



ANNUAL MEETING OF THE BOARD OF COMMISSIONERS

May 21, 2018 at 8:30 a.m.

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

A G E N D A

- I. Call to Order**
- II. Roll Call**
- III. Public Comment**
- IV. Approval of Minutes** **1**
 - A. Board Meeting Minutes – March 19, 2018
- V. Approval of Agenda**
- VI. Consent Agenda** **2**
 - A. Voucher Certification Report for February 2018
 - B. Voucher Certification Report for March 2018
- VII. Resolutions for Discussion & Possible Action**
 - A. **Resolution No. 5594:** Authorizing Jill Stanton as contracting officer, signator, and agent designated to receive claims for damages **3**
 - B. **Resolution No. 5595:** Authorizing the Authority to loan its Energy Performance Project up to \$7.5 million to finance energy efficiency improvements at Public Housing properties; and authorizing the **4**

execution of related documents

- C. **Resolution No. 5596:** Authorizing Termination of the Swap and Caps **5**
for 2005 Pool

VIII. Briefings & Reports

- A. Fourth Quarter 2017 Financial Report **6**
B. First Quarter 2018 Financial Report **7**
C. First Quarter 2018 Summary Write-offs **8**
D. New Bank Accounts **9**
E. First Quarter 2018 Procurement Report **10**
F. First Quarter 2018 Dashboard **11**
G. Resident Characteristics Report **12**

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

Monday, March 19, 2018

I. CALL TO ORDER

The meeting of the King County Housing Authority Board of Commissioners was held on Monday, March 19, 2018 at King County Housing Authority, 600 Andover Park West, Tukwila WA. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:30 a.m.

II. ROLL CALL

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

III. Public Comment

None.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – February 26, 2018

On motion by Commissioner Brown and seconded by Commissioner Stewart, the Board unanimously approved the February 26, 2018 Board of Commissioners' Meeting Minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner Welch and seconded by Commissioner Brown, the Board unanimously approved the March 19, 2018 Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Reports for January 2018

GENERAL PROPERTIES

Bank Wires / ACH Withdrawals	1,537,926.49
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<i>Subtotal</i>	<u>1,537,926.49</u>
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Accounts Payable Vouchers

Key Bank Checks #313870 - #314403	3,756,809.94
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Tenant Accounting Checks #10522 - #10545	3,850.47
Commerce Bank Direct Payment	26,649.04
<i>Subtotal</i>	<u>3,787,309.45</u>

Payroll Vouchers	
Checks - #90743 - # 90781	42,576.08
Direct Deposit	1,419,128.56
<i>Subtotal</i>	<u>1,461,704.64</u>

Section 8 Program Vouchers	
Checks - #620304 - #620602	233,274.82
ACH - #404506-#407278	12,547,032.40
<i>Subtotal</i>	<u>12,780,307.22</u>

Purchase Card / ACH Withdrawal	177,371.08
<i>Subtotal</i>	<u>177,371.08</u>

**GRAND
TOTAL 19,744,618.88**

BOND PROPERTIES

Bond Properties Total (37 different properties) **\$3,001,135.87**

B. Resolution No. 5588: Authorizing an Interlocal Cooperation Agreement with the City of Redmond

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

VII. RESOLUTONS FOR DISCUSSION & POSSIBLE ACTION

A. Resolution No. 5589: Authorizing the acquisition of Houghton Court Apartments in Kirkland, WA

Beth Pearson, Director of Real Estate Initiatives presented Resolution No. 5589 and mentioned that this acquisition is funded in part through the disposition of the Eastside Maintenance facility previously leased to the City of Kirkland and approved for sale to the City of Kirkland by the Board in December 2017. Ms. Pearson announced that additional funding for the Houghton Court apartments will be awarded through an ARCH grant and the acquisition is on schedule to close next month. A risk profile including deferred maintenance at Houghton Court and necessary capital investments was also discussed.

On motion by Commissioner Stewart and seconded by Commissioner Palmer, the Board unanimously approved Resolution No. 5589.

- B. **Resolution No. 5590:** A Resolution authorizing the issuance of revenue bonds in the principal amount of not to exceed \$90,000,000, to partially refinance the acquisition and rehabilitation of Ballinger Commons, in Shoreline, Washington, and delegating to the Executive Director the authority to set the terms of the bonds, and to execute all necessary documents

Tim Walter, Senior Director of Asset Management presented Resolutions No. 5590 and No. 5591 combined. Mr. Walter provided background information and explained the financing for the acquisition and rehabilitation in detail.

On motion by Commissioner Brown and seconded by Commissioner Welch, the Board unanimously approved Resolution No. 5590.

- C. **Resolution No. 5591:** A Resolution authorizing the issuance of refunding bonds, in the principal amount not to exceed \$80,000,000, to refund outstanding bonds of the Authority issued for eight projects, to partially refinance the acquisition and rehabilitation of Ballinger Commons, to fund a debt service reserve fund and to pay certain issuance costs, and delegating to the Executive Director the authority to set the terms of the bonds and to execute all necessary documents

On motion by Commissioner Brown and seconded by Commissioner Welch, the Board unanimously approved Resolution No. 5591.

- D. **Resolution No. 5592:** Authorizing the amounts of various Somerset Gardens Apartments LLLP's financing instruments for the Somerset Gardens Apartments, including but not limited to the financing lease and deferred development fee to be consolidated into the Subordinate Loan for the Somerset Gardens project

Dan Landes, Senior Development Manager introduced Resolution No. 5592 and provided background information and explained the components of the financing.

On motion by Commissioner Palmer and seconded by Commissioner Stewart, the Board unanimously approved Resolution No. 5592.

VIII. BRIEFINGS AND REPORTS

A. 2017 Year End Capital Expenditure Report and 2018 Budget

Dan Watson, Deputy Executive Director, provided an overview of the results of the 2017 Construction and Capital Improvement Program and the Program's budget for 2018.

Mr. Watson's presentation reflected actual 2017 capital expenditures and accomplishments by department including Capital Construction & Weatherization, HOPE VI, Asset Management and Housing Management, lastly describing their 2018 construction budgets along with anticipated major projects and initiatives. Mr. Watson also provided an update on the Energy Performance Contract.

B. Fourth Quarter 2017 Executive Dashboard Report

Sarah Oppenheimer, Director of Research and Evaluation provided an update and overview of the Fourth Quarter 2017 Executive Dashboard report.

C. CY 2017 Moving to Work Report

Katie Escudero, MTW Policy Analyst, provided an overview of MTW report highlights and accomplishments from the past year. Ms. Escudero mentioned that a presentation on Resident Characteristics will be provided by the Policy & Research department at the next Board meeting.

D. New Bank Accounts

Craig Violante, Director of Finance, reported that KCHA had opened one new bank account related to Wind Rose (area of Greenbridge).

IX. BOARD RETREAT DISCUSSION

Commissioners' discussed the strategic initiatives identified at the 2018 Board Retreat. Board members highlighted which items they would like staff to present in the form of various Study Sessions to be held at future Board meetings.

X. EXECUTIVE SESSION

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

Chair Barnes announced the start of the Executive Session at 10:05 a.m.

The meeting of the Board of Commissioners was reconvened at 10:19 a.m. by Chair Barnes.

B. Resolution No. 5593: Authorizing the payment of a retention and accomplishment incentive and the establishment of a retention and

accomplishment incentive for the Executive Director for Calendar Years 2017 and 2018, respectively

Following conclusion of the Executive Session, Commissioners considered Resolution No. 5593 for approval.

On motion by Commissioner Stewart and seconded by Commissioner Brown, the Board unanimously approved Resolution No. 5593.

XI. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman, Executive Director provided an update on the Social Mobility Data research project led by Stanford Professor of Economics Raj Chetty.

At Mr. Norman's request, Dan Watson provided some background on the First mobile home park in Seatac, which has been the subject of media interest and inquiry in the past few months.

XII. KCHA IN THE NEWS

None.

XIII. COMMISSIONER COMMENTS

XIV. ADJOURNMENT

Chair Barnes adjourned the meeting at 10:41 a.m.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary

T A B N U M B E R



To: Board of Commissioners

From: Linda Riley, Controller

Date: April 2, 2018

Re: **VOUCHER CERTIFICATION FOR FEBRUARY 2018**

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
April 2, 2018

Bank Wires / ACH Withdrawals		2,592,466.40
	<i>Subtotal</i>	2,592,466.40
Accounts Payable Vouchers		
Key Bank Checks - #314404-#314878		7,203,388.51
Tenant Accounting Checks - #10546-#10564		3,503.19
Commerce Bank Direct Payment		44,045.67
	<i>Subtotal</i>	7,250,937.37
Payroll Vouchers		
Checks - #90783-#90814		37,834.46
Direct Deposit		1,451,613.34
	<i>Subtotal</i>	1,489,447.80
Section 8 Program Vouchers		
Checks - #620603-#620906		268,254.17
ACH - #407279-#410051		12,608,734.12
	<i>Subtotal</i>	12,876,988.29
Purchase Card / ACH Withdrawal		279,778.41
	<i>Subtotal</i>	279,778.41
	GRAND TOTAL	24,489,618.27

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

FROM: Wen Xu

SUBJECT: VOUCHER CERTIFICATION FOR FEBRUARY 2018

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 of Asset Management
March 22, 2018

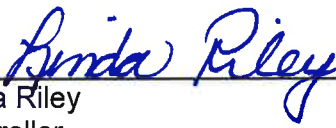
Property Feb-18	Wired to Operating Account(s) for Obligations of Property			Notes:
	Date	\$	Claim	
<u>Alpine Ridge</u>	2/8/2018	\$8,611.70	A/P & Payroll	
	2/22/2018	\$17,616.96	A/P & Payroll	
<u>Arbor Heights</u>	2/8/2018	\$17,930.24	A/P & Payroll	
	2/22/2018	\$19,883.38	A/P & Payroll	
<u>Aspen Ridge</u>	2/8/2018	\$14,372.82	A/P & Payroll	
	2/22/2018	\$8,474.36	A/P & Payroll	
<u>Auburn Square</u>	2/8/2018	\$33,362.68	A/P & Payroll	
	2/22/2018	\$22,065.84	A/P & Payroll	
<u>Carriage House</u>	2/8/2018	\$52,281.95	A/P & Payroll	
	2/22/2018	\$41,165.20	A/P & Payroll	
<u>Cascadian</u>	2/8/2018	\$50,509.08	A/P & Payroll	
	2/22/2018	\$25,843.89	A/P & Payroll	
<u>Colonial Gardens</u>	2/1/2018	\$10,396.92	A/P	
	2/8/2018	\$4,673.19	A/P & Payroll	
	2/22/2018	\$13,163.94	A/P & Payroll	
<u>Fairwood</u>	2/8/2018	\$20,381.66	A/P & Payroll	
	2/15/2018	\$1,843.08	A/P	
	2/22/2018	\$22,140.14	A/P & Payroll	
<u>Heritage Park</u>	2/8/2018	\$34,739.32	A/P & Payroll	
	2/22/2018	\$20,587.48	A/P & Payroll	
<u>Laurelwood</u>	2/8/2018	\$18,606.34	A/P & Payroll	
	2/22/2018	\$29,995.36	A/P & Payroll	
<u>Meadows</u>	2/1/2018	\$12,178.37	A/P	
	2/8/2018	\$20,178.20	A/P & Payroll	
	2/22/2018	\$21,534.32	A/P & Payroll	
<u>Newporter</u>	2/8/2018	\$45,984.40	A/P & Payroll	
	2/22/2018	\$27,528.67	A/P & Payroll	
<u>Overlake TOD</u>	2/8/2018	\$145,483.11	A/P & Payroll	
	2/22/2018	\$81,720.65	A/P & Payroll	
<u>Parkwood</u>	2/8/2018	\$20,542.90	A/P & Payroll	
	2/22/2018	\$13,682.03	A/P & Payroll	
<u>Somerset East</u>	2/8/2018	\$12,767.86	A/P & Payroll	
	2/22/2018	\$18,678.69	A/P & Payroll	
<u>Somerset West</u>	2/8/2018	\$13,322.27	A/P & Payroll	
	2/22/2018	\$18,935.00	A/P & Payroll	
<u>Southwood Square</u>	2/8/2018	\$26,658.40	A/P & Payroll	
	2/9/2018	\$3,593.75	Payroll	
	2/22/2018	\$16,590.26	A/P & Payroll	
<u>Timberwood</u>	2/8/2018	\$60,693.26	A/P & Payroll	
	2/22/2018	\$42,573.19	A/P & Payroll	
<u>Walnut Park</u>	2/8/2018	\$28,550.99	A/P & Payroll	
	2/22/2018	\$26,856.16	A/P & Payroll	
<u>Windsor Heights</u>	2/8/2018	\$55,080.77	A/P & Payroll	
	2/22/2018	\$64,707.57	A/P & Payroll	
<u>Woodland North</u>	2/8/2018	\$14,672.41	A/P & Payroll	
	2/22/2018	\$13,075.87	A/P & Payroll	
<u>Woodridge Park</u>	2/8/2018	\$48,237.82	A/P & Payroll	
	2/22/2018	\$49,161.57	A/P & Payroll	
<u>Ballinger Commons</u>	2/7/2018	\$145,572.25	A/P & Payroll	
	2/21/2018	\$96,910.64	A/P & Payroll	
<u>Gilman Square</u>	2/7/2018	\$99,424.08	A/P & Payroll	
	2/21/2018	\$67,319.13	A/P & Payroll	
<u>Meadowbrook</u>	2/7/2018	\$51,458.46	A/P & Payroll	
	2/21/2018	\$79,135.31	A/P & Payroll	
<u>Villages at South Station</u>	2/7/2018	\$39,834.50	A/P & Payroll	
	2/21/2018	\$64,426.53	A/P & Payroll	

Abbey Ridge	2/8/2018	\$72,821.31	A/P & Payroll	
	2/22/2018	\$52,352.34	A/P & Payroll	
Cottonwood	2/8/2018	\$20,123.65	A/P & Payroll	
	2/22/2018	\$21,390.77	A/P & Payroll	
Cove East	2/8/2018	\$33,423.68	A/P & Payroll	
	2/22/2018	\$29,766.32	A/P & Payroll	
Highland Village	2/8/2018	\$45,661.83	A/P & Payroll	
	2/22/2018	\$12,310.51	A/P & Payroll	
Bellepark East	2/7/2018	\$1,434.64	A/P	
	2/14/2018	\$29,091.51	A/P & Payroll	
	2/21/2018	\$2,574.14	A/P	
	2/28/2018	\$18,138.13	A/P & Payroll	
Landmark	2/7/2018	\$1,619.13	A/P	
	2/14/2018	\$25,172.75	A/P & Payroll	
	2/21/2018	\$5,117.06	A/P	
	2/28/2018	\$26,139.35	A/P & Payroll	
Woodside East	2/7/2018	\$8,776.77	A/P	
	2/14/2018	\$31,408.70	A/P & Payroll	
	2/21/2018	\$16,632.91	A/P	
	2/28/2018	\$20,827.81	A/P & Payroll	
Rainier View I	2/8/2018	\$9,086.11	A/P	
	2/15/2018	\$6,481.61	A/P	
	2/22/2018	\$5,925.83	A/P	
	2/28/2018	\$4,259.62	A/P	
Rainier View II	2/8/2018	\$5,663.08	A/P	
	2/15/2018	\$4,362.87	A/P	
	2/22/2018	\$3,930.16	A/P	
	2/28/2018	\$1,034.85	A/P	
Si View	2/8/2018	\$2,751.27	A/P	
	2/15/2018	\$1,173.41	A/P	
	2/22/2018	\$1,650.75	A/P	
	2/28/2018	\$9,637.91	A/P	
Vashon Terrace	2/21/2018	\$5,416.50	A/P	
Portfolio Total:		\$2,571,872.20		



To: Board of Commissioners
From: Linda Riley, Controller
Date: April 30, 2018
Re: **VOUCHER CERTIFICATION FOR MARCH 2018**

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
 April 30, 2018

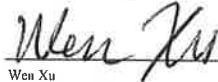
Bank Wires / ACH Withdrawals		52,718,705.22
	<i>Subtotal</i>	52,718,705.22
Accounts Payable Vouchers		
Key Bank Checks - #314879-#315515		6,600,640.51
Tenant Accounting Checks - #10565-#10585		1,773.69
Commerce Bank Direct Payment		39,232.99
	<i>Subtotal</i>	6,641,647.19
Payroll Vouchers		
Checks - #90815-#90854		46,351.42
Direct Deposit		1,465,875.18
	<i>Subtotal</i>	1,512,226.60
Section 8 Program Vouchers		
Checks - #620907-#621217		209,747.95
ACH - #410052-#412808		12,773,524.78
	<i>Subtotal</i>	12,983,272.73
Purchase Card / ACH Withdrawal		214,502.96
	<i>Subtotal</i>	214,502.96
	GRAND TOTAL	\$ 74,070,354.70

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

FROM: Wen Xu

SUBJECT: VOUCHER CERTIFICATION FOR MARCH 2018

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 of Asset Management
April 23, 2018

Property Mar-18	Wired to Operating Account(s) for Obligations of Property			Notes:
	Date	\$	Claim	
<u>Alpine Ridge</u>	3/8/2018	\$3,308.56	Payroll	
	3/15/2018	\$5,482.86	A/P	
	3/16/2018	\$275,000.00	To KCHA	
	3/22/2018	\$3,681.24	Payroll	
	3/29/2018	\$5,527.35	A/P	
<u>Arbor Heights</u>	3/8/2018	\$5,386.75	Payroll	
	3/15/2018	\$17,449.87	A/P	
	3/16/2018	\$400,000.00	To KCHA	
	3/22/2018	\$5,839.53	Payroll	
	3/29/2018	\$10,599.73	A/P	
<u>Aspen Ridge</u>	3/8/2018	\$5,395.25	Payroll	
	3/15/2018	\$8,847.64	A/P	
	3/16/2018	\$133,000.00	To KCHA	
	3/22/2018	\$5,017.93	Payroll	
	3/29/2018	\$32,949.00	A/P	
<u>Auburn Square</u>	3/8/2018	\$9,113.17	Payroll	
	3/15/2018	\$35,642.13	A/P	
	3/16/2018	\$275,000.00	To KCHA	
	3/22/2018	\$9,184.29	Payroll	
	3/29/2018	\$21,712.52	A/P	
<u>Carriage House</u>	3/8/2018	\$11,931.07	Payroll	
	3/15/2018	\$7,777.08	A/P	
	3/16/2018	\$100,000.00	To KCHA	
	3/22/2018	\$11,802.67	Payroll	
	3/29/2018	\$30,088.23	A/P	
<u>Cascadian</u>	3/8/2018	\$12,931.26	Payroll	
	3/15/2018	\$55,459.50	A/P	
	3/16/2018	\$700,000.00	To KCHA	
	3/22/2018	\$11,622.20	Payroll	
	3/29/2018	\$8,812.15	A/P	
<u>Colonial Gardens</u>	3/1/2018	\$3,481.00	Deposit Correction	
	3/8/2018	\$2,118.10	Payroll	
	3/15/2018	\$2,911.02	A/P	
	3/16/2018	\$225,000.00	To KCHA	
	3/22/2018	\$26,210.70	Deposit Correction	
	3/22/2018	\$2,335.85	Payroll	
	3/29/2018	\$14,274.87	A/P	
<u>Fairwood</u>	3/8/2018	\$9,752.28	Payroll	
	3/15/2018	\$8,442.77	A/P	
	3/16/2018	\$225,000.00	To KCHA	
	3/22/2018	\$9,716.95	Payroll	
	3/29/2018	\$41,554.38	A/P	
<u>Heritage Park</u>	3/8/2018	\$6,715.49	Payroll	
	3/15/2018	\$13,793.34	A/P	
	3/16/2018	\$315,000.00	To KCHA	
	3/22/2018	\$6,623.78	Payroll	
	3/29/2018	\$9,058.58	A/P	
<u>Laurelwood</u>	3/1/2018	\$10,787.17	A/P	
	3/8/2018	\$7,816.75	Payroll	
	3/15/2018	\$15,503.33	A/P	
	3/16/2018	\$300,000.00	To KCHA	
	3/22/2018	\$7,947.72	Payroll	
<u>Meadows</u>	3/29/2018	\$16,202.41	A/P	
	3/8/2018	\$6,025.10	Payroll	
	3/15/2018	\$14,158.22	A/P	
	3/16/2018	\$240,000.00	To KCHA	
	3/22/2018	\$5,801.46	Payroll	
<u>Newporter</u>	3/29/2018	\$19,468.08	A/P	
	3/8/2018	\$8,802.45	Payroll	
	3/15/2018	\$10,768.65	A/P	
	3/16/2018	\$300,000.00	To KCHA	
	3/22/2018	\$8,369.55	Payroll	
	3/29/2018	\$38,589.88	A/P	

Overlake TOD	3/8/2018	\$28,038.95	Payroll	
	3/15/2018	\$72,917.50	A/P	
	3/15/2018	\$72,782.67	Debt Service	
	3/22/2018	\$14,523.14	Payroll	
	3/29/2018	\$81,580.82	A/P	
	3/30/2018	\$700,000.00	To KCHA	
	3/30/2018	\$424,465.00	To KCHA	
Parkwood	3/8/2018	\$4,896.78	Payroll	
	3/15/2018	\$20,134.07	A/P	
	3/16/2018	\$250,000.00	To KCHA	
	3/22/2018	\$4,595.08	Payroll	
	3/29/2018	\$17,997.70	A/P	
Somerset East	3/8/2018	\$7,933.21	Payroll	
	3/15/2018	\$11,511.99	A/P	
	3/22/2018	\$9,745.33	Payroll	
	3/29/2018	\$22,479.53	A/P	
Somerset West	3/8/2018	\$5,170.97	Payroll	
	3/15/2018	\$30,600.00	A/P	
	3/15/2018	\$3,400.45	A/P	
	3/22/2018	\$5,230.18	Payroll	
	3/29/2018	\$42,829.09	A/P	
Southwood Square	3/8/2018	\$5,922.75	Payroll	
	3/15/2018	\$19,156.37	A/P	
	3/16/2018	\$140,000.00	To KCHA	
	3/22/2018	\$6,579.74	Payroll	
	3/29/2018	\$15,673.46	A/P	
Timberwood	3/1/2018	\$6,022.50	A/P	
	3/8/2018	\$8,417.63	Payroll	
	3/15/2018	\$16,976.57	A/P	
	3/16/2018	\$600,000.00	To KCHA	
	3/22/2018	\$8,496.63	Payroll	
	3/29/2018	\$89,009.62	A/P	
Walnut Park	3/8/2018	\$8,118.03	Payroll	
	3/15/2018	\$51,765.50	A/P	
	3/16/2018	\$400,000.00	To KCHA	
	3/22/2018	\$8,091.89	Payroll	
	3/29/2018	\$14,536.47	A/P	
Windsor Heights	3/8/2018	\$16,979.47	Payroll	
	3/15/2018	\$50,871.44	A/P	
	3/16/2018	\$125,000.00	To KCHA	
	3/22/2018	\$24,333.46	Payroll	
	3/29/2018	\$20,164.00	A/P	
Woodland North	3/1/2018	\$1,700.00	A/P	
	3/6/2018	\$1,700.00	A/P	
	3/6/2018	\$303.96	A/P	
	3/8/2018	\$4,736.75	Payroll	
	3/15/2018	\$15,813.39	A/P	
	3/16/2018	\$120,000.00	To KCHA	
	3/22/2018	\$4,111.05	Payroll	
Woodridge Park	3/29/2018	\$12,817.10	A/P	
	3/8/2018	\$11,819.26	Payroll	
	3/15/2018	\$36,122.08	A/P	
	3/16/2018	\$270,000.00	To KCHA	
	3/22/2018	\$11,541.08	Payroll	
Ballinger Commons	3/29/2018	\$48,972.36	A/P	
	3/7/2018	\$34,256.76	A/P	
	3/8/2018	\$16,706.19	Payroll	
	3/16/2018	\$427,000.00	To KCHA	
Gilman Square	3/22/2018	\$128,449.67	A/P & Payroll	
	3/7/2018	\$35,319.37	A/P & Payroll	
	3/16/2018	\$700,000.00	To KCHA	
	3/16/2018	\$120,000.00	To KCHA	
	3/22/2018	\$31,086.03	A/P & Payroll	
Meadowbrook	3/23/2018	\$10,979.31	A/P & Payroll	
	3/7/2018	\$32,479.09	A/P & Payroll	
	3/16/2018	\$270,000.00	To KCHA	
Villages at South Station	3/22/2018	\$41,233.36	A/P & Payroll	
	3/7/2018	\$59,446.22	A/P & Payroll	
	3/16/2018	\$700,000.00	To KCHA	
	3/16/2018	\$550,000.00	To KCHA	
	3/22/2018	\$45,838.88	A/P & Payroll	

Abbey Ridge	3/8/2018	\$54,997.30	A/P & Payroll	
	3/16/2018	\$650,000.00	To KCHA	
	3/22/2018	\$53,853.02	A/P & Payroll	
	3/30/2018	\$5,999.47	A/P	
Cottonwood	3/8/2018	\$11,888.30	A/P & Payroll	
	3/14/2018	\$4,200.00	A/P	
	3/16/2018	\$140,000.00	To KCHA	
	3/22/2018	\$17,338.61	A/P & Payroll	
Cove East	3/1/2018	\$2,926.24	Payroll	
	3/8/2018	\$24,527.93	A/P & Payroll	
	3/16/2018	\$600,000.00	To KCHA	
	3/22/2018	\$17,605.31	A/P & Payroll	
Highland Village	3/8/2018	\$9,948.85	A/P & Payroll	
	3/22/2018	\$32,749.68	A/P & Payroll	
Bellepark East	3/14/2018	\$17,265.33	A/P & Payroll	
	3/16/2018	\$550,000.00	To KCHA	
	3/22/2018	\$23,925.04	A/P	
	3/28/2018	\$8,584.68	A/P & Payroll	
Landmark	3/14/2018	\$34,905.79	A/P & Payroll	
	3/16/2018	\$9,000.00	Payroll	
	3/16/2018	\$455,000.00	To KCHA	
	3/22/2018	\$56,406.79	A/P	
	3/28/2018	\$9,391.75	A/P & Payroll	
Woodside East	3/7/2018	\$26,836.30	A/P	
	3/14/2018	\$33,453.20	A/P & Payroll	
	3/16/2018	\$700,000.00	To KCHA	
	3/16/2018	\$500,000.00	To KCHA	
	3/22/2018	\$49,880.95	A/P	
	3/28/2018	\$19,971.20	A/P & Payroll	
Rainier View I	3/1/2018	\$3,490.06	A/P	
	3/8/2018	\$8,064.59	A/P	
	3/22/2018	\$14,989.54	A/P	
Rainier View II	3/1/2018	\$2,739.37	A/P	
	3/8/2018	\$5,619.73	A/P	
	3/22/2018	\$11,221.00	A/P	
Si View	3/1/2018	\$1,180.44	A/P	
	3/8/2018	\$11,057.27	A/P	
	3/22/2018	\$6,003.78	A/P	
Vashon Terrace	3/7/2018	\$5,816.33	A/P	
	3/16/2018	\$90,000.00	To KCHA	
	3/28/2018	\$2,649.20	A/P	
Portfolio Total:		\$16,643,460.81		

T A B N U M B E R

3



To: Board of Commissioners

From: Jill Stanton, Deputy Executive Director

Date: May 15, 2018

Re: **Resolution No. 5594: Authorizing Jill Stanton as contracting officer, signator, and agent designated to receive claims for damages**

Executive Summary

Resolution No. 5594 transfers the signing authority of the position of Deputy Director of Administration-Chief Administrative Officer to Jill Stanton.

Background

On April 16, 2018 Jill Stanton was hired as the Deputy Director of Administration-Chief Administrative Officer in preparation for the retirement of Constance Davis, the current Deputy Director of Administration-Chief Administrative Officer, on June 15, 2018. The signing authority of this position will need to be transferred to Jill Stanton.

Resolution No. 5594, includes the authorization for Ms. Stanton to:

1. Sign contracts and agreements, for and on behalf of the Housing Authority
2. Execute legal, financial, and other documents, for and on behalf of the Housing Authority as necessary
3. Act as a signatory to the Authority's numerous bank accounts
4. Receive any claims for damages under RCW Chapter 4.96, Section 2(20)

Staff Recommendation

Passage of Resolution No. 5594 is recommended.

After recording, please return to:

Jill K. Stanton
King County Housing Authority
600 Andover Park West
Seattle, WA 98188-3326

Designation of Agent
To Receive Claims for Damages
(RCW 4.96.020)

The Public is hereby notified that:

(Grantor) The Housing Authority of County of King

Has Appointed

(Grantee) Jill K. Stanton

As its agent to receive damages claims under RCW Chapter 4.96

Said agent may be reached during normal business hours at:

Jill K. Stanton
Chief Administrative Officer
600 Andover Park West
Seattle, WA 98188-3326

By action of the Board of Commissioners of the Housing Authority of the County
of King taken on May 21, 2018.

Housing Authority of the County of King

By _____
Stephen J. Norman
Executive Director

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5594

**AUTHORIZING JILL STANTON AS CONTRACTING OFFICER, SIGNATOR,
AND AGENT DESIGNATED TO RECEIVE CLAIMS FOR DAMAGES**

WHEREAS, Constance Davis, current Deputy Director of Administration-Chief Administrative Officer (CAO) is retiring effective June 15, 2018; and,

WHEREAS, Jill Stanton has been selected by the Executive Director as the CAO, effective April 16, 2018, with the responsibility of executing the duties of that position; and,

WHEREAS, it is necessary for the CAO to sign contracts and agreements for and on behalf of the Housing Authority and to execute legal, financial and other documents as may be necessary to conduct the business of the Authority; and,

WHEREAS, the banks with which KCHA conducts its business must be affirmatively notified of the addition of a new signatory to the Authority's numerous bank accounts; and,

WHEREAS, the CAO has previously been authorized as the individual designated by the Authority to receive any claims made for damages under RCW Chapter 4.96, Section 2(20), and should be specifically named in a required filing to King County; and,

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

Section 1. Jill Stanton is hereby appointed a Contracting Officer of the King County Housing Authority with the authority to sign such contracts, agreements, legal

documents, financial reports or any other such documentation as may be necessary to conduct the business of the Housing Authority.

Section 2. Jill Stanton is hereby authorized as a designated signer for current and any future bank accounts used by the Authority to deposit its funds during the term of her employment.

Section 3. Jill Stanton will be designated the Agent of the Authority for the purpose of receiving claims for tortious actions of the Authority. A copy of the required filing with King County is attached hereto and made a part hereof.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING
AUTHORITY OF THE COUNTY OF KING THIS 21st DAY OF MAY, 2018.**

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

DOUGLAS J. BARNES, Chair

Attest:

STEPHEN J. NORMAN, Secretary

T A B N U M B E R



To: Board of Commissioners

From: Connie Davis, Deputy Executive Director

Date: May 14, 2018

Re: **Resolution No. 5995: Authorizing the Authority to loan its Energy Performance Project up to \$7.5 million to finance energy efficiency improvements at Public Housing properties; and authorizing the execution of related documents**

Executive Summary

Resolution No. 5595, authorizes the King County Housing Authority to loan the Energy Performance Contract (EPC) project up to \$7.5 million sourced from either Moving To Work (MTW) working capital or unrestricted local reserves. These additional funds will bring the total loaned to the EPC from Authority funds to a not-to-exceed balance of \$19.5 million which, when combined with the Qualified Energy Conservation Bonds (QECBs) issued by the Authority in September 2016 in the amount of about \$10.5 million, bring the total financing sources for the Project to a maximum of just under \$30 million.

Background

In December 2015, the Board authorized the Authority to enter into an EPC with Johnson Controls (JCI), and in September 2016, the Board approved the Authority's issuance of \$10,464,529, in 20-year QECBs. These bonds, issued on September 22, 2016, have a net interest rate to KCHA of around 1.5%. In December 2016, the Board also authorized a loan of up to \$12.0 million in MTW working capital in order to finance the balance of the \$22.2 million EPC project. Both amounts were loaned into the project by KCHA at a fixed 5% interest rate.

Under HUD guidelines, an EPC project allows installation of energy conservation measures (ECMs) which save utility costs incurred by either KCHA or its residents. HUD provides incentives for each type of utility, which are paid to the Authority through its annual operating subsidy. EPC projects may last for a period not to exceed 20 years for each utility type at a given property. KCHA's original EPC (EPC 1) provided incentives for KCHA-paid utilities, such as water and sewer, at the Public Housing properties in existence in 2005. EPC 1 is being extended from its original 12 year term to a 20 year term ending in 2025. A second EPC, EPC 2, covers newly acquired Public Housing properties as well as tenant-paid utilities and will provide incentives for KCHA-paid and tenant-paid utilities through a full 20 year term, until 2035.

Energy savings from both EPCs are used to pay project costs but they cannot cross subsidize each other. Up to 25% of these utility savings (“retained savings”) may be kept by the Authority. Retained savings of greater than 25% must be remitted to HUD on an annual basis.

Discussion

As the EPC project evolved, and especially after the required split between EPC 1 and EPC 2 took place, it became clear that savings in the EPC 1 were far greater than needed to pay for the related ECMs and thus retained savings in this EPC would exceed the HUD threshold. In addition such savings are projected to accelerate as water and sewer rates climb above forecasts, with HUD incentives increasing as well.

In order to prevent return of excess retained savings to HUD, KCHA has commenced a strategy of identifying additional qualified measures at the EPC 1 buildings and determined that using these savings to upgrade elevators in the Authority’s 18 mid-rise senior buildings would be a priority use. There are twenty elevators at these EPC 1 buildings. Most of these elevators are more than 40 years old, with some currently experiencing mechanical problems. JCI will document baseline energy usage for each elevator and provide reports showing projected savings that would qualify this work under HUD guidelines. As the savings/investment ratio on elevator modernization is not as high as on other ECMs, this measure will effectively absorb extra EPC 1 savings without exacerbating the retained savings issue. At approximately \$450 thousand per elevator, more than \$9.0 million will be needed to perform the work. Approximately \$1-\$2 million in financing capacity remains from the original loan approved in December 2016.

Resolution 5595 proposes that KCHA make an incremental loan to the EPC 1 project of up to \$7.5 million under the same terms and conditions as its original \$12 million loan. It is not yet determined what the funding sources will be: either MTW working capital or unrestricted local reserves. The source depends largely on the confirmation of the 18.24% RFIF in the MTW Voucher block grant and 1-3 year projections of voucher utilization levels which may require a substantial portion of the block grant be devoted to housing assistance.

JCI advises the Authority that the elevator work must be substantially complete no later than December 31, 2019. The increased loan will finance this work, with savings from the remaining 8 years of EPC 1 available to pay related debt service.

Risk & Mitigation

Risk: There is a risk that KCHA will be unable to complete this large number of elevator upgrades by the end of 2019, either due to unavailability of elevator materials or unexpected project delays.

Mitigation: As KCHA finalizes the project numbers this month, it is possible that only 14-15 elevators may need to be completed to absorb sufficient excess savings, relieving some time pressure. If the necessary number of elevators cannot be completed, KCHA will have to return the cash to HUD, rather than expending it on building improvements. This would be unfortunate, but not a compliance issue for the Authority.

Risk: JCI's projections of expected savings are incorrect.

Mitigation: JCI is an experienced energy services provider and has conservatively estimated project savings; typically EPCs over perform relative to savings projections. The base utility expense which is used in the calculation of the CY 2019 PH operating subsidy is already largely known. This should result in a substantially higher HUD-provided incentive in 2019 and throughout the balance of EPC 1 term, and reduces the uncertainty of projections for 2020-2025. It is also anticipated that higher water and sewer rates will increase incentives throughout the remainder of EPC 1, counterbalancing over-consumption should engineered estimates differ from actual results. KCHA will be regularly monitoring project results and, based on having made an internal loan to the project, has a significant ability to adjust to a certain amount of variability in cash flow.

Risk: The 2018 and 2019 prorata is larger than anticipated, reducing total anticipated savings.

Mitigation: KCHA has stress tested the EPCs to a 90% pro rate. If the pro rate is greater than this amount, KCHA would cut back on the additional elevator upgrades, and would schedule the work for future years when excess savings are projected. Alternatively, KCHA could continue critical elevator upgrades and adjust repayment of its loan to the project, either deferring or waiving interest or principal for one or more years. Finally, because only 35% of the outstanding debt is owed to third parties, in a worst case, KCHA could simply forgive the remaining MTW loans which would be an eligible use of its block grant reserves.

Additional Update

The Board meeting will include an update on the project status including estimated savings, cash flow and schedule.

Staff Recommendation

Staff recommends approval of Resolution No. 5595.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5595

**AUTHORIZING THE AUTHORITY TO LOAN ITS ENERGY
PERFORMANCE PROJECT UP TO \$7.5 MILLION TO
FINANCE ENERGY EFFICIENCY IMPROVEMENTS AT
PUBLIC HOUSING PROPERTIES; AND AUTHORIZING THE
EXECUTION OF RELATED DOCUMENTS**

WHEREAS, in December 2015, the Board of Commissioners of the Housing Authority of the County of King (the "Authority") adopted Resolution 5526 authorizing the execution of an energy performance contract ("EPC") with Johnson Controls Inc. ("JCI") to perform energy conservation measures at Authority developments for a not to exceed cost of \$25.44 million; and

WHEREAS, the EPC includes both an extension to 20 years of the Authority's previous energy performance contract and a new 20-year contract covering new public housing properties and additional incentives, which contracts are jointly referred as the "Project"; and

WHEREAS, in December 2016 the Board adopted Resolution 5558 authorizing a loan from the Authority of up to \$12 million to finance a portion of the cost of the Project (the "KCHA Loan"); and

WHEREAS, Project savings are currently anticipated to be greater than initially projected, allowing the Authority to complete additional EPC-qualified work as a part of the Project; and

WHEREAS, value engineering and change orders have reduced the existing project value to approximately \$21 million, with \$1-2 million unspent from the original loan; and

WHEREAS, there is approximately \$9.0 million of additional

work, including approximately 20 elevator upgrades, at properties included under the EPC that could be performed, increasing the overall Project size from \$21.0 million to not more than \$30 million; and

WHEREAS, based on savings currently projected by JCI, the Project can support approximately \$30 million in debt; and

WHEREAS, the Board of Commissioners deems it advisable and in the best interests of the Authority to lend additional funds in a principal amount not to exceed \$7.5 million to provide additional financing to the Project to cover the increased cost of the Project; and

WHEREAS, under terms of its Moving to Work (MTW) contract with the U.S. Department of Housing and Urban Development, the Authority may use its MTW working capital as a loan to the Project; and

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

1. The Authority shall make an additional loan and/or shall amend the KCHA Loan to the Project in order to provide not to exceed \$7.5 million in additional financing for the acquisition and installation of additional measures at the Authority's Public Housing properties under the same terms and conditions as the original \$12 million loan authorized under Resolution 5558. Such financing is declared and determined to be important for the feasibility of the Project.

2. The Board authorizes the Executive Director and any Deputy Executive Director (collectively, the "Authorized Officers"), and each of

them acting alone, to finalize and approve the note and such other documents, instruments and agreements as may be necessary or desirable in connection therewith, all on such terms and conditions as are deemed by any one of them to be in the best interests of the Authority.

3. The Authorized Officers, and each of them, is authorized to take such additional steps and to execute and deliver such approvals and any and all related affidavits, agreements and documents related thereto as any one of them determines to be necessary or advisable to give effect to this Resolution.

4. 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.

5. 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
THIS 21st DAY OF MAY, 2018.**

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

**DOUGLAS J. BARNES,
Chair**

Attest:

STEPHEN J. NORMAN, Secretary

T A B N U M B E R

5



TO: Board of Commissioners

From: Tim Walter, Sr. Director of Development & Asset Management

Date May 15, 2018

Re: **Resolution No. 5596: Authorizing termination of interest rate swap and caps**

Executive Summary

Resolution No. 5596, authorizes the termination of the interest rate swap and interest rate caps associated with the Authority's 2005 Pooled Housing Refunding bond issue. Acknowledgement of this transaction by the Authority's governing body is a requirement of the current swap provider.

Background

In March 2018, the Board passed Resolution No. 5591, which authorized the Authority to refinance its 2005 Pooled Housing Refunding bond issue as part of a larger financing package to provide a portion of the permanent financing for Ballinger Commons Apartments. On May 8, 2018 the new bond issue closed. Because the 2005 pooled variable rate bonds have now been paid in full, there is no longer a need to keep these interest rate hedges which were originally acquired to mitigate the Authority's variable rate interest rate exposure.

The 2005 pooled bonds were issued in June 2005, in the original principal amount of \$46.29 million. The bonds were variable (floating) rate bonds and when issued, the Authority entered into three separate interest rate swaps and cap agreements. Two of the three swaps have since matured, and there is one swap remaining with a maturity date of July 5, 2020.

Pursuant to the terms of the swap contract, the swap may be terminated early with a termination payment calculated as the present value of the remaining payments the swap provider would be expected to receive through the final maturity date.

KCHA's independent municipal advisory consultant has calculated the payment to be approximately \$721,000. If the interest rate swap were to remain in place through maturity, the Authority would be obligated to continue to make payments to the swap provider in a monthly amount equal to the difference between the swap fixed rate (3.87%) and an amount equal to the variable rate interest KCHA would have paid on the bonds. The payment due to the swap provider in April 2018 was \$33,558.28. By terminating the swap now, KCHA will avoid having to make these monthly payments

through June 2020. While it is impossible to know the actual amount of swap payments the Authority would have made without knowing what the future variable interest rates would be, if the remaining payments were to be comparable to the April payment, the total would be approximately \$840,000.

The remaining interest rate caps were purchased with one-time upfront payments and do not have on-going monthly payment obligations. KCHA's municipal advisor had informed KCHA there should be no cost to the Authority to terminate the interest rate cap agreements.

Staff will also be presenting a summary of the results of the Ballinger Commons bond transactions which closed on May 8, 2018 at the May meeting.

Staff Recommendation

Passage of Resolution No. 5596 is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5596

AUTHORIZING TERMINATION OF INTEREST RATE SWAP & CAPS

WHEREAS, in 2005, the Housing Authority of the County of King, Washington (the “Authority”) issued its Variable Rate Demand Pooled Housing Refunding Revenue Bonds, Series 2005A (the “2005 Bonds”); and

WHEREAS, in order to minimize the impact of market fluctuations on the variable rate interest rate of the 2005 Bonds, the Authority negotiated an interest rate swap (the “Swap”) in the notional amount of \$25 million and one or more interest rate caps agreements (jointly, the “Caps”), each terminating in 2020; and

WHEREAS, on May 8, 2018, the Authority repaid the 2005 Bonds in full; and

WHEREAS, in light of the repayment of the 2005 Bonds, the Authority no longer has need of the Swap and Caps, and desires to terminate such arrangements; and

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

Section 1: The Board of Commissioners authorizes and directs the Executive Director of the Authority to negotiate and execute, on behalf of the Authority, any and all documents required or requested by other parties in connection with the termination of the Swap and Caps, and to pay such amount as necessary to terminate the Swap as deemed reasonable by the Authority’s

independent registered municipal advisor (“IRMA”), in the form of termination fees or otherwise, which the Executive Director may deem advisable to effect such termination. Termination of the Swap by the Executive Director, or in his absence, a Deputy Executive Director shall be conclusive evidence that the amount necessary to terminate the Swap has been deemed reasonable by the IRMA and advisable by the Executive Director.

Section 2: The Board hereby authorizes the Executive Director, Stephen J. Norman, and in his absence, Deputy Executive Directors Daniel R. Watson and Jill Stanton, to execute any and all agreements, and to take any action required, to effect the purposes of this Resolution.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE COUNTY OF KING THIS 21st DAY OF
MAY, 2018.**

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

DOUGLAS J. BARNES, Chair

Attest:

STEPHEN J. NORMAN, Secretary

CERTIFICATE

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

1. That the attached Resolution No. 5596 (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners (the “Board”) of the Authority, as adopted at the annual meeting of the Authority held on May 21st, 2018, and duly recorded in the minute books of the Authority.
2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; 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 21st day of May, 2018.

Executive Director of the Authority

T A B N U M B E R

6



To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: March 26, 2018

Re: Fourth Quarter 2017 Financial Statements

2017 YEAR-END EXECUTIVE SUMMARY

Operations for 2017 met or exceeded midyear financial projections. After accounting for the acquisitions of Friendly Village and Ballinger Commons, operating revenues finished 2017 at 101.7% of the midyear revenue forecast while operating expenses were at 99.6%.

The positive revenue variance was driven by the asset-managed portfolio which outperformed budget expectations, as assumed revenue losses due to vacancies and rent concessions did not occur.

During 2017, the cost of the Housing Choice Voucher (HCV) program continued its sharp upward trajectory. Since the first quarter of 2016, the average Housing Assistance Payment (HAP) made to landlords on behalf of HCV program participants has risen from \$821.39 to \$965.59, a rise of 17.6% in just two years. Additional information can be found on page 6.

Excluding the \$45 million of private activity bonds that were issued at the very end of 2017, total KCHA cash at 12/31/2017 is \$160.4 million, down from \$177.5 million at 12/31/2016 but up slightly from the 2017 year-end cash projection of \$156.2 million. This drop from 2016 is primarily the result of expending EPC loan proceeds that were on hand at 12/31/2016.

FOURTH QUARTER EXECUTIVE SUMMARY

Two properties were acquired during the quarter: Friendly Village, a 224-pad mobile home park in Redmond, and Ballinger Commons, a 485-unit apartment complex in Shoreline. The purchase price for Friendly Village was \$25 million, and the cost of Ballinger Commons was \$132.5 million. Both were acquired using short-term lines of which with the intention of converting to permanent debt within 12 months.

\$23.35 million of investor equity was received from the Cornithian and Spiritwood syndications as these projects were closed out. The proceeds were used to pay down short-terms lines of credit.

The King County Council approved a new \$200 million credit enhancement partnership with KCHA. This arrangement will allow KCHA to secure additional credit from the municipal side of the banking industry. The minimum KCHA liquidity requirement under this new agreement will increase to \$13 million, a rise of \$4 million.

KCHA received a credit rating from Standard and Poors of “AA”, the maximum for any housing authority in the nation. This rating reflects the strength of our balance sheet and leadership team, and will enhance our efforts to expand the workforce housing portfolio.

Work continued on the EPC project. The chart below reflects progress through the end of 2017.

Installed vs. Unit Scheduled	
Water Conserv.	98.0%
Lighting	82.1%
DHPs	90.1%
ERVs	81.8%
Bath Fans	85.2%

The remainder of the Johnson Control construction projects will continue through early 2018, and self-performed projects, such as the replacement of elevators at some senior buildings, will occur throughout the year.

Due to certain debt covenants, KCHA must maintain a debt service coverage ratio of 1.1 or better. The debt service coverage ratio is calculated by dividing net operating income by the annual required debt service payments and is a measure of the ability of a borrower to meet current debt obligations. A ratio of 1.0 or greater means the borrower has sufficient income to cover its obligations. The indicative ratio through the end of 2017 is 1.62, although the final ratio will be determined from the annual financial statements which are currently being compiled.

CASH AND INVESTMENT SUMMARIES

Overall cash balances rose by \$41 million during the quarter to \$205.4 million. This increase resulted from the \$45 million private activity bond issuance, offset by the expenditure of funds for construction projects. Below is a snapshot of cash and investments at 12/31/2017 along with current rates of return. For a complete report on KCHA’s overall cash position at the end of 2017, please see page 10.

Fourth Quarter 2017 Financial Report
April 16, 2018 Board Meeting
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Investment Summaries (in millions)	Amount	Yield	% of Total
Invested in the Local Government Investment Pool & Masterfund	\$107.9	1.30%	48.6%
Invested by KCHA	54.9	1.39%	24.8%
Cash held by trustees	15.7	0.10% *	7.1%
Cash held in checking and savings accounts	26.8	0.10% *	12.1%
Invested by KCHA	\$205.4	1.17%	92.6%
Cash loaned for low income housing & EPC project purposes	16.5	4.98%	7.4%
Loaned by KCHA	16.5	4.98%	7.4%
Total	\$221.9	1.45%	100.0%

*Estimate

The overall Return on Investment (ROI) on KCHA investments, including loans made for low income housing and EPC project purposes, was 1.45%, up from 1.33% last quarter. The Washington State Treasurer's Local Government Investment Pool (LGIP) average interest rate for the quarter was 1.20%.

During the quarter, KCHA made its first investment into the Regional Equitable Development Initiative (REDI) Fund in support of the fund's first loan—\$3,950,000 to the Tacoma Housing Authority. KCHA's investment was approximately 9.52% of the loan, or \$376,100. The investment term is six years and carries an interest rate of 3%.

Fourth Quarter 2017 Financial Report
April 16, 2018 Board Meeting
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Balances and quarterly activity for MTW and COCC cash reserves are:

Reserve Balances

(in millions of dollars)

MTW Cash, Beginning of Quarter	\$24.6
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Quarterly change:

Standard block grant cash receipts from HUD	26.6
Quarterly HAP payments sourced from the block grant	(25.4)
Quarterly block grant administrative fees paid to Section 8	(1.8)
Used for debt service	(1.5)
Additional subsidy transferred to Public Housing properties	(0.5)
Capital construction projects	(3.8)
Unit upgrades	(0.4)
Direct social service expenses	(1.5)
Other net changes	(0.1)

MTW Cash, End of Quarter	\$16.2
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Less Reserves:

Restricted reserve-Green River collateral	(6.0)
HAP Reserve (\$4.7 million is pledged as FHLB collateral)	(5.9)
Supportive housing reserve	(0.3)
Technology reserve	(0.3)
FSS reserves	(0.2)

MTW Available Cash, End of Quarter	\$3.5
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COCC Cash, Beginning of Quarter	\$42.1
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Quarterly change:

Fee revenue	3.3
Transfer of excess cash to COCC	7.8
Interest income on investments and loans	0.5
Administrative expenses	(3.9)
Other net change	(0.6)

COCC Cash, End of Quarter	\$49.2
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Less Reserves:

Liquidity reserves for King County credit enhancement	(13.0)
Replacement reserves of former Section 8 New Construction properties	(0.5)
Other	(0.1)

COCC Working Capital Cash, End of Quarter	\$35.6
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CAPITAL INVESTMENTS (Including tax credit partnerships)

The following schedule shows the budget versus actual costs of both KCHA-owned properties and KCHA-managed tax credit partnerships' capital projects through the end of 2017. Differences between this report and the annual report to the Board arise from timing issues and from the inclusion of certain soft costs, such as internal labor and related benefits, which are added to this report to comply with proper accounting conventions.

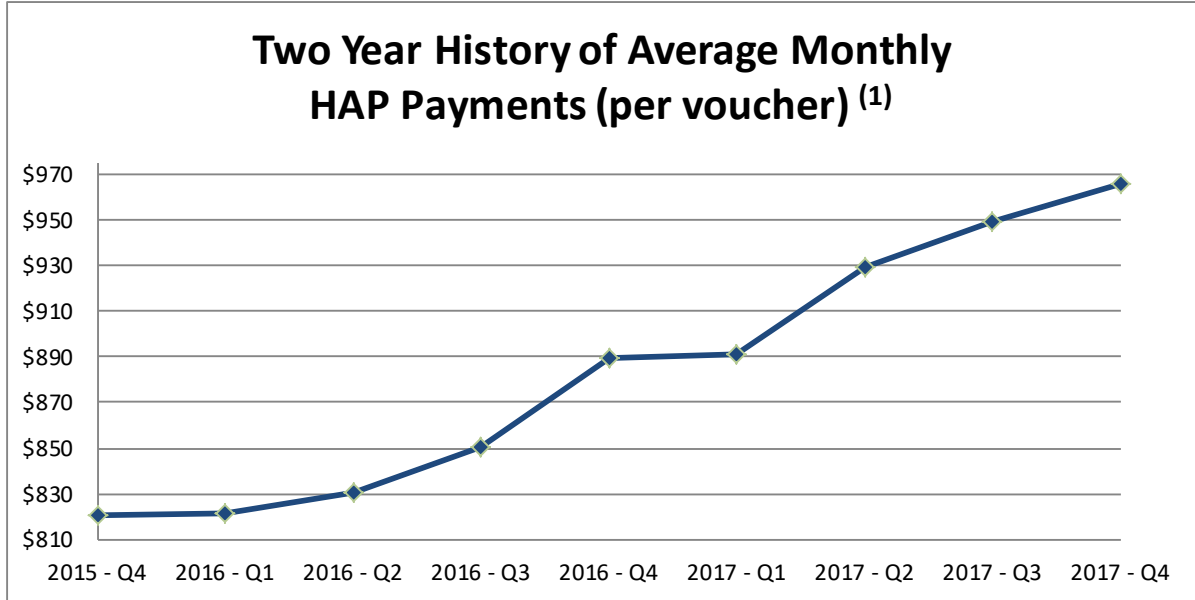
	Actuals Thru 12/31/2017	Budget Thru 12/31/2017	YTD Variance	Percent of Annual Budget
CONSTRUCTION ACTIVITIES				
<i>Managed by Capital Construction Department</i>				
Public Housing	\$6,916,094 (1)	\$8,115,639	(\$1,199,545)	85.2%
509 Properties	1,414,394	1,426,916	(12,522)	99.1%
Other Properties	1,952,547	2,031,351	(78,804)	96.1%
	<u>10,283,036</u>	<u>11,573,906</u>	<u>(1,290,870)</u>	<u>88.8%</u>
<i>Managed by Housing Management Department</i>				
Unit Upgrade Program	4,137,139	3,916,279	220,860	105.6%
Energy Performance Contract	11,151,362	10,476,305	675,057	106.4%
Other Projects	1,446,164 (2)	3,824,145	(2,377,981)	37.8%
	<u>16,734,665</u>	<u>18,216,729</u>	<u>(1,482,064)</u>	<u>91.9%</u>
<i>Managed by Asset Management Department</i>				
Bond Properties-managed by KCHA staff	1,187,674	656,650	531,024	180.9%
Bond Properties-managed by external property mgt	11,604,418 (3)	14,093,252	(2,488,834)	82.3%
	<u>12,792,093</u>	<u>14,749,902</u>	<u>(1,957,809)</u>	<u>86.7%</u>
Subtotal Construction Activities	39,809,793	44,540,537	(4,730,744)	89.4%
DEVELOPMENT ACTIVITY				
<i>Managed by Hope VI Department</i>				
Greenbridge	1,495,959	1,540,792	(44,833)	97.1%
Notch	235,140	211,200	23,940	111.3%
Salmon Creek/Nia	531,337	541,641	(10,304)	98.1%
	<u>2,264,413</u>	<u>2,293,633</u>	<u>(29,220)</u>	<u>98.7%</u>
<i>Managed by Development Department</i>				
Spiritwood	67,140 (4)	1,269,638	(1,202,498)	5.3%
Other Projects	958,607	361,664	596,943	265.1%
	<u>1,025,747</u>	<u>1,631,302</u>	<u>(605,555)</u>	<u>62.9%</u>
Subtotal Development Activity	3,290,160	3,924,935	(634,775)	83.8%
TOTAL CONSTRUCTION & DEVELOPMENT	\$43,099,953	\$48,465,472	(\$5,365,519)	88.9%
PROPERTY ACQUISITIONS & OTHER ASSETS				
Acquisitions	159,965,388 (5)			
Other Assets	253,774			
TOTAL PER WORKING CAPITAL REPORT	\$203,319,115			

- 1) Timing. Construction on Northridge envelope project and Cascade water line replacement began in late in 2017 and will be completed in 2018.
- 2) Elevator replacement project at Plaza Seventeen budgeted to occur in the 1st quarter was delayed to the 4th quarter of 2017. Approximately \$400k will be spent in 2018.
- 3) Maintenance projects at bond properties that would occur after tenants vacate units were behind schedule as unit turnover was less than anticipated.
- 4) Some construction costs related to the Spiritwood Partnership development project that were budgeted for 2017 were actually incurred in late 2016. As a result, actual 2017 expenditures are below budget.
- 5) Ballinger Commons and Friendly Village were purchased in the 4th quarter.

PROGRAM ACTIVITIES

HOUSING CHOICE VOUCHERS

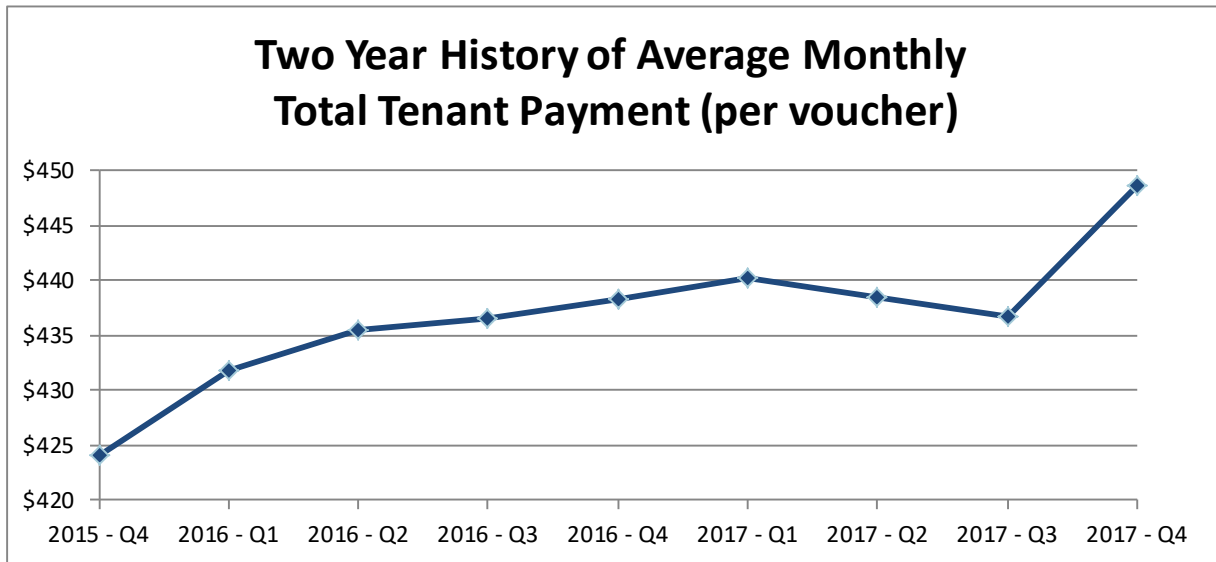
The average quarterly HAP payment to landlords for all HCV vouchers was \$965.59, compared to \$949.49 last quarter and \$889.33 one year ago.



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

KCHA's average HAP cost has continued to rise. With rising market rents, continued low vacancy rates and KCHA's commitment to adequately sizing subsidy payments to enable program participants to reside in higher priced sub-markets, the increase in average HAP costs is expected to continue.

Total Tenant Payment (TTP) is the tenant's monthly contribution towards rent and utilities and is benchmarked at 28.3% of their income. Average TTP rose significantly during the last quarter of 2017 after two quarters of decline, finishing at \$448.59, up 2.7% from the third quarter. During this period, many tenants were at the maximum payment standard and bore the brunt of increased rental rates. During the same period, average tenant annual income was up modestly which also affects the amount of rent they pay. Since the adoption of higher payment standards in late 2017, the rate of increase has moderated, rising only 0.8% since the beginning of 2018.



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

Families Paying More Than 30%		Families Paying More Than 40%		Families Paying More Than 50%	
Dec-16	2,087	Dec-16	851	Dec-16	951
Dec-17	2,738	Dec-17	1,113	Dec-17	1,057

MTW PROGRAM

In the *MOVING TO WORK (MTW) FUND*, KCHA combines certain HUD Public Housing revenues with Housing Choice Vouchers (HCV) Block Grant funding. Out of these aggregated revenues, there are five distinct uses:

1. Transfers to the Section 8 program to pay for Housing Assistance Payments to landlords and administrative expenses

Block grant payments from HUD exceeded the budget due to unexpected 2.6% RFIF inflation factor received in 2017. The growth in HAP expenses exceeded the rate assumed in the budget.

(In thousands of dollars)

	Actual	Budget	Variance	% Var
HCV Block Grant Revenue	116,865.4	113,457.0	\$3,408.4	3.0%
Funding of HAP Payments to Landlords	(94,528.2)	(91,433.6)	3,094.6	(3.4%)
Funding of Section 8 Administrative Costs	(8,306.0)	(8,310.7)	(4.8)	0.1%
Excess of HCV Block Grant Funding over Expenses	\$ 14,031.2	\$ 13,712.7	\$ 318.5	2.3%

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

The transfer of MTW funds to subsidize Public Housing operations was below budget projections as property cash reserves were drawn upon instead.

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var
Additional Transfers to PH AMPs Based on Need	(\$2,861.8)	(\$3,957.7)	(\$1,095.9)	27.7%
Net Flow of Cash(from)/to MTW from/(to) PH	(\$2,861.8)	(\$3,957.7)	(\$1,095.9)	27.7%

3. Expenditures for homeless and resident service programs

MTW dollars support nearly all resident service programs and various initiatives designed to alleviate and prevent homelessness:

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var
Public Housing Subsidy earmarked for resident services	\$400.4	\$403.0	(\$2.6)	(0.6%)
Homeless Initiatives	(1,948.4)	(2,758.5)	\$810.1	(29.4%) (1)
Resident Services	(5,464.1)	(5,635.6)	\$171.6	(3.0%)
Use of MTW Funds for Special Programs	(\$7,012.0)	(\$7,991.1)	\$979.1	(12.3%)

- 1) The Highline School District Rapid Rehousing Program and PACT programs were under budget as both programs faced challenges with utilizing contracted/budgeted resources due to the limited availability of affordable housing units in South King County. Also, the Flat Rent BPA program was budgeted but has been put into abeyance. Finally, the new DV Program achieved utilization goals with fewer expenditures than budgeted.

4. Other uses of MTW funds

MTW working capital is used for a variety of other purposes. 2017 expenditures included:

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var
Construction Activity & Management Fees	\$5,599.61	\$5,482.77	\$116.8	2.1%
Misc. Other Uses	6,489.4	2,439.4	4,050.0	166.0% (1)
	\$12,089.0	\$7,922.1	\$4,166.9	52.6%

- 1) MTW funds were used for the Birch Creek debt payment instead of cash reserve draws as originally anticipated.

5. Costs to administer the MTW program

Administrative costs are primarily salaries and benefits of those who manage or analyze MTW-funded programs, with year-to-date expenses of \$980,497 or 0.84% of program gross revenues. Expenses are below the year-to-date budget of \$1.1 million due mainly to timing issues.

AGENCY OVERHEAD

The Central Office Cost Center (COCC) aggregates overhead costs for the Authority. The COCC is supported by fees charged to both Federal and non-Federal programs and housing properties, and by transfers of excess cash from non-Federal housing programs. KCHA continues to administer its programs in a fiscally-prudent manner and within HUD guidelines. The chart below reflects a summary of COCC activity, excluding Regional Maintenance crews, as Regional Maintenance activity is accounted for in a separate fund and is not considered part of KCHA's general overhead.

(In thousands of dollars)

	YTD Actual	YTD Budget	Variance	% Var
Revenues				
Management fees	8,501.6	8,079.9	\$421.7	5.0%
Cash transferred-in from local properties	10,570.0	12,133.7	(1,563.7)	(14.8%) (1)
Investment income	2,032.1	1,894.2	137.9	6.8%
Other income	1,761.3	1,161.2	600.1	34.1% (2)
	<u>\$22,866.3</u>	<u>\$23,269.0</u>	<u>(\$402.6)</u>	<u>(1.8%)</u>
Expenses				
Salaries & Benefits	10,094.6	10,710.0	(\$615.4)	(6.1%)
Administrative Expenses	2,387.1	3,250.2	(863.1)	(36.2%) (3)
Occupancy Expenses	198.2	259.9	(61.8)	(31.2%) (4)
Other Expenses	750.9	752.2	(1.3)	(0.2%)
	<u>\$13,430.8</u>	<u>\$14,972.3</u>	<u>(\$1,541.5)</u>	<u>(11.5%)</u>
Net Change in Available COCC Resources	<u>\$9,435.6</u>	<u>\$8,296.7</u>	<u>\$1,138.9</u>	

- 1) Excess cash of \$1.6M was budgeted to be transferred from the Overlake general partner to the COCC; instead the excess cash was transferred to a different fund group to pay down the Abbey Ridge line of credit. This amount was offset by an unbudgeted reimbursement from Puget Sound Energy for work related to the Energy Performance Contract (\$500K).
- 2) Primarily due to rebates received in December from the City of Seattle Homewise Weatherization Program
- 3) Various administrative categories are under target
- 4) Primarily due to salaries for temporary employees being budgeted but not utilized

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King County Housing Authority
Consolidated Cash Report
As of 12/31/2017

	Total Cash 12/31/2017	Total Cash 9/30/2017	Cash of Other Entities 12/31/2017
Unrestricted			
COCC	\$ 35,614,033	\$ 32,506,696	\$ -
Other Funds	2,524,710	5,345,064	5,602,795
<i>Total</i>	<u>38,138,743</u>	<u>37,851,761</u>	<u>5,602,795</u>
For Program Use Only			
MTW	3,500,547	9,787,450	0
Public Housing	4,727,076	4,983,954	2,724,439
Section 8	(876,946)	(606,685)	0
Other Funds	10,461,449	11,118,276	0
<i>Total</i>	<u>17,812,125</u>	<u>25,282,994</u>	<u>2,724,439</u>
Set Aside for Short-term Debt Service			
Other Funds	4,301,637	3,431,886	0
<i>Total</i>	<u>4,301,637</u>	<u>3,431,886</u>	<u>0</u>
Dedicated for Specific Purposes			
MTW	2,725,005	2,990,736	0
Public Housing	0	0	268,919
Section 8	(10,679)	17,846	0
COCC	13,545,732	9,570,552	0
Other Funds	61,771,878	56,601,874	174,962
<i>Total</i>	<u>78,031,937</u>	<u>69,181,007</u>	<u>443,881</u>
Restricted			
MTW	9,984,090	11,793,108	0
Public Housing	213,695	255,692	1,611,402
Section 8	1,654,395	1,622,603	0
Other Funds	55,253,952	14,902,828	628,160
<i>Total</i>	<u>67,106,132</u>	<u>28,574,231</u>	<u>2,239,562</u>
TOTAL CASH BALANCES	<u><u>\$ 205,390,574</u></u>	<u><u>\$ 164,321,880</u></u>	<u><u>\$ 11,010,678</u></u>
Dedicated for Specific Purposes			
Excess Cash Reserves	10,888,000	9,388,000	
Exit Tax Reserves (Designated)	6,052,827	6,052,827	
HAP Reserves	2,113,882	2,113,882	
Program Income from Hope VI loans	530,996	983,834	
Revenue Reserves	21,151,358	21,117,775	
Program Income from Hope VI Lot Sales	6,523,397	6,325,567	
Restricted Interest	171,554	151,054	
Replacement Reserves	16,885,522	13,014,593	
Operating Reserves	75,529	75,529	
Technology Reserves	279,138	279,138	
Liquidity	13,006,732	9,006,732	
Supportive Housing Reserves	331,985	597,716	
HASP	(10,679)	17,846	
State Gas Tax Rebate	31,695	56,515	
	<u><u>\$ 78,031,937</u></u>	<u><u>\$ 69,181,007</u></u>	
Restricted			
Excess Cash Reserves	\$ 773,369	\$ 637,519	
Project Reserves	45,000,000	2,408,798	
Endowment Reserves	19,900	28,298	
Replacement Reserves	6,251,485	8,927,734	
Operating Reserves	144,874	144,796	
Bond Reserves-1 year payments	159,657	163,196	
Residual Receipt Reserves	564,899	564,899	
FSS Reserves	1,035,164	1,091,381	
Collateral Reserves	6,045,454	6,909,091	
HAP Reserves-Also collateral	3,786,246	4,742,605	
HAP Reserves - Non-Block Grant vouchers	771,620	672,634	
Earnest Money	100,000	0	
Security Deposit	2,453,462	2,283,281	
	<u><u>\$ 67,106,132</u></u>	<u><u>\$ 28,574,231</u></u>	

KING COUNTY HOUSING AUTHORITY
Statements of Financial Position
(In \$1,000's; excludes non-KCHA-managed
component units)
For the Period Ended December 31, 2017

	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)						LOCAL PROGRAMS						Memo: KCHA COMBINED
	Public Housing		Other Housing		Other Programs		KCHA Owned Housing	Outside Owned Housing	Tax Credit Gen Prtnr Activity	Develop Activity	Other	COCC	
	KCHA Owned	Outside Owned	KCHA Owned	Outside Owned	Section 8 Program	MTW Program							
ASSETS													
<i>Working Capital Assets</i>													
Cash-Unrestricted	\$ 135.6	\$ 601.0	\$ 4,950.0	\$ 5,142.4	\$ (48.8)	\$ (127.7)	\$ (5,006.6)	\$ 754.8	\$ 45,478.2	\$ (26.9)	\$ 2,520.0	\$ 34,815.0	\$ 89,186.9
Cash-Restricted Within Program	4,414.9	2,677.5	-	-	(991.1)	3,478.1	-	(11.3)	-	1,937.0	8,213.6	0.0	19,718.8
Cash-Restricted for WC Purposes	-	-	-	2,487.5	0.0	0.0	1,694.2	-	163.2	-	-	-	4,344.9
Accounts Receivables	207.2	1,234.7	(22.3)	2,671.9	502.4	600.7	336.7	310.0	2,410.9	397.5	594.9	1,305.8	10,550.4
Prepaid Assets & Inventory	165.4	104.1	38.3	177.0	62.9	1.7	903.3	10.7	2.6	0.1	\$25.9	140.6	1,632.6
Total Working Capital Assets	4,923.1	4,617.3	4,965.9	10,478.8	(474.6)	3,952.8	(2,072.4)	1,064.2	48,054.9	2,307.8	11,354.4	36,261.4	125,433.6
<i>Liabilities Offsetting Working Capital Assets</i>													
Accounts Payable	(449.7)	(738.3)	(303.7)	(386.6)	171.9	(365.7)	(1,151.4)	(26.8)	(1.6)	(39.5)	(2,653.8)	(81.5)	(6,026.8)
Payroll Liabilities	(339.3)	(149.1)	(71.2)	(234.6)	(670.2)	(376.9)	(60.4)	(17.3)	(26.4)	(6.3)	(156.3)	(1,560.5)	(3,668.5)
Accrued Liabilities	(0.0)	(145.4)	(19.5)	(1,454.2)	0.0	(132.6)	(250.8)	(20.1)	(61.1)	(201.1)	(89.9)	(36.89)	(2,411.5)
Deferrals	(0.0)	(8.0)	(81.7)	-	(6.9)	-	(133.5)	-	(159.4)	-	(479.0)	-	(868.5)
Current Portion of Long-term debt	-	(215.0)	(290.8)	(5,409.8) (1)	-	-	(6,353.0) (2)	-	(305.0)	-	-	(900.0)	(13,473.6)
Total Offsetting Liabilities	(789.0)	(1,255.8)	(766.9)	(7,485.2)	(505.2)	(875.2)	(7,949.2)	(64.2)	(553.4)	(246.9)	(3,378.9)	(2,578.9)	(26,448.8)
Working Capital	4,134.1	3,361.5	4,199.0	2,993.6	(979.8)	3,077.6	(10,021.6)	1,000.0	47,501.5	2,060.9	7,975.5	33,682.5	98,984.7
<i>Other Assets</i>													
Cash-Designated	140.4	3,300.6	1,384.1	14,555.6	(10.7)	2,725.0	32,789.4	-	-	7,581.3	-	13,545.7	76,011.5
Cash-Restricted	227.6	1,632.4	1,298.2	459.7	1,555.4	9,984.1	10,217.5	242.4	773.4	179.9	0.0	-	26,570.6
Receivables	-	129,124.8	0.0	71,251.3	-	21,728.6	489.5	17,377.9	62,093.9	424.0	209.6	32,579.7	335,279.3
Capital Assets	102,101.7	107,082.3	39,987.5	201,891.4	-	-	379,555.3	5,309.6	-	2,763.9	-	14,303.0	852,994.6
Work-in-Process	10,051.1	1,592.8	3,598.3	2,823.3	2.8	0.0	1,138.7	-	(30.2)	13,387.4	15,782.7	26.1	48,373.0
Suspense	-	-	0.0	(0.01)	(0.0)	-	0.0	-	-	-	0.0	14.2	14.2
Other Assets	-	1,491.4	-	367.4	-	-	(1,591.5) (3)	17.7	24.3	49.6	-	-	358.8
Total Other Assets	112,520.7	244,224.2	46,268.0	291,348.6	1,547.5	34,437.7	422,599.0	22,947.6	62,861.3	24,386.1	15,992.3	60,468.7	1,339,601.8
TOTAL ASSETS (net of WC offsets)	\$ 116,654.8	\$ 247,585.7	\$ 50,467.0	\$ 294,342.2	\$ 567.7	\$ 37,515.4	\$ 412,577.4	\$ 23,947.6	\$ 110,362.8	\$ 26,447.0	\$ 23,967.2	\$ 94,151.2	\$ 1,438,586.1
LIABILITIES & EQUITY													
<i>Other Liabilities</i>													
Deferrals-Related to Restr Cash	\$ 189.8	\$ 90.0	\$ 66.9	\$ 166.2	\$ 882.8	\$ 152.4	\$ 2,051.0	\$ 17.3	\$ -	\$ 160.0	\$ -	\$ -	3,776.4
Debt	-	94,620.8	11,896.0	140,590.2	-	-	375,725.2	9,292.4	79,346.4	19.8	0.0	23,727.4	735,218.3
Other Liabilities	1.2	9,870.8	941.6	2,803.3	-	-	705.5	1,080.7	348.8	9,943.9	21,092.0	-	46,787.9
	191.0	104,581.7	12,904.5	143,559.7	882.8	152.4	378,481.7	10,390.4	79,695.2	10,123.7	21,092.0	23,727.4	785,782.6
<i>Equity</i>													
Equity	116,463.7	143,004.0	37,562.4	150,782.5	(315.1)	37,363.0	34,095.7	13,557.2	30,667.6	16,323.3	2,875.2	70,423.8	652,803.4
	116,463.7	143,004.0	37,562.4	150,782.5	(315.1)	37,363.0	34,095.7	13,557.2	30,667.6	16,323.3	2,875.2	70,423.8	652,803.4
TOTAL LIAB & EQ (net of curr liab)	\$ 116,654.8	\$ 247,585.7	\$ 50,467.0	\$ 294,342.2	\$ 567.7	\$ 37,515.4	\$ 412,577.3	\$ 23,947.6	\$ 110,362.8	\$ 26,447.0	\$ 23,967.2	\$ 94,151.2	\$ 1,438,586.1

- 1) Current portion of bond payments; sources of repayments include some combination of CFP, Replacement Housing Factor (RHF) grants, MTW revenue, site operations and current reserves
- 2) Current portion of bond payments; source of funding will be P & I reserves.
- 3) Fair market value of derivatives is a negative \$1.6M -required by Generally Accepted Accounting Principles (GAAP) and calculated at the end of each year. This is not a cash transaction.

KING COUNTY HOUSING AUTHORITY

Working Capital Statements

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

For the Period Ended December 31, 2017

	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)						LOCAL PROGRAMS						Memo: KCHA COMBINED
	Public Housing		Other Housing		Other Programs		KCHA Owned Housing	Outside Owned Housing	Tax Credit Gen Ptnr Activity	Develop Activity	Other	COCC	
	KCHA Owned	Outside Owned	KCHA Owned	Outside Owned	Section 8 Program	MTW Program							
Revenues													
Tenant Revenue	\$5,454.1	\$2,131.5	\$3,923.4	\$14,771.3	\$96.8	\$0.0	\$56,780.3	\$675.5	\$0.0	\$0.0	\$0.0	\$0.0	\$83,833.0
Operating Fund Subsidy from HUD	4,626.2	2,228.0	68.1	-	-	400.4	-	-	-	-	1,928.8	-	9,251.4
Section 8 Subsidy from HUD	-	-	392.0	-	117,271.4	14,031.2	-	-	-	-	-	-	131,694.6
Other Operating Revenue	33.0	4,536.7	432.7	2,969.4	36,301.2	40.2	347.0	134.9	530.2	12.3	6,508.7	13,153.8	65,000.2
Non-operating Revenue	3,477.4	6,163.6	74.9	1,395.2	0.3	966.8	681.4	551.3	2,927.4	336.8	133.9	2,056.0	18,765.0
Total Revenues	13,590.7	15,059.8	4,891.0	19,135.9	153,669.7	15,438.7	57,808.8	1,361.7	3,457.6	349.1	8,571.4	15,209.7	308,544.2
Expenses													
Salaries & Benefits	2,466.8	1,084.4	420.0	1,738.2	6,682.0	1,926.8	4,570.3	162.0	148.0	423.3	1,270.8	11,262.7	32,155.4
Routine Maintenance, Utilities, Taxes & Insurance	5,575.8	2,674.1	1,416.2	3,938.5	266.8	0.4	13,337.4	286.3	5.1	9.3	13.5	1,905.5	29,428.9
Direct Social Service Salaries & Benefits	-	-	-	-	128.3	2,218.5	-	-	-	1.6	127.4	-	2,475.8
Other Social Service Support Expenses & HAP	114.8	5,497.5	22.8	3.0	143,128.4	3,823.4	325.2	-	0.1	8.4	3,704.5	8.8	156,637.1
Administrative Support Expenses	2,792.2	1,006.0	376.4	1,330.0	3,699.2	534.0	5,178.1	99.1	434.2	139.7	141.4	2,621.7	18,351.9
Non-operating Expenses	111.2	2,704.1	377.3	7,658.8	0.3	-	6,083.7	354.6	1,051.0	0.4	0.1	745.6	19,087.1
Total Expenses	11,060.9	12,966.2	2,612.7	14,668.6	153,905.0	8,503.1	29,494.7	901.9	1,638.5	582.7	5,257.6	16,544.4	258,136.2
Net Income	2,529.8	2,093.6	2,278.4	4,467.3	(235.3)	6,935.7	28,314.1	459.8	1,819.1	(233.6)	3,313.8	(1,334.6)	50,408.0
Other Sources/(Uses) of Working Capital													
(Increase) in Restricted/Designated Cash	(47.5)	(225.8)	(101.1)	(1,796.4)	(146.2)	(95.1)	(12,998.4) (4)	(27.8)	(45,260.6) (8)	(836.3)	.0	(4,030.7) (11)	(65,565.9)
Decrease in Restricted/Designated Cash	61.8	.5	3.5	555.9	28.5	2,955.3	280.0	50.8	1,480.3	110.8	10,325.6 (10)	24.8	15,827.2
(Increase) in LT Receivables	-	(3,028.9)	-	(265.8)	-	.0	.0	(192.2)	(15,332.1) (1)	(5.2)	-	(2,112.9) (12)	(20,937.2)
Decrease in LT Receivables	-	1,135.7	-	1,751.3	-	5,064.0	15.8	258.3	37,666.5 (7)	30,371.33	-	780.7	46,702.8
Acquisition of Capital Assets	(8,865.8)	(2,529.6)	(3,006.9)	(2,567.5)	(3.6)	(.0)	(173,184.6) (5)	(102.1)	155.4	(1,785.0)	(11,151.4) (10)	(278.0)	(203,319.1)
Disposition of Capital Assets	-	-	.0	-	-	-	.0	-	.0	4,396.1	-	9.1	4,405.2
Change in Suspense	-	.0	.0	.0	.0	-	.0	-	-	-	(.0)	(11.9)	(11.9)
Change in Other Assets	-	515.1	-	596.89	-	-	(.7)	-	-	.0	-	-	515.0
Change in Deferrals	(17.5)	15.6	(3.4)	1.1	146.2	95.1	185.0	.0	.0	85.0	-	.0	507.2
Increase in LT Debt	-	2,000.0	.0	12,742.2 (1)	-	-	160,650.0 (5)	-	45,000.0 (9)	.0	.0	.0	220,392.2
(Decrease) in LT Debt	.0	(803.8)	(290.8)	(30,810.9) (2)	-	-	(9,583.0) (6)	(386.0)	(31,381.7) (7)	.0	-	(900.0)	(74,156.2)
Change in Other Liabilities	.0	1,596.6	(87.0)	619.7	-	-	11.4	85.2	11.7	(2,323.6)	(616.2)	-	(702.2)
Other Non-Working Capital Inc/Exp	-	-	-	-	-	-	.0	-	.0	.0	-	-	-
Non Income/Expense Change in Equity	-	.0	.0	16,891.6 (3)	(127.3)	-	697.7	-	(1,905.4)	.0	145.3	12.7	15,841.7
Total Other Sources/(Uses) of Working Capital	(8,868.9)	(1,324.7)	(3,485.7)	(2,281.7)	(102.3)	8,019.3	(33,926.9)	(313.8)	(9,565.9)	(327.7)	(1,296.7)	(6,506.3)	(59,981.2)
Transfer In from (Out to) Other Funds													
Transfers In from Other Funds	5,597.5	5,314.5	1,848.7	6,216.6	-	-	1,892.1	-	1,141.0	513.7	1,160.2	10,614.0	34.3
Transfers Out to Other Funds	(7.7)	(648.7)	-	(2,014.1)	-	(13,860.2)	(2,737.9)	-	(8,905.3)	-	(2,662.0)	(3,462.5) (12)	(34.3)
Net Transfer In/(Out)	5,589.9	4,665.8	1,848.7	4,202.5	-	(13,860.2)	(845.8)	-	(7,764.3)	513.7	(1,501.8)	7,151.4	-
Net Change in Working Capital	(749.2) (1)	5,434.7	641.4	6,388.1	(337.6)	1,094.8	(6,458.5) (6)	146.0	(15,511.1)	(47.5)	515.3	(689.5) (12)	(9,573.2)
Working Capital, 12/31/2016	4,883.3	(2,073.2)	3,557.6	(3,394.5)	(642.1)	1,982.8	(3,563.1)	854.0	18,012.6	2,108.4	7,460.1	34,372.0	63,557.9
Working Capital, 12/31/2017	4,134.1	\$3,361.5	\$4,199.0	\$2,993.6	\$(979.8)	\$3,077.6	\$(10,021.7)	\$1,000.0	\$2,501.5	\$2,060.9	\$7,975.5	\$33,682.5	\$53,984.7

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

2) Due to a \$24M payment on the Spiritwood Manor line-of-credit by the tax credit partnership as well as a \$2.2M payment on Birch Creek bonds and a \$1.5M payment by the Birch Creek tax credit partnership on notes payable to KCHA.

3) Owner contributions received by the Spiritwood partnership.

4) Recoded all management agent depository accounts as "designated" as cash is not available for general KCHA use, unbudgeted

5) Reflects the purchase of Ballinger Commons (\$132.5M) and Friendly Village (\$25M) with draws on lines-of-credit.

6) Due to various payments on debt including the 2013 Bond Pool (\$3.0M), Abbey Ridge LOC (\$1.7M), and 2005 Bond Pool (\$2.3M), 2015 Bond Pool (\$1.0M), Somerset Gardens notes (\$900K) and Village at South Station LOC (\$650K).

7) Primarily due to the receipt of \$30.8M from the Spiritwood Manor and Corinthian tax credit partnerships and the related payment of the same amount by KCHA on the Key Bank Line-of-Credit. Also, a \$4.3M receivable from the Southwood Square tax credit partnership was written off as well as \$6.7M of Southwood Square long-term debt.

8) Proceeds from \$45M Private Activity Bond issuance for Highland Village and Somerset Gardens are restricted

9) Issuance of \$45M Private Activity Bonds for Highland Village and Somerset Gardens

10) Related to Energy Performance Contract expenditures

11) Liquidity reserve was increased by \$4M up to \$13M per terms of new credit enhancement agreement with King County

12) Due to an \$2.1M internal loan to Development as well as transfers out for Capital Construction projects.

KCHA Combined
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2017

	Quarter Ended December 31, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$22,174,108	\$20,527,570	\$1,646,538	8.0%	\$83,832,980	\$81,390,738	\$2,442,242	3.0%	\$81,390,738	(\$2,442,242)	103.0%
Operating Fund Subsidy from HUD	2,343,737	2,318,223	25,514	1.1%	9,251,414	9,272,913	(21,499)	(0.2%)	9,272,913	21,499	99.8%
Section 8 Subsidy from HUD	30,523,573	32,302,017	(1,778,444)	(5.5%)	131,694,569	128,128,381	3,566,188	2.8%	128,128,381	(3,566,188)	102.8%
Other Operating Revenue	17,141,342	14,564,979	2,576,363	17.7%	65,000,210	60,142,808	4,857,402	8.1%	60,142,808	(4,857,402)	108.1%
Non-operating Revenue	4,567,219	4,002,787	564,432	14.1%	18,765,032	17,780,465	984,567	5.5%	17,780,465	(984,567)	105.5%
Total Revenues	76,749,979	73,715,576	3,034,403	4.1%	308,544,205	296,715,305	11,828,900	4.0%	296,715,305	(11,828,900)	104.0%
Expenses											
Salaries & Benefits	8,639,798	8,980,753	(340,955)	(3.8%)	32,155,358	34,025,474	(1,870,116)	(5.5%)	34,025,474	1,870,116	94.5%
Routine Maintenance, Utilities, Taxes & Insurance	8,527,204	7,897,002	630,202	8.0%	29,428,859	29,525,330	(96,471)	(0.3%)	29,525,330	96,471	99.7%
Direct Social Service Salaries & Benefits	688,076	664,806	23,270	3.5%	2,475,843	2,469,280	6,563	0.3%	2,469,280	(6,563)	100.3%
Other Social Service Support Expenses & HAP	41,149,970	39,033,693	2,116,277	5.4%	156,637,090	151,242,898	5,394,192	3.6%	151,242,898	(5,394,192)	103.6%
Administrative Support Expenses	5,090,072	4,740,930	349,142	7.4%	18,351,894	19,187,155	(835,261)	(4.4%)	19,187,155	835,261	95.6%
Non-operating Expenses	5,354,693	5,038,708	315,985	6.3%	19,087,135	19,986,605	(899,470)	(4.5%)	19,986,605	899,470	95.5%
Total Expenses	69,449,814	66,355,892	3,093,922	4.7%	258,136,179	256,436,742	1,699,437	0.7%	256,436,742	(1,699,437)	100.7%
Net Income	7,300,165	7,359,684	(59,519)	(0.8%)	50,408,026	40,278,563	10,129,463	25.1%	40,278,563	(10,129,463)	125.1%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(52,097,555)	(744,096)	(51,353,459)	6901.5%	(65,565,930)	(3,356,491)	(62,209,439)	1853.4%	(3,356,491)	62,209,439	1953.4%
Decrease in Restricted/Designated Cash	5,058,794	5,567,065	(508,271)	(9.1%)	15,877,983	19,347,633	(3,469,650)	(17.9%)	19,347,633	3,469,650	82.1%
(Increase) in LT Receivables	(3,525,431)	134,822	(3,660,253)	n/m	(20,937,172)	(19,919,104)	(1,018,068)	5.1%	(19,919,104)	1,018,068	105.1%
Decrease in LT Receivables	20,720,814	14,062,988	6,657,826	47.3%	46,702,828	40,090,636	6,612,192	16.5%	40,090,636	(6,612,192)	116.5%
Acquisition of Capital Assets	(171,745,168)	(28,729,392)	(143,015,776)	497.8%	(203,319,114)	(72,698,325)	(130,620,789)	179.7%	(72,698,325)	130,620,789	279.7%
Disposition of Capital Assets	33,590	0	33,590	n/m	4,405,218	4,017,434	387,784	9.7%	4,017,434	(387,784)	109.7%
Change in Suspense	(135,964)	-	(135,964)	n/m	(11,916)	-	(11,916)	n/m	-	11,916	n/m
Change in Other Assets	1,111,160	(1,082,088)	2,193,248	n/m	1,111,260	(1,082,088)	2,193,348	n/m	(1,082,088)	(2,193,348)	n/m
Change in Other Deferrals	221,142	-	221,142	n/m	507,222	-	507,222	n/m	-	(507,222)	n/m
Increase in LT Debt	202,501,996	18,662,203	183,839,793	985.1%	220,392,159	37,086,717	183,305,442	494.3%	37,086,717	(183,305,442)	594.3%
(Decrease) in LT Debt	(33,803,580)	(33,261,505)	(542,075)	1.6%	(74,156,210)	(72,273,057)	(1,883,153)	2.6%	(72,273,057)	1,883,153	102.6%
Change in Other Liabilities	856,573	792,170	64,403	8.1%	(702,161)	67,486	(769,647)	n/m	67,486	769,647	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	0	-	0	n/m	-	0	n/m
Non Income/Expense Change in Equity	15,529,158	16,403,088	(873,930)	(5.3%)	15,714,613	16,382,353	(667,740)	(4.1%)	16,382,353	667,740	95.9%
Total Other Sources/(Uses) of Working Capital	(15,274,472)	(8,194,745)	(7,079,727)	86.4%	(59,981,220)	(52,336,806)	(7,644,414)	14.6%	(52,336,806)	7,644,414	114.6%
Transfer In from (Out to) Other Funds											
Net Transfer In/(Out)	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Net Change in Working Capital	(\$7,974,307)	(\$835,061)	(\$7,139,246)	854.9%	(\$9,573,194)	(\$12,058,243)	\$2,485,049	(20.6%)	(\$12,058,243)	(\$2,485,049)	79.4%
Working Capital, Beginning of Period	61,959,011				63,557,900						
Working Capital, 12/31/2017	\$53,984,704				\$53,984,706						

- \$3 million relate d to higher-than-budgeted HCV port-in revenue
- Higher than expected HAP costs from both KCHA vouchers and ports-in
- \$45M of bond proceeds for Highland Village and Somerset tax credit transactions; liquidity reserves in the COCC were increase d by \$4M up to \$13M to satisfy a new credit enhancement requirement of King County program; all management agent depository accounts were reclassified as designated as the funds are not available for general KCHA use.
- A \$1M draw from the Egis exit tax reserve was inadvertently budgeted as the funding source for the Egis elevator projects. These projects will actually be funded as part of the EPC project. Also, the Birch Creek debt payment was budgeted to be financed using excess cash reserve draws instead it was decided to use MTW funds.
- Repayment of Spiritwood and Corinthian LOC from the proceeds of investor contribution and KCHA subordinate loan were greater than anticipated. Also, debt payment received from Overlake Net Cash Flow distribution was higher than anticipated in the budget.
- Primarily due to unbudgeted purchases of Ballinger Commons and Friendly Village that were financed with a KeyBank LOC.
- Payment on MTW loan from lots sale proceeds were higher than expected in the budget.

Public Housing (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2017

	Quarter Ended December 31, 2017				Year-to-Date				2017	Remainder	Percent of
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Annual Budget	to Receive/ Spend	Annual Budget
Revenues											
Tenant Revenue	\$ 1,372,883	\$ 1,290,014	\$ 82,869	6.4%	\$ 5,454,144	\$ 5,160,087	\$ 294,057	5.7%	\$ 5,160,087	\$ (294,057)	105.7%
Operating Fund Subsidy from HUD	1,250,112	1,140,900	109,212	9.6%	4,626,203	4,563,615	62,588	1.4%	4,563,615	(62,588)	101.4%
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	7,299	11,766	(4,467)	(38.0%)	32,965	11,766	21,199	180.2%	11,766	(21,199)	280.2%
Non-operating Revenue	462,313	774,397	(312,084)	(40.3%)	3,477,391	6,352,428	(2,875,037)	(45.3%)	6,352,428	2,875,037	54.7%
Total Revenues	3,092,607	3,217,077	(124,470)	(3.9%)	13,590,703	16,087,896	(2,497,193)	(15.5%)	16,087,896	2,497,193	84.5%
Expenses											
Salaries & Benefits	672,636	717,545	(44,909)	(6.3%)	2,466,823	2,721,686	(254,863)	(9.4%)	2,721,686	254,863	90.6%
Routine Maintenance, Utilities, Taxes & Insurance	1,802,016	1,538,075	263,941	17.2%	5,575,778	5,380,024	195,754	3.6%	5,380,024	(195,754)	103.6%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	29,112	25,725	3,387	13.2%	114,842	102,911	11,931	11.6%	102,911	(11,931)	111.6%
Administrative Support Expenses	871,499	535,669	335,830	62.7%	2,792,219	2,708,060	84,159	3.1%	2,708,060	(84,159)	103.1%
Non-operating Expenses	122,037	1,513	120,524	7965.9%	111,242	6,056	105,186	1736.9%	6,056	(105,186)	1836.9%
Total Expenses	3,497,300	2,818,527	678,773	24.1%	11,060,904	10,918,737	142,167	1.3%	10,918,737	(142,167)	101.3%
Net Income	(404,693)	398,550	(803,243)	n/m	2,529,799	5,169,159	(2,639,360)	(51.1%)	5,169,159	2,639,360	48.9%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(5,272)	(16,719)	11,447	(68.5%)	(47,469)	(66,876)	19,407	(29.0%)	(66,876)	(19,407)	71.0%
Decrease in Restricted/Designated Cash	35,821	-	35,821	n/m	61,786	-	61,786	n/m	-	(61,786)	n/m
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(3,888,996)	(836,237)	(3,052,759)	365.1%	(7,065,221)	(8,249,359)	1,184,138	(14.4%)	(8,249,359)	(1,184,138)	85.6%
Maintenance Projects	(556,107)	(769,025)	212,918	(27.7%)	(1,800,546)	(3,195,783)	1,395,237	(43.7%)	(3,195,783)	(1,395,237)	56.3%
Acquisition of Capital Assets	(4,445,103)	(1,605,262)	(2,839,841)	176.9%	(8,865,767)	(11,445,142)	2,579,375	(22.5%)	(11,445,142)	(2,579,375)	77.5%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	824	-	824	n/m	(17,478)	-	(17,478)	n/m	-	17,478	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	-	(9,253)	9,253	(100.0%)	-	(37,011)	37,011	(100.0%)	(37,011)	(37,011)	0.0%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	(4,413,730)	(1,631,234)	(2,782,496)	170.6%	(8,868,927)	(11,549,029)	2,680,102	(23.2%)	(11,549,029)	(2,680,102)	76.8%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	4,142,601	1,287,032	2,855,569	221.9%	5,597,549	6,379,873	(782,324)	(12.3%)	6,379,870	782,321	87.7%
Transfers Out to Other Funds	0	-	0	n/m	(7,663)	-	(7,663)	n/m	-	7,663	n/m
Net Transfer In/(Out)	4,142,601	1,287,032	2,855,569	221.9%	5,589,886	6,379,873	0.0%	0.0%	6,379,870	789,984	87.6%
Net Change in Working Capital	\$ (675,822)	\$ 54,348	\$ (730,170)	n/m	\$ (749,242)	\$ 3	\$ (749,245)	n/m	\$ -	\$ 749,242	n/m
Working Capital, Beginning of Period	4,809,929				4,883,350						
Working Capital, 12/31/2017	\$ 4,134,108				\$ 4,134,108						

- Brookside rental revenue received from Sound Mental Health was budgeted as Tenant Income but recorded as Other Operating Income. Also, as Brookside was transitioned to the MTW Service Unit program at the end of 2016, rental revenue is no longer due from Sound Mental Health. KCHA is currently negotiating with Sound Mental Health for uses of the funds paid to KCHA during 2017.
- Various projects were under budget resulting in fewer draws on capital grants. Ballinger Homes water lines were budgeted throughout the year. However, the project was redesigned to mitigate the needs for tenant relocation and will be completed in 2018. Construction on Cascade water line replacement began in the 3rd quarter will be completed in 2018. Also, the Northridge envelope upgrade was budgeted to be financed from CFP draws instead MTW transfer was used.
- The Ballinger Homes fire loss insurance reimbursement will be received in 2018. The insurance receipts for Forest Glen fires loss was less than the cost of internal KCHA crews to repair the damages.
- Burien Park, Northwood, Island Crest, and Northlake House transferred existing replacement reserves to the COCC upon becoming public housing properties.
- Several projects began later than anticipated in the budget. The Ballinger water lines project will be completed in two phases. The first phase spent \$643K in 2017 with the balance of the budget carried over to 2018. Construction on Northridge envelope project and Cascade water line replacement began in late in 2017 and are expected to be completed in 2018. It was anticipated that MTW funding of unit upgrades at Ballinger would occur during the tenant relocation related to the water line replacement project. As that project has been delayed, unit upgrade expenses are under target.
- As several projects began later than anticipated in the budget, unit upgrade transfers were less than anticipated in the budget.

Public Housing (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2017

	Quarter Ended December 31, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 548,392	\$ 499,448	\$ 48,944	9.8%	\$ 2,131,510	\$ 1,997,817	\$ 133,693	6.7%	1,997,817	(133,693)	106.7%
Operating Fund Subsidy from HUD	518,036	561,716	(43,680)	(7.8%)	2,227,952	2,246,869	(18,917)	(0.8%)	2,246,869	18,917	99.2%
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	1,120,540	1,122,978	(2,438)	(0.2%)	4,536,737	4,524,309	12,428	0.3%	4,524,309	(12,428)	100.3%
Non-operating Revenue	1,058,798	1,034,950	23,848	2.3%	6,163,591	4,144,700	2,018,891	48.7%	4,144,700	(2,018,891)	148.7%
Total Revenues	3,245,767	3,219,092	26,675	0.8%	15,059,790	12,913,695	2,146,095	16.6%	12,913,695	(2,146,095)	116.6%
Expenses											
Salaries & Benefits	297,337	296,023	1,314	0.4%	1,084,393	1,119,479	(35,086)	(3.1%)	1,119,479	35,086	96.9%
Routine Maintenance, Utilities, Taxes & Insurance	794,048	753,504	40,544	5.4%	2,674,070	2,692,413	(18,343)	(0.7%)	2,692,413	18,343	99.3%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	1,379,751	1,382,329	(2,578)	(0.2%)	5,497,543	5,485,432	12,111	0.2%	5,485,432	(12,111)	100.2%
Administrative Support Expenses	261,252	223,475	37,777	16.9%	1,006,040	937,248	68,792	7.3%	937,248	(68,792)	107.3%
Non-operating Expenses	678,818	666,659	12,159	1.8%	2,704,134	2,666,656	37,478	1.4%	2,666,656	(37,478)	101.4%
Total Expenses	3,411,206	3,321,990	89,216	2.7%	12,966,180	12,901,228	64,952	0.5%	12,901,228	(64,952)	100.5%
Net Income	(165,440)	(102,898)	(62,542)	60.8%	2,093,610	12,467	2,081,143	16693.2%	12,467	(2,081,143)	16793.2%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(53,393)	(52,416)	(977)	1.9%	(225,823)	(209,664)	(16,159)	7.7%	(209,664)	16,159	107.7%
Decrease in Restricted/Designated Cash	-	250,003	(250,003)	(100.0%)	534	1,000,000	(999,466)	(99.9%)	1,000,000	999,466	0.1%
(Increase) in LT Receivables	(805,467)	(743,803)	(61,664)	8.3%	(3,028,928)	(2,975,237)	(53,691)	1.8%	(2,975,237)	53,691	101.8%
Decrease in LT Receivables	176,651	115,000	61,651	53.6%	1,135,684	850,947	284,737	33.5%	850,947	(284,737)	133.5%
Acquisition of Capital Assets	(1,208,712)	(250,295)	(958,417)	382.9%	(1,404,428)	(541,641)	(862,787)	159.3%	(541,641)	862,787	259.3%
Maintenance Projects	(358,469)	(550,673)	192,204	(34.9%)	(1,125,185)	(2,403,198)	1,278,013	(53.2%)	(2,403,198)	(1,278,013)	46.8%
Acquisition of Capital Assets	(1,567,181)	(800,968)	(766,213)	95.7%	(2,529,612)	(2,944,839)	415,227	(14.1%)	(2,944,839)	(415,227)	85.9%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	515,065	-	515,065	n/m	515,065	-	515,065	n/m	-	(515,065)	n/m
Change in Deferrals	975	-	975	n/m	15,625	-	15,625	n/m	-	(15,625)	n/m
Increase in LT Debt	-	-	-	n/m	2,000,000	1,500,000	500,000	33.3%	1,500,000	(500,000)	133.3%
(Decrease) in LT Debt	(617,889)	(115,274)	(502,615)	436.0%	(803,827)	(221,098)	(582,729)	263.6%	(221,098)	582,729	363.6%
Change in Other Liabilities	399,146	396,632	2,514	0.6%	1,596,584	1,586,532	10,052	0.6%	1,586,532	(10,052)	100.6%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	(1,952,093)	(950,826)	(1,001,267)	105.3%	(1,324,697)	(1,413,359)	88,662	(6.3%)	(1,413,359)	(88,662)	93.7%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	918,193	1,027,944	(109,751)	(10.7%)	5,314,530	4,702,237	612,293	13.0%	4,702,237	(612,293)	113.0%
Transfers Out to Other Funds	(135,000)	-	(135,000)	n/m	(648,740)	(325,000)	(323,740)	99.6%	(325,000)	323,740	199.6%
Net Transfer In/(Out)	783,193	1,027,944	(244,751)	(23.8%)	4,665,791	4,377,237	288,554	6.6%	4,377,237	(288,554)	106.6%
Net Change in Working Capital	\$ (1,334,339)	\$ (25,780)	\$ (1,308,559)	5075.9%	\$ 5,434,703	\$ 2,976,345	\$ 2,458,358	82.6%	2,976,345	(2,458,358)	182.6%
Working Capital, Beginning of Period	4,695,842				(2,073,200)						
Working Capital, 12/31/2017	\$ 3,361,503				\$ 3,361,503						

- Received \$1.9M grant from Washington State for Vantage Point. This cash receipt was expected to be received late in 2016 and was therefore not budgeted in 2017.
- A \$1M draw from Egis exit tax reserve was inadvertently budgeted as the funding source for the Egis elevator projects. These projects will actually be funded as part of the EPC project.
- Repayments to KCHA of loans made to various tax credit partnerships was higher than anticipated in the budget as the net cash flow from the partnerships was higher than originally anticipated
- An elevator replacement project at Plaza Seventeen was budgeted evenly throughout the year but did not begin until the 4th quarter. Approximately \$400,000 of the project is being carried over to 2018.
- \$515K of debt issue costs of tax credit partnerships were reclassified to a different account.
- A \$2.0M loan from King County for Vantage Point was originally budgeted to be received in two installments: \$500K at the end of 2016 and \$1.5M in the first quarter of 2017. However, the entire \$2M was received in August 2017.
- \$1M was transferred from the EPC fund to Egis in order to fund the elevator replacement project. Unbudgeted.(See Note #2). This is partially offset by less than anticipated Nia tenant improvement transfers.
- Interest from HOPE VI grant proceeds loaned to the various partnerships was transferred to the Development fund, and was greater than anticipated in the budget. Also due to unbudgeted excess cash transfer of \$135K from Eastbridge in the 4th quarter.

Other Federally-supported (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2017

	Quarter Ended December 31, 2017				Year-to-Date				2017	Remainder	Percent of
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Annual Budget	to Receive/ Spend	Annual Budget
Revenues											
Tenant Revenue	\$ 999,188	\$ 1,027,666	\$ (28,478)	(2.8%)	\$ 3,923,386	\$ 4,110,678	\$ (187,292)	(4.6%)	\$ 4,110,678	\$ 187,292	95.4%
Operating Fund Subsidy from HUD	18,389	16,783	1,606	9.6%	68,053	67,132	921	1.4%	67,132	(921)	101.4%
Section 8 Subsidy from HUD	99,755	103,444	(3,689)	(3.6%)	391,966	413,775	(21,809)	(5.3%)	413,775	21,809	94.7%
Other Operating Revenue	108,705	78,236	30,469	38.9%	432,707	358,537	74,170	20.7%	358,537	(74,170)	120.7%
Non-operating Revenue	20,710	6,645	14,065	211.7%	74,937	31,710	43,227	136.3%	31,710	(43,227)	236.3%
Total Revenues	1,246,748	1,232,774	13,974	1.1%	4,891,050	4,981,832	(90,782)	(1.8%)	4,981,832	90,782	98.2%
Expenses											
Salaries & Benefits	100,892	141,351	(40,459)	(28.6%)	419,976	534,284	(114,308)	(21.4%)	534,284	114,308	78.6%
Routine Maintenance, Utilities, Taxes & Insurance	437,062	355,041	82,021	23.1%	1,416,210	1,354,685	61,525	4.5%	1,354,685	(61,525)	104.5%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	154	4,350	(4,196)	(96.5%)	22,832	17,400	5,432	31.2%	17,400	(5,432)	131.2%
Administrative Support Expenses	90,713	82,800	7,913	9.6%	376,388	337,715	38,673	11.5%	337,715	(38,673)	111.5%
Non-operating Expenses	87,812	85,937	1,875	2.2%	377,266	343,749	33,517	9.8%	343,749	(33,517)	109.8%
Total Expenses	716,634	669,479	47,155	7.0%	2,612,672	2,587,833	24,839	1.0%	2,587,833	(24,839)	101.0%
Net Income	530,114	563,295	(33,181)	(5.9%)	2,278,378	2,393,999	(115,621)	(4.8%)	2,393,999	115,621	95.2%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(30,460)	(10,683)	(19,777)	185.1%	(101,148)	(42,732)	(58,416)	136.7%	(42,732)	58,416	236.7%
Decrease in Restricted/Designated Cash	3,533	-	3,533	n/m	3,533	-	3,533	n/m	-	(3,533)	n/m
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(1,068)	-	(1,068)	n/m	(1,725,610)	(1,779,256)	53,646	(3.0%)	(1,779,256)	(53,646)	97.0%
Maintenance Projects	(300,300)	(182,293)	(118,007)	64.7%	(1,281,334)	(884,080)	(397,254)	44.9%	(884,080)	397,254	144.9%
Acquisition of Capital Assets	(301,368)	(182,293)	(119,075)	65.3%	(3,006,944)	(2,663,336)	(343,608)	12.9%	(2,663,336)	343,608	112.9%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	1,388	-	1,388	n/m	(3,374)	-	(3,374)	n/m	-	3,374	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	(73,195)	(70,694)	(2,501)	3.5%	(290,770)	(282,776)	(7,994)	2.8%	(282,776)	7,994	102.8%
Change in Other Liabilities	(21,750)	(21,750)	-	0.0%	(87,000)	(87,000)	-	0.0%	(87,000)	-	100.0%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	(421,853)	(285,420)	(136,433)	47.8%	(3,485,703)	(3,075,844)	(409,859)	13.3%	(3,075,844)	409,859	113.3%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	(5,660)	2,275	(7,935)	n/m	1,848,749	1,903,325	(54,576)	(2.9%)	1,903,325	54,576	97.1%
Transfers Out to Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Net Transfer In/(Out)	(5,660)	2,275	(7,935)	n/m	1,848,749	1,903,325	(54,576)	(2.9%)	1,903,325	54,576	97.1%
Net Change in Working Capital	\$ 102,602	\$ 280,150	\$ (177,548)	(63.4%)	\$ 641,424	\$ 1,221,480	\$ (580,056)	(47.5%)	\$ 1,221,480	\$ 580,056	52.5%
Working Capital, Beginning of Period	4,096,376				3,557,553						
Working Capital, 12/31/2017	\$ 4,198,977				\$ 4,198,977						

- 1) Eastside maintenance building rent was budgeted for six months as the lease was not expected to be renewed due to the sale of the building. As the sale is delayed until 2018, rental revenue continued through the entire year.
- 2) Higher than anticipated state pool interest income was allocated to Hidden Village and Newport apartments.
- 3) Salaries were under target due to various open positions.
- 4) Due to tenant eviction legal fees at Woodcreek Lane and Northwood Square.
- 5) Primarily due to a technical accounting correction and interest expense on the Woodcreek Lane line-of-credit being greater than anticipated in the budget as rates have risen.
- 6) Additions to replacement reserves were inadvertently not budgeted for Bellevue Manor, Patricia Harris Manor and Northwood Square.
- 7) 15 unit upgrades were budgeted evenly throughout the year. 31 unit upgrades were actually completed as unit availability was greater than anticipated at Newport, Hidden Village, and Patricia Harris Manor.

Other Federally-supported (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2017

	Quarter Ended December 31, 2017				Year-to-Date				2017	Remainder	Percent of
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Annual Budget	to Receive/ Spend	Annual Budget
Revenues											
Tenant Revenue	\$ 3,780,655	\$ 3,735,338	\$ 45,317	1.2%	\$ 14,771,285	\$ 14,941,626	\$ (170,341)	(1.1%)	\$ 14,941,626	\$ 170,341	98.9%
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	391,329	390,703	626	0.2%	2,969,440	2,978,237	(8,797)	(0.3%)	2,978,237	8,797	99.7%
Non-operating Revenue	884,838	600,056	284,782	47.5%	1,395,205	1,239,031	156,174	12.6%	1,239,031	(156,174)	112.6%
Total Revenues	5,056,823	4,726,097	330,726	7.0%	19,135,930	19,158,894	(22,964)	(0.1%)	19,158,894	22,964	99.9%
Expenses											
Salaries & Benefits	466,642	445,001	21,641	4.9%	1,738,236	1,688,273	49,963	3.0%	1,688,273	(49,963)	103.0%
Routine Maintenance, Utilities, Taxes & Insurance	1,192,641	1,069,326	123,315	11.5%	3,938,499	3,775,777	162,722	4.3%	3,775,777	(162,722)	104.3%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	1,031	6,310	(5,279)	(83.7%)	3,031	25,280	(22,249)	(88.0%)	25,280	22,249	12.0%
Administrative Support Expenses	328,250	331,788	(3,538)	(1.1%)	1,330,019	1,335,730	(5,711)	(0.4%)	1,335,730	5,711	99.6%
Non-operating Expenses	2,324,855	1,881,983	442,872	23.5%	7,658,805	7,754,452	(95,647)	(1.2%)	7,754,452	95,647	98.8%
Total Expenses	4,313,419	3,734,408	579,011	15.5%	14,668,590	14,579,512	89,078	0.6%	14,579,512	(89,078)	100.6%
Net Income	743,403	991,689	(248,286)	(25.0%)	4,467,340	4,579,382	(112,042)	(2.4%)	4,579,382	112,042	97.6%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(1,498,397)	(72,786)	(1,425,611)	1958.6%	(1,796,358)	(291,144)	(1,505,214)	517.0%	(291,144)	1,505,214	617.0% (1)
Decrease in Restricted/Designated Cash	543,316	1,320,000	(776,684)	(58.8%)	555,909	2,987,996	(2,432,087)	(81.4%)	2,987,996	2,432,087	18.6% (1)
(Increase) in LT Receivables	(66,442)	(66,441)	(1)	0.0%	(265,766)	(265,766)	(0)	0.0%	(265,766)	0	100.0%
Decrease in LT Receivables	-	-	-	n/m	1,751,337	1,751,337	-	0.0%	1,751,337	-	100.0%
Acquisition of Capital Assets	(987,209)	(501,571)	(485,638)	96.8%	(2,567,483)	(3,695,822)	1,128,339	(30.5%)	(3,695,822)	(1,128,339)	69.5% (2)
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	10	-	10	n/m	10	-	10	n/m	-	(10)	n/m
Change in Other Assets	596,892	-	596,892	n/m	596,892	-	596,892	n/m	-	(596,892)	n/m (3)
Change in Deferrals	(281)	-	(281)	n/m	1,139	-	1,139	n/m	-	(1,139)	n/m
Increase in LT Debt	251,621	(1,337,797)	1,589,418	n/m	12,742,164	11,113,482	1,628,682	14.7%	11,113,482	(1,628,682)	114.7% (4)
(Decrease) in LT Debt	(14,799,029)	(12,918,625)	(1,880,404)	14.6%	(30,810,902)	(28,324,925)	(2,485,977)	8.8%	(28,324,925)	2,485,977	108.8% (5)
Change in Other Liabilities	182,164	66,441	115,723	174.2%	619,686	614,130	5,556	0.9%	614,130	(5,556)	100.9%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	16,891,649	16,403,088	488,561	3.0%	16,891,649	16,403,088	488,561	3.0%	16,403,088	(488,561)	103.0%
Total Other Sources/(Uses) of Working Capital	1,114,295	2,892,309	(1,778,014)	(61.5%)	(2,281,723)	292,376	(2,574,099)	n/m	292,376	2,574,099	n/m
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	2,385,481	363,446	2,022,035	556.4%	6,216,618	1,716,164	4,500,454	262.2%	1,716,164	(4,500,454)	362.2% (6)
Transfers Out to Other Funds	(934,279)	(363,446)	(570,833)	157.1%	(2,014,126)	(1,716,164)	(297,962)	17.4%	(1,716,164)	297,962	117.4% (7)
Net Transfer In/(Out)	1,451,202	-	1,451,202	n/m	4,202,492	-	4,202,492	n/m	-	(4,202,492)	n/m
Net Change in Working Capital	\$ 3,308,901	\$ 3,883,998	\$ (575,097)	(14.8%)	\$ 6,388,109	\$ 4,871,758	\$ 1,516,351	31.1%	\$ 4,871,758	\$ (1,516,351)	131.1%
Working Capital, Beginning of Period	(315,329)				(3,394,537)						
Working Capital, 12/31/2017	\$ 2,993,571				\$ 2,993,571						

- Debt service payments for Birch Creek and Green River 2 were budgeted to be funded with a combination of property net cash flow and a draw from excess cash reserves. Instead, MTW funds were used and \$1.5M was added to excess cash reserves.
- Some capital projects at Spiritwood budgeted for 2017 were actually completed in 2016.
- \$596K of debt issue costs of tax credit partnerships were reclassified to a different account.
- Draws from KCHA subordinate loan for Spiritwood were higher than anticipated in the budget.
- Repayment of the Spiritwood LOC from proceeds of investor contribution and draw from KCHA subordinate loan. Also, due to reclassification of tax credit partnership's debt issue cost (see note #4).
- MTW transfer totaling \$4.2M for Birch Creek and Green River Homes 2 debt payment. Unbudgeted (see note #1).
- Various unit upgrade projects at MKCRF properties were higher than anticipated in the budget resulting in a higher unit upgrade transfer.

Section 8
**Working Capital Budget vs. Actual Report
for the Period Ended 12/31/2017**

	Quarter Ended December 31, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 27,194	\$ 22,500	\$ 4,694	20.9%	\$ 96,824	\$ 90,000	\$ 6,824	7.6%	\$ 90,000	\$ (6,824)	107.6%
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	30,851,773	29,488,392	1,363,381	4.6%	117,271,382	114,001,921	3,269,461	2.9%	114,001,921	(3,269,461)	102.9%
Other Operating Revenue	9,397,135	8,346,954	1,050,181	12.6%	36,301,199	33,359,147	2,942,052	8.8%	33,359,147	(2,942,052)	108.8%
Non-operating Revenue	0	3,255	(3,255)	(100.0%)	314	13,016	(12,702)	(97.6%)	13,016	12,702	2.4%
Total Revenues	40,276,102	37,861,101	2,415,001	6.4%	153,669,719	147,464,084	6,205,635	4.2%	147,464,084	(6,205,635)	104.2%
Expenses											
Salaries & Benefits	1,764,452	1,878,894	(114,442)	(6.1%)	6,681,993	7,073,868	(391,875)	(5.5%)	7,073,868	391,875	94.5%
Routine Maintenance, Utilities, Taxes & Insurance	67,517	64,582	2,935	4.5%	266,803	256,265	10,538	4.1%	256,265	(10,538)	104.1%
Direct Social Service Salaries & Benefits	34,066	34,398	(332)	(1.0%)	128,325	127,764	561	0.4%	127,764	(561)	100.4%
Other Social Service Support Expenses & HAP	37,608,063	34,843,541	2,764,522	7.9%	143,128,444	135,905,882	7,222,562	5.3%	135,905,882	(7,222,562)	105.3%
Administrative Support Expenses	965,449	925,028	40,421	4.4%	3,699,165	3,842,365	(143,200)	(3.7%)	3,842,365	143,200	96.3%
Non-operating Expenses	-	-	-	n/m	279	-	279	n/m	-	(279)	n/m
Total Expenses	40,439,547	37,746,443	2,693,104	7.1%	153,905,008	147,206,144	6,698,864	4.6%	147,206,144	(6,698,864)	104.6%
Net Income	(163,445)	114,658	(278,103)	n/m	(235,289)	257,940	(493,229)	n/m	257,940	493,229	n/m
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	67,195	-	67,195	n/m	(146,162)	-	(146,162)	n/m	-	146,162	n/m
Decrease in Restricted/Designated Cash	28,524	-	28,524	n/m	28,524	-	28,524	n/m	-	(28,524)	n/m
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(507)	(317)	(190)	60.1%	(3,599)	(16,270)	12,671	(77.9%)	(16,270)	(12,671)	22.1%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	270	-	270	n/m	0	-	0	n/m	-	(0)	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	(44,133)	-	(44,133)	n/m	146,162	-	146,162	n/m	-	(146,162)	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	(127,259)	-	(127,259)	n/m	(127,259)	-	(127,259)	n/m	-	127,259	n/m
Total Other Sources/(Uses) of Working Capital	(75,911)	(317)	(75,594)	23846.7%	(102,335)	(16,270)	(86,065)	529.0%	(16,270)	86,065	629.0%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Transfers Out to Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Net Transfer In/(Out)	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Net Change in Working Capital	\$ (239,356)	\$ 114,341	\$ (353,697)	n/m	\$ (337,624)	\$ 241,670	\$ (579,294)	n/m	\$ 241,670	\$ 579,294	n/m
Working Capital, Beginning of Period	(740,403)				(642,135)						
Working Capital, 12/31/2017	\$ (979,759)				\$ (979,759)						

1) Higher than budgeted income related to port-ins.

2) Higher HAP costs due to market rental rates continuing to rise faster than anticipated in the budget and to higher than budgeted port in costs

3) Changes in FSS reserve accounts are not budgeted

MTW

Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2017

	Quarter Ended December 31, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	102,277	100,761	1,516	1.5%	400,438	403,043	(2,605)	(0.6%)	403,043	2,605	99.4%
Section 8 Subsidy from HUD	(427,955)	2,710,181	(3,138,136)	n/m	14,031,222	13,712,685	318,537	2.3%	13,712,685	(318,537)	102.3%
Other Operating Revenue	2,723	6,972	(4,250)	(61.0%)	40,249	27,890	12,359	44.3%	27,890	(12,359)	144.3%
Non-operating Revenue	235,217	193,677	41,540	21.4%	966,827	811,012	155,815	19.2%	811,012	(155,815)	119.2%
Total Revenues	(87,738)	3,011,591	(3,099,329)	n/m	15,438,736	14,954,630	484,106	3.2%	14,954,630	(484,106)	103.2%
Expenses											
Salaries & Benefits	505,888	540,995	(35,107)	(6.5%)	1,926,831	2,053,186	(126,355)	(6.2%)	2,053,186	126,355	93.8%
Routine Maintenance, Utilities, Taxes & Insurance	-	-	-	n/m	398	-	398	n/m	-	(398)	n/m
Direct Social Service Salaries & Benefits	609,482	614,238	(4,756)	(0.8%)	2,218,470	2,281,454	(62,984)	(2.8%)	2,281,454	62,984	97.2%
Other Social Service Support Expenses & HAP	1,208,498	1,339,642	(131,144)	(9.8%)	3,823,389	4,549,591	(726,202)	(16.0%)	4,549,591	726,202	84.0%
Administrative Support Expenses	144,485	187,626	(43,141)	(23.0%)	533,972	701,705	(167,733)	(23.9%)	701,705	167,733	76.1%
Non-operating Expenses	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Expenses	2,468,353	2,682,501	(214,148)	(8.0%)	8,503,059	9,585,936	(1,082,877)	(11.3%)	9,585,936	1,082,877	88.7%
Net Income	(2,556,091)	329,090	(2,885,181)	n/m	6,935,677	5,368,694	1,566,983	29.2%	5,368,694	(1,566,983)	129.2%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(10,978)	-	(10,978)	n/m	(95,119)	-	(95,119)	n/m	-	95,119	n/m
Decrease in Restricted/Designated Cash	2,085,727	1,315,862	769,865	58.5%	2,955,309	2,672,540	282,769	10.6%	2,672,540	(282,769)	110.6%
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	215,412	126,923	88,489	69.7%	5,064,043	1,725,871	3,338,172	193.4%	1,725,871	(3,338,172)	293.4%
Acquisition of Capital Assets	-	(65,513)	65,513	(100.0%)	(30)	(252,095)	252,065	(100.0%)	(252,095)	(252,065)	0.0%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	10,978	-	10,978	n/m	95,119	-	95,119	n/m	-	(95,119)	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	2,301,139	1,377,272	923,867	67.1%	8,019,322	4,146,316	3,873,006	93.4%	4,146,316	(3,873,006)	193.4%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Transfers Out to Other Funds	(6,122,104)	(2,072,825)	(4,049,279)	195.4%	(13,860,210)	(10,688,028)	(3,172,182)	29.7%	(10,688,025)	3,172,185	129.7%
Net Transfer In/(Out)	(6,122,104)	(2,072,825)	(4,049,279)	195.4%	(13,860,210)	(10,688,028)	(3,172,182)	29.7%	(10,688,025)	3,172,185	129.7%
Net Change in Working Capital	\$ (6,377,056)	\$ (366,463)	\$ (6,010,593)	1640.2%	\$ 1,094,789	\$ (1,173,018)	\$ 2,267,807	n/m	\$ (1,173,015)	\$ (2,267,804)	n/m
Working Capital, Beginning of Period	9,454,694				1,982,849						
Working Capital, 12/31/2017	\$ 3,077,637				\$ 3,077,637						

- Block grant payments from HUD exceeded the budget due to unexpected 2.6% RFI inflation factor received in 2017
- Due to increase in interest rates, income was higher than anticipated in the budget.
- The Highline School District Rapid Rehousing Program and PACT programs were under budgeted as both programs faced challenges with utilizing contracted/budgeted resources due to the limited availability of affordable housing units in South King County. Also, the Flat Rent BPA program was budgeted but has been put into abeyance. Finally, the new DV Program achieved utilization goals with fewer expenditures than budgeted.
- Various categories were under target (administrative contracts, professional services, travel and training, software maintenance).
- Changes in FSS reserve accounts are not budgeted
- Releases from restriction of MTW fund held for Federal Home Loan Bank collateral was higher than anticipated in the budget
- Lot sale proceeds were originally budgeted to be used to partially pay off MTW and COCC internal loans, but a mid-year decision was made to direct the proceeds exclusively to the MTW loan.
- \$250K was budgeted as a placeholder for architecture and engineering project costs; actual costs were coded directly to projects.
- Debt service payments for Birch Creek and Green River 2 were budgeted to be funded with a combination of property net cash flow and a draw from excess cash reserves. Instead, MTW funds were used resulting in \$4.2M unbudgeted transfer out. This was partially offset by lower than anticipated subsidy transfer from MTW to GP ledgers.

Local Properties (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2017

	Quarter Ended December 31, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 15,273,669	\$ 13,782,104	\$ 1,491,565	10.8%	\$ 56,780,309	\$ 54,408,530	\$ 2,371,779	4.4%	\$ 54,408,530	\$ (2,371,779)	104.4%
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	175,573	56,383	119,190	211.4%	347,043	282,450	64,593	22.9%	282,450	(64,593)	122.9%
Non-operating Revenue	62,262	170,033	(107,771)	(63.4%)	681,450	452,447	229,003	50.6%	452,447	(229,003)	150.6%
Total Revenues	15,511,505	14,008,520	1,502,985	10.7%	57,808,801	55,143,427	2,665,374	4.8%	55,143,427	(2,665,374)	104.8%
Expenses											
Salaries & Benefits	1,249,982	1,232,189	17,793	1.4%	4,570,328	4,847,019	(276,691)	(5.7%)	4,847,019	276,691	94.3%
Routine Maintenance, Utilities, Taxes & Insurance	3,663,549	3,409,388	254,161	7.5%	13,337,404	13,625,863	(288,459)	(2.1%)	13,625,863	288,459	97.9%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	100,926	84,535	16,391	19.4%	325,171	335,352	(10,181)	(3.0%)	335,352	10,181	97.0%
Administrative Support Expenses	1,487,492	1,161,528	325,964	28.1%	5,178,105	4,937,533	240,572	4.9%	4,937,533	(240,572)	104.9%
Non-operating Expenses	1,587,894	1,654,835	(66,941)	(4.0%)	6,083,674	6,300,084	(216,410)	(3.4%)	6,300,084	216,410	96.6%
Total Expenses	8,089,842	7,542,475	547,367	7.3%	29,494,682	30,045,851	(551,169)	(1.8%)	30,045,851	551,169	98.2%
Net Income	7,421,662	6,466,045	955,617	14.8%	28,314,119	25,097,576	3,216,543	12.8%	25,097,576	(3,216,543)	112.8%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(1,338,364)	(383,800)	(954,564)	248.7%	(12,998,387)	(2,047,282)	(10,951,105)	534.9%	(2,047,282)	10,951,105	634.9%
Decrease in Restricted/Designated Cash	5,289	-	5,289	n/m	279,989	1,565,000	(1,285,011)	(82.1%)	1,565,000	1,285,011	17.9%
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	15,791	-	15,791	n/m	15,791	-	15,791	n/m	-	(15,791)	n/m
Acquisition of Capital Assets	(156,477,616)	(53,888)	(156,423,728)	290275.6%	(160,919,648)	(4,077,797)	(156,841,851)	3846.2%	(4,077,797)	156,841,851	3946.2%
Maintenance Projects	(4,199,757)	(2,485,739)	(1,714,018)	69.0%	(12,264,939)	(14,879,237)	2,614,298	(17.6%)	(14,879,237)	(2,614,298)	82.4%
Acquisition of Capital Assets	(160,677,374)	(2,539,627)	(158,137,747)	6226.8%	(173,184,587)	(18,957,034)	(154,227,553)	813.6%	(18,957,034)	154,227,553	913.6%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	14,743	-	14,743	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	(797)	-	(797)	n/m	(697)	-	(697)	n/m	-	697	n/m
Change in Deferrals	150,920	-	150,920	n/m	184,984	-	184,984	n/m	-	(184,984)	n/m
Increase in LT Debt	157,250,375	-	157,250,375	n/m	160,649,995	4,473,235	156,176,760	3491.4%	4,473,235	(156,176,760)	3591.4%
(Decrease) in LT Debt	(2,211,800)	(3,055,535)	843,735	(27.6%)	(9,583,045)	(7,807,482)	(1,775,563)	22.7%	(7,807,482)	1,775,563	122.7%
Change in Other Liabilities	(4,182)	2,100	(6,282)	n/m	11,390	8,399	2,991	35.6%	8,399	(2,991)	135.6%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	100,000	-	100,000	n/m	697,678	-	697,678	n/m	-	(697,678)	n/m
Total Other Sources/(Uses) of Working Capital	(6,695,398)	(5,976,862)	(718,536)	12.0%	(33,926,888)	(22,765,164)	(11,161,724)	49.0%	(22,765,164)	11,161,724	149.0%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	48,027	49,481	(1,454)	(2.9%)	1,892,108	197,928	1,694,180	856.0%	197,928	(1,694,180)	956.0%
Transfers Out to Other Funds	(510,132)	(757,915)	247,783	(32.7%)	(2,737,860)	(3,031,678)	293,818	(9.7%)	(3,031,678)	(293,818)	90.3%
Net Transfer In/(Out)	(462,105)	(708,434)	246,329	(34.8%)	(845,752)	(2,833,750)	1,987,998	(70.2%)	(2,833,750)	(1,987,998)	29.8%
Net Change in Working Capital	\$ 264,159	\$ (219,251)	\$ 483,410	n/m	\$ (6,458,521)	\$ (501,338)	\$ (5,957,183)	1188.3%	\$ (501,338)	\$ 5,957,183	1288.3%
Working Capital, Beginning of Period	(10,285,812)				(3,563,132)						
Working Capital, 12/31/2017	\$ (10,021,653)				\$ (10,021,653)						

- Due to insurance claim proceeds from a claim at Cascadian . Carport replacement project is expected to start and be completed in 2018.
- Gain on acquisition of assets from Southwood Square general partner fund, unbudgeted. This is partially offset by lower Vantage Glen and Rainier View Home sales.
- Reclassified all management depository accounts as "designated cash", unbudgeted. Also, due to addition of Ballinger Commons restricted accounts totaling \$1.6 million, unbudgeted.
- \$1.3M was budgeted to be drawn from Walnut Park and Woodland North replacement reserves for various projects but only \$500K was drawn as the balance of the projects cost was funded by operations. The Newporter plumbing project budgeted to be funded from replacement reserves draws has been postponed to 2018.
- Acquisition of Ballinger Commons and Friendly Village properties, unbudgeted.
- Key Bank LOC utilized for the acquisition of Ballinger Commons and Friendly Village properties. Also, Southwood Square long term debt totaling \$3.4M was transferred from a different fund group upon partnership exit.
- Made unbudgeted Abbey Ridge line of credit payments totaling \$1.7M.
- Southwood Square equity transferred from a different fund group as part of partnership exit.
- Funds originally budgeted to be transferred from the Overlake General Partner fund to the COCC were instead transferred to this fund group in order to pay down the Abbey Ridge line-of-credit (\$1.7M).
- Excess cash transfer out from bond properties was slightly lower than anticipated in the budget.

Local Properties (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2017

	Quarter Ended December 31, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Revenues											
Tenant Revenue	\$ 172,125	\$ 170,500	\$ 1,625	1.0%	\$ 675,523	\$ 682,000	\$ (6,477)	(0.9%)	\$ 682,000	\$ 6,477	99.1%
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	44,897	30,024	14,873	49.5%	134,870	149,753	(14,883)	(9.9%)	149,753	14,883	90.1%
Non-operating Revenue	137,927	137,398	529	0.4%	551,302	549,596	1,706	0.3%	549,596	(1,706)	100.3%
Total Revenues	354,949	337,922	17,027	5.0%	1,361,695	1,381,349	(19,654)	(1.4%)	1,381,349	19,654	98.6%
Expenses											
Salaries & Benefits	31,925	43,197	(11,272)	(26.1%)	161,971	162,763	(792)	(0.5%)	162,763	792	99.5%
Routine Maintenance, Utilities, Taxes & Insurance	66,494	86,559	(20,065)	(23.2%)	286,301	293,490	(7,189)	(2.4%)	293,490	7,189	97.6%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Administrative Support Expenses	26,110	26,729	(619)	(2.3%)	99,056	109,829	(10,773)	(9.8%)	109,829	10,773	90.2%
Non-operating Expenses	88,537	90,408	(1,871)	(2.1%)	354,587	361,637	(7,050)	(1.9%)	361,637	7,050	98.1%
Total Expenses	213,067	246,893	(33,826)	(13.7%)	901,914	927,719	(25,805)	(2.8%)	927,719	25,805	97.2%
Net Income	141,882	91,029	50,853	55.9%	459,781	453,630	6,151	1.4%	453,630	(6,151)	101.4%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(6,994)	(6,951)	(43)	0.6%	(27,845)	(27,804)	(41)	0.1%	(27,804)	41	100.1%
Decrease in Restricted/Designated Cash	50,418	50,000	418	0.8%	50,845	50,000	845	1.7%	50,000	(845)	101.7%
(Increase) in LT Receivables	(48,060)	(44,859)	(3,201)	7.1%	(192,240)	(179,438)	(12,802)	7.1%	(179,438)	12,802	107.1%
Decrease in LT Receivables	142,934	-	142,934	n/m	258,338	115,404	142,934	123.9%	115,404	(142,934)	223.9%
Acquisition of Capital Assets	(401)	(22,200)	21,799	(98.2%)	(102,131)	(124,000)	21,869	(17.6%)	(124,000)	(21,869)	82.4%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	471	-	471	n/m	46	-	46	n/m	-	(46)	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	(200,000)	200,000	(100.0%)	(386,000)	(200,000)	(186,000)	93.0%	(200,000)	186,000	193.0%
Change in Other Liabilities	50,157	50,158	(1)	(0.0%)	85,224	85,233	(9)	(0.0%)	85,233	9	100.0%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	188,525	(173,852)	362,377	n/m	(313,763)	(280,605)	(33,158)	11.8%	(280,605)	33,158	111.8%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Transfers Out to Other Funds	-	-	-	n/m	-	(91,281)	91,281	(100.0%)	(91,281)	(91,281)	0.0%
Net Transfer In/(Out)	-	-	-	n/m	-	(91,281)	91,281	(100.0%)	(91,281)	(91,281)	0.0%
Net Change in Working Capital	\$ 330,407	\$ (82,823)	\$ 413,230	n/m	\$ 146,017	\$ 81,744	\$ 64,273	78.6%	\$ 81,744	\$ (64,273)	178.6%
Working Capital, Beginning of Period	669,570				853,959						
Working Capital, 12/31/2017	\$ 999,977				\$ 999,977						

- 1) Wonderland Estates lease payment of \$142K, unbudgeted.
- 2) Pay down of the Wonderland Estates KeyBank LOC was greater than anticipated in the budget.
- 3) The budgeted \$91K excess cash transfer from Valley Park to the COCC did not occur as it was decided to leave this cash with the property.

Local Properties Tax Credit GP
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2017

	Quarter Ended December 31, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	266,091	-	266,091	n/m	530,192	35,822	494,370	1380.1%	35,822	(494,370)	1480.1%
Non-operating Revenue	932,817	573,135	359,682	62.8%	2,927,361	2,268,343	659,018	29.1%	2,268,343	(659,018)	129.1%
Total Revenues	1,198,908	573,135	625,773	109.2%	3,457,554	2,304,165	1,153,389	50.1%	2,304,165	(1,153,389)	150.1%
Expenses											
Salaries & Benefits	39,670	39,161	509	1.3%	148,050	146,628	1,422	1.0%	146,628	(1,422)	101.0%
Routine Maintenance, Utilities, Taxes & Insurance	1,377	2,197	(820)	(37.3%)	5,092	8,500	(3,408)	(40.1%)	8,500	3,408	59.9%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	46	-	46	n/m	148	-	148	n/m	-	(148)	n/m
Administrative Support Expenses	104,383	88,715	15,668	17.7%	434,198	366,986	67,212	18.3%	366,986	(67,212)	118.3%
Non-operating Expenses	282,358	168,625	113,733	67.4%	1,051,013	718,033	332,980	46.4%	718,033	(332,980)	146.4%
Total Expenses	427,833	298,698	129,135	43.2%	1,638,500	1,240,147	398,353	32.1%	1,240,147	(398,353)	132.1%
Net Income	771,075	274,437	496,638	181.0%	1,819,054	1,064,018	755,036	71.0%	1,064,018	(755,036)	171.0%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(45,000,000)	(200,000)	(44,800,000)	22400.0%	(45,260,605)	(200,000)	(45,060,605)	22530.3%	(200,000)	45,060,605	22630.3%
Decrease in Restricted/Designated Cash	(135,851)	-	(135,851)	n/m	1,480,342	500,000	980,342	196.1%	500,000	(980,342)	296.1%
(Increase) in LT Receivables	(2,162,110)	1,406,925	(3,569,035)	n/m	(15,332,110)	(14,002,670)	(1,329,440)	9.5%	(14,002,670)	1,329,440	109.5%
Decrease in LT Receivables	20,005,187	13,632,288	6,372,899	46.7%	37,666,545	31,947,987	5,718,558	17.9%	31,947,987	(5,718,558)	117.9%
Acquisition of Capital Assets	154,100	-	154,100	n/m	155,366	-	155,366	n/m	-	(155,366)	n/m
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	(1,082,088)	1,082,088	(100.0%)	-	(1,082,088)	1,082,088	(100.0%)	(1,082,088)	(1,082,088)	0.0%
Change in Deferrals	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Increase in LT Debt	45,000,000	-	45,000,000	n/m	45,000,000	-	45,000,000	n/m	-	(45,000,000)	n/m
(Decrease) in LT Debt	(15,876,667)	(16,676,377)	799,710	(4.8%)	(31,381,667)	(34,536,776)	3,155,109	(9.1%)	(34,536,776)	(3,155,109)	90.9%
Change in Other Liabilities	2,931	2,931	-	0.0%	11,724	11,725	(1)	(0.0%)	11,725	1	100.0%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	(1,235,232)	-	(1,235,232)	n/m	(1,905,448)	(20,735)	(1,884,713)	9089.5%	(20,735)	1,884,713	9189.5%
Total Other Sources/(Uses) of Working Capital	752,357	(2,916,321)	3,668,678	n/m	(9,565,853)	(17,382,557)	7,816,704	(45.0%)	(17,382,557)	(7,816,704)	55.0%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	-	2,948,855	(2,948,855)	(100.0%)	1,141,000	2,948,855	(1,807,855)	(61.3%)	2,948,855	1,807,855	38.7%
Transfers Out to Other Funds	(7,150,000)	(7,410,710)	260,710	(3.5%)	(8,905,342)	(9,010,710)	105,368	(1.2%)	(9,010,710)	(105,368)	98.8%
Net Transfer In/(Out)	(7,150,000)	(4,461,855)	(2,688,145)	60.2%	(7,764,342)	(6,061,855)	(1,702,487)	28.1%	(6,061,855)	1,702,487	128.1%
Net Change in Working Capital	\$ (5,626,568)	\$ (7,103,739)	\$ 1,477,171	(20.8%)	\$ (15,511,141)	\$ (22,380,394)	\$ 6,869,253	(30.7%)	\$ (22,380,394)	\$ (6,869,253)	69.3%
Working Capital, Beginning of Period	8,128,019				8,102,592						
Working Capital, 12/31/2017	\$ 2,501,451				\$ 2,501,451						

- 1) Unbudgeted Spiritwood weatherization funds
- 2) Due to increase in interest rate, interest income on Overlake Trustee account was higher than anticipated in the budget
- 3) Distribution from Overlake net operating income deposited into the Interest Stabilization account was higher than anticipated in the budget resulting in higher than anticipated fees
- 4) Overlake bond interest expenses were inadvertently not budgeted. The Southwood Square interest expenses were budgeted in Fund group 7 but the 1st quarter actuals are reported in fund group 9 as the partnership exit didn't occur until April 1st. Also, due to unbudgeted interest on Somerset Gardens and Highland Village bond interest expense.
- 5) Proceeds from \$45M Private Activity Bond issuance for Highland Village and Somerset Gardens are restricted
- 6) Draws from Overlake Stabilization account to pay down the Key bank line-of-credit was greater than anticipated in the budget.
- 7) Draws from KCHA subordinate loan to Spiritwood Tax Credit Partnership was higher than expected in the budget. The proceeds were used to pay off the Key Bank LOC.
- 8) Repayment of Spiritwood and Corinthian LOC from the proceeds of investor contribution and KCHA subordinate loan were greater than anticipated. Also, debt principal payment from Overlake net cash flow (NCF) distribution was higher than anticipated in the budget.
- 9) Reimbursement by Corinthian Partnership for permanent relocation cost paid by KCHA, unbudgeted.
- 10) Spiritwood General Partner equity contribution was budgeted as other asset. However, the actual equity contribution of \$1.2 million was transferred to a different fund group. See note #13.
- 11) Issuance of Private Activity Bonds for Highland Village and Somerset Gardens
- 12) Corinthian LOC payment was less than budgeted by \$3M as a decision was made to delay the budgeted Key Bank LOC payment until the King County Transit-Oriented Development (TOD) loan is received
- 13) Southwood Square equity of \$575K was transferred to a different fund group as part of the partnership exit. Also, transfer of Spiritwood GP equity contribution of \$1.2M to Partnership fund in different fund group. See note #10.
- 14) \$2.9M of COCC funding of the Corinthian subordinate loan was budgeted to be transferred. However, only \$1.14M of this amount was transferred as the balance is financed through issuance tax exempt LOC.

Local-Development
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2017

	Quarter Ended December 31, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	(7,500)	3,000	(10,500)	n/m	12,301	3,000	9,301	310.0%	3,000	(9,301)	410.0%
Non-operating Revenue	221,914	18,804	203,110	1080.1%	336,787	(63,225)	400,012	n/m	(63,225)	(400,012)	n/m
Total Revenues	214,414	21,804	192,610	883.4%	349,089	(60,225)	409,314	n/m	(60,225)	(409,314)	n/m
Expenses											
Salaries & Benefits	58,512	119,106	(60,594)	(50.9%)	423,251	445,810	(22,559)	(5.1%)	445,810	22,559	94.9%
Routine Maintenance, Utilities, Taxes & Insurance	9,306	100,000	(90,694)	(90.7%)	9,306	200,000	(190,694)	(95.3%)	200,000	190,694	4.7%
Direct Social Service Salaries & Benefits	-	-	-	n/m	1,646	-	1,646	n/m	-	(1,646)	n/m
Other Social Service Support Expenses & HAP	8,398	-	8,398	n/m	8,398	-	8,398	n/m	-	(8,398)	n/m
Administrative Support Expenses	22,846	180,289	(157,443)	(87.3%)	139,659	313,951	(174,292)	(55.5%)	313,951	174,292	44.5%
Non-operating Expenses	118	50,000	(49,882)	(99.8%)	437	50,000	(49,563)	(99.1%)	50,000	49,563	0.9%
Total Expenses	99,180	449,395	(350,215)	(77.9%)	582,697	1,009,761	(427,064)	(42.3%)	1,009,761	427,064	57.7%
Net Income	115,234	(427,591)	542,825	n/m	(233,608)	(1,069,986)	836,378	(78.2%)	(1,069,986)	(836,378)	21.8%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(220,892)	(741)	(220,151)	29710.0%	(836,271)	(452,989)	(383,282)	84.6%	(452,989)	383,282	184.6%
Decrease in Restricted/Designated Cash	8,398	-	8,398	n/m	110,828	71,032	39,796	56.0%	71,032	(39,796)	156.0%
(Increase) in LT Receivables	(206)	-	(206)	n/m	(5,188)	-	(5,188)	n/m	-	5,188	n/m
Decrease in LT Receivables	-	-	-	n/m	30,371	-	30,371	n/m	-	(30,371)	n/m
Acquisition of Capital Assets	(627,151)	(20,385,761)	19,758,610	(96.9%)	(1,784,957)	(21,951,992)	20,167,035	(91.9%)	(21,951,992)	(20,167,035)	8.1%
Disposition of Capital Assets	33,620	-	33,620	n/m	4,396,124	4,017,434	378,690	9.4%	4,017,434	(378,690)	109.4%
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	100,000	-	100,000	n/m	85,000	-	85,000	n/m	-	(85,000)	n/m
Increase in LT Debt	-	20,000,000	(20,000,000)	(100.0%)	-	20,000,000	(20,000,000)	(100.0%)	20,000,000	20,000,000	0.0%
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	392,758	410,813	(18,055)	(4.4%)	(2,323,568)	(1,690,917)	(632,651)	37.4%	(1,690,917)	632,651	137.4%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	(313,473)	24,311	(337,784)	n/m	(327,662)	(7,432)	(320,230)	4308.8%	(7,432)	320,230	4408.8%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	-	-	-	n/m	513,740	325,000	188,740	58.1%	325,000	(188,740)	158.1%
Transfers Out to Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Net Transfer In/(Out)	-	-	-	n/m	513,740	325,000	188,740	58.1%	325,000	(188,740)	158.1%
Net Change in Working Capital	\$ (198,239)	\$ (403,280)	\$ 205,041	(50.8%)	\$ (47,531)	\$ (752,418)	\$ 704,887	(93.7%)	\$ (752,418)	\$ (704,887)	6.3%
Working Capital, Beginning of Period	2,259,132				2,108,424						
Working Capital, 12/31/2017	\$ 2,060,893				\$ 2,060,893						

- 1) Lot sales price participation was higher than anticipated in the budget.
- 2) During the 3rd and 4th quarters, \$200K was budgeted for repair work at the Houghton Apartment building that was expected to be purchased from the City of Kirkland upon the sale of the Eastside maintenance building. The sale is now expected to close during the 2nd quarter of 2018
- 3) Financial and real estate expenses related to workforce housing acquisition were budgeted in this fund group. However, actual expenses for the Friendly Village and Ballinger Commons acquisitions were booked to the Local Properties fund group.
- 4) \$50K was budgeted for new workforce housing line of credit interest expense. Invoices for Friendly Village mobile Home Park LOC were not received until the 1st quarter of 2018.
- 5) Interest from HOPE VI grant proceeds loaned to the various partnerships are transferred from the general partner funds to the development fund and were greater than anticipated in the budget. Additions to restricted cash from lot sale profit participation also exceeded budget. Also, net increase of Greenbridge earnest money totaling \$75K, unbudgeted.
- 6) Seola Gardens endowment reserve draw was higher than anticipated in the budget.
- 7) \$20M was budgeted as a placeholder for the acquisition of new workforce housing. The acquisition of Friendly Village and Ballinger Commons were financed with a line-of-credit and booked to a different fund group.
- 8) Greenbridge and Seola Gardens lots sales were higher than anticipated in the budget.
- 9) Increase in Connor Homes earnest money deposit, unbudgeted.
- 10) Payment on MTW loan from lots sale proceeds were higher than expected in the budget (\$700K). Also, draw on Greenbridge internal loan was less than anticipated as construction cost was below target when some construction projects were postponed to 2018.
- 11) Interest from HOPE VI grant proceeds loaned to the various partnerships are transferred from the general partner funds to the development fund and were greater than anticipated in the budget.

Local-Other Funds
Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2017

	Quarter Ended December 31, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	454,923	498,063	(43,140)	(8.7%)	1,928,768	1,992,254	(63,486)	(3.2%)	1,992,254	63,486	96.8%
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	1,823,302	1,650,737	172,565	10.5%	6,508,748	6,338,421	170,327	2.7%	6,338,421	(170,327)	102.7%
Non-operating Revenue	25,323	16,081	9,242	57.5%	133,912	83,966	49,946	59.5%	83,966	(49,946)	159.5%
Total Revenues	2,303,548	2,164,881	138,667	6.4%	8,571,428	8,414,641	156,787	1.9%	8,414,641	(156,787)	101.9%
Expenses											
Salaries & Benefits	375,784	379,098	(3,314)	(0.9%)	1,270,787	1,423,513	(152,726)	(10.7%)	1,423,513	152,726	89.3%
Routine Maintenance, Utilities, Taxes & Insurance	(35,346)	3,079	(38,425)	n/m	13,520	11,817	1,703	14.4%	11,817	(1,703)	114.4%
Direct Social Service Salaries & Benefits	44,529	16,170	28,359	175.4%	127,403	60,062	67,341	112.1%	60,062	(67,341)	212.1%
Other Social Service Support Expenses & HAP	813,838	1,347,261	(533,423)	(39.6%)	3,704,484	4,821,050	(1,116,566)	(23.2%)	4,821,050	1,116,566	76.8%
Administrative Support Expenses	21,180	42,241	(21,061)	(49.9%)	141,372	133,552	7,820	5.9%	133,552	(7,820)	105.9%
Non-operating Expenses	(579)	250,700	(251,279)	n/m	53	1,033,745	(1,033,692)	(100.0%)	1,033,745	1,033,692	0.0%
Total Expenses	1,219,407	2,038,549	(819,142)	(40.2%)	5,257,618	7,483,739	(2,226,121)	(29.7%)	7,483,739	2,226,121	70.3%
Net Income	1,084,141	126,332	957,809	758.2%	3,313,810	930,902	2,382,908	256.0%	930,902	(2,382,908)	356.0%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in Restricted/Designated Cash	2,408,798	2,624,947	(216,149)	(8.2%)	10,325,564	10,476,065	(150,501)	(1.4%)	10,476,065	150,501	98.6%
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(3,233,944)	(2,625,007)	(608,937)	23.2%	(11,151,362)	(10,476,305)	(675,057)	6.4%	(10,476,305)	675,057	106.4%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	(107,448)	-	(107,448)	n/m	(12)	-	(12)	n/m	-	12	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	(144,651)	(105,902)	(38,749)	36.6%	(616,201)	(423,605)	(192,596)	45.5%	(423,605)	192,596	145.5%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	145,340	-	145,340	n/m	-	(145,340)	n/m
Total Other Sources/(Uses) of Working Capital	(1,077,246)	(105,962)	(971,284)	916.6%	(1,296,670)	(423,845)	(872,825)	205.9%	(423,845)	872,825	305.9%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	312,198	332,834	(20,636)	(6.2%)	1,160,249	1,331,338	(171,089)	(12.9%)	1,331,338	171,089	87.1%
Transfers Out to Other Funds	(312,198)	(332,834)	20,636	(6.2%)	(2,662,041)	(1,331,338)	(1,330,703)	100.0%	(1,331,338)	1,330,703	200.0%
Net Transfer In/(Out)	-	-	-	n/m	\$ (1,501,792)	\$ -	\$ (1,501,792)	n/m	-	1,501,792	n/m
Net Change in Working Capital	6,896	20,370	(13,474)	(66.1%)	515,348	507,057	8,291	1.6%	\$ 507,057	\$ (8,291)	101.6%
Working Capital, Beginning of Period	7,968,602				7,460,150						
Working Capital, 12/31/2017	7,975,498				\$ 7,975,498						

- 1) Due to higher interest rates on greater than anticipated EPC cash balances.
- 2) Two vacant positions related to the Gates Foundation Grant were budgeted starting January 2017 but the positions were not filled until the 3rd quarter.
- 3) Due to unbudgeted ROSS Service Coordinator grant.
- 4) Variance due to slow spending on the HHS and BPA grants. The grant draws are under target due to timing as the funds remain available until September 2018.
- 5) The EPC MTW loan interest is capitalized as project cost instead of being expensed as budgeted.
- 6) Interest was accrued for only two months before the first quarterly payment was made on the MTW internal loan to the EPC project resulting in a higher than budgeted amount being applied to the principal balance.
- 7) Prior period entry to adjust the 2016 EPC loan interest.
- 8) Internal Weatherization transfers were slightly under budget due to slow spending on grants. See comment #4.
- 9) \$1M of cash was transferred to Egis (KCHA) from the EPC fund to finance elevator replacement. Unbudgeted. Also, Puget Sound Energy EPC rebates totaling \$501K was transferred to the COCC, unbudgeted.

COCC

Working Capital Budget vs. Actual Report
For the Period Ended 12/31/2017

	Quarter Ended December 31, 2017				Year-to-Date				2017 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	3,811,247	2,867,226	944,021	32.9%	13,153,759	12,073,476	1,080,283	8.9%	12,073,476	(1,080,283)	108.9%
Non-operating Revenue	525,099	474,356	50,743	10.7%	2,055,952	1,897,441	158,511	8.4%	1,897,441	(158,511)	108.4%
Total Revenues	4,336,346	3,341,582	994,764	29.8%	15,209,712	13,970,917	1,238,795	8.9%	13,970,917	(1,238,795)	108.9%
Expenses											
Salaries & Benefits	3,076,079	3,148,193	(72,114)	(2.3%)	11,262,721	11,808,965	(546,244)	(4.6%)	11,808,965	546,244	95.4%
Routine Maintenance, Utilities, Taxes & Insurance	528,539	515,251	13,288	2.6%	1,905,478	1,926,496	(21,018)	(1.1%)	1,926,496	21,018	98.9%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	152	-	152	n/m	8,809	-	8,809	n/m	-	(8,809)	n/m
Administrative Support Expenses	766,413	955,042	(188,629)	(19.8%)	2,621,702	3,462,481	(840,779)	(24.3%)	3,462,481	840,779	75.7%
Non-operating Expenses	182,842	188,048	(5,206)	(2.8%)	745,646	752,193	(6,547)	(0.9%)	752,193	6,547	99.1%
Total Expenses	4,554,025	4,806,534	(252,509)	(5.3%)	16,544,355	17,950,135	(1,405,780)	(7.8%)	17,950,135	1,405,780	92.2%
Net Income	(217,678)	(1,464,952)	1,247,274	(85.1%)	(1,334,643)	(3,979,218)	2,644,575	(66.5%)	(3,979,218)	(2,644,575)	33.5%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(4,000,000)	-	(4,000,000)	n/m	(4,030,742)	(18,000)	(4,012,742)	22293.0%	(18,000)	4,012,742	22393.0%
Decrease in Restricted/Designated Cash	24,820	6,253	18,567	296.9%	24,820	25,000	(180)	(0.7%)	25,000	180	99.3%
(Increase) in LT Receivables	(443,146)	(417,000)	(26,146)	6.3%	(2,112,939)	(2,495,993)	383,054	(15.3%)	(2,495,993)	(383,054)	84.7%
Decrease in LT Receivables	164,839	188,777	(23,938)	(12.7%)	780,719	3,699,090	(2,918,371)	(78.9%)	3,699,090	2,918,371	21.1%
Acquisition of Capital Assets	(48,434)	-	(48,434)	n/m	(244,807)	(168,000)	(76,807)	45.7%	(168,000)	76,807	145.7%
Maintenance Projects	(10,596)	(873)	(9,723)	1113.8%	(33,202)	(3,490)	(29,712)	851.3%	(3,490)	29,712	951.3%
Acquisition of Capital Assets	(59,030)	(873)	(58,157)	6661.7%	(278,009)	(171,490)	(106,519)	62.1%	(171,490)	106,519	162.1%
Disposition of Capital Assets	(30)	-	(30)	n/m	9,094	-	9,094	n/m	-	(9,094)	n/m
Change in Suspense	(43,539)	-	(43,539)	n/m	(11,914)	-	(11,914)	n/m	-	11,914	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	(225,000)	(225,000)	-	0.0%	(900,000)	(900,000)	-	0.0%	(900,000)	-	100.0%
Change in Other Liabilities	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	(100,000)	-	(100,000)	n/m	12,652	-	12,652	n/m	-	(12,652)	n/m
Total Other Sources/(Uses) of Working Capital	(4,681,086)	(447,843)	(4,233,243)	945.3%	(6,506,320)	138,607	(6,644,927)	n/m	138,607	6,644,927	n/m
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	7,820,320	8,168,625	(348,305)	(4.3%)	10,613,974	12,133,669	(1,519,695)	(12.5%)	12,133,669	1,519,695	87.5%
Transfers Out to Other Funds	(457,447)	(3,242,762)	2,785,315	(85.9%)	(3,462,536)	(5,444,190)	1,981,654	(36.4%)	(5,444,190)	(1,981,654)	63.6%
Net Transfer In/(Out)	7,362,873	4,925,863	2,437,010	49.5%	7,151,438	6,689,479	461,959	6.9%	6,689,479	(461,959)	106.9%
Net Change in Working Capital	\$ 2,464,108	\$ 3,013,068	\$ (548,960)	(18.2%)	\$ (689,525)	\$ 2,848,868	\$ (3,538,393)	n/m	\$ 2,848,868	\$ 3,538,393	n/m
Working Capital, Beginning of Period	31,218,394				34,372,027						
Working Capital, 12/31/2017	\$ 33,682,502				\$ 33,682,502						

1) Unbudgeted City of Seattle Homewise EPC energy saving grant for Briarwood, Ballinger and Northridge. Also, unit upgrade fees were higher than anticipated in the budget.

2) Various categories are under target (i.e. software maintenance, administrative contracts, agency-wide training, professional services)

3) Liquidity reserves increased by \$4M up to \$13M per new credit enhancement requirement with King County

4) Greenbridge internal loan was less than anticipated in the budget as construction costs were below target due to (i) Homesight lots being reduced from five to three and (ii) some construction projects being postponed to 2018.

5) The proceeds from lots sales was originally budgeted to be used to partially pay off internal loans from both the MTW and the COCC, but a mid-year decision was made to direct the proceeds exclusively to the MTW loan.

6) Six vehicles were budgeted to be purchased during 2017 but a total of ten vehicles were acquired as three Section 8 vehicles were replaced due to maintenance issues.

7) Technical accounting entry to close the Charter House fund and move the Arbor Heights restricted cash to COCC.

8) Excess cash of \$1.6M was budgeted to be transferred from Overlake to the COCC; instead \$1.7M was transferred to a different fund group to pay down the Abbey Ridge LOC. This is partially offset by less than anticipated excess cash transfer from bond properties to COCC.

9) \$2.9M of COCC funding of the Corinthian subordinate loan was budgeted to be transferred in the 4th quarter. However, only \$1.14M of this amount was transferred in during the 2nd quarter. Also, transfer from COCC for capital construction was less than anticipated in the budget.

T A B N U M B E R

7



To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: May 3, 2018

Re: **First Quarter 2018 Financial Statements**

EXECUTIVE SUMMARY

First quarter financial results tracked well against budget projections. Operating Income exceeded budget by 1.3%, while operating expenses were 1.2% under budget.

Throughout the first quarter, HUD used an interim proration of 90% for Public Housing Operating Fund Subsidy payments versus budgeted estimates of 93%. However, as KCHA's actual subsidy request exceeded budget assumptions due to additions recommended by Johnson Controls related to the Energy Performance Contract, quarterly cash receipts slightly outpaced budget projections. HUD's interim proration for May rose to 93.28%.

Final 2018 funding has not been released for the Housing Choice Voucher (HCV) program although an inflation factor of 18.24% is still listed in HUD's online funding planning tool. An inflation estimate of 8% was used in 2018 budget calculations along with a projected prorate of 97.6%. Should the 2018 funding ultimately include the 18.24% inflation factor and a 97.6% prorate, block grant funding would rise by \$12.1 million. Actual first quarter funding was based on 2017 HAP costs and included no provision for inflation. As a result, cash receipts were \$1.4 million below budget.

2018 Housing Choice Voucher (HCV) Housing Assistance Payments (HAP), excluding payments made to landlords on behalf of tenants who have moved into KCHA's service area (ports-in), are essentially on target with a negative variance of only 0.2%. Although KCHA is a cumulative 302 unit months over target for the quarter, the average HAP payment has been \$4.28 lower than budget estimates.

KCHA working capital (the difference between the agency's current assets and current liabilities) rose by \$8.4 million during the quarter, driven by revenue from the Windrose lot sales and the net increase in unrestricted cash in the bond property portfolio.

QUARTERLY HIGHLIGHTS

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

Installed vs. Unit Scheduled	
Water Conserv.	98.0%
Lighting	100.0%
DHPs	95.4%
ERVs	95.9%
Bath Fans	97.1%

Approximately 75% of the Windrose area of Greenbridge was sold during the quarter to Conner Homes for \$4.8 million. \$3.0 million of the proceeds was deposited into a restricted "Program Income" account for future use, while the remainder was used to partially payoff an internal loan from the MTW program to the Greenbridge development, leaving an outstanding loan balance of \$5.8 million.

Somerset Gardens and Highland Village were sold to a single Low Income Housing Tax Credit Partnership in March. Rehabilitation of both properties will commence later in 2018.

Due to certain debt covenants, KCHA must maintain a debt service coverage ratio of 1.1 or better. The debt service coverage ratio is calculated by dividing net operating income by the annual required debt service payments and is a measure of the ability of a borrower to meet current debt obligations. A ratio of 1.0 or greater means the borrower has sufficient income to cover its obligations. Below is a chart detailing the recent history of this important metric:

2017 Ratios	
Q1	2.09
Q2	1.98
Q3	1.67
Q4	1.59
2018 Ratios	
Q1	1.99

Staff is currently working on the other financial metrics that were discussed at the Board retreat earlier in the year. This will be the subject of a future Board briefing and the full metrics will be presented starting with the 2nd quarter financial report.

CASH AND INVESTMENT SUMMARIES

Overall cash balances were up by \$11.6 million during the quarter. Driving this increase was a \$7.3 million annual cash distribution from tax credit partnerships and \$4.8 million from the sale of Windrose. For a complete report on KCHA's overall cash position at the end of the quarter, please see page 10.

Investment Summaries (in millions) as of 3/31/2018	Amount	Yield	% of Total
Invested in the Local Government Investment Pool & Masterfund	\$115.0	1.57%	49.3%
Invested by KCHA	58.4	1.50%	25.1%
Cash held by trustees	15.7	0.10% *	6.7%
Cash held in checking and savings accounts	27.9	0.10% *	12.0%
Invested by KCHA	\$217.0	1.35%	93.0%
Cash loaned for low income housing & EPC project purposes	16.2	4.98%	7.0%
Loaned by KCHA	16.2	4.98%	7.0%
Total	<u>\$233.3</u>	<u>1.60%</u>	<u>100.0%</u>

*Estimate

The overall Return on Investment (ROI) on KCHA investments, including loans made for low income housing and EPC project purposes, was 1.60%, up from 1.33% last quarter. The Washington State Treasurer's Local Government Investment Pool (LGIP) average interest rate for the quarter was 1.49%.

First Quarter 2018 Financial Report
May 21, 2018 Board Meeting
Page 4 of 9

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

(in millions of dollars)

MTW Cash, Beginning of Quarter	\$16.2
--------------------------------	--------

Quarterly change:

Standard block grant cash receipts from HUD	30.5
Quarterly HAP payments sourced from the block grant	(25.8)
Quarterly block grant administrative fees paid to Section 8	(2.2)
Repayment on Greenbridge internal loan	1.9
Additional subsidy transferred to Public Housing properties	(0.7)
Capital construction projects	(0.6)
Unit upgrades	(0.4)
Direct social service expenses	(0.5)
Homeless Housing expenses	(0.3)
Other net changes	0.2

MTW Cash, End of Quarter	\$18.3
--------------------------	--------

Less Reserves:

Restricted reserve-Green River collateral	(6.0)
HAP Reserve (\$3.8 million is pledged as FHLB collateral)	(5.9)
Supportive housing reserve	(0.1)
Technology reserve	(0.2)
FSS reserves	(0.2)

MTW Available Cash, End of Quarter	\$5.9
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COCC Cash, Beginning of Quarter	\$49.2
---------------------------------	--------

Quarterly change:

Fee revenue	3.2
Transfer of excess cash to COCC	1.2
Interest income on investments and loans	0.5
Administrative expenses	(3.4)
Other net change	(1.8)

COCC Cash, End of Quarter	\$48.8
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Less Reserves:

Liquidity reserves for King County credit enhancement	(13.0)
Other	(0.5)

COCC Working Capital Cash, End of Quarter	\$35.3
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CAPITAL INVESTMENTS (Including tax credit partnerships)

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

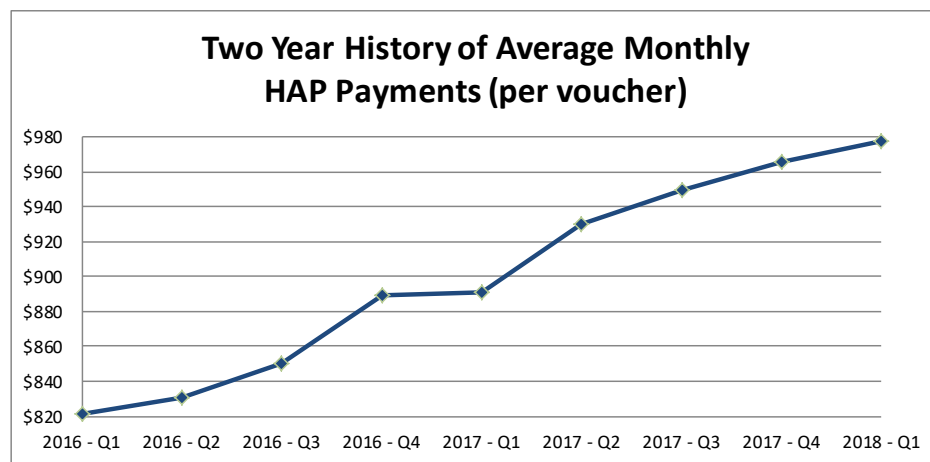
	Actuals Thru 3/31/2018	Budget Thru 3/31/2018	YTD Variance	Percent of Annual Budget	2018 Annual Budget
CONSTRUCTION ACTIVITIES					
<i>Managed by Capital Construction Department</i>					
Public Housing	\$1,276,644	\$1,182,633	\$94,011	19.9%	\$6,411,806
509 Properties	44,139	402,121	(357,982)	1.2%	3,575,529
Other Properties	35,684	332,005	(296,321)	1.8%	2,007,234
	1,356,467	1,916,759	(560,292)	11.3%	11,994,569
<i>Managed by Housing Management Department</i>					
Unit Upgrade Program	827,072	799,225	27,847	25.9%	3,196,871
Energy Performance Contract	2,524,599 (1)	772,266	1,752,333	46.3%	5,457,742
Other Projects	676,468	370,919	305,549	33.4%	2,022,632
	4,028,139	1,942,410	2,085,729	37.7%	10,677,245
<i>Managed by Asset Management Department</i>					
Bond Properties-managed by KCHA staff	219,280	395,027	(175,747)	15.1%	1,452,101
Bond Properties-managed by external property mgt	1,533,081 (2)	2,787,741	(1,254,660)	10.2%	14,995,227
	1,752,361	3,182,768	(1,430,407)	10.7%	16,447,328
Subtotal Construction Activities	7,136,967	7,041,937	95,030	18.2%	39,119,142
DEVELOPMENT ACTIVITY					
<i>Managed by Hope VI Department</i>					
Greenbridge	217,779 (3)	995,791	(778,012)	7.8%	2,789,520
Notch	25,318	29,368	(4,050)	20.8%	121,515
Salmon Creek/Nia	141,754	120,000	21,754	88.6%	160,000
	384,852	1,145,159	(762,285)	12.5%	3,071,035
<i>Managed by Development Department</i>					
Spiritwood	-	-	-	N/A	-
Other Projects	428,803	650,000	(221,197)	18.6%	2,300,000
	428,803	650,000	(221,197)	18.6%	2,300,000
Subtotal Development Activity	813,654	1,795,159	(983,482)	15.1%	5,371,035
TOTAL CONSTRUCTION & DEVELOPMENT	\$7,950,621	\$8,837,096	(\$888,452)	17.9%	\$44,490,177
PROPERTY ACQUISITIONS & OTHER ASSETS					
Other Assets	2,430				
TOTAL PER WORKING CAPITAL REPORT	\$7,953,051				

- 1) Timing. EPC costs were budgeted evenly throughout the year but most of 2018 budgeted Ductless Heat Pumps (DHP) and Energy Recovery Ventilators (ERV) were installed in the 1st quarter.
- 2) Maintenance projects at bond properties that would occur after tenants vacate units were behind schedule as unit turnover was less than anticipated.
- 3) Some utility hookup fees and engineering costs for the preliminary development of raw land in Greenbridge Division 8 were budgeted for the 1st quarter but will occur later in the year

PROGRAM ACTIVITIES

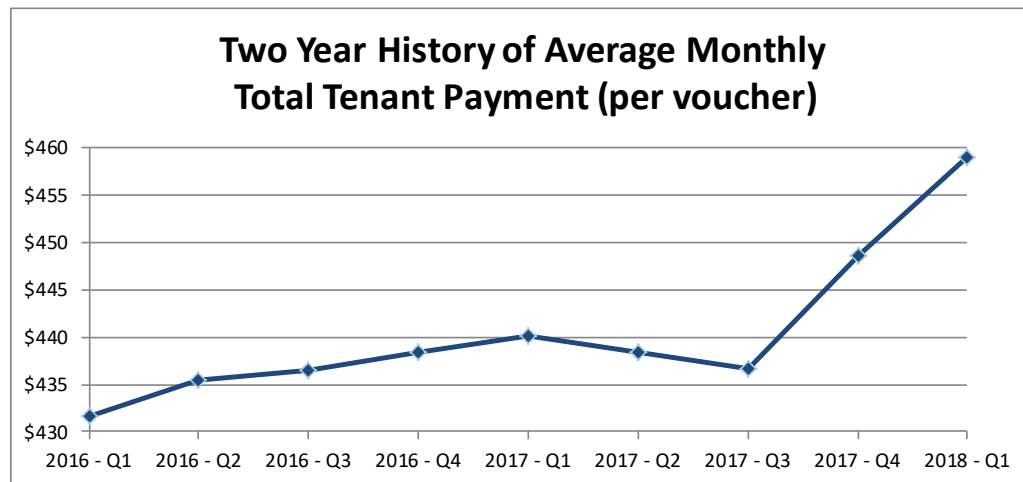
HOUSING CHOICE VOUCHERS

The average quarterly HAP payment to landlords for all HCV vouchers was \$977.10, compared to \$965.59 last quarter and \$890.76 one year ago.



KCHA's average HAP cost continued to rise during the quarter, but at a slower pace than 2017. With continued rising market rents for lower priced units, continued low vacancy rates and KCHA's commitment to adequately sizing subsidy payments to enable program participants to reside in higher priced sub-markets, the increase in average HAP costs is expected to continue.

Total Tenant Payment (TTP) is the tenant's monthly contribution towards rent and utilities and is benchmarked at 28.3% of their income. Average TTP for the quarter was \$458.93, up sharply from \$448.59 the previous quarter and \$436.68 six months ago. This increase appears to be influenced by a combination of higher average tenant annual income—an increase of 4.2% over the same period—and tenant's monthly rent exceeding the top of their payment standard band, shifting further rent increases onto the tenant. Staff is currently reviewing existing payments standards and the Board will be briefed at an upcoming meeting once HUD confirms the RFIF for 2018.



MTW PROGRAM

In the *MOVING TO WORK (MTW) FUND*, KCHA combines certain HUD Public Housing revenues with Housing Choice Vouchers (HCV) Block Grant funding. Out of these aggregated revenues, there are five distinct uses:

1. Transfers to the Section 8 program to pay for Housing Assistance Payments to landlords and administrative expenses

Through the first three months, block grant payments from HUD have been based solely on HAP expenses incurred during the previous year and include no provision for inflation.

(In thousands of dollars)

	Actual	Budget	Variance	% Var
HCV Block Grant Revenue	30,510.6	31,945.9	(\$1,435.4)	(4.5%)
Funding of HAP Payments to Landlords	(25,775.5)	(25,769.1)	6.4	(0.0%)
Funding of Section 8 Administrative Costs	(2,168.3)	(2,145.4)	23.0	(1.1%)
Excess of HCV Block Grant Funding over Expenses	<u>\$ 2,566.7</u>	<u>\$ 4,031.5</u>	<u>\$ (1,464.7)</u>	<u>(36.3%)</u>

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

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

(In thousands of dollars)

	Actual	Budget	Variance	% Var
Additional Transfers to PH AMPs Based on Need	<u>(\$747.6)</u>	<u>(\$747.6)</u>	<u>\$0.0</u>	<u>(0.0%)</u>
Net Flow of Cash(from)/to MTW from/(to) PH	<u>(\$747.6)</u>	<u>(\$747.6)</u>	<u>\$0.0</u>	<u>(0.0%)</u>

3. Expenditures for homeless and resident service programs

MTW dollars support nearly all resident service programs and various initiatives designed to alleviate and prevent homelessness:

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var
Public Housing Subsidy earmarked for resident services	\$106.5	\$105.7	\$0.8	0.8%
Homeless Initiatives	(284.8)	(454.8)	\$169.9	(37.4%) (1)
Resident Services	(1,257.5)	(1,412.5)	\$155.0	(11.0%)
Use of MTW Funds for Special Programs	<u>(\$1,435.8)</u>	<u>(\$1,761.6)</u>	<u>\$325.8</u>	<u>(18.5%)</u>

- 1) Service providers have been slow in billing the Authority. Also, the Highline School District Rapid Rehousing Program was budgeted to incur \$112K of expenses but no costs have been billed to the Authority yet for 2018. Billing is expected to increase during the 2nd quarter.

4. Other uses of MTW funds

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

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var
Construction Activity & Management Fees	\$1,047.44	\$1,527.69	(\$480.2)	(31.4%) (1)
Misc. Other Uses	239.0	576.8	(337.9)	(58.6%)
	<u>\$1,286.4</u>	<u>\$2,104.5</u>	<u>(\$818.1)</u>	<u>(38.9%)</u>

- 1) The use of MTW funds for capital purposes is below budget due to timing

5. Costs to administer the MTW program

Administrative costs are primarily salaries and benefits of those who manage or analyze MTW-funded programs, with year-to-date expenses of \$179,764 or 0.59% of program gross revenues. Expenses are below the year-to-date budget of \$257,298 due mainly to timing issues.

AGENCY OVERHEAD

The Central Office Cost Center (COCC) aggregates overhead costs for the Authority. The COCC is supported by fees charged to both Federal and non-Federal programs and housing properties, and by transfers of excess cash from non-Federal housing programs. KCHA continues to administer its programs in a fiscally-prudent manner and within HUD guidelines. The chart below reflects a summary of COCC activity, excluding Regional Maintenance crews, as Regional Maintenance activity is accounted for in a separate fund and is not considered part of KCHA's general overhead.

(In thousands of dollars)

	YTD Actual	YTD Budget	Variance	% Var
Revenues				
Management fees	2,055.2	2,034.5	\$20.7	1.0%
Cash transferred-in from local properties	1,200.0	1,201.7	(1.7)	(0.1%)
Investment income	526.0	467.2	58.8	11.2%
Other income	333.0	293.2	39.8	11.9%
	<u>\$4,114.2</u>	<u>\$3,996.6</u>	<u>\$117.5</u>	<u>2.9%</u>
Expenses				
Salaries & Benefits	2,541.3	2,626.3	(\$85.0)	(3.3%)
Administrative Expenses	509.6	810.9	(301.2)	(59.1%) (1)
Occupancy Expenses	42.2	57.2	(15.1)	(35.7%)
Other Expenses	178.0	176.6	1.5	0.8%
	<u>\$3,271.2</u>	<u>\$3,671.0</u>	<u>(\$399.8)</u>	<u>(12.2%)</u>
Net Change in Available COCC Resources	<u><u>\$843.0</u></u>	<u><u>\$325.7</u></u>	<u><u>\$517.3</u></u>	

1) Various administrative categories are under target

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Non-federal Housing Properties, Other Ownership	21
Tax Credit Partnership General Partner Activity	22
Development	23
Other Funds	24
Central Office Cost Center	25

King County Housing Authority
Consolidated Cash Report
As of 3/31/2018

	Total Cash 3/31/2018	Total Cash 12/31/2017	Cash of Other Entities 3/31/2018
Unrestricted			
COCC	\$ 35,268,256	\$ 35,614,033	\$ -
Other Funds	14,875,673	2,524,614	1,752,179
<i>Total</i>	50,143,928	38,138,647	1,752,179
For Program Use Only			
MTW	5,927,649	3,500,547	0
Public Housing	3,778,119	4,727,076	2,553,458
Section 8	(767,016)	(876,946)	0
Other Funds	7,043,243	10,461,449	0
<i>Total</i>	15,981,995	17,812,125	2,553,458
Set Aside for Short-term Debt Service			
Other Funds	3,206,357	4,301,637	0
<i>Total</i>	3,206,357	4,301,637	0
Dedicated for Specific Purposes			
MTW	2,389,488	2,725,005	0
Public Housing	0	0	268,919
Section 8	(10,679)	(10,679)	0
COCC	13,557,215	13,545,732	0
Other Funds	59,524,240	61,771,878	212,667
<i>Total</i>	75,460,265	78,031,937	481,586
Restricted			
MTW	10,009,511	9,984,090	0
Public Housing	214,552	213,695	1,665,444
Section 8	933,124	1,654,395	0
Other Funds	60,472,838	55,253,952	681,559
<i>Total</i>	71,630,025	67,106,132	2,347,004
TOTAL CASH BALANCES	\$ 216,422,570	\$ 205,390,477	\$ 7,134,226
Dedicated for Specific Purposes			
Excess Cash Reserves	10,888,000	10,888,000	
Exit Tax Reserves (Designated)	6,052,827	6,052,827	
HAP Reserves	2,113,882	2,113,882	
Program Income from Hope VI loans	504,997	530,996	
Revenue Reserves	18,268,428	21,151,358	
Program Income from Hope VI Lot Sales	6,798,419	6,523,397	
Restricted Interest	194,210	171,554	
Replacement Reserves	17,249,136	16,885,522	
Operating Reserves	75,529	75,529	
Technology Reserves	209,352	279,138	
Liquidity	13,006,732	13,006,732	
Supportive Housing Reserves	66,254	331,985	
HASP	(10,679)	(10,679)	
State Gas Tax Rebate	43,178	31,695	
	<u>\$ 75,460,265</u>	<u>\$ 78,031,937</u>	
Restricted			
Excess Cash Reserves	\$ 847,323	\$ 773,369	
Project Reserves	45,489,157	45,000,000	
Program Income from Hope VI Lot Sales	3,035,948	0	
Restricted Interest	43	0	
Endowment Reserves	11,502	19,900	
Replacement Reserves	6,376,409	6,251,485	
Operating Reserves	144,970	144,874	
Bond Reserves-1 year payments	156,159	159,657	
Residual Receipt Reserves	564,899	564,899	
FSS Reserves	1,110,935	1,035,164	
Collateral Reserves	6,045,454	6,045,454	
HAP Reserves-Also collateral	3,786,246	3,786,246	
HAP Reserves - Non-Block Grant vouchers	0	771,620	
Earnest Money	0	100,000	
Security Deposit	2,465,800	2,453,462	
	<u>\$ 71,630,025</u>	<u>\$ 67,106,132</u>	

KING COUNTY HOUSING AUTHORITY
Statements of Financial Position
(In \$1,000's; excludes non-KCHA-managed
component units)
For the Period Ended March 31, 2018

ASSETS	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)						LOCAL PROGRAMS						Memo: KCHA COMBINED
	Public Housing		Other Housing		Other Programs		KCHA Owned Housing	Outside Owned Housing	Tax Credit Gen Prtnr Activity	Develop Activity	Other	COCC	
	KCHA Owned	Outside Owned	KCHA Owned	Outside Owned	Section 8 Program	MTW Program							
Working Capital Assets													
Cash-Unrestricted	\$ 108.8	\$ 1,091.6	\$ 4,527.3	\$ 5,009.3	\$ -	\$ -	\$ 2,492.1	\$ 915.9	\$ 1,735.0	\$ (44.3)	\$ 825.9	\$ 35,268.3	\$ 51,930.0
Cash-Restricted Within Program	3,760.8	2,278.4	-	-	(767.0)	5,927.6	-	(12.5)	-	1,881.6	5,175.6	0.0	18,244.4
Cash-Restricted for WC Purposes	-	-	-	2,487.5	0.0	0.0	576.4	-	142.4	-	-	-	3,206.4
Accounts Receivables	864.1	1,232.8	19.5	2,084.3	268.0	1,073.8	489.7	356.0	1,497.2	397.5	397.1	1,299.2	9,979.0
Prepaid Assets & Inventory	110.8	68.2	25.8	148.2	43.4	1.0	592.2	7.1	1.3	0.1	\$22.7	98.9	1,119.8
Total Working Capital Assets	4,844.5	4,670.9	4,572.6	9,729.3	(455.6)	7,002.5	4,150.5	1,266.5	3,376.0	2,234.9	6,421.3	36,666.3	84,479.6
Liabilities Offsetting Working Capital Assets													
Accounts Payable	(234.2)	(345.1)	(301.0)	(160.8)	180.1	(9.0)	(734.8)	(20.5)	(1.5)	45.0	(153.7)	(95.4)	(1,830.9)
Payroll Liabilities	(288.2)	(115.2)	(39.7)	(196.3)	(524.1)	(310.3)	(63.0)	(13.5)	(15.3)	(3.3)	(643.8)	(1,662.1)	(3,874.8)
Accrued Liabilities	(8.3)	(180.7)	(18.6)	(837.7)	0.0	(540.5)	(210.8)	(23.3)	(106.9)	(201.1)	(112.0)	(36.89)	(2,276.7)
Deferrals	(0.0)	0.0	(87.0)	-	(1.8)	-	(179.8)	-	(46.9)	-	(948.9)	-	(1,264.4)
Current Portion of Long-term debt	-	(220.0)	(301.4)	(5,694.2) (1)	-	-	(6,128.7) (2)	-	(320.0)	-	-	(900.0)	(13,564.3)
Total Offsetting Liabilities	(530.6)	(861.1)	(747.8)	(6,889.0)	(345.8)	(859.8)	(7,317.1)	(57.3)	(490.5)	(159.3)	(1,858.4)	(2,694.3)	(22,811.0)
Working Capital	4,313.9	3,809.8	3,824.9	2,840.4	(801.5)	6,142.7	(3,166.6)	1,209.1	2,885.4	2,075.6	4,563.0	33,972.0	61,668.6
Other Assets													
Cash-Designated	151.5	3,300.6	1,728.6	14,590.0	(10.7)	2,389.5	32,524.9	-	-	7,497.6	-	13,557.2	75,729.2
Cash-Restricted	228.4	1,677.2	980.0	501.8	933.1	10,009.5	8,561.1	249.3	45,847.3	3,127.5	0.0	-	72,115.4
Receivables	-	128,928.5	0.0	68,863.5	-	19,154.0	489.5	17,188.4	107,966.0	424.2	209.6	32,659.1	375,882.9
Capital Assets	106,058.2	106,217.1	43,532.8	202,613.6	-	-	359,073.3	5,383.7	-	2,760.7	-	13,989.0	839,628.4
Work-in-Process	7,363.6	1,747.5	820.9	1,571.8	2.8	0.0	2,463.2	-	(38.1)	11,782.3	18,307.1	50.9	44,072.0
Suspense	0.08	-	0.0	0.00	(0.9)	-	(4.9)	-	-	-	0.0	(11.9)	(17.6)
Other Assets	-	1,452.9	-	357.9	-	-	(1,065.9) (3)	16.2	16.4	49.6	-	-	827.1
Total Other Assets	113,801.8	243,323.8	47,062.4	288,498.7	924.3	31,553.0	402,041.3	22,837.7	153,791.6	25,641.9	18,516.7	60,244.3	1,408,237.4
TOTAL ASSETS (net of WC offsets)	\$ 118,115.7	\$ 247,133.8	\$ 50,887.2	\$ 291,339.0	\$ 122.8	\$ 37,695.7	\$ 398,874.6	\$ 24,046.8	\$ 156,677.0	\$ 27,717.4	\$ 23,079.7	\$ 94,216.3	\$ 1,469,906.2
LIABILITIES & EQUITY													
Other Liabilities													
Deferrals-Related to Restr Cash	\$ 190.6	\$ 80.8	\$ 65.4	\$ 166.8	\$ 932.9	\$ 177.8	\$ 2,047.6	\$ 17.1	\$ -	\$ 80.0	\$ -	\$ -	3,758.9
Debt	-	94,510.8	11,811.5	136,434.4	-	-	373,529.7	9,292.4	79,041.4	19.8	0.0	23,502.4	728,142.6
Other Liabilities	1.2	10,286.5	918.5	2,984.6	-	-	706.4	961.3	364.0	8,379.6	20,390.3	-	44,992.5
	191.9	104,878.1	12,795.4	139,585.9	932.9	177.8	376,283.7	10,270.8	79,405.4	8,479.4	20,390.3	23,502.4	776,893.9
Equity													
Equity	117,923.9	142,255.7	38,091.8	151,753.2	(810.0)	37,517.9	22,591.0	13,776.0	77,271.6	19,238.0	2,688.8	70,713.9	693,011.6
	117,923.9	142,255.7	38,091.8	151,753.2	(810.0)	37,517.9	22,591.0	13,776.0	77,271.6	19,238.0	2,688.8	70,713.9	693,011.6
TOTAL LIAB & EQ (net of curr liab)	\$ 118,115.7	\$ 247,133.8	\$ 50,887.2	\$ 291,339.0	\$ 122.8	\$ 37,695.7	\$ 398,874.6	\$ 24,046.8	\$ 156,677.0	\$ 27,717.4	\$ 23,079.1	\$ 94,216.3	\$ 1,469,905.7

- 1) Current portion of bond payments; sources of repayments include some combination of CFP, Replacement Housing Factor (RHF) grants, MTW revenue, site operations and current reserves
- 2) Current portion of bond payments; source of funding will be P & I reserves.
- 3) Fair market value of derivatives is a negative \$1.1M -required by Generally Accepted Accounting Principles (GAAP) and calculated at the end of each year. This is not a cash transaction.

KING COUNTY HOUSING AUTHORITY
Working Capital Statements
(In \$1,000's; excludes non-KCHA-managed component units)
For the Period Ended March 31, 2018

	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)						LOCAL PROGRAMS					Memo:	
	Public Housing		Other Housing		Other Programs		KCHA	Outside	Tax Credit				KCHA
	KCHA	Outside	KCHA	Outside	Section 8	MTW	Owned	Owned	Gen Prtnr	Develop	Other	COCC	COMBINED
Revenues	Owned	Owned	Owned	Owned	Program	Program	Housing	Housing	Activity	Activity			
Tenant Revenue	\$1,409.3	\$508.4	\$1,023.5	\$3,794.7	\$24.1	\$0.0	\$17,116.4	\$178.5	\$0.0	\$0.0	\$0.0	\$0.0	\$24,055.0
Operating Fund Subsidy from HUD	1,168.6	488.5	16.2	-	-	106.5	-	-	-	-	402.9	-	2,182.8
Section 8 Subsidy from HUD	-	-	106.5	-	31,821.9	2,566.7	(2)	-	-	-	-	-	34,495.2
Other Operating Revenue	7.2	1,312.5	108.9	432.2	9,439.0	2.7	87.8	35.5	1,657.3	-	883.5	3,215.5	17,182.1
Non-operating Revenue	750.7	1,040.4	24.9	339.8	0.0	258.2	100.6	137.2	17,856.1	3,337.4	22.8	529.7	24,397.9
Total Revenues	3,335.9	3,349.9	1,279.9	4,566.7	41,285.0	2,934.2	17,304.8	351.2	19,513.4	3,337.4	1,309.2	3,745.1	102,312.8
Expenses													
Salaries & Benefits	604.6	236.9	101.2	434.3	1,591.3	482.0	1,206.5	39.5	37.4	62.2	319.0	2,828.5	7,943.5
Routine Maintenance, Utilities, Taxes & Insurance	1,096.6	590.7	289.1	749.5	65.2	-	3,459.5	47.8	1.0	-	3.0	461.4	6,763.7
Direct Social Service Salaries & Benefits	-	-	-	-	33.0	541.3	-	-	-	-	18.6	-	592.9
Other Social Service Support Expenses & HAP	16.6	1,508.4	0.1	4.9	38,613.4	665.9	122.1	-	0.0	-	1,034.5	0.1	41,966.0
Administrative Support Expenses	613.9	242.1	85.7	347.8	915.8	48.9	1,376.7	28.4	105.3	4.7	30.9	569.6	4,369.7
Non-operating Expenses	(1.4)	680.3	92.9	1,470.9	(25.6)	-	1,911.9	90.5	332.1	-	140.8	178.0	4,870.5
Total Expenses	2,330.2	3,258.4	569.1	3,007.3	41,193.1	1,738.1	8,076.7	206.2	475.7	66.9	1,546.9	4,037.5	66,506.2
Net Income	1,005.7	91.5	710.7	1,559.4	91.9	1,196.1	9,228.1	145.0	19,037.7	3,270.4	(237.7)	(292.4)	35,806.6
Other Sources/(Uses) of Working Capital													
(Increase) in Restricted/Designated Cash	(12.0)	(54.0)	(25.9)	(76.5)	(50.3)	(25.4)	(944.5)	(6.9)	(74.0)	(3,299.3)	.0	(11.5)	(4,580.3)
Decrease in Restricted/Designated Cash	.0	.0	.0	.0	771.6	335.5	2,940.5	-	.0	80.0	.0	.0	4,127.7
(Increase) in LT Receivables	-	(763.3)	-	(66.4)	-	.0	.0	(47.7)	(47,903.2)	(.2)	-	(290.1)	(49,070.9)
Decrease in LT Receivables	-	922.0	-	1,834.1	-	2,100.6	.0	159.4	727.3	-	-	17.7	5,918.1
Acquisition of Capital Assets	(1,295.2)	(605.3)	(.0)	(44.1)	.0	.0	(438.8)	.0	7.9	(243.1)	(2,524.4)	(24.8)	(5,167.9)
Maintenance Projects	(581.5)	(137.6)	(225.2)	(160.1)	(1.0)	-	(1,673.4)	(5.2)	-	-	(0.2)	(1.1)	(2.8)
Acquisition of Capital Assets	(1,876.7)	(743.0)	(225.2)	(204.3)	(1.0)	.0	(2,112.2)	(5.2)	7.9	(243.1)	(2,524.6)	(25.8)	(7,953.1)
Disposition of Capital Assets	-	-	.0	-	-	-	27,600.5	(4)	-	1,848.2	-	.0	29,448.7
Change in Suspense	(81.64)	(.2)	.0	.0	.9	-	4.9	-	-	-	.0	6.8	12.3
Change in Other Assets	-	.0	-	(0.00)	-	-	.0	0.00	(100.00)	.0	-	-	(0.1)
Change in Deferrals	.8	(.1)	(1.5)	.6	50.1	25.4	(8.0)	(.2)	.0	(80.0)	-	.0	(12.9)
Increase in LT Debt	-	.0	.0	.2	-	-	.0	-	.0	.0	.0	.0	0.2
(Decrease) in LT Debt	.0	(110.0)	(73.9)	(1,958.4)	-	-	(1,401.5)	.0	(315.0)	.0	-	(225.0)	(4,083.7)
Change in Other Liabilities	.0	415.8	(23.1)	181.3	-	-	7.9	(41.5)	1.1	(1,564.3)	(231.7)	-	(1,254.6)
Other Non-Working Capital Inc/Exp	-	-	-	-	-	-	.0	-	.0	.0	-	-	-
Non Income/Expense Change in Equity	-	.0	.0	.0	-	-	.0	-	.0	.0	.0	.0	-
Total Other Sources/(Uses) of Working Capital	(1,887.9)	(332.7)	(349.6)	(289.4)	771.3	2,436.1	26,087.7	57.9	(47,555.9)	(3,258.7)	(2,756.3)	(371.0)	(27,448.6)
Transfer in from (Out to) Other Funds													
Transfers In from Other Funds	251.6	883.4	43.0	145.4	-	872.8	402.0	-	27,783.8	(4)	-	283.8	31.9
Transfers Out to Other Funds	753.2	-	(800.0)	(101.2)	(872.8)	(1,838.2)	(27,983.8)	(4)	(200.0)	-	(283.8)	(539.1)	(31.9)
Net Transfer In/(Out)	1,004.8	883.4	(757.0)	44.1	(872.8)	(965.4)	(27,581.9)	-	27,583.8	-	-	660.9	-
Net Change in Working Capital	122.7	642.2	(395.9)	1,314.1	(9.7)	2,666.8	7,733.9	202.9	(934.4)	11.7	(2,994.0)	(2.4)	8,357.9
Working Capital, 12/31/2017	4,191.2	3,167.6	4,220.7	1,526.2	(791.8)	3,475.9	(10,900.6)	1,006.3	3,819.9	2,063.8	7,557.0	33,974.4	53,310.6
Working Capital, 3/31/2018	4,313.9	\$3,809.8	\$3,824.9	\$2,840.4	\$(801.5)	\$6,142.7	\$(3,166.6)	\$1,209.1	\$2,885.4	\$2,075.6	\$4,563.0	\$33,972.0	\$61,668.6

1) Excess cash transfer to COCC from Newport, Hidden Village and Northwood Square properties; unbudgeted

2) Receiving block grant payments from HUD is a three stage process. First, HUD must issue budget authority to housing authorities, which it does on a periodic basis. Second, cash is advanced to each PHA based on prior year expense levels. Finally, additional cash is requested from HUD when sufficient budget authority exists and KCHA has a need for additional cash. Accordingly, quarterly cash receipts vary.

3) The use of \$1.8M of Greenbridge lot sale proceeds to pay down the internal loan was budgeted for the second quarter but occurred in the first quarter.

4) Disposal and transfer of Somerset and Highland Village capital assets between fund groups as the properties were acquired by tax credit partnership.

5) Increase due to Somerset /Highland Village lease, notes and developer fee receivable of \$47M as the properties were sold by KCHA to a tax credit partnership.

6) EPC project costs were higher than anticipated in the budget.

KCHA Combined
**Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018**

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$24,054,962	\$23,095,096	\$959,866	4.2%	\$24,054,962	\$23,095,096	\$959,866	4.2%	\$93,195,774	\$69,140,812	25.8%
Operating Fund Subsidy from HUD	2,182,761	2,166,216	16,545	0.8%	2,182,761	2,166,216	16,545	0.8%	8,664,841	6,482,080	25.2%
Section 8 Subsidy from HUD	34,495,152	35,865,262	(1,370,110)	(3.8%)	34,495,152	35,865,262	(1,370,110)	(3.8%)	143,118,792	108,623,640	24.1%
Other Operating Revenue	17,137,923	15,757,586	1,380,337	8.8%	17,182,062	15,897,205	1,284,857	8.1%	75,184,660	58,002,598	22.9%
Non-operating Revenue	24,442,001	20,212,134	4,229,867	20.9%	24,397,862	19,810,013	4,587,849	23.2%	37,507,303	13,109,441	65.0%
Total Revenues	102,312,798	97,096,294	5,216,504	5.4%	102,312,798	96,833,792	5,479,006	5.7%	357,671,370	255,358,572	28.6%
Expenses											
Salaries & Benefits	7,943,472	8,406,326	(462,854)	(5.5%)	7,943,472	8,406,326	(462,854)	(5.5%)	35,748,297	27,804,825	22.2%
Routine Maintenance, Utilities, Taxes & Insurance	6,763,727	7,391,369	(627,642)	(8.5%)	6,763,727	7,391,369	(627,642)	(8.5%)	31,744,994	24,981,267	21.3%
Direct Social Service Salaries & Benefits	592,889	632,980	(40,091)	(6.3%)	592,889	632,980	(40,091)	(6.3%)	2,742,915	2,150,026	21.6%
Other Social Service Support Expenses & HAP	41,965,985	41,098,621	867,364	2.1%	41,965,985	41,098,621	867,364	2.1%	169,803,678	127,837,693	24.7%
Administrative Support Expenses	4,369,690	4,872,553	(502,863)	(10.3%)	4,369,690	4,872,553	(502,863)	(10.3%)	19,773,878	15,404,188	22.1%
Non-operating Expenses	4,870,480	6,576,398	(1,705,918)	(25.9%)	4,870,480	6,576,398	(1,705,918)	(25.9%)	29,103,485	24,233,005	16.7%
Total Expenses	66,506,242	68,978,247	(2,472,005)	(3.6%)	66,506,242	68,978,247	(2,472,005)	(3.6%)	288,917,247	222,411,005	23.0%
Net Income	35,806,557	28,118,047	7,688,510	27.3%	35,806,557	27,855,545	7,951,012	28.5%	68,754,123	32,947,566	52.1%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(4,580,260)	(674,577)	(3,905,683)	579.0%	(4,580,260)	(674,577)	(3,905,683)	579.0%	(7,578,816)	(2,998,556)	60.4%
Decrease in Restricted/Designated Cash	4,127,676	46,149,424	(42,021,748)	(91.1%)	4,127,676	46,149,424	(42,021,748)	(91.1%)	50,953,259	46,825,583	8.1%
(Increase) in LT Receivables	(49,070,930)	(53,441,563)	4,370,633	(8.2%)	(49,070,930)	(53,441,563)	4,370,633	(8.2%)	(80,042,530)	(30,971,600)	61.3%
Decrease in LT Receivables	5,918,109	3,747,408	2,170,701	57.9%	5,918,109	3,747,408	2,170,701	57.9%	12,063,413	6,145,304	49.1%
Acquisition of Capital Assets	(7,953,051)	(13,809,346)	5,856,295	(42.4%)	(7,953,051)	(13,809,346)	5,856,295	(42.4%)	(69,587,427)	(61,634,376)	11.4%
Disposition of Capital Assets	29,448,740	8,445,901	21,002,839	248.7%	29,448,740	8,445,901	21,002,839	248.7%	29,777,159	328,419	98.9%
Change in Suspense	12,261	-	12,261	n/m	12,261	-	12,261	n/m	-	(12,261)	n/m
Change in Other Assets	(100)	0	(100)	n/m	(100)	0	(100)	n/m	0	100	n/m
Change in Other Deferrals	(12,915)	-	(12,915)	n/m	(12,915)	-	(12,915)	n/m	-	12,915	n/m
Increase in LT Debt	181	13,347,293	(13,347,112)	(100.0%)	181	13,218,918	(13,218,737)	(100.0%)	58,713,521	58,713,340	0.0%
(Decrease) in LT Debt	(4,083,705)	(11,660,235)	7,576,530	(65.0%)	(4,083,705)	(11,660,235)	7,576,530	(65.0%)	(55,622,647)	(51,538,942)	7.3%
Change in Other Liabilities	(1,254,613)	335,188	(1,589,801)	n/m	(1,254,613)	335,188	(1,589,801)	n/m	(500,202)	754,411	250.8%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	0	-	0	n/m	-	0	n/m
Non Income/Expense Change in Equity	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Total Other Sources/(Uses) of Working Capital	(27,448,607)	(7,560,507)	(19,888,100)	263.1%	(27,448,608)	(7,688,882)	(19,759,726)	257.0%	(61,824,270)	(34,375,662)	44.4%
Transfer In from (Out to) Other Funds											
Net Transfer In/(Out)	0	5	(5)	(100.0%)	0	(1)	1	(100.0%)	0	0	n/m
Net Change in Working Capital	\$8,357,949	\$20,557,545	(\$12,199,596)	(59.3%)	\$8,357,949	\$20,166,662	(\$11,808,713)	(58.6%)	\$6,929,853	(\$1,428,096)	120.6%
Working Capital, Beginning of Period	53,310,603				53,310,605						
Working Capital, 3/31/2018	\$61,668,553				\$61,668,554						

1) Greenbridge Wind Rose lot sales were budgeted for the 2nd quarter but occurred in the 1st quarter.

2) Various categories are under target (i.e. software maintenance, travel and training, administrative contracts, agency-wide training, professional services).

3) Due to timing of the Ballinger Commons LOC interest payment. Also, the budgeted interest rate was higher than actual. A dditionally, the Juanita Trace building envelope project is below target by \$358K. The project is expected to start in the 3rd quarter.

4) Deposit of \$3.3M to program income reserve from Greenbridge lot sale proceeds was budgeted in the second quarter but occurred in the first quarter . Also, increase in restricted funds due to insurance proceeds of \$489K received for Carriage House fire loss . Unbudgeted.

5) Restricted cash will decline as it is used to fund construction costs

6) The \$1.8M lot sale proceeds to pay down the Greenbridge internal loan was budgeted in the second quarter but occurred in the first quarter. Also, payment from various e partnership net cash flow distribution was higher than anticipated in the budget.

7) The Houghton Court Apartment acquisition was budgeted in the 1st quarter but occurred in the 2nd quarter. Also, various maintenance projects (doors, cabinets, carpentry, roof, ventilation) are low but expected to increase as the year progresses.

8) Disposal and transfer of Somerset and Highland Village capital assets to different fund group as the properties were acquired by tax credit partnership.

9) A \$20M loan was budgeted evenly through out the year forthe purchase of new property as a placeholder. Actual acquisitions are opportunistic. .The budgeted transfer of the Somerset Gardens long term debts totaling \$7.5M between fund group is expected to occur in the second quarter.

10) The budgeted transfer of the Somerset Gardens long term debts totaling \$7.5M between fund groups is expected to occur in the second quarter.

11) Lot sale proceeds of \$1.8M to pay down the Greenbridge internal loan was budgeted in the second quarter but occurred in the first quarter. This is partially offset by unbudgeted draw from COCC internal loan.

Public Housing (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 1,409,336	\$ 1,408,555	\$ 781	0.1%	\$ 1,409,336	\$ 1,408,555	\$ 781	0.1%	\$ 5,634,192	\$ 4,224,856	25.0%
Operating Fund Subsidy from HUD	1,168,648	1,159,715	8,933	0.8%	1,168,648	1,159,715	8,933	0.8%	4,638,848	3,470,200	25.2%
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	7,224	4,408	2,816	63.9%	7,224	4,408	2,816	63.9%	28,805	21,581	25.1%
Non-operating Revenue	750,740	600,612	150,128	25.0%	750,740	600,612	150,128	25.0%	6,779,879	6,029,139	11.1%
Total Revenues	3,335,949	3,173,290	162,659	5.1%	3,335,949	3,173,290	162,659	5.1%	17,081,724	13,745,775	19.5%
Expenses											
Salaries & Benefits	604,593	726,228	(121,635)	(16.7%)	604,593	726,228	(121,635)	(16.7%)	3,021,554	2,416,961	20.0%
Routine Maintenance, Utilities, Taxes & Insurance	1,096,600	1,251,281	(154,681)	(12.4%)	1,096,600	1,251,281	(154,681)	(12.4%)	5,657,042	4,560,442	19.4%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	16,551	9,057	7,494	82.7%	16,551	9,057	7,494	82.7%	36,268	19,717	45.6%
Administrative Support Expenses	613,869	618,189	(4,320)	(0.7%)	613,869	618,189	(4,320)	(0.7%)	2,985,846	2,371,977	20.6%
Non-operating Expenses	(1,403)	-	(1,403)	n/m	(1,403)	-	(1,403)	n/m	-	1,403	n/m
Total Expenses	2,330,210	2,604,755	(274,545)	(10.5%)	2,330,210	2,604,755	(274,545)	(10.5%)	11,700,710	9,370,500	19.9%
Net Income	1,005,739	568,535	437,204	76.9%	1,005,739	568,535	437,204	76.9%	5,381,014	4,375,275	18.7%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(11,975)	(8,511)	(3,464)	40.7%	(11,975)	(8,511)	(3,464)	40.7%	(34,044)	(22,069)	35.2%
Decrease in Restricted/Designated Cash	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(1,295,161)	(5,940,910)	4,645,749	(78.2%)	(1,295,161)	(5,940,910)	4,645,749	(78.2%)	(11,268,507)	(9,973,346)	11.5%
Maintenance Projects	(581,496)	(426,407)	(155,089)	36.4%	(581,496)	(426,407)	(155,089)	36.4%	(1,845,519)	(1,264,023)	31.5%
Acquisition of Capital Assets	(1,876,657)	(6,367,317)	4,490,660	(70.5%)	(1,876,657)	(6,367,317)	4,490,660	(70.5%)	(13,114,026)	(11,237,369)	14.3%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	(82)	-	(82)	n/m	(82)	-	(82)	n/m	-	82	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	822	-	822	n/m	822	-	822	n/m	-	(822)	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	(1,887,892)	(6,375,828)	4,487,936	(70.4%)	(1,887,892)	(6,375,828)	4,487,936	(70.4%)	(13,148,070)	(11,260,178)	14.4%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	1,004,819	1,077,797	(72,978)	(6.8%)	1,004,819	1,077,794	(72,975)	(6.8%)	7,767,056	6,762,237	12.9%
Transfers Out to Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Net Transfer In/(Out)	1,004,819	1,077,797	(72,978)	(6.8%)	1,004,819	1,077,794	(72,975)	0.0%	7,767,056	6,762,237	12.9%
Net Change in Working Capital	\$ 122,666	\$ (4,729,496)	\$ 4,852,162	n/m	\$ 122,666	\$ (4,729,499)	\$ 4,852,165	n/m	\$ -	\$ (122,666)	n/m
Working Capital, Beginning of Period	4,191,231				4,191,231						
Working Capital, 3/31/2018	\$ 4,313,897				\$ 4,313,897						

- 1) Cascade Homes water line replacement and Northwood deck repair projects were budgeted starting in the 2nd quarter but the projects began in the 1st quarter resulting higher than anticipated CFP grant draw.
- 2) Primarily due to unfilled open positions at Ballinger Homes, Northridge and College Place properties.
- 3) Timing of invoicing; some properties have not yet been billed for water and sewer expense in March. Also, seasonal and periodic contracts are low as is typical early in the year.
- 4) The Houghton Court Apartment acquisition was budgeted in the 1st quarter but occurred in the 2nd quarter.

Public Housing (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 508,435	\$ 474,904	\$ 33,531	7.1%	\$ 508,435	\$ 474,904	\$ 33,531	7.1%	1,899,584	1,391,149	26.8%
Operating Fund Subsidy from HUD	488,504	485,023	3,481	0.7%	488,504	485,023	3,481	0.7%	1,940,083	1,451,579	25.2%
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	1,312,528	1,575,584	(263,056)	(16.7%)	1,312,528	1,313,082	(554)	(0.0%)	6,144,966	4,832,438	21.4%
Non-operating Revenue	1,040,403	1,022,442	17,961	1.8%	1,040,403	1,022,442	17,961	1.8%	4,084,131	3,043,728	25.5%
Total Revenues	3,349,870	3,557,953	(208,083)	(5.8%)	3,349,870	3,295,451	54,419	1.7%	14,068,764	10,718,894	23.8%
Expenses											
Salaries & Benefits	236,870	251,132	(14,262)	(5.7%)	236,870	251,132	(14,262)	(5.7%)	1,066,629	829,759	22.2%
Routine Maintenance, Utilities, Taxes & Insurance	590,698	608,081	(17,383)	(2.9%)	590,698	608,081	(17,383)	(2.9%)	2,751,727	2,161,029	21.5%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	1,508,400	1,485,815	22,585	1.5%	1,508,400	1,485,815	22,585	1.5%	5,932,916	4,424,516	25.4%
Administrative Support Expenses	242,146	231,050	11,096	4.8%	242,146	231,050	11,096	4.8%	852,042	609,896	28.4%
Non-operating Expenses	680,279	666,071	14,208	2.1%	680,279	666,071	14,208	2.1%	2,664,278	1,983,999	25.5%
Total Expenses	3,258,392	3,242,149	16,243	0.5%	3,258,392	3,242,149	16,243	0.5%	13,267,592	10,009,200	24.6%
Net Income	91,477	315,804	(224,327)	(71.0%)	91,477	53,302	38,175	71.6%	801,172	709,695	11.4%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(53,967)	(53,988)	21	(0.0%)	(53,967)	(53,988)	21	(0.0%)	(215,956)	(161,989)	25.0%
Decrease in Restricted/Designated Cash	-	300,000	(300,000)	(100.0%)	-	300,000	(300,000)	(100.0%)	1,200,000	1,200,000	0.0%
(Increase) in LT Receivables	(763,259)	(763,257)	(2)	0.0%	(763,259)	(763,257)	(2)	0.0%	(3,053,022)	(2,289,763)	25.0%
Decrease in LT Receivables	922,011	791,028	130,983	16.6%	922,011	791,028	130,983	16.6%	916,028	(5,983)	100.7%
Acquisition of Capital Assets	(742,969)	(804,440)	61,471	(7.6%)	(742,969)	(804,440)	61,471	(7.6%)	(2,683,647)	(1,940,678)	27.7%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	(232)	-	(232)	n/m	(232)	-	(232)	n/m	-	232	n/m
Change in Other Assets	0	-	0	n/m	0	-	0	n/m	-	(0)	n/m
Change in Deferrals	(100)	-	(100)	n/m	(100)	-	(100)	n/m	-	100	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	(110,000)	(110,000)	-	0.0%	(110,000)	(110,000)	-	0.0%	(235,000)	(125,000)	46.8%
Change in Other Liabilities	415,802	415,802	(0)	(0.0%)	415,802	415,802	(0)	(0.0%)	1,663,204	1,247,402	25.0%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	(332,714)	(224,855)	(107,859)	48.0%	(332,714)	(224,855)	(107,859)	48.0%	(2,408,393)	(2,075,679)	13.8%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	883,397	867,630	15,767	1.8%	883,397	867,630	15,767	1.8%	3,150,513	2,267,116	28.0%
Transfers Out to Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Net Transfer In/(Out)	883,397	867,630	15,767	1.8%	883,397	867,630	15,767	1.8%	3,150,513	2,267,116	28.0%
Net Change in Working Capital	\$ 642,161	\$ 958,579	\$ (316,418)	(33.0%)	\$ 642,161	\$ 696,077	\$ (53,916)	(7.7%)	1,543,292	901,131	41.6%
Working Capital, Beginning of Period	3,167,625				3,167,625						
Working Capital, 3/31/2018	\$ 3,809,786				\$ 3,809,786						

1) Repayments of KCHA loans was higher than anticipated in the budget as the net cash flow from the partnerships was higher than originally anticipated.

Other Federally-supported (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 1,023,453	\$ 1,064,687	\$ (41,234)	(3.9%)	\$ 1,023,453	\$ 1,064,687	\$ (41,234)	(3.9%)	\$ 4,258,730	\$ 3,235,277	24.0%
Operating Fund Subsidy from HUD	16,152	15,973	179	1.1%	16,152	15,973	179	1.1%	63,891	47,739	25.3%
Section 8 Subsidy from HUD	106,531	103,735	2,796	2.7%	106,531	103,735	2,796	2.7%	414,941	308,410	25.7%
Other Operating Revenue	108,853	90,218	18,635	20.7%	108,853	90,218	18,635	20.7%	362,872	254,019	30.0%
Non-operating Revenue	24,862	9,642	15,220	157.9%	24,862	9,642	15,220	157.9%	1,946,522	1,921,660	1.3%
Total Revenues	1,279,852	1,284,255	(4,403)	(0.3%)	1,279,852	1,284,255	(4,403)	(0.3%)	7,046,956	5,767,104	18.2%
Expenses											
Salaries & Benefits	101,221	99,046	2,175	2.2%	101,221	99,046	2,175	2.2%	421,846	320,625	24.0%
Routine Maintenance, Utilities, Taxes & Insurance	289,096	314,144	(25,048)	(8.0%)	289,096	314,144	(25,048)	(8.0%)	1,325,281	1,036,185	21.8%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	126	45	81	179.2%	126	45	81	179.2%	180	54	69.8%
Administrative Support Expenses	85,742	87,473	(1,731)	(2.0%)	85,742	87,473	(1,731)	(2.0%)	354,519	268,777	24.2%
Non-operating Expenses	92,943	90,393	2,550	2.8%	92,943	90,393	2,550	2.8%	361,570	268,627	25.7%
Total Expenses	569,127	591,101	(21,974)	(3.7%)	569,127	591,101	(21,974)	(3.7%)	2,463,396	1,894,269	23.1%
Net Income	710,725	693,154	17,571	2.5%	710,725	693,154	17,571	2.5%	4,583,560	3,872,835	15.5%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(25,917)	(26,880)	963	(3.6%)	(25,917)	(26,880)	963	(3.6%)	(107,520)	(81,603)	24.1%
Decrease in Restricted/Designated Cash	-	282,450	(282,450)	(100.0%)	-	282,450	(282,450)	(100.0%)	564,899	564,899	0.0%
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(225,171)	(447,974)	222,803	(49.7%)	(225,171)	(447,974)	222,803	(49.7%)	(1,822,476)	(1,597,305)	12.4%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	(1,474)	-	(1,474)	n/m	(1,474)	-	(1,474)	n/m	-	1,474	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	(73,863)	(78,120)	4,257	(5.4%)	(73,863)	(78,120)	4,257	(5.4%)	(312,480)	(238,617)	23.6%
Change in Other Liabilities	(23,148)	(23,149)	1	(0.0%)	(23,148)	(23,149)	1	(0.0%)	(92,596)	(69,448)	25.0%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	(349,573)	(293,673)	(55,900)	19.0%	(349,573)	(293,673)	(55,900)	19.0%	(1,770,173)	(1,420,600)	19.7%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	42,987	77,280	(34,293)	(44.4%)	42,987	77,280	(34,293)	(44.4%)	123,456	80,469	34.8%
Transfers Out to Other Funds	(800,000)	-	(800,000)	n/m	(800,000)	-	(800,000)	n/m	(1,900,000)	(1,100,000)	42.1%
Net Transfer In/(Out)	(757,013)	77,280	(834,293)	n/m	(757,013)	77,280	(834,293)	n/m	(1,776,544)	(1,019,531)	42.6%
Net Change in Working Capital	\$ (395,861)	\$ 476,761	\$ (872,622)	n/m	\$ (395,861)	\$ 476,761	\$ (872,622)	n/m	\$ 1,036,843	\$ 1,432,704	n/m
Working Capital, Beginning of Period	4,220,737				4,220,737						
Working Capital, 3/31/2018	\$ 3,824,876				\$ 3,824,876						

- Budget for interest income inadvertently excluded some cash accounts
- \$565K was budgeted to be drawn from Parkway Residual Receipt reserve during the 1st and 2nd quarters. Actual draw is expected to occur in the 4th quarter. See note 3.
- Various Parkway projects to be funded from residual receipt reserves draw are expected to occur in the fourth quarter. Also, management has not yet decided to proceed with the Bellevue Manor and Patricia Harris predevelopment projects. If the projects proceed, the budgeted funds are expected to be expended in the second half of 2018.
- Four unit upgrades were budgeted at Northwood Square evenly through out the year but no units were completed in the 1st quarter resulting lower unit upgrade transfer. Unit upgrades depend on availability.
- Excess cash transfer to COCC from Newport, Hidden Village and Northwood Square properties; unbudgeted.

Other Federally-supported (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 3,794,746	\$ 3,824,457	\$ (29,711)	(0.8%)	\$ 3,794,746	\$ 3,824,457	\$ (29,711)	(0.8%)	\$ 15,297,402	\$ 11,502,656	24.8%
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	388,077	392,741	(4,664)	(1.2%)	432,216	794,862	(362,646)	(45.6%)	5,141,932	4,709,716	8.4%
Non-operating Revenue	383,921	706,704	(322,783)	(45.7%)	339,782	304,583	35,199	11.6%	4,632,758	4,292,976	7.3%
Total Revenues	4,566,744	4,923,902	(357,158)	(7.3%)	4,566,744	4,923,902	(357,158)	(7.3%)	25,072,092	20,505,348	18.2%
Expenses											
Salaries & Benefits	434,293	447,919	(13,626)	(3.0%)	434,293	447,919	(13,626)	(3.0%)	1,896,221	1,461,928	22.9%
Routine Maintenance, Utilities, Taxes & Insurance	749,480	972,990	(223,510)	(23.0%)	749,480	972,990	(223,510)	(23.0%)	4,426,567	3,677,087	16.9%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	4,910	4,096	814	19.9%	4,910	4,096	814	19.9%	16,317	11,407	30.1%
Administrative Support Expenses	347,751	360,898	(13,147)	(3.6%)	347,751	360,898	(13,147)	(3.6%)	1,380,577	1,032,826	25.2%
Non-operating Expenses	1,470,901	1,856,964	(386,063)	(20.8%)	1,470,901	1,856,964	(386,063)	(20.8%)	9,395,895	7,924,994	15.7%
Total Expenses	3,007,335	3,642,867	(635,532)	(17.4%)	3,007,335	3,642,867	(635,532)	(17.4%)	17,115,577	14,108,242	17.6%
Net Income	1,559,410	1,281,035	278,375	21.7%	1,559,410	1,281,035	278,375	21.7%	7,956,515	6,397,105	19.6%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(76,538)	(82,713)	6,175	(7.5%)	(76,538)	(82,713)	6,175	(7.5%)	(2,230,852)	(2,154,314)	3.4%
Decrease in Restricted/Designated Cash	-	-	-	n/m	-	-	-	n/m	665,000	665,000	0.0%
(Increase) in LT Receivables	(66,442)	(66,442)	-	0.0%	(66,442)	(66,442)	0	(0.0%)	(265,765)	(199,323)	25.0%
Decrease in LT Receivables	1,834,126	1,806,736	27,390	1.5%	1,834,126	1,806,736	27,390	1.5%	1,806,736	(27,390)	101.5%
Acquisition of Capital Assets	(204,260)	(592,042)	387,782	(65.5%)	(204,260)	(592,042)	387,782	(65.5%)	(4,397,102)	(4,192,842)	4.6%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	598	-	598	n/m	598	-	598	n/m	-	(598)	n/m
Increase in LT Debt	181	-	181	n/m	181	-	181	n/m	(348,364)	(348,545)	n/m
(Decrease) in LT Debt	(1,958,362)	(1,971,283)	12,921	(0.7%)	(1,958,362)	(1,971,283)	12,921	(0.7%)	(5,798,561)	(3,840,199)	33.8%
Change in Other Liabilities	181,283	300,332	(119,049)	(39.6%)	181,283	300,332	(119,049)	(39.6%)	1,549,686	1,368,403	11.7%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	(289,414)	(605,412)	315,998	(52.2%)	(289,414)	(605,412)	315,998	(52.2%)	(9,019,222)	(8,729,808)	3.2%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	145,388	526,517	(381,129)	(72.4%)	145,388	526,517	(381,129)	(72.4%)	4,073,102	3,927,714	3.6%
Transfers Out to Other Funds	(101,249)	(124,396)	23,147	(18.6%)	(101,249)	(124,396)	23,147	(18.6%)	(497,573)	(396,324)	20.3%
Net Transfer In/(Out)	44,139	402,121	(357,982)	(89.0%)	44,139	402,121	(357,982)	(89.0%)	3,575,529	3,531,390	1.2%
Net Change in Working Capital	\$ 1,314,135	\$ 1,077,744	\$ 236,391	21.9%	\$ 1,314,135	\$ 1,077,744	\$ 236,391	21.9%	\$ 2,512,822	\$ 1,198,687	52.3%
Working Capital, Beginning of Period	1,526,233				1,526,233						
Working Capital, 3/31/2018	\$ 2,840,368				\$ 2,840,368						

- 1) The Juanita Trace building envelope project was budgeted to begin in March but has been rescheduled for the 3rd quarter.
- 2) Timing of invoicing; some properties have not yet been billed for water and sewer expense in March. Also, seasonal and periodic contracts are low as is typical early in the year.
- 3) Interest accrued for the Spiritwood Financing Lease is short-term and should not have been budgeted as a change in a long term liability.

Section 8
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 24,083	\$ 23,750	\$ 333	1.4%	\$ 24,083	\$ 23,750	\$ 333	1.4%	\$ 95,000	\$ 70,917	25.4%
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	31,821,874	31,730,065	91,809	0.3%	31,821,874	31,730,065	91,809	0.3%	128,426,082	96,604,208	24.8%
Other Operating Revenue	9,439,016	8,730,862	708,154	8.1%	9,439,016	8,730,862	708,154	8.1%	35,764,187	26,325,171	26.4%
Non-operating Revenue	0	-	0	n/m	0	-	0	n/m	-	(0)	n/m
Total Revenues	41,284,973	40,484,677	800,296	2.0%	41,284,973	40,484,677	800,296	2.0%	164,285,269	123,000,296	25.1%
Expenses											
Salaries & Benefits	1,591,338	1,709,468	(118,130)	(6.9%)	1,591,338	1,709,468	(118,130)	(6.9%)	7,288,421	5,697,083	21.8%
Routine Maintenance, Utilities, Taxes & Insurance	65,239	65,387	(148)	(0.2%)	65,239	65,387	(148)	(0.2%)	258,364	193,125	25.3%
Direct Social Service Salaries & Benefits	32,950	46,648	(13,698)	(29.4%)	32,950	46,648	(13,698)	(29.4%)	202,140	169,190	16.3%
Other Social Service Support Expenses & HAP	38,613,364	37,655,842	957,522	2.5%	38,613,364	37,655,842	957,522	2.5%	153,885,439	115,272,075	25.1%
Administrative Support Expenses	915,773	974,342	(58,569)	(6.0%)	915,773	974,342	(58,569)	(6.0%)	3,763,407	2,847,634	24.3%
Non-operating Expenses	(25,571)	-	(25,571)	n/m	(25,571)	-	(25,571)	n/m	-	25,571	n/m
Total Expenses	41,193,094	40,451,687	741,407	1.8%	41,193,094	40,451,687	741,407	1.8%	165,397,771	124,204,677	24.9%
Net Income	91,879	32,990	58,889	178.5%	91,879	32,990	58,889	178.5%	(1,112,502)	(1,204,381)	n/m
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(50,349)	-	(50,349)	n/m	(50,349)	-	(50,349)	n/m	-	50,349	n/m
Decrease in Restricted/Designated Cash	771,620	-	771,620	n/m	771,620	-	771,620	n/m	-	(771,620)	n/m
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(985)	-	(985)	n/m	(985)	-	(985)	n/m	-	985	n/m
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	897	-	897	n/m	897	-	897	n/m	-	(897)	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	50,099	-	50,099	n/m	50,099	-	50,099	n/m	-	(50,099)	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	771,281	-	771,281	n/m	771,281	-	771,281	n/m	-	(771,281)	n/m
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	-	254,791	(254,791)	(100.0%)	-	254,791	(254,791)	(100.0%)	1,019,165	1,019,165	0.0%
Transfers Out to Other Funds	(872,818)	-	(872,818)	n/m	(872,818)	-	(872,818)	n/m	-	872,818	n/m
Net Transfer In/(Out)	(872,818)	254,791	(1,127,609)	n/m	(872,818)	254,791	(1,127,609)	n/m	1,019,165	1,891,983	n/m
Net Change in Working Capital	\$ (9,657)	\$ 287,781	\$ (297,438)	n/m	\$ (9,657)	\$ 287,781	\$ (297,438)	n/m	\$ (93,337)	\$ (83,680)	10.3%
Working Capital, Beginning of Period	(791,796)				(791,796)						
Working Capital, 3/31/2018	\$ (801,453)				\$ (801,453)						

- 1) Higher than budgeted income related to ports-in as the budget assumed 8,100 unit months for the quarter while 8,721 unit months were actually paid
- 2) Changes in FSS reserve accounts are not budgeted
- 3) Release from restriction of Southwood Square HAP reserves as the project was closed and moved into MTW; unbudgeted.
- 4) \$1.0M was budgeted evenly through the year for MTW subsidization of special purpose vouchers. Actual transfers will not likely occur until the fourth quarter.
- 5) Technical accounting entry to move the Southwood Square net assets to MTW. See note 3.

MTW
**Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018**

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	106,519	105,680	839	0.8%	106,519	105,680	839	0.8%	422,719	316,200	25.2%
Section 8 Subsidy from HUD	2,566,747	4,031,462	(1,464,715)	(36.3%)	2,566,747	4,031,462	(1,464,715)	(36.3%)	14,277,769	11,711,022	18.0%
Other Operating Revenue	2,723	19,473	(16,751)	(86.0%)	2,723	19,473	(16,751)	(86.0%)	77,890	75,168	3.5%
Non-operating Revenue	258,242	220,330	37,912	17.2%	258,242	220,330	37,912	17.2%	857,897	599,655	30.1%
Total Revenues	2,934,230	4,376,945	(1,442,715)	(33.0%)	2,934,230	4,376,945	(1,442,715)	(33.0%)	15,636,275	12,702,045	18.8%
Expenses											
Salaries & Benefits	482,046	518,571	(36,525)	(7.0%)	482,046	518,571	(36,525)	(7.0%)	2,193,982	1,711,936	22.0%
Routine Maintenance, Utilities, Taxes & Insurance	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Direct Social Service Salaries & Benefits	541,308	571,745	(30,437)	(5.3%)	541,308	571,745	(30,437)	(5.3%)	2,477,564	1,936,256	21.8%
Other Social Service Support Expenses & HAP	665,898	900,027	(234,129)	(26.0%)	665,898	900,027	(234,129)	(26.0%)	4,299,101	3,633,203	15.5%
Administrative Support Expenses	48,866	154,783	(105,917)	(68.4%)	48,866	154,783	(105,917)	(68.4%)	614,654	565,788	8.0%
Non-operating Expenses	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Expenses	1,738,119	2,145,126	(407,007)	(19.0%)	1,738,119	2,145,126	(407,007)	(19.0%)	9,585,301	7,847,182	18.1%
Net Income	1,196,112	2,231,819	(1,035,707)	(46.4%)	1,196,112	2,231,819	(1,035,707)	(46.4%)	6,050,974	4,854,862	19.8%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(25,421)	-	(25,421)	n/m	(25,421)	-	(25,421)	n/m	-	25,421	n/m
Decrease in Restricted/Designated Cash	335,517	455,331	(119,814)	(26.3%)	335,517	455,331	(119,814)	(26.3%)	2,020,990	1,685,473	16.6%
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	2,100,555	340,570	1,759,985	516.8%	2,100,555	340,570	1,759,985	516.8%	3,146,579	1,046,024	66.8%
Acquisition of Capital Assets	-	-	-	n/m	-	-	-	n/m	(279,371)	(279,371)	0.0%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	25,421	-	25,421	n/m	25,421	-	25,421	n/m	-	(25,421)	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	2,436,072	795,901	1,640,171	206.1%	2,436,072	795,901	1,640,171	206.1%	4,888,198	2,452,126	49.8%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	872,818	-	872,818	n/m	872,818	-	872,818	n/m	-	(872,818)	n/m
Transfers Out to Other Funds	(1,838,240)	(2,574,322)	736,082	(28.6%)	(1,838,240)	(2,574,325)	736,085	(28.6%)	(13,752,826)	(11,914,586)	13.4%
Net Transfer In/(Out)	(965,422)	(2,574,322)	1,608,900	(62.5%)	(965,422)	(2,574,325)	1,608,903	(62.5%)	(13,752,826)	(12,787,404)	7.0%
Net Change in Working Capital	\$ 2,666,762	\$ 453,398	\$ 2,213,364	488.2%	\$ 2,666,762	\$ 453,395	\$ 2,213,367	488.2%	\$ (2,813,654)	\$ (5,480,416)	n/m
Working Capital, Beginning of Period	3,475,898				3,475,898						
Working Capital, 3/31/2018	\$ 6,142,660				\$ 6,142,660						

- 1) Receiving block grant payments from HUD is a three stage process. First, HUD must issue budget authority to housing authorities, which it does on a periodic basis. Second, cash is advanced to each PHA based on prior year expense levels. Finally, additional cash is requested from HUD when sufficient budget authority exists and KCHA has a need for additional cash. Accordingly, quarterly cash receipts vary.
- 2) Due to rising interest rates, higher than anticipated interest income was earned on the state pool funds.
- 3) Service providers have been slow in billing the Authority. Also, the Highline School District Rapid Rehousing Program was budgeted to incur \$112K of expenses but no costs have been billed to the Authority yet for 2018. Billing is expected to increase during the 2nd quarter.
- 4) Various categories were under target (administrative contracts, professional services, travel and training).
- 5) Changes in FSS reserve accounts are not budgeted.
- 6) Releases from HAP collateral reserves were budgeted monthly but actual releases will be booked later in the year.
- 7) The use of \$1.8M of Greenbridge Wind Rose lot sale proceeds to pay down the internal loan was budgeted for the second quarter but occurred in the first quarter.
- 8) Technical accounting entry to move the Southwood Square net assets to MTW.
- 9) Transfers from MTW for capital construction and unit upgrades are below target but expected to increase as the year progresses.

Local Properties (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 17,116,402	\$ 16,130,144	\$ 986,258	6.1%	\$ 17,116,402	\$ 16,130,144	\$ 986,258	6.1%	\$ 65,336,472	\$ 48,220,070	26.2%
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	87,765	27,322	60,443	221.2%	87,765	27,322	60,443	221.2%	136,369	48,604	64.4%
Non-operating Revenue	100,649	97,109	3,540	3.6%	100,649	97,109	3,540	3.6%	414,684	314,035	24.3%
Total Revenues	17,304,816	16,254,575	1,050,241	6.5%	17,304,816	16,254,575	1,050,241	6.5%	65,887,525	48,582,709	26.3%
Expenses											
Salaries & Benefits	1,206,522	1,292,953	(86,431)	(6.7%)	1,206,522	1,292,953	(86,431)	(6.7%)	5,447,640	4,241,118	22.1%
Routine Maintenance, Utilities, Taxes & Insurance	3,459,459	3,672,714	(213,255)	(5.8%)	3,459,459	3,672,714	(213,255)	(5.8%)	14,993,828	11,534,369	23.1%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	122,098	89,249	32,849	36.8%	122,098	89,249	32,849	36.8%	366,394	244,296	33.3%
Administrative Support Expenses	1,376,655	1,377,456	(801)	(0.1%)	1,376,655	1,377,456	(801)	(0.1%)	5,224,277	3,847,622	26.4%
Non-operating Expenses	1,911,943	3,247,284	(1,335,341)	(41.1%)	1,911,943	3,247,284	(1,335,341)	(41.1%)	13,177,230	11,265,287	14.5%
Total Expenses	8,076,676	9,679,656	(1,602,980)	(16.6%)	8,076,676	9,679,656	(1,602,980)	(16.6%)	39,209,369	31,132,693	20.6%
Net Income	9,228,140	6,574,919	2,653,221	40.4%	9,228,140	6,574,919	2,653,221	40.4%	26,678,156	17,450,016	34.6%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(944,471)	(476,772)	(467,699)	98.1%	(944,471)	(476,772)	(467,699)	98.1%	(1,907,092)	(962,621)	49.5%
Decrease in Restricted/Designated Cash	2,940,539	-	2,940,539	n/m	2,940,539	-	2,940,539	n/m	1,055,800	(1,884,739)	278.5%
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(2,112,192)	(2,998,572)	886,380	(29.6%)	(2,112,192)	(2,998,572)	886,380	(29.6%)	(16,225,729)	(14,113,537)	13.0%
Disposition of Capital Assets	27,600,508	8,390,651	19,209,857	228.9%	27,600,508	8,390,651	19,209,857	228.9%	27,791,759	191,251	99.3%
Change in Suspense	4,882	-	4,882	n/m	4,882	-	4,882	n/m	-	(4,882)	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	(8,035)	-	(8,035)	n/m	(8,035)	-	(8,035)	n/m	-	8,035	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	(1,401,480)	(8,960,832)	7,559,352	(84.4%)	(1,401,480)	(8,960,832)	7,559,352	(84.4%)	(35,360,014)	(33,958,534)	4.0%
Change in Other Liabilities	7,920	2,121	5,799	273.4%	7,920	2,121	5,799	273.4%	8,483	563	93.4%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	26,087,671	(4,043,404)	30,131,075	n/m	26,087,671	(4,043,404)	30,131,075	n/m	(24,636,793)	(50,724,464)	n/m
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	401,955	8,020,178	(7,618,223)	(95.0%)	401,955	8,020,178	(7,618,223)	(95.0%)	29,176,411	28,774,456	1.4%
Transfers Out to Other Funds	(27,983,821)	(9,292,376)	(18,691,445)	201.1%	(27,983,821)	(9,292,376)	(18,691,445)	201.1%	(31,398,646)	(3,414,825)	89.1%
Net Transfer In/(Out)	(27,581,866)	(1,272,198)	(26,309,668)	2068.0%	(27,581,866)	(1,272,198)	(26,309,668)	2068.0%	(2,222,235)	25,359,631	1241.2%
Net Change in Working Capital	\$ 7,733,944	\$ 1,259,317	\$ 6,474,627	514.1%	\$ 7,733,944	\$ 1,259,317	\$ 6,474,627	514.1%	\$ (180,872)	\$ (7,914,816)	n/m
Working Capital, Beginning of Period	(10,900,569)				(10,900,569)						
Working Capital, 3/31/2018	\$ (3,166,624)				\$ (3,166,624)						

- 1) Prior year energy improvements at Walnut Park and Windsor Heights resulted in the receipt of PSE rebates during the first quarter; unbudgeted
- 2) Due to timing of the Ballinger Commons LOC interest payment. Also, the budgeted interest rate was higher than actual.
- 3) Increase in restricted funds due to insurance proceeds of \$489K received for Carriage House fire loss; unbudgeted
- 4) Net decline in designated cash accounts following transfer of excess cash to KCHA; unbudgeted.
- 5) Various maintenance projects (doors, cabinets, carpentry, roof, ventilation) are low but expected to increase as the year progresses.
- 6) Disposal and transfer of Somerset and Highland Village capital assets to different fund group as the properties were acquired by tax credit partnership
- 7) The budgeted transfer of the Somerset Gardens long term debts totaling \$7.5M to different fund group is expected to occur in the 2nd quarter.

Local Properties (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ 178,507	\$ 168,599	\$ 9,908	5.9%	\$ 178,507	\$ 168,599	\$ 9,908	5.9%	\$ 674,394	\$ 495,887	26.5%
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	35,465	38,852	(3,387)	(8.7%)	35,465	38,852	(3,387)	(8.7%)	139,702	104,237	25.4%
Non-operating Revenue	137,246	136,490	756	0.6%	137,246	136,490	756	0.6%	545,962	408,716	25.1%
Total Revenues	351,218	343,941	7,277	2.1%	351,218	343,941	7,277	2.1%	1,360,058	1,008,840	25.8%
Expenses											
Salaries & Benefits	39,537	41,845	(2,308)	(5.5%)	39,537	41,845	(2,308)	(5.5%)	178,537	139,000	22.1%
Routine Maintenance, Utilities, Taxes & Insurance	47,797	68,103	(20,306)	(29.8%)	47,797	68,103	(20,306)	(29.8%)	318,811	271,014	15.0%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Administrative Support Expenses	28,384	25,355	3,029	11.9%	28,384	25,355	3,029	11.9%	104,216	75,832	27.2%
Non-operating Expenses	90,476	86,858	3,618	4.2%	90,476	86,858	3,618	4.2%	347,431	256,955	26.0%
Total Expenses	206,193	222,161	(15,968)	(7.2%)	206,193	222,161	(15,968)	(7.2%)	948,995	742,802	21.7%
Net Income	145,025	121,780	23,245	19.1%	145,025	121,780	23,245	19.1%	411,063	266,038	35.3%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(6,914)	(7,158)	244	(3.4%)	(6,914)	(7,158)	244	(3.4%)	(28,632)	(21,718)	24.1%
Decrease in Restricted/Designated Cash	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Increase) in LT Receivables	(47,739)	(44,395)	(3,344)	7.5%	(47,739)	(44,395)	(3,344)	7.5%	(177,580)	(129,841)	26.9%
Decrease in LT Receivables	159,447	91,395	68,052	74.5%	159,447	91,395	68,052	74.5%	91,395	(68,052)	174.5% (1)
Acquisition of Capital Assets	(5,150)	(9,076)	3,926	(43.3%)	(5,150)	(9,076)	3,926	(43.3%)	(45,382)	(40,232)	11.3%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	(246)	-	(246)	n/m	(246)	-	(246)	n/m	-	246	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	(41,535)	(41,537)	2	(0.0%)	(41,535)	(41,537)	2	(0.0%)	108,036	149,571	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	57,864	(10,771)	68,635	n/m	57,863	(10,771)	68,634	n/m	(52,163)	(110,026)	n/m
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Transfers Out to Other Funds	-	-	-	n/m	-	-	-	n/m	(93,192)	(93,192)	0.0%
Net Transfer In/(Out)	-	-	-	n/m	-	-	-	n/m	(93,192)	(93,192)	0.0%
Net Change in Working Capital	\$ 202,888	\$ 111,009	\$ 91,879	82.8%	\$ 202,888	\$ 111,009	\$ 91,879	82.8%	\$ 265,708	\$ 62,820	76.4%
Working Capital, Beginning of Period	1,006,252				1,006,252						
Working Capital, 3/31/2018	\$ 1,209,140				\$ 1,209,140						

1) Payment from Green River Partnership net cash flow distribution was higher than anticipated in the budget.

Local Properties Tax Credit GP
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	1,657,332	923,414	733,918	79.5%	1,657,332	923,414	733,918	79.5%	7,786,283	6,128,952	21.3%
Non-operating Revenue	17,856,075	16,950,303	905,772	5.3%	17,856,075	16,950,303	905,772	5.3%	13,334,260	(4,521,815)	133.9%
Total Revenues	19,513,407	17,873,717	1,639,690	9.2%	19,513,407	17,873,717	1,639,690	9.2%	21,120,543	1,607,136	92.4%
Expenses											
Salaries & Benefits	37,352	41,334	(3,982)	(9.6%)	37,352	41,334	(3,982)	(9.6%)	177,565	140,213	21.0%
Routine Maintenance, Utilities, Taxes & Insurance	951	3,026	(2,075)	(68.6%)	951	3,026	(2,075)	(68.6%)	12,356	11,405	7.7%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	21	-	21	n/m	21	-	21	n/m	-	(21)	n/m
Administrative Support Expenses	105,288	125,868	(20,580)	(16.4%)	105,288	125,868	(20,580)	(16.4%)	505,048	399,760	20.8%
Non-operating Expenses	332,119	157,693	174,426	110.6%	332,119	157,693	174,426	110.6%	1,065,050	732,931	31.2%
Total Expenses	475,731	327,921	147,810	45.1%	475,731	327,921	147,810	45.1%	1,760,019	1,284,288	27.0%
Net Income	19,037,676	17,545,796	1,491,880	8.5%	19,037,676	17,545,796	1,491,880	8.5%	19,360,524	322,848	98.3%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(73,954)	-	(73,954)	n/m	(73,954)	-	(73,954)	n/m	-	73,954	n/m
Decrease in Restricted/Designated Cash	-	45,075,000	(45,075,000)	(100.0%)	-	45,075,000	(45,075,000)	(100.0%)	45,300,000	45,300,000	0.0%
(Increase) in LT Receivables	(47,903,178)	(51,907,954)	4,004,776	(7.7%)	(47,903,178)	(51,907,954)	4,004,776	(7.7%)	(72,668,704)	(24,765,526)	65.9%
Decrease in LT Receivables	727,295	529,983	197,312	37.2%	727,295	529,983	197,312	37.2%	3,973,511	3,246,216	18.3%
Acquisition of Capital Assets	7,901	(100,000)	107,901	n/m	7,901	(100,000)	107,901	n/m	(100,000)	(107,901)	n/m
Maintenance Projects	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	7,901	(100,000)	107,901	n/m	7,901	(100,000)	107,901	n/m	(100,000)	(107,901)	n/m
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	(100)	-	(100)	n/m	(100)	-	(100)	n/m	-	100	n/m
Change in Deferrals	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Increase in LT Debt	-	7,693,966	(7,693,966)	(100.0%)	-	7,565,591	(7,565,591)	(100.0%)	35,838,876	35,838,876	0.0%
(Decrease) in LT Debt	(315,000)	(315,000)	-	0.0%	(315,000)	(315,000)	-	0.0%	(13,016,592)	(12,701,592)	2.4%
Change in Other Liabilities	1,101	-	1,101	n/m	1,101	-	1,101	n/m	-	(1,101)	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	(47,555,935)	975,995	(48,531,930)	n/m	(47,555,935)	847,620	(48,403,555)	n/m	(672,909)	46,883,026	7067.2%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	27,783,821	8,390,651	19,393,170	231.1%	27,783,821	8,390,651	19,393,170	231.1%	27,791,759	7,938	100.0%
Transfers Out to Other Funds	(200,000)	(7,909,953)	7,709,953	(97.5%)	(200,000)	(7,909,953)	7,709,953	(97.5%)	(29,917,237)	(29,717,237)	0.7%
Net Transfer In/(Out)	27,583,821	480,698	27,103,123	5638.3%	27,583,821	480,698	27,103,123	5638.3%	(2,125,478)	(29,709,299)	n/m
Net Change in Working Capital	\$ (934,438)	\$ 19,002,489	\$ (19,936,927)	n/m	\$ (934,438)	\$ 18,874,114	\$ (19,808,552)	n/m	\$ 16,562,137	\$ 17,496,575	n/m
Working Capital, Beginning of Period	3,819,853				3,819,853						
Working Capital, 3/31/2018	\$ 2,885,416				\$ 2,885,416						

- Developer fee income of \$1.56M was budgeted to be received from Somerset Gardens partnership in the 1st and 2nd quarters. However, the entire amount was received in the 1st quarter.
- Interest expense on Somerset/Highland Village tax exempt bond was budgeted to begin in the second quarter but interest costs have been incurred all year as the related bonds were issued at the very end of 2017
- Deposit into Overlake Interest Stabilization account; unbudgeted.
- Release from restriction of the Somerset/Highland Village loan proceeds of \$45M is expected to occur as the project progresses.
- Payment from Overlake partnership net cash flow distribution was higher than anticipated in the budget.
- The budgeted transfer of the Somerset Gardens long term debts totaling \$7.5M from a different fund group is expected to occur in the second quarter.
- Disposal and transfer of Somerset and Highland Village capital assets from a different fund group as the properties are acquired by tax credit partnership.

Local-Development
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	-	-	-	n/m	-	-	-	n/m	3,800	3,800	0.0%
Non-operating Revenue	3,337,378	1,314	3,336,064	253886.2%	3,337,378	1,314	3,336,064	253886.2%	3,042,456	(294,922)	109.7%
Total Revenues	3,337,378	1,314	3,336,064	253886.2%	3,337,378	1,314	3,336,064	253886.2%	3,046,256	(291,122)	109.6%
Expenses											
Salaries & Benefits	62,241	38,958	23,283	59.8%	62,241	38,958	23,283	59.8%	167,389	105,148	37.2%
Routine Maintenance, Utilities, Taxes & Insurance	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Administrative Support Expenses	4,700	17,532	(12,832)	(73.2%)	4,700	17,532	(12,832)	(73.2%)	230,032	225,332	2.0%
Non-operating Expenses	-	25,002	(25,002)	(100.0%)	-	25,002	(25,002)	(100.0%)	325,026	325,026	0.0%
Total Expenses	66,941	81,492	(14,551)	(17.9%)	66,941	81,492	(14,551)	(17.9%)	722,447	655,506	9.3%
Net Income	3,270,437	(80,178)	3,350,615	n/m	3,270,437	(80,178)	3,350,615	n/m	2,323,809	(946,628)	140.7%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(3,299,271)	(8,805)	(3,290,466)	37370.4%	(3,299,271)	(8,805)	(3,290,466)	37370.4%	(3,035,220)	264,051	108.7%
Decrease in Restricted/Designated Cash	80,000	30,393	49,607	163.2%	80,000	30,393	49,607	163.2%	121,570	41,570	65.8%
(Increase) in LT Receivables	(206)	-	(206)	n/m	(206)	-	(206)	n/m	(629,700)	(629,494)	0.0%
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	699,190	699,190	0.0%
Acquisition of Capital Assets	(243,142)	(1,475,159)	1,232,017	(83.5%)	(243,142)	(1,475,159)	1,232,017	(83.5%)	(24,711,035)	(24,467,893)	1.0%
Maintenance Projects	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(243,142)	(1,475,159)	1,232,017	(83.5%)	(243,142)	(1,475,159)	1,232,017	(83.5%)	(24,711,035)	(24,467,893)	1.0%
Disposition of Capital Assets	1,848,232	55,250	1,792,982	3245.2%	1,848,232	55,250	1,792,982	3245.2%	1,985,400	137,168	93.1%
Change in Suspense	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	(80,000)	-	(80,000)	n/m	(80,000)	-	(80,000)	n/m	-	80,000	n/m
Increase in LT Debt	-	5,653,327	(5,653,327)	(100.0%)	-	5,653,327	(5,653,327)	(100.0%)	23,223,009	23,223,009	0.0%
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	(1,564,313)	(55,250)	(1,509,063)	2731.3%	(1,564,313)	(55,250)	(1,509,063)	2731.3%	(2,664,590)	(1,100,277)	58.7%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	(3,258,701)	4,199,756	(7,458,457)	n/m	(3,258,701)	4,199,756	(7,458,457)	n/m	(5,011,376)	(1,752,675)	65.0%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Transfers Out to Other Funds	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Net Transfer In/(Out)	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Net Change in Working Capital	\$ 11,736	\$ 4,119,578	\$ (4,107,842)	(99.7%)	\$ 11,736	\$ 4,119,578	\$ (4,107,842)	(99.7%)	\$ (2,687,567)	\$ (2,699,303)	n/m
Working Capital, Beginning of Period	2,063,815				2,063,815						
Working Capital, 3/31/2018	\$ 2,075,552				\$ 2,075,552						

- 1) Greenbridge Windrose lot sales were budgeted for the 2nd quarter but occurred in the 1st quarter. Total cash received was \$4.8M; \$3.0 million was deposited into restricted reserves and \$1.8M was used toward repayment of the internal MTW loan. The \$1.8M decrease in Capital Assets was also related to the Wind Rose transaction as well as \$275K of price participation proceeds.
- 2) Release from restriction of the Connor Homes earnest money deposit.
- 3) Greenbridge engineering general and utility fees were budgeted evenly through the year but expected to be incurred in the 3rd and the 4th quarter. Also, due to project delay the Issaquah TOD development project is below target.
- 4) A \$20M loan was budgeted for acquisition of new property evenly through out the year as a placeholder. Actual acquisitions are opportunistic.

Local-Other Funds
Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	402,938	399,825	3,113	0.8%	402,938	399,825	3,113	0.8%	1,599,300	1,196,362	25.2%
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	883,478	905,940	(22,462)	(2.5%)	883,478	905,940	(22,462)	(2.5%)	6,769,134	5,885,656	13.1%
Non-operating Revenue	22,816	-	22,816	n/m	22,816	-	22,816	n/m	-	(22,816)	n/m
Total Revenues	1,309,232	1,305,765	3,467	0.3%	1,309,232	1,305,765	3,467	0.3%	8,368,434	7,059,202	15.6%
Expenses											
Salaries & Benefits	319,003	344,091	(25,088)	(7.3%)	319,003	344,091	(25,088)	(7.3%)	1,472,840	1,153,837	21.7%
Routine Maintenance, Utilities, Taxes & Insurance	3,035	3,074	(39)	(1.3%)	3,035	3,074	(39)	(1.3%)	12,315	9,280	24.6%
Direct Social Service Salaries & Benefits	18,630	14,587	4,043	27.7%	18,630	14,587	4,043	27.7%	63,211	44,581	29.5%
Other Social Service Support Expenses & HAP	1,034,530	954,490	80,040	8.4%	1,034,530	954,490	80,040	8.4%	5,267,063	4,232,533	19.6%
Administrative Support Expenses	30,897	28,531	2,366	8.3%	30,897	28,531	2,366	8.3%	147,621	116,724	20.9%
Non-operating Expenses	140,836	269,581	(128,745)	(47.8%)	140,836	269,581	(128,745)	(47.8%)	1,060,800	919,964	13.3%
Total Expenses	1,546,931	1,614,354	(67,423)	(4.2%)	1,546,931	1,614,354	(67,423)	(4.2%)	8,023,850	6,476,919	19.3%
Net Income	(237,699)	(308,589)	70,890	(23.0%)	(237,699)	(308,589)	70,890	(23.0%)	344,584	582,283	n/m
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in Restricted/Designated Cash	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Increase) in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Decrease in LT Receivables	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Acquisition of Capital Assets	(2,524,599)	(772,266)	(1,752,333)	226.9%	(2,524,599)	(772,266)	(1,752,333)	226.9%	(5,537,742)	(3,013,143)	45.6%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	12	-	12	n/m	12	-	12	n/m	-	(12)	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Other Liabilities	(231,723)	(263,131)	31,408	(11.9%)	(231,723)	(263,131)	31,408	(11.9%)	(1,072,425)	(840,702)	21.6%
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	(2,756,310)	(1,035,397)	(1,720,913)	166.2%	(2,756,310)	(1,035,397)	(1,720,913)	166.2%	(6,610,167)	(3,853,857)	41.7%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	283,782	343,016	(59,234)	(17.3%)	283,782	343,016	(59,234)	(17.3%)	1,520,063	1,236,281	18.7%
Transfers Out to Other Funds	(283,782)	(343,016)	59,234	(17.3%)	(283,782)	(343,016)	59,234	(17.3%)	(1,372,063)	(1,088,281)	20.7%
Net Transfer In/(Out)	-	-	-	n/m	\$ -	\$ -	\$ -	n/m	148,000	148,000	0.0%
Net Change in Working Capital	(2,994,008)	(1,343,986)	(1,650,022)	122.8%	(2,994,008)	(1,343,986)	(1,650,022)	122.8%	\$ (6,117,583)	\$ (3,123,575)	48.9%
Working Capital, Beginning of Period	7,556,964				7,556,964						
Working Capital, 3/31/2018	4,562,955				\$ 4,562,955						

- 1) Technical accounting entry to clear prior period grant receivable account
- 2) Quarterly EPC project costs were higher than forecast in the budget
- 3) Internal weatherization transfers were slightly under budget due to spending at a pace that lagged budget projections

COCC

Working Capital Budget vs. Actual Report
For the Period Ended 3/31/2018

	Quarter Ended March 31, 2018				Year-to-Date				2018 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
Revenues	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	\$ -	n/m	\$ -	\$ -	n/m
Operating Fund Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Section 8 Subsidy from HUD	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Operating Revenue	3,215,461	3,048,772	166,689	5.5%	3,215,461	3,048,772	166,689	5.5%	12,828,720	9,613,259	25.1%
Non-operating Revenue	529,668	467,188	62,480	13.4%	529,668	467,188	62,480	13.4%	1,868,754	1,339,086	28.3%
Total Revenues	3,745,130	3,515,960	229,170	6.5%	3,745,130	3,515,960	229,170	6.5%	14,697,474	10,952,344	25.5%
Expenses											
Salaries & Benefits	2,828,456	2,894,781	(66,325)	(2.3%)	2,828,456	2,894,781	(66,325)	(2.3%)	12,415,673	9,587,217	22.8%
Routine Maintenance, Utilities, Taxes & Insurance	461,372	432,569	28,803	6.7%	461,372	432,569	28,803	6.7%	1,988,703	1,527,331	23.2%
Direct Social Service Salaries & Benefits	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Social Service Support Expenses & HAP	88	-	88	n/m	88	-	88	n/m	-	(88)	n/m
Administrative Support Expenses	569,619	871,076	(301,457)	(34.6%)	569,619	871,076	(301,457)	(34.6%)	3,611,639	3,042,020	15.8%
Non-operating Expenses	177,958	176,552	1,406	0.8%	177,958	176,552	1,406	0.8%	706,205	528,247	25.2%
Total Expenses	4,037,493	4,374,978	(337,485)	(7.7%)	4,037,493	4,374,978	(337,485)	(7.7%)	18,722,220	14,684,727	21.6%
Net Income	(292,364)	(859,018)	566,654	(66.0%)	(292,364)	(859,018)	566,654	(66.0%)	(4,024,746)	(3,732,382)	7.3%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(11,483)	(9,750)	(1,733)	17.8%	(11,483)	(9,750)	(1,733)	17.8%	(19,500)	(8,017)	58.9%
Decrease in Restricted/Designated Cash	-	6,250	(6,250)	(100.0%)	-	6,250	(6,250)	(100.0%)	25,000	25,000	0.0%
(Increase) in LT Receivables	(290,106)	(659,515)	369,409	(56.0%)	(290,106)	(659,515)	369,409	(56.0%)	(3,247,759)	(2,957,653)	8.9%
Decrease in LT Receivables	174,675	187,696	(13,021)	(6.9%)	174,675	187,696	(13,021)	(6.9%)	1,429,974	1,255,299	12.2%
Acquisition of Capital Assets	(24,761)	(230,000)	205,239	(89.2%)	(24,761)	(230,000)	205,239	(89.2%)	(620,917)	(596,156)	4.0%
Maintenance Projects	(1,067)	(12,500)	11,433	(91.5%)	(1,067)	(12,500)	11,433	(91.5%)	(50,000)	(48,933)	2.1%
Acquisition of Capital Assets	(25,827)	(242,500)	216,673	(89.3%)	(25,827)	(242,500)	216,673	(89.3%)	(670,917)	(645,090)	3.8%
Disposition of Capital Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Suspense	6,783	-	6,783	n/m	6,783	-	6,783	n/m	-	(6,783)	n/m
Change in Other Assets	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Change in Deferrals	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Increase in LT Debt	-	-	-	n/m	-	-	-	n/m	-	-	n/m
(Decrease) in LT Debt	(225,000)	(225,000)	-	0.0%	(225,000)	(225,000)	-	0.0%	(900,000)	(675,000)	25.0%
Change in Other Liabilities	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Other Non-Working Capital Income/Expense Items	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Non Income/Expense Change in Equity	-	-	-	n/m	-	-	-	n/m	-	-	n/m
Total Other Sources/(Uses) of Working Capital	(370,959)	(942,819)	571,860	(60.7%)	(370,959)	(942,819)	571,860	(60.7%)	(3,383,202)	(3,012,243)	11.0%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	1,200,000	1,201,725	(1,725)	(0.1%)	1,200,000	1,201,725	(1,725)	(0.1%)	6,200,079	5,000,079	19.4%
Transfers Out to Other Funds	(539,057)	(515,517)	(23,540)	4.6%	(539,057)	(515,517)	(23,540)	4.6%	(1,890,067)	(1,351,010)	28.5%
Net Transfer In/(Out)	660,943	686,208	(25,265)	(3.7%)	660,943	686,208	(25,265)	(3.7%)	4,310,012	3,649,069	15.3%
Net Change in Working Capital	\$ (2,380)	\$ (1,115,629)	\$ 1,113,249	(99.8%)	\$ (2,380)	\$ (1,115,629)	\$ 1,113,249	(99.8%)	\$ (3,097,936)	\$ (3,095,556)	0.1%
Working Capital, Beginning of Period	33,974,363				33,974,363						
Working Capital, 3/31/2018	\$ 33,971,984				\$ 33,971,984						

1) The budget for Central Investment Fund Interest income was based on historical budget levels and did not take into account increased interest rates and the purchase of additional bonds.

2) Various categories are under target (i.e. software maintenance, administrative contracts, agency-wide training, professional services)

3) The majority of the budgeted 1st quarter draw from Greenbridge internal loan is expected to occur in the 2nd quarter.

4) Eight vehicles budgeted to be acquired early in 2018 were delayed to the 2nd quarter.

T A B N U M B E R



King County Housing Authority

TO: Board of Commissioners

FROM: Linda Riley, Controller *LR*

DATE: April 9, 2018

RE: 1st Quarter 2018 Summary Write-Offs

During the first quarter of 2018, tenant accounts totaling \$13,802 were deemed uncollectible and written off. This was an increase of 30.1% from the previous quarter but was still well below the trends experienced during most of 2016 and 2017. Housing Management is now reviewing all vacated accounts with outstanding balances, and the second quarter write-offs are expected to rise to prior levels. Of the 11 accounts written off, one accounted for 52% of the total dollars. Cleaning and damages of \$6,241 were partially offset by the retention of \$1,639 of security deposits. All of the accounts will be forwarded to the collection agency, but recovery rates tend to be low. In the first quarter, \$745 was recovered.

	Total WRITE-OFFS	YTD WRITE-OFFS
Rent Balance Forward to Vacate Month	\$ 3,342.00	\$ 3,342.00
Retro Rent Write-offs	\$ 5,394.95	\$ 5,394.95
<u>VACATE CHARGES:</u>		
Rent Delinquent in Vacate Month	3,259.34	3,259.34
Cleaning & Damages	6,240.95	6,240.95
Paper Service & Court Costs	-	-
Miscellaneous Charges	1,854.44	1,854.44
Total Charges	11,354.73	11,354.73
Total All Charges	20,091.68	20,091.68
<u>CREDITS:</u>		
Security Deposits	(1,639.00)	(1,639.00)
Miscellaneous Payments & Credits	(4,650.81)	(4,650.81)
Total Credits	(6,289.81)	(6,289.81)
Total Net Write-offs	\$ 13,801.87	\$ 13,801.87
Net Write-offs by Portfolio		
KCHA	12,056.67	12,056.67
Green River	-	-
Green River II	-	-
Egis	1,126.80	1,126.80
Soosette Creek	618.40	618.40
Vantage Point	-	-
	\$ 13,801.87	\$ 13,801.87

**Write-off and Collection Summary
2016 - 2018**

NET WRITE-OFFS			
	2018	2017	2016
January to March	13,801.87	29,410.02	23,434.99
April to June		28,988.40	23,594.38
July to September		35,216.21	39,776.14
October to December		10,606.63	38,819.29
TOTAL	13,801.87	104,221.26	125,624.80

NET COLLECTIONS			
	2018	2017	2016
January to March	745.08	3,757.85	6,130.40
April to June		4,104.25	4,798.56
July to September		588.53	2,098.53
October to December		4,470.21	1,996.72
TOTAL	745.08	12,920.84	15,024.21

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

T A B N U M B E R

9



To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: April 2, 2018

Re: **New Bank Accounts**

Since the last Board meeting KCHA opened 4 new bank accounts.

Bank: KeyBank

- King County Housing Authority Maintenance Facility Disposition Proceeds

Purpose: A new interest-bearing savings account was opened to hold restricted net disposition proceeds from the HUD-authorized sale of the Eastside Maintenance Facility. Disposition proceeds will be released only for purposes approved by HUD in writing.

Bank: KeyBank

- Somerset Gardens Apartments LLLP, Somerset Gardens Development Taxable
- Somerset Gardens Apartments LLLP, Highland Village Development Taxable
- Somerset Gardens Apartments LLLP, Highland Village Development Tax Exempt

Purpose: The taxable and tax exempt development accounts are full business checking accounts with KeyBank that will be used to pay for rehabilitation expenses. The taxable accounts will be funded by draws on KCHA subordinate loans. The tax exempt account will be funded by draws from the proceeds of tax exempt bonds issued by KCHA.



To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: May 15, 2018

Re: **New Bank Accounts**

Since the last Board meeting KCHA opened 14 new bank accounts.

Bank: Northwest Bank

- Corinthian TOD LLLP Operating Trust
- Corinthian TOD LLLP Security Deposit Trust
- King County Housing Authority DBA Alpine Ridge Operating Trust
- King County Housing Authority DBA Alpine Ridge Security Deposit Trust
- King County Housing Authority DBA Arbor Heights Operating Trust
- King County Housing Authority DBA Arbor Heights Security Deposit Trust
- King County Housing Authority DBA Aspen Ridge Operating Trust
- King County Housing Authority DBA Aspen Ridge Security Deposit Trust
- King County Housing Authority DBA Heritage Park Operating Trust
- King County Housing Authority DBA Heritage Park Security Deposit Trust
- King County Housing Authority DBA Windsor Heights Operating Trust
- King County Housing Authority DBA Windsor Heights Security Deposit Trust
- Overlake TOD LLLP Operating Trust
- Overlake TOD LLLP Security Deposit Trust

Purpose: Multiple Bank of America accounts, related to properties managed by Allied Property Management (Allied), were closed and replaced with full business checking accounts, at Northwest Bank. Northwest Bank is the primary bank used by Allied. More properties managed by Allied will have their Operating and Security Deposit accounts moved to Northwest Bank in the coming months.

The Operating Trust Accounts will be used to pay operating expenses related to the properties. The accounts will primarily receive wires from the Depository Account at Bank of America and issue checks. Wire transfers will be made to the Operating Account to pay for the property's operating expenses.

The Security Deposit Trust accounts will be used to hold tenant security deposits. Transactions will include and be limited to deposits from the depository account, and transfers to the operating account for tenant refunds. KCHA policy requires tenant security deposits and the practice is to hold security deposits in separate bank accounts.

T A B N U M B E R

10



TO: Board of Commissioners

FROM: Tim Baker, Senior Management Analyst

DATE: April 6, 2018

RE: **First Quarter CY 2018 Procurement Report**

In order to update the Board concerning KCHA's procurement activities, staff is presenting the attached Quarterly Procurement Report. This report covers all procurement activities from January through March 2018 that involved the award of contracts valued over the amount of \$100,000 and change orders that have cumulatively exceeded 10% of the original or not to exceed contract amount.

Awarded Contracts Over \$100,000:

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

In the first quarter, there were 22 contracts awarded and valued at more than \$100,000, representing 96% of the contracts executed in the quarter. The largest contract, executed for construction work, was for \$8,982,600 awarded to Allied Construction for the Highland Village site improvements project.

Capital Construction awarded six task order contracts valued at \$1 million each for a variety of A&E services. One construction contract was executed via the sole source process, which is unusual for construction projects. However, the work required 1"-1.5" pipe relining, was very specialized, and only one company in the region could do work on pipes that small.

There were two contracts awarded for fire restoration work at Nike Manor and Ballinger Homes. The procurement process was managed by the insurance adjuster, who selected the same contractor for both projects, Interstate Restoration, a new contractor for KCHA.

Administrative Services executed four contracts for financial legal services. Three of the firms selected have done similar work in the past for KCHA and one firm, Stradling, is new.

Contract Change Orders Exceeding 10%:

KCHA's internal procedures require heightened oversight and review once a contract has incurred change orders valued at more than 10% of the original contract amount. The change order (CO) section of the report includes the issuing department, contract type, company awarded the contract, the original amount awarded, as well as the number of change orders, the amounts of the total change orders to date expressed both in dollars and percentages above the original contract value, and notes about the procurement. Per the Board's request, this section was divided between change orders issued in response to unforeseen field conditions, or expanded project scopes, and change orders which were foreseen at the time the initial contract was let (primarily through contract extensions on multi-year contracts). The not-to-exceed total for the "foreseen" change order section is the projected total amount of the contract once all the foreseen change orders are completed.

There were four "field condition" change or "scope change" orders on a contract whose total value had exceeded 10% of the initial contract amount. Two were issued to Brightview for landscaping services (2 separate contracts). The contracts were increased due to an error in wage rates communicated by KCHA to Brightview in the initial procurement, and an increase in scope replacing another, poorly performing landscaping company, respectively.

There were 20 anticipated change orders involving the extension of the contract as allowed in the original contract. Fifteen were issued by the Resident Services Department for the annual renewals of KCHA's educational initiatives projects.

KING COUNTY HOUSING AUTHORITY
QUARTERLY PROCUREMENT REPORT

January-March 2018 (First Quarter)

Awarded Contracts Over \$100,000								
Issuing Department	Contract type	Contract Awarded to	Estimate/Budget Amount	Initial Contract Amount	NTE with extensions	Procurement Process	# of bids	Notes
Administrative Services	Legal services-finance	Kantor Taylor	\$100,000	\$100,000	\$100,000	RFP	5	Firm has performed similar work for the past 6 years. KCHA not obligated to spend contract amount.
Administrative Services	Legal services-finance	Stradling	\$100,000	\$100,000	\$100,000	RFP	5	New law firm for KCHA. KCHA not obligated to spend contract amount.
Administrative Services	Legal services-finance	Foster Pepper	\$500,000	\$500,000	\$500,000	RFP	5	Firm has performed similar work for the past 6 years. KCHA not obligated to spend contract amount.
Administrative Services	Legal services-finance	Pacifica	\$500,000	\$500,000	\$500,000	RFP	5	Firm has performed similar work for the past 6 years. KCHA not obligated to spend contract amount.
Asset Management	Gilman Square roof replacement	Forever Roofing	\$103,726	\$105,885	\$105,885	sealed bid	6	New contractor for KCHA. Minority owned business.
Asset Management	Woodridge park walkway replacements	Combined Construction	\$132,000	\$128,000	\$128,000	sealed bid	2	New contractor for KCHA.
Asset Management	Somerset interior painting & drywall	iBuild, Inc.	\$138,414	\$142,155	\$142,155	sealed bid	4	Contractor has performed several successful projects for KCHA. Section 3 certified.
Asset Management	Nike Manor fire restoration	Interstate Restoration	\$118,766	\$143,996	\$143,996	sealed bid	6	Insurance adjuster led procurement process, bid development and acceptance.
Asset Management	Highland Village weatherization	Superior	\$173,605	\$154,986	\$154,986	sole source	n/a	Puget Sound Energy selected the contractor from their roster of approved vendors.
Asset Management	Highland Village renovations	Allied Construction	\$7,763,650	\$8,982,600	\$8,982,600	sealed bid	3	KCHA estimate based on unit pricing from Spiritwood project, architect's estimate was \$8.4 million.
Capital Const	Kirkland Place shore & beam repair	Accord	\$242,896	\$269,248	\$269,248	sealed bid	2	Contractor has performed several successful projects for KCHA. Section 3 certified.
Capital Const	Ballinger waste pipe lining	Trenchless Pipe Repair	\$442,280	\$338,956	\$338,956	sole source	n/a	Contractor is the only one in the region that works on pipes that are 1-1/2' in size
Capital Const	Northwood deck replacement	Libby Builders	\$539,149	\$573,330	\$573,330	sealed bid	4	Contractor has performed several successful projects for KCHA. Section 3 certified.
Capital Const	Hazardous materials testing	Argus Pacific	\$1,000,000	\$1,000,000	\$1,000,000	RFP	8	Task order contract. KCHA not obligated to expend funds or issue task orders.
Capital Const	Hazardous materials testing	DH Environmental	\$1,000,000	\$1,000,000	\$1,000,000	RFP	8	Task order contract. KCHA not obligated to expend funds or issue task orders.
Capital Const	Hazardous materials testing	MC Consultants	\$1,000,000	\$1,000,000	\$1,000,000	RFP	8	Task order contract. KCHA not obligated to expend funds or issue task orders.
Capital Const	Hazardous materials testing	PBS	\$1,000,000	\$1,000,000	\$1,000,000	RFP	8	Task order contract. KCHA not obligated to expend funds or issue task orders.
Capital Const	Environmental services	ESA	\$1,000,000	\$1,000,000	\$1,000,000	RFP	2	Task order contract. KCHA not obligated to expend funds or issue task orders.
Capital Const	Environmental services	Normandeau	\$1,000,000	\$1,000,000	\$1,000,000	RFP	2	Task order contract. KCHA not obligated to expend funds or issue task orders.
Capital Const	Elevator repairs	ELTEC	\$1,329,956	\$1,335,570	\$1,335,570	cooperative	n/a	Contractor selected from the State of WA elevator repair roster.
Homeless Housing	Sponsor based supportive housing	Sound Mental Health	\$1,546,936	\$1,546,936	\$1,546,936	RFP	3	Procurement process managed by King County.
Housing Management-maint	Ballinger fire restoration	Interstate Restoration	\$269,372	\$217,536	\$217,536	sealed bid	3	Insurance adjuster led procurement process, bid development and acceptance.
Totals			\$20,000,750	\$21,139,198	\$21,139,198			

Contracts exceeding 10% cumulative change order-Condition Changes

Issuing Department	Contract type	Contract awarded to	Initial Contract Amount/NTE*	Change Order Amount & No. This Quarter	Total Contract Value to Date	% of NTE*	Notes (Current Quarter Change Orders)
Asset Management	Valley Park exterior painting	DePaolo's Painting	\$39,127	\$5,150 (1)	\$44,278	13%	KCHA requested additional caulking on the cement board installations.
Housing Management-maint	Landscaping services	Brightview	\$146,492	\$20,000 (3)	\$262,000	79%	Hourly wage rates increased due to HUD audit, extra funds were needed in contract to cover increase.
Housing Management-maint	Task order landscaping services	Brightview	\$500,000	\$115,000 (1)	\$230,000	46%	Contract with other TO landscaper terminated, moving those contract funds into Brightview account.
Housing Management-maint	Flooring services	Signature Interiors	\$3,600,000	\$205,000 (3)	\$2,270,000	63%	Contract has exhausted its funds, this CO is to provide funding for the balance of the contract.
Totals			\$4,285,619		\$2,806,278		

Contracts with contract extensions or other foreseen change orders

Issuing Department	Contract type	Contract awarded to	NTE*	Change Order Amount & No. This Quarter	Current Contract Value	% of NTE*	Notes (Current Quarter Change Orders)
Homeless Housing	Student family stability initiatives	Neighborhood House	\$4,053,298	\$520,149 (6)	\$2,515,692	62%	Final extension to the contract.
HOPE VI	Land use legal services	Johns Monroe	\$425,000	\$75,000 (4)	\$321,000	76%	Anticipated work for Greenbridge, includes the upcoming Wind Rose project.
Housing Management-maint	Plumbing services	Holmberg	\$500,000	\$150,000 (1)	\$400,000	80%	First extension to the contract.
Housing Management-maint	HVAC services	TRS Mechanical	\$1,000,000	\$500,000 (2)	\$900,000	90%	First extension to the contract.
Resident Services	Workforce development services	Neighborhood House	\$662,000	\$110,204 (1)	\$198,638	30%	First extension to the contract.
Resident Services	Workforce development services	YWCA	\$1,400,000	\$239,194 (1)	\$432,083	31%	First extension to the contract.
Resident Services	After school & summer learning programs	Kent Youth & Family Services	\$1,175,960	\$196,636 (1)	\$389,416	33%	First extension to the contract.
Resident Services	After school & summer learning programs	YWCA	\$869,325	\$142,520 (2)	\$299,245	34%	Second extension to the contract.
Resident Services	Education & employment services	Bellevue Community College	\$539,800	\$69,300 (3)	\$269,800	50%	Third extension to the contract.
Resident Services	Family support programs	Neighborhood House	\$231,974	\$35,890 (3)	\$124,214	54%	Third extension to the contract.
Resident Services	After school & summer learning programs	Center for Human Services	\$737,900	\$111,952 (4)	\$402,044	54%	Third extension to the contract.
Resident Services	After school & summer learning programs	Southwest Youth & Family Serv.	\$1,424,775	\$209,980 (5)	\$794,835	56%	Third extension to the contract.
Resident Services	After school & summer learning programs	Bellevue Boys & Girls Club	\$301,519	\$43,649 (4)	\$170,573	57%	Third extension to the contract.
Resident Services	Child care training services	Child Care Resources	\$180,000	\$21,000 (3)	\$111,000	62%	Third extension to the contract.
Resident Services	Early learning and engagement	Linda Hughes	\$87,600	\$11,000 (3)	\$54,600	62%	Third extension to the contract.
Resident Services	After school & summer learning programs	SW Boys & Girls Club	\$826,286	\$138,496 (4)	\$549,294	66%	Fourth extension to the contract.
Resident Services	After school & summer learning programs	Neighborhood House	\$1,236,103	\$205,936 (4)	\$824,231	67%	Fourth extension to the contract.
Resident Services	Increasing academic performance	Higlhine Public Schools	\$83,100	\$12,600 (4)	\$57,900	70%	Fourth extension to the contract.
Resident Services	Career & computer centers	YWCA	\$489,727	\$84,896 (5)	\$489,727	100%	Final extension to the contract.
Totals			\$16,224,367		\$9,304,292		

*NTE = Not To Exceed

T A B N U M B E R



KCHA Executive Dashboard

2018 Q1

January - March, 2018

Households Served

as of March 1, 2018¹

19,865

Finance

	Budgeted	Actual	Actual to Budget	
Revenue year-to-date	\$77,023,779	\$77,914,937	101.2%	
Expenditure year-to-date	\$62,401,849	\$61,635,761	98.8%	
LGIP Rate Investments	1.07%	1.57%	+0.5%	
Non-LGIP Investments	1.07%	1.50%	+0.43%	

Housing Management

	Scope	Target	Mar '18	
Public Housing Occupancy ²	3,715 units	98.0%	99.3%	
Local Programs Occupancy	5,776 units	96.5%	98.7%	
Total Units Online ³	10,200 units	11,105	10,200	

Housing Choice Voucher Program Operations

Shelter Burden

Households paying more than 40% income to rent.



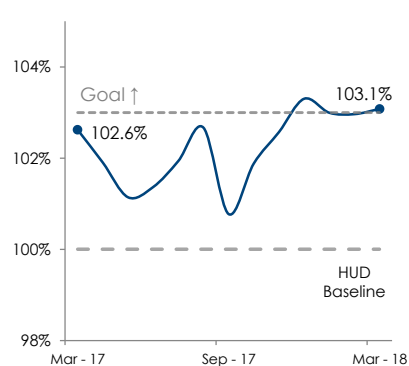
Shopping Success⁴

Lease-up within 240 days after voucher issuance, by cohort.



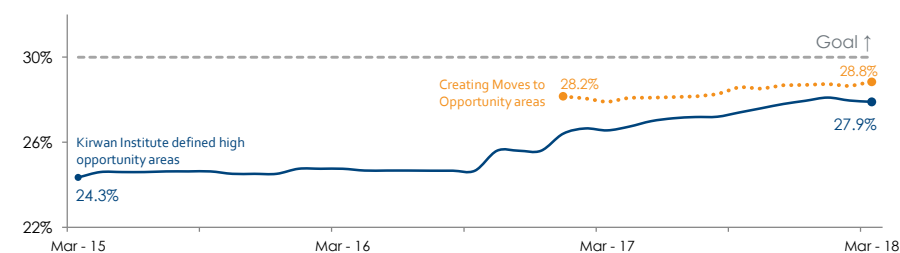
Utilization Rate⁵

Percentage of HUD ACC leased by month.



Increasing Access to Opportunity Areas

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



Notes

- 1) Includes households in both federally subsidized, workforce housing, and local programs. 2) Excludes 49 units in portfolio where turnover is not tracked monthly. 3) 11,105 represents the agency's acquisition stretch goal by the end of 2020.
- 4) Represents success of latest cohort to reach 240 days after voucher issuance. 5) Adjusted for 12-month incremental lease-up of new vouchers.

T A B N U M B E R



To: Board of Commissioners
From: Alexis Warth, Data Manager
Date: May 11, 2018
Re: **2017 Resident Characteristics Report**

Background: Since 2009, KCHA has prepared annual reports providing an analysis of households living within KCHA programs during the calendar year. Results and summaries of these analyses have been provided to program staff and management, in an effort to support data-driven decision-making and planning processes. An informational summary, as well as a discussion of key findings from this year's analyses, will be presented at the May 21st Board Meeting. No action will be necessary.

2017 Highlights:

Throughout 2017, KCHA's federally subsidized programs served 15,932 households¹, comprised of 38,878 individuals. KCHA had 1,727 new households enter programs in 2017, while 888 households exited. 30% of households were considered *elderly*, 29% as *non-elderly disabled* and the remaining 41% as *non-elderly non-disabled*.² Forty one percent of households had at least one child living in the home, with KCHA programs providing housing for 14,832 children during 2017.

Homelessness Among Entering Households

Of the households entering KCHA programs in 2017, 50% reported experiencing homelessness immediately prior to entry.³ This percentage continues a pattern of growing homelessness among entering households, increasing from 42% in 2014. In 2017, 85% of previously homeless entering households reported some form of income at entry, with a median income of \$8,856 (compared to \$12,664 for all other entering households). Thirty six percent of previously homeless households had at least one child in the home, with 73% of these households headed by a single parent.

¹ The total household count includes any household receiving housing through KCHA's Public Housing, Project-Based and Tenant-Based programs and living within KCHA's jurisdiction. Port-In households are included in these analyses, while Port-Out households are excluded.

² A household is considered *elderly* if one or more of the members is age 62 and over. A household is considered *non-elderly disabled* if there is at least one member who identifies as a person with a disability and if there are no elderly individuals living in the home. A *non-elderly non-disabled* household is any household where all members are under the age of 62 and no household member has identified themselves as having a disability. Fifty four percent of elderly residents also identify as having a disability, but are included in the "Elderly" category for analysis purposes.

³ When calculating homelessness rates, port-in households are excluded due to their previous residence in housing through another PHA. Homeless households were identified using the HUD definition, which does not include households that are "doubled-up" or "couch surfing."

Single Parent Households

Single parent households are a growing population within KCHA programs. In 2017, 54% of all households with children were headed by a single parent. This percentage was higher among entering households, with 70% of all entering households with children being headed by a single parent.⁴ According to both external research and internal KCHA data, single parent households are more vulnerable to both income instability and housing instability, including shorter average lengths of stay, higher rates of negative move out reasons and higher rates of extreme poverty, when compared to multi-adult households with children.

Income

For all KCHA households in 2017, the median total household income was \$12,464. This median was lower for entering households, at \$10,888. Eighty one percent of all KCHA households reported an income at or below 30% of Area Median Income (AMI), qualifying them as *extremely low income* by HUD. In 2017, 34% of all households reported wage income, 64% reported benefit income, 20% reported other income and 4% reported \$0 income.⁵ The percentage of zero income households was higher among certain groups, including non-elderly non-disabled households (7%), entering households (10%), and previously homeless households (14%). Income source varied greatly depending on household type, with 89% of non-elderly disabled and elderly households reporting income from benefits, compared to 28% of non-elderly non-disabled households.⁶

Exiting Households

Fourteen percent of exiting households left for *positive* move out reasons, including homeownership and a move into a non-subsidized rental, 22% exited for *aging and health* related reasons and 18% exited for *negative* reasons, including eviction and program violations. The largest portion of exiting households left for neutral reasons (38%), including moving to another subsidized housing program. The median income for all exiting households was \$11,489, with a large variation depending on household type and move out reason. For example, households with positive move out reasons had a median income at exit of \$34,791, compared to \$10,536 for households with negative and neutral move out reasons. Among non-elderly non-disabled households with positive move out reasons, the median income was \$34,716, with 83% reporting wage income.

Staff will provide a full summary of these analyses and will be available to answer any questions at the May 21st Board Meeting.

⁴ The percentage of single parent households among the entering population has increased in past years, from 54% of entering households with children in 2014. This increase is not reflected in the prevalence of single parent households within the King County population, where the rate of households headed by a single parent has remained constant since 2009.

⁵ These categories are not mutually exclusive - 26% of households reported income from multiple sources in 2017. Wage income includes any income from employment; benefit income includes SSI, SSDI, TANF, etc.; and other income includes pensions, unemployment benefits, child support, etc.

⁶ 16% of non-elderly disabled and elderly households reported income from wages, compared to 60% of non-elderly non-disabled households.

T A B N U M B E R

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Clock runs out in Olympia on bill to aid SeaTac Area mobile home residents

MARCH 15, 2018 BY NORTHWEST ASIAN WEEKLY — 2 COMMENTS

By **Jason Cruz**

Northwest Asian Weekly



The Firs mobile home park

Residents of The Firs Mobile Home Park received bad news from the state capitol in Olympia as a bill granting financial assistance to residents of the SeaTac site fell short of a vote before the end of the legislative session on March 2.

"It's sad," noted state Rep. Cindy Ryu. Relocating the residents could mean moving 200 miles away to another mobile home park, children changing schools, and parents needing to find new jobs. "It tears the fabric of communities," said Ryu, who chairs the Community, Development, Housing and Tribal Affairs Committee.

City of SeaTac Councilmember Peter Kwon personally made phone calls to senators to push for a vote to the very end of the legislative session. But the efforts did not land a vote for approval. House Bill 1884 would have provided financial relocation assistance for low-income residents of mobile home parks like The Firs when they are displaced by landowners. The proposed legislation would amend current legislation which does not allow for adequate relocation assistance.

The owner of the land plans to evict the park's 170 residents, including 90 children, from this 68-space mobile home site. In its stead, the land owner, Jong Soo Park, seeks to redevelop to capitalize on the economic boom. This may mean a commercial property, such as a hotel or an apartment building. He has offered \$2,000 for each lot owner in the park. Currently, they pay \$500 per month.

The state has offered \$2.5 million toward the purchase of The Firs in an effort to save the homes. However, for 6.67-acre plot, the amount is far less than the \$10.7 million fair-market value for the land. A February 2018 appraisal includes the note, "[T]he subject's current use is not its highest and best use." The King County Housing Authority (KCHA) estimated an additional \$2-\$3 million in infrastructure upgrades as well. Kwon estimates costs could grow to \$16 million. Only if there is another buyer seeking to purchase the land for the value, plus the estimated additional costs and the owner approves of the sales term, would The Firs be saved. "It's a symbolic gesture that provides false hope," said Kwon of the \$2.5 million offer.

"It just doesn't pencil out," added Ryu. Helping owners keep the parks open and profitable is a hard question to answer during a period of growth. The balance between affordable housing and a private landowner's right to capitalize on an opportunity are at odds in this situation.

There are apartment buildings owned by the KCHA near the site of The Firs which might be available to the residents. However, according to Kwon, many of The Firs tenants do not want to move there.



City of SeaTac Councilmember Peter Kwon (Photo by Stacy Nguyen)

Kwon first learned of the evictions in 2016, when residents showed up at a city council meeting. Kwon met with the homeowner's association at The Firs, its residents, and the Tenants Union of Washington state to discuss what the city could do. The residents wanted to remain at The Firs. But, if that was not possible, they wanted to be able to find adequate housing in addition to financial assistance for the relocation.

Kwon indicated that the current law in Washington allows payment to mobile home owners for relocation. It pays \$7,500 per single-section home and \$12,500 per multi-section home. However, if a landowner provides payments for relocation, the amount is deducted from the state payment. For instance, the \$2,000 proposed to be paid by Park would decrease the \$7,500 to \$5,500. In addition, the current payout by the state would be given to the homeowner in order to move or demolish the mobile home. It cannot go toward the first and last month's rent or a down payment on a residence.

"House Bill 1884 was the only one to help The Firs," stated Kwon. "There was no opposition to the bill."



Rep. Cindy Ryu

According to Ryu, the bill was a "Kumbaya moment" for residents and owners, tenants and landlords, as all parties seemed to agree on the parameters of the proposed bill. The bill would allow for assistance for displaced residence of mobile home parks to utilize money to relocate. They could use the state money to pay to demolish the mobile home, and use it toward rent or a down payment for a new residence.

But Ryu noted opposition from some Republicans regarding the source of funding for the bill and a proposal that the new bill be limited only to those 55 years and older. "The problem with this is that while it would help the elderly, it would not help families," explained Ryu.

In lieu of the legislative attempts, the homeowner's association of The Firs have filed a lawsuit against the City of SeaTac. It claims that the proper process for notifying the residents of the eviction were not followed according to the law. This includes the allegation of improperly translated documents into Spanish, as English is a second language for most.

Ryu hopes that the bill will pass in the next legislative session in 2019, so that future displaced mobile home residents might benefit. But the residents at The Firs face an uncertain future.

"I completely feel anguish for residents of The Firs."

Jason can be reached at info@nwasianweekly.com.

Comments

Earl Gipson says

MARCH 16, 2018 AT 12:39 PM

Rep Ryu and Seatac Councilmember Kwon actually tried to help the Firs residents. Rep Gregerson only serves herself and is vindictive towards the City for tossing her off the Council. She is using the Firs residents toward that aim and once they realize she is doing them more harm than good it will backfire. A brick would be a better representaive than Gregerson for the 33rd and if anyone runs against her, they have my vote.

Reply

Chuck D'Arielli says

MARCH 16, 2018 AT 10:52 AM

I'm sure Mia Gregerson will fly in on her broom and save the day

Reply

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Awards of Excellence: Speakers of the House

Published on 2018-03-19 15:53:07

CARMEN SMITH

The King County Housing Authority (Wash.) wins a 2017 Award of Excellence for its initiative to prepare emerging leaders for future career opportunities within the agency. Nominated from among the NAHRO Award of Merit winners each year, the Awards of Excellence winners are chosen by national juries and honored at the annual National Conference and Exhibition in October. They represent the very best in innovative programs in assisted housing and community development. This agency recieved an award in the Administrative Innovation category, which includes programs that improve the efficiency or effectiveness of administrative operations or the general functioning of the agency.

With approximately 20 percent of agency employees reaching retirement age within the next five years, a critical determinant of King County Housing Authority's (KCHA) organizational future is the degree to which they can retain, train, and advance their workforce. Preparing emerging leaders for future career opportunities has been a challenge for the agency.



Although there are many high-quality training programs available for staff to attend, the opportunity to practice and use those skills effectively was minimal. In addition, there was a challenge of how to increase synergy and enhance company culture while being a responsible steward of public funds.



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The increased skillset and camaraderie employees have seen from participation in this program has been immense, and grew exponentially as KCHA moved through the six-month pilot. As a group, the employees have greatly progressed in their ability to organize their thoughts and speak in public. In addition, since this Toastmasters chapter is devoted solely to KCHA staff, members are able to focus their speeches on topics around work-related subjects and programs. This creates an atmosphere of mutual purpose and encourages employees to build relationships within their own organization. Individual success stories abound. During her first speech, one member was so fearful of public speaking that she stopped within her first sentence and was unable to continue. Several other members came up to the lectern and stood by her as a way to offer their emotional support. The speaker was eventually able to finish her speech. Weeks later, she was able to complete her second presentation without assistance. As the meetings progressed, this member has become one of the most perceptive and participatory people in the group. This confidence carries over into her everyday work, and she has reported that her interactions with clients has become more clear and concise since beginning Toastmasters.



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Another member of the group has been especially impacted by the Table Topics portion of the meeting. During Table Topics, members are asked a question and are expected to respond for approximately two minutes without any advance notice. “My mind used to just go blank when I was asked a question,” the member said. “I couldn’t even participate in my team meetings. Now I can quickly summarize my thoughts and explain them in a way that I can feel confident makes sense.”

The members of the group that were elected as officers have experienced the largest positive impact in terms of leadership development. The current club president’s working job title is Senior Office Assistant, and in this role she has rarely had the opportunity to practice the leadership skills needed to advance her career. As club leader, she has learned how to take a new team through a vision casting process and support them in taking concrete steps towards achieving those goals. “My confidence has been heightened and I don’t feel like my role within the organization is as minuscule as I once thought it was,” she said. “I feel that I can take on bigger projects, reach for higher roles, and better connect with the current and future leaders of this organization, I am more motivated to keep moving forward.”

In addition, the group has developed a trust and open communication across a wide range of departments and management levels. These connections have reduced the silo effect and increased agency cohesion. As an example, two employees who would not normally interact now team up regularly. Issues that arise in either department can now be answered more quickly and efficiently, which increases KCHA’s productivity and supports both the mission and bottom line.

One of the most exciting elements of this program is its low implementation cost. Start-up fees were paid for out of the Human Resources (HR) budget and included a one-time Charter charge, a membership fee of \$20 per person, and the first six months' dues of \$36 per member. The Charter charge of \$125 also included a New Club packet, which contained a gavel, timer cards, and other materials that the group would need to run effective meetings. Going forward, HR will continue to financially support this program by paying for the ongoing membership dues on a semi-annual basis.



Through this program, KCHA find and develop emerging leaders among its staff at a reasonable cost of both time and effort.

Shoreline Area

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Affordable Housing Explained

TUESDAY, MARCH 20, 2018



Colonial Gardens is considered workforce housing in Shoreline.

It is open to applicants of all ages and accepts Section 8 vouchers. Photo courtesy KCHA

By Sam Tilford

Affordable housing is a broad term which can be used and interpreted in a variety of ways, but undoubtedly affects a large portion of the community.

For years the term "affordable housing" was used synonymously with "low income housing". However, affordable housing is a much more accurate reflection of the broadened range of affordable housing programs and recipients.

The simplified definition of affordable housing refers to housing that is rented at below market rents and serves households at or below 80 percent of the area median income. This means that candidates must make less than 80 percent of their area median income -- with family size in consideration -- to qualify.

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"Affordable rent" as defined by Seattle (and Shoreline) government means that the monthly rent plus tenant paid utilities and any mandatory recurring fees required as a condition of tenancy for the unit does not exceed 30 percent of the monthly imputed median income for qualifying units.

Ultimately, the definition of "affordable housing" is ambiguous in that it applies to a plethora of people and situations. There are those in affordable housing who cannot afford to rent anywhere else and there are those who make enough to rent elsewhere but choose to utilize the opportunity to save.

The only true requirement of affordable housing is that tenants must meet median income requirements and pay rent. However, within the confines of that lies stipulations.



Briarwood Apartments is subsidized housing. It is open to seniors 62+ and persons with disabilities. Photo courtesy KCHA

Affordable housing in Shoreline is made possible by the Property Tax Exemption Program (PTE), the Multifamily Tax Exemption Program (MFTE) and the U.S. Housing Act of 1937.

The Property Tax Exemption Program is offered to developers who meet affordable housing standards. Established in 2002 and simplified in 2015, the 12-year affordable program only applies to improvements on buildings; the land value continues to be taxed. After the 12 year period ends, developers will begin to pay both.

In order to qualify, developers must commit 20 percent of a project's units -- with a minimum of four units -- to qualified renters at affordable rates. These rates are determined by a person's income relating to the AMI and unit size.

- Studios and one bedroom units must be affordable to those earning 70% of the King County AMI.

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 Third Place Books
 Third Place Commons
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provides
opportunities...

- Two bedroom or larger units must be affordable to those earning 80% of the King County AMI.

The Multifamily Tax Exemption Program provides a tax exemption on new multifamily buildings in exchange for setting aside 20-25% of the homes as income- and rent-restricted. By supporting mixed-income residential development in the urban centers, the MFTE program ensures affordability as the community grows. Much like the National Affordable Housing Act, it seeks to provide affordable housing to families.

Established in 1937, the U.S. Housing Act -- or the Wagner-Steagall Act -- set a standard for low-income subsidized housing in America. This seminal legislation has been amended and expanded upon by Congress many times since to create a variety of housing programs. These amendments and expansions include the Gonzalez-Cranston National Affordable Housing Act of 1990 which states that every American family should be able to afford a decent home in a suitable environment. Others like the Housing and Community Development Act of 1974 created the Section 8 program and the Community Development Block Grant program.



Ballinger Homes is subsidized housing. It is open to families, seniors aged 55+ and disabled persons. One of the most popular housing developments in Shoreline, it offers youth and teen programs by Homework Factory, after-school mentoring, counseling, parenting classes, adult ESL classes, life skills classes, citizenship classes and adult basic education classes. Photo courtesy KCHA

In Shoreline, affordable housing is made possible by the King County Housing Authority (KCHA). Established in 1939, KCHA provides rental housing and rental assistance to more than 55,000 people -- or over 19,000 households -- in King County who earn less than the King County Adjusted Median Income (AMI).

- KCHA owns and manages more than 4,269 units of federally funded housing, primarily in King county, for families, elderly and people with disabilities.

Two accidents are blocking traffic

Photo: Skagit Valley Spring

Ring of pickpockets believed to be working the Pug...

Shorecrest junior wins Best of Show at Youth Art M...

Jobs: HR Intern at WSDOT Shoreline

Bill focused on preventing newborn abandonment sig...

Good Morning Shoreline! Tuesday at Aegis

Gardening party at Grace Cole Saturday

Join the KAPPA writers' group

Rep. Valdez' bill signed into law

Weather/Watcher: Snow remains in the forecast

Graduating Seniors - scholarships available throug...

Local March For Our Lives gatherings

Photos: Touring the Edmonds Salt Marsh

Seattle March for Our Lives on Saturday

Shorecrest hosts dual track meet Thursday with Arl...

Sno County Human Rights Commission hosts discussio...

Congressional Rep Pramila Jayapal to host town hal...

Scam: Businesses receiving bogus invoices for post...

County Council joins young people in calling for e...

Music4Life delivers 13 musical instruments to Shor...

Photo: Bubble at Paramount Park

Mill Creek Garden Tour and Artisan Market June 23

- An additional 5,731 units of low- and moderate- income housing are financed through tax credits or tax-exempt bonds.
- Federally funded Section 8 Vouchers help more than 12,000 households rent affordable housing on the private market in King County. With a voucher, tenants pay at least 30 percent, but generally not more than 40 percent, of their household income for rent and utilities depending on the neighborhood and apartment they select. More than 2,500 vouchers are reserved for people with unique needs, such as homeless families and people with disabilities.

KCHA provides a broad range of housing at varying levels of affordability. This spectrum includes anyone; from formerly homeless to families saving to buy a home.

- For federally subsidized housing -- or public housing and Section 8 -- rent is on a sliding scale, where household incomes average around 18 percent of AMI and rent can average around \$200-500 per month depending on family size.
- In workforce housing that is not federally subsidized household income averages 58% of the median income but there is considerable variation in household income. Workforce housing typically involves people who are saving -- whether to get out of debt or purchase a home. In many cases it provides opportunities through resident programming.
- KCHA offers the Family Self-Sufficiency (FSS) program which helps residents reach financial independence. They also offer after school programs and guidelines for parents.
- At places like the Ballinger Commons the KCHA targets working households with incomes at or below 80% of the area median income. Many of these locations -- including the Ballinger Commons -- are not subsidized meaning they have no income requirements other than tenants being able to afford rent.
- However, in newly acquired locations -- such as Ballinger Commons -- incomes will initially be higher -- closer to 80% of AMI on average. As places become more affordable this percentage will slowly come down.



Ronald Commons is an affordable housing development in Shoreline owned by the Compass Housing Alliance. It features a 12,000 square foot Hopelink Integrated Service Center and food bank. The Integrated Service Center includes a food bank, family services and financial education/assistance for low-income households. Photo by Steven H. Robinson

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KOMO news catches
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New law improves
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Shorewood drama
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of Horrors: T...

Art exhibit from former
Shoreline teacher:
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Shorewood softball v
Lynnwood Mar 21

Shorecrest tennis v
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and merchandise
fro...

Kenmore rowing club
operates out of
Logboom Park

Shorewood tennis v
Arlington

Community Forum:
Understanding our
kids' anxiety—

Shorecrest tennis v
Marysville Pilchuck
Mar 20

Biller Lake Egg Hunt
Mar 31 for ages 10
and under

Coffee with Mayor
Johnson Saturday

Photo: It's spring

UW Bothell Pub Night
Talk at
McMenamins: Black
Hol...

To a lesser extent, affordable housing is provided in Shoreline by Compass Housing / Hopelink, Cristwood Senior Living and Westminster Church.

Quick guide to "affordable housing in Shoreline"

Non-profit housing:

- Cristwood Senior Living
- Ronald Commons
- Westminster Manor

Subsidized housing for families:


- Ballinger Homes
- Peppertree Apartments

Seniors / disabled housing

- Briarwood Apartments
- Echo Cove - 4 units only out of two large buildings
- Lake House
- Northridge I
- Northridge II
- Paramount House
- Westminster Manor

Workforce housing:

- Ballinger Commons
- Colonial Gardens
- Meadowbrook Apartments
- Woodlawn North in Lake Forest Park

Posted by DKH at 6:00 PM 

Tags: housing

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Photo: Flowering plum

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BIG STORY 10 MARCH 29, 2018 / 5:43 AM / 2 MONTHS AGO

Homeless in Seattle celebrate \$3 billion affordable housing victory

Gregory Scruggs

4 MIN READ



SEATTLE (Thomson Reuters Foundation) - Five years ago, Dennis Bateman's life was in shambles. He had just been released from prison for the fifth time. A teenage runaway from foster care who abused drugs and alcohol, he was addicted to heroin and methamphetamines, and sleeping rough.

Today, the 64-year-old lives in his own Seattle apartment, decorated with house plants, knick-knacks and a guitar, has been sober for almost two years and holds a steady job.

The roof over Bateman's head is a four-storey, 68-apartment building called Patrick Place, which provides the homeless with subsidized rent and help with

the mental, physical and addiction issues that often accompany them through the door.

Patrick Place was financed by the federal low-income housing tax credit, which encourages private corporations to invest in affordable housing - for people who are too poor to pay market rates - by earning credits against their corporate income tax.

“Without the tax credit, Patrick Place may not have been built,” said Bateman, who was offered the apartment after a year living in a homeless shelter.

The scheme, set up in 1986, provides housing for more than 13 million people in the United States and is responsible for 90 percent of all affordable rentals, said Senator Maria Cantwell of Washington State, where Seattle is the largest city.

Cantwell visited Patrick Place on Tuesday to celebrate a boost for the scheme as Congress approved a spending bill this month that will give it an additional \$3 billion of federal funds over the next four years.

There is a shortage of 7.4 million affordable homes for renters on or near the poverty line, according to the National Low Income Housing Coalition, an advocacy group.

Homelessness ticked up last year for the first time since 2010 because of a lack of affordable housing, said the U.S. Department of Housing and Urban Development.

The expanded tax credit is projected to produce 29,000 additional affordable homes nationally over the next four years, Dan Watson, deputy chief of the regional housing authority, told a news conference.

INVESTMENT

Cantwell launched a campaign to increase the tax credit two years ago at Patrick Place, a spotless building with a computer lab, on-site mental health and addiction counselors, and a rooftop patio with sweeping views of the downtown skyline.

“We’re here today to celebrate the fact that campaign has been answered with the first investment in 10 years in affordable housing,” she said.

“For us in Puget Sound, at least three to four more Patrick Places will be built each of the next four years,” she said, referring to the greater Seattle region.

In Seattle, the average rent for a one-bedroom apartment is \$1,842 per month, said Kim Herman, head of Washington State Housing Finance Commission, a quasi-state agency that administers the tax credit locally.

The city is among the top five most expensive for renters in the United States, according to the U.S. Census Bureau.

“Affordability, the housing crisis, and the related problem of people experiencing homelessness, is the moral challenge for Seattle right now,” said Seattle Mayor Jenny Durkan.

Seattle and its surrounding suburbs have the third-largest homeless population in the United States, government data shows.

Durkan also called for federal government funding to improve mass transit and address opioid addiction in Seattle, which has soared in the wake of a national opioid crisis.

“In the city of Seattle, (opioid addiction) is a crushing burden on people and it is such an exacerbation of our homeless situation,” she said.

“Yet we are left without the resources to actually make a difference there in so many people’s lives.”

Reporting by Gregory Scruggs, Editing by Katy Migiro. Please credit the Thomson Reuters Foundation, the charitable arm of Thomson Reuters, that covers humanitarian news, women’s rights, trafficking, property rights, climate change and resilience. Visit news.trust.org

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KeyBank announces \$300,000 grant

The following is a press release from KeyBank Corp.

KeyBank announced a three-year investment of \$300,000 to support the expansion of Neighborhood House's Student and Family Stability Initiative (SFSI) from Highline to the neighboring Tukwila School District.

The Tukwila School District is facing a stark picture of children and families experiencing homelessness — more than 300 children in the district have been classified as homeless, with numbers increasing each year.

The SFSI model follows the "Housing First" principle, which provides for permanent housing without prerequisites or conditions, securing housing for families in just 60 days.

"Our funding priorities at KeyBank make up four pillars: neighbors, workforce, education and service, and we know that safe and stable housing is crucial to each one of these," said Carol Nelson, Regional Sales Executive and Seattle Market President for KeyBank. "Philanthropy is part of KeyBank's DNA, and we are dedicated to building stronger communities and improving the lives of the people we call neighbors in the places we call home."

According to Nelson, KeyBank was particularly drawn to the program based on Neighborhood House's prior impressive success in helping homeless families find housing and achieve long-term economic stability in the Highline School District. Neighborhood House' data-driven approach allows the bank to track the impact of its investment.

"We have been looking for strategic partners that can produce transformational change, and we know Neighborhood House is one of those partners," Nelson said.



Firefighters put out a fire Thursday morning at a Kent apartment complex fire in the 10600 block of Southeast 264th Street. COURTESY PHOTO, Puget Sound Fire

Kent apartment fire displaces six people on East Hill

Fire damages four units

Thursday, March 29, 2018 3:16pm | **NEWS**

Six people were displaced after their Kent apartment building caught fire at about 9 a.m. Thursday in the 10600 block of Southeast 264th Street.

When Puget Sound RFA firefighters arrived, they found the first floor of the two-story apartment building on the East Hill engulfed in flames, according to a Puget Sound Fire news release. They quickly attacked the fire

while trying to determine whether everyone had escaped. A language barrier slowed the process, but eventually firefighters confirmed – after two searches – that no one was inside any of the affected apartments.

Although four apartments were damaged by the fire, a “fire wall” built to separate the four units from other apartments kept the fire from spreading even further. This fire-resistant wall typically extends all the way into the attic space and to the peak of the roof, keeping fire from traveling horizontally and causing more damage.

Red Cross and the apartment complex’s management assisted the displaced residents. The complex is part of the King County Housing Authority subsidized properties.

The cause is undetermined due to several possible ignition sources in the area where the fire started, according to a fire investigator. The fire does appear to be accidental.



Firefighters put out a fire Thursday morning at a Kent apartment complex fire in the 10600 block of Southeast 264th Street. COURTESY PHOTO, Puget Sound Fire



Firefighters put out a fire Thursday morning at a Kent apartment complex fire in the 10600 block of Southeast 264th Street. COURTESY PHOTO, Puget Sound Fire

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THE BOND BUYER

The Latest (0/5)

Seattle-area authority plans \$162.5M bond sale for affordable housing projects

By Keeley Webster

Published April 13 2018, 3:50pm EDT

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The King County Housing Authority plans to sell \$162.5 million in tax-exempt revenue bonds Tuesday to support affordable housing projects in the Seattle metropolitan area.

The area has experienced 8% to 9% annual rent increases over the past several years – and has a less than 1% vacancy rate for apartments that provide housing to low-income residents, said Sam Adams, a vice president with KeyBanc Capital Markets.

"Part of the mission of the housing authority is to insure that an economically diverse workforce has a reasonably priced place to live," Adams said.

The upcoming bond sale is part of what S&P Global Ratings called "very active" efforts by the Housing Authority to tackle that mission.



Kings County has a vacancy rate of less than 1% for affordable housing units, said Sam Adams, a KeyBanc Capital Markets vice president.

KeyBanc will price \$90 million of revenue bonds and \$72.5 million of revenue refunding bonds for the housing authority.

With interest rates expected to rise, the authority decided it would be a good time to convert short-term debt to long-term debt, Adams said.

S&P Global Ratings gave the \$90 million tranche an AAA rating in an April 9 report, based on the triple-A rated King County's credit enhancement pledge. The refunding received a AA rating from S&P without an enhancement. The housing authority only holds ratings from S&P, which gave the agency a stable outlook.

Both series of bonds are secured by the general revenues of the housing authority. The \$90 million tranche also is backed by full faith and credit of the county.

King County previously provided a credit enhancement to lower debt costs and help the housing authority fulfill its mission, Adams said.

S&P cited the housing authority's management and the strategic plans' potential to boost growth and services diversification.

The bonds support the housing authority's mission of developing and preserving affordable housing in the state. It owns or operates about 9,590 units in 129 properties and administers more than 11,000 rental vouchers, according to S&P.

The proceeds from the \$90 million tranche will pay off a nonrevolving line of credit revenue note, while the \$72.5 million of bonds will refund 2005 pooled housing variable rate refunding revenue bonds on a current basis and refund a portion of a 2017 revenue note for the Ballinger Commons Apartments.





The King County Housing Authority purchased the 485-unit Ballinger Commons apartments for \$132.5 million in December from Essex Property Trust of San Mateo, California.

King County Housing Authority

The housing authority purchased the 485-unit Ballinger Commons apartments for \$132.5 million in December from Essex Property Trust of San Mateo, Calif. Over the past two years, it has also acquired a 76-unit apartment community in Bellevue and a 146-unit apartment community in Sea-Tac and has \$20 million in capital improvements planned on two other apartment communities, according to S&P Global.

Since 1992, the U.S. Department of Housing and Urban Development has named the housing authority "a high-performing agency in the areas of financial condition, resident services, management operations and physical condition of housing," S&P analysts wrote.

Pacific Law Group is bond counsel on the deal.



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Keeley Webster



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HUD proposes rent increases on public housing tenants

by [Ashley Archibald \(/users/ashley-archibald/\)](/users/ashley-archibald/) | May 9th, 2018



*Illustration of Ben Carson and Jesus by Jon Williams.
Real Change*

http://realchangenews.org/sites/default/files/styles/article_image_full/public/Ben%20Carson%20Jesus%20illustration.jpg?itok=vv0lI0bR

Seattleites are used to rent increases these days.

Those living in the private market see rents jump month to month or year to year as market forces push the cost to live in the city ever upward, while regressive property taxes are distributed to the tenant class.

If the federal government has its way, people experiencing the deepest poverty in the United States will get a chance to share in that feeling of insecurity.

The Department of Housing and Urban Development (HUD) released a proposal in April that would cause rents to jump up an average of \$600 a year for Washington residents in federally subsidized housing, according to an analysis by the Center for Budget and Policy Priorities, a progressive think tank.

That could mean a 44 percent increase in the cost of housing for 4 million U.S. households, averaging as much as \$117 a month, according to the analysis.

In a time when a \$100 rent increase in the private market is correlated to a 15 percent increase in homelessness, according to an oft-cited study in the Journal of Urban Affairs, the impact on the poorest citizens could be devastating.

“That could make the difference between a sick family member getting the medication that they need, or that money could go out of food budget,” said Tristia Bauman, senior attorney with the

National Law Center on Homelessness and Poverty. “Really, \$100 is a significant enough amount that could make the difference between being able to pay rent and not.”

Local housing authorities aren't taking the proposal well.

“We are still sorting all of this out, so I don't have anything I can share with you other than to say this is an unconscionable approach,” wrote Rhonda Rosenberg, director of communications for King County Housing Authority, in an email.

Under the HUD-penned legislation, households in federally subsidized units would see the amount of rent that they are liable for increase from 30 percent of adjusted income to 35 percent of gross income. That terminology is wonky, but adjusted income allows families to lower their reported income by deducting certain expenses related to necessary activities such as medical and child care costs.

That means the poorest tenants would pay a higher percentage of a larger dollar figure than they do currently. The poorest who pay a “minimum rent” of \$50 a month would see that amount tripled.

There are 430 households in housing owned or managed by the Seattle Housing Authority and 1,208 households with Housing Choice Vouchers administered by SHA that pay minimum rent. The latter may currently pay less than \$50 a month.

In addition, local housing authorities would have the freedom to impose work requirements on their tenants, forcing them to work a certain number of hours or lose their subsidy.

Although that might sound good to folks in the “just get a job already” crowd, it's not so simple.

Some laborious “jobs” don't involve wages, such as caring for a child or an elderly person, Bauman said. If subject to work requirements, such families would have to find child care and shoulder transportation burdens.

“One of the problems with these types of work programs, especially when born out of this paternalistic attitude and ignorance of the population, is that a lot of these people who are subject to work requirements are essentially being treated like children who have never had work before,” Bauman said.

The proposal would also allow housing authorities to establish other kinds of alternative rent structures, such as “tiered” or “stepped” rents. Seattle Housing Authority (SHA) considered such a program in 2014 that would have instituted rents based on the size of a tenant's apartment. Under the discarded [“Stepping Forward” program \(http://realchangenews.org/2014/12/23/not-so-fast\)](http://realchangenews.org/2014/12/23/not-so-fast), a family in a two-bedroom apartment would have paid \$160 a month in its first two years in the unit, increasing to \$850 in year seven.

SHA put “Stepping Forward” on hold at the end of 2014 after significant outcry from tenants. At the time, Executive Director Andrew Lofton sent a letter to former Mayor Ed Murray saying that the organization would come back with a proposal within the year.

That did not happen.

SHA had the ability to implement the “Stepping Forward” program because it is one of 39 HUD-designated “Moving to Work” housing authorities, as is King County Housing Authority. The designation gives such housing authorities greater flexibility with how they can spend federal money, allowing them to tailor programs to local conditions.

SHA believes that its Moving To Work status would shield it from some of these new requirements, but nothing is certain, said Kerry Coughlin, communications director with SHA.

“There are things that HUD could do to take away flexibility in this case,” Coughlin said.

A reminder: The average SHA tenant makes less in a year than HUD Secretary Ben Carson spent on a dining set.

The potential increase in rents isn't the only way that this administration, which handed a \$1 trillion tax cut to the wealthiest Americans and corporations, wants to take money out of the pockets of poor people.

The Trump administration has approved waivers for states seeking to add work requirements to Medicaid programs. It's considering similar conditions for the Supplemental Nutrition Assistance Program, formerly known as food stamps. It has also discussed changing the structure of that program from one that allows people to buy food of their choice in grocery stores to a government-issued box of staples.

Ashley Archibald is a Staff Reporter covering local government, policy and equity. Have a story idea? She can be reached at [ashleya \(at\) realchangenews \(dot\) org](mailto:ashleya@realchangenews.org). Follow Ashley on Twitter [@AshleyA_RC \(https://twitter.com/AshleyA_RC\)](https://twitter.com/AshleyA_RC)

Wait, there's more. Check out the full [May 9 - 15 issue \(http://realchangenews.org/issue/may-9-2018\)](http://realchangenews.org/issue/may-9-2018).

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 WORK

The Seattle Area Is Solving One of Housing's Biggest Challenges

By returning to public housing—with some twists.

By REBECCA GALE

MAY 15, 2018 • 10:00 AM

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Tameek Allen needed a change.

Her daughter, Mjracle, said her teacher kept losing control of the classroom, sometimes bursting into tears in front of the students. Even the dean of students had come in and wasn't able to restore order.

"How are you going to learn if the kids don't have control?" Allen remembers thinking.

Allen lived outside Seattle in Kent, Washington, with her apartment rent subsidized by a Housing Choice Voucher from the King County Housing Authority. Twenty miles away is Bellevue, Washington, which has some of the top public schools in the country. So when Allen received an email from the King County Housing Authority seeking families with kids younger than 12 who wanted to move to "opportunity areas" in better school districts, she took action.

Allen attended a meeting at KCHA and expressed interest in moving. Within a few months, an apartment was available in Bellevue. KCHA helped with moving expenses and covering the deposit, without which Allen says the move would not have been possible. Mjracle is thriving in the Bellevue: She is one of the top 20 basketball players in the state, and she's had offers to attend private schools on scholarship. Motivated by the tech-focused community around her (Microsoft, T-Mobile, and Expedia are nearby), Allen has enrolled in community college and is now working toward a business degree.

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Allen's new home is one of the more than 10,000 homes in 132 different properties owned by the King County Housing Authority, approximately half of which are in higher-opportunity neighborhoods like Bellevue. For Stephen Norman, executive director of the King County Housing Authority, acquiring the properties was a critical way to sustain affordable housing options for low-income families, even amid a high demand for housing and high rents across the region.

“Housing authorities are coming out from beneath the albatross of the early ’90s,” Norman said, referring to the federal government’s divestment in maintaining public housing units. Housing complexes across the country needed major repairs that could no longer be deferred. Homes that had been maintained in high-opportunity areas were now worth more, and landlords opted to charge market rents instead of what the housing vouchers provided. Homes that didn’t have high market appeal (what Norman described as “train wreck properties”) needed significant rehabilitation, but KCHA could do that. Since many were close to economic centers and transportation hubs, they’d provide attractive homes once improved and the value would likely continue to increase over time.

Of the total, 4,000 of the units’ rents are subsidized under the Public Housing or Housing Choice Voucher (Section 8) program and the remaining 6,000 are designated “workforce housing,” which provides below-market rents for households making between 30 to 80 percent of the area median income range, which in King County is between \$32,000 and \$80,000 for a family of four.

Since federal public housing assistance was first created in 1939 amid the Great Depression, public housing advocates have struggled with how to move low-income families to higher-opportunity neighborhoods, typically defined as neighborhoods with less poverty (though experts argue there are other ways to measure opportunity, including quality of schools and access to public transportation, and KCHA uses a broader “opportunity index” to compare locations). The Moving to Opportunity program, a federal demonstration in the 1990s, documented outcomes of families moving to neighborhoods with lower poverty rates. The program didn’t show immediate health and economic gains at its conclusion, but in 2015, a landmark paper by Raj Chetty and others showed that for children who moved before the age of 13, the economic and social gains were dramatic. Not coincidentally, 12 and younger was the target age for kids participating in the KCHA opportunity moves like Allen.

KCHA can afford to purchase such buildings for several reasons: a top bond rating—it has a stand-alone issuer rating of AA from Standards and Poors, and it’s backed by King County itself, which has a AAA rating. KCHA is one of the nearly 40 housing authorities that are part of the “Moving to Work” demonstration program with HUD, which provides additional flexibility in spending money and future planning.

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But King County has other demographics in their favor: Seattle is an economic center with projected job growth, purchasing multifamily units is likely to be a wise long-term investment, and the housing authority has a pressing need to stymie rent growth, which usually far outpaces the housing subsidies given to low-income families. Norman has a four-person acquisition and development team, and another dozen staffers that directly oversee asset management and major capital repairs, a small percentage of his team of more than 400. Direct management of these properties is performed by outside property management companies under contract to KCHA.

“These efforts are driven by the innovation at the local level and housing authority folks on the ground seeing the dynamics of the market and trying to look forward,” said Sunia Zaterman, executive director of the Council of Large Public Housing Authorities, a nonprofit that represents the 70 largest housing authorities in the country, including KCHA. Zaterman points to other housing authorities, like Columbus, Ohio, and San Diego, which are also examining the acquisition of properties as a way to maintain long-term affordability.

The National Housing Trust, a national nonprofit focused on affordable housing, is also purchasing housing in high-opportunity areas to allocate units for voucher holders. It’s acquired a 67 unit property in Coon Rapids, Minnesota, and is looking to acquire a property in Baltimore to do the same, with the option to expand the model to other parts of the country.

Norman is quick to insist that such real estate purchases and conversions (also called “site-based affordability strategies”) are just one piece of public housing: Many families who need housing assistance have strong local ties to their current neighborhoods. Mobility strategies should be done in conjunction with efforts to improve existing neighborhoods—not as either/or.

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There are also systematic barriers to moving; some landlords refuse to rent to people who receive public housing assistance—one housing survey found that only 12 percent of landlords said they would rent to families with housing vouchers, and only 12 states and the District of Columbia have laws prohibiting source-of-income discrimination that includes vouchers, though some cities and counties do as well, including King County. (Texas is the most aggressive, prohibiting source-of-income discrimination ordinances from existing in any jurisdiction, ensuring that Texas landlords can discriminate without any

repercussions.) Other forms of discrimination, whether racism or classism, contribute to the nearly a third of families who receive Section 8 housing vouchers not using them.

But Norman has been able to answer the question that has plagued housing authorities for years as they've tried to expand access to higher opportunity neighborhoods: If you can't persuade landlords to rent to voucher holders, or you can't persuade the Department of Housing and Urban Development to increase the worth of the voucher in high-rent areas, then it's time to turn the problem on its head.

"It's fundamental culture change," Norman said. He plans for one to two acquisition or construction projects a year. At the end of

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2017, KCHA purchased a 485 unit complex on the border of Snohomish County, one of the fastest growing counties in the country, and with a high performing school district, as well as a 225 mobile home park.

"We're moving outside the box and getting that in synergy with getting people into good neighborhoods," Norman said. "We are looking to break patterns of intergenerational poverty. If we have done nothing but raise the next generation of public housing in our system, then we have failed." 📌

Support for this article was provided by Rise Local, a project of the New America National Network.

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To: Board of Commissioners

From: Mike Reilly, Deputy Executive Director

Date: April 4, 2018

Re: KCHA Featured on HUD's Website

The attached article was published on HUD's Rental Assistance Demonstration (RAD) website in February 2018 highlighting the curb appeal of KCHA's public housing and project-based Section 8 properties. HUD contacted KCHA requesting to feature our properties in this article, which we considered quite an honor.

CURB APPEAL CASE STUDY

KING COUNTY, WASHINGTON

The King County Housing Authority (KCHA) is the local public housing agency (PHA) for the county surrounding Seattle, WA. It manages 74 properties consisting of 2,288 units of low-income public housing and 1,407 units of project-based Section 8. KCHA also owns an additional roughly 6,000 units in 41 developments of other affordable housing, including tax credits.

We caught up with Mike Reilly and Bill Cook, KCHA's senior director of housing management and director of property management, respectively, to talk about their take on curb appeal.

Question: Your projects, in short, look marvelous. Indeed, you may be the public housing gold standard for curb appeal. Tell us about the King County story!

First, thanks. We indeed take a lot of pride in how our properties look. I guess what everyone has to understand is that there are lots of big and small things going on here.

- Of course, the climate helps. The amount of precipitation helps keep our lawns green (and without the need for irrigation), but it also makes it easier to maintain plantings and other landscape features.

- It also helps that much of our inventory was built between 1965 and 1980. As such, our physical stock doesn't tend to have that institutional look to it. Our product tends to blend in more with other multifamily products in the local market. One of the



Birch Creek Apartments

things that we have really stressed is upgrading our properties and units using tax credit dollars, especially the building envelopes and systems. Also, we have learned from the private sector that it is much more cost effective to upgrade unit interiors upon unit turn, rather than doing the traditional Public Housing method of emptying all units and hiring a contractor to complete all of the units at once. By using this method, we save the costs of the contractor's profit and resident relocation.

Now, that being said, curb appeal has been important to the mission of the KCHA for as far back as we can remember. We really work hard at it, but in a good way! We do have an extensive inspection protocol that we follow to make sure the properties are maintained at a high level. Once again, we learned this

RENTAL ASSISTANCE DEMONSTRATION – FEBRUARY 2018

www.hud.gov/rad/pha-curbappeal

from a local management company. Our property managers perform weekly inspections. Their regional managers also spot-check these inspections as well as performing their own. Lastly, our director of property management conducts a weekly inspection. Collectively, these inspections help us to make certain our properties meet Real Estate Assessment Center (REAC) standards – keeping them in “REAC-ready” condition and keeping all of our staff on their toes.



Glenview Heights

We try to have our properties look as good, or better, than anything in the neighborhood – or at least not call any (negative) attention to ourselves. We have built into the culture of KCHA the goal of having the best-looking properties in the neighborhood.

We believe that the REAC inspection system, although not perfect, is an effective tool for evaluating the condition of properties. We have an organizational goal of achieving a 92

percent score or better on each inspection. Interestingly enough, our management team’s departmental goal is 97 percent!

Question: Any other key management decisions that have helped you get the results you’re looking for?

Several years back, we decentralized our management and maintenance operations. We were always a high performer, but by decentralizing we actually were able to kick it up a notch. We became even more responsive and more attentive. We have found that, by going to the decentralized management system that is used by the majority of rental management companies across the nation, we have developed a greater sense of pride and ownership amongst our employees. And, because our site staff now has dedicated budgets, they are able to put savings back into the project. There’s an incentive to manage wisely. Higher service. Greater resident retention. Lower operating costs. More funds to invest in the properties. It all feeds off one another.

Some examples include giving property managers a \$1,000 curb appeal budget. This line item can be used for flowers, beauty bark and other items to enhance the curb appeal of the property. Staff have taken these extra funds and really made it into a competition between portfolios to make the biggest impact at their sites. We also have all new employees job shadow for the first month of employment with one of our outstanding employees.



Seola Crossing

It also helps that KCHA owns all of its non-public housing inventory. That product, though with rents below the market by a margin, is somewhat market-driven and, as a consequence, has to compete. Although we've always had long waiting lists for our public housing, and thus never had any problem filling units, we learned a lot from our affordable housing stock about what it takes to maintain good curb appeal and, more broadly, what good property management is all about. Out of necessity, we had to be much more attentive to curb appeal and customer service in our affordable housing stock, and that experience has now rubbed off on our property management operations. We found it effective to take our staff on tours of high performing properties so that our staff can see what the expectations are.



Eastbridge

Another initiative that we completed was hiring a botanist/arborist who coached us on taking care of our landscaping. We discovered that, with the new landscaping we were putting in at redeveloped sites, there were a variety of maintenance requirements that needed to be followed. This expert assisted us in developing a short, user-friendly landscape manual that covered all aspects of landscaping, including pruning. She was also on contract for a period of time to come out and assist site staff on more complex problems.

Question: Now that you've achieved this level of success, it is hard maintaining those standards?

Actually, no. The hard part was getting to this standard. Once we got here, it's actually easier to maintain – but only because our culture is so attentive to these standards.



Greenbridge

Question: Do you have anything today that doesn't meet your standard and, if so, what are your plans for it?

For the most part, our properties are now up to our standards. One other program we developed involves a staff person whose focus is on property upgrades that are too large for the site staff and too small for our Capital department. How this works is that a property manager will submit a request for a project in

this category such as asphalt repair. This position will then work with our task order contractors to accomplish the project. Some of these items are requested as a part of our annual budgeting process, and some of them just come up randomly. The key is directing the right resource for the type of job.

Question: If one of the “benefits” of your climate is the green lawns, is there a drawback? For example, do you have to cut the grass more frequently, or do you deal with mold issues? Any unique challenges?

Yes, the amount of rain we get really makes the grass grow. Quite often during the prime growing season, it needs to be cut twice a week. At KCHA, we hire nine summer helpers (and our goal is to hire residents). This is an effective way to provide job training to these employees and provides relief to our staff during the growing season.



Birch Creek Apartments