



# **MEETING OF THE BOARD OF COMMISSIONERS**

## **VIRTUAL MEETING**

**Tuesday, February 16, 2021**

### **Zoom Meeting:**

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

**PASSCODE: 263112**

**Meeting ID: 988 8063 1025**

**Dial by your location  
+1 253 215 8782 US (Tacoma)**

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



# **SPECIAL MEETING OF THE BOARD OF COMMISSIONERS AGENDA**

Tuesday, February 16, 2021  
8:30 a.m.

## **VIRTUAL MEETING**

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

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- I. Call to Order**
  - II. Roll Call**
  - III. Public Comment**
  - IV. Approval of Minutes** **1**
    - A. Board Meeting Minutes – January 19, 2021
    - B. Board Meeting Minutes – January 19, 2021 – Executive Session
    - C. Board Meeting Minutes – January 22, 2021 – Executive Session
    - D. Board Meeting Minutes – February 4, 2021 – Executive Session
  - V. Approval of Agenda**
  - VI. Consent Agenda**
    - A. Voucher Certification Reports for December 2020 **2**
  - VII. Resolution for Discussion and Possible Action**
    - A. **Resolution No. 5677** **3**
      - Resolution Authorizing the Limited Payout of Accrued Vacation Leave in Excess of Maximum Annual Vacation Carryover Balances.
  - VIII. Briefings & Reports**
    - A. 2020 Year End Investment Report **4**
    - B. Greenbridge Update **5**
    - C. 2020 Construction Highlights **6**

**IX. Executive Session**

- A. To receive and evaluate complaints or charges brought against a public officer or employee (RCW 42.30.110 (1) (f)) and to review the performance of public employees (RCW 42.30.110 (1) (g)).

**X. Executive Director Report**

**XI. KCHA in the News**

**XII. Commissioner Comments**

**XIII. Adjournment**

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

# T A B N U M B E R

1

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

**Tuesday, January 19, 2021**

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**I. CALL TO ORDER**

The telephonic meeting of the King County Housing Authority Board of Commissioners was held on Tuesday, January 19, 2021 at 700 Andover Park West, Tukwila, WA 98188. There being a quorum, the telephonic meeting was called to order by Chair Doug Barnes at 8:30 a.m.

**II. ROLL CALL**

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

**III. PUBLIC COMMENT**

No public comment.

**IV. APPROVAL OF MINUTES**

- 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

On motion by Commissioner Susan Palmer and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the December 21, 2020, December 30, 2020, January 5, 2021, January 7, 2021 Board of Commissioners' Meeting Minutes.

**V. APPROVAL OF AGENDA**

On motion by Commissioner Susan Palmer with a friendly amendment to move the Risk Management Presentation to B. under VII. Briefings & Reports and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the January 19, 2021 telephonic Board of Commissioners' meeting agenda with the friendly amendment.

**VI. CONSENT AGENDA**

On motion by Commissioner Michael Brown and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the January 19, 2021 telephonic Board of Commissioners' meeting consent agenda.

**VIII. BRIEFINGS AND REPORTS**

- A. Briefing on Amazon Partnership

Dan Watson, Deputy Executive Director/Chief Development Officer reported the details of the Amazon partnership.

Amazon is investing two billion dollars nationally. Part of that commitment is \$185 million in loans and other incentives to KCHA. Discussions with Amazon started over a year ago as they are locating/relocating 25,000 employees in the Bellevue area alone, greatly impacting the eastside housing market. Amazon is attempting to mitigate some of those impacts.

The arrangement includes to 1000 units of housing. 470 units already acquired can be included as part of the target of 1000 units and include Hampton Greens, Pinewood Village and Illahee Apartments.

There are some resident income limitations that are being discussed.

Credit goes to Tim Walter who spent an enormous amount of time with Amazon educating on how our housing models work, what is possible and what is not possible. The details are fairly complicated.

Questions of Commissioners' were answered.

B. Risk Management Presentation

Ginger Peck, Risk Manager gave the 2021 Insurance Program presentation to the Board covering a wide array of topics related to property and liability insurance claims history and rate projections for the future.

Questions of Commissioners' were answered.

C. Update on HUD COVID-19 Waivers

Judi Jones, Director of Housing Initiatives gave an update on the status of various programmatic waivers.

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. There are currently 63 policy changes.

HUD Waivers are made possible 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.

D. Third Quarter CY 2020 Executive Dashboard Report

Andrew Calkins, Manager of Policy and Legislative Affairs explained the Executive Dashboard Report for the Third Quarter CY 2020.

Revenue exceeded budget by just over 0.7% due to the receipt of CARES ACT funding which was not budgeted at the beginning of the year.

Expenditures lagged budget projections due to slower than average spending on maintenance contracts and development projects due to the pandemic.

There were multiple positive trends, and shopping success has remained 75-80%. There have not been a lot of vouchers issued, We haven't issued, but the ones that we have had success in leasing up.

Questions of Commissioners' were answered.

E. Third Quarter Financial Report

Windy Epps, Interim Director of Finance, gave details on the financial report.

Third quarter financial performance in 2020 was strong as both operating income and expenses reflected favorable variances compared to budget. Cash reserves remain solid.

Net operating income exceeded initial 2020 budget projections, with operating revenues above target and operating expenses below. Most of the positive revenue variance came from federal CARES Act funding.

Questions of Commissioners' were answered.

F. New Bank Accounts

Craig Violante, Interim Deputy Executive Director - Chief Administrative Officer reported the new bank accounts.

G. Fourth Quarter Procurement Report

Craig Violante, Interim Deputy Executive Director - Chief Administrative Officer gave

the procurement report for the fourth quarter CY 2020.

We had 11 new contracts that were awarded.

## **X. EXECUTIVE DIRECTOR REPORT - Jan 19, 2021**

Executive Director Norman echoed the Board's praise for Dan Watson and Tim Walter for their work in developing the partnership with Amazon. He noted that KCHA was successful in closing the Pinecrest Village and Illahee Apartments transactions by the end of December. Both properties are now in Housing Authority ownership.

Moving forward he identified two challenges:

- The first is in successfully acquiring the 530 additional units envisioned under the Amazon agreement. There is a diminishing pool of older, still affordable apartment complexes on the Eastside and acquisition prices are continuing to rise. This will be a major focus for our acquisitions and asset management group over the next year.
- Assuming we are successful getting these units into KCHA ownership, where do we go from here? Do we continue to expand? While the debt coverage ratios are anticipated to remain strong and we have sufficient cash flow to pay this debt, how much additional debt do we feel comfortable taking on and what impact would further acquisitions have on our S&P rating evaluations? There is also the downstream rate risk 20 years from now when we need to refinance this debt. All of these issues roll into an interesting discussion of where we go from here. Right now we are one of the largest residential property owners in the Pacific Northwest with over 11,500 units. Are there geographic risks in being concentrated in one market that we need to acknowledge? These are discussions the Board and staff will need to have as we look beyond the Amazon acquisitions.

On the COVID-19 front, Mr. Norman noted KCHA's current focus on two major issues:

- Vaccinations - we have an extensive client base of elderly and/or disabled households in our Federally subsidized programs that we know from two years of research with the Department of Health have high rates of co-morbidity. This is clearly a high-risk population. Many of these households are also concentrated in neighborhoods with the highest levels of community spread. We are currently in conversations with the Dept. of Health to see how we can accelerate access to vaccinations for our most at-risk clients and for our front line staff. The regional vaccination delivery system is still very much a work in progress. This will be a major focus over the next few months.
- Housing Stability - Current eviction moratoriums will eventually expire. KCHA is working to assure housing stability for our program participants.



1) HCV Program – We are reaching out to landlords and tenants to identify households who are in arrears on their rent obligations. One tool will be the rental assistance money approved by Congress in December. The COVID-10 Relief Bill provided \$25 billion to states, counties and larger cities to use for rental assistance. We need to make sure we are connecting our clients to this assistance once it becomes available. We also need to work with landlords on how they are structuring repayment plans.

2) Asset Management/Workforce Properties – KCHA is working to connect residents to rental assistance and moving to develop reasonable repayment plans.

KCHA's offices remain closed and we continue to emphasize health safety protocols for staff and residents. We are also ramping up self-care support for our employees. This is an enormously stressful period for everyone involved. Staff are doing a terrific job.

The news out of Washington DC on the budget front is good.

Housing Choice Voucher renewal funding came in at a higher proration than we projected in the budget. We are still analyzing the proration levels for the other HUD funding lines. Once we have completed this assessment we will come back to the Board with revised revenue projections which will be reflected in the mid-year reforecast of the budget.

In other good news on the budget front, a rate floor has been established for the 4% Low Income Housing Tax Credit. This will increase the value of the equity that tax credit investors will put into these deals. This is particularly good news for KCHA's Trailhead project currently under pre-development in Issaquah.

The recent agreement with Amazon is structured to cover the ongoing amortization of a portion of the debt on the Hampton Greens property, which was purchased by KCHA in 2019. As that property's cash flow is not sufficient to fully cover acquisition costs, KCHA assumed a \$1.5 million annual payment from general revenues over the 20 year life of the bonds. We assumed at the time that we would be successful in finding an alternate financing vehicle. Once we have completed acquisition of the 1,000 units being financed under the Amazon agreement, this portfolio's cash flow will be sufficient to cover this \$1.5 million annual obligation without needing to dip into general revenues. This should save KCHA approximately \$30 million over the term of the bonds.

The Asset Management Department is watching the accounts receivable on our unsubsidized workforce housing properties closely. On our recent Eastside acquisitions, such as Hampton Greens, where rents are closer to market than in properties that we have owned for longer periods of time, we are also seeing vacancy rates climb. Based upon industry projections we anticipate that this will turn around over the next year and feel we have sufficient slack built into our 2021 revenue projections.

Mr. Norman also briefed the Board on the Authority's MLK Jr. Day celebration. Over 240 staff participated. He noted deep appreciation for both the REDI team's active engagement

and good work in putting this hour-long program together, and for Commissioner Brown's participation. Commissioner Brown provided an overview of where we are as a community on racial issues that was very much appreciated and well received by staff. Mr. Norman reported that he feels that there is strong momentum moving forward on the equity initiatives that the Board has discussed.

Mr. Norman reported that he is continuing to talk to the Biden/Harris Transition Team about priorities for the incoming administration. The new administration, across the board, is focused on four big issues: the pandemic; economic recovery; equity issues; and climate change. One key agenda point is funding for universal housing choice vouchers – making housing assistance an entitlement where everyone who qualifies receives assistance.

This would require a fourfold increase of the number of vouchers. Full implementation would be a very big ticket item budget item, but this commitment reflects an emerging awareness nationally that safe affordable housing is a fundamental necessity that underpins much of what this administration wants to accomplish through its social agenda.

Questions of the Commissioners were answered.

#### **XI. KCHA IN THE NEWS**

None.

#### **XII. COMMISSIONER COMMENTS**

None.

#### **XIII. ADJOURNMENT**

Chair Barnes adjourned the meeting at 9:59 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**

**January 19, 2021**

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**I. CALL TO ORDER**

The telephonic special Executive Session meeting of the King County Housing Authority Board of Commissioners was held on Tuesday, January 19, 2021 via telephone/zoom. There being a quorum, the meeting was called to order by Chair Susan Palmer at 11:00 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 12:30 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 22, 2021**

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**I. CALL TO ORDER**

The telephonic special Executive Session meeting of the King County Housing Authority Board of Commissioners was held on Friday, January 22, 2021 via telephone/zoom. There being a quorum, the meeting was called to order by Chair Susan Palmer at 3:30 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**

**February 4, 2021**

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**I. CALL TO ORDER**

The telephonic special Executive Session meeting of the King County Housing Authority Board of Commissioners was held on Thursday, February 4, 2021 via telephone/zoom. There being a quorum, the meeting was called to order by Chair Susan Palmer at 3:30 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)

3:55pm – Executive Session was suspended for a break.

4:00pm – Executive Session was re-convened.

**IX. EXECUTIVE SESSION**

This special meeting in executive session is held to receive and evaluate complaints or charges brought against a public officer or employee (RCW 42.30.110 (1) (f)) and to review the performance of a public employee (RCW 42.30.110 (1) (g)).

**XIII. ADJOURNMENT**

Chair Palmer adjourned the meeting at 4:46 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

# T A B N U M B E R

2



**To:** Board of Commissioners

**From:** Ai Ly, Interim Assistant Director of Finance

**Date:** February 1, 2021

**Re:** **VOUCHER CERTIFICATION FOR DECEMBER 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  
 Interim Assistant Director of Finance  
 February 1, 2021

Bank Wires / ACH Withdrawals		9,668,909.02
	<i>Subtotal</i>	<b>9,668,909.02</b>
Accounts Payable Vouchers		
Key Bank Checks - #332476-#332996		7,414,251.14
Tenant Accounting Checks - #11298-#11310		3,203.62
	<i>Subtotal</i>	<b>7,417,454.76</b>
Payroll Vouchers		
Checks - #92475-92498		43,433.93
Direct Deposit		1,743,922.29
	<i>Subtotal</i>	<b>1,787,356.22</b>
Section 8 Program Vouchers		
Checks - #632521-632934; #632884-632911		268,504.23
ACH - #499713-502399		16,964,575.68
	<i>Subtotal</i>	<b>17,233,079.91</b>
Purchase Card / ACH Withdrawal		331,412.76
	<i>Subtotal</i>	<b>331,412.76</b>
	<b>GRAND TOTAL</b>	<b>\$ 36,438,212.67</b>

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	12/02/2020	6,799.29	A/P & Payroll	
Hampton Greens	12/02/2020	19,042.17	A/P & Payroll	
Kendall Ridge	12/02/2020	18,720.33	A/P & Payroll	
Landmark	12/02/2020	11,278.45	A/P & Payroll	
Riverstone	12/02/2020	19,653.41	A/P & Payroll	
Woodside East	12/02/2020	13,452.63	A/P & Payroll	
RAINIER VIEW I	12/03/2020	8,533.41	A/P	
RAINIER VIEW II	12/03/2020	6,710.95	A/P	
SI VIEW	12/03/2020	3,305.79	A/P	
Vashon Terrace	12/03/2020	3,996.44	A/P	
Riverstone	12/04/2020	10,965.00	A/P	
Cottonwood	12/08/2020	17,815.11	A/P & Payroll	
Cove East	12/08/2020	29,856.06	A/P & Payroll	
Juanita View	12/08/2020	27,432.36	A/P & Payroll	
Kirkland Heights	12/08/2020	44,310.46	A/P & Payroll	
Ballinger Commons	12/09/2020	162,301.70	A/P & Payroll	
Bellepark	12/09/2020	5,984.30	A/P	
Emerson	12/09/2020	76,809.80	A/P & Payroll	
GILMAN SQUARE	12/09/2020	79,773.82	A/P & Payroll	
Hampton Greens	12/09/2020	27,554.96	A/P	
Kendall Ridge	12/09/2020	61,847.07	A/P	
Landmark	12/09/2020	52,348.70	A/P	
Meadowbrook	12/09/2020	35,767.14	A/P & Payroll	
NIA	12/09/2020	64,807.00	A/P & Payroll	
Riverstone	12/09/2020	66,141.29	A/P	
Villages at South Station	12/09/2020	47,132.54	A/P & Payroll	
Woodside East	12/09/2020	17,996.22	A/P	
ALPINE RIDGE	12/10/2020	17,149.48	A/P & Payroll	
ARBOR HEIGHTS	12/10/2020	11,440.98	A/P & Payroll	
Aspen Ridge	12/10/2020	14,001.12	A/P & Payroll	
Auburn Square	12/10/2020	31,143.01	A/P & Payroll	
Carriage House	12/10/2020	30,866.24	A/P & Payroll	
CASCADIAN	12/10/2020	27,143.51	A/P & Payroll	
Colonial Gardens	12/10/2020	11,674.77	A/P & Payroll	
FAIRWOOD	12/10/2020	52,643.76	A/P & Payroll	
HERITAGE PARK	12/10/2020	15,673.86	A/P & Payroll	
Juanita View	12/10/2020	3,197.34	Payroll	
Kirkland Heights	12/10/2020	5,182.38	Payroll	
LAURELWOOD	12/10/2020	32,098.30	A/P & Payroll	
Meadows	12/10/2020	93,471.62	A/P & Payroll	
OVERLAKE TOD	12/10/2020	141,456.95	A/P & Payroll	
Parkwood	12/10/2020	24,489.80	A/P & Payroll	
RAINIER VIEW I	12/10/2020	10,688.41	A/P	
RAINIER VIEW II	12/10/2020	8,197.38	A/P	
SI VIEW	12/10/2020	4,248.65	A/P	
SOUTHWOOD	12/10/2020	20,960.69	A/P & Payroll	
Newporter	12/10/2020	20,151.27	A/P & Payroll	
Timberwood	12/10/2020	57,147.24	A/P & Payroll	
Walnut Park	12/10/2020	41,285.66	A/P & Payroll	
WINDSOR HEIGHTS	12/10/2020	97,556.24	A/P & Payroll	
Woodridge Park	12/10/2020	51,397.91	A/P & Payroll	
ALPINE RIDGE	12/16/2020	907.37	BOA Analysis Fees Reimbursements	
ARBOR HEIGHTS	12/16/2020	907.37	BOA Analysis Fees Reimbursements	
Aspen Ridge	12/16/2020	907.37	BOA Analysis Fees Reimbursements	
Auburn Square	12/16/2020	907.37	BOA Analysis Fees Reimbursements	
Ballinger Commons	12/16/2020	907.37	BOA Analysis Fees Reimbursements	
Bellepark	12/16/2020	9,979.95	A/P & Payroll	
Bellepark	12/16/2020	907.37	BOA Analysis Fees Reimbursements	
Carriage House	12/16/2020	907.37	BOA Analysis Fees Reimbursements	
Colonial Gardens	12/16/2020	907.37	BOA Analysis Fees Reimbursements	
Cottonwood	12/16/2020	907.37	BOA Analysis Fees Reimbursements	
Cove East	12/16/2020	907.37	BOA Analysis Fees Reimbursements	
Emerson	12/16/2020	222.92	BOA Analysis Fees Reimbursements	
FAIRWOOD	12/16/2020	907.37	BOA Analysis Fees Reimbursements	
GILMAN SQUARE	12/16/2020	907.37	BOA Analysis Fees Reimbursements	



HERITAGE PARK	12/16/2020	907.37	BOA Analysis Fees Reimbursements
Hampton Greens	12/16/2020	26,152.66	A/P & Payroll
Hampton Greens	12/16/2020	907.37	BOA Analysis Fees Reimbursements
Juanita View	12/16/2020	222.92	BOA Analysis Fees Reimbursements
Kendall Ridge	12/16/2020	52,437.05	A/P & Payroll
Kendall Ridge	12/16/2020	222.92	BOA Analysis Fees Reimbursements
Kirkland Heights	12/16/2020	222.92	BOA Analysis Fees Reimbursements
Landmark	12/16/2020	16,211.56	A/P & Payroll
Landmark	12/16/2020	907.37	BOA Analysis Fees Reimbursements
LAURELWOOD	12/16/2020	907.37	BOA Analysis Fees Reimbursements
Meadowbrook	12/16/2020	907.37	BOA Analysis Fees Reimbursements
Meadows	12/16/2020	907.37	BOA Analysis Fees Reimbursements
NIA	12/16/2020	4,536.85	BOA Analysis Fees Reimbursements
Riverstone	12/16/2020	91,561.36	A/P & Payroll
Newporter	12/16/2020	907.37	BOA Analysis Fees Reimbursements
Woodside East	12/16/2020	90,196.36	A/P & Payroll
ALPINE RIDGE	12/17/2020	14,927.70	A/P
ARBOR HEIGHTS	12/17/2020	11,644.23	A/P
Aspen Ridge	12/17/2020	8,929.99	A/P
Auburn Square	12/17/2020	3,629.71	A/P
Carriage House	12/17/2020	5,797.02	A/P
CASCADIAN	12/17/2020	4,139.95	A/P
Colonial Gardens	12/17/2020	5,781.43	A/P
FAIRWOOD	12/17/2020	2,861.13	A/P
HERITAGE PARK	12/17/2020	17,350.51	A/P
LAURELWOOD	12/17/2020	6,803.65	A/P
Meadows	12/17/2020	5,647.41	A/P
OVERLAKE TOD	12/17/2020	1,814.74	BOA Analysis Fees Reimbursements
OVERLAKE TOD	12/17/2020	107,238.16	A/P
Parkwood	12/17/2020	907.37	BOA Analysis Fees Reimbursements
Parkwood	12/17/2020	10,975.28	A/P
RAINIER VIEW I	12/17/2020	9,647.82	A/P
RAINIER VIEW I	12/17/2020	1,250.00	BOA Analysis Fees Reimbursements
RAINIER VIEW II	12/17/2020	6,413.87	A/P
RAINIER VIEW II	12/17/2020	1,250.00	BOA Analysis Fees Reimbursements
Riverstone	12/17/2020	678.89	BOA Analysis Fees Reimbursements
SI VIEW	12/17/2020	5,074.47	A/P
SI VIEW	12/17/2020	500.00	BOA Analysis Fees Reimbursements
SOUTHWOOD	12/17/2020	907.37	BOA Analysis Fees Reimbursements
SOUTHWOOD	12/17/2020	9,658.68	A/P
Tall Cedars	12/17/2020	678.89	BOA Analysis Fees Reimbursements
Newporter	12/17/2020	7,231.24	A/P
Timberwood	12/17/2020	907.37	BOA Analysis Fees Reimbursements
Timberwood	12/17/2020	34,246.74	A/P
Vashon Terrace	12/17/2020	6,082.69	A/P
Vashon Terrace	12/17/2020	2,722.11	BOA Analysis Fees Reimbursements
Villages at South Station	12/17/2020	907.37	BOA Analysis Fees Reimbursements
Walnut Park	12/17/2020	907.37	BOA Analysis Fees Reimbursements
Walnut Park	12/17/2020	35,399.02	A/P
WINDSOR HEIGHTS	12/17/2020	907.37	BOA Analysis Fees Reimbursements
WINDSOR HEIGHTS	12/17/2020	15,043.10	A/P
Woodridge Park	12/17/2020	907.37	BOA Analysis Fees Reimbursements
Woodridge Park	12/17/2020	20,523.34	A/P
Woodside East	12/17/2020	907.37	BOA Analysis Fees Reimbursements
ALPINE RIDGE	12/18/2020	151,000.00	Distribution
ARBOR HEIGHTS	12/18/2020	360,000.00	Distribution
Aspen Ridge	12/18/2020	245,000.00	Distribution
Auburn Square	12/18/2020	350,000.00	Distribution
Ballinger Commons	12/18/2020	410,000.00	Distribution
Bellepark	12/18/2020	350,000.00	Distribution
Carriage House	12/18/2020	225,000.00	Distribution
CASCADIAN	12/18/2020	543,000.00	Distribution
CASCADIAN	12/18/2020	18,360.64	BOA Fees
Colonial Gardens	12/18/2020	230,000.00	Distribution
Cottonwood	12/18/2020	250,000.00	Distribution
Cove East	12/18/2020	265,000.00	Distribution
FAIRWOOD	12/18/2020	320,000.00	Distribution
HERITAGE PARK	12/18/2020	355,000.00	Distribution
Juanita View	12/18/2020	500,000.00	Distribution
Kirkland Heights	12/18/2020	500,000.00	Distribution
Kirkland Heights	12/18/2020	500,000.00	Distribution
Landmark	12/18/2020	535,000.00	Distribution
Landmark	12/18/2020	535,000.00	Distribution
LAURELWOOD	12/18/2020	267,000.00	Distribution
Meadowbrook	12/18/2020	50,000.00	Distribution

Meadows	12/18/2020	180,000.00	Distribution
Parkwood	12/18/2020	250,000.00	Distribution
SOUTHWOOD	12/18/2020	475,000.00	Distribution
Tall Cedars	12/18/2020	100,000.00	Distribution
Newporter	12/18/2020	325,000.00	Distribution
Timberwood	12/18/2020	700,000.00	Distribution
Vashon Terrace	12/18/2020	75,000.00	Distribution
Villages at South Station	12/18/2020	300,000.00	Distribution
Villages at South Station	12/18/2020	300,000.00	Distribution
Walnut Park	12/18/2020	525,000.00	Distribution
WINDSOR HEIGHTS	12/18/2020	325,000.00	Distribution
Woodridge Park	12/18/2020	400,000.00	Distribution
Woodside East	12/18/2020	540,000.00	Distribution
Cottonwood	12/22/2020	13,888.60	A/P & Payroll
Cove East	12/22/2020	48,281.32	A/P & Payroll
Juanita View	12/22/2020	28,266.55	A/P & Payroll
Kirkland Heights	12/22/2020	39,955.51	A/P & Payroll
ALPINE RIDGE	12/23/2020	4,019.68	A/P & Payroll
ARBOR HEIGHTS	12/23/2020	7,137.43	A/P & Payroll
Aspen Ridge	12/23/2020	18,158.60	A/P & Payroll
Auburn Square	12/23/2020	12,291.12	A/P & Payroll
Ballinger Commons	12/23/2020	189,880.42	A/P & Payroll
Bellepark	12/23/2020	7,055.97	A/P
Carriage House	12/23/2020	52,856.04	A/P & Payroll
CASCADIAN	12/23/2020	21,272.57	A/P & Payroll
Colonial Gardens	12/23/2020	10,898.98	A/P & Payroll
Emerson	12/23/2020	76,428.79	A/P & Payroll
FAIRWOOD	12/23/2020	21,422.95	A/P & Payroll
GILMAN SQUARE	12/23/2020	41,103.08	A/P & Payroll
HERITAGE PARK	12/23/2020	8,306.79	A/P & Payroll
Hampton Greens	12/23/2020	25,586.97	A/P
Kendall Ridge	12/23/2020	20,251.08	A/P
Landmark	12/23/2020	34,795.72	A/P
LAURELWOOD	12/23/2020	20,012.51	A/P & Payroll
Meadowbrook	12/23/2020	79,521.34	A/P & Payroll
Meadows	12/23/2020	10,386.69	A/P & Payroll
OVERLAKE TOD	12/23/2020	118,701.75	A/P & Payroll
Pinewood Village	12/23/2020	1,885.57	Payroll
Parkwood	12/23/2020	9,581.51	A/P & Payroll
RAINIER VIEW I	12/23/2020	4,609.97	A/P
Riverstone	12/23/2020	13,598.90	A/P
SI VIEW	12/23/2020	5,014.09	A/P
SOUTHWOOD	12/23/2020	8,407.71	A/P & Payroll
Tall Cedars	12/23/2020	26,922.62	A/P
Newporter	12/23/2020	49,471.54	A/P & Payroll
Timberwood	12/23/2020	35,129.75	A/P & Payroll
Villages at South Station	12/23/2020	123,442.38	A/P & Payroll
Walnut Park	12/23/2020	13,890.07	A/P & Payroll
WINDSOR HEIGHTS	12/23/2020	30,105.69	A/P & Payroll
Woodridge Park	12/23/2020	26,857.71	A/P & Payroll
Woodside East	12/23/2020	39,757.58	A/P
ALPINE RIDGE	12/30/2020	4,851.87	A/P & Management Fee
ARBOR HEIGHTS	12/30/2020	5,105.66	A/P & Management Fee
Aspen Ridge	12/30/2020	10,890.03	A/P & Management Fee
Auburn Square	12/30/2020	26,852.59	A/P & Management Fee
Bellepark	12/30/2020	6,025.11	A/P & Payroll
Carriage House	12/30/2020	20,506.26	A/P & Management Fee
CASCADIAN	12/30/2020	16,809.27	A/P & Management Fee
Colonial Gardens	12/30/2020	3,907.65	A/P & Management Fee
Emerson	12/30/2020	225,000.00	Distribution
FAIRWOOD	12/30/2020	6,855.63	A/P & Management Fee
HERITAGE PARK	12/30/2020	50,000.00	Distribution
HERITAGE PARK	12/30/2020	6,637.60	A/P & Management Fee
Hampton Greens	12/30/2020	29,699.40	A/P & Payroll
Hampton Greens	12/30/2020	600,000.00	Distribution
Hampton Greens	12/30/2020	200,000.00	Distribution
Kendall Ridge	12/30/2020	28,427.77	A/P & Payroll
Kendall Ridge	12/30/2020	400,000.00	Distribution
Landmark	12/30/2020	21,648.78	A/P & Payroll
LAURELWOOD	12/30/2020	75,000.00	Distribution
LAURELWOOD	12/30/2020	9,665.52	A/P & Management Fee
Meadowbrook	12/30/2020	400,000.00	Distribution
Meadows	12/30/2020	14,489.91	A/P & Management Fee
OVERLAKE TOD	12/30/2020	64,260.83	A/P & Management Fee
Pinewood Village	12/30/2020	7,500.00	Payroll

Parkwood	12/30/2020	8,848.53	A/P & Management Fee	
RAINIER VIEW I	12/30/2020	11,753.66	A/P	
RAINIER VIEW II	12/30/2020	8,410.27	A/P	
Riverstone	12/30/2020	32,120.65	A/P & Payroll	
SI VIEW	12/30/2020	10,159.97	A/P	
SOUTHWOOD	12/30/2020	9,016.78	A/P & Management Fee	
Newporter	12/30/2020	35,345.33	A/P & Management Fee	
Timberwood	12/30/2020	18,008.60	A/P & Management Fee	
Walnut Park	12/30/2020	11,138.49	A/P & Management Fee	
WINDSOR HEIGHTS	12/30/2020	28,792.92	A/P & Management Fee	
Woodridge Park	12/30/2020	18,708.72	A/P & Management Fee	
Woodside East	12/30/2020	12,467.85	A/P & Payroll	
Vashon Terrace	12/31/2020	217.35	A/P	
228 Wires		\$ 17,636,650.39		

# T A B N U M B E R

3



**To:** Board of Commissioners

**From:** Craig Violante, Interim Deputy Executive Director/CAO

**Date:** February 5, 2021

**Re:** **Resolution 5677:** Authorizing limited payouts of accrued vacation time in excess of current policy limitations

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On May 18, 2020, the Board of Commissioners approved Resolution 5653 which authorized the Executive Director to provide each eligible employee an additional five days of paid flexible leave during 2020, and additionally authorized the Executive Director to waive the annual “Maximum Banked Hours” (MBH) carryover limitation for balances accrued at December 31, 2020 and December 31, 2021.

As a result of these temporary changes, and as expected, several employees now have accrued vacation balances in excess of MBH limitation.

What Resolution 5653 didn’t address is the current policy that limits vacation time paid to employees upon their termination or retirement to the MBH cap as outlined in the following schedule:

Years of Service	Days per Year	Maximum Banked Hours
Date of Hire	14 days	192
Year 3	15 days	
Year 5	16 days	
Year 6	17 days	240
Year 8	18 days	
Year 11	20 days	288
Year 16	23 days	336
Year 21 and up	25 days	384

The first group of employees this resolution targets are those that are leaving employment from KCHA for any reason other than being terminated for cause or retirement. While it is true these employees are voluntarily leaving KCHA, many of them used the five days of paid flexible leave awarded during 2020 in lieu of their annual vacation time. Executive staff believes that fairness and employee morale dictates that such employees should be paid in 2021 for up to 40 hours of vacation time they have accrued in excess of the MBH limitation. This exception would end at 12/31/2021.

The second group of employees subject to this resolution are employees officially retiring via the Washington State Public Employees Retirement System (PERS). Executive Staff does not believe such employees will have sufficient time to use their accrued excess vacation before their retirement date and would therefore lose some of the benefits accrued to them under resolution 5653. This resolution waives the MBH limitation for vacation payout in its entirety for employees retiring in 2021 or on the first business day of 2022.

It is believed that employees retiring in 2022 will have more time to use their accrued excess leave, but Executive Staff does not want to encourage such employees to take all excess time as this could interrupt agency operations. Therefore, this resolution increases the MBH limitation for vacation payout by 50% for employees retiring in 2022 or on the first business day of 2023.

Staff recommends approval of Resolution 5677.

**THE HOUSING AUTHORITY OF THE COUNTY OF KING**

**RESOLUTION NO. 5677**

**RESOLUTION AUTHORIZING THE LIMITED PAYOUT OF ACCRUED VACATION  
LEAVE IN EXCESS OF MAXIMUM ANNUAL VACATION CARRYOVER BALANCES**

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**WHEREAS**, On March 2, 2020 the Governor of the State of Washington declared an Emergency in response to the COVID-19 global pandemic, and shortly thereafter, identified those providing services to low income households as part of the Essential Workforce; and

**WHEREAS**, On March 15, 2020 the Executive Director of the King County Housing Authority (KCHA) declared an Emergency in response to the COVID-19 global pandemic, following similar declarations by the King County Executive and the President of the United States; and

**WHEREAS** the employees of the authority quickly transitioned to remote work locations while responding in a myriad of ways to ensure the continued and safe operations of the agency while continuing to support the residents; and

**WHEREAS** Senior Management was aware of the additional emotional and physical strain being borne by the employees, and

**WHEREAS** Senior Management proposed and the Board of Commissioners adopted resolution 5653 on May 18, 2020 which awarded employees an additional 5 days of paid leave throughout 2020 and waived the maximum annual vacation carryover limitations for vacation balances carried over from 2020 into 2021 and again from 2021 and into 2022; and

**WHEREAS** several employees now have accrued leave balances in excess of standard policy maximum limits, and it is projected that this condition will continue throughout 2021 and 2022; and

**WHEREAS** current policy limits the amount of vacation time that is paid to employees upon their termination or retirement from KCHA; and

**WHEREAS** Senior Management believes it will be detrimental to the morale of staff to know that they would lose vacation time properly accrued and carried over under resolution 5653 should they leave KCHA employment or retire, and

**WHEREAS** Resolution 5653 did not address excess amounts of vacation accrual that would be paid to employees upon their termination or retirement;

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

Employees terminating employment in 2021, for reasons other than for cause, shall be eligible for payment of up to 40 hours of vacation time accrued above current annual maximum leave balance limitations. Employees officially retiring through the State Public Employees Retirement system in 2021 or on the first working day of 2022 shall be paid for 100% of accrued vacation accrual balances, including all amounts accrued in excess of current annual maximum leave balance limitations. Employees terminating employment in 2022 for any reason other than official retirement shall be subject to regular vacation payout policy and will not be paid for any accrued vacation time in excess of current annual maximum leave balance limitations. Employees officially retiring through the State Public Employees Retirement system in 2022 or on the first business day of 2023 shall have the amount of excess vacation accrual eligible to be paid out capped at 150% of the normal maximum accrual limitations. Employees retiring after the first business day of 2023 will not be paid for any accrued vacation time in excess of current annual maximum leave balance limitations.

**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 16<sup>th</sup> DAY OF FEBRUARY, 2021.**

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

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**DOUG BARNES, Chair**  
Board of Commissioners

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**STEPHEN J. NORMAN**  
Secretary-Treasurer



# T A B N U M B E R



**To:** Board of Commissioners

**From:** Craig Violante, Interim Deputy Executive Director/CAO

**Date:** January 25, 2021

**Re:** **2020 Investment Recap**

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### **Executive Summary**

As of December 31, 2020, KCHA had \$261.8 million of investable assets, split between (1) the KCHA Internal Pool (the Internal Pool), (2) the Washington State Local Government Investment Pool (LGIP), (3) cash held by trustees and cash in traditional checking and savings accounts and (4) loans to housing partners and to the Energy Performance Contract (EPC) project. Total combined yield for all four categories throughout 2020 was 0.89%, but at December 31<sup>st</sup> the portfolio yield had dropped to 0.59%. Total 2020 earnings on KCHA's investments was approximately \$3.4 million against a budget of \$5.3 million.

Portfolio at 12/31/2020:

	Amounts	YTD Results	Yield @ 12/31/2020
Cash Invested in External Investments	\$42,738,774	1.30%	0.73%
Cash Held in the LGIP	136,945,007	0.55%	0.16%
Cash Held by KCHA & Outside Trustees	61,726,197	0.02% (1)	0.02% (1)
Cash loaned for low income housing purposes and to EPC project	20,419,487	4.97%	4.97%
1) Estimate	<u>\$261,829,465</u>	<u>0.89%</u>	<u>0.59%</u>

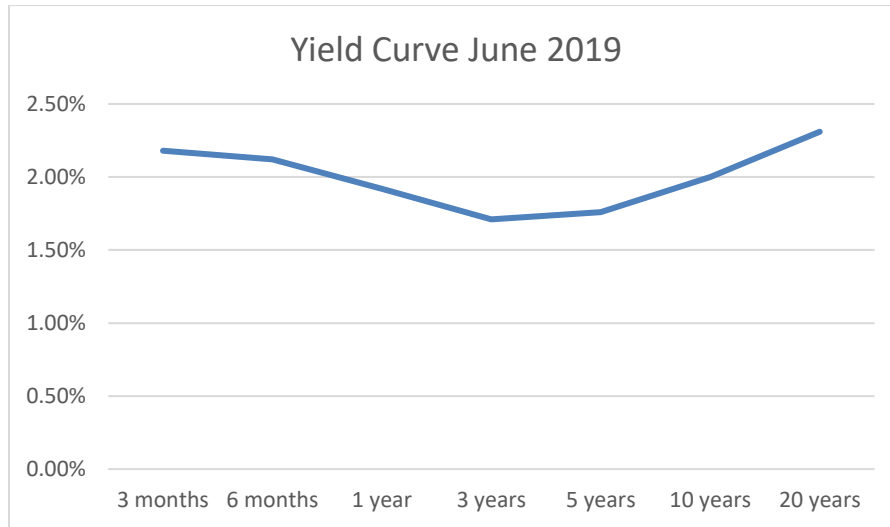
### **2020 Retrospective**

As highlighted in last year's report, an inverted yield curve dominated investing during 2019. The yield curve reflects the *Term Premium* component of investing, in which the length of the investment typically dictate yields, i.e. longer investment terms normally result in higher interest rates.

An inverted yield curve, as seen for much of 2019, is shown graphically as:

## 2020 Investment Recap

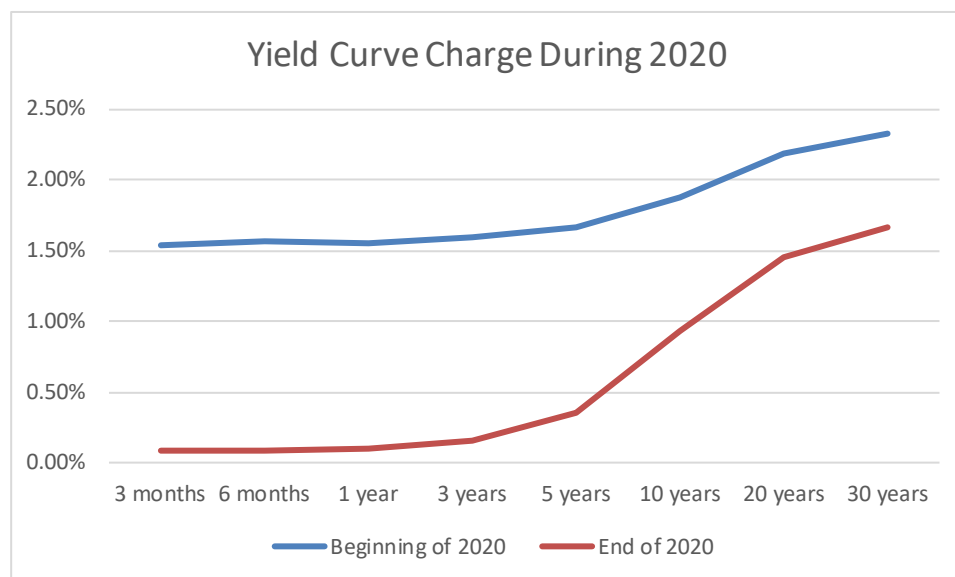
### February 16, 2021 Board Meeting



Inverted yield curves generally means that investors are expecting all rates to fall, typically because of a future recession. Historically, recessions have followed inverted yield curves within 12 to 24 months.

Whether it was because of the pandemic or due to a cyclical recession, rates fell dramatically during 2020 as predicted last year by the inverted yield curve.

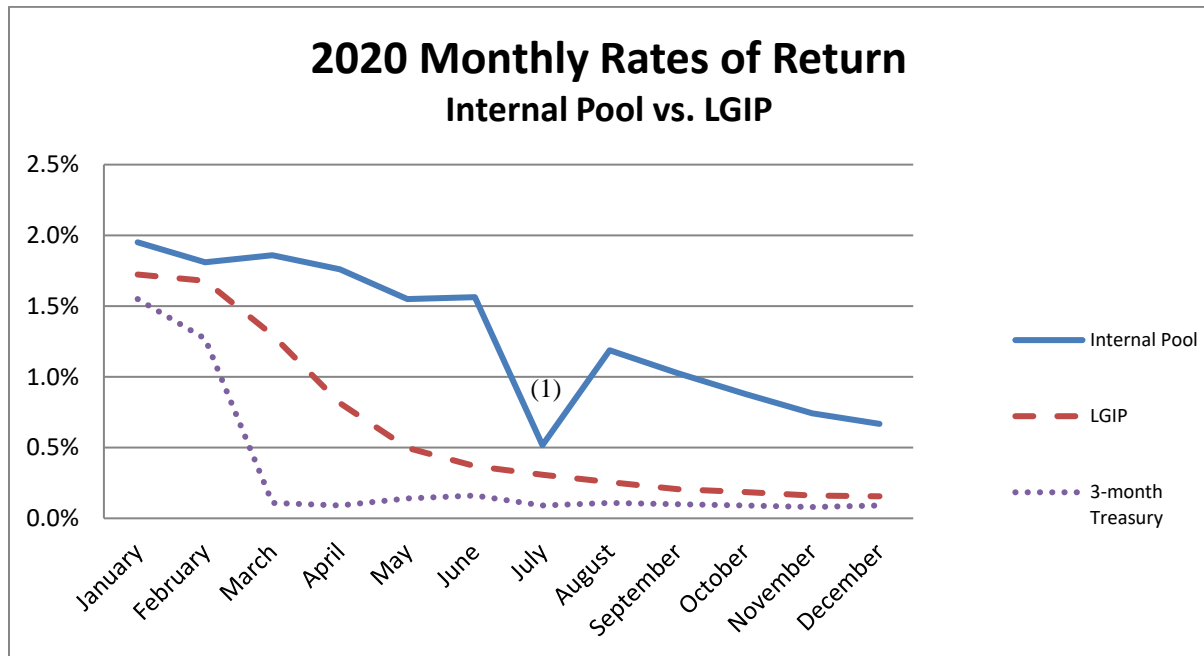
In direct response to the economic fallout of the near-nationwide shutdown in March, the Federal Reserve Board (“The Fed”) lowered interest rates twice in March 2020, with the target rate going from 1.50%-1.75% down to 0.00%-0.25%. The chart below shows how dramatically the yield curve changed, and more importantly, how rates fell during the year, particularly yields of investments with terms of three years or shorter, which is the segment in which KCHA invests.



## 2020 Investment Recap

### February 16, 2021 Board Meeting

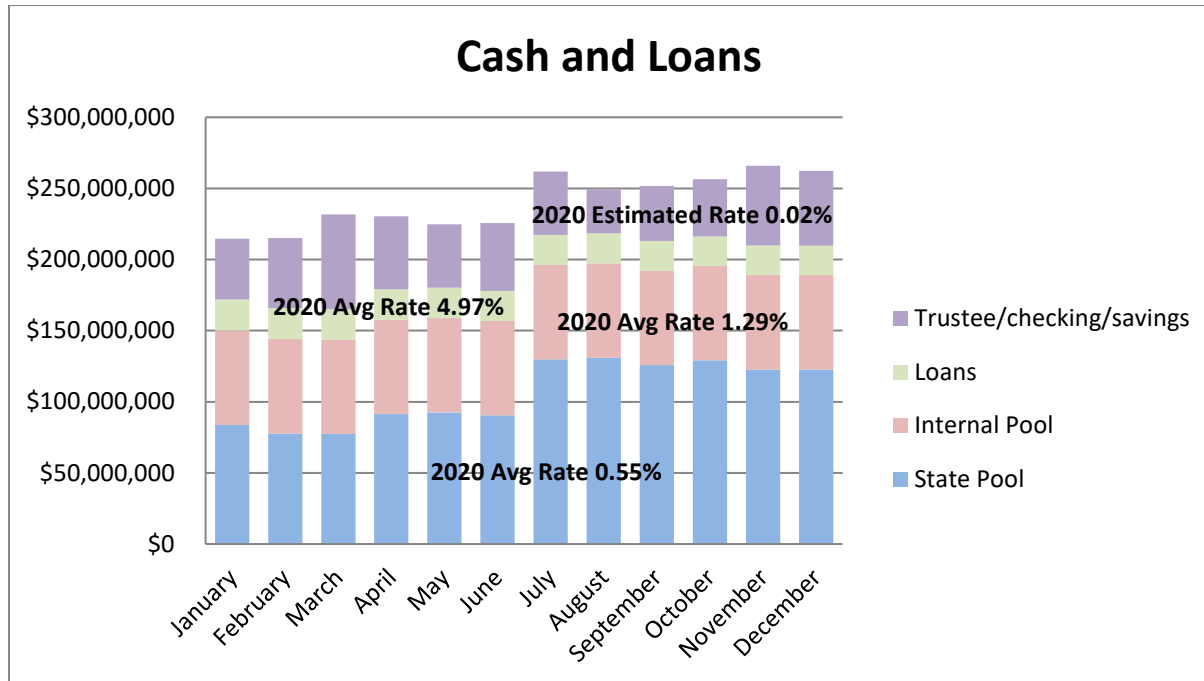
For all of 2020, KCHA's internal pool outperformed both the LGIP and the 3-month Treasury benchmark as it invests in financial products with slightly higher levels of risk than Treasuries. While LGIP investments have low risk profiles, not all of them are backed by the full faith and credit of the US government as are Treasuries.



(1) Due to an investment purchased at a large premium being unexpectedly redeemed at par

At the end of 2020, KCHA had a total of \$261.8 million in investable assets. Of this total, \$160.7 million was considered "investable". The remainder was either in the form of long-term loans, held by trustees or management agents, or will be spent within the next 12 months. The Board has authorized an allocation of up to 60% of investable resources in the Internal Pool, but short-term liquidity needs, combined with the precipitous drop in interest rates, influenced how much was actually invested in the Pool and in the mix of Pool investments. At the end of 2020, 41.9% of investable resources were in the Internal Pool.

2020 Investment Recap  
February 16, 2021 Board Meeting



### **Historical Context**

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

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

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

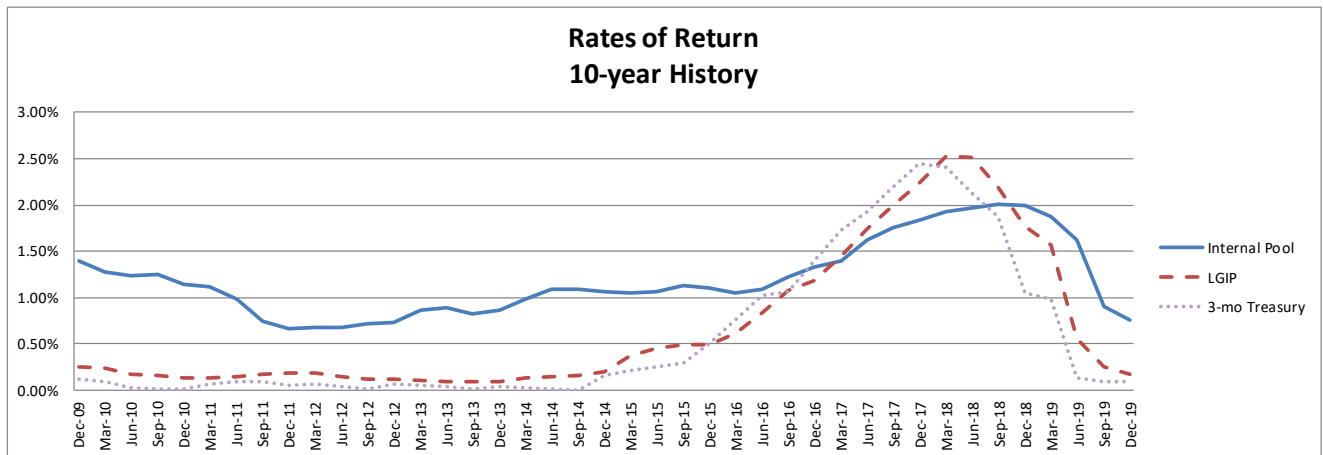
With the goal of increasing investment yields, in March 2009 KCHA embarked on a strategy of investing in securities outside of the LGIP. These securities could have a maturity of up to three years and were comprised primarily of securities from Government Sponsored Entities (GSEs) such as the Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage

## 2020 Investment Recap

### February 16, 2021 Board Meeting

Corporation (FHLMC—also known as Freddie Mac), Government National Mortgage Association (GNMA—also known as Ginnie Mae) and the Federal National Mortgage Association (FNMA—also known as Fannie Mae).

From inception through the end of 2017, the Internal Pool performed exceptionally well, beating the LGIP and the 3-month Treasury benchmark each quarter. From early 2018 until late in 2019, the Internal Pool yield lagged the LGIP and the 3-month Treasury, but since the end of 2019 has again outperformed both metrics. Since the inception of the internal investing program, over \$2.8 million of additional investment income has been earned.



### Portfolio Management

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

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

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

## 2020 Investment Recap

### February 16, 2021 Board Meeting

steps. KCHA's internal investment portfolio at the end of December 2020 contained the following investment types:

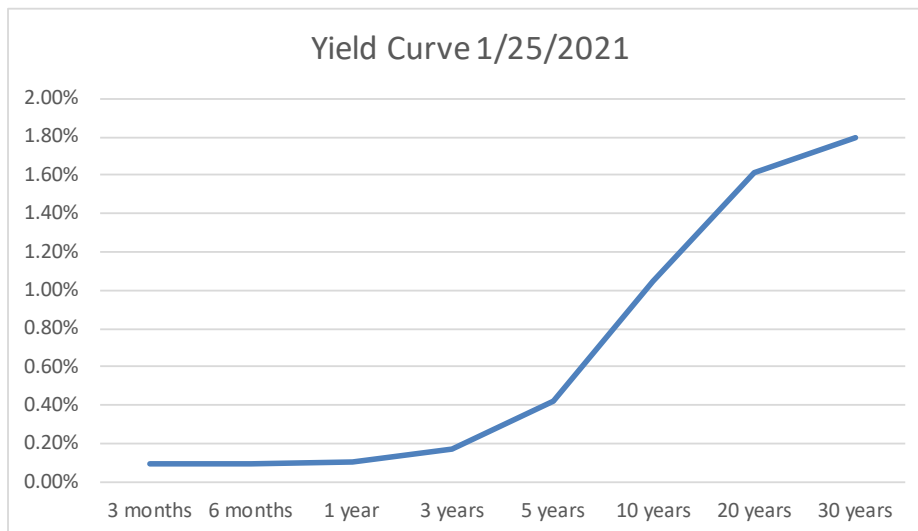
	Amt Invested	% of Portfolio	Average Yield at 12/31/2020
Callable	\$19,893,980	30.1%	0.53%
Step*	\$1,000,000	1.5%	0.25%
Bullet	\$20,043,620	30.4%	1.66%
Redi	\$1,801,175	2.7%	3.00%
LGIP	\$23,260,166	35.2%	0.16%
	<u>\$65,998,940</u>	<u>100.0%</u>	<u>0.81%</u>

\* Step bonds are also callable; the Board has authorized up to 50% of the portfolio to be step investments

### **Strategy for 2021**

General consensus from the marketplace indicates no rate increases are expected from the Fed until very late 2022 or more likely 2023.

The chart below shows the yield curve on January 25, 2021:



With the current flatness of the yield curve out to three years, the market is sending the expectation of no significant rate hikes in the near future. Because of this, there is virtually no Term Premium KCHA can take advantage of as KCHA's investment policy limits purchases, with some exceptions, to those with maturities of three years or less. The most significant of these exceptions is step investments with maturities of five years or less.

The LGIP's current rate is down to 0.126%, but a three year callable investment is yielding only 0.25%. While this would be a pickup of roughly 12 basis points, there is a risk of rates rising faster than anticipated while having the portfolio locked into a very low rate structure

2020 Investment Recap  
February 16, 2021 Board Meeting

for up to three years and receiving very little incremental yield in the interim. The main strategy for 2021 is to start purchasing step investments as they become available. The market has seen very few new step issuances, also indicating a continued low-rate environment. Until then, as investments mature or are called, they will be re-invested on a very short-term basis, into either the LGIP or other instruments with maturities of two years or less.

The 2021 budget projects investment earnings of \$2.6 million.



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**To:** Board of Commissioners

**From:** John Eliason, Development Director

**Date:** February 16, 2021

**Re: Greenbridge Division 8 Land Sale Update**

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Staff will provide an update on the Division 8 land sale at the February, 2021 Board meeting. The selected developer, Conner Homes, has encountered some unanticipated obstacles with financing the purchase and development of the entire property as a single transaction. An alternative phased plan is being developed. Staff will also discuss the alternative phased plan and the critical importance of having certain grading construction completed prior to July, 2021.

# T A B N U M B E R

6



**To:** Board of Commissioners

**From:** Dan Watson, Deputy Director

**Date:** February 9, 2021

**Re:** **2020 Construction Highlights**

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Representatives from the Capital Construction, Development, and Property Management Departments will provide summaries of construction work undertaken in 2020. Major projects will be highlighted along with a brief discussion of the challenges encountered due to the COVID 19 pandemic and the measures taken to ensure a safe work environment.

Capital Construction will review the major projects that could be undertaken with COVID 19 safety measures in place and the challenges associated with these measures. Development will provide an update on the rehabilitation work at Abbey Ridge, Bellevue Manor, and Woodland North and the impact that COVID 19 restrictions have had on project schedules. Property Management will discuss the work completed in the Unit Upgrade Program in 2020.

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**TO:** Board of Commissioners

**FROM:** Ai Ly, Interim Assistant Director of Finance

**DATE:** January 29, 2021

**RE:** 4th Quarter 2020 Summary Write-Offs

During the fourth quarter of 2020, tenant accounts totaling \$16,312 were deemed uncollectable and written off. This represents a 125% increase from the previous quarter. Overall, rent owed to KCHA accounted for \$5,949 (37%) of the total and cleaning/damage charges accounted for \$11,793 (72%) of the total. Security deposits in the amount of \$1,325 were retained to offset 8% of the total charges. Per policy, all accounts with a balance owed of \$100 or more will be forwarded to KCHA's contracted collection agency. \$1,382 was recovered by the collection agency during the fourth quarter.

	<b>Total WRITE-OFFS</b>	<b>YTD WRITE-OFFS</b>
Rent Balance Forward to Vacate Month	\$ 5,949.49	\$ 26,746.01
Retro Rent Write-offs	\$ -	\$ -
<b><u>VACATE CHARGES:</u></b>		
Rent Delinquent in Vacate Month	2,582.51	12,229.40
Cleaning & Damages	11,792.82	38,346.53
Paper Service & Court Costs	-	1,184.48
Miscellaneous Charges	-	9,182.28
Total Charges	<u>14,375.33</u>	<u>60,942.69</u>
Total All Charges	<u>20,324.82</u>	<u>87,688.70</u>
<b><u>CREDITS:</u></b>		
Security Deposits	(1,325.00)	(6,463.00)
Miscellaneous Payments & Credits	<u>(2,688.00)</u>	<u>(10,403.33)</u>
Total Credits	<u>(4,013.00)</u>	<u>(16,866.33)</u>
<b>Total Net Write-offs</b>	<b><u>\$ 16,311.82</u></b>	<b><u>\$ 70,822.37</u></b>
<b>Net Write-offs by Portfolio</b>		
KCHA	9,621.80	56,914.55
Green River II	-	1,356.32
Soosette Creek	6,186.14	6,351.92
Zephyr	-	-
Fairwind	241.15	3,667.11
Vantage Point	262.73	835.65
Spiritwood Manor	-	1,696.82
	<b><u>\$ 16,311.82</u></b>	<b><u>\$ 70,822.37</u></b>

**Write-off and Collection Summary  
2018 - 2020**

<b>NET WRITE-OFFS</b>			
	<b>2020</b>	<b>2019</b>	<b>2018</b>
January to March	15,086.25	42,166.82	13,801.87
April to June	32,185.06	62,865.14	110,847.95
July to September	7,239.24	74,632.34	40,570.09
October to December	16,311.82	24,730.55	50,945.89
<b>TOTAL</b>	<b>70,822.37</b>	<b>204,394.85</b>	<b>216,165.80</b>

<b>NET COLLECTIONS</b>			
	<b>2020</b>	<b>2019</b>	<b>2018</b>
January to March	3,068.43	273.57	745.08
April to June	499.08	2,449.81	1,064.10
July to September	377.00	3,655.74	553.34
October to December	1,382.11	1,812.32	830.82
<b>TOTAL</b>	<b>5,326.62</b>	<b>8,191.44</b>	<b>3,193.34</b>

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

# T A B N U M B E R

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# **KCHA IN THE NEWS**

**February 16, 2021**

Posted on: February 01, 2021

# Pop Quiz With Stephen Norman

The head of the King County Housing Authority discusses how public housing is changing and his agency's response to COVID-19.

By [Donna Kimura](#)

Meet Stephen Norman, executive director of the King County Housing Authority (KCHA), serving the Seattle suburban metropolitan region. The authority supports 21,000 households in affordable housing and works closely with local partners to house the region's homeless and at-risk populations in addition to promoting family self-sufficiency and supporting educational and life success for the 20,000 children it houses.



*William Wright Photography*

Stephen Norman

In addition to administering rental housing assistance and other public housing programs, KCHA has earned a national reputation as an innovative developer of affordable housing, from spearheading large-scale HOPE VI redevelopment projects to acquiring and rehabbing privately owned properties.

Norman has an extensive background in community organizing, urban planning, and affordable housing design, development, and management. He served as an assistant housing commissioner in New York City and subsequently helped create the Corporation for Supportive Housing (CSH) as its original vice president. He is president of the Council of Large Public Housing Authorities and board chair of CSH.

### **What was your path into affordable and public housing?**

It was somewhat inadvertent. I dropped out of college and was working day jobs when a former teacher connected me with a job opening at New York's Department of City Planning. I started in the mailroom and moved on to a variety of different roles, eventually as a community organizer and neighborhood planner in Brooklyn. It was while organizing that I got to see firsthand how pivotal decent affordable housing was for progress on virtually every other social issue.

**The era of public housing as a resource primarily located in poor and segregated neighborhoods that exclusively serve extremely low-income households is coming to an end. KCHA is moving to mixed-income housing models and trying to integrate this housing into high-opportunity, gentrifying, or transit-oriented communities.**

### **What was a pivotal moment in your career?**

In the late '70s, I began working for New York City's Department of Housing Preservation and Development. The city had recently accelerated the foreclosure of tax-delinquent properties. Close to 50,000 occupied residential units as well as thousands of abandoned residential buildings moved into city ownership virtually overnight. At about the same time, New York's homelessness problem was becoming a full-blown crisis. I had the opportunity to develop programs connecting the two issues, focusing on the rehabilitation of abandoned buildings in partnership with community groups and the creation of a permanent supportive housing loan program that continues to finance the acquisition, rehab, and new construction of supportive housing in New York.

### **Share with us an interesting fact or statistics about KCHA.**

Two facts:

Roughly half the annual new admissions into the 14,000 federally subsidized units KCHA supports report having been homeless prior to admission. We screen out very few applicants, and our eviction/termination rates are some of the lowest in the country.

Through a combination of new property acquisitions, ZIP code-based rent subsidy levels that reflect specific submarket rent levels, hands-on counseling, client assistance funds, and close attention to customer service to landlords, we have significantly broadened geographic choice for the extremely low-income households we serve. Thirty percent of the extremely low-income families with children that we help house live in high-opportunity neighborhoods.

### **What's a recent move that KCHA made that other public housing authorities can learn from?**

This isn't recent, but I think it is the future of our industry. The era of public housing as a resource primarily located in poor and segregated neighborhoods that exclusively serve extremely low-income households is coming to an end. KCHA is moving to mixed-income housing models and trying to integrate this housing into high-opportunity, gentrifying, or transit-oriented communities. One key approach for us has been buying existing privately owned apartment complexes in strategic locations, preventing displacement of existing lower-wage tenants, and providing housing for a mix of income levels, including Housing Choice Voucher holders. We have purchased over 7,000 units, which have become more and more affordable over time as we only raise rents as operating costs increase, rather than matching a steadily rising market. This "de-commodification" of a portion of the housing stock is critical. Housing voucher funding, particularly if we move toward universal vouchers, will struggle to provide access to many desirable neighborhoods. Placing significant portions of urban rental inventories in government or nonprofit ownership has been a very successful approach in European social democracies.

### **What gives you comfort?**

The way in which staff here at KCHA has risen to the challenges of the pandemic. We've pivoted to remote working more quickly and more successfully than we ever thought possible. At the same time—there are parts of this job that you cannot phone in—staff have really stepped up to maintain essential services to the 11,000 units we own. In our housing for medically vulnerable seniors in particular, we've been disinfecting daily, installing UV scrubbers and filters, delivering meals to people's doors. And we have developed a network of learning pods in partnership with our after-school providers to provide support for families struggling with the challenges of virtual learning. The team at KCHA is truly extraordinary.

### **What's the best thing you've done during the recent COVID-19 stay-at-home orders?**

I've established, beyond a shadow of a doubt, the medicinal qualities of single malt scotch.



February 3, 2021

## **King County buys \$7M nursing home**

By [JOURNAL STAFF](#)

SHORELINE — The Oaks at Forest Bay, at [16357 Aurora Ave. N.](#), sold for over \$7.3 million, according to King County records.

The seller was CTR Partnership LP, which acquired the property in 2017 for \$6.9 million. The Oaks closed last year during the ongoing pandemic.

The buyer was King County Housing Authority. In a KCHA board resolution last fall to purchase the property, it appears that the existing building will be used as a homeless shelter — and not be redeveloped in the near term.

The deal was worth about \$201 per square foot for the old building.

Developed on almost 2.7 acres in 1953, the facility has 36,538 square feet and 90 beds. It was previously operated by Kindred, as Arden Rehab & Healthcare Center.