MEETING OF THE BOARD OF COMMISSIONERS

TELEPHONIC MEETING

Tuesday, January 19, 2021

Zoom Meeting:

https://zoom.us/j/98880631025?pwd=Y3R3WmxJdzlTT1JLckJ1NDR4MUZJZz09

PASSCODE: 263112

Meeting ID: 988 8063 1025

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+1 253 215 8782 US (Tacoma)

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

King County Housing Authority

SPECIAL MEETING OF THE BOARD OF COMMISIONERS TELEPHONIC AGENDA

Tuesday, January 19, 2021
8:30 a.m.

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

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of Minutes **1**

A. Board Meeting Minutes – December 21, 2020
B. Board Meeting Minutes – December 30, 2020
C. Board Meeting Minutes – January 5, 2021
D. Board Meeting Minutes – January 7, 2021

V. Approval of Agenda

VI. Consent Agenda

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

B. **Resolution No 5675 –** Authorizing Craig Violante as Contracting Officer Signator and Agent Designated to Receive Claims for Damages. **3**

C. **Resolution No 5676 –** Authorizing Daniel R. Watson and Craig Violante as Alternative Contracting Officers for the Purpose of Executing Essential Legal Documents. **4**

VII. Briefings & Reports

A. Briefing on Amazon Partnership

B. Risk Management Presentation **5**

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
SPECIAL BOARD OF COMMISSIONERS
TELEPHONIC MEETING

Monday, December 21, 2020

I. CALL TO ORDER

The telephonic meeting of the King County Housing Authority Board of Commissioners was held on Monday, December 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 8:15 a.m.

II. ROLL CALL

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

III. PUBLIC COMMENT

Maria Hudson sent in a written public comment that was mailed to each of the Board of Commissioners for review.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – November 16, 2020
B. Board Meeting Minutes – December 4, 2020
C. Board Meeting Minutes – December 8, 2020

On motion by Commissioner Susan Palmer and seconded by Commissioner John Welch, the Board unanimously approved the November 16, 2020, December 4, 2020 and the December 8, 2020 Board of Commissioners' Meeting Minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner Susan Palmer and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the December 21, 2020 telephonic Board of Commissioners' meeting agenda with the revisions to move A, B and C from VIII. Briefings and Reports from the January 2021 Board meeting.

VI. CONSENT AGENDA

On motion by Commissioner Michael Brown and seconded by Commissioner Susan Palmer, the Board unanimously approved the December 21, 2020 telephonic Board of Commissioners' meeting consent agenda.

VII. RESOLUTION FOR DISCUSSION AND POSSIBLE ACTION

A. **Resolution No. 5671** – A Resolution Authorizing to Increase in the Principal Amount of the Authority's Revolving Line of Credit Revenue Note, 2011.

Tim Walter, Senior Director of Development and Asset Management presented Resolution number 5671.

This is for an increase with Key Bank. The increase is necessary to provide additional credit capacity to finance the acquisition of the Illahee and Oaks at Forest Bay properties.

Questions of commissioners' were answered.

On motion by Commissioner John Welch and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved Resolution No. 5671.

B. **Resolution No. 5672** – Approving KCHA's Moving to Work Annual Plan for Fiscal Year 2021.

Andrew Calkins, Manager of Policy and Legislative Affairs presented the Moving to Work Annual Plan to the Board.

As a participant in the MTW program, KCHA is required to submit a board approved annual plan that outlines the agency's goals, operations, programs and proposed new MTW activities for HUD's review and approval. KCHA is not proposing any new activities but is making targeted changes or additions to ongoing initiatives to ensure the agency has flexibility to respond to the ongoing COVID-19 pandemic while continuing to advance our efforts to expand the supply of affordable housing. We will need to submit by January 16, 2021.

Questions of commissioners' were answered.

On motion by Commissioner TerryLynn Stewart and seconded by Commissioner John Welch, the Board unanimously approved Resolution No. 5672.

C. **Resolution No. 5673** – Authorizing Higher Payment Standards for the Housing Choice Voucher Program.

Tyler Shannon, Research and Data Analyst gave a power point to the Board for Higher Payment Standards.

We are recommending small increases for Tier 1. Rents are going down in higher tiers and up in lower tiers. 2021- Midyear review will look more like this review, where we review everything.

Questions of commissioners' were answered.

On motion by Commissioner TerryLynn Stewart and seconded by Commissioner Michael Brown, the Board unanimously approved Resolution No. 5673.

D. Resolution No. 5674 – Authorizing Approval of the Comprehensive Operating and Capital Budgets for Calendar Year Beginning January 2, 2021.

Craig Violante, Director of Finance, explained the budgets to the Board.

Guiding this budget and the entire budgeting process are the main goals of KCHA as outlined by the Board:

- Preserve and expand the supply of affordable housing
- Help the region end homelessness
- Promote economic self-sufficiency for residents
- Strengthening the internal infrastructure of KCHA

The Comprehensive Budget is a combination of three distinct budgets:

- Operating Budget
- Capital Budget
- Cash Budget

Questions of commissioners' were answered.

On motion by Commissioner Susan Palmer and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved Resolution No. 5674.

VIII. BRIEFINGS AND REPORTS

A. Fleet Management Presentation

Tim Baker, Senior Management Analyst gave a KCHA Fleet Management power point presentation to the Board.

The long-term goal is to have 100% of the fleet be non-traditionally powered by 2033-34.

IX. EXECUTIVE SESSION

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

10:00 a.m. – Board meeting was suspended.

10:31 a.m. – Board meeting was re-convened.

X. EXECUTIVE DIRECTOR REPORT

Executive Director Norman echoed the Commissioners' thanks and compliments to today's presenters and their teams. Impressive review of 2020 accomplishments and good overview of goals in 2021.

The agency has not shifted its COVID-19 response appreciably since the last Board meeting. KCHA is continuing to observe Governor Inslee's directive to keep offices closed to the maximum extent possible. Based on the governor's directive and current Health Dept. data, the Authority is pushing back any office reopening plans and encouraging employees to work from home to the maximum extent possible and exercise all due caution in their activities.

Director Norman reported that the Authority successfully closed on the purchase of Pinewood Village last Friday. The final stages of due diligence are underway for the purchase of Illahee Apartments. The Oaks property in Shoreline has been leased by KCHA as the first step in the acquisition transaction. The County and a local non-profit are working on prepping the existing building for use as a shelter. The opening has been pushed back due to community challenges, but the Shoreline City Council has voted to move forward with the project.

Congress has finally concluded negotiations on both the new COVID-19 stimulus package and the 2021 Budget. Bill texts should be available shortly. We know very little about final numbers or details at this point but are looking closely for the following:

COVID-19 Stimulus Bill

- $25 Billion dedicated to Eviction Prevention and Renter Relief will be included in the final bill. This funding will not go through HUD, but will go directly to states and local jurisdictions from the Treasury Dept.
- We do not know if there is additional supplemental funding for Housing Authorities in the Covid-19 relief bill. We will know more in a day or two.

2021 Budget

- We will be looking closely at funding levels for the subsidized housing programs. Of particular concern is the funding level (and subsequent proration) for housing choice voucher renewals.
- A second area of strong interest is the number of new vouchers funded for homeless and targeted populations.
- Finally, whether the language contained in Senate Appropriations Committee's staff report requesting that HUD look at the reserve and working capital accounts of the MTW housing authorities has been amended or eliminated from the final package.

The Director will report back to the Board once the details have been released and we have analyzed them.

XI. KCHA IN THE NEWS

YMCA Board book article at Passage Point. High marks to Kristy Johnson and the Homeless Housing Staff in making this project move forward as it's making a big difference.

XII. COMMISSIONER COMMENTS

Commissioner Welch – Governor held a press conference on schools re-opening. They have been working with the Department of Health. We have a number of Districts that have already re-opened. They have increased the threshold of modality. If your transmission rate in a 14 day period, was greater than 75 per 100,000, you were encouraged to be remote. They have now raised it to 350.

Safety precautions – bringing in younger students, elementary first. We don't anticipate Middle School or High School coming back before March 2021.

Commissioner Stewart – Thanks to everyone for putting all of these together.

Commissioner Barnes – Thanked everyone at the authority. Very challenging year for 2020, there are a lot of success stories, hope we enjoy the moment.

XIII. ADJOURNMENT

Chair Barnes adjourned the meeting at 10:41 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

MEETING MINUTES
OF THE
KING COUNTY HOUSING AUTHORITY
SPECIAL BOARD OF COMMISSIONERS
TELEPHONIC MEETING – EXECUTIVE SESSION ONLY

December 30, 2020

I. CALL TO ORDER

The telephonic special Executive Session meeting of the King County Housing Authority Board of Commissioners was held on Wednesday, December 30, 2020 via telephone/zoom. There being a quorum, the meeting was called to order by Chair Susan Palmer at 1:00 p.m.

II. ROLL CALL

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

IX. EXECUTIVE SESSION

This special meeting in executive session is held to review the performance of a public employee (RCW 42.30.110 (1) (g)).

XIII. ADJOURNMENT

Chair Palmer adjourned the meeting at 5:00 p.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

**MEETING MINUTES
OF THE
KING COUNTY HOUSING AUTHORITY
SPECIAL BOARD OF COMMISSIONERS
TELEPHONIC MEETING – EXECUTIVE SESSION ONLY**

January 5, 2021

I. CALL TO ORDER

The telephonic special Executive Session meeting of the King County Housing Authority Board of Commissioners was held on Tuesday, January 5, 2021 via telephone/zoom. There being a quorum, the meeting was called to order by Chair Susan Palmer at 1:00 p.m.

II. ROLL CALL

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

Excused: Commissioner TerryLynn Stewart (via Telephone)

IX. EXECUTIVE SESSION

This special meeting in executive session is held to review the performance of a public employee (RCW 42.30.110 (1) (g)).

XIII. ADJOURNMENT

Chair Palmer adjourned the meeting at 3:00 p.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

MEETING MINUTES
OF THE
KING COUNTY HOUSING AUTHORITY
SPECIAL BOARD OF COMMISSIONERS
TELEPHONIC MEETING – EXECUTIVE SESSION ONLY

January 7, 2021

I. CALL TO ORDER

The telephonic special Executive Session meeting of the King County Housing Authority Board of Commissioners was held on Thursday, January 7, 2021 via telephone/zoom. There being a quorum, the meeting was called to order by Chair Susan Palmer at 8:10 a.m.

II. ROLL CALL

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

IX. EXECUTIVE SESSION

This special meeting in executive session is held to review the performance of a public employee (RCW 42.30.110 (1) (g)).

XIII. ADJOURNMENT

Chair Palmer adjourned the meeting at 10:00 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

TAB NUMBER 2

King County Housing Authority

To: Board of Commissioners

From: Ai Ly, Accounting Manager

Date: January 4, 2021

Re: **VOUCHER CERTIFICATION FOR NOVEMBER 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
January 4, 2021

Bank Wires / ACH Withdrawals		12,922,952.86
	Subtotal	***12,922,952.86***
Accounts Payable Vouchers		
Key Bank Checks - #332029-#332475		4,820,587.95
Tenant Accounting Checks - #11277-#11297		37,590.97
	Subtotal	***4,858,178.92***
Payroll Vouchers		
Checks - #92437-92474		57,395.68
Direct Deposit		1,707,984.85
	Subtotal	***1,765,380.53***
Section 8 Program Vouchers		
Checks - #632132-632520; #632488-632512		326,547.72
ACH - #497053-499712		16,897,606.50
	Subtotal	***17,224,154.22***
Purchase Card / ACH Withdrawal		286,912.25
	Subtotal	***286,912.25***
	GRAND TOTAL	***$37,057,578.78***

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	
Bellepark	11/04/2020	7,701.23	A/P & Payroll	
HAMPTON GREENS	11/04/2020	50,983.14	A/P & Payroll	
Kendall Ridge	11/04/2020	33,887.98	A/P & Payroll	
Landmark	11/04/2020	14,357.26	A/P & Payroll	
Riverstone	11/04/2020	29,809.05	A/P & Payroll	
Woodside East	11/04/2020	21,922.01	A/P & Payroll	
RAINIER VIEW I	11/05/2020	8,385.01	A/P	
RAINIER VIEW II	11/05/2020	5,852.04	A/P	
SI VIEW DEPOSITORY	11/05/2020	9,577.58	A/P	
ALPINE RIDGE	11/05/2020	1,028.53	A/P	
ARBOR HEIGHTS	11/05/2020	11,705.30	A/P	
Auburn Square Apts	11/05/2020	5,476.24	A/P	
Carriage House Apts	11/05/2020	2,031.76	A/P	
CASCADIAN DEPOSITORY	11/05/2020	44,370.85	A/P	
Colonial Gardens	11/05/2020	1,676.81	A/P	
FAIRWOOD DEPOSITORY	11/05/2020	102,544.15	A/P	
HERITAGE PARK	11/05/2020	1,933.16	A/P	
LAURELWOOD	11/05/2020	3,304.33	A/P	
Meadows Depository Acct	11/05/2020	1,592.19	A/P	
OVERLAKE TOD HOUSING	11/05/2020	600,000.00	A/P & Debt service	
Parkwood Apts	11/05/2020	5,427.32	A/P	
SOUTHWOOD SQUARE	11/05/2020	5,697.82	A/P	
Timberwood	11/05/2020	11,088.17	A/P	
Walnut Park Apts	11/05/2020	11,088.17	A/P	
WINDSOR HEIGHTS	11/05/2020	22,194.65	A/P	
Woodridge Park	11/05/2020	120,791.70	A/P	
Cottonwood	11/06/2020	20,242.72	A/P	
Cove East	11/06/2020	38,217.71	A/P	
Juanita View	11/06/2020	21,131.50	A/P & Payroll	
Kirkland Heights	11/06/2020	73,126.34	A/P & Payroll	
OVERLAKE TOD HOUSING	11/06/2020	464,893.18	A/P & Debt service	
Ballinger Commons	11/12/2020	97,028.03	A/P & Payroll	
Emerson	11/12/2020	84,080.15	A/P & Payroll	
GILMAN SQUARE	11/12/2020	17,179.64	A/P & Payroll	
Meadowbrook Depository	11/12/2020	25,266.96	A/P & Payroll	
Villages at South Station	11/12/2020	95,150.32	A/P & Payroll	
Bellepark	11/13/2020	9,929.45	A/P	
HAMPTON GREENS	11/13/2020	54,172.81	A/P	
Kendall Ridge	11/13/2020	123,113.04	A/P	
Landmark	11/13/2020	35,548.83	A/P	
RAINIER VIEW I	11/13/2020	14,117.12	A/P & Debt service	
RAINIER VIEW II	11/13/2020	8,969.08	A/P & Debt service	
Riverstone	11/13/2020	33,114.44	A/P	
SI VIEW DEPOSITORY	11/13/2020	5,655.97	A/P & Debt service	
Vashon Terrace Depository	11/13/2020	1,335.36	A/P	
Woodside East	11/13/2020	9,499.86	A/P	
ALPINE RIDGE	11/13/2020	6,394.45	A/P & Payroll	
ARBOR HEIGHTS	11/13/2020	17,909.20	A/P & Payroll	
Aspen Ridge Apts	11/13/2020	9,191.24	A/P & Payroll	
Auburn Square Apts	11/13/2020	21,362.40	A/P & Payroll	
Carriage House Apts	11/13/2020	14,361.70	A/P & Payroll	
CASCADIAN DEPOSITORY	11/13/2020	22,326.38	A/P & Payroll	
Colonial Gardens	11/13/2020	7,141.37	A/P & Payroll	
FAIRWOOD DEPOSITORY	11/13/2020	36,375.17	A/P & Payroll	
HERITAGE PARK	11/13/2020	13,953.81	A/P & Payroll	
LAURELWOOD	11/13/2020	11,227.09	A/P & Payroll	
Meadows Depository Acct	11/13/2020	15,019.63	A/P & Payroll	
OVERLAKE TOD HOUSING	11/13/2020	71,740.75	A/P & Payroll	
Parkwood Apts	11/13/2020	22,301.83	A/P & Payroll	
SOUTHWOOD SQUARE	11/13/2020	26,282.76	A/P & Payroll	
Newporter Apts	11/13/2020	18,712.88	A/P & Payroll	
Timberwood	11/13/2020	22,467.04	A/P & Payroll	
Walnut Park Apts	11/13/2020	52,418.96	A/P & Payroll	
WINDSOR HEIGHTS	11/13/2020	59,797.21	A/P & Payroll	
Woodridge Park	11/13/2020	25,497.85	A/P & Payroll	

Carriage House Apts	11/16/2020	3,653.74	A/P & Payroll	
Cove East	11/17/2020	16,938.00	A/P	
Cottonwood	11/17/2020	16,938.00	A/P	
Bellepark	11/18/2020	50,475.74	A/P & Payroll	
HAMPTON GREENS	11/18/2020	77,192.50	A/P & Payroll	
Kendall Ridge	11/18/2020	39,624.54	A/P & Payroll	
Landmark	11/18/2020	60,910.91	A/P & Payroll	
Riverstone	11/18/2020	53,563.96	A/P & Payroll	
Woodside East	11/18/2020	44,768.10	A/P & Payroll	
RAINIER VIEW I	11/19/2020	13,740.76	A/P & Debt service	
RAINIER VIEW II	11/19/2020	9,625.71	A/P & Debt service	
SI VIEW DEPOSITORY	11/19/2020	13,358.66	A/P & Debt service	
Vashon Terrace Depository	11/19/2020	6,898.96	A/P	
ARBOR HEIGHTS	11/19/2020	16,476.02	A/P	
Aspen Ridge Apts	11/19/2020	25,630.77	A/P	
Auburn Square Apts	11/19/2020	3,153.36	A/P	
Carriage House Apts	11/19/2020	15,562.37	A/P	
CASCADIAN DEPOSITORY	11/19/2020	4,195.33	A/P	
FAIRWOOD DEPOSITORY	11/19/2020	26,766.96	A/P	
LAURELWOOD	11/19/2020	1,211.48	A/P	
Meadows Depository Acct	11/19/2020	4,308.60	A/P	
OVERLAKE TOD HOUSING	11/19/2020	10,064.79	A/P	
Parkwood Apts	11/19/2020	1,136.21	A/P	
SOUTHWOOD SQUARE	11/19/2020	1,396.12	A/P	
Tall Cedars	11/19/2020	10,800.49	A/P	
Newporter Apts	11/19/2020	2,918.96	A/P	
Timberwood	11/19/2020	63,996.19	A/P	
Walnut Park Apts	11/19/2020	15,697.76	A/P	
WINDSOR HEIGHTS	11/19/2020	11,101.44	A/P	
Woodridge Park	11/19/2020	24,928.64	A/P	
Cottonwood	11/23/2020	20,903.77	A/P & PAYROLL	
Cove East	11/23/2020	14,592.65	A/P & PAYROLL	
Juanita View	11/23/2020	26,557.23	A/P & PAYROLL	
Kirkland Heights	11/23/2020	67,048.36	A/P & PAYROLL	
Bellepark	11/25/2020	4,914.38	A/P	
HAMPTON GREENS	11/25/2020	7,834.73	A/P	
Kendall Ridge	11/25/2020	15,116.15	A/P	
Landmark	11/25/2020	11,777.84	A/P	
RAINIER VIEW I	11/25/2020	6,626.63	A/P	
RAINIER VIEW II	11/25/2020	4,100.50	A/P	
Riverstone	11/25/2020	853.89	A/P	
SI VIEW DEPOSITORY	11/25/2020	1,302.35	A/P	
Vashon Terrace Depository	11/25/2020	1,712.51	A/P	
Woodside East	11/25/2020	68,791.18	A/P	
ALPINE RIDGE	11/25/2020	4,174.68	A/P & Payroll	
ARBOR HEIGHTS	11/25/2020	10,389.84	A/P & Payroll	
Aspen Ridge Apts	11/25/2020	13,457.26	A/P & Payroll	
Auburn Square Apts	11/25/2020	53,675.70	A/P & Payroll	
Ballinger Commons	11/25/2020	123,265.99	A/P & Payroll	
Carriage House Apts	11/25/2020	48,736.02	A/P & Payroll	
CASCADIAN DEPOSITORY	11/25/2020	49,228.49	A/P & Payroll	
Colonial Gardens	11/25/2020	15,361.00	A/P & Payroll	
Emerson	11/25/2020	55,902.83	A/P & Payroll	
FAIRWOOD DEPOSITORY	11/25/2020	52,348.19	A/P & Payroll	
GILMAN SQUARE	11/25/2020	17,520.60	A/P & Payroll	
HERITAGE PARK	11/25/2020	11,376.59	A/P & Payroll	
LAURELWOOD	11/25/2020	14,274.59	A/P & Payroll	
Meadowbrook Depository	11/25/2020	33,486.34	A/P & Payroll	
Meadows Depository Acct	11/25/2020	19,115.32	A/P & Payroll	
OVERLAKE TOD HOUSING	11/25/2020	37,929.45	A/P & Payroll	
Parkwood Apts	11/25/2020	21,549.12	A/P & Payroll	
SOUTHWOOD SQUARE	11/25/2020	17,410.63	A/P & Payroll	
Tall Cedars	11/25/2020	20,825.24	A/P	
Newporter Apts	11/25/2020	44,496.80	A/P & Payroll	
Timberwood	11/25/2020	46,853.10	A/P & Payroll	
Villages at South Station	11/25/2020	59,887.03	A/P & Payroll	
Walnut Park Apts	11/25/2020	21,036.64	A/P & Payroll	
WINDSOR HEIGHTS	11/25/2020	35,268.09	A/P & Payroll	
Woodridge Park	11/25/2020	22,369.08	A/P & Payroll	
	134 Wires	**$ 4,589,786.54**		

TAB NUMBER 3

King County Housing Authority

To: Board of Commissioners

From: Stephen Norman, Executive Director

Date: January 12, 2021

Re: **Resolution No. 5675: Authorizing Craig Violante as contracting officer, signator, and agent designated to receive claims for damages**

Executive Summary

Resolution No. 5675 transfers the signing authority of the position of Deputy Director of Administration-Chief Administrative Officer to Craig Violante.

Background

On January 11, 2021 Craig Violante assumed the position of Deputy Director of Administration-Chief Administrative Officer, replacing Jill Stanton, who resigned on January 8, 2021. The signing authority of this position will need to be transferred to Craig Violante.

Resolution No. 5675, includes the authorization for Mr. Violante to:

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

Staff Recommendation

Passage of Resolution No. 5675 is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5675

AUTHORIZING CRAIG VIOLANTE AS CONTRACTING OFFICER, SIGNATOR, AND AGENT DESIGNATED TO RECEIVE CLAIMS FOR DAMAGES

WHEREAS, Jill Stanton, current Deputy Director of Administration-Chief Administrative Officer (CAO) has resigned effective January 8, 2021; and,

WHEREAS, Craig Violante has been named by the Executive Director as the CAO, effective January 11, 2021, with the responsibility of executing the duties of that position; and,

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

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

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

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

Section 1. Craig Violante is hereby appointed a Contracting Officer of the King County Housing Authority with the authority to sign such contracts, agreements, legal documents, financial reports or any other such documentation as may be necessary to conduct the business of the Housing Authority.

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

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

ADOPTED AT THE SPECIAL MEETING BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 19th DAY OF JANUARY, 2021.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

____
DOUGLAS J. BARNES, Chair
Board of Commissioners

Attest:

____
STEPHEN J. NORMAN
Executive Director and Secretary-Treasurer

TAB NUMBER 4

To: Board of Commissioners

From: Kami Robinson, Executive Assistant to the CEO

Date January 6, 2021

Re: **Resolution No. 5676:** Authorizing Daniel R. Watson and Craig Violante as Alternative Contracting Officers for the purpose of Executing Essential Legal Documents.

Resolution No. 5676 is authorizing Daniel R. Watson and Craig Violante as Alternative Contracting Officers for Essential Legal Documents when Stephen Norman, Executive Director is not available to sign.

This is a new resolution to make sure signers are current. The last resolution for this was Resolution No. 5631 from September 16, 2019 that had Daniel R. Watson and Jill Stanton.

Staff recommends Resolution No. 5676.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5676

AUTHORIZING DANIEL R. WATSON AND CRAIG VIOLANTE AS ALTERNATIVE CONTRACTING OFFICERS FOR THE PURPOSE OF EXECUTING ESSENTIAL LEGAL DOCUMENTS

WHEREAS, King County Housing Authority has numerous legal documents which are time sensitive and require execution by the Board of Commissioners or its designees; and,

WHEREAS, Stephen J. Norman, Executive Director was designated primary Contracting Officer on December 12, 1996 via Resolution No. 2828:

WHEREAS, Executive Director Norman may, from time to time, be unavailable to sign said documents; and,

WHEREAS, Daniel R. Watson, Deputy Executive Director/Chief Development Officer and Craig Violante, Deputy Executive Director/Chief Administrative Officer are the appropriate staff to be designated as Alternative Contracting Officers for the purposes of signing said legal documents.

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

SECTION 1: Daniel R. Watson, Deputy Executive Director/Chief Development Officer and Craig Violante, Deputy Executive Director/Chief Administrative Officer are hereby designated Alternative Contracting Officers, empowered to sign all legal documents essential to the business conducted by the Housing Authority, at the direction of the Executive Director.

SECTION 2: The Executive Director is authorized to add to or change the names of Alternative Contracting Officers, should another Deputy Executive Director be hired or promoted, without further Board of Commissioner approval.

ADOPTED AT THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 19th DAY OF JANUARY, 2021.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

____
DOUGLAS J. BARNES, Chair
Board of Commissioners

Attest:

____
STEPHEN J. NORMAN,
Executive Director and Secretary-Treasurer

TAB NUMBER 5

King County Housing Authority
2021 Insurance Program

Ginger Peck

January 2021

GENERAL LIABILITY COVERAGE STRUCTURE

Excess General Liability
Endurance American Specialty
Tax Credit, Non-Profit Properties & Automobile
$5M O $5M A
$10M Ded

Excess General Liability
Lexington Ins. Co.
Tax Credit, Non-Profit Properties & Automobile
$5M O $5M A
$4M Ded

Excess Liability
Philadelphia Ins. Co.
Tax Credit/Non-Profit/Automobile
$4M O & $4M A per location
$10K Ded

General Liability
Housing Authority Risk Retention Group
Bond/HUD Properties
$15M O & $15M A
$1-5 K Ded

General Liability
Housing Authority Risk Retention Group
Sedro-Woolley
$3M O & $3M A
$1k -$10k Ded

General Liability
Philadelphia Ins. Co.
Non-Profit Properties
$1M O & $2M A Per Location
$0 Ded

General Liability
Philadelphia Ins. Co.
Tax Credit Properties
$1M O & $2M A Per Location
$0 Ded

Automobile Liability
Philadelphia Ins. Co
KCHA Fleet & Drivers
$1M Combined Limit

PROPERTY COVERAGE STRUCTURE

Bond/HUD Properties
Philadelphia Indemnity Ins.

Property

$ 1,530,299,298
Total Insured Value

Blanket Coverage
$25K Ded

Sedro Woolley
Philadelphia Indemnity Ins.

Property

$ 12,467,288T
Total Insured Value

Blanket Coverage
$10K Ded

68 Office Locations
RLI Ins. Co

Computers, Contents, & Lost Income

$ 2,399,535
Total Insured Value

Blanket Coverage
$1K Ded

Tax Credit Property
Philadelphia Ins. Co

Property

$ 411,339,869
Total Insured Value

Blanket Coverage
$5K Ded

Non-Profit Property
Philadelphia Ins. Co

Property

$ 17,463,260
Total Insured Value

Blanket Coverage
$10K Ded

OTHER COVERAGES

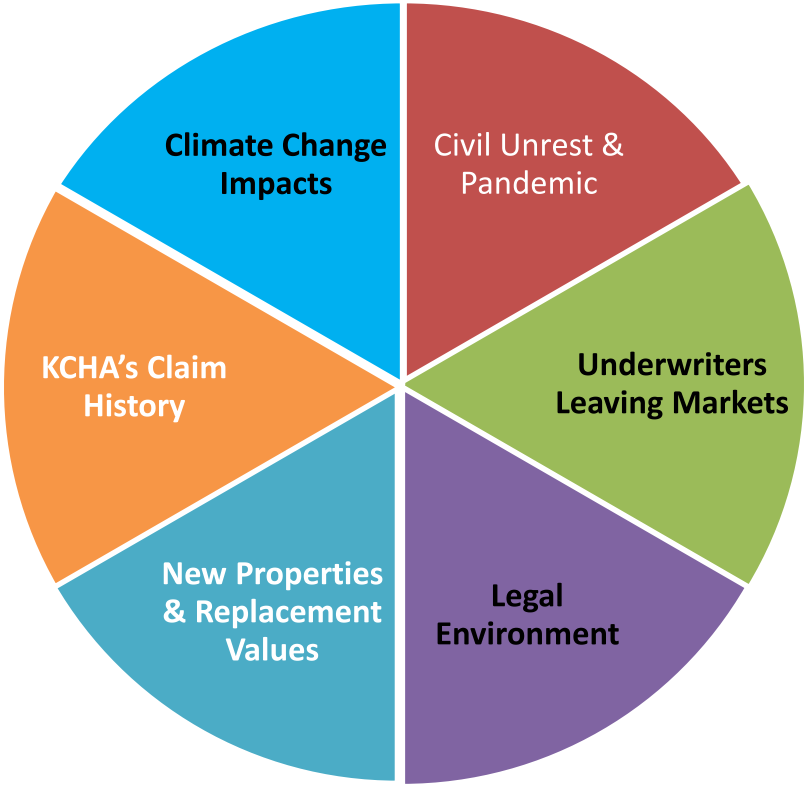
Aviation Liability	Cyber Security Liability	NFIP Flood	Public Officials, E&O, Employment Practices Liability	Pollution Liability Contractors E&O	Fidelity
American Alternative	Houston Casualty	Hartford Ins. Co of the Midwest	Chubb	Crum & Forster Spec. Ins. Co.	Travelers
KCHA Drone $1M A	$1M A $50,000 Ded	$1,986,600 Total Insured Value $2K Ded – Ea. Bld $2K Ded – Contents Ea.Bld **Pickering Ct.** **Si View** **Eastbridge**	$5M O & $5M A $50K Ded	$1M O & $2M A $5K Ded	$1M O & 2M A $25K Ded

Insurance Premium Trend

21 PREMIUM SNAPSHOT

	2020	2021	CHANGE
TOTAL INSURED VALUES	$1.5 Billion	$2 Billion	33%
PROPERTY PREMIUMS	$1.3 Million	$2 Million	53%
CASUALTY PREMIUMS	$941 Thousand	$1.2 Million	27.5%
WORKERS COMP PREMIUM - *Estimated	*$539 Thousand	*$556 Thousand	3.2%

DRIVERS



Climate Change Impacts
Civil Unrest & Pandemic
Underwriters Leaving Markets
Legal Environment
New Properties & Replacement Values
KCHA's Claim History

Climate Change Impacts

- Weather: floods, storms, fires, heatwaves
- Water: drought, sea level
- Ecosystem: landscape, contaminates
- Health: disease, behavioral and physical
- Social: climate migration

40-60% OF LOSSES COULD BE AVERTED THROUGH ADAPTATION MEASURES Shaping Climate-Resilient Development; Economics of Climate Adaptation Working Group.

REALIZED IMPACTS TO KCHA

- Double digit increases in property insurance
- Additional sublimits
- Increased losses
- Self-funding losses
- Severe exposures uninsurable: flood, earthquake, wind, pollution

WAYS THAT KCHA CAN ADAPT

- Insurance & risk transfer
- Strengthen buildings
- Reservoirs & wells
- Technological improvements
- Systemic and behavioral campaigns
- Relief and emergency response programs
- Influence climate resilient development at local & national levels

Civil Unrest

- 2020 is costliest since 1966
- Civil unrest on rise
- Civil disorder increasingly includes general liability claims
- Rise in extremism and domestic terrorism

Legal Environment

- Avg. verdict awards rose 15% in 4 years
- Trend toward "Nuclear Verdicts."
- 118 verdicts since 2018 were between $35 million and $8 billion
- Litigation trends: reptile approach, social emphasis on government and corporate ethics, venue shopping
- Judicial hotspots

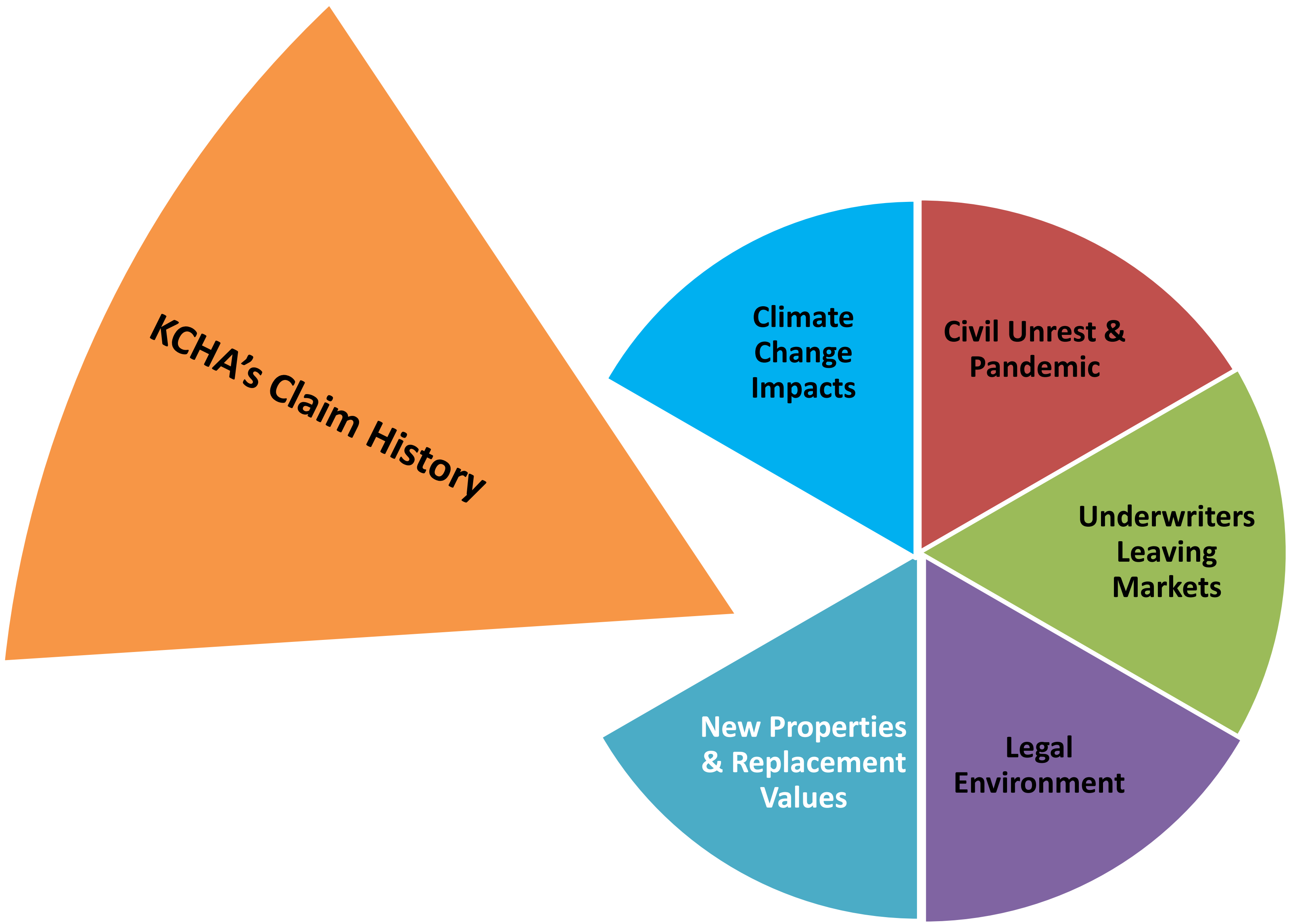
Liability Underwriters Leaving Markets

- Rise in claims frequency & severity
- liability losses outpacing rate increases
- Risk retention is unsustainable
- Inadequate pricing over past decade

REALIZED IMPACTS TO KCHA	WAYS THAT KCHA CAN MANAGE RISK

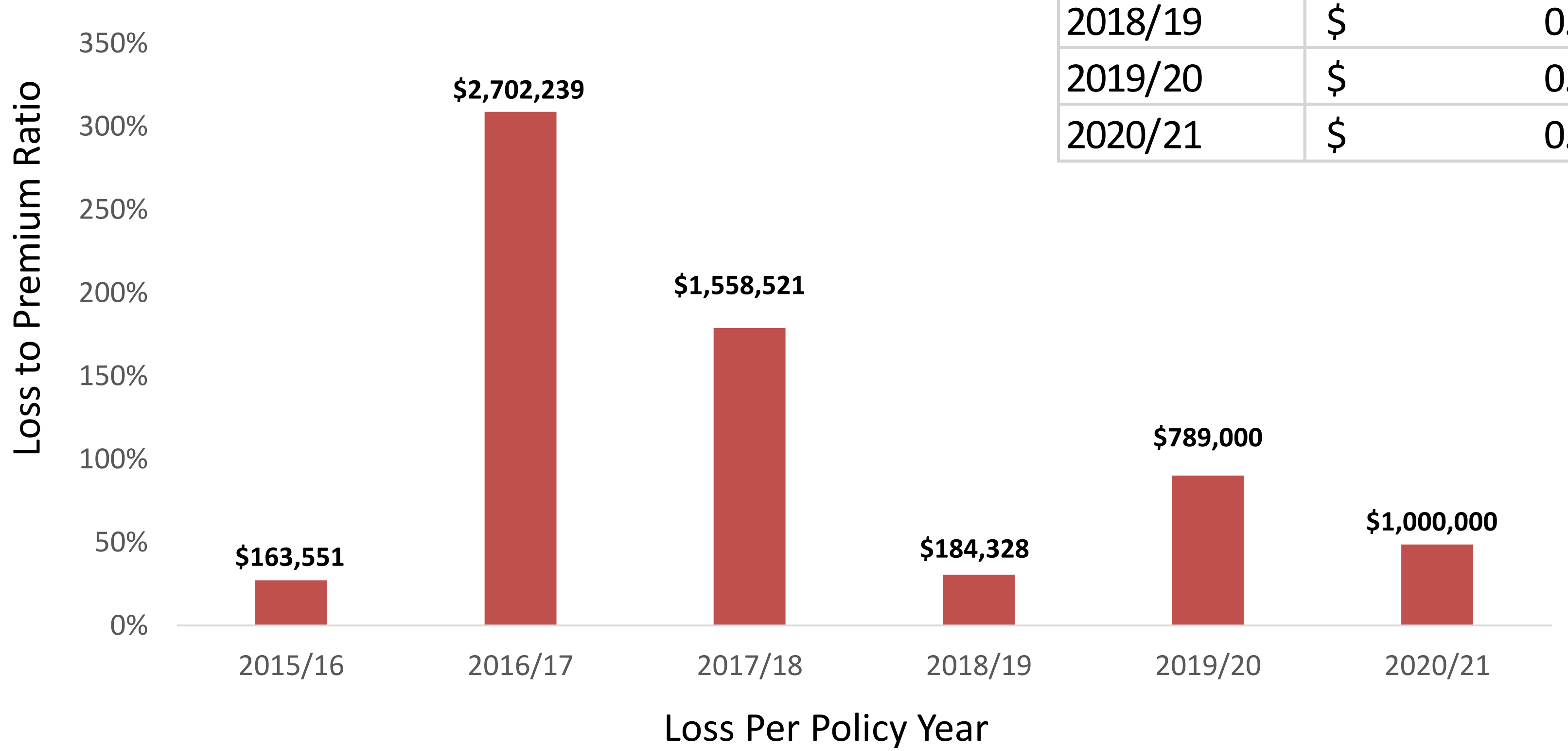
- Double digit increases to general liability premiums in 2021
- Double or triple digit increases in 2022
- New sublimits & exclusions
- Buy domestic terrorism policies or self-fund risks

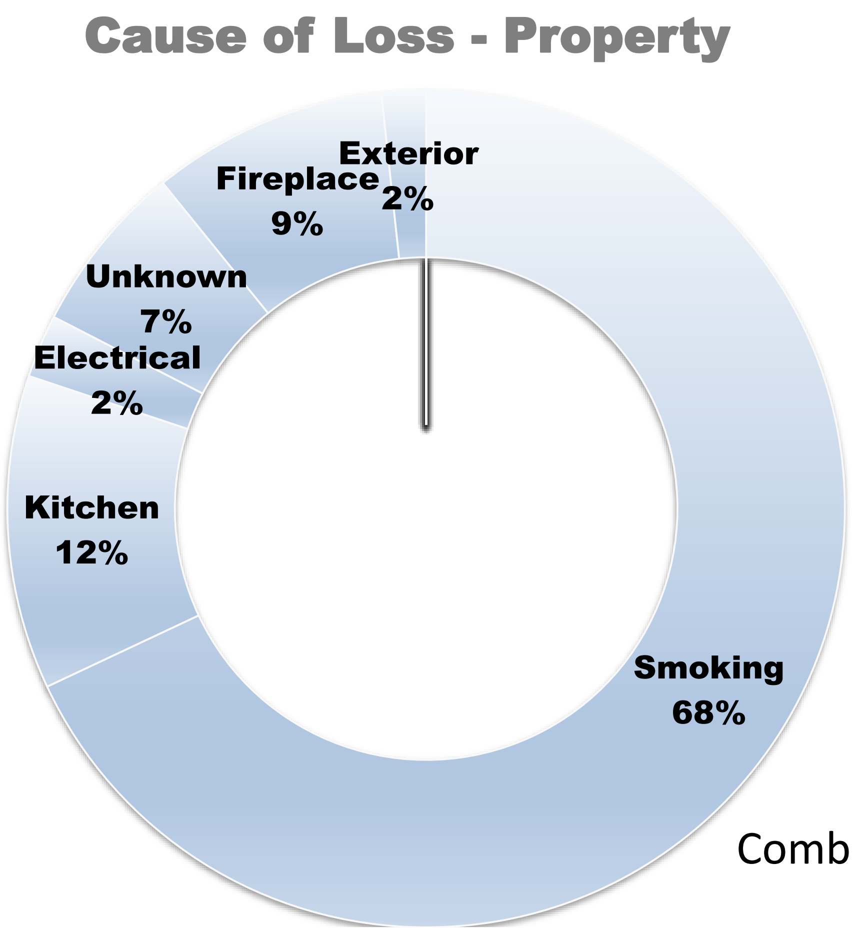
- Transfer 3rd party risk through contracting
- Post-incident debriefs & actions
- Identify recurring issues early & apply risk assessments and strategies
- Adapt organization policies & procedures to support strategies
- Proactively influence government & social stability
- Stabilize root cause of unrest or liability claims through organized programs and policies


KCHA's Claim History
Climate Change Impacts
Civil Unrest & Pandemic
Underwriters Leaving Markets
Legal Environment
New Properties & Replacement Values

PROPERTY LIABILITY EXPERIENCE

Insurance Rate		
2016/17	$	0.08
2017/18	$	0.08
2018/19	$	0.08
2019/20	$	0.08
2020/21	$	0.13

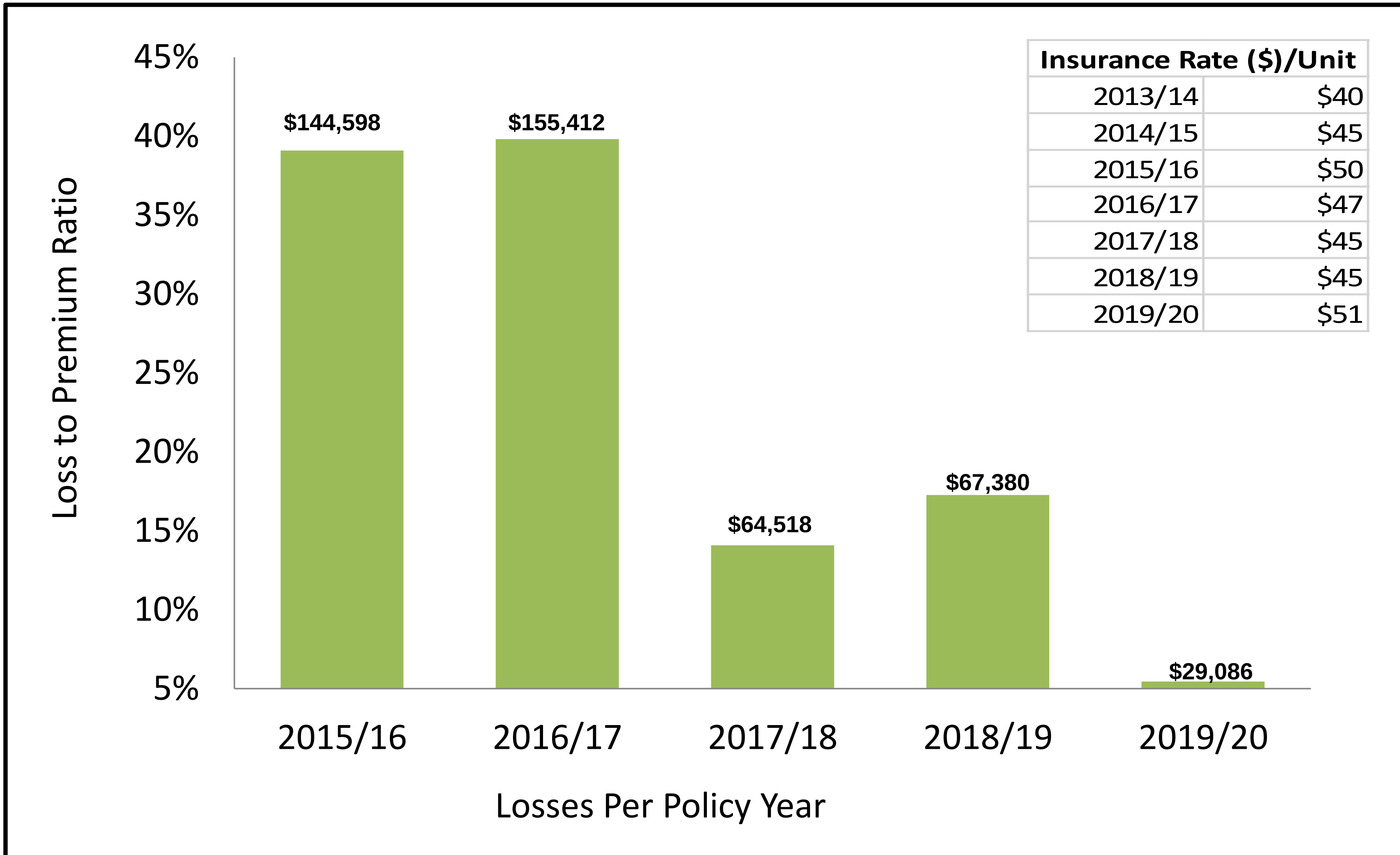




Combined Loss Ratio: 179%

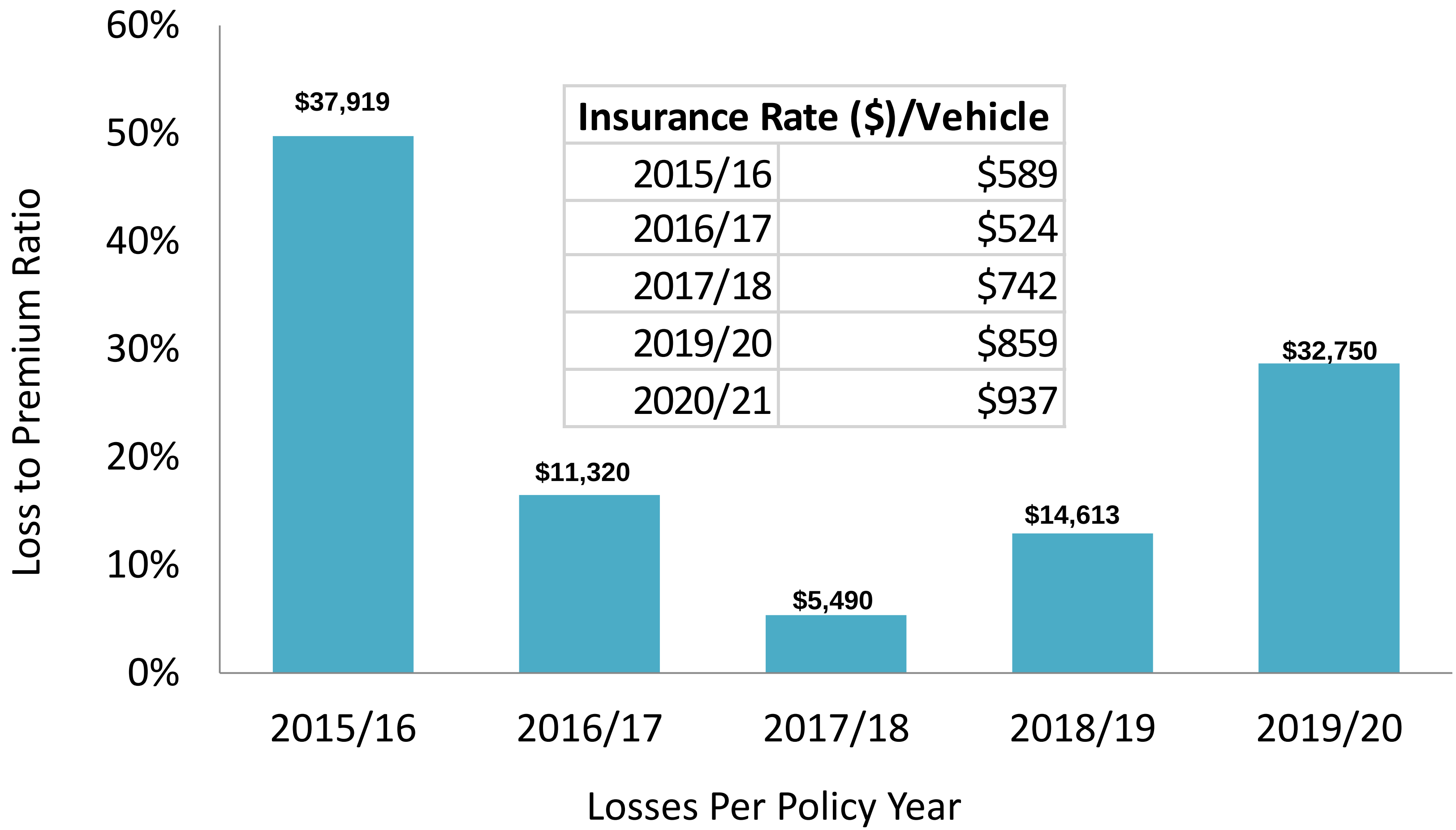
5-Years Ending November 2020
Source: Parker Smith & Feek

GENERAL LIABILITY EXPERIENCE



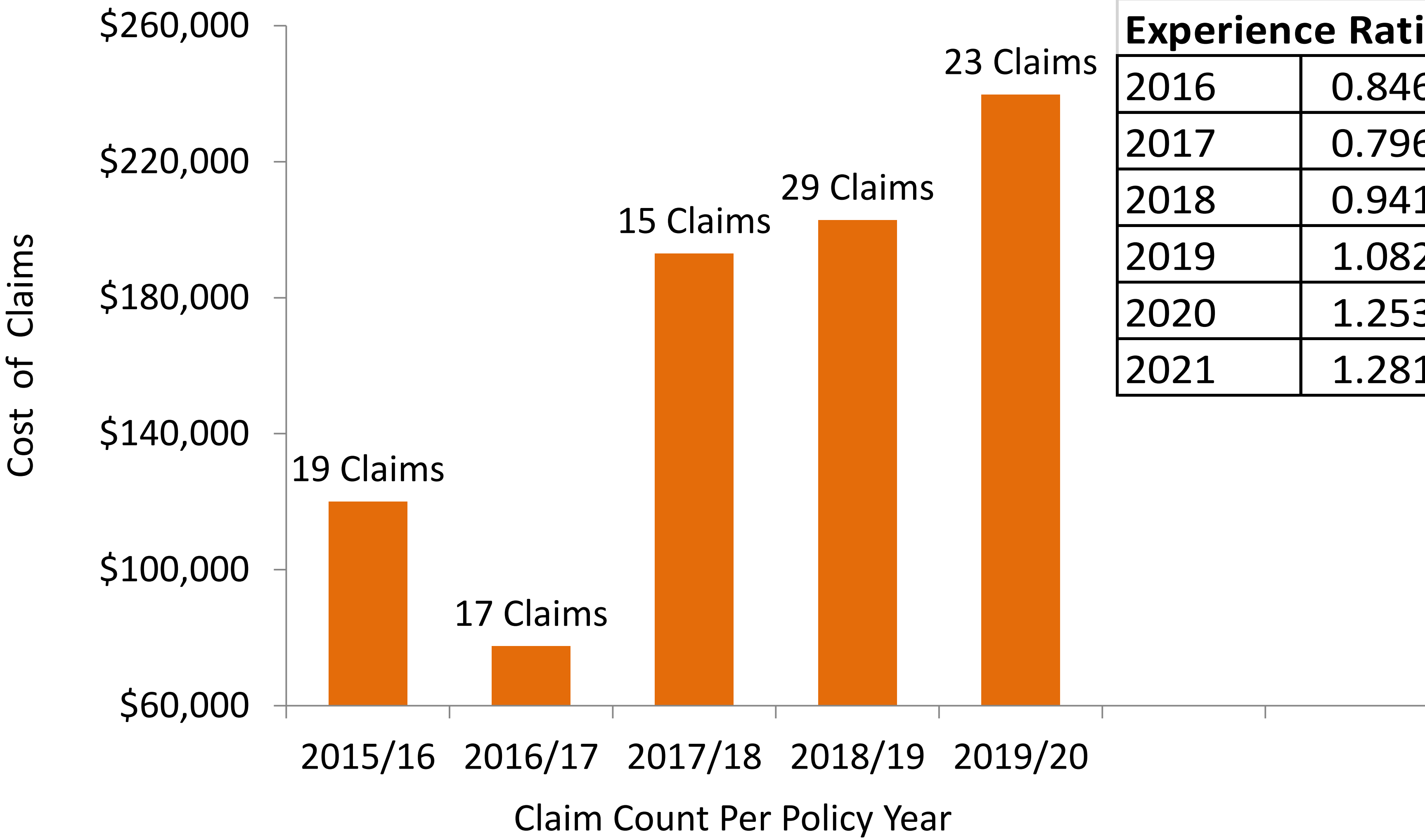
Insurance Rate ($)/Unit	
2013/14	$40
2014/15	$45
2015/16	$50
2016/17	$47
2017/18	$45
2018/19	$45
2019/20	$51

AUTO LIABILITY EXPERIENCE



Insurance Rate ($)/Vehicle	
2015/16	$589
2016/17	$524
2017/18	$742
2019/20	$859
2020/21	$937

WORKERS COMP EXPERIENCE

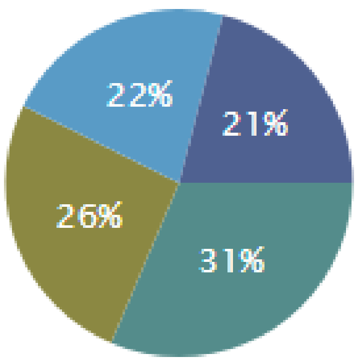


Experience Rating	
2016	0.8467
2017	0.7966
2018	0.9411
2019	1.0829
2020	1.2536
2021	1.2816

Our Unique Exposures

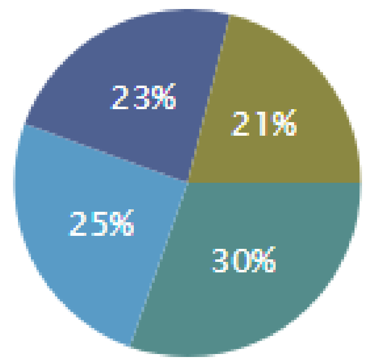
Your industry: LESSORS OF RESIDENTIAL BUILDINGS AND DWELLINGS

Industry Incidents



- 3044 Overexertion In Lifting
- 2514 Fall To Floor, Walkway, Or Other Surface
- 2106 Overexertion, Unspecified
- 2030 Overexertion, N.E.C.

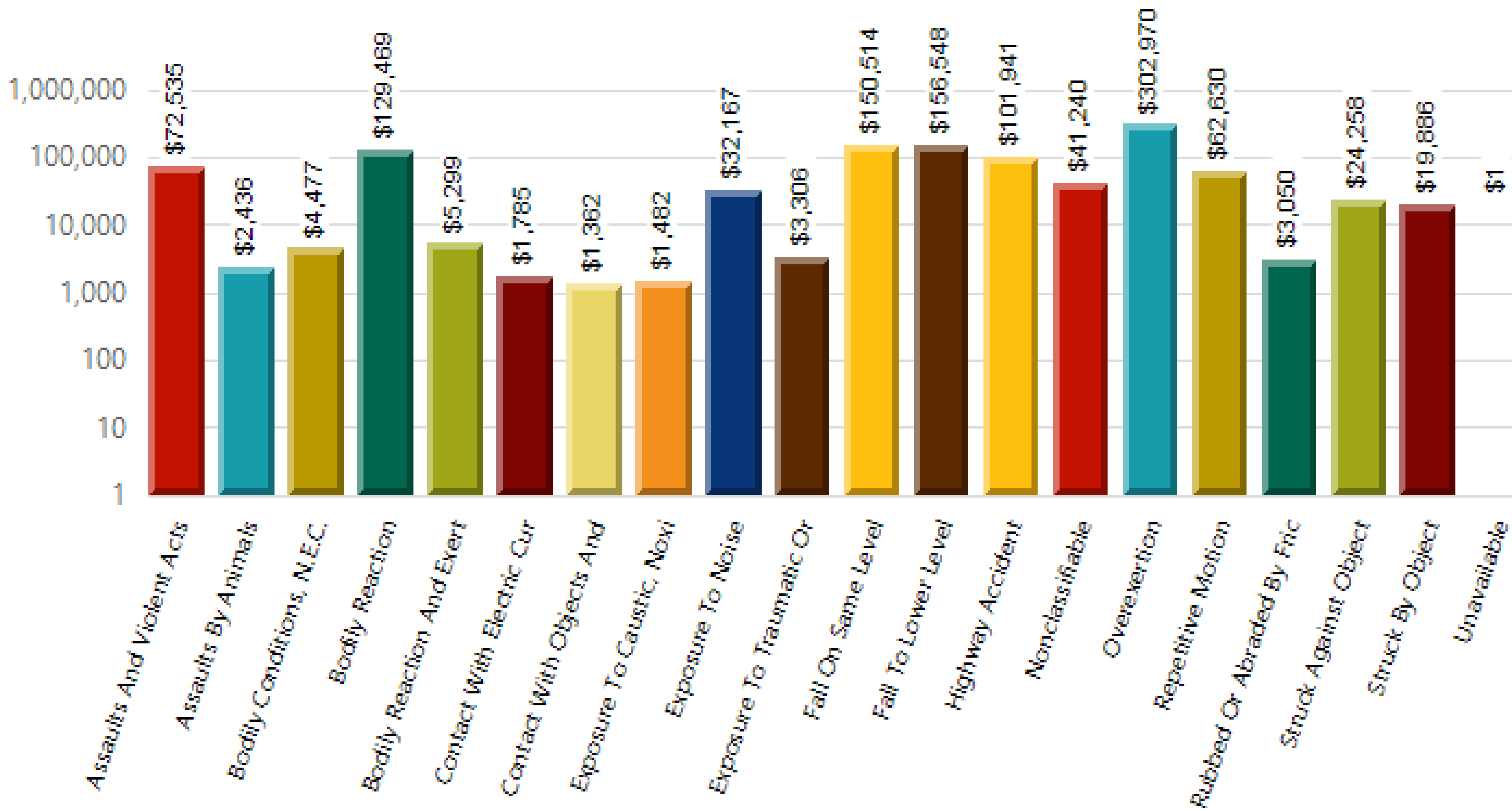
Your Incidents



- 52 Overexertion In Lifting
- 43 Overexertion, Unspecified
- 40 Overexertion, N.E.C.
- 36 Fall To Floor, Walkway, Or Other Surface

Source: L&I 1-11-201

Cost of Workers Comp Claims



July 2013-October 2020

Source: Archbright TPA 10-2020

TAB NUMBER 6

King County Housing Authority

To: Board of Commissioners

From: Judi Jones, Director of Housing Initiatives

Date January 13, 2021

Re: **Update on KCHA policy and program waivers implemented during COVID-19 pandemic**

During the March 2020 Board meeting, Resolution 5652 was approved to provide staff with the flexibility to waive (or modify) KCHA policy and program requirements when such action was identified as necessary in light of the ongoing COVID-19 pandemic. Attached, you will find a summary of the policy, program and procedural changes and modifications currently in place. Please note, line items identified within the "Type" column as "HUD Waiver" are those made possible by HUD through authority provided under the CARES Act. Use of these policy waivers, which address policy and reporting changes for our Public Housing, HCV and PBS8 programs, expire (for the most part) on June 30, 2021 unless extended by HUD. Remaining items address modifications of discretionary KCHA policies and procedures or changes implemented using flexibility provided under KCHA's MTW program. As identified, such changes may remain in effect (as determined necessary) throughout the term of the current pandemic.

These changes have proven vital to KCHA's ability to maintain effective, efficient operations while addressing the need to help ensure resident, staff and community health and safety.

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	MTW Policy	Policy	Modify MTW-based Catastrophic Response plan to expand measures to Public Housing and clarify types of modifications that could be implemented	No	PH, HCV, PBS8	Wide-ranging - Allows significant flexibility in program policy and procedures following declaration of emergency	Wide-ranging - Allows significant flexibility in program policy and procedures following declaration of emergency	Stephen Norman	3/13/2020	Up to 60 days following end of emergency
Housing Mgmt	Program Admin	Procedure	Modified Office hours and limited public access to reduce exposure risks to clients, staff and the community. No walk-in traffic permitted	No	PH, HCV, PBS8	To reduce exposure to clients, staff and the community	Limited, alternate means of communication established	Mike Reilly	3/13/2020	When rescinded by Deputy Directly
Housing Mgmt	New Housings and Transfers	Procedure	Modified HCV Briefing protocols to limit staff and client exposure. Briefing packets and tenant information is collected and distributed electronically. Staff interviews are completed by phone or Skype.	No	HCV, PBS8	To limit staff and client exposure	May slow process, increase FAQs	Mike Reilly	3/17/2020	When rescinded by Deputy Directly
Housing Mgmt	Program Admin	Procedure	Established separate email contact (S8Help@kcha.org) for use by applicants and participants who have questions or need other assistance.	No	HCV, PBS8	Enhanced communication	Improved client communication	Mike Reilly	3/17/2020	When rescinded by Deputy Directly
Housing Mgmt	HQS Inspections	MTW Policy	Delayed Annual HQS inspections for our PH, PBS8 and HCV programs until further notice to reduce exposure risk to clients staff and community	No	PH, HCV, PBS8	To reduce exposure to clients, staff and the community	Could increase future fail rates, increased workload during "catch-up" period may require staff OT/temp help	Stephen Norman	3/13/2020	Up to 60 days following end of emergency

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	HQS Inspections	MTW Policy	Implemented streamlined Initial Inspections for our HCV program by allowing Landlords to self-certify that qualified units meet basic HQS standards to ensure continued access to housing subsidy – while reducing risk of exposure to clients, staff and the community.	No	HCV, PBS8	To reduce exposure to clients, staff and the community	Reduced inspections, but could increase future fail rates; Requires increased auditing inspections to 20%	Mike Reilly	3/17/2020	Up to 60 days following end of emergency
Housing Mgmt	Verification and Rent Reviews	MTW Policy	Revised policies to equally weight all forms of tenant verifications to allow streamlined processing of reviews when standard third party verification may be difficult to obtain (delaying the review) or is unavailable.	No	PH, HCV, PBS8	Third party verification could be delayed or impossible	Saves time, could increase EIV discrepancies	Stephen Norman	3/13/2020	Up to 60 days following end of emergency
Housing Mgmt	Verification and Rent Reviews	MTW Policy	Revised policies to expedite processing of interim reviews by waiving the requirement of a 30 day wait period used to determine if income loss is only temporary or will replaced by another source. This change will allow interims to be processed immediately upon notification of income loss.	No	PH, HCV, PBS8	Speed up interim review process	Saves time, could result in lower rent under standard policy - increased # of clients on $0 or $25 min rent	Stephen Norman	3/18/2020	Up to 60 days following end of emergency

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	Verification and Rent Reviews	MTW Policy	Waive the requirement that a resident must report a decrease in income prior to the 22nd of the month in order to receive a rent reduction effective on the first of the following month. Currently, changes reported after the 22nd, result in reduced rent effective the first of the month. This change will allow clients faster access to a rent reduction.	No	PH, HCV, PBS8	Allow faster rent reduction for clients	Lower Rent and higher HAP for KCHA as rent reductions take affect 1 month earlier than under standard policy	Stephen Norman	3/18/2020	Up to 60 days following end of emergency
Housing Mgmt	Hardship Policy	MTW Policy	Expedited approval of a Hardship Request for WIN Rent households. Allows site-staff to approve a Hardship Request for an additional interim review for WIN Rent households who have exhausted their 2-interim limit and experience loss of income as a result of a COVID-19-related reduction in employment income or job loss.	No	PH, HCV, PBS8	Make hardship requests easier	Saves KCHA processing time; eligible clients provided rent relief quicker with expedited review; Less screening may result in decrease approvals that would not have qualified under std. process	Stephen Norman	3/18/2020	Up to 60 days following end of emergency
Housing Mgmt	Hardship Policy	MTW Policy	Streamlined the Hardship Review process for all households by allowing the Hardship Committee Chair to review and recommend appropriate action on requests without the need for full Committee review	No	PH, HCV, PBS8	Make hardship requests easier	Saves KCHA processing, speeds relief for approved households	Mike Reilly	3/25/2020	When rescinded by Deputy Directly

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	Work Orders	MTW Policy	Placed a temporary hold on non-urgent and non-emergency work orders to reduce exposure risks to tenants and staff	No	PH	Reduce exposure risks to tenants and staff	Saves time and reduces exposure; creates backlog of work orders that may result in the need for staff OT or temp help during "catch-up"	Mike Reilly	3/10/2020	When rescinded by Deputy Directly
Housing Mgmt	Program Admin	Procedure	Closed all Community Rooms and cancelled all planned community activities	No	PH	To reduce exposure to clients, staff and the community	Limited signage costs; may require increased monitoring	Mike Reilly	3/23/2020	When rescinded by Deputy Directly
Housing Mgmt	Program Admin	Procedure	Limited access to KCHA residential buildings. Visitors to KCHA sites – especially our Mixed Population sites is discouraged, unless visit is to provide medical care or needed assistance	No	PH	To reduce exposure to clients, staff and the community	Limited signage costs; may require increased monitoring	Mike Reilly	3/23/2020	When rescinded by Deputy Directly
Housing Mgmt	Program Admin	Procedure	Closed all community parks and playgrounds	No	PH	To reduce exposure to clients, staff and the community	Limited signage costs; may require increased monitoring	Mike Reilly	3/23/2020	When rescinded by Deputy Directly

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	Program Admin	Procedure	Modified Unit Upgrade process to address social distancing requirements. Discontinued practice of multiple crew members sharing vehicles and tools. Staff without a vehicle assigned must drive their own vehicle from the shop to the work site. When possible, work assigned to ensure no more than 1 individual in unit at one time. Use of a 2 person crew allowed only when required by type of work. Crew MUST adhere to social distancing recommendations and remain at least 6' apart at all times	No	PH	Reduce exposure risk to staff	May increase Unit Turnover time, could impact program outcomes	Mike Reilly	3/26/2020	When rescinded by Deputy Directly
Housing Mgmt	Evictions and Termi-nations	MTW Policy	Non-Payment of Rent Notices and Late Rent Fees suspended until further notice	No	PH	Reduce financial burden on tenants	Increased tenant balances could result in increased future tenant fail rates and KCHA collection/legal expenses; Minor loss of income from late-fees	Mike Reilly	3/26/2020	When rescinded by Deputy Directly
Housing Mgmt	Evictions and Termi-nations	MTW Policy	PH and KCHA-managed PBS8 Evictions, except evictions related to fire/life/safety, suspended until further notice. HCV Terminations suspended until further notice	No	PH, HCV, PBS8	Protect program participants	Uncertain	Mike Reilly	3/26/2020	When rescinded by Deputy Directly

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	Move-ins and Transfers	MTW Policy	Modified KCHA's definition of "Good Cause" reasons for an applicant or tenant to turn down a unit offer to allow clients to turn down a unit offer for reasons relating to COVID-19 without penalty or impact on their place on the wait list	No	PH	Project tenants	Increased unit turndowns anticipated - will increase work to identify selected tenant; may slow Lease-up time for affected units	Mike Reilly	3/26/2020	When rescinded by Deputy Directly
Housing Mgmt	Move-ins and Transfers	Procedure	Modified Move-in process to reduce exposure to clients and staff. KCHA staff will inspect the unit without the selected tenant present. Tenant will retain right to inspect individually and provide KCHA with itemized list of noted items/repair needs. Paperwork (Lease, Riders, Rent Calculations) will be processed and provided to Tenant electronically. Move-in interview with selected client will be completed by phone or skype	No	PH	Reduce exposure to clients and staff	May slow process, increase FAQ,	Mike Reilly	3/26/2020	When rescinded by Deputy Directly
Housing Mgmt	Contracts	Procedure	Modified Contractor requirements to ensure client safely. Protection protocols require Contractor to certify safety policies have been established that meet CDC guidelines.	No	PH	Increase contractor safety	Slightly more tracking	Mike Reilly	4/2/2020	When rescinded by Deputy Directly

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	Verification and Rent Reviews	MTW Policy	Modify policy to allow COVID-19 related decreases in rent to take effect the 1st day of the month following the date income decreased (rather than the 1st day of the month following the day reported) when the client has reported the change within the 30 day window allowed.	No	PH, HCV, PBS8	More relief for program participants	Loss of PH rental income and increased HAP payments resulting from rent decreases (assume 25-50%) that will take effect 1 month earlier than current policy	Mike Reilly	4/3/2020	When rescinded by Deputy Directly
Housing Mgmt	Hardship Policy	MTW Policy	Allow 2 month extension of the 6 month term for EAS reimbursement for residents subject to the HA's minimum rent - without the need to request a hardship review.	No	PH, HCV, PBS8	Protects clients	Minor financial impact to KCHA	Stephen Norman	4/28/2020	7/1/2020 unless extended EXPIRED
Housing Mgmt	Voucher Terms and HCV Contracts	Voucher Terms and HCV Contracts	Suspend processing of Contract Rent increases that result in a Gross Rent above the Payment Standard (Waiver has currently expired)	No	HCV, PBS8	Protects clients from an increase in rental rates	Protects clients from an increase in rental rates	Stephen Norman	4/28/2020	7/1/2020 unless extended; Extended to 6/30/2021
Housing Mgmt	Program Admin	HUD Waiver	Suspend mandated PHA EIV Monitoring Reports until July 31, 2020 (or later date, if extended by HUD) Extended to 12/31/2020 by HUD	N/A	PH, HCV, PBS8	Will save staff time	May result in backlog of accounts to clear	Mike Reilly	4/13/2020	7/31/2020; extended to 6/30/2021 by HUD
Housing Mgmt	Verification and Rent Reviews	HUD Waiver	Adds to prior KCHA waiver to equally weight all verifications; adds suspension of EIV data pull/use requirement - applies to A/R and I/R Certification types	N/A	PH, HCV, PBS8	Adds additional flexibility	Adds additional flexibility	Mike Reilly	4/13/2020	7/31/2020; extended to 6/30/2021 by HUD

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	FSS Program	HUD Waiver	Allow Good Cause extension (up to 2 years) of FSS contract for participating families as a result of the COVID-19 pandemic, extensions must be made prior to Dec 31, 2020.	N/A	PH, HCV, PBS8	More flexibility for participants	More flexibility for participants	Mike Reilly	4/13/2020	6/30/2021
Housing Mgmt	HQS Inspections	HUD Waiver	Modify Interim Inspection Requirements: Owners notified of life-threatening issues and required to correct w/in 24 hours of notification or document problem does not exist. For non-life threatening items PHA will notify Owner within 30 days - Owner must correct or document problem does not exist w/in 30 days of notice. KCHA may rely on alternate means to document repair is complete in lieu of on-site inspection.	N/A	HCV, PBS8	More flexibility	More flexibility	Mike Reilly	4/13/2020	7/31/2020; extended to 6/30/2021 by HUD
Housing Mgmt	HQS Inspections	HUD Waiver	Waive the requirement to complete HQS quality control inspections through 10-31-2020; extended to 12/31/2020 by HUD	N/A	HCV, PBS8	More flexibility	May increase backlog	Mike Reilly	4/13/2020	10/31/2020; extended to 6/30/2021 by HUD

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	Program Admin	HUD Waiver	Modify requirement for Board approval prior to adopting/implementing Admin Plan and ACOP changes - allows expedited changes. However, Board approval MUST be obtained as soon as practical after June 30, 2020 and no later than July 31, 2020 (unless date is later amended by HUD) extended to 12/31/2020 by HUD	N/A	PH, HCV, PBS8	Streamline approval of required plans	More flexibility	Mike Reilly	4/13/2020	7/31/2020; extended to 6/30/2021 by HUD
Housing Mgmt	Voucher Terms and HCV Contracts	HUD Waiver	Waive requirement that HCV Voucher Term extensions must follow Admin Plan. Extensions allowed at KCHA discretion for reasons/times outside of those listed in the Ad Plan	N/A	PBS8	Fewer voucher holders could fail to lease up	Average time to lease could increase	Mike Reilly	4/13/2020	7/31/2020; extended to 6/30/2021 by HUD
Housing Mgmt	Voucher Terms and HCV Contracts	HUD Waiver	Extends time to execute a HAP contract following PHA approval of tenancy. Prior requirement of 60 days extended to 120 days.	N/A	HCV, PBS8	More flexibility	Average time to lease could increase	Mike Reilly	4/13/2020	7/31/2020; extended to 6/30/2021 by HUD
Housing Mgmt	Eligibility	HUD Waiver	Modify requirement to terminate a HAP Contract for tenants with $0 HAP after 180 days. Allows extension beyond 180 days during pandemic @ PHA discretion.	N/A	HCV, PBS8	More flexibility for participants	Vouchers extended will not be available to release	Mike Reilly	4/13/2020	6/30/2021

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	Program Admin	HUD Waiver	Delays requirement to complete Utility Allowance system reviews annually as well as requirement to modify the EAS if rates increase by 10% or more cumulatively.	N/A	PH, HCV, PBS8	Protects KCHA from missed deadline if backlog occurs	May result in savings with deferred effective dates of increased allowances	Mike Reilly	4/13/2020	6/30/2021
Housing Mgmt	Eligibility	HUD Waiver	FUP program change to allow increased eligibility age from 24 years of age to those who are 25 years old (have not reached 26 years old)	N/A	HCV, PBS8	More program flexibility	Increases target applicant pool	Mike Reilly	4/13/2020	6/30/2021
Housing Mgmt	Community Service Req	HUD Waiver	Suspends the Community Service Rule - temporarily removes KCHA responsibility to require certain PH residents perform Community Service at least 8 hours (96 per year) of Community Service.	N/A	PH	Staff time savings	Reduced burden on PH tenants	Mike Reilly	4/13/2020	6/30/2021
Housing Mgmt	Program Admin	HUD Waiver	Extends 50058 reporting requirement to allow submission within 90 days (rather than 60) from effective date a review.	N/A	PH, HCV, PBS8	More flexibility	Protects KCHA from missed deadline if backlog occurs	Mike Reilly	4/13/2020	6/30/2021
Housing Mgmt	Capital Fund	HUD Waiver	Extends Obligation / Expenditure dates for all open CFP grants by one (1) year from current due date	N/A	PH	More flexibility	Protects KCHA from missed deadline if backlog occurs	Mike Reilly	4/13/2020	Varies by grant year

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	Financial Reporting	HUD Waiver	Extends KCHA financial reporting deadlines to address possible COVID-19 delays.	N/A	PH, HCV, PBS8	More flexibility	Protects KCHA from missed deadline if backlog occurs	Mike Reilly	4/13/2020	Unaudited 8/31/20; Audited 3/31/21; audited waiver moved to 12/31/2020 only
Housing Mgmt	HQS Inspections	HUD Waiver	Modifies initial inspections process. May accept Owner Certification in place of inspections required prior to HAP contract. Inspection may be delayed up to 1 year from Certification date	N/A	PBS8	Removes a barrier to leasing; reduces virus exposure risk	May increase future work load	Jill Stanton	7/2/2020	6/30/2021
Housing Mgmt	HQS Inspections	HUD Waiver	Allows suspension of inspection requirements	N/A	PH	Removes virus exposure risk	Could increase future fail rates	Jill Stanton	7/2/2020	6/30/2021
Housing Mgmt	FUP Youth Eligibility	HUD Waiver	Allows extension of program participation for an added 6 months to allow those clients who would have ended program participation April 2020 - December 31, 2020.	N/A	PBS8, HCV	Allows added time for clients to complete requirements and transition off program	Allows added time for clients to complete requirements and transition off program	Jill Stanton	7/2/2020	6/30/2021
Housing Mgmt	Program Admin	HUD Waiver	Extends Energy Audit due dates by 1 year for that would have been due before 12-31-2020	N/A	PH	More flexibility	Protects KCHA should any come due in 2020	Mike Reilly	4/13/2020	Varies by individual energy audits

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	Mainstrm Eligibility	HUD Waiver	Allows use of the Mainstream voucher to a household when the qualifying family member was under 62 at the time of voucher issue, but has turned 62 and has not yet leased-up. Such households remain eligible to use the voucher as long as the qualifying member has not yet reached the age of 63.	N/A	HCV	Allows additional time for a household to initially lease-up under the Mainstream program	More flexibility for clients	Jill Stanton	9/2/2020	6/30/2021
Human Resources	Telework Policy	Policy	Employee not in good standing clause is waived	Yes	Admin	Employees must be protected even if not in good standing	Reduced supervision could result in lower work output	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Telework Policy	Policy	Feasibility worksheets prepared in advance of making request is waived	No	Admin	Although part of the policy, this section was optional	None	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Telework Policy	Policy	List of who must approve is waived and blanket approvals by department is allowed	Yes	Admin	There were too many employees moving to teleworking to be able to approve each separately in timely manner	None	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Telework Policy	Policy	The Equipment Needs clause is waived Hours of work clause is waived	Yes	Admin	Many employees needed to be moved to telework in spite of lack of equipment, this was necessary of continuity of services	Additional costs to KCHA	Craig Violante	3/2/2020	When rescinded by Finance Director

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Human Resources	Telework Policy	Policy	Hours of work clause is waived	Yes	Admin	The range of available hours to work was too limiting and therefore needed to be expanded	Easier for some employees to work while having children at home	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Telework Policy	Policy	Record keeping of time worked submitted to KCHA-clarify that this is not to be submitted to payroll. Affidavits for Exempt employees are encouraged but not required. Department Directors may manage insuring staff productivity in a manner appropriate for their department	No	Admin	Neither item was in policy-listed here just to memorialize	None	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Telework Policy	Policy	Prohibition of child care during telework clause is waived	Yes	Admin	Some employees need to provide child care services due to school closures	Possible loss of productivity	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Telework Policy	Policy	Access to home for safety audit waived. FaceTime or similar technology may be substituted to meet this safety requirement	Yes	Admin	It was not feasible to require the entrance of other persons into a home during social distancing	Safety inspection perhaps not quite as thorough, but still deemed reasonable	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Telework Policy	Policy	Internet service clause waived for certain situations	Yes	Admin	Certain essential employees needed high speed internet access	Additional KCHA costs	Craig Violante	3/2/2020	When rescinded by Finance Director

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Human Resources	Telework Policy	Policy	Removal of records clause is waived in limited cases	Yes	Admin	Some very limited employees in very limited circumstances needed files at home	Security concerns	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Telework Policy	Policy	Prior authorization of written telework agreement is waived	Yes	Admin	There was not time to go through the telework approval process in advance	None	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Standard Work Day Policy	Policy	Section 7.4 of the KCHA Human Resources Policies and Procedures manual states that the standard work day for employees is 8:00 a.m. to 4:30 p.m. or 8:00 a.m. to 5:00 p.m. depending upon how much time is taken for lunch. This clause is suspended to allow management to shorten the work day on an ad hoc basis	Yes	Admin	During the pandemic staff is working under enormous stress and management feels it is essential to allow staff extra time off on an ad hoc basis, as authorized by executive management, to relax and recuperate.	Improved morale, possible offset by limited lower productivity	Jill Stanton	4/1/2020	When rescinded by Deputy Executive Director
Human Resources	Annual Leave Policy	Policy	Section 8.2 of the KCHA Human Resources Policies and Procedures manual caps the amount of annual leave that can be carried over to the next year unless an exception is made by the Executive Director. The Board authorized the waiver of this cap for amounts carried over into 2021 and 2022	Yes	Admin	Due to the extremely difficult working conditions resulting from the pandemic, many employees are foregoing taking annual leave days. This waiver prevents employees from being harmed by losing earned leave.	More days of annual leave taken in outer years	Board	5/18/2020	1/1/2022

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Human Resources	Annual Leave Policy	Policy	Section 8.2 of the KCHA Human Resources Policies and Procedure manual states that upon termination of employment, employees will be paid for unused accrued annual leave up to the maximum accrual. This is waived for employees retiring in 2020.	Yes	Admin	Employees are not taking annual leave due to the workload associated with the effects of the pandemic. Not paying them for accrued annual leave in excess of the maximum during this time was deemed unfair.	Extra cash paid at time of retirement.	Stephen Norman	6/1/2020	1/1/2021; under review
Human Resources	Annual Leave Policy	Policy	Section 8.2 of the KCHA Human Resources Policies and Procedure manual states that upon termination of employment, employees will be paid for unused accrued annual leave up to the maximum accrual. This is waived for employees leaving employment in 2020, except for employees terminated for cause.	Yes	Admin	Employees are not taking annual leave due to the workload associated with the effects of the pandemic. Not paying them for accrued annual leave in excess of the maximum during this time was deemed unfair.	Extra cash paid at time of termination.	Jill Stanton	7/2/2020	1/1/2021; under review
Finance	Timesheet approvals	Procedure	Normally, timesheet approval is done by designated individuals, who may be an employee's direct supervisor or may be someone else higher in the chain of command. This is being waived and all approvals will be from each employee's direct supervisor only	No	Admin	It is not feasible to have multiple layers of timesheet approvals while so many staff are working remotely. This procedure has the approval process fall to the person best qualified to opine on the veracity of each timesheet-the supervisor.	Reduced internal control; more responsibility on direct supervisors	Craig Violante	3/19/2020	When rescinded by Finance Director

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Finance	Timesheet approvals	Procedure	The procedural requirement for all employees to sign a timesheet is waived for employees who do not have access to the remote timesheet system and are not able to access a written timesheet due to social distancing	No	Admin	Normally, each employee must sign a timesheet. With social distancing, most employees are using a remote timesheet service. However, some employees do not have access and therefore their supervisors are entering the timesheet data on their behalf. This means that such employees are not able to sign their timesheets.	Reduced internal control. To somewhat mitigate, "Negative Assurance" e-mails will be sent to such employees along with a copy of the timesheet as entered by the supervisor. The negative assurance email will say something to the effect of "if you don't respond affirmatively to payroll that you disagree with the timesheet as entered, your lack of response will constitute acceptance of the timesheet as entered".	Craig Violante	4/7/2020	When rescinded by Finance Director
Finance	Request approvals	Procedure	Normally a written signature is required to process requests for wires, check, reimbursements or training. This is being waived to allow for an electronic signature approval process and e-mail chain approvals	No	Admin	It is not practical to obtain signatures on forms with so many staff working remotely. Multiple scanners would need to be employed. Electronic signature will offer good control in its place	Slightly reduced internal control; may require additional analytical work to compensate	Craig Violante	3/19/2020	When rescinded by Finance Director
Finance	Purchasing Card (P-Card) Policy	Policy	Payment of training and seminar costs using KCHA-issued P-Cards are normally allowed only in Administrative Services. This waiver allows other delegates as assigned by the CFO to use their P-Cards for such purchases.	No	Admin	It is not practical for the use of P-Cards for these purchases to be limited to one department. We will also be looking at making this change permanent.	More efficient processing of training costs	Craig Violante	4/2/2020	When rescinded by Finance Director

TAB NUMBER 7

King County Housing Authority

KCHA Executive Dashboard

2020 Q3

July - September 2020

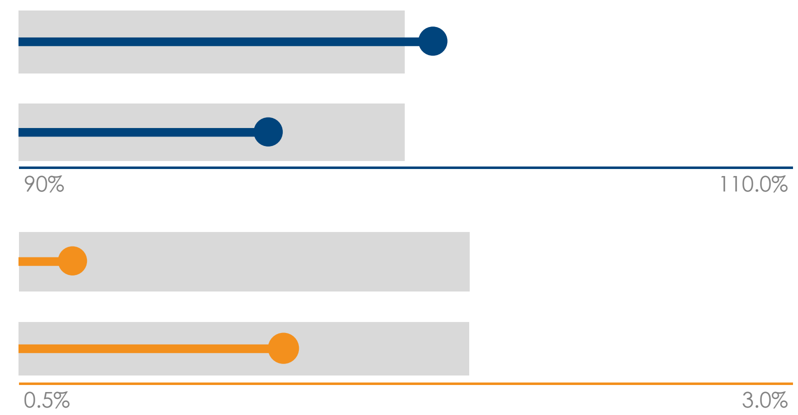
Households Served

point in time as of September 1, 2020[1]

22,256

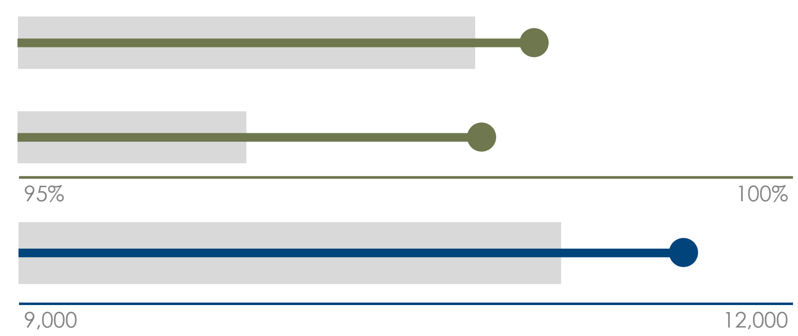
Finance

	Budgeted	Actual	Actual to Budget
Revenue year-to-date	$292,375,956	$294,531,384	**100.7%**
Expenditure year-to-date	$242,812,115	$234,260,185	**96.5%**
LGIP Rate Investments	1.75%	0.21%	**-1.54%**
Non-LGIP Investments	1.75%	1.03%	**-0.72%**



Housing Management

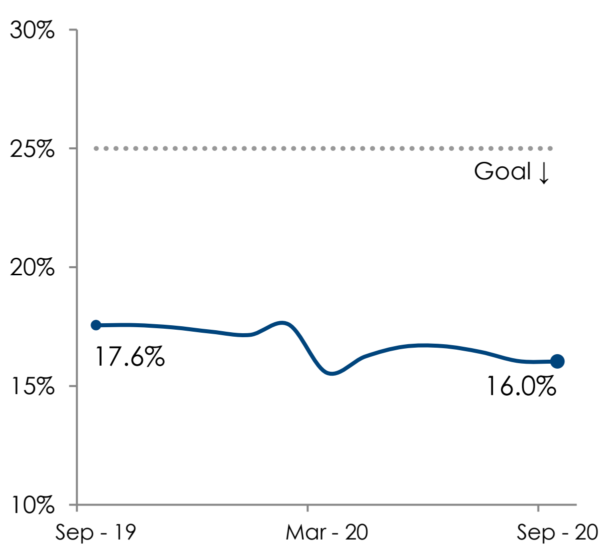
	Scope	Target	Sept '20
Public Housing Occupancy[2]	3,730 units	98.0%	**98.4%**
Local Programs Occupancy	7,851 units	96.5%	**98.0%**
Total Units Online[3]	11,581 units	11,105	**11,581**



Housing Choice Voucher Program Operations

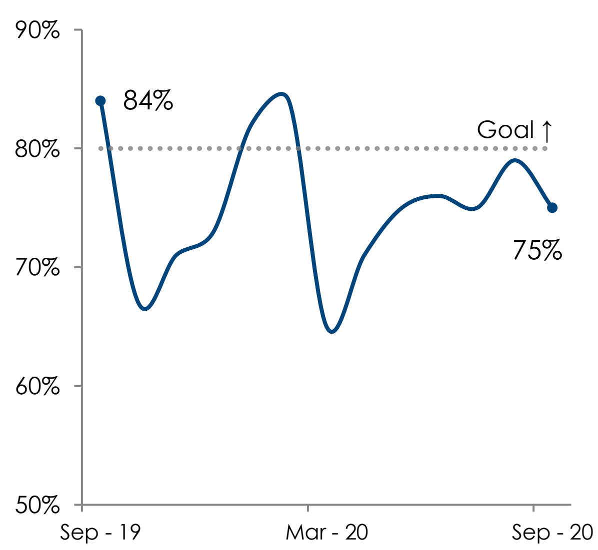
Shelter Burden

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



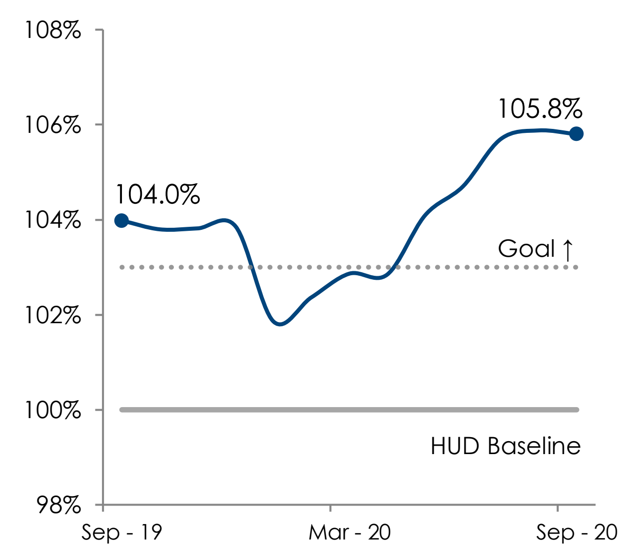
Shopping Success[4]

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



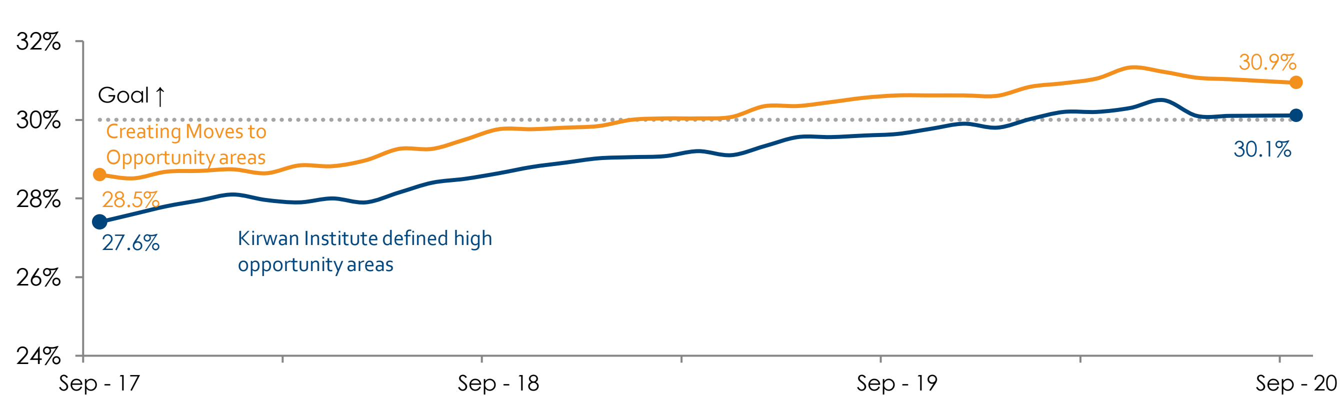
Utilization Rate[5]

Percentage of HUD ACC leased by month.



Increasing Access to Opportunity Areas

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



Notes

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

TAB NUMBER 8

To: Board of Commissioners

From: Windy K. Epps, Assistant Director of Finance

Date: November 30, 2020

Re: **Third Quarter 2020 Financial Results**

EXECUTIVE SUMMARY

Third-quarter financial performance in 2020 was strong as both operating income and expenses reflected favorable variances compared to budget. Cash reserves remain solid, with $89.3 million in unrestricted and program reserves and $141.1 million in designated and restricted cash.

Net operating income exceeded initial 2020 budget projections, with operating revenues 0.7% above target and operating expenses 3.5% below. Most of the positive revenue variance came from federal CARES Act funding. $5.9 million has been received to date, but $1.2 million has been "deferred" as it has not yet been spent. All CARES Act proceeds will be spent by the due date of December 31, 2021. As a result, the financial statements include $4.7 million of unanticipated grant revenue, $1.7 million in the form of additional Operating Fund Subsidy in the Public Housing Program, and $3.0 million for administrative fees in the Housing Choice Voucher (HCV) program. Operating expenses lagged the budget in several categories, most notably in maintenance expenses and utilities, administrative expenses, and other programmatic expenses.

The Public Housing Operating fund subsidy was budgeted using an estimated prorate of 90.0%, while the actual prorate through September was 96.49%. HUD based 2020 eligibility estimates on the 2020 operating subsidy request. HUD's interim proration for November rose slightly to 97.21%.

Total third-quarter HCV HAP expense from all programs (excluding ports-in) was very close to budget, with a $27 thousand or 0.1% variance. The variance is comprised of greater HAP costs related to the Block Grant and lower HAP costs related to VASH and FUP. Year-to-date, the HCV program is 1,180 unit months under initial budget projections, a variance of 1.2%. However, compared to the number of Annual Contribution Contract units for which we are funded, (i.e. our baseline), our actual leasing through September was 102% of baseline. The average HAP payment per voucher for the quarter was $8.99 greater than budget estimates. Compared to the third quarter of 2019, total HAP expense climbed $3.8 million or 11.2%.

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.

THIRD QUARTER HIGHLIGHTS

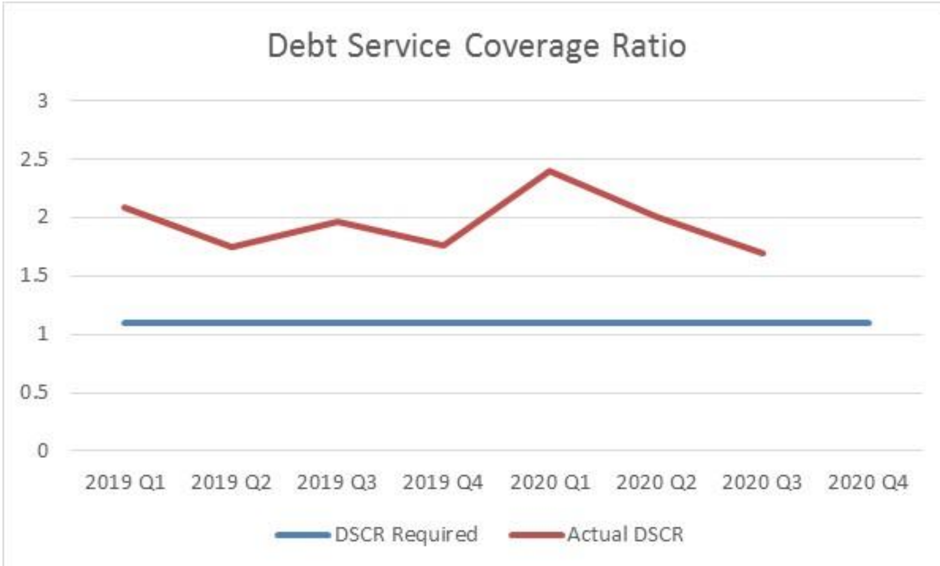
The Housing Authority was awarded a total of $5.9 million in CARES Act funding, $4.2 million for the HCV program, and $1.7 million for Public Housing. As the grant rules allowed this new funding to be spent on normal operations, expenses through the third quarter totaling $4.8 million were applied to the grants

KCHA received approximately $1.2 million in additional HCV funding from HUD this quarter. Of this new funding, $663,000 reflects an adjustment in the 2020 renewal formula for the Mainstream voucher program. The remaining $531,000 is intended to compensate KCHA for expenses incurred in administering subsidies for the many Housing Choice Voucher holders who have ported into King County from other jurisdictions. $894,000 of the additional funding is above what was included in the 2020 revenue projections. These supplemental funds, along with other funding received to date under the CARES Act, are helping meet rising rental subsidy costs in the HCV program as household incomes decline.

Juanita View and Kirkland Heights, the two properties purchased from IAM 751 in 2018, transitioned from Multifamily Project-Based Rental Assistance to Project-based Section 8. This transition gives the properties a richer subsidy stream, critical to supporting planned repairs and upgrades for the sites.

KCHA was successful in acquiring the investor member's interest in the Nia Apartments LLC. This 82 unit mid-rise, serving senior and disabled households, is located in the heart of the Greenbridge community. Ownership is now fully vested in KCHA and a wholly-owned affiliate, Northwest Affordable Communities LLC.

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 1.7, a 0.27 decrease over last year. Below is a chart detailing the recent history of this important metric:



CASH AND INVESTMENT SUMMARIES

Overall, cash balances increased by $28 million during the quarter with the primary driver being proceeds from the sale of bonds related to Bellevue Manor, Abbey Ridge, and Woodland North. Additional increases are attributable to cash generated from the workforce housing portfolio. For a complete report on KCHA's overall cash position at the end of the quarter, please see page 11.

The overall Return on Investment (ROI) on KCHA investments, including loans made for low-income housing and EPC project purposes, was 0.75%, down from 1.08% 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 0.26%. Total investment returns for the quarter were $1.0 million against a projected return of $1.6 million.

Investment Summary (in millions) as of September 30, 2020	Amount	Yield	% of Total
Invested in the Local Government Investment Pool & Masterfund	$81.5	0.21%	32.4%
Invested by KCHA	66.4	1.03%	26.4%
Cash held by trustees	20.7	0.02% *	8.2%
Cash held in checking and savings accounts	62.3	0.02% *	24.8%
Invested by KCHA	$230.9	0.39%	91.7%
Cash loaned for low income housing & EPC project purposes	20.8	4.97%	8.3%
Loaned by KCHA	20.8	4.97%	8.3%
Total	$251.7	0.75%	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	$20.9
Quarterly change:	
Block grant cash receipts from HUD	33.2
Operating Fund subsidy related to resident service activities	0.1
Quarterly HAP payments sourced from the block grant	(32.2)
Quarterly block grant administrative fees paid to Section 8	(1.9)
Direct social service expenses	(1.2)
Homeless Housing expenses	(0.4)
Other net changes	(1.9)
MTW Cash, End of Quarter	$16.6
Less Reserves:	
Restricted reserve-Green River collateral	(4.3)
Restricted reserve-FHLB collateral	(2.8)
FSS reserves	(0.2)
MTW Available Cash, End of Quarter	$9.3
COCC Cash, Beginning of Quarter	$62.3
Quarterly change:	
Fee revenue	2.7
Used for construction projects	(0.6)
Short-term receivable	(0.8)
Administrative expenses	(3.7)
Other net change	6.5
COCC Cash, End of Quarter	$66.4
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	$50.4

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 third quarter.

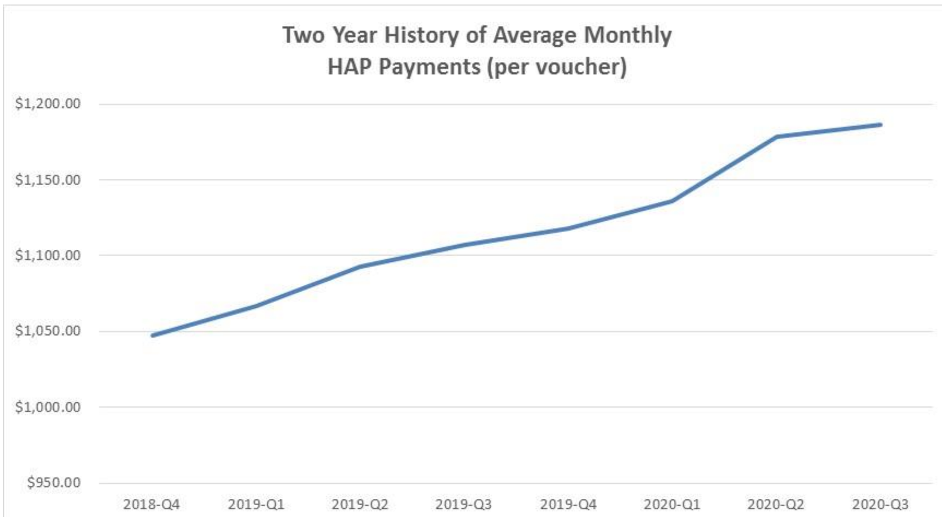
	Actuals Thru 09/30/2020	Budget Thru 09/30/2020	YTD Variance		Percent of Annual Budget	2020 Annual Budget
CONSTRUCTION ACTIVITIES						
Managed by Capital Construction Department						
Public Housing	$2,996,957	$6,952,701	($3,955,745)	(1)	41.2%	$7,274,288
509 Properties	1,179,451	2,514,152	(1,334,700)	(2)	39.1%	3,013,001
Other Properties	631,315	1,507,695	(876,380)	(3)	41.5%	1,522,750
	4,807,723	10,974,548	(6,166,826)		40.7%	11,810,039
Managed by Housing Management Department						
Unit Upgrade Program	2,931,710	3,152,565	(220,855)	(4)	69.8%	4,200,123
Energy Performance Contract	35,387	18,765	16,622		141.5%	25,000
Other Projects	77,051	45,036	32,015		128.4%	60,000
	3,044,148	3,216,366	(172,218)		71.0%	4,285,123
Managed by Asset Management Department						
Homeownership Projects-Managed by Internal staff	43,868	1,510,000	(1,466,132)	(5)	2.8%	1,563,750
Bond Properties-Projects Managed by Internal Staff	1,490,622	4,455,000	(2,964,378)	(6)	33.2%	4,485,000
	1,534,491	5,965,000	(4,430,509)		25.4%	6,048,750
Subtotal Construction Activities	**9,386,362**	**20,155,914**	**(10,769,553)**		**42.4%**	**22,143,912**
DEVELOPMENT ACTIVITY						
Managed by Hope VI Department						
Greenbridge	1,829,877	3,705,276	(1,875,400)	(7)	43.6%	4,197,813
Notch	89,575	430,423	(340,848)	(8)	15.0%	598,799
	1,919,451	4,135,699	(2,216,248)		40.0%	4,796,612
Managed by Development Department						
Other Projects	1,662,049	6,885,808	(5,223,759)	(9)	13.7%	12,128,452
	1,662,049	6,885,808	(5,223,759)		13.7%	12,128,452
Subtotal Development Activity	**3,581,500**	**11,021,507**	**(7,440,007)**		**21.2%**	**16,925,064**
TOTAL CONSTRUCTION & DEVELOPMENT	**$12,967,862**	**$31,177,421**	**($18,209,559)**		**33.2%**	**$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	(110,283)					
TOTAL PER CASH RECONCILATION REPORT	**(3,643,224)**					

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. $668K 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 was not started until September. The project is expected to be completed by year-end.
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 $3.6 million due to permit delays and other delays related to COVID-19. The Parkway predevelopment project has been postponed. Finally, the Kirkland Heights project will start in December but will under budget for the year.

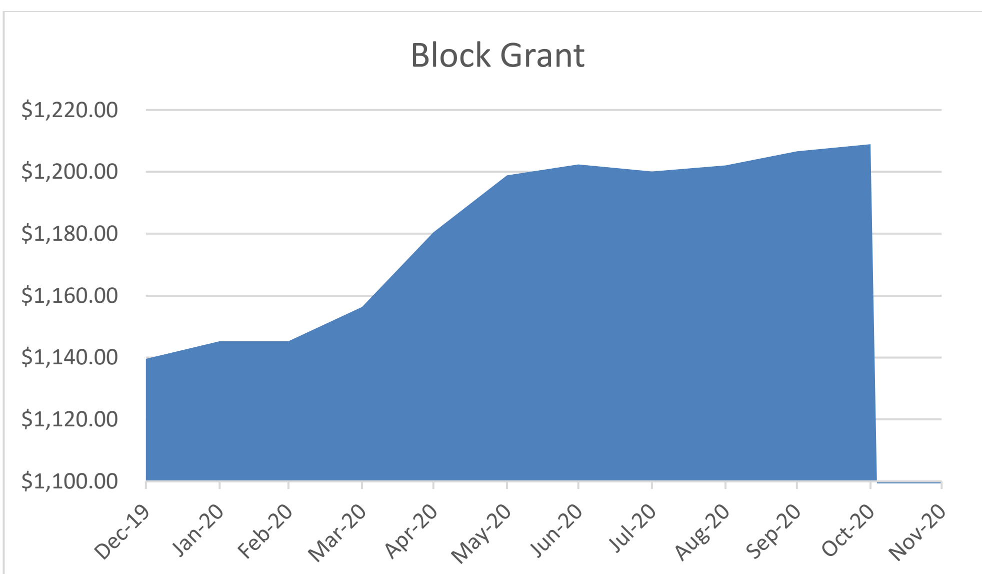
PROGRAM ACTIVITIES

HOUSING CHOICE VOUCHERS

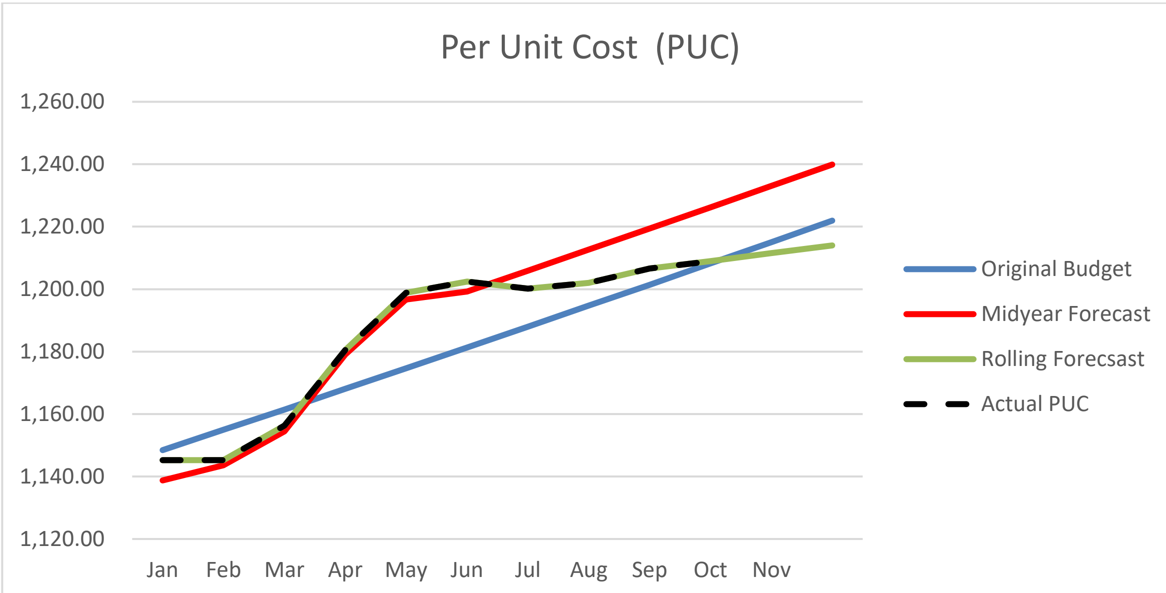
The average quarterly HAP payment to landlords for all HCV vouchers was $1,186.36, compared to $1,178.75 last quarter and $1,107.14 one year ago.



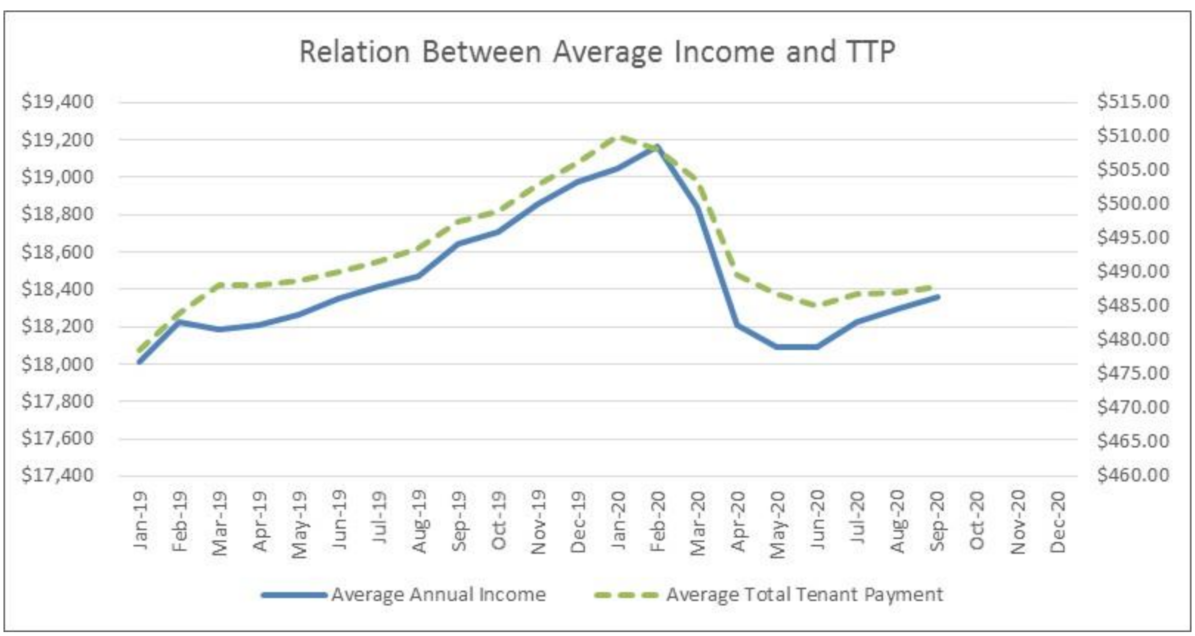
KCHA's average Block Grant HAP payments continued to rise during the third quarter and into October, but at a much slower pace than earlier in the year.



The rolling forecast for the block grant average now reflects lower average HAP costs through the end of the year than what was included in either the original budget or the midyear financial forecast.



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 $487.24, down slightly from $487.26 the previous quarter and $494.20 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*

Through the first nine months, block grant payments from HUD have closely tracked against budget projections with a 0.3% positive variance. Amounts used for HAP payments have also been close to the budget, with essentially no variance. Transfers from MTW to fund Section 8 administrative costs was less than planned due to additional funding from the CARES Act.

(In thousands of dollars)	Actual		Budget	Variance Favorable (Unfavorable)	%Var	
HCV Block Grant Revenue	113,275.3		112,923.1	$352.2	0.3%	
Funding of HAP Payments to Landlords	(94,387.5)		(94,404.4)	16.9	0.0%	
Funding of Section 8 Administrative Costs	(6,180.3)	(1)	(6,831.6)	651.3	9.5%	(1)
Excess of HCV Block Grant Funding over Expenses	$ 12,707.5		$ 11,687.1	$ 1,020.4	8.7%	

1) Funding of Section 8 administrative costs was lower than planned due to funding from the CARES Act.

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 is evaluated quarterly, and due to the deferment of maintenance projects caused by COVID-19, additional transfer amounts were less than budgeted through the third quarter.

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Transfers to PH AMPs Based on Need	($520.7)	($2,148.8)	($1,628.1)	75.8%	(1)
Net Flow of Cash(from)/to MTW from/(to) PH	($520.7)	($2,148.8)	$1,628.1	(75.8%)	

1) Transfers from MTW to public housing projects have been below budget primarily due to maintenance projects being put on hold due to COVID-19.

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	$319.6	$326.0	($6.4)	(2.0%)	
Homeless Initiatives	(1,165.2)	(1,773.6)	$608.4	(34.3%)	(1)
Resident Services	(3,250.9)	(3,570.8)	$319.9	(9.0%)	(2)
Use of MTW Funds for Special Programs	($4,096.6)	($5,018.5)	$922.0	(18.4%)	

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	$5,375.9	$7,949.0	($2,573.0)	(32.4%)	(1)
Green River and Birch Creek debt payments	0.0	0.0	0.0	n/a	
Misc. Other Uses	1,774.4	3,397.1	(1,622.7)	(47.8%)	(2)
	$7,150.3	$11,346.0	($4,195.7)	(37.0%)	

1) Due to delays and slow starts in various capital construction projects, the budgeted transfers from MTW to fund the projects were below target. Total spending is now forecast to be approximately $4 million less than budgeted at the end of the year, 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 second and third quarters.

5. *Costs to administer the MTW program*

Administrative costs are primarily salaries and benefits of those who manage or analyze MTW-funded programs. Expenses for the first three quarters, totaling $398,029, were 0.35% of program gross revenues and below the budget of $1,023,998. Salaries and benefits were less than planned as transfers were made from MTW to the CARES Act fund and some positions were unfilled. Additionally, professional service expenses were lower than expected due to some initiatives being delayed due to the pandemic.

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 greater than anticipated in the budget, primarily due to lower salaries and benefits and administrative expenses, offset by lower management fees. The chart below reflects a summary of COCC activity.

(In thousands of dollars)

	YTD	YTD			
Revenues	Actual	Budget	Variance	%Var	
Management fees	7,018.2	7,825.2	($807.0)	(11.5%)	(1)
Cash transferred-in from properties	6,550.0	6,485.2	64.8	1.0%	
Investment income	1,626.9	1,957.3	(330.4)	(20.3%)	(2)
Other income	1,419.5	1,021.5	398.0	28.0%	(3)
	$16,614.6	$17,289.2	($674.5)	(4.1%)	
Expenses					
Salaries & Benefits	9,041.7	9,887.1	($845.4)	(9.4%)	(4)
Administrative Expenses	2,142.2	3,276.8	(1,134.6)	(53.0%)	(5)
Occupancy Expenses	254.4	339.5	(85.1)	(33.5%)	(6)
Other Expenses	673.5	566.5	107.0	15.9%	(7)
	$12,111.8	$14,070.0	($1,958.2)	(16.2%)	
Net Change in Available COCC Resources	$4,502.8	$3,219.1	$1,283.6		

1) Management fees are lower than expected due to less than expected capital projects and unit upgrades.
2) As interest rates are falling, lower than anticipated interest income was earned on invested cash.
3) Administrative Fee of $300,000 received for KCHA's roles in assisting the Aerospace properties transfer to KCHA and SHA ($60,000 per property). Also, P-card revenue exceeded target.
4) Salaries and benefits were below target due to unfilled positions.
5) Various categories are under target (professional services, admin contracts, and computer equipment).
6) 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.
7) 2013 Pool interest expense allocated to the 700 building, which was unbudgeted.

REPORTS TABLE OF CONTENTS

Summary Reports

Budget vs. Actual Cash Reconciliation Reports

King County Housing Authority
Consolidated Cash Report
As of 9/30/2020

	KCHA Cash		Cash of
	Current Quarter	Prior Quarter	Other Entities
Unrestricted	$69,941,726	$33,955,106	$4,956,017
Designated, but Available for General Use			
Excess Cash Flow from Birch Creek	11,717,258	11,701,265	0
Excess Cash Flow from Green River	4,834,469	4,830,204	0
Voluntary Debt Service Reserve-Birch Creek	2,526,122	2,521,346	0
Exit Tax Reserve, Birch Creek	3,002,539	3,045,306	0
Exit Tax Reserve, Egis	3,000,000	3,000,000	0
Liquidity Reserve-County Credit Enhancement Program	13,000,000	13,000,000	0
Total Cash Available for General Use	**108,022,114**	**72,053,226**	4,956,017
Other Designated Cash			
Voluntary Replacement Reserves	31,822,116	30,989,669	0
Funds Held by Outside Property Management Companies	24,228,850	37,583,913	0
Excess Cash Reserve	136,900	136,900	400,000
EPC Project Reserves	2,400,000	2,200,000	0
Unspent Debt Proceeds Reserves	0	(559,789)	0
Hope VI Loan Interest Income Reserves	1,752,507	1,761,130	0
Other Designated Funds	44,360	43,612	268,919
Total Other Designated Cash	60,384,733	72,155,435	668,919
Programmatic Cash			
MTW Program	9,294,591	13,507,958	0
Public Housing	5,073,008	4,899,474	697,669
Housing Choice Voucher Program	337,460	43,036	0
Energy Performance Contract Project	529,294	517,710	0
Greenbridge/Seola Gardens General Cash Balances	1,709,268	1,710,186	0
Other Programmatic Cash	2,435,196	2,517,598	0
Total Programmatic Cash	19,378,816	23,195,962	697,669
Restricted Cash			
MTW Pledged as Collateral	7,088,216	7,088,216	0
Bond Reserves-1 Year Payment	2,350,939	2,352,378	0
Bond Reserves-P & I	12,377,783	4,643,164	0
Hope VI Lot Sales Proceeds	11,760,547	11,676,457	0
Replacement Reserves	652,035	623,275	1,084,010
Highland Village/Somerset Projects	0	0	0
FSS Reserves	1,630,125	1,715,083	0
Overlake Interest Mitigation Reserve	1,076,147	1,000,189	0
Residual Receipts	116,124	116,124	0
Security Deposits	3,159,757	3,208,740	119,903
Other Restricted Cash	2,430,490	3,780,968	0
Total Restricted Cash	42,642,164	36,204,594	1,203,913
TOTAL CASH	$230,427,827	$203,609,217	$7,526,518

King County Housing Authority **Statements of Financial Position** **As of September 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	$7,438,274	$2,365,079	$8,921,310	$9,906,337	$2,762,808	$9,294,591	$2,198,378	$1,677,404	$50,410,047	$94,974,228
Cash-Designated	717,060	4,399,631	47,749,966	25,545,829	0	0	1,752,507	2,947,685	16,021,362	99,134,040
Cash-Restricted	732,539	1,953,136	17,929,211	1,056,083	2,991,486	7,311,537	11,872,085	0	0	43,846,077
Accounts Receivable	1,076,837	168,629	3,141,985	6,204,078	341,470	1,760,374	0	167,789	807,346	13,668,507
Other Short-term Assets	16,990	436,464	106,863	21,339	8,520	(316)	(0)	28,461	24,484	642,805
Long-term Receivables	65,778,737	457,899	189,751,714	98,261,270	0	23,181,144	320,993	209,641	35,369,857	413,331,253
Capital Assets	233,058,858	135,448,840	674,115,939	159,678,304	0	0	41,284,306	27,725,736	13,895,480	1,285,207,463
Other Assets	488,632	314	76,172	219,377	(43,399)	0	49,550	2,258	600,630	1,393,534
Total Assets	$309,307,927	$145,229,993	$941,793,158	$300,892,618	$6,060,884	$41,547,330	$57,477,820	$32,758,974	$117,129,205	$1,952,197,908
Liabilities and Equity										
Short-term Liabilities	$2,326,217	$883,736	$11,488,844	$1,741,689	$3,134,833	$1,310,180	$286,798	$2,063,359	$1,933,437	$25,169,093
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	41,886,363	763,586,957	132,444,223	0	0	20,340,000	0	25,682,458	1,022,185,203
Other Long-term Liabilities	2,534,745	1,635,669	577,183	5,146,557	0	0	15,263,706	25,600,331	0	50,758,192
Total Liabilities	43,261,165	46,858,731	784,472,951	142,710,617	3,134,833	1,310,180	35,890,504	27,663,690	28,790,022	1,114,092,694
Equity	266,046,761	98,371,261	157,320,207	158,182,001	2,926,051	40,237,150	21,587,316	5,095,284	88,339,183	838,105,214
Total Liabilities and Equity	$309,307,927	$145,229,993	$941,793,158	$300,892,618	$6,060,884	$41,547,330	$57,477,820	$32,758,974	$117,129,205	$1,952,197,908

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

	Actuals	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$85,993,319**				
Rental Revenue and Subsidy					
Tenant Revenue	$98,836,463	$95,556,052	$3,280,412	3.4%	
Federal Operating Support	9,579,123	7,784,271	1,794,852	23.1%	(1)
Total Rental Revenue and Federal Support	108,415,586	103,340,323	5,075,264	4.9%	
Other Operating Revenue					
Federal Support for HCV Program	130,174,796	131,354,887	(1,180,091)	-0.9%	
Other Revenue	55,941,001	57,680,746	(1,739,745)	-3.0%	
Total Other Operating Revenue	186,115,797	189,035,633	(2,919,835)	-1.5%	
Total Operating Revenue	294,531,384	292,375,956	2,155,428	0.7%	
Operating Expenses					
Salaries and Benefits	(39,412,035)	(40,289,424)	877,390	2.2%	
Administrative Expenses	(9,197,062)	(11,006,412)	1,809,350	16.4%	(2)
Maintenance Expenses, Utilities, Taxes	(28,127,556)	(34,094,033)	5,966,477	17.5%	(3)
Management Fees Charged to Properties and Programs	(6,649,905)	(6,417,990)	(231,914)	-3.6%	
HCV Housing Assistance Payments to Landlords	(146,804,441)	(143,954,397)	(2,850,044)	-2.0%	
Other Programmatic Expenses	(4,425,831)	(7,049,858)	2,624,027	37.2%	(4)
Other Expenses	356,645	0	356,645	n/a	(5)
Total Operating Expenses	(234,260,185)	(242,812,115)	8,551,931	3.5%	
Net Operating Income	60,271,199	49,563,840	10,707,359	21.6%	
Non Operating Income/(Expense)					
Interest Income from Loans	8,433,036	8,537,648	(104,612)	-1.2%	
Interest Expense	(20,835,546)	(26,446,366)	5,610,821	21.2%	(6)
Transfers-in	81,427,529	57,438,618	23,988,912	41.8%	(7,8)
Transfers-out	(81,427,529)	(57,492,838)	(23,934,692)	-41.6%	(7,8)
Other Non-operating Income/(Expense)	35,939,696	(1,965,082)	37,904,778	1928.9%	(9)
Total Non Operating Income/(Expense)	23,537,186	(19,928,021)	43,465,207	218.1%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	149,414	2,397,582	(2,248,168)	-93.8%	(10)
Capital Project Expenditures	3,643,224	(85,547,278)	89,190,501	104.3%	(11)
Total Change in Capital Assets, net of Direct Funding and Debt	3,792,638	(83,149,696)	86,942,334	104.6%	
Change in Assets/Liabilities					
Change in Designated/Restricted Cash	(15,879,684)	(2,499,240)	(13,380,444)	-535.4%	(12)
Change in Short-term Assets	29,044,203	(10,223,213)	39,267,416	384.1%	(13, 14)
Change in Long-term Receivables	(97,597,369)	(70,310,606)	(27,286,763)	-38.8%	(14)
Change in Other Assets	59,056	0	59,056	n/a	
Change in Short-term Liabilities	(11,584,444)	(26,189,581)	14,605,137	55.8%	(15)
Change in Long-term Debt	28,042,118	109,345,965	(81,303,847)	-74.4%	(16)
Change in Other Liabilities	1,854,783	6,670,056	(4,815,273)	-72.2%	(17)
Change in Equity	(571,862)	0	(571,862)	n/a	(18)
Change in Other Assets/Liabilities	(66,633,199)	6,793,380	(73,426,580)	-1080.9%	
Change in Unrestricted/Program Cash	$20,967,823	($46,720,497)	$67,688,320	144.9%	
ENDING UNRESTRICTED/PROGRAM CASH	$106,961,143				

BEGINNING DESIGNATED/RESTRICTED CASH	**$115,113,518**				
Change in Replacement Reserves	4,530,668	1,973,331	2,557,337	129.6%	(12)
Change in Debt Service Reserves	8,505,625	658,281	7,847,343	1192.1%	(12)
Change in Other Reserves	2,843,392	(132,372)	2,975,764	2248.0%	(12)
Change in Designated/Restricted Cash	15,879,684	2,499,240	13,380,444	535.4%	
ENDING DESIGNATED/RESTRICTED CASH	**$130,993,202**				

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. 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 Central Applications Center 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 and Bellevue Manor to a tax credit partnership, $28.3 million LOC allocated to the project was transferred into the new General Partner fund.
8) Subsidy transfers from MTW to public housing projects have been below budget primarily due to maintenance projects being put on hold due to COVID-19. Additionally, 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 assets 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) The budgeted $70 million new property acquisition has yet to occur. 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.
12) Increases in debt service, excess cash reserve and replacement reserves in workforce Housing projects. Cash transfer from MTW to EPC rehab reserve to finish elevator work. Also due to the unbudgeted increase in Bellevue Manor project reserve.
13) Due to an 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) 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.
15) The payoff of the $27.5 million Highland Village long-term line of credit, which was budgeted as a short-term payable. This partially offset by repayment of Riverstone Line of Credit totaling $9.9 million budgeted as a long-term line of credit. Also, an due to unbudgeted decrease in accounts payable.
16) The budgeted draw of $70 million from line-of-credit for new property acquisition has yet to occur. The payoff of the $27.5 million Highland Village long-term line of credit, which was budgeted as a short-term payable. This partially offset by repayment of Riverstone Line of Credit totaling $9.9 million s budgeted as a long-term line of credit.
17) 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 no loan draw from the COCC. Finally, the $800,000 internal loan budgeted for Parkway and Kirkland Heights predevelopment projects have yet to be used due to project delays.
18) Technical accounting entry recording Overlake operating expenses from prior year.

King County Housing Authority
Cash Reconciliation Report
Public Housing Not for Profit
Through September 30, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$8,790,405**				
Rental Revenue and Subsidy					
Tenant Revenue	$6,127,415	$6,150,464	($23,049)	-0.4%	
Federal Operating Support	6,515,831	4,896,738	1,619,093	33.1%	(1)
Transfer- Operating fund Support	520,722	2,195,070	(1,674,348)	-76.3%	(2)
Total Rental Revenue and Federal Support	13,163,968	13,242,272	(78,304)	-0.6%	
Other Operating Revenue					
Other Revenue	120,677	211,340	(90,663)	-42.9%	(3)
Total Other Operating Revenue	120,677	211,340	(90,663)	-42.9%	
Total Operating Revenue	13,284,645	13,453,612	(168,967)	-1.3%	
Operating Expenses					
Salaries and Benefits	(5,087,214)	(4,357,900)	(729,313)	-16.7%	(4)
Administrative Expenses	(676,120)	(606,654)	(69,466)	-11.5%	(5)
Maintenance Expenses, Utilities, Taxes	(4,630,320)	(5,575,209)	944,889	16.9%	(6)
Management Fees Charged to Properties and Programs	(1,722,796)	(1,725,608)	2,812	0.2%	
Other Programmatic Expenses	(90,089)	(75,578)	(14,511)	-19.2%	
Other Expenses	(137,717)	0	(137,717)	n/a	(7)
Total Operating Expenses	(12,344,255)	(12,340,949)	(3,305)	0.0%	
Net Operating Income	940,391	1,112,663	(172,272)	-15.5%	
Non Operating Income/(Expense)					
Interest Income from Loans	1,724,283	1,732,211	(7,929)	-0.5%	
Interest Expense	(814,737)	(821,533)	6,796	0.8%	
Other Non-operating Income/(Expense)	(1,236,721)	(1,292,572)	55,850	4.3%	
Total Non Operating Income/(Expense)	(327,176)	(381,894)	54,718	14.3%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	4,410,169	8,670,287	(4,260,118)	-49.1%	(8)
Capital Project Expenditures	(5,016,572)	(8,670,287)	3,653,715	42.1%	(8)
Total Change in Capital Assets, net of Direct Funding and Debt	(606,403)	0	(606,403)	n/a	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(52,726)	(55,692)	2,966	5.3%	
Change in Receivables	(30,986)	(528,683)	497,697	94.1%	(9)
Change in Other Assets	345,273	0	345,273	n/a	(10)
Change in Other Liabilities	(1,510,420)	358,113	(1,868,533)	-521.8%	(11)
Change in Other Assets/Liabilities/Equity	(1,358,942)	(226,262)	(1,132,680)	-0,500.6%	
Change in Unrestricted/Program Cash	($1,352,131)	$504,507	($1,856,638)	-0,368.0%	
ENDING UNRESTRICTED/PROGRAM CASH	**$7,438,274**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance
BEGINNING DESIGNATED/RESTRICTED CASH	**$1,396,873**			
Change in Replacement Reserves	54,916	55,197	(281)	-0.5%
Change in Debt Service Reserves	0	0	0	n/a
Change in Other Reserves	(2,190)	495	(2,685)	-542.4%
Change in Designated/Restricted Cash	52,726	55,692	(2,966)	-0,005.3%
ENDING DESIGNATED/RESTRICTED CASH	**$1,449,599**			

1) The operating subsidy exceeded budget due to additional funding from the CARES Act.
2) Transfers from MTW to public housing projects have been below budget primarily due to maintenance projects being put on hold due to COVID-19.
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 computer supplies for personnel to work remotely and training expenses in connection to COVID-19. 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) Cost of repairs at Ballinger Homes due to the fire in 2017 that were not budgeted.
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) Due to receipt of outstanding receivables.
10) Due to a reduction in prepaid insurance.
11) Due to a decrease in accounts payable and payroll liability.

King County Housing Authority
Cash Reconciliation Report
Other Low Income Housing-Not for Profit
Through September 30, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$3,803,576**				
Rental Revenue and Subsidy					
Tenant Revenue	$11,591,323	$11,344,298	$247,026	2.2%	
Total Rental Revenue and Federal Support	11,591,323	11,344,298	247,026	2.2%	
Other Operating Revenue					
Federal Support for HCV Program	282,309	299,493	(17,184)	-5.7%	
Other Revenue	3,455,601	4,933,370	(1,477,770)	-30.0%	(1)
Total Other Operating Revenue	3,737,910	5,232,863	(1,494,954)	-28.6%	
Total Operating Revenue	15,329,233	16,577,161	(1,247,928)	-7.5%	
Operating Expenses					
Salaries and Benefits	(2,333,363)	(2,226,011)	(107,352)	-4.8%	
Administrative Expenses	(338,162)	(346,484)	8,322	2.4%	
Maintenance Expenses, Utilities, Taxes	(3,372,847)	(4,247,421)	874,575	20.6%	(2)
Management Fees Charged to Properties and Programs	(779,176)	(779,682)	505	0.1%	
Other Programmatic Expenses	(742)	(7,470)	6,727	90.1%	
Other Expenses	(51,647)	0	(51,647)	n/a	(3)
Total Operating Expenses	(6,875,938)	(7,607,068)	731,130	9.6%	
Net Operating Income	8,453,294	8,970,092	(516,798)	-5.8%	
Non Operating Income/(Expense)					
Interest Expense	(1,525,545)	(1,204,081)	(321,464)	-26.7%	(4)
Other Non-operating Income/(Expense)	(4,357,434)	(6,655,501)	2,298,068	34.5%	(5)
Total Non Operating Income/(Expense)	(5,882,979)	(7,859,582)	1,976,603	25.1%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	2,035,598	3,813,430	(1,777,831)	-46.6%	(5)
Capital Project Expenditures	(2,235,889)	(5,486,715)	3,250,826	59.2%	(5, 6)
Total Change in Capital Assets, net of Direct Funding and Debt	(200,291)	(1,673,285)	1,472,995	88.0%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(974,222)	(173,952)	(800,270)	-460.1%	(7)
Change in Receivables	122,409	0	122,409	n/a	(8)
Change in Other Assets	66,404	0	66,404	n/a	(9)
Change in Debt	(1,868,542)	(1,386,703)	(481,839)	-34.7%	(4)
Change in Other Liabilities	(909,275)	917,234	(1,826,509)	-199.1%	(10)
Change in Other Assets/Liabilities/Equity	(3,563,227)	(643,421)	(2,919,805)	-453.8%	
Change in Unrestricted/Program Cash	($1,193,201)	($1,206,196)	$12,995	1.1%	
ENDING UNRESTRICTED/PROGRAM CASH	**$2,610,374**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING DESIGNATED/RESTRICTED CASH	**$5,133,250**				
Change in Replacement Reserves	424,202	173,925	250,277	143.9%	(7)
Change in Debt Service Reserves	(8,758)	0	(8,758)	n/a	
Change in Other Reserves	558,779	27	558,752	2069451.6%	(7)
Change in Designated/Restricted Cash	974,222	173,952	800,270	460.1%	
ENDING DESIGNATED/RESTRICTED CASH	**$6,107,472**				

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) Rainier View Mobile Homes development project has been delayed until 2021.
7) Unbudgeted increase in replacement reserves accounts at mobile home parks as well as earnest money deposit made for 2021 potential purchase of Oakes at Forest Bay.
8) Mainly due to a decrease in tenant receivables.
9) Decreases in prepaid insurance; partially offset by increase in mobile home inventory from several buybacks.
10) Mainly due to decreases in accounts payable and payroll liabilities. With the delay of the Rainier View mobile home project, the loan from COCC has not occurred. See note 6.

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

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$1,538,004**				
Rental Revenue and Subsidy					
Tenant Revenue	$68,456,635	$66,004,869	$2,451,766	3.7%	
Total Rental Revenue and Federal Support	68,456,635	66,004,869	2,451,766	3.7%	
Other Operating Revenue					
Other Revenue	823,432	3,802,395	(2,978,964)	-78.3%	(1)
Total Other Operating Revenue	823,432	3,802,395	(2,978,964)	-78.3%	
Total Operating Revenue	69,280,067	69,807,264	(527,198)	-0.8%	
Operating Expenses					
Salaries and Benefits	(7,686,743)	(8,439,504)	752,761	8.9%	
Administrative Expenses	(3,996,271)	(4,264,298)	268,026	6.3%	
Maintenance Expenses, Utilities, Taxes	(16,825,825)	(20,202,953)	3,377,128	16.7%	(2)
Management Fees Charged to Properties and Programs	(1,219,852)	(1,211,919)	(7,933)	-0.7%	
Other Programmatic Expenses	(204,109)	(188,099)	(16,010)	-8.5%	
Other Expenses	532,799	0	532,799	n/a	(3)
Transfers Out for Operating Purposes	(32,489,825)	(4,315,950)	(28,173,875)	-652.8%	(4)
Total Operating Expenses	(61,889,828)	(38,622,722)	(23,267,105)	-60.2%	
Net Operating Income	7,390,239	31,184,542	(23,794,303)	-76.3%	
Non Operating Income/(Expense)					
Interest Income from Loans	3,043,552	3,155,106	(111,554)	-3.5%	
Interest Expense	(13,918,384)	(20,023,260)	6,104,876	30.5%	(5)
Other Non-operating Income/(Expense)	56,463,369	875,738	55,587,631	6347.5%	(6)
Total Non Operating Income/(Expense)	45,588,536	(15,992,417)	61,580,953	385.1%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	10,277,051	10,122,030	155,021	1.5%	
Capital Project Expenditures	23,411,676	21,615,101	1,796,575	8.3%	
Total Change in Capital Assets, net of Direct Funding and Debt	33,688,727	31,737,131	1,951,596	6.1%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(12,373,123)	(1,787,466)	(10,585,657)	-592.2%	(7)
Change in Receivables	(74,818,166)	(78,139,083)	3,320,917	4.3%	
Change in Other Assets	605,750	0	605,750	n/a	(8)
Change in Debt	13,886,283	(4,946,634)	18,832,917	380.7%	(9)
Change in Other Liabilities	5,311,774	1,387,833	3,923,941	282.7%	(10)
Change in Other Assets/Liabilities/Equity	(67,959,261)	(83,485,350)	15,526,089	18.6%	
Change in Unrestricted/Program Cash	$18,708,242	($36,556,094)	$55,264,335	151.2%	
ENDING UNRESTRICTED/PROGRAM CASH	**$20,246,246**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING DESIGNATED/RESTRICTED CASH	**$41,981,117**				
Change in Replacement Reserves	3,669,863	1,383,840	2,286,023	165.2%	(7)
Change in Debt Service Reserves	8,461,303	658,281	7,803,022	1185.4%	(7)
Change in Other Reserves	241,957	(254,655)	496,612	195.0%	(7)
Change in Designated/Restricted Cash	12,373,123	1,787,466	10,585,657	592.2%	
ENDING DESIGNATED/RESTRICTED CASH	**$54,354,241**				

1) Developer fees totaling $2.55 million for Bellevue Manor and Abbey Ridge were budgeted in January will now be recognized in the fourth quarter. Also, deposit into the Overlake interest stabilization account was budgeted evenly throughout the year. However, deposits fluctuate based on interest rates which have declined. It is expected that this variance will grow throughout the rest of the year. Finally, lower interest rates have resulted in reduced earnings.
2) 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.
3) Technical accounting entry recording Overlake operating expenses from prior year.
4) Transfer of $28 million of Bellevue Manor and Abbey Ridge Line of Credit to GP fund as properties were sold to tax credit partnership.
5) The Hampton Greens line of credit interest expense was less than anticipated. The budget assumed an increase in 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) Bellevue Manor, Abbey Ridge, and Woodland North were sold to tax credit partnerships under financing leases totaling $70 million. Of this amount, $55 million, equivalent to the book value of the assets, was not included in the budget.
7) Increases in debt service and replacement reserves.
8) Mainly due to decrease in prepaid insurance.
9) Increase in debt from Woodland North, Abbey Ridge, and Bellevue Manor bond proceeds.
10) Unbudgeted interest accrual on the 2019 bond pool.

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

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$7,827,560**				
Rental Revenue and Subsidy					
Tenant Revenue	$12,517,733	$11,962,596	$555,137	4.6%	
Federal Operating Support	27,206	(72,750)	99,956	137.4%	(1)
Total Rental Revenue and Federal Support	12,544,939	11,889,846	655,093	5.5%	
Other Operating Revenue					
Other Revenue	8,956,518	406,376	8,550,141	2104.0%	(2)
Total Other Operating Revenue	8,956,518	406,376	8,550,141	2104.0%	
Total Operating Revenue	21,501,457	12,296,223	9,205,234	74.9%	
Operating Expenses					
Salaries and Benefits	(1,822,021)	(1,784,095)	(37,926)	-2.1%	
Administrative Expenses	(681,387)	(665,393)	(15,993)	-2.4%	
Maintenance Expenses, Utilities, Taxes	(2,566,709)	(3,179,632)	612,923	19.3%	(3)
Management Fees Charged to Properties and Programs	(318,537)	(334,086)	15,549	4.7%	
Other Programmatic Expenses	(123,275)	(152,494)	29,220	19.2%	
Other Expenses	13,915	0	13,915	n/a	
Transfers Out for Operating Purposes	(2,450,000)	(2,169,234)	(280,766)	-12.9%	(4)
Total Operating Expenses	(7,948,013)	(8,284,934)	336,920	4.1%	
Net Operating Income	13,553,443	4,011,289	9,542,155	237.9%	
Non Operating Income/(Expense)					
Interest Income from Loans	1,818,841	1,812,046	6,795	0.4%	
Interest Expense	(2,881,742)	(2,811,791)	(69,951)	-2.5%	
Other Non-operating Income/(Expense)	898,240	(65,700)	963,940	1467.2%	(5)
Total Non Operating Income/(Expense)	(164,661)	(1,065,445)	900,784	84.5%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	(10,162,599)	(10,122,030)	(40,569)	-0.4%	
Capital Project Expenditures	9,710,857	9,633,578	77,279	0.8%	
Total Change in Capital Assets, net of Direct Funding and Debt	(451,742)	(488,452)	36,710	7.5%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(477,810)	(392,670)	(85,140)	-21.7%	(6)
Change in Receivables	3,677,690	3,473,076	204,614	5.9%	
Change in Other Assets	170,347	0	170,347	n/a	(7)
Change in Debt	(13,895,430)	(5,129,730)	(8,765,700)	-170.9%	(8)
Change in Other Liabilities	83,622	164,735	(81,113)	-49.2%	(9)
Change in Other Assets/Liabilities/Equity	(10,441,580)	(1,884,589)	(8,556,991)	-454.1%	
Change in Unrestricted/Program Cash	$2,495,461	$572,802	$1,922,658	335.7%	
ENDING UNRESTRICTED/PROGRAM CASH	**$10,323,021**				

BEGINNING DESIGNATED/RESTRICTED CASH	**$25,707,419**				
Change in Replacement Reserves	314,788	288,369	26,419	9.2%	
Change in Debt Service Reserves	53,080	0	53,080	n/a	(6)
Change in Other Reserves	109,942	104,301	5,641	5.4%	
Change in Designated/Restricted Cash	477,810	392,670	85,140	21.7%	
ENDING DESIGNATED/RESTRICTED CASH	**$26,185,228**				

1) The transfer of excess cash from Eastbridge to MTW didn't occur as planned through the third quarter.
2) With the sale of Bellevue Manor to a tax credit partnership, the debt was transferred into the new GP fund. Unbudgeted.
3) Maintenance expenses were below target as some projects have been delayed due to COVID-19.
4) Transfer of cash to the COCC exceeded budget projections.
5) Draw from the CFP grant for Green River Homes debt service payment made in 2019.
6) Increases in debt service and replacement reserves.
7) Mainly due to decreases in prepaid insurance.
8) With the sale of Bellevue Manor to a tax credit partnership, debt totaling $8.6 million was transferred to fund group 3, but was not budgeted.
9) Mainly due to increases in accounts payable and prepaid tenant rent offset by decrease in accrued interest payable.

King County Housing Authority
Cash Reconciliation Report
Housing Choice Voucher Program
Through September 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	$111,252,425	$111,186,618	$65,807	0.1%	
Federal Support for HCV Program-Admin Fee Revenue	$10,673,321	$8,181,726	$2,491,595	30.5%	(1)
Revenue from Collection	$143,357	$93,825	$49,532	52.8%	(2)
Portability Income	35,485,128	31,838,932	3,646,196	11.5%	(3)
Other Revenue	2,151,242	1,977,882	173,360	8.8%	
Total Operating Revenue	159,705,473	153,278,983	6,426,490	4.2%	
Operating Expenses					
Salaries and Benefits	(6,643,212)	(6,851,895)	208,683	3.0%	
Administrative Expenses	(770,433)	(746,407)	(24,026)	-3.2%	
Maintenance Expenses, Utilities, Taxes	(209,304)	(200,139)	(9,165)	-4.6%	
Management Fees Charged to Properties and Programs	(2,427,808)	(2,467,663)	39,855	1.6%	
HCV Housing Assistance Payments to Landlords	(111,220,426)	(112,115,465)	895,039	0.8%	
HCV Housing Assistance Payment-Ports In	(35,584,015)	(31,838,932)	(3,745,083)	-11.8%	(3)
Other Programmatic Expenses	(379,105)	(255,548)	(123,557)	-48.3%	(4)
Transfers Out for Operating Purposes	(28,786)	0	(28,786)	n/a	
Total Operating Expenses	(157,263,090)	(154,476,049)	(2,787,040)	-1.8%	
Net Operating Income	2,442,383	(1,197,067)	3,639,450	304.0%	
Non Operating Income/(Expense)					
Other Non-operating Income/(Expense)	(130,772)	(352,782)	222,011	62.9%	(5)
Total Non Operating Income/(Expense)	(130,772)	(352,782)	222,011	62.9%	
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	(69,472)	(150,210)	80,738	53.8%	(6)
Change in Receivables	(223,448)	0	(223,448)	n/a	(7)
Change in Other Assets	101,310	0	101,310	n/a	(8)
Change in Other Liabilities	1,288,906	0	1,288,906	n/a	(9)
Change in Other Assets/Liabilities/Equity	1,097,296	(150,210)	1,247,506	830.5%	
Change in Unrestricted/Program Cash	$3,408,908	($1,700,059)	$5,108,967	300.5%	
ENDING UNRESTRICTED/PROGRAM CASH	**$2,762,808**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % 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	69,472	150,210	(80,738)	-53.8%	(7)
Change in Designated/Restricted Cash	69,472	150,210	(80,738)	-53.8%	
ENDING DESIGNATED/RESTRICTED CASH	**$2,991,486**				

1) The HCV admin fee revenue exceeded budget due to additional funding from the CARES Act.
2) Higher than anticipated recovery of collection loss.
3) Incoming ports averaged 3,186 units per month throughout the first nine months while the budget assumed 3,125. The average Per Unit Cost was $1,241 vs. the budget of $1,131. As a result, both revenue and HAP expense exceeded the budget.
4) 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.
5) Flex Funds are under budget as the issuance of CMTO/Tenant-Based vouchers have slowed, and VASH voucher referrals have been less than anticipated.
6) Mainly due to a decrease in FSS escrow accounts. KCHA does not budget for changes in escrow accounts.
7) Due to increases in receivables from other PHAs.
8) Mainly due to decreases in prepaid insurance.
9) Mainly due to CARES Act funding that has been received but not yet used. Also due to increases in short-term liabilities.

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

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$7,906,180**				
Federal Support					
Block Grant Revenue	$113,275,294	$112,923,063	$352,231	0.3%	
Less: Used for HAP	(94,387,503)	(94,404,449)	16,946	0.0%	
Less: Used HCV Administrative Program Support	(6,180,301)	(6,831,564)	651,263	9.5%	
Federal Operating Support	319,552	325,962	(6,410)	-2.0%	
Total Net Federal Support	13,027,042	12,013,012	1,014,030	8.4%	
Other Operating Revenue					
Other Revenue	145,655	152,287	(6,631)	-4.4%	
Total Other Operating Revenue	145,655	152,287	(6,631)	-4.4%	
Total Operating Revenue	13,172,697	12,165,299	1,007,398	8.3%	
Program Expenses					
Resident Service Salaries and Benefits	(2,178,298)	(2,364,737)	186,439	7.9%	
Resident Service Program and Administrative Expenses	(1,072,623)	(1,206,106)	133,483	11.1%	(1)
Homeless Salaries and Benefits	(289,764)	(409,075)	119,311	29.2%	(2)
Homeless Program and Administrative Expenses	(875,424)	(1,364,562)	489,138	35.8%	(3)
Policy Salaries and Benefits	(549,291)	(707,644)	158,353	22.4%	(2)
Policy Administrative Expenses	(36,237)	(192,358)	156,121	81.2%	(4)
Other Policy Expenses	(889,185)	(915,873)	26,688	2.9%	
Other Social Services Expenses	555,992	0	555,992	n/a	(5)
Additional Support of Public Housing Program	(520,722)	(2,148,784)	1,628,062	75.8%	(6)
Other Programmatic Expenses	(185,607)	(185,604)	(3)	0.0%	
Total Programmatic Expenses	(6,041,158)	(9,494,742)	3,453,584	36.4%	
Used for Rehabilitation, Development or Debt Service Purposes					
Funding for Capital Construction Projects	(3,193,996)	(5,730,114)	2,536,118	44.3%	(7)
Funding for Unit Upgrades	(1,744,422)	(1,592,586)	(151,836)	-9.5%	
Management Fees Charged by COCC	(437,521)	(627,266)	189,745	30.2%	(8)
Total Rehab, Development and Debt Service Expenses	(5,375,938)	(7,949,965)	2,574,027	32.4%	
Administrative Expenses					
Salaries and Benefits	381,283	(121,201)	502,484	414.6%	(5)
Administrative Expenses	(81,149)	(41,460)	(39,689)	-95.7%	
Maintenance Expenses, Utilites, Taxes	(80)	0	(80)	n/a	
Internal Management Fees	(16,848)	0	(16,848)	n/a	
Other Programmatic Expenses	374,232	0	374,232	n/a	(9)
Total Administrative Expenses	657,439	(162,660)	820,100	504.2%	
Total Operating Expenses	(10,759,657)	(17,607,368)	6,847,711	38.9%	
Net Operating Income	2,413,040	(5,442,069)	7,855,109	144.3%	
Non Operating Income/(Expense)					
Interest Income from Loans	756,674	751,832	4,842	0.6%	
Total Non Operating Income/(Expense)	756,674	751,832	4,842	0.6%	
Capital Activity					
Capital Project Expenditures	0	(781,195)	781,195	100.0%	(10)
Total Change in Capital Assets, net of Direct Funding and Debt	0	(781,195)	781,195	100.0%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	89,497	857,727	(768,230)	-89.6%	(11)
Change in Receivables	903,392	1,014,191	(110,799)	-10.9%	(12)
Change in Other Assets	1,858	0	1,858	n/a	
Change in Debt	(2,807,498)	0	(2,807,498)	n/a	(13)
Change in Other Liabilities	59,120	0	59,120	n/a	(14)
Change in Other Assets/Liabilities/Equity	(1,753,631)	1,871,918	(3,625,549)	-193.7%	
Change in Unrestricted/Program Cash	$1,416,083	($3,599,514)	$5,015,598	139.3%	
ENDING UNRESTRICTED/PROGRAM CASH	**$9,322,263**				

	Actual	Budget	$ Variance	% Variance	
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	(89,497)	(857,727)	768,230	89.6%	(12)
Change in Designated/Restricted Cash	(89,497)	(857,727)	768,230	89.6%	
ENDING DESIGNATED/RESTRICTED CASH	**$7,311,537**				

1) Community events, training, and travel expenses were below budget mainly due to COVID-19. Social Service contract expense was under budget due to billing timing. Additional third quarter social service invoices expected to be submitted in November.
2) Due to unfilled positions.
3) 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.
4) Professional services and agency-wide training are under target.
5) Transfer of some Resident Services expenses to the HCV for CARES Act funding purposes.
6) Subsidy transfers from MTW to public housing projects were budgeted evenly throughout the year, but housing projects have been below budget primarily due to maintenance projects being put on hold due to COVID-19.
7) Due to delays and slow starts in various capital construction projects, the budgeted transfers from MTW to fund the projects were below target. Total spending is now forecast to be approximately $4 million less than budgeted at the end of the year, with half of the funding originally slated to come from MTW.
8) Reduced Capital Construction resulted in lower management fees charged to MTW.
9) Transfer of homeless housing subsidy expense to HCV for CARES Act purposes.
10) The Capital Construction department budgeted a placeholder for Architecture and Engineering project costs, however, actual costs are being coded directly to projects.
11) The budgeted release of the MTW collateral reserve will occur in the fourth quarter.
12) The MTW Greenbridge internal loan pay down with lot sales proceeds was less than anticipated in the budget.
13) Due to the pay down of a portion of the $80 million line of credit allocated to MTW from Island Crest in 2019 and subsequently paid off in 2020.
14) Due to increases in short-term liabilities.

King County Housing Authority
Cash Reconciliation Report
Development Activities
Through September 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	368,204	231,133	137,071	59.3%	(1)
Total Other Operating Revenue	368,204	231,133	137,071	59.3%	
Total Operating Revenue	368,204	231,133	137,071	59.3%	
Operating Expenses					
Salaries and Benefits	(177,136)	(223,702)	46,565	20.8%	(2)
Administrative Expenses	(9,707)	(146,587)	136,880	93.4%	(3)
Total Operating Expenses	(186,843)	(370,288)	183,445	49.5%	
Net Operating Income	181,361	(139,156)	320,516	230.3%	
Non Operating Income/(Expense)					
Interest Income from Loans	162	0	162	n/a	
Other Non-operating Income/(Expense)	186,659	25,000	161,659	646.6%	(4)
Total Non Operating Income/(Expense)	186,822	25,000	161,822	647.3%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	1,053,221	756,150	297,071	39.3%	(5)
Capital Project Expenditures	(21,393,160)	(100,802,905)	79,409,745	78.8%	(6)
Total Change in Capital Assets, net of Direct Funding and Debt	(20,339,939)	(100,046,755)	79,706,815	79.7%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(822,984)	(124,974)	(698,010)	-558.5%	(7)
Change in Receivables	682,791	0	682,791	n/a	(8)
Change in Other Assets	131	0	131	n/a	
Change in Debt	20,340,000	94,094,572	(73,754,572)	-78.4%	(9)
Change in Other Liabilities	1,356,251	5,858,932	(4,502,681)	-76.9%	(10)
Change in Other Assets/Liabilities/Equity	21,556,190	99,828,530	(78,272,341)	-78.4%	
Change in Unrestricted/Program Cash	$1,584,433	($332,380)	$1,916,813	576.7%	
ENDING UNRESTRICTED/PROGRAM CASH	**$2,198,378**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
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	822,984	124,974	698,010	558.5%	(7)
Change in Designated/Restricted Cash	822,984	124,974	698,010	558.5%	
ENDING DESIGNATED/RESTRICTED CASH	**$13,624,592**				

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 unfilled position.
3) Professional real estate and legal costs totaling $128K were budgeted for new acquisitions which have not yet occurred.
4) Reimbursement of $375K was received from King County for feasibility and site control costs incurred at Howe Property as the development was deemed not feasible. Technical accounting entry to remove the single-family residence at 301 SW Roxbury from the accounting records.
5) Transfer to Greenbridge to pay off internal debt. This is partially offset as 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.
6) The budgeted $70 million for new property acquisition has yet to occur. Also, 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.
7) Deposits to program income reserves from Greenbridge lot sales proceeds and Hope VI interest income. Also due to an unbudgeted increase in Bellevue Manor project reserve.
8) 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.
9) The budgeted draw of $70 million from line-of-credit for new property acquisition has yet to occur. Also, 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.
10) 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 September 30, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$1,822,995**				
Rental Revenue and Subsidy					
Federal Operating Support	2,716,534	2,533,815	182,719	7.2%	
Total Rental Revenue and Federal Support	2,716,534	2,533,815	182,719	7.2%	
Other Operating Revenue					
Other Revenue	4,055,421	5,634,909	(1,579,488)	-28.0%	(1)
Total Other Operating Revenue	4,055,421	5,634,909	(1,579,488)	-28.0%	
Total Operating Revenue	6,771,955	8,168,724	(1,396,769)	-17.1%	
Operating Expenses					
Salaries and Benefits	(1,502,508)	(1,615,903)	113,395	7.0%	
Administrative Expenses	(234,002)	(82,155)	(151,847)	-184.8%	(2)
Maintenance Expenses, Utilities, Taxes	(221,493)	(16,551)	(204,942)	-1238.2%	(3)
Management Fees Charged to Properties and Programs	(28,312)	(25,341)	(2,971)	-11.7%	
Other Programmatic Expenses	(1,356,633)	(3,251,625)	1,894,992	58.3%	(1)
Transfers Out for Operating Purposes	(898,627)	(1,141,584)	242,957	21.3%	(4)
Total Operating Expenses	(4,241,573)	(6,133,158)	1,891,584	30.8%	
Net Operating Income	2,530,382	2,035,566	494,815	24.3%	
Non Operating Income/(Expense)					
Interest Expense	(1,023,353)	(1,019,161)	(4,192)	-0.4%	
Total Non Operating Income/(Expense)	(1,024,057)	(1,019,161)	(4,896)	-0.5%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	563,210	0	563,210	n/a	(5)
Capital Project Expenditures	(44,126)	(18,765)	(25,361)	-135.2%	
Total Change in Capital Assets, net of Direct Funding and Debt	519,084	(18,765)	537,849	2866.2%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(1,195,245)	(672,003)	(523,242)	-77.9%	(5)
Change in Receivables	487,668	0	487,668	n/a	(7)
Change in Other Assets	12,392	0	12,392	n/a	
Change in Other Liabilities	(1,475,813)	(706,372)	(769,441)	-108.9%	(8)
Change in Other Assets/Liabilities/Equity	(2,170,998)	(1,378,375)	(792,624)	-57.5%	
Change in Unrestricted/Program Cash	($145,590)	($380,734)	$235,144	61.8%	
ENDING UNRESTRICTED/PROGRAM CASH	**$1,677,404**				

BEGINNING DESIGNATED/RESTRICTED CASH	**$1,752,440**				
Change in Replacement Reserves	66,900	72,000	(5,100)	-7.1%	
Change in Debt Service Reserves	0	0	0	n/a	
Change in Other Reserves	1,128,345	600,003	528,342	88.1%	(5)
Change in Designated/Restricted Cash	1,195,245	672,003	523,242	77.9%	
ENDING DESIGNATED/RESTRICTED CASH	**$2,947,685**				

1) Due to COVID-19, there has been lower spending and reimbursements on Weatherization projects. Work is expected to pick up in the fourth quarter.
2) Mainly due to unbudgeted professional services and administrative supplies.
3) Increased spending on masks, gloves, sanitizers, respirator filters, and cleaning materials in preparation for COVID-19. Reimbursement has been 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) Cash transfer from MTW to EPC rehab reserve to finish elevator work. Unbudgeted.
6) Due to an unbudgeted increase in EPC Rehab reserves.
7) Due to an unbudgeted decrease in grant receivables.
8) 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 September 30, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$49,596,006**				
Operating Revenue					
Property Management Fees	$3,804,272	$3,798,045	$6,228	0.2%	
Bookkeeping Fees	1,606,717	1,643,471	(36,754)	-2.2%	
Asset Management Fees	1,165,825	1,157,830	7,994	0.7%	
Construction Fees	437,521	1,221,947	(784,426)	-64.2%	(1)
Other Revenue	1,386,736	1,355,006	31,730	2.3%	
Total Operating Revenue	8,401,071	9,176,299	(775,228)	-8.4%	
Operating Expenses					
Salaries and Benefits	(9,041,924)	(9,929,824)	887,900	8.9%	
Administrative Expenses	(1,808,315)	(2,937,321)	1,129,006	38.4%	(2)
Maintenance Expenses, Utilities, Taxes	(254,162)	(296,827)	42,666	14.4%	(3)
Management Fees Charged to Properties and Programs	(138,027)	(105,587)	(32,440)	-30.7%	
Other Programmatic Expenses	(1,732)	0	(1,732)	n/a	
Transfers Out for Operating Purposes	(188,402)	0	(188,402)	n/a	(4)
Total Operating Expenses	(11,432,562)	(13,269,559)	1,836,997	13.8%	
Other Operating Sources					
Transfer in of Excess Cash	6,550,000	6,485,184	64,816	1.0%	
Central Maintenance Cash Flow	30,019	364,601	(334,582)	-91.8%	(5)
Central Vehicle Cash Flow	237,210	4,727	232,483	4918.1%	(6)
Total Other Operating Sources	6,817,228	6,854,512	(37,283)	-0.5%	
Net Operating Income	3,785,738	2,761,251	1,024,486	37.1%	
Non Operating Income/(Expense)					
Interest Income from Loans	1,089,525	1,086,453	3,072	0.3%	
Interest Expense	(671,784)	(566,541)	(105,243)	-18.6%	(7)
COCC Capital Projects	(653,035)	(839,090)	186,055	22.2%	(8)
Funding for Capital Construction Projects Outside of COCC	(564,110)	(126,042)	(438,068)	-347.6%	(9)
Total Non Operating Income/(Expense)	(799,405)	(445,220)	(354,185)	-79.6%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(3,600)	0	(3,600)	n/a	
Change in Receivables	(785,281)	(6,353,321)	5,568,039	87.6%	(10)
Change in Other Assets	47,419	0	47,419	n/a	(11)
Change in Debt	(879,898)	(675,540)	(204,358)	-30.3%	(12)
Change in Other Liabilities	(550,932)	0	(550,932)	n/a	(13)
Change in Other Assets/Liabilities/Equity	(2,172,292)	(7,028,861)	4,856,569	69.1%	
Change in Unrestricted/Program Cash	$814,041	($4,712,829)	$5,526,871	117.3%	
ENDING UNRESTRICTED/PROGRAM CASH	**$50,410,047**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % 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) Various categories were under target (professional services, admin contracts, training, and computer equipment).
3) 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.
4) Transfer from the COCC to support local properties. The transfer was incorrectly budgeted to occur only in the 4th quarter.
5) Revenue from unit upgrade fees and central maintenance fees were below target. Also, due to unbudgeted union benefit expenses for temporary employees.
6) Six replacement vehicles were all budgeted to be acquired through the third quarter but only five have been purchased. Also, due to decreases in prepaid insurance.
7) Due to 2013 Pool interest expense that was allocated to the 700 building for the first time. Unbudgeted.
8) The 600 building office remodel project was completed under budget.
9) Transfer to Greenbridge to pay off internal debt.
10) 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.
11) Due to decreases in prepaid insurance and interest expense - deferred defeasance.
12) Due to the unbudgeted payment of the 2013 Pool-Key Bank Bond principal.
13) Due to decreases in short-term and payroll liabilities.

TAB NUMBER 9

King County Housing Authority

To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: December 1, 2020

Re: **New Bank Accounts – In the Process of Being Opened**

Since the last Board meeting KCHA is in the process of opening three new bank accounts.

Bank: Bank of America

- Pinewood Depository

Bank: Northwest Bank

- Pinewood Operating
- Pinewood Security Deposit

Purpose:

The new depository account will receive and hold all income for the soon to be acquired property. The account will issue wires to the operating account which pays the property's expenses.

The Operating Accounts will be used to receive and hold property income. The account also will pay operating expenses related to the property.

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

TAB NUMBER 10

TO: Board of Commissioners

FROM: Tim Baker, Senior Management Analyst

DATE: January 11, 2021

RE: **Fourth Quarter CY 2020 Procurement Report**

In order to update the Board concerning KCHA's procurement activities, staff is presenting the attached Quarterly Procurement Report. This report covers all procurement activities from October through December 2020 that involved the award of contracts valued over the amount of $100,000 and change orders that have cumulatively exceeded 10% of the original or not to exceed contract amount.

Awarded Contracts Over $100,000:
The awarded contracts section of the report lists the issuing department, contract type, the company awarded the contract, the award and estimate/budgeted amounts, the procurement process involved, the number of bids received and notes about the procurement.

In the second quarter, there were 11 contracts awarded and valued at more than $100,000, representing 97% of the contracts executed in the quarter. The largest contract executed for construction work was for $583,768 awarded to Libby Builders for the Houghton envelope and roof replacement project managed by the Capital Construction Department. There were also five weatherization services contracts executed, contract amounts ranging from $500k to $3 million.

The largest non-construction contract was awarded for the amount of $1 million for pipe cleaning and video services issued to Sewertechs via a task order contract.

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

change orders which were foreseen at the time the initial contract was executed (primarily through contract extensions on multi-year contracts). The not-to-exceed total for the "foreseen" change order section is the projected total amount of the contract once all the foreseen change orders are completed.

There were six condition change orders issued. The largest, to Superior/COIT, was for $242,861 and was related to multiple occurrences of water damage, typically from fire sprinklers. The current contract runs through June of 2021, and this change order is expected to be sufficient. Two others were for YWCA for workforce development services. Due to the layoffs caused by COVID-19, additional funds were injected into these contracts to support increased resident demand.

There were four change orders issued due to foreseen conditions in this quarter. The largest was for security camera installation and monitoring for $500,000.

Other:

For calendar year 2020, 43% of contracts were issued to woman and/or minority owned firms, the largest amount awarded since this statistic started to be tracked from 2009. Also, for 2020, 5% of contracts were awarded to Section 3 certified companies, also the largest amount since this has been tracked from 2009.

KING COUNTY HOUSING AUTHORITY
QUARTERLY PROCUREMENT REPORT
October-December 2020 (Fourth Quarter)

Awarded Contracts Over $100,000

Issuing Department	Contract type	Contract Awarded to	Estimate/Budget Amount	Initial Contract Amount	NTE with extensions	Procurement Process	# of bids	Notes
Capital Construction	UV air treatment, multiple sites	Morgan Mechanical	$562,304	$562,304	$562,304	sealed bid	3	Emergency procurement due to Covid-19.
Capital Construction	Houghton envelope & roof replacement II	Libby	$607,948	$583,768	$583,768	sealed bid	2	Contractor has performed successfully on many KCHA projects. Section 3 business.
Capital Construction	pipe cleaning and video services	Sewertechs	$1,000,000	$1,000,000	$1,000,000	RFP	1	New contractor for KCHA.
HOPE VI	Greenbridge land use legal services	Van Ness Feldman	$250,000	$250,000	$250,000	RFP	5	Firm has done prior work for KCHA.
Housing Mgmt-maintenance	HVAC services	TRS Mechanical	$290,000	$290,000	$290,000	cooperative	n/a	Contractor has performed successfully on many KCHA projects. Procured via State of WA coop agreement.
Social Impact	mental health services	Sound	$262,500	$262,500	$262,500	sole source	n/a	Consultant named as a partner for the original grant.
Weatherization	weatherization services	Vela Bros.	$500,000	$500,000	$500,000	RFP	5	Firm has done prior work for KCHA. Minority owned firm.
Weatherization	weatherization services	Carrig & Dancer	$1,000,000	$1,000,000	$1,000,000	RFP	5	Firm has done prior work for KCHA.
Weatherization	weatherization services	Energy Savers	$2,500,000	$2,500,000	$2,500,000	RFP	5	Firm has done prior work for KCHA. Minority owned firm.
Weatherization	weatherization services	Arrow	$3,000,000	$3,000,000	$3,000,000	RFP	5	Firm has done prior work for KCHA. Minority owned firm.
Weatherization	weatherization services	Green Built	$3,000,000	$3,000,000	$3,000,000	RFP	5	Firm has done prior work for KCHA. Minority owned firm.
		Total	**$12,972,752**	**$12,948,572**	**$12,948,572**			

Contracts exceeding 10% cumulative change order-Condition Changes

Issuing Department	Contract type	Contract awarded to		Initial Contract Amount/NTE*	Change Order Amount & No. This Quarter	Total Contract Value to Date	% of NTE*	Notes (Current Quarter Change Orders)
Asset Management	Wonderland garage siding replacement	BCN		$24,867	$7,373 (1)	$32,240	30%	Siding installed, additional repairs needed due to unexpected rotting.
Capital Construction	Casa Madrona boiler replacement	Auburn Mechanical		$116,500	$12,976 (2)	$135,976	17%	Needed to replace leaky shut off valves that would not shut properly after new equipment was installed.
HOPE VI	Greenbridge construction management	KPFF		$169,245	$45,000 (2)	$230,745	36%	Additional design work needed due to project delays and utility conflicts.
Housing Management-maint	water and fire restoration services	Superior/Coit		$250,000	$242,861 (2)	$852,861	241%	Unanticipated damages to units exceeded predicted costs, contract needing additional funds.
Resident Services	South county workforce development services	YWCA		$87,969	$6,610 (2)	$184,307	110%	Additional funds added due to Covid-19 issues involving program recipients.
Resident Services	Greenbridge workforce development services	YWCA		$192,889	$11,810 (4)	$934,314	384%	Additional funds added due to Covid-19 issues involving program recipients.
			Total	**$841,470**		**$2,370,443**		

Contracts with contract extensions or other foreseen change orders

Issuing Department	Contract type	Contract awarded to	NTE*	Change Order Amount & No. This Quarter	Current Contract Value	% of NTE*	Notes (Current Quarter Change Orders)
Housing Management-maint	Seola Gardens landscaping	Brightview	$194,720	$66,720 (1)	$194,720	100%	First and final extension to the contract.
Housing Management-maint	security cameras	ITS	$1,000,000	$500,000 (1)	$1,000,000	100%	First and final extension to the contract.
Social Impact	academic performance	Highline public schools	$65,000	$15,000 (2)	$40,200	62%	Second extension to the contract.
Social Impact	child care training services	Voices of Tomorrow	$35,000	$30,000 (2)	$35,000	100%	First and final extension of the contract, increasing the scope of the contract to assist additional providers.

***NTE = Not To Exceed**

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KCHA IN THE NEWS

January 19, 2021

KUOW.ORG 94.9 | npr

The Illahee Apts, in Bellevue's rapidly developing Bel Red corridor, is one of the first housing projects that will be secured by King County Housing Authority with money from Amazon's new fund

Why experts say Amazon's fund for Seattle-area affordable housing is huge, but not nearly enough

Jan 8, 2021 at 1:14pm

By Joshua McNichols

This week Amazon pledged $2 billion for affordable housing. It'll be spent around cities where Amazon has large headquarters, including the Seattle area; Arlington, Virginia; and Nashville, Tennessee.

But experts say it’s not nearly enough to resolve the Seattle metro region's housing shortage.

Make no mistake: This is a big gift to the region.

It's big even if only a third of the money ends up being spent on housing in the greater Seattle area.

This is not housing for Amazon employees. It’s targeted for people who do not make tech salaries.

There are two ways you can spend money on affordable housing:

1. You can build a shiny new apartment building.
2. Or you can preserve existing affordable housing by buying it and taking it off the market before it gets flipped or torn down and turned into something else.

“Every day, affordability is being lost to the market,” says Susan Boyd, of Bellwether housing.

She says Amazon is taking this second approach: Saving the old stuff.

Boyd says this is wise, unsexy work, because it’s cheaper to save old housing than build new housing, at least if you’re outside Seattle’s city limits.

"What people hear is, 'We have a severe housing crisis, we don't have enough units, " says Michael Brown of the Seattle Foundation. "What needs to be married to that is, 'We have a severe housing crisis, we don't have enough units, *and we're losing a lot of units*."

Stephen Norman runs the King County Housing Authority, an organization that stands to benefit the most from this. He said much of the money from the first wave of Amazon's spending will be spent on the east side of Lake Washington, where there are still pockets of affordable housing left to preserve.

“This is an area where we’re seeing the remaining naturally affordable housing rapidly diminishing,” he said “And I think we have a very limited window to preserve what’s left.”

That becomes even more urgent with Amazon hiring 25,000 people in Bellevue in the next four years.

Claudia Balducci represents East King County on the County Council. She says this is really important because “if you look at the income levels and the cost to live here – we are rapidly evolving from an expensive community – into an exclusive community.”

How much affordable housing will this actually preserve?

It'll save housing for about a thousand local families in the first year. It's not actually housing a thousand new families, it's keeping a thousand families in homes they can afford.

This is housing for people like nurses, plumbers, teachers and bus drivers. And with their housing saved, they won't have to move further away and commute longer.

At the same time, Amazon will be making other investments in housing near its offices in other cities.

By 2025, this money could save housing for maybe 6,000 or 7,000 local families, depending on how Amazon divides the money between Seattle, Arlington, and Nashville.

But a recent study showed that the Puget Sound region has lost a net total of 112,000 affordable homes in the last decade. So, you can see how far this money is from solving the region's housing shortage.

This is an $18 billion problem in this region, according to Claudia Balducci, and Amazon and Microsoft together have pledged, according to a little back of the napkin math, about 8% of that money. Microsoft's pledge came back in 2019.

"This is such a big problem – and it's such a giant challenge – this is not one of these things that government can solve alone, that one or two companies can solve alone, or that the development community can solve alone," s aid Josh Brown, head of the Puget Sound Regional Council. "We all need to contribute to the solution."

Building enough affordable housing in this region – is like trying to fill a bucket. Amazon is helping plug a hole in a bucket, by preserving a fraction of the affordable housing we have. Affordable housing builders like Bellwether and Plymouth are adding water to the bucket – one small cupful at a time.

Josh Brown says there's a way to fill the bucket much faster – by turning on the hose. Single family zoning currently keeps much of the region's land out of circulation.

Brown says if we opened it up to denser development, allowing more townhouses and small apartment buildings, that would be like turning on the hose. It would also relieve financial pressure on the affordable housing we still have – and make it less expensive to preserve.

That would help Amazon's money go farther.

https://www.wsj.com/articles/amazon-pledging-more-than-2-billion-for-affordable-housing-in-three-hub-cities-11609930800

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Amazon Pledging More Than $2 Billion for Affordable Housing in Three Hub Cities

Tech giant to make investments over next five years in and around Seattle, Arlington, Va., and Nashville, Tenn.

Amazon committed about $185 million to help the King County Housing Authority preserve about 1,000 units in the Seattle region.

PHOTO: MITCH PITTMAN/AMAZON

By Nicole Friedman
Jan. 6, 2021 6:00 am ET

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Amazon.com Inc. said it would commit more than $2 billion to create and preserve affordable housing in three of its employment hubs, the latest tech giant to make a large investment in easing the U.S. housing shortage.

Amazon said it intends to invest in affordable housing over the next five years in three regions where it is a major employer: Seattle, Arlington, Va., and Nashville, Tenn.

The online giant has more than 75,000 workers in the Seattle area, its main headquarters. Amazon has more than 1,000 employees each in Arlington, across the Potomac from Washington, D.C., where it is establishing a second headquarters, and in Nashville, where the company is building an operations center. It plans to have at least 5,000 employees in each region within five years.

The bulk of its investment will be through low-cost loans to preserve or build affordable housing, Amazon said. The company also will offer grants to public agencies and minority-led housing organizations.

“We don’t have control over how the [housing] markets respond to a large employer coming into the market or expanding in the market, but we can play a role in how Amazon’s growth is impacting our local communities,” said Catherine Buell, head of community development for one of Amazon’s philanthropic arms. “Particularly as we’re expanding our corporate presence, we’re working to get ahead of the issue as much as we can.”

Catherine Buell, head of community development for one of Amazon’s philanthropic arms, and Kimberly Driggins, executive director of the Washington Housing Conservancy, near Amazon’s second headquarters just outside D.C.
PHOTO: JOEL FLORA/AMAZON

A slew of large tech companies in 2019 committed to investing in affordable housing, particularly in the San Francisco Bay Area. Job growth has outpaced new housing supply in many large cities, especially on the West Coast.

Alphabet Inc.’s Google has committed $1 billion toward Bay Area housing, and Apple Inc. pledged $2.5 billion for housing throughout California. Redmond, Wash.-based Microsoft Corp. has committed $750 million toward affordable housing in the Seattle area.

Facebook Inc. also pledged $1 billion toward affordable housing in and around Silicon Valley, one of the most expensive areas in the country. The social media giant said last month it would spend $150 million on homes for the lowest-income residents of five Bay Area counties. This funding would support the development of at least 2,000 units.

SHARE YOUR THOUGHTS

Can tech giants actually preserve affordable housing in cities where they have built headquarters? Why or why not? Join the conversation below.

For some of the world's largest tech companies, which regularly generate tens of billions of dollars or more in revenue annually, these phased-in housing commitments aren't expected to have a big impact on their bottom lines. Amazon doesn't expect to make money from these housing investments and there is no special tax treatment for them, according to a person familiar with the program.

The housing efforts also come as Facebook, Alphabet and other big tech companies are facing scrutiny in Washington and from state attorneys general over their business practices.

Many housing advocates have welcomed these contributions, saying large employers like tech companies have played a role in driving up home prices by attracting well-paid workers who can pay more for housing than longtime residents.

But advocates also say these investments aren't expected to solve the housing shortages for lower and even middle-income earners in these expensive metro areas. Solving the country's affordable-housing crisis would require policy changes and government spending, not just private-sector investments, said Chris Herbert, managing director of the Harvard Joint Center for Housing Studies.

"It's going to take a much larger investment of resources to address the problem at a scale that's needed," he said.

The Covid-19 pandemic has disproportionately affected renters, and housing advocates have warned that millions of renters could face eviction this year.

Amazon helped Washington Housing Conservancy acquire a multifamily property in Arlington, Va.

PHOTO: JOEL FLORA/AMAZON

Amazon said it plans to create or preserve more than 20,000 units affordable to households making between 30% and 80% of each area's median income. It expects about half of those units to come from preservation or from converting market-rate rentals into affordable housing, Ms. Buell said.

The company has so far spent about $380 million in loans and grants to help the Washington Housing Conservancy acquire a multifamily property in Arlington near Amazon's planned second corporate headquarters. Real-estate investment trust JBG Smith Properties also invested in the project.

"This is the housing stock that is most at risk of being lost to private development," said Kimberly Driggins, executive director of the Washington Housing Conservancy. "This building would typically have gone to a private developer to...continue to escalate rents."

Amazon also committed about $185 million in loans and grants to help the King County Housing Authority preserve about 1,000 apartment units in the Seattle area.

Before the latest commitment, Amazon's biggest housing-focused investment was $100 million to build and operate a homeless shelter on its Seattle campus for Mary's Place, a local homeless-services organization. The shelter opened in March.

Write to Nicole Friedman at nicole.friedman@wsj.com

Amazon pledges $2 billion to affordable housing, including $185 million for apartments in Bellevue

The Seattle Times
Heidi Groover
January 6, 2021
https://www.seattletimes.com/business/amazon/amazon-pledges-2-billion-to-affordable-housing-including-185-million-for-apartments-in-bellevue/

Amazon will direct $2 billion in loans and grants to secure affordable housing near three American cities where the company employs thousands of workers, the tech giant announced Wednesday.

In a first step in the Puget Sound region, Amazon is promising $185.5 million, mostly in loans, to the King County Housing Authority to help buy affordable apartments in the region and keep the rents low. The Housing Authority will use an initial portion of that money to help fund its recent purchase of three Bellevue apartment buildings.

Amazon will also direct about $382 million to a non-profit in Arlington, Virginia, and so-far unspecified amount to organizations in Nashville, Tennessee. Amazon said it selected the three areas where the company expects to have at least 5,000 employees.

In total across the three regions, the company projected the $2 billion would help preserve or create 20,000 affordable housing units over the next five years. The funding will "help local families achieve long-term stability while building strong, inclusive communities," Amazon CEO Jeff Bezos said in a statement.

The King County Housing Authority plans to pair bond funding with $161.5 million in loans and $24 million in grants from Amazon to pay for the three Bellevue buildings with a total of 470 apartments.

As the region gentrifies, affordable apartment buildings are often renovated and their rents are increased, worsening economic and racial segregation, said Stephen Norman, executive director of the King County Housing Authority.

Without preserving some of those more affordable buildings, "we're dripping water into a bucket with a big hole in the bottom," Norman said. "This is a long strategy ensuring … that this community doesn't get hollowed out."

The Amazon funding will cover roughly 45% of the cost of the buildings, Norman said. Amazon will charge 1.85% interest on the loans and require payments only on the interest for the first 20 years. Then, the housing authority will refinance the debt.

Most of the Bellevue apartments will be priced to be affordable for those earning 80% of area median income or less, or $95,250 for a family of four and $66,700 for an individual.

In one 36-unit building, the agency will use federal subsidies to keep the rents lower, priced for people earning less than 30% of area median income, or $35,800 for a family of four.

The buildings will remain affordable for at least 99 years, the housing authority said. The remainder of the 1,000 promised units in the Puget Sound region have not yet been identified.
As Amazon's footprint in Seattle has grown, the company has drawn criticism from some residents and city council members for contributing to rising housing costs.

Amazon's announcement—and its use of loans—follow a similar move by the region's other tech behemoth, Microsoft.

In January 2019, Microsoft announced it would spend about $500 million on loans for affordable housing, some at below-market interest rates, and then reinvest profit from the loans back into the funds. A year ago, the company promised another $250 million available for affordable-housing development statewide.

Amazon has also provided space in a Seattle office building for the shelter Mary's Place.
Amazon's new pledge, while significant from a company once criticized for its lack of philanthropy, is a fraction of what the region needs, by some estimates.

To address homelessness, the consulting firm McKinsey & Company has recommended an additional $450 million to $1.1 billion more in public spending every year.

Though the consultants did not advocate for particular policies, they wrote in a January 2020 report, "It is clear that business bears some of the responsibility for the homelessness crisis.

With continued success comes renewed responsibility to employees and communities."

According to McKinsey's estimates, King County would need 16,000 more units of affordable housing to shelter everyone who is homeless and another 37,000 new affordable units for people with very low incomes.

Over 30 years, 7,000 households could cycle through 1,000 affordable apartments in King County, Norman said.

"We need more of this, scaled up, no question," he said. "But we have to start somewhere."

In Arlington, Virginia, the nonprofit Washington Housing Conservancy will use money from Amazon to buy a market-rate apartment building, lower the rents and then keep them affordable for 99 years.

The plan "disrupts a market cycle that leads to displacement," Kimberly Driggins, executive director of the Washington Housing Conservancy said in a statement.

In addition to the loans and grants to housing providers, Amazon will award $125 million in grants to organizations focused on "a more inclusive solution to the affordable housing crisis, which disproportionately affects communities of color," the company said in a press release.

Those funds could go to organizations led by people of color as well as transit agencies and school districts for affordable housing programs, Amazon said.

Technology

Amazon Pledges $2 Billion for Affordable Homes Near U.S. Cities

By Matt Day and Noah Buhayar
January 6, 2021, 6:50 AM PST
Updated on January 6, 2021, 10:52 AM PST

- Fund will back projects near Seattle, Washington DC, Nashville
- Move follows big housing funds started by other tech giants

Amazon.com Inc. has earmarked $2 billion to support affordable housing projects in three U.S. regions, joining the ranks of other technology giants seeking to alleviate the economic strain fueled in part by their rapid growth.

The world's largest online retailer says it will back efforts to preserve and create affordable housing near its Seattle headquarters, as well as in northern Virginia and Nashville, the two sites that won investments as part of Amazon's highly publicized search for a second headquarters.

The new fund echoes similar moves by Alphabet Inc.'s Google, Apple Inc., Facebook Inc. and Seattle-area neighbor Microsoft Corp., which have all committed large sums to help make housing more affordable. All have been criticized for inflating the cost of living in big cities, particularly on the West Coast, where legions of well-paid software developers helped drive up housing prices.

That's long been the case in Seattle, where Amazon's growth from startup to the biggest corporate tenant of any major American city coincided with a boom that turned a relatively affordable housing market into one nation's priciest.

Homelessness surged, and in 2016 Amazon began addressing that crisis by backing Mary's Place, which shelters homeless women and families. The company subsequently donated space in a corporate office development for a permanent shelter for the nonprofit. The move, among the first philanthropic efforts at a company that historically made few charitable commitments, did little to diffuse an increasingly heated debate about Amazon's role in Seattle's civic life. In 2019, the acrimony spilled into contentious city council elections that ended in the defeat of most Amazon-backed candidates.

Read more: Amazon's $15-an-Hour Jobs Show Old Path to Middle Class Is Shut

The new Housing Equity Fund will back projects with below-market loans as well as grants, including more than $560 million in projects announced on Wednesday. Two-thirds of that money will go to the Washington Housing Conservancy to preserve and create 1,300 affordable housing units near Amazon's second headquarters site, which is being built in Arlington, Virginia. The remaining third, in partnership with the King County Housing Authority, will go toward preserving 1,000 affordable apartment units in Bellevue, the Seattle suburb set to house most of Amazon's hometown growth in the coming years.

The fund, which will also back projects in Nashville, the site of new corporate offices for Amazon's logistics unit, will preserve and create more than 20,000 affordable housing units by 2025, Amazon says.

Amazon's investments come at a topsy-turvy time for the housing market. Home values are soaring across much of the U.S. as people have rushed to buy homes to get more space and to take advantage of record-low mortgage rates.

Meanwhile, rents in many areas are now flattening or falling as people turn their backs on pricey urban apartments. In the Seattle area, rents are down 2.3% since the beginning of 2017, according to Apartment List. Washington, D.C.'s have slipped 3.7% and Nashville's are basically flat.

Even so, the average rate for apartments still exceeds what lower-income people can afford in those areas. A two-bedroom in the Seattle area, for instance, goes for $1,521 a month, according to Apartment List.

By focusing on preserving existing affordable housing, Amazon is backing what often amounts to a more cost-effective way of maintaining lower-priced rentals in a market, even if it lacks the excitement of a ribbon-cutting on a new apartment building. Microsoft has devoted part of its own housing pledge to a similar effort.

(Updates with housing market details beginning in the eighth paragraph.)

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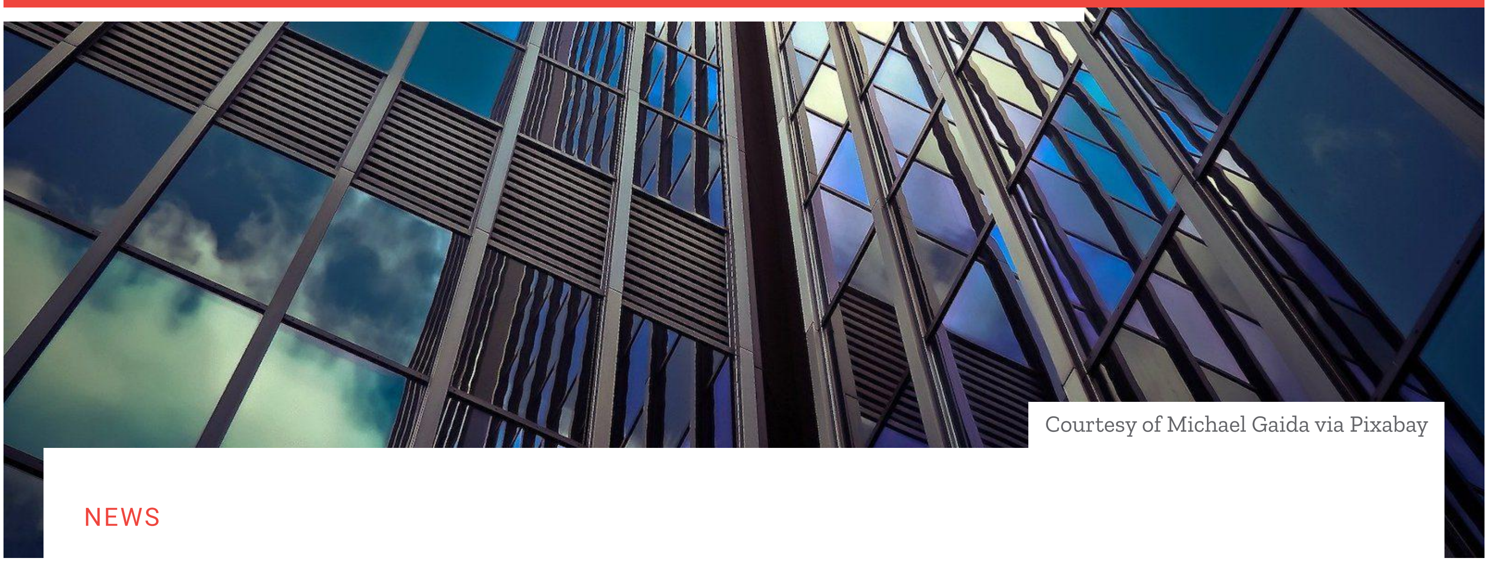
Courtesy of Michael Gaida via Pixabay

NEWS

Amazon Announces Housing Affordability Help on Eastside

Company also leasing 470K-square-foot building in Lakewood

Written By John Stearns

Housing affordability assistance on the Eastside and a package delivery facility in the South Sound are among Amazon moves revealed this week, garnering attention in each market.

Amazon on Wednesday said it was committing $2 billion to preserve and create more than 20,000 affordable housing units in Puget Sound; Arlington, Virginia; and Nashville, Tenn., all headquarters communities where Amazon has or expects to have at least 5,000 employees in coming years. The company has created more than

80,000 full- and part-time jobs in Washington state since 2010, according to its economic impact report online.

Amazon's Housing Equity Fund will help preserve existing housing and help create organizations, the company said in a news release.

Amazon's first investments locally include $185.5 million in below-market loans and grants to King County Housing Authority (KCHA) to preserve up to 1,000 affordable apartment homes, with additional investments to come.

In each area, Amazon is targeting households making between 30 percent to 80 percent of the area's median income (AMI). In the Seattle-Tacoma-Bellevue metro area, this translates to a household of four earning less than $95,250 a year, the release said.

Amazon's funds, to start, will allow KCHA to complete acquisition financing on 470 recently acquired units across three properties in Bellevue — Pinewood Village (108 units in the Crossroads area), Hampton Greens (326 units in the Bridle Trails area), and the Illahee Apartments (36 units in the Wilburton-NE 8th St. area) — preserving them as affordable housing by maintaining rent affordable to households earning at or below 80 percent of local median incomes. This commitment includes $4 million of the grant funds to support the preservation of housing for extremely low-income households (less than 30 percent of AMI) at the Illahee Apartments, the release said.

According to a January 2020 McKinsey study, King County added 67,000 units of mostly market-rate rental housing over the past 10 years, but lost more than 112,000 units (more than 40 percent) of its housing affordable to households earning 80 percent of AMI or less, the release said. KCHA accessed the municipal bond market for preservation and conversion of market-rate apartments to affordable housing, beginning with an acquisition in 1991. Its portfolio includes 7,000-plus housing units affordable to moderate- and low-income workers. With support from Amazon's fund, KCHA will build its portfolio and increase affordability over time by minimizing rent increases, with buildings remaining affordable for at least 99 years, the release added.

"Acquiring these properties in Bellevue to ensure that they stay affordable is critical to preserving the economic diversity of this area," Stephen Norman, executive director of KCHA, said in the release. "We are excited to work with Amazon to preserve affordable housing options close to jobs, transit, and schools. Our whole region thrives when a range of housing options is available to all."

tion for families of all income levels," Bellevue City Manager Brad Miyake added in the release. "Corporate-nonprofit partnerships like this will ensure fast, strategic action, as well as positive, long-term change as we tackle this affordability crisis together as a region."

King County Council Chair Claudia Balducci, who formerly led the region's Affordable Housing Task Force and represents Bellevue on the council, applauded Amazon's move in a separate statement.

"It is encouraging to see our state's largest employer stepping up to provide support to turn the tide on our crisis of housing affordability," Balducci said. "I'm pleased to see Amazon's investments are prioritizing housing in East King County, which will enable equitable access to great jobs and schools, and will help us to remain an inclusive community where people of all income levels can afford to live. I am especially heartened by the partnership with the King County Housing Authority, which has long been one of our most effective providers of affordable housing."

She added, "As a community, it's on us to rise to this challenge and to work with Amazon and other corporate and community leaders to use every tool we have available to meet the goals of the Affordable Housing Taskforce's recommendations of building and preserving 44,000 affordable housing units in King County by 2024 and 244,000 by 2040. This investment will help, but we have more work to do. I look forward to partnering with Amazon going forward."

In the three U.S. regions, Amazon's Housing Equity Fund will provide an additional $125 million in cash grants to businesses, nonprofits, and minority-led organizations to help them build a more inclusive solution to the affordable housing crisis, which disproportionately affects communities of color. The fund will also give grants to government partners not traditionally involved in affordable housing issues, such as transit agencies and school districts, to provide them with resources

to advance and create equitable and affordable housing initiatives, Amazon's release said.

Lakewood Delivery Station

...azon fulfillment and sortation centers, loaded into delivery vehicles and delivered to customers.

The building, Lakewood Logistics Center II, is about 470,000 square feet and will be completed in the third quarter, when the lease will begin, according to Steve Young, senior vice president of asset management for the Western region at Denver-based real estate investment management firm Black Creek Group. The firm owns the facility at 14802 Spring St. SW, which is near Joint Base Lewis-McChord and Interstate 5.

The Lakewood delivery station will create hundreds of full- and part-time jobs, all paying at least $15 per hour and offering a variety of benefits packages from day one, according to an email from Karen Riley Sawyer of Amazon public relations in Oregon and Washington. The site also will offer hundreds of driver opportunities through Amazon's delivery service partners and Amazon Flex, she said.

Amazon Flex involves using one's own vehicle to deliver packages for Amazon.

Black Creek Group is marketing another neighboring building, Lakewood Logistics Center I, which is about 205,000 square feet and was recently completed. There's a lot interest in the site, at 7530 150th St. SW, given its excellent location, Young said in an email.

The *Puget Sound Business Journal* reported that Tesla is interested in the building. A Tesla spokesperson could not be immediately reached for comment today.

Commenting on the lease of the larger building, Young said: "We are thrilled to see leasing beat our expectations as the market for industrial space continues to boom with growing e-commerce. Thank you to Wilma Warshak of WREA (Washington Real Estate Advisors), who was an instrumental partner in this transaction, as well as Tony

Amazon currently has four delivery stations in the state and seven fulfillment and sorting centers, according to a company website listing Amazon facilities and economic impact in each state.

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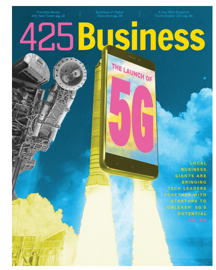

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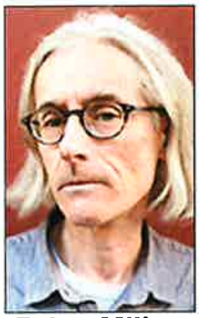

Brian Miller
Real Estate Editor

January 7, 2021

On the Block: Amazon's $2B housing initiative includes at least 1,000 units here

Even as **Amazon** plans to fill a dizzying amount of new Bellevue office space, all near the future downtown light rail station, it's making a second big bet on the Eastside — where the company was founded 26 years ago. Now the state's largest employer, as it eclipses a shrinking **Boeing**, the company announced yesterday a $2 billion initiative to foster about 20,000 affordable housing units nationally — including an initial 1,000 here.

Jeff Bezos said in a statement, "This new $2 billion Housing Equity Fund will create or preserve 20,000 affordable homes in all three of our headquarters regions — Arlington, Puget Sound and Nashville. It will also help local families achieve long-term stability while building strong, inclusive communities."

Note that very specific phrasing: Puget Sound, not Seattle.

Left unsaid by a man now worth nearly $190 billion, is how his company's astonishing growth during the pandemic has also created much anxiety about rising rents and displacement — especially among lower income renters. Amazon's executives and software mavens who work in South Lake Union or Bellevue can easily afford market rents in shiny new apartment towers (now also functioning as their home offices). Those who labor in its warehouses, or who deliver packages on a freelance basis, cannot.

Photo by Mitch Pittman/Amazon [enlarge]

CHA is adding more such humble, affordable units to its portfolio of about 7,000 apartments.

So the announcement is at the same time welcome, well-timed and a shrewd bit of corporate image management during this era of crisis/opportunity, of haves and have-nots, of ever-widening inequality.

And as the company notes, citing a year-old, pre-pandemic **McKinsey** study, the county "added 67,000 units of rental housing over the past 10 years, but during this same period, lost more than 112,000 units (or over 40%) of affordable housing." All those pressures have intensified during the pandemic and online shopping boom. Though, it must be noted, Seattle rents have dropped 22% since March, according to Apartment List, after a steep decade of growth. But after a vaccine, that growth curve will surely bend back upward again.

Of Amazon's $2 billion investment, some of the first money deployed is about $185.5 million in grants and below-market loans to the **King County Housing Authority.** And as I reported only yesterday, $10.8 million was just used to purchase the 36-unit **Illahee** in the Bel-Red area, near Highlands Park. It's a garden-apartment complex developed in 1968. The deal closed at the very end of last month. Amazon says it put up $4 million as a grant to help fund the purchase price.

Unreported last month was KCHA's $38 million acquisition of the 108-unit **Pinewood Village,** about a mile south of the Illahee, which dates to 1982. The deal was recorded as a zero-dollar transaction.

And at the very end of 2019, also unreported, was the unpriced acquisition of the 326-unit **Hampton Greens**, a little north in Overlake, next to Bellevue Municipal Golf Course. It dates to 1985. That deal was worth about $126.5 million, per KCHA board meeting notes that December. A subsequent $140 million bond issue in June 2020 was arranged by **KeyBank**, which had also provided the line of credit to purchase the property.

In Amazon's Wednesday announcement, KCHA executive director **Stephen Norman** said, "Acquiring these properties in Bellevue to ensure that they stay affordable is critical to preserving the economic diversity of this area. We are excited to work with Amazon to preserve affordable housing options close to jobs, transit, and schools. Our whole region thrives when a range of housing options is available to all."

Amazon said its initial sub-market-rate loan of $161.5 million and $24 million grant would support the preservation of 1,000 county units. Of that number, the company said the money "will allow KCHA to complete acquisition financing on 470 recently acquired units across three properties" — i.e. the three detailed above.

That indicates another 530-odd units are in play — likely in other older, suburban-ring apartment properties. And those are precisely the kind of value-add investments that have proven so attractive to multifamily investors. You find a humble old complex, perhaps still owned by the original developers or their heirs, then buy it, spruce it up and flip it for a profit in far less time than it takes to develop an expensive new ground-up project with the same number of units.

KCHA has to compete against those buyers, some backed by large institutional funds, which is why the price per unit on the three deals above ran from $300,000 to $388,000. Though older, those three properties didn't come cheap. But Amazon has hardly begun spending from its housing equity fund, so that'll help. What percentage goes to Virginia and Tennessee remains to be seen.

Here, KCHA intends to operate Hampton Greens and Pinewood Village on an affordable basis for renters making 80% of area median income The Illahee will serve renters making less than 30% of AMI.

Speaking with the DJC after the Amazon announcement, Norman said that that company's new money would replace the mezzanine debt on properties it had acquired with short-term bank lines of credit. The latter are needed to strike quick deals, "When you have about three nanoseconds" to close a deal. Once the low-rate, interest-only debt is retired in a few decades, the agency can refinance

He thinks the financial model can be replicated in the hears ahead, back by Amazon's wallet, to grow the KCHA portfolio. "We're hopeful," he says. "We're going to a proof of concept now that we can scale up.

"Garden apartments are the sweet spot. We're looking primarily on the Eastside," he says — primarily because that's where displacement is hitting hardest, and where naturally occurring retirement communities, or NORCs, and naturally occurring affordable housing are fast disappearing. "There's not a lot of it left. It's a challenge."

At the same time, "It's starting to be an issue in the south county," so he and his team are looking for opportunities there, too. Being close to a bus line helps — or by a light rail station. But the county's older apartments tend to cluster along arterials, with surface parking for residents.

Newly built apartments tend to have fewer bedrooms, says Norman; so older garden apartments are often better for working-class parents. Some of those folks are now commuting from Snohomish and Pierce County to jobs in to King County, which isn't environmentally sustainable, he says.

And some, surely, are sorting Amazon packages in warehouses and delivering them to our doors.

Got a tip? Contact DJC real estate editor Brian Miller at brian.miller@djc.com or call him at (206) 219-6517.

Previous columns:

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January 5, 2021

King County seeks to buy hotels to house homeless

SEATTLE (AP) — King County is starting 2021 with plans to buy as many as a dozen hotels to permanently house hundreds of homeless people and provide them with services.

"We have every reason to believe that homelessness will get a lot worse after this pandemic unless we take bold action," said Leo Flor, director of the King County Department of Community and Human Services.

The initiative is called Health Through Housing, KING-5 reported. It uses revenue from a .1% sales tax increase to develop a network of apartment-like shelters, with the goal of getting people out of tents, off of sidewalks, and into safe, clean homes.

The county hopes to eventually house 2,000 people, out of its chronically homeless population of 4,500. The goal for 2021 is to create housing units for 1,500 people countywide, in former hotels and nursing homes throughout the county.

Flor said hotel owners are already approaching the county and offering their properties, which are struggling to fill rooms during the pandemic.

That plan could run into hurdles in cities like SeaTac, where the city voted to temporarily restrict the county from opening any additional shelters within city limits.

Last year, during the opening weeks of the COVID-19 pandemic, King County took swift action and moved homeless people out of crowded shelters and into a SeaTac Quality Inn, where they'd have their own rooms and would be less likely to spread the virus.

SeaTac city officials complained that the county hardly coordinated with them, except at the last moment. Flor said the county now has more time to coordinate with cities and plan long-term solutions.

"Right now, we are not actively pursuing any property in a city without talking to that city's leadership first," he said.