



**SPECIAL MEETING
OF THE
BOARD OF COMMISSIONERS**

Tuesday, February 18, 2020

**King County Housing Authority
700 Andover Park West
Tukwila, WA 98188**



SPECIAL MEETING OF THE BOARD OF COMMISSIONERS AGENDA

February 18, 2020
8:30 a.m.

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

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of Minutes

1

- A. Board Meeting Minutes – December 16, 2019
- B. Board Meeting Minutes – January 21, 2020

V. Approval of Agenda

VI. Consent Agenda

2

- A. Voucher Certification Reports for November 2019
- B. Voucher Certification Reports for December 2019

VII. Resolution for Discussion and Possible Action

A. Resolution No. 5646 –

3

A RESOLUTION of the Housing Authority of the County of King authorizing the Executive Director to submit a proposal to Sound Transit for selection of a Qualified Entity and a Master Development Team to implement a Transit Oriented Development Project at the Spring District/120th Station and Operations and Maintenance Facility East (OMFE) in Bellevue, WA.

B. Resolution No. 5647 –	4
Resolution declaring the Authority’s intention to sell tax-exempt obligations to provide financing to Woodland North LLLP in connection with the acquisition, rehabilitation and equipping of the Woodland North Apartments; amending Resolution No. 5639 to expand the authorized uses of the proceeds of the loan of proceeds of the Authority’s Revenue Notes, 2020 (Woodland North Project) (Tax-Exempt) and (Taxable); and determining related matters.	
C. Resolution No. 5648 -	5
Resolution declaring the Authority’s intention to sell tax-exempt obligations to provide financing to Abbell LLLP in connection with the acquisition, rehabilitation and equipping of the Bellevue Manor Apartments and the Abbey Ridge Apartments; amending Resolution No. 5637 to expand the authorized uses of the proceeds of the loan of proceeds of the Authority’s Revenue Notes, 2020 (Bellevue Manor and Abbey Ridge Projects) (Tax-Exempt) and (Taxable); and determining related matters.	
VIII. Briefings & Reports	
A. New Bank Accounts	6
B. Fourth Quarter Procurement Report	7
C. Fourth Quarter 2019 Summary Write Off Report	8
D. Capital Report Briefing	9
E. Q4 2019 Executive Dashboard	10
F. 2019 Year End Investment Report	11
IX. Executive Session	
A. To review the performance of a public employee (RCW 42.30.110 (1) (g))	
X. Executive Director Report	
XI. KCHA in the News	12
XII. Commissioner Comments	
XIII. 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.

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

Monday, December 16, 2019

I. CALL TO ORDER

The meeting of the King County Housing Authority Board of Commissioners was held on Monday, December 16, 2019 at 700 Andover Park West, Tukwila, WA 98188. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:31 a.m.

II. ROLL CALL

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

III. Public Comment

Lillie Clinton gave public comment.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – November 18, 2019

On motion by Commissioner Susan Palmer and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the November 18, 2019 Board of Commissioners' Meeting Minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner Susan Palmer and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the December 16, 2019 Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Report for October 2019

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

VII. RESOLUTIONS FOR DISCUSSION & POSSIBLE ACTION

A. Resolution No. 5641 – Acceptance of Washington State Auditor’s Office Report on Financial Statements and Federal Single Audit (No. 1024670) and the Accountability Audit Report (No. 1025074), both for the period January 1, 2018 through December 31, 2018.

Craig Violante, Director of Finance, presented the audits to the Board.

This resolution is to accept both of the audits.
The Financial Audit is about financial statements and the Single Audit is about Federal Programs. These are combined into one.

The Accountability Audit is performed by the state to judge our compliance against state laws, rules, regulations and our own internal policies.

Questions of Commissioners’ were answered.

On motion by Commissioner TerryLynn Stewart and seconded by Commissioner Michael Brown, the Board unanimously approved Resolution No. 5641.

B. Resolution No. 5642 – Authorizing Approval of the Comprehensive Operating and Capital Budgets for Calendar Year beginning January 1, 2020.

Craig, Director of Finance and Jill Stanton, Deputy Executive Director for Administration gave a presentation with details for the budget for 2020.

Questions of Commissioners’ were answered.

On motion by Commissioner John Welch and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved Resolution No. 5642.

C. Resolution No. 5643 – Authorizing Higher Payment Standards for the Housing Choice Voucher Program.

Andrew Calkins, Manager of Policy and Legislative Affairs and Pam Taylor, Associate Director of Housing Choice Vouchers explained staff’s recommendation for 2020 Payment Standards for the Housing Choice Voucher Program. At the end of each year, staff completes a review of the payment standards system that examines both the Payment Standard amounts and also the configuration of the six tier system.

Staff presented a summary of rent trends in King County. The King County HUD Fair Market Rent is the 8th highest in the country. The rental market has recently risen more slowly than in 2016 and 2017, however, the rents are continuing to rise especially in South King County. Rents paid by voucher holders who are new or

moving on the program are higher than those of currently leased households. Of currently leased households, 14% are shelter burdened, meaning they are spending more than 40% of their income on rent and utilities. In 2016, 22% of tenant-based households were shelter burdened.

Staff presented the three components of the Payment Standards proposal, which included: 1) Moving nine zip codes to different tiers based on changes in their 40th percentile rents; 2) Increasing payment standard amounts in all tiers; and 3) Increasing the studio payment standards to 95% of the one bedroom payment standard amount in all tiers. Staff explained that increases in the payment standards will bring us more in line with the market and are necessary to ensure that new voucher holders are able to find affordable units.

Questions of Commissioners' were answered.

On motion by Commissioner TerryLynn Stewart and seconded by Commissioner John Welch, the Board unanimously approved Resolution No. 5643.

D. Resolution No. 5644 – Resolution providing for the issuance of the Authority's Non-Revolving Line of Credit Revenue Note, 2019 (Hampton Greens Apartments) in the principal amount of not to exceed \$126,500,000 to finance the acquisition of the Hampton Greens Apartments in Bellevue, Washington, and determining related matters.

Tim Walter, Senior Director of Development and Asset Management updated the Board on the status of the due diligence on the property and explained this resolution.

Update of Due Diligence on Hampton Greens:

- Hampton Green's was built in the 1980's and the property is located at the north end of the City of Bellevue.
- Phase I – Environmental. There were no environmental concerns that were identified in the Phase I environmental report.
- The property appraised at \$130 million which is slightly higher than the purchase price that was negotiated with the seller.
- Physical Inspection – We bring in a third party inspector who generally samples between 20% to 40% of the units. In addition, we bring in two to four of the Asset Management and Capital construction folks from KCHA.
- If need be, we will also bring in a third party inspector for specialty work. In this case we brought in someone to look at the tile roofs.
- There are quite a few trees that are close to the building, so we will probably have some tree removal done and storm drainage work.
- The majority of the units are dated and the owner was intending remodel the existing units in an effort to increase rents at the property.

- Typically owners will raise rents \$150 - \$300 when they remodel apartments and it is not uncommon to see some residents be displaced when their rents go up this much.
- We have not identified any issues of concern with respect to the due diligence work.
- We are pleased that this property will be a long term affordable housing asset for this community.

For the financing, we put together a short term line of credit for one year with Key Bank. We will then go to the capital bond market to secure permanent long term financing for approximately 50-60% of the principal amount. We would like to try and lock in the permanent financing as interest rates are currently very favorable.

We would like to use this property and find partners to secure mezzanine financing. We believe we could cover up to 100% of financing if we can find a partner. We have also secured \$10 million in County TOD Financing.

Questions of Commissioners' were answered.

On motion by Commissioner John Welch and seconded by Commissioner Susan Palmer, the Board unanimously approved Resolution No. 5644.

VIII. BRIEFINGS AND REPORTS

A. Third Quarter CY 19 Financial Report

Windy Epps, Assistant Director of Finance gave a summary of the Third Quarter Financial Report.

Questions of Commissioners' were answered.

B. Third Quarter Board Dashboard

Andrew Calkins, Manager of Policy gave an overview of the Executive Dashboard

Questions of Commissioners' were answered.

IX. EXECUTIVE DIRECTOR REPORT

Director Norman reported that it appears that there is a budget deal on the federal level. We are watching for:

1) Funding levels for the Section 8 and Public Housing programs. We expect the final numbers to be somewhere between the House and Senate versions, both of which

provide what is essentially “maintenance of effort” level funding. The final funding level should be at or slightly above the numbers we projected in the budget that the Board just approved.

2) Proposed language (included in the Senate version) that would maintain our MTW flexibilities and protect our MTW working capital. One key provision would preclude HUD from unilaterally changing the terms of our Annual Contributions Contract. We expect to know shortly whether this language made it into the final version of the bill.

Kudo’s to Tim and his team. KCHA marketed \$12.5 million in bonds this month and was able to lock in a 2.85% interest rate for 20 years. This is one of the direct benefits of having a healthy balance sheet. We will be moving forward over the next few months with additional bond sales in order to take advantage of the current favorable rate environment.

X. KCHA IN THE NEWS

None.

XI. COMMISSIONER COMMENTS

None.

XII. ADJOURNMENT

Chair Barnes adjourned the meeting at 10:15 a.m.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary

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

Tuesday, January 21, 2020

I. CALL TO ORDER

The meeting of the King County Housing Authority Board of Commissioners was held on Tuesday, January 21, 2020 at 600 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 via Telephone: Commissioner Doug Barnes (Chair), Commissioner Susan Palmer (Vice-Chair), Commissioner Michael Brown and Commissioner TerryLynn Stewart.

Excused: Commissioner John Welch.

III. Public Comment

None.

V. APPROVAL OF AGENDA

On motion by Commissioner TerryLynn Stewart and seconded by Commissioner Susan Palmer, the Board unanimously approved the January 21, 2020 Board of Commissioners' meeting agenda.

VII. RESOLUTIONS FOR DISCUSSION & POSSIBLE ACTION

A. Resolution No. 5645 – A Resolution Authorizing an Additional Loan to the Mt. Si Senior Center for an Amount not to Exceed \$50,000 for Costs in Connection with the Acquisition of Cascade Park Apartments.

Dan Watson, Deputy Executive Director/Chief Development Officer, presented the Resolution to the Board.

In 2018, KCHA was asked to assist the Mt. Si Senior Center in their effort to acquire and preserve Cascade Park Apartments. A purchase and sale agreement was signed in mid-2018 giving Mt. Si Senior Center 24 months to assemble acquisition financing and close the purchase of the property. Otherwise, the offer would lapse, the owner would have the right to prepay the loan immediately and the property would convert to market rate housing.

On January 10, 2020, KCHA received an email from U.S Representative's Kim Schrier's office indicating that approval of the loan by the USDA's Washington, DC office was forthcoming within 30 to 60 days.

The Mt. Senior Center has very little working capital for a project of this scale and is relying on third party funding to help it pay major pre-closing costs. Resolution No. 5645 authorizes the Executive Director to loan an additional \$50,000 to the Mt. Si Senior Center so they can make the non-refundable earnest money deposit needed to extend the purchase and sale agreement for the time needed to finalize loans from King County and the USDA and close the purchase of Cascade Park. The terms of this additional advance will be identical to the 2018 loan.

Questions of Commissioners' were answered.

On motion by Commissioner Susan Palmer and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved Resolution No. 5645.

XI. COMMISSIONER COMMENTS

None.

XII. ADJOURNMENT

Chair Barnes adjourned the meeting at 8:43 a.m.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary

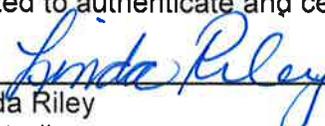
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To: Board of Commissioners
From: Linda Riley, Controller
Date: January 02, 2020
Re: **VOUCHER CERTIFICATION FOR NOVEMBER 2019**

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
 Controller
 January 02, 2020

Bank Wires / ACH Withdrawals		58,071,590.97
	<i>Subtotal</i>	58,071,590.97
Accounts Payable Vouchers		
Key Bank Checks - #325815-#326420		7,913,296.56
Tenant Accounting Checks - #11009-#11031		12,322.02
Commerce Bank Direct Payment		-
	<i>Subtotal</i>	7,925,618.58
Payroll Vouchers		
Checks - #91834-91903		74,560.73
Direct Deposit		2,352,350.22
	<i>Subtotal</i>	2,426,910.95
Section 8 Program Vouchers		
Checks - #627413-627733		284,194.69
ACH - #464497-467154		14,952,393.66
	<i>Subtotal</i>	15,236,588.35
Purchase Card / ACH Withdrawal		373,511.04
	<i>Subtotal</i>	373,511.04
	GRAND TOTAL	\$ 84,034,219.89

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

FROM: Wen Xu, Director of Asset Management

SUBJECT: VOUCHER CERTIFICATION FOR NOVEMBER 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

12/5/2019
Date

	Property	Wired to Operating Account for Obligations of Property		Claim	Notes:
		Date	\$		
Wed	Ballinger Commons	10/02/2019	\$ 120,567.63	A/P & Payroll	
	Bellepark	10/02/2019	\$ 12,134.66	A/P	
	Emerson	10/02/2019	\$ 92,273.91	A/P & Payroll	
	GILMAN SQUARE	10/02/2019	\$ 3,945.12	A/P & Payroll	
	Landmark	10/02/2019	\$ 8,717.02	A/P	
	Meadowbrook	10/02/2019	\$ 19,855.63	A/P & Payroll	
	Riverstone	10/02/2019	\$ 36,799.63	A/P	
	Villages @ South	10/02/2019	\$ 18,469.58	A/P & Payroll	
	Woodside East	10/02/2019	\$ 16,425.53	A/P	
	Thur	ALPINE RIDGE	10/03/2019	\$ 3,623.60	Payroll
ARBOR HEIGHTS		10/03/2019	\$ 7,006.91	Payroll	
Aspen Ridge		10/03/2019	\$ 5,111.69	Payroll	
Auburn Square		10/03/2019	\$ 9,693.87	Payroll	
Carriage House		10/03/2019	\$ 12,345.20	Payroll	
CASCADIAN		10/03/2019	\$ 19,332.40	Payroll	
Colonial Gardens		10/03/2019	\$ 3,217.49	Payroll	
FAIRWOOD		10/03/2019	\$ 35,940.35	A/P & Payroll	
GILMAN SQUARE		10/03/2019	\$ 24,999.05	A/P	
HERITAGE PARK		10/03/2019	\$ 6,373.52	Payroll	
LAURELWOOD		10/03/2019	\$ 8,542.31	Payroll	
Meadows on Lea Hill		10/03/2019	\$ 6,175.76	Payroll	
Newporter		10/03/2019	\$ 9,120.92	Payroll	
Parkwood		10/03/2019	\$ 8,222.96	Payroll	
RAINIER VIEW I		10/03/2019	\$ 38,042.82	A/P	
RAINIER VIEW II		10/03/2019	\$ 37,883.93	A/P	
SI VIEW		10/03/2019	\$ 4,706.56	A/P	
SOUTHWOOD SQUARE		10/03/2019	\$ 6,373.69	Payroll	
Tall Cedars		10/03/2019	\$ 6,371.11	A/P	
Timberwood		10/03/2019	\$ 15,464.83	Payroll	
Vashon Terrace		10/03/2019	\$ 10,749.39	A/P	
Walnut Park		10/03/2019	\$ 6,692.19	Payroll	
WINDSOR HEIGHTS		10/03/2019	\$ 45,766.21	A/P & Payroll	
Woodland North		10/03/2019	\$ 4,705.85	Payroll	
Woodridge		10/03/2019	\$ 14,913.64	Payroll	
Tue		ABBEY RIDGE	10/08/2019	\$ 58,030.03	A/P
	Cottonwood	10/08/2019	\$ 28,235.92	A/P	
	Cove East	10/08/2019	\$ 43,671.33	A/P	
	Juanita View	10/08/2019	\$ 25,573.90	A/P	
	Kirkland Heights	10/08/2019	\$ 33,476.94	A/P	
Wed	Bellepark	10/09/2019	\$ 23,128.21	A/P & Payroll	
	Kendall Ridge	10/09/2019	\$ 2,992.77	A/P & Payroll	
	Landmark	10/09/2019	\$ 24,415.85	A/P & Payroll	
	Overlake TOD	10/09/2019	\$ 170,688.00	BBF	
	Riverstone	10/09/2019	\$ 82,129.00	A/P & Payroll	
	Woodside East	10/09/2019	\$ 25,809.93	A/P & Payroll	
Thur	ALPINE RIDGE	10/10/2019	\$ 14,026.02	A/P	
	ARBOR HEIGHTS	10/10/2019	\$ 7,314.05	A/P	
	Aspen Ridge	10/10/2019	\$ 9,600.43	A/P	
	Auburn Square	10/10/2019	\$ 19,023.37	A/P	
	Carriage House	10/10/2019	\$ 25,809.49	A/P	
	CASCADIAN	10/10/2019	\$ 18,618.73	A/P	
	Colonial Gardens	10/10/2019	\$ 20,074.94	A/P	
	FAIRWOOD	10/10/2019	\$ 22,123.01	A/P	
	HERITAGE PARK	10/10/2019	\$ 20,653.38	A/P	
	LAURELWOOD	10/10/2019	\$ 13,682.24	A/P	
	Meadows on Lea Hill	10/10/2019	\$ 10,303.23	A/P	
	Newporter	10/10/2019	\$ 24,543.77	A/P	
	Parkwood	10/10/2019	\$ 56,514.65	A/P	
	RAINIER VIEW I	10/10/2019	\$ 6,345.48	A/P	
	RAINIER VIEW II	10/10/2019	\$ 6,396.02	A/P	
	SI VIEW	10/10/2019	\$ 1,664.15	A/P	
	SOUTHWOOD SQUARE	10/10/2019	\$ 29,360.43	A/P	
	Timberwood	10/10/2010	\$ 27,608.84	A/P	
	Walnut Park	10/10/2019	\$ 57,141.56	A/P	
	WINDSOR HEIGHTS	10/10/2019	\$ 44,524.20	A/P	
	Woodland North	10/10/2019	\$ 22,306.38	A/P	

	Woodridge	10/10/2019	\$ 35,454.68	A/P	
Wed	Ballinger Commons	10/16/2019	\$ 166,550.55	A/P & Payroll	
	Bellepark	10/16/2019	\$ 6,539.16	A/P	
	Emerson	10/16/2019	\$ 47,472.22	A/P & Payroll	
	GILMAN SQUARE	10/16/2019	\$ 52,563.92	A/P & Payroll	
	Landmark	10/16/2019	\$ 7,759.89	A/P	
	Meadowbrook	10/16/2019	\$ 68,741.12	A/P & Payroll	
	Riverstone	10/16/2019	\$ 46,351.97	A/P & Payroll	
	Tall Cedars	10/16/2019	\$ 18,319.59	A/P	
	Villages @ South	10/16/2019	\$ 108,654.78	A/P & Payroll	
	Woodside East	10/16/2019	\$ 11,990.83	A/P	
Thur	ALPINE RIDGE	10/17/2019	\$ 11,228.87	A/P & Payroll	
	ARBOR HEIGHTS	10/17/2019	\$ 7,705.86	Payroll	
	Aspen Ridge	10/17/2019	\$ 4,755.59	Payroll	
	Auburn Square	10/17/2019	\$ 26,886.75	A/P & Payroll	
	Carriage House	10/17/2019	\$ 12,382.79	Payroll	
	CASCADIAN	10/17/2019	\$ 18,494.71	Payroll	
	Colonial Gardens	10/17/2019	\$ 8,191.41	A/P & Payroll	
	FAIRWOOD	10/17/2019	\$ 10,630.21	Payroll	
	HERITAGE PARK	10/17/2019	\$ 29,486.47	A/P & Payroll	
	Kendall Ridge	10/17/2019	\$ 5,000.00	A/P	
	LAURELWOOD	10/17/2019	\$ 8,789.33	Payroll	
	Meadows on Lea Hill	10/17/2019	\$ 6,285.81	Payroll	
	Newporter	10/17/2019	\$ 9,066.17	Payroll	
	Parkwood	10/17/2019	\$ 22,037.18	A/P & Payroll	
	RAINIER VIEW I	10/17/2019	\$ 2,001.04	A/P	
	SOUTHWOOD SQUARE	10/17/2019	\$ 6,196.01	Payroll	
	Timberwood	10/17/2019	\$ 22,123.57	A/P & Payroll	
	Vashon Terrace	10/17/2019	\$ 3,393.78	A/P	
	Walnut Park	10/17/2019	\$ 8,251.97	Payroll	
	WINDSOR HEIGHTS	10/17/2019	\$ 18,800.64	Payroll	
	Woodland North	10/17/2019	\$ 3,699.64	Payroll	
	Woodridge	10/17/2019	\$ 14,601.17	Payroll	
Wed	ABBEY RIDGE	10/23/2019	\$ 38,693.10	A/P	
	ALPINE RIDGE	10/23/2019	\$ 120,000.00	Excess Cash	
	ARBOR HEIGHTS	10/23/2019	\$ 120,000.00	Excess Cash	
	Aspen Ridge	10/23/2019	\$ 195,000.00	Excess Cash	
	Auburn Square	10/23/2019	\$ 375,000.00	Excess Cash	
	Ballinger Commons	10/23/2019	\$ 500,000.00	Excess Cash	
	Ballinger Commons	10/23/2019	\$ 500,000.00	Excess Cash	
	Bellepark	10/23/2019	\$ 7,871.72	A/P & Payroll	
	Bellepark	10/23/2019	\$ 300,000.00	Excess Cash	
	Carriage House	10/23/2019	\$ 475,000.00	Excess Cash	
	CASCADIAN	10/23/2019	\$ 500,000.00	Excess Cash	
	CASCADIAN	10/23/2019	\$ 300,000.00	Excess Cash	
	Colonial Gardens	10/23/2019	\$ 200,000.00	Excess Cash	
	Cottonwood	10/23/2019	\$ 150,000.00	Excess Cash	
	Cottonwood	10/23/2019	\$ 15,122.37	A/P	
	Cove East	10/23/2019	\$ 200,000.00	Excess Cash	
	Cove East	10/23/2019	\$ 62,485.11	A/P	
	GILMAN SQUARE	10/23/2019	\$ 450,000.00	Excess Cash	
	HERITAGE PARK	10/23/2019	\$ 240,000.00	Excess Cash	
	Juanita View	10/23/2019	\$ 30,777.35	A/P	
	Kendall Ridge	10/23/2019	\$ 54,648.52	A/P & Payroll	
	Kirkland Heights	10/23/2019	\$ 36,499.88	A/P	
	Landmark	10/23/2019	\$ 31,308.24	A/P & Payroll	
	Landmark	10/23/2019	\$ 700,000.00	Excess Cash	
	LAURELWOOD	10/23/2019	\$ 120,000.00	Excess Cash	
	Meadows on Lea Hill	10/23/2019	\$ 15,000.00	Excess Cash	
	Newporter	10/23/2019	\$ 30,000.00	Excess Cash	
	Parkwood	10/23/2019	\$ 120,000.00	Excess Cash	
	RAINIER VIEW I	10/23/2019	\$ 10,512.49	A/P	
	RAINIER VIEW II	10/23/2019	\$ 8,158.01	A/P	
	Riverstone	10/23/2019	\$ 68,909.78	A/P & Payroll	
	Riverstone	10/23/2019	\$ 300,000.00	Excess Cash	
	Riverstone	10/23/2019	\$ 300,000.00	Excess Cash	
	Riverstone	10/23/2019	\$ 300,000.00	Excess Cash	
	SI VIEW	10/23/2019	\$ 10,165.54	A/P	
	SOUTHWOOD SQUARE	10/23/2019	\$ 390,000.00	Excess Cash	
	Tall Cedars	10/23/2019	\$ 100,000.00	Excess Cash	
	Timberwood	10/23/2019	\$ 475,000.00	Excess Cash	
	Vashon Terrace	10/23/2019	\$ 6,700.39	A/P	
	Vashon Terrace	10/23/2019	\$ 20,000.00	Excess Cash	
	Villages @ South	10/23/2019	\$ 300,000.00	Excess Cash	
	Villages @ South	10/23/2019	\$ 300,000.00	Excess Cash	
	Villages @ South	10/23/2019	\$ 100,000.00	Excess Cash	
	Walnut Park	10/23/2019	\$ 475,000.00	Excess Cash	
	WINDSOR HEIGHTS	10/23/2019	\$ 85,000.00	Excess Cash	
	Woodridge	10/23/2019	\$ 305,000.00	Excess Cash	

	Woodside East	10/23/2019	\$ 20,927.38	A/P & Payroll	
	Woodside East	10/23/2019	\$ 600,000.00	Excess Cash	
Fri	Aspen Ridge	10/25/2019	\$ 1,931.71	A/P	
	Overlake TOD	10/25/2019	\$ 635,000.00	Debt Service	
	Woodridge	10/25/2019	\$ 13,966.38	A/P	
Wed	ABBEY RIDGE	10/30/2019	\$ 35.00	Deposit Correction	
	Ballinger Commons	10/30/2019	\$ 360,516.96	A/P & Payroll	
	Bellepark	10/30/2019	\$ 3,733.45	A/P	
	Emerson	10/30/2019	\$ 61,053.78	A/P & Payroll	
	GILMAN SQUARE	10/30/2019	\$ 48,207.02	A/P & Payroll	
	Kendall Ridge	10/30/2019	\$ 38,801.29	A/P	
	Landmark	10/30/2019	\$ 21,966.21	A/P	
	Meadowbrook	10/30/2019	\$ 40,004.35	A/P & Payroll	
	Riverstone	10/30/2019	\$ 22,018.38	A/P	
	Vashon Terrace	10/30/2019	\$ 2,898.52	A/P	
	Villages @ South	10/30/2019	\$ 50,913.96	A/P & Payroll	
	Woodside East	10/30/2019	\$ 8,552.94	A/P	
Thur	ABBEY RIDGE	10/31/2019	\$ 23,000.00	Relocation Benefits	
	ALPINE RIDGE	10/31/2019	\$ 17,931.43	A/P & Payroll	
	ARBOR HEIGHTS	10/31/2019	\$ 50,265.01	A/P & Payroll	
	Aspen Ridge	10/31/2019	\$ 18,828.20	A/P & Payroll	
	Auburn Square	10/31/2019	\$ 63,602.68	A/P & Payroll	
	Carriage House	10/31/2019	\$ 25,391.12	A/P & Payroll	
	CASCADIAN	10/31/2019	\$ 39,727.14	A/P & Payroll	
	Colonial Gardens	10/31/2019	\$ 16,039.05	A/P & Payroll	
	FAIRWOOD	10/31/2019	\$ 38,150.25	A/P & Payroll	
	HERITAGE PARK	10/31/2019	\$ 72,605.61	A/P & Payroll	
	LAURELWOOD	10/31/2019	\$ 34,304.76	A/P & Payroll	
	Meadows on Lea Hill	10/31/2019	\$ 60,719.90	A/P & Payroll	
	Newporter	10/31/2019	\$ 31,147.42	A/P & Payroll	
	Parkwood	10/31/2019	\$ 17,430.54	A/P & Payroll	
	SOUTHWOOD SQUARE	10/31/2019	\$ 16,696.13	A/P & Payroll	
	Timberwood	10/31/2019	\$ 80,380.00	A/P & Payroll	
	Walnut Park	10/31/2019	\$ 62,487.23	A/P & Payroll	
	WINDSOR HEIGHTS	10/31/2019	\$ 59,796.36	A/P & Payroll	
	Woodland North	10/31/2019	\$ 31,751.14	A/P & Payroll	
	Woodridge	10/31/2019	\$ 48,721.51	A/P & Payroll	
	182 Wires-Total:		\$ 14,668,204.20		



To: Board of Commissioners
From: Linda Riley, Controller
Date: February 03, 2020
Re: **VOUCHER CERTIFICATION FOR DECEMBER 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
 Controller
 February 03, 2020

Bank Wires / ACH Withdrawals		70,912,790.99
	<i>Subtotal</i>	70,912,790.99
Accounts Payable Vouchers		
Key Bank Checks - #326421-#326968		5,011,427.45
Tenant Accounting Checks - #11032-#11049		4,519.52
Commerce Bank Direct Payment		-
	<i>Subtotal</i>	5,015,946.97
Payroll Vouchers		
Checks - #91878-91885; #91904-91936		53,712.25
Direct Deposit		1,590,678.32
	<i>Subtotal</i>	1,644,390.57
Section 8 Program Vouchers		
Checks - #627734-628062		239,461.31
ACH - #467155-469851		15,128,920.37
	<i>Subtotal</i>	15,368,381.68
Purchase Card / ACH Withdrawal		304,316.79
	<i>Subtotal</i>	304,316.79
	GRAND TOTAL	\$93,245,827.00

TO: THE BOARD OF COMMISSIONERS, HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON
 FROM: Wen Xu, Director of Asset Management
 SUBJECT: VOUCHER CERTIFICATION FOR DECEMBER 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

02/04/2020
 Date

	Property	Wired to Operating Account for Obligations of Property			Notes:
		Date	\$	Claim	
Wed	Ballinger Commons Depository	12/04/2019	\$ 48,011.76	Other A/P	
Wed	Bellepark	12/04/2019	\$ 41,023.17	A/P & Payroll	
Wed	Kendall Ridge	12/04/2019	\$ 38,699.98	A/P & Payroll	
Wed	Landmark	12/04/2019	\$ 22,747.38	A/P & Payroll	
Wed	OVERLAKE TOD HOUSING LP DEP CH	12/04/2019	\$ 172,918.00	BBF	
Wed	Riverstone	12/04/2019	\$ 48,385.22	A/P & Payroll	
Wed	Woodside East	12/04/2019	\$ 20,860.99	A/P & Payroll	
Thur	ABBAY RIDGE DEPOSITORY	12/05/2019	\$ 42,100.00	Relocation	
Thur	HERITAGE PARK DEPOSITORY	12/05/2019	\$ 14,129.85	Other A/P	
Thur	OVERLAKE TOD HOUSING LP DEP CH	12/05/2019	\$ 9,404.19	Other A/P	
Thur	Parkwood Apts	12/05/2019	\$ 63,896.52	Other A/P	
Thur	SOUTHWOOD SQUARE DEPOSITORY	12/05/2019	\$ 8,732.91	Other A/P	
Thur	Timberwood	12/05/2019	\$ 2,474.54	Other A/P	
Thur	Walnut Park Apts	12/05/2019	\$ 2,000.00	Other A/P	
Thur	WINDSOR HEIGHTS DEPOSITORY	12/05/2019	\$ 12,548.58	Other A/P	
Fri	ABBAY RIDGE DEPOSITORY	12/06/2019	\$ 42,685.02	A/P	
Fri	Cottonwood	12/06/2019	\$ 23,575.29	A/P	
Fri	Cove East	12/06/2019	\$ 56,300.18	A/P	
Fri	Juanita View	12/06/2019	\$ 20,198.07	A/P	
Fri	Kirkland Heights	12/06/2019	\$ 61,086.36	A/P	
Wed	Ballinger Commons Depository	12/11/2019	\$ 99,678.24	A/P & Payroll	
Wed	Bellepark	12/11/2019	\$ 5,118.62	A/P	
Wed	Emerson	12/11/2019	\$ 43,566.72	A/P & Payroll	
Wed	GILMAN SQUARE DEPOSITORY	12/11/2019	\$ 44,139.35	A/P & Payroll	
Wed	Kendall Ridge	12/11/2019	\$ 24,064.13	A/P	
Wed	Landmark	12/11/2019	\$ 32,531.11	A/P	
Wed	Meadowbrook Depository	12/11/2019	\$ 27,914.58	A/P & Payroll	
Wed	RAINIER VIEW I DEPOSITORY	12/11/2019	\$ 12,023.43	A/P	
Wed	RAINIER VIEW II DEPOSITORY	12/11/2019	\$ 11,700.06	A/P	
Wed	Riverstone	12/11/2019	\$ 70,228.48	A/P	
Wed	SI VIEW DEPOSITORY	12/11/2019	\$ 5,084.31	A/P	
Wed	Tall Cedars	12/11/2019	\$ 14,184.84	A/P	
Wed	Vashon Terrace Depository	12/11/2019	\$ 5,036.19	A/P	
Wed	Villages at South Station	12/11/2019	\$ 75,937.50	A/P & Payroll	
Wed	Woodside East	12/11/2019	\$ 58,431.47	A/P	
Thur	ABBAY RIDGE DEPOSITORY	12/12/2019	\$ 961.30	Bank Fees	
Thur	ALPINE RIDGE DEPOSITORY	12/12/2019	\$ 961.30	Banks Fees	
Thur	ALPINE RIDGE DEPOSITORY	12/12/2019	\$ 12,880.47	A/P & Payroll	
Thur	ARBOR HEIGHTS DEPOSITORY	12/12/2019	\$ 961.30	Bank Fees	
Thur	ARBOR HEIGHTS DEPOSITORY	12/12/2019	\$ 17,820.99	A/P & Payroll	

Thur	Aspen Ridge Apts	12/12/2019	\$ 961.30	Bank Fees	
Thur	Aspen Ridge Apts	12/12/2019	\$ 23,391.85	A/P & Payroll	
Thur	Auburn Square Apts	12/12/2019	\$ 961.30	Bank Fees	
Thur	Auburn Square Apts	12/12/2019	\$ 59,130.44	A/P & Payroll	
Thur	Ballinger Commons Depository	12/12/2019	\$ 961.30	Banks Fees	
Thur	Ballpark	12/12/2019	\$ 961.30	Bank Fees	
Thur	Carriage House Apts	12/12/2019	\$ 961.30	Bank Fees	
Thur	Carriage House Apts	12/12/2019	\$ 47,899.35	A/P & Payroll	
Thur	CASCADIAN DEPOSITORY	12/12/2019	\$ 38,813.04	A/P & Payroll	
Thur	Colonial Gardens	12/12/2019	\$ 961.30	Bank Fees	
Thur	Colonial Gardens	12/12/2019	\$ 21,802.27	A/P & Payroll	
Thur	Cottonwood	12/12/2019	\$ 961.30	Bank Fees	
Thur	Cove East	12/12/2019	\$ 961.30	Bank Fees	
Thur	FAIRWOOD DEPOSITORY	12/12/2019	\$ 961.30	Bank Fees	
Thur	FAIRWOOD DEPOSITORY	12/12/2019	\$ 60,486.46	A/P & Payroll	
Thur	GILMAN SQUARE DEPOSITORY	12/12/2019	\$ 961.30	Bank Fees	
Thur	HERITAGE PARK DEPOSITORY	12/12/2019	\$ 961.30	Bank Fees	
Thur	HERITAGE PARK DEPOSITORY	12/12/2019	\$ 20,256.13	A/P & Payroll	
Thur	Juanita View	12/12/2019	\$ 219.14	Bank Fees	
Thur	Kirkland Heights	12/12/2019	\$ 219.14	Bank Fees	
Thur	Landmark	12/12/2019	\$ 961.30	Bank Fees	
Thur	LAURELWOOD DEPOSITORY ACCOUNT	12/12/2019	\$ 961.30	Bank Fees	
Thur	LAURELWOOD DEPOSITORY ACCOUNT	12/12/2019	\$ 57,468.08	A/P & Payroll	
Thur	Meadowbrook Depository	12/12/2019	\$ 961.30	Bank Fees	
Thur	Meadows Depository Acct	12/12/2019	\$ 961.30	Bank Fees	
Thur	Meadows Depository Acct	12/12/2019	\$ 64,417.13	A/P & Payroll	
Thur	OVERLAKE TOD HOUSING LP DEP CH	12/12/2019	\$ 1,922.59	Bank Fees	
Thur	OVERLAKE TOD HOUSING LP DEP CH	12/12/2019	\$ 124,855.91	A/P & Payroll	
Thur	Parkwood Apts	12/12/2019	\$ 961.30	Bank Fees	
Thur	Parkwood Apts	12/12/2019	\$ 39,308.25	A/P & Payroll	
Thur	RAINIER VIEW I DEPOSITORY	12/12/2019	\$ 969.00	Debt Service	
Thur	RAINIER VIEW I DEPOSITORY	12/12/2019	\$ 1,250.00	Bank Fees	
Thur	RAINIER VIEW II DEPOSITORY	12/12/2019	\$ 727.00	Debt Service	
Thur	RAINIER VIEW II DEPOSITORY	12/12/2019	\$ 1,250.00	Bank Fees	
Thur	Riverstone	12/12/2019	\$ 678.02	Bank Fees	
Thur	SI VIEW DEPOSITORY	12/12/2019	\$ 404.00	Debt Service	
Thur	SI VIEW DEPOSITORY	12/12/2019	\$ 500.00	Bank Fees	
Thur	SOUTHWOOD SQUARE DEPOSITORY	12/12/2019	\$ 961.30	Bank Fees	
Thur	SOUTHWOOD SQUARE DEPOSITORY	12/12/2019	\$ 16,558.86	A/P & Payroll	
Thur	Tall Cedars	12/12/2019	\$ 678.02	Bank Fees	
Thur	The Newporter Apts	12/12/2019	\$ 961.30	Bank Fees	
Thur	The Newporter Apts	12/12/2019	\$ 28,348.73	A/P & Payroll	
Thur	Timberwood	12/12/2019	\$ 961.30	Bank Fees	
Thur	Timberwood	12/12/2019	\$ 46,622.50	A/P & Payroll	
Thur	Vashon Terrace Depository	12/12/2019	\$ 2,883.89	Banks Fees	
Thur	Villages at South Station	12/12/2019	\$ 961.30	Bank Fees	
Thur	Walnut Park Apts	12/12/2019	\$ 961.30	Bank Fees	
Thur	Walnut Park Apts	12/12/2019	\$ 39,613.66	A/P & Payroll	
Thur	WINDSOR HEIGHTS DEPOSITORY	12/12/2019	\$ 961.30	Bank Fees	

Thur	WINDSOR HEIGHTS DEPOSITORY	12/12/2019	\$ 63,379.96	A/P & Payroll	
Thur	Woodland North	12/12/2019	\$ 961.30	Bank Fees	
Thur	Woodland North	12/12/2019	\$ 21,084.54	A/P & Payroll	
Thur	Woodridge Park	12/12/2019	\$ 961.30	Bank Fees	
Thur	Woodridge Park	12/12/2019	\$ 62,791.86	A/P & Payroll	
Thur	Woodside East	12/12/2019	\$ 961.30	Bank Fees	
Fri	ALPINE RIDGE DEPOSITORY	12/13/2019	\$ 7,074.68	Other A/P	
Fri	ALPINE RIDGE DEPOSITORY	12/13/2019	\$ 115,000.00	Distribution to KCHA	
Fri	ARBOR HEIGHTS DEPOSITORY	12/13/2019	\$ 210,000.00	Distribution to KCHA	
Fri	Aspen Ridge Apts	12/13/2019	\$ 210,000.00	Distribution to KCHA	
Fri	Auburn Square Apts	12/13/2019	\$ 300,000.00	Distribution to KCHA	
Fri	Ballinger Commons Depository	12/13/2019	\$ 3,660,000.00	Distribution to KCHA	
Fri	Bellepark	12/13/2019	\$ 525,000.00	Distribution to KCHA	
Fri	Carriage House Apts	12/13/2019	\$ 370,000.00	Distribution to KCHA	
Fri	CASCADIAN DEPOSITORY	12/13/2019	\$ 895,000.00	Distribution to KCHA	
Fri	Colonial Gardens	12/13/2019	\$ 215,000.00	Distribution to KCHA	
Fri	Cottonwood	12/13/2019	\$ 160,000.00	Distribution to KCHA	
Fri	Cove East	12/13/2019	\$ 500,000.00	Distribution to KCHA	
Fri	Emerson	12/13/2019	\$ 560,000.00	Distribution to KCHA	
Fri	FAIRWOOD DEPOSITORY	12/13/2019	\$ 880,000.00	Distribution to KCHA	
Fri	GILMAN SQUARE DEPOSITORY	12/13/2019	\$ 500,000.00	Distribution to KCHA	
Fri	HERITAGE PARK DEPOSITORY	12/13/2019	\$ 205,000.00	Distribution to KCHA	
Fri	Juanita View	12/13/2019	\$ 115,000.00	Distribution to KCHA	
Fri	Kendall Ridge	12/13/2019	\$ 50,000.00	Distribution to KCHA	
Fri	Kirkland Heights	12/13/2019	\$ 180,000.00	Distribution to KCHA	
Fri	Landmark	12/13/2019	\$ 770,000.00	Distribution to KCHA	
Fri	LAURELWOOD DEPOSITORY ACCOUNT	12/13/2019	\$ 250,000.00	Distribution to KCHA	
Fri	Meadowbrook Depository	12/13/2019	\$ 880,000.00	Distribution to KCHA	
Fri	Meadows Depository Acct	12/13/2019	\$ 155,000.00	Distribution to KCHA	
Fri	Parkwood Apts	12/13/2019	\$ 200,000.00	Distribution to KCHA	
Fri	Riverstone	12/13/2019	\$ 1,120,000.00	Distribution to KCHA	
Fri	SOUTHWOOD SQUARE DEPOSITORY	12/13/2019	\$ 125,000.00	Distribution to KCHA	
Fri	Tall Cedars	12/13/2019	\$ 100,000.00	Distribution to KCHA	
Fri	The Newporter Apts	12/13/2019	\$ 300,000.00	Distribution to KCHA	
Fri	Timberwood	12/13/2019	\$ 600,000.00	Distribution to KCHA	
Fri	Vashon Terrace Depository	12/13/2019	\$ 60,000.00	Distribution to KCHA	
Fri	Villages at South Station	12/13/2019	\$ 200,000.00	Distribution to KCHA	
Fri	Villages at South Station	12/13/2019	\$ 300,000.00	Distribution to KCHA	
Fri	Walnut Park Apts	12/13/2019	\$ 480,000.00	Distribution to KCHA	
Fri	WINDSOR HEIGHTS DEPOSITORY	12/13/2019	\$ 395,000.00	Distribution to KCHA	
Fri	Woodridge Park	12/13/2019	\$ 480,000.00	Distribution to KCHA	
Fri	Woodside East	12/13/2019	\$ 1,000,000.00	Distribution to KCHA	
Wed	Bellepark	12/18/2019	\$ 9,624.91	A/P & Payroll	
Wed	Kendall Ridge	12/18/2019	\$ 100,472.48	A/P & Payroll	
Wed	Landmark	12/18/2019	\$ 30,333.00	A/P & Payroll	
Wed	Meadowbrook Depository	12/18/2019	\$ 15,929.43	Other A/P	
Wed	Riverstone	12/18/2019	\$ 142,271.01	A/P & Payroll	
Wed	Tall Cedars	12/18/2019	\$ 20,684.10	A/P	
Wed	Woodside East	12/18/2019	\$ 85,714.82	A/P & Payroll	

Thur	Colonial Gardens	12/19/2019	\$ 6,161.40	Other A/P	
Thur	RAINIER VIEW I DEPOSITORY	12/19/2019	\$ 9,598.95	A/P	
Thur	RAINIER VIEW II DEPOSITORY	12/19/2019	\$ 3,769.88	A/P	
Thur	SI VIEW DEPOSITORY	12/19/2019	\$ 3,401.22	A/P	
Thur	Vashon Terrace Depository	12/19/2019	\$ 2,539.94	A/P	
Thur	Walnut Park Apts	12/19/2019	\$ 16,366.07	Other A/P	
Thur	Woodland North	12/19/2019	\$ 21,275.72	Other A/P	
Fri	ABBNEY RIDGE DEPOSITORY	12/20/2019	\$ 65,736.88	A/P	
Fri	Aspen Ridge Apts	12/20/2019	\$ 2,649.28	Other A/P	
Fri	Cottonwood	12/20/2019	\$ 17,874.03	A/P	
Fri	Cove East	12/20/2019	\$ 139,621.36	A/P	
Fri	Juanita View	12/20/2019	\$ 15,174.92	A/P	
Fri	Kirkland Heights	12/20/2019	\$ 21,473.62	A/P	
Fri	RAINIER VIEW I DEPOSITORY	12/20/2019	\$ 24,369.34	A/P	
Fri	RAINIER VIEW II DEPOSITORY	12/20/2019	\$ 19,449.86	A/P	
Fri	SI VIEW DEPOSITORY	12/20/2019	\$ 7,012.50	A/P	
Mon	Ballinger Commons Depository	12/23/2019	\$ 142,083.47	A/P & Payroll	
Mon	Emerson	12/23/2019	\$ 36,626.45	A/P & Payroll	
Mon	GILMAN SQUARE DEPOSITORY	12/23/2019	\$ 23,661.84	A/P & Payroll	
Mon	Meadowbrook Depository	12/23/2019	\$ 17,747.95	A/P & Payroll	
Mon	SI VIEW DEPOSITORY	12/23/2019	\$ 6,608.75	Other A/P	
Mon	Villages at South Station	12/23/2019	\$ 45,911.04	A/P & Payroll	
Thur	ALPINE RIDGE DEPOSITORY	12/26/2019	\$ 9,209.51	A/P & Payroll	
Thur	ARBOR HEIGHTS DEPOSITORY	12/26/2019	\$ 31,518.30	A/P & Payroll	
Thur	Aspen Ridge Apts	12/26/2019	\$ 23,507.40	A/P & Payroll	
Thur	Auburn Square Apts	12/26/2019	\$ 60,323.07	A/P & Payroll	
Thur	Carriage House Apts	12/26/2019	\$ 19,653.37	A/P & Payroll	
Thur	CASCADIAN DEPOSITORY	12/26/2019	\$ 67,520.36	A/P & Payroll	
Thur	Colonial Gardens	12/26/2019	\$ 23,977.57	A/P & Payroll	
Thur	FAIRWOOD DEPOSITORY	12/26/2019	\$ 67,190.50	A/P & Payroll	
Thur	HERITAGE PARK DEPOSITORY	12/26/2019	\$ 25,186.09	A/P & Payroll	
Thur	LAURELWOOD DEPOSITORY ACCOUNT	12/26/2019	\$ 58,995.61	A/P & Payroll	
Thur	Meadows Depository Acct	12/26/2019	\$ 21,605.85	A/P & Payroll	
Thur	OVERLAKE TOD HOUSING LP DEP CH	12/26/2019	\$ 65,682.71	A/P & Payroll	
Thur	Parkwood Apts	12/26/2019	\$ 44,429.47	A/P & Payroll	
Thur	SOUTHWOOD SQUARE DEPOSITORY	12/26/2019	\$ 34,972.92	A/P & Payroll	
Thur	The Newporter Apts	12/26/2019	\$ 35,795.46	A/P & Payroll	
Thur	Timberwood	12/26/2019	\$ 67,018.37	A/P & Payroll	
Thur	Walnut Park Apts	12/26/2019	\$ 182,516.78	A/P & Payroll	
Thur	WINDSOR HEIGHTS DEPOSITORY	12/26/2019	\$ 26,035.96	A/P & Payroll	
Thur	Woodland North	12/26/2019	\$ 9,017.49	A/P & Payroll	
Thur	Woodridge Park	12/26/2019	\$ 66,901.88	A/P & Payroll	
Tue	Bellepark	12/31/2019	\$ 6,816.47	Payroll	
Tue	Kendall Ridge	12/31/2019	\$ 15,122.74	Payroll	
Tue	Landmark	12/31/2019	\$ 12,313.04	Payroll	
Tue	Riverstone	12/31/2019	\$ 13,390.97	Payroll	
Tue	Tall Cedars	12/31/2019	\$ 6,736.34	A/P	
Tue	Woodside East	12/31/2019	\$ 12,355.22	Payroll	
186 Wires-Total:			\$ 21,319,977.07		

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To: Board of Commissioners

From: Dan Landes

Date: February 18, 2020

Re: **Resolution No. 5646** – A RESOLUTION of the Housing Authority of the County of King authorizing the Executive Director to submit a proposal to Sound Transit for selection of Qualified Entity and a Master Development Team to implement a Transit Oriented Development Project at the Spring District/120th Station and Operations and Maintenance Facility East (OMFE) in Bellevue, WA

Executive Summary

In December 2019, Sound Transit issued a Request for Proposals (RFP) to select a “Qualified Entity” and Master Development Team to develop a large 6.8 acre parcel across the street from the future Spring District/120th Station for Transit-Oriented Development (TOD). The site is on land owned by Sound Transit that is surplus to the adjoining Operation and Maintenance Facility Eastside (OMFE). The RFP seeks a team to build a mixed-use development with office, retail, market rate and affordable housing uses as well as a variety of public amenities. Sound Transit intends to donate the portion of the land used for affordable housing but will charge fair market value for the land for other uses under a long-term lease. Under state law, Sound Transit can only donate land to a Qualified Entity which is defined as a housing authority, local government or nonprofit. For this reason, the RFP requires that a Qualified Entity be the respondent to the RFP even though up to 70% of the TOD project could potentially be for market rate uses. The OMFE site itself is a part of Bellevue’s Spring District, located in the BelRed Corridor that is bisected by the EastLink light rail line that will run from Seattle to Bellevue to Redmond and become operational in 2023. The Spring District is a 36-acre fast-growing TOD redevelopment area that currently includes the new Global Innovation Exchange, a Microsoft-funded graduate academic partnership between University of Washington and Tsinghua University in Beijing, and will be the future home of Facebook offices and the REI corporate headquarters.

KCHA has been asked to partner with a development team co-led by Greystar and Lincoln Property Company, two well-known national full service real estate firms with extensive experience and commercial portfolios both nationally and in the region. KCHA would serve as the Qualified Entity and develop some or all of the affordable housing component of the larger master plan.

Lead Partners

Greystar is one of the largest operators of multifamily real estate in the country. Greystar's role would be to develop the market rate housing within the master plan. Although KCHA has not worked with Greystar's development division, KCHA has worked extensively with the property management arm of Greystar which currently manages 7 KCHA developments (1,625 work force units), including Woodside East, Bellepark East, Landmark, Riverstone, Villages at South Station and the recently acquired Kendall Ridge and Hampton Greens. Lincoln Property's role would be to focus on the commercial/retail portion of the development. Lincoln Property Company is also a very large multinational firm based in Dallas, that provides a comprehensive suite of commercial and residential real estate services. Both firms have been in business for over 30 years and work extensively with large corporate investors as their primary source of funding for complex mixed-use projects like the OMFE TOD project. They have assembled an impressive team of technical consultants to develop the proposal lead by Mithun Architects, KPPF Engineers and Walsh Construction, that also includes traffic engineers, geotechnical engineers, environmental engineers and other consultants.

RFP Process

Sound Transit's RFP process is divided into two phases: a qualification based conceptual phase where initial proposals are due on February 25th and several proposers are ultimately "shortlisted", and a final technical phase where the shortlisted proposers submit a detailed final proposal on May 26th. Based on the final proposals a Qualified Entity and a Master Development Team is selected by Sound Transit in October to develop the site. All parties and consultants are donating their time during both proposal phases of the RFP process.

Qualified Entity

Sound Transit's Request for Proposals requires that all proposals be submitted by a Qualified Entity. Subject to Board approval, KCHA has expressed a willingness to serve in that role for the team. This ministerial role is not expected to add significant additional cost, time or effort to KCHA's development workload in the near term.

Roles, Responsibilities and Risks

The conceptual plan is still under development by the development team, but the project essentially involves building a large below grade parking structure atop which 2-3 office buildings and 3-4 housing buildings will be built. At least two of the buildings are expected to be 100% affordable and will comprise a total of 250 – 300 units. Ground floor retail, a public plaza, vehicle and pedestrian circulation and other site amenities are also part of the concept. The design challenge is to develop an efficiently built parking garage on an odd shaped site TOD site with the capacity to handle the expected number of vehicles. Although this is a TOD site next to high capacity light rail station, many of the expected users of the site may still have vehicles.

Greystar/Lincoln Properties will be the master developer of the site and will retain all consultants and lead contract negotiations with Sound Transit and the design review and permitting process with the City of Bellevue, which are expected to take at least 18 months. Once all entitlement activities are completed and the Master Development Plan is finalized, then

the Greystar/ Lincoln Properties joint venture will construct the parking structure/podium deck in 1 or 2 phases and deliver the affordable sites in the form of a fee simple condominium, air rights or other form of insurable title so the affordable housing sites can be owned and developed by the affordable housing developer. Ideally, Greystar would like to construct the affordable housing buildings sequentially with the construction of the parking structure on a turnkey basis but this may not be feasible or desirable depending on a number of factors such as cost, timing of affordable housing financing and public procurement requirements.

Once selected in October, the Master Development Team will begin to incur significant predevelopment costs for design, engineering and other entitlement activities which will be shared among the different developers of the site based on square footage, number of parking spaces or some other pro rata share formula. The affordable housing on the site is expected to be around 300 units and will command a significant share of these costs and will pay a portion of the parking garage and infrastructure cost in advance of the actual construction of the affordable housing buildings. In addition, development of the affordable housing itself will require securing tax credit financing and other funding beyond the \$14 million in funding and free land already promised in the RFP. KCHA hopes to limit or cap predevelopment and garage/infrastructure costs but this will be subject to future negotiations with Greystar/Lincoln Properties.

Bellwether Housing

To reduce KCHA's future cost exposure and risk, Bellwether Housing, a Seattle based nonprofit affordable housing developer has been invited by KCHA to join the Master Development Team to develop one of the two affordable housing sites. Bellwether is one of the larger affordable housing developers in the region with over 900 units currently under construction and has worked with Sound Transit on two TOD projects in Seattle. Not only is Bellwether experienced and financially strong but KCHA's development staff is very well acquainted with their principals and is comfortable sharing the risks and benefits of the project with Bellwether.

Board Action

A resolution authorizing the submission of a proposal for the Sound Transit TOD project is a required element of the RFP. Staff recommends passage of resolution number 5646. Staff will return to the Board in the months ahead with updates as this project evolves.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5646

(OMFE Development Proposal)

A RESOLUTION of the Housing Authority of the County of King authorizing the Executive Director to submit a proposal to Sound Transit for selection of a Qualified Entity and a Master Development Team to implement a Transit Oriented Development Project at the Spring District/120th Station and Operations and Maintenance Facility East (OMFE) in Bellevue, WA.

WHEREAS, on December 3, 2019, Sound Transit published a Request for Proposals (RFP No. RTA/RP 0102-10) soliciting proposals from Qualified Entities for Transit-Oriented Development (TOD) at the OMFE site located next to the Spring District/120th Station covering approximately 6.88 acres in Bellevue, Washington (the “Property”); and

WHEREAS, Qualified Entities are defined in the RFP to be a “local government, housing authority, or non-profit developer;” and

WHEREAS, the Authority is authorized by its enabling legislation to operate in the area that is now the City of Bellevue, owns and operates over 2000 units of housing in the city, and administers over 1300 housing choice vouchers in the city; and

WHEREAS, the RFP seeks proposals from a Qualified Entity proposing a Master Development Team to develop the Property for mixed use (office, retail and housing) development, with three or more pads at the Property having capacity for over 500 units of affordable and market rate housing, and with up to \$14,000,000 in capital funding from King County’s Department of Community and Human Services and A Regional Coalition for Housing to finance the affordable housing components of the project; and

WHEREAS, the Authority will propose a Master Development Team led by Greystar and Lincoln Property Company to jointly oversee the development of the Master Development Plan for the Property and directly develop the market rate housing, retail, office uses, and associated infrastructure; and

WHEREAS, the Authority has agreed to join this team to serve as the Qualified Entity and to develop a portion of the affordable housing on the Property; and

WHEREAS, the Authority has invited Bellwether Housing to join the team as a second Qualified Entity and to develop a portion of the affordable housing on the Property; and

WHEREAS, the Property is located in the BelRed Corridor, approximately one mile east of downtown Bellevue and is in an area defined by the Authority as a High Opportunity area and prioritized by the Authority's Board of Commissioners for low income housing development; and

WHEREAS, the Property is zoned for transit-oriented, mixed-use, affordable housing development adjoining a future light rail station located directly across the street from the Property;

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 a housing authority constituted under RCW 35.82, and therefore meets the definition of a "Qualified Entity" for purposes of the RFP.

Section 2. The Authority is authorized and directed to submit to Sound Transit a proposal, as a Qualified Entity, for the development of affordable housing on a portion of the Property, and should this proposal be accepted, the Executive Director is authorized to execute any agreements necessary to confirm such proposal and secure related funds, including but not limited to covenants, contracts, loan agreements, notes, deeds of trust, regulatory agreements and such other documents as may be deemed reasonable by the Executive Director.

Section 3. In advance of the proposal submission, the Executive Director is further authorized to enter into agreements with other Master Development Team members clarifying and governing the roles, responsibilities, and working relationships of team members.

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

ADOPTED AT THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 18TH DAY OF FEBRUARY, 2020.

HOUSING AUTHORITY OF THE COUNTY OF KING

By: _____
Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:

Stephen J. Norman
Executive Director and Secretary-Treasurer

CERTIFICATE

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

1. That the attached Resolution No. 5646 (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 February 18, 2020, 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 18th day of February, 2020.

Stephen J. Norman
Executive Director and Secretary-Treasurer

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TO: Board of Commissioners

FROM: Tim Walter

DATE: February 18, 2020

RE: **Resolution 5647 and 5648** – Resolutions related to the development financing for the Abbey Ridge, Bellevue Manor and Woodland North Apartments authorizing (a) the tax-exempt bonds to refinance and/or reimburse development related costs incurred prior to the issuance of the tax-exempt bonds and (b) modification to the amounts of financing facilities previously authorized by the Board of Commissioners.

Resolutions 5647 and 5648 make some technical corrections to the development financing approved at the November 2019 Board of Commissioner’s meeting for the Abbey Ridge/Bellevue Manor Apartments and the Woodland North Apartments projects. The resolutions explicitly authorize (a) tax-exempt financing issued in conjunction with the developments to be used to refinance and/or reimburse development-related costs incurred prior to the issuance of the tax-exempt bonds and (b) allow for modification of the amounts of KCHA-provided financing previously authorized by the Board of Commissioners.

At the November 2019 Board of Commissioner’s meeting, the Board approved resolutions 5636, 5637, 5638 and 5639. These four resolutions authorized the transfer of the Abbey Ridge, Bellevue Manor and Woodland North Apartments to two tax credit limited partnerships – Abbell LLLP (Abbey Ridge/Bellevue Manor) and Woodland North LLLP (Woodland North) – as well as the short-term financing and long-term financing necessary to facilitate the sale and rehabilitation of the three properties.

Resolutions 5647 and 5648 authorize the use of tax-exempt bonds issued with respect to the projects to reimburse or refinance development costs that are incurred prior to the issuance of the bonds. This authorization is a technical requirement of the tax code that is necessary (i) to allow the sale and rehabilitation work to commence before issuance of the tax-exempt debt and (ii) to then replace the previously incurred debt with the tax-exempt proceeds. KCHA is using tax-exempt bonds because another tax credit program threshold test requires that at least 50% of the total project costs must be paid for with private activity tax-exempt bonds in order to secure the availability of the tax credits.

In addition, resolutions 5647 and 5648 authorize increases in the amounts of the KCHA long-term subordinate financing and interim seller financing for each of the developments. These increases will be off-set by corresponding decreases in the amount of the deferred developer fee loans and long-term seller financing. These modifications do not change the overall cost of the projects or the total amount of KCHA-provided financing but only serve to change the source of funds through which the financing will be provided.

Staff recommends passage of Resolutions 5647 and 5648.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5647

(WOODLAND NORTH PROJECT)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King declaring the Authority's intention to sell tax-exempt obligations to provide financing to Woodland North LLLP (the "Partnership"), a Washington limited liability limited partnership of which the Authority is the sole general partner, in connection with the acquisition, rehabilitation and equipping of the Woodland North Apartments; amending Resolution No. 5639 of the Authority to amend the not to exceed amounts, and to expand the authorized uses of the proceeds of the loan to the Partnership to be made with proceeds, of the Authority's Revenue Note, 2020 (Woodland North Project) (Tax-Exempt) and Revenue Note, 2020 (Woodland North Project) (Taxable); supplementing Resolution No. 5638 of the Authority to revise the amounts and types of financing to be provided by the Authority to the Partnership; and determining related matters.

ADOPTED FEBRUARY 18, 2020

*This document was prepared by:
FOSTER GARVEY P.C.
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400*

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5647

(WOODLAND NORTH PROJECT)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King declaring the Authority's intention to sell tax-exempt obligations to provide financing to Woodland North LLLP (the "Partnership"), a Washington limited liability limited partnership of which the Authority is the sole general partner, in connection with the acquisition, rehabilitation and equipping of the Woodland North Apartments; amending Resolution No. 5639 of the Authority to amend the not to exceed amounts, and to expand the authorized uses of the proceeds of the loan to the Partnership to be made with proceeds, of the Authority's Revenue Note, 2020 (Woodland North Project) (Tax-Exempt) and Revenue Note, 2020 (Woodland North Project) (Taxable); supplementing Resolution No. 5638 of the Authority to revise the amounts and types of financing to be provided by the Authority to the Partnership; and determining related matters.

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

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, 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(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing 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, the Authority has formed Woodland North LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the “Partnership”) to finance the acquisition, rehabilitation and equipping of the an approximately 105-unit multifamily housing complex currently known as the Woodland North Apartments, and located at 3611 NE 155th Street, Lake Forest Park, Washington (the “Project”), the estimated cost of which is not expected to exceed \$50,000,000; and

WHEREAS, the Partnership has requested that the Authority issue and sell its revenue obligations for the purpose of assisting the Partnership in financing or refinancing the Project; and

WHEREAS, the Authority desires to provide such assistance, if certain conditions are met; and

WHEREAS, Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility that are made before the issue date of bonds issued to provide financing for that facility to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse any such expenditures from the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of such regulations;

WHEREAS, on November 18, 2019, the Board of Commissioners (the “Board”) of the Authority adopted Resolution No. 5639 (the “Original Note Resolution”) providing for the issuance of the Authority’s Revenue Note, 2020 (Woodland North Project) (Tax-Exempt) (the “Tax-Exempt Note”) and Revenue Note, 2020 (Woodland North Project) (Taxable) (together with the Tax-Exempt Note, the “Notes”), for the purpose of making a loan to the Partnership to

provide a portion of the funds required to finance the acquisition, rehabilitation and equipping of the Project; and

WHEREAS, the Partnership has requested that the Authority increase the maximum principal amount of the Tax-Exempt Note and the combined maximum principal amount of the Notes, and that the Authority expand the authorized uses of the proceeds of the loan to the Partnership to be made with proceeds of the Notes to include refunding or repayment of other obligations of the Partnership incurred to finance costs of acquiring, rehabilitating, and/or equipping the Project; and

WHEREAS, the Board has determined that it is necessary and advisable and in the best interest of the Authority to modify the Original Note Resolution to provide for these changes to the Original Note Resolution, and to provide discretionary authority to officers of the Authority to determine not to issue one of the Notes; and

WHEREAS, on November 18, 2019, the Board adopted Resolution No. 5638 (the “Original Omnibus Resolution”) authorizing, among other things, the Authority to make available to the Partnership long term seller financing in the approximate amount of \$12,000,000, interim seller financing in the approximate amount of \$11,200,000, and subordinate loan financing in the approximate amount of \$4,200,000, and to accept a deferred development fee in an undetermined amount; and

WHEREAS, the Partnership has requested that in lieu of deferred development fee contemplated in the Original Omnibus Resolution and certain lease payments as described in the Lease (as defined in the Original Omnibus Resolution), the Authority increase the maximum principal amount of subordinate loan financing to be provided by the Authority to the Partnership; and

WHEREAS, the Partnership has requested that in lieu of the Long Term Seller Financing (as defined in the Original Omnibus Resolution) and the Interim Seller Financing (as defined in

the Original Omnibus Resolution), the Authority provide seller financing in the amount of up to \$24,400,000 (acquisition financing to be provided to the Partnership through lease payment structure) (the “Seller Financing”); and

WHEREAS, the Board has determined that it is necessary and advisable and in the best interest of the Authority to modify the Original Omnibus Resolution to provide for these changes;

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

Section 1. Definitions. Except as otherwise set forth herein, capitalized terms used but not otherwise defined in the recitals and elsewhere in this resolution shall have the meanings assigned to them in Resolution No. 5639 of the Authority.

Section 2. Declaration of Intent to Issue Tax-Exempt Obligations and to Permit Use of Proceeds to Reimburse Project Expenditures.

(a) To assist in the financing of the Project, with the public benefits resulting therefrom, the Authority declares its intention, subject to the conditions and terms set forth herein, to issue and sell the Tax-Exempt Note and other tax-exempt revenue bonds or other obligations (collectively, the “Obligations”) in an aggregate principal amount not to exceed \$25,000,000, to use the proceeds of the sale of the Obligations to make one or more loans (together, the “Conduit Loans”) to the Partnership, and to permit the Partnership to reimburse itself or the Authority, as applicable, from proceeds of the Obligations for expenditures for the Project made by the Partnership or the Authority before the respective issue dates of the Obligations.

(b) The proceeds of the Obligations will be used to assist in financing the Project, and may also be used to pay all or part of the costs incident to the authorization, sale, issuance and delivery of the Obligations.

(c) The Obligations may be issued in one or more series, and shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall be provided by resolution of the Board of Commissioners of the Authority.

(d) The Obligations shall be issued subject to the conditions that (i) the Authority, the Partnership and the purchaser(s) of the Obligations shall have first agreed to mutually acceptable terms for the Obligations and the sale and delivery thereof and mutually acceptable terms and conditions of the Conduit Loans or other agreement for the Project, and (ii) all governmental approvals and certifications and findings required by laws applicable to the Obligations first shall have been obtained.

(e) For purposes of applicable Treasury Regulations, the Partnership is authorized to commence financing of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issue of Obligations authorized herein. However, the adoption of this resolution does not constitute a guarantee that the Obligations will be issued or that the Project will be financed as described herein.

(f) It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue dates of the Obligations from proceeds of the Obligations, for the purposes of Treasury Regulations Sections 1.103-8(a)(5) and 1.150-2.

Section 3. Amendment of Section 2 of the Original Note Resolution. Section 2 of Resolution No. 5639 is hereby amended and restated in its entirety to read as follows [*new text double underlined, deleted text struck through*]:

Section 2. Authorization of Notes and Application of Proceeds. The Authority shall issue and sell the Notes in an aggregate principal

amount not to exceed ~~\$12,000,000~~ \$13,000,000 for the purpose of making a loan to the Partnership to provide a portion of the funds required to accomplish the Project or to refund or repay obligations of the Partnership incurred to finance costs the Project. Such Note financing is declared and determined to be important for the feasibility of the Project. All proceeds from Draws on the Notes 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 Notes for the purposes set forth in this resolution. The Authorized Officers, and each of them acting alone, are hereby granted the discretionary authority to determine to issue and sell only one of the Notes.

Section 4. Amendment of Section 3 of the Original Note Resolution. The first sentence of Section 3 of Resolution No. 5639 is hereby amended and restated in its entirety to read as follows [*new text double underlined, deleted text struck through*]:

The Notes shall be designated the Revenue Note, ~~{2019/2020}~~ (Woodland North Project) (Taxable) (the “Taxable Note”) and Revenue Note, ~~{2019/2020}~~ (Woodland North Project) (Tax-Exempt) (the “Tax-Exempt Note”), of the Authority; shall be in an aggregate principal amount not to exceed ~~\$12,000,000~~ \$13,000,000; shall be dated their date of delivery to the Bank; and shall each be numbered R-1.

Section 5. Amendment of Section 4 of the Original Note Resolution. The third through fifth (inclusive) sentences of Section 3 of Resolution No. 5639 are hereby amended and restated in their entirety to read as follows [*new text double underlined, deleted text struck through*]:

Draws on the Taxable Note shall be limited to an aggregate principal amount of not to exceed \$1,000,000. Draws on the Tax-Exempt Note shall be limited to an aggregate principal amount of not to exceed ~~\$11,000,000~~ \$12,000,000. Total Draws on the Notes shall be limited to an aggregate principal amount of not to exceed ~~\$12,000,000~~ \$13,000,000.

Section 6. Supplemental Authorization to Increase the Maximum Principal Amount of Subordinate Loans. The Authority is authorized to lend to the Partnership, and the Partnership is authorized to borrow from the Authority, up to an additional \$15,800,000 of available Authority funds in excess of the amount of the Subordinate Loan (as defined in the Original Omnibus Resolution) contemplated by the Original Omnibus Resolution. Such amount may, at the discretion of the Executive Director, be evidenced by one or more notes (collectively, the “Subordinate Loan”). The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to determine the source (or sources) of funds for each Subordinate Loan. The Subordinate Loans are in addition to loans to the Partnership by the Authority of taxable and/or tax-exempt note and/or bond proceeds to the Partnership and acquisition financing to be provided to the Partnership through delayed capitalized Lease Payments (as defined in the Original Omnibus Resolution).

Section 7. Supplemental Authorization to Increase the Maximum Principal Amount of Seller Financing. The Authority is authorized to provide to the Partnership, and the Partnership is authorized to accept, up to \$24,400,000 of financing for the acquisition of the Project in the form of Seller

Financing (as defined above). Such Seller Financing shall be in lieu of the Long Term Seller Financing (as defined in the Original Omnibus Resolution) and the Interim Seller Financing (as defined in the Original Omnibus Resolution).

Section 8. Determinations as to Loan Financing. The loan financing authorized by the Original Omnibus Resolution, together with additional financings authorized by Sections 6 and 7 of this resolution, is important for the feasibility of the Project and necessary to enable the Authority to carry out its powers and purposes under the Housing Authorities Law (chapter 35.82 RCW).

Section 9. No Other Changes to Original Note Resolution or Original Omnibus Resolution. Except as and to the extent modified by this resolution, Resolution No. 5639 and Resolution No. 5638 shall remain in full force and effect.

Section 10. 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 11. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED AT THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 18TH DAY OF FEBRUARY, 2020.

HOUSING AUTHORITY OF THE COUNTY OF KING

By _____
Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:

Stephen J. Norman
Executive Director

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. 5647 (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 February 18, 2020, 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 18th day of February, 2020.

STEPHEN J. NORMAN, Acting Secretary and
Deputy Executive Director of the Authority

CERTIFICATE

APPENDIX I

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HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5648

(BELLEVUE MANOR AND ABBEY RIDGE PROJECTS)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King declaring the Authority's intention to sell tax-exempt obligations to provide financing to Abbell LLLP (the "Partnership"), a Washington limited liability limited partnership of which the Authority is the sole general partner, in connection with the acquisition, rehabilitation and equipping of the Bellevue Manor Apartments and the Abbey Ridge Apartments; amending Resolution No. 5637 of the Authority to expand the authorized uses of the proceeds of the loan to the Partnership to be made with proceeds of the Authority's Revenue Note, 2020 (Bellevue Manor and Abbey Ridge Projects) (Tax-Exempt) and Revenue Note, 2020 (Bellevue Manor and Abbey Ridge Projects) (Taxable); supplementing Resolution No. 5636 of the Authority to revise the amounts and types of financing to be provided by the Authority to the Partnership; and determining related matters.

ADOPTED FEBRUARY 18, 2020

*This document was prepared by:
FOSTER GARVEY P.C.
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400*

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5648

(BELLEVUE MANOR AND ABBEY RIDGE PROJECTS)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King declaring the Authority's intention to sell tax-exempt obligations to provide financing to Abbell LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, in connection with the acquisition, rehabilitation and equipping of the Bellevue Manor Apartments and the Abbey Ridge Apartments; amending Resolution No. 5637 of the Authority to expand the authorized uses of the proceeds of the loan to Abbell LLLP to be made with proceeds of the Authority's Revenue Note, 2020 (Bellevue Manor and Abbey Ridge Projects) (Tax-Exempt) and Revenue Note, 2020 (Bellevue Manor and Abbey Ridge Projects) (Taxable) to include refunding or repayment of other obligations of Abbell LLLP incurred to finance costs of acquiring, rehabilitating, and/or equipping Bellevue Manor Apartments and the Abbey Ridge Apartments; and determining related matters.

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

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, 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(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing 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, the Authority has formed Abbell LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the “Partnership”) to finance the acquisition, rehabilitation and equipping of the following two affordable rental housing developments: (1) an approximately 66-unit multifamily housing complex currently known as the Bellevue Manor Apartments, and located at 143 Bellevue Way SE, Bellevue, Washington (the “Bellevue Manor Project”); and (2) an approximately 146-unit multifamily housing complex currently known as the Abbey Ridge Apartments, and located at 3035 S 204th Street, SeaTac, Washington (the “Abbey Ridge Project” and, together with the Bellevue Manor Project, the “Projects” and each, a “Project”), the estimated aggregate cost of which is not expected to exceed \$130,000,000; and

WHEREAS, the Partnership has requested that the Authority issue and sell its revenue obligations for the purpose of assisting the Partnership in financing or refinancing the Projects; and

WHEREAS, the Authority desires to provide such assistance, if certain conditions are met; and

WHEREAS, Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility that are made before the issue date of bonds issued to provide financing for that facility to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse any such expenditures from the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of such regulations;

WHEREAS, on November 18, 2019, the Board of Commissioners (the “Board”) of the Authority adopted Resolution No. 5637 (the “Original Note Resolution”) providing for the issuance of the Authority’s Revenue Note, 2020 (Bellevue Manor and Abbey Ridge Projects) (Tax-Exempt) (the “Tax-Exempt Note”) and Revenue Note, 2020 (Bellevue Manor and Abbey Ridge Projects) (Taxable) (together with the Tax-Exempt Note, the “Notes”), for the purpose of making a loan to the Partnership to provide a portion of the funds required to finance the acquisition, rehabilitation and equipping of the Projects; and

WHEREAS, the Partnership has requested that the Authority expand the authorized uses of the proceeds of the loan to the Partnership to be made with proceeds of the Notes to include refunding or repayment of other obligations of the Partnership incurred to finance costs of acquiring, rehabilitating, and/or equipping the Projects; and

WHEREAS, the Board has determined that it is necessary and advisable and in the best interest of the Authority to modify the Original Note Resolution to provide for this change;

WHEREAS, on November 18, 2019, the Board adopted Resolution No. 5636 (the “Original Omnibus Resolution”) authorizing, among other things, the Authority to make available to the Partnership long term seller financing in the approximate amount of \$14,300,000, interim seller financing in the approximate amount of \$32,500,000, and subordinate loan financing in the approximate amount of \$17,550,000, and to accept a deferred development fee in an undetermined amount; and

WHEREAS, the Partnership has requested that in lieu of deferred development fee contemplated in the Original Omnibus Resolution and certain lease payments as described in the Lease (as defined in the Original Omnibus Resolution), the Authority increase the maximum

principal amount of subordinate loan financing to be provided by the Authority to the Partnership;
and

WHEREAS, the Partnership has requested that in lieu of the Long Term Seller Financing (as defined in the Original Omnibus Resolution) and the Interim Seller Financing (as defined in the Original Omnibus Resolution) the Authority provide seller financing in the amount of up to \$24,400,000 (acquisition financing to be provided to the Partnership through lease payment structure) (“Seller Financing”);

WHEREAS, the Board has determined that it is necessary and advisable and in the best interest of the Authority to modify the Original Omnibus Resolution to provide for these changes;

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

Section 1. Definitions. Except as otherwise set forth herein, capitalized terms used but not otherwise defined in the recitals and elsewhere in this resolution shall have the meanings assigned to them in Resolution No. 5637 of the Authority.

Section 2. Declaration of Intent to Issue Tax-Exempt Obligations and to Permit Use of Proceeds to Reimburse Project Expenditures.

(a) To assist in the financing of the Projects, with the public benefits resulting therefrom, the Authority declares its intention, subject to the conditions and terms set forth herein, to issue and sell the Tax-Exempt Note and other tax-exempt revenue bonds or other obligations (collectively, the “Obligations”) in an aggregate principal amount not to exceed \$65,000,000, to use the proceeds of the sale of the Obligations to make one or more loans (together, the “Conduit Loans”) to the Partnership, and to permit the Partnership to reimburse itself or the Authority, as applicable,

from proceeds of the Obligations for expenditures for the Projects made by the Partnership or the Authority before the respective issue dates of the Obligations.

(b) The proceeds of the Obligations will be used to assist in financing the Projects, and may also be used to pay all or part of the costs incident to the authorization, sale, issuance and delivery of the Obligations.

(c) The Obligations may be issued in one or more series, and shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall be provided by resolution of the Board of Commissioners of the Authority.

(d) The Obligations shall be issued subject to the conditions that (i) the Authority, the Partnership and the purchaser(s) of the Obligations shall have first agreed to mutually acceptable terms for the Obligations and the sale and delivery thereof and mutually acceptable terms and conditions of the Conduit Loans or other agreement for the Projects, and (ii) all governmental approvals and certifications and findings required by laws applicable to the Obligations first shall have been obtained.

(e) For purposes of applicable Treasury Regulations, the Partnership is authorized to commence financing of the Projects and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issue of Obligations authorized herein. However, the adoption of this resolution does not constitute a guarantee that the Obligations will be issued or that the Projects will be financed as described herein.

(f) It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Projects made before the issue dates of the Obligations from

proceeds of the Obligations, for the purposes of Treasury Regulations Sections 1.103-8(a)(5) and 1.150-2.

Section 3. Amendment of Section 2 of the Original Note Resolution. Section 2 of Resolution No. 5637 is hereby amended and restated in its entirety to read as follows [*new text double underlined*]:

Section 2. Authorization of Notes and Application of Proceeds. The Authority shall issue and sell the Notes in an aggregate principal amount not to exceed \$40,000,000 for the purpose of making a loan to the Partnership to provide a portion of the funds required to accomplish the Projects or to refund or repay obligations of the Partnership incurred to finance costs the Projects. Such Note financing is declared and determined to be important for the feasibility of the Projects. All proceeds from Draws on the Notes 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 Notes for the purposes set forth in this resolution.

Section 4. Supplemental Authorization to Increase the Maximum Principal Amount of Subordinate Loans. The Authority is authorized to lend to the Partnership, and the Partnership is authorized to borrow from the Authority, up to an additional \$20,450,000 of available Authority funds in excess of the amount of the Subordinate Loan (as defined in the Original Omnibus Resolution) contemplated by the Original Omnibus Resolution. Such amount may, at the discretion of the Executive Director, be evidenced by one or more notes (collectively, the “Subordinate Loans”). The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to

determine the source (or sources) of funds for each Subordinate Loan. The Subordinate Loans are in addition to loans to the Partnership by the Authority of taxable and/or tax-exempt note and/or bond proceeds and acquisition financing to be provided to the Partnership through delayed capitalized Lease Payments (as defined in the Original Omnibus Resolution).

Section 5. Supplemental Authorization to Increase the Maximum Principal Amount of Seller Financing. The Authority is authorized to provide to the Partnership, and the Partnership is authorized to accept, up to \$48,600,000 of financing for the acquisition of the Projects in the form of Seller Financing (as defined above). Such Seller Financing shall be in lieu of the Long Term Seller Financing (as defined in the Original Omnibus Resolution) and the Interim Seller Financing (as defined in the Original Omnibus Resolution).

Section 6. Determinations as to Loan Financing. The loan financing authorized by the Original Omnibus Resolution, together with additional financings authorized by Sections 4 and 5 of this resolution, is important for the feasibility of the Projects and necessary to enable the Authority to carry out its powers and purposes under the Housing Authorities Law (chapter 35.82 RCW).

Section 7. No Other Changes to Original Note Resolution or Original Omnibus Resolution. Except as and to the extent modified by this resolution, Resolution No. 5637 and Resolution No. 5636 shall remain in full force and effect.

Section 8. 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 9. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

**ADOPTED AT THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC
MEETING THIS 18TH DAY OF FEBRUARY, 2020.**

**HOUSING AUTHORITY OF THE COUNTY OF
KING**

By _____
Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:

Stephen J. Norman
Executive Director and Secretary-Treasurer

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. 5648 (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 February 18, 2020, 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 18th day of February, 2020.

STEPHEN J. NORMAN, Acting Secretary and
Deputy Executive Director of the Authority

CERTIFICATE

APPENDIX I

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To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: February 5, 2020

Re: **New Bank Accounts**

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

Bank: Bank of America

- Housing Authority of the County of King (Hampton Greens Depository)

Purpose: This new depository account will receive and hold all payments from tenants for Hampton Green Apartments. Periodic wire transfers will be made from this account to pay for operating expenses.

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TO: Board of Commissioners

FROM: Tim Baker, Senior Management Analyst

DATE: January 8, 2020

RE: **Fourth Quarter CY 2019 Procurement Report**

In order to update the Board concerning KCHA's procurement activities, staff is presenting the attached Quarterly Procurement Report. This report covers all procurement activities from October through December 2019 that involved the award of contracts valued over the amount of \$100,000 and change orders that have cumulatively exceeded 10% of the original or not to exceed contract amount.

Awarded Contracts Over \$100,000:

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

In the first quarter, there were 8 contracts awarded and valued at more than \$100,000, representing 93% of the contracts executed in the quarter. The largest contract executed for construction work was for \$1,604,773 awarded to American West for the Pacific Court envelope upgrade project managed by the Capital Construction Department. There was one contract awarded via cooperative purchase for doors and millwork supplies from HD Supply for \$345,000.

For calendar year 2019, Women/Minority owned businesses were awarded 7.6% of the contracts for a total of \$3.7 million. Section 3 businesses were awarded 6% of the contracts for a total of \$2.8 million.

Contract Change Orders Exceeding 10%:

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

issued in response to unforeseen field conditions or expanded project scopes, and change orders which were foreseen at the time the initial contract was signed (primarily through contract extensions on multi-year contracts). The not-to-exceed total for the “foreseen” change order section is the projected total amount of the contract once all the foreseen change orders are completed.

There was one condition change order issued and 3 anticipated change orders involving the extension of the contract as allowed in the original contract. Two were issued by Resident Services Department for educational initiatives.

**KING COUNTY HOUSING AUTHORITY
QUARTERLY PROCUREMENT REPORT
October-December 2019 (Fourth Quarter)**

Awarded Contracts Over \$100,000

Issuing Department	Contract type	Contract Awarded to	Estimate/Budget Amount	Initial Contract Amount	NTE with extensions	Procurement Process	# of bids	Notes
Asset Management	Vantage Glen rockery restoration	Turnstone Const.	\$209,738	\$140,924	\$140,924	sealed bid	5	Contractor to self-perform the work, hence the much lower cost than the estimate.
Capital Construction	Kings Court water line replacement	Accord	\$432,321	\$396,889	\$396,889	sealed bid	1	Contractor has successfully completed several KCHA projects. Section 3 business.
Capital Construction	600 Building interior renovations	Regency NW	\$547,908	\$549,000	\$549,000	sealed bid	4	Contractor has successfully completed several KCHA projects.
Capital Construction	Pacific Court envelope upgrades	American West	\$1,604,773	\$1,327,286	\$1,327,286	sealed bid	3	Contractor has successfully completed several KCHA projects.
HOPE VI	Greenbridge landscaping services	At Work!	\$214,319	\$147,080	\$147,080	sealed bid	4	Contractor currently providing landscaping at several locations for KCHA.
Housing Management-maint	doors and milwork supplies	HD Supply	\$345,000	\$345,000	\$345,000	cooperative RFP	n/a	Contractor has provided similar items in prior contracts. Obtained through a cooperative purchase.
Housing Management-maint	camera surveillance services	Commercial Entry Systems	\$500,000	\$500,000	\$500,000	RFP	1	Contractor has successfully completed several camera installations.
Weatherization	Woodcreek Lane mechanical upgrades	UCONS	\$113,368	\$120,410	\$120,410	sealed bid	3	Contractor has successfully completed several KCHA projects.
Total			\$3,967,427	\$3,526,589	\$3,526,589			

Contracts exceeding 10% cumulative change order-Condition Changes

Issuing Department	Contract type	Contract awarded to	Initial Contract Amount/NTE*	Change Order Amount & No. This Quarter	Total Contract Value to Date	% of NTE*	Notes (Current Quarter Change Orders)
Resident Services	housing stability program	YWCA	\$300,000	\$15,000 (4)	\$120,000	40%	additional funds needed to support voucher lease-up efforts
Total			\$300,000		\$120,000		

Contracts with contract extensions or other foreseen change orders

Issuing Department	Contract type	Contract awarded to	NTE*	Change Order Amount & No. This Quarter	Current Contract Value	% of NTE*	Notes (Current Quarter Change Orders)
Housing Management-maint	fencing services	All Around Fence Co.	\$500,000	\$124,566 (1)	\$374,566	75%	Three year extension to the contract.
Resident Services	college coaches	Communities of Schools in Kent	\$186,000	\$30,000 (3)	\$186,000	100%	Last extension to the contract.
Resident Services	housing stability program	YWCA	\$300,000	\$60,000 (5)	\$180,000	60%	Second extension to the contract.
Total			\$986,000		\$740,566		

*NTE = Not To Exceed

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TO: Board of Commissioners

FROM: Linda Riley, Controller

DATE: January 31, 2020

RE: 4th Quarter 2019 Summary Write-Offs

During the fourth quarter of 2019, tenant accounts totaling \$24,731 were deemed uncollectable and written off. This represents a 67% decrease from the previous quarter. Overall, rent owed to KCHA accounted for \$7,017 (28%) of the total and cleaning/damage charges accounted for \$9,517 (38%) of the total. Security deposits were retained to offset 9% 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. \$1,812 was recovered by the collection agency during the fourth quarter.

	Total WRITE-OFFS	YTD WRITE-OFFS
Rent Balance Forward to Vacate Month	\$ 3,677.87	\$ 51,639.32
Retro Rent Write-offs	\$ -	\$ 15,520.00
<u>VACATE CHARGES:</u>		
Rent Delinquent in Vacate Month	3,339.28	15,038.73
Cleaning & Damages	9,517.41	110,961.21
Paper Service & Court Costs	12,193.99	18,492.38
Miscellaneous Charges	-	16,950.33
Total Charges	<u>25,050.68</u>	<u>161,442.65</u>
Total All Charges	<u>28,728.55</u>	<u>228,601.97</u>
<u>CREDITS:</u>		
Security Deposits	(2,200.00)	(10,890.00)
Miscellaneous Payments & Credits	(1,798.00)	(13,317.12)
Total Credits	<u>(3,998.00)</u>	<u>(24,207.12)</u>
Total Net Write-offs	<u>\$ 24,730.55</u>	<u>\$ 204,394.85</u>
Net Write-offs by Portfolio		
KCHA	23,631.86	176,913.24
Green River	-	1,106.67
Green River II	-	-
Egis	-	5,104.33
Soosette Creek	309.40	5,780.72
Zephyr	-	-
Fairwind	657.87	657.87
Vantage Point	131.42	1,227.94
Spiritwood Manor	-	13,604.08
	<u>\$ 24,730.55</u>	<u>\$ 204,394.85</u>

**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	74,632.34	40,570.09	35,216.21
October to December	24,730.55	50,945.89	10,606.63
TOTAL	204,394.85	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	3,655.74	553.34	588.53
October to December	1,812.32	830.82	4,470.21
TOTAL	8,191.44	3,193.34	12,920.84

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

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TO: Board of Commissioners

FROM: Dan Watson, Deputy Executive Director

DATE: February 13, 2019

RE: **2019 Year End Capital Expenditure Report & 2020 Budget**

This report provides a detailed summary of construction related capital expenditures in 2019, and other related construction activity for 2020.

The total amount budgeted in 2019 for capital construction projects planned and managed by various KCHA departments, was \$45,317,140. The actual construction related capital expenditures totaled \$43,721,838 or 96% of the budgeted amounts. A summary of expenditure by the various categories of projects in 2019 is as follows:

Dept.	Project Category	No. of projects	2019 Budget	2019 Year End Expenditures*	% Expended
Construction	Public Housing	10	\$8,218,336	\$8,348,468	102%
Construction	509 Properties	3	\$1,247,420	\$2,625,909	211%
Construction	Other	9	\$6,979,101	\$5,569,103	80%
	Subtotal	22	\$16,444,857	\$16,543,480	101%
Weatherization (KCHA Units)	Subtotal	13	--	\$2,494,827	--
HOPE VI	Greenbridge land dev.	-	\$5,704,413	\$4,305,635	81%
	Subtotal	-	\$5,704,413	\$4,305,635	81%
Development/Asset Mgmt.	Highland Village New Const.	1	\$10,771,979	\$10,037,266	98%
	Subtotal	1	\$10,771,979	\$10,037,266	93%
Asset Mgmt.	Bond Properties	44	\$4,574,600	\$3,339,600	73%
Asset. Mgmt.	HOP	8	\$2,007,701	\$1,104,244	55%
Asset Mgmt.	Other Unbudgeted	5	-	\$374,883	n/a
	Subtotal	57	\$6,582,301	\$4,818,727	73%
Housing Mgmt.	Unit Upgrades	135	\$4,337,640	\$4,079,025	94%
Housing Mgmt.	Small Repairs	79	\$1,475,950	\$1,442,878	98%
	Subtotal	214	\$5,813,590	\$5,521,903	95%
All Construction	Total	307	\$45,317,140	\$43,721,838	96%

Capital Construction – Completed Projects

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

A major project funded through the EPC and completed in 2019 involved replacing the hydraulic jacks, installing new controls, and refurbishing the interiors of the cabs in 15 elevators located in the mid-rise properties that house elderly and disabled residents. In addition to the complexity of the construction itself, was the challenge of minimizing disruption to the tenants as the elevators were non-operational, often for several months, while the work was underway. Capital Construction partnered with Property Management and Resident Services who responded to resident concerns, posted information on the status of the work at each building, and contracted with service providers for such things as pet walking and transporting groceries.

Projects completed in 2019 include:

Project	Project Cost
Casa Juanita Roof Replacement	\$286,472
Cascade Homes Water Intrusion	\$107,454
College Place Envelope Upgrade	\$1,882,884
Eastridge House Roof	\$588,859
Elevator Upgrades	\$5,060,747
Forest Glen Site Improvements	\$1,677,604
Kings Court Water/Waste Lines	\$276,651
Lake House Roof Replacement	\$367,258
Northlake House Deck and Envelope Upgrade	\$484,631
Northwood Square Envelope Upgrade	\$1,280,397
Southridge House Waste Lines	\$297,905
Wayland Arms Roof Replacement	\$166,313
Wayland Arms Waste Lines	\$200,977
Wellswood Site Improvements	\$1,050,707

Projected vs. Planned Expenditures in 2019

The Capital Construction and Weatherization Department’s overall 2019 construction related expenditures on KCHA owned or controlled buildings was \$16,543,480 or 101% of the budget. In addition, the Department spent \$2,494,827 in funding from the Low-Income Weatherization Program to complete energy conservation improvements in 13 KCHA owned properties.

Capital Construction – 2020 Projects

In 2020, Capital Construction is budgeting design or construction work for 15 projects totaling \$11,799,452. The total budget is less than in 2018 and 2019 due to the completion of the work on elevators. In 2020 the Department will again undertake multiple projects to improve building systems including upgrades of water, sewer, and electrical systems. Major new projects planned for 2020 are as follows:

Project	Project Cost
Avondale Manor Waste Line & Site Improvements	\$490,263
Casa Madrona Waste Lines	\$701,838
Casa Madrona Heat System Upgrade	\$825,825
Houghton Envelope (including roof)	\$1,587,000
Mardi Gras Heat System Upgrade	\$455,000
Munro Manor Waste Line	\$402,675
Pacific Court Envelope	\$1,064,487
Cedarwood Site Improvement	\$465,650
Wayland Arms Zinsco Panel Replacement	\$444,763
Yarley Arms Waste Lines	\$481,163
Westminster Waste Lines & Sprinklers	\$404,950
Youngs Lake Waste & Water Lines	\$1,011,000

Greenbridge - 2019 Activities

In 2019, Greenbridge projects included:

- Completion of 4th Avenue SW Improvements with WSDOT construction requirements.
- Close out of 3 grant contracts to fund 4th Avenue SW Improvements.
- Continued design and permitting of Greenbridge entry park at 4th and Roxbury.
- Completed permitting of Greenbridge Division 8 with 102 single family lots and 6 parks.
- Negotiation of new Water District 20 Developer Extension contract for Division 8 after dissolution of Water District 45
- Completed art projects at Mattered including stair poem plaques, rock benches and trail markers.
- Monitoring and facilitation of homebuilding activity.

Wind Rose: After the sale of the Greenbridge Wind Rose bulk parcel to Conner Homes in April of 2018, construction of site infrastructure and recording of the Division 7 final plat were completed in 2019. Sales have closed on 5 homes, with 6 homes and 3 parks currently under construction. The “Notch Property” at the northwest corner of the Wind Rose site has been released back to KCHA with completed grading, drainage and utility infrastructure. The Notch Property is a future development site with view potential and is entitled for up to 80-units of mixed income multifamily housing.

Division 8 Parcels 9, 10, and 11: Land development permits for Division 8, west of 4th Ave SW, have been issued including King County infrastructure permits and sewer permits. These parcels are being planned for the development of 107 single family homes and 6 parks. The water developer extension agreement was completed in 2018 but Water District 45 was dissolved in late 2019 with water service now provided by Water District 20. A new developer extension agreement had to be renegotiated with Water District 20. A key strategic decision will be determining whether to put this unimproved parcel on the market for sale to the builder community in late summer of 2020. Market conditions in the region, recent sales experience at Greenbridge and recent completion of the 4th Ave SW street improvements will impact both the timing of the sale and homebuilders’ ability to take down the land and build out the permitted infrastructure.

4th Ave Street Improvements: Construction was completed in December for the 4th Avenue SW Improvements. The street improvements feature traffic calming design, a pedestrian oriented streetscape and water quality rain gardens. A road closure of the street was implemented for 5 weeks to reduce construction duration and cost. Specifications and other construction contracts

requirements had to be modified to meet both Washington State Dept. of Commerce and WSDOT grant contracts. Construction bids for the project came in approximately \$600,000 below the engineer's estimate. An additional grant from Commerce in 2019 and the lower than anticipated bid reduced KCHA's budgeted out of pocket cost by \$1,070,272. The total project cost was \$3,087,301. KCHA received 3 grants totaling \$2,434,750 reducing KCHA's contribution to the 4th Ave SW project to \$652,551.

Home Sale Activities: Design review was completed for homes proposed for sale at both the Materra (Parcel 5b) and the Wind Rose properties based on the Greenbridge Design Guidelines. The Greenbridge Team monitored the construction and sale of 43 BDR Homes and Conner Homes in 2019 that resulted in profit participation revenue to KCHA of \$766,015. Total sewer credit revenue from Conner Homes totaled \$107,632.

Greenbridge – 2020 Budget and Activities

The Greenbridge budget for 2020 is \$4,998,201. Expenditures are estimated with a 5% decrease from the 2019 budget and includes construction of the entry park located at the corner of 4th Avenue SW and Roxbury, additional frontage roadway improvements for 4th Avenue SW and 102nd, and full street improvements for 5th Avenue SW. These roadway and sidewalk improvements will provide better walkable street infrastructure for the community and increase the value and salability to homebuilders. The entry park will feature a covered bus stop and an entry feature with a pedestrian path, curved walls and artistic Greenbridge name branding.

There are two more strategic approvals that Greenbridge Staff will pursue in 2020. The first is to record the final plat at Division 8 prior to construction of all infrastructure, which King County doesn't typically allow. KCHA is negotiating an agreement with King County to allow this plat recording early. The early plat recording will increase the value of property by reducing risk and costs for homebuilders. Another effort for the Greenbridge staff will be to apply for and obtain approval for a Type II site development permit for the Notch property. This permit will vest current density and storm water requirements for 5-years.

Development/Asset Management– 2019 Projects

The Development and Asset Management Departments collaborate on LIHTC financed renovation projects with Development staff securing all financing including investor provided LIHTC equity, public funding and debt financing and with Asset Management managing construction, lease-up, tax credit delivery, and contract compliance. Asset Management has a five person construction group that oversees both the larger LIHTC projects and capital improvement work within Asset Management's portfolio, such as roof replacements, building envelope upgrades, deck repairs, exterior painting, asphalt/concrete, plumbing system replacements, etc. In 2019, Asset Management managed the 36 unit Highland Village new construction building, A&E contracts for new development projects, and 65 smaller repair and improvement projects.

In 2019, Asset Management expended \$14,855,993 or 86% of its capital budget. These expenditures included over \$10 million in construction at Highland Village for the new 36 unit building. The department also spent over \$1.3 million in 2019 of A&E work for LIHTC renovation projects that will begin construction later in 2020. The 2019 completed projects also included unbudgeted work such as the solar photovoltaic arrays at three properties. Plumbing replacement at one property was not undertaken due to a lack of responsive bids and the planned development

2019 Year End Capital Expenditure Report & 2020 Budget
 February 18, 2020 Board Meeting
 Page 5 of 8

of the Rainier View Mobile Home Park was delayed due to required mine hazard investigations. These two delayed projects significantly reduced the Asset Management completion percentage.

Completed projects included:

Project	Expenditure
Aspen Ridge Asphalt	\$ 29,267
Aspen Ridge Toilets	\$ 38,311
Auburn Square Roofing	\$ 96,804
Auburn Square Stairways	\$ 98,950
Ballinger Commons Roofing	\$ 65,980
Ballinger Commons HVAC	\$ 104,756
Ballinger Commons Toilets	\$ 281,363
Bellepark East Roofing	\$ 106,378
Carriage House Asphalt	\$ 35,145
Cottonwood HVAC	\$ 26,455
Fairwood Asphalt	\$ 37,085
Gilman Square Fireplaces	\$ 133,770
Gilman Square Compactor	\$ 29,149
Heritage Park Asphalt	\$ 35,133
Heritage Park Roofing	\$ 96,880
Heritage Park Toilets	\$ 32,922
Laurelwood Asphalt	\$ 53,065
Laurelwood Toilets	\$ 44,903
Meadows on Lea Hill Asphalt	\$ 8,433
Meadows on Lea Hill Roofing	\$ 40,629
Meadows on Lea Hill Toilets	\$ 51,617
Newporter Plumbing	\$ 653,857
Parkwood Asphalt	\$ 39,254
Parkwood Toilets	\$ 69,171
Parkwood Windows	\$ 80,750
Rainier View I Asphalt	\$ 34,675
Rainier View I Toilets	\$ 19,210
Rainier View II Asphalt	\$ 26,163
Rainier View II Toilets	\$ 15,579
Si View Toilets	\$ 8,920
Southwood Square Asphalt	\$ 41,191
Southwood Square Toilets	\$ 43,663
Timberwood Asphalt	\$ 35,674
Timberwood Roofing	\$ 64,030
Vashon Terrace Toilets	\$ 6,618
Villages Roofing	\$ 79,757
Villages at South Station HVAC	\$ 94,900
Walnut Park Siding	\$ 82,564
Walnut Park Toilets	\$ 161,704
Windsor Heights Asphalt	\$ 118,068
Woodridge Park Asphalt	\$ 104,306
Woodridge Park Pool	\$ 46,851
Woodside East Pool	\$ 65,703
Friendly Village Asphalt	\$ 28,529
Friendly Village Pool Deck	\$ 52,617
Friendly Village Pool Fencing	\$ 37,300
Nike Manor Roofing	\$ 645,868
Nike Manor Siding	
Rainier View Site Improvements	\$ 133,700
Tall Cedars Asphalt	\$ 18,095
Vantage Glen Asphalt	\$ 47,212
Vantage Glen Rockeries	\$ 140,924
Highland Village New Construction	\$ 10,037,266

Abbey Ridge A&E	\$ 617,015
Bellevue Manor A&E	\$ 267,550
Woodland North A&E	\$ 372,224
Patricia Harris Manor A&E	\$ 55,076
Meadows at Lea Hill Solar PV	\$ 81,910
Overlake Solar PV	\$ 82,295
Windsor Heights Solar PV	\$ 82,058
Meadowbrook Elevator A&E	\$ 94,670
Meadows on Lea Hill Roofing	\$ 33,950

Development/Asset Management – 2020 Budget: LIHTC Projects

\$43,832,900 is budgeted for larger LIHTC financed renovations in 2020 including \$30 million for the renovation of 146 units and site work at Abbey Ridge. \$451,129 is budgeted for architectural and engineering. Expenditures for the construction and some A&E work that will occur over a two year period. \$4,491,900 is budgeted for work at Bellevue Manor and will consist of sprinklers, interior common area upgrades, building envelope improvements and a 76KW solar photovoltaic array. Woodland North will receive upgrades to interiors, roofing, exteriors and replacement of retaining walls.. The budget is \$9,341,000 and solar PV will also be added. The A&E budgets for Bellevue Manor (\$31,310) and Woodland North (\$29,044) represent remaining funds from 2019 and for completion of permits/plans and construction administration.

Asset Management – 2020 Budget: Other Capital Improvements

In 2020, \$6 million has been allocated for approximately 50 projects that include asphalt, exterior painting, siding, windows, HVAC, and other repairs. \$1.4 million has also been budgeted for the Rainier View Mobile Home Park expansion and additional 15 homes are expected to be added to the park.

Project	Budget
Auburn Square Stairs	\$ 100,000
Auburn Square Asphalt	\$ 50,000
Auburn Square Roofing	\$ 100,000
Auburn Square Parcel Lockers	\$ 30,000
Ballinger Commons HVAC	\$ 100,000
Ballinger Commons Parcel Lockers	\$ 50,000
Bellepark East Envelope	\$ 160,000
Carriage House Asphalt	\$ 50,000
Carriage House Parcel Lockers	\$ 40,000
Colonial Gardens Roofing	\$ 200,000
Cottonwood Windows	\$ 40,000
Fairwood Ext. Painting	\$ 110,000
Gilman Square Ext. Painting	\$ 200,000
Heritage Park Asphalt	\$ 50,000
Kendall Ridge Asphalt	\$ 50,000
Kendall Ridge HVAC	\$ 50,000
Landmark Roofing	\$ 80,000
Laurelwood Asphalt	\$ 75,000
Meadowbrook Elevators	\$ 600,000
Newporter Asphalt	\$ 50,000
Newporter Parcel Lockers	\$ 30,000
Parkwood Asphalt	\$ 50,000
Riverstone Asphalt	\$ 50,000
Riverstone Pool	\$ 30,000
Riverstone HVAC	\$ 100,000

Southwood Square Asphalt	\$ 50,000
Southwood Square Play Equipment	\$ 80,000
Timberwood Asphalt	\$ 65,000
Timberwood Roofing	\$ 85,000
Timberwood Parcel Lockers	\$ 40,000
Villages at South Station Asphalt	\$ 50,000
Villages at South Station Ext. Painting	\$ 300,000
Villages at South Station Roofing	\$ 70,000
Villages at South Station HVAC	\$ 100,000
Walnut Park Asphalt	\$ 100,000
Walnut Park Parcel Lockers	\$ 30,000
Windsor Heights Asphalt	\$ 75,000
Windsor Heights Sewer Line	\$ 100,000
Woodridge Park Asphalt	\$ 75,000
Woodridge Park Ext. Painting	\$ 250,000
Woodridge Park Pool	\$ 50,000
Woodside East Asphalt	\$ 150,000
Woodside East Windows	\$ 100,000
Friendly Village Asphalt	\$ 50,000
Rainier View Expansion	\$ 1,433,750
Vantage Glen Asphalt	\$ 50,000
Wonderland Siding	\$ 30,000
Overlake Storage Tanks	\$ 120,000
Sixth Place Ext. Painting	\$ 85,000
Somerset Gardens Parcel Lockers	\$ 25,000

Housing Management– 2019 Projects

The unit upgrade budget was almost fully expended with the upgrade crew completing interior upgrades in 135 units of the budgeted goal of 150 units. The reduced number of completions was the result of several factors, including the following: (1) The mandate that all units with asbestos be mitigated by a task order contractor (2) Several large scale repair projects due to water/fire damage that were completed using upgrade staff and (3) A slight decrease in efficiency due to new program management. In addition, Housing Management has also completed 73 of the originally planned 79 small projects. This group also completed 128 other smaller, unbudgeted projects. Examples of small projects completed or underway include:

- Beam and floor support repairs for water damage at two Ballinger Homes units
- Fire restoration at Paramount House
- Catch basin cleaning at multiple sites
- Unit entry door replacements at several properties
- Exterior siding painting
- Security camera installations at 6 communities
- New/repair several playground installations
- Multiple parking lot repairs/resurfacing
- Smoking shelters for residents at multiple sites
- Tree trimming/landscape improvements
- Site drainage improvements
- Installed battery backup systems for front door access at all mixed population buildings

Housing Management- 2020 Budget

For 2020, the Department has budgeted for the completion of 192 unit upgrades, which represents an investment of \$6,863,310. This includes 57 units at Woodland North, an Asset Management property, and 135 units at various properties throughout the Property Management inventory. In addition, there are 61 small projects included in the budget for 2020, estimated to cost \$1,430,000. Examples of these projects include the following:

- Installation of roughly 1,000 .8 GPM toilets
- Continuation of security camera installs at 4 new properties
- Parking lot repairs to avoid REAC penalties
- Concrete/sidewalk repairs (trip hazards and REAC penalties)
- Common area lighting upgrades at selected sites
- Keyscan repairs/replacements
- Common area flooring replacements
- Electrical panel replacements
- One playground replacement (Ballinger Homes)
- Install fall protection at several sites
- Exterior siding and interior hallway painting
- Build/repair p-patch garden boxes at several properties
- Replacement of electrical panels and meter packs at several senior buildings
- New common area furniture and carpet replacements for several senior buildings

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Households Served

point in time as of December 1, 2019¹

21,797

Finance

	Budgeted	Actual	Actual to Budget	
Revenue year-to-date*	\$362,812,990	\$366,117,369	100.9%	
Expenditure year-to-date*	\$299,246,921	\$294,408,074	98.4%	
* Reflects mid-year budget forecast				
LGIP Rate Investments	2.25%	1.77%	-0.48%	
Non-LGIP Investments	2.25%	1.99%	-0.26%	

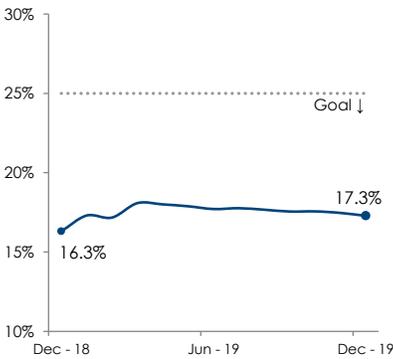
Housing Management

	Scope	Target	Dec '19	
Public Housing Occupancy ²	3,730 units	98.0%	98.7%	
Local Programs Occupancy	7,852 units	96.5%	98.5%	
Total Units Online ³	11,582 units	11,105	11,582	

Housing Choice Voucher Program Operations

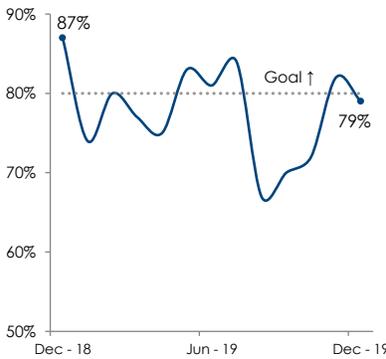
Shelter Burden

Households paying more than 40% of income for rent and utilities.



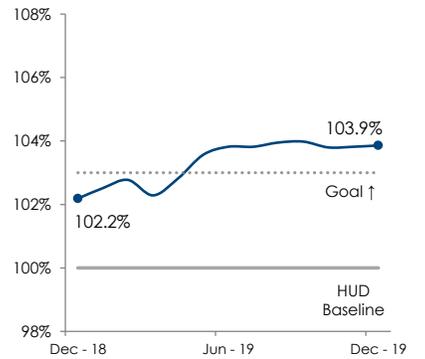
Shopping Success⁴

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



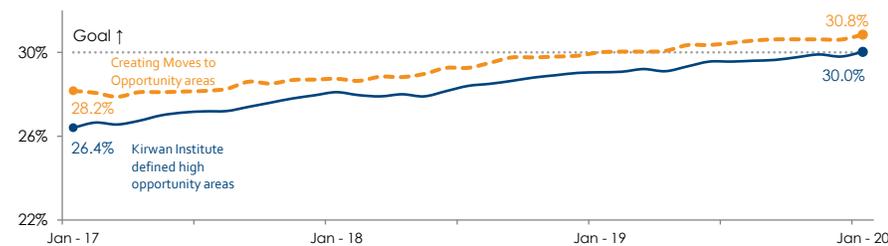
Utilization Rate⁵

Percentage of HUD ACC leased by month.



Increasing Access to Opportunity Areas

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



Notes

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

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To: Board of Commissioners
From: Craig Violante, Director of Finance
Date: January 24, 2020
Re: **2019 Investment Recap**

Executive Summary

As of December 31, 2019, KCHA had \$207.3 million of investable assets, split between (1) the KCHA Internal Pool (the Internal Pool), (2) the Washington State Local Government Investment Pool (LGIP), (3) cash held by trustees and cash in traditional checking and savings accounts and (4) loans to housing partners and to the Energy Performance Contract (EPC) project. Total combined yield for all four categories throughout 2019 was 2.16%, but at December 31st the portfolio yield had dropped to 1.94% due to rate cuts by the Federal Reserve Board (the Fed). Total 2019 earnings on KCHA’s investments was approximately \$4.7 million.

Portfolio at 12/31/2019:

	Amounts	YTD Results	Yield @ 12/31/2019
Cash Invested in Internal KCHA Pool	\$66,240,380	1.96%	1.99%
Cash Held in the LGIP	88,753,205	2.31%	1.77%
Cash Held by KCHA & Outside Trustees	30,080,938	0.10% (1)	0.10% (1)
Cash loaned for low income housing purposes and to EPC project	22,182,493	4.98%	4.97%
	<u>\$207,257,015</u>	<u>2.16%</u>	<u>1.94%</u>

1) Estimate

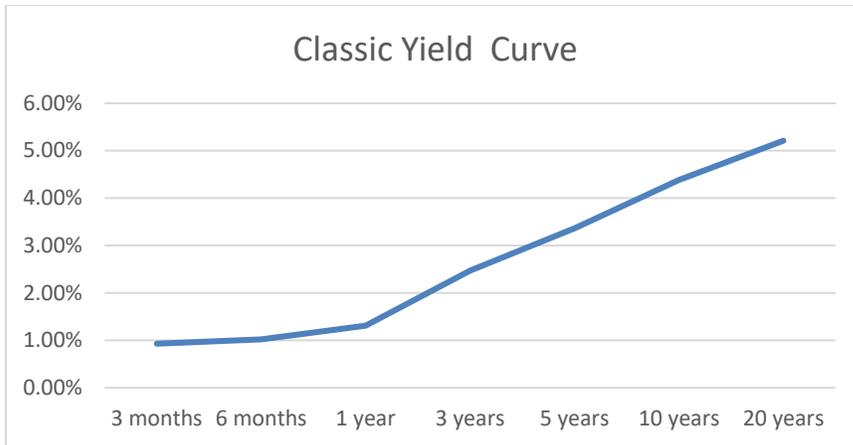
2019 Retrospective

In normal investing environments, the yield an investor receives is driven by two factors: the *Term Premium*, which is the length of the investment (longer investment terms normally result in higher interest rates) and the *Risk Premium*, where investors seek higher yields in return for assuming greater levels of risk.

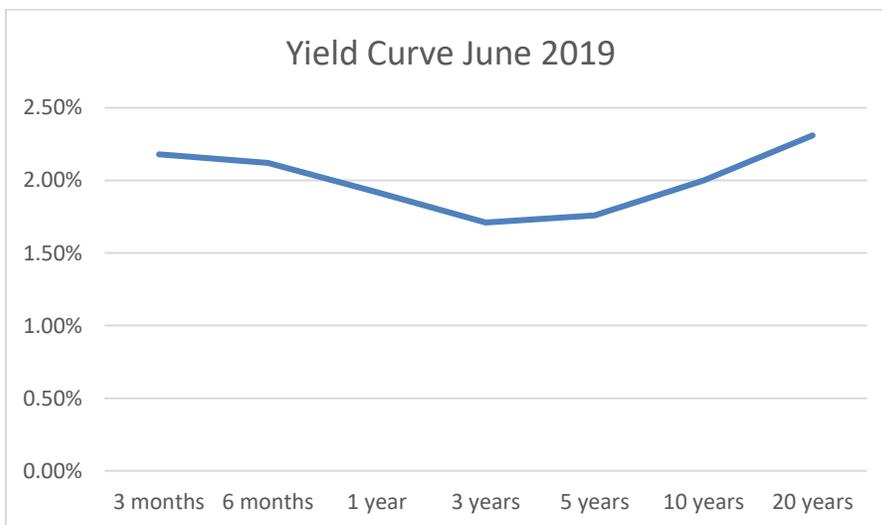
From an investment standpoint, 2019 was anything but normal. The Risk Premium continued throughout the year, and KCHA purchased safe investments with only slightly higher risk profiles than Treasuries, such as mortgage-backed securities issued by Government Sponsored Entities (Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, etc). The normal Term Premium, however, did not exist during 2019.

To better understand the lack of the Term Premium in 2019, we start by looking at a “classic” yield curve which reflects greater yields for longer-term investments:

2019 Investment Recap
February 17, 2020 Board Meeting



In contrast, the yield curve for much of 2019 looked like the one below, which is an actual example from June. The yield curve had become completely inverted as the highest rates were investments with the shortest and longest durations.

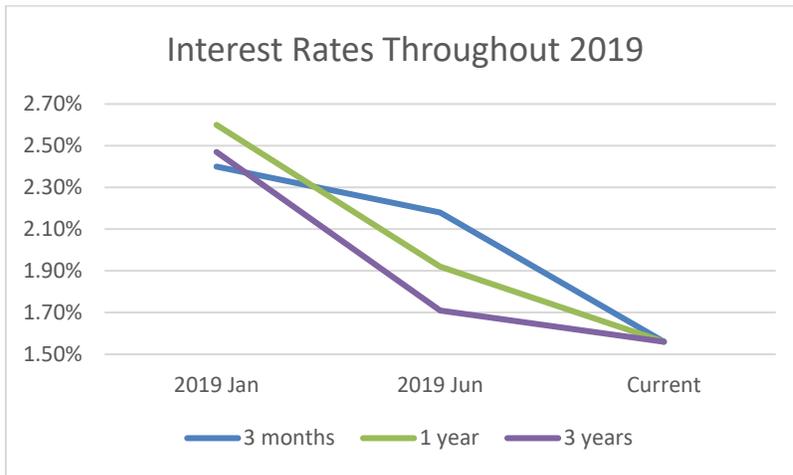


Inverted yield curves generally means that investors are expecting all rates to fall, typically because of a future recession. Historically, recessions have followed inverted yield curves within 12 to 24 months. During this inverted curve, the only Term Premiums available were for investments with either very short or very long maturities. Since by policy the maximum length in which KCHA may invest is three years, the only Term Premium available was for investments with maturities of three months or less. With the likelihood of rate cuts looming, KCHA invested in a few short-term instruments to take advantage of the 3-month yield premium, but mostly invested in 3-year bonds that were not callable. This allowed KCHA to lock in yields that would not fall as rates trended downward.

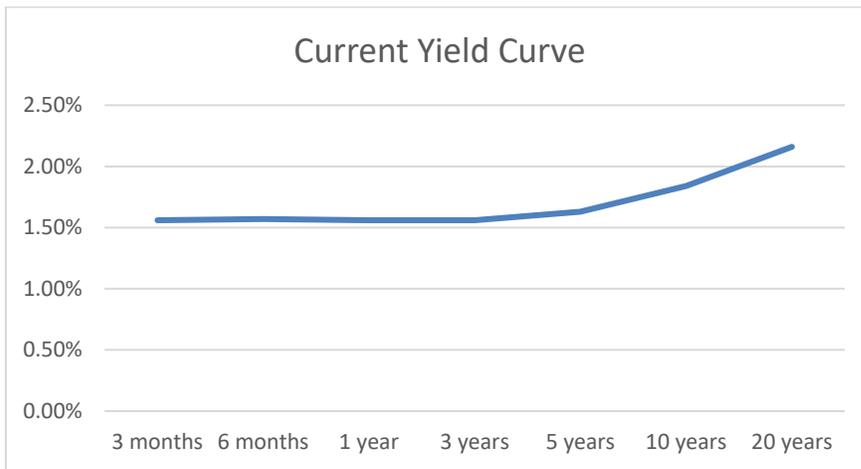
In response to the downward rate pressure of the inverted yield curve, the Federal Reserve Board ("The Fed") lowered interest rates three times in the last half of 2019, each by $\frac{1}{4}$

2019 Investment Recap
February 17, 2020 Board Meeting

percentage point. The path of interest rates for Treasuries with terms of 3 months, one year and three years can be seen in the chart below.



The Fed Target Rate now sits at 1.50%-1.75% and a modicum of normalcy has returned to the yield curve, although returns on investments with terms from three months to three years are still very flat, meaning all such investments are returning approximately the same yield.

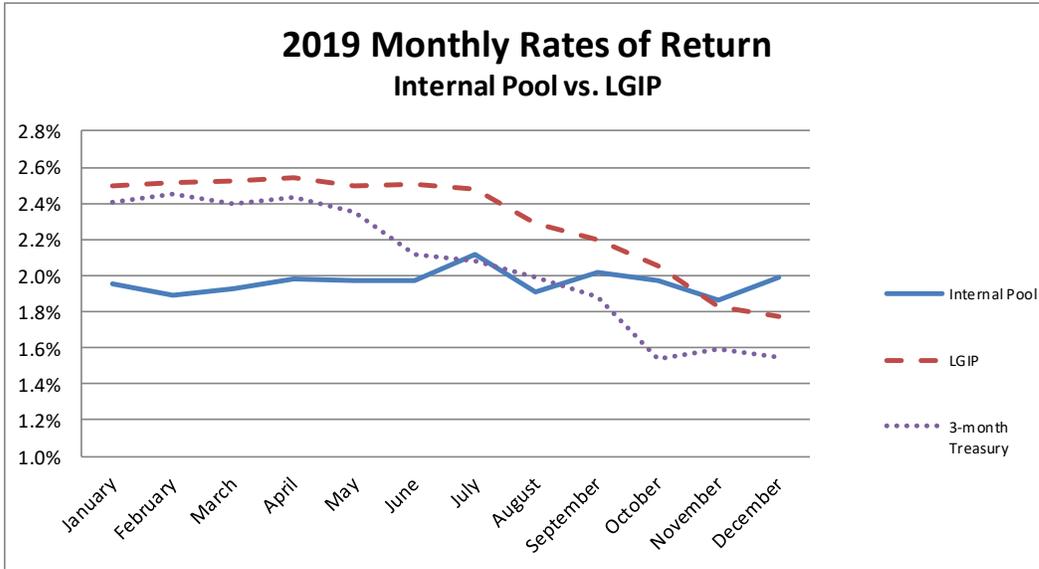


For all of 2019, the LGIP outperformed the 3-month Treasury benchmark as it invests in financial products with slightly higher levels of risk than Treasuries. While LGIP investments have low risk profiles, not all of them are backed by the full faith and credit of the US government as are Treasuries.

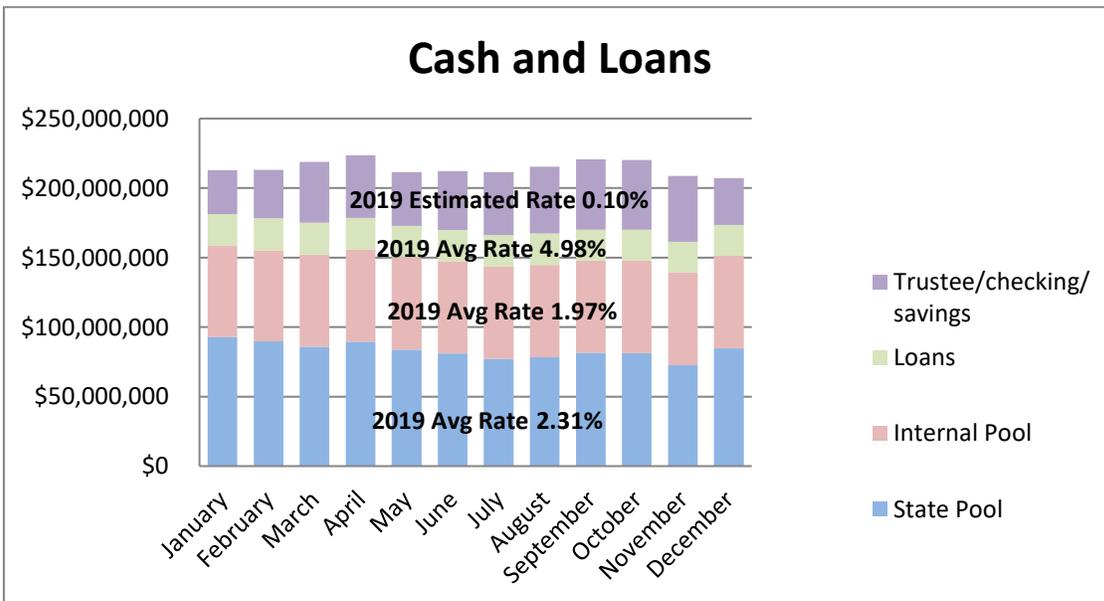
For most of 2019, the KCHA Internal Pool lagged both the LGIP and the 3-month Treasury benchmark. Based on the LGIP investment policy, its weighted average maturity cannot exceed 60 days, and by definition the 3-month Treasury maturity is 90 days. In contrast, the KCHA Internal Pool has a weighted average maturity of 18 months, and a portfolio with a longer average maturity is slower to react to changing interest rates. By the end of 2019, the Internal Pool was returning a higher blended yield than either the LGIP or the 3-month

2019 Investment Recap
February 17, 2020 Board Meeting

Treasury as it maintained stable rates throughout the year, unlike the 3-month Treasuries and the LGIP.



At the end of 2019, KCHA had a total of \$207.3 in cash and loans. Out of these combined resources, \$151.2 million was considered “investable”. The remainder was either in the form of long-term loans, held by trustees or management agents, or will be spent within the next 12 months. The Board has authorized an allocation of up to 60% of investable resources in the Internal Pool, but short-term liquidity, forecasted cash needs, and an assessment of future interest rates also influence how much is actually invested in the Pool. As a result, 43.9% of investable resources was in the Internal Pool at the end of 2019.



Historical Context

The Board of Commissioners adopted an Investment Policy in 2005 and several updates have since been adopted. According to the policy the primary objectives, in priority order, of the Authority's investment activities are:

- **Legality:** Conforms to all applicable federal, state and local government requirements.
- **Safety:** Safety of the principal is the foremost objective of the investment program. Investments of KCHA shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- **Liquidity:** the Authority's investment portfolio will remain sufficiently liquid to enable KCHA to meet all operating requirements that might be reasonably anticipated.
- **Return on Investment:** the Authority's investment portfolio shall be designated with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Authority's investment risk constraints and the cash flow characteristics of the portfolio.

At the beginning of 2009, KCHA invested most excess funds in the LGIP. The LGIP is an investment vehicle operated by the Washington State Treasurer, and is open to all local governments. Its strength lies in its combination of liquidity and security. It has a policy of purchasing AAA-rated securities and maintaining a weighted average maturity of 60 days or less.

With the goal of increasing investment yields, in March 2009 KCHA embarked on a strategy of investing in securities outside of the LGIP. These securities could have a maturity of up to three years and were comprised primarily of securities from Government Sponsored Entities (GSEs) such as the Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC—also known as Freddie Mac), Government National Mortgage Association (GNMA—also known as Ginnie Mae) and the Federal National Mortgage Association (FNMA—also known as Fannie Mae).

From inception through the end of 2017, the Internal Pool performed exceptionally well, beating the LGIP and the 3-month Treasury benchmark each quarter. From early 2018 until late in 2019, the Internal Pool yield lagged the LGIP and the 3-month Treasury, but again outperformed both metrics by the end of 2019. Since the inception of the internal investing program, over \$2.3 million of additional investment income has been earned.

2019 Investment Recap
February 17, 2020 Board Meeting



Portfolio Management

KCHA’s internal pool currently purchases three main types of investment structures, and participates in a program that offers a fourth:

- Investments that can be redeemed at pre-determined times at the option of the issuer. These investments are called “callables”. The bond issuer typically must offer slightly higher rates of return for the option of calling the bonds.
- Investments that increase interest payments at pre-set amounts and at pre-set times. These bonds, called “steps”, almost always carry call features in addition to the step features.
- Investments that cannot be called, either because they were issued that way, or because the call options were not exercised by the issuer. These investments are known as “bullets”.
- KCHA invests in the Regional Equitable Development Initiative (REDI fund). Such investments typically carry a term of four years and yield around 3.0 %.

While bullets are the preferred investment vehicle for Total Rate of Return investing, they are not the only type of investment that should be included in a well-balanced portfolio. Bullets offer purchasers more certainty, but they carry slightly lower rates than comparable callable bonds (generally 5-10 basis points), and when rates rise, they will lose value more quickly than steps. KCHA’s internal investment portfolio at the end of December 2019 contained three of the four investment types:

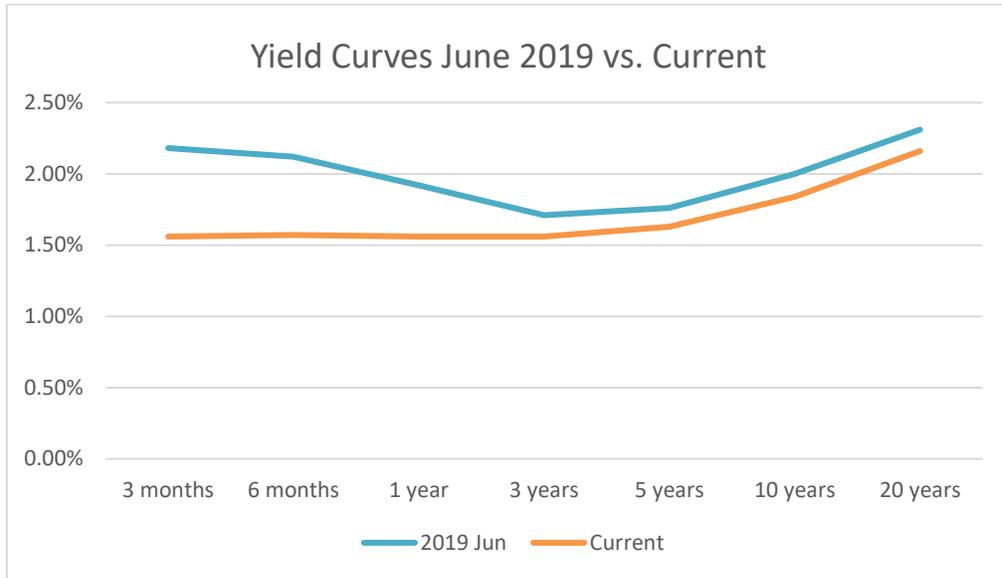
	Amt Invested	% of Portfolio	Average Yield
Callable	\$27,988,074	42.3%	1.87%
Step*	\$0	0.0%	0.00%
Bullet	\$37,055,089	55.9%	1.95%
Redi	\$1,197,217	1.8%	3.00%
	\$66,240,380	100.0%	1.94%

2019 Investment Recap
February 17, 2020 Board Meeting

Strategy for 2020

There is currently no consensus on where rates are headed in 2020. The prevailing wisdom seems to indicate no changes until perhaps a ¼ point reduction towards the end of 2020, but this is highly speculative.

The chart below contrasts the current yield curve with the one from June of 2019. It clearly shows how it has changed over the last six months.



A normal yield curve is beginning to form and rates have fallen across all durations with short-term rates falling the most. For a normal yield curve to finally re-emerge, it will need to steepen, particularly in the one to five years segment. The presenting question is whether the steepening will occur due to changes in short-term (one year or less) or medium terms (one to five years) rates.

With today's flat yield curve, there is virtually no Term Premium KCHA can take advantage of. Treasury yields are between 1.56% and 1.63%, regardless of whether the investment has a maturity of three months or five years. As long as the yield curve remains flat, the strategy will be to invest both short-term (around three months) and medium term (around three years) as a way to hedge against rate changes. When a more normal yield curve emerges, the strategy will shift to more three year investments to take advantage of Term Premiums.

The 2020 budget projects investment earnings of \$4.4 million.

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KCHA IN THE NEWS

February 18, 2020

Vying for a golden ticket: King County Housing Authority reopens subsidized housing lottery

Feb. 12, 2020 at 6:00 am By [Anna Patrick](#) Project Homeless engagement editor



With Section 8 Housing Choice vouchers, voucher-holders can choose where they want to live in the private rental market. The King County Housing Authority is opening its Housing Choice voucher lottery for the first time in three years. (Andy Bao / The Seattle Times)

Getting a King County Housing Authority Housing Choice voucher is like receiving one of Willy Wonka's famous golden tickets.

It's hard to come by, and recipients are selected at random through an infrequently-held lottery.

Even if you are chosen, it might take years to see anything happen.

The housing authority opened its Housing Choice lottery Wednesday morning, for the first time since April 2017. It will remain open for two weeks, during which time officials warned applicants to be on the lookout for potential predators who may create fake lottery websites.

Until 4 p.m. on Feb. 25, low-income families, seniors and people with disabilities can enter an online lottery system through [KCHA's website](#) for the chance to receive what's known as a Section 8 Housing Choice voucher, a federal subsidy that helps individuals and families compete in the private rental housing market. Unlike with federally-funded public housing units, voucher participants can choose where they want to live. The program, administered through the Department of Housing and Urban Development (HUD), is designed to help people getting priced out of markets to have more leverage to compete.

In King County, housing costs have significantly risen as the demand has greatly outpaced the region's supply, and low-income housing options have decreased tremendously, said Marty Kooistra, executive director of the Housing Development Consortium of Seattle-King County.

King County lost more than 112,000 affordable housing units for people earning 80% or below the area median income over the last decade, according to a recent report by consulting firm McKinsey. In 2018, King County's median household income was \$95,009, according to the U.S. Census Bureau.

"We have a tremendous amount of people working in extremely low ranges of household revenue that cannot keep up," Kooistra said. As a result, demand for subsidy assistance programs, like KCHA's housing vouchers, is high.

"Need is going up. But federal funding is staying flat," said Rhonda Rosenberg, communications director for the King County Housing Authority.

It's taken nearly three years for the housing authority to get to the end of its current waiting list. The last time a lottery was held, nearly 20,000 people applied for 3,500 spots, according to Rosenberg. She expects as many to try this time around, though she wondered if a change to the U.S. Department of Homeland Security's "public charge" rule — reasons that someone could be denied a green card, visa or admission to the U.S. — might discourage some people from participating. Starting Feb. 24, a person without legal status could face consequences for accessing public benefits.

To apply for the lottery, applicants must earn 80% or less of the area median income. Most applicants, Rosenberg said, earn around 30% of the area median income, which is \$33,200 for a family of four, according to the KCHA.

For many, it's much more bleak.

For applicants in 2017, the average annual household income was \$8,820, Rosenberg said, and 60% had experienced homelessness.

After the housing authority's lottery closes, a computer system will select 2,500 households at random to be placed on its housing voucher waiting list, a number based on the amount of funding the agency estimates it will have in the next two to three years. Each applicant will be put on the waiting list in the order that the computer

system drew the name. Then, a meeting is held with each lottery winner to confirm the information provided is accurate.

Where you place on that list is critical. A family that was chosen ninth might wait a few months to receive its voucher, while a family that's number 2,015 on the list could wait years.

The King County Housing Authority manages 10,200 housing vouchers in total. New vouchers are given to people on the waiting list when current participants turn theirs in, which could be for a host of reasons: they got a better job, moved in with family or passed away, for example.

It's in everyone's best interests, Rosenberg explained, to avoid keeping people on a waiting list because it becomes challenging to locate people experiencing poverty and housing instability after so much time has passed.

"Say you couldn't afford your cellphone bill one month, and that's the month we're trying to reach you," Rosenberg said.

Depending on how much money voucher participants earn a year, they will have to pay 28 to 40% of their income on rent, Rosenberg said. The voucher covers the remainder.

The cities of Seattle and Renton have their own housing authorities, so participants in King County's program are excluded from applying their vouchers in those two cities for the first year.

To make the odds even more challenging for lottery participants, Rosenberg said, KCHA anticipates a number of predatory and scamming websites to pop up online, claiming to be the real lottery in the hopes of tricking people to enter personal or credit card information.

Rosenberg didn't have an exact number for how many scamming sites will materialize over the next two weeks, but said, "websites pop up like dandelions after a rain."

The only way to apply for KCHA's Housing Choice Voucher lottery is through its website, www.kcha.org/lottery. Applying is free. If a website tries to tell you that it is not free, Rosenberg said, it is not the legitimate lottery.

To help ensure that people across King County have the correct information to enter the lottery, housing authority officials are working with public libraries, community groups and training staff to assist in the application process. For those without access to a computer, KCHA recommends going to any King County or Seattle library or visiting a housing authority location, where tablets will be on hand. A full list of locations can be found at www.kcha.org.

Rosenberg added, being the first to apply doesn't influence your chances of being selected.

"There's absolutely no advantage to crashing the system at 7:01 [a.m.]," she said.



Bill requires all new cars sold be electric by 2030

By [TJ Martinell](#) February 12, 2020



HB 2515 would prohibit the sale of any new car starting in 2030 except electric vehicles. Photo: freepik.com

With a state law mandating that Washington utilities provide 100 percent carbon-neutral energy by 2035, a House bill sponsored by Rep. Nicole Macri (D-43) proposed to do the same in the transportation sector by requiring all new vehicles sold in the state to be electric starting in 2030. However, the bill failed to its committee before the cutoff date.

While [HB 2515](#) directs the Washington State Transportation Commission (WTSC) to set up rules by 2024 on how to achieve this transition, stakeholders concerned with the proposal who testified at a [Feb. 10 public hearing](#) in the House Transportation Committee say the measure just isn't realistic.

“We think it would be impossible to meet the standards in this act,” Alliance for Automotive Innovation Program Coordinator Ryan Spiller said.

A similar bill under consideration is [SB 5811](#) adopting California's zero emissions vehicle program regulations. The legislation cleared the Senate 26-23 and is scheduled for a Feb. 13 public hearing in the House Committee on Environment & Energy.

Currently there are approximately 42,000 registered electric vehicles (EV) in Washington and almost [55,000 EV and hybrids combined](#). A [state goal](#) was to reach 50,000 registered EVs by this year. Under HB 2515,

the state Department of Licensing would be prohibited from registering any vehicle models built in 2030 or after.

Macri told the committee that “while the idea of a world without gas cars might sound somewhat radical today in 2020, when we think about the world we want to have in 2045, 2050, it does not seem that radical, at least to me. My interest...is to ensure that our policy goals and actions move us rapidly towards 100 percent clean energy.”

However, among the numerous objections raised by skeptics during the hearing were the bill’s restrictions on other clean fuel sources, the impact to low-income residents and its relation to other proposals that add further pressure to Washington’s energy system.

Rep. Jesse Young (R-26) asked Macri how her bill would work if the lower Snake River dams were removed, as some groups have proposed. The dams generate 7-8 percent of electricity in the state. “It would seem that...would make this counterproductive, because we’re going to need as much electrical generation as we can possibly get if we’re ever going to implement this.”

Macri said that though related, the issues were part of a “totally different” policy discussion.

While Rep. Andrew Barkis (R-2) noted that Washington has the potential to invest in [hydrogen fuel technology](#), Pacific Propane Gas Association lobbyist Mel Sorenson said the state legislature has already recognized propane as a clean energy source via [incentives](#). He added that propane is currently used by several public vehicle fleets such as the King County Housing Authority.

“We are extremely concerned that the effect of this legislation would be to curtail this very well thought and thorough series of incentives and compromise the very hard work that’s been done,” Sorenson said.

In favor of preserving fuel choices was Jessica Spiegel with Western States Petroleum Association, who said: “The people of Washington choose vehicles that are the best for them, and they’re at this time not choosing electric vehicles. Washington should not eliminate efficient and clean transportation choices that consumers are obviously demanding. Other environmentally quality innovations aren’t investigated when you choose a winner.”

Others, including Rep. Debra Entenman (D-47) expressed concern that the transition would make vehicle ownership less affordable. Although some predict EVs may be the same price as gas vehicles by 2024, ClimateWorks Foundation Anthony Eggert [notes in a Forbes column](#) that “reaching these outcomes requires continued market expansion.”

“I want to make sure that people understand that there is a middle class that is not transitioning to electric cars because we...cannot afford them,” Entenman said at the public hearing.

Microsoft Learns Money Alone Can't Fix Seattle's Housing Mess

Noah Buhayar

 Bookmark

Published on January 15 2020, 9:30 PM
Last Updated on January 15 2020, 10:53 PM



(Bloomberg Businessweek) -- When Microsoft Corp. unveiled a \$500 million pledge last January to tackle the housing crisis in the Seattle area, the event had most of the trappings of a [product launch](#). During a slick presentation, President Brad Smith walked through the numbers: A booming economy had led to a housing shortage that was squeezing everybody whose wages couldn't match Microsoft-level salaries. His company, then valued at \$800 billion, had taken an interest in evening things out. "Every day for 40 years, we at Microsoft have benefited from the support of this community," Smith said. "We want our success to support the region in return."

The only thing the launch was missing was a fully fleshed-out product. Microsoft wanted help investing the money.

In the year since, Apple, Facebook, and Google have followed Microsoft's lead, announcing [splashy efforts](#) to alleviate the Bay Area's housing crisis. All issued outlines of plans that were short on details. Critics dismissed the moves as publicity stunts meant to deflect attention from the ways in which the industry has made surrounding communities less affordable.



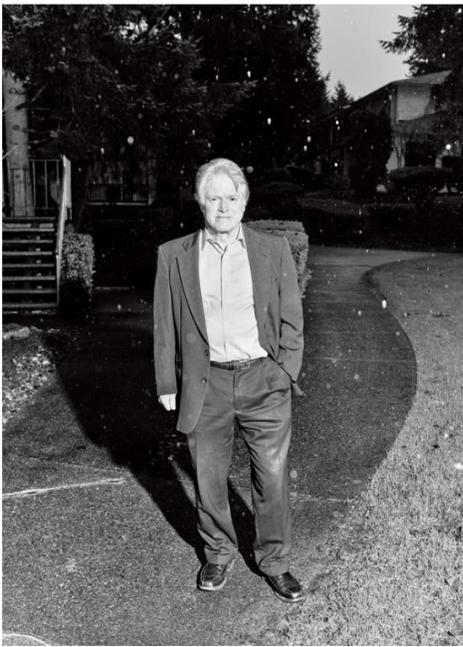
Kendall Ridge

If Microsoft's experience over the past year is any gauge, the companies are approaching the task thoughtfully. But good intentions and careful investments won't be enough to address a complex, urgent dilemma [decades in the making](#). "We can't expect that a couple of corporate gifts is somehow going to solve the problem," says Jenny Schuetz, a fellow at the Brookings Institution who studies housing policy. "The scale of need is just so much bigger."

On Jan. 15, Microsoft—now valued at more than \$1.2 trillion—[announced an additional \\$250 million line of credit](#) to the Washington State Housing Finance Commission, along with several new projects and grants. The company's efforts so far are expected to preserve or create more than 6,700 affordable homes, with about half the \$750 million total yet to be committed. Still, even Microsoft acknowledges that it wants to pick up the pace. "There is great momentum," says Jane Broom, senior director of Microsoft Philanthropies and one of four executives at the company who've been putting the pledge into action. "But we really do want to move faster."

Last spring, Microsoft [asked developers](#) to present their best ideas for building and preserving middle- and low-income housing. "To be honest," Broom says, "we were a little underwhelmed." Most of the 15 or so proposed projects weren't far enough along to fund, she says, or didn't target the suburbs Microsoft wanted—within an hour's commute of Bellevue, Wash., near its Redmond headquarters, areas where there are few affordable developments under way. The standout proposal was from the King County Housing Authority, which administers federal rental assistance and owns more than 11,000 units in the cities around Seattle.

On a damp morning just before the new year, Dan Watson, the housing authority's deputy director for development, stepped into a two-bedroom apartment at Kendall Ridge, a low-slung 1970s-era Bellevue complex. A cozy living room with thick brown carpet opened onto a clean but dated kitchen. It's nothing opulent, but at \$1,800 a month, it's a good deal for a home on a rapid bus line in a Seattle suburb known for high-quality schools. In the age of Microsoft and Seattle-based Amazon.com Inc., comparably sized apartments in the neighborhood might go for \$2,100 a month. "What happens is that big money takes on these places," Watson says. "They'll upgrade appliances, fixtures, cabinets, bathrooms. Then they'll bump the rents quite a bit."



Dan Watson

Not at Kendall Ridge. Last year, Watson's group used a \$60 million loan from Microsoft (interest-only for 15 years at 1%) to help buy the complex and four other properties in the region. Its plan is to boost rents only as much as the housing authority's operating costs rise—typically about 3% a year, vs. 5% to 8% a year for a market-rent increase in the area. Over time, that difference could add up, saving renters hundreds of dollars a month and keeping about 1,000 apartments markedly more affordable.

Such technocratic solutions don't lend themselves to ribbon-cuttings, but they can be effective. Preserving a unit of affordable housing costs around \$300,000 to \$350,000 in the Seattle area, compared with more than \$400,000 for new construction, says Stephen Norman, the housing authority's executive director. Preservation, however, requires competing with aggressive private investors looking to gut units and start fresh. "When a property goes on the market, you have about three nanoseconds to put your money up," Norman says. Microsoft's money has helped his organization keep pace with higher prices.

Fixing the mess will require new housing, too, which means overcoming some tough math. In San Francisco, not far from where Apple, Facebook, and Google are based, it costs about [\\$425,000 to build an affordable, family-size apartment](#), according to the Turner Center for Housing Innovation at the University of California at Berkeley. Land, fees, and other soft costs can add an additional 30% to 40%, says David Garcia, the center's policy director.

The companies are looking to stretch their dollars across a wide range of projects in California and contribute land that can be used for residential development. But costs to build are so high that Google and Facebook, which each pledged \$1 billion, say they'll probably create only about 40,000 homes combined—in a state that needs millions of them.

None of this is entirely altruistic. In each case, much of the funding is structured as loans, so the projects will generate some kind of direct return on investment. Plus, the worsening housing crises in the Seattle area and Silicon Valley have started to hurt the companies' ability to recruit. The pricing out of working-class populations ([cops](#), nurses, firefighters) has rendered these areas less attractive. It's much tougher for, say, schools to hire talented teachers who know they'll be signing up for a 90-minute-or-longer commute each way.

While the housing money is helpful, the tech companies would create a more durable legacy if they worked to change policy. The federal government has [pulled back dramatically](#) from housing assistance, currently spending about a third of what it did in the late 1970s. Meanwhile, Nimby-influenced policies have all but outlawed construction of new affordable housing in many places. Large employers have an outsize ability to sway that sort of thing.

Microsoft's pledge came along with a commitment from several suburban mayors to support pro-growth policies, such as increasing housing density near transit and reducing development fees. The company also backed last year's [increase to the state's housing trust fund](#). "That was really the muscle of Microsoft," says former Governor Christine Gregoire, whose group Challenge Seattle has worked with the company to advocate for more middle-income housing. Facebook has backed a [controversial bill](#) that would force California cities to rezone for higher density.

Corporate advocacy for such reforms is a relatively new phenomenon, says Schuetz, the Brookings researcher. She argues that the big tech companies' focus on the issue could help convince people who've dismissed it as a concern only for the poor. "Talking about it draws more attention to it," she says, "and puts more pressure on local governments." —*With Dina Bass*

To contact the editor responsible for this story: Jeff Muskus at jmuskus@bloomberg.net

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King County Housing Authority Section 8 waitlist to open for first time since 2017

By [Becca Savransky](#), SeattlePI

Updated 5:24 pm PST, Wednesday, February 5, 2020



Photo: Justin Sullivan/Getty Images

The King County Housing Authority is opening its Section 8 waiting list for the first time since 2017, giving low-income individuals and families the opportunity to get a housing voucher to rent homes on the private market.

Several years ago, Doug Fraser, 67, was [homeless](#) on the streets in [Seattle](#). One night, he was arrested after he said police told him to move and he refused. He had a mental breakdown and ended up at Harborview Medical Center, where he was diagnosed with bipolar disorder.

After that, he began to put his life back together. He sought out services and was able to get temporary housing through an organization in King County. He then got a housing voucher, moved into an apartment complex in Bellevue and has even since started his own business. Having that voucher and getting housing, he said, was one of the most important things to being able to build himself back up.

"I've been able to rebuild my life and rebuild my relationships with my family and the people who matter to me," he said, "and live a normal productive life."

Now, for the first time since 2017, the King County Housing Authority is opening a lottery for its Section 8 Housing Choice vouchers waitlist, giving low-income households the opportunity to get housing vouchers so they can rent homes on the private market. The lottery for the waitlist will open on Feb. 12 and will remain open until 4 p.m. on Feb. 25.

People who meet eligibility requirements are encouraged to apply for the 2,500 spots on the waitlist. When the waitlist lottery was last open in 2017, nearly 20,000 applications came in for the spots made available, said Rhonda Rosenberg, the director of communications for the King County Housing Authority.

There are several [eligibility requirements](#) for those applying for Section 8. Applicants must have a member of their household who has a disability, is over 62 years old or younger than 18 years old. Households must also be considered low-income, and be in one of a series of other situations, including lacking a regular night time residence, paying 50% or more of their income toward rent and utilities or needing to move due to cases of domestic violence or stalking, among other reasons.

RELATED: [Seattle to invest \\$110 million into affordable housing, largest investment in city's history](#)

Those eligible can [apply online](#) at any time during the application period. People can also get free online computer access at King County and Seattle libraries.

After people apply, there is a randomized lottery to determine who gets spots on the new waitlist. For people who do get on the waitlist, the lower the number, the sooner a household will be able to get a voucher.

More than 10,000 vouchers are given out to households in King County. When people give up a voucher -- which can be for a number of reasons -- then someone will get off the waitlist and get access to one. Households who have a Section 8 voucher will pay a certain percentage of their household income -- about 30% -- for rent and utilities. The King County Housing Authority pays the difference that the percentage doesn't cover.

The amount of time the waitlist stays closed for varies.

Rosenberg said the Housing Authority aims for that two-to-three year period of time to move through all of the people on the waitlist and then reopens the lottery when it nears the end. If the job market changes and wages go up, she said, people have a better chance of being able to pay market rent, which could mean more people give up vouchers. If the supply of affordable housing changes, that would also affect the number of people in need of vouchers.

"But if the housing market continues to get tighter and tighter and fewer people turn in their vouchers, then there's going to be fewer vouchers to give to people on the waitlist," she said.

Rosenberg said it's possible people will be deterred by the low chances of actually getting a spot, but the need for housing is so great in the county that people "want to take every opportunity they can."

"They have to take any and every opportunity in the hopes that something will offer relief," she said.

RELATED: [What will it cost to solve the homelessness crisis in King County? New report says up to \\$11 billion](#)

Last time the waitlist lottery was opened, more than half of all of the people who applied had been homeless before the application period.

"So it's pretty dire out there," she said.

Fraser, who is a veteran, has a specialized voucher specifically offered to veterans, but it functions as does a typical Section 8 voucher.

Fraser described becoming homeless as "more of a drift." He started losing relationships, he lost a job and he began drinking heavily. He was homeless for several years. After he learned of his bipolar diagnosis, he found guidance through different organizations to get through the next few years.

One of the most important things to getting back on his feet was finally accepting help, he said. For a long time, he wasn't willing to.

Since he's been able to get housing and get stable, he's also been able to reconnect with his family and those who matter to him. But that took work. Once you've disappointed someone, he said, it's very difficult to get that trust back.

"You never really get it back for the things you've done before, but at the same time, you start to be trusted for the things you're doing now," he said.

He talked fondly about the relationships he has with his children.

"It's nice to be able to have those relationships again," he said, "where you can joke with them and not just be a burden to them."

Fraser encouraged people not to judge those who have Section 8 vouchers, but to instead consider those in their own lives. People who use housing vouchers have them for a variety of reasons, but for the most part, he said, they're just trying to work through things and get back on their feet.

"To otherize them," he said, "is to really not look at the people in your life."

He added: "I think the best thing to do is to look at their own family's lives and histories and having to deal with people that are going through a stressful time."

He also urged people to really pay attention to what people have to say if they talk to those living on the street.

"When you cross somebody on the street and you see them and they're homeless, you don't have to engage them, but if you do engage with them, do it with your whole soul. Take the time to look them in the eye, to really listen to what they have to do say," he said. "Engage them with your whole being."



Get in line

by [Ashley Archibald](#) | January 29th, 2020

The King County Housing Authority (KCHA) will open its waitlist for housing vouchers for two weeks in February, allowing people a shot at subsidized housing in the unincorporated parts of the county and 37 cities in the county.

Housing Choice Vouchers, also called Section 8 vouchers, are prized because they are a guarantee that the government will cover a large portion of a household's rent in private market housing.

As a Move to Work housing authority, which is a Housing and Urban Development program, KCHA allows more flexibility with the vouchers than many other housing authorities, increasing payment standards depending on the average rents in a ZIP code. After the first year, the household can try to use their voucher in other jurisdictions.

There are a limited number of vouchers to go around, and people at the top of the waitlist can receive one as soon as another household gives up theirs, perhaps because their income increased, making them ineligible.

Information in the waitlist becomes stale over time — people leave the area, no longer qualify for a voucher or change their contact information and cannot be reached when their names come up. KCHA then will reopen the waitlist to new applicants.

The last time that happened was spring of 2017, when more than 20,000 people applied for 3,500 spots on the waitlist.

This time will be even more competitive, said Rhonda Rosenberg, spokesperson for KCHA. The housing authority is offering 2,500 spots on the waitlist. If previous numbers of applicants hold, that's roughly a 1-in-10 chance of snagging a spot.

Getting on the list does not mean getting a voucher. If a person's name comes up, they then have to provide other documentation proving that they are eligible for the federal government program.

The application period runs from 7 a.m. Feb. 12 to 4 p.m. Feb. 25. All applications must be filled out online via the housing authority's website. The application itself is available only in English, though the agency has "Frequently Asked Questions" documents in 12 languages.

Applicants should apply only at kcha.org/lottery, Rosenberg said. In previous years, scam websites have popped up and charged people for applications. No outside agency can guarantee a spot on the waiting list.

KCHA is working with its partners to ensure that people without a computer or internet-capable mobile device have access to computers to fill out the application.

Everyone who applies during the two-week period has an equal shot of getting on the list. After the application period closes, names will be chosen at random.

Update: This story incorrectly stated where a King County Housing Authority Voucher was valid. It is valid for the unincorporated parts of King County and 37 cities. The newspaper apologizes for the error.

Has Microsoft's 'game-changing' housing commitment changed the game?

As the company pledges \$250 million more, a look at how its first \$500 million has played out.

by [Gregory Scruggs](#) / January 16, 2020 / Updated on Friday, Jan. 17 at 9 a.m.



Christine German plays with puppy Carmela in the one-bedroom apartment she shares with her 15-year-old granddaughter in Bellevue on Jan. 15, 2020. Both were homeless and staying with a friend from church before moving into the affordable housing complex 30Bellevue when it opened in May 2019. (Jen Dev/Crosscut)

In late September, an investor bought five apartment complexes sprinkled throughout Kirkland, Bellevue and Federal Way. Such transactions barely raise an eyebrow in the churn of today's white-hot Puget Sound real estate market, but this time the check wasn't signed by a private equity firm. Rather, it was the King County Housing Authority that [ponied up \\$245 million](#) to acquire 1,029 units with the goal of keeping them permanently affordable.

Key to the housing authority's acquisition? A \$60 million loan from Microsoft.

The September deal was the first deployment of the \$475 million revolving loan fund that the Redmond-based tech giant announced [one year ago today](#) to fund the creation and preservation of low-income and workforce housing in suburban King County. The aim was to make it possible for everyone, from the cleaning staff tidying up tech offices after business hours to the teachers educating programmers' children, to live near the Eastside's thriving job market.

In the lead up to Microsoft's big announcement, which includes an additional \$25 million in grants, the company did a deep dive on the data and best practices around affordable housing, which included consultations with the CEO

roundtable Challenge Seattle. Former Washington Gov, Christine Gregoire heads that group and has dedicated much of her post-gubernatorial energy to addressing the challenge of providing so-called “middle-income housing” for families struggling to live near where they work, but earning too much to qualify for federal subsidies. She sees commitments like Microsoft’s as essential to meeting the missing middle.

“Thank goodness Microsoft put in what it did,” she told Crosscut last week. “It was game-changing.”

Microsoft’s move last January kicked off a trend among the Big Five tech firms, with Google in June and Facebook in October each pledging \$1 billion to address California’s housing crisis. Apple then doubled down in November with a \$2.5 billion commitment. Seattle-based Amazon has not made a similar pledge, but has donated over \$40 million to social service nonprofits Mary’s Place and FareStart, as well as paying over \$40 million to the city for affordable housing through real estate development fees.

On Wednesday, Microsoft announced that another \$50 million from the 2019 pot will seed the new Evergreen Housing Impact Fund to invest in low-income housing in Eastside communities with the goal of creating some 1,250 units. All told, through grants and loans, Microsoft has invested \$380 million and estimates that at least 6,671 affordable homes will be created or preserved.

There will be more from where that came, as Microsoft also announced Wednesday that it would be expanding its effort, unveiling an additional \$250 million in the form of a line of credit to the Washington State Housing Finance Commission.

Reflecting on the first year of the company’s foray into the world of housing finance, Microsoft Philanthropies Director Jane Broom told Crosscut: “What we know now more than we did is that it really is complicated getting these deals to pencil out in communities when things are changing rapidly and where each city is different. We have a greater appreciation for the growth and rate of change that’s happening in our region and how that adds even more to the complexity.”

As the Bay Area tech companies compete over who can write a bigger check, Microsoft has been quietly working the city halls of suburban King County and collaborating with a close-knit group of housing experts and advisers in an effort to loosen zoning and strategically invest in the types of real estate deals that may have fallen through without the company’s support.

Such was the case with the September deal, which involved one of the many configurations that affordable housing can take. In this case, since the 1990s, when Microsoft was the booming tech company blamed for driving up regional real estate prices, the King County Housing Authority has been purchasing so-called “Class B” apartment properties. Think 25-year-old garden apartments populated by public school teachers and firefighters supporting a family on one salary, not fancy new high-rises with millennial coders making six figures. The authority holds the rent steady, with increases only as needed to keep up with operation and maintenance.

“We decoupled rental costs from the market,” the housing authority’s executive director, Stephen Norman, told Crosscut. “This decommodification of housing is a time-honored tradition in European social democracies.”

Between cash flow from those holdings and refinancing loans once the principal has been paid down some, the authority has slowly but steadily acquired more apartments, up to 7,000 now.

In the face of our housing market, the authority’s effort can feel noble but quixotic. According to a McKinsey & Company report due later this month, 100,000 affordable units in this “workforce housing” category have disappeared from metro Seattle since 2010.

One reason? King County’s booming real estate market has led private equity firms to swoop in and purchase these relatively cheap apartment complexes, jack up the rent, then sell them at a profit in a few years. A public housing authority struggles to compete with well-capitalized investors.

“We were running out of pools to refinance, and this is where the Microsoft money came in and made a critical difference,” Norman said. “Given acquisition costs, we had essentially hit a wall.”

This deal was a prime example of how Microsoft has approached housing finance: by seeking to plug a gap that might otherwise cause a deal to fall through.

“With some of these corporate pools, there is a tendency to jump on existing production bandwagons and put money into a pipeline that would happen with or without them and claim credit,” Norman said. For example, many banks already lend money through the federal low-income housing tax credit, which doesn’t apply to efforts like the housing authority’s purchase of those Class B properties. If Microsoft were simply offering up more tax-credit dollars, then their investment would only be growing an already available pool of funds rather than creating an entirely new financial product.

“To Microsoft’s credit, they are looking for ways in which they can provide dollars which are truly value added and move the needle,” he said.

Microsoft has recruited a brain trust of housing experts to vet deals, from the company’s investments and real estate teams to the national housing nonprofit Enterprise Community Partners and Faith Pettis, co-chair of Seattle’s Housing Affordability and Livability Agenda. They hoped to demonstrate that a private company can make a philanthropically minded but fiscally responsible investment in housing.

“The deal was a template for a long-term engagement with the corporate community — whether Microsoft or a broader team of corporations with skin in the game,” Norman said. Yet no other Seattle-area corporation has made a similar commitment. Whether they will, he said, “is an open question.”

The company's investment has also raised broader philosophical questions about who is responsible for ensuring that a region's residents can afford a decent place to live near where they work.

"While the corporations have a role to play, ultimately this issue of the failure of the market to provide a sufficient supply of affordable housing is a government issue," Norman said. While he believes primary responsibility rests with the federal government, the Trump administration has largely retreated from affordable housing, leaving states and local governments to fend for themselves.



30 Bellevue Apartments in Bellevue on Jan.15, 2020. The low-income housing complex opened in May of last year, and most of its residents, including 67 children, were homeless before moving in. (Jen Dev/Crosscut)

To that end, Villette Nolon, CEO of Imagine Housing, an affordable housing developer on the Eastside, has begun hearing increased chatter about a possible King County housing levy, a prospect she called unthinkable five years ago. Such a measure could go a long way toward balancing the disparity between Seattle, which spends heavily on affordable housing, thanks to a 2016 housing levy, and the more parsimonious suburbs.

According to data compiled by the King County Housing Authority, in 2017 Seattle spent \$127.93 per capita on affordable housing through its Office of Housing, while the 15 suburban King County cities that are part of ARCH, a quasi-public housing agency, spent on average \$9.38 per capita from 2012 to 2017.

"A levy would make a world of difference," Nolon said. "There's a lot of land on the Eastside, but there isn't any money to develop it if you rezoned it."

While Microsoft's Broom did not comment on whether the company would support a housing levy, Gregoire was warm to the idea, though specifics would require getting the state Legislature involved.

“We can’t spend money and call it a day,” Gregoire said. “This is going to be a long, long haul.”

Correction: An earlier version of this story misidentified the source of a workforce housing report. The report was prepared by McKinsey & Company. The story has been corrected.

Microsoft ups its affordable-housing initiative to \$750M, announces more funding allocations

Jan 15, 2020, 12:25pm PST



Paxtyn Merten Staff writer



Jane Broom is senior director of Microsoft Philanthropies.

Microsoft Corp. has added \$250 million to its affordable-housing initiative, raising its King County commitment to \$750 million.

The company to date now has allocated \$380 million toward its pledge, supporting projects to create and preserve more than 6,500 housing units.

A year ago, the Redmond-based technology company [announced](#) its plan to invest \$500 million in King County affordable housing over three years to address the region's shortage of low- and middle-income housing, something that has been largely pinned on growth of the lucrative tech sector. Microsoft President Brad Smith [said technology companies must take responsibility](#) and address the challenges it has created.

Since then, Microsoft (NASDAQ: MSFT) granted a \$60 million below-market interest rate loan to the King County Housing Authority to support its purchase of more than 1,000 affordable-housing units and granted \$5 million each to Plymouth Housing's plan to build housing for chronically homeless, United Way of King County's eviction-prevention program and King County's regional homelessness authority.

Microsoft on Wednesday announced the additional \$250 million contribution as a no-cost line of credit to the Washington State Housing Finance Commission that will enable it to finance about 3,000 units of affordable housing. By comparison, the commission helped finance nearly 7,000 affordable housing apartments in 2018.

Microsoft also announced it will contribute \$50 million toward a low-income tax-credit program – the Evergreen Impact Housing Fund – to create Eastside low-income housing, a \$2.5 million grant to HomeSight’s Othello Square project adjacent to the Othello light-rail station, and a \$2.5 million grant to the Rise Together collaboration developing low-income housing in the Central District, Capitol Hill and White Center.

“The initial response to our request for proposal (RFP) was less than we hoped and showed us just how difficult it is to create affordable housing where it typically doesn’t work,” said Microsoft Philanthropies senior director Jane Broom, [in a statement](#). “The good news is that we are starting to see a pipeline of new ideas and projects here on the Eastside of King County where there really wasn’t one before.”

In its initial announcement of the funding, Microsoft said it would concentrate \$225 million in below-market-rate loans on the Eastside, where most of its local employees work.



Renton receives more HUD vouchers for veterans

Saturday, January 4, 2020 1:30am

U.S. Department of Housing and Urban Development (HUD) has added more vouchers to Renton folks in need, this time for our local veterans.

The department will be issuing 67 HUD-Veterans Affairs Supportive Housing (HUD-VASH) vouchers, at \$733,972, to the Housing Authority of King County, and five vouchers, at \$63,522, to Renton Housing Authority. This means up to 71 veterans can get permanent housing in the private market.

In total, Washington received over half of the HUD-VASH vouchers, at 265 of the 491, awarded in Alaska, Oregon, Idaho and Washington state to 22 housing authorities. According to a HUD press release, these vouchers have supported 7,000 veterans to get affordable housing in these states.

The HUD-VASH awards in HUD Region 10 were part of a national announcement by HUD Secretary Ben Carson and Veterans Affairs (VA) Secretary Robert Wilkie of a total of \$29.3 million in HUD-VASH Vouchers to 216 public housing authorities across the country, to provide rental assistance to an additional 3,300 military veterans.

The latest awards also expanded the program to 37 public housing authorities in the U.S. The vouchers are a resource for local communities, like Renton, to end homelessness in our veterans.

As part of the Housing Choice Voucher (HCV) program, HUD-VASH has helped veterans since 2008 find homes. According to the release, veterans experiencing homelessness dropped 50 percent since its creation. Over the last year, it has decreased another two percent. In total, HUD-VASH has awarded over 100,000 vouchers and served 170,000 veterans. Veterans participating in the HUD-VASH vouchers rent privately-owned housing and contribute less than 30 percent of their income toward rent.

“There may be no other group more worthy of receiving assistance to insure that they have a safe, affordable place to call home,” HUD Northwest Regional Administrator Jeff McMorris stated in a press release. “They have done their duty to us and HUD-VASH is part of our duty to them.”

The HUD-VASH program includes both the rental assistance the voucher provides, and the comprehensive case management that VA Medical Centers staff offers. In the HUD-VASH program, VA Medical Centers assess veterans experiencing homelessness before referring them to local housing agencies for these vouchers. Decisions are based on a variety of factors, including how long they’ve been homeless and the need for longer, more intensive support in obtaining and maintaining permanent housing.

“President Trump has made ending veteran homelessness a priority and with his leadership we have continued to see it decline. Our nation’s veterans have given so much for our country and freedom,” HUD Secretary Ben Carson stated in a press release. “It is our duty to make certain every single veteran has a place they can call home.”

“President Trump remains committed to using every tool at our disposal to help veterans exit homelessness and remain in stable housing,” VA Secretary Robert Wilkie stated in a press release. “HUD-VASH has been critical to the nearly 50 percent decline in veteran homelessness since 2010 and is proof that the federal government and local agencies are capable of solving complex problems together.”

Here’s the list of awarded vouchers for Washington:

- Seattle Housing Authority — \$519,480, 60 vouchers
- Housing Authority of King County — \$733,972, 67 vouchers
- Housing Authority of City of Tacoma — \$180,780, 25 vouchers
- Housing Authority of the City of Vancouver — \$385,740, 50 vouchers
- Housing Authority of City of Renton — \$63,522, five vouchers
- Housing Authority of City of Pasco and Franklin County — \$89,203, 13 vouchers
- Housing Authority of Snohomish County — \$219,528, 20 vouchers
- Housing Authority of City of Yakima — \$45,870, 10 vouchers
- Housing Authority of City of Walla Walla — \$25,980, five vouchers
- Housing Authority of Chelan County and the City of Wenatchee — \$25,058, five vouchers
- Housing Authority of Okanogan County — \$23,195, five vouchers
- Washington state total — \$2,312,328, 265 vouchers

For more information, visit hud.gov.

Man killed, 2 Federal Way police officers shot when gunfight erupts in apartment-complex parking lot

Dec. 31, 2019 at 7:05 am Updated Dec. 31, 2019 at 3:54 pm

By [Asia Fields](#) and [Christine Clarridge](#)

Two Federal Way police officers were injured and a 23-year-old man died early Tuesday in a gunfight between the man and officers, who were responding to a disturbance call, according to the police department.

The officers, who were taken to St. Francis Hospital and Harborview Medical Center, were released and are recovering, Federal Way Police Chief Andy Hwang said at a news conference Tuesday afternoon. The man who died has not been publicly identified.

The officers responded to an apartment complex in the 30800 block of 14th Avenue South shortly after midnight, after a resident called 911 to report a disturbance between a man and a woman in the parking lot, Hwang said. The man and woman were sitting in a car and one was “uncooperative” with officers, who requested backup, Hwang said.

Gunfire erupted in the parking lot, with the man firing from the car and seven officers also firing shots, Hwang said. Two officers were struck, the man died at the scene as a result of gunshot wounds, and the woman in the car fled and has yet to be identified or located by police, he said.

The department is not releasing details about who shot first and whose shots struck the officers and the man who died, saying that those details would be determined by an independent investigation involving other law-enforcement agencies. When asked about the possibility of the officers being struck by friendly fire, Hwang said he was “not going to rule that out,” according to a recording of the news conference by KOMO News.

“I want to be very careful about providing that grade of detail because I can’t speak with certainty,” he said. “I think it’s really important for the independent investigation to take place, and then all the findings come out after that.”

The officers who were shot are a 30-year-old corporal who has been with the department for seven years and a 38-year-old who has been with the department for four of his 13 years in law enforcement. The 30-year-old was shot in the arm and chest, and Hwang said the officer’s ballistic vest likely saved his life. The 38-year-old was shot in the leg.

All seven officers involved in the shooting are on administrative leave pending the results of the investigation, in accordance with department policy.

The Valley Investigative Team, made up of South King County law-enforcement agencies, is investigating the shooting, led by the Des Moines Police Department, Federal Way Police spokesman Kurt Schwan said.