MEETING OF THE BOARD OF COMMISSIONERS

SPECIAL TELEPHONIC MEETING

Monday, October 12, 2020

Zoom Meeting:

https://zoom.us/j/99624966726?pwd=NUFaaDlHUTRRTFpTQnY4UHdZcVMzQT09

Meeting ID: 996 2496 6726
Passcode: 864368

Dial by your location
+1 253 215 8782 US (Tacoma)
Meeting ID: 996 2496 6726

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

SPECIAL MEETING OF THE BOARD OF COMMISIONERS TELEPHONIC AGENDA

October 12, 2020 8:30 a.m.

King County Housing Authority, 700 Andover Park West, Tukwila, WA 9818

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of Minutes

A. Board Meeting Minutes – September 21, 2020 **1**

V. Approval of Agenda

VI. Consent Agenda

A. Voucher Certification Reports for August 2020 **2**

VII. Resolution for Discussion and Possible Action

A. **Resolution No. 5665** - Authorizing a change in the Administrative and Collective Bargaining Unit Pay Schedule of 1.9%, effective November 2020 **3**

B. **Resolution No. 5666** – A Resolution relating to Employee Compensation; Authorizing Temporary Compensation to All Employees of the Authority; and Directing Implementing Actions **4**

VIII. Briefings & Reports

A. VRT Briefing

B. Second Quarter CY 2020 Financial Report **5**

C. One Year Extension of the Collective Bargaining Agreement between KCHA & the Seattle/King County Building Construction Trades Council **6**

D. Revision to KCHA's Mission Statement **7**

IX. Executive Director Report

X. KCHA in the News **8**

XI. Commissioner Comments

XII. Adjournment

Members of the public who wish to give public comment: We are only accepting written comments for the time being due to COVID-19. Please send your written comments to kamir@kcha.org prior to the meeting date. If you have questions, please call 206-574-1206.

TAB NUMBER 1

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

Monday, September 21, 2020

I. CALL TO ORDER

The telephonic meeting of the King County Housing Authority Board of Commissioners was held on Monday, September 21, 2020 at 700 Andover Park West, Tukwila, WA 98188. There being a quorum, the telephonic meeting was called to order by Chair Doug Barnes at 8:30 a.m.

II. ROLL CALL

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

III. Public Comment

None.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – August 17, 2020

B. Board Meeting Minutes – September 14, 2020

On motion by Commissioner Susan Palmer, and seconded by Commissioner Michael Brown, the Board unanimously approved the August 17, 2020 Board of Commissioners' Meeting Minutes and the September 14, 2020 Board of Commissioners' Meeting Minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Michael Brown, the Board unanimously approved the September 21, 2020 telephonic Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

On motion by Commissioner Susan Palmer, and seconded by Commissioner John Welch, the Board unanimously approved the September 21, 2020 telephonic Board of Commissioners' meeting consent agenda.

VII. BRIEFINGS AND REPORTS

A. VRT Briefing
Jill Stanton, Deputy Executive Director for Administration presented the work that is being done.

- Protocols for cases of employees testing positive for Covid-19
- Disinfecting of KCHA properties
- Maximizing of telework
- Mandatory face coverings
- Sanitizing stations
- Social distancing signage
- Interactive Covid-19 safety training
- Virtual meetings
- Wellness check-in tool
- Wellness Officer recruitment
- Wellness kits
- Kudos to all KCHA employees
- 4 month supply stores of PPE and disinfectant procured by Virus Supply Team
- Kudos to new Risk Manager, Ginger Peck
- Childcare support for employees
- October 13, 2020 All-Staff Meeting with Virus Response Team Update

Questions of commissioners' were answered.

B. Mid-Year Capital Budget Snapshot
Dan Watson, Deputy Executive Director provided a detailed summary of construction-related capital expenditures by mid-year.

We are making decent progress in most categories. We are at 28% due to the pandemic. We've seen a 50% reduction, and are unable to work in occupied units. We have incorporated safety plans into all construction.

One of the big projects we're working on is the Houghton renovation in Kirtland. It's a small apartment complex that we acquired from the city of Kirkland.

Another major project that we're doing is the Youngs Lake waistline and interior renovation project that needs to have some significant upgrading.

Questions of commissioners' were answered.

C. <u>2020 Moving to Work Annual Report</u>
Katie Escudero, MTW and Health Policy Manager explained the report in detail.

<u>HUD Extension of Timeline in Response to COVID</u>
We received an extension from HUD for our 2019 Moving to Work report. Housing authorities had been focused on COVID response, and HUD decided to offer extensions to the submission deadline. We did submit this report last month to HUD. The MTW Plan will be submitted to HUD on a delay as well, at the end of December, and the Board will see the document at the December Board meeting.

<u>Moving to Work Program - Refresher</u>
This program allows us the flexibility to design community-specific approaches to serve those residents with the lowest income within our region. We have the regulatory and budgetary flexibility to waive regulations that would otherwise get in the way of our ability to be responsive to local community needs. It challenges us to do things differently and to test innovative approaches to the administration of federal housing assistance.

<u>Highlights/Milestones from 2019</u>

- Allocation of Special Purpose Vouchers
- Response to Homelessness Crisis
- New Subsidy Program
- Increasing Geographic Choice
- Creating Moves to Opportunity
- High Opportunity Neighborhoods
- Capital Work
- Summary/Recap

Questions of commissioners' were answered.

VIII. STUDY SESSION

A. <u>Resident Characteristics Survey</u>
Anita Rocha, Data Manager, Tyler Shannon, Research and Data Analyst, and David Forte, Program Manager for Measurement, Learning & Evaluation provided an overview of the survey's methodologies and findings.

We're serving more households overall, elder and individuals with a disability group 14.5%. Since 2016. Entering from homelessness 48% of those of our new entries are coming in from homelessness in 2019. 48% of the children we serve are coming from single parent households.

Household size remains more or less constant across the years. Most are one person households. Among families, the most are three person households. The median, like the tenure is at seven years in 2019. And we're also seeing an increase in length of tenure for elders suggesting aging in place. And finally exits, although they only represent 6% of our households on any given year, we noticed that 20% were positive and 55% were combined negative or neutral in 2019.

Questions of commissioners' were answered.

Helen Howell, Senior Director for Policy, Research and Social Impact Initiatives, introduced Annie Panucci, Director of Research and Evaluation.

IX. EXECUTIVE DIRECTOR REPORT

Director Norman acknowledged all of the teams that presented today, starting with the VRT, which is doing a fantastic job day to day in dealing with pandemic challenges.

He wanted to particularly acknowledge the level of stress on staff as this pandemic grinds on. We are now in the seventh month. We have school taking place virtually, we have people incurring costs by working at home. It is really an accumulating strain on everybody. We are working on some additional steps to support staff, and may be bringing some of those to the Board for consideration. Again, my thanks to the VRT.

He wanted to acknowledge all the work that went into the Capital Report that you heard today. We are doing as well as we can in balancing forward progress with safety considerations, particularly regarding interior work. The admonition from the Board that we need to be alert to any physical conditions that present a health danger to residents or a threat to the integrity of buildings is an important one. These must be dealt with, even under COVID-19 health and safety constraints. We are constantly surveilling this question.

Moving to Work: Katie, thank you for putting all of this together. It represents an enormous amount of work by Public Housing, Homeless Housing, Housing Choice Vouchers - really, the entire agency.

Resident Characteristics: Kudos. This report keeps getting better year by year. One of the important things about research is its ability to show us where we should be considering changes in how we do business, to help us focus on equity and operational issues and on outcomes.

One discussion that came out of this research was the question of balance between empowering our participants to move to opportunity neighborhoods and taking additional steps to bring opportunity into those neighborhoods where, at the end of the day, the majority of extremely low-income households and extremely low-income children will continue to live.

Our main place-based focus continues to be on White Center, where we actually have enough resources on the ground to affect how that community evolves. The prevailing regional dynamic is continued gentrification and loss of affordability. We've invested in preserving affordability on the East Side, but we can't slow market trends. The region continues to segregate by income. The challenge then becomes, in those areas in south County where we do not have the kind of footprint that we have in White Center, how do we engage in improving the quality of those neighborhoods?

On the national front: we are about 10 days out from the end of the federal fiscal year. There appears to be a bi-partisan concensus in Congress for a continuing resolution that "kicks the can" down the road until December. This will sustain current funding levels and prevent a shutdown shut down of the federal government for now.

The larger issue is the passage of another COVID-19 bill by Congress. At this point, given the tragic passing of Justice Ruth Bader Ginsburg over the weekend, there is very little bandwidth for serious negotiating, and it is probable that there will be no movement on an additional stimulus bill until after the election.

We continue to get money from the prior stimulus bill, the CARES Act. He was pleased to report that between additional supplemental administrative fees to cover HCV port-ins, and a recalculation of how HUD is funding our Special Purpose Vouchers, we have about $1.2 million in additional HUD revenues coming in this month. We have also been notified that we are eligible for up to 100 additional Special Purpose Vouchers for households with disabilities. This will help us to continue expanding our rental assistance program, serving more households, particularly homeless households and those households most at risk in the community.

The two actions passed last month by the Board regarding the Oaks - the nursing home in Shoreline proposed for emergency shelter use by the County – have enabled this project to move forward. The County and the designated local provider are working to allay community concerns, and to assess the repairs necessary for bringing the building on-line as a shelter. The due diligence by LifeWire, our partner on the East Side, regarding the acquisition of the Firs, is also moving forward.

Finally, he wanted to note that we have reached a one-year extension agreement with our collective bargaining partners who represent KCHA's unionized maintenance workforce. My compliments to Jill Stanton, Bill Cook, Tonya Harlan and the rest of the collective bargaining team. The extension provides for the continuation of the contract with minor adjustments and an agreement by the Housing Authority to fund a COLA for represented employees at 100% of the CPI for the year.

X. KCHA IN THE NEWS

None.

XI. COMMISSIONER COMMENTS

None.

XII. ADJOURNMENT

Chair Barnes adjourned the meeting at 10:25 a.m.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

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DOUGLAS J. BARNES, Chair
Board of Commissioners

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STEPHEN J. NORMAN
Secretary

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To: Board of Commissioners

From: Ai Ly, Accounting Manager

Date: October 5, 2020

Re: **VOUCHER CERTIFICATION FOR AUGUST 2020**

I, Ai Ly, 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.

Ai Ly
Accounting Manager
October 5, 2020

	Bank Wires / ACH Withdrawals		9,167,402.15
		Subtotal	***9,167,402.15***
	Accounts Payable Vouchers		
	Key Bank Checks - #330493-#330932		3,777,399.08
	Tenant Accounting Checks - #11199-#11223		8,853.03
	Commerce Bank Direct Payment		-
		Subtotal	***3,786,252.11***
	Payroll Vouchers		
	Checks - #92305-92347		59,629.81
	Direct Deposit		1,644,495.63
		Subtotal	***1,704,125.44***
	Section 8 Program Vouchers		
	Checks - #630821-631254; #631218-631647		313,997.52
	ACH - #488931-491584		16,467,956.11
		Subtotal	***16,781,953.63***
	Purchase Card / ACH Withdrawal		242,902.38
		Subtotal	***242,902.38***
		GRAND TOTAL	***$ 31,682,635.71***

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

FROM: Wen Xu, Director of Asset Management

I, Wen Xu, do hereby certify under penalty of perjury that the claims represented by the wire 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 Date

Property	Wired to Operating Account for Obligations of Property				Notes:
	Date	Wire Transaction		Claim	
ABBEY RIDGE	08/03/2020	$	73,040.13	To KCHA	
Ballinger Commons	08/05/2020	$	109,763.06	A/P, Payroll	
Bellepark East	08/05/2020	$	171.50	A/P	
Cove East	08/05/2020	$	14,100.00	Deposit Correction	
Emerson	08/05/2020	$	36,024.51	A/P, Payroll	
Gilman Square	08/05/2020	$	65,563.66	A/P, Payroll	
Hampton Greens	08/05/2020	$	28,694.18	A/P	
Kendall Ridge	08/05/2020	$	103,363.12	A/P	
Landmark	08/05/2020	$	6,669.76	A/P	
Meadowbrook	08/05/2020	$	24,084.61	A/P, Payroll	
Riverstone	08/05/2020	$	49,321.91	A/P	
Villages at South	08/05/2020	$	136,380.39	A/P, Payroll	
Woodside East	08/05/2020	$	6,193.58	A/P	
ALPINE RIDGE	08/06/2020	$	44,804.05	A/P, Payroll	
ARBOR HEIGHTS	08/06/2020	$	9,271.45	A/P, Payroll	
ASPEN RIDGE	08/06/2020	$	10,301.42	A/P, Payroll	
AUBURN SQUARE	08/06/2020	$	12,558.31	A/P, Payroll	
CARRIAGE HOUSE	08/06/2020	$	18,318.68	A/P, Payroll	
CASCADIAN	08/06/2020	$	24,550.34	A/P, Payroll	
COLONIAL GARDENS	08/06/2020	$	6,208.39	A/P, Payroll	
Cottonwood	08/06/2020	$	15,685.63	A/P, Payroll	
Cove East	08/06/2020	$	30,703.22	A/P, Payroll	
FAIRWOOD	08/06/2020	$	13,741.98	A/P, Payroll	
HERITAGE PARK	08/06/2020	$	7,641.77	A/P, Payroll	
Juanita View	08/06/2020	$	24,164.75	A/P, Payroll	
Kirkland Heights	08/06/2020	$	48,681.95	A/P, Payroll	
LAURELWOOD	08/06/2020	$	19,744.80	A/P, Payroll	
MEADOWS	08/06/2020	$	11,905.28	A/P, Payroll	
NEWPORTER	08/06/2020	$	15,785.83	A/P, Payroll	
OVERLAKE	08/06/2020	$	113,091.25	A/P, Payroll, Debt Svc	
PARKWOOD	08/06/2020	$	24,978.99	A/P, Payroll	
Rainier View I	08/06/2020	$	6,616.47	A/P, Debt Svc	
Rainier View II	08/06/2020	$	4,852.28	A/P, Debt Svc	
Si View	08/06/2020	$	2,918.04	A/P, Debt Svc	
SOUTHWOOD SQUARE	08/06/2020	$	18,191.46	A/P, Payroll	
TIMBERWOOD	08/06/2020	$	28,212.71	A/P, Payroll	
WALNUT PARK	08/06/2020	$	16,621.38	A/P, Payroll	
WINDSOR HEIGHTS	08/06/2020	$	44,624.84	A/P, Payroll	
WOODRIDGE	08/06/2020	$	86,303.77	A/P, Payroll	
Bellepark East	08/12/2020	$	7,299.42	A/P	
Hampton Greens	08/12/2020	$	19,398.98	A/P	
Kendall Ridge	08/12/2020	$	14,178.75	A/P	
Landmark	08/12/2020	$	14,340.02	A/P	
Riverstone	08/12/2020	$	19,460.26	A/P	
Woodside East	08/12/2020	$	12,619.27	A/P	
ALPINE RIDGE	08/13/2020	$	11,602.57	A/P	
ARBOR HEIGHTS	08/13/2020	$	12,446.67	A/P	
AUBURN SQUARE	08/13/2020	$	27,514.40	A/P	
Bellepark East	08/13/2020	$	5,120.23	A/P	
CARRIAGE HOUSE	08/13/2020	$	17,346.72	A/P	
CASCADIAN	08/13/2020	$	7,679.89	A/P	
FAIRWOOD	08/13/2020	$	8,655.02	A/P	
Hampton Greens	08/13/2020	$	30,282.83	A/P	
HERITAGE PARK	08/13/2020	$	19,612.65	A/P	
Kendall Ridge	08/13/2020	$	31,482.31	A/P	
Landmark	08/13/2020	$	8,360.72	A/P	
LAURELWOOD	08/13/2020	$	4,391.14	A/P	
MEADOWS	08/13/2020	$	11,487.79	A/P	
NEWPORTER	08/13/2020	$	10,681.11	A/P	
OVERLAKE	08/13/2020	$	34,106.55	A/P	
PARKWOOD	08/13/2020	$	23,843.56	A/P	
Rainier View I	08/13/2020	$	8,211.39	A/P	
Rainier View II	08/13/2020	$	5,663.03	A/P	
Riverstone	08/13/2020	$	20,880.19	A/P	
Si View	08/13/2020	$	2,914.37	A/P	

SOUTHWOOD SQUARE	08/13/2020	$	16,873.08	A/P	
TIMBERWOOD	08/13/2020	$	15,781.81	A/P	
Vashon Terrace	08/13/2020	$	800.88	A/P	
WALNUT PARK	08/13/2020	$	19,038.15	A/P	
WINDSOR HEIGHTS	08/13/2020	$	67,328.61	A/P	
WOODRIDGE	08/13/2020	$	13,355.15	A/P	
Woodside East	08/13/2020	$	30,118.63	A/P	
Ballinger Commons	08/19/2020	$	136,843.56	A/P, Payroll	
Bellepark East	08/19/2020	$	3,503.25	A/P	
Emerson	08/19/2020	$	41,311.22	A/P, Payroll	
Gilman Square	08/19/2020	$	54,784.56	A/P, Payroll	
Hampton Greens	08/19/2020	$	3,304.28	A/P	
Kendall Ridge	08/19/2020	$	20,413.49	A/P	
Landmark	08/19/2020	$	7,723.63	A/P	
Meadowbrook	08/19/2020	$	21,983.68	A/P, Payroll	
Riverstone	08/19/2020	$	53,717.83	A/P	
Villages at South	08/19/2020	$	107,972.05	A/P, Payroll	
Woodside East	08/19/2020	$	686.06	A/P	
ALPINE RIDGE	08/20/2020	$	16,653.82	A/P, Payroll	
ARBOR HEIGHTS	08/20/2020	$	19,570.13	A/P, Payroll	
ASPEN RIDGE	08/20/2020	$	9,867.66	A/P, Payroll	
AUBURN SQUARE	08/20/2020	$	23,151.00	A/P, Payroll	
CARRIAGE HOUSE	08/20/2020	$	24,550.75	A/P, Payroll	
CASCADIAN	08/20/2020	$	22,963.11	A/P, Payroll	
COLONIAL GARDENS	08/20/2020	$	10,483.08	A/P, Payroll	
FAIRWOOD	08/20/2020	$	31,689.02	A/P, Payroll	
HERITAGE PARK	08/20/2020	$	14,569.82	A/P, Payroll	
LAURELWOOD	08/20/2020	$	9,741.08	A/P, Payroll	
MEADOWS	08/20/2020	$	24,382.78	A/P, Payroll	
NEWPORTER	08/20/2020	$	13,231.20	A/P, Payroll	
OVERLAKE	08/20/2020	$	66,331.59	A/P, Payroll	
PARKWOOD	08/20/2020	$	14,064.54	A/P, Payroll	
Rainier View I	08/20/2020	$	5,898.43	A/P	
Rainier View II	08/20/2020	$	4,122.73	A/P	
Si View	08/20/2020	$	9,770.00	A/P	
SOUTHWOOD SQUARE	08/20/2020	$	29,367.02	A/P, Payroll	
TIMBERWOOD	08/20/2020	$	22,490.55	A/P, Payroll	
Vashon Terrace	08/20/2020	$	2,457.82	A/P	
WALNUT PARK	08/20/2020	$	9,179.19	A/P, Payroll	
WINDSOR HEIGHTS	08/20/2020	$	25,046.83	A/P, Payroll	
WOODRIDGE	08/20/2020	$	35,250.25	A/P, Payroll	
Cottonwood	08/21/2020	$	12,364.47	A/P, Payroll	
Cove East	08/21/2020	$	36,448.16	A/P, Payroll	
Juanita View	08/21/2020	$	10,402.32	A/P, Payroll	
Kirkland Heights	08/21/2020	$	19,247.25	A/P, Payroll	
Bellepark East	08/26/2020	$	20,454.32	A/P, Payroll	
Hampton Greens	08/26/2020	$	78,133.53	A/P, Payroll	
Kendall Ridge	08/26/2020	$	81,384.37	A/P, Payroll	
Landmark	08/26/2020	$	23,153.95	A/P, Payroll	
Riverstone	08/26/2020	$	62,793.23	A/P, Payroll	
Woodside East	08/26/2020	$	24,544.54	A/P, Payroll	
ALPINE RIDGE	08/27/2020	$	4,076.81	A/P	
ARBOR HEIGHTS	08/27/2020	$	6,362.41	A/P	
ASPEN RIDGE	08/27/2020	$	5,058.47	A/P	
AUBURN SQUARE	08/27/2020	$	40,715.04	A/P	
CARRIAGE HOUSE	08/27/2020	$	15,353.86	A/P	
CASCADIAN	08/27/2020	$	15,445.86	A/P	
COLONIAL GARDENS	08/27/2020	$	15,282.98	A/P	
HERITAGE PARK	08/27/2020	$	7,770.95	A/P	
LAURELWOOD	08/27/2020	$	16,081.07	A/P	
MEADOWS	08/27/2020	$	37,608.13	A/P	
NEWPORTER	08/27/2020	$	10,286.90	A/P	
OVERLAKE	08/27/2020	$	27,286.62	A/P	
PARKWOOD	08/27/2020	$	11,744.22	A/P	
Rainier View I	08/27/2020	$	1,848.66	A/P	
Rainier View II	08/27/2020	$	950.00	A/P	
Si View	08/27/2020	$	500.00	A/P	
SOUTHWOOD SQUARE	08/27/2020	$	880.94	A/P	
Tall Cedars	08/27/2020	$	36,134.16	A/P	
TIMBERWOOD	08/27/2020	$	48,633.28	A/P	
Vashon Terrace	08/27/2020	$	2,403.10	A/P	
WALNUT PARK	08/27/2020	$	15,936.33	A/P	
WINDSOR HEIGHTS	08/27/2020	$	18,319.42	A/P	
WOODRIDGE	08/27/2020	$	14,941.69	A/P	
	139 Wires	**$**	**3,486,348.65**		

TAB NUMBER 3

To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: October 5, 2020

Re: **Resolution 5665: Authorizing a change in the Administrative and Collective Bargaining Unit Pay schedule of 1.9% effective November 7, 2020**

Executive Summary

Resolution No. 5665 authorizes an increase in salaries for all Administrative and Collective Bargaining Unit employees of 1.9%, which represents 100% of the Consumer Price Index for Clerical Workers (CPI-W) for the Seattle-Tacoma area annualized for the first six months of 2020.

Background

The King County Housing Authority has historically awarded a cost of living adjustment (COLA) effective with the first full pay period occurring entirely in the month of November. The percentage increase has traditionally reflected 100% of the CPI-W for the Seattle-Tacoma area based on first half of the calendar year. The CPI-W reported in June 2020 was 1.9%.

Staff has reviewed projected funding availability for all existing programs for CY 2021. Based on that review, which will be more fully discussed in the 2021 Budget presentations, confidence is high that an increase of 1.9% to the salary base of all employees is sustainable.

Moreover, given the competition for employees in KCHA's labor market, the real cost increases in housing and other goods experienced by staff, and the incredible efforts of all staff in their roles as Essential Employees during the COVID-19 pandemic, staff believes this COLA is necessary to retain and attract qualified employees. While significant uncertainties remaining surrounding Federal funding for KCHA's public housing and Section 8 programs, the 2020 rental inflation factor of 8.674% received for the Housing Choice Voucher program creates a solid baseline for stable funding in 2021 and beyond.

There are currently 312 Administrative (non-represented) employees and 85 Collective Bargaining (represented) employees eligible for the COLA adjustment. At current rates of pay, the overall annual impact to base pay of the proposed COLA on the Authority is $682,000, and averages $1,717 per employee. This total does not include variable benefits, which will be discussed in more detail during the November budget context presentation.

KCHA continues to fund a merit pool for all eligible employees, calculated at 2% of base pay. Under our current compensation system, employees who exceed standards are eligible for an increase in pay between 2% and 7%, effective on their anniversary date. Estimates of next year's merit pool are still being developed but it should approximate $550,000.

Total salary expense for all employees will be approximately $34.0 million following application of the proposed 2020 COLA. A 2.5% COLA increase is forecast for November 2021 which will impact the last few pay periods in 2021.

Recommendation

The 2020 CPI increase of 1.9% is 0.3 percentage points less than the 2.2% awarded in 2019. The CPI metric remains a stable indicator of market conditions and cost of living realities. Staff believes this COLA increase is necessary to continue to position the Authority as an employer of choice in the labor market.

Approval of Resolution No. 5665 is recommended.

Administrative Salary Schedule					
Effective November 7, 2020 - November 5, 2021					
Range	Type	Minimum	Midpoint	Maximum	Exceptional
O	Annual	143,498.26	176,323.49	209,148.71	231,032.20
O	Monthly	11,958.19	14,693.62	17,429.06	19,252.68
O	Hourly	68.99	84.77	100.55	111.07
N	Annual	130,452.96	159,804.88	189,156.80	208,724.74
N	Monthly	10,871.08	13,317.07	15,763.07	17,393.73
N	Hourly	62.72	76.83	90.94	100.35
M	Annual	122,284.37	149,798.35	177,312.33	195,654.99
M	Monthly	10,190.36	12,483.20	14,776.03	16,304.58
M	Hourly	58.79	72.02	85.25	94.06
L	Annual	116,461.30	138,297.80	160,134.29	174,691.95
L	Monthly	9,705.11	11,524.82	13,344.52	14,557.66
L	Hourly	55.99	66.49	76.99	83.99
K	Annual	105,876.31	123,742.94	141,609.56	153,520.65
K	Monthly	8,823.03	10,311.91	11,800.80	12,793.39
K	Hourly	50.90	59.49	68.08	73.81
J	Annual	96,251.19	112,493.58	128,735.97	139,564.23
J	Monthly	8,020.93	9,374.46	10,728.00	11,630.35
J	Hourly	46.27	54.08	61.89	67.10
I	Annual	87,501.08	102,266.89	117,032.70	126,876.57
I	Monthly	7,291.76	8,522.24	9,752.72	10,573.05
I	Hourly	42.07	49.17	56.27	61.00
H	Annual	76,087.90	88,927.73	101,767.56	110,327.45
H	Monthly	6,340.66	7,410.64	8,480.63	9,193.95
H	Hourly	36.58	42.75	48.93	53.04
G	Annual	66,163.39	77,328.46	88,493.53	95,936.91
G	Monthly	5,513.62	6,444.04	7,374.46	7,994.74
G	Hourly	31.81	37.18	42.54	46.12
F	Annual	57,533.38	67,242.14	76,950.90	83,423.40
F	Monthly	4,794.45	5,603.51	6,412.57	6,951.95
F	Hourly	27.66	32.33	37.00	40.11
E	Annual	52,303.07	60,148.54	67,994.00	73,224.30
E	Monthly	4,358.59	5,012.38	5,666.17	6,102.03
E	Hourly	25.15	28.92	32.69	35.20
D	Annual	47,548.25	54,680.49	61,812.72	66,567.55
D	Monthly	3,962.35	4,556.71	5,151.06	5,547.30
D	Hourly	22.86	26.29	29.72	32.00
C	Annual	43,225.68	49,709.53	56,193.39	60,515.95
C	Monthly	3,602.14	4,142.46	4,682.78	5,043.00
C	Hourly	20.78	23.90	27.02	29.09
B	Annual	39,296.07	45,190.48	51,084.90	55,014.50
B	Monthly	3,274.67	3,765.87	4,257.07	4,584.54
B	Hourly	18.89	21.73	24.56	26.45
A	Annual	35,722.90	40,412.44	45,101.18	48,225.91
A	Monthly	2,976.91	3,367.70	3,758.43	4,018.83
A	Hourly	17.17	19.43	21.68	23.19

Building Trades Salary Schedule
Maintenance Wage Rates 1.9% COLA
Effective November 7, 2020 - November 5, 2021

POSITION	Position #	Term	% of RMM3	Paystep #	Hourly Rate	Annual
Landscaper/Cleaner - Grade 1 - Step 1	20713			BT-0101	20.60	42,848.00
Landscaper/Cleaner - Grade 1 - Step 2				BT-0102	21.45	44,616.00
Landscaper/Cleaner - Grade 1 - Step 3				BT-0103	22.30	46,375.10
Landscaper/Cleaner - Grade 1 - Step 4				BT-0104	23.16	48,172.80
Landscaper/Cleaner - Grade 1 - Step 5				BT-0105	23.97	49,857.60
Landscaper/Cleaner - Grade 1 - TOPS				BT-01-TOPS	24.21	50,356.80
Laborer - Grade 2 - Step 1	20704			BT-0201	26.32	54,745.60
Laborer - Grade 2 - Step 2				BT-0202	27.19	56,555.20
Laborer - Grade 2 - Step 3				BT-0203	28.05	58,344.00
Laborer - Grade 2 - Step 4				BT-0204	28.87	60,049.60
Laborer - Grade 2 - Step 5				BT-0205	29.72	61,817.60
Laborer - Grade 2-TOPS				BT-02-TOPS	29.97	62,337.60
Site Based Maintenance Mechanic - Grade 3 - Step 1	20700			BT-0301	28.19	58,635.20
Site Based Maintenance Mechanic - Grade 3 - Step 2				BT-0302	28.90	60,112.00
Site Based Maintenance Mechanic - Grade 3 - Step 3				BT-0303	29.64	61,651.20
Site Based Maintenance Mechanic - Grade 3 - Step 4				BT-0304	30.40	63,232.00
Site Based Maintenance Mechanic - Grade 3 - Step 5				BT-0305	31.20	64,896.00
Site Based Maintenance Mechanic - Grade 3-TOPS				BT-03-TOPS	31.45	65,416.00
Regional Maintenance Mechanic Trainee - Grade 7 - Step 1	20716	0-6 mos	80%	BT-0701	26.68	55,494.40
Regional Maintenance Mechanic Trainee - Grade 7 - Step 2		7-12 mos	85%	BT-0702	28.35	58,968.00
Regional Maintenance Mechanic Trainee - Grade 7 - Step 3		13-18 mos	90%	BT-0703	30.01	62,420.80
Regional Maintenance Mechanic Trainee - Grade 7 - Step 4		19-24 mos	95%	BT-0704	32.51	67,620.80
Regional Maintenance Mechanic - Grade 4 - Step 1	20702			BT-0401	33.34	69,347.20
Regional Maintenance Mechanic - Grade 4 - Step 2				BT-0402	34.21	71,156.80
Regional Maintenance Mechanic - Grade 4 - Step 3				BT-0403	35.04	72,883.20
Regional Maintenance Mechanic - Grade 4 - Step 4				BT-0404	35.91	74,692.80
Regional Maintenance Mechanic - Grade 4 - Step 5				BT-0405	36.77	76,481.60
Regional Maintenance Mechanic - Grade 4-TOPS				BT-04-TOPS	37.01	76,980.80
Elec Regional Maintenance Mechanic - Grade 4 - Step 1	20702			BT-0401E	35.43	73,694.40
Elec Regional Maintenance Mechanic - Grade 4 - Step 2				BT-0402E	36.30	75,504.00
Elec Regional Maintenance Mechanic - Grade 4 - Step 3				BT-0403E	37.12	77,214.11
Elec Regional Maintenance Mechanic - Grade 4 - Step 4				BT-0404E	37.99	79,019.20
Elec Regional Maintenance Mechanic - Grade 4 - Step 5				BT-0405E	38.84	80,787.20
Elec Regional Maintenance Mechanic - Grade 4E-TOPS				BT-04E-TOPS	39.10	81,328.00
Maintenance Operations Specialist - Grade 5 - Step 1	20703			BT-0501	38.60	80,288.00
Maintenance Operations Specialist - Grade 5-TOPS				BT-05-TOPS	38.84	80,787.20

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5665

AUTHORIZING A CHANGE IN THE PAY SCHEDULES FOR ADMINISTRATIVE AND COLLECTIVE BARGAINGING UNIT EMPLOYEES OF 1.9% EFFECTIVE NOVEMBER 7, 2020

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

WHEREAS, the Housing Authority has sufficient resources to increase base payroll so that employee wages can be maintained at their current inflation adjusted levels during 2021; and,

WHEREAS, Management is recommending that the Board of Commissioners approve a cost of living increase in wages for administrative and collective bargaining unit employees effective November 7, 2020 equivalent to the CPI-W published by the Bureau of Labor Statistics annualized as of June 2020; and

WHEREAS, the CPI-W calculated as of June 2020 was 1.9 percent;

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

SECTION 1: The Administrative and Collective Bargaining Unit Salary Schedules are hereby amended to reflect a 1.9 percent cost of living increase in all ranges and as set forth in said Salary Schedules, a copies of which are attached as Exhibit A hereto, and made a part hereof.

SECTION 2: The rates set forth in both the Administrative and Collective Bargaining Unit Salary Schedules will be increased effective at the beginning of the pay period which begins on November 7, 2020.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT A SPECIAL MEETING THEREOF THIS 12th DAY OF OCTOBER, 2020.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

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DOUGLAS J. BARNES, Chair
Board of Commissioners

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STEPHEN J. NORMAN
Secretary

TAB NUMBER 4

To: Board of Commissioners

From: Jill Stanton, Chief Administrative Officer

Date: October 8, 2020

Re: **Resolution 5666: A resolution relating to employee compensation; authorizing temporary compensation to all employees of the authority; and directing implementing actions.**

Executive Summary

Resolution 5666 authorizes an increase in salaries for all full-time employees, excepting the executive staff team, of $60 per month for nine months commencing in October, 2020 and ending in June, 2021 (this amount may be less or prorated for part-time employees). This short-term compensation increase recognizes incremental costs being incurred by employees as a result of the COVID-19 pandemic necessary for staff to carry out the work of the housing authority.

Background

The Executive Director declared a state of emergency on March 15, 2020 in response to the COVID-19 global pandemic following the declarations of emergency declared by the Governor of the State of Washington and the King County Executive. KCHA has temporarily closed all of our offices and the majority of our administrative staff are now working from home. Staff that must be on-site to perform their duties continue to come to the work locations they are assigned but they incur costs related to following risk reduction protocols in order to continue KCHA related operations. The housing authority employees are designated essential under the Governor's guidelines and the services that we offer are essential in our community. The leadership recognizes that the duration of the impact of this pandemic on our operations has extended beyond initial expectations and is likely to continue to mid-2021. All staff are working in highly stressful and unusual environments and experiencing incremental increases in costs in order to perform their job duties.

This resolution acknowledges staff are continuing to incur personal costs and are likely to do so through well into 2021. This resolution authorizes a nominal monthly compensation payment which is meant to help defray these costs as employees continue to carry out their work. We cannot quantify the costs exactly and we recognize that the costs are different depending on each individual's circumstances and this payment is not necessarily intended to cover all of an individual's extra expenses. However, we have determined that $60 is a reasonable amount and as we expect on-going impact to normal operations well into 2021, the short-term payments are authorized until June of 2021. Staff estimates the cost for this temporary compensation to be approximately $221,400.

Recommendation

Staff recommends approval of Resolution 5666.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5666

A RESOLUTION RELATING TO EMPLOYEE COMPENSATION; AUTHORIZING TEMPORARY COMPENSATION TO ALL EMPLOYEES OF THE AUTHORITY; AND, DIRECTING IMPLEMENTING ACTIONS.

WHEREAS, On March 2, 2020 the Governor of the State of Washington declared an Emergency in response to the COVID-19 global pandemic, and

WHEREAS, On March 3, 2020 the King County Executive declared an Emergency in response to the COVID-19 global pandemic, and

WHEREAS, On March 13, 2020 the President of the United States declared a National Emergency in response to the COVID-19 global pandemic, and

WHEREAS, On March 15, 2020 the Executive Director of the King County Housing Authority (KCHA) declared an Emergency in response to the COVID-19 global pandemic, and

WHEREAS KCHA has officially closed all offices to the public through the end of 2020, and

WHEREAS all employees of housing authority are deemed "essential" by the Governor of the State of Washington, and

WHEREAS RCW 42.24.090 permits KCHA to reimburse its employees for expenses incurred in the performance of duties for KCHA and that such payments may be computed on a per diem or monthly basis, and

WHEREAS the duration of the impact of the pandemic on the operations and the need to operate under an emergency declaration has extended beyond initial expectations and is likely to continue into mid-2021; and

WHEREAS the disruption to current operations and the need to have the staff work remotely to perform their work functions is likely to continue through mid-2021; and

WHEREAS in carrying out the fundamental purpose of KCHA every employee continues to incur incremental costs in the fulfillment of their role as essential employees including increased costs related to personal protection devices, work related sundries, utilities (including phone and internet services) and the use of the employee's private domicile and related personal property for KCHA business, and

WHEREAS it would be administratively burdensome to collect and collate actual incremental costs being incurred by each employee, and

WHEREAS KCHA has negotiated and reached tentative agreement with unions representing bargaining units of KCHA employees regarding additional compensation for KCHA employees, and

WHEREAS in consideration of each employee continuing to carry out the fundamental purpose of KCHA and the additional costs borne by every employee in so performing each employee's duties, KCHA determines to authorize temporary payment of additional compensation to each employee, and

WHEREAS KCHA further determines that going forward additional compensation in an amount of $60 per calendar month, per employee through June 2021 is reasonable compensation to defray all or a portion of all such costs and additional burdens of working during this period of emergency, and

WHEREAS KCHA further determines that such incremental cost compensation payments shall be paid to each employee in each of the next nine calendar months commencing October 2020,

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

The Executive Director of the King County Housing Authority and his designees are hereby authorized and directed to provide additional compensation to each regular, full-time employee of KCHA, excepting the executive staff team, of $60 per calendar month, subject to all applicable taxes and other mandatory withholdings, payable through June 2021. The Executive Director and his designees are also authorized, but not required, to calculate and provide an incremental cost compensation payment in an amount up to $60 for part-time and temporary employees in each of the next nine calendar months. The Board of Commissioners reserves the right to reevaluate such compensation at any time and may modify or extend this program if the Board of Commissioners reasonably determines such modified or extended payments are fair and adequate, and for represented employees following bargaining with appropriate bargaining units.

ADOPTED AT THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 12th DAY OF OCTOBER, 2020.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

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DOUGLAS J. BARNES, Chair
Board of Commissioners

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STEPHEN J. NORMAN
Secretary-Treasurer

TAB NUMBER 5

To: Board of Commissioners

From: Windy K. Epps, Assistant Director of Finance

Date: October 1, 2020

Re: **Second Quarter 2020 Financial Results**

EXECUTIVE SUMMARY

Second quarter financial performance in 2020 was very strong as both operating income and expenses reflected positive variances compared to budget. Cash reserves remain solid, with $57.1 million in unrestricted and program reserves, and $142.9 million in designated and restricted cash.

Net operating income exceeded quarterly budget projections, with operating revenues 1.1% above target and operating expenses 4.4% below. Most of the positive revenue variance came from federal CARES Act funding with $3.0 million of unanticipated grant revenue. $1.3 million of the incremental revenue was in the form of additional Operating Fund Subsidy in the Public Housing program, and $1.7 million was for administrative fees in the Housing Choice Voucher (HCV) program. Operating expenses lagged the budget in several categories, most notably in maintenance expenses, utilities, taxes, and administrative expenses.

The Public Housing Operating fund subsidy was budgeted using an estimated prorate of 90.0%, while the actual prorate through June was 96.64%. HUD based 2020 eligibility estimates on the 2020 operating subsidy request. HUD's interim proration for September dropped slightly to 96.48%.

Total second quarter HCV HAP expense from all programs (excluding ports-in) was below budget by $440,000 or 0.6%, largely due to overly-optimistic leasing assumptions for new incremental vouchers in the Mainstream and Family Unification Programs. Compared to the second quarter of 2019, total HAP expense climbed $3.8 million or 11.5%. The HCV program was an aggregated 895 unit months under target for the year at the end of the second quarter, a variance of 1.4%. The average HAP payment per voucher for the quarter was $21.01 greater than budget estimates.

Rising HAP expenses, Public Housing costs and reduced tenant rent payments related to the pandemic are being watched closely. While CARES Act funding has been sufficient to cover financial costs to date, revenue and cost implications will continue to be closely monitored as the longer term impacts of the public health crisis and economic downturn become clearer.

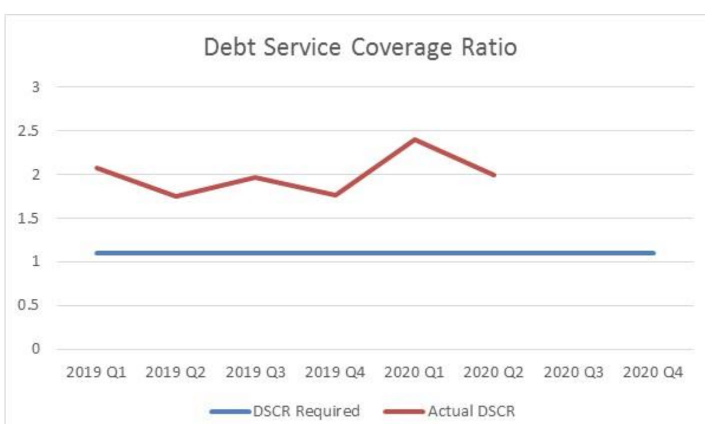
SECOND QUARTER HIGHLIGHTS

In April, the Housing Authority was awarded a total of $3.5 million in CARES Act funding, $1.7 million for Public Housing and $1.8 million for the HCV program, with the caveat that all funds had to be drawn and spent by year-end, or returned to HUD. As the grant rules allowed this new funding to be spent on normal operations, second quarter expenses totaling $3.0 million were applied to the grants. The remaining grant-eligible expenses will be incurred in July. An additional CARES Act award of $2.4 million was received in the third quarter.

The Development and Asset Management Departments have moved forward with finalizing the two tax credit partnerships for the Woodland North, Abbey Ridge and Bellevue Manor properties. Substantial rehabilitation activities are now underway at Woodland North and Abbey Ridge. The work at Bellevue Manor has been delayed and will not commence until 2021 due to health safety concerns for the residents. The delay in construction is not anticipated to impact project financing in any significant way. Lines of credit with Bank of America have been activated and $43 million is available to fund project costs.

Standard & Poors has reaffirmed KCHA's AA/Stable rating. The re-affirmation noted KCHA's strengths, including "a very strong financial risk profile due to stable net operating income, extremely strong liquidity ratios….strong debt profile…..and very strong financial policies." S&P conducted site inspections as part of the review and noted that the "physical curb appeal on newly developed and renovated properties is good, in our view, and in most cases, better than that of properties in the immediate area."

Due to certain debt covenants, KCHA must maintain a debt service coverage ratio of 1.1 or better. The debt service coverage ratio is calculated by dividing net operating income by the annual required debt service payments and is a measure of the ability of a borrower to meet current debt obligations. A ratio of 1.0 or greater means the borrower has sufficient income to cover its obligations. KCHA is meeting this covenant with a debt service coverage ratio of 2.00, a 0.25 increase over last year. Below is a chart detailing the recent history of this important metric:



CASH AND INVESTMENT SUMMARIES

Overall, cash balances decreased by $4.5 million during the quarter. The primary driver of this decrease was related to HUD cash management rules. For a complete report on KCHA's overall cash position at the end of the quarter, please see page 10.

The overall Return on Investment (ROI) on KCHA investments, including loans made for low-income housing and EPC project purposes, was 1.08%, down from 1.50% last quarter, reflecting continued downward pressure on rates. The Washington State Treasurer's Local Government Investment Pool (LGIP) average interest rate for the quarter was 0.56%. Total investment returns for the quarter were $1.2 million against a projected return of $1.6 million.

Investment Summary (in millions) as of June 30, 2020	Amount	Yield	% of Total
Invested in the Local Government Investment Pool & Masterfund	$81.0	0.37%	36.6%
Invested by KCHA	66.4	1.56%	30.0%
Cash held by trustees	14.1	0.02% *	6.4%
Cash held in checking and savings accounts	38.8	0.02% *	17.5%
Invested by KCHA	$200.4	0.69%	90.5%
Cash loaned for low income housing & EPC project purposes	21.1	4.97%	9.5%
Loaned by KCHA	21.1	4.97%	9.5%
Total	$221.5	1.08%	100.0%

*Estimate

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

Reserve Balances
(in millions of dollars)

MTW Cash, Beginning of Quarter	$24.2
Quarterly change:	
Block grant cash receipts from HUD	37.9
Operating Fund subsidy related to resident service activities	0.1
Quarterly HAP payments sourced from the block grant	(31.7)
Quarterly block grant administrative fees paid to Section 8	(2.0)
Direct social service expenses	(2.0)
Homeless Housing expenses	(0.5)
Other net changes	(5.0)
MTW Cash, End of Quarter	$20.9
Less Reserves:	
Restricted reserve-Green River collateral	(4.3)
Restricted reserve-FHLB collateral	(2.8)
FSS reserves	(0.3)
MTW Available Cash, End of Quarter	$13.5
COCC Cash, Beginning of Quarter	$64.0
Quarterly change:	
Fee revenue	2.9
Used for construction projects	(0.4)
Short-term receivable	(0.1)
Administrative expenses	(3.5)
Other net change	(0.6)
COCC Cash, End of Quarter	$62.3
Less Reserves:	
Liquidity reserves for King County credit enhancement	(13.0)
Exit tax reserve transferred from Egis	(3.0)
COCC Working Capital Cash, End of Quarter	$46.2

CAPITAL INVESTMENTS (Including tax credit partnerships)

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

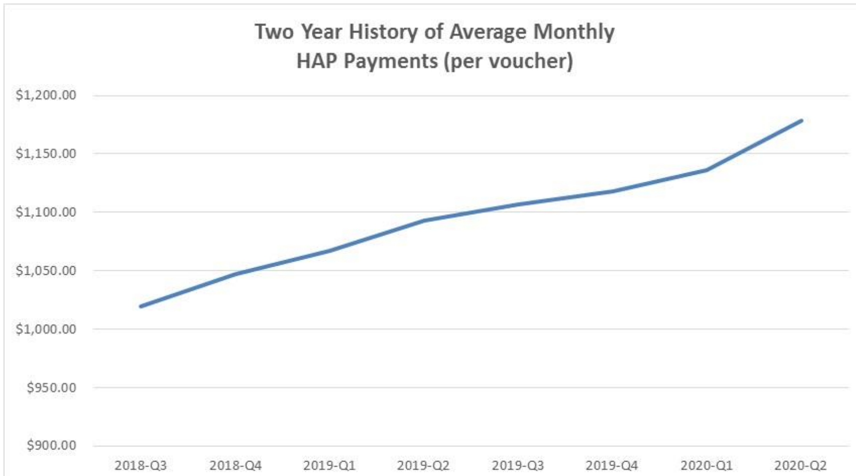
	Actuals Thru 06/30/2020	Budget Thru 06/30/2020	YTD Variance		Percent of Annual Budget	2020 Annual Budget
CONSTRUCTION ACTIVITIES						
Managed by Capital Construction Department						
Public Housing	$1,535,390	$4,552,121	($3,016,731)	(1)	21.1%	$7,274,288
509 Properties	555,913	1,581,050	(1,025,137)	(2)	18.5%	3,013,001
Other Properties	530,606	1,199,565	(668,958)	(3)	34.8%	1,522,750
	2,621,909	7,332,735	(4,710,826)		22.2%	11,810,039
Managed by Housing Management Department						
Unit Upgrade Program	1,933,131	2,101,710	(168,579)	(4)	46.0%	4,200,123
Energy Performance Contract	31,444	12,510	18,934		125.8%	25,000
Other Projects	77,051	30,024	47,027		128.4%	60,000
	2,041,625	2,144,244	(102,619)		47.6%	4,285,123
Managed by Asset Management Department						
Homeownership Projects-Managed by Internal staff	43,562	1,160,000	(1,116,438)	(5)	2.8%	1,563,750
Bond Properties-Projects Managed by Internal Staff	879,570	2,635,000	(1,755,430)	(6)	19.6%	4,485,000
	923,132	3,795,000	(2,871,868)		15.3%	6,048,750
Subtotal Construction Activities	**5,586,666**	**13,271,979**	**(7,685,313)**		**25.2%**	**22,143,912**
DEVELOPMENT ACTIVITY						
Managed by Hope VI Department						
Greenbridge	954,393	2,818,081	(1,863,688)	(7)	22.7%	4,197,813
Notch	60,711	275,680	(214,969)	(8)	10.1%	598,799
	1,015,104	3,093,761	(2,078,658)		21.2%	4,796,612
Managed by Development Department						
Other Projects	986,099	4,891,251	(3,905,152)	(9)	8.1%	12,128,452
	986,099	4,891,251	(3,905,152)		8.1%	12,128,452
Subtotal Development Activity	**2,001,202**	**7,985,012**	**(5,983,810)**		**11.8%**	**16,925,064**
TOTAL CONSTRUCTION & DEVELOPMENT	**$7,587,868**	**$21,256,991**	**($13,669,123)**		**19.4%**	**$39,068,976**
PROPERTY ACQUISITIONS & OTHER ASSETS						
Acquisitions- Bellevue Manor (KCHA Managed)	19,700,000					
Disposal of three properties to LIHTC partnerships	(36,200,803)					
Other adjustments	219,872					
TOTAL PER CASH RECONCILATION REPORT	**(8,693,063)**					

1) Wayland Arms electrical panel replacement project has been pushed out to 2021-2022. Houghton envelope & roof has been split into two phases. The first phase will be completed by the end of the year, and the second phase will be completed in the first quarter of 2021. Munro Manor water/waste lines project was split into interior and exterior phases. The experior phase was completed in the third quarter. The interior phase has been pushed out until 2021.
2) MKCRF capital projects are under target. Several projects are delayed to late 2020 or 2021 and 2020 expenditures are expected to remain below budget.
3) The 600 building office remodel project was completed under budget. $484K was budgeted by the Capital Construction department as a placeholder for Architecture and Engineering project costs; actual costs are being coded directly to projects.
4) Per unit costs are coming in below budget by about $4,800/unit due to smaller than anticipated unit sizes.
5) Due to COVID-19 and permit delays, the Rainier View site improvement project is under target. The project is expected to be completed in 2021.
6) Various Workforce Housing capital projects are below target. Although spending is expected to increase as the year progresses, total spending will likely fall short of the budget.
7) The Greenbridge Frontage Improvements project was budgeted throughout the year but the project has yet to start.
8) Due to project delay, the Notch site development permit project is expected to be below target for 2020.
9) The Bellevue Manor rehab project was below budget by $2.9 million due to permit delays and other delays related to COVID-19. The Issaquah TOD project is also below budget by $700K as the purchase agreement with CenturyLink has yet to be finalized.

PROGRAM ACTIVITIES

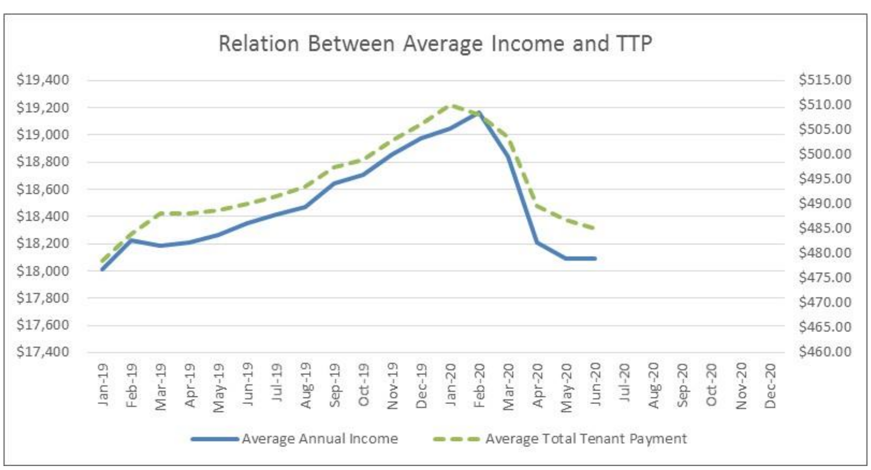
HOUSING CHOICE VOUCHERS

The average quarterly HAP payment to landlords for all HCV vouchers was $1,178.37, compared to $1,136.05 last quarter and $1,092.50 one year ago.



KCHA's average HAP average payments have spiked upwards during the quarter as COVID-19 job losses reduced program participant earned income and increased KCHA's share of their monthly rental payments. Rising market rents for lower priced units, low vacancy rates, and KCHA's commitment to adequately sizing subsidy payments to enable program participants to reside in higher priced sub-markets have also contributed to the increase in the average HAP payments.

Total Tenant Payment (TTP) is the tenant's monthly contribution towards rent and utilities and is benchmarked at 28.3% of their income. The average TTP for the quarter was $487.26, down from $507.29 the previous quarter and $488.74 one year ago. As indicated by the chart below, this decrease appears to be closely influenced by a lower average tenant annual income and is starting to show a modest uptick.



MTW PROGRAM

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

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

During the first quarter, KCHA received $7.7 million in final block grant draws from the 2018 and 2019 funding allocations. The funds, which had been held by HUD due to federal cash management regulations, became available in the first quarter. Amounts used for HAP tracked very closely to the budget with essentially no variance.

(In thousands of dollars)	Actual	Budget	Variance Favorable (Unfavorable)	%Var	
HCV Block Grant Revenue	80,107.9 (1)	72,823.9	$7,284.0	10.0%	(1)
Funding of HAP Payments to Landlords	(62,146.5)	(62,156.0)	9.4	0.0%	
Funding of Section 8 Administrative Costs	(4,270.7)	(4,536.3)	265.6	5.9%	
Excess of HCV Block Grant Funding over Expenses	$ 13,690.7	$ 6,131.6	$ 7,559.1	123.3%	

1) Received more block grant than budgeted. $4.74 million of additional funding was drawn from the 2019 allocation and $3.74 million from the 2018 allocation, for a total of $7.7 million.

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

Traditional Public Housing properties are budgeted to receive an additional subsidy from MTW in support of operations. The necessity of additional subsidy allocations are evaluated quarterly, and additional amounts were not required for the first and second quarters.

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Transfers to PH AMPs Based on Need	($342.5)	($1,432.5)	($1,090.0)	76.1%	(1)
Net Flow of Cash(from)/to MTW from/(to) PH	($342.5)	($1,432.5)	$1,090.0	(76.1%)	

1) Transfers from MTW to public housing projects were budgeted evenly throughout the year. However, a management decision was made to evaluate the need and make any necessary transfers on a quarterly basis, which were less than budgeted for the first and second quarters.

3. *Expenditures for homeless and resident service programs*

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

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Public Housing Subsidy earmarked for resident services	$231.6	$217.3	$14.3	6.6%	
Homeless Initiatives	(736.2)	(1,094.1)	$357.9	(32.7%)	(1)
Resident Services	(2,163.0)	(2,416.4)	$253.4	(10.5%)	(2)
Use of MTW Funds for Special Programs	($2,667.6)	($3,293.1)	$625.6	(19.0%)	

1) The Highline School District program was below budget as utilization has been impacted due to school closures with COVID-19. The Coming Up program was also under-utilized and management is working with the contractor to explore shifting the subsidy model to a project-based voucher model to help increase utilization.
2) Community events and travel expenses were below budget mainly due to COVID-19. Resident services salaries were below budget due to unfilled positions.

4. *Other uses of MTW funds*

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

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Construction Activity & Management Fees	$2,975.0	$5,339.5	($2,364.5)	(44.3%)	(1)
Green River and Birch Creek debt payments	0.0	0.0	0.0	n/a	
Misc. Other Uses	1,123.9	2,290.1	(1,166.2)	(50.9%)	(2)
	$4,098.9	$7,629.7	($3,530.7)	(46.3%)	

1) Due to delays and slow starts in various capital construction projects, the budgeted transfers from MTW to fund the projects were below target. Although construction activity is expected to increase throughout the year, total spending is now forecast to be approximately $4 million less than budgeted, with half of the funding originally slated to come from MTW.
2) Transfers from MTW to public housing projects were budgeted evenly throughout the year. However, a management decision was made to evaluate the need and make any necessary transfers on a quarterly basis, which were less than budgeted for the first and second quarters.

5. *Costs to administer the MTW program*

Administrative costs are primarily salaries and benefits of those who manage or analyze MTW-funded programs. The first and second quarter expenses of $272,438 were 0.34% of program gross revenues and below the budget of $699,753.

AGENCY OVERHEAD

The Central Office Cost Center (COCC) aggregates overhead costs for the Authority. The COCC is supported by fees charged to both Federal and non-Federal programs and housing properties and by transfers of excess cash from non-Federal housing programs. KCHA continues to administer its programs in a fiscally-prudent manner and within HUD guidelines. The net change in available COCC resources was less than anticipated in the budget, primarily due to the bond properties holding on to excess cash in anticipation of a drop in rental income. The chart below reflects a summary of COCC activity.

To COCC Section of quarterly memo:
(In thousands of dollars)

	YTD Actual	YTD Budget	Variance	%Var	
Revenues					
Management fees	4,636.6	5,413.1	($776.5)	(16.7%)	(1)
Cash transferred-in from properties	0.0	4,323.5	(4,323.5)	0.0%	(2)
Investment income	1,175.8	1,304.9	(129.1)	(11.0%)	(3)
Other income	1,038.7	683.0	355.7	34.2%	(4)
	$6,851.0	$11,724.4	($4,873.3)	(71.1%)	
Expenses					
Salaries & Benefits	6,074.3	6,777.5	($703.2)	(11.6%)	(5)
Administrative Expenses	1,556.0	2,232.5	(676.5)	(43.5%)	(6)
Occupancy Expenses	134.1	227.6	(93.5)	(69.8%)	(7)
Other Expenses	450.4	377.7	72.7	16.1%	(8)
	$8,214.8	$9,615.3	($1,400.4)	(17.0%)	
Net Change in Available COCC Resources	($1,363.8)	$2,109.1	($3,472.9)		

1) Management fees are lower than expected due to less than expected capital projects and unit upgrades.
2) The budgeted excess cash transfer to the COCC did not occur since properties are retaining their cash due to an anticipated drop in rental revenue.
3) As interest rates are falling, lower than anticipated interest income was earned on invested cash.
4) Administrative Fee of $300,000 received for KCHA's roles in assisting the Aerospace properties transfer to KCHA and SHA ($60,000 per property).
5) Salaries and benefits were below target due to unfilled positions.
6) Various categories are under target (professional services, admin contracts, and computer equipment).
7) The Ballinger shop rebuilding invoices are on-hold until the contractor resolves the federal wage requirement issue. Also, the Ballinger Homes security camera installation project has yet to occur.
8) 2013 Pool interest expense allocated to the 700 building. Unbudgeted.

King County Housing Authority **Statements of Financial Position** **As of June 30, 2020**	Public Housing Not For Profit Properties	Other LIH Not for Profit Properties	Housing Net Cash Flow Properties	Other LIH Net Cash Flow Properties	Housing Choice Voucher Program	MTW Program	Development Program	Other Funds	COCC Overhead	Total
Assets										
Cash-Unrestricted	$6,874,921	$2,978,560	($22,099,212)	$12,656,846	($715,212)	$13,507,958	($333,503)	$2,026,690	$46,235,682	$61,132,731
Cash-Designated	717,027	4,391,671	56,553,412	25,514,957	0	0	1,761,130	2,165,596	16,021,362	107,125,154
Cash-Restricted	713,946	1,326,908	11,875,757	942,905	2,955,254	7,432,727	12,355,763	0	0	37,603,260
Accounts Receivable	3,517,455	142,926	1,474,075	6,752,929	371,267	1,701,156	0	178,838	817,530	14,956,176
Other Short-term Assets	120,459	685,594	348,333	71,471	27,843	304	44	32,592	74,136	1,360,775
Long-term Receivables	65,358,326	457,899	106,055,678	177,446,128	0	23,558,633	331,390	209,641	34,554,029	407,971,723
Capital Assets	232,978,144	135,230,377	655,466,942	160,433,121	0	0	41,372,647	27,837,809	13,922,105	1,267,241,144
Other Assets	497,470	(2)	71,590	225,673	(375)	0	49,550	2,258	588,456	1,434,620
Total Assets	$310,777,746	$145,213,933	$809,746,575	$384,044,029	$2,638,778	$46,200,777	$55,537,021	$32,453,424	$112,213,300	$1,898,825,584
Liabilities and Equity										
Short-term Liabilities	$3,494,914	$963,951	$8,834,130	$1,232,358	$1,969,367	$1,497,153	$450,178	$2,110,270	$1,902,478	$22,454,800
Current Portion of Long-term Debt	155,000	2,452,963	8,819,967	3,378,148	0	0	0	0	1,174,127	15,980,206
Long-term Debt	38,245,203	42,485,809	684,618,097	169,399,534	0	0	20,340,000	0	25,976,061	981,064,705
Other Long-term Liabilities	2,417,516	1,660,132	537,145	4,950,561	0	0	14,186,539	25,896,497	0	49,648,391
Total Liabilities	44,312,634	47,562,857	702,809,340	178,960,601	1,969,367	1,497,153	34,976,717	28,006,767	29,052,667	1,069,148,102
Equity	266,465,113	97,651,076	106,937,235	205,083,428	669,411	44,703,625	20,560,304	4,446,658	83,160,633	829,677,482
Total Liabilities and Equity	$310,777,746	$145,213,933	$809,746,575	$384,044,029	$2,638,778	$46,200,777	$55,537,021	$32,453,424	$112,213,300	$1,898,825,584

King County Housing Authority
Cash Reconciliation Report
Combined Operations
Through June 30, 2020

	Actuals	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$85,993,319**				
Rental Revenue and Subsidy					
Tenant Revenue	$63,918,701	$63,525,269	$393,432	0.6%	
Federal Operating Support	6,814,837	5,189,514	1,625,323	31.3%	(1)
Total Rental Revenue and Federal Support	70,733,538	68,714,783	2,018,755	2.9%	
Other Operating Revenue					
Federal Support for HCV Program	87,983,581	85,126,948	2,856,633	3.4%	
Other Revenue	37,059,653	39,719,114	(2,659,460)	-6.7%	
Total Other Operating Revenue	125,043,235	124,846,062	197,173	0.2%	
Total Operating Revenue	195,776,773	193,560,845	2,215,928	1.1%	
Operating Expenses					
Salaries and Benefits	(26,162,294)	(27,350,222)	1,187,928	4.3%	
Administrative Expenses	(6,182,555)	(7,209,803)	1,027,248	14.2%	(2)
Maintenance Expenses, Utilities, Taxes	(17,805,626)	(23,368,947)	5,563,321	23.8%	(3)
Management Fees Charged to Properties and Programs	(4,406,873)	(4,271,237)	(135,636)	-3.2%	
HCV Housing Assistance Payments to Landlords	(96,329,817)	(94,723,493)	(1,606,324)	-1.7%	
Other Programmatic Expenses	(3,329,700)	(4,596,931)	1,267,231	27.6%	(4)
Other Expenses	(178,078)	0	(178,078)	n/a	(5)
Total Operating Expenses	(154,394,943)	(161,520,633)	7,125,690	4.4%	
Net Operating Income	41,381,830	32,040,212	9,341,618	29.2%	
Non Operating Income/(Expense)					
Interest Income from Loans	5,765,760	5,681,416	84,344	1.5%	
Interest Expense	(14,269,507)	(17,600,936)	3,331,429	18.9%	(6)
Transfers-in	70,276,030	50,466,211	19,809,819	39.3%	(7)
Transfers-out	(70,276,030)	(50,502,357)	(19,773,672)	-39.2%	(8)
Other Non-operating Income/(Expense)	36,370,202	(1,011,696)	37,381,898	3695.0%	(9)
Total Non Operating Income/(Expense)	27,866,455	(12,967,363)	40,833,818	314.9%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	133,183	1,457,619	(1,324,436)	-90.9%	(10)
Capital Project Expenditures	8,693,063	(5,392,944)	14,086,008	261.2%	(11)
Total Change in Capital Assets, net of Direct Funding and Debt	8,826,247	(3,935,325)	12,761,572	324.3%	
Change in Assets/Liabilities					
Change in Designated/Restricted Cash	(8,334,419)	0	(8,334,419)	n/a	(12)
Change in Short-term Assets	26,997,959	(9,750,429)	36,748,388	376.9%	(13)
Change in Long-term Receivables	(92,237,839)	(64,296,011)	(27,941,828)	-43.5%	(13)
Change in Other Assets	17,970	0	17,970	n/a	
Change in Short-term Liabilities	(14,000,190)	(27,949,252)	13,949,062	49.9%	(14)
Change in Long-term Debt	8,596,275	36,555,930	(27,959,655)	-76.5%	(15)
Change in Other Liabilities	744,982	5,139,827	(4,394,845)	-85.5%	(16)
Change in Equity	(184)	0	(184)	n/a	
Change in Other Assets/Liabilities	(78,215,446)	(60,299,934)	(17,915,511)	-29.7%	
Change in Unrestricted/Program Cash	($140,914)	($45,162,411)	$45,021,497	99.7%	
ENDING UNRESTRICTED/PROGRAM CASH	$85,852,405				

	Actuals	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING DESIGNATED/RESTRICTED CASH	**$111,674,321**				
Change in Replacement Reserves	3,522,265	1,315,554	2,206,711	167.7%	(12)
Change in Debt Service Reserves	846,006	(1,510,393)	2,356,400	156.0%	(12)
Change in Other Reserves	3,966,147	(88,248)	4,054,395	4594.3%	(12)
Change in Designated/Restricted Cash	8,334,419	(283,087)	8,617,506	3044.1%	
ENDING DESIGNATED/RESTRICTED CASH	**$120,008,740**				

1) The operating subsidy exceeded budget due to additional funding from the CARES Act.
2) Various categories are under target (professional services, admin contracts, and computer equipment).
3) Maintenance projects and contracts expenses were well below budget due to projects being put on hold due to COVID-19. Also, due to lower turnover than expected, upgrade projects were below target in workforce housing projects.
4) Due to COVID-19, all weatherization projects were put on hold, resulting in lower spending and reimbursements. Work is scheduled to start up again in Q3. The Highline School District program was below budget as utilization has been impacted due to school closures with COVID-19. The Coming Up program was also under-utilized and management is working with the contractor to explore shifting the subsidy model to project-based vouchers to help increase utilization.
5) Due to unbudgeted billing for the repairs at Ballinger Homes from a fire back in 2017. The shop is now being converted to a CAC office.
6) The Hampton Greens LOC interest expense was under budget as the budget assumed the variable rate would increase in 2020, but rates have instead dropped. Also, the Kendall Ridge acquisition line of credit was refinanced with the 2019 pool bond resulting in lower interest than assumed in the budget.
7) With the sale of Abbey Ridge to a tax credit partnership, $19 million LOC allocated to the project was transferred into the new GP fund.
8) A budgeted excess cash transfer to the COCC didn't occur since properties are retaining their cash due to anticipated drop in rental revenue. Also, subsidy transfers from MTW to public housing projects were budgeted evenly throughout the year, but management decision was made to evaluate the need and make any necessary transfers on a quarterly basis. Transfers to the public housing projects were less than anticipated in the first and second quarters. Finally, capital projects have been delayed due to COVID-19 resulting in lower than budgeted transfer from MTW.
9) Bellevue Manor, Abbey Ridge, and Woodland North were sold to tax credit partnerships under financing leases totaling $70 million. Of this amount, $36 million equivalent to the book value of the assests was not included in the budget.
10) Capital projects have been delayed due to COVID-19 resulting in lower than budgeted draw from CFP grant and transfer from MTW.
11) MKCRF capital projects are under target. Several projects are delayed to late 2020 or 2021 resulting in less than budgeted reimbursement for MKCRF capital projects. The Bellevue Manor rehab project was below target. Bellevue Manor is a senior building and COVID-19 stopped work at the property. Also, the budgeted Greenbridge frontage improvement project was delayed.
12) Increases in debt service and replacement reserves in workforce Housing projects. Deposits to program income reserves from Greenbridge lot sales proceeds and Hope VI interest income. Also due to the unbudgeted increase in Bellevue Manor project reserve.
13) Receipt of the $27.5 million Highland Village pass-through line of credit from Somerset Gardens Partnership, which was budgeted as a long-term receivable. Also, due to the advance of a $12.5 million pass-through long-term debt to Somerset Garden Partnership, which was budgeted as a short-term interim loan.
14) Repayment of Riverstone Line of Credit totaling $9.9 million was budgeted as a long-term line of credit. Also, an unbudgeted decrease in accounts payable.
15) The payoff of the $27.5 million Highland Village long-term line of credit, which was budgeted as a short-term payable.
16) The draw from the COCC internal loan was less than budgeted as Greenbridge projects are behind schedule. Also, due to COVID-19 and permit delays, the Rainier View site improvement project is under target resulting in the lack of necessity to draw the $1 million budgeted loan from COCC.

King County Housing Authority
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Public Housing Not for Profit
Through June 30, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$8,790,405**				
Rental Revenue and Subsidy					
Tenant Revenue	$4,074,585	$4,100,309	($25,725)	-0.6%	
Federal Operating Support	4,749,676	3,264,492	1,485,184	45.5%	(1)
Transfer- Operating fund Support	342,548	1,463,380	(1,120,832)	-76.6%	(2)
Total Rental Revenue and Federal Support	9,166,809	8,828,181	338,627	3.8%	
Other Operating Revenue					
Other Revenue	108,303	157,793	(49,490)	-31.4%	(3)
Total Other Operating Revenue	108,303	157,793	(49,490)	-31.4%	
Total Operating Revenue	9,275,112	8,985,974	289,137	3.2%	
Operating Expenses					
Salaries and Benefits	(3,371,914)	(2,981,678)	(390,236)	-13.1%	(4)
Administrative Expenses	(454,466)	(385,795)	(68,671)	-17.8%	(5)
Maintenance Expenses, Utilities, Taxes	(2,887,576)	(3,810,972)	923,396	24.2%	(6)
Management Fees Charged to Properties and Programs	(1,149,264)	(1,150,405)	1,141	0.1%	
Other Programmatic Expenses	(46,306)	(48,567)	2,261	4.7%	
Other Expenses	(115,671)	0	(115,671)	n/a	(7)
Total Operating Expenses	(8,025,197)	(8,377,418)	352,221	4.2%	
Net Operating Income	1,249,915	608,556	641,358	105.4%	
Non Operating Income/(Expense)					
Interest Income from Loans	1,149,522	1,154,808	(5,286)	-0.5%	
Interest Expense	(543,158)	(547,689)	4,531	0.8%	
Other Non-operating Income/(Expense)	(1,015,146)	(1,071,751)	56,604	5.3%	
Total Non Operating Income/(Expense)	(408,783)	(464,632)	55,849	12.0%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	2,736,528	5,676,282	(2,939,754)	-51.8%	(8)
Capital Project Expenditures	(3,071,783)	(5,676,282)	2,604,499	45.9%	(8,9)
Total Change in Capital Assets, net of Direct Funding and Debt	(335,255)	0	(335,255)	n/a	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(34,099)	(37,128)	3,029	0,008.2%	
Change in Receivables	(2,051,193)	(105,753)	(1,945,441)	-1839.6%	(9)
Change in Other Assets	232,968	0	232,968	n/a	(10)
Change in Other Liabilities	(458,952)	238,742	(697,694)	-0,292.2%	(11)
Change in Other Assets/Liabilities/Equity	(2,421,360)	95,861	(2,517,222)	-2,625.9%	
Change in Unrestricted/Program Cash	($1,915,483)	$239,786	($2,155,269)	-0,898.8%	
ENDING UNRESTRICTED/PROGRAM CASH	**$6,874,921**				

	Actual	Budget	$ Variance	% Variance
BEGINNING DESIGNATED/RESTRICTED CASH	**$1,396,873**			
Change in Replacement Reserves	36,690	36,798	(108)	-0,000.3%
Change in Debt Service Reserves	0	0	0	n/a
Change in Other Reserves	(2,591)	330	(2,921)	-0,885.1%
Change in Designated/Restricted Cash	34,099	37,128	(3,029)	-0,008.2%
ENDING DESIGNATED/RESTRICTED CASH	**$1,430,972**			

1) The operating subsidy exceeded budget due to additional funding from the CARES Act.
2) Transfers from MTW to public housing projects was budgeted evenly throughout the year. However, a management decision was made to evaluate the need and make any necessary transfers on a quarterly basis.
3) Lower interest rates have resulted in reduced earnings.
4) Due to additional payroll expenses to clean and disinfect buildings due to COVID-19.
5) Unbudgeted professional services expense for consulting at Pacific Court. Also, eviction legal fees at Fairwind, Vali Kee, and Cascade Home exceeded the target. Finally, background check expenses were higher than budgeted.
6) Maintenance projects and contracts expenses were below budget due to projects being put on hold due to COVID-19.
7) Unbudgeted billing for the repairs at Ballinger Homes from a fire back in 2017. The shop is now being converted to a CAC office.
8) Capital projects have been delayed due to COVID-19 resulting in lower than budgeted draws from the CFP grant and transfers from MTW.
9) Increase in the unbudgeted CARES Act subsidy receivable. Also, due to an increase in the interfund receivable from a technical entry to transfer CARES Act expenses. The interfund receivable was subsequently cleared in August.
10) Due to a reduction in prepaid insurance.
11) Due to a decrease in accounts payable and payroll liability, offset by an increase in the interfund payable from a technical entry to transfer CARES Act expenses. The interfund payable was subsequently cleared in August.

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Other Low Income Housing-Not for Profit
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	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$3,803,576**				
Rental Revenue and Subsidy					
Tenant Revenue	$7,672,638	$7,554,423	$118,214	1.6%	
Total Rental Revenue and Federal Support	7,672,638	7,554,423	118,214	1.6%	
Other Operating Revenue					
Federal Support for HCV Program	189,241	199,662	(10,421)	-5.2%	
Other Revenue	1,998,724	3,103,512	(1,104,789)	-35.6%	(1)
Total Other Operating Revenue	2,187,965	3,303,174	(1,115,210)	-33.8%	
Total Operating Revenue	9,860,602	10,857,598	(996,995)	-9.2%	
Operating Expenses					
Salaries and Benefits	(1,558,502)	(1,519,838)	(38,663)	-2.5%	
Administrative Expenses	(205,073)	(223,517)	18,444	8.3%	
Maintenance Expenses, Utilities, Taxes	(2,175,795)	(2,854,127)	678,332	23.8%	(2)
Management Fees Charged to Properties and Programs	(519,257)	(519,788)	531	0.1%	
Other Programmatic Expenses	(1,544)	(4,997)	3,452	69.1%	
Other Expenses	(85,300)	0	(85,300)	n/a	(3)
Total Operating Expenses	(4,545,471)	(5,122,267)	576,796	11.3%	
Net Operating Income	5,315,132	5,735,331	(420,199)	-7.3%	
Non Operating Income/(Expense)					
Interest Expense	(1,026,934)	(803,829)	(223,105)	-27.8%	(4)
Other Non-operating Income/(Expense)	(2,304,134)	(4,231,462)	1,927,328	45.5%	(5)
Total Non Operating Income/(Expense)	(3,331,068)	(5,035,291)	1,704,223	33.8%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	983,246	2,467,907	(1,484,661)	-60.2%	(5)
Capital Project Expenditures	(1,099,006)	(3,679,984)	2,580,978	70.1%	(5)
Total Change in Capital Assets, net of Direct Funding and Debt	(115,760)	(1,212,077)	1,096,317	90.4%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(219,108)	(115,968)	(103,140)	-88.9%	(6)
Change in Receivables	148,112	0	148,112	n/a	(7)
Change in Other Assets	(182,410)	0	(182,410)	n/a	(8)
Change in Debt	(1,269,096)	(923,362)	(345,734)	-37.4%	(4)
Change in Other Liabilities	(804,596)	944,823	(1,749,419)	-185.2%	(9)
Change in Other Assets/Liabilities/Equity	(2,327,098)	(94,507)	(2,232,591)	-2362.4%	
Change in Unrestricted/Program Cash	($458,794)	($606,543)	$147,749	24.4%	
ENDING UNRESTRICTED/PROGRAM CASH	**$3,344,782**				

	Actual	Budget	$ Variance	% Variance	
BEGINNING DESIGNATED/RESTRICTED CASH	**$5,133,250**				
Change in Replacement Reserves	267,303	115,950	151,353	130.5%	(6)
Change in Debt Service Reserves	(47,565)	0	(47,565)	n/a	(10)
Change in Other Reserves	(631)	18	(649)	-3603.0%	(6)
Change in Designated/Restricted Cash	219,108	115,968	103,140	88.9%	
ENDING DESIGNATED/RESTRICTED CASH	**$5,352,358**				

1) MKCRF capital projects are under target. Several projects are delayed to late 2020 or 2021 resulting in less than budgeted internal reimbursement for MKCRF capital projects.
2) Slower than average spending on maintenance contracts due to the COVID-19 pandemic.
3) Due to fire loss repair at Victorian Woods; slightly offset by insurance proceeds.
4) More debt was allocated to Friendly Village than what was originally included in the budget, resulting in higher interest and principal payments.
5) MKCRF capital projects are under target. Several projects are delayed to late 2020 or 2021 and 2020 expenditures are expected to remain below budget. Unit upgrades and capital construction were below budget. Unit upgrades depend on availability. The related unit upgrade and capital transfers were also under target.
6) Unbudgeted increase in replacement reserves accounts at mobile home parks
7) Mainly due to a decrease in tenant receivables.
8) Mainly due to an increase in mobile home inventory from several buybacks; partially offset by decreases in prepaid insurance.
9) Mainly due to decreases in accounts payable and payroll liabilities.
10) Due to a decrease in bond reserves.

King County Housing Authority
Cash Reconciliation Report
Workforce Housing-Net Cash Flow
Through June 30, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$1,538,040**				
Rental Revenue and Subsidy					
Tenant Revenue	$43,801,111	$43,839,760	($38,649)	-0.1%	
Total Rental Revenue and Federal Support	43,801,111	43,839,760	(38,649)	-0.1%	
Other Operating Revenue					
Other Revenue	633,301	846,921	(213,621)	-25.2%	(1)
Total Other Operating Revenue	633,301	846,921	(213,621)	-25.2%	
Total Operating Revenue	44,434,412	44,686,681	(252,270)	-0.6%	
Operating Expenses					
Salaries and Benefits	(4,783,085)	(5,574,299)	791,214	14.2%	(2)
Administrative Expenses	(2,620,833)	(2,730,837)	110,004	4.0%	
Maintenance Expenses, Utilities, Taxes	(10,753,360)	(13,948,403)	3,195,043	22.9%	(3)
Management Fees Charged to Properties and Programs	(800,175)	(807,946)	7,771	1.0%	
Other Programmatic Expenses	(143,800)	(123,651)	(20,149)	-16.3%	
Other Expenses	8,977	0	8,977	n/a	
Transfers Out for Operating Purposes	0	(2,877,300)	2,877,300	100.0%	(4)
Total Operating Expenses	(19,092,276)	(26,062,436)	6,970,160	26.7%	
Net Operating Income	25,342,136	18,624,245	6,717,891	36.1%	
Non Operating Income/(Expense)					
Interest Income from Loans	1,232,622	1,148,784	83,838	7.3%	
Interest Expense	(9,572,938)	(13,107,105)	3,534,168	27.0%	(5)
Other Non-operating Income/(Expense)	19,701,461	0	19,701,461	n/a	(6)
Total Non Operating Income/(Expense)	11,361,146	(11,958,321)	23,319,467	195.0%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	(25,923,752)	(25,940,101)	16,349	0.1%	
Capital Project Expenditures	25,088,784	23,305,101	1,783,683	7.7%	
Total Change in Capital Assets, net of Direct Funding and Debt	(834,968)	(2,635,000)	1,800,032	68.3%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(5,952,029)	757,603	(6,709,632)	-885.6%	(7)
Change in Receivables	10,546,012	13,345,165	(2,799,153)	-21.0%	(8)
Change in Other Assets	328,023	0	328,023	n/a	(9)
Change in Debt	(43,407,921)	(20,694,006)	(22,713,915)	-109.8%	(6,10)
Change in Other Liabilities	2,915,569	(10,578)	2,926,147	27662.6%	(11)
Change in Other Assets/Liabilities/Equity	(35,570,345)	(6,601,816)	(28,968,529)	-438.8%	
Change in Unrestricted/Program Cash	$297,968	($2,570,892)	$2,868,860	111.6%	
ENDING UNRESTRICTED/PROGRAM CASH	**$1,836,008**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING DESIGNATED/RESTRICTED CASH	**$38,541,921**				
Change in Replacement Reserves	2,958,014	922,560	2,035,454	220.6%	(7)
Change in Debt Service Reserves	2,681,536	(1,510,393)	4,191,929	277.5%	(7)
Change in Other Reserves	312,478	(169,770)	482,248	284.1%	(7)
Change in Designated/Restricted Cash	5,952,029	(757,603)	6,709,632	885.6%	
ENDING DESIGNATED/RESTRICTED CASH	**$44,493,950**				

1) Deposit into the Overlake interest stabilization account was budgeted evenly throughout the year. However, deposits fluctuate based on interest rates which have started to decline. It is expected that this variance will grow throughout the rest of the year. In addition, lower interest rates have resulted in reduced earnings.
2) Salaries and benefits under budget due to unfilled positions.
3) Maintenance expenses were below target as some projects have been delayed due to COVID-19, and it is expected that they will remain below target for the year.
4) Excess cash was not transfered to the COCC as planned since properties are retaining their cash due to an anticipated drop in rental revenue. Cash was received from the asset-managed propreties in July.
5) The Hampton Greens line of credit interest expense was less than anticipated. The budget assumed an increase in the the variable rate but instead rates have dropped. Also, the Kendall Ridge acquisition line of credit was refinanced with the 2019 pool bond resulting in lower interest than assumed in the budget.
6) With the sale of Abbey Ridge to a tax credit partnership, the $19 million line of credit was transferred to the GP fund in fund group 4, but was not budgeted.
7) Increases in debt service and replacement reserves.
8) The budgeted Somerset developer fee receivable of $2.1 million is now expected to be received in the fourth quarter. Also, Highland Village draw from subordinate loan exceeded budget.
9) Mainly due to decrease in prepaid insurance.
10) Payoff of Woodland North line of credit as the property was sold to a tax credit partnership.
11) Unbudgetd interest accrual on the 2019 bond pool.

King County Housing Authority
Cash Reconciliation Report
Other Low Income Housing-Net Cash Flow
Through June 30, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$7,827,525**				
Rental Revenue and Subsidy					
Tenant Revenue	$8,261,684	$7,968,226	$293,457	3.7%	
Federal Operating Support	19,719	(48,500)	68,219	140.7%	(1)
Total Rental Revenue and Federal Support	8,281,403	7,919,726	361,676	4.6%	
Other Operating Revenue					
Other Revenue	8,907,865	2,827,389	6,080,477	215.1%	(2)
Total Other Operating Revenue	8,907,865	2,827,389	6,080,477	215.1%	
Total Operating Revenue	17,189,268	10,747,115	6,442,153	59.9%	
Operating Expenses					
Salaries and Benefits	(1,274,016)	(1,190,034)	(83,982)	-7.1%	
Administrative Expenses	(486,999)	(452,854)	(34,144)	-7.5%	
Maintenance Expenses, Utilities, Taxes	(1,565,722)	(2,162,178)	596,456	27.6%	(3)
Management Fees Charged to Properties and Programs	(220,230)	(222,724)	2,494	1.1%	
Other Programmatic Expenses	(83,336)	(101,663)	18,327	18.0%	
Other Expenses	13,915	0	13,915	n/a	
Transfers Out for Operating Purposes	(28,389,825)	(1,446,156)	(26,943,669)	-1863.1%	(4)
Total Operating Expenses	(32,006,214)	(5,575,609)	(26,430,604)	-474.0%	
Net Operating Income	(14,816,946)	5,171,506	(19,988,451)	-386.5%	
Non Operating Income/(Expense)					
Interest Income from Loans	2,146,694	2,152,301	(5,607)	-0.3%	
Interest Expense	(1,991,117)	(2,085,178)	94,061	4.5%	
Other Non-operating Income/(Expense)	37,719,237	831,938	36,887,299	4433.9%	(5)
Total Non Operating Income/(Expense)	37,874,814	899,060	36,975,754	4112.7%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	26,024,976	25,940,101	84,874	0.3%	
Capital Project Expenditures	10,000,944	9,883,062	117,882	1.2%	
Total Change in Capital Assets, net of Direct Funding and Debt	36,025,919	35,823,163	202,756	0.6%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(332,210)	(261,780)	(70,430)	-26.9%	(6)
Change in Receivables	(76,056,018)	(83,033,310)	6,977,291	8.4%	
Change in Other Assets	113,919	0	113,919	n/a	(7)
Change in Debt	23,059,882	8,310,735	14,749,147	177.5%	(8)
Change in Other Liabilities	(621,706)	(276,412)	(345,294)	-124.9%	(9)
Change in Other Assets/Liabilities/Equity	(53,836,233)	(75,260,767)	21,424,534	28.5%	
Change in Unrestricted/Program Cash	$5,247,554	($33,367,038)	$38,614,592	115.7%	
ENDING UNRESTRICTED/PROGRAM CASH	**$13,075,079**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING DESIGNATED/RESTRICTED CASH	**$25,707,419**				
Change in Replacement Reserves	215,659	192,246	23,413	12.2%	(6)
Change in Debt Service Reserves	(1,787,965)	0	(1,787,965)	n/a	(6)
Change in Other Reserves	1,904,516	69,534	1,834,982	2639.0%	(6)
Change in Designated/Restricted Cash	332,210	261,780	70,430	26.9%	
ENDING DESIGNATED/RESTRICTED CASH	**$26,039,628**				

1) The budgeted transfer fo excess cash from Eastbridge to MTW didn't occur as a management decision was made to evaluate the need and make transfers on a quarterly basis. Transfers were not needed for the first and second quarters.
2) With the sale of Bellevue Manor to a tax credit partnership, the debt was transferred into the new GP fund. Unbudgeted. This was partially offset by planned developer fees for Bellevue Manor and Abbey Ridge that have yet to be received.
3) Maintenance expenses were below target as some projects have been delayed due to COVID-19.
4) Tranfser of $28 million of Belluevue Manor and Abbey Ridge Line of Credit to GP fund as properties were sold to tax credit partnership. This is partially offset as the budgeted excess cash transfer to the COCC didn't occur as properties are retaining their cash due to an anticipated drop in rental revenue.
5) Bellevue Manor, Abbey Ridge, and Woodland North were sold to tax credit partnerships under financing leases totaling $70 million. Of this amount, $36 million, equivalent to the book value of the assests, was not included in the budget.
6) Mainly due to unbudgeted increases in excess cash and replacement reserves.
7) Mainly due to decreases in prepaid insurance.
8) With the sale of Abbey Ridge to a tax credit partnership, the $19 million line of credit was transferred from fund group 3, but was not budgeted. This is offset by less than expected draws from the tax-exempt line of credits as Abbey Ridge, Bellevue Manor, and Woodland North project rehabilitations were delayed.
9) Mainly due to decreases in accounts payable and prepaid tenant rent.

King County Housing Authority
Cash Reconciliation Report
Housing Choice Voucher Program
Through June 30, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**($646,100)**				
Operating Revenue					
Federal Support for HCV Program-HAP Revenue	$71,881,839	$73,359,284	($1,477,445)	-2.0%	(1)
Federal Support for HCV Program-Admin Fee Revenue	$6,962,567	$5,436,413	$1,526,154	28.1%	(2)
Revenue from Collection	$108,684	$62,550	$46,134	73.8%	
Portability Income	23,380,855	20,994,723	2,386,132	11.4%	(3)
Other Revenue	1,059,412	1,116,232	(56,820)	-5.1%	
Total Operating Revenue	103,393,358	100,969,202	2,424,155	2.4%	
Operating Expenses					
Salaries and Benefits	(4,441,958)	(4,937,473)	495,515	10.0%	(4)
Administrative Expenses	(460,488)	(500,881)	40,394	8.1%	
Maintenance Expenses, Utilities, Taxes	(129,758)	(133,609)	3,851	2.9%	
Management Fees Charged to Properties and Programs	(1,609,716)	(1,637,686)	27,969	1.7%	
HCV Housing Assistance Payments to Landlords	(72,930,986)	(73,728,770)	797,784	1.1%	
HCV Housing Assistance Payment-Ports In	(23,398,831)	(20,994,723)	(2,404,108)	-11.5%	(3)
Other Programmatic Expenses	(242,414)	(170,365)	(72,049)	-42.3%	(5)
Transfers Out for Operating Purposes	(28,786)	0	(28,786)	n/a	
Total Operating Expenses	(103,242,937)	(102,103,508)	(1,139,429)	-1.1%	
Net Operating Income	150,421	(1,134,305)	1,284,726	113.3%	
Non Operating Income/(Expense)					
Other Non-operating Income/(Expense)	(95,450)	(235,188)	139,739	59.4%	(6)
Total Non Operating Income/(Expense)	(95,450)	(235,188)	139,739	59.4%	
Capital Activity					
Total Change in Capital Assets, net of Direct Funding and Debt	0	0	0	n/a	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(33,240)	(100,140)	66,900	66.8%	(7)
Change in Receivables	(253,246)	0	(253,246)	n/a	(8)
					(9)
Change in Other Assets	38,963	0	38,963	n/a	
Change in Other Liabilities	123,440	0	123,440	n/a	(10)
Change in Other Assets/Liabilities/Equity	(124,083)	(100,140)	(23,943)	-23.9%	
Change in Unrestricted/Program Cash	($69,111)	($1,469,633)	$1,400,522	95.3%	
ENDING UNRESTRICTED/PROGRAM CASH	**($715,212)**				

	Actual	Budget	$ Variance	% Variance	
BEGINNING DESIGNATED/RESTRICTED CASH	**$2,922,014**				
Change in Replacement Reserves	0	0	0	n/a	
Change in Debt Service Reserves	0	0	0	n/a	
Change in Other Reserves	33,240	(100,140)	133,380	133.2%	(7)
Change in Designated/Restricted Cash	33,240	(100,140)	133,380	133.2%	
ENDING DESIGNATED/RESTRICTED CASH	**$2,955,254**				

1) Due to HUD cash management rules, receipts for the Mainstream program have been less than budgeted.
2) The HCV admin fee revenue exceeded budget due to additional funding from the CARES Act.
3) Incoming ports averaged 3,178 units per month throughtout the first six months while the budget assumed 3,118. The average Per Unit Cost was $1,224 vs. the budget of $1,122. As a result, both revenue and HAP expense exceeded the budget.
4) Salaries were under budget due to unfilled positions and FMLA and COVID19-related absences. Also, due to the gap between new hires' start dates and outgoing staffs' last days. This is partially offset by the transfer of some Resident Service, Social Impact and Homeless Housing salaries and benefits from the MTW fund in order to access CARES Act funding.
5) In order to use some of the CARES Act funding for Homeless Housing Program expenses, some costs were moved from MTW to the HCV fund. This is partially offset as the accounting for the HASP program was changed after the budget was adopted and activity is now reflected in a grant fund and reported as part of the Other Activities fund group.
6) Flex Funds are under budget as the issuance of CMTO/Tenant-Based vouchers have slowed, and VASH voucher referrals have been less than anticipated.
7) Mainly due to a decrease in FSS escrow accounts. KCHA does not budget for changes in escrow accounts.
8) Due to increases in receivables from HUD and other PHAs.
9) Mainly due to decreases in prepaid insurance.
10) Mainly due to increases in short-term liabilities.

King County Housing Authority
Cash Reconciliation Report
MTW Program
Through June 30, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$7,906,180**				
Federal Support					
Block Grant Revenue	$80,107,895	$72,823,854	$7,284,041	10.0%	(1)
Less: Used for HAP	(62,146,527)	(62,155,960)	9,433	0.0%	
Less: Used HCV Administrative Program Support	(4,270,685)	(4,536,305)	265,620	5.9%	
Federal Operating Support	231,604	217,308	14,296	6.6%	
Total Net Federal Support	13,922,287	6,348,897	7,573,390	119.3%	
Other Operating Revenue					
Other Revenue	117,913	101,525	16,389	16.1%	
Total Other Operating Revenue	117,913	101,525	16,389	16.1%	
Total Operating Revenue	14,040,200	6,450,422	7,589,779	117.7%	
Program Expenses					
Resident Service Salaries and Benefits	(1,471,130)	(1,618,029)	146,899	9.1%	
Resident Service Program and Administrative Expenses	(691,861)	(798,342)	106,480	13.3%	(2)
Homeless Salaries and Benefits	(181,457)	(279,903)	98,445	35.2%	(3)
Homeless Program and Administrative Expenses	(554,747)	(814,181)	259,433	31.9%	(4)
Policy Salaries and Benefits	(371,042)	(484,193)	113,151	23.4%	(3)
Policy Administrative Expenses	(15,736)	(130,768)	115,031	88.0%	(5)
Other Policy Expenses	(886,725)	(610,582)	(276,143)	-45.2%	(6)
Other Social Services Expenses	325,733	0	325,733	n/a	(7)
Additional Support of Public Housing Program	(342,548)	(1,432,523)	1,089,975	76.1%	(8)
Other Programmatic Expenses	(123,738)	(123,736)	(2)	0.0%	
Total Programmatic Expenses	(4,313,253)	(6,292,254)	1,979,002	31.5%	
Used for Rehabilitation, Development or Debt Service Purposes					
Funding for Capital Construction Projects	(1,357,188)	(3,856,935)	2,499,747	64.8%	(9)
Funding for Unit Upgrades	(1,347,380)	(1,061,724)	(285,656)	-26.9%	(10)
Management Fees Charged by COCC	(270,457)	(421,864)	151,407	35.9%	(11)
Total Rehab, Development and Debt Service Expenses	(2,975,025)	(5,340,524)	2,365,498	44.3%	
Administrative Expenses					
Salaries and Benefits	192,906	(82,929)	275,835	332.6%	
Administrative Expenses	(71,605)	(35,973)	(35,632)	-99.1%	
Internal Management Fees	(11,232)	0	(11,232)	n/a	
Other Programmatic Expenses	238,675	0	238,675	n/a	(12)
Total Administrative Expenses	348,744	(118,903)	467,646	393.3%	
Total Operating Expenses	(6,939,534)	(11,751,681)	4,812,147	40.9%	
Net Operating Income	7,100,666	(5,301,259)	12,401,925	233.9%	
Non Operating Income/(Expense)					
Interest Income from Loans	507,850	501,221	6,629	1.3%	
Total Non Operating Income/(Expense)	507,850	501,221	6,629	1.3%	
Capital Activity					
Capital Project Expenditures	0	(483,701)	483,701	100.0%	(13)
Total Change in Capital Assets, net of Direct Funding and Debt	0	(483,701)	483,701	100.0%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(31,693)	571,818	(603,511)	-105.5%	
Change in Receivables	585,121	676,127	(91,006)	-13.5%	(14)
Change in Other Assets	1,239	0	1,239	n/a	
Change in Debt	(2,807,498)	0	(2,807,498)	n/a	(15)
Change in Other Liabilities	246,093	0	246,093	n/a	(16)
Change in Other Assets/Liabilities/Equity	(2,006,738)	1,247,945	(3,254,684)	-260.8%	
Change in Unrestricted/Program Cash	$5,601,778	($4,035,794)	$9,637,572	238.8%	
ENDING UNRESTRICTED/PROGRAM CASH	**$13,507,958**				

BEGINNING DESIGNATED/RESTRICTED CASH	**$7,401,034**			
Change in Replacement Reserves	0	0	0	n/a
Change in Debt Service Reserves	0	0	0	n/a
Change in Other Reserves	31,693	(571,818)	603,511	105.5%
Change in Designated/Restricted Cash	31,693	(571,818)	603,511	105.5%
ENDING DESIGNATED/RESTRICTED CASH	**$7,432,727**			

1) Received more block grant than budgeted. $4.74 million of additional funding was drawn from the 2019 allocation and $3.74 million from the 2018 allocation, for a total of $7.7 million.
2) Community events and travel expenses were below budget mainly due to COVID-19.
3) Due to unfilled positions.
4) The Highline School District program was below budget as utilization has been impacted due to school closures with COVID-19. The Coming Up program was also under-utilized and management is working with the contractor to explore shifting the subsidy model to a project-based voucher model to help increase utilization.
5) Professional services and agency-wide training are under target.
6) Due to unbudgeted Resident Services contracts, such as Southwest Youth and Family Services, and YMCA After School and Summer Learning Programs
7) Transfer of some Resident Services expenses to the HCV for CARES Act funding purposes
8) Subsidy transfers from MTW to public housing projects were budgeted evenly throughout the year, but a management decision was made to evaluate the need and make transfers on a quarterly basis. Transfers to the public housing projects were not needed in the first and second quarters.
9) Due to delays and slow starts in various capital construction projects, the budgeted transfers from MTW to fund the projects were below target. Although construction activity is expected to increase throughout the year, total spending is now forecast to be approximately $4 million less than budgeted, with half of the funding originally slated to come from MTW.
10) Several MTW funded unit upgrade projects were completed during the first quarter resulting in higher than expected transfers. The timing of construction work depends on unit availability.
11) Reduced Capital Construction resulted in lower management fees charged to MTW.
12) Transfer of homeless housing subsidy expense to HCV for CARES Act purposes.
13) The Capital Construction department budgeted a placeholder for Architecture and Engineering project costs, however, actual costs are being coded directly to projects.
14) The MTW Greenbridge internal loan pay down with lot sales proceeds was less than anticipated in the budget.
15) Due to the paydown of a portion of the $80 million line of credit allocated to MTW from Island Crest in 2019 and subsequently paid off in 2020.
16) Due to increases in short-term liabilities.

King County Housing Authority
Cash Reconciliation Report
Development Activities
Through June 30, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$613,946**				
Rental Revenue and Subsidy					
Total Rental Revenue and Federal Support	0	0	0	n/a	
Other Operating Revenue					
Other Revenue	227,844	154,089	73,755	47.9%	(1)
Total Other Operating Revenue	227,844	154,089	73,755	47.9%	
Total Operating Revenue	227,844	154,089	73,755	47.9%	
Operating Expenses					
Salaries and Benefits	(135,786)	(153,064)	17,278	11.3%	
Administrative Expenses	(7,346)	(34,435)	27,089	78.7%	
Total Operating Expenses	(143,132)	(187,498)	44,367	23.7%	
Net Operating Income	84,712	(33,410)	118,122	353.6%	
Non Operating Income/(Expense)					
Interest Income from Loans	122	0	122	n/a	
Other Non-operating Income/(Expense)	(189,103)	25,000	(214,103)	-856.4%	(2)
Total Non Operating Income/(Expense)	(188,982)	25,000	(213,982)	-855.9%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	498,660	691,021	(192,361)	-27.8%	(3)
Capital Project Expenditures	(21,481,501)	(27,740,707)	6,259,206	22.6%	(4)
Total Change in Capital Assets, net of Direct Funding and Debt	(20,982,840)	(27,049,686)	6,066,846	22.4%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(1,315,285)	(83,316)	(1,231,969)	-1478.7%	(5)
Change in Receivables	672,394	0	672,394	n/a	(6)
Change in Other Assets	87	0	87	n/a	
Change in Debt	20,340,000	22,922,923	(2,582,923)	-11.3%	(7)
Change in Other Liabilities	442,465	4,264,916	(3,822,451)	-89.6%	(8)
Change in Other Assets/Liabilities/Equity	20,139,661	27,104,523	(6,964,862)	-25.7%	
Change in Unrestricted/Program Cash	($947,449)	$46,426	($993,876)	-2140.8%	
ENDING UNRESTRICTED/PROGRAM CASH	**($333,503)**				

BEGINNING DESIGNATED/RESTRICTED CASH	**$12,801,608**				
Change in Replacement Reserves	0	0	0	n/a	
Change in Debt Service Reserves	0	0	0	n/a	
Change in Other Reserves	1,315,285	83,316	1,231,969	1478.7%	(5)
Change in Designated/Restricted Cash	1,315,285	83,316	1,231,969	1478.7%	
ENDING DESIGNATED/RESTRICTED CASH	**$14,116,894**				

1) Greenbridge home and lot sales price participation was higher than budgeted. Slightly offset by less interest income than anticipated due to lower interest rates.
2) Due to the removal of single-family residence at 301 SW Roxbury from the accounting records
3) The 2019 net cash flow distribution of the HOPE VI loan interest income to Fund 600 for use on Notch property was lower than anticipated in the budgeted.
4) Expenditures for the Bellevue Manor rehab project are below target. Bellevue Manor is a senior building and COVID-19 stopped work at the property. Also, the budgeted Greenbridge frontage improvement project is delayed.
5) Deposits to program income reserves from Greenbridge lot sales proceeds and Hope VI interest income. Also due to an unbudgeted increase Bellevue Manor project reserve.
6) Receipt of the Washington State Department of Commerce grant for the Greenbridge 4th Avenue SW Enhancement project. It was awarded to KCHA in 2019 but received in the first quarter of 2020.
7) Because of COVID-19, most of the construction for Bellevue Manor is postponed until 2021, resulting in lower loan amounts drawn to fund the construction.
8) Due to a decrease in short-term liabilities. Also, draws from the COCC internal loan were less than budgeted as Greenbridge projects are behind schedule.

King County Housing Authority
Cash Reconciliation Report
Other Activities
Through June 30, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$1,822,995**				
Rental Revenue and Subsidy					
Federal Operating Support	1,813,838	1,689,210	124,628	7.4%	
Total Rental Revenue and Federal Support	1,813,838	1,689,210	124,628	7.4%	
Other Operating Revenue					
Federal Support for HCV Program	0	0	0	n/a	
Other Revenue	3,177,807	4,427,892	(1,250,085)	-28.2%	(1)
Total Other Operating Revenue	3,177,807	4,427,892	(1,250,085)	-28.2%	
Total Operating Revenue	4,991,645	6,117,102	(1,125,457)	-18.4%	
Operating Expenses					
Salaries and Benefits	(1,038,645)	(1,113,947)	75,302	6.8%	
Administrative Expenses	(158,049)	(58,907)	(99,142)	-168.3%	(2)
Maintenance Expenses, Utilities, Taxes	(125,366)	(11,087)	(114,279)	-1030.8%	(3)
Management Fees Charged to Properties and Programs	(18,401)	(16,894)	(1,507)	-8.9%	
Other Programmatic Expenses	(1,068,203)	(2,167,740)	1,099,537	50.7%	(1)
Transfers Out for Operating Purposes	(597,305)	(761,056)	163,751	21.5%	(4)
Total Operating Expenses	(3,005,970)	(4,129,631)	1,123,661	27.2%	
Net Operating Income	1,985,675	1,987,471	(1,796)	-0.1%	
Non Operating Income/(Expense)					
Interest Expense	(685,348)	(679,441)	(5,907)	-0.9%	
Total Non Operating Income/(Expense)	(685,348)	(679,441)	(5,907)	-0.9%	
Capital Activity					
Capital Project Expenditures	(35,618)	(12,510)	(23,108)	-184.7%	
Total Change in Capital Assets, net of Direct Funding and Debt	(35,618)	(12,510)	(23,108)	-184.7%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(413,156)	(448,002)	34,846	7.8%	(5)
Change in Receivables	476,618	0	476,618	n/a	(6)
Change in Other Assets	8,261	0	8,261	n/a	
Change in Other Liabilities	(1,132,736)	(470,914)	(661,822)	-140.5%	(7)
Change in Other Assets/Liabilities/Equity	(1,061,013)	(918,916)	(142,096)	-15.5%	
Change in Unrestricted/Program Cash	$203,696	$376,604	($172,908)	-45.9%	
ENDING UNRESTRICTED/PROGRAM CASH	**$2,026,690**				

BEGINNING DESIGNATED/RESTRICTED CASH	**$1,752,440**				
Change in Replacement Reserves	44,600	48,000	(3,400)	-7.1%	(6)
Change in Debt Service Reserves	0	0	0	n/a	
Change in Other Reserves	368,557	400,002	(31,446)	-7.9%	(6)
Change in Designated/Restricted Cash	413,156	448,002	(34,846)	-7.8%	
ENDING DESIGNATED/RESTRICTED CASH	**$2,165,596**				

1) Due to COVID-19, all weatherization projects were put on hold, resulting in lower spending and reimbursements. Work is scheduled to start up again in the third quarter.
2) Mainly due to unbudgeted professional services and computer equipment expenses.
3) Increased spending on masks, gloves, sanitizers, respirator filters, and cleaning materials in preparation for COVID-19. Reimbursement will be requested from FEMA, but ultimate funding is unsure.
4) Transfers-out for Weatherization program support are under target due to the slow spending of grants. See note 1.
5) Due to an unbudgeted increase in EPC Project cost reserve.
6) Due to an unbudgeted decrease in grant receivables.
7) Due to an increase in short-term liabilities and accrual of payroll liabilities.

King County Housing Authority
Cash Reconciliation Report
Central Office Cost Center
Through June 30, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$49,596,006**				
Operating Revenue					
Property Management Fees	$2,521,852	$2,527,462	($5,610)	-0.2%	
Bookkeeping Fees	1,066,679	1,092,793	(26,114)	-2.4%	
Asset Management Fees	774,990	771,887	3,103	0.4%	
Construction Fees	270,457	1,018,318	(747,861)	-73.4%	(1)
Other Revenue	1,098,297	905,337	192,960	21.3%	(2)
Total Operating Revenue	5,732,274	6,315,797	(583,523)	-9.2%	
Operating Expenses					
Salaries and Benefits	(6,074,440)	(6,806,729)	732,290	10.8%	(3)
Administrative Expenses	(1,342,679)	(2,006,145)	663,467	33.1%	(4)
Maintenance Expenses, Utilities, Taxes	(133,968)	(198,371)	64,403	32.5%	(5)
Management Fees Charged to Properties and Programs	(70,804)	(70,391)	(412)	-0.6%	
Other Programmatic Expenses	(422)	0	(422)	n/a	
Transfers Out for Operating Purposes	(136,092)	0	(136,092)	n/a	(6)
Total Operating Expenses	(7,758,405)	(9,081,638)	1,323,233	14.6%	
Other Operating Sources					
Transfer in of Excess Cash	0	4,323,456	(4,323,456)	-100.0%	(7)
Central Maintenance Cash Flow	(64,906)	206,919	(271,825)	-131.4%	(8)
Central Vehicle Cash Flow	200,869	(62,515)	263,384	421.3%	(9)
Total Other Operating Sources	135,963	4,467,859	(4,331,897)	-97.0%	
Net Operating Income	(1,890,168)	1,702,019	(3,592,187)	-211.1%	
Non Operating Income/(Expense)					
Interest Income from Loans	728,950	724,302	4,648	0.6%	
Interest Expense	(450,012)	(377,694)	(72,318)	-19.1%	(10)
COCC Capital Projects	(643,561)	(790,923)	147,362	18.6%	(11)
Funding for Capital Construction Projects Outside of COCC	(9,014)	(60,913)	51,899	85.2%	(12)
Total Non Operating Income/(Expense)	(373,637)	(505,228)	131,591	26.0%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(3,600)	0	(3,600)	n/a	
Change in Receivables	20,362	(4,928,670)	4,949,032	100.4%	(13)
Change in Other Assets	54,904	0	54,904	n/a	(14)
Change in Debt	(586,295)	(450,360)	(135,935)	-30.2%	(15)
Change in Other Liabilities	(581,890)	0	(581,890)	n/a	(16)
Change in Other Assets/Liabilities/Equity	(1,096,518)	(5,379,030)	4,282,512	79.6%	
Change in Unrestricted/Program Cash	($3,360,323)	($4,182,239)	$821,916	19.7%	
ENDING UNRESTRICTED/PROGRAM CASH	**$46,235,682**				

	Actual	Budget	$ Variance	% Variance
BEGINNING DESIGNATED/RESTRICTED CASH	**$16,017,762**			
Change in Replacement Reserves	0	0	0	n/a
Change in Debt Service Reserves	0	0	0	n/a
Change in Other Reserves	3,600	0	3,600	n/a
Change in Designated/Restricted Cash	3,600	0	3,600	n/a
ENDING DESIGNATED/RESTRICTED CASH	**$16,021,362**			

1) Management fees are lower than expected due to fewer than expected capital projects and unit upgrades.
2) Administrative Fee in the amount of $300,000 was received for KCHA's roles in assisting the Aerospace properties transfer to KCHA and SHA ($60,000 per property). This is offset by less interest income due to lower than expected interest rates.
3) Salaries and benefits were below target due to unfilled positions.
4) Various categories were under target (professional services, admin contracts, and computer equipment).
5) The Ballinger shop rebuilding invoices are on-hold until the contractor resolves the federal wage requirement issue. Also, the Ballinger Homes security camera installation project has yet to occur.
6) Transfer from the COCC to support local properties. The transfer was incorrectly budgeted to occur only in the 4th quarter.
7) The budgeted transfer of excess cash to the COCC did not occur since properties are retaining their cash due to an anticipated drop in rental revenue.
8) Revenue from unit upgrade fees and central maintenance fees were below target. Also, due to unbudgeted union benefit expenses for temporary employees.
9) Six replacement vehicles were all budgeted in the second quarter but only three have been purchased. Also, due to decreases in prepaid insurance.
10) Due to unbudgeted 2013 Pool interest expense that was allocated to the 700 building.
11) The 600 building office remodel project was completed under budget.
12) The budgeted COCC program support to the 8th Avenue project has yet to occur.
13) Rainier View Mobile Homes development project has been delayed until 2021 and the Issaquah TOD project is on hold while the purchase agreement with Century Link is being negotiated. As a result, no budgeted draws were made on the COCC internal loan. Also, draws from the Greenbridge internal loan were below budget.
14) Due to decreases in prepaid insurance and interest expense - deferred defeasance.
15) Due to the unbudgeted payment of the 2013 Pool-Key Bank Bond principal.
16) Due to decreases in short-term and payroll liabilities.

TAB NUMBER 6

To: Board of Commissioners

From: Jill Stanton, Chief Administrative Officer

Date: October 5, 2020

Re: **One year extension of the collective bargaining agreement between King County Housing Authority and the Seattle/King County Building Construction Trades Council**

Background
The King County Housing Authority and the Seattle/King County Building Construction Trades Council collective bargaining agreement is set to expire on October 31, 2020. The Covid-19 pandemic and the social distancing protocol makes in person negotiations impossible and virtual negotiations very difficult. Therefore, both parties agreed that it would be in all of our best interest to enter into a one year extension of the current contract. The union members affirmatively voted on the extension which included the following five provisions:

- Wages rates will be adjusted by the 1.9% COLA
- Call out roster and standby pay will be increased from $250 per week to $300 per week
- 2021 employee health premiums will assume the same cost sharing percentages as applied in 2020
- Allowance for footwear will increase from $219 to $300
- Contract expiration date will be October 31, 2021

The extension agreement is attached for your reference.

ONE YEAR EXTENSION OF THE COLLECTIVE BARGAINING AGREEMENT
between
King County Housing Authority
and
the Seattle/King County Building Construction Trades Council

King County Housing Authority ("the Authority") and Seattle/King County Building Construction Trades Council ("the union") (collectively, "the parties") are parties to a Collective Bargaining Agreement effective November 1, 2018, through October 31, 2020, ("Agreement"). The parties hereby agree to extend the Agreement by one year, through October 31, 2021.

All provisions of the Agreement shall remain in force during the period of agreed-upon extension through October 31, 2021, with the following exceptions, which shall be amended as follows:

1. ARTICLE 6 WAGES AND CLASSIFICATIONS

   Wage rates will be adjusted effective November 7, 2020 based on the annualized consumer price index increase for Urban Wage Earners and Clerical Workers (CPI-W) in the Seattle-Tacoma area as issued by the U.S. Department of Labor, Bureau of Labor Statistics calculated using the first half of calendar year 2020, which is 1.9%.

2. ARTICLE 7 CALL-OUT ROSTER AND STANDBY PAY, Section 2

   Effective with the pay period beginning **November 7, 2020** employees on call will be eligible for standby pay of ~~$250~~ **$300.00** per 7-day period plus overtime pay equal to actual hours spent on an emergency call out (or a minimum of 2 hours whichever is greater) times 1.5 times the Employee's regular rate of pay. Alternatively, Employees may, subject to the provisions of Article VI, Section 1, elect to receive compensatory time in lieu of paid overtime. Overtime pay shall be calculated on the time actually spent once the Employee is dispatched from his or her home to the work site and shall not include telephone or other time spent at home answering, responding to or investigating an emergency call out request.

3. ARTICLE 12 INSURANCE BENEFIT PROGRAMS AND PENSION PLAN, Section 3

   For Calendar Year 2021, deduction for employee health premiums will be provided as Exhibit B as soon as they are received and will be made a part of this Agreement. Calendar Year 2021 rates will be set using the same cost sharing percentages as 2020, rounded to the nearest dollar.

4. ARTICLE 13 PROTECTIVE CLOTHING, Section 2

   The Authority shall provide employees an allowance for the actual cost of safety footwear in an amount not to exceed ~~$219~~ **$300.00** every two years beginning November 1, **2020** ~~2016.~~ The allowance must be used at select vendors who will bill the Authority directly. Selections may be made from a list of acceptable footwear as agreed upon by the Authority and the Council, which meet the ASTM F2413-05 or ASTM F2891-11 standard or higher. Employees may elect to purchase shoes which meet the standard at a cost which exceeds this allowance and pay the difference. Alternatively, employees may use this allowance to repair existing footwear on a reimbursement basis. Employees will be required to wear safety footwear at all times when working. Safety footwear lost or damaged due to the negligence of the employee shall be replaced by the employee at his/her expense. Time spent acquiring footwear shall not be compensated. Employees who spend less than the allowance will not be allowed the difference in price as compensation.

5. ARTICLE 25 TERM OF AGREEMENT

This Agreement shall be in effect as of November 1, 2018 and shall continue in effect through **October 31, 2021** ~~October 31, 2020~~. This Agreement shall be subject to termination upon ninety (90) days' prior notice by either the Council or the Authority to the other of a desire to cancel, change or amend same.

IN WITNESS WHEREOF, the parties hereto have duly accepted and executed this Agreement on the 12th day of October, 2020.

KING COUNTY HOUSING AUTHORITY:	FOR THE UNION:
	Monty Anderson Executive Secretary Seattle Building Trades

TAB NUMBER 7

King County Housing Authority

TO: Board of Commissioners

FROM: Stephen Norman, Executive Director

DATE: October 6, 2020

RE: **Revised Mission Statement**

At the October Board meeting, the Racial Equity Diversity and Inclusion (REDI) Team of KCHA employees will be presenting a revised KCHA Mission Statement that explicitly includes racial equity as part of KCHA's stated mission.

The REDI team was formed in the spring of 2019 and is a working group of employees from all departments with an adopted mission to educate and shape organizational culture, practices, and systems through an equity lens within both the agency and the communities served by KCHA, with a long term vision of eliminating racial disparities by fostering equity and inclusion. I am deeply appreciative of their commitment and the work they are doing.

Earlier this year, members of the REDI team noted that KCHA's Mission Statement made no reference to equity or inclusion. KCHA's current mission statement reads as follows:

> ***The King County Housing Authority is a national leader in providing innovative and effective housing solutions so that people and communities can prosper.***

On June 19th of this year, during KCHA's Day of Solidarity celebrating Juneteenth, a commitment was made by me and the Executive Team to revise KCHA's Mission Statement to include racial equity as an essential element KCHA's mission. The REDI Team was subsequently tasked with drafting a revised Mission Statement. After receiving additional input from senior staff, the REDI team finalized the revised Mission Statement as follows:

> ***As a national leader in affordable housing, KCHA serves to provide innovative, effective, and equitable housing solutions so that all people and communities can prosper.***

Representatives from the REDI team will present the revised Mission Statement and explain the process and thinking that went into its development.

REDI

Racial • Equity • Diversity • Inclusion

MISSION: ACCOMPLISHED

MISSION STATEMENT : REDI REVISION TAKE 2

WELCOME AND INTRODUCTION TO THE REDI TEAM:

- Jesse Bennett, Construction Coordinator, JesseB@kcha.org NEWEST MEMBER
- Arthur Gwin, Site-Based Maintenance Mechanic, ArthurG@kcha.org
- Channie Butler, Applications Development Specialist, ChannieB@kcha.org
- Charlotte Wheelock, Senior Housing Specialist, CharlotteW@kcha.org
- Dan Watson, Chief Development Officer, DanW@kcha.org
- Jonathan Pickett, Accounting Technician, JonathanP@kcha.org
- Ken Nsimbi, Youth Program Coordinator, KenN@kcha.org
- Lisa Herrera, SW Property Manager, LisaH@kcha.org
- Lydia Assefa-Dawson, Residence Services Coordinator, LydiaAD@kcha.org
- Pam Taylor, Associate Director of Housing Choice Vouchers, PamT@kcha.org
- Tonya Harlan, Director of Human Resources, TonyaH@kcha.org
- Camie Whidden, Learning and Development Program Manager CamieW@kcha.org

FIRST TIME: MISSION STATEMENT REVISION PROCESS

REDI's Mission- To educate and shape organizational culture, practices, and systems through an equity lens within the agency and the communities we serve.

REDI's Vision- Eliminate racial disparities within the agency and King County by fostering equity and inclusion.

- **We used a work template to emphasize ideas on what we wanted to see change.**
- **Connected and aligned it to our mission and vision**

Current Mission: The King County (WA) Housing Authority is a national leader in providing innovative and effective housing solutions so that people and communities can prosper. Our vision is that all residents of King County have quality affordable housing.

Below ideas around what we want to see change:

- "Creating and sustaining affordable housing
- Uplifting people in communities of opportunity
- Addressing the effects of institutional racism"
- **educate and shape organizational culture, practices and systems**
- **equity lens**
- **foster equity and inclusion**
- **eliminate racial disparities**

Current REDI INFO:

REDI's Mission:

To educate and shape organizational culture, practices, and systems through an equity lens within the agency and the communities we serve.

REDI's Vision:

Eliminate racial disparities within the agency and in King County by fostering equity and inclusion.

"My name is _____ with the REDI team. Our goal is to educate and shape the KCHA culture, practices and systems by promoting equity and inclusion. We would love to have you be a part of this conversation – Are you REDI?"

5 Steps to Revising Your Mission Statement

1. Review your existing **statement**.
2. List your current objectives. What do you want to achieve for your customers, residents, employees etc. ? ...
3. Renew your passion. ...
4. Recognize changes. ...
5. Write your **revised statement**.

Camie's revision draft:

The King County (WA) Housing Authority is a national leader in providing innovative, effective and equitable housing solutions so that ALL people, cultures and communities of opportunity can prosper while fostering inclusion from every angle. Our vision is that all residents of King County have quality affordable housing.

Send to ________by thurs.

THE PROCESS: HOW THE TEAM DID IT!!

BIG THANKS TO THE WORKSHOP REVISION TEAM:

- John Eliason
- Rhonda Rosenberg
- Ken Nsimbi
- Channie Butler
- Dan Watson
- Pam Taylor
- Shawli Hathaway
- Jonathan Pickett
- Jenn Ramirez-Robson
- Lydia Assefa- Dawson
- Jesse Bennett
- Camie Whidden- **Facilitator**

A MISSION STATEMENT:

Can (and probably will) morph, change and adapt to a growing organization." Board, staff and volunteers from your organization **should** get in the habit of reviewing the **mission statement** every one to three years, or **in times of major transition for the organization.**

- **KEEP IT SIMPLE!!**

THE PROCESS WHAT GOOD / FOR WHOM

Current Mission: The King County (WA) Housing Authority is a national leader in providing innovative and effective housing solutions so that people and communities can prosper. Our vision is that all residents of King County have quality affordable housing. TRY IT!!!

What good?

For whom?

Example of other housing authority missions with diversity baked in:

Mission Statement: The **Everett Housing Authority's mission** is to lead the community in developing and providing safe and affordable quality **housing** for **Everett's** diverse low income families." Jan 8, 2020

LEADERSHIP PHILOSOPHY

We Transform Lives Through Housing

VISION & MISSION
All residents of King County have quality affordable housing. KCHA is a national leader in providing innovative and effective housing solutions so that people and communities can prosper.

VALUES		
EXCELLENCE	TEAMWORK	INTEGRITY
TRUST	COMMUNICATION	CONSISTENCY

How We Work Together

Set the Vision
Create a clear connection between department strategy, the daily work and our mission.

Lead by Example
Inspire others by modeling desired behaviors and coaching. Place KCHA values at the heart of our work.

Enable Others to Act
Achieve results in partnership with others by clearly communicating goals and creating collaborative engagements.

Challenge the Process
Challenge the status quo. Be courageous, ask questions, share ideas and support continuous improvement.

Champion Diversity
Build cultural competencies. Foster inclusion and create an environment where all employees feel empowered.

Continuously Learn
Engage in activities to increase our skills. Pursue opportunities to advance personal and professional growth.

HOW WE WILL MAKE THIS HAPPEN: PROCESS

- First, take a look at the two frame work mission statements and talk about what you want to revise.
- Use the attributes of a useful mission statement- you will have Ken, Channie, Pam and Camie guided the discussion and help make sure we are keeping the conversation going and to keep time going for the breakout sessions.
  - In your breakouts share your revision rewrites you brought with you. Each person sharing if they had something. Email it to breakout group and final to Camie. 30- 50 min
- Each group will present their revision and we will discuss which elements we would like to keep revise and/or merge. Discussion.
- Take a poll to make sure we all are working together to create the final draft to share.
- Schedule a time for the Co-Chairs to take the final mission to the rest of the Senior Staff.

Final (REDI Team) KCHA Mission:

As a national leader in affordable housing, KCHA serves to provide innovative, effective, and equitable housing solutions so that all people and communities can prosper.


Thank You!

TAB NUMBER 8

KCHA IN THE NEWS

October 12, 2020

AUBURN REPORTER

Auburn city leaders ponder 2nd version of eviction ordinance

By Robert Whale   Friday, September 4, 2020 1:30am

The Washington Multi-Family Housing Association wanted landlords to be able to levy additional, reasonable security deposits for damage based on pet wear and tear should a tenant bring in a pet.

The association also joined its voice with the voices of landlords who objected to a section of the proposed Auburn ordinance that could have resulted in the city's unwarranted interference in contracts between landlords and tenants.

In the meantime, the King County Housing Authority questioned expanded time frames for rent increase notifications, notably for subsidized housing providers who already have annual income recertification processes in place that adjust rent based on a tenant's income.

"We don't want to get in the way of that process," Auburn Community Services Manager Joy Scott said of KCHA's concerns.

Scott made the comments at the Aug. 24 work session of the Auburn City Council, where city leaders got a look at the revised version of the Just Cause Eviction Ordinance they'd first taken up in mid-July.

At the Aug. 24 work session, the council discussed comments it had received and talked about some adjustments.

“In the section of this ordinance that speaks to a notice of sale requirement for low-income housing, we wanted to make sure, based on some comments we received from the rental housing association, that properties that are transferred to family members or through a will or are otherwise not intended to be listed for sale are not caught up in this process,” Scott said.

“So, if there’s a family or a state transference of this property, the intentAt the Aug. 24 work session, the council discussed comments it had received and talked about some adjustments.

“In the section of this ordinance that speaks to a notice of sale requirement for low-income housing, we wanted to make sure, based on some comments we received from the rental housing association, that properties that are transferred to family members or through a will or are otherwise not intended to be listed for sale are not caught up in this process,” Scott said.

“So, if there’s a family or a state transference of this property, the intent is not to require notification before that process takes place. We wanted to make sure that was reflected in the code,” Scott said.

Out of concern for the many tenants who had lost their jobs to COVID-19 or were working reduced hours for slimmer paychecks, council members discussed the wide-ranging ordinance on July 13. To spell out, city leaders said at the time, under what precise conditions a landlord could evict a tenant and to establish local requirements for notification time frames a landlord must abide by when increasing rental rates.

Under state law, a landlord must provide a minimum of 60 days notice that rental rates are increasing, irrespective of how much the landlord intends to increase rent. Such an ordinance can establish longer notification time frames for more significant rent increases by setting a percentage increase threshold and a longer time frame.

The draft ordinance originally proposed to establish a 120-day notification requirement whenever rent increases by more than 5 percent. That matters because a tenant may not be able to afford the increase, which means the tenant will need to find a new housing option.

Finding a new housing option, city leaders said on July 13, would require the tenant to secure funds associated with the cost of moving, to make a security deposit for the new home, and make first and last month’s rent. When combined with potential other costs associated with setting up new utility accounts, such as changing school districts and finding new child care, city leaders said it would be difficult for a tenant to be prepared to move to a new home with a 60-day notification.

Five percent is a midpoint, indeed, and the increase could be 3, 5 or 7 percent. Using the average or the median rental rate, 3 percent would translate to a $50-a-month increase, 5 percent would add $85 to the monthly rent, and 7 percent would add $120 a month.

Additionally, the 120-day time frame is a midpoint. It could potentially be 90 days or it could be 150 or 180 days.

“To me,” said Councilmember Claude DaCorsi, “120 days may be a little bit too long, in the sense that perhaps, except for big corporate landlords, there may not be an intent to increase the rent beyond that threshold during that period of time. I think a shorter period of time that allows landlords more opportunity to work within their financial parameters may be justified. I would be comfortable going with 90 days versus 120.”

Finding no council members who agreed with him on that point, however, DaCorsi dropped his opposition to the 120-day time span.

Any evictions or terminations of tenancy outside those specified by the ordinance are considered illegal once it is in effect.

Other cities in Washington state — among them Seattle, Burien and Federal Way — have adopted their own Just Cause Eviction Ordinances (JCEO). After research, Auburn chose Burien’s ordinance as a model for its draft.

In addition to establishing codified reasons for why a landlord may evict a tenant, a JCEO establishes local requirements for the notification time frames that a landlord must abide by when increasing rental rates.

Another advantage of a JCEO is that it allows a city to help tenants and landlords in areas where it currently has no authority. While the landlord tenant laws are well established and are intended to protect both parties, the city does not have authority to enforce these laws. Enforcement is remedied through the courts. A JCEO provides the city with a tool to assist in some areas of landlord tenant relations

Other reasons for the preparation of the JCEO for council consideration at this time are:

• The city council has previously expressed interest in adopting a JCEO in Auburn.

• It is a policy action that is consistent with the recommendations contained in the Regional Affordable Housing Task Force 5 Year Action Plan.

• It is a policy action that is consistent with the Joint Recommendations Committee for the 2020 State Legislative Agenda, of which Auburn is a member.

• It is a policy action consistent with the South King Housing and Homelessness Partners (SKHHP).

The Seattle Times

How some Washington nonprofits are trying to make pandemic ‘learning pods’ accessible for all

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By Katherine Long *Seattle Times staff reporter*

Mamieyah Konneh, 5, a kindergartner at the Birch Creek Youth Center, colors during one of her classes on Wednesday. The King County Housing Authority and the nonprofit Kent Youth and Family Services are partners in the center. (Ellen M. Banner / The Seattle Times)

Ninth grader Faysal Abdullahi, 14, left, and eighth grader Mohammed Shandeen, 13, are in class at the Birch Creek Youth Center Wednesday. In the background, helping another student, is Ayesha Mohamed, a site assistant at the center. (Ellen M. Banner / The Seattle Times)

Jeff Girmus, an after school site supervisor at the Birch Creek Youth Center, helps fifth-grader Zaky Hassan, 11, during his computer class at the center. The center has been transformed into a learning hub to help kids enrolled in online school as a group. (Ellen M. Banner / The Seattle Times)

Middle and high school students at at the Birch Creek Youth Center take a break between online classes on Thursday. About 25 students arrive at the center each school day. (Ellen M. Banner / The Seattle Times)

Education Lab is a Seattle Times project that spotlights promising approaches to persistent challenges in public education. It is produced in partnership with the Solutions Journalism Network and is funded by a grant from the Bill & Melinda Gates Foundation, Amazon and City University of Seattle. Learn more about Ed Lab.

KENT — Kids who live in the sprawling Birch Creek subsidized-housing complex have long turned to the on-site youth center for after-school homework help and sports programs.

So when Kent public schools opened for virtual school this September, the center began inviting kids from large families to use the space to study.

Word about the center’s new role as a learning hub began to spread.

Now, about 25 students arrive at the center each school day. There are bubbly kindergartners who have never been in a classroom and selfpossessed high school students, the cool veterans of the K-12 system. They settle into desks and tables in five rooms, grouped by age, while staffers move around the building — helping them log in and navigate the complexities of online learning platforms, offering lunch, keeping them on task, encouraging them to take breaks. The kids get to see friends, socialize, play a little pickup basketball.

Elsewhere, many children don’t get that benefit at all. About 1 million Washington students are learning remotely this year, and educators worry the pandemic will exacerbate an already steep academic divide between the haves and have-nots. Families who can afford to do so are hiring tutors and forming small learning communities, also known as pandemic pods or microschools, to keep their kids on track. Parents who work from home are playing teaching assistant and solving tech problems on the fly.

But there are thousands of parents who must leave the house every day to work, who need child care, don’t have internet access or the tech skills needed to solve tricky computer problems, perhaps also struggle with English. These parents are disproportionately people of color. What happens to their children?

A growing number of learning hubs like Birch Creek are one answer.

These could serve as a model for how nonprofits and after-school child care agencies can help, especially if the pandemic stretches into winter and spring, said Ted Dezember, a senior resident services manager for educational initiatives for the King County Housing Authority. His agency and the nonprofit Kent Youth and Family Services are partners in the Birch Creek Youth Center — the housing authority owns the building and helps pay for much of the programming, as well as assisting with grant-writing.

There’s growing interest in creating learning centers, or learning hubs, across the country, said Robin Lake, director of the Center on Reinventing Public Education. The nonpartisan research and public policy analysis organization has been tracking districts’ response to the coronavirus. “We’re seeing these pop up all over the country, mostly in urban areas,” she said.

So far, nothing has yet been put in place in Seattle, said Seattle Public Schools spokesman Tim Robinson. But to the north, seven school districts in Whatcom County have created space for learning hubs.

Helping kids attend school during the day is a new role for Birch Creek, but it’s also clear the center can’t do it on its own.

The staff is working almost twice as many hours, and it must budget for things like face masks, cleaning supplies and hand sanitizer. At least a few times a week, the building’s 17-year-old computer server running Windows 2008 hiccups, dropping the internet connection and booting all students offline. Cyoon McBride, after-school program director and IT manager, tinkers with settings, coaxing the computer back to business.

On Wednesday, McBride was busy working on four grant requests. If the center can get more funding, it can help more kids.

Even on its shoestring budget, Birch Creek is earning kudos from the community. “You guys are really amazing,” said Netera Pratt-Gutierrez, the equity specialist for Kent’s Pine Tree Elementary, on a visit one day.

How Birch Creek helps Kent retain students

One of the big worries among school districts is that they’ll lose enrollment during the pandemic, along with the funding that comes with each enrolled child. Kent receives at least $9,472 per pupil from the state. Enrollment also impacts the district’s levy funding and transportation dollars. Every student who was expected, but does not log in, means less money.

Birch Creek has tried some education experiments itself — it’s put older students in charge of mentoring younger ones. One of its star role models is Abdul Mir, the assistant site supervisor, whose family moved to Birch Creek at a time when the complex was known for gang violence and drug deals. He’s now a senior at the University of Washington, and works part time at the center.

“These kids can see this guy who grew up in this same community, and he’s giving back to Birch Creek,” said Ken Nsimbi, the youth program coordinator for the King County Housing Authority. “I’m very proud of this team. I look at him as a friend, brother, mentor.”

If coronavirus case numbers keep falling in King County, some districts may soon bring kids back to the classroom. Still, there’s no way to know how long school will have to be taught virtually, or if a resurgence could sink reopening plans. And Dezember says many parents are leery of putting their kids back in school right now. He believes the Birch Creek learning hub should be expanded, if the money can be found to do so.

Bellingham: Students in school, teachers at home

In Whatcom County, seven school districts have come together with a coalition of child care providers to open sites where kids can go to school. They’ve leveraged resources, gotten money from philanthropies, and offered care at a greatly reduced rate at dozens of sites.

That's resulted in an upside-down scenario in some places. For example, the YMCA is overseeing kids in classrooms at two Bellingham elementaries while the teachers are at home, delivering remote lessons.

It may seem topsy-turvy, but this and other arrangements let parents go back to work and gives kids a dose of that social-emotional connection they crave, said Kristi Dominguez, executive director of teaching and learning for Bellingham schools.

It has also allowed Bellingham to keep some staff employed who wouldn't otherwise have jobs. Bus drivers, food service workers and paraeducators are working in the centers.

The YMCA is long practiced at running after-school programs. But operating a learning hub during a pandemic is different — everything from temperature and health screenings to a requirement that whenever a child has a potential virus symptom, such as a headache, the child must get a coronavirus test.

When fall cold and flu season hits in about three weeks, "it's going to be a hot mess," said Sharon Millican, the after-school and camp program director for the Whatcom Family YMCA. The pandemic "is challenging everything we've ever known."

Opportunities and concerns about private-only pandemic pods

As a researcher focused on education reform, CRPE's Lake is watching the learning hub and pandemic pod experiments closely for lessons about how education could change after the virus fades.

"Better than nothing is something," Lake said. "But some of these experiments are aiming much higher" — offering tutoring help, for example, to kids who weren't being reached by that kind of aid. In a CRPE blog post, colleague Travis Pillow wrote that "with some additional creativity and investment, pods or hubs could serve not just as ad hoc child care, but as the backbone for a new structure in public education."

Lake agrees. "Some of these parent advocacy groups say normal wasn't working for our kids, so let's reinvent normal," she said.

Could that threaten public school funding? Johann Neem, professor of history at Western Washington University and the author of a book about the nation's public school system, said it's something to worry about.

He thinks learning hubs are a long-term challenge to the democracy-building value of a public school. They may also hamper the country's efforts, however incomplete, to integrate schools across racial and economic lines.

Public education has caused society at large to make a collective investment on other people’s children, Neem said. If that system erodes, so too could the essential financial support that schools rely on.

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