>Subtotal</i>	<i>1,353,285.56</i>
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>	<i>11,778,759.70</i>
Purchase Card / ACH Withdrawal	208,081.26
<i>Subtotal</i>	<i>208,081.26</i>
GRAND TOTAL	23,714,688.46

BOND PROPERTIES

Bond Properties Total (31 different properties)	\$3,012,647.35
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B. Voucher Certification Reports for June 2017

GENERAL PROPERTIES

Bank Wires / ACH Withdrawals	8,878,110.89
<i>Subtotal</i>	<i>8,878,110.89</i>
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>	<i>5,472,086.61</i>
Payroll Vouchers	
Checks - #90488 - #90524 & #90533 - #90547	52,288.87
Direct Deposit	2,092,482.77
<i>Subtotal</i>	<i>2,144,771.64</i>
Section 8 Program Vouchers	
Checks - #618048-#618414	214,619.04
Refund Checks	16,97.50
ACH - #385164-#387971	11,725,077.50
<i>Subtotal</i>	<i>11,956,494.04</i>

Purchase Card / ACH Withdrawal

	199,388.66
<i>Subtotal</i>	<u>199,388.66</u>

GRAND TOTAL	28,650,851.84
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BOND PROPERTIES

Bond Properties Total (31 different properties)	\$6,679,254.14
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On motion by Commissioner Brown and seconded by Commissioner Welch, the Board unanimously approved the consent agenda.

VIII. BRIEFINGS & REPORTS

A. Second Quarter CY 2017 Financial Statements

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

Additionally, Mr. Violante announced that in September HUD will conduct an audit of KCHA's Moving to Work (MTW) cash position. Staff will provide a briefing on the results following the audit.

Chair Barnes requested that the briefing on the HUD audit be placed on the October meeting agenda.

B. Second Quarter CY 2017 Procurement Report

Connie Davis, Deputy Executive Director, reported on the procurement activities for the period of April through June 2017. The report represents the activity involved in the award of contracts over the amount of \$100,000 and change orders that cumulatively exceed 10% of the original contract amount.

C. Second Quarter CY 2017 Summary Write-off Report

Mr. Violante presented the Write-Offs report for the Second Quarter of 2017.

D. Midyear CY 2017 Budget Reforecast

Brian Hungate, Manager of Financial Reporting and Analysis provided an overview of KCHA's CY 2017 Midyear Budget Reforecast.

E. Midyear CY 2017 Capital Report

Dan Watson, Deputy Executive Director, gave an update on CY 2017 Capital Expenditures and compared them to budget for the same fiscal period.

F. 2017 Syndication/Re-syndication Strategies

Dan Landes, Senior Development Manager, briefed the Board on re-syndication efforts at Somerset Gardens and Highland Village. Mr. Landes mentioned that both projects should close with investors in December 2017 which will finance the rehabilitation of the units at the two sites during CY 2018.

IX. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman, Executive Director, provided a brief legislative update on the 2018 Federal budget process. In addition, Mr. Norman commended the Housing Management team for their efforts in expanding housing opportunities, and mentioned that KCHA will increase the number of households served by 500 by the end of CY 2017.

Mr. Norman briefed the Board on the progress of a new partnership termed Creating Moves to Opportunity (CMTO). A two-day focus meeting was held with KCHA staff and a team of researchers led by Raj Chetty, Professor of Economics at Stanford University. Mr. Norman further explained that KCHA will be the test case in this study, which will focus on collecting and analyzing big data.

Additionally, Mr. Norman stated that he gave a presentation to the King County Housing and Health Services Council concerning the County's Credit Enhancement proposal for KCHA and which is now in the process of being redrafted.

X. KCHA IN THE NEWS

None.

XI. COMMISSIONER COMMENTS

None.

XII. ADJOURNMENT

On motion by Commissioner Welch, seconded by Commissioner Brown, the Board adjourned the meeting at 10:12 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

5



KCHA Executive Dashboard

2017 Q2

April - June, 2017

Households Served

June 1, 2017

18,809



roughly equal to the number of households living in the City of Burien

target

Finance

	Budgeted	Actual	Actual to Budget
Revenue year-to-date	\$137,955,855	\$143,688,767	104.2%
Expenditure year-to-date	\$116,337,654	\$114,936,648	98.8%
LGIP Rate Investments	0.50%	0.77%	+0.27%
Non-LGIP Investments	0.65%	1.07%	+0.42%

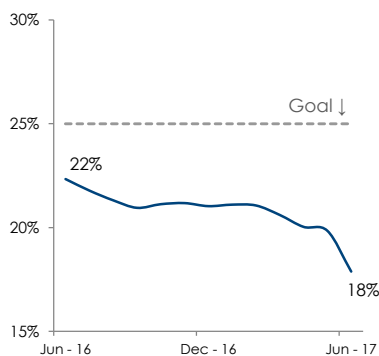
Housing Management

	Scope	Target	Jun '17
Public Housing Occupancy ¹	3,715 units	98.0%	99.0%
Local Programs Occupancy	5,776 units	96.5%	98.9%
Total Units Online ²	9,491 units	11,105	9,491

Housing Choice Voucher Program Operations

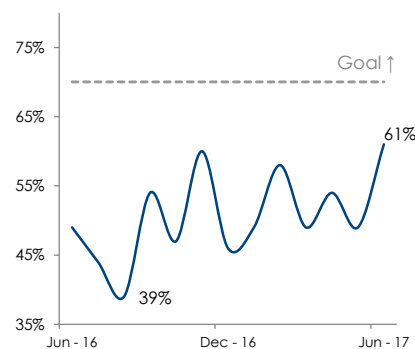
Shelter Burden

Households paying more than 40% income to rent.



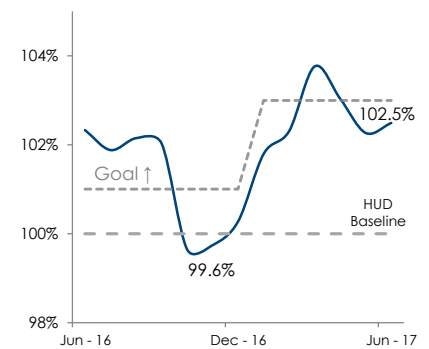
Shopping Success³

Lease-up within 120 days after voucher issuance by cohort.



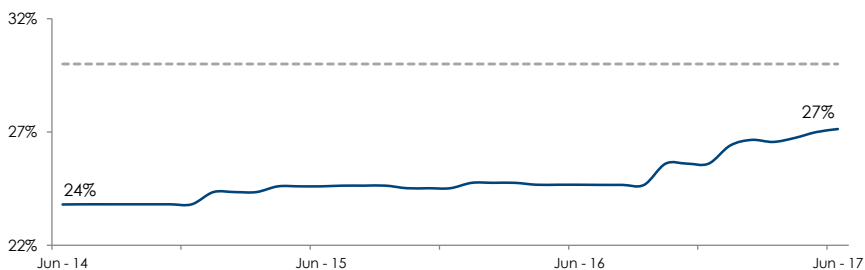
Utilization Rate⁴

Percentage of HUD ACC leased by month.



Increasing Access to Opportunity Areas

Percentage of federally-subsidized families with children living in high opportunity areas.⁵



Notes

- 1) Excludes 49 units in portfolio where turnover is not tracked monthly.
- 2) 11,105 represents the agency's acquisition stretch goal by the end of 2020.
- 3) Represents success of latest cohort to reach 120 days after voucher issuance. Averages only represent data from 5/2015 to present.
- 4) Adjusted for 12-month incremental lease-up of new vouchers.
- 5) High opportunity areas are based on the Kirwan Institute's definitions.

T A B N U M B E R

6



To: Board of Commissioners

From: Katie Escudero, Moving To Work Policy Analyst

Date: September 12, 2017

Re: **Draft 2018 Moving to Work Plan**

As a participant in the Department of Housing and Urban Development's (HUD) Moving to Work (MTW) demonstration program, KCHA is required to submit an annual plan. Following the format prescribed by HUD, the draft 2018 MTW Plan (attached) outlines the agency's goals, provides an overview of operational information related to KCHA's federally subsidized programs, summarizes the status of previously approved initiatives, and proposes new uses of KCHA's MTW flexibility for HUD's review and approval.

At the September Board meeting, staff will provide a brief overview of the Draft 2018 MTW Plan. A final version of the plan and a request for approval will be presented at the October 9th Board meeting.

No action is requested of the Board at this time.

Proposed New Activities for 2018

KCHA is proposing two new activities for HUD approval:

Activity 2018-1: Partnering to Streamline the Administration of Federal Housing Subsidies

What: Streamlining the administration of local housing assistance by aligning partner agencies' policies and procedures with KCHA's MTW-approved flexibilities. Upon approval, KCHA will explore this approach with Sedro-Woolley Housing Authority (SWHA). KCHA currently administers SWHA's 80-unit Public Housing program.

Why: Currently, KCHA staff are simultaneously administering two distinct sets of rules, creating significant administrative complexity in providing this critical housing assistance.

Anticipated Impact: The delivery of housing assistance under a single set of rules saves staff time and reduces complexity, resulting in cost savings for both agencies.

Activity 2018-2: Encouraging the Successful Lease-up of the Housing Choice Voucher (HCV) Program

What: An initiative that explores ways to recruit and retain landlords and improve voucher holders' success securing a unit. Possible interventions include incentive payments for landlords who lease a recently vacated unit to another voucher holder; further streamlined HQS protocols for initial lease-up; and incentive payments for first time landlords.

Why: King County's historically low vacancy rate, coupled with the large in-migration of an affluent and skilled workforce, make it difficult for KCHA's voucher holders to compete on the private market. The shopping success rate after eight months of searching hovers around 70 percent.

Anticipated Impact: This activity should result in an increase in the number of successful lease-ups that take place within 240 days of searching.

Public Outreach

The public comment period began on August 18th and concludes on September 18th. During this time, KCHA is providing many opportunities for residents, stakeholders, and the general public to review and comment on the draft plan. KCHA's outreach activities exceed HUD's requirements, which include:

- **Advertising the plan's availability** (August 18th) and the date of the Public Hearings on KCHA's website, in KCHA buildings, and in local newspapers including the Seattle Times, the Daily Journal of Commerce, and the NW Asian Weekly. The notices are available in the agency's six most prominent languages: English, Korean, Russian, Spanish, Somali, and Vietnamese;
- **Presenting the plan to the Resident Advisory Committee (RAC)** and soliciting resident feedback (September 11th and 12th);
- **Holding three Public Hearings** (September 6th, September 7th, and September 13th) in different parts of the County to inform the public and residents of KCHA's plans and proposals for the next fiscal year; and
- **Meeting with service providers and advocacy organizations** to review the plan and to discuss the agency's general direction in 2018 with Stephen Norman.

A full summary of the public comments received will be presented at the October Board Meeting.



MOVING TO WORK

FY 2018 ANNUAL PLAN



King County
Housing
Authority

KING COUNTY HOUSING AUTHORITY

BOARD OF COMMISSIONERS

Doug Barnes, Chair

Michael Brown

Susan Palmer

TerryLynn Stewart

John Welch

EXECUTIVE DIRECTOR

Stephen J. Norman

KCHA SENIOR MANAGEMENT

Jeb Best

Gary Leaf

Bill Cook

Sarah Oppenheimer

Connie Davis

Nikki Parrott

John Eliason

Mike Reilly

Tonya Harlan

Jenn Ramirez Robson

Shawli Hathaway

Rhonda Rosenberg

Sean Heron

Craig Violante

Megan Hyla

Tim Walter

Kristy Johnson

Dan Watson

Judi Jones

Wen Xu

King County Housing Authority

Moving to Work Annual Plan FY 2018

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Board of Commissioners
Doug Barnes, *Chair*
Michael Brown, *Vice-Chair*
Susan Palmer
TerryLynn Stewart
John Welch

Executive Director
Stephen J. Norman

Dear Residents, Friends, and Partners,

Over the past 20 years, the King County Housing Authority (KCHA) has doubled the number of households we serve – increasing program capacity by an average of almost 500 units a year. In 2016, our last full fiscal year, we served more than 20,000 households, housing more than 48,000 individuals. As remarkable as this growth has been – particularly as federal support for affordable housing has declined – it remains woefully insufficient in the face of the rising housing needs in our community.

Even as our growing region flourishes economically, housing production in King County has not kept pace with housing demand. Neither has income growth. Whether derived from wages or the fixed benefits that support many of our region's elderly households and people with disabilities, household income levels continue to fall further behind the skyrocketing costs of rental housing. This reality, combined with our community's insufficient supply of supportive housing and inadequate neighborhood-based behavioral health services, has turned our jails and highway underpasses into *de facto* housing for an increasing number of people with disabilities and extremely low incomes.

The number of households experiencing homelessness continues to climb in King County. These households include individuals who are chronically homeless and, at an increasing rate, families with children. A January 2017 point-in-time count of persons experiencing homelessness in King County reported more than 11,600 of our neighbors living on our streets or in emergency shelters. Zillow estimates that our region now has the third largest homeless population in the country, behind only New York and Los Angeles.

The problems of housing supply, affordability and rising homelessness undercut our region's ability to move forward on issues critical to our collective future. Research has shown that children experiencing homelessness do not fare as well in school as their housed peers – and school districts in King County reported about 8,500 homeless children in their classrooms during the 2015-16 school year. A disproportionate number of these students are children of color.

National data increasingly demonstrates that for elderly individuals and people with disabilities, stable housing is a critical determinant of good health – and an increasing number of our most vulnerable neighbors, including more and more seniors, are sleeping on the street or in shelters.

For people working low-wage jobs in the high-population centers of Seattle and the Eastside, home tends to be a long ways away from work. Our region's traffic congestion, which is nearing a crisis point, is a by-product not just of population growth and inadequate mass transit, but also of the increased dislocation of low-income working households to the periphery of the region.

In the face of these challenges, KCHA is using the Moving to Work (MTW) program to expand capacity, preserve and recapitalize our existing inventory, and continuously redesign our federal programs to more effectively advance key regional priorities.

KCHA is on track to increase the number of households we serve by 500 families in 2017. We are accomplishing this through over-leasing in the Housing Choice Voucher (HCV) program and through the turn-on of “banked” Public Housing subsidies. Roughly half of the new households coming into our federally subsidized programs were homeless immediately prior to program admission. Our ability, however, to continue to grow our programs to meet increasing demand in 2018 would be sharply curtailed if the new administration’s proposed budget cuts to core housing programs are approved.

KCHA will invest over \$40 million in repairs and upgrades to our 9,500-unit inventory in 2018, including significant investments in energy conservation measures in our Public Housing that are expected to reduce energy bills for the Housing Authority and our residents by \$1 million annually. Our Public Housing inventory’s Real Estate Assessment Center (REAC) inspection score presently stands at 97.2, well above the national average of 83.4.

Thanks to the flexibility provided under MTW, KCHA continues to partner with the Highline School District in an effort to reduce the number of students experiencing homelessness. This demonstration program already has successfully rehoused 450 children. A second initiative, providing parent/child support during the critical 0-3 age range, graduated two classes in 2017 and will use philanthropic funding to expand over the next two years from one school district to three. In addition, KCHA’s network of 16 after-school facilities, built and operated with MTW support, will continue to serve more than 1,200 children in 2018 with increased coordination between out-of-school-time nonprofit providers and school systems to improve attendance, engage parents and advance educational outcomes.

As the region increasingly segregates by income, KCHA continues to develop tools to broaden housing choices for extremely low-income households. In 2017, we shifted to five-tiered ZIP code-based payment standards, converted to geographically based caseloads, and established a landlord liaison role within the HCV program. Currently, 27 percent of our households with children live in high- or very high-opportunity neighborhoods. We are committed to increasing this number to 30 percent by the end of 2020. In 2018, with generous support from the Bill & Melinda Gates Foundation, KCHA will develop an additional set of counseling tools to support voucher holders in making locational choices.

This coming year we will explore increased coordination with King County’s community colleges to serve homeless and low income students, expansion of our MTW flexibilities to other parts of the region, continued streamlining of our business processes, additional efforts to improve voucher holder shopping success rates and new partnerships to improve health outcomes for our residents.

All of these efforts are built on two fundamentals: the MTW flexibility that allows us to shape new strategies in partnership with local stakeholders; and the use of data to continuously evaluate and improve our approaches to addressing the intertwined issues of poverty, health, education and homelessness in the region.

Flexibility, efficiency, partnerships and data-driven program design can only take us so far, however. It is critical that the federal government fulfill its responsibility to address the failure of the private housing market to accommodate a growing segment of our nation’s population. The funding levels that the new administration has proposed for the HCV program would leave thousands of additional individuals and families on the streets of American cities. It would end the growth of KCHA’s programs and require us to start shrinking our support for our region’s most vulnerable people, including many children.

The proposed budget would also cut funding for repairs to the Public Housing inventory by 67 percent. Critical repairs and upgrades, including the installation of sprinklers in mid-rise projects that house the elderly and people with disabilities, may need to be sharply scaled back. Tenant safety, health outcomes, education success and the overall quality of life in our lowest income neighborhoods would all decline.

While Congress recognizes the reality that these cuts will cost us far more downstream, simply sustaining current levels of support is not sufficient. New resources are needed to respond to hard realities on the ground. We have seen these investments pay significant dividends in shaping America's future. They should be allowed to continue to do so.

Sincerely,

Stephen Norman

SECTION I

INTRODUCTION

A. OVERVIEW OF SHORT-TERM MTW GOALS AND OBJECTIVES

In 2018, the King County Housing Authority (KCHA) will continue to focus on ensuring that our housing assistance reaches our community's most vulnerable members while investing in policy and program approaches that provide increased housing choice and opportunity for our residents. With adequate Congressional funding, next year we will:

- **INCREASE THE NUMBER OF EXTREMELY LOW-INCOME HOUSEHOLDS WE SERVE.** KCHA will continue to employ multiple strategies to expand our reach: property acquisitions; use of banked Annual Contributions Contract (ACC) authority; project-based rental assistance in partnership with nonprofit developers and service providers; lease-up of new incremental vouchers; over-leasing of our existing Housing Choice Voucher (HCV) baseline; and continued use of locally designed subsidy programs to successfully house and support traditionally hard-to-house populations. Through the HCV program, we will expand our efforts to successfully house families in the private market by working to increase landlord participation in the program. We will employ multiple strategies to recruit and retain landlords while providing additional supports to households holding vouchers and searching for a home. Our ability to sustain and expand the number of households served, however, is largely dependent on sufficient funding for the HCV program.

- **EXPAND OUR PORTFOLIO OF HOUSING IN HIGH-OPPORTUNITY NEIGHBORHOODS.** KCHA will continue to actively seek out property acquisitions to preserve housing affordability in strategic areas of King County, including current and emerging high-opportunity neighborhoods. Voters recently approved a measure to expand the region's mass transit system, including the addition of new light rail stations and increased rapid bus service. In 2018 and beyond, we will seek out opportunities to acquire or develop properties near these transit-oriented development (TOD) sites, ensuring King County's low-income residents have access to transportation and economic opportunity.

- **FOSTER PARTNERSHIPS THAT ADDRESS THE MULTI-FACETED NEEDS OF THE MOST VULNERABLE POPULATIONS IN OUR REGION.** More than 50 percent of the households entering into our federally subsidized programs are homeless prior to receiving assistance. This figure includes a diverse population with varying needs: disabled veterans; individuals living with chronic mental illness; those involved with the criminal justice system; youth who are homeless or transitioning out of foster care; families fleeing domestic violence; and high-need homeless families with children engaged with the

child welfare system. KCHA will continue to partner with local service providers, the U.S. Department of Veterans Affairs, and the behavioral health care system to meet our community's supportive housing needs and advance regional goals to make homelessness rare, brief and one-time. Cross-sector coordination is critical in ensuring we, as a community, can meet the needs of our region's most vulnerable residents.

- **EXPAND ASSISTANCE TO HOMELESS AND AT-RISK HOUSEHOLDS THROUGH INNOVATIVE PROGRAMS.** In addition to expanding our service partnerships, KCHA will continue to implement and evaluate new ways to effectively use housing assistance dollars to successfully address the needs of our region's growing homeless population. A recent report found that Washington's homeless student population grew by 30 percent in three years, resulting in the ninth highest rate of student homelessness in the country.¹ Our focus on this population will continue through our partnership with the Highline School District that provides short-term rent subsidies to homeless families with school-age children. In 2018, we will explore expanding this focus to homeless young adults in pursuit of a postsecondary degree.

- **INCREASE GEOGRAPHIC CHOICE.** KCHA will continue this multi-pronged initiative, which includes the use of a five-tier, ZIP code-based payment standard system, mobility counseling and new property acquisitions, combined with placement of project-based rental subsidies in targeted high-opportunity neighborhoods within King County. Currently, 27 percent of KCHA's HUD-subsidized households with children live in high- or very high-opportunity neighborhoods. We are committed to increasing this to 30 percent by the end of 2020. In partnership with a national research team headed by Stanford economist Raj Chetty and with funding from the Bill & Melinda Gates Foundation, we will begin a three-year research project that explores new approaches to furthering geographic choice for families with children.

- **DEEPEN PARTNERSHIPS WITH LOCAL SCHOOL DISTRICTS TO IMPROVE EDUCATIONAL OUTCOMES.** More than 13,000 children live in KCHA's federally subsidized housing on any given night. Their academic success is the cornerstone of our efforts to prevent multi-generational cycles of poverty and promote socioeconomic mobility. KCHA will continue to prioritize students' educational success as an integral element of our core mission through partnerships with local education stakeholders around shared objectives. These include housing and school stability, improved attendance, better academic performance, and higher graduation rates. In 2018, we will renew our focus on early learning with the

¹ Student Homelessness Snapshot, July 2017. <http://www.icphusa.org/national/washingtons-homeless-student-population-grew-30-3-years/>

goal of closing the kindergarten preparedness gap.

- **SUPPORT FAMILIES IN GAINING GREATER ECONOMIC SELF-SUFFICIENCY.** In 2018, KCHA will assist more than 300 households through the Family Self-Sufficiency (FSS) program. This program advances families toward economic self-sufficiency through individualized case management, supportive services, and program incentives. We will continue to explore new strategies for promoting improved economic outcomes among participants by assessing needs, identifying gaps in service programs, and engaging local workforce development partners.

- **INVEST IN THE ELIMINATION OF ACCRUED CAPITAL REPAIR AND SYSTEM REPLACEMENT NEEDS IN OUR FEDERALLY SUBSIDIZED HOUSING INVENTORY.** In 2018, with adequate capital funding in place, KCHA will invest nearly \$16 million in our federally assisted housing stock. By focusing on the quality of this asset, our Public Housing portfolio has earned one of the highest Real Estate Assessment Center (REAC) inspection scores in the country – 97.2. These investments improve housing quality, reduce maintenance costs and energy consumption, and extend the life expectancy of our federally assisted housing stock, enabling us to fulfill our mission over the long term.

- **CREATE MORE COST-EFFECTIVE PROGRAMS BY STANDARDIZING LEADERSHIP PRACTICES, STREAMLINING BUSINESS PROCESSES AND LEVERAGING TECHNOLOGY IN CORE BUSINESS FUNCTIONS.** KCHA will continue to foster a leadership culture of continuous improvement that supports and encourages employees to improve the quality of their work in order to exceed customer expectations. One focus of this effort is the development of the leadership skills necessary to design and implement new approaches to the way we do business in order to deliver efficiencies and better service. The intent of our culture of continuous improvement is to deliver a better, faster, and less intrusive experience for our residents, landlords, and community partners, and make the best use of limited resources.

- **REDUCE THE ENVIRONMENTAL IMPACT OF KCHA'S PROGRAMS AND FACILITIES.** In 2018, we will mark the second year of KCHA's Five-Year Environmental Sustainability Plan, which includes goals for reduced energy and water consumption, diversion of materials from the waste stream, safe handling and reductions in hazardous waste, and the promotion of conservation awareness among our residents. We will complete \$21 million in energy measures in our public housing inventory leveraged through our two Energy Performance Contracts (EPCs). These measures will reduce utility costs for both the Housing Authority and residents, reduce repair and life-cycle replacement backlogs, and further the goals of our Resource Management Plan.

- **STRENGTHEN OUR RESEARCH AND EVALUATION CAPACITY.** KCHA continues to increase its internal capacity and develop external partnerships in order to conduct more rigorous program

evaluations, advance a long-term research agenda, and partner effectively in large regional and national studies. These efforts support the intent of the MTW program to explore and learn from new approaches to more effectively and efficiently address the housing needs and life outcomes of our communities' extremely low-income residents.

All of these efforts to increase the supply and efficiency of affordable housing would be grievously undermined by the drastic cuts to housing programs proposed by the Administration.

B. OVERVIEW OF LONG-TERM MTW GOALS AND OBJECTIVES

Through participation in the MTW program, KCHA is able to address a wide range of affordable housing needs in the region. We use the regulatory flexibility available through MTW to support our overarching strategic goals:

- **STRATEGY 1:** Continue to strengthen the physical, operational, financial and environmental sustainability of our portfolio of more than 9,500 affordable housing units in 133 properties.
- **STRATEGY 2:** Increase the supply of housing in the region that is affordable to extremely low-income households – those earning below 30 percent of Area Median Income (AMI) – through developing new housing, preserving existing housing, and expanding the size and reach of our rental subsidy programs.
- **STRATEGY 3:** Provide greater geographic choice for low-income households so that our clients have the opportunity to live in neighborhoods with high-performing schools and convenient access to services, transit, health services and employment.
- **STRATEGY 4:** Coordinate across the behavioral health care and homeless systems to increase the supply of and access to supportive housing for people who have been chronically homeless or have special needs, with the goal of making homelessness rare, brief and one-time.
- **STRATEGY 5:** Engage in the revitalization of King County's low-income neighborhoods, with a focus on housing and services, amenities, institutions and partnerships that create strong, healthy and inclusive communities and promote social mobility.
- **STRATEGY 6:** Work with King County, regional transit agencies and suburban cities to support sustainable and equitable regional development by integrating new affordable housing into regional growth corridors aligned with mass transit.
- **STRATEGY 7:** Expand and deepen partnerships with school districts, early childhood education and after-school programs, health providers, community colleges, the philanthropic community, and our residents, with the goal of eliminating the achievement gap, and improving educational and life outcomes for the low-income children and families we serve.
- **STRATEGY 8:** Promote greater economic self-sufficiency for families and individuals in subsidized housing by addressing barriers to employment and facilitating access to training and education programs, with the goal of enabling moves to market-rate housing at the appropriate time.
- **STRATEGY 9:** Continue to develop a standard, agency-wide approach to leadership behaviors, operational efficiencies, and employee engagement that makes the most effective use of limited federal resources, supports our employees and provides extraordinary service to our community, clients, and

partners.

- **STRATEGY 10:** Continue to reduce KCHA's environmental footprint through energy conservation, renewable energy generation, waste stream diversion, green procurement policies, water usage reduction, fleet management practices and tenant education.

- **STRATEGY 11:** Develop our capacity as a learning organization that uses research and evaluation to drive decisions that shape policies and programs.

SECTION II

GENERAL HOUSING AUTHORITY OPERATING INFORMATION

A. HOUSING STOCK INFORMATION

Planned New Public Housing Units to be Added During the Fiscal Year

AMP Name and Number	Bedroom Size							Total Units	Population Type	Fully Accessible	Adaptable
	0	1	2	3	4	5	6+				
Houghton TBD	0	4	10	1	0	0	0	15	Family	TBD	TBD
Northwood Square ² 467	0	0	18	6	0	0	0	24	Family	0	0
Total Public Housing Units to be Added³								39			

Planned Public Housing Units to be Removed During the Fiscal Year

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
N/A	0	N/A
Total Number of Units to be Removed		0

New Housing Choice Vouchers to be Project-based During the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-based	Description of Project
King County Combined Funders NOFA	Up to 50 vouchers	KCHA, in coordination with other local funders, will provide 50 project-based vouchers to new construction and acquisitions intended to serve households experiencing homelessness.

² Northwood Square was anticipated to come online in 2017 but will most likely be the first part of 2018.

³ These, and other properties yet to be identified, may convert to Public Housing in 2018. Additionally, some Public Housing units might be designated MTW Neighborhood Services units in 2018 upon approval from the HUD field office.

Somerset Gardens	8	KCHA will project-base eight units at its 198-unit family complex in Bellevue.	
Anticipated Total New Vouchers to be Project-based	58	Anticipated Total Number of Project-based Vouchers Committed at the End of the Fiscal Year⁴	2,634
		Anticipated Total Number of Project-based Vouchers Leased-up or Issued to a Potential Tenant at the End of the Fiscal Year⁵	2,242

Other Changes to the Housing Stock Anticipated During the Fiscal Year

KCHA will continue to use every tool available to expand our reach, including property acquisitions, the designation of units as MTW Neighborhood Services Units when a partnership opportunity arises, and the use of banked ACC to support development and acquisition activities. In 2018, we will complete the sale and disposition of our Eastside Maintenance Building to the City of Kirkland. With the proceeds from this sale, KCHA will purchase and turn on Public Housing subsidy at the Houghton Apartments in Kirkland. Use of banked ACC in conjunction with the purchase will ensure that these units, located in a high-opportunity neighborhood and adjacent to Google and Microsoft, will be available to extremely low-income families over the long term.

In addition, we plan to remove from ACC a Head Start facility at Seola Gardens and a vacant land parcel at Greenbridge. These properties, located at HOPE VI redevelopment sites, are no longer needed for Public Housing purposes. The Head Start property will continue to be used in the same manner following the removal of ACC restrictions. KCHA staff will work with our local HUD office and HUD's Special Applications Center (SAC) to complete this transaction.

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

In 2018, KCHA will spend close to \$16 million to complete capital improvements critical to maintaining our 81 federally subsidized properties. Expenditures include:

⁴ AHAP and HAP.

⁵ HAP only. This projection takes into consideration the slow and unpredictable nature of leasing up at properties with enhanced vouchers. Units turn over to project-based assistance only when current residents decide to move with their tenant protection voucher. Additionally, the projection also accounts for the likelihood that many of these units may take a year to two years to become funded, come under contract and fully lease-up.

- **UNIT UPGRADES (\$4.3 MILLION).** KCHA's ongoing efforts to significantly upgrade the interiors of our affordable housing inventory as units turn over will continue in 2018. KCHA's in-house, skilled workforce will perform the renovations, which include installation of new flooring, cabinets and fixtures that will extend the useful life of up to 150 additional units by 20 years.
- **SITE IMPROVEMENTS (\$4.3 MILLION).** The Burien Vets House (Burien) drainage system will receive improvements that eliminate the excessive ponding of water near the front entrance. Forest Glen (Redmond) will receive new site lighting, walkways, handrails and a pedestrian bridge; the parking lots will be repaved; and the storm water drainage system will be improved. A second phase of site improvement work at Lake House (Shoreline) will include new site lighting, walkways, retaining walls, site drainage improvements, and repairs to the existing brick patio and planter. At Valli Kee (Kent), third-phase site improvement work will include repaving the parking lot, replacing the sidewalks and gutters, and constructing a bus turnout on the street that fronts the property. The site improvement projects at Burien Vets House, Forest Glen and Lake House were included in the 2017 capital budget but were delayed and will now occur in 2018.
- **BUILDING ENVELOPE AND RELATED COMPONENTS UPGRADES (\$2.7 MILLION).** In 2018, the roofs will be replaced at Boulevard Manor (Burien) and Casa Juanita (Kirkland). The 2017 roof replacement project at Kirkland Place (Kirkland) will carry over into 2018. A full envelope project including new siding, roof, doors, and windows will be completed at Paramount House (Shoreline).
- **DOMESTIC WASTE AND WATER LINE WORK (\$420,000).** The planned 2017 waste and water line project at Ballinger Homes (Shoreline) included replacing the under-slab sewer lines. The project was redesigned so that the sewers will be lined, mitigating the impact on tenants. The sewer-lining project will carry over to 2018. The leaking waste lines encased in the foundation slabs at Parkway (Redmond) will be lined and new water lines will be installed.
- **"509" INITIATIVE IMPROVEMENTS (\$3.6 MILLION).** Planned improvements to sites included in the 2013 conversion of 509 scattered site Public Housing properties will continue. In 2018, work will include envelope replacement, including decks, at Greenleaf (Kenmore) and Juanita Trace (Kirkland), as well as site improvements at Juanita Court (Kirkland).
- **OTHER IMPROVEMENTS (\$150,000).** A number of properties in the Public Housing portfolio have dated electrical panels with breakers that frequently fail and for which replacement parts are no longer available. These panels will be replaced at several sites yet to be determined.

B. LEASING INFORMATION

Planned Number of Households Served at the End of the Fiscal Year

MTW Households to be Served through:	Planned Number of Households to be Served	Planned Number of Unit Months Occupied / Leased
Federal MTW Public Housing Units to be Leased	2,400	28,800
Federal MTW Voucher (HCV) Units to be Utilized ⁶	9,924	119,088
Number of Units to be Occupied/Leased through Local, Non-traditional, MTW-funded, Property-based Assistance Programs	0	0
Number of Units to be Occupied/Leased through Local, Non-traditional, MTW-funded, Tenant-based Assistance Programs ⁷	188	2,256
Total Households Projected to be Served	12,512	150,144

Reporting Compliance with Statutory MTW Requirements

KCHA is currently in compliance with the statutory MTW requirements.

Description of Any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers, and/or Local, Non-traditional Units and Possible Solutions

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
Federal MTW Public Housing	No leasing issues are anticipated for this program in 2018.
Federal MTW Voucher (HCV)	King County is experiencing unprecedented growth paired with a historically low vacancy rate, decreasing the affordability and availability of housing stock and increasing competition among renters. We continue to closely monitor our shopping success rate while continuing to implement a multi-tiered, ZIP code-based payment standard system that better matches area submarket rents. In 2018, we will be exploring additional ways to support our voucher holders in securing a home. Potential interventions include: vacancy loss payments; an expedited inspection process for preferred landlords; re-evaluation of payment standards; flexible funding to assist participants with back rent, application fees and deposits; streamlining the business-to-business relationship with landlords; and housing search assistance.

⁶ This figure does not include the approximately 3,000 port-in households that KCHA serves each year.

⁷ Sponsor-based Supportive Housing (113), Coming Up (25), and SFSI (50).

Local, Non-traditional, MTW Funded Tenant-based Assistance

Successfully leasing an apartment and maintaining housing stability in a tightening rental market is a challenge even with a robust subsidy and supportive services. For our sponsor-based supportive housing programs, it can prove difficult to recruit and retain landlords willing to master-lease units to a provider. KCHA continues to advocate for additional housing search and stability resources from our partners in the homeless and behavioral health care systems. Yet the challenge to find and rent an apartment is not unique to populations facing multiple barriers. Those served in our short-term rental programs have similar challenges in their housing search process. In response, KCHA's program partners are providing housing search assistance and housing stability supports in addition to employment navigation services.

C. WAIT LIST INFORMATION

No changes to the organizational structure or policies regarding the wait lists are anticipated in 2018.

Wait List Information Projected for the Beginning of the Fiscal Year

Housing Program	Wait List Type	Number of Households on Wait List	Wait List Open, Partially Open or Closed	Are There Plans to Open the Wait List During 2018?
Housing Choice Voucher	Community-wide	3,175	Partially open (<i>accepting targeted voucher referrals only</i>)	No
Public Housing	Other: Regional	8,450	Open	N/A
Public Housing	Site-based	8,370	Open	N/A
Project-based	Other: Regional	2,200	Open	N/A
Public Housing – Conditional Housing	Program-specific	30	Open	N/A
Local Non-traditional	N/A	N/A	N/A	N/A

Description of Other Wait Lists

- **PUBLIC HOUSING, OTHER.** Applicants are given the choice among three regions, each with its own wait list. The applicant is able to choose two of the three regions. KCHA uses a rotation system between this applicant pool and households entering through specialized program referrals, such as our transitional housing program, when assigning a household to a unit in its region of choice.
- **PROJECT-BASED, OTHER.** This wait list mirrors the Public Housing program's regional wait lists. An applicant is given the opportunity to apply for a number of KCHA's subsidized housing programs. KCHA then pre-screens a cluster of applicants prior to receiving notice of available units from an owner in order to ensure eligibility and increase efficiency.

Description of Partially Open Wait List

- **HOUSING CHOICE VOUCHER (HCV) PROGRAM.** When the general HCV program wait list last opened to the general public in April of 2017, nearly 20,000 applications were received in a two-week period. Of those, 3,500 applicants were selected by lottery and placed on the wait list. When the list

is not open, we continue to serve priority populations, such as survivors of domestic violence and those who are experiencing a terminal illness, have a documented disability or are homeless, through referrals for vouchers available under targeted programs including Veteran Affairs Supportive Housing (VASH), the Family Unification Program (FUP), and the Housing Access and Services Program (HASP). In 2018, as part of the Creating Moves to Opportunity project, KCHA may establish a supplemental wait list for families with young children, derived from the general lottery pool.

SECTION III

PROPOSED MTW ACTIVITIES

ACTIVITY 2018-1: Partnering to Streamline the Administration of Federal Housing Subsidies

A. PROPOSED MTW ACTIVITY DESCRIPTION

KCHA proposes streamlining the administration of housing assistance through partnerships with neighboring Public Housing providers, such as the Sedro-Woolley Housing Authority (SWHA). We currently administer and oversee all of SWHA's operations, including property management, maintenance and accounting services, for its small inventory of 80 Public Housing units. Because of its limited size, SWHA does not have the resources to independently support its own distinct and separate staff. In addition, because SWHA is not an MTW agency, KCHA staff are required to follow traditional federal guidelines and rules for those 80 units. This requires staff to simultaneously administer two distinct sets of rules, creating significant administrative complexity in providing this critical housing assistance.

Instead, KCHA is proposing to streamline the administration and delivery of housing assistance by aligning the policies and procedures of such housing agency partners with KCHA's policies and MTW-approved flexibilities. As a result, we anticipate this will simplify operations and increase administrative efficiency. The agencies will remain separate entities with distinctive funding, ACCs, and organizational and reporting structures. This proposal seeks to extend the administrative flexibilities associated with MTW to ease the administration and delivery of housing assistance while allowing each partnering entity to retain its distinct identity.

KCHA will explore this approach with SWHA in 2018 and may consider partnering with other local housing providers, if opportunity arises.

B. STATUTORY OBJECTIVE

This activity achieves greater cost effectiveness by streamlining the administration of housing subsidy by allowing KCHA and its housing agency partners to operate housing programs under the same set of rules.

C. ANTICIPATED IMPACT

By streamlining the two agencies' program rules, KCHA staff can administer housing assistance in a more simplified, efficient manner. The delivery of this housing assistance under a single set of rules saves staff time and reduces complexity, resulting in cost savings for both agencies.

D. SCHEDULE

We plan to implement this activity in 2018, pending HUD's approval.

E. ACTIVITY METRICS INFORMATION

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Projected Outcome	Data Source
Reduce costs and achieve greater cost-effectiveness	CE #1: Total cost of task in dollars	\$0/month	\$0 saved	\$5,520 saved ⁸	Property Management Staff
Reduce costs and achieve greater cost-effectiveness	CE #2: Total time to complete the task in staff hours	0 hours saved	0 hours saved	240 hours saved	Property Management Staff

F. NEED/JUSTIFICATION FOR MTW FLEXIBILITY

Authorizations Related to Both Public Housing and Section 8 Housing Choice Vouchers (Attachment C, Items B.1 and B.2) are required in order to implement this activity. In particular, those authorizations related to KCHA's full single-fund flexibility and the ability to extend less restrictive regulatory requirements to our partners are necessary to carry this initiative forward.

ACTIVITY 2018-2: Encouraging the Successful Lease-up of the Housing Choice Voucher Program

A. PROPOSED MTW ACTIVITY DESCRIPTION

King County's historically low vacancy rate, coupled with the large in-migration of an affluent and skilled workforce, make it difficult for KCHA's voucher holders to compete on the private market. The shopping success rate after eight months of searching hovers around 70 percent. To address the supply side of the

⁸ This figure was calculated by multiplying the median hourly wage and benefits (\$23) of staff who oversee this activity by the number of hours saved. The number is a monetization of the hours saved through the implementation of this program.

issue, KCHA is working to increase and preserve the number of housing options available by recruiting and retaining landlords. In order to retain units, KCHA is exploring the implementation of incentive payments to landlords who agree to lease a recently vacated unit to another voucher holder. These payments will serve as an incentive for landlords to continue their participation in the HCV program by minimizing the owner's losses typically experienced during turnover. KCHA is seeking to streamline its Housing Quality Standards (HQS) protocol even further by conducting pre-qualifying unit inspections and waiving or delaying initial inspections at low-risk properties with a positive inspection record and a significant number of KCHA residents already living at the property (additional criteria will be determined during program planning). These efficiencies will ensure faster lease-up and cause less disruption for landlords. Finally, we are exploring the use of a new landlord incentive payment upon the execution of their first Housing Assistance Payments (HAP) contract.

KCHA will continue to invest in strategies to aid voucher holders in leasing a unit such as providing access to a security deposit assistance fund, use of multi-tiered, ZIP-code based payment standards, and improving its relationship with landlords. In addition, in 2018, we will explore other supports such as the assistance of a housing counselor and establishing a rent readiness program for new voucher holders and those searching for a home.

B. STATUTORY OBJECTIVE

This activity increases housing choices for low-income families by recruiting and retaining more landlords and their units and by deploying additional lease-up supports.

C. ANTICIPATED IMPACT

By offering additional services to voucher holders searching for a home and incentivizing landlords to stay on or join the program, we anticipate increasing the number of successful lease-ups that take place within 240 days of searching and reducing the percentage of families that are not able to obtain a unit.

D. SCHEDULE

We plan to implement this activity in early 2018, pending HUD's approval.

E. ACTIVITY METRICS INFORMATION

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Projected Outcome	Data Source
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Increase housing choices	HC #7: Number of households receiving services aimed to increase housing choice	Shopping Success Rate: 70% at 240 days	Shopping Success Rate: 80% at 240 days	Shopping Success Rate: 80% at 240 days	Tenmast
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F. NEED/JUSTIFICATION FOR MTW FLEXIBILITY

Authorizations Related to Section 8 Housing Choice Vouchers Only (Attachment C, Items D.1. and D.5) are required in order to implement this activity.

SECTION IV

APPROVED MTW ACTIVITIES

A. IMPLEMENTED ACTIVITIES

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

Year-Activity #	MTW Activity	Statutory Objective	Page Number
2016-2	Conversion of Former Opt-out Developments to Public Housing	Cost-effectiveness	19
2015-2	Reporting on the Use of Net Proceeds from Disposition Activities	Cost-effectiveness	20
2014-1	Stepped-down Assistance for Homeless Youth	Self-sufficiency	21
2014-2	Revised Definition of "Family"	Housing Choice	22
2013-1	Passage Point Re-entry Housing Program	Housing Choice	23
2013-2	Flexible Rental Assistance	Housing Choice	24
2009-1	Project-based Section 8 Local Program Contract Term	Housing Choice	24
2008-1	Acquire New Public Housing	Housing Choice	25
2008-3	FSS Program Modifications	Self-sufficiency	26
2008-10 & 2008-11	EASY and WIN Rent Policies	Cost-effectiveness	27
2008-21	Public Housing and Housing Choice Voucher Utility Allowances	Cost-effectiveness	29
2007-6	Develop a Sponsor-based Housing Program	Housing Choice	30
2007-14	Enhanced Transfer Policy	Cost-effectiveness	31
2005-4	Payment Standard Changes	Housing Choice	31
2004-2	Local Project-based Section 8 Program	Cost-effectiveness	33
2004-3	Develop Site-based Waiting Lists	Housing Choice	35
2004-5	Modified Housing Quality Standards (HQS) Inspection Protocols	Cost-effectiveness	36
2004-7	Streamlining Public Housing and Housing Choice Voucher Forms and Data Processing	Cost-effectiveness	37
2004-9	Rent Reasonableness Modifications	Cost-effectiveness	38
2004-12	Energy Performance Contracting	Cost-effectiveness	39
2004-16	Housing Choice Voucher Occupancy Requirements	Cost-effectiveness	40

ACTIVITY 2016-2: Conversion of Former Opt-out Developments to Public Housing

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2016

IMPLEMENTED: 2016

CHALLENGE: The process to convert a property's subsidy model from project-based Section 8 to Public Housing is slow, burdensome and administratively complex. Under current federal guidelines, units convert only when the original resident moves out with a voucher. This transition is gradual, and at properties housing seniors or disabled residents, turnover of units tends to be especially slow. In the meantime, two sets of rules – project-based Section 8 and Public Housing – simultaneously govern the management of the development, adding to the administrative complexity of providing housing assistance.

SOLUTION: This policy allows KCHA to convert entire Project-based Section 8 opt-out properties to Public Housing at once, while preserving the rights of existing tenants.

This activity builds upon KCHA's previously approved initiative (2008-1) to expand housing through use of banked Public Housing ACC units. KCHA can convert former project-based "opt-out" sites to Public Housing through the development process outlined in 24 CFR 905, rather than through the typical gradual transition. As a result, this policy greatly streamlines operations and increases administrative efficiency. With transition to Public Housing subsidy, current enhanced voucher participants retain protections against future rent increases in much the same manner previously provided. As a Public Housing resident, these households pay an affordable rent (based on policies outlined in KCHA's Public Housing Admissions and Continued Occupancy Policy and thus remain protected from a private owner's decision to increase the contract rent. At the same time, KCHA's MTW-enhanced Transfer Policy ensures that former enhanced voucher recipients retain the same (if not greater) opportunity for mobility by providing access to transfer to other subsidized units within KCHA's portfolio or use of a general Housing Choice Voucher should future need arise.

KCHA works with affected residents of selected former opt-out properties, providing ample notification and information (including the right to move using a general voucher for current enhanced voucher participants) in order to ensure the development's seamless transition to the Public Housing program.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

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

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2015

IMPLEMENTED: 2015

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

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

We use our net proceeds from disposition in some of the following ways, all of which are accepted uses under Section 18(a)(5):

1. Repair or rehabilitation of existing ACC units.
2. Development and/or acquisition of new ACC units.
3. Provision of social services for residents.
4. Implementation of a preventative and routine maintenance strategy for specific single-family scattered-site ACC units.
5. Modernization of a portion of a residential building in our inventory to develop a recreation room, laundry room or day-care facility for residents.
6. Leveraging of proceeds in order to partner with a private entity for the purpose of developing mixed-finance Public Housing under 24 CFR 905.604.

We report on the uses of the proceeds, including administrative and overhead costs, in the MTW reports.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

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

MTW STATUTORY OBJECTIVE: Increase Self-sufficiency

APPROVAL: 2014

IMPLEMENTED: 2014

CHALLENGE: During the January 2017 point-in-time homeless count in King County, 1,498 youth and young adults were identified as homeless or unstably housed.⁹ Local service providers have identified the need for a short-term, gradually diminishing rental subsidy structure to meet the unique needs of these youth.

SOLUTION: KCHA has implemented a flexible, “stepped-down” rental assistance model in partnership local youth service providers. Our provider partners find that a short-term rental subsidy, paired with supportive services, is the most effective way to serve homeless youth as a majority of them do not require extended tenure in a supportive housing environment. By providing limited-term rental assistance and promoting graduation to independent living, more youth can be served effectively through this program model. KCHA is partnering with Valley Cities Counseling and Consultation to operate the Coming Up initiative. This program offers independent housing opportunities to young adults (ages 18 to 25) who are either exiting homelessness or currently living in service-rich transitional housing. With support from the provider, participants move into housing in the private rental market, sign a lease, and work with a resource specialist who prepares them to take over the lease after a period of being stabilized in housing.

PROPOSED CHANGES TO ACTIVITY: While no major modifications are planned, KCHA in 2018 will no longer administer the Next Step program as a result of King County’s Continuum of Care securing additional federal and local funding to scale the program beyond the pilot. Metrics shown below reflect modification to reset appropriate benchmarks as a result of this change.

CHANGES TO METRICS: The benchmarks have been reduced to account for the change mentioned above.

⁹ Count Us In 2017: Seattle/King County Point-in-Time Count of Persons Experiencing Homelessness. <http://allhomekc.org/wp-content/uploads/2017/05/2017-Count-Us-In-PIT-Comprehensive-Report.pdf>.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase self-sufficiency	SS#1: Average earned income of households affected by this policy	\$0/month	\$200/month
Increase self-sufficiency	SS#3: Employment status for heads of household	(1) Employed Full-time: 0 participants	4 participants
		(2) Employed Part-time: 0 participants	7 participants
		(3) Enrolled in an Educational Program: 0 participants	4 participants
		(4) Enrolled in Job Training Program: 0 participants	1 participant
		(5) Unemployed: 0 participants	0 participants
		(6) Other: 0 participants	0 participants
Increase self-sufficiency	SS #5: Number of households receiving services aimed to increase self-sufficiency	0 households	25 households
Increase self-sufficiency	SS #7: Tenant rent share	0%	7 households paying \$200 or more toward contract rent
Increase self-sufficiency	SS #8: Number of households transitioned to self-sufficiency ¹⁰	0 households	14 households

ACTIVITY 2014-2: Revised Definition of “Family”

MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2014

IMPLEMENTED: 2014

CHALLENGE: According to a January 2016 point-in-time count, 3,012 families with children were living unsheltered or in temporary housing in King County.¹¹ Thousands more elderly and disabled people, many with severe rent burdens, are homeless or on our waiting lists with no new federal resources anticipated.

SOLUTION: This policy directs KCHA’s limited resources to populations facing the greatest need: elderly, near-elderly and disabled households; and families with minor children. We modified the eligibility

¹⁰ Self-sufficiency for this activity is defined as paying \$200 towards rent or more.

¹¹ HUD’s 2016 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations (WA-500). https://www.hudexchange.info/resource/reportmanagement/published/CoC_PopSub_CoC_WA-500-2015_WA_2016.pdf.

standards outlined in the Public Housing Admissions and Continued Occupancy Policy (ACOP) and HCV Administrative Plans to limit eligible households to those that include at least one elderly or disabled individual or a minor/dependent child. The current policy affects only admissions and does not affect the eligibility of households currently receiving assistance. Exceptions will be made for participants in programs that target specialized populations such as domestic violence victims or individuals who have been chronically homeless.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

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

MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2013

IMPLEMENTED: 2013

CHALLENGE: In 2015, 1,416 individuals in King County returned to the community after a period of incarceration.¹² Nationally, more than half of all inmates are parents who will face barriers to securing housing and employment upon release due to their criminal record or lack of job skills.¹³ Without a home or employment, many of these parents are unable to reunite with their children.

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

¹² Washington State Department of Corrections. Number of Prison Releases by County of Release. <http://www.doc.wa.gov/information/data/docs/admissions-releases-by-county.pdf>

¹³ Glaze, L E and Maruschak, M M (2008). Parents in Prison and Their Minor Children. <http://www.bjs.gov/index.cfm?ty=pbdetail&iid=823>

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

ACTIVITY 2013-2: Flexible Rental Assistance

MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2013

IMPLEMENTED: 2013

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

SOLUTION: This activity, developed with local service providers, offers tailored flexible housing assistance to families and individuals in crisis. KCHA provides flexible financial assistance, including time-limited rental subsidy, security deposits, rent arrears and funds to cover move-in costs, while our partners provide individualized support services. For example, the Student and Family Stability Initiative (SFSI) pairs short-term rental assistance with housing stability and employment navigation services for families experiencing or on the verge of homelessness. School-based McKinney-Vento liaisons identify and connect these families with community-based service providers while caseworkers have the flexibility to determine the most effective approach to quickly stabilize participants in housing.

PROPOSED CHANGES TO ACTIVITY: KCHA is considering developing a term-limited rental subsidy aimed specifically at homeless young adults seeking postsecondary education. We also continue to consider the application of the Rapid Re-housing approach to other populations or jurisdictions as we learn more about the effectiveness of this model.

CHANGES TO METRICS: There are no changes to this activity's metrics.

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

MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2009

IMPLEMENTED: 2009

CHALLENGE: Prior to 2009, our nonprofit development partners faced difficulties securing private financing for the development and acquisition of affordable housing projects where cash flow was being provided by short-term rental assistance commitments. Measured against banking and private equity underwriting standards, the maximum Housing Assistance Payments (HAP) contract term allowed by HUD is too short and hinders the underwriting of debt on affordable housing projects.

SOLUTION: This activity extends the allowable term for Section 8 project-based contracts to 15 years. The longer term assists our partners in underwriting and leveraging private financing for development and acquisition projects. At the same time, the longer-term commitment from KCHA signals to lenders and underwriters that proposed projects have sufficient cash flow to take on the debt necessary to develop or acquire affordable housing units.

PROPOSED CHANGES TO ACTIVITY: King County continues to be a highly competitive market. In order to add to the stock of affordable housing in this climate, KCHA must ensure every tool is available to leverage public and private financing needed for development and acquisition projects. As a result, KCHA proposes modifying this activity to allow the contract term to be determined by the project's need, up to 30 years for initial contracts and contract extensions. This change would allow longer commitments that could assist a project in coming to fruition.

CHANGES TO METRICS: There are no changes to this activity's metrics.

ACTIVITY 2008-1: Acquire New Public Housing

MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2008

IMPLEMENTED: 2008

CHALLENGE: In King County, about half of all renter households spend more than 30 percent of their income on rent.¹⁴ Countywide, fewer than 15 percent of all apartments are considered affordable to households earning less than 30 percent of AMI.¹⁵ In context of these challenges, KCHA's Public Housing wait lists continue to grow. Given the gap between available, affordable housing and the number of low-

¹⁴ US Census Bureau, ACS 2015 5-year estimates: 47.1% of King County renter households pay 30% or more of household income on gross rent.

https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_5YR_DP04&prodType=table

¹⁵ US Census Bureau, ACS 2014 5-year estimates: 14.4% of King County rental units have gross rents under \$750.

https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_5YR_DP04&prodType=table. HUD FY2015 Income Limits Documentation System: 30% AMI for a household of four is \$29,055. For a household making \$29,055 per year, spending no more than 30% of income on rent translates to \$726 or less in asking rent.

income renters, KCHA must continue to increase the inventory of units affordable to extremely low-income households.

SOLUTION: KCHA's Public Housing ACC is currently below the Faircloth limit in the number of allowable units. These "banked" Public Housing subsidies allow us to add to the affordable housing supply in the region by acquiring new units. This approach is challenging, however, because Public Housing units cannot support debt. We continued our innovative use of MTW working capital, with a particular focus on the creation or preservation of units in high-opportunity neighborhoods.¹⁶

We further simplify the acquisition and addition of units to our Public Housing inventory by partnering with the local HUD field office to streamline the information needed to add these units to the PIH Information Center (PIC) system and obtain operating and capital subsidies. We also use a process for self-certification of neighborhood suitability standards and Faircloth limits, necessitating the flexibility granted in Attachment D, Section D of our MTW Agreement.¹⁷

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

ACTIVITY 2008-3: FSS Program Modifications

MTW STATUTORY OBJECTIVE: Increase Self-sufficiency

APPROVAL: 2008

IMPLEMENTED: 2018

CHALLENGE: For every household receiving housing subsidy, two others may need assistance.¹⁸ To serve more households with limited resources, subsidized households need to be supported in their efforts to achieve economic self-sufficiency and cycle out of the program. HUD's standard Family Self-Sufficiency (FSS) program may not provide the full range of services and incentives needed to support greater self-sufficiency among participants.

¹⁶ Neighborhood opportunity designations are from the Puget Sound Regional Council and Kirwan Institutes' Opportunity Mapping index (<http://www.psrc.org/growth/growing-transit-communities/regional-equity/opportunity-mapping/>).

¹⁷ Some Public Housing units might be designated MTW Neighborhood Services units over this next year upon approval from the HUD field office.

¹⁸ Worst Case Housing Needs 2015: Report to Congress, page viii.
http://www.huduser.org/portal/Publications/pdf/WorstCaseNeeds_2015.pdf

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

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

PROPOSED CHANGES TO ACTIVITY: KCHA is considering extending the program to other adult household members by allowing them to enter into an FSS contract without the participation of the head of household. In addition, we may explore targeting household recruitment and selection to households or household members with earned income.

CHANGES TO METRICS: There are no changes to this activity's metrics.

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

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2008

IMPLEMENTED: 2008

CHALLENGE: The administration of rental subsidies under existing HUD rules can be complex and confusing to the households we serve. Significant staff time was being spent complying with federal requirements that do not promote better outcomes for residents, safeguard program integrity or save taxpayer money. The rules regarding medical deductions, annual reviews and recertifications, and income calculations were cumbersome and often hard to understand, especially for the many elderly and disabled people we serve. These households live on fixed incomes that change only when there is a Cost of Living Adjustment (COLA), making annual reviews superfluous. For working households, HUD's rent rules include complicated earned-income disregards that serve as disincentives to income progression and employment advancement.

SOLUTION: KCHA has instituted two rent reform policies. The first, EASY Rent, simplifies rent calculations and recertifications for elderly and disabled households that derive 90 percent of their

income from a fixed source (such as Social Security, Supplemental Security Income [SSI] or pension benefits), and are enrolled in our Public Housing, Housing Choice Voucher or project-based Section 8 programs. Rents are calculated at 28 percent of adjusted income, with deductions for medical- and disability-related expenses, in \$2,500 bands and a cap is put on deductions at \$10,000. EASY Rent streamlines KCHA operations and simplifies the burden placed on residents by reducing recertification reviews to a three-year cycle and placing rent adjustments based on COLA increases in Social Security and SSI payments on an annual cycle.

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

In addition to changes to the recertification cycle, we also have streamlined processing and reviews. For example, we limit the number of tenant-requested reviews to reduce rent to two occurrences in a two-year period in the WIN Rent program. We estimate that these policy and operational modifications have reduced the relevant administrative workloads in the HCV and Public Housing programs by 20 percent.

PROPOSED CHANGES TO ACTIVITY: In 2018, KCHA will explore additional streamlining measures for its interim recertification process.

CHANGES TO METRICS: The following benchmarks are being increased to reflect the incremental increase in size of our federally subsidized programs.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
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Reduce costs and achieve greater cost-effectiveness	CE #1: Total cost of task in dollars	\$0 saved	\$190,000
Reduce costs and achieve greater cost-effectiveness	CE #2: Total time to complete task in staff hours	0 hours saved	4,500 HCV staff hours saved; 1,100 PH staff hours saved
Increase self-sufficiency	SS #8: Number of households transitioned to self-sufficiency ¹⁹	0 households	200 households

ACTIVITY 2008-21: Public Housing and Housing Choice Voucher Utility Allowances

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2008

IMPLEMENTED: 2010

CHALLENGE: KCHA was spending more than \$22,000 annually in staff time to administer utility allowances under HUD’s one-size-fits-all national guidelines. HUD’s national approach failed to capture average consumption levels in the Puget Sound area.

SOLUTION: This activity simplifies the HUD rules on Public Housing and HCV Utility Allowances by applying a single methodology that reflects local consumption patterns and costs. Before this policy change, allowances were calculated for individual units and households using different rules under the various HUD programs. Additionally, HUD required an immediate update of the allowances with each cumulative 10 percent rate increase by utility companies. Now, KCHA provides allowance adjustments annually when the Consumer Price Index produces a cumulative change (decrease or increase) of more than 10 percent within one year rather than every time an adjustment is made to the utility equation. We worked with data from a Seattle City Light study completed in late 2009 to identify key factors in household energy use and develop average consumption levels for various types of units in the Puget Sound region. We used this information to create a new utility schedule that considers various factors: type of unit (single vs. multi-family), size of unit, high-rise vs. low-rise units, and the utility provider. We modified allowances for units where the resident pays water and/or sewer charges. KCHA’s Hardship Policy, adopted in July 2010, also allows KCHA to respond to unique household or property circumstances and documented cases of financial hardship.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

¹⁹ Self-sufficiency is defined as a positive move from subsidized housing.

CHANGES TO METRICS: There are no changes to this activity's metrics.

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

MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2007

IMPLEMENTED: 2007

CHALLENGE: According to the January 2017 point-in-time count, 2,773 individuals in King County were chronically homeless.²⁰ Providing HCV assistance to these households is frequently not effective. Many landlords are hesitant to sign a lease with an individual who has been chronically homeless due to poor or non-existent rental history, lack of consistent employment, or criminal background. Most people who have been chronically homeless require additional support, beyond rental subsidy, to secure and maintain a safe and stable place to live.

SOLUTION: In the sponsor-based housing program, KCHA provides housing funds directly to our behavioral health care partners, including Sound Mental Health, Navos Mental Health Solutions, and Valley Cities Counseling and Consultation. These providers use the funds to secure private market rentals that are then sub-leased to program participants. The programs operate under the "Housing First" model of supportive housing, which couples low-barrier placement in permanent, scattered-site housing with intensive, individualized services that help residents maintain long-term housing stability. Recipients of this type of support are referred through the mental health system, street outreach teams, and King County's Coordinated Entry for All system. Once a resident is stabilized and ready for a more independent living environment, KCHA offers a move-on strategy through a tenant-based non-elderly disability (NED) voucher.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: We reduced the following benchmark by 10 households to more accurately reflect the service and stability patterns of the households being served in this model.

²⁰ Count Us In 2017: Seattle/King County Point-in-Time Count of Persons Experiencing Homelessness. <http://allhomekc.org/wp-content/uploads/2017/05/2017-Count-Us-In-PIT-Comprehensive-Report.pdf>.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase self-sufficiency	SS #8: Number of households transitioned to self-sufficiency ²¹	0 households	90 households

ACTIVITY 2007-14: Enhanced Transfer Policy

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2007

IMPLEMENTED: 2007

CHALLENGE: HUD rules restrict a resident from moving from Public Housing to HCV or from HCV to Public Housing, which hampers our ability to meet the needs of our residents. For example, project-based Section 8 residents may need to move if their physical abilities change and they no longer can access their second-story, walk-up apartment. A Public Housing property may have an accessible unit available. Under traditional HUD regulations, this resident would not be able to move into this available unit.

SOLUTION: KCHA's policy allows a resident to transfer among KCHA's various subsidized programs and expedites access to Uniform Federal Accessibility Standards (UFAS)-rated units for mobility-impaired households. In addition to mobility needs, a household might grow in size and require a larger unit with more bedrooms. The enhanced transfer policy allows a household to move to a larger unit when one becomes available in either program. In 2009, KCHA took this one step further by actively encouraging over-housed or under-housed residents to transfer when an appropriately sized unit becomes available through incentive payments. The flexibility provided through this policy allows us to swiftly meet the needs of our residents by housing them in a unit that suits their situation best and enables KCHA to provide the most efficient fit of family and unit size, regardless of which federal subsidy is being received.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

²¹ Self-sufficiency is defined as stabilized in housing.

ACTIVITY 2005-4: Payment Standard Changes

MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2005

IMPLEMENTED: 2005

CHALLENGE: Currently, 31 percent of all KCHA’s tenant-based voucher households live in high-opportunity neighborhoods of King County. These neighborhoods offer benefits to their residents, including improved educational opportunities, increased access to public transportation and greater economic opportunities.²² Not surprisingly, high-opportunity neighborhoods have more expensive rents. According to recent market data, a two-bedroom rental unit at the 40th percentile in East King County – typically a high-opportunity area – costs \$506 more than the same unit in South King County.²³ To move to high-opportunity areas, voucher holders need higher subsidy levels, which are not available under traditional payment standards. Conversely, broadly applied payment standards that encompass multiple housing markets – low and high – result in HCV rents “leading the market” in lower priced areas.

SOLUTION: This initiative develops local criteria for the determination and assignment of payment standards to better match local rental markets, with the goals of increasing affordability in high-opportunity neighborhoods and ensuring the best use of limited financial resources. We develop our payment standards through an annual analysis of local submarket conditions, trends and projections. This approach means that we can provide subsidy levels sufficient for families to afford the rents in high-opportunity areas of the county and not have to pay market-leading rents in less expensive neighborhoods. As a result, our residents are less likely to be squeezed out by tighter rental markets and have greater geographic choice. In 2005, KCHA began applying new payment standards at the time of a resident’s next annual review. In 2007, we expanded this initiative and allowed approval of payment standards of up to 120 percent of Fair Market Rent (FMR) without HUD approval. In early 2008, we decoupled the payment standards from HUD’s FMR calculations entirely so that we could be responsive to the range of rents in Puget Sound’s submarkets. Current payment standards for two-bedroom apartments range from 84 percent to 132 percent of the regional HUD FMR.

In 2016, KCHA implemented a five-tiered payment standard system based on ZIP codes. We arrived at a five-tiered approach by analyzing recent tenant lease-up records, consulting local real estate data, holding forums with residents and staff, reviewing small area FMR payment standard systems

²² Neighborhood opportunity designations are from the Puget Sound Regional Council and Kirwan Institutes’ Opportunity Mapping index (<http://www.psrc.org/growth/growing-transit-communities/regional-equity/opportunity-mapping/>).

²³ Dupree & Scott, 2016 King County Rental Data

implemented by other housing authorities, and assessing the financial implications of various approaches. In designing the new system, we sought to have enough tiers to account for submarket variations but not so many that the new system became burdensome and confusing for staff and residents. Early outcomes demonstrate a promising increase in lease-up rates in high-opportunity neighborhoods within the top two tiers.

PROPOSED CHANGES TO ACTIVITY: KCHA will continue to closely monitor the market and will consider implementing interim payment standards, if needed. Additionally, we will also consider proactively applying payment standard increases for rent-burdened households to encourage their housing stability.

CHANGES TO METRICS: There are no changes to this activity's metrics.

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

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2004

IMPLEMENTED: 2004

CHALLENGE: Current project-basing regulations are cumbersome and present multiple obstacles to serving high-need households, partnering effectively and efficiently with nonprofit developers, and promoting housing options in high-opportunity areas.

SOLUTION: The ability to streamline the Project-based Section 8 program is an important factor in addressing the distribution of affordable housing in King County and coordinating effectively with local initiatives. KCHA places Project-based Section 8 subsidies in high-opportunity areas of the county in order to increase access to these desirable neighborhoods for low-income households.²⁴ We also partner with nonprofit community service providers to create housing targeted to special needs populations, opening new housing opportunities for chronically homeless, mentally ill or disabled individuals, and homeless young adults and families traditionally not served through our mainstream Public Housing and Housing Choice Voucher programs. Additionally, we coordinate with county government and suburban jurisdictions to underwrite a pipeline of new affordable housing developed by local nonprofit housing providers. MTW flexibility granted by this activity has helped us implement the following policies.

CREATE HOUSING TARGETED TO SPECIAL-NEEDS POPULATIONS BY:

²⁴ Neighborhood opportunity designations are from the Puget Sound Regional Council and Kirwan Institutes' Opportunity Mapping index (<http://www.psrc.org/growth/growing-transit-communities/regional-equity/opportunity-mapping/>).

- Assigning Project-based Section 8 (PBS8) subsidy to a limited number of demonstration projects not qualifying under standard policy in order to serve important public purposes. (FY 2004)
- Modifying eligibility and selection policies as needed to align with entry criteria for nonprofit-operated housing programs. (FY 2004)

SUPPORT A PIPELINE OF NEW AFFORDABLE HOUSING BY:

- Prioritizing assignment of PBS8 assistance to units located in high-opportunity census tracts, including those with poverty rates lower than 20 percent. (FY 2004)
- Waiving the 25 percent cap on the number of units that can be project-based on a single site. (FY 2004)
- Allocating PBS8 subsidy non-competitively to KCHA-controlled sites or other jurisdictions and using an existing local government procurement process for project-basing Section 8 assistance. (FY 2004)
- Allowing owners and agents to conduct their own construction and/or rehab inspections, and having the management entity complete the initial inspection rather than KCHA, with inspection sampling at annual review. (FY 2004)
- Modifying eligible unit and housing types to include shared housing, cooperative housing, transitional housing and high-rise buildings. (FY 2004)
- Allowing PBS8 rules to defer to Public Housing rules when used in conjunction with a mixed finance approach to housing preservation or when assigned to a redeveloped former Public Housing property. (FY 2008)
- Partnering with local municipalities to develop a local competitive process that pairs project-based assistance with local zoning incentives. (FY 2016)

IMPROVE PROGRAM ADMINISTRATION BY:

- Allowing project sponsors to manage project wait lists as determined by KCHA. (FY 2004).
- Using KCHA's standard HCV process for determining Rent Reasonableness for units in lieu of requiring third-party appraisals. (FY 2004)
- Allowing participants in "wrong-sized" units to remain in place and pay the higher rent, if needed. (FY 2004)
- Assigning standard HCV payment standards to PBS8 units, allowing modification with approval of KCHA where deemed appropriate. (FY 2004)

- Offering moves to Public Housing in lieu of an HCV exit voucher (FY 2004) or allow offer of a tenant-based voucher for a limited period as determined by KCHA in conjunction with internal Public Housing disposition activity. (FY 2012)
- Allowing KCHA to modify the HAP contract. (FY 2004)
- Using Public Housing preferences for PBS8 units in place of HCV preferences. (FY 2008)
- Allowing KCHA to inspect units at contract execution rather than contract proposal. (FY 2009)
- Modifying the definition of “existing housing” to include housing that could meet Housing Quality Standards within 180 days. (FY 2009)
- Allowing direct owner or provider referrals to a PBS8 vacancy when the unit has remained vacant for more than 30 days. (FY 2010)
- Waiving the 20 percent cap on the amount of HCV budget authority that can be project-based, allowing KCHA to determine the size of our PBS8 program. (FY 2010)

PROPOSED CHANGES TO ACTIVITY: KCHA would like to transfer the responsibility of the Subsidy Layering Review for Project-based Section 8 contracts to the Washington State Housing Finance Commission (WSHFC). Currently, WSHFC performs the review for projects containing Low-Income Housing Tax Credit (LIHTC) funding. KCHA staff has found that the process is much quicker and more seamless when conducted by this local partner. For this reason, we are requesting HUD to transfer this responsibility to WSHFC for all Project-based Section 8 contracts, regardless of the presence of LIHTC.

CHANGES TO METRICS: There are no changes to this activity’s metrics.

ACTIVITY 2004-3: Develop Site-based Waiting Lists

MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2004

IMPLEMENTED: 2004

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

SOLUTION: Under this initiative, we have implemented a streamlined waitlist system for our Public Housing program that provides applicants additional options for choosing the location where they want to live. In addition to offering site-based wait lists, we also maintain regional wait lists and have

established a Conditional Housing waiting list to accommodate the needs of households ready to transition from the region's network of transitional housing and KCHA's targeted housing programs that assist homeless and at-risk households move toward self-sufficiency. In general, applicants are selected for occupancy using a rotation between the site-based, regional and transitional housing applicant pools, based on an equal ratio. Units are not held vacant if a particular wait list is lacking an eligible applicant. Instead, a qualified applicant is pulled from the next wait list in the rotation.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

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

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2004

IMPLEMENTED: 2004

CHALLENGE: HUD's HQS inspection protocols often require multiple trips to the same neighborhood, the use of third-party inspectors and blanket treatment of diverse housing types, adding nearly \$170,000 to annual administrative costs. Follow-up inspections for minor "fail" items impose additional burdens on landlords, who in turn may resist renting to families with Housing Choice Vouchers.

SOLUTION: Through a series of HCV program modifications, we have streamlined the HQS inspection process to simplify program administration, improve stakeholder satisfaction and reduce administrative costs. Specific policy changes include: (1) allowing the release of HAP payments when a unit fails an HQS inspection due to minor deficiencies (applies to both annual and initial move-in inspections); (2) geographically clustering inspections to reduce repeat trips to the same neighborhood or building by accepting annual inspections completed eight to 20 months after initial inspection, allowing us to align inspection of multiple units in the same geographic location; and (3) self-inspecting KCHA-owned units rather than requiring inspection by a third party. KCHA also piloted a risk-based inspection model that places well-maintained, multi-family apartment complexes on a biennial inspection schedule.

After closely monitoring the outcomes from the risk-based inspection pilot, KCHA decided to expand the program and move all units in multi-family apartment complexes to a biennial inspection schedule. This and the other streamlined processes included in this activity allow KCHA to save more than 5,000 hours of staff time annually.

PROPOSED CHANGES TO ACTIVITY: In 2018, we will explore additional ways to streamline the HQS process, including pre-qualifying unit inspections and waiving or delaying initial inspections at low-risk properties with a positive inspection record and a significant number of KCHA residents already living at the property. Additional criteria may be determined upon further review.

CHANGES TO METRICS: We have surpassed our savings benchmarks with the recent implementation of biennial inspections. The metrics have been increased to reflect that change.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Reduce costs and achieve greater cost-effectiveness	CE #1: Total cost of task in dollars	\$0 saved	\$150,000 saved
Reduce costs and achieve greater cost-effectiveness	CE #2: Total time to complete task in staff hours	0 hours saved	5,000 hours saved

ACTIVITY 2004-7: Streamlining Public Housing and Housing Choice Voucher Forms and Data Processing

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2004

IMPLEMENTED: 2004

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

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

CHANGES TO BUSINESS PROCESSES:

- Modify HCV policy to require notice to move prior to the 20th of the month in order to have paperwork processed during the month. (FY 2004)
- Allow applicant households to self-certify membership in the family at the time of admission. (FY 2004)

- Modify HQS inspection requirements for units converted to project-based subsidy from another KCHA subsidy, and allow the most recent inspection completed within the prior 12 months to substitute for the initial HQS inspection required before entering the HAP contract. (FY 2012)
- Modify standard PBS8 requirements to allow the most recent recertification (within last 12 months) to substitute for the full recertification when tenant's unit is converted to a PBS8 subsidy. (FY 2012)
- Allow Public Housing and HCV applicant households to qualify for a preference when household income is below 30 percent of AMI. (FY 2004)
- Streamline procedures for processing interim rent changes resulting from wholesale reductions in state entitlement programs. (FY 2011)
- Modify the HQS inspection process to allow streamlined processing of inspection data. (FY 2010)
- Establish a local release form that replaces HUD Form 9886 – clearly defining verifications that could be obtained and extending authorization for use to 40 months. (FY 2014)

CHANGES TO VERIFICATION AND INCOME CALCULATION PROCESSES:

- Exclude state Department of Social and Health Services (DSHS) payments made to a landlord on behalf of a tenant from the income and rent calculation under the HCV program. (FY 2004)
- Allow HCV residents to self-certify income of \$50 or less received as a pass-through DSHS childcare subsidy. (FY 2004)
- Extend to 180 days the term over which verifications are considered valid. (FY 2008)
- Modify the definition of "income" to exclude income from assets with a value less than \$50,000, and income from Resident Service Stipends less than \$500 per month. (FY 2008)
- Apply any decrease in Payment Standard at the time of the next annual review or update, rather than using HUD's two-year phase-in approach. (FY 2004)
- Allow HCV residents who are at \$0 HAP to self-certify income at the time of review. (FY 2004)

PROPOSED CHANGES TO ACTIVITY: KCHA will explore additional streamlining measures for its interim recertification process. We are also considering no longer accepting applications from households that are receiving housing assistance.

CHANGES TO METRICS: There are no changes to this activity's metrics.

ACTIVITY 2004-9: Rent Reasonableness Modifications

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2004

IMPLEMENTED: 2004

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

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

PROPOSED CHANGES TO ACTIVITY: In 2018, KCHA will explore further streamlining the Rent Reasonableness process by applying automatic annual rent increases to Project-based Section 8 contracts. Currently, agencies are able to request a rent increase once a year, on the contract anniversary date. By implementing an automatic annual adjustment, KCHA anticipates saving staff time and resources while increasing consistency and equity for owners.

CHANGES TO METRICS: There are no changes to this activity's metrics.

ACTIVITY 2004-12: Energy Performance Contracting

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2004

IMPLEMENTED: 2004

CHALLENGE: KCHA could recapture up to \$48 million in energy savings over 20 years if provided the upfront investment necessary to make efficiency upgrades to its aging housing stock.

SOLUTION: KCHA employs energy conservation measures and improvements through the use of Energy Performance Contracts (EPC) – a financing tool that allows Public Housing Authorities to make needed energy upgrades without having to self-fund the upfront necessary capital expenses. The energy services partner identifies these improvements through an investment-grade energy audit that is then used to underwrite loans to pay for the measures. Project expenses, including debt service, are then paid for out of the energy savings while KCHA and our residents receive the long-term savings and benefits.

Upgrades may include: installation of energy-efficient light fixtures, solar panels, and low-flow faucets, toilets and showerheads; upgraded appliances and plumbing; and improved irrigation and HVAC systems.

In 2016, we extended the existing EPC for an additional eight years and implemented a new 20-year EPC with Johnson Controls (JCI) for both incremental and existing Public Housing properties to make needed capital improvements.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

ACTIVITY 2004-16: Housing Choice Voucher Occupancy Requirements

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2004

IMPLEMENTED: 2004

CHALLENGE: More than 20 percent of tenant-based voucher households move two or more times while receiving subsidy. Moves can be beneficial for the household if they lead to gains in neighborhood or housing quality, but moves also can be burdensome because they incur the costs of finding a new unit through application fees and other moving expenses. KCHA also incurs additional costs in staff time through processing moves and working with families to locate a new unit.

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

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

B. Not Yet Implemented Activities

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

ACTIVITY 2016-1: Budget-based Rent Model

APPROVAL: 2016

This activity allows KCHA to adopt a budget-based approach to calculating the contract rent at its Project-based Section 8 developments. Traditionally, HUD requires Public Housing Authorities to set rent in accordance with Rent Reasonableness statutes. These statutes require that a property's costs reflect the average costs of a comparable building in the same geographic region at a particular point in time. However, a property's needs and purpose can change over time. This set of rules does not take into consideration variations in costs, which might include added operational expenses, necessary upgrades and increased debt service to pay for renovations.

This budget-based rent model allows KCHA to create an appropriate annual budget for each property from which a reasonable, cost-conscious rent level would derive. These budgets may set some units above the Rent Reasonableness rent level and in that case, KCHA will contribute more toward the rent, not to exceed 120 percent of the payment standard. The calculation of a resident's rent payment does not change as it is still determined by that resident's income level. KCHA offsets any increase in a resident's portion of rent, allowing a property to support debt without any undue burden on residents.

We are monitoring the implementation costs of our Energy Performance Contract and will implement this activity if properties need to support more debt to complete the upgrades.

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

APPROVAL: 2015

This activity provides a flat, per-unit subsidy in lieu of a monthly HAP and allows the service provider to dictate the terms of the tenancy (such as length of stay and the tenant portion of rent). The funding would be block-granted based on the number of units authorized under contract and occupied in each program. This flexibility would allow KCHA to better support a "Housing First" approach that places high-risk homeless populations in supportive housing programs tailored to nimbly meet an individual's needs. This activity will be reconsidered for implementation in 2019 when KCHA has more capacity to develop the program.

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

APPROVAL: 2010

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

ACTIVITY 2010-9: Limit Number of Moves for an HCV Participant

APPROVAL: 2010

This policy aims to increase family and student classroom stability and reduce program administrative costs by limiting the number of times an HCV participant can move per year or over a set time. Reducing household and classroom relocations during the school year is currently being addressed through a counseling pilot. This activity is currently deferred for consideration in a future year, if the need arises.

ACTIVITY 2010-11: Incentive Payments to HCV Participants to Leave the Program

APPROVAL: 2010

KCHA may offer incentive payments to families receiving less than \$100 per month in HAP to voluntarily withdraw from the program. This activity is not currently needed in our program model but may be considered in a future fiscal year.

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

APPROVAL: 2008

This policy change facilitates program transfers in limited circumstances, increases landlord participation and reduces the impact on the Public Housing program when tenants transfer. Following the initial review, this activity was placed on hold for future consideration.

C. Activities on Hold

None

D. Closed-out Activities

Activities listed in this section are closed out, meaning they never have been implemented, that we do not plan to implement them in the future, or that they are completed or obsolete.

ACTIVITY 2013-3: Short-term Rental Assistance Program

APPROVAL: 2013

CLOSEOUT YEAR: 2015

In partnership with the Highline School District, KCHA implemented a program called the Student and Family Stability Initiative (SFSI), a Rapid Re-housing demonstration program. Using this evidence-based approach, our program paired short-term rental assistance with housing stability and employment connection services for families experiencing or on the verge of homelessness. This activity is ongoing but has been combined with Activity 2013-2: Flexible Rental Assistance as the program models are similar and enlist the same MTW flexibilities.

ACTIVITY 2012-2: Community Choice Program

APPROVAL: 2012

CLOSEOUT YEAR: 2016

This initiative was designed to encourage and enable HCV households with young children to relocate to areas of the county with higher achieving school districts and other community benefits. In addition to formidable barriers to accessing these neighborhoods, many households are not aware of the link between location and educational and employment opportunities. Through collaboration with local nonprofits and landlords, the Community Choice Program offered one-on-one counseling to households in deciding where to live, helped households secure housing in their community of choice, and provided ongoing support once a family moved to a new neighborhood. Lessons learned from this pilot are informing Creating Moves to Opportunity, KCHA's new research partnership that seeks to expand geographic choice.

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

APPROVAL: 2012

CLOSEOUT YEAR: 2012

This project provided supplemental financial support to low-income families not otherwise qualified for the Healthy Homes project but who required assistance to avoid loss of affordable housing. This activity

is completed. An evaluation of the program by Breysse *et al* was included in KCHA's 2013 Annual MTW Report.

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

APPROVAL: 2011

CLOSEOUT YEAR: 2012

By transferring Public Housing units to Project-based subsidy, KCHA preserved the long-term viability of 509 units of Public Housing. By disposing these units to a KCHA-controlled entity, we were able to leverage funds to accelerate capital repairs and increase tenant mobility through the provision of tenant-based voucher options to existing Public Housing residents. This activity is completed.

ACTIVITY 2011-2: Redesign the Sound Families Program

APPROVAL: 2011

CLOSEOUT YEAR: 2014

KCHA developed an alternative model to the Sound Families program that combines HCV funds with DSHS funds. The goal was to continue the support of at-risk, homeless households in a FUP-like model after the completion of the Sound Families demonstration. This activity is completed and the services have been incorporated into our existing conditional housing program.

ACTIVITY 2010-2: Resident Satisfaction Survey

APPROVAL: 2010

CLOSEOUT YEAR: 2010

KCHA developed its own resident survey in lieu of the requirement to comply with the Resident Assessment Subsystem portion of HUD's Public Housing Assessment System (PHAS). The Resident Assessment Subsystem is no longer included in PHAS so this activity is obsolete. KCHA nevertheless continues to survey residents on a regular basis.

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

APPROVAL: 2010

CLOSEOUT YEAR: 2016

This activity limits the value of assets that can be held by a family in order to obtain (or retain) program eligibility. This policy is no longer under consideration.

ACTIVITY 2009-2: Definition of Live-in Attendant

APPROVAL: 2009

CLOSEOUT YEAR: 2014

In 2009, KCHA considered a policy change that would redefine who is considered a "Live-in Attendant." This policy is no longer under consideration.

ACTIVITY 2008-4: Combined Program Management

APPROVAL: 2008

CLOSEOUT YEAR: 2009

This activity streamlined program administration through a series of policy changes that ease operations of units converted from Public Housing to Project-based Section 8 subsidy or those located in sites supported by mixed funding streams. *Note: KCHA may further modify our combined program management to streamline administration and increase tenant choice.*

ACTIVITY 2008-6: Performance Standards

APPROVAL: 2008

CLOSEOUT YEAR: 2014

In 2008, KCHA investigated the idea of developing performance standards and benchmarks to evaluate the MTW program. We worked with other MTW agencies in the development of the performance standards now being field-tested across the country. This activity is closed out as KCHA continues to collaborate with other MTW agencies on industry metrics and standards.

ACTIVITY 2008-17: Income Eligibility and Maximum Income Limits

APPROVAL: 2008

CLOSEOUT YEAR: 2016

This policy would cap the income that residents may have and also still be eligible for KCHA programs. KCHA is no longer considering this activity.

ACTIVITY 2007-4: Housing Choice Voucher Applicant Eligibility

APPROVAL: 2007

CLOSEOUT YEAR: 2007

This activity increased program efficiency by removing eligibility for those currently on a federal subsidy program.

ACTIVITY 2007-8: Remove Cap on Voucher Utilization

APPROVAL: 2007

CLOSEOUT YEAR: 2014

This initiative allows us to award HCV assistance to more households than permissible under the HUD-established baseline. Our savings from a multi-tiered payment standard system, operational efficiencies and other policy changes have been critical in helping us respond to the growing housing needs of the region's extremely low-income households. Despite ongoing uncertainties around federal funding levels, we intend to continue to use MTW program flexibility to support housing voucher issuance levels above HUD's established baseline. This activity is no longer active as agencies are now permitted to lease above their ACC limit.

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

APPROVAL: 2007

CLOSEOUT YEAR: 2007

This activity streamlined current HUD requirements to track budget expenses and income down to the Asset Management Project level. This activity is completed.

ACTIVITY 2007-18: Resident Opportunity Plan (ROP)

APPROVAL: 2007

CLOSEOUT YEAR: 2015

An expanded and locally designed version of FSS, ROP's mission was to advance families toward self-sufficiency through the provision of case management, supportive services and program incentives, with the goal of positive transition from Public Housing or HCV into private market rental housing or home ownership. KCHA implemented this five-year pilot in collaboration with community partners, including Bellevue College and the YWCA. These partners provided education and employment-focused case management, such as individualized career planning, a focus on wage progression and asset-building assistance. In lieu of a standard FSS escrow account, each household received a monthly deposit into a savings account, which continues throughout program participation. Deposits to the household savings account are made available to residents upon graduation from Public Housing or HCV subsidy. After reviewing the mixed outcomes from the multi-year evaluation, KCHA decided to close out the program and re-evaluate the best way to assist families in achieving economic independence.

ACTIVITY 2006-1: Block Grant Non-mainstream Vouchers

APPROVAL: 2006

CLOSEOUT YEAR: 2006

This policy change expanded KCHA's MTW Block Grant by including all non-mainstream program vouchers. This activity is completed.

ACTIVITY 2005-18: Modified Rent Cap for Housing Choice Voucher Participants

APPROVAL: 2005**CLOSEOUT YEAR:** 2005

This modification allowed a tenant's portion of rent to be capped at up to 40 percent of gross income upon initial lease-up rather than 40 percent of adjusted income. *Note: KCHA may implement a rent cap modification in the future to increase mobility.*

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

APPROVAL: 2004**CLOSEOUT YEAR:** 2006

This grant funded financial assistance through MTW reserves with rules modified to fit local circumstances, modified eligibility to include Public Housing residents with HCV, required minimum income and minimum savings prior to entry, and expanded eligibility to include more than first-time homebuyers. This activity is completed.

SECTION V

SOURCES AND USES OF MTW FUNDS

A. SOURCES AND USES OF MTW FUNDS²⁵

Estimated Sources of MTW Funding for the Fiscal Year

FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	\$7,492,000
70600	HUD PHA Operating Grants	\$123,360,355
70610	Capital Grants	\$6,000,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$0
71100+72000	Interest Income	\$811,000
71600	Gain or Loss on Sale of Capital Assets	\$0
71200+71300+71310+71400+71500	Other Income	\$6,317,000
70000	Total Revenue	\$143,980,355

Estimated Uses of MTW Funding for the Fiscal Year

FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	(\$14,551,000)
91300+91310+92000	Management Fee Expense	(\$4,814,000)
91810	Allocated Overhead	\$0
92500 (92100+92200+92300+92400)	Total Tenant Services	(\$8,785,000)
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	(\$2,937,000)
93500+93700	Labor	\$0
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	(\$4,376,000)
95000 (95100+95200+95300+95500)	Total Protective Services	(\$127,000)
96100 (96110+96120+96130+96140)	Total Insurance Premiums	(\$229,000)
96000	Total Other General Expenses	\$0

²⁵ The MTW Plan is due to HUD in advance of KCHA completing a final budget. These numbers are preliminary and are subject to change in the budgeting process.

(96200+96210+96300+96400+96500+96600+96800)		
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	\$0
97100+97200	Total Extraordinary Maintenance	(\$4,900,000)
97300+97350	Housing Assistance Payments + HAP Portability-in	(\$103,139,658)
97400	Depreciation Expense	(\$7,530,000)
97500+97600+97700+97800	All Other Expenses	(\$8,677,000)
90000	Total Expenses	(\$160,065,658)

Description of Activities Using Only MTW Single-fund Flexibility

KCHA is committed to making the most efficient, effective and innovative use of our single-fund flexibility under MTW while adhering to the statutory requirements of the program. Our ability to blend funding sources gives us the freedom to implement new approaches to program delivery in response to the varied and challenging housing needs of low-income people in King County. With MTW flexibility, we have assisted more of our county's households – and, among those, more of the most vulnerable and poorest households – than would have been possible under HUD's traditional funding and program constraints.

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

- KCHA's Homeless Housing Initiatives.** These initiatives address the varied and diverse needs of the county's most vulnerable homeless populations – those experiencing chronic mental illness; individuals with criminal justice involvement; homeless young adults and foster youth; homeless students and their families; veterans experiencing homelessness; and people escaping domestic violence. The traditional housing subsidy programs have failed to reach many of these households and lack the supportive services necessary to successfully serve these individuals and families. In 2018, KCHA will invest nearly \$33 million into these programs.
- Housing Stability Fund.** This fund provides emergency financial assistance to qualified residents to secure and keep housing, including limited rental assistance, security deposits and utility payments. Under the program design, a designated agency partner disburses funding to qualified program participants, screening for eligibility according to the program's guidelines. As a result of this

assistance, families are able to maintain their housing, avoiding the far greater system costs that would have occurred if they became homeless.

- **Education Initiatives.** KCHA continues to actively partner with local education stakeholders to improve outcomes for the more than 13,000 children who live in our federally funded housing on any given night. The results of these efforts, including improved attendance, and increases in grade-level performance and on-time graduation, are an integral part of our core mission. By investing in the next generation, we are working to close the cycle of poverty that persists among many of the families we serve.
- **Acquisition and Preservation of Affordable Housing.** We continue to use MTW resources to actively seek out property acquisitions to preserve housing affordability in strategic areas of King County, including current and emerging high-opportunity neighborhoods and transit-oriented development sites.
- **Increase Access to Healthcare through Partnerships and Collaborative Planning.** KCHA partners with local services providers, King County-Seattle Aging and Disability Services, the King County Accountable Community of Health (ACH), and others to support residents in accessing the healthcare services they need to maintain a good quality of life. In 2018, KCHA will develop a coordination plan to ensure that our elderly and disabled residents receive timely referrals and optimal health services while ensuring program staff are equipped to transition residents between health programs in order to meet their changing needs. In addition, through a partnership with Global to Local, KCHA is piloting a Community Health Worker program to enhance community knowledge of medical services as well as improving our residents' ability to access those services. Finally, KCHA is linking Medicaid participation data with our resident data, which allows for more refined strategies to address unmet needs of those we serve. This effort enables KCHA to access new health services that may come through Medicaid expansion, funding opportunities from local levies, and philanthropy.
- **Long-term Viability of Our Portfolio.** KCHA uses our single-fund flexibility to protect the long-term viability of our inventory. This flexibility allowed us to make loans in combination with the Low-Income Housing Tax Credit (LIHTC) program to rehabilitate properties, adding years to their useful lives. Additionally, we continue to use a short-term line of credit toward the redevelopment of the

Greenbridge HOPE VI site. This line of credit will be retired with proceeds from land sales to private homebuilders, much of which is already underway. KCHA also uses MTW funds to support energy conservation measures as part of our EPC projects. MTW working capital provides an essential backstop for these types of liabilities, addressing risk concerns of lenders, enhancing our credit worthiness and enabling our continued access to private capital markets.

- **Remove the Cap on Voucher Utilization.** This initiative enables us to utilize savings achieved through MTW initiatives to over-lease and provide HCV assistance to more households than permissible under our HUD-established baseline. Our savings from a multi-tiered, ZIP code-based payment standard system, operational efficiencies and other policy changes have been critical in helping us respond to the growing housing needs of the region's extremely low-income households. Despite ongoing uncertainties around federal funding levels, we continue to use MTW program flexibility to support housing voucher issuance above HUD baseline levels.

B. LOCAL ASSET MANAGEMENT PLAN

Has the PHA allocated costs within statute during the plan year?	No
Has the PHA implemented a local asset management plan (LAMP)?	Yes
Has the PHA provided a LAMP in the appendix?	Yes

In FY 2008, as detailed in the MTW Annual Plan for that year and adopted by our Board of Commissioners under Resolution No. 5116, KCHA developed and implemented our own local funding model for the Public Housing and HCV programs using our MTW block grant authority. Under our current agreement, KCHA's Public Housing Operating, Capital and HCV funds are considered fungible and may be used interchangeably. In contrast to 990.280 regulations, which require transfers between projects only after all project expenses are met, KCHA's model allows budget-based funding at the start of the fiscal year from a central ledger, not other projects. We maintain a budgeting and accounting system that gives each property sufficient funds to support annual operations, including allowable fees. Actual revenues include those provided by HUD and allocated by KCHA based on annual property-based budgets. As envisioned, all block grants are deposited into a single general ledger fund.

No changes will be made to the LAMP in 2018.

SECTION VI

ADMINISTRATIVE

A. BOARD OF COMMISSIONERS RESOLUTION

Attached as Appendix B.

B. PUBLIC REVIEW PROCESS

MTW Plan Public Review Period

August 18, 2017 to September 18, 2017

- **MEETINGS AND HEARINGS**
 - September 6: Southeast Region Resident Meeting
 - September 7: Southwest Region Resident Meeting
 - September 13: Northeast Region Resident Meeting
 - September 11 and 12: Resident Advisory Committee Meetings
- **MAILING**
 - Shared draft plan via email with stakeholders, partners and the Resident Advisory Committee, accompanied by a request for participation in the hearing.
- **PUBLISHING AND POSTING**
 - Starting August 1: Promotion of Plan's availability at various resident events.
 - August 18: Notice published in the Seattle Times.
 - August 18: Notice published in the Daily Journal of Commerce.
 - August 18: Notice published in the NW Asian Weekly.
 - August 18: Notice and Draft 2018 MTW Plan posted on KCHA's website (www.kcha.org).
 - August 18: Notice posted in KCHA's Public Housing and Project-based Section 8 developments. Plan was made available in the main office and the public hearing site.

Comments Received

Public Hearings

Resident Advisory Committee Meetings

Written Comment

C. RESULTS OF LATEST KCHA-DIRECTED EVALUATIONS

KCHA shares evaluation findings and reports in its MTW Reports.

D. ANNUAL STATEMENT/PERFORMANCE AND EVALUATION REPORT

Attached as Appendix E.

APPENDIX A

KCHA'S LOCAL ASSET MANAGEMENT PLAN

As detailed in KCHA's FY 2008 MTW Annual Plan and adopted by the Board of Commissioners under Resolution No. 5116, KCHA has implemented a Local Asset Management Plan that considers the following:

- KCHA will develop its own local funding model for Public Housing and Section 8 using its block grant authority. Under its current agreement, KCHA can treat these funds and CFP dollars as fungible. In contrast to 990.280 regulations, which require transfers between projects after all project expenses are met, KCHA's model allows budget-based funding at the start of the fiscal year from a central ledger, not other projects. KCHA will maintain a budgeting and accounting system that gives each property sufficient funds to support annual operations, including allowable fees. Actual revenues will include those provided by HUD and allocated by KCHA based on annual property-based budgets. As envisioned, all block grants will be deposited into a single general ledger fund. This will have multiple benefits.
- KCHA gets to decide subsidy amounts for each public housing project. It's estimated that HUD's new funding model has up to a 40% error rate for individual sites. This means some properties get too much, some too little. Although funds can be transferred between sites, it's simpler to determine the proper subsidy amount at the start of the fiscal year rather than when shortfalls develop. Resident services costs will be accounted for in a centralized fund that is a sub-fund of the single general ledger, not assigned to individual programs or properties.
- KCHA will establish a restricted public housing operating reserve equivalent to two months' expenses. KCHA will estimate subsidies and allow sites to use them in their budgets. If the estimate exceeds the actual subsidy, the difference will come from the operating reserve. Properties may be asked to replenish this central reserve in the following year by reducing expenses, or KCHA may choose to make the funding permanent by reducing the unrestricted block grant reserve.

- Using this approach will improve budgeting. Within a reasonable limit, properties will know what they have to spend each year, allowing them autonomy to spend excess on “wish list” items and carefully watch their budgets. The private sector doesn’t wait until well into its fiscal year to know how much revenue is available to support its sites.
- Reporting site-based results is an important component of property management and KCHA will continue accounting for each site separately; however, KCHA, as owner of the properties will determine how much revenue will be included as each project’s subsidy. All subsidies will be properly accounted for under the MTW rubric.
- Allowable fees to the central office cost center (COCC) will be reflected on the property reports, as required. The MTW ledger won’t pay fees directly to the COCC. As allowable under the asset management model, however, any subsidy needed to pay legacy costs, such as pension or terminal leave payments and excess energy savings from the Authority’s ESCO, may be transferred from the MTW ledger or the projects to the COCC.
- Actual Section 8 amounts needed for housing assistance payments and administrative costs will be allotted to the Housing Choice Voucher program, including sufficient funds to pay asset management fees. Block grant reserves and their interest earnings will not be commingled with Section 8 operations, enhancing budget transparency. Section 8 program managers will become more responsible for their budgets in the same manner as public housing site managers.
- Block grant ledger expenses, other than transfers out to sites and Section 8, will be those that support MTW initiatives, such as the South County Pilot or resident self-sufficiency programs. Isolating these funds and activities will help KCHA’s Board of Commissioners and its management keeps track of available funding for incremental initiatives and enhances KCHA’s ability to compare current to pre-MTW historical results with other housing authorities that do not have this designation.
- In lieu of multiple submissions of Operating Subsidy for individual Asset Management Projects, KCHA may submit a single subsidy request using a weighted average project expense level (WAPEL) with aggregated utility and add-on amounts.

APPENDIX B

BOARD OF COMMISSIONERS RESOLUTION

APPENDIX C

DISCLOSURE OF LOBBYING ACTIVITIES

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

(See reverse for public burden disclosure.)

1. Type of Federal Action: <input checked="" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		2. Status of Federal Action: <input checked="" type="checkbox"/> na a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		3. Report Type: <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____	
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: _____ Congressional District, if known: 4c			5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known: _____		
6. Federal Department/Agency: U.S. Department of Housing and Urban Development			7. Federal Program Name/Description: MTW Annual Plan CFDA Number, if applicable: _____		
8. Federal Action Number, if known:			9. Award Amount, if known: \$ _____		
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI): n/a			b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI): na/		
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature: _____ Print Name: <u>Stephen Norman</u> Title: <u>Executive Director</u> Telephone No.: <u>206-574-1100</u> Date: _____		
Federal Use Only:					Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

APPENDIX D

Designation Plan

Designation Plan Status as of 08/31/2017

Project #	Project	Units	Occupied	%Target	Target	#Elderly	%Elderly	Pre-Imp.	Status	Action
NORTHEAST MIXED POPULATION										
150TC	Paramount House	70	70	0.78	55	55	78	-12	0	Monitor for next vacancy
151	Northridge I	70	68	0.78	55	56	80	-7	1	No restrictions on younger households
152	Briarwood	70	69	0.78	55	58	82	-2	3	No restrictions on younger households
153	Northridge II	70	70	0.78	55	58	82	-2	3	No restrictions on younger households
154	The Lake House	70	70	0.78	55	56	80	-5	1	No restrictions on younger households
156	Westminster Manor	60	60	0.78	47	49	81	-	2	No restrictions on younger households
250	Forest Glen	40	40	0.78	32	35	87	-2	3	No restrictions on younger households
251	Casa Juanita	80	79	0.78	63	65	81	4	2	No restrictions on younger households
290	Northlake House	38	35	0.78	30	32	84	-	2	No restrictions on younger households
191	Northwood	34	34	0.78	27	29	85	-	2	No restrictions on younger households
SOUTHEAST MIXED POPULATION										
554TC	Gustaves Manor	35	33	0.78	28	28	80	6	0	Monitor for next vacancy
450TC	Mardi Gras	61	61	0.78	48	52	85	10	4	No restrictions on younger households
551TC	Plaza 17	70	68	0.78	55	58	82	7	3	No restrictions on younger households
550	Wayland Arms	67	67	0.78	53	55	82	2	2	No restrictions on younger households
487TC	Vantage Point	77	77	0.78	61	67	87		6	No restrictions on younger households
SOUTHWEST MIXED POPULATION										
350	Boulevard Manor	70	70	0.78	55	59	84	-11	4	No restrictions on younger households
354TC	Brittany Park	43	43	0.78	34	36	83	-8	2	No restrictions on younger households
553TC	Casa Madrona	70	70	0.78	55	56	80	6	1	No restrictions on younger households
352TC	Munro Manor	60	58	0.78	47	45	75	-5	-2	Freeze admission of younger households
342TC	Nia	82	78	0.78	64	70	85	0	6	No restrictions on younger households
358TC	Riverton Terrace EGIS	30	30	0.78	24	26	86	-3	2	No restrictions on younger households
552	Southridge House	80	79	0.78	63	67	83	14	4	No restrictions on younger households
353	Yardley Arms	67	67	0.78	53	56	83	-9	3	No restrictions on younger households
390	Burien Park	102	101	0.78	80	94	92	-	14	No restrictions on younger households
HOPA										
451	Eastridge House	40	40	0.9	36	34	85	-	-2	Freeze admission of younger households
465	Bellevue Manor	66	64	0.9	60	61	92	5	1	No restrictions on younger households
466	Patricia Harris	41	39	0.9	37	39	95	6	2	No restrictions on younger households
SEDRO WOOLLEY										
155	Hillsvie	60	60		-	43	71	-	-	

APPENDIX E

ANNUAL STATEMENT/PERFORMANCE AND EVALUATION REPORT

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

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

Part I: Summary					
PHA Name: HA County of King		Grant Type and Number Capital Fund Program Grant No: WA19P002501-12 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: 2012 FFY of Grant Approval:
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2017 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	4,050,127.00	4,050,127.00	4,050,127.00	4,050,127.00
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

¹ To be completed for the Performance and Evaluation Report.

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

³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

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

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

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Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2017 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	4,050,127.00	4,050,127.00	4,050,127.00	4,050,127.00
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director		Date		Signature of Public Housing Director	
				Date	

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

Part I: Summary					
PHA Name: HA County of King		Grant Type and Number Capital Fund Program Grant No: WA19P002501-13 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: 2013 FFY of Grant Approval:
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2017 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	3,162,965.00	3,162,965.00	3,162,965.00	3,162,965.00
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

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Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/31/2017 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	3,162,965.00	3,162,965.00	3,162,965.00	3,162,965.00
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director		Date		Signature of Public Housing Director	
				Date	

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Part I: Summary					
PHA Name: HA County of King		Grant Type and Number Capital Fund Program Grant No: WA19P002501-14 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: 2014 FFY of Grant Approval:
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2017 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	3,684,067.00	3,684,067.00	3,684,067.00	381,925.56
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

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Part I: Summary					
PHA Name: HA County of King		Grant Type and Number Capital Fund Program Grant No: WA19P002501-14 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2014 FFY of Grant Approval:	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2017 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	3,684,067.00	3,684,067.00	3,684,067.00	381,925.56
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director 		Date		Signature of Public Housing Director	
				Date	

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Part I: Summary					
PHA Name: HA County of King		Grant Type and Number Capital Fund Program Grant No: WA19P002501-15 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: 2015 FFY of Grant Approval:
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2017 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
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4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
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7	1430 Fees and Costs				
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12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	3,795,767.00	3,795,767.00	3,795,767.00	379,576.70
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

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Part I: Summary					
PHA Name: HA County of King		Grant Type and Number Capital Fund Program Grant No: WA19P002501-15 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: 2015 FFY of Grant Approval:
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2017 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
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21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
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25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director 		Date		Signature of Public Housing Director	
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 Expires 06/30/2017

Part I: Summary					
PHA Name: HA County of King		Grant Type and Number Capital Fund Program Grant No: WA19P002501-16 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: 2016 FFY of Grant Approval:
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2017 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
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5	1411 Audit				
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7	1430 Fees and Costs				
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10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	3,900,241.00	3,900,241.00	390,024.10	390,024.10
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

¹ To be completed for the Performance and Evaluation Report.

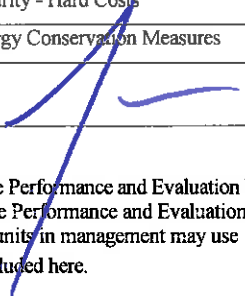
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Part I: Summary					
PHA Name: HA County of King		Grant Type and Number Capital Fund Program Grant No: WA19P002501-16 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2016 FFY of Grant Approval:	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2017 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	3,900,241.00	3,900,241.00	390,024.10	390,024.10
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director 		Date		Signature of Public Housing Director	
				Date	

¹ To be completed for the Performance and Evaluation Report.

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

³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

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

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

[illegible]

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

² To be completed for the Performance and Evaluation Report.

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
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[illegible]

² To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
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¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

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To: Board of Commissioners

From: Jenna Smith, Resource Conservation Manager

Date: September 12, 2017

Re: 2011-2016 Resource Management Plan Final Year Report and 2017 Environmental Sustainability Plan Initiatives Update

2016 marked the final year of KCHA's six year Resource Management Plan (RMP). Its replacement, the 2017-2021 Environmental Sustainability Plan (ESP), was adopted by the Board in November 2016. At the September 18th Board meeting, I will be presenting the final year results of the RMP, as well as an update on first year ESP initiatives.

Executive Summary of the 2016 Resource Management Plan Results:

The RMP included a list of conservation initiatives, plus six sustainability target areas with annual goals. Since 2011, KCHA has made excellent progress in all six of the target areas. By the end of 2016, Target 1, common area energy savings, and Target 5, waste diversion surpassed their final-year goals. Target 2, multifamily whole-property energy use per square foot (EUI), and Target 3, water use per resident per day (GPD), came very close to meeting goals, while Target 4, avoided utility costs, almost met its goal. Only Target 6, the goal to increase solar energy generating capacity, didn't make any progress in 2016.

Dashboard of the Six Sustainability Target Areas:

Sustainability Target Areas	2016 Actual	2016 Goal	% of Goal
1) Common area energy savings in British Thermal Units (MMBtu)	8,359 MMBtu	8,079 MMBtu	103%
2) Multifamily Energy use per square foot (EUI)	35.9 EUI	35.8 EUI	100%
3) Multifamily Gallons of water per person per day (GPD)	50.3 GPD	50 GPD	99%
4) Avoided utility costs (electricity, gas and water)	\$254,118	\$278,922	91%
5) Waste diversion rate (DR)	44.4% DR	40% DR	111%

Sustainability Target Areas	2016 Actual	2016 Goal	% of Goal
6) Solar energy capacity	99.7 kW	195.5 kW	51%

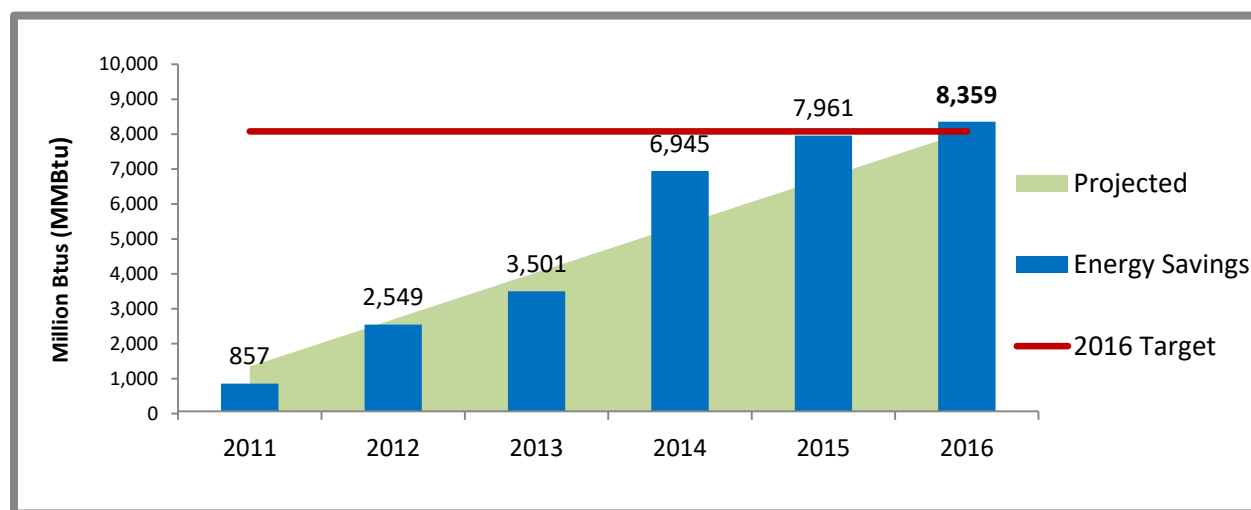
Summary of the Six Sustainability Target Areas:

Target 1: Common Area Energy Savings

In 2016, common area energy savings was 3% higher than target and 5% higher than the previous year (Table 1). Taking advantage of utility rebate programs, 10 exterior lighting projects were completed with an estimated savings of more than 340 thousand kilowatt hours (kWh) per year. These projects also had the added benefit of increasing illumination in hallways, offices and outdoor areas.

Table 1: Common Area Energy Savings

Target: 8,079 MMBtu saved (10% increase in savings by year-end 2016)



Target 2: Multifamily Energy Use

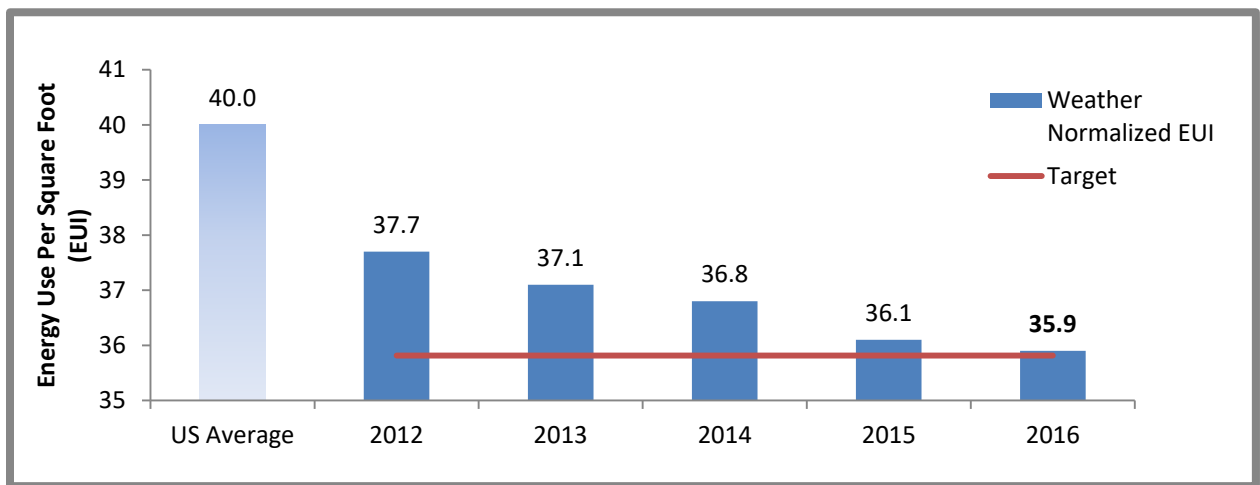
To calculate KCHA's multifamily Energy Use Index (EUI), common area and resident energy use is combined and normalized for weather variations, and then divided by the total square footage of the buildings. Normalizing energy data requires a complete year of weather data. Energy conservation projects that occurred in the later part of 2016 did not significantly impact 2016's yearend EUI.

Since 2012, which was the first year the data became available, EUI has been steadily declining. Weatherization projects, energy utility rebates and resident engagement

programs, plus maintenance and management practices, continue to reduce energy use (Table 2).

In 2016, KCHA completed eight weatherization projects, ten exterior lighting projects, and 22 free LED light bulb and advanced power strip giveaway events for residents. KCHA also began the Energy Performance Contract (EPC) with Johnson Controls, Inc., to upgrade 34 properties with energy efficiency improvements through 2017.

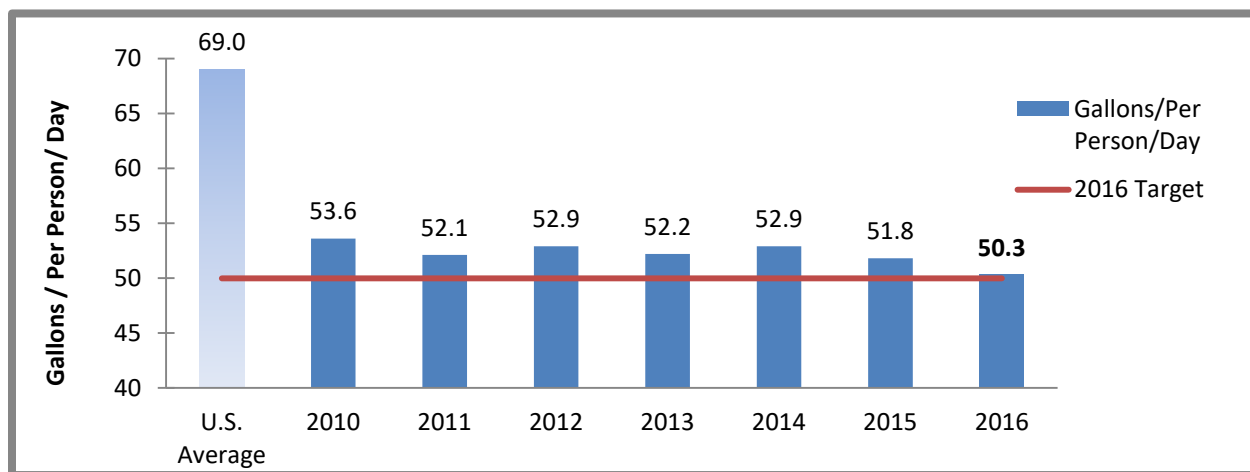
Table 2: Multifamily Energy Use
Target: 35.8 EUI (5% reduction by year-end 2016)



Target 3: Water Savings

Average daily per capita water use for KCHA-managed properties was about 3% lower than the previous year, almost meeting the annual target (Table 3). Staff continues to monitor utility bills, identify and fix leaks, and upgrade plumbing fixtures with more water efficient technologies, often with the assistance of utility rebate programs. Though the EPC began towards the end of 2016, the impact to total water use mainly impacted utility bills in 2017.

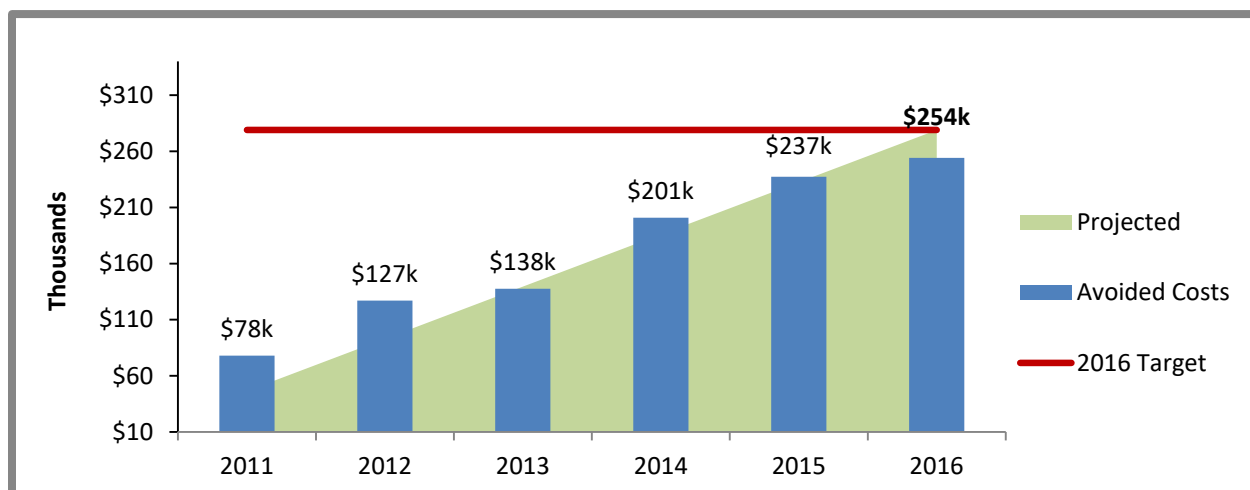
Table 3: Water Savings
 Target: 50 GPD (5% reduction by year-end 2016)



Target 4: Avoided Utility Costs

In 2016, KCHA avoided \$51 thousand in water and \$203 thousand in energy costs compared to the 2010 baseline year (Table 4). Between 2015 and 2016, there was a 7% increase in overall utility savings. The water cost savings nearly doubled compared to the previous year due to water efficiency measures installed at 4 EPIC and 8 Weatherization properties. In 2016, energy savings were down by 4% compared to 2015. Though electricity savings increased, overall gas savings were much lower in 2016, due to an abnormally cold and long winter.

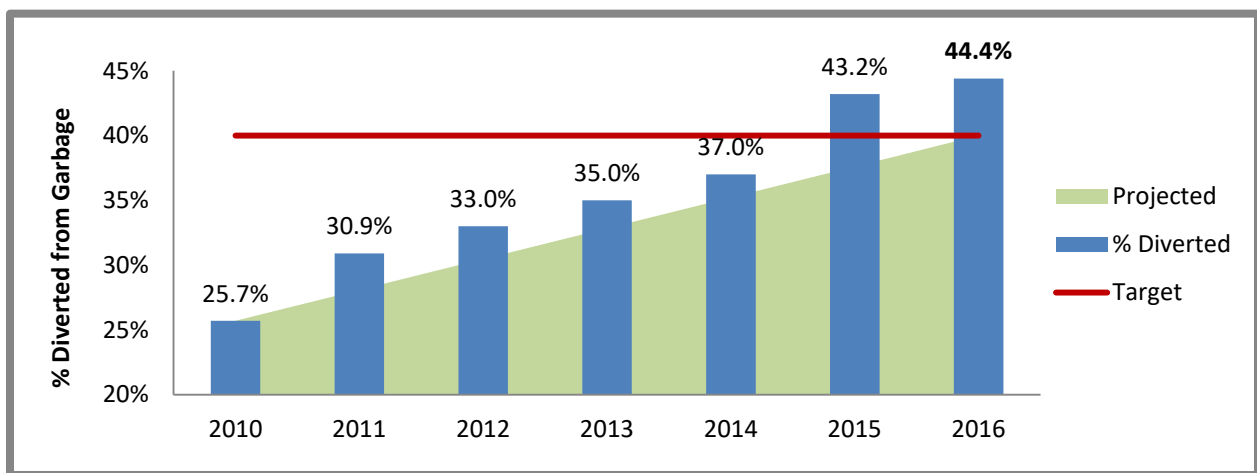
Table 4: Avoided Utility Cost
 Target: \$279k (5% Energy & 10% Water Savings by year-end 2016)



Target 5: Waste Diversion

At the end of 2016, 44.4% of waste was being diverted from the landfill to regional recycling and composting facilities. This figure surpasses the five year goal, which was originally set at 40%, and also greatly exceeds the King County average for multifamily diversion, which is around 15%. Currently, 100% of KCHA properties subscribe to recycling service, 35 properties subscribe to organics collection and of those 16 encourage residents to compost food scraps.

Table 5: Waste Diversion
Target: 40% diversion by year-end 2016

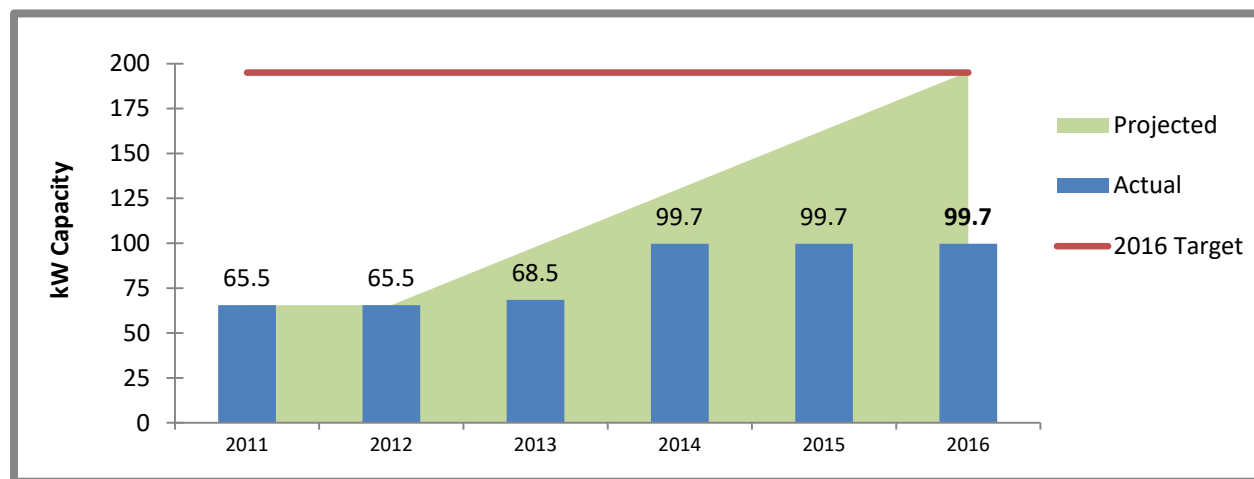


Target 6: Solar Energy Capacity

In 2016, KCHA explored using Washington State Department of Commerce funding to install a solar array system on one of the Central Office's buildings, however the cost-benefit analysis was not favorable and the project was not implemented. Additional solar installations will in most cases require a change in the financing/tax environment or additional reductions in installation costs.

From November 2015 to October 2016 (the utility solar program year), KCHA's six solar systems generated about \$11 thousand in electricity savings, and provided a \$12 thousand annual rebate from the energy utilities.

Table 6: Solar Energy Capacity
Target: 195kW by year-end 2016



2017 Environmental Sustainability Plan Initiatives Update:

Utility Data Improvements

- Since the beginning of 2017, a comprehensive effort has been underway to verify and update all water, sewer, electricity and gas utility data. This year, a new staff person was hired and has updated about 75% of the utility data tracked in the two main utility management software systems. Updated utility data will likely impact the goals and targets that were originally calculated for the new Environmental Sustainability Plan.

Partnerships

- **City of Bellevue/Bellevue Boys and Girls Club:** In a partnership between KCHA, the City of Bellevue, and the Bellevue Boys and Girls Clubs, an environmental educational program was developed for the Spiritwood, Hidden Village, and Eastside Terrace clubs. The program taught children about energy conservation, storm water protection, recycling and composting, and saving water in the home, and encouraged the children to take the messages home to family members.
- **Kent Youth and Family Services:** KCHA Resident Services staff partnered with Kent Youth and Family Services staff to tackle a litter problem at Valli Kee. Kids made posters to encourage other kids and adults to make sure trash ends up in the bin and not on the ground around the bins. The posters were then laminated and placed on the outsides of the waste/recycling enclosures with the

hope that it would encourage residents to more carefully place trash and recycling in the property dumpster.

- **The Cascade Water Alliance:** KCHA has collaborated with the Cascade Water Alliance on multiple initiatives over the past few years. In the spring of 2016 and 2017, Cascade hosted sustainable landscape management trainings for KCHA property maintenance staff, including contracted properties, to teach them natural landscape management techniques that improve the appearance of plants, while reducing staff time, water use, and impacts to the environment. Cascade also performed water conservation workshops for staff and outreach to residents during Fix-A-Leak Week events in March.
- **EnviroStars:** King County's EnviroStars program recognizes organizations for outstanding management of hazardous waste. Currently, KCHA has about half of all properties certified. This year, King County announced major changes to the EnviroStars program, which may impact how KCHA participates in the program in the future.

Recognition

- **Green Globe Award:** In 2017, Dow Constantine, King County Executive, honored KCHA with the County's Green Globe award for their outstanding achievements in environmental stewardship. KCHA received the award based on work with the EnviroStars Program, as well as the on-going work from the new Environmental Sustainability Plan.
- **Better Buildings Challenge:** In 2017, KCHA received recognition from HUD and the Department of Energy for tracking and sharing all whole property multifamily energy data. In 2016, HUD developed a proposal that would require all public housing properties to benchmark energy use every three years. KCHA can comply with this proposal if it becomes a requirement.

Property Initiatives

- **Sustainable Landscape Management:** Landscape management is one of the main initiatives in the Environmental Sustainability Plan (ESP). Starting in 2016, staff began looking at the water efficiency of automatic irrigation systems. This year, staff began inventorying irrigation systems, adjusting irrigation runtimes and tracking the impact to water use and utility bills.
- **Solid Waste:** In the ongoing effort to reduce garbage costs and improve diversion rates (the amount of material recycled vs sent to the landfill), KCHA conservation staff continue to "right-size" garbage and recycling capacity at each property. This simple change typically leads to a reduction in garbage capacity and an increase in recycling capacity, plus a utility cost savings for the property. As residents' recycling knowledge grows, staff will further right-size solid waste services to increase the diversion rate and reduce billing costs. As a result of

increasing recycling service and reducing unneeded garbage capacity, in 2016, KCHA saved over \$28 thousand, and an additional \$21 thousand so far this year.

- **Utility Rebate & Conservation Programs (Excluding EPC):** KCHA continues to assess properties for utility rebates and free-of-charge conservation program opportunities. In 2016, portfolio-wide rebates totaled almost \$450 thousand, and in 2017, \$51 thousand. Energy and water efficiency rebates come from the Saving Water Partnership, Cascade Water Alliance, Seattle City Light and Puget Sound Energy. For both years, projects included air sealing (\$272 thousand), exterior lighting (\$97 thousand) and toilet retrofits (\$116 thousand, plus 129 free toilets), efficient pool heaters (\$2.8 thousand), and rebates for Resource Conservation staff's participation in the PSE's Resource Conservation Manager program (\$13 thousand). Also, since last year, another 22 properties participated in Seattle City Light (SCL) and Puget Sound Energy's (PSE)'s direct install program which provides free indoor LED lightbulbs, power strips, and water heater pipe insulation to residents. Currently, KCHA is also participating in two PSE programs, one that targets energy savings through commissioning services for non-residential buildings and the other which aims to provide comprehensive energy management support to residents and staff.
- **Weatherization:** KCHA's dedicated Weatherization department performs outstanding work that directly impacts both energy and water outcomes tracked by Resource Conservation staff. Their wide scope includes heating systems (ductless heat pumps and furnaces), insulation (walls, attic, and floor), mechanical ventilation (bathroom fans and energy recovery ventilators), and low cost items (LED bulbs, showerheads, and faucet aerators). In 2016, Weatherization leveraged \$2.5 million to substantially complete eight KCHA sites (511 residential units). In 2017 there will be an estimated \$1.2 million leveraged for another five KCHA sites (274 residential units) with three slated to be substantially completed by year end.
- **Energy Performance Initiative Contract (EPIC):** Since EPIC construction began in 2016, 100% of the water measures and about 75% of the energy measures have been installed under the contract with Johnson Controls, Inc. Another three properties have been added to the project scope since beginning the work, and planning is underway to add more to the extent that additional funding becomes available. Most of the additional scope will be self-performed by KCHA in 2018. When complete, KCHA will have installed approximately \$23 million in energy and water conservation measures at nearly all public housing properties. For this project, HUD paid incentives to KCHA are estimated to be \$50.4 million. Of these incentives, \$20 million (\$1 million annually) can be used to support KCHA operations, above and beyond any project costs.

T A B N U M B E R

8



To: Board of Commissioners

From: Kristy Johnson, Director of Homeless Housing Initiatives

Date: September 12, 2017

Re: Homeless Housing Initiatives Study Session

At the Board of Commissioners meeting on September 18, 2017, staff will provide a brief overview of KCHA's Homeless Housing Initiatives. The presentation is intended to provide the Board with a summary of KCHA's programs and investments as well as some of the challenges addressing homelessness in King County.