

MEETING OF THE BOARD OF COMMISSIONERS

October 9, 2017 at 8:30 a.m.

King County Housing Authority Conference Room 109 600 Andover Park W Tukwila, WA 98188

AGENDA

I.	Call to Order	
II.	Roll Call	
III.	Public Comment	
IV.	Approval of Minutes	
	Board Meeting Minutes –September 18, 2017	1
V.	Approval of Agenda	
VI.	Consent Agenda	
	A. Voucher Certification Reports for August 2017	2
VII.	Resolutions for Discussion & Possible Action	
	A. Resolution 5569: Authorizing the Submission of an Application to the U.S. Department of Housing and Urban Development for the Disposition of the Eastside Maintenance Warehouse in Kirkland WA	3
	B. Resolution 5570: Authorizing the Acquisition of the Friendly Village Mobile Home Park in Redmond WA	4
	C. Resolution 5571: Authorizing issuance of a note in the principal amount not to exceed \$25,000,000, to finance acquisition of Friendly Village Mobile	5
	Home Park and determining related matters D. Resolution 5572: Approval of the King County Housing Authority's Moving to Work Annual Plan for FY 2018	6

KCHA Board of Commissioners' Agenda October 9, 2017 Board Meeting Page **2** of **2**

VIII. Briefings & Reports

A.	New Bank Accounts	
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- B. Risk Management and Insurance Program: 2017 Update
- IX. Executive Director Report
- X. KCHA in the News
- **XI.** Commissioner Comments
- XII. Adjournment

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

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

Monday, September 18, 2017

I. CALL TO ORDER

The special meeting of the Board of Commissioners of the King County Housing Authority was held on Monday, September 18, 2017 at Briarwood Apartments, 18026 Midvale Avenue N., Shoreline, WA. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:28 a.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair) and Commissioner TerryLynn

Stewart. Commissioner John Welch participated via phone.

Excused: Commissioner Susan Palmer and Commissioner Michael Brown

(Vice-Chair)

III. APPROVAL OF AGENDA

On motion by Commissioner Welch and seconded by Commissioner Stewart, the Board unanimously approved the September 18, 2017 Special Board of Commissioners' meeting agenda.

IV. CONSENT AGENDA

A. Voucher Certification Reports for July 2017

GENERAL PROPERTIES		
Bank Wires / ACH Withdrawals		1,331,266.61
	Subtotal	1,331,266.61
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
	Subtotal	4,323,593.46
Payroll Vouchers		
Checks - #90525 - #90532 & #90548 - #90579		40,719.82
Direct Deposit		1,356,198.21
	Subtotal	1,396,918.03
Section 8 Program Vouchers		
Checks - #618416-#618737		193,602.36
ACH - #387972-#390709		11,860,871.76
	Subtotal	12,054,474.12

KCHA Board of Commissioners' September 18, 2017 Special Meeting Minutes Page 2 of 4

> Purchase Card / ACH Withdrawal 198,049.40 198.049.40 Subtotal **GRAND** 23,714,688.46 TOTAL.

BOND PROPERTIES

Bond Properties Total (31 different properties)

\$2,517,960.94

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

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

RESOLUTONS FOR DISCUSSION & POSSIBLE ACTION V.

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

Commissioner Welch stated he would be interested in learning more detail about KCHA's merit program, at a later date.

On motion by Commissioner Welch and seconded by Commissioner Stewart, the Board approved Resolution No. 5568 as follows; Yea votes by Commissioners Barnes and Welch and abstention by Commissioner Stewart.

VI. APPROVAL OF MINUTES

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

WELCOME TO BRIARWOOD APARTMENTS VII.

Yichuan Zhao, Northwest Regional Manager, welcomed board members and staff to the property. Mr. Zhao provided an overview and background information about the facility. Mr. Zhao also mentioned that residents overall are happy with the energy upgrades and improvements made to their units.

VIII. **PUBLIC COMMENT**

None.

IX. BRIEFINGS AND REPORTS

A. Second Quarter CY 2017 Executive Dashboard Report

Megan Hyla, Director of Policy and Intergovernmental Affairs, provided an update on the Executive Dashboard Report. Ms. Hyla presented a new format of the document and explained the layout of the new Executive Dashboard Report.

B. <u>Draft 2018 Moving to Work Plan</u>

Katie Escudero, MTW Program Manager, provided an update on the draft 2018 Moving to Work Plan. Ms. Escudero mentioned that the document will be submitted to the board at their meeting in October 2017 for consideration and approval.

C. Resource Management Plan Final Year Report (2011-2016) and 2017 Environmental Sustainability Plan Initiatives and Update

Jenna Smith, Resource Conservation Manager, provided a final report on the Resource Management Plan for the years 2011 through 2016. Ms. Smith gave an overview of the results and highlights from the Plan. Additionally, Ms. Smith also presented initiatives for the 2017-2018 Environmental Sustainability Plan.

X. STUDY SESSION: HOMELESS HOUSING INITATIVES & STRATEGY

Kristy Johnson, Senior Director of Housing Initiatives gave a detailed presentation on Homeless Housing in King County. Ms. Johnson provided an overview of Homeless populations served, partnerships and funding. Ms. Johnson also presented key issues identified for her department in 2018.

XI. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman, Executive Director, provided an update on the Carriage House Apartments fire.

XII. KCHA IN THE NEWS

None.

XIII. COMMISSIONER COMMENTS

None.

XIV. ADJOURNMENT

Chair Barnes adjourned the meeting at 10:38 a.m.

KCHA Board of Commissioners' September 18, 2017 Special Meeting Minutes Page 4 of 4

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

DOUGLAS J. BARNES, Chair

Board of Commissioners

STEPHEN J. NORMAN

Secretary

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To:

Board of Commissioners

From:

Linda Riley, Controller

Date:

September 27, 2017

Re:

VOUCHER CERTIFICATION FOR AUGUST 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

September 27, 2017

Bank Wires / ACH Withdrawals		3,395,285.49
	Subtotal	3,395,285.49
Accounts Payable Vouchers		
Key Bank Checks - #311103-#311587		6,300,590.57
Tenant Accounting Checks - #10429-#10456		6,645.24
Commerce Bank Direct Payment		42,161.15
	Subtotal	6,349,396.96
Payroll Vouchers		
Checks - #90580-#90614		34,823.73
Direct Deposit		1,344,190.31
	Subtotal	1,379,014.04
Section 8 Program Vouchers		
Checks - #618738-#619072		207,766.92
ACH - #390710-#393493		12,057,602.26
	Subtotal	12,265,369.18
Purchase Card / ACH Withdrawal		213,454.39
	Subtotal	213,454.39
	GRAND TOTAL	23,602,520.06

то:

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

FROM:

SUBJECT: VOUCHER CERTIFICATION FOR AUGUST 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

Director, Managed Assets September 26, 2017				
Property 649 17	Wired to Oper Date		bligations of Property	Notes:
Aug-17 Bellepark East	8/2/2017	\$10,203.78	Claim A/P & Payroll	
Deliepark East	8/9/2017	\$18,116.10	A/P & Payroll	
	8/17/2017	\$11,837.23	A/P & Payroll	
	8/30/2017			
Colonial Gardens		\$38,164,74	A/P & Payroll	
Colonial Gardens	8/2/2017	\$7,124.09	A/P & Payroll	
	8/9/2017	\$7,670,67	A/P	
	8/17/2017	\$11,928,81	A/P & Payroll	
	8/24/2017	\$4,470.73	A/P	
	8/30/2017	\$8,514.51	A/P & Payroll	
Cottonwood	8/2/2017	\$7,783.14	A/P & Payroll	
	8/9/2017	\$6,936.18	A/P	
	8/17/2017	\$20,369.25	A/P & Payroll	
	8/30/2017	\$28,852,46	A/P & Payroli	
Cove East	8/2/2017	\$30,431.67	A/P & Payroll	
	8/9/2017	\$34,519,41	A/P	
	8/17/2017	\$15,769,99	A/P & Payroll	
	8/24/2017	\$44,935,40	A/P	
	8/30/2017	\$22,959.90	A/P & Payroll	
andmark	8/2/2017	\$16,258.73	A/P & Payroll	
	8/9/2017	\$24,131.68	A/P	
	8/17/2017	\$16,912.00	A/P & Payroll	
	8/24/2017	\$31,710.30	A/P	
	8/30/2017	\$15,643.80	A/P & Payroll	
P!b				
limberwood	8/2/2017	\$32,687.08	A/P & Payroll	
	8/9/2017	\$11,935.46	A/P	
	8/17/2017	\$43,081,23	A/P & Payroll	
	8/24/2017	\$5,862.50	A/P	
	8/30/2017	\$47,309.32	A/P & Payroll	
	8/31/2017	\$68,990.90	A/P	
Voodland North	8/2/2017	\$11,826.16	A/P & Payroll	
	8/9/2017	\$4,357,16	A/P	
	8/17/2017	\$27,702.44	A/P & Payroll	
	8/24/2017	\$3,797.72	A/P	X X
	8/30/2017	\$26,107.06	A/P & Payroll	
Voodside East	8/2/2017	\$27,828.50	A/P & Payroll	
	8/9/2017	\$25,143.16	A/P	*
	8/17/2017	\$33,567.97	A/P & Payroll	
	8/24/2017	\$10,240.67	A/P	
	8/30/2017	\$21,589.87	A/P & Payroll	
Alpine Ridge	8/10/2017	\$4,362,40	A/P & Payroll	
upine Riuge	8/24/2017			
		\$5,215,82	A/P & Payroll	
A STATE OF THE STA	8/31/2017	\$20,854.04	A/P	
Arbor Heights	8/10/2017	\$14,002.59	A/P & Payroll	
	8/24/2017	\$6,680.66	A/P & Payroll	
	8/31/2017	\$16,386.75	A/P	
Ispen Ridge	8/10/2017	\$11,873.09	A/P & Payroll	
	8/24/2017	\$6,302.25	A/P & Payroll	
	8/31/2017	\$18,537.91	A/P	
uburn Square	8/2/2017	\$6,021.81	A/P	
	8/10/2017	\$42,830.50	A/P & Payroll	
	8/24/2017	\$10,525.83	A/P & Payroll	
	8/31/2017	\$24,253.05	A/P	
arriage House	8/10/2017	\$21,126.43	A/P & Payroll	
	8/24/2017	\$11,557.11	A/P & Payroll	
	8/31/2017	\$22,675.83	A/P	
ascadian	8/2/2017	\$1,520.00	A/P	
	8/10/2017	\$31,472.25	A/P & Payroll	
	8/24/2017	\$15,586.13	A/P & Payroll	
	8/31/2017	\$42,400.49	A/P & Payroll A/P	
airwood				
alt MOOO	8/10/2017	\$37,720.41	A/P & Payroll	
	8/24/2017	\$20,019.10	A/P & Payroll	
2004000012007	8/31/2017	\$37,966.36	A/P	
Heritage Park	8/10/2017	\$28,899.93	A/P & Payroll	

19 19	8/24/2017	\$9,251.77	A/P & Payroll	
	8/31/2017	\$27,377.75	A/P	
Control of the contro	8/31/2017	\$1,075.00	To Alpine to correct deposit	
Laurelwood	8/10/2017	\$16,232.01	A/P & Payroll	
	8/24/2017 8/31/2017	\$8,679.29	A/P & Payroll A/P	
Mandaum	8/2/2017	\$24,891 11 \$10,006.62	A/P A/P	
Meadows	8/10/2017	\$18,582.83	A/P & Payroll	
	8/24/2017	\$7,736.50	A/P & Payroll	
	8/31/2017	\$16,163.33	A/F & Fayloli A/P	
Newporter	8/1/2017	\$14,044.66	A/P	
Newporter	8/10/2017	\$42,988.56	A/P & Payroll	
	8/31/2017	\$13,423.02	A/P & Payloll	
Overlake TOD	8/2/2017	\$92,481.00	A/P	
Overlake TOD	8/10/2017	\$55,290.20	A/P & Payroll	
	8/24/2017	\$15,412.96	A/P & Payroli	
	8/31/2017	\$50,166,57	A/P A/P	
Parkwood	8/10/2017	\$32,063.68	A/P & Payroll	
arkwood	8/24/2017	\$9,202.16	A/P & Payroll	
	8/31/2017	\$13,280.65	A/P A/P	
Somerset East	8/1/2017	\$280,000.00	To KCHA	
Joinstou Last	8/10/2017	\$10,893.89	A/P & Payroll	
	8/24/2017	\$7,122.64	A/P & Payroll	
	8/31/2017	\$16,530.04	A/P & Payloli	
Somerset West	8/1/2017	\$480,000.00	To KCHA	
50or out 1103(8/10/2017	\$67,482.30	A/P & Payroll	
	8/24/2017	\$6,332.97	A/P & Payroll	
	8/31/2017	\$11,823.81	A/P	
Southwood Square	8/10/2017	\$22,093.66	A/P & Payroll	
Oddinood Oquare	8/24/2017	\$8,654.69	A/P & Payroll	
	8/31/2017	\$29,248.73	A/P	
Walnut Park	8/10/2017	\$25,084,56	A/P & Payroll	
	8/24/2017	\$6,159.35	A/P & Payroll	
	8/31/2017	\$300,000.00	A/P	
	8/31/2017	\$13,266.05	A/P	
Windsor Heights	8/10/2017	\$50,125.25	A/P & Payroll	
) *	8/24/2017	\$20,835,19	A/P & Payroll	
	8/31/2017	\$59,252.81	A/P	
Woodridge Park	8/10/2017	\$53,433.28	A/P & Payroll	
	8/24/2017	\$14,699.40	A/P & Payroll	
	8/31/2017	\$56,840.91	A/P	
Gilman Square	8/9/2017	\$31,300.67	A/P	
	8/10/2017	\$7,843.06	Payroll	
	8/23/2017	\$58,355.68	A/P	
	8/24/2017	\$8,243.38	Payroll	
Meadowbrook	8/9/2017	\$16,088.48	A/P	
	8/10/2017	\$7,549.36	Payroll	
	8/23/2017	\$16,872.46	A/P	
	8/24/2017	\$8,941.38	Payroll	
Villages at South Station	8/9/2017	\$19,040.74	A/P	
	8/10/2017	\$10,669.60	Payroll	
	8/23/2017	\$37,360.46	A/P	
	8/24/2017	\$11,642.85	Payroll	
Rainier View I	8/10/2017	\$12,591.76	A/P	
	8/17/2017	\$11,497.09	A/P	
Rainler View II	8/10/2017	\$12,639.36	A/P	
	8/17/2017	\$7,512.94	A/P	
Si View	8/10/2017	\$4,118.93	A/P	
	8/17/2017	\$5,322.37	A/P	
	8/24/2017	\$3,901.55	A/P	
Abbey Ridge	8/10/2017	\$79,344.06	A/P & Payroll	
	8/24/2017	\$21,713.59	A/P & Payroll	
Highland Village	8/10/2017	\$35,099.44	A/P & Payroll	
	8/24/2017	\$6,668.83	A/P & Payroll	
Vashon Terrace	8/3/2017	\$16,042.41	A/P	
	8/24/2017	\$7,507.74	A/P	

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To: Board of Commissioners

From: Connie Davis, Deputy Executive Director

Date: September 29, 2017

Re: Resolution No. 5569: Authorizing the Submission of an

Application to the U.S. Department of Housing and Urban Development for the Disposition of the Eastside Maintenance

Warehouse in Kirkland WA

Executive Summary

Resolution No. 5569 authorizes staff to submit an application to HUD's Special Applications Center for the disposition of the Eastside maintenance warehouse (Warehouse) located in Kirkland. If such an application is approved, KCHA would be free to sell the building at fair market value. The City of Kirkland has already been identified as the buyer.

Background

The Warehouse is an approximately 9,000 square foot building located at 1129 8th Street in Kirkland. The site was acquired by KCHA in 1991 and for more than 15 years served as the hub for maintenance and management operations for the Authority's public housing developments in the northeast sector of the County. KCHA used HUD capital funds to acquire the property, and a Declaration of Trust was filed against the title acknowledging HUD's interest in it. Unlike most of KCHA's other centralized maintenance depots, the Warehouse was a stand alone property not co-located with any housing units.

Beginning in 2005, KCHA undertook the transformation of its centralized public housing property management operations to the "asset management" model mandated by HUD. Under this strategy, property management and maintenance staff were assigned to specific portfolios of properties. Warehoused maintenance supplies were distributed directly to sites and stored there on a much more limited basis. Managers were encouraged to adopt a just-in-time purchasing strategy which both saved inventory carrying costs and was more efficient for the operation of the various portfolios.

As a result of this change, the Warehouse was vacated and deemed surplus to the general operations of the public housing program. KCHA elected to lease the property rather than move toward immediate disposition. The current lessee is the

Resolution No. 5569 Disposition of the Eastside Maintenance Warehouse October 9, 2017 - Board Meeting Page 2 of 2

City of Kirkland. The City has approached KCHA regarding purchase of the property as part of a multi-step transaction that will enable KCHA to acquire ownership of a city owned 15 unit multifamily complex in the Houghton neighborhood. Kirkland will purchase the building for the fair market value of \$1.9 million. Actual approval for the sale of the building will be brought to the Board at a future date.

Because of HUD's recorded interest on the Warehouse's title, the Department must approve the disposition. Review and approval is undertaken by the Special Applications Center upon receipt of an application from KCHA. This Resolution is a required element of that application. The proceeds from sale of the Warehouse can only be used for allowable purposes, generally the provision of low-income housing and services to eligible residents. It is KCHA's intent to use the proceeds to acquire a 15-unit the Houghton property for addition to the public housing inventory. That transaction, subject to Board approval, should take place during the first half of 2018.

Staff Recommendation

Resolution No. 5569 is recommended for passage.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5569

AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE DISPOSITION OF THE EASTSIDE MAINTENANCE WAREHOUSE IN KIRKLAND WA

WHEREAS, KCHA owns a maintenance warehouse (Warehouse) located at 1129 8th Street, Kirkland WA 98033 and;

WHEREAS, the Warehouse was originally purchased using grant funds sourced from the U.S. Department of Housing and Urban Development (HUD) and is subject to a Declaration of Trust encumbering the property and,

WHEREAS, KCHA has adopted the HUD-mandated asset management model which decentralized the warehousing of maintenance materials and which rendered the Warehouse surplus to its core operations and,

WHEREAS, the sale of the Warehouse is included in the CY 2018 Moving to Work Annual Plan and,

WHEREAS, disposition of non-residential public housing projects requires approval from HUD which must be obtained by submitting a Disposition Application to the Special Applications Center and,

WHEREAS, proceeds from the sale of the Warehouse will be used for eligible purposes as described in the Section 18(a)(5) of the U.S. Housing Act of 1937 including the provision of low-income housing and,

Resolution No. 5569 Application for Disposition of Eastside Maintenance Warehouse October 9, 2017 KCHA Board Meeting Page 2 of 2

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

- 1. The Warehouse located at 1129 8th Street, Kirkland WA is determined to be surplus to the Authority operations.
- 2. The submittal of a Disposition Application to the HUD Special Application Center is hereby approved.
- The Executive Director or Deputy Executive Directors are hereby authorized to submit the Disposition Application to HUD and to submit and execute any related documents.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 9th DAY OF OCTOBER, 2017.

	COUNTY OF KING, WASHINGTON
	DOUGLAS J. BARNES, Chair
Attest:	
STEPHEN J. NORMAN, Secretary	_

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TO: Board of Commissioners

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

DATE: October 2, 2017

RE: Resolution No. 5570 and 5571: Authorizing the acquisition and

financing of the Friendly Village of Redmond mobile home

park

Executive Summary

Resolution numbers 5570 and 5571 authorize the acquisition and financing of the Friendly Village of Redmond mobile home park.

In early August, KCHA became aware that the ownership of the Friendly Village of Redmond mobile home park, a 224 unit senior (55 and older) park located in northeast Redmond, had informed the residents they were selling the park. The park, which had been owned by the same family since the early 1980's, provides some of the most affordable homeownership opportunities for senior citizens in Redmond.

Background

The park is located on 40.7 acres near the intersection of Avondale Road and Novelty Hill Road northeast of Redmond. The vast majority of the homes in the park are doublewide mobile homes and all of the homes, other than the manager's unit which is owned by the park, are owned by the occupants. Tenants pay \$782 per month for pad rent.

KCHA immediately contacted the representative of the owner to discuss the possibility of selling the property to KCHA and learned that the ownership was in active negotiations to sell the park to an out of state investor. KCHA continued to pursue the opportunity to acquire the park out of concern that sale to a private investor would most likely result in a significant increase in rents or in redevelopment of the park into high-end townhomes or other residential uses similar to the once planned redevelopment of Highland Village.

After six weeks of communication with the owner's representative, staff was able to meet directly with the ownership in late September and was successful in reaching a verbal agreement on the terms of a sale of the property to KCHA. The ownership stated a strong preference for selling to KCHA so the park could be preserved as affordable housing for senior citizens. Staff is currently working with the owner's representative on execution of a purchase and sale agreement.

Resolution No. 5570 & 5571 Friendly Village Mobile Home Park October 9, 2017 Board Meeting Page 2 of 2

The attached Project Profile provides detailed information about the park, the terms of the sale, the proposed short-term line of credit from KeyBank in the amount of \$25 million including terms and conditions, and the long-term financing plan.

Staff Recommendation

Resolution No. 5570 authorizes the acquisition of the park and Resolution No. 5571 authorizes a two year line of credit from KeyBank to finance the acquisition. Staff recommends approval of Resolutions 5570 and 5571.

Friendly Village Project Profile

Friendly Village of Redmond is a 224 pad senior (55 and older) mobile home park located in northeast Redmond near the intersection of Avondale Road and Novelty Hill Road. Developed in 1971, the park consists of mostly double wide mobile homes and a 4,700 sq. ft. community building on 40.7 acres of land. Individual homes are owned by the occupants who lease the pad space on which their home resides. Rents are \$782 per month regardless of the size of the home. Bear Creek, a significant salmon bearing stream, flows through the southeast corner of the property. KCHA has begun pre-acquisition due diligence including title review, environmental review, and inspection of the property and its improvements.

Purchase Status

This property is currently owned jointly by Friendly Village Trust and Friendly Village Mobile Estates LLC, both managed by Mrs. Inge Marcus. In early August, KCHA became aware that the ownership had informed the residents they were selling the park. The park, which had been owned by the same family for approximately 30 years, provides some of the most affordable homeownership opportunities for seniors in Redmond and is one of the largest mobile home park for seniors on the eastside.

Upon learning of the family's intent to sell, KCHA immediately contacted the attorney representing the owner and learned that the Mrs. Marcus was in active negotiations to sell the park to an out of state investor. KCHA continued to pursue the opportunity to acquire the park with the owner's attorney out of concern that sale to a private investor would most likely result in a significant increase in rents or in redevelopment of the park into high-end townhomes or other residential uses similar to the planned redevelopment of Highland Village. Sale of the park could potentially result is either in a loss of affordability for park residents or the complete loss of 224 housing units for seniors.

After six weeks of communication with the owner's representative, staff was able to meet directly with the ownership in late September. Mrs. Marcus expressed concern for the potential loss of affordability for the seniors at the park and her preference for preserving the property as an affordable mobile home park for active seniors. While needing to sell at its fair market value, she elected to stop negotiations and forego selling the property to the other party and instead verbally agreed to sell the park to KCHA because of KCHA's commitment to preserve the park for seniors at affordable rents.

The purchase price is \$25,000,000 (\$111,607/pad space). The proposed purchase and sale agreement provides for a 35 day due diligence inspection window in order for KCHA to complete a thorough review of title, physical condition and overall feasibility of the project. An earnest money deposit will be required by the seller and the proposed closing date is November 30, 2017.

Due Diligence Status

KCHA has ordered a title report, an appraisal, a Phase I Environmental assessment and a survey from third party consultants. The Phase I assessment and survey reports are expected to be completed by late October. KCHA procured Cushman and Wakefield to conduct the appraisal, which has been completed. The valuation was determined based on current use as a mobile home park and although the pad rents at \$782/month are at the low end of the market (\$763 to \$900).

per the report), current in-place rents were used for the report. Based on a 5% income capitalization valuation approach, the appraisal supports the purchase price.

Property Description & Building Condition

The property is a rectangular-shaped, 40.7 acre parcel, located at 18425 NE 95th St in Redmond.

The development was built in 1971 and has been operated as a mobile home community for seniors since that time. The property consists of 224 pads and is 100% occupied. The mobile homes in the park are predominantly double wide homes and range in age of construction from 1967 - 2014. The vast majority of the homes appear to be in good to very good condition. The park has a 4,700 square foot community building which has a gathering space for community members as well as an on-site leasing office. There is also a pool adjacent to the community building.

KCHA's Asset Management Construction staff will be performing a review of the property and inspection of the community building.

Neighborhood Description

The property is about 1 block off of Avondale Road near its intersection with Novelty Hill Road and is approximately 1.5 miles from downtown Redmond. The area consists of a mixture of apartments, townhomes, single family homes north and west of Avondale Road. Parkland (Bear Creek Park) and undeveloped land are immediately to the south near Bear Creek, which is a significant salmon bearing stream. Microsoft and Google office facilities are approximately one half mile to the south of Friendly Village. Although commercial facilities are not within walking distance, a wide variety of commercial and other services are available on Redmond Way which is about a 10 minute drive into Redmond. The Metro 248 bus does serve the area with buses coming approximately every half hour. Urgent care and medical services are available in Redmond.

Strategic Rationale for Acquisition

KCHA's strategic rationale in purchasing Friendly Village is to preserve this community as an affordable housing resource for seniors by preventing redevelopment and the loss of 224 affordable homes for seniors, and by ensuring that space rents, to the greatest extent possible, remain affordable.

Mobile home parks in King County typically provide affordable homeownership options for seniors and low income families. Many mobile home parks, such as Friendly Village, are particularly vulnerable to redevelopment since the low density land on which they sit is often more valuable as a development site than as a mobile home park. Wonderland Estates, which was purchased by KCHA in 2008 is a prime example: the park was being closed by the prior owner in order to develop new townhomes when KCHA stepped in to purchase the property. Friendly Village is zoned R-6, which is a townhouse density, and with 40 acres near the heart of Redmond, and with Microsoft and Google offices within .5 mile, there is tremendous market pressure to redevelop the land. Park closure and redevelopment would dislocate 224 senior households and result in the permanent loss of affordable homeowner opportunities since new townhomes will sell for over 5 to 10 times the cost of a mobile home.

Even when mobile home parks are not redeveloped, mobile home owners are essentially captive consumers since they cannot realistically move their home to another mobile home park if a park

owner decides to dramatically raise pad space rents. When a mobile home park is sold to a new owner with a much higher cost basis, steep rent increases are often the result as the new owner attempts to earn a return on their new investment. Increased space lease costs can potentially lower the value of the mobile home, cost burden the owner, and make the park less affordable to lower income seniors wishing to move into the park in the future.

Proposed Financing

Interim Financing – KCHA has received a proposal from KeyBank (through its subsidiary Key Government Finance Inc.) for a \$25,000,000 line of credit to finance acquisition of the park. The term of the loan is for 24 months although the line can be prepaid at any time with a 1% prepayment fee in months 1 – 12 and no prepayment fee beginning with the 13th month. The interest rate would be fixed for the term of the loan and would bear an approximate interest rate of 1.75% with interest payments made quarterly and the principal due on maturity. Similar to KCHA's other credit facilities with KeyBank, the line of credit would require an annual overall Housing Authority debt service coverage ratio of 1.10. KCHA's 2016 debt service coverage ratio was in excess of 2.0. KCHA has been informed by KeyBank that the line of credit has been authorized by KeyBank's internal credit committee and is subject only to approval by KCHA's Board of Commissioners. Prior to maturity, surplus net operating income from the park, in an estimated amount of \$1.5 million, will be used to help pay down the line of credit.

<u>Permanent Financing</u> — In early 2019, two of KCHA's other mobile home parks, Wonderland Estates in Renton and Tall Cedars in Auburn will be available to be refinanced and staff anticipates pooling the outstanding indebtedness of Wonderland Estates, Tall Cedars and Friendly Village into a single long-term fixed rate tax-exempt bond issue. The total amount of this financing is estimated to be \$29 million and the required debt service would be fully supported by the operation of the three parks without any gap financing required from the Authority.

Risks & Mitigation

Acquisition Risks & Mitigation

- (Risk) The purchase price for the property is above its true market value and KCHA could risk overpaying for the property.
- (Mitigation) KCHA has received an appraisal which supports the full purchase price.
- (Risk) The condition of the property has title defects unforeseen/unknown.
- (Mitigation) KCHA is conducting due diligence with a title insurance company. KCHA has determined that, upon sale, KCHA will be able to obtain a full owners' policy insuring clean title with extended coverage. KCHA is also conducting Phase 1 environmental assessments and a completing a survey of the property.
- (Risk) The environment condition of the property has defects unforeseen/unknown.
- (Mitigation) KCHA is conducting a Phase 1 environmental assessment. The area appeared to be used primarily as farm land prior to its development as a mobile home park

Financing Risk & Mitigation

- (Risk) KCHA does not have sufficient credit capacity within its line(s) of credit for the initial acquisition financing.
- (Mitigation) KCHA has received a proposal from KeyBank's Key Government Finance, Inc. division to finance the full acquisition price of the park. KCHA has further been informed by KeyBank that the line of credit has been authorized by KeyBank's internal credit committee and is subject only to approval by KCHA's Board of Commissioners..
- (Risk) Short term interest rates spike.
- (Mitigation) The interest rate on the line will be fixed for the term of the credit facility.
- (Risk) The line of credit is short term and will need to be paid off within that period of time.
- (Mitigation) KCHA anticipates pooling three of its mobile home parks in early 2019 and refinancing all three into a single tax-exempt bond issue. Based on the current net operating income of the three parks, they would be able to support 100% of their collective debt service payments.
- (Risk) Long term interest rates increase significantly.
- (Mitigation) This pool of properties that KCHA intends to roll this acquisition into will be able to retire a significant amount of outstanding debt in the current low interest rate environment. Consequently, the debt coverage on the refinancing should be sufficiently robust to enable the financing even with an increase in interest rates.

Rehab Risk & Mitigation

- (Risk) Additional repair and improvement costs are needed beyond what is visible from due diligence inspections.
- (Mitigation) Because the homes in the park are owned by the tenants not the park, the only property owned and maintained by the owner is the community building and facilities and the underlying infrastructure which is relatively incidental to the overall cost of the park.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5570

A RESOLUTION AUTHORIZING ACQUISITION OF FRIENDLY VILLAGE MOBILE HOME PARK

WHEREAS, there is an increasingly serious shortage of affordable housing in King County, which the King County Housing Authority ("Housing Authority") is charged with addressing pursuant to its mission of providing quality affordable housing opportunities within King County; and

WHEREAS, it is a goal of local government and the Housing Authority to further fair housing in the region affirmatively, in part through preservation of existing affordable housing opportunities in high opportunity areas of King County with significantly appreciating housing costs; and

WHEREAS, there is a growing loss of affordable housing for seniors in King County; and

WHEREAS, RCW 35.82.070 and RCW 35.82.020(9) authorize the Housing Authority to provide decent, safe, and sanitary living accommodations for senior citizens, including housing within manufactured/mobile home parks; and

WHEREAS, as noted in the Laws of 2008, chapter 116, section 1, the Washington State Legislature has found that the increasing closure and conversion of manufactured/mobile home communities has had adverse impacts on the health, safety, and welfare of on low-income households and senior citizens, and has therefore found that the preservation of manufactured/mobile home communities should be a goal of all housing authorities; and

WHEREAS, the Washington State Legislature in RCW 59.20.030(13) and RCW 59.20.300 requires that notice of a sale of a manufactured/mobile home community be given to housing authorities in order to facilitate the possible acquisition and preservation of those communities by housing authorities; and

WHEREAS, RCW 35.82.070(2) provides, in part, that a housing authority shall have the power to acquire housing projects within its area of operations, and RCW 35.82.070(5) authorizes a housing authority to acquire real property by exercise of the power of eminent domain or by purchase in lieu of exercise of the power of eminent domain; and

WHEREAS, the Friendly Village Mobile Home Park (the "Property") is a 224-pad manufactured/mobile home park for seniors located at 18425 NE 95th St, Redmond, Washington, in an area of King County where rents are increasingly unaffordable to low-income seniors; and

WHEREAS, acquisition of the Property by the Housing Authority will serve the mission of the Housing Authority and the housing goals of the region through an approach that is considerably less expensive than constructing the same number of new housing units; and

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

<u>Section 1:</u> Acquisition of the Property by the Housing Authority is necessary to preserve and provide housing for senior citizens, particularly in areas of rising rents and high housing costs.

Section 2: The Board of Commissioners hereby authorizes the Executive Director to acquire the Property by condemnation through exercise of the Housing Authority's power of eminent domain, if it is unsuccessful in acquiring the Property on satisfactory terms through negotiation with and purchase from the owner in lieu of condemnation for a price anticipated to be approximately Twenty Five Million Dollars (\$25,000,000) (\$111,607.14 per unit) but which shall not exceed 105% of the appraised value of the Property pursuant to an appraisal completed by a Washington State licensed MAI appraiser. The Executive Director is hereby further vested with the authority, and with discretion in the exercise thereof, to give notice to the current owner of the Property of the Housing Authority's intention to acquire the Property by eminent domain if it is unsuccessful in acquiring the Property on satisfactory terms through negotiation and purchase in lieu of condemnation.

Section 3: The Executive Director is hereby vested with the authority, and with discretion in the exercise thereof, to attempt to negotiate purchase of the Property from the owner in lieu of condemnation. If the Executive Director is successful in negotiation of the purchase of the Property from the owner in lieu of condemnation for the price authorized above, then the Executive Director is hereby authorized (a) to sign a Purchase and Sale Agreement providing for the acquisition of the Property containing such terms and conditions as are customary in such transactions and as are deemed by the Executive Director to be in the best interests of the Housing Authority and (b) to pay into the purchase escrow the earnest money deposit for the purchase of the Property provided for under the Purchase and Sale Agreement under terms that would permit the earnest money

to be forfeited to the seller as liquidated damages if the sale fails to close through no fault of the seller.

Section 4: The Executive Director is further hereby vested with the authority, and with discretion in the exercise of such authority, to make a final determination after reviewing the results of the due diligence of the Property as to whether to proceed with the purchase of the Property if he deems it in the best interest of the Housing Authority. If the Executive Director makes a final determination to proceed, the Board of Commissioners hereby further authorizes the Executive Director, Stephen J. Norman, to take any and all actions necessary to consummate acquisition of the Property.

Section 5: The Board of Commissioners hereby elects pursuant to RCW 8.26.010(2) not to comply with the provisions of RCW 8.26.035 through RCW 8.26.115 in connection with the acquisition of the Property because no existing occupants of the Property will be displaced by reason of the acquisition.

Section 6: The Board of Commissioners hereby authorizes the Executive Director, Stephen J. Norman, to execute any and all applications, agreements, certifications or other documents in connection with the submission of various funding and financing applications, in order to provide all or part of the interim and/or permanent financing of the Property.

Section 7: The Board of Commissioners hereby authorizes the Executive Director, Stephen J. Norman, and in his absence, Deputy Executive Director Daniel R. Watson or Deputy Executive Director Constance C. Davis, to execute any and all contracts, agreements, certifications or other documents in connection with the acquisition of Property.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 9th DAY OF OCTOBER, 2017.

	THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON
	DOUGLAS J. BARNES, Chair
Attest:	
STEPHEN I NORMAN Secretary	_

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HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5571

A RESOLUTION providing for the issuance of the Authority's Non-Revolving Line of Credit Revenue Note, 2017 (Friendly Village Project), in the principal amount of not to exceed \$25,000,000, to finance the acquisition of a mobile home park known as Friendly Village; determining the form, terms and covenants of the note; creating a note fund; approving the sale and providing for the delivery of the note to Key Government Finance, Inc.; authorizing and directing appropriate officers of the Authority to negotiate, execute and deliver such other documents as are useful or necessary to the purposes of this resolution; and determining related matters.

Adopted October 9, 2017

This document was prepared by:

FOSTER PEPPER PLLC 1111 Third Avenue, Suite 3000 Seattle, Washington 98101 (206) 447-4400

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5571

A RESOLUTION providing for the issuance of the Authority's Non-Revolving Line of Credit Revenue Note, 2017 (Friendly Village Project), in the principal amount of not to exceed \$25,000,000, to finance the acquisition of a mobile home park known as Friendly Village; determining the form, terms and covenants of the note; creating a note fund; approving the sale and providing for the delivery of the note to Key Government Finance, Inc.; authorizing and directing appropriate officers of the Authority to negotiate, execute and deliver such other documents as are useful or necessary to the purposes of this resolution; and determining related matters.

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

WHEREAS, RCW 35.82.070(2) provides that a housing authority may acquire and provide for the construction, reconstruction, improvement, alternation or repair of housing projects; and

WHEREAS, RCW 35.82.020 defines "housing project" to include, among other things, "any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks, or other living accommodations for persons of low income" and "to provide decent, safe, and sanitary urban and rural dwellings, apartments, mobile home parks, or other living accommodations for senior citizens"; and

WHEREAS, RCW 35.82.070(13) provides that a housing authority may exercise its powers within the boundaries of any city not included in its area of operation if the governing body of that city adopts a resolution declaring that there is a need for the housing authority to exercise its powers within the city; and

WHEREAS, the City Council of the City of Redmond, Washington (the "City"), the governing body of the City, adopted its Resolution No. 165 on June 14, 1966, declaring that there is a need for the Authority to function within the City; and

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

WHEREAS, RCW 35.82.070(1) permits a housing authority to "make and execute contracts and other instruments . . . necessary or convenient to the exercise of the powers of the authority"; and

WHEREAS, RCW 35.82.040 authorizes the Authority to "delegate to one or more of its agents or employees such powers or duties as it may deem proper"; and

WHEREAS, the Board of Commissioners of the Authority has determined that it is necessary and advisable that the Authority issue the Note (as hereinafter defined), in a principal amount not to exceed \$25,000,000 to finance a portion of the costs of acquiring a mobile home park located in the City known as Friendly Village; and

WHEREAS, Key Government Finance, Inc. (the "Lender") has proposed to extend a non-revolving line of credit evidenced by a line of credit note of the Authority on the terms set forth in this resolution to provide money for that purpose; NOW, THEREFORE,

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

<u>Section 1</u>. <u>Definitions</u>. As used in this resolution, the following words have the following meanings:

"Authority" means the Housing Authority of the County of King, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

"Authorized Officers" means the Executive Director of the Authority and any Deputy Executive Director of the Authority.

"Board" means the Board of Commissioners of the Authority.

"City" means the City of Redmond, Washington.

"Code" means the Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

"General Revenues" means all revenues of the Authority from any source, but only to the extent that those revenues are available to pay debt service on the Note and are not now or hereafter pledged, by law, regulation, contract, covenant, resolution, deed of trust or otherwise (including restrictions relating to funds made available to the Authority under the U.S. Housing Act of 1937), solely to another particular purpose.

"Lender" means Key Government Finance, Inc., as registered owner of the Note.

"Note" means the Authority's Non-Revolving Line of Credit Revenue Note, 2017 (Friendly Village Project).

"Note Fund" means the Authority's Non-Revolving Line of Credit Revenue Note Fund, 2017 (Friendly Village Project), created by this resolution for the purpose of paying principal of and interest on the Note.

"Note Register" means the books or records maintained by the Note Registrar containing the name and mailing address of the registered owner of the Note.

"Note Registrar" means the Executive Director of the Authority.

"Project" means, depending on the context, (1) the acquisition of the mobile home park known as Friendly Village located at 18425 NE 95th Street, Redmond, Washington, or (2) the Friendly Village mobile home park.

Proposal Letter" means the proposal letter to the Authority from the Lender provided on September 29, 2017, as it may be amended, proposing to purchase the Note on the terms set forth therein and herein.

Section 2. Authorization and Description of the Note. The Authority shall issue the Note in a principal amount not to exceed \$25,000,000 for the purpose of providing funds with which to pay and/or reimburse the Authority for all or part of the costs of the Project. Such Note financing is declared and determined to be important for the feasibility of the Project. The Board finds that it is in the best interest of the Authority to issue the Note for the purpose set forth in this resolution.

Section 3 Description of the Note. The Note shall be called the Authority's Non-Revolving Line of Credit Revenue Note, 2017 (Friendly Village Project); shall be in a principal amount of not to exceed \$25,000,000; shall be dated its date of delivery; shall be numbered R-1; and shall mature not more than two years from its date of issue. The Note shall bear interest payable on such dates and at such rate or rates selected by the Authority as described in the Proposal Letter (which may include variable rates based London interbank offered rate and/or fixed rates), shall mature at such time, shall have such prepayment or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as are set forth in the Note. The Authority finds that the fixing of the interest rates described in the Proposal Letter is in the best interest of the Authority. Interest on the Note shall be computed on the basis on a 360 day year with twelve 30-day months.

The Note shall be subject to redemption, in whole, upon 30 days' prior notice (or such shorter period acceptable to the Lender), at a redemption price equal to (a) from the date of issue to, but not including the first anniversary thereof, 101% of par plus accrued interest, and (b) thereafter, par plus accrued interest.

If the Note is not paid when properly presented at its maturity date, the Authority shall be obligated to pay interest on the Note at then-applicable default rate of interest thereon from and after the maturity date until the Note, both principal and interest, is paid in full.

At the election of the Lender, the interest rate on the Note will increase by 400 basis points (4.00%) during the continuance of an Event of Default. "Event of Default" means the declaration by the Lender of an event of default as a result of a determination by the Lender that there has been: (i) a failure to pay principal or interest on the Note when due, as provided in the Note; or (ii) a failure by the Authority to comply with any of its obligations, or to perform any of its duties, under the Note, which failure continues, and is not cured, for a period of more than 60 days after the Lender has made written demand on the Authority to cure such failure; or (iii) the Authority shall (a) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (b) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (c) make a general assignment for the benefit of creditors, (d) have an order for relief entered against it under applicable federal bankruptcy law, or (e) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against the Authority in any bankruptcy, reorganization, moratorium or insolvency proceeding; or (vi) an order, judgment or decree shall be entered by any court of competent jurisdiction, approving a

petition or appointing a receiver, trustee, custodian or liquidator for the Authority or of all or a substantial part of the assets of the Authority, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days; or (v) a material misrepresentation to the Lender by the Authority in the purchase of the Note, as reasonably concluded by the Lender after investigation and discussion with the Authority.

Authorization for Extension and Modification of the Note. The Authorized Section 4. Officers, and each of them acting alone, are authorized on behalf of the Authority to negotiate the terms of one or more extensions of maturity date and/or modifications of the terms of the Note with the Lender. The Authorized Officers, and each of them acting alone, are authorized, without further action of the Board of the Authority, to extend the maturity date of the Note to any date on or before December 31, 2027, and/or to modify the interest rate or interest rate formula applicable to the Note, if such Authorized Officer determines that such extension and/or modification is in the best interest of the Authority, all so long as no other material terms of the Note is revised (unless otherwise authorized by the Board of the Authority). The Authorized Officers, and each of them acting alone, are authorized to do everything necessary for the execution and delivery of such documents as are useful or necessary to such extension of maturity and/or modification of interest rate or interest rate formula. An Authorized Officer's execution of documents in connection with the modification and/or extension of the Note will constitute conclusive evidence of his or her approval of the extensions, modifications and/or other terms described therein and the approval by the Authority of such extensions, modifications and/or other terms.

Section 5. Note Registrar; Registration and Transfer of the Note. The Executive Director of the Authority shall serve as Note Registrar for the Note. The Note Registrar shall keep, or cause to be kept, at his or her office in Tukwila, Washington, sufficient books for the registration of the Note (the "Note Register"), which shall contain the name and mailing address of the registered owner of the Note. The Note Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Note in accordance with the provisions of the Note and this resolution, to serve as the Authority's paying agent for the Note and to carry out all of the Note Registrar's powers and duties under this resolution.

The Note shall be issued only in registered form as to both principal and interest and recorded on the Note Register. The Note may not be assigned or transferred by the Lender, except that the Lender may assign or transfer the Note to any successor to the business and assets of the Lender.

Section 6. Place, Manner and Medium of Payment. Both principal of and interest on the Note shall be payable in lawful money of the United States of America and shall be paid by check mailed to arrive on or before each payment date, or in immediately available funds delivered on or before each payment date, to the Registered Owner at the address appearing on the Note Register on the date payment is mailed or delivered. Upon the final payment of principal of and interest on the Note, the Registered Owner shall surrender the Note at the principal office of the Note Registrar in Tukwila, Washington, for destruction or cancellation in accordance with law.

Section 7. Note Fund; Security for the Note. The Note Fund is hereby established as a special fund of the Authority and is to be known as the Non-Revolving Line of Credit Revenue Note Fund, 2017 (Friendly Village Project). The Note Fund shall be drawn upon for the sole

purpose of paying the principal of and interest on the Note. The Authority pledges to deposit General Revenues into the Note Fund in amounts sufficient to pay the principal of and interest on the Note when due.

The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity with payments on the Note. At its option, the Authority may pledge any portion of the General Revenues to the payment of other obligations of the Authority, such payments to have priority over the payments to be made on the Note with respect to that portion of the General Revenues so pledged.

The Note shall not be a debt of King County, the State of Washington or any political subdivision thereof (except the Authority from the sources specified herein), and the Note shall so state on its face. Neither King County, the State of Washington nor any political subdivision thereof (except the Authority from the source specified herein) shall be liable for payment of the Note nor in any event shall principal of and interest on the Note be payable out of any funds other than the Note Fund of the Authority established herein. The owner of the Note shall not have recourse to any other fund of the Authority other than the Note Fund, or to any other receipts, revenues or properties of the Authority other than as described herein and in the Note. The Authority has no taxing power.

Neither the Authority (except to the extent of the pledge of its General Revenues) nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Note.

Section 8. Form and Execution of Note. Only a Note bearing a Certificate of Authentication in the following form, manually signed by the Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution:

CERTIFICATE OF AUTHENTICATION

This Note is the fully registered Non-Revolving Line of Credit Revenue Note, 2017 (Friendly Village Project), of the Authority described in the Note Resolution.

[specimen]
Executive Director of the Authority and Note Registrar

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose facsimile signature appears on the Note ceases to be an officer of the Authority authorized to sign notes before the Note bearing his or her facsimile signature is authenticated or delivered by the Note Registrar or issued by the Authority, the Note nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the Authority as though that person had continued to be an officer of the Authority authorized to sign notes. The Note also may be signed on behalf of the Authority by any person who, on the actual date of signing of the Note, is an officer of the Authority authorized to sign notes, although he or she did not hold the required office on the date of issuance of the Note.

Section 9. Preservation of Tax Exemption for Interest on Note. The Authority covenants that it will take all actions necessary to prevent interest on the Note from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Note or other funds of the Authority treated as

proceeds of the Note at any time during the term of the Note which would cause interest on the Note to be included in gross income for federal income tax purposes. The Authority also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to the Note, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Note, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Note from being included in gross income for federal income tax purposes.

Section 10. Authorization of Documents and Execution Thereof. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Note and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Note. The Board further authorizes the Authorized Officers, and each of them acting alone, to negotiate, approve, execute and deliver any credit agreement, loan agreement, and or such other instruments and agreements as may be necessary or desirable in connection with the sale of the Note to the Lender. The Executive Director of the Authority is authorized to execute the Note and the Authorized Officers, and each of them acting alone, are authorized to negotiate, execute and deliver documents reasonably required to be executed in connection with the issuance of the Note and to ensure the proper use and application of the proceeds of the Note, and to effect any extension of the maturity of the Note and modification of interest rate and/ or interest rate formula applicable to the Note as described in Section 4.

The Note will be prepared at the Authority's expense and will be delivered to the Lender together with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Note.

Section 11. Approval of Transaction. The Lender has offered to purchase the Note at a price of par, under the terms and conditions contained in this resolution and the Proposal Letter, including the payment of a fee to the Lender plus the fees and expenses of the Lender's legal counsel, and any other out-of-pocket costs incurred by the Lender, each payable at closing. The Board finds that the Lender's offer is in the best interest of the Authority and accepts such offer, and covenants that it will comply with all terms and conditions of the Proposal Letter.

Section 12. Proposal Letter Reporting Requirements; Covenants. The Authority covenants and agrees for so long as the Note remains outstanding, and unless otherwise waived by the Bank, to deliver to the Bank financial information and statements described in the Proposal Letter and to maintain a minimum debt service coverage ratio as set forth in the Proposal Letter.

Section 13. Acting Officers Authorized. Any action authorized by this resolution to be taken by the Executive Director of the Authority, may in his absence be taken by a duly authorized Deputy Executive Director of the Authority. Any action authorized by this resolution to be taken by a Deputy Executive Director, may in his or her absence be taken by a duly authorized acting Deputy Executive Director of the Authority.

Section 14. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 15. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 9th day of October, 2017.

King at an open public meeting this 9 th da	y of October, 2017.
	HOUSING AUTHORITY OF THE COUNTY OF KING
	By:Chair
ATTEST:	
Secretary-Treasurer	

CERTIFICATE

- I, the undersigned, the duly chosen, qualified and acting Executive Director of the Housing Authority of the County of King (the "Authority") and keeper of the records of the Authority, CERTIFY:
- 1. That the attached copy of Resolution No. 5571 (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on October 9, 2017, and duly recorded in the minute books of the Authority;
- 2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;
- 3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's office at 600 Andover Park W., Tukwila, Washington 98188 and at the meeting site, if different, at least 24 hours prior to the special meeting;
- 4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and
- 5. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of October, 2017.

Executive Director of the Authority

Appendix I

Notice of Special Meeting



MEETING OF THE BOARD OF COMMISSIONERS

October 9, 2017 at 8:30 a.m.

King County Housing Authority Conference Room 109 600 Andover Park W Tukwila, WA 98188

AGENDA

- I. Call to Order
- II. Roll Call
- III. Public Comment
- IV. Approval of Minutes

Board Meeting Minutes -September 18, 2017

- V. Approval of Agenda
- VI. Consent Agenda
 - A. Voucher Certification Reports for August 2017

VII. Resolutions for Discussion & Possible Action

- A. **Resolution 5569:** Authorizing the Submission of an Application to the U.S. Department of Housing and Urban Development for the Disposition of the Eastside Maintenance Warehouse in Kirkland WA
- B. **Resolution 5570:** Authorizing the Acquisition of the Friendly Village Mobile Home Park in Redmond WA
- C. **Resolution 5571:** Authorizing issuance of a note in the principal amount not to exceed \$25,000,000, to finance acquisition of Friendly Village Mobile Home Park and determining related matters
- D. **Resolution 5572:** Approval of the King County Housing Authority's Moving to Work Annual Plan for FY 2018

KCHA Board of Commissioners' Agenda October 9, 2017 Board Meeting Page **2** of **2**

VIII. Briefings & Reports

- A. New Bank Accounts
- B. Risk Management and Insurance Program: 2017 Update
- IX. Executive Director Report
- X. KCHA in the News
- **XI.** Commissioner Comments

XII. 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: Katie Escudero, Moving To Work Policy Analyst

Date: October 2, 2017

Re: Resolution No. 5572: Approval of the King County Housing

Authority's Moving to Work Annual Plan for FY 2018

Executive Summary

Resolution No. 5572 authorizes the approval of KCHA's fiscal year 2018 Moving to Work (MTW) Plan. As a participant in the Department of Housing and Urban Development's (HUD) MTW demonstration program, KCHA is required to submit a board-approved annual MTW Plan that outlines the agency's goals, operations, programs, and proposed new MTW activities for HUD's review and approval.

Background

As outlined at the Board of Commissioner's meeting on September 18, 2017, KCHA is proposing two new activities: Activity 2018-1, Partnering to Streamline the Administration of Federal Housing Subsidies and Activity 2018-2, Encouraging the Successful Lease-up of the Housing Choice Voucher (HCV) Program.

No substantive changes have been made to the Plan since the September briefing.

Summary of Public Comments

KCHA generally received positive feedback and support for its 2018 MTW Plan. After carefully reviewing and considering the public comments, staff made no substantive changes to the Plan. A summary of comments received is provided below. A detailed description of the public process can be found in Section VI (starting on page 54) of the Plan.

<u>Public Hearings:</u> The Southeast and Northeast regional Public Hearings did not have any attendees. The Southwest Public Hearing had 28 resident attendees and was administered in English, Khmer, Vietnamese, and Somali. Attendees expressed support for KCHA's goals and general direction in 2018, asked clarifying questions about existing rent policies,

2018 MTW Plan October 9, 2017 Board Meeting Page 2 of 2

> provided information on particular property needs, and commented on the rising cost of utilities. In response, staff provided information about rent policy, relayed information about particular property needs to Property Management staff who are in the process of seeking solutions, and made plans to conduct outreach to residents regarding the Utility Discount Program.

> Resident Advisory Committee (RAC) Meetings: RAC members provided comments on KCHA's 2018 capital fund projects and payment standard tiers and asked questions about health, education, and workforce development initiatives and federal funding cuts. In response, staff provided more information on how capital projects are selected for the coming year, relayed the payment standard comment to the work group currently analyzing market conditions, and gave an overview on and made referrals to the health, education, and workforce development initiatives.

Written Comments: After providing a one-step submission form on the website, soliciting comment via published and posted notices, and encouraging meeting attendees to submit comments in writing, no written comments were received.

Staff Recommendation.

Approval of Resolution No. 5572 is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING RESOLUTION NO. 5572

APPROVING KCHA'S MOVING TO WORK ANNUAL PLAN FOR FISCAL YEAR 2018

WHEREAS, the King County Housing Authority (KCHA) entered the Department of Housing and Urban Development's (HUD) Moving to Work Demonstration Program (MTW) under a 2003 MTW Agreement with HUD; and

WHEREAS, as intended by Congress, the MTW Agreement authorizes KCHA to design and test new ways of providing housing assistance and needed services to low-income households; and

WHEREAS, in 2016 HUD presented KCHA with an amendment to extend the Agency's MTW participation through fiscal year 2028. KCHA Board of Commissioners adopted the amendment, extending the conditions and requirements of participation as outlined in the current Amended and Restated Agreement (Restated Agreement) between HUD and KCHA; and

WHEREAS, the Restated Agreement requires the Authority to develop an MTW Annual Plan (the Plan) that identifies anticipated MTW program resources and expenditures, while outlining ongoing MTW activities and detailing new initiatives that KCHA intends to pursue during the coming fiscal year; and

WHEREAS, staff has developed the required MTW Annual Plan covering Fiscal Year 2018 (January 1, 2018 through December 31, 2018) in a manner that is responsive to and complies with the Restated Agreement requirements; and

WHEREAS, in developing the FY 2018 MTW Annual Plan, KCHA provided opportunity for public and resident input regarding the Plan components, including two meetings with the KCHA Resident Advisory Council, a listening session with community stakeholders, and three Public Hearings; and

WHEREAS, the Plan envisions a number of changes in the operational policies and

programs which are consistent with the goals of the MTW Demonstration and KCHA's

mission; and

WHEREAS, a Board Resolution approving the Plan and certifying that the Plan

complies with MTW Plan requirements must be included when it is submitted to HUD; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF

COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING,

THAT:

1. The Board of Commissioners hereby approves the MTW Plan attached to this resolution

and the accompanying memorandum for implementation and submission to HUD.

2. The Board of Commissioners certifies that the Public Hearing requirements have been

met and authorizes the Chair of the Board to execute the attached HUD Certification of

Compliance with MTW Plan Requirements and Related Regulations.

ADOPTED AT A MEETING OF THE BOARD OF COMMISSIONERS OF THE

HOUSING AUTHORITY OF THE COUNTY OF KING THIS 9th DAY OF OCTOBER

2017.

THE HOUSING AUTHORITY OF THE

COUNTY OF KING, WASHINGTON

DOUG BARNES, Chair

Board of Commissioners

STEPHEN NORMAN

Secretary-Treasurer

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OMB Control Number: 2577-0216 Expiration Date: 5/31/2016

Form 50900: Elements for the Annual MTW Plan and Annual MTW Report

Attachment B

Certifications of Compliance

Annual Moving to Work Plan Certifications of Compliance

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan*

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning ______, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

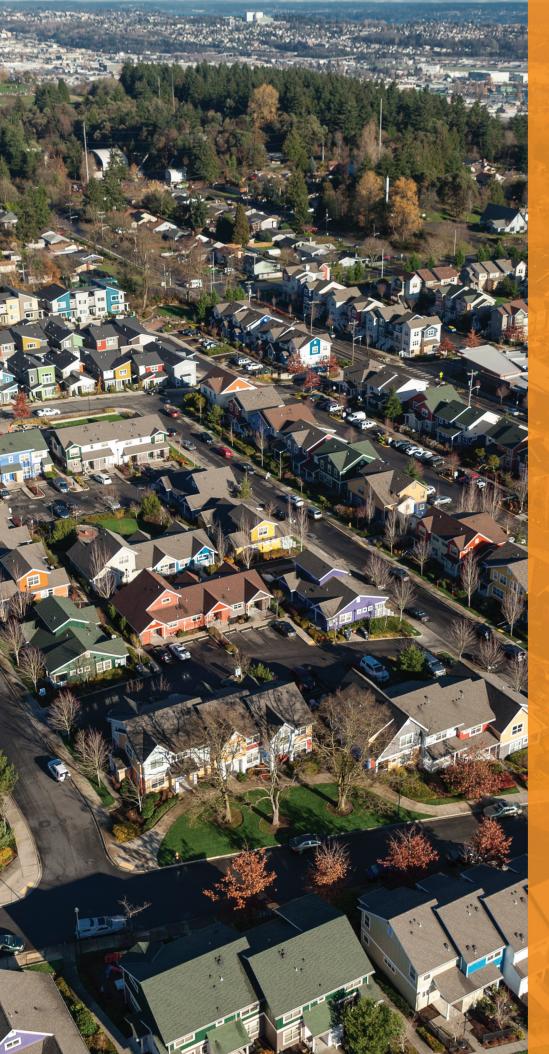
- 1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
- 2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- 3. The PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.
- 4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- 5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- 6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
- 7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
- 8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
- 9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- 10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- 11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- 12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

OMB Control Number: 2577-0216 Expiration Date: 5/31/2016

- 13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- 14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- 15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- 16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- 17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- 18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- 19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
- 20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- 21. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

continue to be made available at least at the primary business office of the PHA.			
PHA Name	PHA Number/HA Code		
, ,	herein, as well as any information provided in the accompaniment herewith, is true and aims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C.		
Name of Authorized Official	Title		
Signature	Date		
• •	cretary of the Board of the PHA's legislative body. This certification cannot be signed by		

*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.



MOVING TO WORK

FY 2018 ANNUAL PLAN



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

Prepared By: Katie Escudero 10/02/17

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. 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-vears/

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	Bedroom Size						Total	Daniel dia Tana	Fully	A -l 4 - l - l -	
and Number	0	1	2	3	4	5	6+ Units		Population Type	Accessible	Adaptable
Houghton	_	4	10	4	0	0	_	45	Family.	TDD	TDD
TBD 0	U	4 10	1	1 0	0	0	15	Family	TBD	TBD	
Northwood											
Square ²	0	0	18	6	0	0	0	24	Family	0	0
467											
Total Public Ho	using Ur	nits to l	be Adde	ed³				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 Bellevue.	complex in
Highland Village	27	KCHA will project-base eight units at its 76-unit family of Bellevue.	complex in
Anticipated Total New Vouchers to be Project- based	85	Anticipated Total Number of Project-based Vouchers Committed at the End of the Fiscal Year ⁴	2,661
		Anticipated Total Number of Project-based Vouchers Leased-up or Issued to a Potential Tenant at the End of the Fiscal Year ⁵	2,269

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.

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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.

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:

- 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 inhouse, 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 (\$3.0 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 (\$336,000). 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.
- "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).

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.
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

 $^{^6}$ 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).

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 (accepting targeted voucher referrals only)	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 homelessness, 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

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. 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.

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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
		(1) Employed Full-time: 0 participants	4 participants
		(2) Employed Part-time: 0 participants	7 participants
, m	SS#3: Employment status	Program: 0 participants	4 participants
Increase self-sufficiency	for heads of household	(4) Enrolled in Job Training Program: 0 participants	1 participant
		(5) Unemployed: 0 participants 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. Countywide, fewer than 15 percent of all apartments are considered affordable to households earning less than 30 percent of AMI. 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
milit statutory objective	One of Measurement	Duseinie	Denominark

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.

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.

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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.

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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.

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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. 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. 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

²³ Dupree & Scott, 2016 King County Rental Data

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/).

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. 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 nonprofitoperated 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 tenantbased 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: 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 2004-3: 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 highrisk 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 HUDestablished 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 selfsufficiency 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

Administrative (\$14,551,000 e Expense (\$4,814,000 ead \$
ead \$
vices (\$8,785,000
(\$2,937,000
\$
laintenance (\$4,376,000
Services (\$127,000
Premiums (\$229,000
eral Expenses \$
Ser

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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	0+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 Public Hearing
- September 7: Southwest Region Public Hearing
- September 13: Northeast Region Public Hearing
- 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 hearings.

■ PUBLISHING AND POSTING

- August: Promotion of Plan's availability at various resident events that occurred throughout the month of August.
- August 18: Notice published in the Seattle Times.
- August 18: Notice published in the Daily Journal of Commerce.
- August 18: Notice published in the Northwest 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 in KCHA's six most prominent languages. Plan was made available in the
 main office and the public hearing site.

Comments Received

Public Hearings

The Southeast and Northeast regional Public Hearings did not have any attendees. The Southwest region Public Hearing had 28 resident attendees and was administered in English, Khmer, Vietnamese, and Somali. The following comments and questions were received at the meeting:

- Residents expressed support for KCHA's MTW goals and direction in 2018.
- A couple of residents had questions about KCHA's existing rent policies and how they affect senior households with fixed incomes.

- Residents from the Seola Gardens development were concerned with speeding cars in their community.
- A number of residents expressed concern around the increasing cost of utilities, such as water and electricity.

KCHA staff provided an overview on the EASY fixed-income rent policy; confirmed that Property Management staff are already aware of speeding issue at Seola Gardens and learned they are working with local government entities on finding a solution; and are collaborating with Resident Services staff to distribute information on the Utility Discount Program.

Resident Advisory Committee Meetings

The following comments were received at the September 11 and 12 Resident Advisory Committee meetings:

- A few residents had questions about KCHA's workforce development and education initiatives and their eligibility requirements.
- A resident expressed support for the ADA site improvements being made at multiple properties in 2018. Wells Wood and Greenbridge residents would like to see sidewalk improvements at their properties.
- A Wells Wood resident communicated not seeing the posting for the public comment period at her property.
- A resident asked how Moving to Work affects senior and disabled properties.
- Staff received a number of questions about federal funding and how potential cuts will affect KCHA's service levels.
- An HCV tenant representative asked staff to take a deeper look at the payment standard tiers, in particular, Tiers 4 and 5. She communicated that rents continue to rise in these areas and that the corresponding payment standard tiers should be reevaluated.
- A Northwood resident expressed concern about the outdoor decks at her property.
- A resident had questions about two new streamlining proposals and KCHA's health initiative.

KCHA staff gave an overview of our workforce development and education initiatives and connected interested RAC members to these resources; shared how capital projects are selected and prioritized and made note of the issues raised for future consideration; provided information on the federal funding environment; gave an overview on how MTW policies impact households with fixed incomes; confirmed that notice was posted at Wells Wood; relayed the comment about the payment standard tiers to staff overseeing that analysis; and provided clarification on new proposals. In addition, as of the writing of this section, Capital Construction staff were in the process of re-inspecting the decks at Northwood.

This information was provided at the meeting and in follow-up with individual residents.

Written Comment

After providing a one-step submission form on the website, soliciting comment via published and posted notices, and encouraging meeting attendees to submit comments in writing, no written comments were received.

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 F.

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:

- o 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 AND CERTIFICATIONS OF COMPLIANCE

THE HOUSING AUTHORITY OF THE COUNTY OF KING RESOLUTION NO. 5572

APPROVING KCHA'S MOVING TO WORK ANNUAL PLAN FOR FISCAL YEAR 2018

WHEREAS, the King County Housing Authority (KCHA) entered the Department of Housing and Urban Development's (HUD) Moving to Work Demonstration Program (MTW) under a 2003 MTW Agreement with HUD; and

WHEREAS, as intended by Congress, the MTW Agreement authorizes KCHA to design and test new ways of providing housing assistance and needed services to low-income households; and

WHEREAS, in 2016 HUD and KCHA executed an amendment to extend the Agency's MTW participation through fiscal year 2028 on the conditions and requirements of participation outlined in the Amended and Restated Agreement (Restated Agreement) between HUD and KCHA; and

WHEREAS, the Restated Agreement requires the Authority to develop an MTW Annual Plan (the Plan) that identifies anticipated MTW program resources and expenditures, while outlining ongoing MTW activities and detailing new initiatives that KCHA intends to pursue during the coming fiscal year; and

WHEREAS, staff has developed the required MTW Annual Plan covering Fiscal Year 2018 (January 1, 2018 through December 31, 2018) in a manner that is responsive to and complies with the Restated Agreement requirements; and

WHEREAS, in developing the FY 2018 MTW Annual Plan, KCHA provided opportunity for public and resident input regarding the Plan components, including two meetings with the KCHA Resident Advisory Council, a listening session with community stakeholders, and three Public Hearings; and

WHEREAS, the Plan envisions a number of changes in the operational policies and

programs which are consistent with the goals of the MTW Demonstration and KCHA's

mission; and

WHEREAS, a Board Resolution approving the Plan and certifying that the Plan

complies with MTW Plan requirements must be included when it is submitted to HUD; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF

COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING,

THAT:

1. The Board of Commissioners hereby approves the MTW Plan attached to this resolution

and the accompanying memorandum for implementation and submission to HUD.

2. The Board of Commissioners certifies that the Public Hearing requirements have been

met and authorizes the Chair of the Board to execute the attached HUD Certification of

Compliance with MTW Plan Requirements and Related Regulations.

ADOPTED AT A MEETING OF THE BOARD OF COMMISSIONERS OF THE

HOUSING AUTHORITY OF THE COUNTY OF KING THIS 9th DAY OF OCTOBER

2017.

THE HOUSING AUTHORITY OF THE

COUNTY OF KING, WASHINGTON

DOUG BARNES, Chair

Board of Commissioners

STEPHEN NORMAN

Secretary-Treasurer

2

OMB Control Number: 2577-0216 Expiration Date: 5/31/2016

Form 50900: Elements for the Annual MTW Plan and Annual MTW Report

Attachment B

Certifications of Compliance

Annual Moving to Work Plan Certifications of Compliance

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan*

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning ______, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

- 1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
- 2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- 3. The PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.
- 4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- 5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- 6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
- 7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
- 8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
- 9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- 10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- 11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- 12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

OMB Control Number: 2577-0216 Expiration Date: 5/31/2016

- 13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- 14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- 15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- 16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- 17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- 18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- 19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
- 20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- 21. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

continue to be made available at least at the pr	rimary business office of the PHA.
PHA Name	PHA Number/HA Code
, ,	herein, as well as any information provided in the accompaniment herewith, is true and aims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C.
Name of Authorized Official	Title
Signature	Date
• •	cretary of the Board of the PHA's legislative body. This certification cannot be signed by

*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.

APPENDIX C

DISCLOSURE OF LOBBYING ACTIVITIES

DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB 0348-0046

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

(See reverse for public burden disclosure.)

1. Tune of Endoral Actions	2. Status of Federa	I Action	2 Panert Tyres		
1. Type of Federal Action:			3. Report Type:		
b a. contract	11144	ffer/application	a a. initial fil		
b. grant	b. initial	award	b. materia		
c. cooperative agreement	c. post-	award	For Material	Change Only:	
d. loan			year quarter		
e. loan guarantee			date of las	st report	
f. loan insurance					
4. Name and Address of Reporting	a Entity:	5. If Reporting En	tity in No. 4 is a S	ubawardee, Enter Name	
Prime Subawardee	,	and Address of	-		
Tier	if known				
01					
Congressional District, if known	1: 4c	Congressional	District, if known:		
6. Federal Department/Agency:			m Name/Descripti	on.	
			-		
U.S. Department of Housing and Urb	oan Development	MTW Annual Pla	n		
		CFDA Number, if applicable:			
		CI DA Nullibel, I	п аррпсавіє		
8. Federal Action Number, if know.	n·	9. Award Amount	if known:		
Cuciui Action Number, ii know.			, II KIIOWII.		
		\$			
10. a. Name and Address of Lobb	ying Registrant	b. Individuals Per	forming Services	(including address if	
(if individual, last name, first r	name, MI):	different from No. 10a)			
n/a		(last name, first name, MI):			
		na/	V		
2		100	/		
			1		
			//		
11. Information requested through this form is authorize 1352. This disclosure of lobbying activities is a ma	d by title 31 U.S.C. section	Signature:	//		
upon which reliance was placed by the tier above whe	n this transaction was made	Print Name: Steph	nen Norman		
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					
		Title: Executive Dir	/		
not more than \$100,000 for each such failure.		Telephone No.: 24	6-574-1100	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
				SOUTI	HEAST I	MIXED F	OPULA	TION		
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
				SOUTH	IWEST	MIXED I	POPULA	TION		
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
						НОРА				
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
					SEDR	o woo	LLEY			
155	Hillsview	60	60		_	43	71	-	-	

APPENDIX E

REPLACEMENT HOUSING FACTOR PLAN

King County Housing Authority received its first increment of Replacement Housing Factor funds from HUD's Federal Fiscal Year (FFY) 2004 appropriation and expects to continue to receive RHF through FFY 2021. First RHF increments will transition to Demolition or Disposition Transitional Funding (DDTF) in lieu of second RHF increments. Under guidance issued by the Department in February 2014, funds issued as DDTF will no longer be subject to the RHF Amendment dated January 2012 and thus those funds are not included in this Appendix E. KCHA combines the RHF received into the MTW Block Grant and is using authorization provided under its MTW Agreement to provide affordable housing rather than solely build Public Housing units. KCHA desires to extend the eligible use of RHF for debt service payments for the full ten-year period otherwise allowed for the replacement of Public Housing. KCHA will ensure that the requisite number of affordable housing units required under the Proportionality Test will be developed.

RHF Grants for FFY 2004 to FFY 2017:

FFY Grant	<u>1st In</u>	1st Increment		2nd Increment			
Year	Award	Grant Number	Award	Grant Number			
2004	\$28,791	WA19R002501-04	\$0		\$28,791		
2005	\$32,484	WA19R002501-05	\$0		\$32,484		
2006	\$375,571	WA19R002501-06	\$0		\$375,571		
2007	\$309,997	WA19R002501-07	\$0		\$309,997		
2008	\$327,255	WA19R002501-08	\$0		\$327,255		
2009	\$1,003,946	WA19R002501-09	\$24,727	WA19R002502-09	\$1,028,673		
2010	\$1,004,181	WA19R002501-10	\$24,481	WA19R002502-10	\$1,028,662		
2011	\$543,479	WA19R002501-11	\$279,452	WA19R002502-11	\$822,931		
2012	\$346,419	WA19R002501-12	\$195,582	WA19R002502-12	\$542,001		
2013	\$1,045,158	WA19R002501-13	\$221,698	WA19R002502-13	\$1,266,856		
2014	\$702,260	WA19R002501-14	\$231,256	WA19R002502-14	\$933,516		
2015	\$693,128	WA19R002501-15	\$229,799	WA19R002502-15	\$922,927		
2016	\$706,236	WA19R002501-16	\$31,302	WA19R002502-16	\$737,538		
2017	\$405,122	WA19R002501-17	\$31,830	WA19R002502-17	\$436,952		

All of the RHF shown above is being used to leverage other federal and local sources to substantially renovate and recapitalize 262 units of housing at Springwood Apartments in Kent, Washington. Springwood, renamed Birch Creek Apartments, is a former Public Housing site. The RHF results from the disposition of units at Springwood and KCHA's two Hope VI sites: Park Lake Homes I and II.

RHF was available starting with the FFY 2014 appropriation and was used similarly to substantially renovate and recapitalize 59 units of housing at Green River Homes in Auburn, Washington. Green River is also a former Public Housing site. The RHF from the disposition of Green River is the leveraging source.

In doing so, KCHA extends the useful life of these valuable affordable housing resources for another 50 years. The housing serves low- and very low-income households in South King County.

Projections of RHF and debt service for Birch Creek and Green River start on the next page.

Springwood Apartments (renamed Birch Creek Apartments)

The RHF shown in the table below is one of the sources used to pay for the renovation. It services debt on a portion of \$37.5 million worth of tax-exempt financing used to pay for the \$54 million in construction costs. KCHA issued the bonds and lent the proceeds to Soosette Creek LLC. KCHA controls the tax credit partnership. This renovation started in 2008 and concluded in 2010.

In 2012, KCHA began using First and Second Increment RHF funds available from the disposition of Springwood and Park Lake Homes I to make debt service payments, both principal and interest. When making payments, the first source is RHF funds remaining in LOCCS from previous years. The second source is any new award amount. If there is a shortfall, KCHA will look to its unrestricted sources.

The RHF grant awards for 2018-2021 are estimated. The last payment on the bonds for Springwood is scheduled to be made in 2038. Awards of DDTF in lieu of RHF are indicated by an *.

FFY	Springwood ²	Springwood ^b	<u>Park Lake</u> <u>I</u> c	Park Lake <u>I</u> d	Park Lake <u>Il</u> e	<u>Park Lake</u> <u>II</u>	<u>Park</u> Lake II	Total	Debt Service
2004	\$28,791							\$28,791	\$0
2005	\$32,484							\$32,484	\$0
2006	\$26,938		\$348,633					\$375,571	\$0
2007	\$28,247		\$281,750					\$309,997	\$0
2008	\$29.82		\$297,436			0		\$297,466	\$302,000
2009	\$24,727	\$686,175	\$317,771			0		\$1,028,673	\$2,373,000
2010	\$24,481	\$679,348	\$324,833			0		\$1,028,662	\$2,254,000
2011	\$19,585	\$543,479	\$259,867			0		\$822,931	\$3,303,000
2012	\$13,514	\$332,905	\$195,582			0		\$542,001	\$3,379,000
2013	\$0	\$396,375	\$221,698	\$386,721	\$262,062	\$30,832		\$1,266,856	\$3,450,000
2014		\$359,078	\$200,424	\$349,612	\$257,451	\$30,639		\$1,197,204	\$3,527,000
2015		\$356,853	\$199,160	\$347,406	\$255,836	\$31,302		\$1,190,557	\$3,570,000
2016		\$364,650		\$356,218	\$258,243	\$31,830		\$1,010,941	\$3,660,000
2017		\$370,762		\$302,248	*	\$31,830	\$9,549	\$714,389	\$3,339,000
2018		\$370,762		*	*		\$9,549	\$380,311	\$3,415,000
2019		. ,		*	*		\$9,549	\$9,549	\$3,480,000
2020				*	*		\$9,549	\$9,549	\$2,227,000
2021				*	*		\$9,549	\$9,549	\$1,043,000
2022				*	*		*	\$0	\$1,423,000
2023							*	\$0	\$1,422,000
2024							*	\$0	\$1,423,000
2025							*	\$0	\$1,424,000
2026							*	\$0	\$1,422,000
2027- 2038									\$17,312,000



Springwood Apts. WA002034 WA002000402 In 2007 HUD approved the disposition of the remaining 324 units. After two years of construction (and the removal of 62 units) 262 low-income households now called the like-new units at Birch Creek Apartments home.

Park Lake Homes I ^c WA002004 WA002000301	RHF resulted from the disposition and demolition of 170 units.
Park Lake Homes I ^d WA002004 WA002000301	RHF projected to result from disposition and demolition of 121 units.
Park Lake Homes II ^e WA002005 WA002000302	RHF projected to result from disposition and demolition of 86 units.

Green River Homes

The RHF shown in the table below is one of the sources used to pay for the renovation. It services debt on a portion of \$9.5 million worth of tax-exempt financing used to pay for the \$10.5 million in construction costs. KCHA issued the bonds and lent the proceeds to Green River Homes 2 LLC. KCHA controls the tax credit partnership. The renovation was completed at the end of FY 2012.

KCHA uses First Increment RHF funds as they become available from the disposition of Green River Homes to make debt service payments.

The first 5-year increment of RHF resulting from the disposition of Green River was included in the FFY 2014 Capital Fund Program Award and used to make the next semi-annual debt service payment.

When making payments, the first source is RHF funds remaining in LOCCS from previous years. The second source is any new award amount. If there is a shortfall, KCHA will look to its unrestricted sources.

The RHF grant award for 2018 is estimated. The last payment on the bonds for Green River is projected to be made in FY 2025 (using any FFY 2024 grant funds remaining in LOCCS). DDTF funds paid in lieu of RHF are indicated by *.

FFY	Green River Homes	Debt Service
2012		\$47,500
2013		\$71,250
2014	\$95,197	\$958,636
2015	\$89,886	\$950,000
2016	\$91,774	\$941,364
2017	\$93,325	\$967,273
2018	\$95,325	\$954,318
2019	*	\$941,364
2020	*	\$950,000
2021	*	\$932,727
2022	*	\$915,455
2023	*	\$898,182
2024		\$880,909

Notes

5-Year Increment

Green River Homes WA002003 WA002000502 RHF is projected to result from the disposition of 60 units. HUD conditionally approved the disposition in February 2011. The disposition occurred on November 28, 2011.

In January 2011, KCHA applied to HUD to approve the disposition of 509 public housing units in 22 developments. The disposition was approved by HUD in mid 2012. All units were removed from PIC in 2013.

Financing Structure

Two of KCHA's oldest communities, both Springwood Apartments (prior to the 2008-2010 renovation) and Green River Homes today require significant, near term capital investment in the infrastructure and building systems. This capital could not be provided by the Public Housing Capital Fund.

The basic elements of the financing structures used for both properties are the same. The structures leverage renovation funds by combining federal Low Income Housing Tax Credit (LIHTC) equity with private and/or public debt. The debt is supported by Housing Choice Voucher rent subsidies and Replacement Housing Factor (RHF) funds under MTW authority.

To accomplish this, the properties are removed from the Public Housing inventory and transferred to an entity (eg, tax credit partnership) which can take advantage of the LIHTC program. Housing Choice Voucher subsidies are project-based to keep rents affordable. The net cash flow from operations and the 10 years of RHF resulting from the disposition is used to repay a portion of the private debt. If RHF funds and the net cash flow from operations are insufficient or unavailable for repayment, other KCHA general revenues will be used to service debt.

The main difference between the two properties is that the repayment of debt for Birch Creek is guaranteed by King County government, whereas repayment of the debt for Green River is collateralized by MTW single-fund resources.

In future years, if more advantageous financially, KCHA may use the "Springwood RHF" to service Green River Bonds and "Green River RHF" to service Springwood Bonds.

APPENDIX F

ANNUAL STATEMENT/PERFORMANCE AND EVALUATION REPORT

Part I: St	ummary					
PHA Name	unty of King		FFY of Grant: 2012 FFY of Grant Approval:			
	rant al Annual Statement [rmance and Evaluation Repor	ion no:)				
Line	Summary by Development			Final Performance and Evaluation stimated Cost		d Actual Cost 1
Line	Daminary by Development	·	Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				<u> </u>	
2	1406 Operations (may not exc	eed 20% of line 21) 3				
3	1408 Management Improvem	ents				
4	1410 Administration (may not exceed 10% of line 21)		1			
5	1411 Audit					
6	1415 Liquidated Damages					
7	1430 Fees and Costs					*
8	1440 Site Acquisition			·		
9	1450 Site Improvement					
10	1460 Dwelling Structures					<u> </u>
11	1465.1 Dwelling Equipment-	-Nonexpendable				
12	1470 Non-dwelling Structures	5				
13	1475 Non-dwelling Equipmen	nt				
14	1485 Demolition					
15	1492 Moving to Work Demor	nstration	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.

Part I: St	ummary				-	
PHA Name HA Cou King	e: Grant Type and Number		of Grant: 2012 of Grant Approval:			
Type of Gr	rant	<u> </u>				
	inal Annual Statement Reserve for Disasters/Emerge	ncies	Revised A	annual Statement (revision no:)	
Perfo	ormance and Evaluation Report for Period Ending: 06/30/2017		Final Per	formance and Evaluation Repo	rt	
Line	Summary by Development Account	Total E	stimated Cost	То	tal 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						

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.

Part II: Supporting Pages										
PHA Name: HA County of King			Grant Type and Number Capital Fund Program Grant No: WA19P002501-12 CFFP (Yes/ No): Replacement Housing Factor Grant No:				Federal FFY of Grant: 2012			
Development Number Name/PHA-Wide Activities	General Description of Major Categories	Work	Development Account No.	Quantity	Total Estima	ted Cost Total Actual Cost		Status of Work		
Notivities					Original	Revised ¹	Funds Obligated ²	Funds Expended ²		
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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.

Part II: Supporting Pages										
PHA Name: HA County of King			Grant Type and Number Capital Fund Program Grant No: WA19P002501-12 CFFP (Yes/ No): Replacement Housing Factor Grant No:				Federal FFY of Grant: 2012			
Development Number Name/PHA-Wide Activities	General Description of Major Categories	Work	Development Account No.	Quantity	Total Estima	ted Cost Total Actua		al Cost Status of Wo		
		1)			Original	Revised 1	Funds Obligated ²	Funds Expended ²		
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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.

Part III: Implementation Sch	edule for Capital Fund	Financing Program		· 	
PHA Name: HA County	of King		•		Federal FFY of Grant: 2012
Development Number Name/PHA-Wide Activities	ame/PHA-Wide (Quarter Ending Date) (Quarter Ending Date)		Reasons for Revised Target Dates 1		
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
WA002	03/11/2014		3/11/2016		
· · · · · · · · · · · · · · · · · · ·					
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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.

A Name: HA County of	of King				Federal FFY of Grant: 2012
Development Number Name/PHA-Wide Activities All Fund Obligated (Quarter Ending Date)		All Funds (Quarter E	s Expended Ending Date)	Reasons for Revised Target Dates ¹	
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
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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.

Part I: S	ummary										
PHA Name	2.	Grant Type and Number	•			FFY of Grant: 2013					
HA Co	FFY of Grant Approval:										
Origina	Type of Grant Original Annual Statement Reserve for Disasters/Emergencies Revised Annual Statement (revision no:)										
	Performance and Evaluation Report for Period Ending: 06/30/2017 Final Performance and Evaluation Report										
Line	Summary by Development	Account	Original	Revised ²	Obligated	Expended					
1	Total non-CFP Funds		Original	71011500	o brigative						
2	1406 Operations (may not exc	ceed 20% of line 21) 3									
3	1408 Management Improvem	nents									
4	1410 Administration (may no	ot 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 Structure	es									
13	1475 Non-dwelling Equipme	ent									
14	1485 Demolition										
15	1492 Moving to Work Demo	onstration	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	S 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.

Part I: Su	ımmary									
PHA Name HA Cou King		Grant Type and Number Capital Fund Program Grant No: WA19P002501-13 Replacement Housing Factor Grant No: Date of CFFP:		I	of Grant: 2013 of Grant Approval:					
Type of Gr	ent	Date of CFFF.								
	nal Annual S	Statement Reserve for Disasters/Emergen	cies	☐ Revised A	annual Statement (revision no:)				
Perfo	rmance and	Evaluation Report for Period Ending: 06/31/2017		☐ Final Performance and Evaluation Report						
Line	Summary	by Development Account	Total E	Stimated Cost	To	Total Actual Cost 1				
			Original	Revised ²	Obligated	Expended				
18a	1501 Colla	teralization or Debt Service paid by the PHA								
18ba	9000 Colla	teralization or Debt Service paid Via System of Direct Payment	,							
19	1502 Conti	ingency (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	Tine 20 Related to LBP Activities								
22	Amount of	Tine 20 Related to Section 504 Activities								
23	Amount of	Fline 20 Related to Security - Soft Costs								
24	Amount of	Tine 20 Related to Security - Hard Costs								
25	Amount of	Fline 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.

Part II: Supporting Pages									
PHA Name: HA County of King			ype and Number und Program Grant No es/ No): uent Housing Factor G	501-13	Federal)	Federal FFY of Grant: 2013			
Development Number Name/PHA-Wide Activities	General Description of Major Categories	Work	Development Account No.	Quantity	Total Estim	ated Cost	t Total Actual Cost		Status of Work
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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.

Part II: Supporting Pages										
PHA Name: HA County of King			Grant Type and Number Capital Fund Program Grant No: WA19P002501-13 CFFP (Yes/ No): Replacement Housing Factor Grant No:				Federal FFY of Grant: 2013			
Development Number Name/PHA-Wide Activities	General Description of Major Categories	Work	Development Account No.	Quantity	Total Estim	ated Cost	Total Actual (Cost	Status of Work	
710071000					Original	Revised ¹	Funds Obligated ²	Funds Expended ²		
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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 Expires 06/30/2017

Part III: Implementation Sch	edule for Capital Fund	Financing Program			
PHA Name: HA County	of King				Federal FFY of Grant: 2013
Development Number Name/PHA-Wide Activities	Name/PHA-Wide (Quarter Ending Date) (Quarter Ending Date)				Reasons for Revised Target Dates ¹
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
WA002	09/08/2015		09/08/2017		
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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.

Page6 form **HUD-50075.1** (07/2014)

Page7 form **HUD-50075.1** (07/2014)

A Name: HA County of	of King				Federal FFY of Grant: 2013
Development Number All Fund Obligated Name/PHA-Wide (Quarter Ending Date) Activities			All Fund: (Quarter F	s Expended Ending Date)	Reasons for Revised Target Dates 1
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
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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.

Part I: S						
PHA Name	e: unty of King	Grant Type and Number Capital Fund Program Grant No: WA1 Replacement Housing Factor Grant No:	PP002501-14			FFY of Grant: 2014 FFY of Grant Approval:
		Date of CFFP:				
Type of G		Reserve for Disasters/Emergencies		☐ Revised Annual Statement	(revision no:	
8-2		rt for Period Ending: 06/30/2017		Final Performance and Eval	· ·	
	Summary by Development		Total	l Estimated Cost		al Actual Cost 1
Line	Summary by Development	Account	Original	Revised ²	Obligated	Expended -
1	Total non-CFP Funds		Original	Revised	Obligated	·
2	1406 Operations (may not ex-	ceed 20% of line 21) 3				
3	1408 Management Improvem	nents				
4	1410 Administration (may no	et 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 Structure	es .				
13	1475 Non-dwelling Equipme	nt				
14	1485 Demolition					
15	1492 Moving to Work Demo	nstration	3,684,067.00	3,684,067.00	3,684,067.00	381,925.56
16	1495.1 Relocation Costs					
17	1499 Development Activities	s 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.

Part I: Si	ummary					*		
PHA Name HA Cor King	e:	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 G	rant							
Original Annual Statement Reserve for Disasters/Emergencies Revised Annual Statement (revision no:								
Performance and Evaluation Report for Period Ending: 06/30/2017								
Line	Summary	by Development Account	Tota	Estimated Cost	Tota	d Actual Cost t		
			Original	Revised ²	Obligated	Expended		
18a	1501 Colla	teralization or Debt Service paid by the PHA						
18ba	9000 Colla	teralization or Debt Service paid Via System of Direct Payment						
19	1502 Cont	ingency (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	Tine 20 Related to Security - Soft Costs						
24	Amount of	Tine 20 Related to Security - Hard Costs						
25	Amount of	Tine 20 Related to Energy Conservation Measures						
Signatui	re of Exec	utive Director Date	Sig	nature of Public Ho	using 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.

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⁴ RHF funds shall be included here.

Part II: Supporting Pages									
PHA Name: HA Count	Grant Type and Number Capital Fund Program Grant No: WA19P002501-14 CFFP (Yes/ No): Replacement Housing Factor Grant No:				Federal l	Federal FFY of Grant: 2014			
Development Number Name/PHA-Wide Activities	General Description of Major Categories	Work	Development Account No.	Quantity	Total Estima	ted Cost	st Total Actual Cost		Status of Work
					Original	Revised 1	Funds Obligated ²	Funds Expended ²	
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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.

Part II: Supporting Pages										
PHA Name: HA County of King			Grant Type and Number Capital Fund Program Grant No: WA19P002501-14 CFFP (Yes/ No): Replacement Housing Factor Grant No:				Federal FFY of Grant: 2014			
Development Number Name/PHA-Wide Activities	General Description of Major Categories	Work	Development Account No.	Quantity	Total Estima	ted Cost	Total Actual (Cost	Status of Work	
					Original	Revised ¹	Funds Obligated ²	Funds Expended ²		
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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 Expires 06/30/2017

Part III: Implementation Sch		Financing Program			
PHA Name: HA County	of King				Federal FFY of Grant: 2014
Development Number Name/PHA-Wide Activities	Name/PHA-Wide (Quarter Ending Date) (Quarter Ending Date)				Reasons for Revised Target Dates ¹
-	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
WA002	05/12/2016		05/12/2018		
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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.

Page6

Page7

A Name: HA County of	r King			F	ederal FFY of Grant: 2014
Development Number Name/PHA-Wide Activities	All Fund (Quarter E	Obligated Ending Date)	All Fund (Quarter F	s Expended Ending Date)	Reasons for Revised Target Dates ¹
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
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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.

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

Part I: St	ımmary	•				
PHA Name	unty of King	Grant Type and Number Capital Fund Program Grant No: WA191 Replacement Housing Factor Grant No: Date of CFFP:	P002501-15			FFY of Grant: 2015 FFY of Grant Approval:
Type of Gr	al Annual Statement	Reserve for Disasters/Emergencies		Revised Annual Statement (revisi	,	
		t for Period Ending: 06/30/2017		Final Performance and Evaluation		
Line	Summary by Development A	Account		timated Cost	4	Actual Cost 1
1	T-4-1 OFD P1-		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds					
2	1406 Operations (may not exc	eed 20% of line 21) 3				
3	1408 Management Improvement	ents				
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 Equipmen	at				
14	1485 Demolition					
15	1492 Moving to Work Demon	nstration	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				

Page1 form HUD-50075.1 (07/2014)

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.

Part I: Su	ummary					•			
PHA Name HA Cor 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 Gr	ant								
Original Annual Statement Reserve for Disasters/Emergencies Revised Annual Statement (revision no:									
Performance and Evaluation Report for Period Ending: 06/30/2017									
Line	Summary	by Development Account		tal Estimated Cost		otal Actual Cost 1			
		 ;	Original	Revised	2 Obligated	Expended			
18a	1501 Colla	teralization or Debt Service paid by the PHA							
18ba	9000 Colla	teralization or Debt Service paid Via System of Direct Payment							
19	1502 Conti	ngency (may not exceed 8% of line 20)							
20	Amount of	Annual Grant:: (sum of lines 2 - 19)	3,795,767.00	3,795,767.0	0 3,795,767.00	379,576.70			
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							
Signatur	Signature of Executive Director Date Signature of Public Housing Director Date								

¹ To be completed for the Performance and Evaluation Report.

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⁴ RHF funds shall be included here.

Part II: Supporting Pages										
PHA Name: HA County of King		Grant Type and Number Capital Fund Program Grant No: WA19P002501-15 CFFP (Yes/ No): Replacement Housing Factor Grant No:				Federal 1	Federal FFY of Grant: 2015			
Development Number Name/PHA-Wide Activities	General Description of Major Categories	Work Development Quantity Account No.		Quantity	Total Estimated Cost		st Total Actual Cost		Status of Work	
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¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

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Part II: Supporting Pages								
PHA Name: HA County of King		Type and Number Fund Program Grant N Yes/ No): ement Housing Factor (501-15	Federal	Federal FFY of Grant: 2015			
Development Number General I. Name/PHA-Wide Activities	Description of Major Work Categories	Work Development Account No.	Quantity	Quantity Total Estimated (Cost Total Actual Cost		Status of Work
TROUTEROS				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
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¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

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PHA Name: HA County of	of King	Financing Program			Federal FFY of Grant: 2015
Development Number Name/PHA-Wide Activities		l Obligated Ending Date)	All Fund (Quarter I	s Expended Ending Date)	Reasons for Revised Target Dates ¹
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
WA002	04/12/2017		04/12/2019		
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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.

Name: HA County of	of King				Federal FFY of Grant: 2015	
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Fund (Quarter F	s Expended Ending Date)	Reasons for Revised Target Dates ¹	
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date		

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.

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

Part I: S	ummary					
PHA Name	e: unty of King	Grant Type and Number Capital Fund Program Grant No: WA19I Replacement Housing Factor Grant No: Date of CFFP:	P002501-16			FFY of Grant: 2016 FFY of Grant Approval:
	al Annual Statement	Reserve for Disasters/Emergencies	_	Revised Annual Statement (revis		
				Final Performance and Evaluation stimated Cost		Actual Cost 1
Line	Summary by Development	Account	Original	Revised ²	Obligated	Expended Expended
1	Total non-CFP Funds		Original	ACTIOCA	Obligated	27Apontou
2	1406 Operations (may not ex	ceed 20% of line 21) ³				
3	1408 Management Improven	nents				
4	1410 Administration (may no	ot exceed 10% of line 2!)				
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 Structure	es				
13	1475 Non-dwelling Equipme	ent				
14	1485 Demolition					
15	1492 Moving to Work Demo	onstration	3,900,241.00	3,900,241.00	390,024.10	390,024.10
16	1495.1 Relocation Costs					
17	1499 Development Activities	S ⁴				

Page1 form **HUD-50075.1** (07/2014)

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⁴ RHF funds shall be included here.

Part I: S	ummary	· · · · · · · · · · · · · · · · · · ·				
PHA Name HA Cor 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 Gr	rant	Date of CFFF.				
	nal Annual S	Statement Reserve for Disasters/Emergence	ies	Пπ	levised Annual Statement (revision no:)
		Evaluation Report for Period Ending: 06/30/2017			nal Performance and Evaluation Report	,
Line		by Development Account	1 T	otal Estimated Cost		ral Actual Cost 1
Line	Summary	by Development Recount	Original	Revised		Expended
18a	1501 Colla	teralization or Debt Service paid by the PHA				
18ba	9000 Colla	teralization or Debt Service paid Via System of Direct Payment				
19	1502 Conti	ingency (may not exceed 8% of line 20)				
20	Amount of	Annual Grant:: (sum of lines 2 - 19)	3,900,241.00	3,900,241.0	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	Fline 20 Related to Security - Hard Costs				
25	Amount of	Tine 20 Related to Energy Conservation Measures				
Signatur	re of Exec	utive Director Date		Signature of Public H	ousing Director	Date

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Part II: Supporting Pages	·									
PHA Name: HA County of King		Grant Type and Number Capital Fund Program Grant No: WA19P002501-16 CFFP (Yes/ No): Replacement Housing Factor Grant No:				Federal l	Federal FFY of Grant: 2016			
Development Number Name/PHA-Wide Activities	General Description of Major Categories	Work Development Quantity Tota Account No.				Total Estimated Cost		Total Actual Cost		
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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.

Part II: Supporting Pages										
PHA Name: HA Count	y of King	Grant Type and Number Capital Fund Program Grant No: WA19P002501-16 CFFP (Yes/ No): Replacement Housing Factor Grant No:					Federal FFY of Grant: 2016			
Development Number Name/PHA-Wide Activities	General Description of Major Categories	Work	Development Account No.	Quantity	Total Estima	ated Cost	Cost Total Actual Cost		Status of Work	
					Original	Revised 1	Funds Obligated ²	Funds Expended ²		
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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 Expires 06/30/2017

Part III: Implementation Sch PHA Name: HA County of	Federal FFY of Grant: 2016				
Development Number Name/PHA-Wide Activities	All Fund (Quarter I	d Obligated Ending Date)		s Expended Ending Date)	Reasons for Revised Target Dates ¹
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
WA002	04/12/2018		04/12/2020		
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¹Obligation 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.

Page6

A Name: HA County of	Federal FFY of Grant: 2016					
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Fund (Quarter F	s Expended Ending Date)	Reasons for Revised Target Dates ¹	
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date		

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: Craig Violante, Director of Finance

Date: October 2, 2017

Re: New Bank Accounts

Since the last Board meeting KCHA opened one new bank account.

• King County Housing Authority – Section 8 FSS Escrow

Bank: KeyBank

Purpose:

The Authority opened up a full business checking account with KeyBank that will be used to hold escrow balances for participants in the Section 8 Family Self-Sufficiency program.

Transactions will include deposits, interim withdrawals for qualified expenses, and full balance escrow withdrawals made upon participant graduation from the program. Account activity will occur primarily through book transfers between the Section 8 FSS Escrow account and the Section 8 and KCHA Masterfund bank accounts. Establishment of a separate bank account for FSS accounts is required under HUD program guidelines.

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To: Board of Commissioners

From: Mark Abernathy, Risk Manager

Date: October 2, 2017

Re: Risk Management and Insurance Program 2017 Update

At the October 9, 2017 Board of Commissioner's meeting, the KCHA Risk Management Department (Risk Management) will provide its annual update about the KCHA risk management program, including the following topics:

- Initiatives/Completed Projects
- 2017/18 Proposed Projects
- Insurance Costs and Claims History

The KCHA Risk Management division is a three person area within the Administrative Services department which focuses on loss control activities; insurance procurement and employee safety; and consults with internal staff on risk management issues. It partners with Parker, Smith & Feek (PSF) which provides additional expertise in all of these areas. PSF personnel will be present at the October meeting to answer specific questions, particularly around KCHA's recently completed insurance carrier renewal.

Risk Management was deeply involved with the following initiatives during the past 12 months, some of which are multi-year:

- Enhanced training and site audits addressing safety and environmental regulatory compliance and best practices.
- Completion of KCHA's first comprehensive moisture management plan which addresses construction, maintenance and management of site moisture problems such as mold, snow and ice removal and remediation of water intrusion such as from fire sprinklers
- Cross silo leadership on cyber security and data management issues, leading to enhanced protection of personal identifying information (PII) of both clients and employees
- Emergency planning for KCHA sites in the event of natural or other disasters

2017 Risk Management Update October 9, 2017 – KCHA Board Meeting Page 2 of **2**

These initiatives are in addition to the more routine work of the division, which includes claims management, insurance carrier relationships, ergonomic assessments, facility site inspections and budgeting.

Finally, Risk Management will provide a 5-year loss history for auto, property, general liability, and workers compensation along with an outline of planned risk control emphasis areas.

Risk Management appreciates the opportunity to present a summary of KCHA's insurance, risk, and loss prevention/control initiatives and will be happy to answer any questions that the Board may have following the presentation.