King County Housing Authority

MEETING OF THE BOARD OF COMMISSIONERS

Special Meeting

Monday, August 19, 2019

Greenbridge - The Wiley Center
Joe Thomas Community Room
9800 8th Avenue SW, Suite 104
Seattle, WA 98106

King County Housing Authority

SPECIAL MEETING OF THE BOARD OF COMMISIONERS AGENDA

August 19, 2019

The special meeting of the Board of Commissioners to be held on Monday, August 19, 2019 at 8:30am, will begin with a tour of Greenbridge (White Center). Following the tour, the special meeting will take place at Greenbridge at the Wiley Center in the Joe Thomas Community Room.

Greenbridge
The Wiley Center
Joe Thomas Community Room
9800 8th Avenue SW, Suite 104
Seattle, WA 98106

I. Call to Order

II. Roll Call

III. Welcome & Tour of Greenbridge

IV. Public Comment

V. Approval of Minutes

A. Board Meeting Minutes – June 10, 2019 **1**

VI. Approval of Agenda

VII. Consent Agenda **2**

A. Voucher Certification Report for May 2019

B. Voucher Certification Report for June 2019

C. **Resolution No. 5626** – A resolution of the Housing Authority authorizing the submission of funding applications to finance a portion of the expansion of Rainer View Mobile Home Park, the acquisition and rehabilitation of Abbey Ridge and the acquisitions of Kirkland Heights and Juanita View.

VIII. Resolution for Discussion and Possible Action

A. **Resolution No. 5627 -** A resolution providing for the issuance of the Authority's Non-Revolving Line of Credit Revenue Note, 2019 (Emerson Apartments) in the principal amount of not to exceed $66,000,000 to finance the acquisition of the Emerson Apartments in Kirkland, Washington, and determining related matters. **3**

B. **Resolution No. 5628 –** A resolution providing for the issuance of the Authority's Note, 2019 (Highland Village Project), in a principal amount not to exceed $2,500,000, the proceeds of which will be used to make a loan to Somerset Gardens Apartments LLLP to finance the construction and rehabilitation of Highland Village in Bellevue, Washington, and determining related matters. **4**

IX. Briefings & Reports

A. 2019 Mid-Year Financial Forecast **5**

B. Second Quarter 2019 Summary Write-Off Report **6**

C. New Bank Accounts **7**

X. Study Session

A. Working Discussion on Greenbridge **8**

XI. Executive Director Report

XII. KCHA in the News **9**

XIII. Commissioner Comments

XIV. Adjournment

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Board Coordinator in writing at 600 Andover Park West, Seattle, WA 98188 or by calling 206-574-1206 prior to the meeting date.

TAB NUMBER 1

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

Monday, June 10, 2019

I. CALL TO ORDER

The meeting of the King County Housing Authority Board of Commissioners was held on Monday, June 10, 2019 at 700 Andover Park West, Tukwila, WA 98188. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:30 a.m.

II. ROLL CALL

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

III. Public Comment

Resident Cindy Ference gave public comment via telephone regarding resident concerns.

IV. APPROVAL OF MINUTES

A. <u>Board Meeting Minutes – May 20, 2019</u>

On motion by Commissioner Susan Palmer and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the May 20, 2019 Board of Commissioners' Meeting Minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner John Welch and seconded by Commissioner Michael Brown, the Board unanimously approved the June 10, 2019 Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Report for April 2019

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

VII. RESOLUTONS FOR DISCUSSION & POSSIBLE ACTION

A. **Resolution No. 5625**: Authorizing Acquisition of the Emerson Apartments.

Tim Walter, Senior Director of Development and Asset Management gave an overview of the purchase of Emerson Apartments.

The Emerson Apartments are located in the Totem Lake area in Kirkland. This complex was built in 1983 with 207 units and are comprised of two and three story buildings. There are one, two and three bedroom units including 70% that are two bedroom or larger and 10% that are three bedroom units.

Emerson Apartments has excellent access to public transportation. Metro route 255 from the entrance, will take you to UW or downtown Seattle.

The property meets the board's acquisition goal of being proximate to transit and located in a high opportunity area. Emerson Apartments are in the Lake Washington School District.

KCHA has not completed due diligence yet. We will start the week of June 17th and have 30 days to complete.

Questions of Commissioners' were answered.

On motion by Commissioner TerryLynn Stewart and seconded by Commissioner Susan Palmer, the Board unanimously approved Resolution No. 5625.

VIII. BRIEFINGS AND REPORTS

A. First Quarter Financial Report 2019

Windy Epps, Assistant Director of Finance gave an overview of the First Quarter Financial Report for 2019.

First quarter financial results tracked well against budget projections. Operating Revenue was on target at 100.03% of budget, while operating expenses were 6.6% under budget.

The Public Housing Operating Fund interim proration level for June has increased to 97.26% and is expected to rise to 99% for the year which will be retroactively applied to the funding.

The Housing Choice Voucher 2019 Renewal Funding Inflation Factor (RFIF) was awarded at 2.173% with a prorate of 99.5%.

Questions of Commissioners' were answered.

B. Annual Sustainability Plan

Jenna Smith, Resource Conservation Manager introduced the conservation resource team: Scott Percival, Management Analyst/Sustainability Management Analyst and Patrick Malloy, Resource Conservation Specialist.

The Sustainability Plan includes 7 sustainability goals focused on maintenance and management. The plan initiatives fall into the following three areas.

1) Capital improvements
2) Maintenance and management
3) Resident Engagement

Executive Summary: 2018 ESP Results

Sustainability Target Areas	2018 Goal	2018 Actual	% of Annual Goal
1) 10% Reduction Multifamily Water Use: Gallons/ Person/Day (GPD)	50.8 GPD	46.5 GPD	109%
2) 10% Reduction Multifamily Energy Use (EUI - 1k British Thermal Units/Square Foot)	35.3 EUI	34.6 EUI	102%
3) 5% Reduction Multifamily Greenhouse Gas Intensity (Kg CO_2e/Square Foot)	4.261 GHG	4.208 GHG	101%
4) 100% Increase Kilowatts (kW) Solar Energy Capacity	195.5 kW	99.7 kW	51%
5) 55% Waste Diversion Rate	46%	44.6%	97%
6) *EnviroStars Certified Tier Level 1-3	15%	13%	87%
7) 25% of Fleet Alternative Fuel Vehicles	13%	12%	92%

KCHA generated $11K from solar, and received $12K in solar rebates from the state in 2018, with a total of $134k for the past 4 years. Avoided cost savings since 2017 for water, sewer, electricity and gas was over $300k. Overall, we had a great year.

Questions of Commissioners' were answered.

C. Payment Standards

Andrew Calkins, Manager of Policy and Legislative Affairs and Jeb Best, Director of Housing Choice Vouchers presented the Mid-Year Payment Standards Review.

A payment standard is the maximum amount that KCHA will subsidize a given unit. These are typically set at the 40 percentile of the rental market, so that 40% of the units in a given area are affordable. They vary by bedroom size and geography.

KCHA supports over 10,000 vouchers across the county through the tenant-based Housing Choice Voucher Program (HCV or Section 8). The payment standard is a critical component of the HCV program that ensures households can secure and maintain safe and affordable housing in different regions of the county. After transitioning to multi-tiered payment standards in 2016, KCHA has increased payment standards substantially to keep pace with an increasingly costly rental market, most recently in December 2018. KCHA began reviewing payment standards on a biannual basis beginning in 2018 following exceptional increases in rents around the county and input from program staff. Due to slowing growth in the rental market, staff is recommending that we do not change the current payment standards at this time. Staff will continue to closely monitor trends in preparation for the annual analysis planned for the end of 2019.

Questions of Commissioners' were answered.

IX. STUDY SESSION

A. 2018 Resident Characteristics Report

Sarah Oppenheimer, Director of Research and Evaluation introduced the report and David Forte, Program Manager, Measurement, Learning, & Evaluation presented the details.

The Resident Characteristics Analysis (RCA) is an annual data analysis on the characteristics and outcomes of federally subsidized households living within the KCHA geographic boundaries in the calendar year. It provides a data-informed view of who KCHA serves and how that population may be changing in order to support program and policy decisions. Metrics calculated through the RCA also serve as the foundation for reporting to federal and other key stakeholders. Included in the RCA are all federally subsidized households residing with the KCHA geographic jurisdiction except for a subset of households (201) served through locally designed, non-traditional programs; non-federal workforce housing residents are also not included in the RCA.

Questions of Commissioners' were answered.

X. EXECUTIVE DIRECTOR REPORT

There is little to report from Washington DC. The full House passed the T-HUD Appropriations Bill as drafted by the Appropriations Committee but there has been no visible progress, despite several meetings at the leadership level, on the larger issues regarding the debt ceiling, sequestration and top line budget numbers.

Progress on key issues is not likely to happen anytime soon. Congress is heading into summer recess shortly and little time remains to cut a deal.

We are watching all of this very closely and tracking the language in the final bill does a number of things:

1) Preserves our Moving to Work (MTW) contract and prevents the Secretary from acquiring discretionary ability to sweep our MTW working capital.
2) Blocks HUD's proposal to unilaterally convert the annual contributions contract from a contract to a grant.
3) Prevents HUD from using any appropriated funds to administer a proposed rule that would bar mixed status families from participating in the Public Housing and Section 8 programs. This language was included in the approved House version.

XI. KCHA IN THE NEWS

None.

XII. COMMISSIONER COMMENTS

Commissioner John Welch commented about recently being at an Executive Leadership meeting with Bellevue Public Schools and they highlighted their relationship with the housing authority and expressed their appreciation for the partnership.

We have been working on trying to put together stakeholders in the roadmap region, South King County seven districts, and looking at our Early Learning System. Ted Dezember has sat in those meetings as we are coming together and figuring out how this group will operate and what the system and needs are. Commissioner Welch expressed appreciation for the housing authority's participation.

The Director for Educare, Kellie Morrill is leaving, so we will be hiring a new Director. We often try and have our interview processes include representation from our partnerships, so we will be looking to the housing authority to see if someone can sit on that team as we get closer.

II. ADJOURNMENT

Chair Barnes adjourned the meeting at 10:30 a.m.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

____
DOUGLAS J. BARNES, Chair
Board of Commissioners

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STEPHEN J. NORMAN
Secretary

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King County Housing Authority

To: Board of Commissioners

From: Linda Riley, Controller

Date: June 24, 2019

Re: **VOUCHER CERTIFICATION FOR MAY 2019**

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
Linda Riley
Controller
June 24, 2019

Bank Wires / ACH Withdrawals		8,755,280.89
	Subtotal	***8,755,280.89***
Accounts Payable Vouchers		
Key Bank Checks - #322426-#323045		7,384,127.44
Tenant Accounting Checks - #10863-#10903		5,735.23
Commerce Bank Direct Payment		68,607.57
	Subtotal	***7,458,470.24***
Payroll Vouchers		
Checks - #91511-91591		86,483.04
Direct Deposit		2,368,478.67
	Subtotal	***2,454,961.71***
Section 8 Program Vouchers		
Checks - #625439-#625773		286,732.09
ACH - #448226-#450964		14,441,366.68
	Subtotal	***14,728,098.77***
Purchase Card / ACH Withdrawal		245,786.33
	Subtotal	***245,786.33***
	GRAND TOTAL	***$33,642,597.94***

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

FROM: Wen Xu, Director of Asset Management

SUBJECT: **VOUCHER CERTIFICATION FOR MAY 2019**

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

Wen Xu

7/18/19

Date

Property	Wired to Operating Account for Obligations of Property			Notes:
	Date	$	Claim	
Abbey Ridge	05/02/2019	$29,256.19	A/P & Payroll	
	05/16/2019	$34,897.80	A/P	
	05/17/2019	$11,150.50	Payroll	
	05/30/2019	$47,590.93	A/P & Payroll	
Alpine Ridge	05/02/2019	$11,360.61	Payroll	
	05/09/2019	$9,412.79	A/P	
	05/16/2019	$3,475.98	Payroll	
	05/23/2019	$2,132.82	A/P	
	05/30/2019	$5,396.12	A/P & Payroll	
Arbor Heights	05/02/2019	$6,432.15	Payroll	
	05/09/2019	$12,275.42	A/P	
	05/16/2019	$7,301.98	Payroll	
	05/23/2019	$3,754.16	A/P	
	05/30/2019	$21,237.04	A/P & Payroll	
Aspen Ridge	05/02/2019	$6,920.29	Payroll	
	05/09/2019	$6,624.93	A/P	
	05/16/2019	$25,185.01	Payroll	
	05/23/2019	$3,726.93	A/P	
	05/30/2019	$6,075.54	A/P & Payroll	
Auburn Square	05/02/2019	$9,587.40	Payroll	
	05/09/2019	$12,054.53	A/P	
	05/16/2019	$37,676.34	Payroll	
	05/23/2019	$7,767.77	A/P	
	05/30/2019	$21,652.74	A/P & Payroll	
Ballinger Commons	05/01/2019	$147,133.69	A/P & Payroll	
	05/15/2019	$179,017.90	A/P & Payroll	
	05/29/2019	$84,414.15	A/P & Payroll	
Bellepark	05/01/2019	$12,596.36	A/P	
	05/08/2019	$19,845.06	A/P & Payroll	
	05/15/2019	$27,839.56	A/P	
	05/22/2019	$36,512.79	A/P & Payroll	
	05/29/2019	$9,277.98	A/P	
Carriage House	05/02/2019	$10,428.41	Payroll	
	05/09/2019	$17,268.18	A/P	
	05/16/2019	$10,505.75	Payroll	
	05/23/2019	$14,559.50	A/P	
	05/30/2019	$41,008.96	A/P & Payroll	
Cascadian	05/02/2019	$12,477.92	Payroll	
	05/09/2019	$55,277.42	A/P	
	05/16/2019	$12,050.72	Payroll	
	05/23/2019	$10,079.02	A/P	
	05/30/2019	$32,210.96	A/P & Payroll	
Colonial Gardens	05/02/2019	$11,642.30	Payroll	
	05/09/2019	$11,520.68	A/P	
	05/16/2019	$10,905.49	Payroll	
	05/23/2019	$2,487.50	A/P	
	05/30/2019	$21,268.44	A/P & Payroll	
Cottonwood	05/02/2019	$13,879.57	A/P & Payroll	
	05/16/2019	$19,223.57	A/P & Payroll	
	05/30/2019	$18,245.97	A/P & Payroll	
Cove East	05/02/2019	$55,816.78	A/P & Payroll	
	05/16/2019	$43,139.79	A/P & Payroll	
	05/22/2019	$11,000.00	Payroll	
	05/30/2019	$26,912.40	A/P & Payroll	
Fairwood	05/02/2019	$9,367.40	Payroll	
	05/09/2019	$23,596.25	A/P	
	05/16/2019	$9,805.22	Payroll	
	05/23/2019	$8,312.40	A/P	
	05/30/2019	$33,974.16	A/P & Payroll	
Gilman Square	05/01/2019	$99,189.43	A/P & Payroll	
	05/15/2019	$63,205.03	A/P & Payroll	
	05/29/2019	$24,923.73	A/P & Payroll	

Heritage Park	05/02/2019	$12,017.11	Payroll	
	05/09/2019	$17,083.27	A/P	
	05/16/2019	$8,199.70	Payroll	
	05/23/2019	$4,830.09	A/P	
	05/30/2019	$11,418.82	A/P & Payroll	
Landmark	05/08/2019	$23,198.41	A/P & Payroll	
	05/15/2019	$61,023.78	A/P	
	05/22/2019	$15,455.55	A/P & Payroll	
	05/29/2019	$8,333.54	A/P	
Laurelwood	05/02/2019	$18,829.57	Payroll	
	05/09/2019	$9,571.97	A/P	
	05/16/2019	$9,339.29	Payroll	
	05/23/2019	$6,356.91	A/P	
	05/30/2019	$19,100.47	A/P & Payroll	
Meadowbrook	05/01/2019	$24,621.17	A/P & Payroll	
	05/15/2019	$24,029.51	A/P & Payroll	
	05/29/2019	$22,168.46	A/P & Payroll	
Meadows	05/02/2019	$7,494.54	Payroll	
	05/09/2019	$16,246.00	A/P	
	05/16/2019	$6,039.96	Payroll	
	05/23/2019	$3,678.14	A/P	
	05/30/2019	$25,404.21	A/P & Payroll	
Newporter	05/02/2019	$11,929.97	Payroll	
	05/09/2019	$13,516.46	A/P	
	05/16/2019	$170,238.68	Payroll	
	05/23/2019	$7,838.51	A/P	
	05/30/2019	$59,511.74	A/P & Payroll	
Overlake TOD	05/08/2019	$223,198.00	BBF	
Parkwood	05/02/2019	$7,700.06	Payroll	
	05/09/2019	$22,359.63	A/P	
	05/16/2019	$5,731.50	Payroll	
	05/23/2019	$4,792.80	A/P	
	05/30/2019	$53,402.71	A/P & Payroll	
Rainier View I	05/02/2019	$2,159.04	A/P	
	05/09/2019	$11,016.55	A/P	
	05/16/2019	$9,175.93	A/P	
	05/23/2019	$2,994.06	A/P	
Rainier View II	05/02/2019	$307.55	A/P	
	05/09/2019	$9,403.30	A/P	
	05/16/2019	$6,639.53	A/P	
	05/23/2019	$4,122.31	A/P	
Riverstone	05/01/2019	$14,191.70	A/P	
	05/08/2019	$42,908.91	A/P & Payroll	
	05/15/2019	$13,080.87	A/P	
	05/22/2019	$44,451.84	A/P & Payroll	
	05/29/2019	$30,544.22	A/P	
Si View	05/02/2019	$2,068.10	A/P	
	05/09/2019	$4,141.80	A/P	
	05/16/2019	$4,732.77	A/P	
	05/23/2019	$1,800.13	A/P	
Southwood Square	05/02/2019	$6,477.55	Payroll	
	05/09/2019	$38,154.26	A/P	
	05/16/2019	$6,822.56	Payroll	
	05/23/2019	$3,891.85	A/P	
	05/30/2019	$34,037.27	A/P & Payroll	
Tall Cedars	05/01/2019	$5,560.92	A/P	
	05/16/2019	$18,832.06	A/P	
	05/23/2019	$172,331.67	Replacement Reserves	
	05/29/2019	$5,451.82	A/P	
Timberwood	05/02/2019	$14,988.93	Payroll	
	05/09/2019	$49,312.45	A/P	
	05/16/2019	$15,346.86	Payroll	
	05/23/2019	$9,703.88	A/P	
	05/30/2019	$68,408.18	A/P & Payroll	
Vashon Terrace	05/09/2019	$6,918.92	A/P	
	05/22/2019	$4,017.95	A/P	
Villages @ South	05/01/2019	$43,738.41	A/P & Payroll	
	05/15/2019	$64,587.20	A/P & Payroll	
	05/29/2019	$42,370.87	A/P & Payroll	
Walnut Park	05/02/2019	$10,939.71	Payroll	
	05/09/2019	$75,030.84	A/P	
	05/16/2019	$13,811.27	Payroll	
	05/23/2019	$5,323.93	A/P	
	05/30/2019	$11,278.67	A/P & Payroll	

Windsor Heights	05/02/2019	$19,357.14	Payroll	
	05/09/2019	$66,120.62	A/P	
	05/10/2019	$5,150.46	A/P Correction	
	05/16/2019	$19,653.17	Payroll	
	05/23/2019	$10,559.36	A/P	
	05/30/2019	$40,274.57	A/P & Payroll	
Woodland North	05/02/2019	$11,710.08	Payroll	
	05/09/2019	$10,151.14	A/P	
	05/16/2019	$5,403.85	Payroll	
	05/23/2019	$4,805.50	A/P	
	05/30/2019	$18,048.14	A/P & Payroll	
Woodridge	05/02/2019	$11,816.32	Payroll	
	05/09/2019	$39,664.80	A/P	
	05/16/2019	$12,363.01	Payroll	
	05/23/2019	$7,518.60	A/P	
	05/30/2019	$44,151.42	A/P & Payroll	
Woodside East	05/01/2019	$11,688.56	A/P	
	05/08/2019	$17,426.99	A/P & Payroll	
	05/15/2019	$62,130.97	A/P	
	05/22/2019	$17,339.14	A/P & Payroll	
	05/29/2019	$43,922.31	A/P	
	Total:	**$3,938,859.73**		

King County Housing Authority

To: Board of Commissioners

From: Linda Riley, Controller

Date: July 29, 2019

Re: **VOUCHER CERTIFICATION FOR JUNE 2019**

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

Linda Riley
Controller
July 29, 2019

Bank Wires / ACH Withdrawals		5,072,225.84
	Subtotal	***5,072,225.84***
Accounts Payable Vouchers		
Key Bank Checks - #323046-#323546		6,019,909.05
Tenant Accounting Checks - #10904-#10924		6,298.81
Commerce Bank Direct Payment		34,911.50
	Subtotal	***6,061,119.36***
Payroll Vouchers		
Checks - #91592-91642		58,689.15
Direct Deposit		1,515,324.29
	Subtotal	***1,574,013.44***
Section 8 Program Vouchers		
Checks - (#625774-#625777 May 2019) #625778-#626376		243,864.98
ACH - #450964-#453665		14,662,591.97
	Subtotal	***14,906,456.95***
Purchase Card / ACH Withdrawal		280,875.23
	Subtotal	***280,875.23***
	GRAND TOTAL	***$27,894,690.82***

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

FROM: Wen Xu, Director of Asset Management

SUBJECT: **VOUCHER CERTIFICATION FOR JUNE 2019**

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 — Wen Xu

7/18/19 — Date

Property	Wired to Operating Account for Obligations of Property			Notes:
	Date	$	Claim	
Abbey Ridge	06/13/2019	$52,306.80	A/P & Payroll	
	06/27/2019	$40,753.22	A/P & Payroll	
Alpine Ridge	06/13/2019	$21,735.26	A/P & Payroll	
	06/27/2019	$11,665.98	A/P & Payroll	
Arbor Heights	06/13/2019	$18,936.49	A/P & Payroll	
	06/27/2019	$31,087.37	A/P & Payroll	
Aspen Ridge	06/13/2019	$10,048.76	A/P & Payroll	
	06/27/2019	$24,355.11	A/P & Payroll	
Auburn Square	06/13/2019	$23,782.62	A/P & Payroll	
	06/27/2019	$39,565.16	A/P & Payroll	
Ballinger Commons	06/12/2019	$132,378.65	A/P & Payroll	
	06/26/2019	$174,685.26	A/P & Payroll	
Bellepark	06/05/2019	$8,013.07	Payroll	
	06/12/2019	$13,056.62	A/P	
	06/19/2019	$11,449.55	A/P & Payroll	
	06/26/2019	$1,690.82	A/P	
Carriage House	06/13/2019	$18,640.26	A/P & Payroll	
	06/27/2019	$17,119.27	A/P & Payroll	
Cascadian	06/13/2019	$32,360.13	A/P & Payroll	
	06/27/2019	$60,502.94	A/P & Payroll	
Colonial Gardens	06/13/2019	$18,350.10	A/P & Payroll	
	06/27/2019	$17,596.46	A/P & Payroll	
Cottonwood	06/13/2019	$14,366.61	A/P & Payroll	
	06/27/2019	$12,087.54	A/P & Payroll	
Cove East	06/13/2019	$64,741.04	A/P & Payroll	
	06/27/2019	$49,626.01	A/P & Payroll	
Fairwood	06/13/2019	$23,034.62	A/P & Payroll	
	06/27/2019	$32,680.67	A/P & Payroll	
Gilman Square	06/12/2019	$58,387.72	A/P & Payroll	
	06/26/2019	$30,725.82	A/P & Payroll	
Heritage Park	06/05/2019	$10,155.78	A/P	
	06/13/2019	$30,427.72	A/P & Payroll	
	06/27/2019	$115,760.58	A/P & Payroll	
Landmark	06/05/2019	$14,512.49	Payroll	
	06/12/2019	$25,171.47	A/P	
	06/19/2019	$21,980.87	A/P & Payroll	
Laurelwood	06/13/2019	$19,653.30	A/P & Payroll	
	06/27/2019	$28,066.13	A/P & Payroll	
Meadowbrook	06/12/2019	$16,660.67	A/P & Payroll	
	06/26/2019	$28,110.11	A/P & Payroll	
Meadows	06/13/2019	$43,571.97	A/P & Payroll	
	06/27/2019	$26,650.02	A/P & Payroll	
Newporter	06/13/2019	$28,400.04	A/P & Payroll	
	06/27/2019	$244,814.63	A/P & Payroll	
Overlake TOD	06/05/2019	$319,145.00	BBF	
	06/13/2019	$70,000.00	Additional BBF	
Parkwood	06/13/2019	$32,970.17	A/P & Payroll	
	06/27/2019	$90,894.36	A/P & Payroll	
Rainier View I	06/11/2019	$1,761.19	A/P	
	06/12/2019	$17,962.88	A/P	
	06/19/2019	$6,125.93	A/P	
Rainier View II	06/11/2019	$2,931.36	A/P	
	06/12/2019	$11,302.91	A/P	
	06/19/2019	$2,865.22	A/P	
Riverstone	06/05/2019	$53,621.39	A/P & Payroll	
	06/12/2019	$33,326.80	A/P	
	06/19/2019	$52,044.69	A/P & Payroll	
	06/21/2019	$22,102.13	A/P	
	06/26/2019	$43,073.65	A/P	

Si View	06/11/2019	$1,279.36	A/P	
	06/12/2019	$4,599.75	A/P	
	06/17/2019	$2,322.18	A/P	
	06/19/2019	$9,097.36	A/P	
Southwood Square	06/13/2019	$33,122.24	A/P & Payroll	
	06/27/2019	$25,148.87	A/P & Payroll	
Tall Cedars	06/12/2019	$5,482.59	A/P	
	06/21/2019	$18,506.92	A/P	
Timberwood	06/05/2019	$1,652.19	A/P	
	06/13/2019	$105,976.01	A/P & Payroll	
	06/27/2019	$55,291.42	A/P & Payroll	
Vashon Terrace	06/11/2019	$5,204.21	A/P	
Villages @ South	06/12/2019	$48,250.72	A/P & Payroll	
	06/17/2019	$66,598.30	A/P	
	06/26/2019	$83,773.13	A/P & Payroll	
Walnut Park	06/13/2019	$64,151.48	A/P & Payroll	
	06/27/2019	$24,058.83	A/P & Payroll	
Windsor Heights	06/05/2019	$10,989.47	A/P	
	06/13/2019	$142,876.05	A/P & Payroll	
	06/27/2019	$98,974.55	A/P & Payroll	
Woodland North	06/13/2019	$19,670.31	A/P & Payroll	
	06/27/2019	$18,471.83	A/P & Payroll	
Woodridge	06/13/2019	$50,646.47	A/P & Payroll	
	06/27/2019	$41,036.12	A/P & Payroll	
Woodside East	06/05/2019	$13,059.32	Payroll	
	06/12/2019	$25,592.52	A/P	
	06/19/2019	$39,755.63	A/P & Payroll	
	06/26/2019	$4,308.07	A/P	
	Total:	**$3,499,689.29**		

King County Housing Authority

To: Board of Commissioners

From: Dan Landes, Director of Development

Date August 8, 2019

Re: **Resolution No. 5626** – A Resolution of the Housing Authority authorizing the submission of funding applications to finance a portion of the expansion of Rainier View Mobile Home Park, the acquisition and rehabilitation of Abbey Ridge and the acquisitions of Kirkland Heights and Juanita View.

Resolution 5626 authorizes the Housing Authority to submit applications for funding to the Washington State Department of Commerce, King County Housing Finance Program and A Regional Coalition for Housing to finance a portion of the expansion of Rainier View Mobile Home Park, the acquisition and rehabilitation of Abbey Ridge and the acquisitions of Kirkland Heights and Juanita View.

Recently, a number of the public funders have started requiring authorization from an organization's governing board as a condition of submitting funding applications for grants and low interest loans. The Housing Authority is intending to submit four such applications this fall and a resolution from the board authorizing KCHA to make these applications is a required part of their respective submission packages.

The applications are to assist with a portion of the funding for the following projects:

- Adding up to 15 additional manufactured home pads and homes at the Rainier View Mobile Home Park (estimated application amount to the Department of Commerce is $600,000).

- The acquisition and rehab of the Abbey Ridge Apartments (estimated application amount to King County Housing Finance Program is $3,650,000).

- The acquisition of Kirkland Heights and Juanita View Apartments (estimated application amount to A Regional Coalition for Housing is $2,000,000).

Staff recommends passage of Resolution No. 5626

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5626

(Capital Funding Applications)

A RESOLUTION of the Housing Authority of the County of King authorizing the Executive Director to submit applications for funding to the Washington State Department of Commerce, King County Housing Finance Program and A Regional Coalition for Housing to finance an expansion of Rainier View Mobile Home Park, the acquisition and rehabilitation of Abbey Ridge Apartments, and the acquisition of Kirkland Heights and Juanita View.

ADOPTED August 19, 2019

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5626

(Capital Funding Applications)

A RESOLUTION of the Housing Authority of the County of King authorizing the Executive Director to submit applications for funding to the Washington State Department of Commerce, King County Housing Finance Program and A Regional Coalition for Housing to finance an expansion of Rainier View Mobile Home Park, the acquisition and rehabilitation of Abbey Ridge, and the acquisition of Kirkland Heights and Juanita View.

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things and if certain conditions are met, "lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project"; and

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

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

WHEREAS, RCW 35.82.070(2) provides that a housing authority has the power to "acquire, lease and operate housing projects" and to "provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof" ; and

WHEREAS, since 1986, the Authority has owned and operated a mobile home park called Rainier View located at 32631 First Avenue, Black Diamond, Washington currently containing 30 units of low income housing and this property has additional land with the capacity to create space for at least 15 new mobile home pads; and

WHEREAS, the Washington State Department of Commerce ("WADOC") published a Notice of Funding Availability on June 17, 2019 soliciting applications for capital funding through its Housing Trust Fund ("HTF"), including $5,000,000 set aside to finance homeownership projects; and

WHEREAS, the expansion of Rainier View is an activity that is eligible for this homeownership funding; and

WHEREAS, in 2016, the Authority acquired certain real property known as Abbey Ridge Apartments located at 3035 S 204th Street, SeaTac, Washington, currently containing 146 units of low income housing, and the Authority has identified $20 million in capital needs at Abbey Ridge; and

WHEREAS, the King County Housing, Homelessness and Community Development Division ("KCHHCDD") published a Request for Proposals on July 20, 2019 soliciting applications for capital funding through its Housing Finance Program ("HFP"), including $8,000,000 set aside to finance Transit Oriented-Development projects in South King County; and

WHEREAS, the acquisition and rehabilitation of Abbey Ridge is an activity that is eligible for this funding; and

WHEREAS, in 2019, the Authority acquired (i) certain real property known as Kirkland Heights Apartments located at 13310 NE 133rd St, Washington, currently containing 180 units of low income housing and (ii) certain real property known as Juanita View Apartments located at 11800 101st Place NE, Kirkland, currently containing 94 units of low-income housing; and

WHEREAS, A Regional Coalition for Housing ("ARCH") opened a competitive application round on June 21, 2019 soliciting applications for $6,000,000 in capital funding through its Eastside Housing Trust Fund ("EHTF"); and

WHEREAS, the acquisitions of Kirkland Heights and Juanita View are activities that are eligible for this funding;

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

Section 1: The Authority is authorized and directed to submit an application to WACOM for funds from the HTF for the expansion of Rainier View Mobile Home Park, and should this application be awarded funds, the Executive Director is authorized to execute any agreements necessary to secure such funds, including but not limited to covenents, contracts, loan agreements, notes, deeds of trust, regulatory agreements and such other documents as may be deemed reasonable by the Executive Director.

Section 2. The Authority is authorized and directed to submit an application to KCHHCDD for funds from the HFP for the acquisition and rehabilitation of Abbey Ridge, and should this application be awarded funds, the Executive Director is authorized to execute any agreements necessary to secure such funds, including but not limited to covenents, contracts, loan agreements, notes, deeds of trust, regulatory agreements and such other documents as may be deemed reasonable by the Executive Director.

Section 3. The Authority is authorized and directed to submit an application to ARCH for funds from the EHTF for the acquisitions of Kirkland Heights and Juanita View, and should this application be awarded funds, the Executive Director is authorized to execute any agreements necessary to secure such funds, including but not limited to covenents, contracts, loan agreements, notes, deeds of trust, regulatory agreements and such other documents as may be deemed reasonable by the Executive Director.

Section 4. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 19TH DAY OF AUGUST, 2019.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

By: ______________________________

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. 5626 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners (the "Board") of the Authority, as adopted at a special meeting of the Authority held on August 19, 2019, 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 19th day of August, 2019.

____
Stephen Norman, Secretary and Executive Director of the Authority

TAB NUMBER 3

tim

To: Board of Commissioners

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

Date August 1, 2019

Re: **Resolution No. 5627 -** Authorizing the issuance of the Authority's Non-Revolving Line of Credit Revenue Note, 2019 (Emerson Apartments) to finance acquisition of the Emerson Apartments.

At the June 10, 2019 Board Meeting, the Board of Commissioners authorized the acquisition of the Emerson Apartments in Kirkland (Resolution #5625), subject to the Executive Director's satisfaction with the results of KCHA's due diligence review. All inspections and reports have been satisfactorily completed and the determination has been made to proceed with the acquisition.

The sale is expected to close on or before October 31, 2019. As described in the Emerson Apartments Project Profile, KCHA intends to acquire the property with a short-term line of credit and then convert the financing to long-term permanent financing on or before the end of January, 2020. The Authority's permanent financing plan is consistent with the financing approach outlined in the Project Profile provided at the June Board Meeting, which has been attached for your reference.

The short-term financing will be structured as a non-revolving line of credit ("LOC") with KeyBank Government Finance, Inc. in the amount of $66 million. The LOC matures January 31, 2020 and has a 10 basis point (.1%) origination fee. Interest payments are interest only and the interest rate is indexed to the 3 month LIBOR rate and is equal to (3 month LIBOR * .7901%) + .67% which produces an indicative rate of 2.48% (based on the current 3 month LIBOR rate of 2.28%).

Staff recommends passage of Resolution #5627.

Emerson Apartments
Project Profile

Emerson is a 207-unit multifamily transit-oriented development (TOD) apartment community located in the Totem Lake neighborhood of Kirkland. Built in 1983, the development consists of 23 two-story buildings (60 one-bedroom units with 1 bath, 58 two-bedroom units with 1 bath, and 71 two-bedroom units with two baths and 18 three-bedroom units with two baths), a leasing office/clubhouse building and a swimming pool and sport court. KCHA has begun pre-acquisition due diligence including title review, survey and preparation for the physical investigation of the condition of the land and buildings.

Purchase Status

This property is currently owned by a private real estate investment company located in northern California. KCHA approached the ownership to discuss our interest in acquiring the property. Following a series of discussions, the ownership appears amenable to selling the property to KCHA in accordance with the direction of KCHA's Board of Commissioners, subject to negotiating the specific terms of an agreement and satisfaction of the Executive Director with the results of KCHA's due diligence review.

The terms of a purchase and sale agreement would contemplate a sales price of $66,000,000 ($318,840/unit) and allow for a 30-day due diligence inspection window in order for KCHA to complete a thorough review of title, environmental, physical condition and overall feasibility of the project. An earnest money deposit would be provided to the seller. The closing date is anticipated to be 60 - 90 days after mutual execution of the purchase and sale agreement.

Due Diligence Status

KCHA will conduct an appraisal, capital needs assessment, Phase I environmental assessment, zoning review and a survey from third party consultants. Results from the due diligence inspection reports will be available before the expiration of the 30-day contingency period. Based on initial property assessments by KCHA staff, the property appears to be in average to good condition.

Property Description & Building Condition

Emerson is a residential development located at 11010 NE 124th St. in Kirkland on a 16.8-acre parcel. The site was built in 1983 for multifamily residential use, consistent with current zoning. It has been operated as a rental apartment complex since that time.

The property consists of 23 multi-family buildings with a leasing office/laundry room/fitness center, outdoor playground, swimming pool, sport court and mature landscaping. The wood frame buildings, totaling 164,000 square feet, are two-story garden style structures with pitched roofs. The buildings provide a mix of in-unit and common laundry facilities and extra storage for the tenants. There are 39 covered parking spaces and 284 open spaces, with a parking ratio of 1.56 spaces per unit. One-bedroom units range in size between 470 - 610 sq. feet, two-bedroom units between 755 – 955 sq. feet and three-bedroom units are 1,100 sq. feet.

KCHA's Asset Management and Capital Construction staff, along with third party consultants, will be performing inspections of the buildings, including interior inspections of residential units. These reports will allow us to gauge the extent of the short and longer-term improvements anticipated to be necessary as well as the approximate cost of these improvements. Based on KCHA's history with acquiring and operating buildings of this age and condition, staff expects to find a need for short-term repairs (repairs to be made within the first 12 months) to be in the neighborhood of $250,000 and median term repairs and improvements to be between $3 - $5 million.

Unit Configuration

The unit mix includes:

- 26 one-bedroom, one bath units at 470 square feet each,
- 34 one-bedroom, one bath units of 610 square feet each,
- 56 two-bedroom, one bath units of approximately 755 square feet,
- 71 two-bedroom, two bath units of approximately 955 square feet,
- 18 three-bedroom, two bath units of approximately 1,100 square feet.

Neighborhood Description

The property is located in the Totem Lake neighborhood of Kirkland at the cross street of NE 124th St and 11th Lane NE. Centrally located, Emerson is less than a three minute walk to QFC, less than one mile from the Village at Totem Lake which is currently in phase one of a two phase redevelopment and will include 400,000 square feet of retail, restaurant and office space as well as a movie theater, apartments, a park and common space. The Village at Totem Lake is currently home to Whole Foods, Nordstrom Rack, Trader Joes and other major retailers. The fully completed redevelopment is expected to bring 2,000 new employees to the Totem Lake area.

Emerson is within the highly acclaimed Lake Washington School District. Local schools for the children living within the property include Bell Elementary, Finn Hill Middle School and Juanita High School.

The site has one primary entrance serving the complex and the bus stop for Metro route 255 which provides frequent all day access to the Totem Lake and to downtown Seattle is located adjacent to the entrance. The property is also less than ½ mile to both the Totem Lake Freeway Station and the Kingsgate Park and Ride. Metro's website indicates that their long-range expansion plan will include a Rapid Ride route which would run a similar route to the 255.

Emerson is surrounded by residential condominiums, with the Juanita Country Club condominiums to the west and Kirkland Place condominiums to the east. It is an easy commute to Seattle, Redmond and Bellevue and is in close proximity to major Eastside employers including Google, Evergreen Health, Oculus and Microsoft.

Strategic Rationale for Acquisition

KCHA's Board of Commissioners has identified the acquisition and development of affordable housing in high opportunity areas near or adjacent to transit (transit-oriented development "TOD") as a priority in order to address a shortage of affordable housing with easy access to reliable public transportation. Emerson's access to local transit and convenient access to downtown Seattle, the Totem Lake Freeway Station and the Kingsgate Park and Ride strategically positions the property to provide easy and convenient transportation to not only Kirkland itself, but the larger region as well.

Multifamily housing located in high opportunity areas with convenient access to transit and near expanding job centers has experienced continued rent escalation as demand for these locations grows. This is especially acute for existing properties whose rents have been relatively affordable relative to new construction in the same location. Emerson, while operating as a market rate apartment complex, currently provides housing generally affordable to households at or below 80% of the Area Median Income (AMI). Preservation of existing naturally occurring affordable housing is a key strategy to ensure that, over the long-term, rents within these communities do not continue to escalate to the point they are no longer affordable and existing residents displaced. With Amazon's announcement to locate up to 25,000 employees on the Eastside, the need to acquire and preserve this housing resource is necessary to ensure the preservation of the dwindling supply of affordable housing.

Emerson is also located in a high opportunity community, which is defined by King County as a "community where households have access to good schools, transportation and economic opportunities to promote upward mobility." With 207 apartments of which over 70% are two and three-bedroom units, Emerson provides access to transportation and economic opportunities for numerous households. The large number of two and three-bedroom units allows stable, uninterrupted access to excellent schools for lower income families who are at risk of being priced out of their homes.

Proposed Financing

Interim Financing - KCHA anticipates acquiring the property with proceeds from a draw on a proposed line of credit from KeyBank. The line of credit would bear an approximate interest rate of 2.75% and is subject to changes in the monthly LIBOR rate.

Permanent Financing – KCHA has a number of different options for the permanent financing of the development. The three most likely scenarios include: 1) a public sale of municipal bonds in the full amount of the interim financing backed by a general revenue pledge of KCHA; 2) a public sale of the amount of governmental housing bonds that can be supported directly by the net rental revenues of the property (approximately $45 million) and the balance of the interim loan refinanced with a public sale of municipal bonds backed by a combination of a general revenue pledge of KCHA and a King County loan guarantee (as part of KCHA's $200 million credit enhancement program with King County) or 3) a public sale of the amount of governmental housing bonds that can be supported directly by the net rental revenues of the property and the balance of the interim loan financed by a below market mezzanine loan financed in whole by public or private sources. All of the above financing structures would also rely on KCHA's AA credit rating from Standards & Poor's. It is KCHA's intention to put the permanent financing in place as soon as reasonably possible after closing. The financing terms for the primary loan in each of the three scenarios mentioned above assumes a 30-year amortizing facility with a 20-year maturity and an interest rate of 4%.

It is important to note that similar to other market rate acquisitions, the net rental income generated by the operations of the property can only support financing for approximately 55% - 70% of the purchase price. The debt service for the remainder of the purchase price will need to be covered either through an internal reallocation of net operating income from other Asset Management Department properties, through a direct payment of debt service by KCHA's corporate revenues or through a 0%-1% interest only mezzanine loan instrument.

Sources & Uses

USES	
Acquisition	$66,000,000
Closing Costs	$50,000
TOTAL	$66,050,000

SOURCES	
KeyBank Line of Credit	$66,000,000
KCHA Cash	$50,000
TOTAL	$66,050,000

Risks & Mitigation

Acquisition Risks & Mitigation

- (Risk) The purchase price for the property is above its true market value and KCHA could risk overpaying for the property.

- (Mitigation) As part of the due diligence process, KCHA will obtain a market rate appraisal of the property performed by a MAI appraiser licensed to do business in the State of Washington and will limit the acquisition cost to no more than 105% of the appraised value. Based on current cap rates and market potential rents at the site, staff believes the purchase price to be below market value.

- (Risk) The condition of the property has title or physical defects unforeseen/unknown.

- (Mitigation) KCHA is obtaining a full title report from a title insurance company and is conducting extensive engineering and environmental due diligence on the property. KCHA will ensure that, upon closing, KCHA will be able to obtain a full owner's policy insuring clean title with extended coverage. KCHA is conducting a Phase 1 environmental assessment and a completing a survey of the property.

Financing Risk & Mitigation

- (Risk) KCHA is unable to secure sufficient credit capacity within its line(s) of credit for the initial acquisition financing.

- (Mitigation) KCHA has received initial authorization from KeyBank for a new line of credit in an amount sufficient to cover the full cost of acquisition. Formal approval is expected to be received prior to the end of KCHA's due diligence window.

- (Risk) Short-term/Long-term interest rates spike.

- (Mitigation) KCHA expects to pursue permanent financing within the next 4 – 9 months. While interest rates can swing widely within a short window of time, short-term interest rates have negligible costs on the overall financing and long-term interest rates have been stable. Securing permanent financing as soon as reasonably possible will help mitigate exposure to increases in long-term interest rates.

Rehab Risk & Mitigation

- (Risk) Additional repair and improvement costs are needed beyond what is visible from due diligence inspections.

- (Mitigation) KCHA is in the process of completing its due diligence of the property. Staff estimates that of the $3.25 million - $5.25 million in projected repairs and improvements, the property will require less than $250,000 in short-term repairs. The additional improvements can be made over the next 3 – 8 years without negatively impacting the physical viability of the property. On-going routine repairs and replacements can be paid for through net cash flow from property operations. Unforeseen repairs not able to be paid for from property operations could also be funded from additional draws on a KCHA line of credit or from KCHA reserves. KCHA has extensive experience in assessing this type of property and in undertaking needed repairs and upgrades.

Balance Sheet Impact

- (Risk) The combined additional debt from acquisition of the IAM 751 properties, Kendall Ridge and the Emerson Apartments pushes KCHA's debt service coverage ("DSCR") below the 1.1 ratio required under existing debt covenants or jeopardizes KCHA's current Standard and Poor's rating.

- (Mitigation) While the additional debt will incrementally impact the debt service coverage ratio, KCHA DSCR is well above the 1.1 required ratio and the additional debt will not impact KCHA's ability to meet this covenant. KCHA has also been in discussion with Standard and Poor's regarding their rating criteria and given that their rating criteria equally weights financial performance and mission driven activity (which includes the acquisition and preservation of workforce housing), no change in KCHA's rating is expected from the increase in the Agency's debt related to these transactions.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5627

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King providing for the issuance of the Authority's Non-Revolving Line of Credit Revenue Note, 2019 (Emerson Apartments), in the principal amount of not to exceed $66,000,000, the proceeds of which will be used to finance the acquisition of a 207-unit apartment complex located in Kirkland, Washington, known as the Emerson Apartments; determining the form, terms and covenants of the note; creating a note fund; approving the sale and providing for the delivery of the note to Key Government Finance, Inc. or an affiliate thereof; authorizing and directing appropriate officers of the Authority to negotiate, execute and deliver such other documents as are useful or necessary to the purposes of this resolution; and determining related matters.

Adopted August 19, 2019

This document was prepared by:

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

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5627

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King providing for the issuance of the Authority's Non-Revolving Line of Credit Revenue Note, 2019 (Emerson Apartments), in the principal amount of not to exceed $66,000,000, the proceeds of which will be used to finance the acquisition of a 207-unit apartment complex located in Kirkland, Washington, known as the Emerson Apartments; determining the form, terms and covenants of the note; creating a note fund; approving the sale and providing for the delivery of the note to Key Government Finance, Inc. or an affiliate thereof; authorizing and directing appropriate officers of the Authority to negotiate, execute and deliver such other documents as are useful or necessary to the purposes of this resolution; and determining related matters.

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

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things and if certain conditions are met, "own, hold, and improve real or personal property . . .," "purchase, lease, obtain options upon . . . any real or personal property or any interest therein" and "lease or rent any dwellings, houses, accommodations, lands, buildings, structures or facilities embraced in any housing project"; and

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

WHEREAS, RCW 35.82.020 defines "housing project" to include, among other things, "any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks, or other living accommodations for persons of low income" and provides that the term "housing project" may be applied to the "acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of improvements and all other work in connection therewith"; and

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

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

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

WHEREAS, the Authority has entered into an agreement to purchase a 207-unit apartment complex located at 11010 NE 124th Lane, Kirkland, Washington, known as the Emerson Apartments, to be a housing project of the Authority (the "Project"); and

WHEREAS, the City Council of the City of Kirkland, Washington (the "City"), the governing body of the City, adopted its Resolution No. 2747 on August 4, 1980, declaring that there is a need for the Authority to function within the City; and

WHEREAS, the Board of Commissioners of the Authority has determined that it is necessary and advisable and in the best interest of the Authority to issue the Note (as hereinafter defined), in a principal amount not to exceed $66,000,000 to finance all or a portion of the costs of acquiring the Project; and

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

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

Section 1. Definitions. As used in this resolution, the following terms have the following meanings:

"Act" means chapter 35.82 of the Revised Code of Washington.

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

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

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

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

"County" means King County, Washington.

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

"Lender" means Key Government Finance, Inc., or an affiliate thereof, as registered owner of the Note.

"Note" means the Authority's Non-Revolving Line of Credit Revenue Note, 2019 (Emerson Apartments).

"Note Fund" means the Authority's Non-Revolving Line of Credit Revenue Note Fund, 2019 (Emerson Apartments), created by this resolution for the purpose of paying principal of and interest on the Note.

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

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

"Project" means, depending on the context, (1) acquisition of the apartment complex located at 11010 NE 124th Lane, Kirkland, Washington known as the Emerson Apartments, or (2) the Emerson Apartments.

"Proposal Letter" means the proposal letter to the Authority from the Lender provided on June 19, 2019, as it may be amended, proposing to purchase the Note on the terms set forth therein and herein.

Section 2. Authorization of the Project; Authorization and Description of the Note. The Board approves the acquisition of the Project. The Board declares the Project to be a "housing project" of the Authority for purposes of the Act. The Authority shall issue the Note in a principal amount not to exceed $66,000,000 for the purpose of providing funds with which to pay and/or reimburse the Authority for all or part of the costs of the Project. Such Note financing is declared and determined to be important for the feasibility of the Project. The Board finds that it is in the best interest of the Authority to issue the Note for the purpose set forth in this resolution.

Section 3. Description of the Note. The Note shall be called the Authority's Non-Revolving Line of Credit Revenue Note, 2019 (Emerson Apartments); shall be in a principal amount of not to exceed $66,000,000; shall be dated its date of delivery; shall be numbered R-1; and shall mature not more than 364 days from its date of issue. The Note shall bear interest payable on such dates and at such rate or rates selected by the Authority as described in the Proposal Letter (which may include, without limitation, a variable rate based London interbank offered rate), shall mature at such time (subject to the limitation set forth above), shall have such prepayment or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as are set forth in the Note. The Authority finds that the fixing of the interest rate index described in the Proposal Letter is in the best interest of the Authority. Interest on the Note shall be computed on the basis on a 360 day year with twelve 30-day months.

The Note shall be subject to redemption, in whole, on dates set forth in the Note upon 30 days' prior notice (or such shorter period acceptable to the Lender), at a redemption price equal to par plus accrued interest.

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

At the election of the Lender, the interest rate on the Note will increase by 400 basis points (4.00%) during the continuance of an Event of Default. Further, if an Event of Default occurs then, at the option of the Lender, the principal of and interest on the Note shall become immediately due and payable. "Event of Default" means the declaration by the Lender of an event of default as a result of a determination by the Lender that:

(i) there has been a failure to pay principal or interest on the Note when due, as provided in the Note;

(ii) there has been a failure by the Authority to comply with any of its obligations, or to perform any of its duties, under the Note, which failure continues, and is not cured, for a period of more than 60 days after the Lender has made written demand on the Authority to cure such failure;

(iii) there has been a material misrepresentation to the Lender by the Authority in the purchase of the Note, as reasonably concluded by the Lender after investigation and discussion with the Authority;

(iv) any event of default under any other debt or capital lease obligation with Lender or an affiliate of Lender under which the Authority is an obligor where there is outstanding, owing or committed an aggregate amount in excess of $500,000 has occurred, if such default continues, and is not cured, or otherwise waived by the Lender or such affiliate within 15 days after written demand is made on the Authority to cure such default;

(v) the Authority shall (a) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of the Authority, or of all or a substantial part of the assets of the Authority, (b) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (c) make a general assignment for the benefit of creditors, (d) have an order for relief entered against it under applicable federal bankruptcy law, or (e) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against the Authority in any bankruptcy, reorganization, moratorium or insolvency proceeding; or

(vi) an order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for the Authority or of all or a substantial part of the assets of the Authority, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Notwithstanding the foregoing, as to item (iv), if the default is not a payment default and is not associated with the Authority's material ability to pay, when due, its obligations to the Lender (or affiliate of Lender, if applicable), the Authority may have up to 180 days to cure such default by providing the Lender (and the affiliate of Lender, if applicable) a written plan within 15 days after written notice of default is made to the Authority, describing the Authority's planned timeframe for the cure of the default. Item (iv) is not intended to preempt the terms set forth in any other agreement relating to borrowing money, lease financing of property, or provision of credit.

The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the Note. The execution or authentication of the Note by an Authorized Officer shall be conclusive evidence of approval of the terms of the Note as set forth therein.

Section 4. Authorization for Extension and Modification of the Note. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to negotiate the terms of one or more extensions of maturity date and/or modifications of the terms of the Note with the Lender. The Authorized Officers, and each of them acting alone, are authorized, without further action of the Board of the Authority, to extend the maturity date of the Note to any date on or before December 31, 2028, and/or to modify the interest rate or interest rate formula applicable to the Note, if such Authorized Officer determines that such extension and/or modification is in the best interest of the Authority, all so long as no other material terms of the

Note is revised (unless otherwise authorized by the Board of the Authority). The Authorized Officers, and each of them acting alone, are authorized to do everything necessary for the execution and delivery of such documents as are useful or necessary to such extension of maturity and/or modification of interest rate or interest rate formula. An Authorized Officer's execution of documents in connection with the modification and/or extension of the Note will constitute conclusive evidence of his or her approval of the extensions, modifications and/or other terms described therein and the approval by the Authority of such extensions, modifications and/or other terms.

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

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

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

Section 7. Note Fund; Security for the Note. The Note Fund is hereby established as a special fund of the Authority and is to be known as the Non-Revolving Line of Credit Revenue Note Fund, 2019 (Emerson Apartments). The Note Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Note. The Authority pledges to deposit General Revenues into the Note Fund in amounts sufficient to pay the principal of and interest on the Note when due. This pledge of General Revenues shall be valid and binding from the time when it is made. The General Revenues so pledged and thereafter received by the Authority shall immediately be subject to the lien of the pledge without any physical delivery thereof or further action, and lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Authority, irrespective of whether the parties have notice thereof.

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

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

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

Section 8. Lost, Stolen or Destroyed Note. In case the Note shall be lost, stolen or destroyed after delivery to the Registered Owner, the Note Registrar may execute and deliver a new Note of like date and tenor to the Registered owner upon the Registered Owner paying the expenses and charges of the Authority and upon filing with the Note Registrar evidence satisfactory to the Note Registrar that such Note was actually lost, stolen or destroyed and of the Registered Owner's ownership thereof, and upon furnishing the Authority with indemnity reasonably satisfactory to the Authority.

Section 9. Form and Execution of Note. The Note shall in a form consistent with the provisions of this resolution and state law, shall bear the manual or facsimile signatures of the Chair of the Board and the Executive Director and shall be impressed with the seal of the Authority or shall bear a manual or facsimile thereof. The Note shall not be valid or obligatory for any purpose, or entitled to the benefits of this resolution, unless the Note bears a Certificate of Authentication manually signed by the Note Registrar stating "This Note is the fully registered Non-Revolving Line of Credit Revenue Note, 2019 (Emerson Apartments), of the Authority described in the Note Resolution." A minor deviation in the language of such certificate shall not void a Certificate of Authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

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

Section 10. Preservation of Tax Exemption for Interest on Note. The Authority covenants that it will take all actions necessary to prevent interest on the Note from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Note or other funds of the Authority treated as proceeds of the Note at any time during the term of the Note which would cause interest on the Note to be included in gross income for federal income tax purposes. The Authority also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to the Note, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Note, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Note from being included in gross income for federal income tax purposes.

Section 11. Authorization of Documents and Execution Thereof. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Note and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Note. The Board further authorizes the Authorized Officers, and each of them acting alone, to negotiate, approve, execute and deliver any credit agreement, loan agreement, and or such other instruments and agreements as may be necessary or desirable in connection with the sale of the Note to the Lender. The Executive Director of the Authority is authorized to execute the Note and the Authorized Officers, and each of them acting alone, are authorized to negotiate, execute and deliver documents reasonably required to be executed in connection with the issuance of the Note and to ensure the proper use and application of the proceeds of the Note, and to effect any extension of the maturity of the Note and modification of interest rate and/ or interest rate formula applicable to the Note as described in Section 4.

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

Section 12. Approval of Transaction. The Lender has offered to purchase the Note at a price of par, under the terms and conditions contained in this resolution and the Proposal Letter, including the payment of a fee to the Lender plus the fees and expenses of the Lender's legal counsel, and any other out-of-pocket costs incurred by the Lender, each payable at closing. The

Board finds that the Lender's offer is in the best interest of the Authority and accepts such offer, and covenants that it will comply with all terms and conditions of the Proposal Letter.

Section 13. Reporting Requirements; Covenants. The Authority covenants and agrees for so long as the Note remains outstanding, and unless otherwise waived by the Lender, the Authority shall maintain a Debt Service Coverage Ratio of not less than 1.10 to 1.0, to be calculated at the end of each fiscal year of the Authority. "Debt Service Coverage Ratio" means, as of any applicable date, the sum of (a) the change in Authority (primary government) net assets, plus (b) interest expense, plus (c) depreciation expense, plus (d) amortization expense, plus (or minus) (e) the loss (or gain) on capital assets, plus (f) any non-cash charges to the extent deducted in determining the change in net assets, plus (g) payments from reserves or prior years' revenues for programs or facilities, including, without limitation, as examples, payments made to forestall evictions due to delayed Section 8 housing payments from the federal government, mission driven initiatives or non-capitalized payments from reserves for replacement costs related to facilities, plus (h) non-recurring, one-time costs and expenses, not to exceed $1,000,000 in any one fiscal year, minus (i) capital grants or contributions in any form; divided by the sum of interest expense and Scheduled principal payments made or incurred by the Authority during the preceding fiscal year, all as shown on the audited financial statements delivered to the Lender. "Scheduled" means all mandatory scheduled amortization payments (including without limitation mandatory redemptions) of outstanding indebtedness for borrowed money and excludes (a) voluntary prepayments, (b) revolver pay-downs, or (c) the refinance of existing debt.

The Authority further covenants and agrees for so long as the Note remains outstanding, and unless otherwise waived by the Lender, to shall provide financial information to the Lender as follows:

(A) the Authority's internally prepared financial statements for such fiscal year within 180 days after the fiscal year end, prepared in accordance with generally accepted accounting principles applicable to housing authorities, which shall be accompanied by a certificate regarding compliance with the Debt Service Coverage Ratio covenant set forth above;

(B) the Authority's audited financial statements within 10 days after receipt of the Washington State Auditor's opinion letter, but no later than 290 days after fiscal year end;

(C) the Authority's internally prepared quarterly financial statements within 45 days after fiscal quarter end;

(D) the Authority's annual budget or any material amendments thereto within 45 days of adoption; and

(E) such other information relating to the ability of the Authority to satisfy its obligations under the Note, as may be reasonably requested by the Lender from time to time.

Section 14. Acting Officers Authorized. Any action authorized by this resolution to be taken by the Executive Director of the Authority, may in his absence be taken by a duly authorized Deputy Executive Director of the Authority. Any action authorized by this resolution to be taken by a Deputy Executive Director of the Authority, may in his or her absence be taken by a duly authorized acting Deputy Executive Director of the Authority.

<u>Section 15</u>. <u>Ratification and Confirmation</u>. 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.

<u>Section 16</u>. <u>Severability</u>. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Note.

<u>Section 17</u>. <u>Effective Date</u>. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 19TH DAY OF AUGUST, 2019.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

By:____
DOUGLAS J. BARNES, Chair

ATTEST:

____
STEPHEN J. NORMAN, Secretary

CERTIFICATE

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

1. That the attached copy of Resolution No. 5627 (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on August 19, 2019, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's administrative office at 600 Andover Park W., Tukwila, Washington 98188 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of August, 2019.

____

Stephen Norman, Secretary and Executive Director of the Authority

APPENDIX I

TAB NUMBER 4

To: Board of Commissioners

From: Dan Landes, Director of Development

Date August 8, 2019

Re: **Resolution No. 5628** – A Resolution of the Housing Authority of the County of King authorizing an increase in the term loan with Bank of America in order to meet the Low Income Housing Tax Credit 50% test for Highland Village

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Resolution No. 5628 authorizes KCHA to take out $2,500,000 in additional tax-exempt financing for the Highland Village project. Highland Village is financed in part using tax-exempt bonds and 4% Low-Income Housing Tax Credits ("LIHTC"). This project was packaged as part of a two site tax partnership involving both Highland Village and Somerset Gardens.

As a condition of the LIHTC program, in order to access the 4% tax credits, at least 50% of the land and depreciable development costs must be financed using private activity bonds. This test must be met on a project by project basis (i.e. Somerset Gardens separate from Highland Village) and if there is both rehabilitation and new construction within a project, the test must be met for each of the two construction types.

While the overall combined rehab/construction budget for Somerset Gardens and Highland Village is virtually unchanged, the cost of the work at Somerset Gardens came in less than originally projected and more than projected at Highland Village by an almost equal amount. For this reason, the amount of short-term tax-exempt bonds necessary to finance the development of Highland Village needs to be increased in order to meet the LIHTC 50% test.

KCHA has applied for and received an additional $2.5 million in tax-exempt private activity bond cap from the Washington State Housing Finance Commission and the project lender, Bank of America, has agreed to increase their tax-exempt bond loan for Highland Village from $25 million to $27.5 million. The terms and conditions related to the incremental financing mirror the original Highland Village term loan. The increase in the tax-exempt financing will be sufficient for Highland Village to meet its 50% test for both the rehabilitation and new construction buildings at the site.

Staff recommends passage of Resolution No. 5628.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5628

A RESOLUTION providing for the issuance of the Authority's Revenue Note, 2019 (Highland Village Project), in a principal amount not to exceed $2,500,000, the proceeds of which will be used to make a loan to Somerset Gardens Apartments LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the "Partnership"), for the purpose of providing a portion of the funds with which to finance the construction and rehabilitation of a multifamily rental housing project known as Highland Village, to provide housing for low-income persons in King County, Washington; authorizing the execution and delivery of a term loan agreement with Bank of America, N.A.; authorizing the execution and delivery of note and loan documents and amendments and modifications thereto; approving the sale and providing for the delivery of the note to Bank of America, N.A., or an affiliate of Bank of America Corporation; authorizing and directing appropriate officers of the Authority to execute such other documents as are useful or necessary to the purposes of this resolution; and determining related matters.

Adopted August 19, 2019

This document was prepared by:

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

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5628

A RESOLUTION providing for the issuance of the Authority's Revenue Note, 2019 (Highland Village Project), in a principal amount not to exceed $2,500,000, the proceeds of which will be used to make a loan to Somerset Gardens Apartments LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the "Partnership"), for the purpose of providing a portion of the funds with which to finance the construction and rehabilitation of a multifamily rental housing project known as Highland Village, to provide housing for low-income persons in King County, Washington; authorizing the execution and delivery of a term loan agreement with Bank of America, N.A.; authorizing the execution and delivery of note and loan documents and amendments and modifications thereto; approving the sale and providing for the delivery of the note to Bank of America, N.A., or an affiliate of Bank of America Corporation; authorizing and directing appropriate officers of the Authority to execute such other documents as are useful or necessary to the purposes of this resolution; and determining related matters.

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

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

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things, "lease any . . . lands . . . embraced in any housing project and . . . establish and revise the rents or charges therefor"; and "sell, lease, exchange, transfer . . . or dispose of any real or personal property or any interest therein . . ."; and

WHEREAS, RCW 35.82.070(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the . . . acquisition, construction . . .

rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing for persons of low-income"; and

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

WHEREAS, pursuant to Resolution No. 5577 of the Authority (the "Omnibus Resolution") adopted by the Board of Commissioners of the Authority (the "Board") on December 7, 2017, together with Resolution 5585 of the Authority (the "Supplemental Resolution") adopted by the Board on February 26, 2018, the Authority leased to Somerset Gardens Apartments LLLP (the "Partnership") an apartment complex known as Highland Village, located at 600 146th Avenue NE, Bellevue, Washington (the "Project"), together with the underlying property, pursuant to a Lease Agreement dated as of March 29, 2018 (the "Lease"); and

WHEREAS, pursuant to Resolution No. 5578 (the "2017 Note Resolution") of the Authority adopted by the Board on December 7, 2017, and a Term Loan Agreement (Highland Village) dated December 15, 2017, as amended by a First Amendment to Term Loan Agreement (Highland Village) dated March 29, 2018, each between the Authority and Bank of America, N.A., the Authority previously issued its $25,000,000 original principal amount Revenue Note, 2017 (Highland Village Project) (the "2017 Revenue Note"); and

WHEREAS, pursuant to the Omnibus Resolution, the 2017 Note Resolution, the Supplemental Resolution, and a Loan Agreement dated March 29, 2018, the Authority lent to the Partnership the proceeds of the 2017 Revenue Note, to finance the Partnership's acquisition (for federal income tax purposes), construction and rehabilitation of the Project; and

WHEREAS, in connection with the 2017 Revenue Note, Highland Village Apartments LLLP and the Authority entered into a Regulatory Agreement dated as of December 1, 2017, as assigned to and assumed by the Partnership pursuant to an Assignment and Assumption Agreement dated March 29, 2018, restricting the use of the Project as described therein; and

WHEREAS, the Partnership has applied to the Authority for additional financial assistance for the purpose of providing additional funds with which to finance the rehabilitation and construction of the Project, all to provide housing for low-income persons in the County; and

WHEREAS, the Partnership has requested that the Authority issue and sell its non-revolving line of credit revenue note in a principal amount not to exceed $2,500,000 for the purpose of assisting the Partnership in financing the rehabilitation and construction of the Project; and

WHEREAS, the Project will be used by the Partnership to provide housing for low-income persons, and no more than an insubstantial portion of the proceeds of the 2019 Revenue Note (defined below) will be used in connection with the financing or refinancing of any portion of the Project to be used for any other purpose; and

WHEREAS, the Board has determined that it is necessary and advisable that the Authority issue the 2019 Revenue Note in a principal amount not to exceed $2,500,000, the proceeds of which will be lent to the Partnership for the purposes described herein; and

WHEREAS, Bank of America, N.A., or an affiliate of Bank of America Corporation has proposed to extend a credit facility evidenced by a line of credit note of the Authority and a term loan agreement on the terms set forth in this resolution, to provide money for those purposes; and

WHEREAS, RCW 35.82.040 provides that a housing authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper;

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

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

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

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

"Bank" means Bank of America, N.A. or an affiliate of Bank of America Corporation, as the initial registered owner of the 2019 Revenue Note, and its successors and assigns.

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

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

"County" means King County, Washington.

"First Amendment to KCHA Loan Agreement" means a First Amendment to Loan Agreement between the Authority and the Partnership.

"First Amendment to Regulatory Agreement" means a First Amendment to Regulatory Agreement between the Partnership and the Authority.

"General Revenues" means all revenues of the Authority from any source, but only to the extent that those revenues are available to pay debt service on the 2019 Revenue Note and are not now or hereafter pledged, by law, regulation, contract, covenant, resolution, deed of trust or otherwise (including restrictions relating to funds made available to the Authority under the U.S. Housing Act of 1937), solely to another particular purpose.

"KCHA Loan Agreement" means the Loan Agreement dated March 29, 2018, between the Authority and the Partnership, as amended by the First Amendment to KCHA Loan Agreement, including any further supplements or amendments thereto made in conformity therewith.

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

"Partnership" means Somerset Gardens Apartments LLLP, a Washington limited liability limited partnership.

"Project" means, depending on the context, (1) rehabilitation and construction of a multifamily rental housing project to contain a total of approximately 100 dwelling units, known as Highland Village, located at 600 146th Avenue NE, Bellevue, Washington, or (2) the Highland Village rental housing project.

"Regulatory Agreement" means the Regulatory Agreement dated December 1, 2017, between Highland Village Apartments LLLP and the Authority, as assigned to and assumed by the Partnership pursuant to an Assignment and Assumption Agreement dated March 29, 2019, between Highland Village Apartments LLLP and the Partnership, as amended by the First Amendment to Regulatory Agreement, and including any further supplements or amendments thereto made in conformity therewith.

"2019 Loan" means the loan to the Partnership of proceeds of the 2019 Revenue Note.

"2019 Revenue Note" means the Authority's Revenue Note, 2019 (Highland Village Project).

"2019 Revenue Note Fund" means the Authority's Revenue Note Fund, 2019 (Highland Village Project), created by this resolution for the purpose of paying principal of and interest on the 2019 Revenue Note.

"2019 Term Loan Agreement" means a Term Loan Agreement between the Authority and the Bank setting forth certain covenants and conditions relating to the 2019 Revenue Note, including any supplements or amendments thereto made in conformity therewith.

Section 2. Authorization of 2019 Revenue Note and Application of Proceeds. The Authority shall issue the 2019 Revenue Note in a principal amount not to exceed $2,500,000 for the purpose of making a loan to the Partnership to provide a portion of the funds required to accomplish the Project. Such 2019 Revenue Note financing is declared and determined to be important for the feasibility of the Project. All proceeds of the 2019 Revenue Note shall be lent to the Partnership for those purposes. The Board finds that it is in the best interest of the Authority to issue the 2019 Revenue Note for the purposes set forth in this resolution.

Section 3. Description of the 2019 Revenue Note. The 2019 Revenue Note shall be called the Revenue Note, 2019 (Highland Village Project), of the Authority; shall be in a principal amount not to exceed $2,500,000; and shall be dated its date of delivery. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the 2019 Revenue Note. The 2019 Revenue Note shall be issued in registered form; and shall be in such denomination, shall bear interest payable on such dates and at such rates (which may include, without limitation, variable rate(s) based on the London interbank offered rate, variable rate(s) based on the Bank's prime rate, and/or fixed rate(s)), shall mature at such times and in such amounts, shall have such prepayment or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as set forth in the 2019 Revenue Note and the 2019 Term Loan Agreement. The execution or authentication of the 2019 Revenue Note by an Authorized Officer shall be conclusive evidence of approval by the Authority of the terms of the 2019 Revenue Note as set forth therein.

The interest rate on the 2019 Revenue Note shall be subject to adjustment upon the occurrence of an Event of Default (as defined in the 2019 Term Loan Agreement) or upon the occurrence of a Determination of Taxability (as defined in the 2019 Term Loan Agreement).

If the 2019 Revenue Note is not paid when properly presented at its maturity date, the Authority shall be obligated to pay interest on the 2019 Revenue Note at then-applicable default rate of interest thereon from and after the maturity date until the 2019 Revenue Note, both principal and interest, is paid in full.

The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the 2019 Revenue Note and the 2019 Term Loan Agreement. The execution of such instruments by an Authorized Officer shall be conclusive evidence of approval of the terms set forth therein on behalf of the Authority.

Section 4. Note Registrar; Registration and Transfer of 2019 Revenue Note. The 2019 Revenue Note shall be issued only in registered form as to both principal and interest and shall be recorded on books or records maintained for the 2019 Revenue Note by the Note Registrar (the "Note Register"). The Executive Director of the Authority shall serve as Note Registrar for the 2019 Revenue Note. The Note Register shall contain the name and mailing address of the registered owner of the 2019 Revenue Note. The Note Registrar is authorized, on behalf of the Authority, to authenticate and deliver the 2019 Revenue Note in accordance with the provisions of the 2019 Revenue Note and this resolution, to serve as the Authority's paying agent for the 2019 Revenue Note and to carry out all of the Note Registrar's powers and duties under this resolution.

The 2019 Revenue Note may be assigned or transferred only (i) in whole (a) to a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, (b) to an affiliate of the Bank, or (c) as otherwise provided in the 2019 Term Loan Agreement, (ii) if endorsed in the manner provided thereon and surrendered to the Note Registrar, and (iii) upon the assignee or transferee delivering to the Authority an executed Certificate of Transferee in the form attached to the 2019 Revenue Note. The Note Registrar shall not be obligated to exchange or transfer the 2019 Revenue Note during the five days preceding any interest payment date, prepayment date or the maturity date.

Section 5. Payment of the 2019 Revenue Note. Both principal of and interest on the 2019 Revenue Note shall be payable in lawful money of the United States of America and shall be paid by check mailed to arrive on or before each payment date, or in immediately available funds delivered on or before each payment date (including, without limitation, by wire transfer), to the Registered Owner at the address appearing on the Note Register on the date payment is mailed or delivered. Upon the final payment of principal of and interest on the 2019 Revenue Note, the Registered Owner shall surrender the 2019 Revenue Note at the principal office of the Note Registrar in Tukwila, Washington, for destruction in accordance with law.

Section 6. 2019 Revenue Note Fund; Security for the 2019 Revenue Note. The 2019 Revenue Note Fund is hereby established as a special fund of the Authority designated the Revenue Note Fund, 2019 (Highland Village Project). The 2019 Revenue Note Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the 2019 Revenue

Note and the other obligations of the Authority under the 2019 Term Loan Agreement. The Authority pledges to deposit into the 2019 Revenue Note Fund, (a) from General Revenues, and (b) from amounts received by the Authority from the Partnership in repayment of the 2019 Loan to the extent derived from equity contributions received by the Partnership from one or more of its limited partners in connection with low income housing tax credits allocated to the Project, as and to the extent described in the 2019 Term Loan Agreement (the "Other Pledged Collateral"), amounts sufficient to pay the principal of and interest on the 2019 Revenue Note when due and the other obligations of the Authority under the 2019 Term Loan Agreement.

The Authority hereby pledges its General Revenues and the Other Pledged Collateral to the payment of debt service on the 2019 Revenue Note and its other obligations under the 2019 Revenue Note and the 2019 Term Loan Agreement. The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity with payments on the 2019 Revenue Note and its other obligations under the 2019 Revenue Note and the 2019 Term Loan Agreement. At its option, the Authority may pledge any portion of the General Revenues to the payment of other obligations of the Authority, such payments to have priority over the payments to be made on the 2019 Revenue Note and its other obligations under the 2019 Term Loan Agreement with respect to that portion of the General Revenues so pledged.

The Authorized Officers, and each of them acting alone, are hereby granted the discretionary authority to include in the 2019 Term Loan Agreement additional pledge(s) to secure the payment of the Authority's obligations under the 2019 Revenue Note and the 2019 Term Loan Agreement.

The 2019 Revenue Note shall not be a debt of King County, the State of Washington or any political subdivision thereof (except the Authority from the sources specified herein), and the 2019 Revenue Note shall so state on its face. Neither King County, the State of Washington nor any political subdivision thereof (except the Authority from the sources specified herein) shall be liable for payment of the 2019 Revenue Note nor in any event shall principal of and interest on the 2019 Revenue Note be payable out of any funds other than the 2019 Revenue Note Fund of the Authority established herein. The owner of the 2019 Revenue Note shall not have recourse to any other fund of the Authority other than the 2019 Revenue Note Fund, or to any other receipts, revenues or properties of the Authority other than as described herein and in the 2019 Revenue Note. The Authority has no taxing power.

None of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the 2019 Revenue Note.

Section 7. Form and Execution of 2019 Revenue Note. The 2019 Revenue Note shall be prepared in a form consistent with the provisions of this resolution and state law, shall bear the manual or facsimile signatures of the Chair of the Board and Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof.

The 2019 Revenue Note shall not be valid or obligatory for any purpose, or entitled to the benefits of this resolution, unless the 2019 Revenue Note bears a Certificate of Authentication manually signed by the Note Registrar stating: “This Note is the fully registered Revenue Note, 2019 (Highland Village Project), of the Authority described in the Note Resolution.” A minor deviation in the language of such certificate shall not void a Certificate of Authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a Certificate of

Authentication shall be conclusive evidence that the 2019 Revenue Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose facsimile signature appears on the 2019 Revenue Note ceases to be an officer of the Authority authorized to sign notes before the 2019 Revenue Note bearing his or her facsimile signature is authenticated or delivered by the Note Registrar or issued by the Authority, the 2019 Revenue Note nevertheless may be authenticated, delivered and issued and, when authenticated, issued and delivered, shall be as binding on the Authority as though that person had continued to be an officer of the Authority authorized to sign notes. The 2019 Revenue Note also may be signed on behalf of the Authority by any person who, on the actual date of signing of the 2019 Revenue Note, is an officer of the Authority authorized to sign notes, although he or she did not hold the required office on the date of issuance of the 2019 Revenue Note.

Section 8. Preservation of Tax Exemption for Interest. Subject to the last paragraph of this section, the Authority covenants that it will take all actions necessary to prevent interest on the 2019 Revenue Note from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the 2019 Revenue Note or other funds of the Authority treated as proceeds of the 2019 Revenue Note at any time during the term of the 2019 Revenue Note which would cause interest on the 2019 Revenue Note to be included in gross income for federal income tax purposes. The Authority also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the 2019 Revenue Note, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the 2019 Revenue Note, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the 2019 Revenue Note from being included in gross income for federal income tax purposes (but only from amounts received by the Authority from the Partnership as payments for those purposes).

The Partnership will agree in the KCHA Loan Agreement to reimburse the Authority for all costs to the Authority of its compliance with the covenants contained in this section, and the Authority shall not be required to expend any funds, other than such amounts to be reimbursed or other money received under the terms of the KCHA Loan Agreement, in so complying.

Section 9. Reimbursement. For purposes of applicable Treasury Regulations, the Partnership and the Authority are authorized to advance such funds as may be necessary for the Project and the financing thereof, which expenditures may be reimbursed with proceeds of the 2019 Revenue Note. It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue date of the 2019 Revenue Note from proceeds of the 2019 Revenue Note, for the purposes of Treasury Regulations Sections 1.103-8(a)(5) and 1.150-2.

Section 10. Note and Loan Documents. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate, approve, execute, and deliver the First Amendment to Regulatory Agreement, the First Amendment to KCHA Loan Agreement, the 2019 Term Loan Agreement, the 2019 Revenue Note and such other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the 2019 Revenue Note, the delivery of the 2019 Revenue Note to the Bank and the making of the 2019 Loan to the Partnership. The Board authorizes and approves the performance by the Authority of its obligations contained in, the 2019 Revenue Note, the KCHA Loan Agreement, the 2019 Term

Loan Agreement, other documents executed by the Authority in connection with or pertaining to the 2019 Revenue Note, and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the 2019 Revenue Note. The execution of any such instrument an Authorized Officer shall be conclusive evidence of approval of the terms set forth therein on behalf of the Authority.

The 2019 Revenue Note will be prepared at the Authority's expense and will be delivered to the Bank together with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, or a successor thereto, regarding the 2019 Revenue Note.

Section 11. Authorization of Partnership Documents and Execution Thereof. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to negotiate, execute and deliver, on behalf of the Authority in its capacity as general partner of the Partnership, the First Amendment to Regulatory Agreement, the First Amendment to KCHA Loan Agreement, and such other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the 2019 Revenue Note, the delivery of the 2019 Revenue Note to the Bank and the 2019 Loan to the Partnership.

Section 12. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority and/or the Partnership not to execute or deliver such document; (ii) execute and deliver and, if applicable file (or cause to delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein and/or further the rehabilitation, development, financing, construction, and leasing of the Project; and (iii) cause the Authority and/or the Partnership to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. The Board further authorizes the Authorized Officers, and each of them acting alone, to do everything necessary or appropriate for the issuance, execution and delivery of the 2019 Revenue Note to the purchaser thereof and to execute and deliver any other documents that may be useful or necessary to ensure the proper use and application of the proceeds from the sale of the 2019 Revenue Note.

Section 13. Execution of Duties and Obligations. The Board authorizes and approves the execution and delivery of, and the performance by the Authority (whether acting on its own behalf or in its capacity as general partner of the Partnership) of its obligations contained in, the 2019 Revenue Note, the First Amendment to KCHA Loan Agreement, the KCHA Loan Agreement, the 2019 Term Loan Agreement, the First Amendment to Regulatory Agreement, the Regulatory Agreement, other documents executed by the Authority in connection with the 2019 Revenue Note, and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the 2019 Revenue Note. The Board authorizes and direct the Authority's Executive Director to cause the Authority (whether acting on its own behalf or in its capacity as general partner of the Partnership, as applicable) to fulfill the Authority's duties and obligations, and cause the Partnership to fulfill the Partnership's duties and obligations under the various agreements authorized by this resolution.

Section 14. Approval of Note Transaction. It is anticipated that the Bank will offer to purchase the 2019 Revenue Note under the terms and conditions contained in this resolution. The

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Board finds that such offer is in the best interest of the Authority and the Partnership, and therefore authorizes the Authorized Officers, and each of them acting alone, to accept an offer from the Bank to purchase the 2019 Revenue Note, so long as not inconsistent with the terms set forth herein.

Section 15. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board may in the absence of such person be taken by the duly authorized acting Chair of the Board. Any action authorized by this resolution to be taken by the Executive Director of the Authority, may in his absence be taken by a duly authorized Deputy Executive Director of the Authority. Any action authorized by this resolution to be taken by a Deputy Executive Director of the Authority, may in his or her absence be taken by a duly authorized acting Deputy Executive Director of the Authority.

Section 16. Changes to Titles or Parties. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 17. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 18. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

<u>Section 19</u>. <u>2017 Note, Omnibus and Supplemental Resolutions to Remain in Effect</u>. Resolution No. 5577 of the Authority and Resolution No. 5578 of the Authority (in each case as amended by Resolution No. 5585 of the Authority), and Resolution No. 5585 of the Authority, shall remain in full force and effect.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 19TH DAY OF AUGUST, 2019.

HOUSING AUTHORITY OF THE COUNTY OF KING

By:____________________________________
DOUGLAS J. BARNES, Chair

ATTEST:

____
STEPHEN J. NORMAN, Secretary

CERTIFICATE

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

1. That the attached copy of Resolution No. 5628 (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on August 19, 2019, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's administrative office at 600 Andover Park W., Tukwila, Washington 98188 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of August, 2019.

____

Stephen Norman, Secretary and Executive Director of the Authority

APPENDIX I

TAB NUMBER 5

To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: July 26, 2019

Re: **2019 Midyear Financial Forecast**

EXECUTIVE SUMMARY

The Board adopted the Calendar Year 2019 Operating and Capital Budget ("2019 budget") via Resolution 5616 on December 7, 2018. The Midyear Financial Forecast includes revised assumptions and new information that was not part of the original budget process and offers updated budget projections.

The 2019 Midyear Financial Forecast includes several adjustments that aggregate to a $3.7 million increase in projected unrestricted cash at year's end. Higher than anticipated revenues in Federal programs drive the bulk of the projected rise in cash, primarily from the Housing Choice Voucher (HCV) and Public Housing programs. Offsetting the increased revenues is a projected rise in HCV Housing Assistance Payments (HAP) beyond original budget expectations.

Exhibit A details the original 2019 Adopted Budget, the Midyear Forecasted Changes and the 2019 Revised Projection. Significant adjustments are explained in the Financial Forecast Highlights section.

The Changes to Staffing section discusses newly-planned positions and Exhibit B summarizes total positions by department.

Background

The Midyear Financial Forecast provides the Board with an overall synopsis of the changes in the current and near-term fiscal outlook for KCHA in relation to the Authority's adopted 2019 budget. Included changes are generally limited to those with an aggregate financial impact of $1 million or greater, although those affecting Moving to Work (MTW) funds with an aggregate impact of $500,000 or greater are also included, as are other adjustments that are deemed material.

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

FINANCIAL FORECAST HIGHLIGHTS

Federal Funding and Expenditures

<u>Revenue</u>

KCHA historically uses conservative estimates when projecting the HCV Replacement Funding Inflation Factor (RFIF) and the HUD prorate to derive budgeted Block Grant and Special Purpose Voucher (SPV) revenue. As announced earlier in the year by HUD, the RFIF and prorate both exceed assumptions used in the budget. The 2019 RFIF is 2.173% versus budget of 1.0%, resulting in additional revenue of $1.66 million. The 2019 prorate is 99.5% versus budget of 99.0%, resulting in an additional $724,000.

SPV revenue is based on actual HAP expenditures from the previous year which is then inflated by the RFIF. Added to these baseline amounts are revenues related to newly-awarded "incremental" vouchers. The midyear forecast reflects an increase of $928,000, driven by the inclusion of 43 incremental VASH vouchers that were not included in the original 2019 budget and by the 2.173% RFIF.

The midyear forecast also includes a $1.5 million increase in operating and administrative fee revenue related to HCV "Ports-In", clients from other housing authorities who have moved into KCHA's area of service. This revenue offset by $1.0 million in associated additional HAP expense.

HUD announced an expected 2019 Public Housing Operating Fund Subsidy prorate of 99.15%, while the budget assumed 90.0%. As a result, the midyear forecast includes an increase of approximately $920,000.

Expenditures

King County continues to experience growing market rents which influences KCHA's HCV average HAP Per Unit Cost (PUC). In addition, the number of block grant unit months for 2019 is projected to be higher than included in the original budget:

	Original Budget	Midyear Forecast	Change
HAP PUC	$1,107.58	$1,114.53	$6.95
Unit Months	104,309	104,756	447

Although the $6.95 increase in average PUC costs is relatively modest, when applied to the 104,309 unit months included in the original budget, projected HAP costs increase by $728,000. When applying the revised PUC of $1,114.53 to the projected increase of 447 unit months, HAP costs rise by an additional $498,000. The combined effect on block grant HAP is an increase of $1.2 million.

For non-block grant vouchers, Port-in HAP expense is forecast to rise by $1.0 million but is offset by a projected $400,000 decline in SPV HAP expense as new incremental Family Unification Program (FUP) vouchers are leasing at a slower and more realistic page than included in the original budget.

Combined HAP expense for both block grant and SPV vouchers is projected to rise by $1.8 million.

Acquisitions

The original 2019 budget reflected the purchase and operations of five properties from the International Association of Machinists and Aerospace Workers District 751 (IAM). The midyear forecast now includes the purchase and operations of only the two properties located in Kirkland, as we were able to assign the purchase of the other three sites, all of which are located in Seattle, to SHA at closing. An aggregated midyear adjustment of $261,000 removes the acquisition costs and operations budget for the other three properties. Additionally, the original anticipated close date of the IAM acquisition was expected to be on April 1st. However, the close actually took place on July 1st and the resulting adjustments are also included in the midyear forecast.

Two large acquisitions of workforce housing in the high-opportunity areas of Bellevue and Kirkland are expected to close this September. Both purchases will initially be funded by short-term lines of credit converting to permanent long-term financing in early 2020. Kendall Ridge Apartments (240 units) and Emerson Apartments (207 units) were purchased for $75 million and $67 million respectively. Both complexes will undergo minor improvements funded primarily by tenant revenue streams.

Acquisition and operating costs were added to the midyear forecast for these two properties.

The option to purchase the Howe Property in downtown Redmond was transferred to the City of Redmond after a detailed feasibility study showed that it would be too costly to develop the site. A significant portion of the option and feasibility study costs were covered by King County. The 2019 authorized budget incorporated $5.5 million to facilitate this acquisition. This budget line is eliminated in the midyear forecast.

Other Changes

Two capital construction projects for Moving King County Residents Forward (MKCRF) properties originally slated to begin in 2020 have been advanced to 2019. The incremental costs of these projects is expected to be approximately $1.6 million and will be funded by MKCRF operations. The Houghton Apartments project, initially scheduled to begin this year, is being delayed to 2020 due to an expansion of the scope to add a second floor to one of the buildings.

The 4th Avenue Project to improve infrastructure, signage, lighting and landscaping currently undertaken by the Greenbridge department was recently awarded an unbudgeted $670,000 grant from the Washington State Department of Commerce. In addition, construction expenditures are expected to be approximately $420,000 less than originally anticipated. As a result, funding from the local Central Office Cost Center (COCC) for this project has been reduced by $1.07 million.

See the table below for a summary of changes included in the midyear financial forecast:

EXHIBIT A

KING COUNTY HOUSING AUTHORITY
2019 Midyear Budget Forecast (in thousands of dollars)
(Excludes non-KCHA-managed component units)

	2019 Adopted Budget	TOTAL Forecasted Changes	2019 Revised Projection	
Beginning Balance, All Cash Reserves	**$194,616.7**	**$.0**	**$194,616.7**	(1)
Revenues				
Tenant Revenue	$108,485.3	$577.7	$109,063.1	
Operating Fund Subsidy from HUD	10,021.4	$920.2	10,941.7	
Section 8 Subsidy from HUD	162,937.0	$3,813.3	166,750.3	
Other Operating Revenue	76,436.1	$1,565.8	78,002.0	
Total Operating Revenues	357,879.9	6,877.1	364,757.0	
Expenses				
Salaries & Benefits	(51,481.3)	262.8	(51,218.4)	(2)
Routine Maintenance, Utilities, Taxes & Insurance	(26,123.0)	328.2	(25,794.7)	
Other Social Service Support Expenses & HAP	(193,274.3)	(1,779.3)	(195,053.6)	
Administrative Support Expenses	(23,175.7)	258.8	(22,916.9)	
Total Operating Expenses	(294,054.2)	(929.5)	*(294,983.7)*	
Operating Net Income	63,825.7	5,947.6	69,773.3	
Non-operating Revenue	20,960.4	.0	20,960.4	
Non-operating Expenses	(29,849.1)	(441.1)	(30,290.2)	
Net Income	54,936.9	5,506.5	60,443.5	
Other Sources/(Uses) of Cash				
Capital Projects and Acquisitions	(192,535.2)	(106,083.2)	(298,618.4)	
Changes in Designated Cash	.0	.0	.0	
Changes in Restricted Cash	.0	.0	.0	
Changes in Receivables	13,423.9	.0	13,423.9	
Changes in Debt	95,378.8	104,238.5	199,617.3	
Changes in Other Liabilities	6,828.7	.0	6,828.7	
Total Other Sources/(Uses) of Cash	(76,903.8)	(1,844.7)	(78,748.5)	
Transfer In from (Out to) Other Funds				
Transfers In from Other Funds	26,805.2	(1,070.3)	25,735.0	
Transfers Out to Other Funds	(26,805.2)	1,070.3	(25,735.0)	
Net Transfer In/(Out)	.0	.0	.0	
Net Change in Cash	(21,966.8)	3,661.8	(18,305.0)	
Ending Balance, All Cash Reserves	***$172,649.8***	***$3,661.8***	***$176,311.7***	

1) Beginning cash balance reflects actual agency cash balances at the beginining of 2019. Budgeted beginning cash was slightly lower at $191.0 million.
2) Change in Salaries and Benefits relates to the removal of operating expenses of three IAM properties.

CHANGES TO STAFFING

The financial effects of midyear personnel changes have not been quantified and are not included in the fiscal forecast due to materiality. However, the proposed personnel changes are presented here to provide clarity regarding agency staffing needs.

- The Property Management department is adding a new full-time Maintenance Mechanic position to support the Energy Performance Contract (EPC) improvements that have been installed over the past few years. The position will focus primarily on maintaining ductless heat pumps (DHPs) as warranties on the units start to expire. The costs of this position have been factored into the long-range cash flow projections of the EPC project.

- The Finance department is adding a full-time Senior Financial Analyst to support the 2019 succession planning initiative. Several key positions have turned over within the last two years, and more are anticipated in the near future. While the role has not been completely defined, this position will support training endeavors, provide financial and ratio analysis, and increase capacity for additional work related to agency growth and development. It is anticipated that over time, this position will fill a key vacated role and will not a permanent FTE.

- The Housing Choice Vouchers department is adding a full-time Housing Specialist to assist with the workload from the additional vouchers received over the past year. Many of these new vouchers such as Veteran's Affairs Supporting Housing (VASH), non-elderly disabled (NED) and Creating Moves to Opportunity (CMTO), require significant staff time to house clients. During the past eighteen months, this work was undertaken by external temporary staff.

See the table below for authorized staffing and midyear changes by department.

EXHIBIT B

KING COUNTY HOUSING AUTHORITY
2019 Midyear Staffing

	2019 Authorized FTEs	Midyear Changes	Adjusted Authorized FTEs
Office of the Executive Director			
Office of the Executive Director	5.00	-	5.00
Social Impact	11.25	-	11.25
Homeless Housing	4.00	-	4.00
Communication	2.00	-	2.00
Development Department			
Development	2.50	-	2.50
Greenbridge	7.00	-	7.00
Administrative Services			
Admin Services	9.00	-	9.00
Finance	26.00	1.00	27.00
Human Resources	7.00	-	7.00
Information Technology	15.00	-	15.00
Housing Management			
Property Management	162.80	1.00	163.80
Resident Services	34.60	-	34.60
Housing Choice Vouchers	80.50	1.00	81.50
Asset Management	23.00	-	23.00
Construction	20.00	-	20.00
Weatherization	14.00	-	14.00
TOTAL	**423.65**	**3.00**	**426.65**

TAB NUMBER 6

King County Housing Authority

TO: Board of Commissioners

FROM: Linda Riley, Controller

DATE: July 15, 2019

RE: **2nd Quarter 2019 Summary Write-Offs**

During the second quarter of 2019, tenant accounts totaling $62,865 were deemed uncollectable and written off. This represents a 49% increase from the previous quarter. Of the 19 accounts written off, one former resident accounted for 34% of the total amount written off. This account accrued rent charges due to unreported income by the resident of nearly $17,000 in rent owed. Overall, rent owed to KCHA accounted for $22,149 (35%) of the total and cleaning/damage charges accounted for $28,280 (45%) of the total. Security deposits were retained to offset 4.5% of the total charges. Per policy, all accounts with a balance owed of $100 or more will be forwarded to KCHA's contracted collection agency. $2,450 was recovered by the collection agency during the first quarter.

	Total WRITE-OFFS	**YTD WRITE-OFFS**
Rent Balance Forward to Vacate Month	$ 20,087.37	$ 45,134.00
Retro Rent Write-offs	$ -	$ -
VACATE CHARGES:		
Rent Delinquent in Vacate Month	2,061.99	7,594.90
Cleaning & Damages	28,279.70	47,662.82
Paper Service & Court Costs	3,467.43	3,467.43
Miscellaneous Charges	16,890.33	16,950.33
Total Charges	50,699.45	75,675.48
Total All Charges	70,786.82	120,809.48
CREDITS:		
Security Deposits	(2,812.00)	(6,192.00)
Miscellaneous Payments & Credits	(5,109.68)	(9,585.52)
Total Credits	(7,921.68)	(15,777.52)
Total Net Write-offs	**$ 62,865.14**	**$ 105,031.96**
Net Write-offs by Portfolio		
KCHA	60,953.49	92,253.12
Green River	-	1,106.67
Green River II	-	-
Egis	202.60	5,104.33
Soosette Creek	1,047.46	5,471.32
Vantage Point	661.59	1,096.52
	$ 62,865.14	**$ 105,031.96**

Write-off and Collection Summary
2017 - 2019

NET WRITE-OFFS

	2019	2018	2017
January to March	42,166.82	13,801.87	29,410.02
April to June	62,865.14	110,847.95	28,988.40
July to September		40,570.09	35,216.21
October to December		50,945.89	10,606.63
TOTAL	105,031.96	216,165.80	104,221.26

NET COLLECTIONS

	2019	2018	2017
January to March	273.57	745.08	3,757.85
April to June	2,449.81	1,064.10	4,104.25
July to September		553.34	588.53
October to December		830.82	4,470.21
TOTAL	2,723.38	3,193.34	12,920.84

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

TAB NUMBER 7

King County Housing Authority

To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: August 1, 2019

Re: **New Bank Accounts**

Since the last Board meeting KCHA opened 5 new bank accounts.

Bank: Umpqua

- Housing Authority of the County of King DBA Juanita View Apartments Operating Trust
- Housing Authority of the County of King DBA Juanita View Apartments Security Deposit Trust
- Housing Authority of the County of King DBA Kirkland Heights Apartment Operating Trust
- Housing Authority of the County of King DBA Kirkland Heights Apartments Security Deposit Trust

Purpose: The depository accounts will receive and hold all payments from tenants. Periodic transfers will be made from these accounts to pay for operating expenses.

The Security Deposit accounts will hold all security deposits received from tenants. Refunds will be issued from the accounts as required.

Bank: Key Bank

- Housing Authority of the County of King Seola Garden Head Start Disposition Proceeds

Purpose: This new depository account will be used to hold proceed from sale of the Seola Garden Head-Start building. The account will used to issue wires to Key Bank to pay down debt of Northwood Square.

TAB NUMBER 8

King County Housing Authority

To: Board of Commissioners

From: John Eliason, Development Director

Date August 13, 2019

Re: Greenbridge update

At the August 19th Board of Commissioners meeting, staff will provide an overview of the Greenbridge Hope VI redevelopment project as well as an update on the status of the land sales. A tour of Greenbridge will be also be provided along with an opportunity to visit to one of the model homes.

TAB NUMBER 9

KCHA IN THE NEWS

August 19, 2019

The New York Times

A Better Address Can Change a Child's Future

A low-cost experiment in Seattle is breaking the cycle of poverty.

By Nicholas Kristof Opinion Columnist
Aug. 3, 2019

Jackie Rath and her children live in Renton, Wash., a suburb of Seattle.CreditCreditRuth Fremson/The New York Times

SEATTLE — Jackie Rath says she was sexually assaulted by four different men, including a stepfather and a stepbrother, by the time she was 16. That is also when her mom went to prison for murdering a boyfriend's lover.

Rath, now 38, was the third generation in her family to endure a traumatized childhood that led to poverty, and now she is a single mom with six children of her own who might also be at risk. But she is part of an experiment unfolding in and around Seattle that shows immense promise in breaking cycles of poverty so that her youngest daughter, Amina, 2, can have the wind at her back.

For all those who think that poverty is hopeless, that nothing can change — read on! The experiment is deceptively simple and cheap: It helps families move to neighborhoods with a proven record of helping kids do better. A major research study about the experiment, co-written by Prof. Raj Chetty of Harvard, has just been published by Opportunity Insights of Harvard.

Early word of the results has provoked a nationwide stir among Democrats and Republicans alike, and 21 cities across America are already working to start similar programs. Anti-poverty work is sometimes seen as bleak, but these findings are thrilling.

One insight of the study is that although the United States spends $44 billion a year on affordable housing, that money perversely concentrates poverty in blighted neighborhoods. The counterproductive result is that children are sentenced to grow up in areas rife with crime, teenage pregnancy and educational failure.

In contrast, with small tweaks, it turns out to be possible to administer housing vouchers so that families like Rath's move to neighborhoods that aren't more expensive but are where children stand a much better chance of thriving.

In Rath's new "high-opportunity neighborhood" in Renton, a suburb, a low-income 2-year-old like Amina will on average earn $260,000 more over a lifetime than growing up in her old neighborhood, Chetty calculates. Such a girl will also be 8 percent less likely to have a baby as a teenager.

The Seattle program is an outgrowth of a national initiative called Moving to Opportunity, which in the 1990s provided vouchers for low-income families to move to better neighborhoods. Early evaluations suggested it had failed: Adults who received the vouchers didn't earn more money.

Then in 2015, a follow-up study shook the policy world. While the moves hadn't helped the adults, those who moved as toddlers were more likely to go to college, to marry, to earn more money and to pay more taxes — enough to pay for the program with interest.

Subsequent research has backed this finding: Neighborhood matters enormously, for young children. That's the reason for the focus on Amina: Older siblings will also benefit, but the impact is greatest on those who move young and grow up entirely in a high-opportunity neighborhood.

Chetty has developed an online "Opportunity Atlas" that shows how some neighborhoods around the country, without being more expensive, consistently help children get ahead. It's still unclear what the secret sauce is, although it apparently has something to do with decent schools, less poverty, lots of dads present in families and positive social norms.

The problem has been that even when families get housing vouchers, they often move only from one troubled neighborhood to another. Is it that struggling families don't want to move to better neighborhoods or can't? Or is it that small barriers block them?

Rath and her youngest daughter, Amina.CreditNicholas Kristof/The New York Times

Seattle's experiment, called Creating Moves to Opportunity, answered that question. It provides a "housing navigator" who helps low-income families receiving vouchers find homes in better neighborhoods, while also negotiating with landlords and helping to pay security deposits.

This assistance costs an average of only $2,600 per household but has had a stunning effect: Families were almost four times as likely to use their vouchers to move to a high-opportunity area.

Because these are inexpensive tweaks to our existing housing voucher program, amounting to just 2.2 percent of the cost of the underlying voucher, we could easily incorporate these elements and make vouchers far more effective at breaking cycles of poverty.

"Economic segregation in America is not a consequence of deep-rooted preferences but rather is driven by small barriers in housing search that we can easily address through policy," Chetty said. "This is a much more optimistic view of the world."

This research underscores that the common American view that nothing works to address poverty is a fallacy. There are no silver bullets, but there is silver buckshot, and moving kids to better neighborhoods is one of those pellets.

We also need early childhood education, job training and much more. But moving from a low- to high-opportunity neighborhood can, by Chetty's calculation, close almost one-quarter of the gap in lifetime earnings between disadvantaged kids and those who are better off.

As for Rath, she told me that she was determined to break the cycle of poverty that enmeshed her grandmother, her mother and herself. And she thinks her move to a new neighborhood with a history of good outcomes will make all the difference for Amina and her other children.

"Lots of people need a footstool to get ahead," she said. "That's what this program is."

The Atlantic

The Economist Who Would Fix the American Dream

No one has done more to dispel the myth of social mobility than Raj Chetty. But he has a plan to make equality of opportunity a reality.

Carlos Chavarria

GARETH COOK | AUGUST 2019 ISSUE | BUSINESS

RAJ CHETTY GOT his biggest break before his life began. His mother, Anbu, grew up in Tamil Nadu, a tropical state at the southern tip of the Indian subcontinent. Anbu showed the greatest academic potential of her five siblings, but her future was constrained by custom. Although Anbu's father encouraged her scholarly inclinations, there were no colleges in the area, and sending his daughter away for an education would have been unseemly.

But as Anbu approached the end of high school, a minor miracle redirected her life. A local tycoon, himself the father of a bright daughter, decided to open a women's college, housed in his elegant residence. Anbu was admitted to the inaugural class of 30 young women, learning English in the spacious courtyard under a thatched roof and traveling in the early mornings by bus to a nearby college to run chemistry experiments or dissect frogs' hearts before the men arrived. Anbu excelled, and so began a rapid upward trajectory. She enrolled in medical school. "Why," her father was asked, "do you send her there?" Among their Chettiar caste, husbands commonly worked abroad for years at a time, sending back money, while wives were left to raise the children. What use would a medical degree be to a stay-at-home mother?

In 1962, Anbu married Veerappa Chetty, a brilliant man from Tamil Nadu whose mother and grandmother had sometimes eaten less food so there would be more for him. Anbu became a doctor and supported her husband while he earned a doctorate in economics. By 1979, when Raj was born in New Delhi, his mother was a pediatrics professor and his father was an economics professor who had served as an adviser to Prime Minister Indira Gandhi.

When Chetty was 9, his family moved to the United States, and he began a climb nearly as dramatic as that of his parents. He was the valedictorian of his high-school class, then graduated in just three years from Harvard University, where he went on to earn a doctorate in economics and, at age 28, was among the youngest faculty members in the university's history to be offered tenure. In 2012, he was awarded the MacArthur genius grant. The following year, he was given the John Bates Clark Medal, awarded to the most promising economist under 40. (He was 33 at the time.) In 2015, Stanford University hired him away. Last summer, Harvard lured him back to launch his own research and policy institute, with funding from the Bill & Melinda Gates Foundation and the Chan Zuckerberg Initiative.

Chetty turns 40 this month, and is widely considered to be one of the most influential social scientists of his generation. "The question with Raj," says Harvard's Edward

Glaeser, one of the country's leading urban economists, "is not *if* he will win a Nobel Prize, but *when*."

The work that has brought Chetty such fame is an echo of his family's history. He has pioneered an approach that uses newly available sources of government data to show how American families fare across generations, revealing striking patterns of upward mobility and stagnation. In one early study, he showed that children born in 1940 had a 90 percent chance of earning more than their parents, but for children born four decades later, that chance had fallen to 50 percent, a toss of a coin.

In 2013, Chetty released a colorful map of the United States, showing the surprising degree to which people's financial prospects depend on where they happen to grow up. In Salt Lake City, a person born to a family in the bottom fifth of household income had a 10.8 percent chance of reaching the top fifth. In Milwaukee, the odds were less than half that.

Chetty at age 9. He was later valedictorian of his high school, and he went on to earn an undergraduate degree and a doctorate in economics from Harvard University. At age 28, he was among the youngest faculty members in the university's history to be offered tenure. (Courtesy of Raj Chetty)

Since then, each of his studies has become a front-page media event ("Chetty bombs," one collaborator calls them) that combines awe—millions of data points, vivid infographics, a countrywide lens—with shock. This may not be the America you'd like to imagine, the statistics testify, but it's what we've allowed America to become. Dozens of the nation's elite colleges have more children of the 1 percent than from families in the bottom 60 percent of family income. A black boy born to a wealthy family is more than twice as likely to end up poor as a white boy from a wealthy family. Chetty has established Big Data as a moral force in the American debate.

Now he wants to do more than change our understanding of America—he wants to change America itself. His new Harvard-based institute, called Opportunity Insights, is explicitly aimed at applying his findings in cities around the country and demonstrating that social scientists, despite a discouraging track record, are able to *fix* the problems they articulate in journals. His staff includes an eight-person policy team, which is building partnerships with Charlotte, Seattle, Detroit, Minneapolis, and other cities.

For a man who has done so much to document the country's failings, Chetty is curiously optimistic. He has the confidence of a scientist: If a phenomenon like upward mobility can be measured with enough precision, then it can be understood; if it can be understood, then it can be manipulated. "The big-picture goal," Chetty told me, "is to revive the American dream."

LAST SUMMER, I visited Opportunity Insights on its opening day. The offices are housed on the second floor of a brick building, above a café and across Massachusetts Avenue from Harvard's columned Widener Library. Chetty arrived in econ-casual: a lilac dress shirt, no jacket, black slacks. He is tall and trim, with an untroubled air; he smiled as he greeted two of his longtime collaborators—the Brown University economist John Friedman and Harvard's Nathaniel Hendren. They walked him around, showing off the finished space, done in a modern palette of white, wood, and aluminum with accent walls of yellow and sage.

Later, after Chetty and his colleagues had finished giving a day of seminars to their new staff, I caught up with him in his office, which was outfitted with a pristine whiteboard, an adjustable-height desk, and a Herman Miller chair that still had the tags attached. The first time I'd met him, at an economics conference, he had told me he was one of several cousins on his mother's side who go by Raj, all named after their grandfather, Nadarajan, all with sharp minds and the same long legs and easy gait. Yet of Nadarajan's children, only Chetty's mother graduated from college, and he's certain that this fact shaped his generation's possibilities. He was able to come to the United States as a child and attend an elite private school, the University School of Milwaukee. New York Raj—the family appends a location to keep them straight—came to the U.S. later in life, at age 28, worked in drugstores, and then took a series of jobs with the City of New York. Singapore Raj found a job in a temple there that allows him to support his family back in India, but means they must live apart. Karaikudi Raj, named for the town where his mother grew up, committed suicide as a teenager.

"We are not trying to do something that is unimaginable or has never happened," Chetty told me. "It happens just down the road."

I asked Boston Raj to consider what might have become of him if that wealthy Indian businessman had not decided, in the precise year his mother was finishing high school, to create a college for the talented women of southeastern Tamil Nadu. "I would likely not be here," he said, thinking for a moment. "To put it another way: Who are all the people who are not here, who would have been here if they'd had the opportunities? That is a really good question."

CHARLOTTE IS ONE OF America's great urban success stories. In the 1970s, it was a modest-size city left behind as the textile industry that had defined North Carolina moved overseas. But in the 1980s, the "Queen City" began to lift itself up. US Airways established a hub at the Charlotte Douglas International Airport, and the region became a major transportation and distribution center. Bank of America built its headquarters there, and today Charlotte is in a dead heat with San

Francisco to be the nation's second-largest banking center, after New York. New skyscrapers have sprouted downtown, and the city boundary has been expanding, replacing farmland with spacious homes and Whole Foods stores. In the past four decades, Charlotte's population has nearly tripled.

Charlotte has also stood out in Chetty's research, though not in a good way. In a 2014 analysis of the country's 50 largest metropolitan areas, Charlotte ranked last in ability to lift up poor children. Only 4.4 percent of Charlotte's kids moved from the bottom quintile of household income to the top. Kids born into low-income families earned just $26,000 a year, on average, as adults—perched on the poverty line. "It was shocking," says Brian Collier, an executive vice president of the Foundation for the Carolinas, which is working with Opportunity Insights. "The Charlotte story is that we are a meritocracy, that if you come here and are smart and motivated, you will have every opportunity to achieve greatness." The city's true story, Chetty's data showed, is of selective opportunity: All the data-scientist and business-development-analyst jobs in the thriving banking sector are a boon for out-of-towners and the progeny of the well-to-do, but to grow up poor in Charlotte is largely to remain poor.

To help cities like Charlotte, Chetty takes inspiration from medicine. For thousands of years, he explained, little progress was made in understanding disease, until technologies like the microscope gave scientists novel ways to understand biology, and thus the pathologies that make people ill. In October, Chetty's institute released an interactive map of the United States called the Opportunity Atlas, revealing the terrain of opportunity down to the level of individual neighborhoods. This, he says, will be his microscope.

Drawing on anonymized government data over a three-decade span, the researchers linked children to the parents who claimed them as dependents. The atlas then followed poor kids from every census tract in the country, showing how much they went on to earn as adults. The colors on the atlas reveal a generation's prospects: red for areas where kids fared the worst; shades of orange, yellow, and green for middling locales; and blue for spots like Salt Lake City's Foothill neighborhood, where upward mobility is strongest. It can also track children born into higher income brackets, compare results by race and gender, and zoom out to show states, regions, or the country as a whole.

The Opportunity Atlas has a fractal quality. Some regions of the United States look better than high-mobility countries such as Denmark, while others look more like a developing country. The Great Plains unfurl as a sea of blue, and then the eye is caught by an island of red—a mark of the miseries inflicted on the Oglala Lakota by European settlers. These stark differences recapitulate themselves on smaller and smaller scales as you zoom in. It's common to see opposite extremes of opportunity within easy walking distance of each other, even in two neighborhoods that long-term residents would consider quite similar.

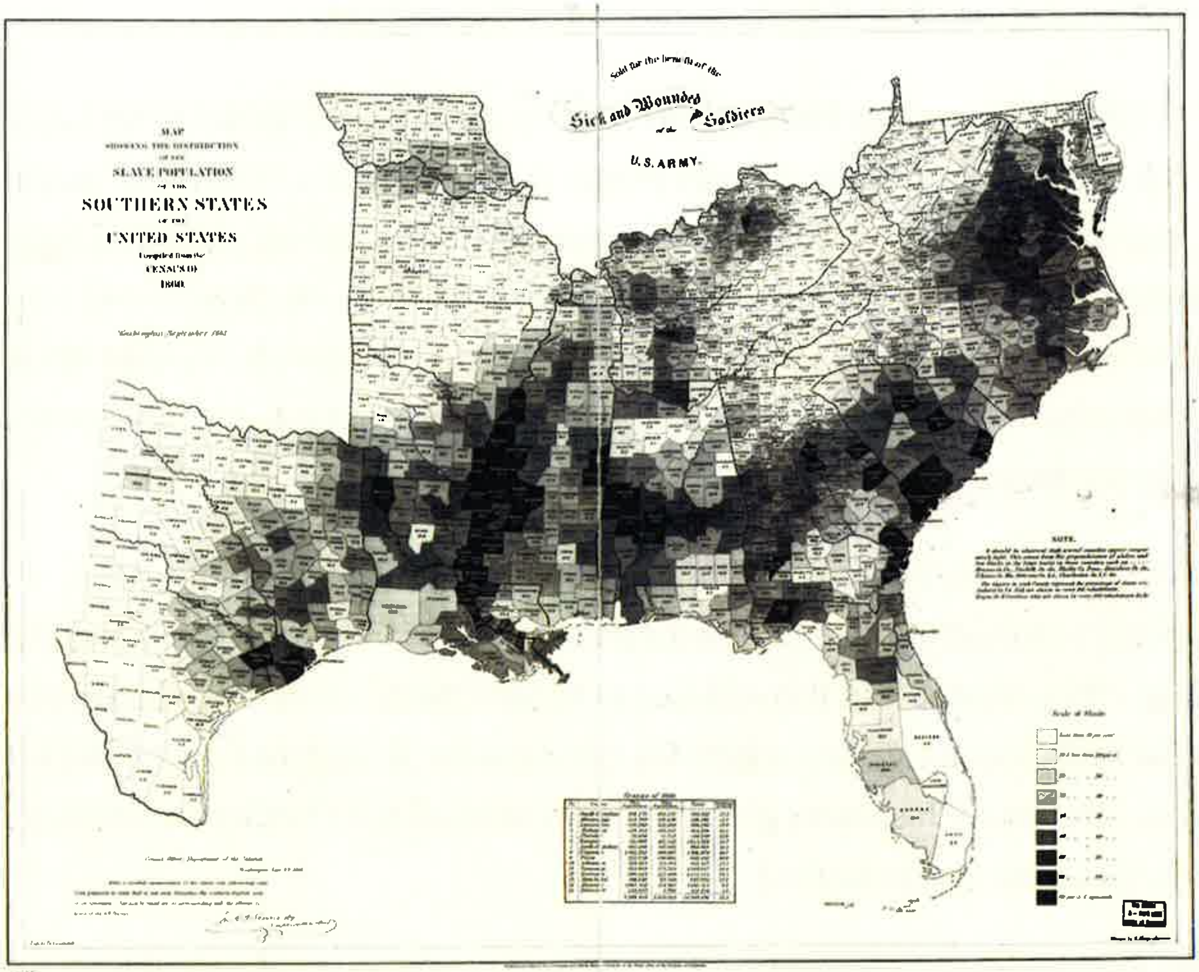
To find a cure for what ails America, Chetty will need to understand all of this wild variation. Which factors foster opportunity, and which impede it? The next step will be to find local interventions that can address these factors—and to prove, with experimental trials, that the interventions work. The end goal is the social equivalent of precision medicine: a method for diagnosing the particular weaknesses of a place and prescribing a set of treatments. This could transform neighborhoods, and restore the American dream from the ground up.

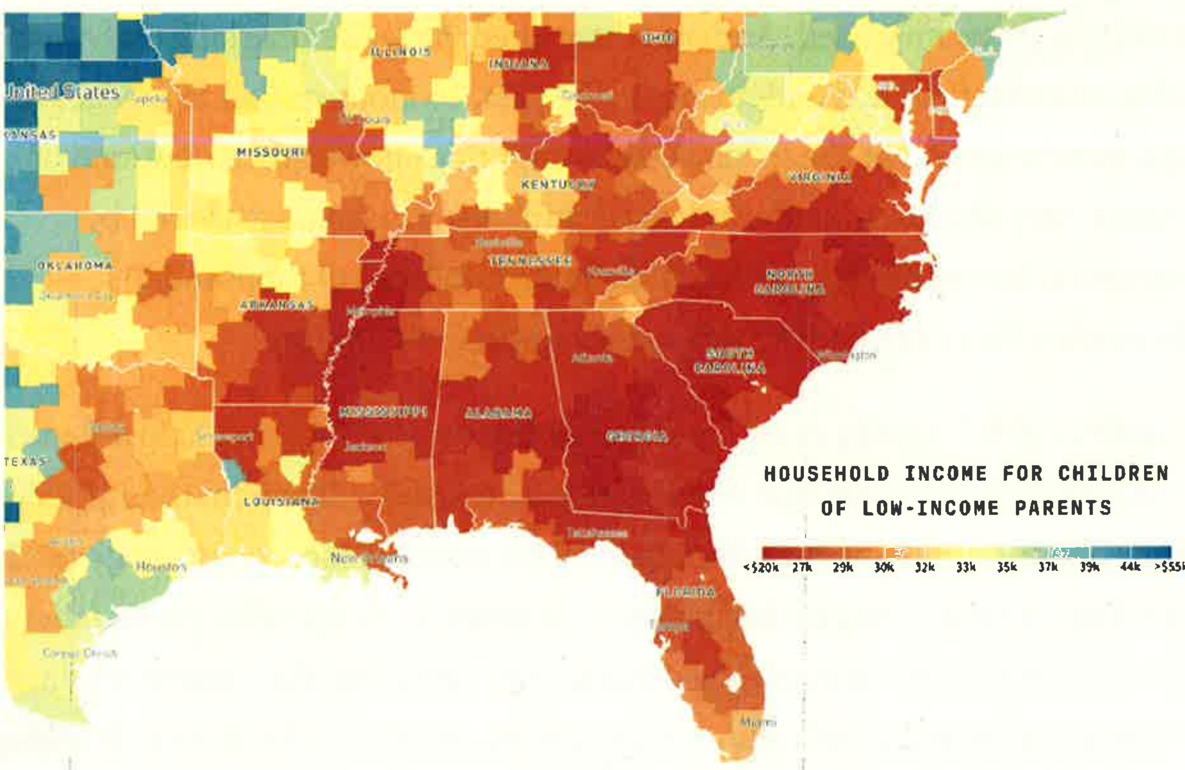
If all of this seems impossibly ambitious, Chetty's counterargument is to point to how the blue is marbled in with the red. "We are not trying to do something that is unimaginable or has never happened," he told me over lunch one day. "It happens just down the road."

Yet in Charlotte, where Opportunity Insights hopes to build its proof of concept, the atlas reveals swaths of bleak uniformity. Looking at the city, you first see a large bluish wedge south of downtown, with Providence Road on one side and South Boulevard on the other, encompassing the mostly white, mostly affluent areas where children generally grow up to do well. Surrounding the wedge is a broad expanse in hues of red that locals call "the crescent," made up of predominantly black neighborhoods where the prospects for poor children are pretty miserable. Hunger and homelessness are common, and in some places only one in five high-school students scores "proficient" on standardized tests. In many parts of the crescent, the question isn't *What's holding kids back?* so much as *What isn't holding them back?* It's hard to know where to start.

The most significant challenge Chetty faces is the force of history. In the 1930s, redlining prevented black families from buying homes in Charlotte's more desirable neighborhoods. In the 1940s, the city built Independence Boulevard, a four-lane highway that cut through the heart of its Brooklyn neighborhood, dividing and displacing a thriving working-class black community. The damage continued in the '60s and '70s with new interstates. It's common to hear that something has gone wrong in parts of Charlotte, but the more honest reading is that Charlotte is working as it was designed to. American cities are the way they are, and remain the way they are, because of choices they have made and continue to make.

Does a professor from Harvard, even one as influential and well funded as Chetty, truly stand any chance of bending the American story line? On his national atlas, the most obvious feature is an ugly red gash that starts in Virginia, curls down through the Southeast's coastal states—North Carolina, South Carolina, Georgia, and Alabama—then marches west toward the Mississippi River, where it turns northward before petering out in western Tennessee. When I saw this, I was reminded of another map: one President Abraham Lincoln consulted in 1861, demarcating the counties with the most slaves. The two maps are remarkably similar. Set the documents side by side, and it may be hard to believe that they are separated in time by more than a century and a half, or that one is a rough census of men and women kept in bondage at the time of the Civil War, and the other is a computer-generated glimpse of our children's future.





Top: A map consulted by President Lincoln in 1861, demarcating the counties with the most slaves. (Library of Congress)

Bottom: A detail from Chetty's Opportunity Atlas, in which areas with poor upward mobility are shown in red. The similarities between the two documents suggest that it will be difficult for Chetty to change the landscape of opportunity. (Opportunity Insights / U.S. Census Bureau)

In 2003, after earning his doctorate, Chetty moved to UC Berkeley for his first job. He was, at the time, the only person in his immediate family—his parents and two older sisters, both biomedical researchers—who had not published a paper. Education was highly prized. He was taught that it would be sacrilege to ever step on a book. When he visits his parents at their home, north of Boston, his mother still makes him a favorite dish with *bhindi* (Hindi for "okra"), which, she told me, is supposed to be good for the brain.

Both of Chetty's parents descend from the Chettiar caste, a mercantile group historically involved in banking, and the kids were raised to carry on their cultural heritage. They learned Tamil in addition to Hindi. Chetty's sisters married men with Chettiar backgrounds. Chetty rejects the caste system, though he first met his wife, Sundari, after one of his sisters got to know her through the Chettiar community. (Sundari is a stem-cell biologist.)

Chetty had always been drawn to public economics—the study of government policy and how it might be improved. And, as it happened, he was embarking on his career as a revolution in the field was under way. In the past, economists had to rely heavily on surveys, but the advent of cheap, powerful computing allowed for a new kind of economics—one that drew on the extensive administrative data gathered by governments. Survey participants number in the hundreds or thousands; administrative data can yield records in the hundreds of millions.

In November 2007, Chetty came across an ad from the IRS seeking help organizing its electronic files into a format that would be easier to use for research. He immediately recognized that completing the job would make it possible for scholars to go far deeper into tax data. He and John Friedman began the process of registering to be federal contractors—which involved, among other things, certifying that their workplace met federal safety standards, and calling on Friedman's brother, who lived in Washington, D.C., to take a cab out to Maryland to hand-deliver their application materials, in triplicate.

Like many good ideas, the project seems obvious in retrospect, but the truth is that nobody could have known how useful the data would prove to be—and it worked only because Chetty and his colleagues have an almost superhuman degree of patience.

Nathaniel Hendren, who has known Chetty for seven years, told me he's never seen Chetty happier than one Friday evening in the summer of 2014, when they were sitting in some IRS cubicles at the John F. Kennedy Federal Building in downtown Boston. (The only way to access the government's data was inside a federal building, on secure servers, with the computers logging their requests.) That night, Chetty and Hendren were wrestling with thousands of lines of code designed to pull together responses scattered across hundreds of millions of 1040s, W2s, and other forms (taxpayer names are kept separate to protect privacy), while ensuring that nothing in the code introduced errors or subtle biases. At some point, Hendren recalled, he heard Chetty yell "Sweet!" Hendren looked over and Chetty, smiling, explained that his flight out of Logan airport that night had just been delayed: more time to work.

Over the past two decades, economists have tried to structure their work, as much as possible, to resemble scientific experiments. This "credibility revolution" is an attempt to explicitly link causes to effects, and sweep aside the old criticism that correlation is not the same as causation. One of the advantages of the large tax database Chetty and his colleagues constructed is that it allows "quasi-experiments"—clever statistical methods that approach the power of a true experiment without requiring a researcher to, say, randomly assign children to live in different cities.

For example, Chetty and Hendren looked at children who changed cities. They found that the later a child moved to a higher-opportunity area, the less effect the move seemed to have on future earnings. But they also devised additional tests to ensure that the effect was causal, such as looking at siblings who moved at the same time: a quasi-experiment in which two children grew up in the same family, but were exposed to a new area for a shorter or longer period depending on their age at the time of the move. The result was a highly credible conclusion, based on millions of data points, that moving a child to a better neighborhood boosts his or her future income—and the younger the child, the greater the benefit.

There was, however, a significant problem: Their conclusion contradicted one of the most influential poverty experiments of recent decades. In the 1990s, the federal government launched Moving to Opportunity, a program designed to relocate families living in public housing to safer neighborhoods, where they had access to better jobs and schools. Thousands of families in five cities were randomly selected to receive housing vouchers and support services to help them move to lower-poverty areas. After a decade of study, researchers concluded that while these "mover" families experienced some physical and mental-health benefits, test scores among the kids didn't rise, and there were no signs of financial benefit for adults or older children.

In 2014, Chetty, Hendren, and the Harvard economist Lawrence Katz asked the IRS and the Department of Housing and Urban Development, which had overseen the program, for permission to take another look at what had happened to the children. When the earlier follow-up had been done, the youngest kids, who had moved before they were teenagers, had not yet reached their earning years, and this turned out to make all the difference. This young group of movers, the economists found, had gone on to earn 31 percent more than those who hadn't moved, and 4 percent more of them attended college. They calculated that for an 8-year-old child, the value of the extra future earnings over a lifetime was almost $100,000, a substantial sum for a poor family. For a family with two children, the taxes paid on the extra income more than covered the costs of the program. "The big insight," Kathryn Edin, a sociology professor at Princeton, told me, "is that it took a generation for the effects to manifest."

LAST JULY, I took a tour of Charlotte with David Williams, the 34-year-old policy director of Opportunity Insights and the man responsible for translating Chetty's research into action on the ground. Williams and members of his team crammed into the back of a white Ford Explorer with color printouts of various Charlotte neighborhoods as they appear on the atlas. Brian Collier, of the Foundation for the Carolinas, sat in the front seat, serving as a guide.

As the driver headed northeast, the high-rises of "Uptown" shifted abruptly to low-slung buildings and chain-link fences. Collier pointed out a men's shelter in the rapidly gentrifying neighborhood of Lockwood, where he'd recently seen a drug deal go down a block away from a house that had sold for half a million dollars.

We continued on to Brightwalk, a new mixed-income development with long rows of townhomes, before turning west for a loop around West Charlotte High School, a once-lauded model of successful integration. In the 1990s, though, support for busing waned, and in 1999, a judge declared that race could not be used as a factor in school assignment. Now the student population is virtually all minority and overwhelmingly poor, and the surrounding neighborhood is deep red on the atlas. The homes are neat, one-story single families, a tad rough around the edges but nothing like the burnt-out buildings in Detroit, where Williams previously worked on economic development for the mayor. "It reminds you how hard it is to tell where real opportunity is," Williams said. "You can't just see it."

Opportunity is not the same as affluence. Consider a kid who grows up in a household earning about $27,000 annually, right at the 25th percentile nationally. In Beverly Woods, a relatively wealthy, mostly white enclave in South Charlotte with spacious, well-kept yards, he could expect his household income to be $42,900 by age 35. Yet in Huntersville, an attractive northern suburb with nearly the same average household income as Beverly Woods, a similar kid could expect only $24,800—a stark difference, invisible to a passing driver.

This dynamic also functions in poorer areas. For a child in Reid Park, an African American neighborhood on the west side of Charlotte, near the airport—a place that has struggled to recover from a crime epidemic in the 1980s—the expected household income at age 35 is a dismal $17,800, on average. But in East Forest, a white, working-class neighborhood in southeast Charlotte, the expected future income jumps to $32,600.

There are places like East Forest in cities around the country. Chetty and his team have taken to calling them "opportunity bargains": places with relatively affordable rents that punch above their weight with respect to opportunity. He doesn't yet know why some places are opportunity bargains, but he considers the discovery of these neighborhoods to be a breakthrough. John Friedman told me that if the government had been able to move families to opportunity-bargain neighborhoods in the original

Moving to Opportunity experiment—places selected for higher opportunity, not lower poverty—the children's earnings improvements would have been more than twice as great.

In the crimson sectors of Chetty's atlas, the problem is both the absence of opportunity and the presence of its opposite: swift currents that can drag a person down.

Chetty's team has already begun to apply this concept in another of its partner cities, Seattle, working with two local housing authorities to navigate the thorny process of translating research into measurable social change. It's hard for poor families to manage an expansive housing search, which requires time, transportation, and decent credit. The group created a program with "housing navigators," who point participants toward areas with relatively high opportunity, help with credit-related issues, and even give neighborhood tours. Landlords need encouragement as well. They can be wary of tenants bearing vouchers, which mean government oversight and paperwork. The Seattle program has streamlined this process, and offers free damage insurance to sweeten the deal.

Tenants have just started moving, but the program is already successful: The majority of families who received assistance moved to high-opportunity areas, compared with one-fifth for the control group, which was not provided with the extra services. Chetty estimates that the program will increase each child's lifetime earnings by $88,000. In February, President Donald Trump signed into law a bill that provides $28 million to try similar experimental programs in other locations. The bill enjoyed overwhelming bipartisan support, and this spring Chetty was invited to brief the Department of Housing and Urban Development. He told me he's hopeful that the program can be expanded to the 2.2 million families that receive HUD housing vouchers every year.

"Then you'd actually be doing something about poverty in the American city," he said. "What I like about this is it's not some pie-in-the-sky thing. We have something that works."

Charlotte is among the cities interested in implementing the Seattle strategy, but officials also want to use the atlas to select better building sites for affordable housing. In the past, much of the city's affordable housing was constructed in what Chetty's data reveal to be high-poverty, low-opportunity areas. "Let's not just think about building X units of new affordable housing," Williams said. "Let's really leverage housing policy as part of a larger economic-mobility agenda for the community."

Opportunity bargains, however, are not an inexhaustible resource. The crucial question, says the Berkeley economist Enrico Moretti, is whether the opportunity in these places derives from "rival goods"—institutions, such as schools, with limited capacity—or "non-rival goods," such as local culture, which are harder to deplete. When new people move in, what happens to opportunity? And even if an influx of families doesn't disrupt the opportunity magic, people aren't always eager to pick up and leave their homes. Moving breaks ties with family, friends, schools, churches, and other organizations. "The real conundrum is how to address the larger structural realities of inequality," says the Harvard sociologist Robert Sampson, "and not just try to move people around."

FOR ALL HE'S LEARNED about where opportunity resides in America, Chetty knows surprisingly little about what makes one place better than another. He and Hendren have gathered a range of social-science data sets and looked for correlations to the atlas. The high-opportunity places, they've found, tend to share five qualities: good schools, greater levels of social cohesion, many two-parent families, low levels of income inequality, and little residential segregation, by either class or race. The list is suggestive, but hard to interpret.

For example, the strongest correlation is the number of intact families. The explanation seems obvious: A second parent usually means higher family income as well as more stability, a broader social network, additional emotional support, and many other intangibles. Yet children's upward mobility was strongly correlated with two-parent families only in the neighborhood, not necessarily in *their home*. There are so many things the data might be trying to say. Maybe fathers in a neighborhood serve as mentors and role models? Or maybe there is no causal connection at all. Perhaps, for example, places with strong church communities help kids while also fostering strong marriages. The same kinds of questions flow from every correlation; each one may mean many things. What is cause, what is effect, and what are we missing? Chetty's microscope has revealed a new world, but not what animates it—or how to change it.

Chetty has found that opportunity does not correlate with many traditional economic measures, such as employment or wage growth. In the search for opportunity's cause, he is instead focusing on an idea borrowed from sociology: social capital. The term refers broadly to the set of connections that ease a person's way through the world, providing support and inspiration and opening doors.

Chetty believes that if upward mobility can be measured with enough precision, it can be understood. "The big-picture goal," he told me, "is to revive the American dream." (Carlos Chavarría)

Economics has long played the role of sociology's annoying older brother—conventionally accomplished and wholeheartedly confident, unaware of what he doesn't know, while still commanding everyone's attention. Chetty, though, is part of a younger generation of scholars who have embraced a style of quantitative social science that crosses old disciplinary lines. There are strong hints in his research that social capital and mobility are intimately connected; even a crude measure of social capital, such as the number of bowling alleys in a neighborhood, seems to track with opportunity. His data also suggest that who you know growing up can have lasting effects. A paper on patents he co-authored found that young women were more likely to become inventors if they'd moved as children to places where many female inventors lived. (The number of male inventors had little effect.) Even which fields inventors worked in was heavily influenced by what was being invented around them as children. Those who grew up in the Bay Area had some of the highest rates of patenting in computers and related fields, while those who spent their childhood in Minneapolis, home of the Mayo Clinic, tended to invent drugs and medical devices. Chetty is currently working with data from Facebook and other social-media platforms to quantify the links between opportunity and our social networks.

Sociologists embrace many ways of understanding the world. They shadow people and move into communities, wondering what they might find out. They collect data and do quantitative analysis and read economics papers, but their work is also informed by psychology and cultural studies. "When you are released from the harsh demands of experiment, you are allowed to make new discoveries and think more freely about what is going on," says David Grusky, a Stanford sociology professor who collaborates with Chetty. I asked Princeton's Edin what she thought would end up being the one thing that best explains the peaks and valleys of American opportunity. She said her best guess is "some kind of social glue"—the ties that bind people, fostered by well-functioning institutions, whether they are mosques or neighborhood soccer leagues. The staff at Opportunity Insights has learned: When an economist gets lost, a sociologist can touch his elbow and say, *You know, I've been noticing some things.*

IN CHARLOTTE, Chetty still aspires to practice "precision medicine," but he told me his initial goal is more modest: to see whether he and his team can find anything that helps. Opportunity Insights is planning housing and higher-education initiatives, but social capital is at the center of its approach. It is working with a local organization called Leading on Opportunity, and looking at nonprofits that are already operating successfully, including Communities in Schools, a national group that provides comprehensive student support, as well as a job-training program called

Year Up. Chetty is also using tax data to measure the long-term impacts of dozens of place-based interventions, such as enterprise zones, which use tax and other incentives to draw businesses into economically depressed areas. (He expects to see initial results from these analyses later this year.) Chetty may not have many answers yet, but he is convinced that this combination of data, collaboration, and fieldwork will make it possible to move from educated guesses to tailored prescriptions. "There are points when the pieces come together," Chetty told me. "My instinct is that in social science, this generation is when that is going to happen."

Chetty's pitch to the nation is that our problems have technocratic solutions, but at times I sense that he is avoiding an argument. Surely our neighborhoods can be improved, and those improvements can help the next generation achieve better outcomes. But what of the larger forces driving the enormous disparities in American wealth? Poor people would be better off if their children had better prospects, but also if they had more money—if the fruits of our society were shared more broadly. "I can take money from you and give it to me, and maybe that is good and maybe it is not," he said. "I feel like there are a lot of people working on redistribution, and it is hard to figure out the right answer there." To focus on the question of who gets what is also, of course, politically incendiary.

Chetty believes there is more progress to be made through a moral framing that is less partisan. "There are so many kids out there who could be doing so many great things, both for themselves and for the world," he said. Chetty's challenge to the system is measured and empirical; it's one that billionaires and corporations can happily endorse. But his stance is also a simple matter of personality: Chetty is no agitator. He told me, "I like to find solutions that please everyone in the room, and this definitely has that feel."

In Charlotte, even the circumscribed version of social change that Chetty is attempting looks daunting. Last summer, before the Opportunity Insights team came to town, I drove around to the back of West Charlotte High School, to a hamlet of pale-yellow temporary-classroom buildings, each set on concrete blocks. One building has been given over to Eliminate the Digital Divide, known as E2D, a nonprofit that takes donations of old laptops, then refurbishes and distributes them for $60 apiece to students who have no computer of their own. According to E2D, half of the county's public-school students have been unable to complete a homework assignment because they don't have access to a computer or the internet.

Inside the E2D building is a bright room ringed by a series of workstations where West Charlotte student-employees inspect laptops, set up hard drives, and test the final products. Whiteboards, photos, and posters with inspirational phrases like COLLEGE BOUND! cover the walls. By the door, a pair of yellow couches serve as a waiting area. When the boys get their computers, they work hard to suppress a smile, whereas the girls are prone to let loose. Sometimes they jump up and down, and sometimes they cry.

I met Kalijah Jones, a young black woman in a pale-pink sleeveless blouse and matching skirt. She had started working at E2D during her senior year, in 2017. Not long into our conversation, she said, "I love my life!"—this despite the fact that she was living in a homeless shelter at the time.

For Jones, the biggest benefit brought by E2D was not the computer or the job, but the social capital the program provided. Last year, she said, E2D's West Charlotte lab was recognized with a local technology award, and the founder invited Jones and some of her co-workers to join him for the awards ceremony at the Knight Theater, where the Charlotte Ballet performs. One of the other honorees was Road to Hire, a program that pays high-school graduates as it trains them for jobs in sales and tech. The head of Road to Hire was at the ceremony, and he gave Jones a business card, which led to a paid spot in the program's training program.

But in the crimson sectors of Chetty's atlas, the problem is both the absence of opportunity and the presence of its opposite: swift currents that can drag a person down. There are, in these places, a few narrow paths to success, and 99 ways to falter. Jones made it through high school despite living in a shelter, and was accepted to Western Carolina University with financial aid. But she decided not to go, in part because she couldn't imagine leaving her struggling mother and sister behind to live on a campus three hours away. Last winter, the three of them left Charlotte, and the prospects that were beginning to open up for Jones there, and moved to New Jersey, where she grew up. When I last spoke with her, she'd found work at an Amazon warehouse.

ONE FRIDAY EVENING, I was in Chetty's Stanford office when a ballerina arrived. Sanvi, Chetty's 3-year-old daughter, wore a pink tutu with matching hair ribbons and tights. She declined—vigorously—the white sweater offered to ward off the evening chill. Chetty and I had spent hours discussing his research, but when the nanny dropped Sanvi off, it marked the end of the day. Chetty gathered his things and whisked her up in his arms. "Hold me properly, Apa," Sanvi admonished. Outside, we got into Chetty's aging silver Acura and headed to an Indonesian restaurant for takeout. Sanvi bubbled with enthusiasm. "I want to be a fairy princess," she announced from the back seat. "Can I be a fairy princess?" Chetty glanced in the rearview mirror and assured Sanvi that when she grows up, she can be whatever she wants.

After stopping for the food, we pulled up to a light-brown ranch house, with beautiful plantings out front. Inside, the house was clearly Sanvi's. Taking a seat in the open kitchen, I was surrounded by a tapestry of exuberant finger paintings taped to the walls, interspersed with pages neatly torn from coloring books (penguins, parrots, bunnies, each splashed with color). A pair of persimmon trees were fruiting out back.

Chetty told me that his interest in poverty dates back to the horrifying want he observed on the streets of New Delhi. But only when he built the first version of his atlas did he see what he should do about it. "I realized," he said, "we could have the biggest impact on poverty by focusing on children."

Chetty thinks about revolution like an economist does: as a compounding accumulation of marginal changes. Bump the interest rate on your savings account by one notch, and 30 years later, your balance is much improved. Move a family to a better zip code, or foster the right conditions in that family's current neighborhood, and their children will do better; do that a thousand times, or ten thousand, and the American dream can be more possible, for more people, than it is today.

In the 1930s, the poet Langston Hughes published what remains one of the most honest descriptions of that dream:

> A dream so strong, so brave, so true
> That even yet its mighty daring sings
> In every brick and stone, in every furrow turned
> That's made America the land it has become

The poem, though, is laced with a counterpoint of protest: "America was never America to me"—not to the "man who never got ahead"; "the poorest worker bartered through the years"; or "the Negro, servant to you all." Still, for all its outrage, the poem ends with a paradoxical yearning: "O, let America be America again," Hughes wrote. "The land that never has been yet."

Hearing stories of the American dream as a boy in New Delhi, Chetty adopted the faith. When he became a scientist, he discerned the truth. What remains is contradiction: We must believe in the dream and we must accept that it is false—then, perhaps, we will be capable of building a land where it will yet be true.

This article appears in the August 2019 print edition with the headline "Raj Chetty's American Dream."

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GeekWire

Tech companies step up to fund affordable housing, but experts say it’s not enough to curb shortages

BY JAKE GOLDSTEIN-STREET on August 7, 2019 at 8:00 am

Microsoft President Brad Smith announces a new $500 million affordable housing fund in January 2019. (GeekWire Photo / Monica Nickelsburg)

Microsoft pledged $500 million for affordable housing in January. Five months later, Google said it would invest $1 billion to help the Bay Area housing crisis. Amazon and Salesforce also announced contributions of their own this year.

Major tech companies are stepping up to help mitigate affordable housing shortages, caused in part by the influx of high-income labor they have imported to the Seattle and San Francisco regions.

But can that cash truly make a dent when hundreds of thousands of units are needed?

Some experts say that while this is a welcome response, it won't do nearly as much as some hope to generate sufficient housing.

"If there's just someone who steps up and says, 'Hey, I'm a really rich person, I want to give $500 million to affordable housing,' everyone will think it's great — until you actually do the math" said Gregg Colburn, an assistant professor of real estate at the University of Washington's College of Built Environments.

The math shows that if each unit costs between $250,000 and $350,000, that seemingly huge investment would yield less than 2,000 housing units. Microsoft does plan to commit $475 million in loans that, once repaid, would be lent out again to support additional projects.

But these corporations simply don't have the scale necessary to close the wide gap between affordable housing needed and that which is currently available, Colburn said. The gap is just under 185,000 units in Seattle alone, according to data Microsoft compiled from Zillow, the Census, and the Bureau of Labor Statistics. Across the entire Puget Sound region, that gap is some 305,000 units.

Another estimate from a December report by the King County Regional Affordable Housing Task Force states that the current need is 156,000 additional affordable homes today, and by 2040, the county will need 244,000 units to keep up with population trends.

"This is not a millions of dollars of problem, it's a tens of billions of dollars of problem," Colburn said.

Bellweather Housing CEO Susan Boyd announces a new affordable housing fund at the Amazon Spheres. (Bellweather Housing Photo)

The contributions have coincided with more and more pressure on these large corporations. Though they have created an economic boom, many feel as though the companies have a responsibility to help alleviate affordable housing shortages in the communities where they are based.

"I think everybody is seeing now how the housing crisis is intersected, that it matters that there's not places to live, not just for engineers, but for teachers, and for nurses, and for people who work in retail, and for people who grew up here," said Kevin Zwick, CEO of Housing Trust Silicon Valley, which supports affordable housing projects in the tech hub.

“When there’s not enough housing for any of those people, then everybody is affected negatively.”

Microsoft partnered with Seattle real estate data company Zillow to study the housing crisis in 2018. They discovered that while housing prices soared, new housing construction and wages lagged behind.

To help address those problems, Microsoft is committing $475 million for loans to affordable housing developers over three years and another $25 million to services for low-income and homeless residents. It’s the largest pledge for a social cause in Microsoft’s history.

Microsoft will direct $225 million toward middle-income housing in six cities around its Redmond, Wash. headquarters. An additional $250 million will go toward low-income housing across the entire King County region.

Microsoft began accepting applications for its fund in May. The company will consider responses to a request for proposals process that meet the following standards:

- At least 40 percent of units will be designated for middle-income families or 80 percent of units targeting low-income families
- Projects must be within a 60-minute commute of Bellevue during peak traffic hours
- Developers must commit to keeping units affordable for a minimum of 10 years
- Each project must have at least 100 units

Microsoft hasn’t detailed how many units the fund will help erect. Brad Smith, the company’s president, said in January that he hopes it will help create “tens of thousands of units.”

Zwick said that in the Bay Area, tech giants can have a major positive impact on housing because the two keys to success are land and money, which these companies have in abundance.

Google plans to build 20,000 homes in total with its $1 billion contribution, 75 percent of which will go toward repurposing company-owned land for affordable housing. The remaining $250 million will be used to establish an investment fund aimed at building the remaining 5,000 housing units.

“That’s an exciting place to go if each tech company or employer set a goal of how many units of housing they want to help build with their efforts,” said Zwick, whose organization says it has invested $183 million to create more than 17,000 affordable housing opportunities since 2000.

Seattle Mayor Jenny Durkan and representatives from community organizations break ground on a new housing and resource center in Seattle's Mt. Baker neighborhood. Vulcan, the company founded by the late Paul Allen, donated $30 million to get the project started. (GeekWire Photo / Monica Nickelsburg)

Arthur Acolin, an assistant professor at the University of Washington's College of Built Environments, said that the public sector would actually be the most effective place to turn to get the land necessary to build the hundreds of thousands of units needed across King County because restrictive zoning is holding up much-needed development.

Zillow Director of Economic Research Skylar Olsen noted that the company is keeping its eye on the effects of a recent move in Minneapolis to ban single-family zoning.

"Philanthropy is a great step but affordable housing is a big problem that needs a diverse range of solutions and there is no universal template that fits for each community," Olsen said in a statement. "Policies focused on creating more housing in general are beneficial, as well as those focused on providing both a supply of and access to affordable housing."

Microsoft has recognized this, calling on local governments and the state to update zoning and land use to increase density near public transit. It also wants the state to double the $100 million Washington State Housing Trust Fund.

San Francisco-based Salesforce, which recently acquired Seattle data visualization company Tableau for $15.7 billion, donated millions to a campaign last year supporting a ballot measure that would tax local businesses to fund homelessness programs.

Salesforce CEO Marc Benioff and his wife Lynne also personally donated $6.1 million last year to add 58 housing units in San Francisco. A spokeswoman for the company said it had no future Seattle-based investments to announce.

Colburn said the biggest thing Washington can do to fund housing on the scale necessary is to overhaul its tax system, which is considered the most regressive of any state. He added that it's more important for companies to lobby for these changes than to invest millions, and pointed to public investments in Sound Transit as evidence that this level of money can be generated.

Stephen Norman, executive director of the King County Housing Authority, said that the "better route to go" is to build a more progressive tax structure.

"Clearly, government is under-resourced to step in where the market is failing to provide sufficient affordably-priced housing," he said.

Norman, whose governmental group could receive loans to build housing from Microsoft, wasn't sure how much the investment could build in total. "I can tell you that it's probably a lot less than people hope," he noted.

Amazon continues work on new buildings at its headquarters in Seattle. (GeekWire Photo / Kurt Schlosser)

In contrast to Salesforce, Amazon fought a tax last year that would have raised money from the city's top-grossing companies to fund affordable housing and homeless services.

But since then, it announced a $5 million donation to Plymouth Housing — Microsoft also gave $5 million — and in June lent support to the Building Opportunity Fund, an effort to raise $4.5 million in investments to build 750 affordable homes in the Seattle area. The company also has a partnership with Mary's Place, a homeless shelter for women and children in Seattle, and has paid millions in fees to Seattle's affordable housing trust fund.

Amazon CEO Jeff Bezos separately announced his own $2 billion charitable fund last year to go toward nonprofits supporting homeless families.

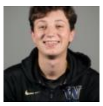
"Amazon has been a leader in the effort to address homelessness in Seattle. It's a priority for us to support this issue," an Amazon spokeswoman said.

Like King County, the Bay Area has an affordable housing shortage in the hundreds of thousands of units, but Zwick said he is optimistic about the role tech titans can play in this crisis.

“None of the efforts — it’s not enough,” Zwick said, also noting that local governments have not done their part to approve new housing. “But it’s a start, it’s a new sector coming into the space and I think if we could show that it results in real housing, then I would hope this isn’t a ceiling to the amount of funding going in, but rather technology companies and other employers will continue to try to invest in housing.”

Microsoft noted as much at the end of a blog post written by Smith and Chief Financial Officer Amy Hood at the time of its $500 million investment.

“Our announcement today is an important start, but it’s just the beginning,” they wrote. “It will take years of dedicated work for the region to put this problem behind it. We’ll all need to learn and work together to ensure that everyone in our community has not just a roof over their head, but a place they can call their home.”



Jake Goldstein-Street is a Seattle-based freelance reporter. He has written for several local publications, including the Seattle Times, Capitol Hill Blog, the International Examiner, and the South Seattle Emerald.

Former Redmond mayor Doreen Marchione dies at 80

Marchione served on Redmond City Council as well as Kirkland City Council.

by Stephanie Quiroz   Monday, July 29, 2019 3:16pm

Doreen Marchione at her retirement celebration in 2017. File photo

Former Redmond Mayor Doreen Marchione has died at the age of 80. According to the city of Redmond, she “passed away peacefully,” on July 27, surrounded by family.

Marchione was first elected to Redmond City Council in 1975 and served as mayor from 1984-91.

“Doreen’s commitment to a lifetime of public service always impressed me,” former Redmond city councilmember Arnie Tomac said in a city of Redmond press release. “She served on both the Redmond and Kirkland City Council and was the mayor of Redmond. She was always striving to make Redmond and Kirkland better and a great place to call home. Her support of her family, friends and community was legendary.”

Marchione served as a Kirkland City Council member for eight years, including two years as deputy mayor.

“The city of Kirkland was incredibly fortunate to be the beneficiary of Doreen Marchione’s leadership during her eight years on the City Council,” Kirkland Mayor Penny Sweet said. “Doreen brought a culture to the council that was focused on collaboration, accountability, and collegiality. Her particular legacy to the city is our comprehensive ethics policy and our new Human Service Commission. Her impact on our City Council continues to have a tremendous influence today. Her dedication to public service, to advocating for those in need, and to mentoring future leaders, particularly women, is inspiring. Our community was blessed to benefit from her leadership.”

According to a city of Redmond press release, Marchione was born and raised in Seattle. She graduated from St. Edwards, Holy Names Academy and Seattle University. For more than 30 years, Marchione was dedicated to public service. During her 15 years as CEO of Hopelink — the largest provider of social services in north and east King County — she oversaw a 150 percent increase in the number of residents Hopelink assisted.

In the city release, Hopelink CEO Lauren Thomas said Marchione was instrumental in developing Hopelink’s Avondale Park housing facility. It bears her name today, leaving a legacy that “holds local families in her arms,” Thomas said.

“She was so much more than a great leader. Doreen was a mentor, and a fierce advocate for those in need; a caring, passionate woman who wore her heart on her sleeve and lived her commitment to our community every single day,” Thomas said in the release. “She will be deeply missed, and her passion will be carried forward through the lives of her family, friends, and Hopelink family.”

Marchione also served on multiple regional boards and committees, including 15 years on the Seattle University College of Arts and Sciences Leadership Council, State Transportation Improvement Board, Commissioner of King County Housing Authority, president of the Washington State Association of Community Agencies, and board member of the Kirkland Performance Center.

“Doreen was a true force of nature in our region,” said Joan McBride, former Washington state representative for the 48th Legislative District, in the release. “Befriending and mentoring countless women on the Eastside, Doreen set the example of collegiality and dignity that exemplifies the best in an elected official. May her legacy of commitment to the community, zeal for justice, and dedication to the precepts of good government live on.”

Marchione is mother to current Redmond Mayor John Marchione.

A funeral mass will be held at 11 a.m. on Aug. 2 at Holy Family Catholic Church in Kirkland. Friends are invited to view photos and share memories in the family’s online guest book at www.flintofts.com.

In lieu of flowers, donations can be made in Doreen’s name to Hopelink or the Kirkland Performance Center.

Doreen Marchione is survived by her four sons, John, Paul (Grainne), Michael (Christina) and David, and four grandchildren, Andrew, Maria, Sofia and Daniel. She is also survived by her significant other, Robert Caldwell and her brother, John Foster.

THE VOICE OF myPSE

PUGET SOUND ENERGY

The latest news on what's powering our neighborhoods

A PSE contractor installs a solar panel at King County Housing Authority. Photo by Bill Wright

TOGETHER, we're bringing solar power to more communities throughout Washington

Puget Sound Energy awarded three organizations the gift of green energy this year, and will be wrapping up solar installations this summer. King County Housing Authority, HopeSource in Cle Elum and Opportunity Council in Bellingham were granted nearly $465,000 to install solar panels to five low-income multifamily housing facilities they own and operate. These organizations were chosen for their work with families in need. The Washington State University Energy Program, through its Community Energy Efficiency Program, helped provide half of the funding for this project.

As part of PSE's commitment to reduce its carbon footprint and help our customers, these solar projects are another step we're taking with the community to preserve and protect the environment for future generations.

The sky's the limit, except around power lines

High flying kites, tree forts, picnics with mylar balloons—these are what summer memories are made of. But not around power lines! Fly your kite away from power lines. Don't try to retrieve a balloon caught in or near a utility pole. Build your treehouse in a tree that will never touch a power line. And stand your ladder at least 10 feet away from overhead lines when working on your roof or gutters. Keep electricity in its place and away from any path that could carry it back to you.

Customer service guaranteed

We stand behind our service to you. We constantly track our performance and use your feedback to make improvements. We'll credit your bill if we fail to meet our service guarantees.

- Appointment service guarantee
- 24-consecutive-hour non-major storm power outage restoration guarantee
- 120-consecutive-hour power outage restoration guarantee

Conditions apply. More at **pse.com/guarantees**.

You may qualify for assistance

Depending on income and household size, you may be eligible for payment assistance with your heating bill and for free energy efficient improvements to your home. Recipients can receive up to $1,000 in credits from the federal Low Income Home Energy Assistance Program (LIHEAP) and another $1,000 in credits from PSE's Home Energy Lifeline Program (HELP). Contact your local energy-assistance agency at **1-866-223-5425**.

Safety tip: Smell gas? Leave, then call 911 or PSE

Natural gas, which is primarily methane, is lighter than air and will migrate upward when in an enclosed space. It can be ignited by the spark from flipping a switch. We add an odor of sulfur or rotten eggs so that a natural gas leak is detectable long before the gas reaches an explosive level. This odor may smell different to you. Don't take chances. If you smell gas, don't hesitate. Leave the area then call us at **1-888-225-5773**, TTY: **1-800-962-9488**, or call **911**.

pse.com/detectaleak

Housing Authority receives PSE grant for solar panels, including in SeaTac

Posted By *Scott Schaefer* On July 15, 2019 @ 11:27 am In Environment,Headlines,SeaTac News | No Comments

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Puget Sound Energy has awarded the King County Housing Authority with a grant to install solar panels at three of its rental properties, including in SeaTac.

The solar panels have been installed at:

Windsor Heights Apartments in SeaTac
Meadows on Lea Hill Apartments in Auburn
The Village at Overlake Station in Redmond
Here's more from PSE:

[1]

Collectively, the three systems total 82 kilowatts, enough clean energy to lower the King County Housing Authority's operating costs.

"These rooftop installations help advance the Housing Authority's Environmental Sustainability Plan," said KCHA Executive Director Stephen Norman. "The impact of these investments is significant – they not only reduce our housing's impact on the environment but also lower utility costs and keep these apartments affordable to families that are increasingly struggling with escalating rent and utility costs in these markets. They are part of an ambitious five-year plan to reduce KCHA's carbon footprint. We truly value the partnership with Puget Sound Energy and Washington State University in moving this effort forward."

Along with the King County Housing Authority, PSE awarded nearly $465,000 in solar grants to HopeSource in Cle Elum and Opportunity Council in Bellingham to install the solar panels on five affordable multi-family housing facilities the three organizations own and operate. These organizations were chosen for their work with limited income housing.

The Washington State University Energy Program, through its Community Energy Efficiency Program, helped provide half of the funding for this project. The other half comes from PSE's Green Power program, which allows customers to reduce their personal carbon footprint while supporting the development of renewable energy in the region.

"We are continuing our commitment to the communities we serve by choosing to work with Community Action Agencies that have a track record of serving people in need," said Will Einstein, director of product development and growth at PSE. "By funding these solar projects on multi-family housing, not only are we supporting their core mission, but also helping to reduce their energy costs — returning savings to their tenants, and reducing their carbon footprint."

As part of PSE's commitment to reduce its carbon footprint and help our customers do their part, these solar projects are another step we're taking with the community to preserve and protect the environment for a better energy future.

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COURTESY PHOTO, PSE

King County Housing Authority receives PSE grant for solar panels

Meadows on Lea Hill Apartments to receive the installation

Monday, July 15, 2019 11:51am | BUSINESS

Puget Sound Energy has awarded the King County Housing Authority with a grant to install solar panels at the Meadows on Lea Hill Apartments in Auburn.

The Village at Overlake Station in Redmond, and Windsor Heights Apartments at SeaTac also will receive solar panels.

Collectively, the three systems total 82 kilowatts, enough clean energy to lower the KCHA's operating costs.

"These rooftop installations help advance the Housing Authority's Environmental Sustainability Plan," said KCHA Executive Director Stephen Norman. "The impact of these investments is significant – they not only reduce our housing's impact on the environment but also lower utility costs and keep these apartments affordable to families that are increasingly struggling with escalating rent and utility costs in these markets. They are part of an ambitious five-year plan to reduce KCHA's carbon footprint. We truly value the partnership with Puget Sound Energy and Washington State University in moving this effort forward."

The Washington State University Energy Program, through its Community Energy Efficiency Program, helped provide half of the funding for this project. The other half comes from PSE's Green Power program, which allows customers to reduce their personal carbon footprint while supporting the development of renewable energy in the region.

"We are continuing our commitment to the communities we serve by choosing to work with Community Action Agencies that have a track record of serving people in need," said Will Einstein, director of product development and growth at PSE. "By funding these solar projects on multi-family housing, not only are we supporting their core mission, but also helping to reduce their energy costs — returning savings to their tenants, and reducing their carbon footprint."

DAILY JOURNAL OF COMMERCE

Helping Business do Business Since 1893

June 12, 2019

Redmond gives EnviroStars status to KCHA

The city of Redmond awarded Champion Level EnviroStars business status to four King County Housing Authority properties in Redmond for their commitment to energy efficiency, pollution prevention, recycling and composting, and water conservation.

Photo provided by King County Housing Authority [enlarge]

KCHA's Forest Glen was recognized by the city of Redmond.

The properties are Patricia Harris Manor at 16304 N.E. 81st St., Avondale Manor at 17107 N.E. 80th St., Forest Grove at 8350 167th Ave. N.E. and Forest Glen at 8610 164th Ave. N.E.

The EnviroStars program is a one-stop hub for businesses to get assistance and recognition for environmentally sustainable actions. It links businesses to local programs and incentives that help them take green actions.

Police investigating shooting from a fight between 2 men at apartment complex

Saturday, August 10, 2019 9:02am | NEWS

The Meadows on Lea Hill apartment complex was the scene of a shooting Friday night. COURTESY PHOTO, Auburn Police

Auburn Police are investigating a shooting between two men at the Meadows on Lea Hill apartment homes Friday night.

When police responded a report at about ' p.m. of a shooting, they learned that two men were fighting inside the complex, 12505 SE 312th St. The confrontation escalated and shots were fired, police said.

Officers were able to locate one man outside of the building near the pool area. The man, who had been shot in the leg, was in possession of a firearm police said.

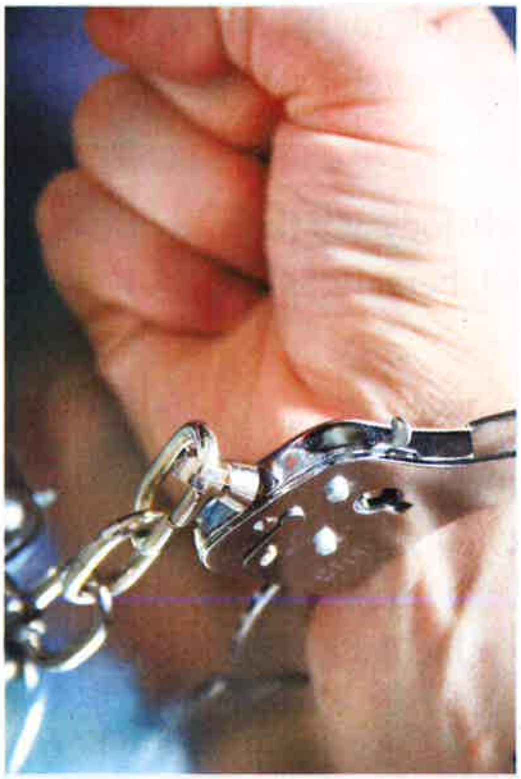
Unconfirmed information suggested that the other man had been shot in the chest and fled the scene in a dark SUV, police said. Officers have been unable to locate him.

AUBURN REPORTER

Kent Police arrest four teens as part of Springwood Park crackdown

Measures planned at Birch Creek Apartments, Safeway to make area safer

By Steve Hunter
Tuesday, July 23, 2019 1:16pm | NEWS



Kent Police arrested four teens as part of a crackdown on crime near Springwood Park on the East Hill and continue to work with managers of the nearby Birch Creek Apartments and Safeway strip mall to make the neighborhood safer.

"This is not to say there is not a lot of work to be done still, but we are engaged and working," Kent Police Chief Rafael Padilla told the City Council at its July 16 meeting.

Police and city officials promised to take action after residents complained at a July 2 council meeting and through emails about carjackings, shootings and drug dealing near homes in the 12700 block of Southeast 274th Street.

RELATED

Three of the teens were arrested for investigation of vehicle theft, including an 18-year-old Kent man and boys ages 14 and 16 from Tukwila, according to an email from Assistant Chief Jarod Kasner.

Kent
Police up patrols near Springwood Park after residents' complaints JUL 5, 2019

The fourth suspect is a 16-year-old Tukwila boy arrested for investigation of vehicular homicide after a head-on crash June 30 along Canyon Drive that killed a 13-year-old girl who was a passenger in his car.

"We are making significant process in apprehending some of the criminals responsible for this violence," Padilla said. "A group has been on a tear of multiple vehicle thefts, armed robberies and shootings.

"We have identified seven, four are in custody and the other three are known and we are moving to apprehend them. Hopefully, by next month I can report that we have all seven."

Police received a strong lead on the teens after the arrest of the boy for investigation of vehicular homicide. A teen who knows that boy told police about how they were part of the June 29 burglary at Manheim Seattle Auction parking lot in the 19700 block of 77th Avenue South, according to charging papers against the boy in the vehicular homicide investigation.

When officers responded to the incident at the auction car lot, 17 vehicles were severely damaged, the fence was smashed and eight vehicles were stolen. A security video recorded eight male suspects ages 13 to 18 stealing the vehicles.

In addition to the arrests, Padilla said he and Mayor Dana Ralph met with the King County Housing Authority director about steps to make Birch Creek Apartments safer. Enhanced security and possible ways to make access to the apartments tougher for nonresidents are a couple of potential answers.

Police also have met with the property owners of the Safeway shopping complex about installing more video cameras, hiring more security and cutting back landscaping (bushes to hide behind) to deter crime.

"There is no doubt the recent shooting intensified our efforts and the timelines of our efforts," Padilla said. "But we were working on a lot of things prior."

Police also added a couple of bicycle officers in the Springwood Park area and increased street patrols. Police also are working to establish Block Watch programs at Birch Creek and nearby neighborhoods to make the streets safer.

Kent Police up patrols near Springwood Park after residents' complaints

Attempted carjacking, shots fired latest incident during crime spree

By Steve Hunter
Friday, July 5, 2019 3:49pm | NEWS

Kent Police put two bicycle officers on patrol this week near Springwood Park or the East Hill after residents complained t the city about recent shootings and a slow response by officers.

An attempted carjacking with shots fired at the vehicle owner on the evening of July 1 in the 12700 block of Southeast 274th Street caused several residents to email Mayor Dana Ralph and to speak up during the public comment period at the July 2 City Council meeting.

"We've had a dramatic increase in violent crime," said Patrick Michaud to the council. "A young man was shot at during an attempted carjacking. The police response to this was unacceptable. Twenty minutes elapsed before the first officer arrived. That is too long."

Michaud said four shootings have occurred at the park since April and that people were struck by gunfire in two of the incidents.

"Communication or lack thereof from the department, leaves the community in fear," Michaud told the council. "We hear about the initial incident if it results in someone being killed or maimed, but hear nothing o arrests or investigative updates. This lack of transparency breeds rumor and contempt. I urge the police to be out in the public speaking to neighbors about incidents."

Ralph and Council President Bill Boyce added an agenda item to the council meeting so Police Assistant Chief Jard Kasner could respond to the numerous complaints about crime in and near Springwood Park.

Police also moved a security camera pod this week to a cul-de-sac next to the park in an effort to deter crime.

"It's a start not a solution," Kasner said. "People will know it's there, with a blinking blue light."

Kasner disagreed with a public perception of police not doing anything about the recent carjacking attempt.

"It was a response time of 20 minutes," Kasner said. "It came in as an illegal discharge. It was later changed to a carjacking and shooting, which changed its priority. We were on the scene within seven minutes (after the update). It's not an excuse, but there was a burglary in progress and the units closest to (the shooting) were responding to (the burglary) that came in about same time. They cleared that, and responded."

Ralph and Police Chief Rafael Padilla will meet with the management of the nearby Birch Creek Apartments as well as the King County Housing Authority to try to curtail crime.

"In that area, we believe the carjacking was associated with a bigger group that is stealing cars and leaving them in that area," Kasner said. "The Birch Creek Apartments are nearby and could be associated, so we are reaching out to management."

Other residents near Springwood Park told the council about drug dealing, drug use, transients and homeless camps.

Ralph said parks staff already had been working on investments to try to improve the park and make it safer. She said she called Assistant Chief Kasner to talk about ways to deter crime in the area the same night she received emails from residents about the attempted carjacking.

"We are doing the best we can with the limited resources," Ralph said. "We are a big city but we do not have enough police officers. That is not an excuse, we are trying harder. We will keep you posted on the plans and I thank the neighbors for reaching out to us."

The mayor encouraged people to call 911 about any suspicious activity and to later reach out to her.

"If I don't know about something, I can't fix it," Ralph said. "I'm not OK with what happened last night (July 1). We can and must do better. We need to make Kent safe for all of us."

Ralph said she plans to talk to the King County Prosecuting Attorney's Office in an effort to get tougher on juvenile crime.

Kasner said juveniles were expected to be involved in the attempted carjacking as well as other crimes in the Springwood Park area.

"They know the system is a little on the soft side or weak when it comes to prosecution," Kasner said. "They are exploiting that, they are making fun with what they can get away with it."

Q13 FOX ALL LOCAL

Kent shooting leaves 2 dead

POSTED 4:50 PM, JULY 17, 2019, BY ALI BRADLEY AND Q13 NEWS STAFF

KENT, Wash. -- A man and woman are dead after a shooting in Kent Wednesday afternoon, according to police.

The shooting happened around 1:45 p.m. at an apartment in the city's East Hill neighborhood. Officers found both victims with gunshot wounds and a gun in the man's hand.

Investigators say no one else was involved in the shooting and there is no threat to the area.

The identities of the victims have not been released.

Officers are in the area collecting evidence and trying to figure out what led up to the shooting.

Two Dead in Murder-Suicide at King County Housing Project in Kent

 by **Jacob Kimerer**

A male and female are dead after an apparent murder-suicide at a busy King County Housing Authority property.

Kent, WA: *Statement from Kent Police*

At approximately 1:45PM, Kent Patrol Units responded to the 23400 block of 104th Ave SE for the reports of a shooting incident.

Kent Patrol officers arrived in the area and contact was made with an adult female lying on the ground and an adult male lying nearby with a gun in his hand. Both sustained gunshot wounds. The female, a Kent resident, was non responsive, and life saving efforts were performed, however she succumbed to her injuries at the scene. The male, also a Kent resident, was also non responsive and life saving efforts were performed. However, the male was pronounced dead at the scene as well.

At this time we believe there are no others involved in this incident. Investigators are still gathering information from witnesses are collecting evidence from the scene. They are working to clarify the events that led to this shooting incident

WestsideSeattle

Greenbridge Health Fair will offer free services June 28

Wed, 06/26/2019

The Greenbridge Health Fair is set for June 28 from 4pm to 7pm at Greenbridge Plaza near White Center.

Free Health Services

• Blood Pressure Checks

• Blood Glucose Test
• Fitness Resources
• Healthy Eating Demos

• Kids Activities ...and much more!

Free Resources to help keep families safe and drug-free!

There will also be FREE

Healthy food, Prizes, Entertainment, Kid Activities and Giveaways!

For More Information

Tracie Friedman (KCHA): 206-574-1161 Mike Graham-Squire (NH): 206-353-7945

Greenbridge Health Fair

Friday, June 28, 2019 - 4PM to 7PM

Greenbridge Plaza, 8th Ave SW & SW 99th Street

Sponsors:

King County Housing Authority, Washington State Dept. of Licensing, ID2020, Seattle Dept. of Transportation,

Coalition for Drug Free Youth, Neighborhood House,

Partners:

Community Health Plan of Washington, King County Department of Community and Human Services,

Participating Agencies:

APICAT, American Lung Association, Amerigroup, Boys and Girls Club, City of Seattle, Community Health Plan of Washington, Environmental Coalition of South Seattle, Fire Department, Impact Public Schools, Hepatitis Education Project, ICHS, King County Library, King County Parks and Recreation, Northwest Kidney Centers, Navos, Neighborhood House, Swedish Hospital, White Center CDA, White Center Food Bank, White Center Kiwanis, White Center/North Highline Coalition for Drug-Free Youth, Within Reach, YWCA Greenbridge.