MEETING OF THE BOARD OF COMMISSIONERS

VIRTUAL MEETING

Monday, May 17, 2021

Zoom Meeting:

https://zoom.us/j/91909076400?pwd=VVYwakVsTXo1ei9GdzltREpXV28xdz09

PASSCODE: 659945

Meeting ID: 919 0907 6400

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

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

ANNUAL MEETING OF THE BOARD OF COMMISIONERS AGENDA

Monday, May 17, 2021
8:30 a.m.

VIRTUAL MEETING

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

I. **Call to Order**

II. **Roll Call**

III. **Election of Officers**

A. Chairperson

B. Vice-Chair

IV. **Public Comment**

V. **Approval of Minutes** **1**

A. Board Meeting Minutes – April 19, 2021

B. Board Meeting Minutes – April 26, 2021 – Executive Session

C. Board Meeting Minutes – May 3, 2021 – Executive Session

VI. **Approval of Agenda**

VII. **Consent Agenda**

A. Voucher Certification Report for March 2021 **2**

X. 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)).

XI. Executive Director Report

XII. KCHA in the News 15

XIII. Commissioner Comments

XIV. Adjournment

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

TAB NUMBER 1

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

Monday, April 19, 2021

I. CALL TO ORDER

The Special meeting of the King County Housing Authority Board of Commissioners was held virtually on Monday, April 19, 2021. There being a quorum, the virtual meeting was called to order by Chair Doug Barnes at 8:31 a.m.

II. ROLL CALL

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

Excused: Commissioner John Welch.

III. Public Comment

Ms. Maria Hudson submitted Public Comment. This will be distributed to the Board of Commissioners for review.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – March 15, 2021
B. Board Meeting Minutes – March 18, 2021 – Executive Session
C. Board Meeting Minutes – March 26, 2021 – Executive Session
D. Board Meeting Minutes – March 30, 2021 – Executive Session
E. Board Meeting Minutes – April 5, 2021 – Executive Session

On motion by Commissioner Michael Brown, and seconded by Commissioner Susan Palmer the Board unanimously approved the March 15, 2021, March 18, 2021 Executive Session, March 26, 2021 Executive Session, March 30, 2021 Executive Session and April 5, 2021 Executive Session Board of Commissioners' Meeting Minutes.

V. APPROVAL OF AGENDA

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

VI. CONSENT AGENDA

On motion by Commissioner Susan Palmer, and seconded by Commissioner Michael Brown, the Board unanimously approved the April 19, 2021 virtual Special Board of Commissioners' meeting consent agenda.

VII. RESOLUTION FOR DISCUSSION AND POSSIBLE ACTION

A. Resolution No. 5683 – Authorizing Changes to the Public Housing Admissions and Continued Occupancy Plan (ACOP).

Bill Cook – Director of Property Management explained the changes of the three policies in the ACOP.

The following Exhibits are contained in the policy.

- Exhibit J: Dwelling Lease
  New residents sign this when they move in. Updating the document with changes in federal regulations and changes in state laws. Language was simplified.
- Exhibit I: Grievance Procedure
  Residents have access to this policy to have a grievance resolved. These changes simplified language and aligned with HUD guidance.
- Exhibit O: Schedule of Maintenance Charges/Charge Policy
  Clarification of charges that would be assessed in the event of resident caused damage.

There was a lot of outreach with residents, staff, grievance hearing officers and the REDI Team to review these policy changes. Many thanks to Chris Clevenger, as he was the main driver to get these changes communicated out to staff and residents as well as writing the changes.

Questions of Commissioners were answered.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Susan Palmer, the Board unanimously approved Resolution 5683.

VIII. BRIEFINGS AND REPORTS

A. 2020 MTW Report

Andrew Calkins, Manager of Policy and Legislative Affairs, summarized the highlights for the Moving to Work report.

The Moving to Work (MTW) Report was submitted to HUD on March 31, 2021. MTW status provides us with the flexibility to design and implement community specific approaches to serve our lowest income residents.

MTW challenges us to do things differently, more efficiently and to breakdown barriers for households that have not traditionally been able to access federally housing support and to measure our impact.

During 2020, MTW flexibility shaped how we responded to the pandemic, allowing staff to quickly streamline programs and processes to offer services in new and innovative ways. KCHA also grew the number of households served in 2020 through property acquisitions, continued overleasing, and 461 newly awarded vouchers. Additional themes in the report included the continued development of partnerships with non-profits and other local governments to address the unique needs of people experiencing homelessness, as well as the emphasis on ensuring children living in KCHA housing had the food, internet, and other supports to continue learning remotely during the pandemic.

Questions of Commissioners were answered.

B. First Quarter 2021 Procurement Report

Craig Violante, Interim Deputy Executive Dir-Chief Administrative Officer summarized the First Quarter 2021 Procurement Report.

- 14 new contracts
- 14 change orders in construction projects
- 11 contract extentions

Questions of Commissioners were answered.

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)).

9:03 a.m. – Board meeting was suspended for the Executive Session.

9:48 a.m. – Board meeting was re-convened.

X. EXECUTIVE DIRECTOR REPORT

Executive Director Norman reported that the Biden/Harris Administration has proposed an infrastructure bill that includes a $213 billion investment in affordable housing. The details were not disclosed other than a $40 billion line item for recapitalizing the public housing inventory. The proposal now moves over to Congress, where it is anticipated that there will be extensive negotiations.

The proposal includes the expansion of the Low Income Tax Credit program, a critical source of funding for both new construction and the acquisition/rehab of affordable housing. Significant funding is also proposed, in alignment with the Biden/Harris Administration's focus on climate change, for the weatherization of affordable housing. Some of these funds will likely flow into the local weatherization programs that KCHA administers.

The Administration also released a "Skinny Budget" this month, providing a high-level overview of its priorities for the 2022 appropriation process. The budget proposes a 15% increase in funding for HUD, including expansion of the Housing Choice Voucher program by 200,000 vouchers. This is a significant investment, a first step in turning housing choice vouchers into a universal benefit for extremely low-income households. The proposed expansion of the voucher program reflects the growing acknowledgement of the private sector's inability to provide sufficient affordable housing and just how essential this housing is to the success of key national priorities regarding racial justice, education, health, household wealth and economic mobility.

The Section 8 leadership team is working to position KCHA to rapidly deploy the emergency vouchers authorized by Congress last month. We expect to know by May 10th how many vouchers we will be receiving. Additional incremental vouchers are anticipated under the 2021 HUD budget and potentially from the proposed expansion of the program in 2022. We are looking at staffing, technology and organizational structure in anticipation of this major influx of rental assistance. This is all very exciting news.

KCHA had its exit conference with the State Auditor's office this month. Special thanks to Commissioner Barnes and Stewart for sitting in on the briefing. The Auditor reported a completely clean audit. Kudos to everyone but a special acknowledgement to Craig and Windy and the Finance team.

KCHA has re-estimated its projected HUD revenues for this year. Total anticipated revenues are now $10.7 million above the estimate provided to the Board in December. Following standard practice, the December budget utilized conservative projections regarding the final outcome of congressional budget negotiations. HUD's line item prorations, the 2021 rental inflation factor, capital fund allocations and assumed public housing tenant rent payments were all unknown variables at the end of 2020. We come into 2021 well positioned to ride out continuing pandemic related challenges and to ramp up for the anticipated expansion of the Housing Choice Voucher program.

On the broader financial front, KCHA is benefiting from the current interest rate environment. The refinancing of existing debt has resulted in significant interest cost savings. Director Norman congratulated Tim Walter, Dan Watson, Wen Xu and entire Asset Management team for their work in keeping debt costs as low as possible, managing accounts receivable and working with residents around flexible repayment plans for rent arrears. KCHA is committed to making sure that no one housed by the housing authority loses their home because of financial difficulties caused by the pandemic.

Director Norman also announced the commencement of a pilot initiative with the Veterans Administration and King County to use local service providers to support VASH voucher holders. This pilot is the first in the nation to use local partnerships in lieu of VA staff and is an attempt to fast track issuance of these vouchers in order to get more veterans off the street.

XI. KCHA IN THE NEWS

None.

XII. COMMISSIONER COMMENTS

None.

XIII. ADJOURNMENT

Chair Barnes 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

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

April 26, 2021

I. CALL TO ORDER

The telephonic special Executive Session meeting of the King County Housing Authority Board of Commissioners was held on Monday, April 26, 2021 via telephone/zoom. There being a quorum, the meeting was called to order by Chair Susan Palmer at 10:00 a.m.

II. ROLL CALL

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

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 employees (RCW 42.30.110 (1) (g)).

XIII. ADJOURNMENT

Chair Palmer adjourned the meeting at 11:03 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
VIRTUAL MEETING – EXECUTIVE SESSION ONLY

May 3, 2021

I. CALL TO ORDER

The telephonic special Executive Session meeting of the King County Housing Authority Board of Commissioners was held on Monday, May 3, 2021 via telephone/zoom. There being a quorum, the meeting was called to order by Chair Doug Barnes at 11:01 a.m.

II. ROLL CALL

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

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 employees (RCW 42.30.110 (1) (g)).

XIII. ADJOURNMENT

Chair Palmer adjourned the meeting at 12:21 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

TAB NUMBER 2

To: Board of Commissioners

From: Ai Ly, Interim Assistant Director of Finance

Date: May 3, 2021

Re: **VOUCHER CERTIFICATION FOR MARCH 2021**

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
May 3, 2021

	Bank Wires / ACH Withdrawals		11,554,129.74
		Subtotal	***11,554,129.74***
	Accounts Payable Vouchers		
	Key Bank Checks - #333891-#334323		3,560,607.95
	Tenant Accounting Checks - #11370-#11385		5,406.21
		Subtotal	***3,566,014.16***
	Payroll Vouchers		
	Checks - #92557-92586		24,166.33
	Direct Deposit		1,760,515.96
		Subtotal	***1,784,682.29***
	Section 8 Program Vouchers		
	Checks - #633671-634026 & 633981-634004		262,695.70
	ACH - #507816-510567		17,427,409.69
		Subtotal	***17,690,105.39***
	Purchase Card / ACH Withdrawal		283,762.55
		Subtotal	***283,762.55***
		GRAND TOTAL	***$ 34,878,694.13***

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	
Ballinger Commons	03/03/2021	$ 109,199.83	A/P & Payroll	
Bellepark	03/03/2021	$ 2,428.12	A/P	
Emerson	03/03/2021	$ 44,251.86	A/P & Payroll	
GILMAN SQUARE	03/03/2021	$ 18,906.41	A/P & Payroll	
Hampton Greens	03/03/2021	$ 30,743.07	A/P	
Kendall Ridge	03/03/2021	$ 20,989.15	A/P	
Landmark	03/03/2021	$ 13,103.00	A/P	
Meadowbrook	03/03/2021	$ 22,861.48	A/P & Payroll	
Riverstone	03/03/2021	$ 34,432.30	A/P	
Villages at South Station	03/03/2021	$ 43,579.50	A/P & Payroll	
Woodside East	03/03/2021	$ 10,255.00	A/P	
ALPINE RIDGE	03/04/2021	$ 3,895.87	A/P & Payroll	
ARBOR HEIGHTS	03/04/2021	$ 8,596.32	A/P & Payroll	
Aspen Ridge	03/04/2021	$ 10,400.19	A/P & Payroll	
Auburn Square	03/04/2021	$ 14,566.58	A/P & Payroll	
Carriage House	03/04/2021	$ 19,709.39	A/P & Payroll	
CASCADIAN	03/04/2021	$ 18,340.38	A/P & Payroll	
Colonial Gardens	03/04/2021	$ 9,868.59	A/P & Payroll	
FAIRWOOD	03/04/2021	$ 13,181.80	A/P & Payroll	
HERITAGE PARK	03/04/2021	$ 10,465.80	A/P & Payroll	
Pinewood Village	03/04/2021	$ 9,771.36	A/P & Payroll	
LAURELWOOD	03/04/2021	$ 20,153.06	A/P & Payroll	
Meadows	03/04/2021	$ 12,752.53	A/P & Payroll	
OVERLAKE	03/04/2021	$ 105,210.17	A/P & Payroll & Debt Services	
Parkwood	03/04/2021	$ 8,434.45	A/P & Payroll	
RAINIER VIEW I	03/04/2021	$ 6,706.77	A/P & Debt services	
RAINIER VIEW II	03/04/2021	$ 5,044.26	A/P & Debt services	
SI VIEW	03/04/2021	$ 3,493.59	A/P & Debt services	

SOUTHWOOD SQUARE	03/04/2021	$	8,702.48	A/P & Payroll	
Newporter	03/04/2021	$	10,275.66	A/P & Payroll	
Timberwood	03/04/2021	$	20,722.85	A/P & Payroll	
Walnut Park	03/04/2021	$	13,975.30	A/P & Payroll	
WINDSOR HEIGHTS	03/04/2021	$	23,412.39	A/P & Payroll	
Woodridge Park	03/04/2021	$	26,239.73	A/P & Payroll	
Cottonwood	03/08/2021	$	21,613.04	A/P & Payroll & OCR	
Cove East	03/08/2021	$	29,317.22	A/P & Payroll & OCR	
Juanita View	03/08/2021	$	21,353.62	A/P & Payroll & OCR	
Kirkland Heights	03/08/2021	$	55,305.28	A/P & Payroll & OCR	
NIA	03/08/2021	$	39,972.15	A/P & Payroll & OCR	
Bellepark	03/10/2021	$	13,720.71	A/P & Payroll	
Hampton Greens	03/10/2021	$	52,647.51	A/P & Payroll	
Kendall Ridge	03/10/2021	$	70,497.80	A/P & Payroll	
Landmark	03/10/2021	$	32,889.52	A/P & Payroll	
Riverstone	03/10/2021	$	20,580.39	A/P & Payroll	
Woodside East	03/10/2021	$	28,748.51	A/P & Payroll	
ALPINE RIDGE	03/11/2021	$	3,244.85	A/P	
ARBOR HEIGHTS	03/11/2021	$	6,739.89	A/P	
Aspen Ridge	03/11/2021	$	847.42	A/P	
Auburn Square	03/11/2021	$	3,456.95	A/P	
Carriage House	03/11/2021	$	11,333.07	A/P	
CASCADIAN	03/11/2021	$	9,410.51	A/P	
Colonial Gardens	03/11/2021	$	4,107.08	A/P	
FAIRWOOD	03/11/2021	$	13,123.88	A/P	
HERITAGE PARK	03/11/2021	$	6,799.77	A/P	
Pinewood Village	03/11/2021	$	1,323.87	A/P	
LAURELWOOD	03/11/2021	$	9,045.70	A/P	
Meadows	03/11/2021	$	8,350.76	A/P	
OVERLAKE	03/11/2021	$	149,774.28	A/P	
Parkwood	03/11/2021	$	35,863.35	A/P	
RAINIER VIEW I	03/11/2021	$	16,946.86	A/P	
RAINIER VIEW II	03/11/2021	$	9,881.73	A/P	
SI VIEW	03/11/2021	$	4,938.13	A/P	
SOUTHWOOD SQUARE	03/11/2021	$	9,650.77	A/P	
Newporter	03/11/2021	$	7,685.55	A/P	
Timberwood	03/11/2021	$	7,594.25	A/P	
Vashon Terrace	03/11/2021	$	3,532.30	A/P	
Walnut Park	03/11/2021	$	41,692.33	A/P	
WINDSOR HEIGHTS	03/11/2021	$	32,343.83	A/P	

Woodridge Park	03/11/2021	$	16,511.94	A/P	
ALPINE RIDGE	03/12/2021	$	170,000.00	Distribution	
ARBOR HEIGHTS	03/12/2021	$	210,000.00	Distribution	
Aspen Ridge	03/12/2021	$	160,000.00	Distribution	
Auburn Square	03/12/2021	$	300,000.00	Distribution	
Ballinger Commons	03/12/2021	$	4,400,000.00	Distribution	
Bellepark	03/12/2021	$	350,000.00	Distribution	
Carriage House	03/12/2021	$	350,000.00	Distribution	
CASCADIAN	03/12/2021	$	500,000.00	Distribution	
Colonial Gardens	03/12/2021	$	280,000.00	Distribution	
Cottonwood	03/12/2021	$	70,000.00	Distribution	
Cove East	03/12/2021	$	700,000.00	Distribution	
Emerson	03/12/2021	$	1,800,000.00	Distribution	
FAIRWOOD	03/12/2021	$	500,000.00	Distribution	
GILMAN SQUARE	03/12/2021	$	950,000.00	Distribution	
HERITAGE PARK	03/12/2021	$	300,000.00	Distribution	
Hampton Greens	03/12/2021	$	2,200,000.00	Distribution	
Kendall Ridge	03/12/2021	$	1,125,000.00	Distribution	
Landmark	03/12/2021	$	300,000.00	Distribution	
LAURELWOOD	03/12/2021	$	200,000.00	Distribution	
Meadows	03/12/2021	$	100,000.00	Distribution	
Parkwood	03/12/2021	$	125,000.00	Distribution	
Riverstone	03/12/2021	$	1,500,000.00	Distribution	
SOUTHWOOD SQUARE	03/12/2021	$	300,000.00	Distribution	
Tall Cedars	03/12/2021	$	100,000.00	Distribution	
Newporter	03/12/2021	$	400,000.00	Distribution	
Timberwood	03/12/2021	$	500,000.00	Distribution	
Vashon Terrace	03/12/2021	$	60,000.00	Distribution	
Villages at South Station	03/12/2021	$	300,000.00	Distribution	
Walnut Park	03/12/2021	$	375,000.00	Distribution	
WINDSOR HEIGHTS	03/12/2021	$	850,000.00	Distribution	
Woodridge Park	03/12/2021	$	350,000.00	Distribution	
Woodside East	03/12/2021	$	850,000.00	Distribution	
Ballinger Commons	03/17/2021	$	157,219.29	A/P & Payroll	
Bellepark	03/17/2021	$	5,562.04	A/P	
Emerson	03/17/2021	$	75,306.01	A/P & Payroll	
GILMAN SQUARE	03/17/2021	$	22,027.35	A/P & Payroll	
HERITAGE PARK	03/17/2021	$	369.00	Correction	
Hampton Greens	03/17/2021	$	2,970.23	A/P	
Kendall Ridge	03/17/2021	$	64,373.99	A/P	

Landmark	03/17/2021	$	8,777.22	A/P	
Meadowbrook	03/17/2021	$	34,243.25	A/P & Payroll	
Riverstone	03/17/2021	$	48,472.01	A/P	
Villages at South Station	03/17/2021	$	55,287.73	A/P & Payroll	
Woodside East	03/17/2021	$	31,218.41	A/P	
ALPINE RIDGE	03/18/2021	$	3,443.77	A/P & Payroll	
ARBOR HEIGHTS	03/18/2021	$	27,684.41	A/P & Payroll	
Aspen Ridge	03/18/2021	$	10,865.03	A/P & Payroll	
Auburn Square	03/18/2021	$	16,406.94	A/P & Payroll	
Carriage House	03/18/2021	$	21,796.84	A/P & Payroll	
CASCADIAN	03/18/2021	$	30,518.49	A/P & Payroll	
Colonial Gardens	03/18/2021	$	44,091.00	A/P & Payroll	
FAIRWOOD	03/18/2021	$	15,325.26	A/P & Payroll	
HERITAGE PARK	03/18/2021	$	9,185.98	A/P & Payroll	
Pinewood Village	03/18/2021	$	11,991.92	A/P & Payroll	
LAURELWOOD	03/18/2021	$	16,757.72	A/P & Payroll	
Meadows	03/18/2021	$	15,579.81	A/P & Payroll	
OVERLAKE	03/18/2021	$	34,365.86	A/P & Payroll	
Parkwood	03/18/2021	$	8,781.26	A/P & Payroll	
RAINIER VIEW I	03/18/2021	$	7,113.94	A/P	
RAINIER VIEW II	03/18/2021	$	5,342.11	A/P	
SI VIEW	03/18/2021	$	6,672.14	A/P	
SOUTHWOOD SQUARE	03/18/2021	$	11,359.51	A/P & Payroll	
Newporter	03/18/2021	$	14,716.85	A/P & Payroll	
Timberwood	03/18/2021	$	60,839.51	A/P & Payroll	
Vashon Terrace	03/18/2021	$	7,121.97	A/P	
Walnut Park	03/18/2021	$	13,504.51	A/P & Payroll	
WINDSOR HEIGHTS	03/18/2021	$	36,186.31	A/P & Payroll	
Woodridge Park	03/18/2021	$	44,084.58	A/P & Payroll	
Cottonwood	03/23/2021	$	16,170.65	A/P & Payroll & OCR	
Cove East	03/23/2021	$	34,940.60	A/P & Payroll & OCR	
Juanita View	03/23/2021	$	27,496.44	A/P & Payroll & OCR	
Kirkland Heights	03/23/2021	$	46,850.56	A/P & Payroll & OCR	
NIA	03/23/2021	$	16,870.01	A/P & Payroll & OCR	
Bellepark	03/24/2021	$	44,815.71	A/P & Payroll	
Hampton Greens	03/24/2021	$	144,248.42	A/P & Payroll	
Kendall Ridge	03/24/2021	$	35,228.82	A/P & Payroll	
Landmark	03/24/2021	$	68,545.80	A/P & Payroll	
Riverstone	03/24/2021	$	31,977.59	A/P & Payroll	
Woodside East	03/24/2021	$	66,641.02	A/P & Payroll	

ALPINE RIDGE	03/25/2021	$	5,361.24	A/P & Payroll & OCR	
ARBOR HEIGHTS	03/25/2021	$	19,037.05	A/P & Payroll & OCR	
Aspen Ridge	03/25/2021	$	5,148.56	A/P & Payroll & OCR	
Auburn Square	03/25/2021	$	29,275.21	A/P & Payroll & OCR	
Carriage House	03/25/2021	$	34,428.07	A/P & Payroll & OCR	
CASCADIAN	03/25/2021	$	20,612.01	A/P & Payroll & OCR	
Colonial Gardens	03/25/2021	$	7,982.34	A/P & Payroll & OCR	
FAIRWOOD	03/25/2021	$	24,468.01	A/P & Payroll & OCR	
HERITAGE PARK	03/25/2021	$	2,963.82	A/P & Payroll & OCR	
Pinewood Village	03/25/2021	$	12,349.76	A/P & Payroll & OCR	
LAURELWOOD	03/25/2021	$	7,632.59	A/P & Payroll & OCR	
Meadows	03/25/2021	$	11,693.06	A/P & Payroll & OCR	
OVERLAKE	03/25/2021	$	21,919.75	A/P & Payroll & OCR	
Parkwood	03/25/2021	$	10,348.34	A/P & Payroll & OCR	
SI VIEW	03/25/2021	$	4,891.18	A/P	
SOUTHWOOD SQUARE	03/25/2021	$	15,883.50	A/P & Payroll & OCR	
Newporter	03/25/2021	$	6,887.06	A/P & Payroll & OCR	
Timberwood	03/25/2021	$	73,432.62	A/P & Payroll & OCR	
Vashon Terrace	03/25/2021	$	1,680.46	A/P	
Walnut Park	03/25/2021	$	12,239.20	A/P & Payroll & OCR	
WINDSOR HEIGHTS	03/25/2021	$	13,425.05	A/P & Payroll & OCR	
Woodridge Park	03/25/2021	$	17,279.24	A/P & Payroll & OCR	
ARBOR HEIGHTS	03/26/2021	$	5,721.26	OCR	
Aspen Ridge	03/26/2021	$	402.34	OCR	
CASCADIAN	03/26/2021	$	1,414.94	OCR	
Colonial Gardens	03/26/2021	$	2,503.86	OCR	
FAIRWOOD	03/26/2021	$	283.46	OCR	
HERITAGE PARK	03/26/2021	$	7,076.35	OCR	
SOUTHWOOD SQUARE	03/26/2021	$	147.08	OCR	
WINDSOR HEIGHTS	03/26/2021	$	4,118.98	OCR	
Ballinger Commons	03/31/2021	$	98,173.40	A/P & Payroll	
Bellepark	03/31/2021	$	99.99	A/P	
Emerson	03/31/2021	$	57,174.22	A/P & Payroll	
GILMAN SQUARE	03/31/2021	$	25,065.38	A/P & Payroll	
Hampton Greens	03/31/2021	$	14,937.00	A/P	
Kendall Ridge	03/31/2021	$	21,601.24	A/P	
Landmark	03/31/2021	$	28,082.01	A/P	
Meadowbrook	03/31/2021	$	38,035.49	A/P & Payroll	
NIA	03/31/2021	$	156,622.69	Distribution	
OVERLAKE	03/31/2021	$	57,341.78	Distribution	

Riverstone	03/31/2021	$ 17,184.38	A/P	
Villages at South Station	03/31/2021	$ 23,527.03	A/P & Payroll	
Woodside East	03/31/2021	$ 20,105.72	A/P	
TOTAL	**191 Wires**	**$ 24,662,418.65**		

TAB NUMBER 3

King County Housing Authority

TO: Board of Commissioners

FROM: Craig Violante, Interim Chief Administrative Officer

DATE: April 30, 2021

RE: **Resolution 5684:** Authorizing the Executive Director to enter into an Interlocal Agreement with the Bremerton Housing Authority for the purpose of acquiring consulting services

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King County Housing Authority (KCHA) was recently contacted by the Executive Director of the Bremerton Housing Authority (BHA) requesting permission to "piggyback" on a contract between KCHA and CVR Associates, Incorporated (CVR) for consulting services. KCHA had previously issued a Request for Proposals as part of its procurement process and awarded the contract to CVR. CVR has subsequently provided services to assess the management and operations of KCHA's Resident Services and Housing Choice Voucher departments, as well as KCHA's technology software and systems.

BHA has similar needs for these types of services and the contract between KCHA and CVR substantially addresses these needs. Interlocal agreements provide an avenue for public agencies to utilize the procurement processes of other public agencies and enter into similar contracts without performing their own procurement, relying instead on the procurement process already performed. Chapter 39.34 RCW "*The Interlocal Cooperation Act*", permits public agencies to cooperate and exercise joint powers in carrying out their public purposes, including the purchase of goods and services. Federal Regulation 2 CFR 200 governs KCHA's procurement process when federal funds are used.

The interlocal agreement is included in the board package. This resolution gives KCHA's Executive Director the authority to enter into the Interlocal Agreement with BHA. Staff recommends approval.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5684

AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE BREMERTON HOUSING AUTHORITY IN ORDER TO ACQUIRE CONSULTING SERVICES

WHEREAS, the Bremerton Housing Authority seeks to secure a consultant to advise its Executive Director on HUD programmatic and regulatory issues and to provide consultation on administrative, operating and management practices; and

WHEREAS, the services needed by the Bremerton Housing Authority match those being provided to the King County Housing Authority by CVR Associates, Incorporated through a competitively bid contract; and

WHEREAS, KCHA has followed the Federal procurement process 2 CFR 200 and KCHA's Procurement Policy in procuring consulting services from CVR Associates, Incorporated; and

WHEREAS, Chapter 39.34 RCW (The Interlocal Cooperation Act) permits public agencies to cooperate and exercise joint powers in carrying out their public purposes, including the purchase of goods and services; and

WHEREAS, KCHA routinely enters into Intergovernmental Cooperative Purchasing Agreements with other public agencies in order to reduce the cost of contracts and supplies; and

WHEREAS, KCHA utilized competitive bidding procedures which are substantially the same as those used by the Bremerton Housing Authority to obtain a reasonable and fair price for the services needed by Bremerton Housing Authority and is willing to enter into an Intergovernmental Cooperative Purchasing Agreement allowing the Bremerton Housing Authority to piggyback on KCHA's existing contract at a comparable price.

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

The Executive Director is hereby authorized to enter into an Intergovernmental Cooperative Purchasing Agreement with the Bremerton Housing Authority substantially in the form attached hereto for the purpose of allowing the Bremerton Housing Authority to piggyback onto the KCHA contract with CVR Associates, Incorporated in accordance with Chapter 39.34 RCW.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT THE ANNUAL OPEN PUBLIC MEETING THIS 17TH DAY OF MAY, 2021.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

____
DOUGLAS J. BARNES, Chair
Board of Commissioners

____
STEPHEN J. NORMAN
Executive Director and Secretary-Treasurer

TAB NUMBER 4

TO: Board of Commissioners

FROM: Tim Walter

DATE: May 10, 2021

RE: **Resolution 5685** – Acquisition of Investor Members' interest in Seola Crossing LLC
Resolution 5686 – Acquisition of Investor Members' interest in Salmon Creek Housing LLC
Resolution 5687 – Acquisition of Investor Members' interest in Soosette Creek Housing LLC and/or direct acquisition of Soosette Creek LLC

The attached three resolutions authorize the Executive Director to take all actions necessary for KCHA to acquire 100% of the interests in Seola Crossing LLC (Seola Crossing Apartments at Greenbridge), Salmon Creek Housing LLC (Salmon Creek Apartments at Greenbridge) and the Soosette Creek LLC (Birch Creek Apartments in Kent), respectively, through either the acquisition of the investor member interests or through the acquisition and assumption of the LLC itself.

KCHA is the sole managing member of each of these Low Income Housing Tax Credit developments. In the case of Seola Crossing LLC and Salmon Creek Housing LLC, KCHA or a wholly owned affiliate, such as the Northwest Affordable Communities LLC, will accept a transfer of the investor member interests. In the case of Soosette Creek LLC, either the interest of the investor members or the entire LLC will be acquired, resulting in the termination of the investor's involvement in the project. In all cases, KCHA ends up with sole ownership of each LLC.

KCHA serves or has served as the managing general partner or managing member of approximately 30 different tax credit partnerships and limited liability companies involved in over 40 different properties. KCHA forms these entities to generate equity from the sale of the low income housing tax credits to help finance the development of the affordable housing. The tax credit equity has been an invaluable tool without which KCHA would not have been able to develop most of the housing it has developed or redeveloped over the last 25 years.

The tax credit model is structured to pass through tax credits and tax deductions to passive investors in exchange for their investment of capital into affordable housing. The tax credits are generally distributed over a 10 to 15 year window and it is over this time period the investor expects to receive their full investment return. The basic assumption in the "non-profit managing member" investment model is that the investor will step in on day one, make their investment up front; a non-profit managing member will operate the property for 15 years, over which time the investor will claim their tax benefits; and after the 15 year window, the primary investment return having been realized, the investor will deed the property over to the non-profit managing member ("MM"). Unfortunately, while from the non-profit MM's perspective this is how these transactions should work, there are numerous technical tax and legal issues and investment motives that complicate the ability of a non-profit managing member to step in and take over control of the property without incurring significant costs.

In general, for a real estate transaction to be arm's length, members cannot negotiate up front to sell their interests in the limited liability company to one or more of the members at a future point in time at a below market price without creating negative tax consequences to the company. There is an exception, however, in the current tax code for non-profit and government managing members to acquire tax credit properties back from their limited liability members at no cost, other than the simple assumption of the company's debt plus a payment to the investor sufficient to cover any tax liability they may incur by exiting. This exemption is not an absolute right of the MM but may be agreed to by the members and is generally negotiated at the time the limited liability company agreement is originally executed.

The proposed structure of these transfers to KCHA are consistent with the terms of KCHA's prior transactions with other tax credit syndicators, such as Nia Apartments LLC and Rural Housing Preservation LLC.

The transfer for Seola Crossing LLC was consummated on April 16, 2021 and Resolution #5685 provides for a ratification of the transfer. There was an investor tax liability indemnity payment of $40,000 plus the annual investor service fee payment of $10,000 for a total of $50,000 paid by KCHA to the investor members. The transfers for Salmon Creek LLC and Soosette Creek LLC are anticipated to occur on or before July 31, 2021. There are no investor tax liability indemnity payments anticipated with respect to the Salmon Creek LLC and Soosette Creek LLC transfers, although there will likely be administrative termination fee-related payments of approximately $25,000 or less per transaction.

Staff recommends passage of Resolution numbers 5685, 5686 and 5687.

THE HOUSING AUTHORITY OF THE COUNTY OF KING
RESOLUTION NO. 5685
(Seola Crossing Apartments – Transfer Resolution)

A RESOLUTION of the Housing Authority of the County of King (the "Authority") authorizing; (i) the acquisition by Northwest Affordable Communities LLC, a Washington limited liability company (the "Replacement Investor Entity"), of the investor member and special member interests in Seola Crossing LLC, a Washington limited liability company (the "Company"), which is the owner of the Seola Crossing Apartments (the "Project"); and (ii) the Executive Director or his designee to approve, execute and deliver any and all such documents necessary to effectuate the foregoing.

WHEREAS, the Housing Authority of the County of King (the "Authority") seeks to encourage the provision of long-term housing for low-income persons;

WHEREAS, RCW 35.82.070(2) provides that a housing authority may, among other things, "prepare, carry out, acquire, lease and operate housing projects …;"

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

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things, and if certain conditions are met, "own, hold, and improve real or personal property" and "sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein …;"

WHEREAS, RCW 35.82.080(1) provides that a housing authority may, among other things, "make and execute contracts and other instruments, necessary or convenient to the exercise of the powers of the authority…;"

WHEREAS, the Authority is the managing member of Seola Crossing LLC (the "Company"), Boston Financial Housing Investments VIII Limited Partnership, (BF) formerly known as MMA Seola Crossing, LLC, is the investor member of the Company, and BFIM Special Limited Partner, Inc., formerly known as MMA Special Limited Partner, Inc., is the special investor member (the "Special Member" and together with BF, the "Investor Member") of the Company;

WHEREAS, the Authority is the fee owner of the real property located at 9839 Eighth Avenue SW, Seattle, Washington in the White Center unincorporated area of King County, Washington (the "Property"), and pursuant to the terms of a Lease Agreement dated March 23, 2006 (the "Lease"), the Company was granted a leasehold interest in that certain 187-unit apartment building and all assets thereto located on the Property commonly known as Seola Crossing Apartments (collectively, the "Project");

WHEREAS, the Project was financed in part with low income housing tax credits ("LIHTC");

WHEREAS, the Project has been operating as "qualified low income housing" pursuant to Section 42 of the Internal Revenue Service Code (the "Code") and, as such, the Company has been receiving LIHTC during the 15-year compliance period pursuant to the Code (the "Compliance Period");

WHEREAS, the Authority desires to acquire the interests of the Investor Member in the Company (the "Investor Member Interests");

WHEREAS, the Authority has formed Northwest Affordable Communities LLC (the "Replacement Investor Member"), a Washington limited liability company of which the Authority serves as the sole member and manager, for purposes in furtherance of the Authority's mission as may be authorized in the Operating Agreement of the Replacement Investor Member;

WHEREAS the Authority, in its own capacity, as managing member of the Company, and as sole member and manager of the Replacement Investor Entity, desires to effectuate the transfer of the Investor Member Interests to the Replacement Investor Entity:

WHEREAS, the Authority, in its own capacity, as managing member of the Company, and as sole member and manager of the Replacement Investor Entity, desires to take such steps, make such reasonable expenditures, including, but not limited to, attorneys' fees and costs, and to ratify all steps already taken, as reasonably necessary to accomplish the foregoing.

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

RESOLUTIONS

RESOLVED, that the Authority as managing member of the Company on behalf of the Company, and as sole member and manager of the Replacement Investor Entity on behalf of the Replacement Investor Entity, is authorized, empowered and directed to take such steps that are reasonably necessary or advisable to effectuate the transfer of the Investor Member Interests in the Company to the Replacement Investor Entity, and to negotiate, execute and deliver any and all such documents as may be reasonably required by the Investor Member to effectuate the transfer, including, without limitation, an Assignment and Assumption of Investor Member Interests and Amendment to Operating Agreement, Compliance Agreement Guaranty, Post Transfer Compliance and Indemnity Agreement, and Controlling Interest Transfer Return, or other such similarly named documents (collectively, the "Transfer Documents");

RESOLVED, that any and all documents in connection with the foregoing, which are authorized to be executed by or on behalf of the Authority, in its own capacity, as managing member of the Company, and as sole member and manager of the Replacement Investor Entity, are authorized to be executed by the Executive Director of the Authority.

RESOLVED, the Executive Director is authorized, empowered and directed to take such further action on behalf of the Authority, in its own capacity, as managing member of the Company on behalf of the Company, and as sole member and manager of the Replacement Investor Entity on behalf of the Replacement Investor Entity, to cause to be done all other acts and to take all further steps and actions, and to deliver all agreements, documents and instruments, and make such reasonable expenditures as the Executive Director shall deem necessary or desirable to carry out the foregoing resolutions.

RESOLVED, that all steps or actions heretofore taken and/or documents heretofore executed with respect to the foregoing by the Authority in its own capacity, as managing member of the

Company on behalf of the Company, and as sole member and manager of the Replacement Investor Entity on behalf of the Replacement Investor Entity, as contemplated by the transactions herein are hereby ratified and affirmed.

RESOLVED, that any action required by this resolution to be taken by the Executive Director of the Authority may, in the absence of such person, be taken by a duly authorized acting Deputy Executive Director of the Authority or such other designee as the Executive Director or the Board of Commissioners may designate.

RESOLVED, any actions of the Authority or its officers or employees prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

ADOPTED AT THE MEETING OF THE BOARD OF COMMISISONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT THE ANNUAL OPEN PUBLIC MEETING THIS 17TH DAY OF MAY, 2021.

HOUSING AUTHORITY OF THE COUNTY OF KING

By: ______________________________________
DOUGLAS J. BARNES, Chair
Board of Commissioners

ATTEST:

____
STEPHEN J. NORMAN
Executive Director and Secretary-Treasurer

[*CERTIFICATE FOLLOWS ON NEXT PAGE*]

CERTIFICATE

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

1. That the foregoing Resolution No. 5685 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on May 17, 2021 (the "Meeting"), and duly recorded in the minute books of the Authority.

2. That in accordance with RCW 43.06.220, and the Proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives (a) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (b) the means of attending the Meeting provided the ability for all persons attending the Meeting to hear each other at the same time.

3. The public was notified of access options for remote participation in the Meeting via the Authority's website.

4. The Meeting was duly convened and held in all respects in accordance with the law, and to the extent required by law, due and proper notice of the Meeting was given; that a quorum was present throughout the Meeting (including through telephonic and/or internet means of remote access), and a majority of the members of the Board of Commissioners of the Authority present at the Meeting voted in the proper manner for the adoption of the Resolution; that all requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

DATED: May 17, 2021.

Stephen J. Norman
Executive Director of the Authority

TAB NUMBER 5

THE HOUSING AUTHORITY OF THE COUNTY OF KING
RESOLUTION NO. 5686
(Salmon Creek Apartments – Transfer Resolution)

A RESOLUTION of the Housing Authority of the County of King (the "Authority") authorizing; (i) the acquisition by Northwest Affordable Communities LLC, a Washington limited liability company (the "Replacement Investor Entity"), of the investor member and special member interests in Salmon Creek Housing LLC, a Washington limited liability company (the "Company"), which is the owner of the Salmon Creek Apartments (the "Project"); and (ii) the Executive Director or his designee to approve, execute and deliver any and all such documents necessary to effectuate the foregoing.

WHEREAS, the Housing Authority of the County of King (the "Authority") seeks to encourage the provision of long-term housing for low-income persons;

WHEREAS, RCW 35.82.070(2) provides that a housing authority may, among other things, "prepare, carry out, acquire, lease and operate housing projects …;"

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

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things, and if certain conditions are met, "own, hold, and improve real or personal property" and "sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein …;"

WHEREAS, RCW 35.82.080(1) provides that a housing authority may, among other things, "make and execute contracts and other instruments, necessary or convenient to the exercise of the powers of the authority…;"

WHEREAS, the Authority is the managing member of Salmon Creek Housing LLC (the "Company"), Salmon Creek-Apollo Housing Capital, LLC, a Delaware limited liability company, is the investor member ("Apollo") of the Company, and RBC Tax Credit Manager II, Inc., a Delaware corporation, formerly known as Apollo Housing Manager II, Inc., is the special investor member (the "Special Member" and together with Apollo, the "Investor Member") of the Company;

WHEREAS, the Authority is the fee owner of the real property located at 9900 Eighth Avenue SW, Seattle, Washington in the White Center unincorporated area of King County, Washington (the "Property"), and pursuant to the terms of a Lease Agreement dated May 26, 2008 (the "Lease"), the Company was granted a leasehold interest in that certain 88-unit apartment building and all assets thereto located on the Property commonly known as Salmon Creek Apartments (collectively, the "Project");

WHEREAS, the Project was financed in part with low income housing tax credits ("LIHTC");

WHEREAS, the Project has been operating as "qualified low income housing" pursuant to Section 42 of the Internal Revenue Service Code (the "Code") and, as such, the Company has been receiving LIHTC during the 15-year compliance period pursuant to the Code (the "Compliance Period");

WHEREAS, the Authority desires to acquire the interests of the Investor Member in the Company (the "Investor Member Interests");

WHEREAS, the Authority has formed Northwest Affordable Communities LLC (the "Replacement Investor Member"), a Washington limited liability company of which the Authority serves as the sole member and manager, for purposes in furtherance of the Authority's mission as may be authorized in the Operating Agreement of the Replacement Investor Member;

WHEREAS the Authority, in its own capacity, as managing member of the Company, and as sole member and manager of the Replacement Investor Entity, desires to effectuate the transfer of the Investor Member Interests to the Replacement Investor Entity:

WHEREAS, the Authority, in its own capacity, as managing member of the Company, and as sole member and manager of the Replacement Investor Entity, desires to take such steps, make such reasonable expenditures, including, but not limited to, attorneys' fees and costs, and to ratify all steps already taken, as reasonably necessary to accomplish the foregoing.

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

RESOLUTIONS

RESOLVED, that the Authority as managing member of the Company on behalf of the Company, and as sole member and manager of the Replacement Investor Entity on behalf of the Replacement Investor Entity, is authorized, empowered and directed to take such steps that are reasonably necessary or advisable to effectuate the transfer of the Investor Member Interests in the Company to the Replacement Investor Entity, and to negotiate, execute and deliver any and all such documents as may be reasonably required by the Investor Member to effectuate the transfer, including, without limitation, an Assignment and Assumption of Investor Member Interests and Amendment to Operating Agreement, Compliance Agreement Guaranty, Post Transfer Compliance and Indemnity Agreement, and Controlling Interest Transfer Return, or other such similarly named documents (collectively, the "Transfer Documents");

RESOLVED, that any and all documents in connection with the foregoing, which are authorized to be executed by or on behalf of the Authority, in its own capacity, as managing member of the Company, and as sole member and manager of the Replacement Investor Entity, are authorized to be executed by the Executive Director of the Authority.

RESOLVED, the Executive Director is authorized, empowered and directed to take such further action on behalf of the Authority, in its own capacity, as managing member of the Company on behalf of the Company, and as sole member and manager of the Replacement Investor Entity on behalf of the Replacement Investor Entity, to cause to be done all other acts and to take all further steps and actions, and to deliver all agreements, documents and instruments, and make such reasonable expenditures as the Executive Director shall deem necessary or desirable to carry out the foregoing resolutions.

RESOLVED, that all steps or actions heretofore taken and/or documents heretofore executed with respect to the foregoing by the Authority in its own capacity, as managing member of the

Company on behalf of the Company, and as sole member and manager of the Replacement Investor Entity on behalf of the Replacement Investor Entity, as contemplated by the transactions herein are hereby ratified and affirmed.

RESOLVED, that any action required by this resolution to be taken by the Executive Director of the Authority may, in the absence of such person, be taken by a duly authorized acting Deputy Executive Director of the Authority or such other designee as the Executive Director or the Board of Commissioners may designate.

RESOLVED, any actions of the Authority or its officers or employees prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

ADOPTED AT THE MEETING OF THE BOARD OF COMMISISONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT THE ANNUAL OPEN PUBLIC MEETING THIS 17TH DAY OF MAY, 2021.

HOUSING AUTHORITY OF THE COUNTY OF KING

By: ____
DOUGLAS J. BARNES, Chair
Board of Commissioners

ATTEST:

____
STEPHEN J. NORMAN
Executive Director and Secretary-Treasurer

[*CERTIFICATE FOLLOWS ON NEXT PAGE*]

CERTIFICATE

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

1. That the foregoing Resolution No. 5686 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on May 17, 2021 (the "Meeting"), and duly recorded in the minute books of the Authority.

2. That in accordance with RCW 43.06.220, and the Proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives (a) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (b) the means of attending the Meeting provided the ability for all persons attending the Meeting to hear each other at the same time.

3. The public was notified of access options for remote participation in the Meeting via the Authority's website.

4. The Meeting was duly convened and held in all respects in accordance with the law, and to the extent required by law, due and proper notice of the Meeting was given; that a quorum was present throughout the Meeting (including through telephonic and/or internet means of remote access), and a majority of the members of the Board of Commissioners of the Authority present at the Meeting voted in the proper manner for the adoption of the Resolution; that all requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

DATED: May 17, 2021.

Stephen J. Norman
Executive Director of the Authority

TAB NUMBER 6

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION 5687

A RESOLUTION OF BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING PROVIDING FOR THE ACQUISITION OF MEMBER INTERESTS IN SOOSETTE CREEK LLC, AND THE ACQUISITION OF THE BIRCH CREEK APARTMENTS, AUTHORIZING THE ASSUMPTION, AMENDMENT AND/OR RESTRUCTURING OF OBLIGATIONS PERTAINING TO THE BIRCH CREEK APARTMENTS INCLUDING, WITHOUT LIMITATION, THE AUTHORITY'S REVENUE BONDS, 2008 (BIRCH CREEK APARTMENTS PROJECT), AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS AND OTHER DOCUMENTS WITH RESPECT TO SUCH ACQUISITION(S) AND/OR ASSUMPTIONS, AND PROVIDING FOR OTHER MATTERS RELATED THERETO.

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

Section 1. The Board of Commissioners (the "Board") of the Housing Authority of the County of King (the "Authority") hereby makes the following findings and determinations:

(a) The Authority seeks to encourage the provision of long-term housing for low-income persons residing within King County, Washington (the "County").

(b) The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) "prepare, carry out, acquire, lease and operate housing projects" (RCW 35.82.070(2)); (ii) "make and execute contracts and other instruments" (RCW 35.82.070(1)); and (iii) "delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper" (RCW 35.82.040).

(c) The Authority formed Soosette Creek LLC (the "Company") on October 15, 2007, and has served as the Company's managing member at all times. Soosette-Apollo Housing Capital, L.L.C. is the investor member of the Company, and Apollo Housing Manager II, Inc. is the special member of the Company (collectively, the "Non-Managing Members"). Pursuant to a Lease Agreement with the Authority dated April 30, 2008 (the "Lease"), the Company has a leasehold interest in the land and buildings comprising the Birch Creek Apartments, which are located at 27360 129th Place SE, Kent, Washington (the "Project"). The Company has claimed federal low-income housing tax credits ("LIHTCs") with respect to the Project. The compliance period with respect to such LIHTCs has expired, or will expire soon. The Non-Managing Members have expressed their desire to transfer their membership interests to or at the direction of the Authority, or to allow the Authority to acquire the Company's interests in the Project.

(d) The Authority has or may form a Washington limited liability company of which the Authority is, or will be, the sole manager and member or other wholly-owned affiliate (the "Replacement Member").

(e) Pursuant to Resolution No. 5182 of the Board adopted on August 18, 2008, and Trust Indenture dated August 28, 2008 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), the Authority previously issued its $37,500,000 original principal amount Housing Authority of the County of King Revenue Bonds, 2008 (Birch Creek Apartments Project) (the "Bonds"). The Authority lent the proceeds of the Bonds to the Company pursuant to a Loan Agreement dated August 28, 2008 (the "Bond Loan Agreement"), to finance the acquisition (for federal tax purposes) and rehabilitation of the Project. The Company's obligations under the Bond Loan Agreement are secured by a Third Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Birch Creek Apartments Project – Fixed Rate Bonds) made by the Company for the benefit of the Authority (the "Bond Deed"). The Authority King County, Washington entered into a Contingent Loan Agreement dated August 15, 2008 (the "Contingent Loan Agreement") and the rights of the Authority under the Contingent Loan Agreement and any loans made by the County with respect to the Bonds have been assigned by the Authority the Trustee.

(g) Based on the need to preserve affordable rental housing opportunities within its area of operation, and other matters, the Board deems it necessary to proceed with the transactions described in this resolution.

Section 2. Acquisition of Membership Interests and Project. The Authority and the Replacement Member each are authorized to acquire all or any portion of the membership interests of the Non-Managing Members in the Company, whether by gift from such Non-Managing Member(s) or upon payment to such Non-Managing Member(s). The Authority may acquire any Company's leasehold interest in the Project in lieu of (or subsequent to) acquiring the Non-Managing Members' membership interests in the Company, and/ or cause the Company's leasehold interest in the Project to be terminated (or otherwise cause the transfer of the Project to the Authority).

Section 3. Assignment, Amendment and/or Transfer Documents. The Executive Director of the Authority, any Deputy Executive Director, and their respective designees (collectively, the "Authorized Officers") and each of them acting alone, are authorized in their discretion to cause the Authority, the Replacement Member and the Company to enter into such transfer agreements, assignment and assumption agreements, amendments to the Operating Agreement of the Company (as previously amended and/or supplemented to date) and other agreements, as are deemed necessary or desirable by any Authorized Officer to properly evidence the transfer of the Non-Managing Member interests to the Authority and/or the Replacement Member, or to evidence the transfer of the Project to the Authority. Without limiting the foregoing authority, the Authority is authorized (acting on its own behalf, as the Replacement Member's manager, and/or as the Company's managing member) to enter into (i) assignment and assumption agreements with any lender that has made a loan to the Company; and (ii) an agreement with the Washington State Housing Finance Commission assuming responsibility for complying with the extended use agreement for the Project. An Authorized Officer's execution of any instrument contemplated by this Section 3 will constitute conclusive evidence of his or her approval of the terms thereof and the approval by the Authority of such terms

Section 4. Purchase Price and Other Expenditures. The Authority is authorized (acting on its own behalf, as the Replacement Member's manager, and/or as the Company's managing member) to pay to the Non-Managing Members, the Company, and/or their respective designees, the amount necessary to acquire the Non-Managing Members' interests in the Company, or to acquire the Company's leasehold interest in the Project. In addition to payments authorized pursuant to the

FG:54295124.3

preceding sentence, the Authority is authorized to expend such additional funds as are necessary to pay for all governmental filing fees, application fees, registration fees, real estate excise taxes, Washington State Housing Finance Commission fees, and other costs relating to the actions authorized by this resolution.

Section 5. Bond Restructuring. In addition to the authority provided in Section 3 hereof, if the Authority determines to acquire the Company's interest in the Project, the Authority further approves the assignment and assumption by the Authority of the obligations of the Company with respect to the Bonds, including, but not limited to, any obligations of the Company under the Bond Loan Agreement with respect to the Bonds and the Continuing Disclosure Agreement dated as of August 1, 2008, between the Company and The Bank of New York Mellon Trust Company, N.A. (the "Continuing Disclosure Agreement"). The Authorized Officers, and each of them acting alone, are authorized in their discretion to cause the Authority and the Company to enter into such assignment and assumption agreements, and supplements or amendments of the Bond Indenture, the Bond Loan Agreement, the Bond Deed, the Continuing Disclosure Agreement, the Contingent Loan Agreement, and other documents relating to the Bonds as are requested or required by the Trustee, or deemed necessary or desirable by any Authorized Officer, in connection with the assignment and assumption of the Company's obligations with respect to the Bonds. An Authorized Officer's execution of any instrument contemplated by this Section 5 will constitute conclusive evidence of his or her approval of the terms thereof and the approval by the Authority of such terms.

Section 6. Amended and Operating Agreement; Termination of Company. If the Authorized Officers, or any of them, determine that it is in the Authority's interests to cause the Company to acquire the Non-Managing Members' interests in the Company, then the Authority is authorized to enter into, and to cause the Company to enter into, an amended and restated operating agreement (the "Operating Agreement") for the Company in a form approved by the Authorized Officer executing the Operating Agreement. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf and as the Replacement Member's manager) to execute and deliver the Operating Agreement. An Authorized Officer's execution of the Operating Agreement will constitute conclusive evidence of his or her approval of the terms thereof and the approval by the Authority (acting on its own behalf and as the Replacement Member's manager) of such terms. Once the Authority and/or the Replacement Member are the only member(s) of the Company, and such transfer has been approved by all relevant lenders and parties with the right to enforce transfer restrictions, the Authorized Officers, and each of them acting alone, are hereby delegated the discretionary authority to cause the Company to transfer the Project to the Authority. Once the Company's interest in the Project is terminated, the Authority shall cause the Company to be unwound and shall cause liquidating distributions to be made by the Company. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf, as managing member of the Company, and as the Replacement Member's manager, as applicable) to execute, deliver and, if applicable, file (or cause to be delivered and/or filed) any and all documents necessary to liquidate and terminate the Company.

Section 7. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf, as managing member of the Company, and as the Replacement Member's manager, as applicable) to execute, deliver and, if applicable, file (or cause to be delivered and/or filed) any affidavits, certificates, letters, documents, agreements, instruments and government forms that such Authorized Officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein. Notwithstanding any other Authority resolution, rule, policy, or procedure, the Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf, as managing member of the Company, and as the Replacement Member's manager, as applicable) to create, accept, execute, send, use, and rely upon such tangible medium, manual, facsimile, or electronic documents, records and signatures under any security procedure or platform, as in such Authorized Officer's judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein.

Section 8. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 9. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may, in such person's absence, be taken by the duly authorized acting Deputy Executive Director of the Authority.

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

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT THE ANNUAL OPEN PUBLIC MEETING THIS 17TH DAY OF MAY, 2021.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

By: ______________________________

DOUGLAS J. BARNES, Chair
Board of Commissioners

ATTEST:

____
STEPHEN J. NORMAN
Executive Director and Secretary-Treasurer

CERTIFICATE

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

1. That the attached Resolution No. 5687 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on May 17, 2021 (the "Meeting"), and duly recorded in the minute books of the Authority;

2. That in accordance with RCW 43.06.220, and the Proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives (a) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (b) the means of attending the Meeting provided the ability for all persons attending the Meeting to hear each other at the same time;

3 The public was notified of access options for remote participation in the Meeting via the Authority's website; and

4. The Meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of the Meeting was given; that a quorum was present throughout the Meeting through telephonic and/or internet means of remote access, and a majority of the members of the Board of Commissioners of the Authority present at the Meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of May, 2021.

____

Stephen J. Norman
Executive Director and Secretary-Treasurer of the Authority

TAB NUMBER 7

To: Board of Commissioners

From: Windy Epps, Interim Finance Director

Date: April 30, 2021

Re: **Resolution 5688:** Acceptance of Washington State Auditor's Office Report on Financial Statements and Federal Single Audit (No. 1027396), and the Accountability Audit Report (No. 1028077), both for the Period Ended December 31, 2019

On April 15, 2021 the Washington State Auditor's Office (SAO) issued Financial and Single Audit Report Number 1027396, and Accountability Audit Report Number 1028077. Both reports relate to KCHA's fiscal year, which ended on December 31, 2019.

The Financial Statement Audit Report covers the Authority's financial statements and related disclosures along with the Federal "Single Audit" for the period of January 1, 2019 through December 31, 2019. The Accountability Audit Report reports on the Authority's compliance with State laws and regulations and its own policies and procedures.

There were no findings in this year's Financial Audit Report or Accountability Audit Report, and there were no management letter items.

The auditors expressed in their written opinion that the financial statements present fairly, in all material respects, the financial position of the Housing Authority of the County of King.

An exit conference with the SAO took place on March 29, 2021 and was attended by Commissioner Barnes and Commissioner Stewart along with several KCHA staff members. The SAO expressed their appreciation for the responsiveness of KCHA staff toward the SAO audit staff.

Resolution 5688 is a required element to KCHA's audit. Board passage is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5688

ACKNOWLEDGING RECEIPT OF THE POST AUDIT REPORTS FOR THE PERIOD JANUARY 1, 2019 THROUGH DECEMBER 31, 2019

WHEREAS, the State of Washington, Office of the State Auditor, Division of Audit Services, has conducted a Fiscal Audit of the Housing Authority of the County of King for the period of January 1, 2019 through December 31, 2019 and has transmitted same to the Housing Authority; and

WHEREAS, the State of Washington, Office of the State Auditor, Division of Audit Services, has conducted an Accountability Audit of the Housing Authority of the County of King for the period of January 1, 2019 through December 31, 2019 and has transmitted same to the Housing Authority; and

WHEREAS, a formal acceptance of these Audits is required by the Board of Commissioners;

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

Receipt of the official examination, Financial Statements and Federal Single Audit Report No. 1027396 for the period of January 1, 2019 through December 31, 2019, and Accountability Audit Report No. 1028077 for the period of January 1, 2019 through December 31, 2019 of the Housing Authority of the County of King prepared and transmitted for filing by the State Auditor's Division of Municipal Corporations pursuant to RCW 43.09.260, is hereby acknowledged and formally accepted by the Board of Commissioners of the Housing Authority of the County of King.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT THE ANNUAL OPEN PUBLIC MEETING THIS 17TH DAY OF MAY, 2021.

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
Executive Director and Secretary-Treasurer

Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Housing Authority of the County of King
(King County Housing Authority)

For the period January 1, 2019 through December 31, 2019

Published December 7, 2020
Republished March 29, 2021
Republished April 15, 2021
Report No. 1027396

Office of the Washington State Auditor
Pat McCarthy

April 15, 2021

Board of Commissioners
King County Housing Authority
Tukwila, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the King County Housing Authority's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Housing Authority's financial condition.

Sincerely,

Pat McCarthy

State Auditor

Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

TABLE OF CONTENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

King County Housing Authority
January 1, 2019 through December 31, 2019

SECTION I – SUMMARY OF AUDITOR'S RESULTS

The results of our audit of the King County Housing Authority are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the financial statements of the business-type activities and the aggregate discretely presented component units in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Housing Authority.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Housing Authority's compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

CFDA No.	Program or Cluster Title
14.871	Housing Voucher Cluster – Section 8 Housing Choice Vouchers
14.879	Housing Voucher Cluster – Mainstream Vouchers
14.881	Moving to Work Demonstration Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was $3,000,000.

The Housing Authority qualified as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

King County Housing Authority
January 1, 2019 through December 31, 2019

Board of Commissioners
King County Housing Authority
Tukwila, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the King County Housing Authority, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated November 30, 2020.

As discussed in Note 14 to the financial statements, in February 2020, a state of emergency was declared which could have a negative financial effect on the Housing Authority.

Our report includes a reference to other auditors who audited the financial statements of Corinthian TOD LLLP, Eastbridge Apartments LLC, Fairwind Apartments LLLP, Green River Homes 2 LLC, Nia Apartments LLC, Salmon Creek Housing LLC, Seola Crossing LLC, Sixth Place Apartments LLLP, Somerset Gardens Apartments LLLP, Soosette Creek LLC, Spiritwood Manor LLLP, Vantage Point Apartments LLC, and Zephyr Apartments LLLP (the partnerships), as described in our report on the Housing Authority's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the partnerships were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associate with the partnerships.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Housing Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from material misstatement, we performed tests of the Housing Authority's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the

Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Pat McCarthy

State Auditor

Olympia, WA

November 30, 2020, except as to the Financial Data Schedule, for which the date is April 14, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

King County Housing Authority
January 1, 2019 through December 31, 2019

Board of Commissioners
King County Housing Authority
Tukwila, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of the King County Housing Authority, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended December 31, 2019. The Housing Authority's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the Housing Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Pat McCarthy

State Auditor

Olympia, WA

November 30, 2020

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

King County Housing Authority
January 1, 2019 through December 31, 2019

Board of Commissioners
King County Housing Authority
Tukwila, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the King County Housing Authority, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed on page 16.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Corinthian TOD LLLP, Eastbridge Apartments LLC, Fairwind Apartments LLLP, Green River Homes 2 LLC, Nia Apartments LLC, Salmon Creek Housing LLC, Seola Crossing LLC, Sixth Place Apartments LLLP, Somerset Gardens Apartments LLLP, Soosette Creek LLC, Spiritwood Manor LLLP, Vantage Point Apartments LLC, and Zephyr Apartments LLLP (the partnerships), which in aggregate represent 100 percent of the assets, net position and revenues of the aggregate discretely presented component units. Those statements are audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the partnerships, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the partnerships were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the King County Housing Authority, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 14 to the financial statements, in February 2020, a state of emergency was declared which could have a negative financial effect on the Housing Authority. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on page 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The accompanying Financial Data Schedule and HUD forms are supplementary information required by HUD. These schedules are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020 on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

Pat McCarthy

State Auditor

Olympia, WA

November 30, 2020, except for our report on the Financial Data Schedule, for which the date is April 14, 2021

FINANCIAL SECTION

King County Housing Authority
January 1, 2019 through December 31, 2019

REQUIRED SUPPLEMENTARY INFORMATION

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

SUPPLEMENTARY AND OTHER INFORMATION

Housing Authority of the County of King

Management's Discussion and Analysis

This first section of the annual financial report presents a discussion and analysis of King County Housing Authority's (KCHA) financial performance during the year ended December 31, 2019. It should be read in conjunction with the Authority's financial statements, which immediately follow this section.

In its entirety, KCHA administers a broad range of federally and locally financed housing programs serving an area of over 2,134 square miles, covering all of King County outside of the cities of Seattle and Renton. The King County Housing Authority owns or manages 11,779 units of housing and provides rental subsidies to over 10,000 additional households. The majority of KCHA's program participants have incomes below 20 percent of area median income. KCHA's inventory includes 2,435 units of public housing in King County and in the city of Olympia, which lies outside of King County. In addition, KCHA manages two public housing sites with 80 units via contract in the City of Sedro-Woolley.

The financial performance discussed in the following analyses does not include tax credit partnerships. The tax credit partnerships, with 14 sites and 1,467 units, are owned by separate limited partnerships/corporations with the Authority acting as general partner/managing member. The tax credit properties are fee managed by outside private property management firms with the exception of Birch Creek, Fairwind, Green River Homes, Spiritwood Manor, Vantage Point, and Zephyr, which are managed by KCHA's Housing Management department. Because they are legally separate entities, their operations are not carried directly on the books of the Authority but are listed as component units on the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position. As a result, neither these units, nor their financial data, are included in the analysis and financial reports that follow. More information about the component units can be found in Notes 1 and 7.

2019 Financial Highlights

- KCHA's participation in HUD's Moving to Work (MTW) program gives the Authority the ability to receive most of its Housing Choice Voucher revenue as a block grant and gives KCHA flexibility in how the funds can be spent.

- Total assets and deferred outflows of resources of the Authority exceeded total liabilities and deferred inflows of resources at December 31, 2019 by $663.5 million.

- The change in net position for 2019 was an increase of $46.5 million and includes approximately $3.7 million in capital grant contributions.

- Operating expenses were $310.4 million and include $177.2 million in housing assistance payments made to landlords, or 57 percent of operating expenses.

- KCHA purchased Riverstone Apartments for $70 million, Kendall Ridge Apartments for $75 million, Emerson Apartments for $65.8 million, Hampton Greens Apartments for $126.5 million, Juanita View Apartments for $11.6 million and Kirkland Heights Apartments for $22.1 million.

- MTW reserves continued to serve the low and very-low income populace through an array of innovative programs and the rehabilitation and construction of affordable housing.

Authority-wide Financial Statements

These Authority-wide financial statements include a *Statement of Net Position*. This statement reports all financial and capital resources for the Authority. The Statement of Net Position is presented in the format where assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position. Assets and liabilities are presented in order of liquidity, and are classified as "current" (generally, those assets convertible into cash within one year), and "non-current".

Net position represents the difference between all other elements in a statement of financial position. It is reported in three broad categories:

> Net Investment in Capital Assets: This component of net position consists of all capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted: This component of net position consists of restricted assets when constraints are placed on the asset by external forces such as creditors (e.g. debt covenants), grantors, contributors, laws, regulations, etc., net of any offsetting, associated liabilities and/or deferred inflows of resources. Restrictions on assets imposed voluntarily by KCHA do not result in a restricted net position.
>
> Unrestricted: This component of net position consists of assets, deferred outflow of resources, liabilities, and deferred inflows of resources that are not included in the determination of "Net Investment in Capital Assets" or "Restricted".

The Authority-wide financial statements also include a *Statement of Revenues, Expenses and Changes in Net Position* (similar to an income statement). This statement includes operating revenues, such as rental income, operating expenses such as administrative, utilities, and maintenance, and non-operating revenue and expenses, such as grant revenue, investment income and interest expense. The focus of the Statement of Revenues, Expenses and Changes in Net Position is the "Change in Net Position" which is similar to Net Income or Loss.

Finally, a *Statement of Cash Flows* is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, capital and related financing activities, and investing activities.

Financial Analysis of the Authority

Condensed Statement of Net Position

Table A-1 presents the Authority's *Condensed Statement of Net Position* as of December 31, 2019 and 2018. The purpose of the statement is to provide a snapshot of the financial condition of the Authority at a certain point in time. Presented are the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Authority at the end of the year. Supplementary information is provided in the accompanying notes that further explain and support the data presented in table A-1.

Table A-1, Condensed Statement of Net Position (1)

	2019	2018
Assets:		
Current and other assets	$ 469,747,414	$ 536,227,152
Capital assets	1,112,016,245	646,789,744
Total Assets	1,581,763,659	1,183,016,896
Deferred Outflows of Resources:		
Deferred charge for defeasance of debt	633,548	715,296
Related to pensions & other post-employment benefits	4,476,584	2,676,974
	5,110,132	3,392,270
Liabilities:		
Current and other liabilities	89,077,287	98,991,762
Long-term debt, net of current	827,787,682	464,412,082
Total Liabilities	916,864,969	563,403,844
Deferred Inflows of Resources:		
Related to pensions & other post-employment benefits	6,458,784	5,926,464
	6,458,784	5,926,464
Net Position:		
Net Investment in Capital Assets	340,731,009	202,430,539
Restricted	30,415,958	38,856,467
Unrestricted	292,403,071	375,791,852
Total Net Position	**$ 663,550,038**	**$ 617,078,858**

(1) Component units are not included.

Current and other assets, excluding capital assets, for the year ended December 31, 2019 total $469.8 million and are comprised of $189.6 million in cash, cash equivalents, and investments and $277.9 million in accounts, interest, notes and financing lease receivables, and $2.2 million of other assets. Cash, cash equivalents and investments increased $2.1 million while accounts, notes, financing leases receivable, and other assets decreased $69.4 million. The decrease in receivables is attributable to write-off of notes and lease receivable due from KCHA–Egis Limited Partnership, KCHA–Green River Limited Partnership, and KCHA–New Market Tax Credit Partnership as the authority took ownership of properties during 2019.

Capital assets for the year ended December 31, 2019 are $1.1 billion. Included in this category are land and improvements, buildings and improvements, personal property, and construction-in-progress. Capital asset additions of $451.2 million was related to the acquisition of land and buildings for Hampton Greens ($126.5 million), Kendall Ridge ($75 million), Riverstone ($70 million), Emerson Apartments ($65.8 million), Kirkland Heights ($22.1 million), and Juanita View ($11.6 million), the acquisition of assets from KCHA–Egis Limited Partnership ($59.6 million), the acquisition of assets from KCHA–Green River Limited Partnership ($5.1 million), the acquisition of assets from KCHA–New Market Tax Credit Partnership ($14.2 million) and the acquisition of Head start building ($1.3 million). In addition, $17.9 million of additions was attributable to the increase in construction-in-process. Another $24.4 million of additions was the result of upgrades and rehabilitation at various properties. Finally, reclassification of $23.1 million EPC project cost to various public housing properties.

Capital asset disposals of $27.7 million include $23.1 million capitalization of EPC projects, $1.1 million represents capitalized building upgrades reclassified from construction-in-progress and $3.3 million represents lot sales to private builders for the construction of market-rate for-sale homes.

Total liabilities, excluding the non-current portion of long-term debt, totaled $89 million at December 31, 2019, a decrease of $9.9 million from 2018. Notable decreases to current liabilities include refinancing of the $24.6 million Friendly Village line of credit with the 2013 Key Bank bond pool and pay off of the $20 million Bank of America Interim Bond. Notable increases to current liabilities include reclassification of the Highland Village $27.5 million Bank of America line of credit to short-term and increase in accounts payable and accrued liabilities of $5 million.

The Authority's current ratio reflects the relationship between current assets and current liabilities and is a measure of the Authority's ability to pay short-term obligations. At December 31, 2019, the Authority's current ratio was 3.67:1 an increase from the previous year's current ratio of 2.73:1. This means that for every dollar in current liabilities there is $3.67 in current assets.

Total net position increased by $46.5 million during 2019. Net position represents the Authority's equity, a portion of which is restricted for certain uses. Restricted Net Position decreased by $8.4 million from 2018 primarily due to draw down of the Somerset Gardens rehabilitation reserve. Unrestricted net position decreased 12 percent from $375.8 million to $329.3 million primarily due to a decrease in current and other asset.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

The purpose of the "Condensed Statement of Revenues, Expenses and Changes in Net Position" is to present the revenues earned by the Authority (both operating and non-operating) and the expenses incurred (operating and non-operating), and any other revenues, expenses, gains and losses received or spent by the Authority.

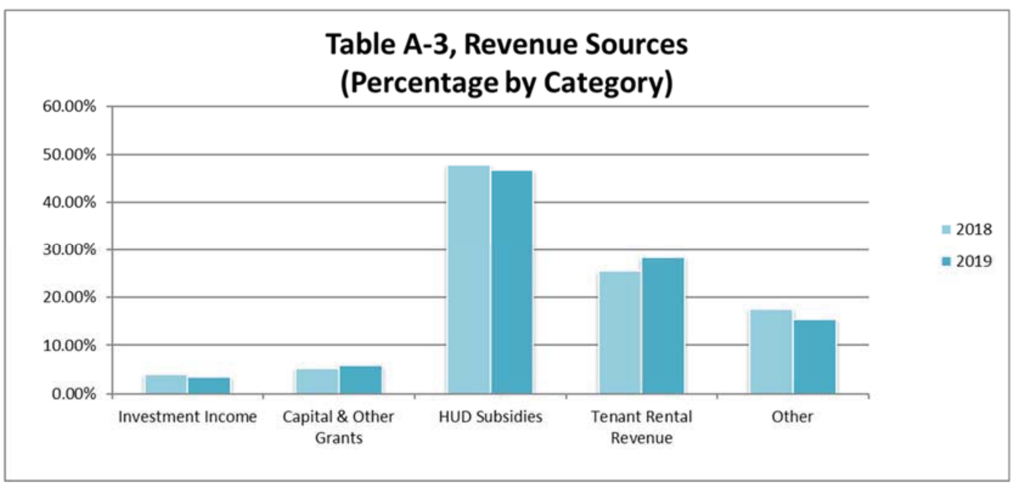
Table A-2 represents the Authority's *Condensed Statement of Revenues, Expenses, and Changes in Net Position* for 2019 and 2018.

Revenues are classified as operating, non-operating or capital grant contributions. Table A-3 shows the sources of revenues for 2019 and 2018 as a percentage of all revenues. The overall contribution for each revenue type remained relatively constant from 2018 to 2019 with tenant revenue increasing due to the Authority's acquisition of several new properties during 2019.

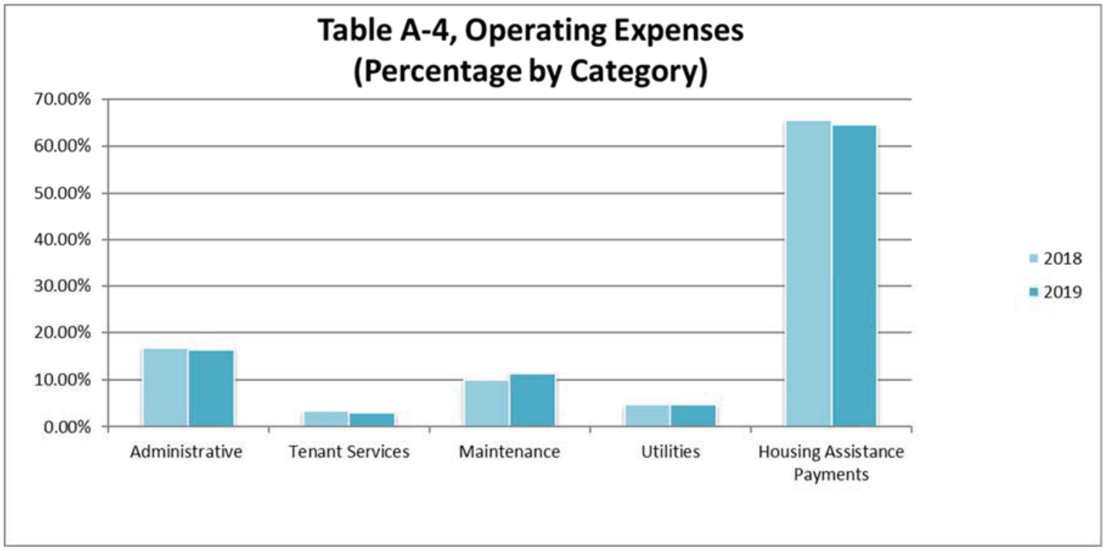
Table A-2, Condensed Statement of Revenues, Expense, and Changes in Net Position (1)

	2019	2018
Operating Revenues	$ 336,307,738	$ 317,520,461
Nonoperating revenues	37,688,834	43,203,366
Total Revenues	373,996,572	360,723,827
Operating expenses	310,401,945	274,393,980
Nonoperating expenses	21,740,727	16,843,504
Total Expenses	332,142,672	291,237,484
Excess or deficiency before contributions	41,853,900	69,486,343
Capital grant contributions	3,680,483	7,954,843
Change in Net Position	45,534,383	77,441,186
Beginning Net Position	617,078,858	550,248,884
Prior Period Adjustment	936,797	(10,611,212)
Ending Net Position	**$ 663,550,038**	**$ 617,078,858**

(1) Component units are not included.



Operating expenses are amounts paid for providing housing services to the Authority's tenants and for administering the various programs. Total operating expenses for 2019 were $286.4 million (excluding depreciation and amortization), a 13.2 percent increase from 2018. Each category remained relatively constant from 2018 to 2019 with HAP payments increasing due to rising rents in King County.



Net Capital Assets

During 2019, net capital assets increased by $465.3 million. This net increase is primarily attributable to $492.8 million in capital asset additions (net of accumulated depreciation) offset by $27.5 million of disposals (net of accumulated depreciation.)

Capital asset additions include:

- $126.5 million related to the purchase of Hampton Greens Apartments,
- $75 million related to the purchase of Kendall Ridge,
- $70 million related to the purchase of Riverstone Apartments,
- $65.8 million related to the purchase of Emerson Apartments,
- $22.1 million related to the purchase of Kirkland Heights Apartments,
- $11.6 million related to the purchase of Juanita View Apartments,
- $59.6 million related to the acquisition of assets from KCHA–Egis Limited Partnership,
- $14.2 million related to the acquisition of assets from KCHA–New Market Tax Credit Partnership,
- $17.9 million of construction-in-process,
- $24.4 million related to building upgrades at various properties,
- $23.1 million related to capitalized EPC project cost

Capital asset disposals include:

- $23.1 million related to capitalized EPC project construction-in-progress,
- $1.1 million related to capitalized building upgrades reclassified from construction-in-progress,
- $3.3 million related to lot sales to private builders for the construction of market-rate for-sale homes.

Information about the Authority’s capital assets is further presented in the financial statements Note 5 – Capital Assets.

Table A-5, Capital Assets, net of Accumulated Depreciation

	2019	2018
Land	291,594,815	194,658,334
Buildings and improvements	1,008,677,206	607,319,169
Furniture, equipment & machinery	8,665,681	8,412,939
Construction in progress	47,383,043	56,990,038
	1,356,320,746	867,380,481
Total accumulated depreciation and amortization	(244,304,502)	(220,590,737)
Net Capital Assets	**$1,112,016,245**	**$646,789,744**

Long-term Debt

The Authority has issued various forms of debt for the purpose of acquiring and rehabilitating projects located throughout King County. At year-end, the Authority had $827.8 million in net long-term bonds and notes outstanding (as shown in table A-6) which represents a $363.4 million increase over the prior year-end balance. For more information on the Authority's long-term debt, please see Note 6.

Table A-6, Long Term Debt

	2019	2018
Long-term, net of current portion	$ 827,787,682	$ 464,412,082

Increase to long-term debt include $142.2 million Pooled Housing Refunding Revenue bonds to refinance the acquisition of three properties – Kendall Ridge, Emerson, and Riverstone Apartments, $60 million Tax Exempt Housing Revenue Note for the acquisition of Kirkland Heights, Juanita View, and Emerson Apartments, 126.5 million Non-Revolving Line of Credit Revenue Note for the acquisition of Hampton Greens Apartments, $33.7 million drawn on Key Bank line of credit to refinance the acquisition of Juanita View and Kirkland Heights Apartments, and $9.9 million tax exempt Key Bank line of credit for the acquisition of Riverstone Apartments.

The Authority's debt service coverage ratio is a measure of the cash flow available to pay current debt obligations. As of December 31, 2019, the Authority had a debt service coverage ratio of 1.46 which exceeds the minimum requirements of certain loan agreements.

Economic Factors Affecting the Authority's Future

The Authority receives the bulk of its operational funding from the United States Department of Housing and Urban Development (HUD) which, like all federal agencies, depends upon congressional appropriations. The current administration advocates severe funding cuts to programs administered by HUD; including completely defunding the Capital Fund Program. Much like the prior year, it is uncertain how much congress will appropriate.

While the pace of rent increases in the Seattle metropolitan region have slowed, rents remain some of the highest in the nation. The Fair Market Rent for a two-bedroom apartment in the Seattle-Bellevue stands at $1,899 in 2019. Outside of Seattle, the traditionally more affordable areas of South King County have seen some of the largest rent increases in the region.

The Seattle area continues to have one of the most expensive housing markets in the nation. Housing prices have increased 2.9% over the last year. The median listing price of homes currently on the market in King County exceeds $667,264.

As market pressures continue to increase, the need for the Authority's services remain in high demand at a time when funding is, by all indications, a low priority of the federal government.

Contacting the Authority's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Housing Authority's finances and to demonstrate KCHA's accountability for its resources. Any questions about this report, or requests for additional information, should be directed to the Director of Finance of the King County Housing Authority.

Housing Authority of the County of King
Statement of Net Position
As of December 31, 2019

	AUTHORITY	COMPONENT UNITS
ASSETS:		
Current Assets		
Cash and cash equivalents	$ 97,311,463	$ 12,333,840
Restricted cash and cash equivalents	20,610,830	3,541,126
Receivables, net	6,723,456	254,846
Notes and leases receivable - current portion	31,717,243	-
Investments	58,683,712	-
Restricted investments	11,758,216	-
Other current assets	1,891,443	280,715
Total Current Assets	228,696,363	16,410,527
Noncurrent Assets		
Restricted cash and cash equivalents	1,252,311	-
Land, buildings and equipment, net		-
Nondepreciable	300,163,118	19,399,771
Depreciable	811,853,127	330,384,792
Intangible assets, net	-	1,265,907
Interest receivable	15,307,390	
Notes and leases receivable	224,179,249	-
Other noncurrent assets	312,101	
Total Noncurrent Assets	1,353,067,296	351,050,470
Total Assets	1,581,763,659	367,460,997
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred charge for defeasance of debt	633,548	-
Related to pensions & other post-employment benefits	4,476,584	-
Total Deferred Outflows	5,110,132	-
LIABILITIES:		
Current Liabilities		
Tenant security deposits	3,205,399	423,090
Current portion of long-term debt	42,722,154	3,477,636
Other current liabilities	16,380,885	14,153,426
Other post-employment benefits liability- Current Portion	217,294	
Total Current Liabilities	62,525,732	18,054,152
Noncurrent Liabilities		
Interest rate swaps - fair value	-	-
Long-term debt, net of current	827,787,682	243,966,884
Net pension & other post-employment benefits liability	23,991,587	-
Other noncurrent liabilities	2,559,968	18,854,316
Total Noncurrent Liabilities	854,339,237	262,821,200
Total Liabilities	916,864,969	280,875,352
DEFERRED INFLOWS OF RESOURCES:		
Related to pensions & other post-employment benefits	6,458,784	-
Total Deferred Inflows	6,458,784	-
NET POSITION:		
Net investment in capital assets	340,731,009	102,340,043
Restricted	30,415,958	3,118,037
Unrestricted	292,403,071	(18,872,435)
Total Net Position	$ 663,550,038	$ 86,585,645

The accompanying notes are an integral part of these financial statements.

Housing Authority of the County of King
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ended December 31, 2019
UNAUDITED

	AUTHORITY	COMPONENT UNITS
OPERATING REVENUES		
HUD subsidies and grant revenue	$ 173,742,957	
Tenant revenue	105,143,723	19,191,478
Other revenue	57,421,058	1,165,261
Total Operating Revenues	336,307,738	20,356,739
OPERATING EXPENSES		
Administrative	43,502,046	3,068,624
Tenant services	7,999,181	632
Maintenance	30,359,182	2,602,409
Utilities	13,210,528	2,554,438
Housing assistance payments	177,192,982	
Depreciation and amortization	23,923,173	12,721,183
Other expenses	14,214,852	765,304
Total Operating Expenses	310,401,945	21,712,590
Operating Income (Loss)	25,905,793	(1,355,851)
NONOPERATING REVENUE (EXPENSE)		
Other government grants	17,874,290	-
Investment income	13,162,398	55
Interest expense	(21,740,727)	(7,661,258)
Net gain (loss) on disposal of capital assets	6,652,146	-
Net Nonoperating Revenues (Expenses)	15,948,107	(7,661,203)
INCOME (LOSS) before contributions and special items	41,853,900	(9,017,054)
Capital grant contributions	3,680,483	-
Partner contributions (disbursements)	-	
CHANGE IN NET POSITION	45,534,383	(9,017,054)
Beginning Net Position	617,078,858	94,920,387
Prior Period Adjustment	936,797	682,312
Ending Net Position	$ 663,550,038	$ 86,585,645

The accompanying notes are an integral part of these financial statements.

Housing Authority of the County of King
Statement of Cash Flows
For the 12 Month Period Ended December 31, 2019

	AUTHORITY
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from tenants	$ 108,230,974
Receipts from HUD	173,751,908
Payments to employees	(34,201,111)
Payments to suppliers of goods and services	(70,541,008)
Payments to landlords	(172,713,606)
Payments made to other housing authorities	(2,221,108)
Other receipts	49,862,761
Other payments	(659,030)
Net cash provided by (used in) operating activities	51,509,779
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Receipts from other governments	17,093,595
Net cash provided by noncapital financing activities	17,093,595
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grant contributions	3,680,483
Purchase of capital assets	(488,947,586)
Net proceeds from capital asset disposal	6,450,057
Proceeds from capital debt	348,656,604
Interest paid on capital debt	(20,245,078)
Other receipts	1,342,997
Net cash used in capital and related financing activities	(149,062,523)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net sale of investments	(627,531)
Payments received on notes and financing leases	61,351,604
Investment income -- notes and financing leases	15,010,873
Investment income -- other	5,961,390
Other payments	231,965
Net cash provided by investing activities	81,928,300
Net Increase in Cash and Cash Equivalents	1,469,152
Cash and cash equivalents -- beginning of the year	117,705,452
Cash and cash equivalents -- end of the year	$ 119,174,604

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	25,905,793
Adjustment to reconcile operating income to net cash:	
Depreciation and amortization expense	23,923,173
Change in assets and liabilities:	-
Receivables and other assets	166,888
Accounts and other payables	1,513,925
Net cash provided by (used in) operating activities	$ 51,509,779

The accompanying notes are an integral part of these financial statements.

Note 1 –Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity

Primary Government

The Housing Authority of the County of King (the "Authority") was created in 1939 as a municipal corporation under the provisions of the State Housing Authorities Law (RCW 35.82) and the Housing Cooperation Law (RCW 35.83) in response to the Federal Housing Act of 1937. The Act created the United States Housing Authority, empowering it to make loans and annual contributions to local public housing agencies to assist in the development, acquisition and administration of low rent projects. The programs authorized under the Act, as amended, are now administered by the Department of Housing and Urban Development (HUD). The Authority is not a component unit of King County.

The Authority operates in all of King County (except within the cities of Seattle and Renton) and in the city of Olympia. The Authority also serves as the management agent for the Housing Authority of the City of Sedro-Woolley in Skagit County. Of the State's 39 counties, King County ranks eleventh in geographical size and first in population. The County is the financial, economic and industrial center of the entire Pacific Northwest region. The Authority's jurisdiction encompasses an area of over 2,134 square miles and a population estimated at 1.9 million representing almost 30 percent of the state's total population. The Authority has its central office in Tukwila. A five-member Board of Commissioners, appointed for five-year terms by the Metropolitan-King County Council, governs the Authority. Commissioners serve without pay.

Summary of Significant Programs

The Authority has been granted a broad range of powers to provide housing assistance to low-income households. The nationally recognized definition of a low-income family is a household earning less than 80 percent of the area's median income, adjusted for family size. The Authority administers federally and locally financed housing programs that serve a variety of housing needs including the following:

Federally Assisted Housing Programs

Low Rent Public Housing – The Authority owns, operates or maintains 45 housing projects consisting of 2,435 units of public housing of which 1,486 units are for the low-income elderly and disabled. The properties were acquired through bonds and notes guaranteed by HUD and through grants from HUD. Revenues consist of rents and other fees collected from tenants and an operating subsidy received from HUD. Typically residents pay 28.3 percent of their adjusted income in rents. 88 percent of public housing residents earn less than 30 percent of the area median income, with almost 80 percent having some form of entitlement payment as their main source of income. The Authority's subsidy is received under an Annual Contributions Contract to offset the cost of operating the units. HUD also provides funds to maintain and improve the public housing projects under the Capital Fund Program. Historically, all additions to land, structures and equipment of public housing are accomplished through these capital grant funds.

Tenant Based Housing Choice Vouchers – The Authority provides rental assistance payments on behalf of over 10,000 households who live in private rental housing. 837 of these vouchers lease in KCHA-owned units, mostly in the tax-exempt bond properties. Funded by HUD pursuant to Section 8 of the U.S. Housing Act, this program allows participating families and individuals to choose their own housing with the use of a housing voucher. Generally, the participant pays no more than 28.3 percent of income towards rent and the Authority pays the remainder. The Authority targets this program to the elderly, disabled households and families that are homeless or at the risk of homelessness. Program participants average 15 percent of area median income.

Project Based Section 8 Housing - The Authority owns several developments where some or all of the units are subsidized under the Section 8 program. Under this program, subsidies attach to qualifying housing units rather than to qualifying individuals or families. KCHA's project-based program currently has 2,615 operational units. 1,888 are at KCHA-owned properties and the remainder are at non-profit owned sites. 509 units leased to Moving King County Residents Forward, and 600 units owned by tax credit partnerships.

Unassisted Locally Financed Housing Programs

Tax-Exempt Bond and Line Of Credit Financed - The Authority owns 35 apartment complexes totaling 6,099 units through the issuance of tax-exempt bonds. These properties receive no operating subsidy from the Federal government or any other State or local source. The Authority acquired the properties in order to place selected housing developments within the public domain so that rents could be maintained as low as possible over time. Typically these units have a broad mix of residents with the majority having income below 80 percent of area median.

Homeownership - The Authority owns five mobile home parks; four located in South King County and one located in Redmond, comprising 654 manufactured home sites. Under this program, the residents own their manufactured homes and pay rent to the Authority for the land on which the home sits.

Tax Credit - In 1994, the Authority began partnering with limited partnerships and limited liability corporations (hereafter referred to as "partnerships") to acquire and develop additional affordable housing. The Authority is general partner/managing member (hereafter referred to as "general partner") in 13 partnerships representing 14 housing complexes comprising 1,467 units.

Miscellaneous Local Programs - The Authority has an inventory of 15 different housing developments comprising 144 units of housing. The units are generally leased to non-profit service providers for the benefit of the economically disadvantaged, developmentally disabled, transitional, homeless and other groups who have traditionally experienced barriers in finding housing.

Other Programs

Housing Repair and Weatherization **-** The Authority receives federal and state money to provide housing rehabilitation loans and weatherization grants to low-income homeowners and renters. The Authority has been administering these types of programs since 1975. In 2019, the Authority assisted 623 homes with structural upgrades, air quality improvements and energy efficiencies.

Social and Human Service Programs - The Authority serves a wide variety of people including families with children as well as individuals with special needs such as the elderly, the physically and developmentally disabled, the homeless and the mentally ill. The Authority's programs and services are designed around a commitment to support and partner with individuals and families served by the Authority in ways that promote successful life outcomes with dignity and respect. Provided directly by the Authority's staff or through nearly 25 contracts with services providers, these services and programs fall into the following four broad categories: Housing Stability; Quality of Life; Workforce Development and Economic Independence; and Education Programs and Initiatives. For example, Head Start classrooms operate at two sites, Boys and Girls Club programs operate at four sites, and five career/computer centers are located in the Authority's developments. Counseling, educational, recreational, nutrition and transportation services are provided by community-based organizations like the YWCA, Sound Generations, and Neighborhood House. These contracted services are partially funded using federal and private grants, which the Authority receives in a competitive process for periods of one to three years.

Component Units

The governmental reporting entity consists of the Authority (the Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable, or other organizations whose nature and significant relationship with the Authority are such that exclusion would cause the Authority's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Authority's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Authority.

The basic financial statements include both blended component units and discretely presented component units. The blended component units are legally separate entities, and should be, in substance, part of the Authority's operations, and so data from these units are combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government.

Complete financial statements of individual component units can be obtained from the Finance Department of the Authority. Although the limited partnerships, limited liability companies, and non-profit corporations do not follow government accounting for presentation purposes, certain transactions may be reflected differently in these financial statements than in the separately issued information in order to conform to the presentation of the primary government.

Blended Component Unit

Moving King County Residents Forward (MKCRF) - A legally separate, 501(c)(3), non-profit organization. During 2012, the Authority leased property to MKCRF through a 30-year capital lease with lease payments of one dollar per year. As a result of this transaction, the Authority swapped subsidy from the Public Housing program for subsidy from the Section 8 program. The increased Section 8 subsidy was leveraged to complete $18 million of capital improvements at all 22 housing locations. Due to the fact that the governing body of MKCRF is identical to the governing body of the Authority and the management of the Authority has operational responsibility for MKCRF, MKCRF's balances and transactions are "blended" into the Authority's financial statements.

Overlake TOD Housing Limited Partnership (Overlake)- A Washington State limited partnership formed in July 2000 to construct and operate a 308-unit apartment complex known as The Village at Overlake Station, and a "Park and Ride" facility in Redmond, Washington. The Authority serves as its sole general partner. Prior to March 31, 2018, its Limited Partners were Columbia Housing/PNC Institutional Fund V Limited Partnership (the Investment Limited Partner) and Columbia Housing SLP Corporation (the Special Limited Partner). Effective March 31, 2018 both limited partners withdrew, relinquishing their entire interest in the partnership, and were replaced by KCHA Initial Affiliate LLC, a Washington Limited Liability Company (the substitute Limited Partner). Due to the fact that KCHA Initial Affiliate LLC is 100% controlled by the Authority, the governing body of the Authority and the partnership are substantively the same which in turn gives the Authority operational responsibility for the Overlake partnership. Consequently, Overlake's balances and transactions are "blended" into the Authority's financial statements.

Discretely Presented Component Units

The discretely presented component units are low income housing tax credit partnerships whose limited partners or members have limited rights regarding the operations of the partnerships and the Authority as General Partner or Managing Member controls the day-to-day operations of the partnerships. As such, the Authority has certain rights and responsibilities which enable it to impose its will on the partnerships due to its significant influence as the General Partner or Managing Member and also its financial relationships with the partnerships. It is for this reason that they are discretely presented on the Authority's financial statements.

The partnerships are required to be operated in a manner necessary to qualify for federal low income housing tax credits and to be in compliance with regulations for tax exempt bonds as provided under Section 42 and 142 of the Internal Revenue Code. The Authority is allocated about .01 percent of all profits, losses, and tax credits pursuant to the terms of the partnership or operating agreement with the partnerships.

The following discretely presented component units have a December 31, 2019 year end:

- **Corinthian TOD LLLP –** A Washington State limited liability limited partnership formed in December 2015 to acquire, rehabilitate, lease, maintain and operate a 95-unit apartment complex in SeaTac, Washington, known as Corinthian Apartments. The Authority serves as its sole Managing Member. Pursuant to the second amended and restated Operating Agreement January 27th, 2018, RBC-Corinthian, LLC, a Delaware limited liability company, as the Investor Limited Partner and RBC Tax Credit Manager II, Inc., a Delaware corporation, as the Special Limited Partner, were admitted to the partnership.

- **Eastbridge Apartments LLC –** A Washington State limited liability company formed in March 2009 to construct and operate a 26-building, 91-unit housing project, known as Eastbridge Apartments in unincorporated King County, Washington. The Authority serves as sole Managing Member. Pursuant to the Amended and Restated Operating Agreement dated March 3, 2009, Bank of America, N.A. as the Investor Member and Banc of America CDC Special Holding Company, Inc. as the Special Member were admitted to the company.

- **Fairwind Apartments LLLP –** A Washington State limited liability limited partnership that was formed in March 2012 to construct and operate an 87-unit apartment project, known as Fairwind Apartments in unincorporated King County, Washington. The Authority serves as its sole General Partner. Pursuant to the Partnership Agreement, BCP/Fairwind, LLC is the Investment Limited Partner and BCCC, Inc. is the Special Limited Partner.

- **Green River Homes 2 LLC –** A Washington State limited liability company that was formed on October 7, 2011 to acquire, construct, rehabilitate, develop, improve, maintain, operate, and lease a 59-unit apartment complex, known as Green River Homes in Auburn, Washington. The Authority serves as sole Managing Member. The Investor Member is RBC-Green River, LLC, a Delaware limited liability company and the Special Investor Member is RBC Tax Credit Manager II, Inc., a Delaware corporation.

- **Nia Apartments LLC –** A Washington State limited liability company that was formed in March 2007 to construct and operate an 82-unit apartment project, known as Nia Apartments in the unincorporated King County, Washington. The Authority serves as its sole managing member. Pursuant to the Operating Agreement dated March 15, 2007, NIA-Apollo Housing Capital, LLC as the Investor Member and Apollo Housing Manager II, Inc. as the Special Member, were admitted to the company. Subsequently, Apollo Housing Manager II, Inc. changed its name to RBC Tax Credit Manager II, Inc.

- **Salmon Creek Housing LLC –** Salmon Creek Housing LLC is a Washington State Limited Liability Company formed in March 2008, to construct and operate an 88-unit apartment project, known as Salmon Creek Apartments in unincorporated King County, Washington. The Authority serves as its sole managing member. Pursuant to the Operating Agreement dated March 25, 2008, Salmon Creek-Apollo Housing Capital, LLC as the Investor Member and Apollo Housing Manager II, Inc., (which changed its name to RBC Tax Credit Manager II, Inc.) as the Special Member, were admitted to the company.

- **Seola Crossing LLC –** A Washington State limited liability company formed in November 2005 to construct and operate a 187-unit apartment project, known as Seola Crossing Apartments in unincorporated King County, Washington. Phase I of the project includes 82 units and Phase II includes 105 units. The Authority serves as the sole Managing Member. Pursuant to the Amended and Restated Operating Agreement dated March 23, 2006, Boston Financial Housing Investments VIII Limited Partnership as the Investor Member and BFIM Special Limited Partner, Inc. as the Special Member were admitted to the company.

- **Sixth Place Apartments LLLP –** A Washington State limited liability limited partnership that was formed in June 2010 to acquire, construct, rehabilitate, develop, improve, maintain, operate, and lease a 24-unit apartment complex, known as Sixth Place Apartments in unincorporated King County, Washington. The Authority serves as sole General Partner. The Investment Limited Partner is Boston Capital Corporate Tax Credit Fund XXXIII, A Limited Partnership, a Massachusetts limited partnership and the Special Limited Partner is BCCC, Inc., a Massachusetts corporation.

- **Somerset Gardens Apartments LLLP –** A Washington state limited liability limited partnership, was formed on November 15, 2018 to acquire, develop, rehabilitate, own, maintain, and operate two multifamily apartment complexes, known as Somerset Gardens and Highland Village Apartments, totaling 286 units in King County, Washington. Pursuant to the Amended and Restated Agreement of Limited Liability Partnership dated March 1, 2019, the Authority serves as the general partner, the special limited partner is RBC Tax Credit Manager II, Inc., a Delaware corporation, and the investor limited partner is RBC Somerset Highland, LLC, a Delaware limited liability company.

- **Soosette Creek LLC –** A Washington State limited liability company formed in October 2007, to lease, renovate, maintain and operate a 262-unit apartment complex in Kent, Washington, known as Birch Creek Apartments (formerly Springwood Apartments). The Authority serves as its sole Managing Member. Pursuant to the Operating Agreement dated April 1, 2008 and amended September 1, 2008, Soosette Creek-Apollo Housing Capital, LLC, a Delaware limited liability company as the Investor Member and RBC Tax Credit Manager II, Inc., a Delaware corporation as the Special Member were admitted to the company.

- **Spiritwood Manor LLLP -** A Washington State limited liability limited partnership formed in December 2015 to acquire, rehabilitate, lease, maintain and operate a 128-unit apartment complex in Bellevue, Washington, known as Spiritwood Manor Apartments. The Authority serves as its sole Managing Member. Pursuant to the second amended and restated Operating Agreement dated January 27th, 2018, RBC-Spiritwood, LLC, a Delaware limited liability company, as the Investor Limited Partner and RBC Tax Credit Manager II, Inc., a Delaware corporation, as the Special Limited Partner, were admitted to the partnership.

- **Vantage Point Apartments LLC –** A Washington State limited liability company formed in March 2013, to construct, lease, maintain and operate a 77-unit apartment complex in Renton, Washington, known as Vantage Point Apartments. The Authority serves as its sole Managing Member. Pursuant to the Operating Agreement dated June 2, 2014 and amended September 1, 2014, RBC-Vantage Point, LLC, a Delaware limited liability company as the Investor Member and RBC Tax Credit Manager II, Inc., a Delaware corporation as the Special Investor Member were admitted to the company.

- **Zephyr Apartments LLLP –** A Washington State limited liability limited partnership that was formed in January 29, 2010 to acquire, hold, invest in, secure financing for, construct, rehabilitate, develop, improve, maintain, operate, and lease a 25-unit apartment complex, known as Zephyr Apartments in unincorporated King County, Washington. Pursuant to the partnership Agreement dated January 29, 2010, the Authority serves as sole General Partner. The Investment Limited Partner is Boston Capital Corporate Tax Credit Fund XXXII, a Limited Partnership, a Massachusetts limited partnership, and the Special Limited Partner is BCCC, Inc., a Massachusetts corporation.

Summary of Significant Accounting Policies

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

Basis of Accounting

Accounting records are maintained according to the proprietary fund model that is similar to private business enterprises. The Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating expenses for KCHA are administrative and maintenance expenses, depreciation, and Housing Choice Voucher program Housing Assistance

Payments to landlords. The principal operating revenues of the Authority are tenant revenues and HUD operating subsidies for the Public Housing and Housing Choice Voucher programs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The basis for recognition of revenues and expenses is the accrual basis of accounting. Revenues are recorded when earned. Expenses are recorded when incurred. Revenue from operating subsidies and grants is classified as non-operating revenue. Revenue from capital grants is classified as capital grant contributions.

Cash, Cash Equivalents, and Investments

Cash consists of Federal Depository Insurance Corporation (FDIC) insurable deposits with original maturities of less than three months. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Investments include deposits with original maturities exceeding three months, and securities and other assets held by trustees.

Restricted Assets

In accordance with bond resolutions (and certain related agreements) separate restricted accounts are required to be established. The assets held in these accounts are restricted for specific uses, including construction, debt service and other special reserve requirements. Restricted resources at December 31, 2019 include the following:

	Restricted		
	Cash & Cash Equivalents	Investments	Total
Collateral Reserves	$ 25,360	$ 7,088,216	$ 7,113,576
Project Reserves	-		0
Debt Service Reserves	6,827,741	-	6,827,741
Program Income for Hope VI Lot Sales	6,796,259	4,670,000	11,466,259
Tenant Security Deposits	3,207,612	-	3,207,612
Replacement Reserves	623,502	-	623,503
Operating Reserves	221,598		221,598
FSS Reserves	1,599,437	-	1,599,437
Excess Cash Reserves	855,311	-	855,312
HAP Reserve	1,584,682		1,584,682
Other	5,513	-	5,513
Residual Receipts Reserve	116,124	-	116,124
	$ 21,863,141	$ 11,758,216	$ 33,621,357

Receivables

Receivables consist primarily of rents due from tenants, cost reimbursements due from grantors, and loans and accrued interest due from the tax credit properties. Annually, tenant receivables are analyzed and the allowance for doubtful accounts adjusted. Other receivable allowances are established for uncertain collectibles. No allowances existed at December 31 other than the allowance for tenant accounts receivable.

Capital Assets

Capital assets are recorded at historical cost in the land, structures, and equipment accounts and at appraised fair market value at date of receipt if contributed. The Authority defines capital assets as tangible items with an initial individual cost of at least $5,000 if the item is equipment and $100,000 if the item is real property or a capital improvement. Capital assets are depreciated using the straight-line method with depreciation commencing in the acquisition year and ceasing in the disposal year. Capital project costs clearly associated with the acquisition, development, and construction of a real estate project, including indirect costs and interest, are capitalized as a cost of that project. See Note 5 for the capital asset components and balances at December 31, 2019 and fiscal year activity.

Depreciable lives for the capital asset categories follow:

Land	No depreciation
Buildings	20 – 40 years
Improvements	15 years
Equipment	3 – 10 years
Construction-in-process	No depreciation

Maintenance and repairs are charged to expense when incurred. At year-end some maintenance may be capitalized in accordance with the Authority's capital asset policy. Management reviews land, structures, and equipment for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If there is an indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. Preparation of estimated expected future cash flows is inherently subjective and is based on management's best estimate of assumptions concerning expected future conditions.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Tax Liability

The Authority is by law exempt from all federal, state, and local taxes and assessments. Several developments make a Payment in Lieu of Taxes (PILOT) based on contracts with local jurisdictions.

Compensated Absences

It is the Authority's policy to pay 100 percent of accumulated annual leave when an employee terminates employment from the Authority. As such, the value of annual leave earned but not used at year-end is accrued. Sick leave does not vest and a portion of sick leave is paid to those separating from the Authority as retirees as defined by the state pension system. Because the amount of such payments is difficult to estimate, an accrual is made only when an employee becomes eligible for retirement.

Inter-fund Accounts

The Authority maintains a master paying and receiving account. All cash receipts and disbursements flow through this master account, except for disbursements to landlords under the Section 8 Voucher program, which flows through a separate checking account (Section 8 Fund). Inter-fund payables and receivables (due to/from relationships) are created and used to account for ownership of the funds.

Deferred Outflows/Inflows of Resources

Transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods are presented as *deferred outflows of resources* and *deferred inflows of resources*, respectively, on the Statement of Net Position.

Derivative Financials Instruments
The fair value of interest rate swap agreements (See Note 6) is determined by dealer quote. These values represent the estimated amount the Authority would receive or pay to terminate the agreements taking into consideration current interest rates.

Commitments
The Authority has entered into various long-term contracts for the development of various housing projects. As of December 31, 2019, the Authority was obligated under these contracts to purchase approximately $1.3 million of goods and services.

Note 2 – Cash Deposits and Investments

The Authority is restricted in its cash deposits and investments to those allowed by RCW 35.82.070(6). In general, deposits must be made with qualified financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

Insurance and Collateralization
Deposits that are in excess of the $250,000 insured amount must be continuously and fully (100%) secured. Collateral comprised of identifiable U.S. Government securities as prescribed by HUD are pledged or set aside to secure these deposits. The Public Deposit Protection Act in effect in the State of Washington set up a multiple financial institution collateral pool to insure public deposits. This protection is in the form of securities pledged as collateral to the Public Deposit Protection Commission (PDPC) by all qualified depositories. In 1994, the Authority received a waiver from HUD that enabled it to make deposits in excess of $250,000 in a qualified public depository because HUD determined that there were “adequate safeguards against the loss of Public Housing Authority funds.”

Interest Rate Risk
As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority’s investment policy limits the maximum maturity of an investment to not greater than three years. Exceptions may be made for collateralization of repurchase agreements using investments not exceeding 30 years and for the investment of reserve funds, which can be invested up to 30 years if matched to an anticipated future cash flow.

Credit Risk
The Department of Housing and Urban Development (HUD), Washington State law, and the Authority’s investment policy all limit the instruments in which the Authority may invest. Not all Authority funds have the same restrictions. Following are some of the instruments in which any Authority funds, including Federal funds, may be invested:

1) Direct obligations of the Federal government backed by the full faith and credit of the United States
   a) U.S. Treasury Bills.
   b) U.S. Treasury Notes and Bonds.
2) Obligations of Federal government agencies, such as:
   a) Government National Mortgage Association (GNMA) mortgage-backed securities.
   b) GNMA participation securities.
   c) Maritime Administration Bonds.
   d) Small Business Administration Bonds.
3) Securities of Government Sponsored Agencies, such as:
   a) Federal Home Loan Mortgage Corporation (FHLMC) notes and bonds.
   b) Federal National Mortgage Association (FNMA) notes and bonds.
   c) Federal Home Loan Bank (FHLB) notes and bonds.
   d) Federal Farm Credit Bank (FFCB) notes and bonds.

e) Student Loan Marketing Association (SLMA) notes and bonds.

4) Demand and savings accounts.
5) Money Market Deposit accounts.
6) Certain mutual funds.

In addition to the above, non-federal funds and federal funds subject to the Authority's Moving To Work Agreement with HUD may be invested in the following which are allowed by the State of Washington:

7) Banker's acceptances purchased on the secondary market.
8) Commercial paper.
9) Bonds of the State of Washington or any local government of the State of Washington that have one of the three highest credit ratings of a nationally recognized rating agency.
10) General obligation bonds of a state other than the State of Washington and general obligation bonds of a local government of a state other than the State of Washington that have one of the three highest credit ratings of a nationally recognized rating agency.
11) Utility revenues bonds or warrants of any city of town in the State of Washington.
12) Bonds or warrants of a local improvement district that is within the protection of the local improvement guaranty fund law.

Concentration of Credit Risk

The Authority diversifies its investments by security type and institution. The investment policy states: "With the exception of U.S. Treasury securities, investment agreements for trustee held funds, and authorized pools, no more than 15% of the Authority's total investment portfolio will be invested in a single security type or with a single financial institution." There is no custodial credit risk for cash and investments.

Other Information:

The Authority has established arrangements with Federal Home Loan Bank for safekeeping of investments.

Valuation and Classification

Cash equivalents include deposits and investments that are readily convertible to cash. Instruments with an original maturity date of over 3 months are classified as investments. Cash and investments held for the future payment of long-term liabilities are classified as non-current assets. Cash and investments legally or contractually restricted as to use are classified as restricted.

Cash equivalents include an investment in a Local Government Investment Pool (the Pool). The Pool is not registered with the Securities and Exchange Commission (SEC), but adheres to SEC Rule 2(a)(7) of the Investment Company Act of 1940 that requires portfolio diversification, divestiture considerations and action if the market value of the portfolio deviates more than .5 percent from the amortized costs. Government pools that adhere to the SEC rule can report their investments at amortized costs if the remaining maturities of the debt securities are 90 days or less. As of December 31, 2019, the pool had an average days-to-maturity of 51 days and therefore is reported at cost. Government securities are reported at fair value.

A summary of cash and investments at December 31, 2019 follows:

	Unrestricted	Restricted	Total
Cash and cash equivalents:			
Cash on hand	$ 13,205	$ -	$ 13,205
Depository	18,069,656	8,567,207	26,636,863
WA State Local Government Investment Pool	78,228,792	6,410,821	84,639,613
Certificates of Deposit	999,810		999,810
U.S. Treasury Money Market	-	6,885,113	6,885,113
Total Cash & Cash Equivalents	$ 97,311,463	$ 21,863,141	$ 119,174,604
Investments:			
Government-Sponsored Entities	$ 57,486,495	$ 11,758,216	$ 69,244,711
REDI Loan	1,197,217	-	1,197,217
Certificates of Deposit		-	0
Total Investments	58,683,712	11,758,216	70,441,928
Total	**$ 155,995,175**	**$ 33,621,357**	**$ 189,616,532**

Investments Measured at Fair Value

The Authority measures and reports investments at fair value using valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1; Quoted prices in active markets for identical assets or liabilities;
- Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other quoted prices that are not observable;
- Level 3: Unobservable inputs for an asset or liability.

Investment by Fair Value Level	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 2)
Federal Agency Securities	69,244,711	69,244,711	-	-
REDI Loan	1,197,217	1,197,217	-	-
	70,441,928	70,441,928	-	-

Investments Measured at Amortized Costs

Investments in the State Treasurer's Local Government Investment Pool (LGIP), a qualified external investment pool, are valued at amortized cost, which approximates fair value. The LGIP is an unrated external investment external investment pool. The LGIP portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the Governmental Accounting Standards Board in Statement No. 79 for external investment pools that elect to measure, for the financial reporting purposes, investments at amortized costs. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals. Participants in the LGIP are offered 100 percent liquidity on a daily basis, provided notification is made within specified times. Each month, earnings from the LGIP are deposited to the entity's bank account.

The State Investment Pool was authorized by State statute Chapter 294, Laws of 1986, and is managed and operated by the State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory Committee.

The Office of the state Treasurer prepares a stand-along LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at http://www.tre.wa.gov.

Note 3 - Notes and Financing Lease Receivables

The notes and financing leases held by the Authority are primarily the result of the Authority's transactions with the tax credit partnerships. At December 31, 2019, all of the developer fee notes, all of the financing leases, and $217.4 million of the other notes were receivable from tax credit partnerships. The notes are received for fees earned by the Authority from developing the rental properties and for funds advanced to the partnerships to purchase and rehabilitate the properties. The notes earn interest at varying rates up to 8.5 percent per annum. The Authority acquires financing leases when it purchases or develops rental properties then transfers substantially all of the risks and benefits of ownership to the partnerships under financing lease. See Note 7 – Component Units, for further discussion of the Authority's financial relationship with the partnerships.

A summary of the notes and direct financing leases receivable at December 31, 2019 follows:

	Beginning Balance	Additions	Payments	Ending Balance	*Current Portion*
Developer fee notes	8,869,248	$ 2,566,915	$ -	11,436,163	*$ -*
Other Notes					
Real Estate:					
Residential	-	-	-	-	-
Multifamily	246,346,425	44,805,687	(75,056,273)	216,095,839	*28,528,182*
Construction	-	-	-	-	-
Other	14,287,623	-	(12,976,812)	1,310,811	-
Total Notes	269,503,296	47,372,602	(88,033,085)	228,842,813	*28,528,182*
Financing Leases, net					
Real Estate: Multifamily	47,744,799	120,686	(20,811,807)	27,053,679	*3,189,061*
Notes & Financing Leases Receivable	**$ 317,248,095**	**$ 47,493,288**	**$ (108,844,892)**	**$ 255,896,492**	***$ 31,717,243***

The maturity schedule for notes receivables is as follows:

FISCAL YEAR	PRINCIPAL	INTEREST **	TOTAL
2020	28,528,181	1,344,800	29,872,981
2021	85,279,615	1,330,461	86,610,076
2022	529,178	1,315,063	1,844,241
2023	550,603	1,298,854	1,849,457
2024-2028	55,413,709	5,372,033	60,785,742
2029-2033	5,858,221	2,867,254	8,725,475
2034-2038	6,096,896	1,955,997	8,052,893
2039-2043	5,833,845	1,028,057	6,861,902
2044-2048	2,639,033	289,264	2,928,297
2049-2053	9,373,508	103,825	9,477,333
2054-2058	12,078,595	995,120	13,073,715
2059-2063	16,661,429	-	16,661,429
NOTE RECEIVABLE BALANCE	**$ 228,842,813**	**$ 17,900,728**	**$ 246,743,541**

The maturity schedule for financing lease receivables is as follows:

FISCAL YEAR	PRINCIPAL	INTEREST **	TOTAL
2020	3,189,059	790,973	3,980,032
2021	2,000,000	-	2,000,000
2022	2,000,000	-	2,000,000
2023	2,000,000	-	2,000,000
2024-2028	10,000,000	-	10,000,000
2029-2033	7,864,620	-	7,864,620
2034-2038	-	-	-
2039-2043	-	-	-
2044-2048	-	-	-
2049-2053	-	-	-
2054-2058	-	-	-
FINANCING LEASE RECEIVABLE BALANCE	**$ 27,053,679**	**$ 790,974**	**$ 27,844,653**

** Unearned interest.

Note 4 – Capital Assets

Primary Government

The components and fiscal year activity of land, structures and equipment follow.

	Beginning Balances	Additions and Transfers In	Disposals and Transfers Out	Ending Balances
NONDEPRECIABLE:				
Land	$ 155,737,407	$ 94,294,369		$ 250,031,776
Land Improvements	2,748,299			2,748,299
Construction-in-progress				
Greenbridge Project	12,111,520	4,195,700	(3,363,876)	12,943,344
Energy Performance Contract	23,105,602		(23,105,603)	(1)
Other	21,772,916	13,750,514	(1,083,730)	34,439,700
Total Nondepreciable	215,475,744	112,240,583	(27,553,209)	300,163,118
DEPRECIABLE:				
Land Improvements	36,172,629	2,642,112		38,814,741
Buildings and Improvements	606,553,074	401,358,037		1,007,911,111
Personal Property and Equipment	8,412,939	433,148	(180,406)	8,665,681
Leasehold Improvements	766,095			766,095
Total Depreciable	651,904,737	404,433,297	(180,406)	1,056,157,628
TOTAL CAPITAL ASSETS:	867,380,481	516,673,880	(27,733,615)	1,356,320,746
Accumulated Depreciation	(219,824,642)	(23,887,661)	173,896	(243,538,407)
Accumulated Amortization	(766,095)		-	(766,095)
Total accumulated depreciation and amortization	(220,590,737)	(23,887,661)	173,896	(244,304,502)
NET CAPITAL ASSETS	**$ 646,789,744**	**$ 492,786,220**	**$ (27,559,719)**	**$ 1,112,016,245**

Capital asset activity resulted primarily from the purchase of new properties and current property upgrades and rehabilitation.

Of the $516.6 million of additions to the capital assets, $451.2 million was related to the acquisition of land and buildings for Hampton Greens ($126.5 million), Kendall Ridge ($75 million), Riverstone ($70 million), Emerson Apartments ($65.8 million), Kirkland Heights ($22.1 million), and Juanita View ($11.6 million), the acquisition of assets from KCHA–Egis Limited Partnership ($59.6 million), the acquisition of assets from KCHA–Green River Limited Partnership ($5.1 million), the acquisition of assets from KCHA–New Market Tax Credit Partnership ($14.2 million) and the acquisition of Head start building ($1.3 million). In addition, $17.9 million of additions was attributable to the increase in construction-in-process. Another $24.4 million of additions was the result of upgrades and rehabilitation at various properties. Finally, reclassification of $23.1 million EPC project cost to various public housing properties.

Of the $27.7 million of disposition of the capital assets, $23.1 million was mainly due to capitalization of EPC projects. $1.1 million represents capitalized building upgrades reclassified from construction-in-progress and $3.3 million represents lot sales to private builders for the construction of market-rate for-sale homes. There was no interest on qualifying assets in 2019.

Discretely Presented Component Units

	Beginning Balances	Additions	Disposals	Ending Balances
NONDEPRECIABLE:				
Land	$ 24,435,685	$ (100,828)	$ (4,935,086)	$ 19,399,771
Construction-in-progress	3,787,573	(3,169,622)	(617,951)	-
Total Nondepreciable	28,223,258	(3,270,450)	(5,553,037)	19,399,771
DEPRECIABLE:				
Land Improvements	25,045,200	3,309,377	(1,577,838)	26,776,739
Buildings	446,567,431	12,724,166	(82,668,155)	376,623,442
Equipment	9,097,665	823,076	(859,328)	9,061,413
Off-site Work	9,463,523	-	-	9,463,523
Total Depreciable	490,173,819	16,856,619	(85,105,321)	421,925,117
Intangible Assets	2,586,194	-	(319,408)	2,266,786
Total Capital Assets	520,983,271	13,586,169	(90,977,766)	443,591,674
Accumulated Depreciation	(103,452,108)	(12,583,497)	24,495,280	(91,540,325)
Accumulated Amortization	(1,157,571)	(131,013)	287,705	(1,000,879)
	$ 416,373,592	**$ 871,659**	**$ (66,194,781)**	**$ 351,050,470**

Additions to capital assets resulted primarily from rehabilitation work at various properties.

Disposals of capital assets resulted primarily from the dissolution of the KCHA-Egis Limited Partnership and KCHA–Green River Limited Partnership. The assets belonging to the partnerships were acquired by the Authority.

Note 5 – Long-Term Debt Obligations

Changes to the Authority's long-term obligations are as follows:

	Beginning Balance	Additions	Retirements/ Payments	Ending Balance	*Current Portion*
Revenue Bonds	$ 221,684,826	$ 157,160,346	$ (6,568,648)	$ 372,276,524	*$ 8,068,636*
Demand Bonds	26,450,000	-	(215,000)	26,235,000	*850,000*
Mortgage Notes	904,404	-	(41,890)	862,514	*42,944*
Lines of Credit	111,224,920	194,221,122	(56,130,965)	249,315,077	*27,500,000*
Notes Payable	161,589,088	100,088,708	(39,857,075)	221,820,721	*6,260,574*
	$ 521,853,238	**$ 451,470,175**	**$(102,813,578)**	**$ 870,509,836**	***$ 42,722,154***

Additional debt incurred in 2019 includes:

- The Authority issued $66.6 million Pooled Housing Refunding Revenue Bonds 2019 AA to refinance the acquisition of three properties – Kendall Ridge, Emerson, and Riverstone Apartments. The bond matures in 2039 and has average coupon rate of 3.34%.
- The Authority issued $75.6 million Pooled Housing Refunding Revenue Bonds 2019 AAA to refinance the acquisition of three properties – Kendall Ridge, Emerson, and Riverstone Apartments. The bond matures in 2039 and has average coupon rate of 3.23%.

- The Authority issued a $60 million tax exempt Housing Revenue Note, 2019 below market interest rate to refinance a portion of the cost of acquisition of three properties - Kirkland Heights, Juanita View, and Emerson Apartments. The line of credit matures in 2034 and has an interest rate of 1.00 percent.
- The Authority issued $126.5 million Non-Revolving Line of Credit Revenue Note, 2019 for the acquisition of Hampton Greens Apartments. The line of credit has a variable interest rate.
- $33.7 million drawn on Key Bank $80 million line of credit to finance the acquisition of Juanita View and Kirkland Heights Apartments. The line of credit has variable interest rate.
- The Authority issued $69.9 million non-revolving line of credit for the acquisition of Riverstone Apartment of which $60M has been refinanced.
- The Authority issued $14.9 million Refunding Revenue Bond for Somerset Gardens.

	Fiscal Year Issued	Amount Issued	Interest Rates	Fiscal Year Maturity	Amount Outstanding	Current Portion
Revenue Bonds:						
Tax Credit:						
Greenbridge - Nia	2006	3,000,000	5.41-5.87%	2037	2,625,000	45,000
Seola Crossing 1	2006	1,650,000	6.38%	2047	1,556,418	11,082
Seola Crossing 2	2006	5,050,000	6.38%	2047	4,763,582	33,918
Soosette Creek	2008	37,500,000	0.00-0.65%	2058	17,565,000	1,315,000
Eastbridge Apts.	2008	7,120,000	5.65%	2029	6,560,000	85,000
Green River Homes II	2011	9,500,000	2.78%	2021	4,318,182	863,636
Corinthian	2008	7,120,000	.90 -3%	2029	6,480,000	175,000
Highland Village	2019	14,875,000	4.50%	2039	14,997,044	125,000
Total tax credit		$ 85,815,000			$ 58,865,226	$ 2,653,636
Other:						
Rural Housing	1997	$ 2,230,000	4.50-5.75%	2028	$ 1,058,043	$ 95,000
EPC - Hannon Armstrong QECB	2016	10,464,529	4.23%	2037	10,464,529	-
2018 Pool	2018	164,710,000	3.50%	2038	159,725,425	3,020,000
2019 AA	2019	63,235,000	3.00-5.00%	2039	66,585,444	1,195,000
2019 AAA	2019	72,510,000	3.00-5.00%	2039	75,577,857	1,105,000
Total other		$ 313,149,529			$ 313,411,298	$ 5,415,000
Total revenue bonds		$ 398,964,529			$ 372,276,524	$ 8,068,636
Demand Bonds:						
Tax Credit:						
Overlake	2000	$ 23,725,000	0.05-2.61%	2040	$ 22,480,000	$ 785,000
Salmon Creek	2008	4,250,000	0.05-2.61%	2047	3,755,000	65,000
Total tax credit		$ 27,975,000			$ 26,235,000	$ 850,000
Other:						
Total demand bonds		$ 27,975,000			$ 26,235,000	$ 850,000
Mortgage Notes:						
Rural Housing	1998	$ 1,350,949	7.25%	2033	$ 862,514	$ 42,944
Total mortgage notes		$ 1,350,949			$ 862,514	$ 42,944

	Fiscal Year Issued		Amount Issued	Interest Rates	Fiscal Year Maturity		Amount Outstanding		Current Portion
Lines of Credit:									
KeyBank	2011		11,500,000		2023		10,071,803		-
Bellevue Manor				*3.25%*			*7,899,164*		-
Cascadian				*3.25%*			*2,172,639*		-
KeyBank	2015		80,000,000		2023		75,243,844		-
Woodcreek Lane				*2.09%*			*4,339,491*		-
Somerset Gardens				*2.47%*			*1,500,000*		-
Abbey Ridge				*2.09%*			*20,214,664*		-
Vashon Terrace				*2.09%*			*1,539,800*		-
Juanita View				*2.09%*			*11,574,500*		-
Kirkland Heights				*2.09%*			*22,164,000*		-
Cascadian				*2.15%*			*440,102*		-
Hidden Village				*2.15%*			*1,685,259*		-
Moving To Work				*2.15%*			*2,807,498*		-
Walnut Park				*2.15%*			*4,927,602*		-
Woodland North				*2.15%*			*2,172,639*		-
Woodridge Park				*2.15%*			*1,878,290*		-
Bank of America /Highland Village	2017		25,000,000	3.48%	2020		27,500,000		27,500,000
Riverstone	2019		69,999,430	2.45%	2023		9,999,430		-
Hampton Greens	2019		126,500,000	2.17%	2023		126,500,000		-
Total Other		$	312,999,430			$	249,315,077	$	27,500,000
Total lines of credit		$	312,999,430			$	249,315,077	$	27,500,000
Notes Payable:									
Tax Credit:									
Somerset - Bellevue	2000	$	700,000	1.00%	2030	$	-	$	-
Overlake - 4	2001		1,500,000	1.00%	2050		1,500,000		-
Overlake - 5	2001		500,000	1.00%	2050		500,000		-
Southwood Square	2001		380,000	1.00%	2053		-		-
Greenbridge - Nia	2008		328,000	4.75%	2058		328,000		-
Seola Crossing II	2007		250,000	4.75%	2058		250,000		-
Soosette Creek	2010		1,950,000	0.65%	2060		1,950,000		-
Vantage Point	2017		2,000,000	0.00%	2066		2,000,000		-
Corinthian Apartments	2019		3,076,377	0.00%	2056		3,076,377		-
Total tax credit		$	10,684,377			$	9,604,377	$	-
Other:									
Hidden Village - State	1992	$	292,157	5.00%	2044	$	292,157	$	-
Windsor Heights - State	1999		1,040,000	1.00%	2039		852,166		38,318
Windsor Heights - King County	1999		950,000	1.00%	2049		950,000		-
Windsor Heights - SeaTac	1999		90,000	1.00%	2049		90,000		-
Si View - DOC	1999		93,860	1.00%	2049		60,830		1,817
Rainier View 1 - DOC	1999		227,240	1.00%	2049		145,801		4,360
Rainier View 2 - DOC	1999		172,900	1.00%	2049		109,329		3,270
FHLB	2013		18,000,000	3.97%	2033		12,362,903		900,000
2013 Pool	2013		83,281,749	3.57%	2033		64,496,385		3,601,553
2015 Pool	2015		41,700,000	2.68%	2035		37,364,618		1,036,256
2018 Columbia Pool	2018		29,600,000	3.40%	2048		31,392,256		647,573
Bellevue Manor - ARCH Loan	2015		476,357	1.00%	2054		775,998		-
Patricia Harris - ARCH Loan	2015		224,002	1.00%	2054		224,002		-
Harrison House - King County	2015		750,000	1.00%	2054		750,000		-
Arbor Heights - WA State CTED	2004		775,000	1.00%	2043		775,000		27,427
Arbor Heights - King County HOM	2005		775,000	1.00%	2054		775,000		-
Valley Park, KC			750,000				750,000		-
Valley Park, Auburn CDBG			49,900				49,900		-
Microsoft 2019 Revenue Note	2019		60,000,000	1.00%	2034		60,000,000		-
Total other		$	239,248,165			$	212,216,344	$	6,260,574
Total notes payable		$	249,932,542			$	221,820,721	$	6,260,574
TOTAL LONG-TERM OBLIGATIONS		**$**	**991,222,450**			**$**	**870,509,836**	**$**	**42,722,154**

The schedule of principal payments follows:

Debt Service - Principal	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2020	8,068,636	850,000	42,944	-	27,500,000	6,260,574	42,722,154
2021	11,754,043	220,000	46,626	-	221,815,077	6,747,986	240,583,732
2022	7,576,117	225,000	46,832	-	-	6,958,863	14,806,812
2023	7,759,473	225,000	46,832	-	-	6,827,255	14,858,560
2024	7,944,444	230,000	46,832	-	-	7,034,149	15,255,425
2025-2029	56,205,826	1,205,000	632,447	-	-	38,506,663	96,549,936
2030-2034	54,278,042	1,315,000	-	-	-	98,016,678	153,609,720
2035-2039	215,799,943	1,445,000	-	-	-	25,013,311	242,258,254
2040-2044	1,930,000	19,700,000	-	-	-	7,370,489	29,000,489
2045-2049	960,000	820,000	-	-	-	7,460,642	9,240,642
2050-2054	-	-	-	-	-	4,297,838	4,297,838
2055-2059	-	-	-	-	-	3,376,273	3,376,273
2060-2064	-	-	-	-	-	1,950,000	1,950,000
2065-2067	-	-	-	-	-	2,000,000	2,000,000
Total	**$ 372,276,524**	**$ 26,235,000**	**$ 862,514**	**$ -**	**$ 249,315,077**	**$ 221,820,721**	**$ 870,509,836**

The schedule of interest payments follows:

Debt Service - Interest	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2020	13,403,591	712,283	60,609	-	-	5,472,966	19,649,449
2021	13,210,212	710,595	57,123	-	-	5,248,989	19,226,919
2022	12,919,627	708,782	53,376	-	-	5,024,889	18,706,674
2023	12,686,535	706,907	49,347	-	-	4,794,247	18,237,036
2024	12,441,750	704,970	45,017	-	-	4,576,314	17,768,051
2025-2029	56,194,522	3,492,409	127,436	-	-	19,036,094	78,850,461
2030-2034	44,799,387	3,428,531	-	-	-	12,042,429	60,270,347
2035-2039	28,726,416	3,350,401	-	-	-	3,491,218	35,568,035
2040-2044	675,262	2,635,135	-	-	-	2,222,965	5,533,362
2045-2049	85,220	37,402	-	-	-	1,059,014	1,181,636
2050-2054	-	-	-	-	-	731,372	731,372
2055-2059	-	-	-	-	-	665,637	665,637
2060-2064	-	-	-	-	-	-	-
2065-2067	-	-		-	-	-	-
Total	**$ 195,142,522**	**$ 16,487,415**	**$ 392,908**	**$ -**	**$ -**	**$ 64,366,134**	**$ 276,388,979**

The schedule of debt service payments follows:

Debt Service - Total	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2020	21,472,227	1,562,283	103,553	-	27,500,000	11,733,540	62,371,603
2021	24,964,255	930,595	103,749	-	221,815,077	11,996,975	259,810,651
2022	20,495,744	933,782	100,208	-	-	11,983,752	33,513,486
2023	20,446,008	931,907	96,179	-	-	11,621,502	33,095,596
2024	20,386,194	934,970	91,849		-	11,610,463	33,023,476
2025-2029	112,400,348	4,697,409	759,883	-	-	57,542,757	175,400,397
2030-2034	99,077,429	4,743,531	-	-	-	110,059,107	213,880,067
2035-2039	244,526,359	4,795,401	-	-	-	28,504,529	277,826,289
2040-2044	2,605,262	22,335,135	-	-	-	9,593,454	34,533,851
2045-2049	1,045,220	857,402	-	-	-	8,519,656	10,422,278
2050-2054	-	-	-	-	-	5,029,210	5,029,210
2055-2059	-	-	-	-	-	4,041,910	4,041,910
2060-2064	-	-	-	-	-	1,950,000	1,950,000
2065-2067	-	-	-	-	-	2,000,000	2,000,000
Total	**$ 567,419,046**	**$ 42,722,415**	**$ 1,255,421**	**$ -**	**$ 249,315,077**	**$ 286,186,855**	**$1,146,898,814**

Demand Bonds

The Authority had $26.24 million in outstanding variable rate demand bonds on two projects. The Village at Overlake Station (Overlake) had $22.48 million, Salmon Creek Apartments had $3.76 million. The bonds for each have the following common characteristics:

- Credit enhancements have been obtained for each of the bond issuances. For Overlake the credit enhancement is in the form of a Letter of Credit (LOC) and is equal to the outstanding bond balance plus one interest payment, priced at 0.20 percent of the facility.
- The credit enhancements are intended to not only provide security to bondholders, but also to make periodic interest payments for which the Authority regularly reimburses the credit enhancement providers.
- The Banc of America Securities LLC acts as remarketing agent, reselling at market rates any bonds sold by bondholders. It has committed to repurchasing bonds for its own portfolio if the bonds cannot be resold on the open market.
- Interest rates are recalculated weekly, based on the rate at which bonds can be remarketed.
- The bonds are subject to an annual remarketing fee of 0.05 percent of the outstanding amount of the bonds or $5,000 whichever is greater.
- Underlying source of repayment for the bonds is the revenues produced by the respective properties.
- In conjunction with the sale of these bonds, the Authority entered into interest rate swap agreements as a cash flow hedge to reduce the volatility related to variable rate interest debt.
- Bonds are convertible to fixed rate at the Authority's option.

The Overlake bonds mature in 2040. At December 31, 2019, the variable rate on the bonds was 1.80 percent. The Overlake variable rate demand note bonds have a year-end principal balance of $22,480,000. The Letter of Credit expires on January 2, 2021 and supports the variable rate bonds only.

Salmon Creek Apartments bond matures in 2047. At December 31, 2019, the variable rate on the bond was 1.80 percent. The Salmon Creek variable rate demand bond had a year-end principal balance of $3,755,000. This bond has a swap agreement in place, but not held by the Authority. The interest the Authority pays through the swap agreement is 3.988 percent.

Recoverable Grants

Overlake 4 - Washington State Convention and Trade Center

In 2001, the Authority received a $1,500,000 recoverable grant from the Washington State Convention and Trade Center which was conditional on the Overlake Transit-Oriented Development constructing 300 units of affordable housing for low income households with annual gross income at or below 80 percent of the local median income for the Seattle, Bellevue, and Everett Primary Metropolitan Statistical Area. The length of commitment to serve the target population will be fifty years ending February 28, 2051. All funds are recoverable if the conditions are not met.

Overlake 5 - King County Department of Community and Health Services

In 2001, the Authority received a $500,000 recoverable grant from the King County Department of Community and Health Services which is conditional on the Overlake project renting a minimum of 40 percent of their units to households that make less than 60 percent of area median income. Rents charged to tenants may not exceed 30 percent of the monthly income of the target population. This commitment to serve the target population matures on January 1, 2052. All funds are recoverable if conditions are not met.

Highland Village – City of Bellevue

In 2019, the Authority received a $2,000,000 recoverable grant from City of Bellevue to reimburse for the acquisition of a 76 units of affordable housing for low income households with annual gross income at or below 80 percent of the local median income for the Seattle, Bellevue, and Tacoma Primary Metropolitan Statistical Area. The length of commitment to serve the target population will be forty years ending February 28, 2058. All funds are recoverable if the conditions are not met.

Forgivable Loans

Birch Creek

In 2010, the Authority received a forgivable loan of $1,950,000 from the King County Department of Community and Human Services which is conditional on the Birch Creek project renting a minimum of 40 percent of their units to households that make less than 60% of area median income. Rents charged to tenants may not exceed 30 percent of the monthly income of the target population. This commitment to serve the target population matures on August 31, 2064. The full amount of the loan is to be repaid if the conditions for forgiveness are not met.

Greenbridge - Nia

In 2008, the Authority received a $328,000 forgivable loan from Bank of America which is conditional on the Nia project renting units as follows: (a) at least 50 percent of the project's rental units to tenants whose income at the time of their initial occupancy of a unit in the project is no greater than 30 percent of the Area Median Income (the "AMI") in King County, Washington as published by HUD; (b) at least 10 percent of the project's rental units to tenants whose income at the time of their initial occupancy of a unit in the project is no greater than 50 percent of AMI; and (c) at least 40 percent of the project's rental units to tenants whose income at the time of their initial occupancy of a unit in the project is no greater than 60 percent of AMI. This commitment to serve the target population matures on April 1, 2022. The full amount of the loan is to be repaid if the conditions for forgiveness are not met.

Seola Crossing II

In 2007, the Authority received a $250,000 forgivable loan from Bank of America which is conditional on the Seola Crossing project renting as follows: (a) at least 50 percent of the Project's rental units to tenants whose income at the time of their initial occupancy of a unit in the Project is no greater than 30 percent of the Area Median Income in King County, Washington as published by HUD; (b) at least 10 percent of the Project's rental units to tenants whose income at the time of their initial occupancy of a unit in the project is no greater than 50 percent of AMI; and (c) at least 40 percent of the project's rental units to tenants whose income at the time of their initial occupancy of a unit in the project is no greater than 60 percent of AMI. This commitment to serve the target population matures on April 1, 2022. The full amount of the loan is to be repaid if the conditions for forgiveness are not met.

Windsor Heights

In 1999, the Authority received a forgivable loan of $1,040,000 from the King County Department of Community and Human Services which is conditional on the Windsor Heights project renting a minimum of 40 percent of their units to households that make less than 60 percent of area median income. Rents charged to tenants may not exceed 30 percent of the monthly income of the target population. This commitment to serve the target population matures on June 15, 2049. The full amount of the loan is to be repaid if the conditions for forgiveness are not met.

Highland Village

In 2019, the Authority received a forgivable loan of $3,500,000 from the King County Department of Community and Human Services which is conditional on the Highland Village project renting a 75 of their units to households that make less than 60 percent of area median income. Rents charged to tenants may not exceed 30 percent of the monthly income of the target population. This commitment to serve the target population matures on December 31, 2068. The full amount of the loan is to be repaid if the conditions for forgiveness are not met.

Note 6 – Component Units

Blended Component Units

Moving King County Residents Forward (MKCRF)

As the governing body of MKCRF is identical to the governing body of the Authority and the management of the Authority has operational responsibility for MKCRF, MKCRF's balances and transactions are "blended" with those of the Authority pursuant to GASB Statement 14, *The Financial Reporting Entity* and GASB Statement 61*The Financial Reporting Entity: Omnibus*.

When combining MKCRF and the Authority's financial data, the capital lease was eliminated, as well as other payables to the Authority, in order to prevent overstatement of debt and receivables.

Overlake TOD Housing Limited Partnership (Overlake)

The Authority serves as Overlake's sole general partner. Overlake's limited partner is KCHA Initial Affiliate LLC which is 100% controlled by the Authority. As such, the governing body of the Authority and the partnership are substantively the same which in turn gives the Authority operational responsibility for the Overlake partnership. Consequently, Overlake's balances and transactions are "blended" with those of the Authority pursuant to GASB Statement 14, *The Financial Reporting Entity* and GASB Statement 61*The Financial Reporting Entity: Omnibus*.

		Moving King County Residents Forward		Overlake TOD Housing Limited Partnership
CONDENSED STATEMENT OF NET POSITION				
ASSETS				
Cash and Investments	$	1,760.00	$	4,074,197.00
Receivables and other, net		-		40,606
Capital Assets		36,582,209		24,083,763
Total Assets	$	36,583,969	$	28,198,566
DEFERRED OUTFLOWS OF RESOURCES:	$	-	$	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	**$**	**36,583,969**	**$**	**28,198,566**
LIABILITIES:				
LIABILITIES				
Current Liabilities	$	14,471,205		22,778,547
Long-term Liabilities		-		-
Total Assets	$	14,471,205	$	22,778,547
DEFERRED INFLOWS OF RESOURCES:	$	-	$	-
NET POSITION:				
Net investment in capital assets		36,582,209		24,083,763
Restricted		-		797,939
Unrestricted		(14,469,445)		(19,461,683)
Total Net Position		22,112,764		5,420,019
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$**	**36,583,969**	**$**	**28,198,566**
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION				
OPERATING REVENUES	$	3,882,477	$	4,148,652
OPERATING EXPENSES				
Adminstrative		1,431		602,594
Operating and Maintenance		-		901,557
Depreciation and Amortization		1,525,057		1,122,771
Total Operating Expense		**1,526,488**		**2,626,922**
Total Operating Income		**2,355,988**		**1,521,730**
NONOPERATING REVENUES (EXPENSES)				
Grant Revenue				
Interest Expense		(889,791)		(942,724)
Gain(loss) on disposal assets				
Other revenue (expense)				
Total nonoperating revenues (expenses)		**(889,791)**		**(942,724)**
Total Net Income (Loss)		**1,466,197**		**579,006**
CHANGE IN NET POSITION				
Beginning Net Position		20,646,567		4,841,013
Total Ending Net Position	**$**	**22,112,764**	**$**	**5,420,019**

Discretely Presented Component Units

The discretely presented component units are Low Income Housing Tax Credit partnerships whose limited partners or members have limited rights regarding the operations of the partnerships and the Authority as General Partner or Managing Member controls the day-to-day operations of the partnerships. As such, the Authority has certain rights and responsibilities which enable it to impose its will on the partnerships due to its significant influence as the General Partner or Managing Member and also its financial relationships with the partnerships. It is for this reason that they are discretely presented on the Authority's financial statements.

On March 1, 2019, Green River Homes, LLC, a low income housing tax credit partnership, was dissolved and all assets and obligations were transferred to the authority.

On June 1, 2019, the Egis Housing Limited Partnership, a low income housing tax credit partnership, was dissolved and all assets and obligations were transferred to the authority.

Partnership Name	**Corinthian TOD LLLP**	**Eastbridge Apartments LLC**	**Egis Housing Limited Partnership**	**Fairwind Apartments LLLP**	**Green River Homes LLC**
Fiscal Year Acquired / Sold	2016	2010	2007	2013	2004
ASSETS, LIABILITIES AND NET POSITION:					
ASSETS					
Cash and investments	$ 632,961	$ 1,120,952	$ -	$ 683,946	$ -
Receivables and other	84,260	99,965	-	111,590	-
Capital assets, net	17,036,766	14,451,932	-	16,724,264	-
Total Assets	**$ 17,753,987**	**$ 15,672,849**	**$ -**	**$ 17,519,801**	**$ -**
LIABILITIES & NET POSITION					
LIABILITIES					
Current liabilities	$ 193,133	$ 634,856	$ -	$ 60,720	$ -
Long-term liabilities	11,302,548	9,706,188	-	7,590,851	-
NET POSITION	**6,258,306**	**5,331,805**	**-**	**9,868,229**	**-**
Total Liabilities & Net Position	**$ 17,753,987**	**$ 15,672,849**	**$ -**	**$ 17,519,801**	**$ -**
REVENUE, EXPENSES AND CHANGE IN NET POSITION:					
OPERATING REVENUES	**$ 1,232,036**	**$ 1,493,593**	**$ -**	**$ 698,302**	**$ -**
OPERATING EXPENSES					
Administrative	204,973	177,852	-	193,138	-
Operating and maintenance	262,768	294,051	-	404,013	-
Depreciation and amortization	534,981	931,009	-	612,131	-
Total Operating Expense	**1,002,722**	**1,402,912**	**-**	**1,209,282**	**-**
Total Operating Income	**229,314**	**90,681**	**-**	**(510,980)**	**-**
NONOPERATING REVENUES (EXPENSES)					
Grant Revenue	-	-	-	-	-
Investment income	-	10	-	-	-
Interest expense	(447,045)	(616,536)	-	(233,232)	-
Other revenue (expense)					
Total nonoperating revenues (expenses)	**(447,045)**	**(616,526)**	**-**	**(233,232)**	**-**
Total Net Income (Loss)	**(217,731)**	**(525,845)**	**-**	**(744,212)**	**-**
Contributions (distributions)	-	-	-		-
CHANGE IN NET POSITION	**(217,731)**	**(525,845)**	**-**	**(744,212)**	**-**
Beginning Net Position	6,476,037	5,857,650	3,704,467	10,612,442	645,402
Disposal			(3,704,467)		(645,402)
Restated Beginning Net Assets	6,476,037	5,857,650	-	10,612,442	-
Total Ending Net Position	**$ 6,258,306**	**$ 5,331,805**	**$ -**	**$ 9,868,230**	**$ -**

Partnership Name	Green River Homes 2 LLC	Nia Apartments LLC	Salmon Creek Housing LLC	Seola Crossing LLC	Sixth Place Apartments LLLP
Fiscal Year Acquired / Sold	2012	2008	2009	2007	2010
ASSETS, LIABILITIES AND NET POSITION:					
ASSETS					
Cash and investments	$ 616,088	$ 563,634	$ 841,015	$ 1,837,546	$ 412,317
Receivables and other	41,942	109,083	81,007	263,517	24,266
Capital assets, net	14,621,633	13,622,719	16,259,108	26,277,102	6,901,582
Total Assets	**$ 15,279,663**	**$ 14,295,436**	**$ 17,181,130**	**$ 28,378,165**	**$ 7,338,165**
LIABILITIES & NET POSITION					
LIABILITIES					
Current liabilities	$ 393,864	$ 2,266,471	$ 2,015,103	$ 5,066,499	$ 51,531
Long-term liabilities	10,906,678	7,344,520	7,745,861	17,469,241	6,785,030
NET POSITION	**3,979,121**	**4,684,445**	**7,420,166**	**5,842,425**	**501,604**
Total Liabilities & Net Position	**$ 15,279,663**	**$ 14,295,436**	**$ 17,181,130**	**$ 28,378,165**	**$ 7,338,165**
REVENUE, EXPENSES AND CHANGE IN NET POSITION:					
OPERATING REVENUES	**$ 896,699**	**$ 860,738**	**$ 1,041,446**	**$ 2,171,165**	**$ 249,338**
OPERATING EXPENSES					
Administrative	171,841	145,672	155,425	318,730	47,872
Operating and maintenance	234,707	250,239	337,703	617,545	86,989
Depreciation and amortization	467,572	590,780	581,143	1,200,900	371,808
Total Operating Expense	**874,120**	**986,691**	**1,074,271**	**2,137,175**	**506,669**
Total Operating Income	**22,579**	**(125,953)**	**(32,825)**	**33,990**	**(257,331)**
NONOPERATING REVENUES (EXPENSES)					
Grant Revenue	-	-	-	-	-
Investment income	-	-	(52,600)	45	-
Interest expense	(68,042)	(385,519)	(458,928)	(1,080,707)	(6,215)
Other revenue (expense)					
Total nonoperating revenues (	**(68,042)**	**(385,519)**	**(511,528)**	**(1,080,662)**	**(6,215)**
Total Net Income (Loss)	**(45,463)**	**(511,472)**	**(544,353)**	**(1,046,672)**	**(263,546)**
Contributions (distributions)	-	-	-	-	-
CHANGE IN NET POSITION	**(45,463)**	**(511,472)**	**(544,353)**	**(1,046,672)**	**(263,546)**
Beginning Net Position	4,024,583	5,195,917	7,964,519	6,889,097	765,150
Disposal					
Restated Beginning Net Assets	4,024,583	5,195,917	7,964,519	6,889,097	765,150
Total Ending Net Position	**$ 3,979,120**	**$ 4,684,445**	**$ 7,420,166**	**$ 5,842,425**	**$ 501,604**

Partnership Name	Somerset Gardens Apartments LLLP	Soosette Creek LLC	Spiritwood Manor LLLP	Vantage Point Apartments LLC	Zephyr Apartments LLLP	GRAND TOTAL
Fiscal Year Acquired / Sold	2017	2008	2016	2013	2010	
ASSETS, LIABILITIES AND NET POSITION:						
ASSETS						
Cash and investments	$ 3,054,807	$ 3,205,664	$ 2,066,792	$ 283,142	$ 556,102	$ 15,874,966
Receivables and other	406,582	206,196	176,184	165,373	31,502	1,801,467
Capital assets, net	82,263,161	72,019,594	40,197,581	23,538,507	5,870,616	349,784,563
Total Assets	**$ 85,724,550**	**$ 75,431,454**	**$ 42,440,556**	**$ 23,987,022**	**$ 6,458,220**	**$ 367,460,997**
LIABILITIES & NET POSITION						
LIABILITIES						
Current liabilities	$ 2,856,477	$ 2,632,745	$ 1,725,849	$ 119,852	$ 37,051	$ 18,054,152
Long-term liabilities	82,173,223	57,763,461	25,752,315	12,217,131	6,064,155	262,821,200
NET POSITION	**694,850**	**15,035,248**	**14,962,393**	**11,650,038**	**357,015**	**86,585,645**
Total Liabilities & Net Position	**$ 85,724,550**	**$ 75,431,454**	**$ 42,440,556**	**$ 23,987,022**	**$ 6,458,220**	**$ 367,460,997**
REVENUE, EXPENSES AND CHANGE IN NET POSITION:						
OPERATING REVENUES	**$ 3,269,149**	**$ 4,812,877**	**$ 2,583,754**	**$ 662,033**	**$ 385,608**	**$ 20,356,739**
OPERATING EXPENSES						
Administrative	501,910	578,036	287,548	213,607	72,020	3,068,624
Operating and maintenance	1,065,105	1,354,724	447,776	343,154	122,955	5,874,326
Depreciation and amortization	2,757,381	2,471,801	1,200,787	805,629	243,717	12,769,642
Total Operating Expense	**4,324,396**	**4,404,561**	**1,936,111**	**1,362,391**	**438,691**	**21,712,592**
Total Operating Income	**(1,055,247)**	**408,316**	**647,643**	**(700,358)**	**(53,082)**	**(1,355,853)**
NONOPERATING REVENUES (EXPENSES)						
Grant Revenue	-	-	-		-	
Investment income	-	-	-	-	-	55
Interest expense	(2,258,698)	(948,377)	(922,641)	(224,329)	(10,988)	(7,661,258)
Other revenue (expense)						-
Total nonoperating revenues (	**(2,258,698)**	**(948,377)**	**(922,641)**	**(224,329)**	**(10,988)**	**(7,661,203)**
Total Net Income (Loss)	**(3,313,945)**	**(540,061)**	**(274,998)**	**(924,687)**	**(64,070)**	**(9,017,055)**
Contributions (distributions)	-	-	-	-	-	-
CHANGE IN NET POSITION	**(3,313,945)**	**(540,061)**	**(274,998)**	**(924,687)**	**(64,070)**	**(9,017,055)**
Beginning Net Position	(1,023,387)	15,575,309	15,237,391	12,574,724	421,086	94,920,387
Prior Period -Adjustment	5,032,182					682,313
						-
Restated Beginning Net Assets	4,008,795	15,575,309	15,237,391	12,574,723	421,087	95,602,700
Total Ending Net Position	**$ 694,850**	**$ 15,035,248**	**$ 14,962,393**	**$ 11,650,036**	**$ 357,017**	**$ 86,585,645**

Note 7 – Related Party Transactions

Low Income Housing Tax Credit (LIHTC)

The tax credit program is the result of Federal legislation, which allows investors certain tax incentives for investing in low-income housing. Investors also are allowed to deduct any losses passed through to them from the partnerships. The Authority is allocated about .01 percent of all profits, losses, and tax credits pursuant to the terms of the partnership or operating agreement. Under terms of the tax code, the buildings must continue to serve the targeted population for 15 years. The Authority has the option to purchase them at the expiration of this compliance period.

Typically, at the time of closing, the Authority will earn a developer's fee for its role in bringing the project to fruition. Developer fees are paid primarily from available cash flows and development proceeds. Under the various partnership agreements, any outstanding developer fees are generally required to be paid within 10 to 15 years of the project's placed-in-service date and may accrue interest on unpaid balances. Developer fee income reflected in the Authority's operating income totaled $1.9 million in 2019.

The financing for the tax credit partnerships was structured as direct financing leases from the Authority to the partnerships. Upon issuance of the bonds, the Authority purchases the projects. The Authority retains ownership of the buildings, and leases them to the partnerships under terms of a long-term financing lease, which is treated as a sale for tax purposes. Payments from the Partnerships are sufficient to pay the outstanding bonds, but the Authority remains contingently liable for their payment. The debt interest expense and an offsetting amount of interest income are reflected on the Authority's books and total $8,265,905 for the year.

Although the bonds are the primary source of funds for the purchase of the developments, other funding is usually required. Lines of credit, both taxable and non-taxable, are secured by the Authority to pay some of the acquisition costs and most of the rehabilitation costs. These lines are retired primarily using proceeds from the sale of Low Income Housing Tax Credits to the limited partners usually within two to three years of the partnership's inception. The Authority also may receive grant funds or other loans to assist in purchasing the properties and in preserving affordability within the projects. Because of limitations posed by the Internal Revenue Service, all such funds are lent to the partnerships. These advances are accounted for as part of the financing lease if the proceeds are used for purchasing the property and are accounted for as notes receivable from the partnerships if the proceeds are used for rehabilitating the property. A summary of the Authority's long-term debt is presented in Note 6. A summary of notes receivable and investments in direct financing leases with the partnerships is presented in Note 4.

Corinthian TOD LLLP

Lease Agreement

On January 27, 2016, Corinthian TOD LLLP ("the Partnership") entered into a financing lease agreement with the Authority to lease the land, buildings, land improvements, and personal property, comprising the Project. The Lease Agreement is for the period from January 2, 2016 through December 31, 2115. The Lease Agreement is treated as a capital lease. Pursuant to the Lease Agreement, the base rent is ten dollars ($10) per year, payable on January 1 of each year commencing January 1, 2019.

KCHA Subordinate Loan

On January 27, 2016 the partnership entered into a loan agreement with the Authority, in the maximum principal amount of $6,500,000. The KCHA Subordinate Loan bears interest at 3.75%. The KCHA Subordinate Loan matures on December 31, 2057. The KCHA Subordinate Loan is secured by the Leasehold Deed of Trust, as defined in the KCHA Subordinate Loan Agreement. Payments of principal and interest will be made from Net Cash Flow, as defined and in accordance with the Partnership Agreement.

As of December 31, 2019, the outstanding principal and accrued interest on the KCHA Subordinate Loan was $4,730,514 and $133,046, respectively.

Tax-Exempt Permanent Loan

On September 29, 2016, the partnership entered into a loan agreement with the Authority, in the maximum principal amount of $7,000,000. The Tax-Exempt Permanent Loan bears interest at 4%. The Tax-Exempt Permanent Loan is secured by Deed of Trust. Payments of principal and interest are made on the first business day of each calendar month commencing on November 1, 2016 in level principal and interest payments amortized over a 30-year period. The Tax-Exempt Permanent Loan matures on September 1, 2036. The Tax-Exempt Permanent Loan principal balance as of December 31, 2019 was $6,572,034.

Partnership management fee

Pursuant to the Partnership Agreement, the Partnership will pay the Authority, an annual cumulative partnership management fee in the amount of $6,250, increasing at 3% per annum. The Partnership Management Fee will be paid commencing in 2016. The Partnership Management Fee is to compensate the Authority for its services in connection with the oversight and management of the Partnership's business. As of December 31, 2019, Partnership Management Fee payable was $6, 830.

Eastbridge Apartments, LLC

Financing Lease

On March 3, 2009, Eastbridge Apartments, LLC ("the Company") entered into a financing lease agreement with the Authority to lease the buildings and other improvements constructed or to be constructed thereon comprising the project. The lease agreement was amended on December 30, 2010 and February 9, 2011 (collectively, the "Lease Agreement"). The Lease Agreement is for the period from March 3, 2009 (inception) through December 31, 2097. The Lease Agreement is treated as a capital lease.

Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year. Eastbridge Apartments agreed to make additional payments of up to $24,885,000 in installments tied to the possession of the project. The required additional lease payments were paid in full in 2011.

Bonds Payable

In November 2008, the Authority as Managing Member entered into a tax-exempt revenue bond trust indenture (the "Revenue Bonds") with The Bank of New York Mellon Trust Company, N.A. The aggregate principal amount of the Revenue Bonds is $7,120,000, with an interest rate equal to approximately 3.50 to 5.625 percent per annum. The Revenue Bonds proceeds were loaned to Eastbridge Apartments, LLC by the Authority through the Financing Agreement (the "Financing Agreement"). The Financing Agreement is secured by a leasehold deed of trust encumbering

Eastbridge Apartments' interests in the property and will be nonrecourse to the Company and its members. Interest is payable semiannually on each June 1 and December 1, commencing June 1, 2009, to maturity or earlier redemption of the Revenue Bonds, as set forth in the trust indenture.

As of December 31, 2019, the outstanding principal balance on the Bonds Payable, net of unamortized original issue discount was $6,477,888. Minimum future annual principal payments are as follows:

Year ending December 31,	
2020	85,000
2021	90,000
2022	95,000
2023	100,000
Thereafter	6,190,000
Subtotal	6,560,000
Less: Bond Issue discount;net	(82,112)
Total	$6,477,888

Loan

On March 9, 2009, the Company received a loan of $3,800,000 from the Authority to finance the construction of the project. The loan accrues interest at an annual rate of 6.5 percent and is compounded annually if interest is not paid in full. Interest is payable from Net Cash Flow, as defined in the Operating Agreement, in the order set forth in the Operating Agreement. The principal and accrued interests are due and payable on the maturity date of March 31, 2059. The KCHA Loan is secured by a single leasehold deed of trust encumbering the Company's interests in the property and will be nonrecourse to the Company and its members. As of December 31, 2019, the outstanding balance on the loan was $2,757,744.

Hope VI Loan

The Authority received a HOPE VI grant of $470,556 from the Department of Housing and Urban Development. On February 19, 2010, the Authority loaned the proceeds of the HOPE VI grant (the "Hope VI Loan") to the Company. The loan accrues interest at an annual rate of 6.5 percent and is compounded if interest is not paid in full. Interest is payable from Net Cash Flow, as defined in the Operating Agreement, in the order set forth in the Operating Agreement. The principal and accrued interests are due and payable at maturity. The Hope VI Loan matures on March 31, 2059. The Hope VI Loan is secured by a single leasehold deed of trust encumbering the Company's interests in the property and is nonrecourse to the Company and its members.

As of December 31, 2019, the outstanding balance on the Hope VI Loan was $470,556.

Project-based rental assistance payment contract

In 2009, the Company entered into a project-based rental assistance payment contract (the "HAP Contract") with the Authority for a period of ten years. Pursuant to the HAP Contract, the Authority will make rental assistance payments on behalf of residents for 31 units. The rental assistance payments are included in rental income in the accompanying statement of operations.

Regulatory and Operating Agreement

On March 3, 2009, the Company entered into a Regulatory and Operating Agreement (the "R&O Agreement") with the Authority. Pursuant to the R&O Agreement, 13 units are obligated to be maintained and operated continuously as public housing units in accordance with applicable public housing requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the Project up to the amount it receives from U.S. Department of Housing of Urban Development with respect to the project, provided the units remain in compliance with applicable public housing requirements. For the year ended December 31, 2019, operating subsidy payments of $78,000 was received by the Company from the Authority.

Fairwind Apartments LLLP

Hope VI Loan

The Authority received a HOPE VI grant of $3,600,000 from the Department of Housing and Urban Development. On March 30, 2012, the Authority loaned the proceeds of the HOPE VI grant (the "Hope VI Loan") to the Partnership. The loan accrues interest at an annual rate of 5.75 percent and is compounded if interest is not paid in full. Payments of principal and interest shall be made annually from cash flow available for such purpose in accordance with the Partnership agreement. The principal and accrued interests are due and payable at maturity. The Hope VI Loan matures on March 30, 2062. The Hope VI Loan is secured by a single leasehold deed of trust encumbering the Partnership's interests in the property and is nonrecourse to the Partnership and its partners.

As of December 31, 2019, the outstanding balance on the Hope VI Loan was $3,600,000. For the year ended December 31, 2019, interest expense on the Hope VI Loan was $207,000.

Property Management Fee

Pursuant to the Property Management Agreement, the Partnership will pay the Authority a property management fee. The monthly Property Management Fee is equal to the greater of $43.72 per unit or other amount as permitted by HUD. The Property Management Fee is to compensate the General Partner for property management services provided to the project, including ensuring its compliance with applicable affordability requirements. For the year ended, December 31, 2019 Property Management Fee was $60,117.

Advances payable

The Authority paid expenses on behalf of the Partnership. The advances were unsecured and did not bear interest. As of December 31, 2019, the balance payable to the Authority was $32,044.

Regulatory and Operating Agreement

On March 30, 2012, the Partnership entered a Regulatory and Operating Agreement with the Authority. Pursuant to the R&O Agreement, all of the Project units shall be maintained and operated continuously as public housing units in conformity with applicable public housing requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the Project up to the amount it receives from HUD with respect to the Project, provided the units remain in compliance with applicable public housing requirements. For the year ended December 31, 2019, the Partnership received operating subsidy of $300,000.

Green River Homes 2 LLC

KCHA Loan 1

On December 29, 2011, the Authority issued tax-exempt bonds in the amount of $9,500,000 (the "KCHA Loan 1") and loaned the proceeds to the Company. The KCHA Loan 1 bears simple interest rate equal to 0.6 percent per annum with a maturity date of January 1, 2067. The KCHA Loan 1 is not secured by the property. As of December 31, 2019, the outstanding principal on the KCHA Loan 1 was $9,500,000.

KCHA Loan 2

On December 29, 2011, the Authority loaned $3,000,000 (the "KCHA Loan 2") to the Company. The KCHA Loan 2 bears simple interest rate equal to 0.6 percent per annum with a maturity date of January 1, 2067. The KCHA Loan 2 is not secured by the property. As of December 31, 2019, the outstanding principal on the KCHA Loan 2 was $1,754,994.

Property management fee

On May 1, 2012 the Company entered into a property management agreement with the Authority (the "Property Management Agreement"). Pursuant to the Property Management Agreement, the Company will pay the Authority for its management services. The fee will be paid by the 15th of the month following the month in which the services were rendered. The monthly fee will be the greater of 7 percent of collected rents. For the year ended December 31, 2019, the property management fee was $62,769.

Property purchase option

The Authority has an option to purchase the project at the end of the low-income housing tax compliance period at a price specified in the Operating Agreement. In order to exercise this option, the Authority must meet certain requirements outlined in the Operating Agreement.

Housing assistance subsidy

On February 1, 2013, the Company entered into a Project-based Rental Assistance Contract (the "Assistance Contract") with the Authority. Under the terms of the contract, the Authority will provide rental assistance on behalf of all 59 units at the property. For the year ended December 31, 2019, rental assistance of $661,626 was received from the Managing Member.

Due to KCHA

The Authority pays certain miscellaneous expenses on behalf of the Company. The advances bear no interest and are repayable on demand. The advances are not secured. As of December 31, 2019, $11,597 was due to the Authority.

Nia Apartments LLC

Financing Lease

In March 2007, Nia Apartments LLC ("the Company") entered into a capital lease agreement (the "Financing Lease") with the Authority for the land, building and improvements, and personal property. The Financing Lease is for the period from March 15, 2007 through December 31, 2096. The Financing Lease is secured by the property. The Financing Lease is treated as a capital lease. Pursuant to the Financing Lease, the Company is required to pay rent in the amount of $1 per annum commencing in January 2008. In addition, the Company is responsible for all cost related to construction of the property.

Revenue Bonds

During December 2006, the Authority entered into tax-exempt revenue bond trust indenture (the "Revenue Bonds") with U.S. Bank National Association. The aggregate principal amount of the Revenue Bonds is $3,000,000, with a simple interest ranging from 4.45 percent to 4.75 percent per annum. The weighted average interest rate at December 31, 2019 was 4.73 percent per annum. The Revenue Bonds are secured by the general revenue of the Authority and bond proceeds were loaned to the Company by the Authority through the Financing Agreement. Interest is payable on each January 1 and July 1 through the later of the maturity date or redemption as set forth in the trust indenture of the Revenue Bonds. Interest payments commenced on July 1, 2007. The maturity date is January 1, 2037.

As of December 31, 2019, the outstanding balance on the Revenue Bonds was $2,625,000. For the year ended December 31, 2019, interest expense on the Revenue Bonds was $127,651.

Future minimum principal payments over each of the next five years and thereafter are due as follows:

Year ending December 31,		
2020		45,000.00
2021		50,000.00
2022		50,000.00
2023		55,000.00
Thereafter		2,425,000.00
	Total	$ 2,625,000.00

Note Payable

The Company obtained a note payable (the "Note Payable") from the Authority to finance the construction of the project. The Note Payable is in the amount of $328,000 and bears compounded interest at the greater of 4.75 percent or the long-term applicable federal rate in effect as of the day of this loan, which was 4.60 percent. The Note Payable requires principal and interest payments to be deferred until the maturity date of March 15, 2058. The Note Payable is secured by the Project. As of December 31, 2019, the principal balance on the Note Payable was $328,000. For the year ended December 31, 2019, interest expense was $25,326.

HOPE VI Loan

The Authority received a HOPE VI grant of $3,200,000 from the Department of Housing and Urban Development and loaned the proceeds of the HOPE VI grant (the "HOPE VI Loan") to the Company through a Master Loan Agreement dated March 15, 2007. The Hope VI Loan bears compounded interest at a rate of 4.60 percent per annum. Interest is payable from Cash Flow, as defined in the Operating Agreement, in the order set forth in the Operating Agreement. The principal and accrued interest is to be payable at the end of the loan term at March 1, 2059. The HOPE VI Loan is secured by the project. As of December 31, 2019, the outstanding balance on the HOPE VI Loan was $3,200,000. For the year ended December 31, 2019, interest expense on the HOPE VI Loan was $220,043.

Company Management Fee

Pursuant to the Operating Agreement, the Authority is entitled to an annual company management fee in the amount of $10,000 increasing annually by 3 percent. Payments are to be made from available cash flow, as defined in the Operating Agreement. For the year ended December 31, 2019, the Company Management Fee was $13,439.

Project-based rental assistance payment contract

In 2007, the Company entered a project-based rental assistance payment contract (the "HAP Contract") with the Authority for an initial minimum term of 10 years. Pursuant to the HAP Contract, the Authority will make rental assistance payments on behalf of residents for 41 units. The rental assistance payments are included in rental income in the accompanying statement of operations.

Regulatory and Operating Agreement

In 2007 the Company entered into a Regulatory and Operating Agreement (the "R&O Agreement") with the Authority. Pursuant to the R&O Agreement, 40 of the total 82 units will be maintained and operated continuously as public housing units in accordance with Applicable Public Housing requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the project up to the amount it receives from the U.S. Department of Housing and Urban Development with respect to the project, provided the 40 units remain in compliance with Applicable Public Housing Requirements. For the year ended December 31, 2019, operating subsidy payments of $153,600 were received each year from the Authority.

Salmon Creek Housing LLC

Bonds Payable

During March 2008, the Authority as Managing Member entered into tax-exempt revenue bond trust indenture (the "Revenue Bond") with U.S. Bank National Association. The aggregate principal amount of the Revenue Bond is $4,250,000. The Revenue Bond is secured by the general revenue of the Authority. The Revenue Bonds proceeds were loaned to Salmon Creek Housing LLC ("the Company") by the Authority (the "Bonds Payable") through the Financing Agreement (the "Financing Agreement"). The Financing Agreement is secured by the project. The Bonds Payable bears interest at a variable rate and interest is payable on the first business day of each month. Interest was subsequently fixed at 3.988 percent through an interest rate swap agreement. The Bonds Payable matures on December 1, 2047. The Company is required to reimburse the Authority for all out of pocket expenses in connection with the Bonds Payable. For the year ended December 31, 2019, there were no reimbursements made to the Authority.

As of December 31, 2019, the outstanding balance on the Bonds Payable was $3,755,000. For the year ended December 31, 2019, interest expense on the Bonds Payable was $156,363.

Future minimum principal payment requirements over the next five years are as follows:

Year ending December 31,		
2020		65,000.00
2021		70,000.00
2022		75,000.00
2023		75,000.00
Thereafter		3,470,000.00
	Total	$ 3,755,000.00

Note payable

The Company obtained a note payable (the “Note Payable”) dated March 26, 2008, from the Authority to finance the construction of the project. The Note Payable is in the amount up to $5,650,000 and bears interest at the greater of the Applicable Federal Rate at the time the proceeds of the Note Payable are disbursed to the Company or 5.75 percent compounded annually. The Note Payable matures on December 31, 2058. The Note Payable is payable from Net Cash Flow, as defined in the Operating Agreement, and is secured by the project. As of December 31, 2019, the outstanding principal balance on the Note Payable was $2,530,000. For the year ended December 31, 2019, interest expense was $201,651.

HOPE VI Loan

The Authority received a HOPE VI grant of $1,045,595 from the Department of Housing and Urban Development and loaned the proceeds of the HOPE VI grant (the “HOPE VI Loan”) to the Company. The HOPE VI Loan bears interest at the greater of the Applicable Federal Rate or 5.75 percent compounded annually. Interest is payable from Net Cash Flow, as defined in the Operating Agreement, and the principal and accrued interest is due and payable at the end of the loan term, December 31, 2058. The HOPE VI Loan is secured by the Project. As of December 31, 2019, the outstanding principal balance on the HOPE VI Loan was $1,045,595. For the year ended December 31, 2019, interest expense on the HOPE VI Loan was $100,914.

Company Management Fee

Pursuant to the Operating Agreement, the Authority is entitled to an annual company management fee in the amount of $20,000 increasing annually by 3 percent. Payments are to be made from available cash flow, as defined in the Operating Agreement. For the year ended December 31, 2019, the Company Management Fee was $26,878.

Project-based rental assistance payment contract

On July 15, 2009, the Company entered into a project-based rental assistance payment contract (the HAP Contract) with the Authority for a period of ten years. Pursuant to the HAP Contract, the Authority will make rental assistance payments on behalf of residents for nine units, which has been included in rental income on the accompanying statement of operations.

Regulatory and Operating Agreement

In 2008, the Company entered a Regulatory and Operating Agreement (the “R&O Agreement”) with the Authority. Pursuant to the R&O Agreement, 50 of the total 88 units are to be maintained and operated continuously as public housing units in accordance with Applicable Public Housing Requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the project up to the amount it receives from HUD with respect to the project, provided the 50 units remain in compliance with Applicable Public Housing Requirements. For the year ended December 31, 2019, operating subsidy payments of $186,000 was received from the Authority.

Seola Crossing LLC

Master Loan Agreement

On March 23, 2006, the Company entered into a master loan agreement with the Authority (the “Master Loan Agreement”). Pursuant to the Master Loan Agreement, the Authority will issue revenue bonds and loan the bond proceeds and a portion of its HOPE VI grant to the Company.

Revenue Bond

During April 2006, the Authority entered into taxable revenue bond trust indenture (the "Revenue Bond") with U.S. Bank National Association. The aggregate principal amount of the Revenue Bond is $6,700,000, with an interest equal to 6.375 percent per annum. The Revenue Bond is secured by the project and bond proceeds are loaned to the Company through the Master Loan Agreement. Interest is payable semiannually on each June 30 and December 31, commencing on December 31, 2006. Annual principal payments are required in increasing amounts beginning December 31, 2008. Pursuant to the Master Loan Agreement, the Company is required to reimburse the Authority for all out of pocket expenses in connection with the loan. The Revenue Bond matures on December 31, 2046.

As of December 31, 2019, the outstanding principal balance on the Revenue Bond was $6,320,000. For the year ended December 31, 2019, interest expense on the Revenue Bond was $406,722.

Minimum future principal payments are as follows:

Year ending December 31,		
2020		45,000.00
2021		50,000.00
2022		55,000.00
2023		55,000.00
Thereafter		6,115,000.00
	Total	$ 6,320,000.00

Note payable

The Company secured a note payable (the "Note Payable") from the Authority to finance the acquisition and construction of the project. The Note Payable is in the amount of $250,000 and bears interest at the greater of 4.75 percent compounded annually or the long-term applicable federal rate as of the day of the loan. As of the day of the loan, the long-term applicable federal rate was 5.31 percent.

The Note Payable requires principal and interest payments to be deferred until the maturity date of December 2058. The Note Payable is secured by the project. As of December 31, 2019, the principal balance on the Note Payable was $250,000. For the year ended December 31, 2019, interest expense was $23,869.

HOPE VI loan

The Authority received a HOPE VI grant from the Department of Housing and Urban Development. Pursuant to the Master Loan Agreement, the Authority will loan up to $7,925,000 of the proceeds of the HOPE VI grant (the "HOPE VI Loan") to the Company. The loan bears compound interest at the long-term applicable federal rate as of the date of each loan draw. Interest rates range from 5.02 percent to 5.36 percent. Interest is payable from cash flow, and the principal and accrued interest are due and payable at the end of the loan term, December 31, 2058. The HOPE VI Loan is secured by the project. As of December 31, 2019, the outstanding principal balance was $7,925,000. For the year ended December 31, 2019, interest expense on the HOPE VI Loan was $620,116.

Company Management Fee

Pursuant to the Operating Agreement, the Authority is entitled to an annual company management fee in the amount of $7,500 increasing annually by 3 percent. Payments are to be made from available cash flow, as defined in the Operating Agreement. For the year ended December 31, 2019, was $10,382.

Project-based rental assistance payment contract

In 2006, the Company entered a project-based rental assistance payment contract (the "HAP

Contract") with the Authority. Pursuant to the HAP Contract, the Authority will make temporary rental assistance payments on behalf of residents for 71 units and permanent payments for 39 units. As of December 31, 2019, there were 19 units receiving temporary rental assistance.

Regulatory and operating agreement

On March 23, 2006, the Company entered a Regulatory and Operating Agreement (the "R&O Agreement") with the Authority. Pursuant to the R&O Agreement, 77 of the total 187 units are obligated to be maintained and operated continuously as public housing units in accordance with applicable public housing requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the project up to the amount it receives from HUD with respect to the project, provided the 77 units remain in compliance with applicable public housing requirements. For the year ended December 31, 2019, operating subsidy payments of $328,800 were received from the Authority.

Sixth Place Apartments LLLP

Lease Agreement

On June 22, 2010, Sixth Place Apartments LLLP ("the Partnership") entered into a financing lease agreement (the "Lease Agreement") with the Authority to lease buildings and other improvements comprising the project. The Lease Agreement is for the period from January 29, 2010 through December 31, 2098. The Lease Agreement is treated as a capital lease.

Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year, payable on January 1 of each year commencing January 1, 2011. In addition, the Partnership is responsible for all cost related to constructing the project.

KCHA First Loan and KCHA Second Loan

The Authority received a grant from the Department of Housing and Urban Development. On June 22, 2010, the Authority entered into a master loan agreement (the "Master Loan Agreement") with the Partnership. Pursuant to the Master Loan Agreement, the Authority made two loans (the "KCHA First Loan" and the "KCHA Second Loan") to the Partnership in an amount not to exceed $300,000 and $6,679,129, respectively. The KCHA First Loan and the KCHA Second Loan are evidenced by two promissory notes and are secured by a single leasehold deed of trust. The KCHA First Loan accrues interest at 4.0 percent compounded annually. The KCHA First Loan is payable from the available Cash Flow, as defined in the Partnership Agreement. The KCHA First Loan matures on June 22, 2060. The KCHA Second Loan accrues no interest and the outstanding principal is due on June 22, 2060.

As of December 31, 2019, the outstanding principal balance on the KCHA First Loan was $113,525. For the year ended December 31, 2019, interest expense on the KCHA First Loan was $5,867. As of December 31, 2019, the outstanding principal balance on the KCHA Second Loan was $6,679,129.

Regulatory and Operating Agreement

On June 22, 2010, the Partnership entered into a Regulatory and Operating Agreement ("R&O Agreement") with the Authority. Pursuant to the R&O Agreement, all of the project units are obligated to be maintained and operated continuously as public housing units in accordance with applicable public housing requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the project up to the amount it receives from U.S. Department of Housing and Urban Development with respect to the project, provided the units remain in compliance with applicable public housing requirements. For the year ended December 31, 2019, operating subsidy payments of $139,200 was received from the Authority.

Somerset Gardens Apartments LLLP

Lease agreement

On March 29, 2018, the Partnership entered into financing lease agreements (collectively, the "Lease Agreements") with the General Partner to lease land, buildings, and other improvements comprising the Project. The Lease Agreements are for the period from March 29, 2018 to December 31, 2117. Pursuant to the guidance for accounting for leases, the Partnership accounts for the leases as capital leases. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair market value of the asset. The assets are depreciated over their estimated useful lives. Pursuant to the Lease Agreements, the base rent for the entire lease term is one hundred dollars ($100), payable on March 29, 2018.

In addition to the annual base rent, the Partnership is required to make additional lease payments in the amount of $24,981,124 for Somerset Gardens and $19,909,303 for Highland Village Apartments (Collectively, the "Financing Lease Payable"). The Financing Lease Payable is payable installments in accordance with the Lease Agreements. The Financing Lease Payable bore interest at a compounding rate of 3.25%. As of December 31, 2019, the Financing Lease Payable and accrued interest were $0. For the year ended December 31, 2019, the interest expense on the Financing Lease Payable was $9,898.

Developer fee

On March 1, 2018, the Partnership entered into a development agreement (the "Development Agreement") with the General Partner. Pursuant to the Development Agreement, the Developer will perform services in connection to the development and rehabilitation of the Project including additional duties and responsibilities within the general scope of services. The developer fee is $10,802,227 and will be earned in accordance with Section 5 of the Development Agreement. As of December 31, 2019, the total developer fee has been earned and capitalized into fixed assets.

Payment of the developer fee will be made in installments upon satisfactions of the conditions stated in the Development Agreement. Any unpaid developer fee will be paid from Net Cash Flow, as defined and in accordance with the terms of the Partnership Agreement. The unpaid developer fee bears no interest. Any unpaid developer fee will be paid in full by the end of the tax credit compliance period. As of December 31, 2019, developer fee payable was $11,436,163.

Tax-exempt interim loans

On March 29, 2018, the Partnership entered into loan agreements (collectively, the "Tax-Exempt Interim Loan Agreements") with the General Partner, in the maximum principal amount of $20,000,000 for Somerset Gardens and $25,000,000 for Highland Village Apartments (collectively, the "Tax-Exempt Interim Loans"). The Tax-Exempt Interim Loans bear interest at 3%. The Tax-Exempt Interim Loans are secured by Leasehold Deeds of Trust, as defined in the Tax-Exempt Interim Loan

Agreements. Payments of principal and interest will be made from Net Cash Flow, as defined and in accordance with the terms of the Partnership Agreement.

Tax-Exempt Interim Loans outstanding principal and accrued interest consist of the following as of December 31, 2019:

	Outstanding Principal	Accrued Interest
Somerset Gardens		
Highland Village Apartments	27,500,000	37,364
Tax-Exempt Interim Loans	$ 27,500,000	$ 37,364

Sponsor subordinate loans

On March 29, 2018, the Partnership entered into loan agreements (collectively, the "Sponsor Subordinate Loan Agreements") with the General Partner, in the maximum principal amount of $14,500,000 for Somerset Gardens and $27,000,000 for Highland Village Apartments (collectively, the "Sponsor Subordinate Loans"). The Sponsor Subordinate Loans bear interest at 3.25%. The Sponsor Subordinate Loans are secured by Leasehold Deeds of Trust, as defined in the Sponsor Subordinate Loan Agreements. Payments of principal and interest will be made from Net Cash Flow, as defined and in accordance with the terms of the Partnership Agreement.

Sponsor Subordinate Loans outstanding principal and accrued interest consist of the following as of December 31, 2019.

	Outstanding Principal	Accrued Interest
Somerset Gardens	$ 12,030,000	$ 595,714
Highland Village Apartments	16,600,000	758,176
Tax-Exempt Interim Loans	$ 28,630,000	$ 1,353,890

Partnership management fee

Pursuant to the Partnership Agreement, the Partnership will pay the General Partner, an annual cumulative partnership management fee (the "Partnership Management Fee") in the amount of $11,250, increasing at 3% per annum. The Partnership Management Fee will be paid commencing in 2018. The Partnership Management Fee is to compensate the General Partner for its services in connection with the oversight and management of the Partnership's business. The fee accrues each year, and any outstanding fee does not bear interest. As of December 31, 2019, Partnership Management Fee payable was $20,026.

Due to KCHA

The General Partner advanced funds to the Partnership to pay certain development costs. Advances from the General Partner do not bear interest and are to be reimbursed by operations. As of December 31, 2019 the total amount due to the General Partner for funds advanced to pay certain development and operational costs was $182,940.

Soosette Creek LLC

Lease Agreement

On April 30, 2008, Soosette Creek LLC ("the Company") entered into a financing lease agreement (the "Lease Agreement") with the Authority to lease the land, building, land improvements, off-site work, and personal property, constructed or to be constructed thereon, comprising the project. The Lease Agreement is for the period from April 30, 2008 through December 31, 2097. Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year. The Company agrees to make additional payments of up to $24,675,000 in installments equal to $2,500,000 on or before April 30, 2008, and the remaining balance is payable annually from the net cash flow no later than April 1, 2039. As of December 31, 2019, the outstanding principal balance was $14,325,625. As of December 31, 2019, accrued interest on the lease payable to the Authority was $479,192. The Lease bears simple interest at a rate of 4.46 percent per annum, compounded annually. For the year ended December 31, 2019, interest expense on the lease liability was $661,928.

Loan A

During August 2008, the Authority entered into tax-exempt revenue bond trust indenture (Housing Authority of the County of King, Revenue Bonds, 2008 Birch Creek Apartments Project) (the "Revenue Bonds") with The Bank of New York Mellon Trust Company, N.A. The proceeds of the Revenue Bonds were loaned by the Authority to the Company ("Loan A"). Loan A is secured by the project. The principal amount of Loan A is $37,500,000. Loan A bears simple interest on the unpaid principal balance at a rate equal to 0.65 percent per annum. Payments are made from available cash flow, as set forth in the Operating Agreement. Loan A was issued at a discount of $36,178. For the year ended December 31, 2019, amortization of the issuance discount included in interest expense was $724. All unpaid principal and accrued interest on Loan A is due and payable on September 1, 2058. As of December 31, 2019, the outstanding balance, net of unamortized original issuance discount, was $37,011,168. For the year ended December 31, 2019, interest expense on Loan A was $256,446.

Loan B

During 2009, the Company entered into a master loan agreement from the Authority ("Loan B") in the maximum amount of $6,000,000 for a term not to exceed 55 years. Loan B accrues simple interest at 0.65 percent per annum. As of December 31, 2019, the outstanding balance was $3,387,037. For the year ended December 31, 2019, interest expense on Loan B was $22,015.

DOC Loan

During 2009, the Authority entered into a master loan agreement ("DOC Loan") with the State of Washington in the amount of $2,000,000. The Authority then loaned the amount to the Company. The DOC Loan accrues simple interest at 1.00 percent per annum, commencing July 1, 2010 and continuing through June 30, 2045, at which point interest is accrued at 1.00 percent, compounded annually through June 30, 2050. Payments of simple interest in the amount of $20,000 are due and payable beginning June 30, 2011 and each June 30th thereafter through June 30, 2045. Annual payments in the amount of $412,079.60 are due and payable beginning June 30, 2046, and each June 30 thereafter through June 30, 2050. As of December 31, 2019, the outstanding balance was $2,000,000. For the year ended December 31, 2019, interest expense on the DOC Loan was $20,997.

Property management fee

Pursuant to the Property Management Agreement, the Company will pay the Authority for its management services. The fee will be paid by the 15th of the month following the month in which the services were rendered. Pursuant to the first amendment to the property management agreement effective January 1, 2013, the monthly property management fee will be the greater of 4% of gross collections, as defined in the property management agreement, or $8,000. For the year ended December 31, 2019, the property management fee was $192,510.

HAP contract

In 2008, the Company entered a project-based rental assistance payment contract ("HAP Contract") with the Authority. Pursuant to the HAP Contract, the Authority will make rental assistance payments on behalf of residents for up to 262 units. The contract was executed in stages as the units were renovated and occupied by eligible households. The term of the HAP Contract is ten (10) years from the date of the first stage. The HAP Contract is renewable subject to the availability of sufficient appropriated federal funds and program requirement. As of December 31, 2019, 262 units were under contract. For the year ended December 31, 2019, payments received under the HAP Contract were $3,572,708.

Due to Managing Member

The Authority as Managing Member pays certain miscellaneous expenses on behalf of the Company. The advances bear no interest and are repayable on demand. The advances are not secured. As of December 31, 2019, due to the Authority was $76,591.

Spiritwood Manor LLLP

Lease agreement

On January 27, 2018, the Partnership entered into a financing lease agreement with the Authority to lease land, buildings, and other improvements comprising the Project. The Lease Agreement is for the period from January 27, 2018 through December 31, 2115. The Lease Agreement is treated as a capital lease. The assets are depreciated over their estimated useful lives. Pursuant to the Lease Agreement, the base rent is ten dollars ($10) per year, payable on January 1 of each year commencing January 1, 2019.

In addition to the annual base rent, the Partnership is required to make additional lease payment in the total amount of $26,530,000. The total principal amount is payable in installments as follows: $100 upon execution of the Lease Agreement, $34,900 upon execution of the Lease Agreement on or before February 15, 2018, $11,900,000 on or before October 15, 2018 but no later than the date the rehabilitation is placed in service, and with the remaining balance (the "Financing Lease Payable") due and payable no later than December 31, 2056. The Financing Lease Payable bears interest at a compounding rate of 3.35%. The Financing Lease Payable will be paid from Net Cash Flow, as defined and in accordance with the terms of the Partnership Agreement. As of December 31, 2019, the outstanding balance and interest expense on the Financing Lease Payable were $12,728,055 and $438,659 respectively.

KCHA subordinate loan

On January 27, 2016, the Partnership entered into a loan agreement with the Authority, in the maximum principal amount of $13,000,000. The KCHA Subordinate Loan bears interest at 3.5%. The KCHA Subordinate Loan matures on December 31, 2057. The KCHA Subordinate Loan is secured by the Leasehold Deed of Trust, as defined in the KCHA Subordinate Loan Agreement. Payments of principal and interest will be made from Net Cash Flow, as defined and in accordance with the terms of the Partnership Agreement.

As of December 31, 2019, the outstanding principal and accrued interest on the KCHA Subordinate Loan was $13,000,000 and $483,982, respectively.

Property management fee

Pursuant to the Property Management Agreement, the Partnership will pay the Authority a property management fee. The monthly Property Management Fee is equal to 5% of Gross Collections, as defined in the Property Management Agreement. The Property Management Fee is to compensate the Authority for property management services provided to the Project, including ensuring its compliance with applicable affordability requirements. For the year ended December 31, 2019, the property management fee was $129,188.

Partnership management fee

Pursuant to the Partnership Agreement, the Partnership will pay the Authority, an annual cumulative partnership management fee in the amount of $5,000, increasing at 3% per annum. The Partnership Management Fee will be paid commencing in 2016. The Partnership Management Fee is to compensate the Authority for its services in connection with the oversight and management of the Partnership's business. As of December 31, 2019, Partnership Management Fee payable was $5,464. For the year ending December 31, 2019, Partnership Management Fee was $5,464.

Due to KCHA

The Authority advanced funds to the Partnership to pay certain development and operational costs. Advances from the Authority do not bear interest and are to be reimbursed by operations. As of December 31, 2019, the total amount due to the Authority for funds advanced to pay certain development and operational costs was $20,575.

Housing assistance subsidy

On January 27, 2018, the Partnership executed an Assignment, Assumption and Consent Agreement with the Authority related to the Housing Assistance Payments Contract between King County Housing Authority and Spiritwood Manor which was originally dated February 1, 2010 for a term of 10 years. Under the terms of the contract, the Authority will provide rental assistance on behalf of all 128 units at the property. For the year ended December 31, 2019, rental assistance of $1,915,097 was received from the Authority and is included in rental revenue on the accompanying statement of operations.

Vantage Point Apartments LLC

Lease agreement

On June 2, 2014, the Vantage Point Apartments ("the Company") entered into a financing lease agreement (the "Lease Agreement") with the Managing Member to lease land, buildings, and other improvements comprising the project. The Lease Agreement is for the period from June 2, 2014 through December 31, 2113. The Lease Agreement is treated as a capital lease. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair market value of the asset. The assets are depreciated over their estimated useful lives. Pursuant to the Lease Agreement, the base rent is ten dollars ($10) per year, payable on January 1 of each year commencing January 1, 2018.

In addition to the annual base rent, the Company is required to make an additional lease payment in the total amount of $1,630,000. The Company made a payment of $163,000 upon the commencement of the Lease Agreement with the remaining balance of $1,467,000 (the "Financing Lease Payable") due and payable no later than May 31, 2019. The Financing Lease Payable bears interest at a compounding rate of 0.32%, which is the short-term Applicable Federal Rate as of the date of the Lease Agreement, commencing on the lease term start date. As of December 31, 2019, the outstanding balance and accrued interest on the Financing Lease were fully paid.

Master loans
On September 19, 2014, the Company entered into a master loan agreement (the “Master Loan Agreement”) with the Managing Member. The Master Loan Agreement consists of four loans (“Master Loans”): Master Loan A in the amount of $5,000,000 bearing 3.75% annual interest; Master Loan B in the amount of $3,000,000 bearing 0.1% annual interest; Master Loan C in the amount of $2,000,000 bearing 0.1% annual interest; and Master Loan D in the amount of up to $2,500,000 bearing 0.1% annual interest. The Master Loans will be repaid from Net Cash Flow, as defined and in accordance with the Operating Agreement.

As of December 31, 2019, the outstanding principal and accrued interest on the Master Loan A was $5,000,000 and $1,035,543, respectively. For the year ended December 31, 2019, interest on the Master Loan A was $218,153.

As of December 31, 2019, the outstanding principal and accrued interest on the Master Loan B was $3,000,000 and $10,514, respectively. For the year ended December 31, 2019, interest on the Master Loan B was $3,008.

As of December 31, 2019, the outstanding principal and accrued interest on the Master Loan C was $2,000,000 and $7,009, respectively. For the year ended December 31, 2019, interest on the Master Loan C was $2,005.

As of December 31, 2019, the outstanding principal and accrued interest on the Master Loan D was $1,160,000 and $2,902, respectively. For the period beginning March 7, 2013 (inception) and ending December 31, 2019, interest on the Master Loan D was $1,163.

Property management fee

Pursuant to the Property Management Agreement, the Company will pay the Authority for its management services. The monthly property management fee is equal to the greater of $49.47 per unit or other amount as permitted by HUD. The property management fee is to compensate the Authority for property management services provided to the project, including ensuring compliance with applicable affordability requirements. For the year ended December 31, 2019, the property management fee was $53,463.

Due to KCHA
The Authority advanced funds to the Company to pay certain operational costs. Advances from the Managing Member do not bear interest and are to be reimbursed by operations. As of December 31, 2019, the total amount due to the Managing Member was $68,790.

Regulatory and Operating Agreement
On December 1, 2018, the Company entered a Regulatory and Operating Agreement (“R&O Agreement”) with the Authority. Pursuant to the R&O Agreement, all of the Project units will be maintained and operated continuously as public housing units in accordance with Applicable Public Housing Requirements, as defined in the R&O Agreement. The Managing Member will make operating subsidy payments (the “Operating Subsidy”) to the project up to the amount it receives from HUD with respect to the project, provided the units remain in compliance with Applicable Public Housing Requirements. For the period ending December 31, 2019, Operating Subsidy of $396,000 was received from the Authority.

Zephyr Apartments LLLP

Lease Agreement

On January 29, 2010, Zephyr Apartments LLLP ("the Partnership") entered into a financing lease agreement (the "Lease Agreement") with the Authority to lease buildings and other improvements comprising the project. The Lease Agreement is for the period from January 29, 2010 through December 31, 2098. The Lease Agreement is treated as a capital lease.

Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year. In addition, the Partnership is responsible for all cost related to constructing the Project.

HOPE VI Funds

The Authority received a HOPE VI grant in the amount of $20,000,000 from the Department of Housing and Urban Development. On January 29, 2010, the Authority entered into a master loan agreement (the "Master Loan Agreement") with the Partnership. Pursuant to the Master Loan Agreement, the Authority made two loans (the "KCHA Second Loan" and the "KCHA Third Loan") to the Partnership in an amount not to exceed $5,300,000 and $500,000, respectively. The KCHA Second Loan and the KCHA Third Loan mature on January 31, 2050 and are secured by a single leasehold deed of trust. The KCHA Second Loan and the KCHA Third Loan are evidenced by two promissory notes and accrue interest at 0.2 percent annually. Interest is paid from available cash flow, as defined in the Partnership Agreement.

As of December 31, 2019, the outstanding principal balance and accrued interest on the KCHA Second Loan was $5,300,000 and $88,294, respectively. For the year ended December 31, 2019, interest expense on the KCHA Second Loan was $11,274.

As of December 31, 2019, the outstanding principal balance and accrued interest on the KCHA Third Loan was $194,062 and $3,658, respectively. For the year ended December 31, 2019, interest expense on the KCHA Third Loan was $423.

Property management fee

Pursuant to the Property Management Agreement, the Company will pay the Authority for its management services. The monthly property management fee will be the lesser of the fees offered by non-affiliated persons of the Partnership which are competitive in price and terms or 5% of gross revenues, as defined in the partnership agreement. For the year ended December 31, 2019, the property management fee was $19,280.

Regulatory and Operating Agreement

On January 29, 2010, the Partnership entered a Regulatory and Operating Agreement ("R&O Agreement") with the Authority. Pursuant to the R&O Agreement, all of the project units shall be maintained and operated continuously as public housing units in accordance with applicable public housing requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the project up to the amount it receives from HUD with respect to the project, provided the units remain in compliance with applicable public housing requirements. For the year ended December 31, 2019, operating subsidy payments of $230,004 was received from the Authority.

Note 8 – Supplemental Financial Information

Current Receivables:		
Grants: DOE		$ 91,187
Grants: HUD, Section 8 program		34,992
Grants: HUD, Section 8 Moderate Rehab		242,156
Grants: HUD, ROSS		24,677
Grants: HUD, Capital Funds Program		182,101
Grants: HHS		314,979
Grants: USDA		11,716
Grants: State of Washington Matchmaker		229,184
Grants: State of Washington -4th Ave Enhancement		656,600
Grants: State - Miscellaneous		40,069
Grants: BPA		48,830
Interest: Notes and financing lease		3,558,111
Other Housing Authorities - Portability		840,468
Tax Credit Partnerships		396,951
Other		51,435
	Total	**$ 6,723,457**
Other Current Assets:		
Prepaid expense		$ 1,556,569
Materials & mobile home inventory		334,875
	Total	**$ 1,891,443**
Other Noncurrent Assets:		
Prepaid Expense		$ 307,768
Other		4,333
		$ 312,101
Other Current Liabilities:		
Accounts payable		$ 6,113,130
Interest payable		3,068,350
Accrued compensated absences		2,582,940
Accrued wages and benefits		1,378,789
Family Self Sufficiency escrow		1,604,169
Contract Retentions		1,086,193
Unearned Revenue		541,168
Other		6,146
	Total	**$ 16,380,885**

Other Noncurrent Liabilities:

Noncurrent interest		$ 805,280
Unearned revenue		458,039
Other		1,296,650
	Total	**$ 2,559,968**

Other Revenue:

Portability administrative fee from other authorities		$ 2,395,412
Other portability income		42,482,048
Non-dwell rent		561,740
Home and lot sales revenue		1,126,227
Property management fees		849,507
Conduit loan fees		105,876
Unit upgrade		2,188,136
Central Maintenance Fees		627,556
Weatherization Owner Contributions		5,769
Other		7,078,786
	Total	**$ 57,421,058**

Net Gain (Loss) on Disposal of Capital Assets:

Egis & Valley Park		$ 3,793,092
Wonderland and Tall Cedars		1,525,653
Seola Gardens- Headstart Building		1,300,000
Vehicles and equipment		33,400
	Total	**$ 6,652,146**

Note 9 – Pension Plans

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2019:

Aggregate Pension Amounts – All Plans	
Pension liabilities	$ 10,142,869
Pension assets	$ -
Deferred outflows of resources	$ 2,730,940
Deferred inflows of resources	$ 5,957,590
Pension expense/expenditures	$ 936,417

State Sponsored Pension Plans

Substantially all Authority's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

PERS Plan 1		
Actual Contribution Rates	**Employer**	**Employee***
January – June 2019:		
PERS Plan 1	7.52%	6.00%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Total	**12.83%**	**6.00%**
July – December 2019:		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Total	**12.86%**	**6.00%**

* For employees participating in JBM, the contribution rate was 12.26%.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or

- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	**Employer 2/3**	**Employee 2***
January – June 2019:		
PERS Plan 2/3	7.52%	7.41%
PERS Plan 1 UAAL	5.13%	-
Administrative Fee	0.18%	-
Employee PERS Plan 3	-	varies
Total	**12.83%**	**7.41%**
July – December 2019:		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	-
Administrative Fee	0.18%	-
Employee PERS Plan 3	-	varies
Total	**12.86%**	**7.90%**

* For employees participating in JBM, the contribution rate was 18.53% for January – June 2019 and 19.75% for July – December 2019.

The Authority's actual PERS plan contributions were $1,432,962 to PERS Plan 1 and $2,203,958 to PERS Plan 2/3 for the year ended December 31, 2019.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2019 with a valuation date of June 30, 2018. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2007-2012 Experience Study and the 2018 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2018 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2019. Plan liabilities were rolled forward from June 30, 2018, to June 30, 2019, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation

- **Salary increases**: In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.

- **Investment rate of return:** 7.4%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- OSA updated modeling to reflect providing benefit payments to the date of the initial retirement eligibility for terminated vested members who delay application for retirement benefits.

- OSA updated COLA programming to reflect legislation signed during the 2018 legislative session that provides PERS and TRS Plan 1 annuitants who are not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time permanent 1.5% increase to their monthly retirement benefit, not to exceed a maximum of $62.50 per month.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.5 percent except LEOFF 2, which has assumed 7.4 percent). Consistent with the long-term expected rate of return, a 7.4 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

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Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

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Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	100%	

Sensitivity of the Net Pension Liability/ (Asset)

The table below presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	$ 9,599,435	$ 7,665,331	$ 5,987,241
PERS 2/3	$ 19,001,737	$ 2,477,539	$ (11,081,658)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Authority reported a total pension liability of $10,142,869 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	$ 7,665,331
PERS 2/3	$ 2,477,538

At June 30, the Authority's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/18	Proportionate Share 6/30/19	Change in Proportion
PERS 1	.200541%	.199340%	(.001201)%
PERS 2/3	.254914%	.255064%	.000150%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

The collective net pension liability (asset) was measured as of June 30, 2019, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2018, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2019, the Authority recognized pension expense as follows:

	Pension Expense
PERS 1	$ 294,643
PERS 2/3	$ 643,774
TOTAL	$ 936,417

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Net difference between projected and actual investment earnings on pension plan investments	$ -	$512,109
Changes of assumptions	$ -	$ -
Changes in proportion and differences between contributions and proportionate share of contributions	$ -	$ -
Contributions subsequent to the measurement date	$ 694,628	$ -
TOTAL	$ 694,628	$ 512,109

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 709,821	$ 532,657
Net difference between projected and actual investment earnings on pension plan investments	$ -	$3,606,287
Changes of assumptions	$ 63,442	$1,039,493
Changes in proportion and differences between contributions and proportionate share of contributions	$ 135,989	$267,044
Contributions subsequent to the measurement date	$ 1,127,060	$-
TOTAL	$ 2,036,312	$ 5,445,481

Total of All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 709,821	$ 532,657
Net difference between projected and actual investment earnings on pension plan investments	$ -	$4,118,396
Changes of assumptions	$ 63,442	$ 1,039,493
Changes in proportion and differences between contributions and proportionate share of contributions	$ 135,989	$ 267,044
Contributions subsequent to the measurement date	$ 1,821,688	$ -
TOTAL	$ 2,730,940	$ 5,957,590

Deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1	PERS 2/3
2020	$ (113,051)	$ (1,117,041)
2021	$ (267,785)	$ (1,893,147)
2022	$ (95,561)	$ (863,115)
2023	$ (35,712)	$ (481,582)
2024	$ -	$ (202,679)
Thereafter	$ -	$ 21,335

Note 10 – Other Post-Employment Benefits (OPEB)

The Governmental Accounting Standards Board (GASB) released new accounting standard for public postemployment benefit plans other than pension (OPEB) and participating employers in 2015. The standard, GASB Statements No. 75, has substantially revised the accounting requirements previously mandated under GASB Statements 45.

The Authority's Actuarial Valuation Report for the OPEB plan was prepared by Milliman. Inc. of Seattle. Actuarial computations presented in the report under GASB 75 of the Governmental Accounting Standards Board are for purposes of assisting the housing authority in fulfilling its financial accounting requirements. The Actuarial Valuation Report is for fiscal year January 1, 2019 to December 31, 2019. For full review of the Actuarial valuation Report, please visit the Authority's website.

Plan Description: Eligible retirees and spouses are entitled to subsidies associated with postemployment medical benefits provided through the Public Employee Benefits Board (PEBB). The PEBB was created within the Washington State Health Care Authority to administer medical, dental, and life insurance plans for public employees and retirees.

Benefit Provided: The subsidies provided by PEBB and valued in this report include the following:

- PERS Plan 1: Employees are eligible for retiree health benefits if they retire at any age with 30 or more years of service, if they retire at age 55 or older and have 25 or more years of service, or if they retire at age 60 or older with five or more years of service. When a retiree or covered dependent becomes eligible for Medicare, the retiree or covered dependent must enroll in Medicare Parts A and B in order to maintain eligibility for PEBB retiree coverage.

- PERS Plan 2: Employees are eligible for retiree health benefits if they retire at age 55 or older and have 20 or more years of service, or if they retire at age 65 or older and have 5 or more years of service. When a retiree or covered dependent becomes eligible for Medicare, the retiree or covered dependent must enroll in Medicare Parts A and B in order to maintain eligibility for PEBB retiree coverage.

- PERS Plan 3: Employees are eligible for retiree health benefits if they retire at age 55 or older and have 10 or more years of service. When a retiree or covered dependent becomes eligible for Medicare, the retiree or covered dependent must enroll in Medicare Parts A and B in order to maintain eligibility for PEBB retiree coverage.

Health Benefits
Upon retirement, members are eligible to elect to receive medical and dental benefits through PEBB. Retired members may only elect dental coverage if they have elected medical coverage.

PEBB offers 12 medical plans:

- Kaiser Permanente WA Classic
- Kaiser Permanente WA Value
- Kaiser Permanente WA Sound Choice
- Kaiser Permanente WA Consumer-Directed Health Plan
- Kaiser Permanente WA Medicare
- Kaiser Permanente NW Classic
- Kaiser Permanente NW Consumer-Directed Health Plan
- Uniform Medical Plan Classic
- Uniform Medical Plan Consumer-Directed Health Plan
- Uniform Medical Plan Plus – Puget Sound High Value Network
- Uniform Medical Plan Plus – UW Medicine Accountable Care Network
- Medicare Supplement Plan F

PEBB offers 3 dental plans:

- Delta Care
- Uniform Dental Plan
- Willamette Dental Group

Summary of Membership Data:

The following membership census was used in the actuarial valuation and provided by King County Housing Authority. The data for actives and retirees was collected as of July 1, 2018.

Actives
(As of July 1, 2018)

	Years of Service Completed								
Age	0 to 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 & Up	Total
Under 25	5	0	0	0	0	0	0	0	5
25 to 29	17	0	0	0	0	0	0	0	17
30 to 34	21	12	1	0	0	0	0	0	34
35 to 39	25	10	4	2	1	0	0	0	42
40 to 44	19	5	9	3	1	0	0	0	37
45 to 49	16	9	11	6	4	2	0	0	48
50 to 54	13	6	7	9	4	4	4	0	47
55 to 59	12	11	9	13	6	1	3	6	61
60 to 64	10	7	6	7	2	6	3	6	47
65 to 69	3	3	1	1	0	0	0	0	8
70 & Up	0	0	0	2	0	1	0	0	3
Total	141	63	48	43	18	14	10	12	349

Retirees and Spouses Currently Receiving Medical Benefits
(July 1, 2018)

Age	Number of Members	Number of Spouses
Under 55	0	1
55 to 59	1	0
60 to 64	7	5
65 to 69	17	8
70 to 74	24	8
75 to 79	7	2
80 to 84	1	1
85 to 89	0	0
90 & Over	0	0
Total	57	25

Participant Averages

	Age at		
	Hire	Valuation	Count
Actives	37.7	48.1	349
Retirees	n/a	69.8	57

Valuation Date, Measurement Date, and Reporting Date

The Valuation date is July 1, 2018. This is the date as of which the census data is gathered and the actuarial valuation is performed. The Measurement Date is June 30, 2019. This is the date as of which the total OPEB liability is determined. Note that GASB 75 allows a lag of up to one year between the measurement date and the reporting date. No adjustment is required between the measurement date and the reporting date. The Reporting Date is December 31, 2019.

The total OPEB liability is also reported as of the beginning of the measurement period. As permitted by GASB 75, in this transition year, this calculation is based on a roll backward of the actuarial valuation results, with an adjustment made to the discount rate.

Significant Changes

There have been no significant changes between the valuation date and fiscal year ends.

Summary of Key Results

The following are the key results for financial reporting. These amounts are developed in the financial reporting schedules that follow. A more detailed breakdown of the total OPEB liability as of the Valuation Date follows the financial reporting schedules.

Total OPEB Liability June 30, 2018	Total OPEB Liability June 30, 2019
$11,286,172	$14,066,012

OPEB Expense
$1,242,749

Total OPEB Liability

Total OPEB Liability	June 30, 2018	June 30, 2019
Total OPEB liability	$11,286,172	$14,066,012
Covered employee payroll	26,475,395	27,817,972
Total OPEB liability as a % of covered employee payroll	42.63%	50.56%

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rates below, and then projected to the measurement dates. Since the valuation date and the calculation of the June 30, 2018 total OPEB liability, we have learned that the explicit subsidy will be increased to $183 per month effective January 1, 2020. This change is reflected in the June 30, 2019 total OPEB liability.

Valuation date	July 1, 2018	July 1, 2018
Measurement date	June 30, 2018	June 30, 2019

Discount Rate

Discount rate	3.87%	3.50%
20-Year Tax-Exempt Municipal Bond Yield	3.87%	3.50%

The discount rate was based on the Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years.

Changes in Total OPEB Liability

Changes in Total OPEB Liability	Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2018	$11,286,172
Changes for the year:	
Service cost	654,828
Interest on total OPEB liability	458,799
Effect of plan changes	0
Effect of economic/demographic gains or losses	884,567
Effect of assumptions changes or inputs	954,776
Expected benefit payments	(173,130)
Balance as of June 30, 2019	14,066,012

Sensitivity Analysis

The following presents the total OPEB liability of the housing authority, calculated using the discount rate of 3.50%, as well as what the housing authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50%) or 1 percentage point higher (4.50%) than the current rate.

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Total June 30, 2019 OPEB liability	$17,147,881	$14,066,012	$11,675,103

The following presents the total OPEB liability of the housing authority, calculated using the current healthcare cost trend rates as well as what the housing authority's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rates	1% Increase
Total June 30, 2019 OPEB liability	$11,293,801	$14,066,012	$17,791,435

OPEB Expense

Measurement Period	July 1, 2018 to June 30, 2019
Service cost	$654,828
Interest on total OPEB liability	458,799
Effect of plan changes	0
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	95,115
Recognition of assumption changes or inputs	34,007
OPEB Expense	1,242,749

As of the December 31, 2018 Measurement Period, the deferred inflows and outflows of resources follow.

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$0	$789,452
Changes of assumptions or inputs	(501,194)	852,112
Contributions made subsequent to the measurement date	N/A	104,080
Total	($501,194)	$1,745,644

Contributions made subsequent to the measurement date are expected benefit payments in the half-year between the measurement date and the reporting date. Per paragraph 159 of GASB 75, deferred outflows of resources should be reported for benefits that come due subsequent to the measurement date, but prior to the reporting date. Per GASB's illustrations, these amounts should not be reported in the schedule below or the schedule on the following page.

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in the OPEB expense below. Note that additional future deferred inflows and outflows of resources may impact these numbers.

Measurement Period Ending June 30:	
2020	$129,122
2021	129,122
2022	129,122
2023	129,122
2024	129,122
Thereafter	494,760

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Measurement Period in which Experience Arose	Original Recognition Period*	Amount Recognized in 2018/2019 Measurement Period Experience	Balance of Deferred Inflows as of 6/30/2019 Measurement Date	Balance of Deferred Outflows as of 6/30/2019 Measurement Date
Economic or demographic (gains) or losses	$884,567	7/1/2018 - 6/30/2019	9.3	$95,115	$0	$789,452
	0	7/1/2017 - 6/30/2018	9.3	0	0	0
		Total		$95,115	$0	$789,452
Assumption changes or inputs	$954,776	7/1/2018 - 6/30/2019	9.3	$102,664	$0	$852,112
	(638,508)	7/1/2017 - 6/30/2018	9.3	(68,657)	(501,194)	0
		Total		$34,007	($501,194)	$852,112

* *Economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members.*

Details of Key Valuation Results

July 1, 2018 Valuation

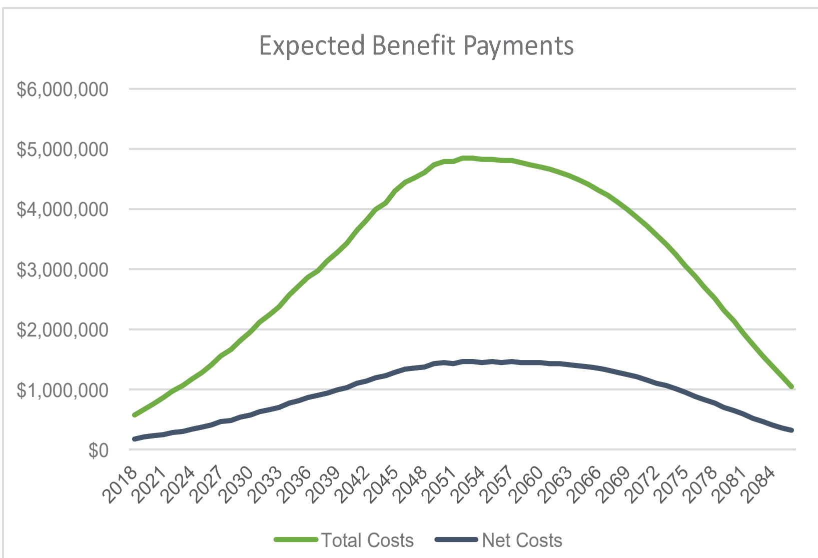
The following table is as of the valuation date of July 1, 2018 and is based on the discount rate of 3.87%.

	Total Costs	Retiree Premiums	Total OPEB Liability
Medical Pre 65			
Actives	$3,396,378	($2,496,667)	$899,711
Retirees	$570,013	($420,803)	$149,210
Total	$3,966,391	($2,917,470)	$1,048,921
Medical Post 65			
Actives	$21,400,454	($14,665,250)	$6,735,204
Retirees	$9,763,784	($6,511,569)	$3,252,215
Total	$31,164,238	($21,176,819)	$9,987,419
Dental			
Actives	$1,318,694	($1,161,472)	$157,222
Retirees	$771,533	($678,923)	$92,610
Total	$2,090,227	($1,840,395)	$249,832
Total			
Actives	$26,115,526	($18,323,389)	$7,792,137
Retirees	$11,105,330	($7,611,295)	$3,494,035
Total	$37,220,856	($25,934,684)	$11,286,172

Details of Key Results

July 1, 2018 Valuation

Year Beginning	Expected Benefit Payments		
	Total Costs	Premiums	Net Costs
2018	$566,332	($393,202)	$173,130
2019	661,187	(453,026)	208,160
2020	753,247	(526,820)	226,427
2021	859,970	(613,194)	246,776
2022	969,245	(692,423)	276,822
2023	1,069,274	(763,581)	305,693
2024	1,163,539	(831,115)	332,424
2025	1,275,726	(910,456)	365,270
2026	1,409,148	(1,000,941)	408,208
2027	1,550,149	(1,096,831)	453,318



Actuarial Assumptions and Other Inputs:

The assumptions represent our best estimate of anticipated future experience based on information provided to us.

Actuarial Cost Method

The actuarial cost method used for determining the benefit obligations is the Entry Age Actuarial Cost Method. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of expected salary for each year of employment between entry age (defined as age at hire) and assumed exit (until maximum retirement age). For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate.

The portion of this actuarial present value allocated to a valuation year is called the service cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets, and (b) the actuarial present value of future service costs is the total OPEB liability under GASB 75.

The OPEB expense is calculated in accordance with GASB 75.

Census Date

July 1, 2018.

Valuation Date

July 1, 2018.

Measurement Dates

June 30, 2019 is the measurement date for the December 31, 2019 financial reporting date. The beginning of year total OPEB liability is based on a measurement date of June 30, 2018. GASB 75 permits up to a one-year lag between the measurement date and report date without adjustment.

Economic Assumptions:

Price inflation of *Price Inflation* 2.75%. Assumption developed by the Office of the State Actuary for the Public Employees Benefits Board (PEBB).

Discount Rate (Liabilities)	3.87% for the 6/30/2018 measurement date
	3.50% for the 6/30/2019 measurement date

Health Cost Trend

The health cost trend assumptions used in this valuation were developed for use in the July 1, 2018 OPEB valuation for the PEBB Program, performed by the Office of the State Actuary. These assumptions are displayed below, and are assumed for both current and future retirees.

Year Ending	Pre-65 Claims and Contributions	Post-65 Claims	Post-65 Contributions
6/30/2019	6.80%	3.60%	2.80%
6/30/2020	6.30%	7.60%	12.50%
6/30/2021	6.10%	7.60%	11.90%
6/30/2022	5.30%	5.20%	6.60%
6/30/2025	5.50%	5.30%	5.50%
6/30/2035	6.30%	5.40%	5.50%
6/30/2045	6.00%	5.60%	5.70%
6/30/2055	5.60%	5.80%	5.90%
6/30/2065	5.40%	5.50%	5.50%
6/30/2075	4.60%	4.70%	4.70%
6/30/2085	4.50%	4.60%	4.60%
6/30/2095	4.50%	4.70%	4.70%
6/30/2096+	4.50%	4.60%	4.60%

The 2019 trend refers to the amount by which July 1, 2019 - June 30, 2020 medical costs are anticipated to exceed July 1, 2018 – June 30, 2019 medical costs. After 2022, selected years are shown in the table. In general, medical trend rates for the years not shown grade into the next value shown in the table. These trend rates assume that, over time, deductibles and out-of-pocket maximums will be periodically increased as medical trends increase.

1.10% for the year ending June 30, 2019, 2.00% for the year ending June 30, 2020, 2.00% for the year ending June 30, 2021, 2.50% for the year ending June 30, 2022, 3.50% for the year ending June 30, 2023, and 4.0% per year thereafter.

Salary Assumptions

Even though the benefits are not based upon pay, salary assumptions are necessary for the actuarial cost method. These assumptions are for promotion and longevity and reflect the assumptions used in the 2017 actuarial valuation for Washington State Public Employees Retirement System (PERS). The total salary growth includes both general wage growth in addition to the promotion and longevity components listed below.

Projected Annual Merit and Longevity Increases

	PERS
Years of Service	Total Annual Increase
0	6.00%
1	6.00%
2	4.70%
3	3.60%
4	2.90%
5	2.20%
6	1.50%
7	1.20%
8	0.90%
9	0.70%
10	0.50%
11	0.40%
12	0.30%
13	0.30%
14	0.20%
15	0.20%
16	0.20%
17	0.10%
18	0.00%
19	0.00%
20	0.00%
21	0.00%
22	0.00%
23	0.00%
24	0.00%
25	0.00%
26+	0.00%

Demographic Assumptions

Demographic assumptions regarding retirement, mortality, disability mortality, turnover, and marriage are based on assumptions used in the 2017 actuarial valuation for the Washington State retirement systems, and modified for King County Housing Authority.

The following pages include a summary of the assumed rates for service retirement and death at various ages, as well as other terminations shown by years of service.

The assumed rates of disability under PERS Plans 1, 2, and 3 from the 2017 actuarial valuation are less than 0.1% for ages 50 and below and continue to be low after that.

For service retirement, the assumptions for PERS Plans 1, 2 and, 3 from the 2017 actuarial valuation for Washington State retirement systems. The service requirements for these plans vary based on hire date and years of service

For mortality, the assumptions from the 2017 actuarial valuation for Washington State retirement systems, adjusted for King County Housing Authority. For all healthy members, the RP-2000 base mortality table, adjusted by -1 year for both males and females, with generational mortality adjustments using projection scale BB was used.

For other termination of employment, the assumptions by plan from the 2017 actuarial valuation for Washington retirement systems. State

Premium Levels

The July 1, 2018 assumed annual medical retiree contributions used in the valuation are displayed below. These represent a weighted average of July 1, 2018 – June 30, 2019 PEBB retiree contributions by medical plan, based on overall PEBB current retiree medical plan election. These contributions are assumed for both current retirees and future retirees. Contributions are the same for retirees or spouses of retirees. The contributions exclude the administration charge, the state surcharge reduction, the Limeade administration charge, the CDHP employer contribution, the HSA administration fee, and the HSA wellness fee, as these are direct pass-through expenses that are 100% paid by retirees.

	Subscriber or Spouse	
Medical Plan	Non-Medicare	Medicare
Weighted Average based on current PEBB retirees	$8,052.58	$3,180.06

Dental

The July 1, 2018 assumed annual dental retiree contributions are displayed below. These represent a weighted average of July 1, 2018 – June 30, 2019 PEBB retiree contributions by dental plan, based on overall PEBB current retiree dental plan election. These contributions are assumed for both current retirees and future retirees. Contributions are the same for retirees or spouses of retirees.

	Subscriber or Spouse	
Dental Plan	Non-Medicare	Medicare
Weighted Average based on current PEBB retirees	$547.17	$547.17

Note 11 – Risk Management

The King County Housing Authority (KCHA) has the responsibility to systematically and continuously identify potential exposure to losses in terms of frequency and severity probability, and to apply sound risk control and financing techniques to minimize the impact of those potential losses. KCHA Risk Management has implemented programs to protect the Housing Authority against accidental and criminal losses that would significantly affect personnel, property, or budget by using a combination of loss control programs, purchased commercial insurance, voluntary self-insurance, participation in risk-sharing pools or groups, and contractual risk transfer via indemnification agreements.

For Public Housing and Bond financed projects, KCHA secures third-party liability insurance primarily through the Housing Authority Insurance Group (HAIG), a national housing authority risk-sharing group. The general liability policy limit is $5,000,000 per occurrence and has a $1,000 deductible.

Tax Credit Partnership properties are covered for commercial general liability with total limits of $5,000,000 per occurrence provided by a combination of primary and excess policies from Philadelphia Insurance Company that provide total insured coverage of $5,000,000 per occurrence and $6,000,000 in aggregate.

Automobile liability insurance is carried through Philadelphia Insurance Company with $5,000,000 in total limits provided through a combination of policies, one with a $1,000,000 combined single limit, and another that provides excess liability of $4,000,000, for a total of $5,000,000 in auto liability coverage.

KCHA carries a Contractor’s Pollution liability policy and Errors & Omissions policy for its Weatherization program with a limit of $1,000,000 on a claims-made basis and a $5,000 per claim deductible provided through Crum & Forster Specialty Insurance Company.

The Housing Authority has secured Fidelity coverage through the Housing Authorities Risk & Retention Pool (HARRP) with a $2,000,000 limit and $100,000 per occurrence for all employees. Public Officials Errors & Omissions and Employment Practices liability coverage is provided on all properties with a $5,000,000 aggregate limit and a $50,000 self-insured retention for employment practices and other covered claims from Chubb.

An excess liability policy of $10,000,000 is provided over all of the above liability coverages except the Contractor’s Pollution and Public Officials Errors & Omissions, which brings total general and auto liability coverage to a limit of $15,000,000. This coverage is placed with Lexington Insurance Company.

Property insurance, including rental income coverage, for Public Housing and Bond properties is placed through HARRP on a replacement cost basis. The property insurance deductible is $25,000 per loss.

Affordable Housing Risk Pool (AHRP) provides property insurance for the Tax Credit buildings and their contents values on a replacement cost basis subject to a $5,000 deductible.

KCHA insures cyber liability through NAS Insurance Services with a $1,000,000 per claim policy limit.

No active claims are anticipated to exceed the applicable limits of insurance secured from any of the listed providers. Settled claims have not exceeded coverage purchased during the past five years.

Note 12 – Conduit Debt Obligations

The Authority has issued debt instruments for the purpose of providing capital financing for specific nongovernmental corporations that are not part of the Authority's financial reporting entity. In general, the Authority issues such conduit debt, but the Authority is not responsible for the payment of the original debt. That debt is secured solely by payments received by the Authority from the various non-governmental corporations, and by the Deeds of Trust to the underlying properties. Owners of the debt have no recourse to any other revenues of the Authority.

Non-governmental Corporation	Project Description	Date of Issue	Dec 31 Balance
Manufactured Housing Community Preservationists	Acquisition and rehabilitation of a 93-unit mobile home park in the city of Redmond, Washington, known as Avon Villa Mobile Home Park.	December 2, 1997	$ 1,142,711.63
Seaview Apartments Limited Partnership	Acquisition and rehabilitation of a 72-unit multifamily development in Des Moines, Washington.	December 1, 1998	$ 1,315,000.00
St. Andrews Housing Group	Acquisition of a 59-unit apartment complex located on Mercer Island, Washington, known as Ellsworth House.	October 20, 1999	$ 1,754,258.91
Evergreen Court Associates Ltd	Acquisition and rehabilitation of 111-unit Washington Court assisted living in Bellevue to be rehabilitated into a 82-unit complex known as Evergreen Court	September 7, 2001	$ 5,843,633.00
Angle Lake Apartments	Construction of an 80-unit independent living, senior housing facility located in SeaTac.	November 14, 2002	$ 2,895,549.21
Radcliffe Place, LLC	Construction of a 135 unit senior housing facility located in Kent know as Radcliffe Place Senior Apartments	December 22, 2004	$ 8,600,680.00
Wild Garden Housing LLC-DASH	Refinancing of three affordable housing projects owned by DASH that comprise a total of 136 apartment units in Bellevue known as Glendale, Wildwood Court and Garden Grove.	August 1, 2005	$ 6,344,586.00
Eernisse Apartments	Construction of a 26 unit affordable rental townhouse project on Vashon Island known as Eernisse Apartments.	December 20, 2005	$ 1,351,545.00
280 Clark Limited Partnership	To finance or refinance a portion of the costs of acquiring, constructing and rehabilitating the 280 Clark Apartments to provide housing for low-income persons in King County	November 1, 2007	$ 2,262,266.17
Young Women's Association of Seattle, King and Snohomish County (YWCA)	Construction of 98 rental dwelling units as part of the YWCA Family Village in Issaquah	December 23, 2009	$7,665,000
Ashwood Community Redevelopment LLLP-DASH	Acquisition and rehabilitation of a 51 unit senior housing project in the City of Bellevue known as Ashwood Court Apartments	April 1, 2015	$ 2,234,490.26
Summerfield Rehab LLLP	Acquisition and rehabilitation of a 52 unit apartment complex in the City of Bellevue known as Summerfield Apartments	March 1, 2016	$ 3,364,404.94

Note 13 – Construction Commitments

At December 31, 2019 the Authority had the following contractual obligations on construction projects:

Project	Spent to Date	Remaining Commitment
Central Office - 600 Bldg. TI	$ 137,401	$ 4,610
Elevators - EPC Project	4,741,509	235,856
Houghton Envelope	124,776	37,741
Kings Court Waste/Water	343,063	138,068
Pacific Court Envelope & Roof	887,288	461,966
Avondale Manor Env & Roof	47,190	14,447
Avondale Manor Site	63,232	25,873
Casa Madrona W-Lines	22,485	72,655
Casa Madrona Heating	13,553	18,061
Casa Madrona Soffits	645	2,200
Cedarwood Site Improvement	82,905	17,574
Evergreen Court Site	68,062	3,737
Kirkland Place Envelope	62,482	50,805
Lake House Deck Surface	-	4,095
Mardi Gras Heating	8,808	17,801
Munro Manor W-Lines	20,591	14,425
Northlake Roof	8,840	12,640
Northridge Deck Resurfacing	7,024	12,770
Wayland Electrical Panel	9,142	16,953
Westminster Waste/Water Lines	44,091	147,549
Westminster Fire Protection	1,069	4,199
Yardley Site & Window	11,478	39,829
Yardley Waste Lines	7,200	37,988
	$ 6,712,834	$ 1,391,843

Note 14 –Subsequent Events

In February 2020, a new tax credit partnership, Abbell LLLP, was formed to rehabilitate, lease, maintain and operate the Abbey Ridge Apartments located in SeaTac, Washington and Bellevue Manor Apartments located in Bellevue, Washington. The Authority serves as the sole general partner with RBC- RBC Community Investments Manager II, Inc. serving as special limited partner, and RBC-Abbey Ridge, LLC. serving as limited partner.

In April 2020, a new tax credit partnership, Woodland North LLLP, was formed to rehabilitate, lease, maintain and operate the Woodland North Apartments located in Lake Forest Park, Washington. The Authority serves as the sole general partner with BCCC, Inc. serving as special limited partner, and BCP/Woodland North, LLC. serving as limited partner.

In November 2020, the Authority's Board of Directors authorized the purchase of Pinewood Village Apartments for $38 million, Illahee Apartments for $10.8 million and Oaks at Forest Bay for $7.33 million.

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new strain of coronavirus (COVID-19). In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, canceling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function. The potential financial and operational impact related to COVID-19 on the Authority will depend on the duration and spread of the outbreak, as well as the impact on tenants, employees, and vendors, all of which are uncertain at this time.

Required Supplementary Information

Housing Authority of the County of King
Schedule of proportionate share of the net pension liability
As of June 30, 2019
Last 10 Fiscal Years*

PERS 1	2019	2018	2017	2016	2015	2014	2013
Housing Authority's proportion of the net pension liability (asset)	0.199340%	0.200541%	0.201040%	0.210564%	0.202009%	0.209922%	0.205670%
Housing Authority's proportionate share of the net pension liability	7,665,331	8,956,229	9,535,505	11,308,279	10,565,949	10,574,919	12,017,821
Housing Authority's covered employee-payroll	28,717,546	26,970,937	24,944,170	23,927,969	22,486,964	21,931,906	20,819,426
Housing Authority's proportionate share of the net pension liability as a percentage of covered payroll	26.69%	33.21%	38.23%	47.26%	46.99%	48.22%	57.72%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	63.22%	61.24%	57.03%	59.10%	61.19%	

PERS 2/3	2019	2018	2017	2016	2015	2014	2013
Housing Authority's proportion of the net pension liability (asset)	0.255064%	0.254914%	0.251544%	0.262174%	0.246303	0.244505%	0.239726%
Housing Authority's proportionate share of the net pension liability	2477539	4352430	8,739,952	13,200,254	8,800,547	4,942,329	10,236,336
Housing Authority's covered employee-payroll	28,495,139	26,755,913	24,502,301	23,468,939	21,905,257	20,951,638	19,872,164
Housing Authority's proportionate share of the net pension liability as a percentage of covered payroll	8.7%	16.3%	35.7%	56.2%	40.2%	23.6%	51.5%
Plan fiduciary net position as a percentage of the total pension liability	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%	

These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, governments should present information for those years for which information is available.

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred with in the fiscal year*

Housing Authority of the County of King
Schedule of Employer Contributions
For the year ended December 31, 2019
Last 10 Fiscal Years*

PERS 1	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	1,404,795	1,374,842	1,271,540	1,179,966	1,043,238	932,952	735,026
Contributions in relation to the contractually required contributions	(1,404,795)	(1,374,842)	(1,271,540)	(1,179,966)	(1,043,238)	(932,952)	(735,026)
Contribution deficiency (excess)	-	-	-	-	-	-	-
Housing Authority's covered employee-payroll	28,717,546	26,476,799	25,698,867	24,288,689	23,325,570	22,109,317	21,427,933
Contributions as a percentage of covered employee-payroll	4.89%	5.19%	4.95%	4.86%	4.47%	4.22%	3.43%

PERS 2/3	2018	2018	2017	2016	2015	2014	2013
Contractually required contribution	2,203,957	1,374,842	1,745,086	1,491,788	1,293,314	1,063,522	990,321
Contributions in relation to the contractually required contributions	(2,203,957)	(1,374,842)	(1,745,086)	(1,491,788)	(1,293,314)	(1,063,522)	(990,321)
Contribution deficiency (excess)	-	-	-	-	-	-	-
Housing Authority's covered employee-payroll	28,495,139	26,265,218	25,367,142	23,860,193	22,813,433	21,289,453	20,469,150
Contributions as a percentage of covered employee-payroll	7.73%	5.23%	6.88%	6.25%	5.67%	5.00%	4.84%

Note to the Required Supplementary Information
for the year ended December 31, 2019

Change of benefit terms: There were no changes in the benefit terms for the Pension Plans.

Changes of Assumptions: Actuarial result reported in the DRS Participating Employer Financial Information (PEFI) report reflect the following changes in assumption and methods: 1) how terminated and and vested member benefits are valued was corrected, 2) how basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved, and 3) the average expected remaining service lives calculation was revised. It is used to recognize the changes in pension expense to no longer discount future years of service back to the present day.

Schedule of Changes in Total OPEB Liability and Related Ratios

(in thousands)

	Fiscal Year Ending December 31									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total OPEB Liability										
Service cost	$655	$689	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	459	415	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of benefit terms	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	885	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	955	(639)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected benefit payments	(173)	(163)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	2,780	302	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	11,286	10,984	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	14,066	11,286	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered employee payroll	$27,818	$26,475	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered employee payroll	50.56%	42.63%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

HOUSING AUTHORITY OF THE COUNTY OF KING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	From Pass-Through Awards	From Direct Awards	Total	Passed through to Subrecipients	Debt Liability Balance	Note
Rural Housing Service, Department Of Agriculture	Rural Rental Housing Loans	**10.415**	56-017-647765210	$ -	$ 60,219	$ 60,219	$ -	$ 862,514	1,2,4
Rural Housing Service, Department Of Agriculture	Rural Rental Assistance Payments	**10.427**	56-017-647765210	-	543,669	543,669	-	-	1,2
			Total U.S. Department of Agriculture	**-**	**603,888**	**603,888**	**-**	**862,514**	
Section 8 Project-Based Cluster									
Office Of Housing-federal Housing Commissioner, Department Of Housing And Urban Development	Section 8 Housing Assistance Payment Program	**14.195**	WA19M000203	-	736,712	736,712	-	-	1,2
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Lower Income Housing Assistance Program-Section 8 Moderate Rehabilitation	**14.856**	WA002MR0002	-	101,094	101,094	-	-	1,2
		Total Section 8 Project-Based Programs Cluster		-	837,806	837,806	-	-	
Office Of Community Planning And Development, Department Of Housing And Urban Development (via City of Bellevue, WA)	Community Development Block Grant/Entitlement Grants - 2015	**14.218**	CDBG-251	-	-	-	-	-	1,2
Office Of Community Planning And Development, Department Of Housing And Urban Development (via City of Bellevue, WA)	Community Development Block Grant/Entitlement Grants	**14.218**	CDBG-251	463,908	-	463,908	-	-	1,2
			Total CFDA 14.218	463,908	-	463,908	-	-	
Housing Voucher Cluster									
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Section 8 Housing Choice Vouchers	**14.871**	WA002	-	15,023,400	15,023,400	-	-	1,2
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Mainstream Vouchers	**14.879**	WA002DV0022	-	5,463,831	5,463,831	-	-	1,2
		Total Housing Voucher Cluster		-	20,487,230	20,487,230	-	-	
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	**14.881**	WA002	-	141,047,841	141,047,841	-	-	1,2
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	**14.881**	WA002	-	10,810,976	10,810,976	-	-	1,2
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	**14.881**	WA19P002501-16	-	2,968,239	2,968,239	-	-	1,2
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	**14.881**	WA19P002501-17	-	102,177	102,177	-	-	1,2
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	**14.881**	WA19P002501-19	-	591,047	- 591,047	-	-	1,2
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	**14.881**	WA01E002501-17	-	19,020	19,020	-	-	1,2
			Total CFDA 14.881	- -	155,539,300	155,539,300	-	-	

HOUSING AUTHORITY OF THE COUNTY OF KING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	From Pass-Through Awards	From Direct Awards	Total	Passed through to Subrecipients	Debt Liability Balance	Note
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Resident Opportunity and Supportive Services - Service Coordinators	**14.870**	ROSS171008	-	225,497	225,497	-	-	1,2
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Family Self-Sufficiency Program	**14.896**	FSS18WA2451	-	333,607	333,607	-	-	1,2
			Total U.S. Department of Housing and Urban Development	**463,908**	**177,423,440**	**177,887,347**	**-**	**-**	
Department Of Energy (via Washington State Department of Commerce)	Weatherization Assistance for Low Income Persons	**81.042**	F18-53103-413 DOE	485,115	-	485,115	-	-	1,2
Department Of Energy (via Washington State Department of Commerce)	Weatherization Assistance for Low Income Persons	**81.042**	F19-53103-413 DOE	143,902	-	143,902	-	-	1,2
Department Of Energy (via Washington State Department of Commerce)	Weatherization Assistance for Low Income Persons	**81.042**	F17-53104-413 BPA	326,090	-	326,090	-	-	1,2
			Total CFDA 81.042	955,108	-	955,108	-	-	
			Total U.S. Department of Energy	**955,108**	**-**	**955,108**	**-**	**-**	
Administration For Children And Families, Department Of Health And Human Services (via Washington State Department of Commerce)	Low-Income Home Energy Assistance	**93.568**	F17-53101-413 HHS	1,684,045		1,684,045			1,2
Administration For Children And Families, Department Of Health And Human Services (via Washington State Department of Commerce)	Low-Income Home Energy Assistance	**93.568**	F19-53101-413 HHS	652,768	-	652,768	-	-	1,2
			Total U.S. Department of Health and Human Services	**2,336,813**	**-**	**2,336,813**	**-**	**-**	
			Total Federal Expenditures	**$ 3,755,829**	**$178,027,328**	**$181,783,156**	**$ -**	**$ 862,514**	

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

NOTE 1 - BASIS OF ACCOUNTING
The Schedule of Financial Assistance is prepared on the same basis of accounting as the King County Housing Authority's financial statements. (See Note 1 in the Notes to the Financial Statements.)

NOTE 4 - FEDERAL LOANS
In 1998, the Authority was approved by the USDA Rural Housing Service to receive a loan totaling $1,350,949 for the rehabilitation of rural housing. The amount listed on this schedule is the outstanding loan balance.

NOTE 2 - PROGRAM COSTS
The amounts shown as current year expenditures represent only the federal portion of the program costs. Entire program costs, including The Authority's portion, may be more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S> Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 7 - INDIRECT COST RATE
The Authority has not elected to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2019

Line Item #	Account Description	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	14.195 Section 8 - Special Allocation	Development Block Grants/Entitlement Grants	14.251 Other Federal Programs
111	Cash - unrestricted	$ -	$ -	$ 12,077	$ -	$ -
112	Cash - restricted - modernization and development			-	-	-
113	Cash - other restricted	-	-	465,847	-	-
114	Cash - tenant security deposits	-	-	16,661	-	-
115	Cash - restricted for payment of current liability	-	-	-	-	-
100	Total cash	-	-	494,584.74	-	-
121	AR - PHA projects	-	-	2,130	-	-
122	AR - HUD other projects	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	8,820	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants	-	-	12,484	-	-
126.1	Allowance for doubtful accounts - tenants	-	-	(246)	-	-
126.2	Allowance for doubtful accounts - other			-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-
128	Fraud recovery			-	-	-
128.1	Allowance for doubtful accounts - fraud			-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	-	-	14,368	8,820	-
131	Investments - unrestricted	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-
135	Investments - restricted for payment of current liability			-	-	-
142	Prepaid expenses and other assets	-	-	5,305	-	-
143	Inventories	-	-	-	-	-
143.1	Allowance for obsolete inventories			-	-	-
144	Interprogram - due from			-	-	-
145	Assets held for sale			-	-	-
150	Total Current Assets	-	-	514,258	8,820	-
161	Land	-	-	521,854	-	-
162	Buildings	-	-	2,224,408	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-	-
165	Leasehold improvements			-	-	-
166	Accumulated depreciation	-	-	(1,707,427)	-	-
167	Work in progress	-	-	465,746	-	-
168	Infrastructure	-	-	10,600	-	-
160	Total capital assets, net of depreciation	-	-	1,515,181	-	-
171	Notes and mortgages receivable - non-current	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due			-	-	-
173	Grants receivable - non-current			-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures			-	-	-
180	Total Noncurrent Assets	-	-	1,515,181	-	-
190	Total Assets	-	-	2,029,439	8,820	-
200	Deferred Outflows of Resources	-	-	17,362	4,074	-
290	Total Assets and Deferred Outflows of Resources	$ -	$ -	$ 2,046,801	$ 12,894	$ -
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < = 90 days	-	-	6,324		-
313	Accounts payable > 90 days past due			-	-	-
321	Accrued wage/payroll taxes payable	-	-	4,095	-	-
322	Accrued compensated absences	-	-	5,096	-	-
324	Accrued contingency liability			-	-	-
325	Accrued interest payable	-	-	-	-	-
331	Accounts Payable - HUD PHA programs			-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-
333	Accounts payable - other government			-	-	-
341	Tenant security deposits	-	-	16,661	-	-
342	Unearned revenue	-	-	3,473	-	-
343	Current portion of L-T debt - capital projects	42,944	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-		-	-
345	Other current liabilities	-	-	720	3,596	-
346	Accrued liabilities - other	-	-	-	-	-
347	Interprogram - due to	-		849,021	-	-
348	Loan Liability - current	-		-	-	-
310	Total Current Liabilities	42,944	-	885,389	3,596	-
351	Long-term debt, net of current - capital projects	819,570	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-
354	Acrued compensated absences - non-current			-	-	-
355	Loan Liability - non-current			-	-	-
356	FASB 5 liabilities			-	-	-
357	Accrued pension and OPEB liabilitites			88,893	20,773	-
350	Total Noncurrent Liabilities	819,570	-	88,893	20,773	-
300	Total Liabilities	862,514	-	974,282	24,369	-
400	Deferred Inflows of Resources	-	-	26,916	6,353	-
508.4	Net Investment in Capital Assets	(862,514)	-	1,515,181	-	-
511.4	Restricted Net Position	-	-	465,847	-	-
512.4	Unrestricted Net Position	0	-	(935,425)	(17,828)	-
513	Total Equity - Net Assets/Position	$ (862,513)	$ -	$ 1,045,603	$ (17,828)	$ -
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ -	$ -	$ 2,046,801	$ 12,894	$ -

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2019

Line Item #	Account Description	Income Housing Assistance Program - Section 8 -	Opportunity and Supportive Services - Service	14.871 Section 8 Housing Choice Vouchers	14.879 Mainstream Vouchers	Work Demonstration Program	14.896 PIH Family Self-Sufficiency Program
111	Cash - unrestricted	$ 142,641	$ -	$ -	$ 562	-	$ -
112	Cash - restricted - modernization and development	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	1,957,168	-
114	Cash - tenant security deposits	-	-	-	-	-	-
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	142,641	-	-	562	1,957,168	-
121	AR - PHA projects	-	-	-	-	82,643	-
122	AR - HUD other projects	386	24,677	(0)	25,653	9,339	-
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	17,447	4,719	40,572	-
126	Accounts receivable- tenants	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	92,908	-
128	Fraud recovery	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	307,082	-
120	Total receivables, net of allowances	386	24,677	17,447	30,372	532,544	-
131	Investments - unrestricted	-	-	-	-	7,241,034	-
132	Investments - restricted	-	-	-	-	7,088,216	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	9	-	-	286	67,678	-
143	Inventories	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-
144	Interprogram - due from	-	-	1,926,385	431,324	22,154,152	-
145	Assets held for sale	-	-	-	-	-	-
150	Total Current Assets	143,036	24,677	1,943,832	462,544	39,040,792	-
161	Land	-	-	-	-	-	-
162	Buildings	-	-	-	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	-	-	-	-	-	-
167	Work in progress	-	-	-	-	0	-
168	Infrastructure	-	-	-	-	-	-
160	Total capital assets, net of depreciation	-	-	-	-	0	-
171	Notes and mortgages receivable - non-current	-	-	-	-	3,290,768	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-	-
174	Other assets	-	-	-	-	1,252,311	-
176	Investment in joint ventures	-	-	-	-	-	-
180	Total Noncurrent Assets	-	-	-	-	4,543,079	-
190	Total Assets	143,036	24,677	1,943,832	462,544	43,583,872	-
200	Deferred Outflows of Resources	149	-	63,444	26,119	1,197,591	-
290	Total Assets and Deferred Outflows of Resources	$ 143,184	$ 24,677	$ 2,007,276	$ 488,664	$ 44,781,462	$ -
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < = 90 days	28	-	-	-	370,337	-
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	36	-	-	851	310,020	-
322	Accrued compensated absences	121	-	-	2,837	648,465	-
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-
331	Accounts Payable - HUD PHA programs	-	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	-	-
342	Unearned revenue	-	-	-	0	1,067	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	6	-	2,468	1,096	401,486	-
346	Accrued liabilities - other	-	-	-	-	-	-
347	Interprogram - due to	-	-	-	-	29,174,541	-
348	Loan Liability - current	-	-	-	-	-	-
310	Total Current Liabilities	191	-	2,468	4,784	30,905,915	-
351	Long-term debt, net of current - capital projects	-	-	-	-	2,807,498	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	1,252,311	-
354	Acrued compensated absences - non-current	-	-	-	-	-	-
355	Loan Liability - non-current	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liabilitites	758	-	319,277	134,147	6,130,094	-
350	Total Noncurrent Liabilities	758	-	319,277	134,147	10,189,903	-
300	Total Liabilities	949	-	321,745	138,931	41,095,818	-
400	Deferred Inflows of Resources	232	-	100,848	40,305	1,857,282	-
508.4	Net Investment in Capital Assets	-	-	-	-	(2,807,498)	-
511.4	Restricted Net Position	-	-	-	-	10,297,695	-
512.4	Unrestricted Net Position	142,003	24,677	1,584,682	309,428	(5,661,835)	-
513	Total Equity - Net Assets/Position	$ 142,003	$ 24,677	$ 1,584,682	$ 309,428	$ 1,828,363	$ -
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 143,184	$ 24,677	$ 2,007,276	$ 488,664	$ 44,781,463	$ -

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2019

Line Item #	Account Description	State/Local Programs	Business Activities	Weatherization Assistance for Low Income Persons	Income Home Energy Assistance	COMPONENT UNITS - BLENDED	COCC
111	Cash - unrestricted	$ 1,010,951	$ 79,695,872	$ -	$ -	3,096,749	$ 3,065,676
112	Cash - restricted - modernization and development	-	-	-	-	-	-
113	Cash - other restricted	-	14,146,688	-	-	797,939	-
						-	
114	Cash - tenant security deposits	-	2,776,066	-	-	181,269	-
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	1,010,951	96,618,626	-	-	4,075,957	3,065,676
121	AR - PHA projects	-	66,505	-	-	-	-
122	AR - HUD other projects	-	-	-	-	-	-
124	Accounts receivable - other government	160,479	708,385	91,187	314,949	-	-
125	Accounts receivable - miscellaneous	-	904,020	-	-	-	-
126	Accounts receivable- tenants	-	407,286	-	-	-	-
126.1	Allowance for doubtful accounts - tenants	-	(20,281)	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	68,660,321	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-
129	Accrued interest receivable	-	3,255,294	-	-	-	-
120	Total receivables, net of allowances	160,479	73,981,530	91,187	314,949	-	-
131	Investments - unrestricted	-	51,160,480	-	-	-	250,547
132	Investments - restricted	-	4,670,000	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	38,060	958,651	-	-	40,606	166,358
143	Inventories	-	341,702	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-
144	Interprogram - due from	-	19,820,155	-	-		2,554
145	Assets held for sale	-	-	-	-	-	-
150	Total Current Assets	1,209,490	247,551,144	91,187	314,949	4,116,563	3,485,135
161	Land	-	220,247,846	-	-	6,991,838	4,529,093
162	Buildings	-	672,203,436	-	-	90,335,219	11,330,268
163	Furniture, equipment & machinery - dwellings	-	194,201	-	-	-	-
164	Furniture, equipment & machinery - administration	-	162,682	-	-	405,719	7,645,745
165	Leasehold improvements	-	766,095	-	-	6,968,864	-
166	Accumulated depreciation	-	(105,996,543)	-	-	(50,490,270)	(10,962,160)
167	Work in progress	6,913	19,869,498	-	-	6,454,602	1,360
168	Infrastructure	-	12,746,014	-	-	-	34,438
160	Total capital assets, net of depreciation	6,913	820,193,228	-	-	60,665,972	12,578,744
171	Notes and mortgages receivable - non-current	209,641	235,986,229	-	-		0
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-	-
174	Other assets	30	312,101	-	-	-	(0)
176	Investment in joint ventures	-	-	-	-	-	-
180	Total Noncurrent Assets	216,584	1,056,491,558	-	-	60,665,972	12,578,744
190	Total Assets	1,426,074	1,304,042,702	91,187	314,949	64,782,535	16,063,880
200	Deferred Outflows of Resources	159,570	2,266,241	217	81	-	886,144
290	Total Assets and Deferred Outflows of Resources	$ 1,585,645	$ 1,306,308,943	$ 91,404	$ 315,030	$ 64,782,535	$ 16,950,024
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < = 90 days	1,041,839	1,603,821	-	-	1,100	407,208
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	78	353,020	-	-	-	342,062
322	Accrued compensated absences	59,800	1,080,024	-	-	-	545,125
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	-	2,556,513	-	-	-	0
331	Accounts Payable - HUD PHA programs	-	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	-	2,776,064	-	-	181,269	-
342	Unearned revenue	-	403,139	-	-	31,397	-
343	Current portion of L-T debt - capital projects	-	37,337,111	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	5,342,102	-	-	-	-
345	Other current liabilities	87,778	1,619,193	1,459	36,132	37,035,986	37,725
346	Accrued liabilities - other	-	204,144	-	-	-	0
347	Interprogram - due to	-	14,311,329	-	-	-	-
348	Loan Liability - current	-	-	-	-	-	-
310	Total Current Liabilities	1,189,496	67,586,460	1,459	36,132	37,249,752	1,332,120
351	Long-term debt, net of current - capital projects	-	730,278,116	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	93,882,500	-	-	-	-
353	Non-current liabilities- other	-	1,307,652	-	-	-	-
354	Acrued compensated absences - non-current	-	-	-	-	-	-
355	Loan Liability - non-current	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liabilitites	814,763	9,378,426	1,104	411	-	4,569,926
350	Total Noncurrent Liabilities	814,763	834,846,693	1,104	411	-	4,569,926
300	Total Liabilities	2,004,259	902,433,153	2,563	36,543	37,249,752	5,902,046
400	Deferred Inflows of Resources	248,379	2,073,560	338	126	-	1,358,996
508.4	Net Investment in Capital Assets	6,913	52,578,001	-	-	60,665,972	12,578,744
511.4	Restricted Net Position	-	18,816,690	-	-	797,939	-
512.4	Unrestricted Net Position	(673,906)	330,407,539	88,503	278,361	(33,931,128)	(2,889,763)
513	Total Equity - Net Assets/Position	$ (666,993)	$ 401,802,230	$ 88,503	$ 278,361	$ 27,532,783	$ 9,688,982
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 1,585,645	$ 1,306,308,943	$ 91,404	$ 315,030	$ 64,782,535	$ 16,950,024

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2019

Line Item #	Account Description	"Other Projects"	Ballinger Homes WA002000101	Park Royal Apartments WA002000105	Paramount House II WA002000150	The Lake House WA002000152	Northridge II WA002000153
111	Cash - unrestricted	$ -	$ 749,107	$ 71,025	$ 201,791	$ 640,262	$ 627,890
112	Cash - restricted - modernization and development	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-	-
114	Cash - tenant security deposits	-	21,815	3,575	5,350	10,750	11,389
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	-	770,922	74,600	207,141	651,012	639,279
121	AR - PHA projects	-	5,994	184	1,728	1,462	1,514
122	AR - HUD other projects	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-
126	Accounts receivable- tenants	-	15,542	1,203	744	1,402	3,399
126.1	Allowance for doubtful accounts - tenants	-	(4,055)	(180)	(94)	(155)	(1,510)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-
120	Total receivables, net of allowances	-	17,481	1,207	2,378	2,709	3,403
131	Investments - unrestricted	-	-	-	4,748	-	-
132	Investments - restricted	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	23,971	3,113	7,120	15,498	17,580
143	Inventories	-	-	-	-	-	476
143.1	Allowance for obsolete inventories	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-
150	Total Current Assets	-	812,374	78,920	221,387	669,220	660,738
161	Land	-	1,960,510	541,000	1,036,891	246,728	224,064
162	Buildings	-	13,758,694	1,643,427	8,676,272	11,939,795	10,993,302
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	13,766	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	-	(8,022,442)	(473,295)	(13,550)	(5,228,158)	(4,912,317)
167	Work in progress	-	1,442,056	-	524,268	671,248	2,419,067
168	Infrastructure	-	2,408,304	-	32,963	953,463	1,749,880
160	Total capital assets, net of depreciation	-	11,560,887	1,711,132	10,256,844	8,583,076	10,473,996
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-
180	Total Noncurrent Assets	-	11,560,887	1,711,132	10,256,844	8,583,076	10,473,996
190	Total Assets	-	12,373,261	1,790,051	10,478,231	9,252,296	11,134,734
200	Deferred Outflows of Resources	-	35,104	4,734	7,501	24,960	29,097
290	Total Assets and Deferred Outflows of Resources	$ -	$ 12,408,365	$ 1,794,786	$ 10,485,732	$ 9,277,256	$ 11,163,831
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < = 90 days	-	126,597	9,857	53,838	228,915	101,440
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	10,412	1,477	3,404	7,125	8,733
322	Accrued compensated absences	-	19,680	1,890	5,558	8,076	14,160
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	-	38,181	3,096	2,064	37,149	34,570
331	Accounts Payable - HUD PHA programs	-	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	-	21,815	3,575	5,350	10,750	11,389
342	Unearned revenue	-	13,160	930	3,621	7,607	7,855
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	-	17,787	1,363	27,052	49,947	112,487
346	Accrued liabilities - other	-	-	-	-	-	-
347	Interprogram - due to	-	-	-	-	-	-
348	Loan Liability - current	-	-	-	-	-	-
310	Total Current Liabilities	-	247,633	22,188	100,887	349,570	290,634
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	-
354	Acrued compensated absences - non-current	-	-	-	-	-	-
355	Loan Liability - non-current	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liabilitites	-	181,327	25,044	38,115	130,005	149,689
350	Total Noncurrent Liabilities	-	181,327	25,044	38,115	130,005	149,689
300	Total Liabilities	-	428,960	47,232	139,002	479,575	440,323
400	Deferred Inflows of Resources		53,705	6,979	11,758	37,703	44,787
508.4	Net Investment in Capital Assets	-	11,560,887	1,711,132	10,256,844	8,583,076	10,473,996
511.4	Restricted Net Position	-	-	-	-	-	-
512.4	Unrestricted Net Position	-	364,813	29,444	78,128	176,902	204,725
513	Total Equity - Net Assets/Position	$ -	$ 11,925,700	$ 1,740,575	$ 10,334,971	$ 8,759,978	$ 10,678,721
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ -	$ 12,408,364	$ 1,794,786	$ 10,485,732	$ 9,277,257	$ 11,163,831

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2019

Line Item #	Account Description	Westminster WA002000156	Brookside WA002000180	Norhtwood WA002000191	Forest Glen WA002000201	College Place WA002000203	Kirkland Place WA002000210
111	Cash - unrestricted	$ 251,431	$ 45,557	$ 130,837	$ 269,906	$ 687,405	$ 105,501
112	Cash - restricted - modernization and development	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-	-
114	Cash - tenant security deposits	11,754	-	2,750	3,100	16,400	1,350
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	263,185	45,557	133,587	273,006	703,805	106,851
121	AR - PHA projects	535	-	-	889	3,114	-
122	AR - HUD other projects	-	-	-	67,592	114,509	-
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-
126	Accounts receivable- tenants	438	-	1,145	629	1,754	1,732
126.1	Allowance for doubtful accounts - tenants	(40)	-	(226)	-	(13)	(483)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-
120	Total receivables, net of allowances	933	-	920	69,110	119,363	1,250
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	6,568	5,669	4,527	3,954	14,657	1,350
143	Inventories	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-
150	Total Current Assets	270,686	51,226	139,033	346,070	837,825	109,451
161	Land	624,059	114,959	207,994	32,191	901,525	1,064,290
162	Buildings	3,260,504	696,260	2,214,265	4,532,261	11,896,588	513,166
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	6,467	-	-
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	(906,808)	(601,730)	(1,308,771)	(1,925,826)	(6,240,236)	(101,900)
167	Work in progress	57,816	-	719,080	2,029,776	2,190,102	1,007,764
168	Infrastructure	-	106,541	150,696	1,315,518	2,829,237	-
160	Total capital assets, net of depreciation	3,035,571	316,030	1,983,263	5,990,387	11,577,216	2,483,320
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-
180	Total Noncurrent Assets	3,035,571	316,030	1,983,263	5,990,387	11,577,216	2,483,320
190	Total Assets	3,306,257	367,256	2,122,296	6,336,457	12,415,040	2,592,771
200	Deferred Outflows of Resources	12,101	2,432	8,323	9,505	30,988	4,256
290	Total Assets and Deferred Outflows of Resources	$ 3,318,359	$ 369,688	$ 2,130,620	$ 6,345,963	$ 12,446,029	$ 2,597,028
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < = 90 days	63,580	7,873	31,689	203,308	294,559	24,510
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	3,666	687	2,560	2,484	10,994	1,364
322	Accrued compensated absences	3,750	891	3,134	4,173	12,345	1,603
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	3,612	3,612	4,644	4,644	31,990	516
331	Accounts Payable - HUD PHA programs	-	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	11,754	-	2,750	3,100	16,400	1,350
342	Unearned revenue	3,675	-	878	1,930	13,643	654
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	8,239	1,254	2,679	3,861	26,595	5,419
346	Accrued liabilities - other	-	-	-	-	-	-
347	Interprogram - due to	-	-	-	-	-	-
348	Loan Liability - current	-	-	-	-	-	-
310	Total Current Liabilities	98,275	14,317	48,334	223,501	406,525	35,417
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	-
354	Acrued compensated absences - non-current	-	-	-	-	-	-
355	Loan Liability - non-current	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liabilitites	62,747	12,808	44,244	49,968	168,669	22,351
350	Total Noncurrent Liabilities	62,747	12,808	44,244	49,968	168,669	22,351
300	Total Liabilities	161,022	27,125	92,578	273,469	575,194	57,768
400	Deferred Inflows of Resources	18,406	3,609	12,172	14,152	43,545	6,346
508.4	Net Investment in Capital Assets	3,035,571	316,030	1,983,263	5,990,387	11,577,216	2,483,320
511.4	Restricted Net Position	-	-	-	-	-	-
512.4	Unrestricted Net Position	103,360	22,924	42,606	67,953	250,075	49,594
513	Total Equity - Net Assets/Position	$ 3,138,931	$ 338,953	$ 2,025,869	$ 6,058,341	$ 11,827,291	$ 2,532,914
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 3,318,359	$ 369,687	$ 2,130,619	$ 6,345,962	$ 12,446,029	$ 2,597,028

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2019

Line Item #	Account Description	Island Crest WA002000213	Houghton Court WA002000215	Casa Juanita WA002000251	Northlake House WA002000290	Seola Crossing WA002000340	Eastbridge WA002000341
111	Cash - unrestricted	$ 116,493	$ 86,212	$ 417,252	$ 188,647	$ -	$ -
112	Cash - restricted - modernization and development	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-	-
114	Cash - tenant security deposits	10,870	4,100	6,225	3,150	-	-
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	127,363	90,312	423,477	191,797	-	-
121	AR - PHA projects	675	118	4,470	246	-	-
122	AR - HUD other projects	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-
126	Accounts receivable- tenants	84	(0)	2,138	1,149	-	-
126.1	Allowance for doubtful accounts - tenants	(5)	-	(764)	(48)	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-
120	Total receivables, net of allowances	754	118	5,844	1,347	-	-
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	3,973	5,265	8,488	5,097	-	-
143	Inventories	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-
150	Total Current Assets	132,090	95,695	437,809	198,240	-	-
161	Land	2,566,125	1,900,000	62,146	104,054	-	-
162	Buildings	2,764,912	2,960,118	5,459,928	2,249,330	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	(743,940)	(122,438)	(2,813,363)	(1,890,533)	-	-
167	Work in progress	-	180,941	365,495	535,224	-	-
168	Infrastructure	593,430	-	758,293	565,811	-	-
160	Total capital assets, net of depreciation	5,180,527	4,918,622	3,832,499	1,563,886	-	-
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-
180	Total Noncurrent Assets	5,180,527	4,918,622	3,832,499	1,563,886	-	-
190	Total Assets	5,312,616	5,014,317	4,270,307	1,762,126	-	-
200	Deferred Outflows of Resources	8,013	3,792	11,752	7,080	-	-
290	Total Assets and Deferred Outflows of Resources	$ 5,320,629	$ 5,018,109	$ 4,282,059	$ 1,769,206	$ -	$ -
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < = 90 days	15,922	20,129	92,701	28,326	-	-
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	1,582	1,803	6,426	2,328	-	-
322	Accrued compensated absences	2,031	1,770	4,959	2,669	-	-
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	4,128	-	28,378	5,160	-	-
331	Accounts Payable - HUD PHA programs	-	-	-	-		
332	Accounts Payable - PHA projects	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	10,870	4,100	6,225	3,150	-	-
342	Unearned revenue	3,730	309	5,871	2,591	-	-
343	Current portion of L-T debt - capital projects	-	-	-	-		
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	2,046	171	4,865	24,381	-	-
346	Accrued liabilities - other	-	-	-	-	-	-
347	Interprogram - due to	-	-	-	-	-	-
348	Loan Liability - current	-	-	-	-	-	-
310	Total Current Liabilities	40,309	28,281	149,426	68,604	-	-
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	-
354	Acrued compensated absences - non-current	-	-	-	-	-	-
355	Loan Liability - non-current	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liabilitites	41,011	19,875	63,315	37,473	-	-
350	Total Noncurrent Liabilities	41,011	19,875	63,315	37,473	-	-
300	Total Liabilities	81,320	48,156	212,741	106,077	-	-
400	Deferred Inflows of Resources	12,427	5,672	16,807	10,427		
508.4	Net Investment in Capital Assets	5,180,527	4,918,622	3,832,499	1,563,886	-	-
511.4	Restricted Net Position	-	-	-	-	-	-
512.4	Unrestricted Net Position	46,355	45,659	220,014	88,816	-	-
513	Total Equity - Net Assets/Position	$ 5,226,882	$ 4,964,281	$ 4,052,512	$ 1,652,702	$ -	$ -
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 5,320,629	$ 5,018,109	$ 4,282,059	$ 1,769,206	$ -	$ -

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2019

Line Item #	Account Description	Salmon Creek WA002000343	Zephyr WA002000344	Sixth Place Apartments WA002000345	Fairwind WA002000346	Boulevard Manor WA002000350	Yardley Arms WA002000352
111	Cash - unrestricted	$ -	$ -	$ -	$ -	$ 344,563	$ 507,631
112	Cash - restricted - modernization and development	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-	-
114	Cash - tenant security deposits	-	-	-	-	5,500	10,200
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	-	-	-	-	350,063	517,831
121	AR - PHA projects	-	-	-	-	571	2,981
122	AR - HUD other projects	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-
126	Accounts receivable- tenants	-	-	-	-	2,242	2,727
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	(60)	(1,407)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-
120	Total receivables, net of allowances	-	-	-	-	2,754	4,301
131	Investments - unrestricted	-	-	-	-	-	4,431
132	Investments - restricted	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	7,639	13,494
143	Inventories	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-
150	Total Current Assets	-	-	-	-	360,456	540,056
161	Land	-	-	-	-	72,003	766,306
162	Buildings	-	-	-	-	6,679,969	14,555,309
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	-	-	-	-	(3,246,004)	(3,205,195)
167	Work in progress	-	-	-	-	454,667	229,540
168	Infrastructure	-	-	-	-	877,549	196,969
160	Total capital assets, net of depreciation	-	-	-	-	4,838,184	12,542,929
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-
180	Total Noncurrent Assets	-	-	-	-	4,838,184	12,542,929
190	Total Assets	-	-	-	-	5,198,639	13,082,985
200	Deferred Outflows of Resources	-	-	-	-	19,117	27,830
290	Total Assets and Deferred Outflows of Resources	$ -	$ -	$ -	$ -	$ 5,217,756	$ 13,110,815
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < = 90 days	-	-	-	-	86,226	124,933
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	4,557	9,179
322	Accrued compensated absences	-	-	-	-	4,619	8,549
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	13,931	18,059
331	Accounts Payable - HUD PHA programs					-	-
332	Accounts Payable - PHA projects	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	5,500	10,200
342	Unearned revenue	-	-	-	-	3,528	8,868
343	Current portion of L-T debt - capital projects					-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	18,161	33,670
346	Accrued liabilities - other	-	-	-	-	-	(0)
347	Interprogram - due to	-	-	-	-	-	-
348	Loan Liability - current	-	-	-	-	-	-
310	Total Current Liabilities	-	-	-	-	136,522	213,458
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	-
354	Acrued compensated absences - non-current	-	-	-	-	-	-
355	Loan Liability - non-current	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liabilitites	-	-	-	-	97,570	141,720
350	Total Noncurrent Liabilities	-	-	-	-	97,570	141,720
300	Total Liabilities	-	-	-	-	234,092	355,178
400	Deferred Inflows of Resources					29,774	43,490
508.4	Net Investment in Capital Assets	-	-	-	-	4,838,184	12,542,929
511.4	Restricted Net Position	-	-	-	-	-	-
512.4	Unrestricted Net Position	-	-	-	-	115,706	169,218
513	Total Equity - Net Assets/Position	$ -	$ -	$ -	$ -	$ 4,953,890	$ 12,712,146
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ -	$ -	$ -	$ -	$ 5,217,756	$ 13,110,815

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2019

Line Item #	Account Description	Riverton Terrace WA002000354	Nia WA002000355	Burien Park WA002000390	Valli Kee Homes WA002000401	Springwood Apartments WA002000402
111	Cash - unrestricted	$ 630,906	$ -	$ 457,611	$ 648,051	$ -
112	Cash - restricted - modernization and development	-	-	-	-	-
113	Cash - other restricted	37,787	-	-	-	-
114	Cash - tenant security deposits	9,325	-	7,750	18,175	-
115	Cash - restricted for payment of current liability	-	-	-	-	-
100	Total cash	678,018	-	465,361	666,226	-
121	AR - PHA projects	181	-	198	3,173	-
122	AR - HUD other projects	-	-	-	(0)	-
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants	2,141	-	1,295	7,778	-
126.1	Allowance for doubtful accounts - tenants	(162)	-	(6)	(884)	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	2,160	-	1,488	10,066	-
131	Investments - unrestricted	5,381	-	-	-	-
132	Investments - restricted	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-
142	Prepaid expenses and other assets	11,557	-	12,574	21,423	-
143	Inventories	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-
150	Total Current Assets	697,116	-	479,424	697,714	-
161	Land	1,106,790	-	623,280	160,827	-
162	Buildings	15,501,809	-	7,679,097	20,577,971	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	26,394	-
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	(1,494,975)	-	(4,559,742)	(7,412,934)	-
167	Work in progress	1,138,318	-	228	2,978,643	-
168	Infrastructure	43,961	-	906,719	3,048,654	-
160	Total capital assets, net of depreciation	16,295,903	-	4,649,583	19,379,554	-
171	Notes and mortgages receivable - non-current	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	16,295,903	-	4,649,583	19,379,554	-
190	Total Assets	16,993,018	-	5,129,006	20,077,269	-
200	Deferred Outflows of Resources	19,030	-	29,161	34,885	-
290	Total Assets and Deferred Outflows of Resources	$ 17,012,049	$ -	$ 5,158,167	$ 20,112,154	$ -
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < = 90 days	223,286	-	116,238	94,541	-
313	Accounts payable > 90 days past due	-	-	-	-	-
321	Accrued wage/payroll taxes payable	8,406	-	7,485	8,395	-
322	Accrued compensated absences	12,929	-	17,389	14,961	-
324	Accrued contingency liability	-	-	-	-	-
325	Accrued interest payable	41,277	-	7,739	59,852	-
331	Accounts Payable - HUD PHA programs	-		-	-	
332	Accounts Payable - PHA projects	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-
341	Tenant security deposits	9,325	-	7,750	18,175	-
342	Unearned revenue	9,066	-	3,688	5,532	-
343	Current portion of L-T debt - capital projects	-		-	-	
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	48,167	-	16,056	15,158	-
346	Accrued liabilities - other	-	-	0	-	-
347	Interprogram - due to	-	-	-	-	-
348	Loan Liability - current	-	-	-	-	-
310	Total Current Liabilities	352,456	-	176,345	216,613	-
351	Long-term debt, net of current - capital projects	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-
354	Acrued compensated absences - non-current	-	-	-	-	-
355	Loan Liability - non-current	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-
357	Accrued pension and OPEB liabilitites	99,855	-	148,991	178,552	-
350	Total Noncurrent Liabilities	99,855	-	148,991	178,552	-
300	Total Liabilities	452,311	-	325,336	395,165	-
400	Deferred Inflows of Resources	28,413	-	45,348	54,107	
508.4	Net Investment in Capital Assets	16,295,903	-	4,649,583	19,379,554	-
511.4	Restricted Net Position	37,787	-	-	-	-
512.4	Unrestricted Net Position	197,635	-	137,900	283,328	-
513	Total Equity - Net Assets/Position	$ 16,531,324	$ -	$ 4,787,483	$ 19,662,882	$ -
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 17,012,049	$ -	$ 5,158,167	$ 20,112,154	$ -

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2019

Line Item #	Account Description	Cascade Apartments WA002000403	Shelcor WA002000409	Mardis Gras II WA002000450	Vantage Point WA002000452	Northwood Square WA002000467
111	Cash - unrestricted	$ 635,287	$ 38,214	$ 149,737	$ -	$ 198,758
112	Cash - restricted - modernization and development	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-
114	Cash - tenant security deposits	16,925	1,200	4,875	-	3,600
115	Cash - restricted for payment of current liability	-	-	-	-	-
100	Total cash	652,212	39,414	154,612	-	202,358
121	AR - PHA projects	7,389	222	-	-	315
122	AR - HUD other projects	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants	22,912	647	4,910	-	605
126.1	Allowance for doubtful accounts - tenants	(6,254)	(67)	(1,607)	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	24,047	803	3,304	-	920
131	Investments - unrestricted	-	-	4,431	-	-
132	Investments - restricted	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-
142	Prepaid expenses and other assets	16,084	969	6,568	-	2,654
143	Inventories	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-
144	Interprogram - due from	-	-	321	-	-
145	Assets held for sale	-	-	-	-	-
150	Total Current Assets	692,343	41,185	169,236	-	205,932
161	Land	1,909,523	50,000	601,568	-	310,924
162	Buildings	14,945,634	1,041,011	7,866,434	-	2,234,058
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	7,303	7,143	-	-	-
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	(5,310,015)	(394,707)	(103,678)	-	(407,449)
167	Work in progress	876,148	1,934	122,677	-	1,336,764
168	Infrastructure	352,940	-	41,375	-	-
160	Total capital assets, net of depreciation	12,781,533	705,381	8,528,376	-	3,474,298
171	Notes and mortgages receivable - non-current	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	12,781,533	705,381	8,528,376	-	3,474,298
190	Total Assets	13,473,876	746,566	8,697,613	-	3,680,230
200	Deferred Outflows of Resources	43,468	2,571	9,580	-	5,115
290	Total Assets and Deferred Outflows of Resources	$ 13,517,344	$ 749,137	$ 8,707,193	$ -	$ 3,685,345
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < = 90 days	147,222	6,217	19,813	-	27,807
313	Accounts payable > 90 days past due	-	-	-	-	-
321	Accrued wage/payroll taxes payable	10,551	511	4,497	-	2,886
322	Accrued compensated absences	20,410	1,619	7,193	-	3,610
324	Accrued contingency liability	-	-	-	-	-
325	Accrued interest payable	36,117	-	14,447	-	-
331	Accounts Payable - HUD PHA programs	-	-	-		-
332	Accounts Payable - PHA projects	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-
341	Tenant security deposits	16,925	1,200	4,875	-	3,600
342	Unearned revenue	9,802	725	238	-	1,100
343	Current portion of L-T debt - capital projects	-		-		
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	26,602	1,248	2,389	-	58,297
346	Accrued liabilities - other	-	-	-	-	-
347	Interprogram - due to	-	-	-	-	-
348	Loan Liability - current	-	-	-	-	-
310	Total Current Liabilities	267,629	11,521	53,452	-	97,299
351	Long-term debt, net of current - capital projects	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-
354	Acrued compensated absences - non-current	-	-	-	-	-
355	Loan Liability - non-current	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-
357	Accrued pension and OPEB liabilitites	222,291	13,117	48,761	-	26,762
350	Total Noncurrent Liabilities	222,291	13,117	48,761	-	26,762
300	Total Liabilities	489,920	24,638	102,213	-	124,061
400	Deferred Inflows of Resources	67,506	4,007	14,983		7,673
508.4	Net Investment in Capital Assets	12,781,533	705,381	8,528,376	-	3,474,298
511.4	Restricted Net Position	-	-	-	-	-
512.4	Unrestricted Net Position	178,385	15,111	61,620	-	79,313
513	Total Equity - Net Assets/Position	$ 12,959,918	$ 720,492	$ 8,589,997	$ -	$ 3,553,611
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 13,517,344	$ 749,137	$ 8,707,192	$ -	$ 3,685,345

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2019

Line Item #	Account Description	Firwood Circle WA002000503	Burndale Homes WA002000504	Wayland Arms WA002000550	Plaza Seventeen II WA002000551	Southridge House WA002000552
111	Cash - unrestricted	$ 371,941	$ 304,930	$ 372,864	$ 325,255	$ 452,063
112	Cash - restricted - modernization and development	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-
114	Cash - tenant security deposits	8,000	7,900	7,875	5,450	6,200
115	Cash - restricted for payment of current liability	-	-	-	-	-
100	Total cash	379,941	312,830	380,739	330,705	458,263
121	AR - PHA projects	3,975	2,103	2,514	1,258	192
122	AR - HUD other projects	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants	6,072	1,425	1,511	1,931	288
126.1	Allowance for doubtful accounts - tenants	(1,944)	(165)	(207)	(532)	(19)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	8,103	3,363	3,818	2,657	461
131	Investments - unrestricted	-	-	2,849	5,064	-
132	Investments - restricted	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-
142	Prepaid expenses and other assets	7,458	8,318	12,674	7,319	9,099
143	Inventories	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-
150	Total Current Assets	395,503	324,510	400,079	345,745	467,823
161	Land	113,808	154,682	537,365	445,979	66,167
162	Buildings	9,218,883	8,357,174	9,905,034	9,681,751	9,853,269
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	14,189	13,320	-	-	-
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	(3,566,343)	(3,206,555)	(2,460,876)	(136,375)	(4,204,613)
167	Work in progress	134,544	198,026	528,692	-	332,838
168	Infrastructure	1,699,059	1,510,483	142,820	46,110	146,656
160	Total capital assets, net of depreciation	7,614,140	7,027,130	8,653,035	10,037,464	6,194,317
171	Notes and mortgages receivable - non-current	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	7,614,140	7,027,130	8,653,035	10,037,464	6,194,317
190	Total Assets	8,009,643	7,351,640	9,053,114	10,383,210	6,662,140
200	Deferred Outflows of Resources	25,073	19,403	17,225	7,486	19,616
290	Total Assets and Deferred Outflows of Resources	$ 8,034,716	$ 7,371,043	$ 9,070,339	$ 10,390,696	$ 6,681,756
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < = 90 days	88,723	75,589	98,268	83,407	181,290
313	Accounts payable > 90 days past due	-	-	-	-	-
321	Accrued wage/payroll taxes payable	6,811	4,269	6,927	3,969	5,090
322	Accrued compensated absences	15,729	8,336	12,361	8,688	12,708
324	Accrued contingency liability	-	-	-	-	-
325	Accrued interest payable	24,250	21,670	12,383	5,676	31,474
331	Accounts Payable - HUD PHA programs	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-
341	Tenant security deposits	8,000	7,900	7,875	5,450	6,200
342	Unearned revenue	5,926	4,005	3,643	7,172	958
343	Current portion of L-T debt - capital projects	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	12,852	11,381	25,093	13,455	37,946
346	Accrued liabilities - other	-	-	-	-	-
347	Interprogram - due to	-	-	-	-	-
348	Loan Liability - current	-	-	-	-	-
310	Total Current Liabilities	162,291	133,149	166,550	127,815	275,666
351	Long-term debt, net of current - capital projects	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-
354	Acrued compensated absences - non-current	-	-	-	-	-
355	Loan Liability - non-current	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-
357	Accrued pension and OPEB liabilitites	131,722	99,531	88,082	38,429	100,476
350	Total Noncurrent Liabilities	131,722	99,531	88,082	38,429	100,476
300	Total Liabilities	294,013	232,680	254,632	166,244	376,142
400	Deferred Inflows of Resources	37,366	29,997	26,751	11,562	30,390
508.4	Net Investment in Capital Assets	7,614,140	7,027,130	8,653,035	10,037,464	6,194,317
511.4	Restricted Net Position	-	-	-	-	-
512.4	Unrestricted Net Position	89,196	81,237	135,922	175,426	80,907
513	Total Equity - Net Assets/Position	$ 7,703,336	$ 7,108,366	$ 8,788,957	$ 10,212,890	$ 6,275,224
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 8,034,715	$ 7,371,043	$ 9,070,340	$ 10,390,696	$ 6,681,756

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2019

Line Item #	Account Description	Casa Madrona II WA002000553	Subtotal	Elimination	Total Authority	UNITS - DISCRETELY PRESENTED
111	Cash - unrestricted	$ 259,809	$ 97,311,463	$ -	$ 97,311,463	$ 12,333,840
112	Cash - restricted - modernization and development	-	-		-	
113	Cash - other restricted	-	17,405,431	-	17,405,431	3,118,036
114	Cash - tenant security deposits	5,850	3,205,399	-	3,205,399	423,090
115	Cash - restricted for payment of current liability	-	-		-	
100	Total cash	265,659	117,922,293	-	117,922,293	15,874,966
121	AR - PHA projects	949	198,228	-	198,228	24,449
122	AR - HUD other projects	-	242,156	-	242,156	
124	Accounts receivable - other government	-	1,283,821	-	1,283,821	
125	Accounts receivable - miscellaneous	-	966,757	-	966,757	59,177
126	Accounts receivable- tenants	4,983	512,596	-	512,596	172,565
126.1	Allowance for doubtful accounts - tenants	(1,097)	(42,508)	-	(42,508)	(1,344)
126.2	Allowance for doubtful accounts - other	-	-		-	
127	Notes and mortgages receivable- current	-	68,753,229	(37,035,986)	31,717,243	
128	Fraud recovery	-	-		-	
128.1	Allowance for doubtful accounts - fraud	-	-		-	
129	Accrued interest receivable	-	3,562,376	-	3,562,376	
120	Total receivables, net of allowances	4,835	75,476,656	(37,035,986)	38,440,670	254,847
131	Investments - unrestricted	4,748	58,683,712	-	58,683,712	
132	Investments - restricted	-	11,758,216	-	11,758,216	
135	Investments - restricted for payment of current liability	-	-		-	
142	Prepaid expenses and other assets	7,653	1,549,265		1,549,265	280,715
143	Inventories	-	342,178	-	342,178	-
143.1	Allowance for obsolete inventories	-	-		-	-
144	Interprogram - due from	-	44,334,891	(44,334,891)	-	-
145	Assets held for sale	-	-		-	-
150	Total Current Assets	282,894	310,067,210	(81,370,877)	228,696,333	16,410,528
161	Land	456,517	251,252,907	-	251,252,907	19,399,771
162	Buildings	10,322,514	1,008,072,068	-	1,008,072,068	372,854,154
163	Furniture, equipment & machinery - dwellings	-	194,201	-	194,201	2,552,598
164	Furniture, equipment & machinery - administration	-	8,302,727	-	8,302,727	11,971,520
165	Leasehold improvements	-	7,734,959	-	7,734,959	-
166	Accumulated depreciation	(133,620)	(244,304,790)	-	(244,304,790)	(91,540,325)
167	Work in progress	163,342	47,437,315	-	47,437,315	
168	Infrastructure	58,376	33,326,857	-	33,326,857	34,546,845
160	Total capital assets, net of depreciation	10,867,128	1,112,016,245	-	1,112,016,245	349,784,563
171	Notes and mortgages receivable - non-current	-	239,486,639		239,486,639	-
172	Notes and mortgages receivable-non-current - past due	-	-		-	-
173	Grants receivable - non-current	-	-		-	-
174	Other assets	-	1,564,442		1,564,442	1,265,906
176	Investment in joint ventures	-	-		-	-
180	Total Noncurrent Assets	10,867,128	1,353,067,326	-	1,353,067,326	351,050,469
190	Total Assets	11,150,022	1,663,134,536	(81,370,877)	1,581,763,659	367,460,997
200	Deferred Outflows of Resources	9,942	5,110,132	-	5,110,132	-
					-	
290	Total Assets and Deferred Outflows of Resources	$ 11,159,965	$ 1,668,244,668	$ (81,370,877)	$ 1,586,873,791	$ 367,460,997
311	Bank overdraft	$ -	$ -		$ -	
312	Accounts payable < = 90 days	94,822	6,202,285		6,202,285	770,829
313	Accounts payable > 90 days past due	-	-		-	
321	Accrued wage/payroll taxes payable	4,766	1,163,507	-	1,163,507	45,653
322	Accrued compensated absences	5,684	2,582,940	-	2,582,940	
324	Accrued contingency liability	-	-		-	
325	Accrued interest payable	23,218	3,068,349	-	3,068,349	12,065,236
331	Accounts Payable - HUD PHA programs	-				
332	Accounts Payable - PHA projects	-	-	-	-	
333	Accounts payable - other government	-	-		-	
341	Tenant security deposits	5,850	3,205,397	-	3,205,397	423,090
342	Unearned revenue	2,785	572,565	-	572,565	120,535
343	Current portion of L-T debt - capital projects	-	37,380,052	-	37,380,052	3,477,636
344	Current portion of L-T debt - operating borrowings	-	5,342,102	-	5,342,102	
345	Other current liabilities	4,115	39,840,371	(37,035,986)	2,804,385	1,140,260
346	Accrued liabilities - other	-	204,148	-	204,148	10,913
347	Interprogram - due to	-	44,334,891	(44,334,891)	-	-
348	Loan Liability - current	-	-		-	-
310	Total Current Liabilities	141,240	143,896,608	(81,370,877)	62,525,731	18,054,152
351	Long-term debt, net of current - capital projects	-	733,905,182	-	733,905,182	243,966,884
352	Long-term debt, net of current - operating borrowings	-	93,882,500	-	93,882,500	
353	Non-current liabilities- other	-	2,559,968	-	2,559,968	18,854,316
354	Acrued compensated absences - non-current	-	-	-	-	
355	Loan Liability - non-current	-	-		-	-
356	FASB 5 liabilities	-	-		-	-
357	Accrued pension and OPEB liabilitites	50,514	23,991,587	-	23,991,587	-
350	Total Noncurrent Liabilities	50,514	854,339,237	-	854,339,237	262,821,200
300	Total Liabilities	191,754	998,235,845	(81,370,877)	916,864,968	280,875,352
400	Deferred Inflows of Resources	15,588	6,458,784		6,458,784	-
			-		-	
508.4	Net Investment in Capital Assets	10,867,128	340,731,009		340,731,009	102,340,043
511.4	Restricted Net Position	-	30,415,958		30,415,958	3,118,037
512.4	Unrestricted Net Position	85,493	292,403,072		292,403,072	(18,872,435)
513	Total Equity - Net Assets/Position	$ 10,952,621	$ 663,550,038	$ -	$ 663,550,038	$ 86,585,645
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 11,159,964	$ 1,668,244,668	$ (81,370,877)	$ 1,586,873,791	$ 367,460,997

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	14.CFP Capital Fund Program	14.HCV Section 8 Housing Choice Voucher	14.OPS Low Rent Public Housing	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments
70300	Net tenant rental revenue	$ -	$ -	$ -	$ -	$ -
70400	Tenant revenue - other	-	-	-	-	-
70500	Total tenant revenue	-	-	-	-	-
70600	HUD PHA Operating Grants	665,484	141,047,841	10,810,976	-	-
70610	Capital Grants	3,014,998	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	-	-	60,219	543,669
71100	Investment Income - unrestricted	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	-	-	-	-	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	Total Revenue	3,680,483	141,047,841	10,810,976	60,219	543,669
91100	Administrative salaries	-	-	-	-	-
91200	Auditing fees	-	-	-	-	-
91300	Management fees	-	-	-	-	-
91310	Book-keeping Fee	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-
91500	Employee benefit contributions - administrative	-	-	-	-	-
91600	Office Expenses	-	-	-	-	-
91700	Legal expense	-	-	-	-	-
91800	Travel	-	-	-	-	-
91900	Other	-	-	-	-	-
91000	Total Operating - Administrative	-	-	-	-	-
92000	Asset Management Fee	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-
92300	Employee benefits	-	-	-	-	-
92400	Tenant services - other	-	-	-	-	-
92500	Total Tenant Services	-	-	-	-	-
93100	Water	-	-	-	-	-
93200	Electricity	-	-	-	-	-
93300	Gas	-	-	-	-	-
93400	Fuel	-	-	-	-	-
93600	Sewer	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-
93000	Total Utilities	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	-	-	-	-	-
94200	Ordinary maintenance and operations - material and other	-	-	-	-	-
94300	Ordinary maintenance and operations - contracts	-	-	-	-	-
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-
94000	Total Maintenance	-	-	-	-	-
95200	Other contract costs	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-
96110	Property Insurance	-	-	-	-	-
96120	Liability Insurance	-	-	-	-	-
96130	Workmen's compensation	-	-	-	-	-
96100	Total Insurance Premiums	-	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	14.CFP Capital Fund Program	14.HCV Section 8 Housing Choice Voucher	14.OPS Low Rent Public Housing	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments
96200	Other General Expenses	-	-	-	-	-
96210	Compensated absences	-	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-
96800	Severance expense	-	-	-	-	-
96000	Total Other General Expenses	-	-	-	-	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-
96900	Total Operating Expenses	-	-	-	-	-
97000	Excess Operating Revenue over Operating Expenses	3,680,483	141,047,841	10,810,976	60,219	543,669
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	-	-	-	-	-
90000	Total Expenses	-	-	-	-	-
10010	Operating transfers in	-	-	-	-	-
10020	Operating transfers out	(3,680,483)	(141,047,841)	(10,810,976)	(18,328)	(543,669)
10080	Special items, net gain/loss	-	-	-	-	-
10100	Total Other Financing Sources	(3,680,483)	(141,047,841)	(10,810,976)	(18,328)	(543,669)
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ -	$ -	$ -	$ 41,891	$ -
11020	Required annual debt principal payments	-	-	-	39,480	-
11030	Beginning of year equity	-	-	-	(904,404)	-
11040	Prior period adjustments, equity transfers	-	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	-	-	-	-	-
11210	Number of unit months leased	-	-	-	-	-
11270	Excess cash	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	14.195 Section 8 - Special Allocation	14.218 Community Development Block Grants/Entitlement Grants	14.251 Other Federal Programs	14.856 Section 8 - Moderate Rehabilitation	14.870 Resident Opportunity and Supportive Services - Service Coordinators
70300	Net tenant rental revenue	$ 246,786	$ -	$ -	$ -	$ -
70400	Tenant revenue - other	7,382	-	-	-	-
70500	Total tenant revenue	254,169	-	-	-	-
70600	HUD PHA Operating Grants	387,114	-	-	101,094	225,497
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	463,908	-	-	-
71100	Investment Income - unrestricted	(5,449)	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	122	-	-	-	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	Total Revenue	635,956	463,908	-	101,094	225,497
91100	Administrative salaries	44,496	28,879	-	953	343
91200	Auditing fees	-	8	-	36	-
91300	Management fees	41,651	-	-	2,160	-
91310	Book-keeping Fee	-	-	-	1,350	-
91400	Advertising and Marketing	-	14	-	-	-
91500	Employee benefit contributions - administrative	18,581	12,338	-	309	-
91600	Office Expenses	3,971	56	-	308	27,953
91700	Legal expense	2,626	0	-	-	-
91800	Travel	920	2	-	0	4,785
91900	Other	64,538	125	-	195	5,582
91000	Total Operating - Administrative	176,782	41,422	-	5,311	38,664
92000	Asset Management Fee	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	128,458
92200	Relocation costs	-	-	-	-	-
92300	Employee benefits	-	-	-	-	47,680
92400	Tenant services - other	13	0	-	-	10,187
92500	Total Tenant Services	13	0	-	-	186,325
93100	Water	6,966	3	-	-	-
93200	Electricity	2,556	13	-	-	-
93300	Gas	-	-	-	-	-
93400	Fuel	-	-	-	-	-
93600	Sewer	15,314	1	-	-	-
93800	Other utilities expense	22,750	3	-	-	-
93000	Total Utilities	47,586	19	-	-	-
94100	Ordinary maintenance and operations - labor	51,671	-	-	-	-
94200	Ordinary maintenance and operations - material and other	10,495	428,869	-	1	-
94300	Ordinary maintenance and operations - contracts	28,756	52	-	-	-
94500	Employee benefit contributions - ordinary maintenance	23,544	-	-	-	-
94000	Total Maintenance	114,466	428,921	-	1	-
95200	Other contract costs	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-
96110	Property Insurance	3,109	2	-	2	-
96120	Liability Insurance	2,998	36	-	5	-
96130	Workmen's compensation	2,646	112	-	3	507
96100	Total Insurance Premiums	8,752	149	-	11	507

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	14.195 Section 8 - Special Allocation	14.218 Community Development Block Grants/Entitlement Grants	14.251 Other Federal Programs	14.856 Section 8 - Moderate Rehabilitation	14.870 Resident Opportunity and Supportive Services - Service Coordinators
96200	Other General Expenses	119	-	-	-	-
96210	Compensated absences	16,491	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-
96800	Severance expense	277	-	-	10	-
96000	Total Other General Expenses	16,887	-	-	10	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-
96720	Interest on notes payable (short and long term)	0	-	-	-	-
96700	Total interest expense and amortization cost	0	-	-	-	-
96900	Total Operating Expenses	364,486	470,512	-	5,332	225,497
97000	Excess Operating Revenue over Operating Expenses	271,471	(6,605)	-	95,762	-
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	82,810	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	28,473	-	-	-	-
90000	Total Expenses	392,959	470,512	-	88,142	225,497
10010	Operating transfers in	202	-	-	-	-
10020	Operating transfers out	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-
10100	Total Other Financing Sources	202	-	-	-	-
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ 243,199	$ (6,605)	$ -	$ 12,952	$ (0)
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning of year equity	782,993	145,647	-	128,871	(101,992)
11040	Prior period adjustments, equity transfers	19,410	(156,871)	-	180	126,669
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	492	-	-	180	-
11210	Number of unit months leased	487	-	-	160	-
11270	Excess cash	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	14.871 Section 8 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.881 Moving-To-Work Demonstration Program	14.896 Family Self Sufficiency Program	State/Local Programs
70300	Net tenant rental revenue	$ -	$ -	$ -	$ -	$ -
70400	Tenant revenue - other	17,881	3,407	148,372	-	-
70500	Total tenant revenue	17,881	3,407	148,372	-	-
70600	HUD PHA Operating Grants	15,023,400	5,463,831		333,607	-
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	-	183,003	-	4,027,572
71100	Investment Income - unrestricted	-	-	361,792	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	42,545,239	0	2,410,451	-	5,772
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-
72000	Investment income - restricted	-	-	1,047,035	-	-
70000	Total Revenue	57,586,519	5,467,238	4,150,653	333,607	4,033,344
91100	Administrative salaries	397,698	176,119	5,144,224	2,930	493,965
91200	Auditing fees	-	836	28,663	-	1,222
91300	Management fees	177,096	59,892	1,760,548	-	-
91310	Book-keeping Fee	94,642	34,140	1,053,458	-	-
91400	Advertising and Marketing	6	2	453	-	2,228
91500	Employee benefit contributions - administrative	139,683	56,509	1,798,451	-	150,466
91600	Office Expenses	30,686	12,245	384,264	-	13,169
91700	Legal expense	118	49	18,464	-	40
91800	Travel	3,072	1,267	115,321	-	10,274
91900	Other	110,612	61,965	938,639	523	58,175
91000	Total Operating - Administrative	953,612	403,024	11,242,484	3,453	729,537
92000	Asset Management Fee	-	-	-	-	-
92100	Tenant services - salaries	-	-	2,075,170	196,148	24,876
92200	Relocation costs	-	-	161,060	-	-
92300	Employee benefits	-	-	702,934	87,740	-
92400	Tenant services - other	159	66	3,619,413	-	459,218
92500	Total Tenant Services	159	66	6,558,577	283,889	484,094
93100	Water	274	113	3,075	-	433
93200	Electricity	1,523	631	17,196	-	2,018
93300	Gas	-	-	-	-	-
93400	Fuel	-	-	-	-	-
93600	Sewer	127	52	1,428	-	189
93800	Other utilities expense	328	135	3,690	-	438
93000	Total Utilities	2,252	932	25,390	-	3,078
94100	Ordinary maintenance and operations - labor	-	-	-	-	-
94200	Ordinary maintenance and operations - material and other	596	246	29,255	-	3,392,233
94300	Ordinary maintenance and operations - contracts	5,886	2,428	66,124	-	8,371
94500	Employee benefit contributions - ordinary maintenance	-	981	49,470	-	1,747
94000	Total Maintenance	6,481	3,654	144,849	-	3,402,351
95200	Other contract costs	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-
96110	Property Insurance	302	125	3,395	-	262
96120	Liability Insurance	5,666	2,337	66,554	-	5,773
96130	Workmen's compensation	1,514	624	26,989	896	1,918
96100	Total Insurance Premiums	7,482	3,086	96,938	896	7,952

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	14.871 Section 8 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.881 Moving-To-Work Demonstration Program	14.896 Family Self Sufficiency Program	State/Local Programs
96200	Other General Expenses	-	-	142,837	-	-
96210	Compensated absences	-	-	777,524	45,369	102,380
96300	Payments in lieu of taxes	-	-	-	-	-
96800	Severance expense	1,477	609	18,679	-	-
96000	Total Other General Expenses	1,477	609	939,039	45,369	102,380
96710	Interest on mortgage (or bonds) payable	-	-	(0)	-	-
96720	Interest on notes payable (short and long term)	-	-	0	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-
96900	Total Operating Expenses	971,464	411,371	19,007,276	333,607	4,729,392
97000	Excess Operating Revenue over Operating Expenses	56,615,055	5,055,867	(14,856,623)	-	(696,048)
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	14,071,797	5,006,891	112,224,195	-	-
97350	HAP Portability-In	42,545,239	-	3,262,050	-	-
97400	Depreciation expense	-	-	-	-	-
90000	Total Expenses	57,588,500	5,418,262	134,493,521	333,607	4,729,392
10010	Operating transfers in	-	-	155,539,299	-	41,034
10020	Operating transfers out	-	-	(33,556,907)	-	(192,421)
10080	Special items, net gain/loss	-	-	-	-	-
10100	Total Other Financing Sources	-	-	121,982,393	-	(151,387)
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ (1,981)	$ 48,976	$ (8,360,475)	$ -	$ (847,435)
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning of year equity	(335,857)	(153,827)	37,628,968	(166,241)	111,157
11040	Prior period adjustments, equity transfers	1,922,520	414,278	(27,440,130)	166,241	69,285
11170	Administrative Fee Equity	(0)	-	-	-	-
11180	Housing Assistance Fee Equity	1,584,682	-	-	-	-
11190	Unit Months Available	15,512	5,784	99,036	-	-
11210	Number of unit months leased	12,619	5,205	104,825	-	-
11270	Excess cash	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Business Activities	81.042 Weatherization Assistance for Low Income Persons	93.568 Low Income Home Energy Assistance	COMPONENT UNITS - BLENDED	COCC
70300	Net tenant rental revenue	$ 91,003,233	$ -	$ -	$ 3,998,819	$ -
70400	Tenant revenue - other	2,813,745	-	-	149,356	-
70500	Total tenant revenue	93,816,978	-	-	4,148,175	-
70600	HUD PHA Operating Grants	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	-	4,714,568
70720	Asset Management Fee	-	-	-	-	192,550
70730	Book-keeping Fee	-	-	-	-	1,415,403
70750	Other Fees	2,813,286	-	-	-	1,416,388
70700	Total Fee Revenue	-	-	-	-	7,738,909
70800	Other Government Grants	9,303,999	955,108	2,336,813	-	-
71100	Investment Income - unrestricted	3,834,791	-	-	-	52,160
71300	Proceeds from disposition of assets held for sale	2,273,526	-	-	-	-
71310	Cost of Sale of Assets	(1,147,299)	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	6,364,322	-	-	3,882,476	3,845,729
71600	Gain (loss) on the sale of capital assets	6,618,745	-	-	-	32,500
72000	Investment income - restricted	9,441,005	-	-	477	-
70000	Total Revenue	133,319,352	955,108	2,336,813	8,031,128	11,669,298
91100	Administrative salaries	10,055,639	130,181	297,652	143,965	3,170,278
91200	Auditing fees	37,371	348	804	1,100	16,147
91300	Management fees	2,531,271	-	-	133,379	-
91310	Book-keeping Fee	72,792	-	-	-	-
91400	Advertising and Marketing	296,119	635	1,465	12,183	25,913
91500	Employee benefit contributions - administrative	3,630,656	46,468	106,446	102,710	767,899
91600	Office Expenses	775,575	2,565	7,373	96,636	544,483
91700	Legal expense	501,408	11	26	2,750	28,201
91800	Travel	88,084	2,982	377	315	411,705
91900	Other	8,860,824	8,449	49,990	42,636	941,790
91000	Total Operating - Administrative	26,849,740	191,639	464,131	535,674	5,906,416
92000	Asset Management Fee	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-
92200	Relocation costs	57,852	-	-	-	-
92300	Employee benefits	-	-	-	-	-
92400	Tenant services - other	142,694	3	7	-	352
92500	Total Tenant Services	200,546	3	7	-	352
93100	Water	2,465,845	123	285	4,912	5,048
93200	Electricity	875,271	575	1,327	128,653	36,303
93300	Gas	82,142	-	-	944	2,523
93400	Fuel	4,788	-	-	-	-
93600	Sewer	3,742,891	54	124	22,941	2,290
93800	Other utilities expense	2,913,430	125	288	106,157	11,166
93000	Total Utilities	10,084,367	877	2,023	263,607	57,331
94100	Ordinary maintenance and operations - labor	4,544,021	-	-	142,481	1,630,674
94200	Ordinary maintenance and operations - material and other	5,354,715	761,043	1,925,056	410,094	52,013
94300	Ordinary maintenance and operations - contracts	4,433,668	2,385	5,503	-	70,445
94500	Employee benefit contributions - ordinary maintenance	656,082	-	-	-	1,025,504
94000	Total Maintenance	14,988,486	763,429	1,930,559	552,575	2,778,636
95200	Other contract costs	229,256	-	-	-	-
95000	Total Protective Services	229,256	-	-	-	-
96110	Property Insurance	648,983	75	172	78,047	7,105
96120	Liability Insurance	424,569	1,645	3,795	-	179,490
96130	Workmen's compensation	295,342	381	870	-	87,564
96100	Total Insurance Premiums	1,368,894	2,101	4,837	78,047	274,159

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Business Activities	81.042 Weatherization Assistance for Low Income Persons	93.568 Low Income Home Energy Assistance	COMPONENT UNITS - BLENDED	COCC
96200	Other General Expenses	11,874,619	-	-	75,388	-
96210	Compensated absences	669,750	-	-	-	842,988
96300	Payments in lieu of taxes	422,664	-	-	-	-
96800	Severance expense	23,076	-	-	-	33,859
96000	Total Other General Expenses	12,990,110	-	-	75,388	876,847
96710	Interest on mortgage (or bonds) payable	11,982,567	-	-	942,724	-
96720	Interest on notes payable (short and long term)	9,735,161	-	-	889,501	22,999
96700	Total interest expense and amortization cost	21,717,728	-	-	1,832,225	22,999
96900	Total Operating Expenses	88,429,126	958,049	2,401,558	3,337,516	9,916,740
97000	Excess Operating Revenue over Operating Expenses	44,890,226	(2,941)	(64,745)	4,693,612	1,752,559
97200	Casualty losses - non-capitalized	291,322	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	14,080,443	-	-	2,647,828	961,344
90000	Total Expenses	102,800,891	958,049	2,401,558	5,985,344	10,878,084
10010	Operating transfers in	66,902,410	-	318,800	-	-
10020	Operating transfers out	(55,612,662)	(28,711)	-	-	(172,016)
10080	Special items, net gain/loss	(60,523,298)	-	-	-	-
10100	Total Other Financing Sources	(49,233,550)	(28,711)	318,800	-	(172,016)
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ (18,715,089)	$ (31,652)	$ 254,054	$ 2,045,784	$ 619,198
11020	Required annual debt principal payments	12,841,150	-	-	-	-
11030	Beginning of year equity	422,799,632	119,876	24,307	25,486,999	8,825,428
11040	Prior period adjustments, equity transfers	(2,282,313)	279	-	-	244,356
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	82,106	-	-	9,564	-
11210	Number of unit months leased	81,285	-	-	9,468	-
11270	Excess cash	-	-	-	-	-
11620	Building Purchases		-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Other Projects	Ballinger Homes WA002000101	Park Royal Apartments WA002000105	Paramount House II WA002000150	The Lake House WA002000152
70300	Net tenant rental revenue	$ -	$ 655,301	$ 58,625	$ 88,103	$ 344,422
70400	Tenant revenue - other	-	14,656	4,582	4,386	10,164
70500	Total tenant revenue	-	669,957	63,207	92,489	354,587
70600	HUD PHA Operating Grants	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-
71100	Investment Income - unrestricted	-	20,716	2,294	3,728	21,152
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	-	62,266	67	39,702	1,131
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	Total Revenue	-	752,939	65,568	135,919	376,869
91100	Administrative salaries	-	104,268	14,931	23,757	89,164
91200	Auditing fees	-	2,983	490	3,803	2,977
91300	Management fees	-	192,334	23,562	40,414	191,874
91310	Book-keeping Fee	-	11,648	1,973	3,473	12,360
91400	Advertising and Marketing	-	-	-	-	-
91500	Employee benefit contributions - administrative	-	38,288	7,444	8,573	36,447
91600	Office Expenses	-	10,194	636	555	6,678
91700	Legal expense	-	6,923	1,473	10,452	2,921
91800	Travel	-	3,295	455	556	1,577
91900	Other	-	39,414	2,172	5,243	23,534
91000	Total Operating - Administrative	-	409,347	53,136	96,825	367,533
92000	Asset Management Fee	-	15,530	2,630	-	16,480
92100	Tenant services - salaries	-	-	-	-	-
92200	Relocation costs	-	443	31	225	870
92300	Employee benefits	-	-	-	-	-
92400	Tenant services - other	-	206	34	60	488
92500	Total Tenant Services	-	648	65	285	1,358
93100	Water	-	64,840	5,034	8,599	19,115
93200	Electricity	-	10,598	1,567	3,830	38,976
93300	Gas	-	-	-	1,931	-
93400	Fuel	-	-	-	-	-
93600	Sewer	-	64,351	8,528	15,066	49,948
93800	Other utilities expense	-	95,849	7,202	13,584	28,433
93000	Total Utilities	-	235,638	22,331	43,010	136,472
94100	Ordinary maintenance and operations - labor	-	122,888	17,843	21,740	82,535
94200	Ordinary maintenance and operations - material and other	-	77,630	6,004	42,296	56,742
94300	Ordinary maintenance and operations - contracts	-	191,776	9,637	37,574	76,392
94500	Employee benefit contributions - ordinary maintenance	-	46,288	8,457	9,791	39,894
94000	Total Maintenance	-	438,582	41,941	111,400	255,564
95200	Other contract costs	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-
96110	Property Insurance	-	16,076	1,925	4,544	8,264
96120	Liability Insurance	-	9,828	1,474	2,901	9,392
96130	Workmen's compensation	-	6,584	964	1,188	4,414
96100	Total Insurance Premiums	-	32,487	4,362	8,633	22,071

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Other Projects	Ballinger Homes WA002000101	Park Royal Apartments WA002000105	Paramount House II WA002000150	The Lake House WA002000152
96200	Other General Expenses	-	-	-	-	-
96210	Compensated absences	-	20,404	2,282	4,642	15,835
96300	Payments in lieu of taxes	-	25,317	-	-	20,486
96800	Severance expense	-	1	0	1	1,113
96000	Total Other General Expenses	-	45,722	2,282	4,642	37,434
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-
96900	Total Operating Expenses	-	1,177,954	126,747	264,795	836,912
97000	Excess Operating Revenue over Operating Expenses	-	(425,015)	(61,179)	(128,876)	(460,043)
97200	Casualty losses - non-capitalized		89,259	-	26,388	-
97300	Housing assistance payments	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	-	423,047	56,999	13,550	342,992
90000	Total Expenses	-	1,690,260	183,746	304,734	1,179,904
10010	Operating transfers in	-	1,326,109	100,883	905,821	1,484,433
10020	Operating transfers out	-	-	(26,200)	-	(112,856)
10080	Special items, net gain/loss	-	-	-	9,576,352	-
10100	Total Other Financing Sources	-	1,326,109	74,682	10,482,173	1,371,577
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ -	$ 388,788	$ (43,496)	$ 10,313,358	$ 568,542
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning of year equity	-	9,598,781	1,626,708	-	6,371,438
11040	Prior period adjustments, equity transfers	-	1,938,130	157,363	21,613	1,819,998
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	-	1,624	264	485	1,678
11210	Number of unit months leased	-	1,553	263	463	1,648
11270	Excess cash	-	446,818	43,746	113,379	238,615
11620	Building Purchases	-	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Northridge II WA002000153	Westminster WA002000156	Brookside Apartments WA002000180	Northwood Apartments WA002000191	Forest Glen WA002000201
70300	Net tenant rental revenue	$ 365,452	$ 198,640	$ -	$ 74,207	$ 109,609
70400	Tenant revenue - other	12,226	14,624	-	1,671	3,196
70500	Total tenant revenue	377,678	213,264	-	75,878	112,805
70600	HUD PHA Operating Grants	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-
71100	Investment Income - unrestricted	15,517	6,925	1,883	3,728	135
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	1,131	535	27,863	459	480
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	Total Revenue	394,327	220,725	29,746	80,065	113,420
91100	Administrative salaries	90,571	41,892	8,782	22,500	20,361
91200	Auditing fees	2,983	1,280	343	723	852
91300	Management fees	167,524	61,076	5,792	35,959	112,047
91310	Book-keeping Fee	12,338	4,845	-	3,053	2,985
91400	Advertising and Marketing	-	-	-	-	-
91500	Employee benefit contributions - administrative	34,503	16,897	3,672	13,729	12,406
91600	Office Expenses	5,641	2,315	422	1,547	1,961
91700	Legal expense	3,159	6,414	284	602	4,672
91800	Travel	1,898	268	314	673	826
91900	Other	27,112	16,247	1,818	5,760	7,863
91000	Total Operating - Administrative	345,729	151,234	21,428	84,544	163,972
92000	Asset Management Fee	16,450	6,460	-	4,070	3,980
92100	Tenant services - salaries	-	-	-	-	-
92200	Relocation costs	381	210	31	62	93
92300	Employee benefits	-	-	-	-	-
92400	Tenant services - other	212	103	21	50	59
92500	Total Tenant Services	593	313	52	112	152
93100	Water	22,125	11,864	3,582	8,750	6,181
93200	Electricity	37,095	48,204	1,645	3,764	4,428
93300	Gas	2,809	2,816	-	-	-
93400	Fuel	-	-	-	-	-
93600	Sewer	39,440	15,171	8,939	22,160	8,939
93800	Other utilities expense	33,860	36,729	5,548	9,353	18,186
93000	Total Utilities	135,329	114,785	19,715	44,027	37,734
94100	Ordinary maintenance and operations - labor	89,363	54,041	17,384	35,693	36,802
94200	Ordinary maintenance and operations - material and other	41,598	25,012	620	6,394	16,563
94300	Ordinary maintenance and operations - contracts	89,804	23,046	3,364	19,055	30,271
94500	Employee benefit contributions - ordinary maintenance	41,232	18,988	4,152	15,430	14,381
94000	Total Maintenance	261,998	121,088	25,520	76,571	98,016
95200	Other contract costs	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-
96110	Property Insurance	10,216	3,460	4,190	2,606	1,938
96120	Liability Insurance	9,432	3,930	1,309	2,514	2,657
96130	Workmen's compensation	4,936	2,078	436	1,905	2,154
96100	Total Insurance Premiums	24,584	9,467	5,934	7,025	6,749

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Northridge II WA002000153	Westminster WA002000156	Brookside Apartments WA002000180	Northwood Apartments WA002000191	Forest Glen WA002000201
96200	Other General Expenses	-	-	-	-	-
96210	Compensated absences	20,804	7,674	1,144	4,469	10,523
96300	Payments in lieu of taxes	20,370	8,373	631	823	-
96800	Severance expense	1	573	-	0	0
96000	Total Other General Expenses	41,175	16,620	1,775	5,292	10,524
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-
96900	Total Operating Expenses	825,858	419,967	74,424	221,643	321,127
97000	Excess Operating Revenue over Operating Expenses	(431,531)	(199,243)	(44,678)	(141,578)	(207,707)
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	388,354	114,109	9	59,884	220,598
90000	Total Expenses	1,214,212	534,076	74,432	281,527	541,725
10010	Operating transfers in	951,126	359,617	105,779	185,568	1,926,737
10020	Operating transfers out	-	-	(51,086)	-	(34,379)
10080	Special items, net gain/loss	-	-	-	-	-
10100	Total Other Financing Sources	951,126	359,617	54,692	185,568	1,892,358
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ 131,241	$ 46,265	$ 10,006	$ (15,894)	$ 1,464,053
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning of year equity	8,793,046	2,933,255	146,939	1,802,351	4,356,489
11040	Prior period adjustments, equity transfers	1,754,434	159,411	182,009	239,412	237,799
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	1,665	672	-	408	480
11210	Number of unit months leased	1,645	646	-	407	398
11270	Excess cash	287,448	132,649	25,521	68,727	93,059
11620	Building Purchases	2,830	-	-	30,756	950,152

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	College Place WA002000203	Kirkland Place WA002000210	Island Crest WA002000213	Houghton Court WA002000215	Casa Juanita WA002000251
70300	Net tenant rental revenue	$ 506,466	$ 28,905	$ 193,973	$ 147,299	$ 251,323
70400	Tenant revenue - other	11,413	3,714	(13,430)	3	7,021
70500	Total tenant revenue	517,879	32,619	180,544	147,302	258,345
70600	HUD PHA Operating Grants	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-
71100	Investment Income - unrestricted	22,370	1,486	3,018	1,888	7,875
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	300	26	87	-	593
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	Total Revenue	540,549	34,131	183,649	149,190	266,812
91100	Administrative salaries	80,778	6,493	21,000	7,056	31,415
91200	Auditing fees	2,150	190	637	319	1,703
91300	Management fees	212,183	41,958	31,646	28,973	114,693
91310	Book-keeping Fee	8,985	773	1,523	450	6,788
91400	Advertising and Marketing	-	-	-	-	-
91500	Employee benefit contributions - administrative	49,909	6,465	8,089	5,403	18,391
91600	Office Expenses	7,026	306	1,077	553	3,191
91700	Legal expense	2,646	952	400	264	1,816
91800	Travel	1,215	44	733	37	197
91900	Other	20,388	2,474	8,461	2,778	19,717
91000	Total Operating - Administrative	385,281	59,654	73,565	45,833	197,911
92000	Asset Management Fee	11,980	1,030	2,030	600	9,050
92100	Tenant services - salaries	-	-	-	-	-
92200	Relocation costs	513	16	47	-	117
92300	Employee benefits	-	-	-	-	-
92400	Tenant services - other	529	13	38	22	140
92500	Total Tenant Services	1,042	29	85	22	257
93100	Water	49,288	2,043	7,674	6,238	22,682
93200	Electricity	8,084	2,037	2,410	314	35,066
93300	Gas	-	-	-	-	12,576
93400	Fuel	-	-	-	-	-
93600	Sewer	66,796	3,616	10,655	10,704	49,838
93800	Other utilities expense	55,344	4,620	15,105	6,700	15,712
93000	Total Utilities	179,512	12,316	35,845	23,957	135,875
94100	Ordinary maintenance and operations - labor	153,038	19,891	25,362	18,089	71,942
94200	Ordinary maintenance and operations - material and other	125,451	37,353	15,020	10,469	100,006
94300	Ordinary maintenance and operations - contracts	57,516	26,791	21,732	24,731	45,189
94500	Employee benefit contributions - ordinary maintenance	54,146	7,262	10,207	5,897	20,435
94000	Total Maintenance	390,151	91,297	72,322	59,186	237,571
95200	Other contract costs	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-
96110	Property Insurance	9,273	862	2,416	3,077	4,288
96120	Liability Insurance	7,002	603	1,986	866	5,423
96130	Workmen's compensation	9,150	1,178	1,113	1,006	3,079
96100	Total Insurance Premiums	25,426	2,642	5,515	4,950	12,791

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	College Place WA002000203	Kirkland Place WA002000210	Island Crest WA002000213	Houghton Court WA002000215	Casa Juanita WA002000251
96200	Other General Expenses	-	-	87	-	-
96210	Compensated absences	19,720	4,301	6,299	3,005	5,429
96300	Payments in lieu of taxes	-	-	-	-	-
96800	Severance expense	79	282	116	152	764
96000	Total Other General Expenses	19,800	4,582	6,502	3,156	6,193
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-
96900	Total Operating Expenses	1,013,191	171,550	195,864	137,703	599,648
97000	Excess Operating Revenue over Operating Expenses	(472,642)	(137,418)	(12,215)	11,486	(332,836)
97200	Casualty losses - non-capitalized	50	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	355,545	17,768	138,559	74,130	131,398
90000	Total Expenses	1,368,786	189,317	334,422	211,833	731,046
10010	Operating transfers in	3,716,110	438,380	86,884	205,381	779,168
10020	Operating transfers out	(804,331)	-	(20,405)	(53,384)	-
10080	Special items, net gain/loss	-	-	-	-	-
10100	Total Other Financing Sources	2,911,779	438,380	66,479	151,997	779,168
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ 2,083,542	$ 283,194	$ (84,294)	$ 89,353	$ 314,934
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning of year equity	8,173,776	2,222,430	5,098,028	4,885,827	2,248,370
11040	Prior period adjustments, equity transfers	1,569,972	27,290	213,148	(10,899)	1,489,208
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	1,202	103	360	72	960
11210	Number of unit months leased	1,198	103	203	60	905
11270	Excess cash	335,252	58,659	72,388	51,127	232,328
11620	Building Purchases	1,903,598	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Northlake House WA002000290	Seola Crossing WA002000340	Eastbridge WA002000341	Salmon Creek WA002000343	Zephyr WA002000344
70300	Net tenant rental revenue	$ 106,230	$ -	$ -	$ -	$ -
70400	Tenant revenue - other	2,851	-	-	-	-
70500	Total tenant revenue	109,080	-	-	-	-
70600	HUD PHA Operating Grants	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-
71100	Investment Income - unrestricted	5,144	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	111	-	-	-	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	Total Revenue	114,336	-	-	-	-
91100	Administrative salaries	20,596	-	-	-	-
91200	Auditing fees	809	-	-	-	-
91300	Management fees	91,238	-	-	-	-
91310	Book-keeping Fee	3,390	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-
91500	Employee benefit contributions - administrative	11,465	-	-	-	-
91600	Office Expenses	1,358	-	-	-	-
91700	Legal expense	673	-	-	-	-
91800	Travel	752	-	-	-	-
91900	Other	5,416	-	-	-	-
91000	Total Operating - Administrative	135,697	-	-	-	-
92000	Asset Management Fee	4,520	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-
92200	Relocation costs	78	-	-	-	-
92300	Employee benefits	-	-	-	-	-
92400	Tenant services - other	56	-	-	-	-
92500	Total Tenant Services	133	-	-	-	-
93100	Water	6,308	-	-	-	-
93200	Electricity	8,014	-	-	-	-
93300	Gas	-	-	-	-	-
93400	Fuel	-	-	-	-	-
93600	Sewer	9,707	-	-	-	-
93800	Other utilities expense	7,992	-	-	-	-
93000	Total Utilities	32,022	-	-	-	-
94100	Ordinary maintenance and operations - labor	26,153	-	-	-	-
94200	Ordinary maintenance and operations - material and other	50,432	-	-	-	-
94300	Ordinary maintenance and operations - contracts	18,607	-	-	-	-
94500	Employee benefit contributions - ordinary maintenance	12,801	-	-	-	-
94000	Total Maintenance	107,994	-	-	-	-
95200	Other contract costs	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-
96110	Property Insurance	3,049	-	-	-	-
96120	Liability Insurance	2,658	-	-	-	-
96130	Workmen's compensation	1,467	-	-	-	-
96100	Total Insurance Premiums	7,174	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Northlake House WA002000290	Seola Crossing WA002000340	Eastbridge WA002000341	Salmon Creek WA002000343	Zephyr WA002000344
96200	Other General Expenses	-	-	-	-	-
96210	Compensated absences	6,022	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-
96800	Severance expense	0	-	-	-	-
96000	Total Other General Expenses	6,022	-	-	-	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-
96900	Total Operating Expenses	293,562	-	-	-	-
97000	Excess Operating Revenue over Operating Expenses	(179,227)	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	77,720	-	-	-	-
90000	Total Expenses	371,282	-	-	-	-
10010	Operating transfers in	706,590	-	-	-	-
10020	Operating transfers out	(13,488)	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-
10100	Total Other Financing Sources	693,101	-	-	-	-
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ 436,155	$ -	$ -	$ -	$ -
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning of year equity	946,307	-	-	-	-
11040	Prior period adjustments, equity transfers	270,240	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	455	-	-	-	-
11210	Number of unit months leased	452	-	-	-	-
11270	Excess cash	101,219	-	-	-	-
11620	Building Purchases	-	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Sixth Place Apartments WA002000345	Fairwind WA002000346	Boulevard Manor WA002000350	Yardley Arms WA002000352	Riverton Terrace WA002000354
70300	Net tenant rental revenue	$ -	$ -	$ 216,610	$ 283,090	$ 218,809
70400	Tenant revenue - other	-	-	6,674	9,865	7,029
70500	Total tenant revenue	-	-	223,284	292,955	225,838
70600	HUD PHA Operating Grants	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-
71100	Investment Income - unrestricted	-	-	9,951	10,525	9,082
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	-	-	207	41,665	51,336
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	Total Revenue	-	-	233,442	345,145	286,257
91100	Administrative salaries	-	-	52,268	66,503	56,944
91200	Auditing fees	-	-	1,489	3,189	3,108
91300	Management fees	-	-	85,013	115,281	151,697
91310	Book-keeping Fee	-	-	6,203	8,738	6,533
91400	Advertising and Marketing	-	-	-	-	-
91500	Employee benefit contributions - administrative	-	-	22,306	32,677	26,492
91600	Office Expenses	-	-	4,125	8,484	1,504
91700	Legal expense	-	-	9,201	9,339	4,842
91800	Travel	-	-	2,663	358	633
91900	Other	-	-	17,585	24,028	21,747
91000	Total Operating - Administrative	-	-	200,853	268,597	273,500
92000	Asset Management Fee	-	-	8,270	11,650	8,710
92100	Tenant services - salaries	-	-	-	-	-
92200	Relocation costs	-	-	225	435	241
92300	Employee benefits	-	-	-	-	-
92400	Tenant services - other	-	-	269	158	997
92500	Total Tenant Services	-	-	495	593	1,238
93100	Water	-	-	22,770	31,061	18,363
93200	Electricity	-	-	10,821	13,486	9,607
93300	Gas	-	-	-	9,067	4,361
93400	Fuel	-	-	-	-	-
93600	Sewer	-	-	45,864	99,069	48,978
93800	Other utilities expense	-	-	13,589	24,484	20,844
93000	Total Utilities	-	-	93,044	177,167	102,153
94100	Ordinary maintenance and operations - labor	-	-	59,065	91,752	73,473
94200	Ordinary maintenance and operations - material and other	-	-	45,870	33,237	44,885
94300	Ordinary maintenance and operations - contracts	-	-	55,223	103,806	72,869
94500	Employee benefit contributions - ordinary maintenance	-	-	27,044	38,675	29,158
94000	Total Maintenance	-	-	187,202	267,470	220,385
95200	Other contract costs	-	-	12,418	18,627	-
95000	Total Protective Services	-	-	12,418	18,627	-
96110	Property Insurance	-	-	4,048	8,056	7,504
96120	Liability Insurance	-	-	4,730	6,806	5,311
96130	Workmen's compensation	-	-	3,408	5,176	3,661
96100	Total Insurance Premiums	-	-	12,187	20,039	16,476

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Sixth Place Apartments WA002000345	Fairwind WA002000346	Boulevard Manor WA002000350	Yardley Arms WA002000352	Riverton Terrace WA002000354
96200	Other General Expenses	-	-	-	-	-
96210	Compensated absences	-	-	12,457	17,696	14,178
96300	Payments in lieu of taxes	-	-	-	-	-
96800	Severance expense	-	-	1	1	162
96000	Total Other General Expenses	-	-	12,458	17,697	14,341
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-
96900	Total Operating Expenses	-	-	526,925	781,840	636,803
97000	Excess Operating Revenue over Operating Expenses	-	-	(293,483)	(436,696)	(350,546)
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	-	-	225,695	281,768	268,432
90000	Total Expenses	-	-	752,620	1,063,608	905,235
10010	Operating transfers in	-	-	518,932	924,177	1,826,026
10020	Operating transfers out	-	-	(518)	-	-
10080	Special items, net gain/loss	-	-	-	8,562,787	10,434,478
10100	Total Other Financing Sources	-	-	518,413	9,486,964	12,260,504
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ -	$ -	$ (765)	$ 8,768,500	$ 11,641,526
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning of year equity	-	-	4,253,734	3,125,850	2,827,342
11040	Prior period adjustments, equity transfers	-	-	700,921	817,796	2,062,456
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	-	-	832	1,205	891
11210	Number of unit months leased	-	-	827	1,165	871
11270	Excess cash	-	-	174,487	249,966	243,209
11620	Building Purchases	-	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Nia WA002000355	Burien Park Apartments WA002000390	Valli Kee Homes WA002000401	Springwood Apartments WA002000402	Cascade Apartments WA002000403
70300	Net tenant rental revenue	$ -	$ 289,387	$ 568,803	$ -	$ 575,517
70400	Tenant revenue - other	-	6,085.86	(8,256)	-	21,511
70500	Total tenant revenue	-	295,473	560,547	-	597,028
70600	HUD PHA Operating Grants	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-
71100	Investment Income - unrestricted	-	10,784	20,553	-	16,989
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	-	300	766	-	5,663
71600	Gain (loss) on the sale of capital assets	-	-	900	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	Total Revenue	-	306,557	582,766	-	619,680
91100	Administrative salaries	-	84,726	86,356	-	129,901
91200	Auditing fees	-	2,175	2,432	-	2,303
91300	Management fees	-	111,037	123,291	-	135,413
91310	Book-keeping Fee	-	8,685	10,028	-	9,120
91400	Advertising and Marketing	-	-	-	-	-
91500	Employee benefit contributions - administrative	-	32,959	44,934	-	46,491
91600	Office Expenses	-	4,795	4,883	-	5,812
91700	Legal expense	-	6,617	3,955	-	7,523
91800	Travel	-	699	1,610	-	2,145
91900	Other	-	26,708	31,781	-	26,416
91000	Total Operating - Administrative	-	278,400	309,271	-	365,123
92000	Asset Management Fee	-	11,580	13,370	-	12,160
92100	Tenant services - salaries	-	-	-	-	58
92200	Relocation costs	-	404	373	-	583
92300	Employee benefits	-	-	-	-	-
92400	Tenant services - other	-	176	339	-	171
92500	Total Tenant Services	-	580	712	-	811
93100	Water	-	26,928	43,952	-	28,596
93200	Electricity	-	15,742	10,294	-	13,028
93300	Gas	-	4,229	25,598	-	-
93400	Fuel	-	-	-	-	-
93600	Sewer	-	119,732	77,829	-	84,110
93800	Other utilities expense	-	18,634	80,833	-	49,380
93000	Total Utilities	-	185,265	238,506	-	175,114
94100	Ordinary maintenance and operations - labor	-	86,129	130,214	-	116,816
94200	Ordinary maintenance and operations - material and other	-	49,371	71,075	-	49,547
94300	Ordinary maintenance and operations - contracts	-	45,764	110,469	-	128,156
94500	Employee benefit contributions - ordinary maintenance	-	39,680	53,585	-	56,206
94000	Total Maintenance	-	220,944	365,343	-	350,725
95200	Other contract costs	-	12,418	-	-	-
95000	Total Protective Services	-	12,418	-	-	-
96110	Property Insurance	-	7,148	14,839	-	10,121
96120	Liability Insurance	-	6,991	8,286	-	7,682
96130	Workmen's compensation	-	3,777	7,771	-	7,060
96100	Total Insurance Premiums	-	17,917	30,896	-	24,863

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Nia WA002000355	Burien Park Apartments WA002000390	Valli Kee Homes WA002000401	Springwood Apartments WA002000402	Cascade Apartments WA002000403
96200	Other General Expenses	-	-	-	-	-
96210	Compensated absences	-	20,648	27,357	-	35,400
96300	Payments in lieu of taxes	-	-	26,212	-	27,198
96800	Severance expense	-	817	2,383	-	1
96000	Total Other General Expenses	-	21,464	55,952	-	62,599
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-
96900	Total Operating Expenses	-	748,567	1,014,051	-	991,397
97000	Excess Operating Revenue over Operating Expenses	-	(442,010)	(431,285)	-	(371,717)
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	-	260,623	733,202	-	426,883
90000	Total Expenses	-	1,009,190	1,747,253	-	1,418,280
10010	Operating transfers in	-	751,521	845,511	-	1,002,132
10020	Operating transfers out	-	-	(160,962)	-	-
10080	Special items, net gain/loss	-	-	-	-	-
10100	Total Other Financing Sources	-	751,521	684,548	-	1,002,132
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ -	$ 48,889	$ (479,939)	$ -	$ 203,532
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning of year equity	-	4,387,068	17,028,125	-	10,933,905
11040	Prior period adjustments, equity transfers	-	351,526	3,114,695	-	1,822,481
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	-	1,218	1,376	-	1,273
11210	Number of unit months leased	-	1,158	1,337	-	1,216
11270	Excess cash	-	231,192	378,605	-	329,260
11620	Building Purchases	-	-	103,167	-	5,475

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Shelcor WA002000409	Mardis Gras II WA002000450	Vantage Point WA002000452	Northwood Square WA002000467	Firwood Circle WA002000503
70300	Net tenant rental revenue	$ 37,847	$ 93,867	$ -	$ 222,292	$ 373,004
70400	Tenant revenue - other	2,328	2,819	-	5,661	3,522
70500	Total tenant revenue	40,175	96,685	-	227,953	376,526
70600	HUD PHA Operating Grants	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-
71100	Investment Income - unrestricted	1,422	1,317	-	5,551	14,410
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	23	47,230	-	70	152
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	Total Revenue	41,620	145,232	-	233,574	391,087
91100	Administrative salaries	4,743	19,539	-	14,140	46,861
91200	Auditing fees	171	3,065	-	509	1,066
91300	Management fees	8,558	29,475	-	148,460	59,776
91310	Book-keeping Fee	720	3,045	-	900	4,373
91400	Advertising and Marketing	-	-	-	-	-
91500	Employee benefit contributions - administrative	2,029	10,459	-	4,997	30,042
91600	Office Expenses	195	966	-	2,841	3,299
91700	Legal expense	108	2,116	-	7,719	1,427
91800	Travel	9	142	-	28	706
91900	Other	582	8,738	-	3,759	17,825
91000	Total Operating - Administrative	17,116	77,544	-	183,353	165,375
92000	Asset Management Fee	960	-	-	-	5,830
92100	Tenant services - salaries	-	-	-	-	-
92200	Relocation costs	31	54	-	8	318
92300	Employee benefits	-	-	-	-	-
92400	Tenant services - other	12	62	-	35	73
92500	Total Tenant Services	43	117	-	43	392
93100	Water	1,371	7,100	-	5,727	17,325
93200	Electricity	454	4,378	-	1,913	9,628
93300	Gas	-	2,025	-	-	12,525
93400	Fuel	-	-	-	-	-
93600	Sewer	2,443	9,275	-	12,029	34,231
93800	Other utilities expense	4,952	11,000	-	15,464	30,155
93000	Total Utilities	9,220	33,778	-	35,133	103,864
94100	Ordinary maintenance and operations - labor	11,045	36,614	-	14,020	113,335
94200	Ordinary maintenance and operations - material and other	7,088	22,373	-	67,897	58,108
94300	Ordinary maintenance and operations - contracts	18,117	20,660	-	22,205	40,238
94500	Employee benefit contributions - ordinary maintenance	2,667	12,961	-	6,220	35,183
94000	Total Maintenance	38,917	92,608	-	110,342	246,864
95200	Other contract costs	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-
96110	Property Insurance	666	3,972	-	1,506	4,712
96120	Liability Insurance	565	2,540	-	1,383	3,566
96130	Workmen's compensation	486	1,903	-	1,279	7,178
96100	Total Insurance Premiums	1,717	8,415	-	4,168	15,456

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Shelcor WA002000409	Mardis Gras II WA002000450	Vantage Point WA002000452	Northwood Square WA002000467	Firwood Circle WA002000503
96200	Other General Expenses	-	-	-	-	-
96210	Compensated absences	1,055	6,301	-	10,460	25,477
96300	Payments in lieu of taxes	2,077	-	-	-	-
96800	Severance expense	0	1	-	0	0
96000	Total Other General Expenses	3,132	6,301	-	10,460	25,477
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-
96900	Total Operating Expenses	71,105	218,762	-	343,499	563,258
97000	Excess Operating Revenue over Operating Expenses	(29,484)	(73,530)	-	(109,925)	(172,171)
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	28,014	103,678	-	73,663	356,419
90000	Total Expenses	99,119	322,440	-	417,162	919,677
10010	Operating transfers in	49,918	355,161	-	3,219,528	505,223
10020	Operating transfers out	(7,460)	-	-	(1,965,340)	(214,106)
10080	Special items, net gain/loss	-	7,723,622	-	-	-
10100	Total Other Financing Sources	42,458	8,078,783	-	1,254,188	291,117
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ (15,041)	$ 7,901,574	$ -	$ 1,070,599	$ (237,472)
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning of year equity	740,023	-	-	-	6,712,854
11040	Prior period adjustments, equity transfers	(4,490)	688,422	-	2,483,012	1,227,954
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	96	427	-	120	597
11210	Number of unit months leased	96	406	-	120	583
11270	Excess cash	23,012	109,215	-	78,078	180,318
11620	Building Purchases	-	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Burndale Homes WA002000504	Wayland Arms WA002000550	Plaza Seventeen II WA002000551	Southridge House WA002000552	Casa Madrona II WA002000553
70300	Net tenant rental revenue	$ 265,821	$ 237,007	$ 122,198	$ 192,063	$ 123,630
70400	Tenant revenue - other	3,695	5,282	2,947	4,439	3,986
70500	Total tenant revenue	269,516	242,289	125,145	196,503	127,616
70600	HUD PHA Operating Grants	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-
71100	Investment Income - unrestricted	10,808	11,239	5,463	14,876	1,984
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	1,372	27,346	47,625	233	106,809
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	Total Revenue	281,696	280,873	178,233	211,612	236,408
91100	Administrative salaries	46,816	52,704	20,200	55,780	31,735
91200	Auditing fees	1,066	2,755	1,988	1,703	5,864
91300	Management fees	55,520	142,429	38,164	118,679	36,646
91310	Book-keeping Fee	4,485	7,320	3,555	7,103	3,638
91400	Advertising and Marketing	-	-	-	-	512
91500	Employee benefit contributions - administrative	19,417	17,276	10,151	24,820	12,108
91600	Office Expenses	2,971	2,872	715	2,462	1,363
91700	Legal expense	2,141	2,523	2,232	1,093	7,370
91800	Travel	1,617	376	82	1,303	2,016
91900	Other	17,233	23,878	10,715	20,655	10,766
91000	Total Operating - Administrative	151,266	252,132	87,803	233,599	112,017
92000	Asset Management Fee	5,980	9,760	-	9,470	-
92100	Tenant services - salaries	-	-	-	-	-
92200	Relocation costs	287	295	357	684	101
92300	Employee benefits	-	-	-	-	-
92400	Tenant services - other	127	143	61	118	88
92500	Total Tenant Services	414	438	419	801	189
93100	Water	19,103	10,763	5,290	10,678	4,043
93200	Electricity	11,631	12,790	16,124	24,171	5,407
93300	Gas	17,217	13,152	7,556	7,820	9,538
93400	Fuel	-	-	-	-	-
93600	Sewer	37,354	22,208	10,871	16,292	24,018
93800	Other utilities expense	31,395	17,149	7,210	11,663	7,811
93000	Total Utilities	116,700	76,062	47,052	70,624	50,817
94100	Ordinary maintenance and operations - labor	70,691	51,863	23,400	73,230	24,260
94200	Ordinary maintenance and operations - material and other	24,904	71,113	14,813	43,244	45,990
94300	Ordinary maintenance and operations - contracts	26,180	47,642	34,319	50,560	33,951
94500	Employee benefit contributions - ordinary maintenance	23,904	20,786	11,021	28,018	13,702
94000	Total Maintenance	145,679	191,404	83,552	195,052	117,903
95200	Other contract costs	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-
96110	Property Insurance	5,359	7,168	4,652	5,007	4,432
96120	Liability Insurance	3,800	6,220	2,771	5,298	2,893
96130	Workmen's compensation	4,143	3,004	1,280	3,392	1,334
96100	Total Insurance Premiums	13,302	16,392	8,703	13,697	8,658

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	Burndale Homes WA002000504	Wayland Arms WA002000550	Plaza Seventeen II WA002000551	Southridge House WA002000552	Casa Madrona II WA002000553
96200	Other General Expenses	-	-	-	-	-
96210	Compensated absences	8,114	13,761	9,084	7,943	5,826
96300	Payments in lieu of taxes	-	-	-	-	-
96800	Severance expense	0	1	1	10,317	13,565
96000	Total Other General Expenses	8,114	13,762	9,084	18,260	19,391
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-
96900	Total Operating Expenses	441,455	559,949	236,612	541,503	308,975
97000	Excess Operating Revenue over Operating Expenses	(159,760)	(279,075)	(58,379)	(329,891)	(72,566)
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	300,622	209,909	136,375	251,521	133,620
90000	Total Expenses	742,077	769,857	372,988	793,024	442,595
10010	Operating transfers in	366,322	955,593	390,276	1,014,380	450,426
10020	Operating transfers out	(46,851)	(34,949)	-	(45,131)	-
10080	Special items, net gain/loss	-	4,824,787	9,830,281	-	9,570,991
10100	Total Other Financing Sources	319,471	5,745,431	10,220,557	969,249	10,021,417
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ (140,910)	$ 5,256,447	$ 10,025,803	$ 387,837	$ 9,815,231
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning of year equity	6,136,076	2,989,819	-	4,348,762	-
11040	Prior period adjustments, equity transfers	1,113,201	542,691	187,088	1,538,625	1,137,391
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	600	1,045	489	960	489
11210	Number of unit months leased	598	976	474	947	485
11270	Excess cash	147,760	176,210	210,611	140,337	134,001
11620	Building Purchases	-	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	SUBTOTAL	Elimination	TOTAL AUTHORITY	COMPONENT UNITS - DISCRETELY PRESENTED
70300	Net tenant rental revenue	$ 102,197,339	$ -	$ 102,197,339	$ 19,002,263
70400	Tenant revenue - other	3,294,807	-	3,294,807	189,215
70500	Total tenant revenue	105,492,146	-	105,492,146	19,191,478
70600	HUD PHA Operating Grants	174,058,843	-	174,058,843	-
70610	Capital Grants	3,014,998	-	3,014,998	-
70710	Management Fee	4,714,568	(4,714,568)	-	-
70720	Asset Management Fee	192,550	(192,550)	-	-
70730	Book-keeping Fee	1,415,403	(1,415,403)	-	-
70750	Other Fees	4,229,674	(105,785)	4,123,889	-
70700	Total Fee Revenue	7,738,909	(6,428,306)	1,310,603	-
70800	Other Government Grants	17,874,290	-	17,874,290	-
71100	Investment Income - unrestricted	4,506,107	-	4,506,107	55
71300	Proceeds from disposition of assets held for sale	2,273,526	-	2,273,526	-
71310	Cost of Sale of Assets	(1,147,299)	-	(1,147,299)	-
71400	Fraud Recovery	-	-	-	-
71500	Other Revenue	59,519,660	(7,347,543)	52,172,117	1,165,261
71600	Gain (loss) on the sale of capital assets	6,652,146	-	6,652,146	-
72000	Investment income - restricted	10,488,516	(1,832,225)	8,656,291	-
70000	Total Revenue	393,285,128	(15,608,073)	377,677,055	20,356,794
91100	Administrative salaries	21,440,103	-	21,440,103	1,215,792
91200	Auditing fees	141,659	-	141,659	61,192
91300	Management fees	7,416,707	(4,714,568)	2,702,139	1,007,819
91310	Book-keeping Fee	1,415,403	(1,415,403)	-	-
91400	Advertising and Marketing	339,530	-	339,530	5,916
91500	Employee benefit contributions - administrative	7,439,357	-	7,439,357	336,229
91600	Office Expenses	1,990,031	-	1,990,031	220,916
91700	Legal expense	665,547	-	665,547	33,833
91800	Travel	666,330	-	666,330	3,195
91900	Other	11,594,858	(3,570,852)	8,024,006	183,732
91000	Total Operating - Administrative	53,109,526	(9,700,822)	43,408,703	3,068,624
92000	Asset Management Fee	192,550	(192,550)	-	-
92100	Tenant services - salaries	2,424,710	-	2,424,710	52
92200	Relocation costs	226,423	-	226,423	-
92300	Employee benefits	838,355	-	838,355	-
92400	Tenant services - other	4,236,973	-	4,236,973	580
92500	Total Tenant Services	7,726,461	-	7,726,461	632
93100	Water	2,984,471	-	2,984,471	716,028
93200	Electricity	1,431,571	-	1,431,571	181,853
93300	Gas	218,829	-	218,829	16,012
93400	Fuel	4,788	-	4,788	-
93600	Sewer	4,813,573	-	4,813,573	1,045,330
93800	Other utilities expense	3,757,293	-	3,757,293	595,215
93000	Total Utilities	13,210,526	-	13,210,526	2,554,438
94100	Ordinary maintenance and operations - labor	8,137,518	-	8,137,518	1,047,222
94200	Ordinary maintenance and operations - material and other	13,625,720	-	13,625,720	261,179
94300	Ordinary maintenance and operations - contracts	6,109,263	-	6,109,263	1,065,494
94500	Employee benefit contributions - ordinary maintenance	2,465,497	-	2,465,497	228,514
94000	Total Maintenance	30,337,998	-	30,337,998	2,602,409
95200	Other contract costs	272,719	-	272,719	5,664
95000	Total Protective Services	272,719	-	272,719	5,664
96110	Property Insurance	906,951	-	906,951	286,871
96120	Liability Insurance	823,686	-	823,686	27,847
96130	Workmen's compensation	515,871	-	515,871	33,504
96100	Total Insurance Premiums	2,246,508	-	2,246,508	348,222

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2019

Line Item #	Accout Description	SUBTOTAL	Elimination	TOTAL AUTHORITY	COMPONENT UNITS - DISCRETELY PRESENTED
96200	Other General Expenses	12,093,051	(3,882,476)	8,210,575	339,901
96210	Compensated absences	2,802,809	-	2,802,809	-
96300	Payments in lieu of taxes	554,152	-	554,152	21,940
96800	Severance expense	108,319	-	108,319	1,119
96000	Total Other General Expenses	15,558,332	(3,882,476)	11,675,856	362,960
96710	Interest on mortgage (or bonds) payable	12,925,291	(942,724)	11,982,567	2,763,467
96720	Interest on notes payable (short and long term)	10,647,661	(889,501)	9,758,160	4,897,791
96700	Total interest expense and amortization cost	23,572,952	(1,832,225)	21,740,727	7,661,258
96900	Total Operating Expenses	146,227,571	(15,608,073)	130,619,497	16,604,207
97000	Excess Operating Revenue over Operating Expenses	247,057,557	-	247,057,557	3,752,587
97200	Casualty losses - non-capitalized	407,019	-	407,019	48,458
97300	Housing assistance payments	131,385,693	-	131,385,693	-
97350	HAP Portability-In	45,807,289	-	45,807,289	-
97400	Depreciation expense	23,923,175	-	23,923,175	12,721,183
90000	Total Expenses	347,750,746	(15,608,073)	332,142,672	29,373,848
10010	Operating transfers in	249,255,458	(249,255,458)	-	-
10020	Operating transfers out	(249,255,458)	249,255,458	-	-
10080	Special items, net gain/loss	-	-	-	-
10100	Total Other Financing Sources	-	-	-	-
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ 45,534,383	$ -	$ 45,534,383	$ (9,017,054)
11020	Required annual debt principal payments	12,880,630	-	12,880,630	3,477,636
11030	Beginning of year equity	617,078,860	-	617,078,860	94,920,387
11040	Prior period adjustments, equity transfers	936,796	-	936,796	682,312
11170	Administrative Fee Equity	(0)	-	(0)	-
11180	Housing Assistance Fee Equity	1,584,682	-	1,584,682	-
11190	Unit Months Available	234,720	-	234,720	19,689
11210	Number of unit months leased	235,252	-	235,252	17,594
11270	Excess cash	5,107,194	-	5,107,194	-
11620	Building Purchases	2,995,978		2,995,978	-

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 03/31/2020)

Capital Fund Program (CFP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C.20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Public Housing Authority (PHA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

PHA Name:	Modernization Project Number:
King County Housing Authority	~~WA01P002501-15~~ WA19P002501-15

The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Funds Approved	$ 3,795,767.00
B. Funds Disbursed	$ 3,795,767.00
C. Funds Expended (Actual Modernization Cost)	$ 3,795,767.00
D. Amount to be Recaptured (A–C)	$
E. Excess of Funds Disbursed (B-C)	$

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work;
5. That the time in which such liens could be filed has expired; and
6. That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.
7. Please mark one:

X A. This grant **will** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

☐ B. This grant **will not** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name & Title of Authorized Signatory (type or print clearly):
for Stephen Norman, Executive Director

Signature of Executive Director (or Authorized Designee):
X

Date: 4/26/19

For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked):
Approved for Audit (Director, Office of Public Housing)
X HARLAN STEWART

Digitally signed by: HARLAN STEWART
DN: CN = HARLAN STEWART C = US O = U.S. Government OU = Department of Housing and Urban Development, Office of Administration
Date: 2019.05.09 14:52:53 -07'00'

Date 05/09/2019

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):
Approved: (Director, Office of Public Housing)
X

Date:

form **HUD-53001** (10/96)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 03/31/2020)

Capital Fund Program (CFP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C.20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

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PHA Name:	Modernization Project Number:
King County Housing Authority	WA01E002501-17

The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Funds Approved	$ 175,000.00
B. Funds Disbursed	$ 175,000.00
C. Funds Expended (Actual Modernization Cost)	$ 175,000.00
D. Amount to be Recaptured (A–C)	$
E. Excess of Funds Disbursed (B-C)	$

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work;
5. That the time in which such liens could be filed has expired; and
6. That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.
7. Please mark one:

X **A.** This grant **will** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

☐ **B.** This grant **will not** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name & Title of Authorized Signatory (type or print clearly):
for Stephen Norman, Executive Director

Signature of Executive Director (or Authorized Designee):	Date:
X [signature]	4/24/19

For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked):

Approved for Audit (Director, Office of Public Housing)	Date:
X HARLAN STEWART Digitally signed by: HARLAN STEWART DN: CN = HARLAN STEWART C = US O = U.S. Government OU = Department of Housing and Urban Development, Office of Administration Date: 2019.05.09 14:39:58 -07'00'	05/09/2019

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

Approved: (Director, Office of Public Housing)	Date:
X	

form **HUD-53001** (10/96)

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as fraud, state whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our website and through our free, electronic subscription service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(564) 999-0950
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov

Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Housing Authority of the County of King

(King County Housing Authority)

For the period January 1, 2019 through December 31, 2019

Published April 15, 2021

Report No. 1028077

Office of the Washington State Auditor
Pat McCarthy

April 15, 2021

Board of Commissioners
King County Housing Authority
Tukwila, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Housing Authority operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the Housing Authority's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

Pat McCarthy

State Auditor

Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

TABLE OF CONTENTS

AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Housing Authority operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of King County Housing Authority from January 1, 2019 through December 31, 2019.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the Housing Authority's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended December 31, 2019, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – electronic funds transfers
- IT security policies, procedures, practices and controls protecting financial systems – backup and recovery
- Financial condition
- Maintenance operations – evaluated design of controls
- Open public meetings – documentation of minutes, executive sessions and special meetings

RELATED REPORTS

Financial

Our opinion on the Housing Authority's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the Housing Authority's financial statements. That report is available on our website, http://portal.sao.wa.gov/ReportSearch.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Housing Authority's major federal programs, which are listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report.

Other reports

The State Auditor's Office issued a report on agreed-upon procedures performed at the Housing Authority. That report is available on our website, http://portal.sao.wa.gov/ReportSearch.

INFORMATION ABOUT THE HOUSING AUTHORITY

The Housing Authority of the County of King, doing business as King County Housing Authority, was created in 1939 in response to the Federal Housing Act of 1937. The Housing Authority's jurisdiction encompasses an area exceeding 2,134 square miles throughout King County, except within the cities of Seattle and Renton, which have their own housing authorities. The Housing Authority operates out of a central office in Tukwila and several other offices throughout the county. The Housing Authority's purpose is to provide housing assistance to low-income households.

A five-member Board of Commissioners governs the Housing Authority. Commissioners are appointed by the King County Executive and confirmed by the King County Council to serve five-year terms. The Board appoints management to oversee the Housing Authority's daily operations as well as its approximately 432 employees. For fiscal year 2019, the Housing Authority operated on an annual budget of approximately $294 million.

Contact information related to this report	
Address:	King County Housing Authority 600 Andover Park West Tukwila, WA 98188-3326
Contact:	Windy K. Epps, Assistant Director of Finance
Telephone:	206-574-1166
Website:	www.kcha.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for the King County Housing Authority at http://portal.sao.wa.gov/ReportSearch.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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- Search BARS manuals (GAAP and cash), and find reporting templates
- Learn about our training workshops and on-demand videos
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- Explore public financial data with the Financial Intelligence Tool

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- Main telephone: (564) 999-0950
- Toll-free Citizen Hotline: (866) 902-3900
- Email: webmaster@sao.wa.gov

TAB NUMBER 8

To: Board of Commissioners

From: Craig Violante, Interim Deputy Executive Director/CAO

Date: April 23, 2021

Re: **Resolution 5689:** Authorizing limited payouts of accrued vacation time

On May 18, 2020, the Board of Commissioners approved Resolution No. 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) vacation carryover limitation for vacation balances accrued as of December 31, 2020, and again on December 31, 2021. This has resulted, as expected, in a number of employees having accrued vacation hours in excess of the MBH carryover limitation ("Excess Leave Hours").

On February 16, 2021, the Board of Commissioners approved Resolution No. 5677 authorizing the limited payout of Excess Leave Hours for employees leaving KCHA either through voluntary termination or retirement in 2021 and 2022.

As of April 16th, there were 80 employees with at least 40 Excess Leave Hours. Of these 80 employees:

- 39 have between 40 and 79.99 Excess Leave Hours
- 13 have between 80 and 119.99 Excess Leave Hours
- 14 have between 120 and 159.99 Excess Leave Hours
- 14 have greater than 160 Excess Leave Hours

Combined, these 80 employees have 8,386 hours of Excess Leave Hours, and both the number of employees with Excess Leave Hours and the total number of Excess Leave Hours are expected to grow.

Under current policies, all Excess Leave Hours at the end of 2022 would be forfeited. To give employees additional tools to manage their excess hours, and avoid the 'use it or lose it" cliff at the end of 2022, this resolution authorizes two actions.

First, it allows employees the one-time option to "redeem" some of their Excess Leave Hours in exchange for payments in the form of salary at their current rate of pay (less all applicable required withholding amounts) as follows:

Excess Leave Hours	# Hours Eligible for Redemption
Less than 40	0
Between 40 and 79.99	up to 40
Between 80 and 119.99	up to 80
Between 120 and 159.99	up to 120
Greater than 160	up to 160

Although it is unlikely that every eligible employee would choose to redeem all eligible hours, if that were to occur it is estimated that the cost to KCHA, including taxes, would be approximately $333,000.

Second, all employees would be allowed to carry 50% of their Excess Leave Hours from 2022 into 2023. All Excess Leave Hours would expire at the end of 2023 and no outstanding leave hours above the MBH limits would be paid out upon termination or retirement.

It is expected that with these two options, employees will be able to better manage their leave time and avoid either losing hours at the end of 2022 or need to take excessive vacation time in 2022 to avoid such a loss.

This resolution directs the Chief Administrative Officer to set an “as of” date in June 2021 for the calculation of Excess Leave Hours and develop procedures for redemption.

Passage of Resolution 5689 is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5689

RESOLUTION AUTHORIZING THE LIMITED PAYOUT OF ACCRUED VACATION LEAVE IN EXCESS OF MAXIMUM ANNUAL VACATION CARRYOVER BALANCES AND A LIMITED WAIVER OF THE MAXIMUM ANNUAL VACATION CARRYOVER LIMITATIONS AT THE END OF 2022

WHEREAS, in response to the global COVID-19 pandemic the Board of Commissioners adopted Resolution No. 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 balances carried over from 2020 into 2021 and again from 2021 and into 2022; and

WHEREAS the Board of Commissioners adopted Resolution No. 5677 on February 16, 2021 which authorized the limited payout of some vacation balances accrued in excess of annual carryover limitations upon the voluntary termination or retirement of employees in 2021 and 2022; and

WHEREAS several employees now have accrued vacation balances in excess of annual carryover limitations, and it is projected that these balances will grow throughout 2021 and 2022; and

WHEREAS under current policies all such excess hours would be forfeited by the employees at the end of 2022; and

WHEREAS to avoid such forfeitures employees could potentially need to take extra weeks of vacation in 2022; and

WHEREAS Senior Management believes that either option could have detrimental effects on both staff morale and efficient department operations; and

WHEREAS Senior Management believes it is in the best interests of staff and residents to give employees better interim tools to manage their excess vacation hours;

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

First, employees with accrued vacation leave balances in excess of annual carryover limitations as of a specific date in the month of June, 2021 (the date to be set by the Chief Administrative Officer), shall be allowed to redeem such excess vacation hours for a cash payment at the employee’s regular rate of pay, less all required payroll deductions, according to the following schedule:

Excess Leave Hours	# Hours Eligible for Redemption
Less than 40	0
Between 40 and 79.99	up to 40
Between 80 and 119.99	up to 80
Between 120 and 159.99	up to 120
Greater than 160	up to 160

The Chief Administrative Officer shall develop redemption procedures, and all employees wishing to redeem excess hours according to the above chart must follow all procedures.

Second, employees shall be allowed to carry 50% of their accrued vacation leave balances in excess of annual carryover limitations at 12/31/2022 into 2023, but will not be paid for any such excess accrued vacation hours in 2023 either upon termination or retirement from KCHA.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT THE ANNUAL PUBLIC MEETING THIS 17TH DAY OF MAY, 2021.

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
Executive Director and Secretary-Treasurer

T A B N U M B E R 9

To: Board of Commissioners

From: Craig Violante, Interim Chief Administrative Officer

Date: April 30, 2021

Re: **Resolution 5690: A resolution granting the Executive Director the authority to extend temporary compensation to all employees of the authority**

Executive Summary

Resolution No. 5690 authorizes the Executive Director to extend the increase in salaries for all full-time employees of $60 per month, as originally authorized by the Board of Commissioners via Resolution 5666 on October 12th, 2020, until such time as the Executive Director deems the additional compensation as unnecessary, or until the Governor of the State of Washington has rescinded the state of emergency related to the COVID-19 pandemic, whichever occurs sooner. The $60 per month would continue to be prorated or reduced for part-time employees.

Background

On October 12th, 2020, the Board of Commissioners adopted Resolution 5666 which authorized the Executive Director to provide additional compensation to each regular, full-time employee of KCHA, except members of the executive staff team, of $60 per calendar month.

This nominal monthly compensation payment was meant to help defray the increased, pandemic-related incremental costs being incurred by each employee in order to to carry out the work of the housing authority.

This monthly payment is currently scheduled to sunset at the end of June, 2021. Although KCHA has a tentative phased office re-opening scheduled to commence on July 6, 2021, caseloads in King County are currently trending upwards, and it is quite possible that the County could revert back to Phase 2. Likewise, it is very possible that KCHA may need to delay the phased re-opening of the offices, and, if that occurs, employees will continue to incur incremental personal costs. As a firm re-opening date is currently unknown, staff believes it is in the best interests of KCHA to authorize the Executive Director, using the best information available, to make the decision regarding how long the additional compensation should continue, but in any event not beyond the end of the state of emergency as determined by the Governor.

Staff estimates the cost for this temporary compensation to be approximately $25,000 per month.

Recommendation

Staff recommends approval of Resolution No. 5690.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5690

A RESOLUTION GRANTING THE EXECUTIVE DIRECTOR THE AUTHORITY TO EXTEND TEMPORARY COMPENSATION TO ALL EMPLOYEES OF THE AUTHORITY

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

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

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

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

WHEREAS KCHA has officially closed all offices to the public, and

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

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

WHEREAS the duration of the impact of the pandemic on the operations and the need to operate under an emergency declaration has extended beyond initial expectations and an end date remains unknown; and

WHEREAS the disruption to current operations and the need to have the staff work remotely to perform their work functions is likely to continue for the foreseeable future; and

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

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

WHEREAS the KCHA Board of Commissioners adopted Resolution 5666 on October 12th, 2020 that authorized additional compensation to each regular, full-time employee of KCHA, exempting the executive staff team, of $60 per calendar month, subject to all applicable taxes and other mandatory withholdings, payable through June 2021 and

WHEREAS the Executive Director was also authorized to calculate and provide an incremental cost compensation payment in an amount up to $60 for part-time and temporary employees, and

WHEREAS the Board of Commissioners reserved the right to reevaluate such compensation at any time and modify or extend this program if the Board of Commissioners reasonably determined that such modified or extended payments were fair and adequate, and

WHEREAS it is very possible that KCHA offices may remain closed or partially closed beyond June, 2021;

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

The Executive Director and his designees are hereby authorized to continue the payments originally authorized by the Board under Resolution 5666 on October 12, 2020 until such time as the Executive Director, using the best information available, makes the decision that such payments are no longer appropriate, excepting that such payments must end no later than the official end of the Washington State COVID-19 State of Emergency.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT THE ANNUAL OPEN PUBLIC MEETING THIS 17th DAY OF MAY, 2021.

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
Executive Director and Secretary-Treasurer

TAB NUMBER 10

TO: Board of Commissioners

FROM: Tim Walter

DATE: May 11, 2021

RE: **Resolution 5691** – Resolution authorizing issuance of one or more series of the Authority's Non-Revolving Line of Credit Revenue Notes, 2021, in the combined principal amount of not to exceed $250,000,000, to finance or refinance the acquisition, construction, rehabilitation and equipping of housing and related improvements and facilities and costs of issuing the notes, and determining related matters

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Resolution 5691 authorizes the issuance of up to $250 million in one or more lines of credit with Key Government Finance ("KeyBank"), or an affiliate thereof, to provide acquisition and related financing for the preservation of a number of existing affordable housing apartment complexes including but not limited to the Sandpiper East, Carrington, Argyle and Surrey Downs Apartments.

Background

In January, 2021, KCHA negotiated the proposed terms and conditions of a financing package with Amazon that would enable KCHA to preserve approximately 1,000 units of workforce housing (the Portfolio) in or near the City of Bellevue or adjacent to mass transit. As part of the overall package, Amazon will provide KCHA with a $161.5 million below market interest rate loan (20-year interest-only financing at a 1.875% interest rate), which will be combined with publicly issued tax-exempt bonds and approximately $20 million in grant funds from Amazon. These combined sources of funding are intended to provide 100% of the financing necessary for the preservation of these properties. Since that time, KCHA has been actively acquiring properties to fulfill its commitment of preserving at least 1,000 units.

Pursuant to the terms of the agreement, KCHA will provide the initial acquisition bridge financing for the purchase of the workforce housing through short-term bank financing. This short-term financing will then be refinanced with the permanent financing outlined above. Resolution 5691 authorizes the issuance of one or more lines of credit with Key Government Finance to provide the majority of the short-term bridge financing.

Key Terms

The key terms of the short-term line of credit financing with KeyBank are as follows:

Maturity:	Not to exceed 364 days
Interest Rate:	Variable based on 1-Month SOFR (defined below)
Rate Formula (Tax-Ex.):	(1 Month SOFR * .7901) + .692% = .669% (as of 5/7/2021)
Interest Payments:	Interest only payments due monthly
Revolving/Non-Revolving:	The line of credit will be non-revolving (i.e. cannot be redrawn once the line has been paid down)
Security:	The financing will be secured by a pledge of the Authority's general revenues (on parity with other lenders' Revenue Pledge from the Authority)
Origination Fee:	.15% (up to $375,000 based on drawing full $250 million)
Unused Commitment Fee:	(.10% of any undrawn balance of the line of credit starting 90 days after date of issuance)
Covenants:	Similar covenants to existing covenants on KCHA's current lines of credit with KeyBank
Prepayment Option:	Anytime 90 days after closing or sooner upon approval of KeyBank
SOFR	SOFR refers to Secured Overnight Financing Rate and is the variable rate index intended to replace LIBOR (London Interbank Overnight Rate) as the primary index for US financial contracts. SOFR is the average rate at which institutions can borrow US dollars overnight while posting US Treasury bonds as collateral. The one-month LIBOR index and one-month SOFR index have generally performed similarly although SOFR is a moving average of a historical rate (which can be measured daily, monthly, 3 – month, etc.) while LIBOR is a forward looking rate based on projections of future or forward looking rates.

This short-term financing facility with KeyBank will be made available in two tranches (referred to as notes). The initial note, Note A, will be in an amount of $200 million, which will be sufficient to fully finance the purchase and related acquisition costs of the Sandpiper East, Carrington, Argyle and Surrey Downs Apartments. The additional $50 million (Note B) will be made available upon request and approval from KeyBank for any additional workforce acquisition(s) KCHA may choose to pursue beyond these four properties. The origination fee and unused credit facility fee will not apply to Note B unless KCHA elects to draw on the additional $50 million note.

Permanent Financing Plan/Timing

Once KCHA has closed on the purchase of the portfolio of properties (1,000+ workforce housing units), the full cost of securing this portfolio will be known and KCHA can proceed with the issuance of the portion of the debt that will be financed with publicly issued tax-exempt municipal bonds (estimated to be approximately $60 million). This will involve preparation of the municipal bond offering documents and working with Standard and Poor's to secure a AA issuer credit rating for the bonds. This process is anticipated to take between 90 to 150 days. After the bonds have been sold, KCHA will then work with Amazon to close the Amazon loan. The closing of the Amazon loan is anticipated to take place approximately two weeks after the closing on the municipal bonds.

Amazon supported Workforce Housing Portfolio

The portfolio of workforce housing unit supported by Amazon will consist of the following properties:

Property	Location	Purchase Date	# Units	Purchase Price
Hampton Greens	Bellevue	12/31/2019	326	$126,500,000
Pinewood Village	Bellevue	12/18/2020	108	$38,000,000
Argyle	Federal Way	7/1/2021*	160	$43,250,000
Carrington	Bellevue	6/1/2021*	108	$39,850,000
Sandpiper East	Bellevue	6/1/2021*	224	$70,000,000**
Surrey Downs	Bellevue	7/1/2021*	122	$48,750,000***
Illahee	Bellevue	12/31/2020	36	$11,000,000****
			1,084	**$377,350,000**

Notes: * Planned Closing Date
** Includes estimate capitalized deposit for anticipated renovation and repairs
*** Acquisition subject to Board approval and Executive Director's satisfaction of due diligence. The Purchase and Sale Agreement has not yet been signed.
**** To be partially paid for from additional grant funds and sources yet to be determined

Proposed Financing

As previously discussed with the Board, the rental revenues from an affordable multifamily property acquired by KCHA generally support only 60% - 70% of the debt service needed to cover the total acquisition cost of the property. The remaining 30-40% of the acquisition cost must be covered by one or more additional long term financing sources. The aggregate financing of the tax-exempt bonds, Amazon Note and Amazon grant for the Portfolio are sized so that KCHA can fully cover and support 100% of the cost of the acquisition of the Portfolio solely with the net rental revenues of the properties.

Permanent Sources and Uses

Uses	
Finance/Refinance Acquisition of Portfolio	$377,350,000
Total Uses	**$377,350,000**
Sources	
Amazon Note	$161,500,000
Amazon Workforce Housing Grant	$20,000,000
Tax-Exempt Municipal Bonds (already issued)	$126,500,000
Tax-Exempt Municipal Bonds (to be issued)	$58,350,000
Illahee Amazon Grant	$4,000,000
Illahee – Other sources yet to be identified	$7,000,000
Total Sources	**$377,350,000**

Illahee Acquisition

While included in the workforce housing preservation financing described above, Amazon has committed $4 million in grant funding to KCHA to finance a portion of the acquisition of the Illahee Apartments in Bellevue. The Illahee is to be converted to federally assisted public housing targeting households earning below 30% of AMI using KCHA's banked operating subsidy and cannot support debt. The acquisition cost will therefore need to be 100% grant funded. KCHA is currently working with the City of Bellevue to secure the additional grant funds necessary for KCHA to permanently finance the cost of acquiring the property. The permanent financing for the Illahee project, including the long-term renovation plan for the site, will be brought to the Board of Commissioners for review and approval at a subsequent meeting of the Board.

Staff Recommendation

Staff recommends passage of Resolution numbers 5691.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5691

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King providing for the issuance of one or more series of the Authority's Non-Revolving Line of Credit Revenue Notes, 2021, in the combined principal amount of not to exceed $250,000,000, the proceeds of which will be used to finance or refinance the acquisition, construction, rehabilitation and equipping of housing and related improvements and facilities and costs of issuing the notes; determining or setting parameters with respect to the form, terms and covenants of the notes; creating a note fund; approving the sale and providing for the delivery of the notes to Key Government Finance, Inc. or an affiliate thereof; authorizing and directing appropriate officers of the Authority to negotiate, execute and deliver such other documents as are useful or necessary to the purposes of this resolution; and determining related matters.

Adopted May 17, 2021

This document was prepared by:

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HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5691

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King providing for the issuance of one or more series of the Authority's Non-Revolving Line of Credit Revenue Notes, 2021, in the combined principal amount of not to exceed $250,000,000, the proceeds of which will be used to finance or refinance the acquisition, construction, rehabilitation and equipping of housing and related improvements and facilities and costs of issuing the notes; determining or setting parameters with respect to the form, terms and covenants of the notes; creating a note fund; approving the sale and providing for the delivery of the notes to Key Government Finance, Inc. or an affiliate thereof; authorizing and directing appropriate officers of the Authority to negotiate, execute and deliver such other documents as are useful or necessary to the purposes of this resolution; and determining related matters.

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

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

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

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

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

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

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

WHEREAS, the Board of Commissioners of the Authority has determined that it is necessary and advisable and in the best interest of the Authority to borrow money to finance and/or refinance the acquisition, construction, rehabilitation, and equipping of housing and related improvements and facilities and to pay costs of issuing the notes; and

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

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

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

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

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

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

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

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

"County" means King County, Washington.

"Designated Representative" means the officers of the Authority appointed in Section 3 of this resolution to serve as the Authority's designated representative, and each of them acting alone.

"Draws" means incremental draws upon the Notes.

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

"Final Terms" means, with respect to each Series of the Notes, the amount, date or dates, denomination, interest rates or formulas, payment dates, final maturity, redemption rights, price, and other terms or covenants.

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

"Note" or "Notes" means the note or Series of notes issued pursuant to and for the purposes provided in this resolution.

"Note Fund" means the Authority's Non-Revolving Line of Credit Revenue Note Fund, 2021, created by this resolution for the purpose of paying principal of and interest on the Notes.

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

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

"Project" means the acquisition, construction, and anticipated rehabilitation and equipping of housing and related improvements and facilities, accrued interest on Draws on the Notes, and costs of issuing the Notes.

"Proposal Letter" means the proposal letter to the Authority from the Lender provided on April 18, 2021, as it may be amended, proposing to purchase the Notes on the terms set forth therein and herein.

"Series of the Notes" or "Series" means a series of the Notes issued pursuant to this resolution.

"Taxable Notes" means any Notes issued on a taxable basis, the receipt of interest on which is ***not*** intended to be excludable from gross income for federal income tax purposes under Section 103 of the Code.

"Tax-Exempt Notes" means any Notes issued on a tax-exempt basis, the receipt of interest on which is intended to be excludable from gross income for federal income tax purposes under Section 103 of the Code.

"Tax-Exempt Project" means costs of the acquisition, construction, rehabilitation, and equipping of housing and related improvements and facilities of a type properly chargeable (or chargeable upon proper election) to a capital account under general federal income tax principles, and costs of issuing the Tax-Exempt Notes. Unless the Authority has received written confirmation from bond counsel to the effect that use of proceeds of Draws on the Tax-Exempt Notes for such purpose will not cause interest on Draws on the Tax-Exempt Notes to be included in gross income for federal income tax purposes, "Tax-Exempt Project" specifically excludes (i) the making of loans to non-governmental entities, (ii) the financing of any real estate, housing, improvement or other facility to be used in the trade or business of a non-governmental entity, (iii) working capital expenditures including, without limitation, expenditures for current operating expenses, (iv) accrued interest on Draws on the Notes, *other than* interest on Draws on the Tax-Exempt Notes used to finance the housing, related improvements, or facilities, during such time as the housing, improvement, or other facility financed with such Draws is under rehabilitation and construction and is not yet placed in service, and (v) costs to be reimbursed to the Authority, unless such costs were paid no earlier than 60 days prior to the date of the Draw, or for costs incurred prior to that date to the extent such costs represent "preliminary expenditures" or are the subject of an "official declaration of intent to reimburse" as described in the federal regulations under Section 147(f) of the Code.

Section 2. Authorization of Notes. For the purpose of providing funds with which to finance or refinance all or part of the costs of the Project, the Authority may borrow money from time to time pursuant to a line of credit extended by the Lender under the terms of this resolution and the Proposal Letter, and shall issue one or more Series of Notes in a combined principal amount of not to exceed $250,000,000 to finance or refinance all or part of the costs of the Project, including (without limitation) the Tax-Exempt Project. Such Note financing is declared and determined to be important for the feasibility of the Project. The Board finds that it is in the best interest of the Authority to issue the Notes for the purpose set forth in this resolution.

Section 3. Appointment of Designated Representative; Description of the Notes. The Authorized Officers, and each of them acting alone, are appointed as the Authority's Designated Representative and are authorized, directed, and delegated the authority to approve the Final Terms of each Series of Notes, with such additional terms and covenants as they deem advisable, within the following parameters:

(a) *Principal Amount*. The Notes may be issued in one or more Series, and the combined principal amount of all Series of the Notes shall not exceed $250,000,000.

(b) *Date*. Each Series of Note shall be dated its date of initial delivery to the Lender. Different Series may be issued and delivered on different dates, provided that any Notes issued under this resolution must be issued and delivered not later than one year after the date of adoption of this resolution.

(c) *Denominations* and *Designation*. Each Note shall be designated "Housing Authority of the County of King Non-Revolving Line of Credit Revenue Note, 2021," with such other designations as may be established by the Designated Representative; shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification; and shall be issued in a denomination equal to the not to exceed principal amount of such Note.

(d) *Interest Rate(s)*. The Notes shall bear interest at such rate or rates selected by the Designated Representative as described in the Proposal Letter (which may include, without limitation, a variable rate based on the Secured Overnight Financing Rate ("SOFR")). Interest on the Notes shall be computed on the basis on a 360 day year with twelve 30-day months. At the election of the Lender, the interest rate on the Notes will increase by 400 basis points (4.00%) above the otherwise applicable rate during the continuance of an Event of Default, and the interest rate on the Tax-Exempt Notes will be adjusted upon a determination of taxability, as set forth in such Notes.

(e) *Payment Dates*. Interest on each Note shall be payable on such dates as determined by the Designated Representative, commencing no later than two months following the date of initial delivery of such Note to the Lender. Principal of each Note, together with all accrued and unpaid interest thereon, shall be payable on the maturity date of such Note, if not sooner paid.

(f) *Final Maturity*. Subject to extension as set forth in Section 5, each Series of Note shall mature not more than 364 days from the date of its initial delivery to the Lender.

(g) *Redemption*. The Notes will be subject to prepayment at the option of the Authority on the terms set forth in the Proposal Letter.

(h) *Price*. Each Note will be issued to the Lender in consideration of the Authority's right to make Draws on such Note in a total amount not to exceed the stated principal amount of such Note.

(i) *Tax Status*. Each Note may be issued on taxable basis (*i.e.*, as a "Taxable Note") or as a tax-exempt obligation (*i.e.*, as a "Tax-Exempt Note") as determined by the Designated Representative.

The Authorized Officers, and each of them acting alone, are authorized to conduct the sale of the Notes in the manner and upon the terms deemed most advantageous to the Authority and to determine and approve the final terms of the Notes. The Final Terms of each Series of Note shall be evidenced by a Certificate of Designated Representative executed on the date of initial delivery of each Series of Notes to the Lender, and the Notes shall have such other provisions consistent with this resolution and the Proposal Letter as are set forth in the Notes. The Authority finds that the fixing of the interest rate index described in the Proposal Letter is in the best interest of the

Authority. Notwithstanding anything herein to the contrary, the execution or authentication of a Note by an Authorized Officer shall be conclusive evidence of approval of the terms of such Note as set forth therein.

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

If an Event of Default occurs then, at the option of the Lender, the principal of and interest on the Notes shall become immediately due and payable. "Event of Default" means the declaration by the Lender of an event of default as a result of a determination by the Lender that:

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

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

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

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

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

Failure of the Lender to enforce a covenant that the Authority has made under the Notes or this resolution shall not prevent Lender from subsequently enforcing such covenant against the Authority.

Section 4. Draws on the Notes. The Board authorizes the Authorized Officers, and each of them acting alone, as authorized signors for the Authority, to make Draws on the Notes. The Authority may make Draws upon the Notes in any amounts on any business day during the term of the Notes for the purposes identified above, subject to the terms of the applicable Note, except that Draws on the Tax-Exempt Notes shall be made only to pay costs of the Tax-Exempt Project. Draws shall be recorded in such form as the Authority and the Lender may agree.

Section 5. Authorization for Extension and Modification of the Notes. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to negotiate the terms of one or more extensions of maturity date and/or modifications of the terms of the Notes with the Lender. The Authorized Officers, and each of them acting alone, are authorized, without further action of the Board of the Authority, to extend the maturity date of any Note to any date on or before December 31, 2026, and/or to modify the interest rate or interest rate formula applicable to one or more Note, if such Authorized Officer determines that such extension and/or modification is in the best interest of the Authority, all so long as no other material terms of the Notes are revised (unless otherwise authorized by the Board). The Authorized Officers, and each of them acting alone, are authorized to do everything necessary for the execution and delivery of such documents as are useful or necessary to such extension of maturity and/or modification of interest rate or interest rate formula. An Authorized Officer's execution of documents in connection with the modification and/or extension of a Note will constitute conclusive evidence of his or her approval of the extensions, modifications and/or other terms described therein and the approval by the Authority of such extensions, modifications and/or other terms.

Section 6. Note Registrar; Registration and Transfer of the Notes. The Notes shall be issued only in registered form as to both principal and interest and recorded on the books and records maintained for the Notes by the Note Registrar (the "Note Register"). The Executive Director of the Authority shall serve as Note Registrar for the Notes. The Note Registrar shall keep, or cause to be kept, at his or her office in Tukwila, Washington, the Note Register, which shall contain the name and mailing address of the registered owner of the Notes. The Note Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Notes in accordance with the provisions of the Notes and this resolution, to serve as the Authority's paying agent for the Notes and to carry out all of the Note Registrar's powers and duties under this resolution.

The Notes may not be assigned or transferred by the Lender without the prior written consent of the Authority, except that the Lender may assign or transfer the Notes to any successor to the business and assets of the Lender, upon completion and delivery to the Authority of the assignment form and certificate of transferee attached to each Note. The Note Registrar shall not be obligated to exchange or transfer any Note during the five days preceding any payment date, prepayment date, or the maturity date.

Section 7. Place, Manner and Medium of Payment. Both principal of and interest on the Notes shall be payable in lawful money of the United States of America and shall be paid by check mailed to arrive on or before each payment date, or in immediately available funds delivered on or before each payment date, to the Registered Owner at the address appearing on the Note Register on the date payment is mailed or delivered. Upon the final payment of principal of and interest on a Note, the Registered Owner shall surrender such Note at the principal office of the Note Registrar, for destruction or cancellation in accordance with law.

Section 8. Note Fund; Security for the Notes. The Note Fund is hereby established as a special fund of the Authority and is to be known as the Non-Revolving Line of Credit Revenue Note Fund, 2021. The Note Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Notes. The Authority pledges to deposit General Revenues into the Note Fund in amounts sufficient to pay the principal of and interest on the Notes when due. This pledge of General Revenues shall be valid and binding from the time when it is made. The General Revenues so pledged and thereafter received by the Authority shall immediately be subject to the lien of the pledge without any physical delivery thereof or further action, and lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Authority, irrespective of whether the parties have notice thereof.

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

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

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

Section 9. Lost, Stolen or Destroyed Notes. In case any Note shall be lost, stolen or destroyed after delivery to the Registered Owner, the Note Registrar may execute and deliver a new Note of like Series, date and tenor to the Registered Owner upon the Registered Owner paying the expenses and charges of the Authority and upon filing with the Note Registrar evidence satisfactory to the Note Registrar that such Note was actually lost, stolen or destroyed and of the Registered Owner's ownership thereof, and upon furnishing the Authority with indemnity reasonably satisfactory to the Authority.

Section 10. Form and Execution of Notes. The Notes shall be in a form consistent with the provisions of this resolution and state law, shall bear the signatures of the Chair of the Board and the Executive Director, either or both of whose signatures may be in manual or facsimile form, and shall be impressed with the seal of the Authority or shall bear a manual or facsimile thereof. A Note shall not be valid or obligatory for any purpose, or entitled to the benefits of this resolution, unless the Note bears a Certificate of Authentication manually signed by the Note Registrar stating "This Note is one of the fully registered Non-Revolving Line of Credit Revenue Notes, 2021, of the Authority described in the Note Resolution." A minor deviation in the language of such certificate shall not void a Certificate of Authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

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

Section 11. Preservation of Tax Exemption for Interest on the Tax-Exempt Notes. The Authority covenants that it will take all actions necessary to prevent interest on the Tax-Exempt Notes from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Tax-Exempt Notes or other funds of the Authority treated as proceeds of the Tax-Exempt Notes at any time during the term of the

Tax-Exempt Notes that would cause interest on the Tax-Exempt Notes to be included in gross income for federal income tax purposes. The Authority also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to the Tax-Exempt Notes, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Tax-Exempt Notes, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Tax-Exempt Notes from being included in gross income for federal income tax purposes.

Section 12. Authorization of Documents and Execution Thereof. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Notes and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Notes. The Board further authorizes the Authorized Officers, and each of them acting alone, to negotiate, approve, execute and deliver any credit agreement, loan agreement, and or such other instruments and agreements as may be necessary or desirable in connection with the sale of the Notes to the Lender. The Executive Director of the Authority is authorized to authenticate the Notes and the Authorized Officers, and each of them acting alone, are authorized to negotiate, execute and deliver documents reasonably required to be executed in connection with the issuance of the Notes and to ensure the proper use and application of the proceeds of the Notes, and to effect any extension of the maturity of the Notes and modification of interest rate and/ or interest rate formula applicable to the Notes as described in Section 5.

Each Note will be prepared at the Authority's expense and will be delivered to the Lender together with the approving legal opinion of Foster Garvey P.C., municipal bond counsel of Seattle, Washington, regarding such Note.

Section 13. Approval of Transaction. The Lender has offered to purchase the Notes at a price of par, under the terms and conditions contained in this resolution and the Proposal Letter, including the payment of a fee to the Lender, if any, plus the fees and expenses of the Lender's legal counsel, and any other out-of-pocket costs incurred by the Lender, each payable at closing, and an ongoing unused commitment fee payable to the Lender. The Board finds that the Lender's offer is in the best interest of the Authority and accepts such offer, and covenants that it will comply with all terms and conditions of the Proposal Letter. To the extent permitted by law, the Authority consents and agrees to the waiver of jury trial as set forth in the Proposal Letter.

Section 14. Reporting Requirements; Covenants. The Authority covenants and agrees for so long as the Notes remains outstanding, and unless otherwise waived by the Lender, the Authority shall maintain a Debt Service Coverage Ratio of not less than 1.10 to 1.0, to be calculated at the end of each fiscal year of the Authority. "Debt Service Coverage Ratio" means, with respect to the period of time for which calculated, the ratio determined by dividing: the sum of (a) the change in Authority (primary government) net assets, plus (b) interest expense, plus (c) depreciation expense, plus (d) amortization expense, plus (or minus) (e) the loss (or gain) on capital assets, plus (f) any non-cash charges to the extent deducted in determining the change in net assets, plus (g) payments from reserves or prior years' revenues for programs or facilities, including, without limitation, as examples, payments made to forestall evictions due to delayed Section 8 housing payments from the federal government, mission driven initiatives or non-capitalized payments from reserves for replacement costs related to facilities, plus (h) nonrecurring, one-time costs and expenses, not to exceed $1,000,000 in any one fiscal year, minus (i) capital grants or contributions in any form; by the sum of interest expense and Scheduled principal payments made or incurred by the Authority during the preceding fiscal year, all as shown on the audited financial statements delivered to the Lender. “Scheduled” means all mandatory scheduled amortization payments (including without limitation mandatory redemptions) of outstanding indebtedness for borrowed money and excludes (a) voluntary prepayments, (b) revolver pay-downs, or (c) the refinance of existing debt.

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

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

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

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

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

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

<u>Section 15</u>. <u>Ratification and Confirmation</u>. Any actions of the Authority or its officers or employees prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

<u>Section 16</u>. <u>Changes to Titles or Parties; Omission of Documents</u>. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form. The Authorized Officers, and each of them acting alone, in their discretion may omit any agreement described herein which is determined not to be necessary or desirable in connection with the issuance or sale of the Notes.

<u>Section 17</u>. <u>Supplemental Authorization</u>. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, applications, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein; (iii) cause the Authority to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution; and (iv) notwithstanding any other Authority resolution, rule, policy, or procedure, to create, accept, execute, send, use, and rely upon such tangible medium, manual, facsimile, or electronic documents, records and signatures under any security procedure or platform, as in such Authorized Officer's judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein.

Section 18. Execution of Duties and Obligations. The Board authorizes and directs the Authority's Executive Director to cause the Authority to fulfill the Authority's duties and obligations under the Notes and this resolution.

Section 19. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or the Executive Director of the Authority may in the absence of such person be taken by the duly authorized acting Chair of the Board or the duly authorized acting Executive Director of the Authority, respectively.

Section 20. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provision of this resolution or the Notes.

Section 21. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT THE ANNUAL OPEN PUBLIC MEETING THIS 17TH DAY OF MAY, 2021.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

By: ______________________________

DOUGLAS J. BARNES, Chair
Board of Commissioners

ATTEST:

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STEPHEN J. NORMAN
Executive Director and Secretary-Treasurer

CERTIFICATE

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

1. That the attached Resolution No. 5691 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on May 17, 2021 (the "Meeting"), and duly recorded in the minute books of the Authority;

2. That in accordance with RCW 43.06.220, and the Proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives (a) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (b) the means of attending the Meeting provided the ability for all persons attending the Meeting to hear each other at the same time;

3 The public was notified of access options for remote participation in the Meeting via the Authority's website; and

4. The Meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of the Meeting was given; that a quorum was present throughout the Meeting through telephonic and/or internet means of remote access, and a majority of the members of the Board of Commissioners of the Authority present at the Meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of May, 2021.

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Executive Director and Secretary-Treasurer of the Authority

TAB NUMBER 11

King County Housing Authority

To: Board of Commissioners

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

Date: May 10, 2021

Re: **Resolution No. 5692**: A Resolution authorizing the acquisition of the Surrey Downs Apartments.

Resolution No. 5692 authorizes the Housing Authority to negotiate and enter into a purchase agreement for the Surrey Downs Apartments, an apartment complex located in Bellevue at 13035 SE 26th St.

Surrey Downs was built in 1986 and consists of thirteen buildings with 122 one and two bedroom apartments. The property is located in Bellevue near Factoria and the Woodridge neighborhood of SE Bellevue approximately one-half mile west of the intersection of I-90 and I-405 which is within an area of King County identified by KCHA as a high opportunity area, with excellent access to schools, jobs and other amenities including public transit. This property would be added to our workforce housing portfolio and complete KCHA's acquisition of 1,000 units of additional housing within our Amazon affordable housing preservation partnership.

A full Project Profile is attached which outlines the strategic rationale for the acquisition, description of the property, proposed financing plan and analysis of the risks and risk mitigations associated with the transaction. Staff will provide an overview of the project and proposed transaction at the May Board of Commissioner's meeting.

Staff recommends approval of Resolution 5692.

Surrey Downs Apartments
Project Profile

Surrey Downs is a 122-unit multifamily apartment community located at 13035 SE 26th St. in Bellevue, WA. The property lies on a 6.95-acre parcel near the intersection of Richards Rd. and SE 26th St. Surrey Downs has easy access to bus routes on Richards Road and is located approximately .7 miles from the Eastgate Park & Ride where an expanded light rail station is planned for 2040 opening. A second station at Richards Road and I-90 is also slated for opening in 2040, and will be located about .5 mile from Surrey Downs. The complex has a number of amenities, which include a 24-hour fitness center, outdoor swimming pool, indoor hot tub, pickleball sports court equipped with basketball hoop, and a community cabana.

Purchase Status

The property is owned by Equity Residential, a publicly traded real estate investment trust headquartered in Chicago. Equity Residential has owned the property for slightly over 10 years. KCHA has been in discussions with the ownership regarding a sale of the property for a number of months. If acquisition of the property is authorized by KCHA's Board of Commissioners, the purchase agreement will provide that the final acquisition is dependent upon the Executive Director's satisfaction with the results of KCHA's full due diligence assessment.

The proposed sale terms under discussion include a purchase price of $48,750.000 ($399,590/per unit) and a 30-day due diligence inspection period to allow KCHA time to complete a comprehensive review of title, survey, the environmental and physical condition of the structures, and overall feasibility of the project. The earnest money deposit, estimated to be $750,000, will be deposited into escrow within three days of the mutual execution of a purchase and sale agreement, with an additional $750,000 of earnest money deposited upon waiver of the due diligence contingency. The closing date is projected to be July 1, 2021.

Due Diligence Status

KCHA will be ordering an appraisal, capital needs assessment, survey, Phase I environmental assessment, zoning and title review from third party consultants as well as conducting site inspections utilizing KCHA construction and maintenance staff. Assuming a purchase agreement can be negotiated and signed with the seller by mid-month, KCHA will complete due diligence inspections and receive resulting reports for review by early June, providing ample time to address any concerns that have been identified prior to the due diligence waiver date.

Property Description

Surrey Downs is located at 13035 SE 26th St. near Factoria and the Woodridge neighborhood of SE Bellevue approximately one-half mile west of the intersection of I-90 and I-405. The apartment complex was built in 1986 and is comprised of 13 two-story wood frame buildings. The garden-style apartments were built for residential use, consistent with current zoning at the site.

The development features 61 one bedroom, 28 two bedroom one bath, and 33 two bedroom two bath units. Apartment amenities include in-unit washers and dryers, dishwashers, fireplaces, with vaulted ceilings and patios for select units.

The property contains 197 residential parking spaces, 122 of which are covered, while the remaining

75 spaces are open. Community amenities include a leasing office, 24-hour gym, central cabana area, outdoor swimming pool, indoor hot tub, sports court, playground and outdoor picnic area, surrounded by mature landscaping. A retention pond is located on the SE corner of the property.

The King County Department of Assessments rates the buildings in average/good condition, but KCHA will need to assess the property condition through its own independent due diligence inspections.

Unit Configuration

The unit mix includes (square footage based on information listed in Apartment Insights):

- 61 one-bedroom, one bath units at 644 square feet each,
- 28 two-bedroom, one bath units of 884 square feet each,
- 33 two-bedroom, two bath units of 912 square feet

Neighborhood Description

Surrey Downs is bordered by Richards Rd. to the east, SE 26th St. to the north, and 129th Ave SE to the west and is generally surrounded by other residential apartments and condominiums. The site is also in close proximity to major Eastside employers including Amazon, Microsoft, T-Mobile, Bellevue Public School District, Boeing, Expedia and Nintendo.

The property lies within the highly rated Bellevue School District. Local schools for children living at the Surrey Downs include Woodridge Elementary School, Chinook Middle School, and Bellevue High School. Bellevue College is located approximately one mile due west of the site.

Surrey Downs has easy access to public transportation with Metro bus 240 providing direct access to the Bellevue Transit Center passing along the property's north border on the corner of SE 26th St. and Richards Road. In addition, the Eastgate Park & Ride and BikeLink station lies approximately .7 mile to the southeast, offering routes to Factoria, Downtown Bellevue, and Seattle's University District. In 2040, this Eastgate station will be expanded to include light rail service. At the same time, a new Richards Road light rail station is proposed to be opened approximately .5 mile from Surrey Downs, providing quick access to SeaTac Airport, University of Washington and Redmond, among other destinations.

Strategic Rationale for Acquisition

As discussed at the April board meeting, KCHA has entered into a strategic partnership and financing arrangement with Amazon whereby Amazon has agreed to provide sufficient below market financing to KCHA to allow KCHA to acquire and preserve 1,000+ units of workforce housing in key locations (primarily Bellevue) where housing is rapidly becoming, or has already become, unaffordable to lower and moderate income households.

KCHA's Board of Commissioners has prioritized the acquisition and development of affordable housing located in high opportunity areas and near or adjacent to transit (transit-oriented development "TOD") as a critical effort necessary to preserve currently affordable housing with easy access to reliable public transportation. Like the three properties presented at the April board meeting (Sandpiper East, The Argyle and The Carrington), Surrey Downs is located in Bellevue in a high opportunity community, defined by King County as a "community where households have access to good schools, transportation and economic opportunities to promote upward mobility."

The proximity of the Surrey Downs to bus routes feeding the nearby Eastgate Park and Ride and the coming Eastgate Light Rail station strategically positions the property to provide easy and convenient transportation to the larger Seattle-Bellevue metro region. With Amazon's announcement of its plan to locate up to 25,000 employees on the Eastside, acquisition of this type of well-located multi-family housing will help ensure the preservation of affordable TOD housing within a high opportunity neighborhood.

Surrey Downs has been identified by KCHA as a strategic acquisition under these criteria. The purchase of this property will preserve 122 units of high quality and well situated rental housing as an ongoing affordable housing resource in the face of ever-increasing market pressures in this particular submarket.

Proposed Financing

Interim Financing – To fund the acquisition of Surrey Downs, KCHA intends to establish a new credit facility with KeyBank in an amount sufficient to finance Surrey Downs acquisition as well as the Carrington, Argyle and Sandpiper East workforce housing preservation acquisitions. This interim financing will be refinanced with the permanent funding outlined below. The interim financing is expected to bear an interest rate comparable to KCHA's current short-term line of credit interest rate of approximately 1.5%. This interest rate will be variable and will change as the market benchmark index increases or decreases.

Permanent Financing – The permanent financing for Surrey Downs will be part of the larger Amazon 1,000+ unit workforce housing preservation financing package which is comprised of: (i) $20 million in grant funding from Amazon; (ii) $161.5 million in a 20-year 1.875% interest-only tax-exempt loan from Amazon; and (iii) an estimated $185 million in tax-exempt publicly issued municipal bonds (of which $126.5 million has already been issued).

The grant funding and below market interest rate loan from Amazon will provide sufficient "gap" financing to allow the net operating revenues from the aggregate portfolio of properties to fully finance 100% of the cost of the aggregate debt service. In total, the portfolio's acquisition cost will be financed approximately 5% through grant proceeds, approximately 45% through the Amazon interest-only loan and the remaining 50% through amortizing publicly issued tax-exempt bonds.

While the overall financing is sized and structured to cover 100% of the debt service of the preservation portfolio, the individual financing facilities (i.e. grant, loan and bond proceeds) will not be allocated pro rata across the portfolio, but for timing and technical reasons (related to IRS designation requirements), will instead be assigned uniquely by property.

Risks & Mitigation

Acquisition Risks & Mitigation

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

- (Mitigation) KCHA will obtain a full title report from a title insurance company insuring clean title with extended coverage. A full physical review of the property, including both third party and in-house staff inspections, will take place prior to waiving contingency. Physical condition risks are discussed further below.

- (Risk) KCHA overpays for the acquisition of the property.

- (Mitigation) KCHA will obtain an appraisal from a certified MAI appraiser to ensure the price KCHA ultimately pays for the property is within 105% of the appraised value.

Financing Risk & Mitigation

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

- (Mitigation) KCHA expects to pursue permanent financing within the next 3-5 months. While interest rates can always swing widely within a short window of time, short-term interest rates have negligible costs on the overall financing and long-term interest rates have been stable. Securing permanent financing as soon as reasonably possible will help mitigate exposure to increases in long-term interest rates. In addition, the majority of the overall permanent financing package has fixed interest rates that are not subject to change. Less than 25% of the overall debt service on the total 1,000 unit acquisition package remains subject to interest rate exposure.

- (Risk) The expected Amazon financing does not materialize as planned.

- (Mitigation) KCHA has worked together in good faith with Amazon and has no indication Amazon will not perform as expected. This deal has already been publicly announced by Amazon. KCHA anticipates finalizing and entering into a binding loan agreement with Amazon within the next three to four weeks. In addition, if the Amazon financing were to completely fall through, KCHA could still finance 100% of the cost of the acquisition of the 1,000+ unit workforce housing portfolio by issuing 10 – 15 year interest-only tax-exempt bonds on the municipal market. Current indicative rates would be 2.8% - 3%, which would additionally allow KCHA to amortize some, although likely a relatively small amount of, principal prior to the time it would need to refinance the original 10 – 15 year term debt.

- (Risk) At the end of the 20-year interest only term of the Amazon debt, interest rates have climbed to the point where the refinancing of remaining principal is not supportable from project cash flow.

- (Mitigation) Given that KCHA increases rents commensurate with increases in operating costs and not based on external market conditions, it is extremely likely that over the next 20 years, the property rents will not only be well below market but also well below KCHA's restricted rent levels. Although not desirable, it is anticipated KCHA would have the ability to raise rents, while still maintaining its required levels of affordability, sufficient to generate the net operating income necessary to cover any increased costs of debt service associated with higher than projected interest rates.

Rehab Risk & Mitigation

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

- (Mitigation) KCHA will be obtaining and reviewing due diligence inspections of the property from experienced third party consultants and knowledgeable KCHA staff. Staff will analyze and estimate the cost of projected repairs and improvements needed to assure both short and long-term viability of the property and the impact these costs would have on the financial viability of the property. On-going routine repairs and replacements are projected to be expensed through net cash flow from property operations. Unforeseen repairs not able to be paid for from property operations would have to be funded from additional draws on a KCHA line of credit or from KCHA reserves. KCHA has extensive experience in assessing this type of property and in undertaking needed repairs and upgrades, and would bring any material concerns of this nature back to the Board of Commissioners for review before proceeding with acquisition.

Operational Cash Flow Risk & Mitigation

- (Risk) The affordability covenant required by Amazon requires that 100% of the units be affordable to households earning at or below 80% of median income. There is a risk that operating costs will rise faster than incomes, reducing net operating income to the point where it cannot support project debt and operations.

- (Mitigation) The benchmark being used for the Amazon covenant is the Bellevue City Median Income. This index is higher than the regional Area Median Income. While KCHA anticipates that units will rent for well below this index, use of this benchmark provides KCHA with some flexibility in the event that regional median incomes rise at a slower rate than operating costs.

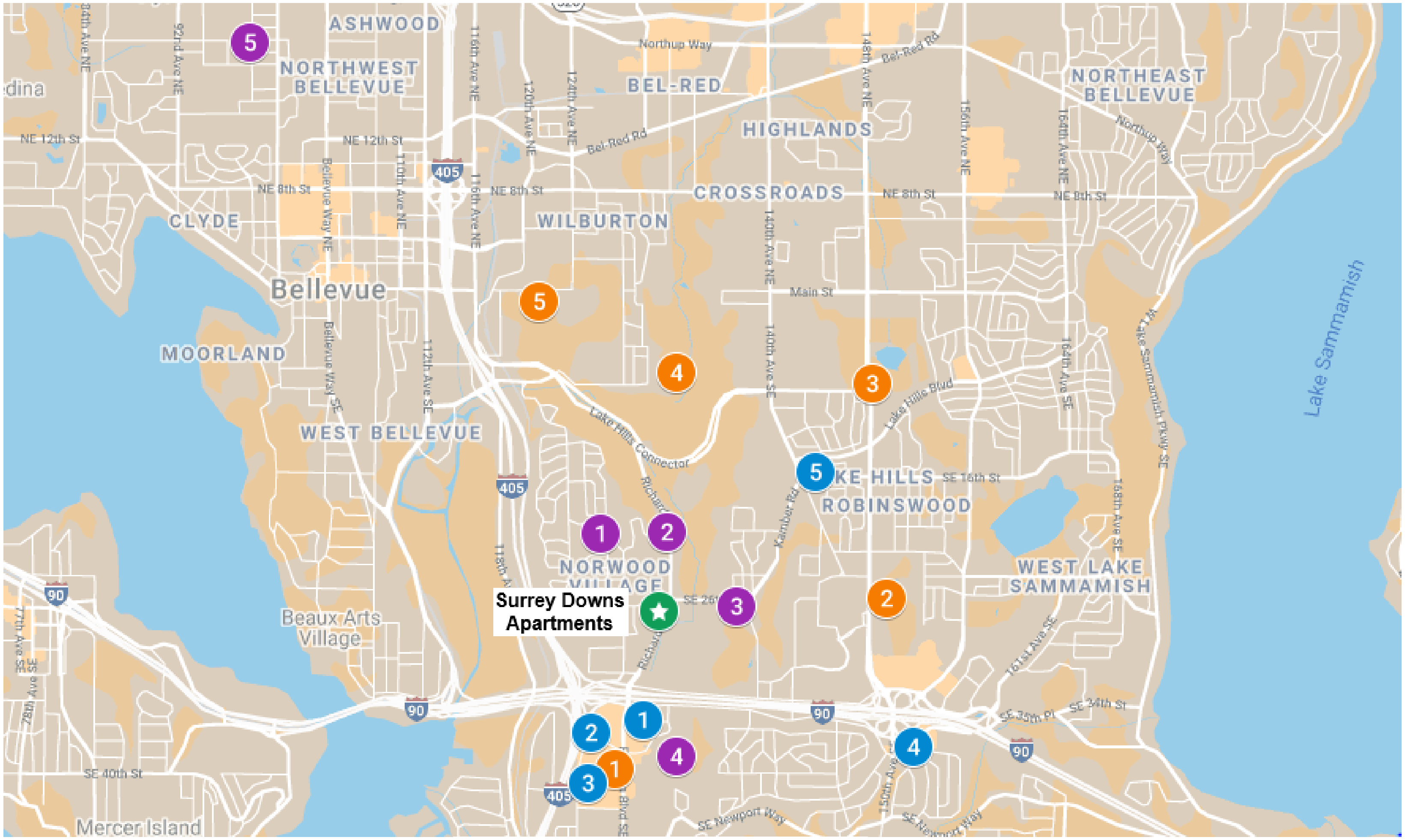
Balance Sheet Impact Risk & Mitigation

- (Risk) The combined additional debt from the acquisition of Surrey Downs and the additional Amazon workforce housing preservation properties will push KCHA's debt service coverage ("DSCR") below the 1.1 ratio required under existing debt covenants or will jeopardize KCHA's current Standard and Poor's rating.

- (Mitigation) Once the Amazon financing package has been fully implemented, the general revenues currently supporting the gap financing for the Hampton Greens acquisition will no longer be needed to support Hampton Greens as its financing will be included in the overall Amazon workforce housing preservation portfolio and its current debt service shortfall will be covered by the net rental revenues of the newly acquired Amazon property portfolio. This will actually serve to 'free-up' KCHA general revenues and have a positive impact on KCHA's overall DSCR. In addition, the KCHA DSCR remains significantly above the 1.1 required ratio and, even in a worst-case scenario, the additional debt from this preservation portfolio is not expected to jeopardize KCHA's ability to meet its DSCR.

Surrey Downs Apartments

Surrey Downs Apartments



Attractions

1. Factoria Mall
2. Robinswood Community Park
3. Larsen Lake Blueberry Farm
4. Kelsey Creek Park
5. Bellevue Botanical Garden

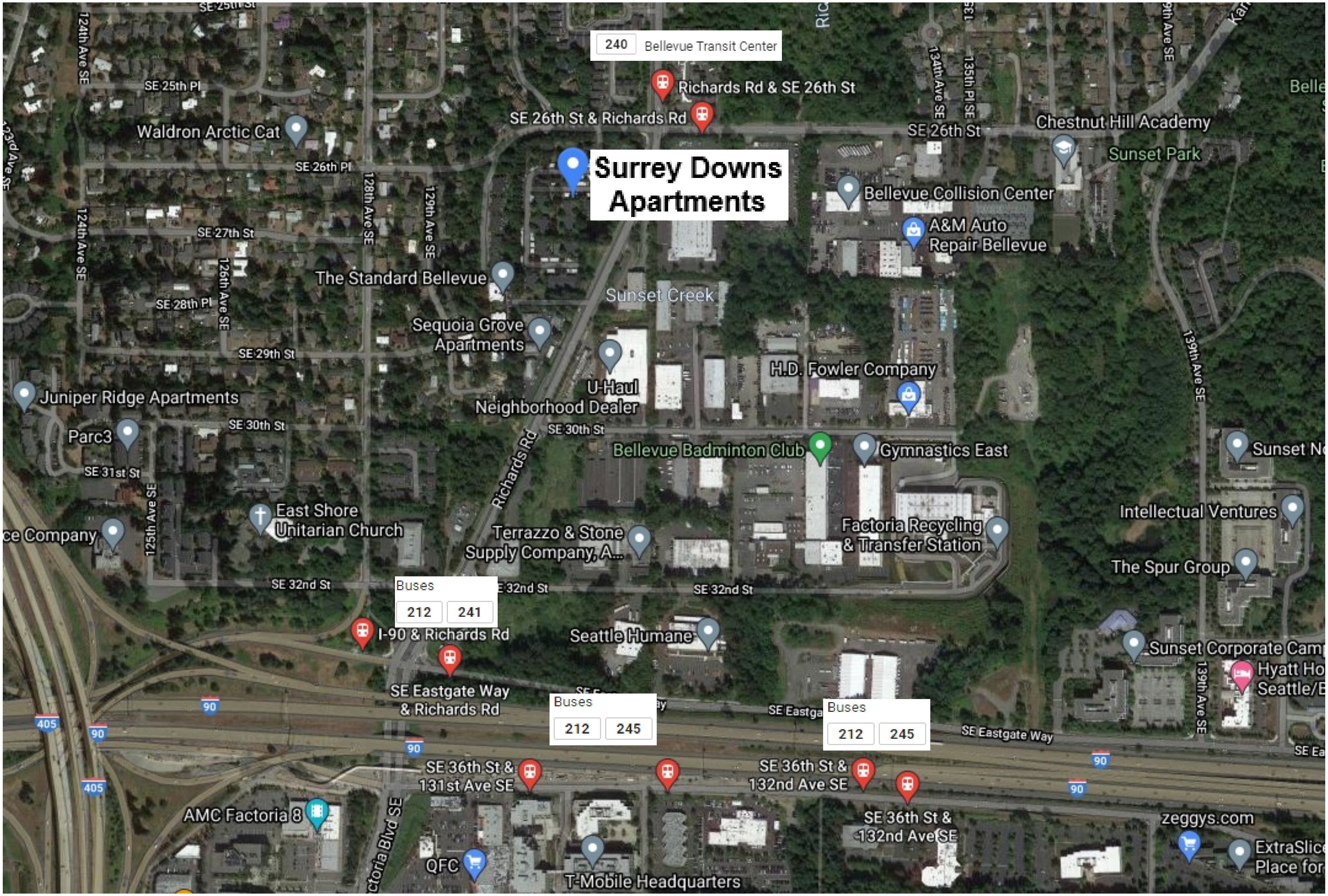
Schools

1. Woodridge Elementary School
2. Stellar Montessori Academy
3. Chestnut Hill Academy
4. Puesta Del Sol Elementary School
5. Chinook Middle School

Groceries

1. QFC (Factoria)
2. Jing Jing Asian Market
3. Target Grocery
4. Safeway
5. QFC (Lake Hills)

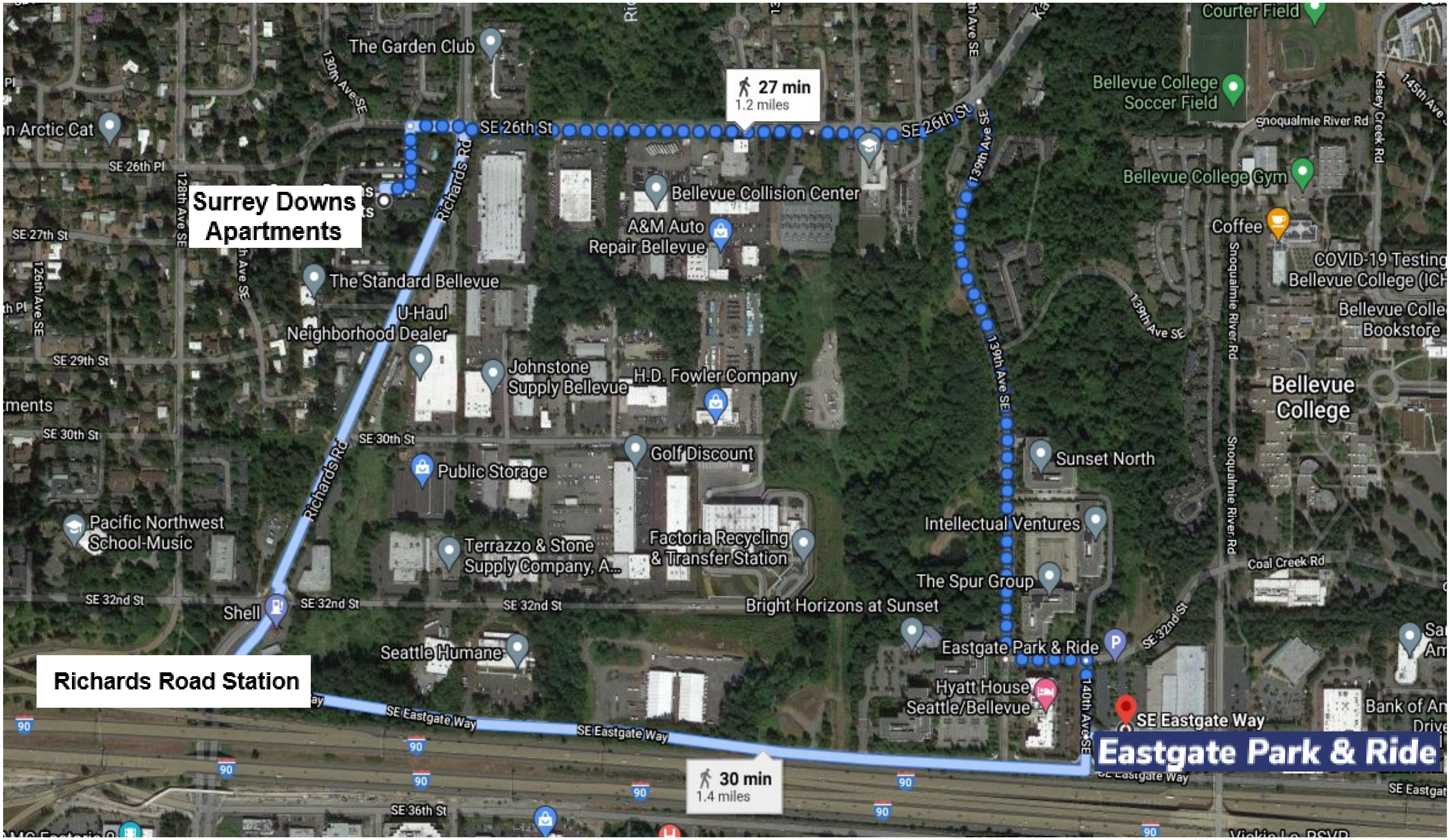
Bus Routes

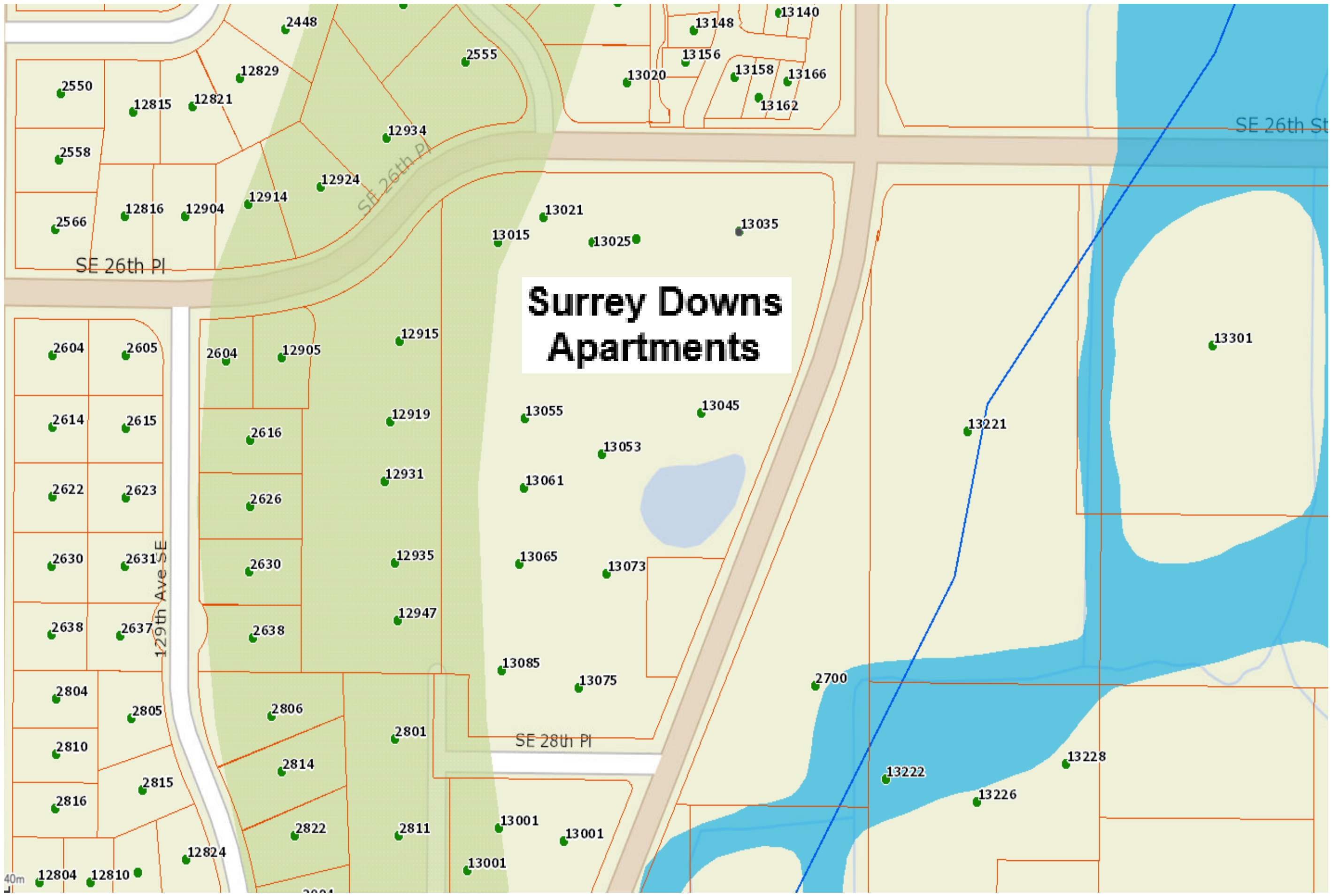


240 Bellevue Transit Center
Richards Rd & SE 26th St
SE 26th St & Richards Rd
Surrey Downs Apartments
Waldron Arctic Cat
Chestnut Hill Academy
Sunset Park
Bellevue Collision Center
A&M Auto Repair Bellevue
The Standard Bellevue
Sunset Creek
Sequoia Grove Apartments
U-Haul Neighborhood Dealer
H.D. Fowler Company
Juniper Ridge Apartments
Parc3
Bellevue Badminton Club
Gymnastics East
East Shore Unitarian Church
Terrazzo & Stone Supply Company, A...
Factoria Recycling & Transfer Station
Intellectual Ventures
The Spur Group
Buses 212 241
I-90 & Richards Rd
Seattle Humane
SE Eastgate Way & Richards Rd
Buses 212 245
Buses 212 245
Sunset Corporate Camp
SE 36th St & 131st Ave SE
SE 36th St & 132nd Ave SE
SE 36th St & 132nd Ave SE
AMC Factoria 8
QFC
T-Mobile Headquarters
zeggys.com
SE 25th Pl
SE 26th Pl
SE 27th St
SE 28th Pl
SE 29th St
SE 30th St
SE 31st St
SE 32nd St
SE 26th St
SE Eastgate Way
Richards Rd
124th Ave SE
126th Ave SE
128th Ave SE
129th Ave SE
125th Ave SE
134th Ave SE
135th Pl SE
139th Ave SE

Future Light Rail (est. 2041)

Eastgate Park and Ride





Legend

King County Address Points

Address points

Address labels

Property Layers

Parcels

Environmentally Sensitive Areas

Erosion hazard (1990 SAO)

Stream (1990 SAO)

- class 1
- class 2 perennial
- class 2 salmonid
- class 3
- unclassified

Wetland (1990 SAO)

Sensitive area notice on title

Flooding info

FEMA floodway

FEMA 100 year floodplain

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5692

A RESOLUTION AUTHORIZING ACQUISITION OF THE SURREY DOWNS APARTMENTS

WHEREAS, there is an increasingly serious shortage of affordable housing in King County, which the King County Housing Authority ("Housing Authority") is charged with addressing pursuant to its mission of providing quality affordable housing opportunities equitably distributed within King County; and

WHEREAS, it is a goal of local government and the Housing Authority to further fair housing in the region affirmatively, in part through preservation of existing affordable housing opportunities in areas with significantly appreciating housing costs; and

WHEREAS, Surrey Downs (the "Property") is a 122-unit apartment complex located at 13035 SE 26th St, Bellevue, Washington, in an area of King County where rents are increasingly unaffordable to low-income households; and

WHEREAS, rents in high opportunity areas are expected to continue to escalate, making the Property increasingly less affordable to low income households; and

WHEREAS, there is a growing loss of affordable housing within transit corridors and around high capacity transit in King County; and

WHEREAS, access to reliable public transportation is a critical resource for low-income households, providing access to work, services, school, shopping, cultural and other activities for these residents; and

WHEREAS, the Housing Authority has identified acquiring and developing housing along planned mass transit corridors and areas with frequent high capacity transit as a strategic priority to ensure the long-term availability of low-income housing near reliable public transportation; and

WHEREAS, the Property is located within a transit corridor and, with the construction of a new Link station in the near future, will be close to high capacity mass transit where rents are increasingly unaffordable to low-income households; and

WHEREAS, RCW 35.82.070(2) provides, in part, that a housing authority shall have the power to acquire housing projects within its area of operations, and RCW 35.82.070(5) authorizes a housing authority to acquire real property by exercise of the power of eminent domain or by purchase in lieu of exercise of the power of eminent domain; and

WHEREAS, acquisition of the Property by the Housing Authority will serve the mission of the Housing Authority and the housing goals of the region through an approach that is considerably less expensive than constructing the same number of new housing units.

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

Section 1: Acquisition of the Property by the Housing Authority is necessary to preserve and provide housing for persons of low income that is equitably distributed in various areas of its operations and in areas of high opportunity, high and escalating rents, and good mass transit in particular.

Section 2: The Board of Commissioners hereby authorizes the Executive Director (i) to give notice to the current owner of the Property of the Housing Authority's intention to acquire the Property by eminent domain if it is unsuccessful in acquiring the Property on satisfactory terms through negotiation and purchase in lieu of condemnation; and (ii) to acquire the Property by condemnation through exercise of the Housing Authority's power of eminent domain, if it is unsuccessful in acquiring the Property on satisfactory terms through negotiation with and purchase from the owner in lieu of condemnation.

Section 3: The Executive Director, Stephen J. Norman, is hereby vested with the authority, and with discretion in the exercise of such authority, to make a final determination after reviewing the results of inspection of the Property as to whether to proceed with the purchase of the Property if he deems it in the best interest of the Housing Authority and the region's housing goals to do so. The Executive Director shall notify the Board of Commissioners in writing of the final determination he has made as well as the agreed upon purchase price prior to final acquisition of the Property. If the Executive Director makes a final determination to proceed, the Board of Commissioners hereby further authorizes the Executive Director to take any and all actions necessary to acquire the Property, and authorizes, approves and/or ratifies the execution of a purchase and sale agreement at an estimated price of Forty-Eight Million, Seven Hundred Fifty Thousand Dollars ($48,750,000) or such other amount as determined by the Executive Director to be in the best interest of the Housing Authority so long as the price does not exceed 105% of the appraised value of the Property pursuant to an appraisal completed by a Washington State licensed MAI appraiser.

Section 4: If the Executive Director is successful in negotiation of the purchase of the Property from the owner in lieu of condemnation for the price authorized above, then the Executive Director is hereby authorized (a) to acquire the Property on such terms and conditions as are customary in such transactions and as are deemed by the Executive Director to be in the best interests of the Housing Authority, and (b) to pay into the purchase escrow the earnest money deposit for the purchase of the Property provided for under the Purchase and Sale Agreement under terms that would permit the earnest money to be forfeited to the seller as liquidated damages if the sale fails to close through no fault of the seller.

Section 5: The Board of Commissioners hereby authorizes the Executive Director to execute any and all applications, agreements, certifications or other documents in connection with the submission of various funding and financing applications, in order to provide all or part of the interim and/or permanent financing of the acquisition of the Property pursuant to this Resolution.

<u>Section 6:</u> The Board of Commissioners hereby authorizes the Executive Director, Stephen J. Norman, and in his absence, Deputy Executive Director Daniel R. Watson or Temporary Deputy Executive Director Craig Violante, to execute on behalf of the Housing Authority any and all contracts, agreements, certifications or other documents in connection with the Housing Authority's acquisition and financing of the Property pursuant to this Resolution.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT THE ANNUAL OPEN PUBLIC MEETING THIS 17TH DAY OF MAY, 2021.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

____
DOUGLAS J. BARNES, Chair
Board of Commissioners

Attest:

____
STEPHEN J. NORMAN
Executive Director and Secretary-Treasurer

CERTIFICATE

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

1. That the attached Resolution No. 5692 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on May 17, 2021 (the "Meeting"), and duly recorded in the minute books of the Authority;

2. That in accordance with RCW 43.06.220, and the Proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives (a) the Meeting was not conducted in person, (b) one or more options were provided for the public to attend the Meeting remotely, including by telephone access, which mean(s) of access provided the ability for all persons attending the Meeting remotely to hear each other at the same time, and (c) adoption of the Resolution is necessary and routine action of the Board of Commissioners of the Authority;

3. The public was notified of access options for remote participation in the Meeting via the Authority's website and email to stakeholders; and

4. The Meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of the Meeting was given; that a quorum was present throughout the Meeting through telephonic and/or internet means of remote access, and a majority of the members of the Board of Commissioners of the Authority present at the Meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of May 2021.

Stephen J. Norman
Secretary-Treasurer and Executive Director of the Authority

TAB NUMBER 12

King County Housing Authority

TO: Board of Commissioners

FROM: Ai Ly, Interim Assistant Director of Finance

DATE: May 3, 2021

RE: **1st Quarter 2021 Summary Write-Offs**

During the first quarter of 2021, tenant accounts totaling $12,833 were deemed uncollectable and written off. This represents a 21.3% decrease from the previous quarter. Overall, rent owed to KCHA accounted for $6,002 (47%) of the total and cleaning/damage charges accounted for $6,501 (51%) of the total. Security deposits in the amount of $1,975 were retained to offset 15% 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. $827 was recovered by the collection agency during the first quarter.

	Total WRITE-OFFS	**YTD WRITE-OFFS**
Rent Balance Forward to Vacate Month	$ 6,001.84	$ 6,001.84
Retro Rent Write-offs	$ -	$ -
VACATE CHARGES:		
Rent Delinquent in Vacate Month	2,804.77	2,804.77
Cleaning & Damages	6,501.13	6,501.13
Paper Service & Court Costs	-	-
Miscellaneous Charges	-	-
Total Charges	9,305.90	9,305.90
Total All Charges	15,307.74	15,307.74
CREDITS:		
Security Deposits	(1,975.00)	(1,975.00)
Miscellaneous Payments & Credits	(500.00)	(500.00)
Total Credits	(2,475.00)	(2,475.00)
Total Net Write-offs	**$ 12,832.74**	**$ 12,832.74**
Net Write-offs by Portfolio		
KCHA	12,620.16	12,620.16
Green River	-	-
Green River II	-	-
Egis	-	-
Soosette Creek	212.58	212.58
Zephyr	-	-
Fairwind	-	-
Vantage Point	-	-
Spiritwood Manor	-	-
	$ 12,832.74	**$ 12,832.74**

Write-off and Collection Summary
2019 - 2021

NET WRITE-OFFS

	2019	2020	2021
January to March	42,166.82	15,086.25	12,832.74
April to June	62,865.14	32,185.06	
July to September	74,632.34	7,239.24	
October to December	24,730.55	16,311.82	
TOTAL	204,394.85	70,822.37	12,832.74

NET COLLECTIONS

	2019	2020	2021
January to March	273.57	3,068.43	826.80
April to June	2,449.81	499.08	
July to September	3,655.74	377.00	
October to December	1,812.32	1,382.11	
TOTAL	8,191.44	5,326.62	826.80

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

TAB NUMBER 13

To: Board of Commissioners

From: Windy K. Epps, Interim Director of Finance

Date: April 19, 2021

Re: **Fourth Quarter 2020 Financial Results**

EXECUTIVE SUMMARY

KCHA's financial performance in 2020 was strong as both operating income and expenses reflected favorable variances compared to budget. Cash reserves remain solid, with $97.9 million in unrestricted and program reserves and $143.1 million in designated and restricted cash.

Net operating income in 2020 exceeded mid-year budget projections, with operating revenues 1.2% above target and operating expenses 2.0% below. Most of the positive revenue variance came from federal CARES Act funding. $5.9 million was received in 2020, but $750,000 was "deferred" as it was not spent. All CARES Act proceeds will be spent by the due date of December 31, 2021. As a result, the financial statements include $5.2 million of unanticipated grant revenue, $1.7 million in the form of additional Operating Fund Subsidy in the Public Housing Program, and $3.5 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 Budget for the MTW Block Grant included an estimated 6.0% HCV inflation factor with a 99.0% prorate for a projected funding increase of $8.0 million over 2019. Actual funding saw an 8.674% inflation factor and a proration of 99.4%, resulting in 2020 Block Grant funding $4.5 million above budget and $12.5 million greater than 2019. Housing Assistance Payments (HAP) to landlords is the largest programmatic use of HCV funding. During 2020, HAP costs funded from the Block Grant were $10.4 million greater than 2019 levels.

Total HCV HAP expenses from all programs (excluding ports-in) were lower than budgeted in 2020 by $900,000 or 0.6%. The variance is comprised of greater HAP costs related to the Block Grant and lower HAP costs related to VASH, FUP, and Mainstream. Total 2020 HAP expense was greater than the previous year by $14.6 million, due mostly to rising rental rates. The HCV program was 1,427 unit months under initial budget projections, a variance of 1.1%. However, compared to the number of Annual Contribution Contract units for which we were funded, (i.e. our baseline), our actual leasing for the year was 102.5% of baseline. The average HAP payment per voucher throughout all of 2020 was $5.98 higher than budget estimates. For December, the average HAP payment per voucher was $11.27 lower than what was included in the Budget.

The Public Housing Operating fund subsidy was budgeted using an estimated prorate of 90.0%, while the actual prorate for 2020 was 97.09%. The final proration level resulted in 2020 revenue that was $760,000 higher than what was included in the Budget and $335,000 higher than 2019 funding.

FOURTH QUARTER HIGHLIGHTS

KCHA closed on the purchase of Pinewood Village and Illahee Apartments during the quarter, adding 144 new units to KCHA's portfolio. The Pinewood Village complex has been added to the workforce housing portfolio and the Illahee Apartments will be managed and maintained by KCHA's public housing staff. These purchases were financed using draws from short-term lines of credit and will be replaced with permanent financing in 2021 with the issuance of municipal bonds and a private debt instrument with Amazon.

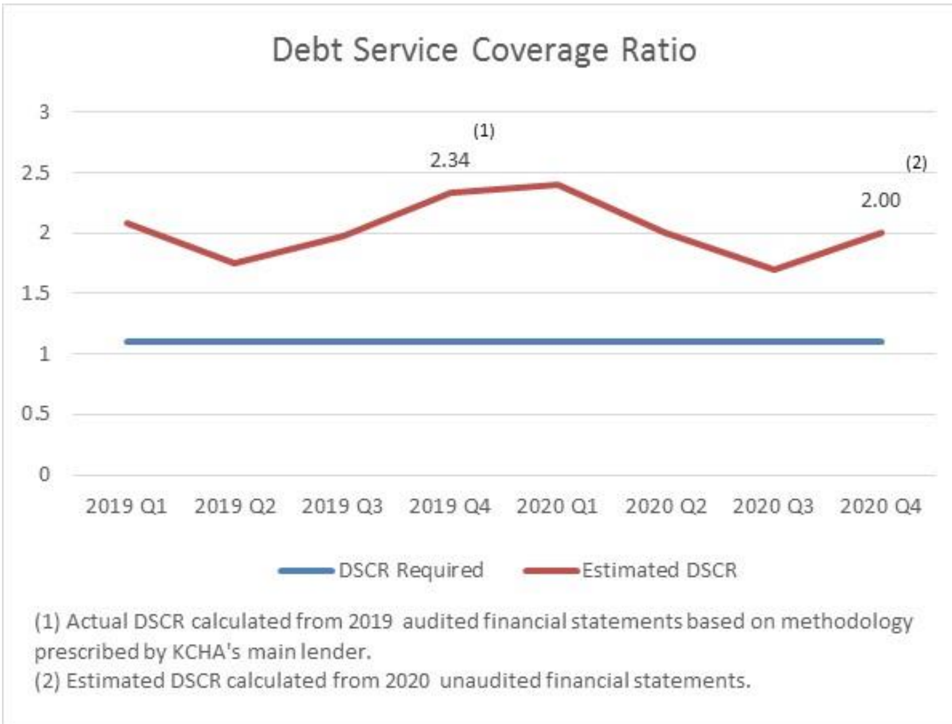
KCHA received two separate awards of additional vouchers from HUD, including 200 incremental VASH vouchers for homeless veterans, and 100 vouchers for non-elderly disabled households. This brings the total for new voucher awards in 2020 to 461.

KCHA also received two funding awards for the planned expansion of the Rainier View Manufactured Housing Community in Black Diamond. The Washington State Dept. of Commerce awarded KCHA $413,544 under the Housing Trust Fund's Homeownership Program. The project was also awarded a below market loan of $580,618 from King County's Housing Finance Program. These awards complete the funding package for the Rainier View expansion.

Puget Sound Energy awarded KCHA a $99,000 grant for the installation of solar panels on the Vantage Point public housing complex in Renton. This installation will produce approximately 50.4 kW of electricity. The completion of this project, in addition to new installations planned as part of the Abbey Ridge and Bellevue Manor rehabs currently underway, will bring KCHA's total solar generating capacity to 390.7 kW. The agency goal in the 2017-2021 Sustainability Plan was 195.5 kW.

A combined total of nineteen townhomes and single-family homes were sold at Greenbridge this quarter, earning KCHA $197,000 profit participation, bringing the total for the year to $475,000.

Due to certain debt covenants, KCHA must maintain a debt service coverage ratio (DSCR) of 1.1 or better. The DSCR is a measure of a borrower's ability to meet current debt obligations. A ratio of 1.0 or greater means the borrower has sufficient income to cover its obligations. KCHA's official DSCR is only calculated annually and is based on the audited financial statements. The last official DSCR was at 12/31/2019 and was 2.34, well above the 1.1 minimum requirement. All other calculations shown below are estimates based solely on interim financial data. The 12/31/2020 estimate of 2.00 will be updated with the official DSCR when it is calculated.



CASH AND INVESTMENT SUMMARIES

Overall, cash balances increased by $12.5 million during the quarter. The primary driver of this increase is 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 0.65%, down from 0.75% 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 0.17%. Total investment returns for the quarter were $938,000 against a projected return of $1.6 million.

Investment Summary (in millions) as of December 31, 2020	Amount	Yield	% of Total
Invested in the Local Government Investment Pool & Masterfund	$122.7	0.16%	46.8%
Invested by KCHA	66.4	0.73%	25.4%
Cash held by trustees	23.7	0.02% *	9.1%
Cash held in checking and savings accounts	28.8	0.02% *	11.0%
Invested by KCHA	$241.7	0.30%	92.2%
Cash loaned for low income housing & EPC project purposes	20.4	4.97%	7.8%
Loaned by KCHA	20.4	4.97%	7.8%
Total	$262.1	0.65%	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	$16.6
Quarterly change:	
Block grant cash receipts from HUD	43.3
Operating Fund subsidy related to resident service activities	0.1
Quarterly HAP payments sourced from the block grant	(32.5)
Quarterly block grant administrative fees paid to Section 8	(2.0)
Direct social service expenses	(1.0)
Homeless Housing expenses	(0.5)
Funding for capital construction	(1.7)
Funding for Debt Service Payments	(3.1)
Other net changes	(1.3)
MTW Cash, End of Quarter	$17.9
Less Reserves:	
Restricted reserve-Green River collateral	(3.5)
Restricted reserve-FHLB collateral	(2.3)
FSS reserves	(0.4)
MTW Available Cash, End of Quarter	$11.7

COCC Cash, Beginning of Quarter	$66.4
Quarterly change:	
Fee revenue	2.6
Used for construction projects	(0.6)
Short-term receivable	(1.0)
Administrative expenses	(4.4)
Other net change	1.9
COCC Cash, End of Quarter	$65.0
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	$49.0

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 for 2020.

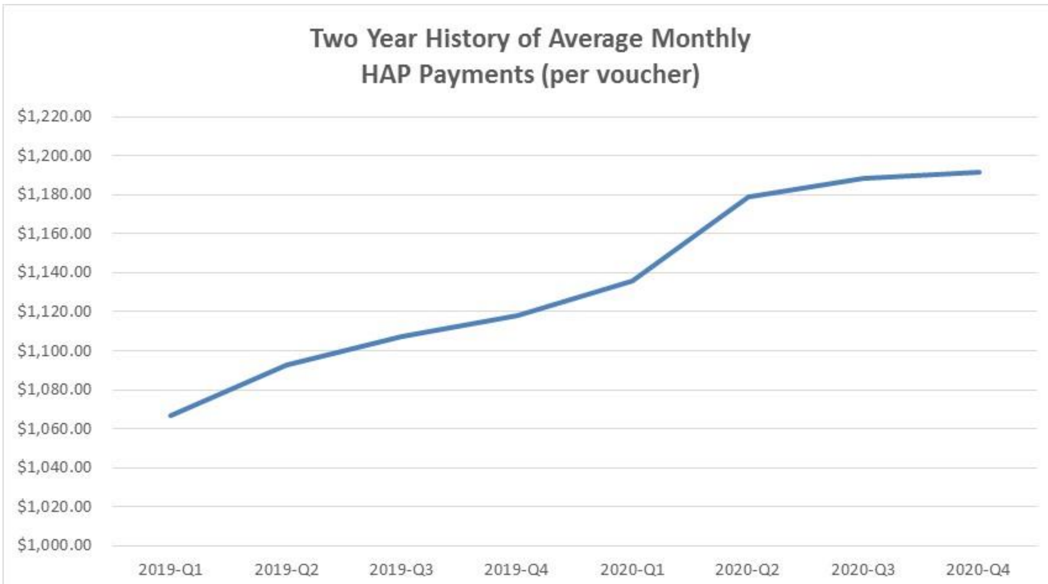
	Actuals Thru 12/31/2020	Budget Thru 12/31/2020	YTD Variance	Percent of Annual Budget	2020 Annual Budget
CONSTRUCTION ACTIVITIES					
Managed by Capital Construction Department					
Public Housing	$4,590,680	$7,274,288	($2,683,608) (1)	63.1%	$7,274,288
509 Properties	1,849,197	3,013,001	(1,163,803) (2)	61.4%	3,013,001
Other Properties	1,700,718	1,522,750	177,968	111.7%	1,522,750
	8,140,595	11,810,039	(3,669,444)	68.9%	11,810,039
Managed by Housing Management Department					
Unit Upgrade Program	4,329,639	4,200,123	129,516	103.1%	4,200,123
Energy Performance Contract	203,649	25,000	178,649	814.6%	25,000
Other Projects	108,647	60,000	48,647	181.1%	60,000
	4,641,936	4,285,123	356,813	108.3%	4,285,123
Managed by Asset Management Department					
Homeownership Projects-Managed by Internal staff	115,431	1,563,750	(1,448,319) (3)	7.4%	1,563,750
Bond Properties-Projects Managed by Internal Staff	1,415,071	4,485,000	(3,069,929) (4)	31.6%	4,485,000
	1,530,501	6,048,750	(4,518,249)	25.3%	6,048,750
Subtotal Construction Activities	**14,313,032**	**22,143,912**	**(7,830,880)**	**64.6%**	**22,143,912**
DEVELOPMENT ACTIVITY					
Managed by Hope VI Department					
Greenbridge	4,933,535	4,197,813	735,722	117.5%	4,197,813
Notch	129,859	598,799	(468,940) (5)	21.7%	598,799
	5,063,394	4,796,612	266,782	105.6%	4,796,612
Managed by Development Department					
Other Projects	4,072,629	12,128,452	(8,055,823) (6)	33.6%	12,128,452
	4,072,629	12,128,452	(8,055,823)	33.6%	12,128,452
Subtotal Development Activity	**9,136,023**	**16,925,064**	**(7,789,041)**	**54.0%**	**16,925,064**
TOTAL CONSTRUCTION & DEVELOPMENT	**$23,449,055**	**$39,068,976**	**($15,619,920)**	**60.0%**	**$39,068,976**
PROPERTY ACQUISITIONS & OTHER ASSETS					
Acquisitions-Pinewood Apartments	38,000,000				
Acquisitions- Illahee Apartments	10,800,000				
Acquisitions- Bellevue Manor (KCHA Managed)	19,700,000				
Disposal of three properties to LIHTC partnerships	(36,200,803)				
Other adjustments	(15,356)				
TOTAL PER CASH RECONCILATION REPORT	**55,732,896**				

1) Casa Madrona Water/Waste Lines and portion of the Heating System Repair was deferred to 2021. Most of the Pacific Court Envelope & Roof project were paid in late 2019 while the project was budgeted in 2020. Also, the Wayland Arms electrical panel replacement project has been pushed out to 2021-2022. Finally, the Yardley Arms Waste Lines is deferred to 2021.
2) MKCRF capital projects are under target. Several projects are delayed to 2021.
3) 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.
4) Various Workforce Housing capital projects are below target due to project delays.
5) The Notch site development permit project is below budget due to project delays.
6) The Bellevue Manor rehab project was below budget due to permit delays and other delays related to COVID-19. The Parkway predevelopment and the Kirkland Heights projects have been postponed. Finally, the timeline for the Issaquah TOD project has been extended due to challenges relocating Lumen to the alternate site.

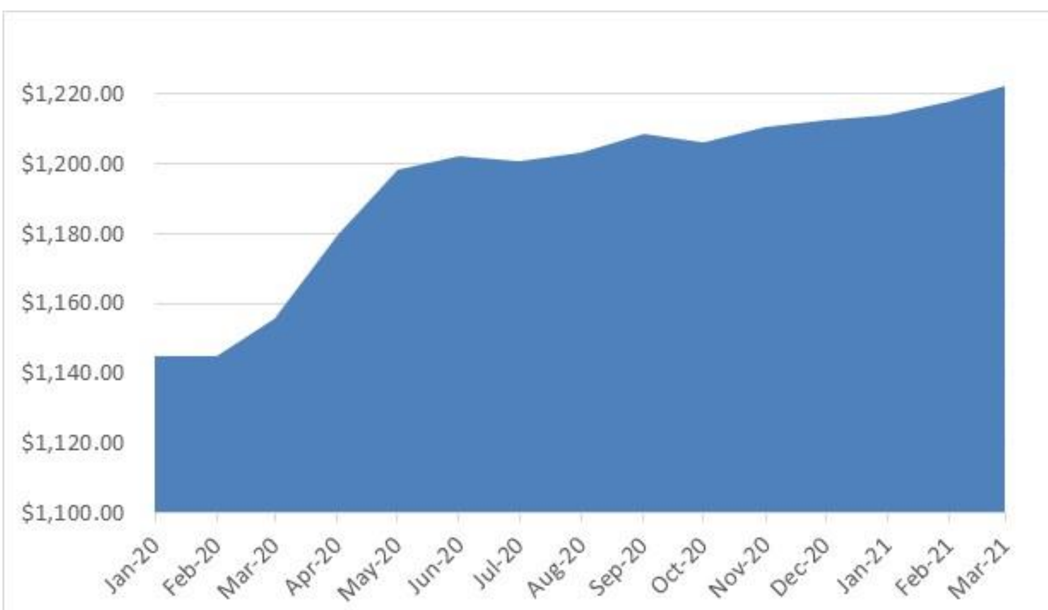
PROGRAM ACTIVITIES

HOUSING CHOICE VOUCHERS

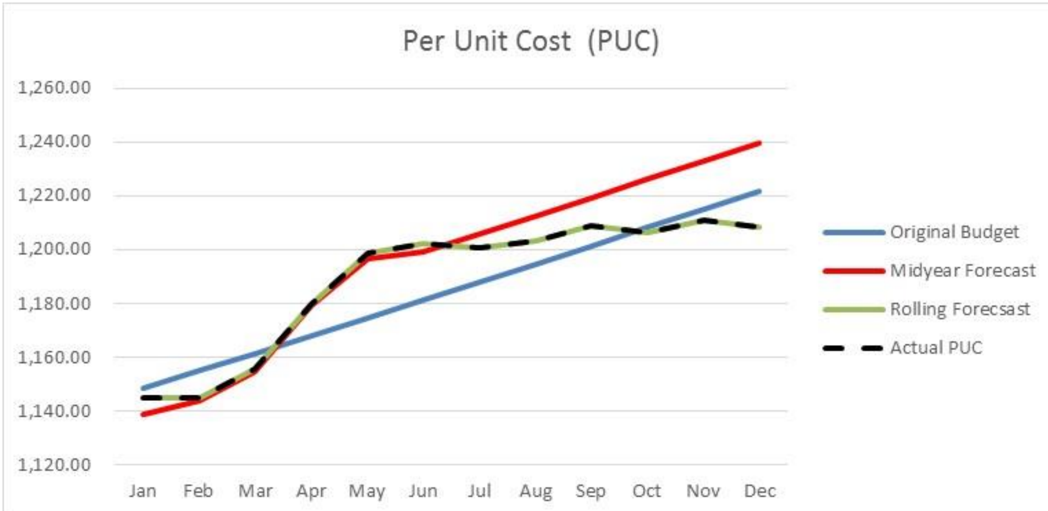
The average quarterly HAP payment to landlords for all HCV vouchers was $1,191.70, compared to $1,188.09 last quarter and $1,117.84 one year ago.



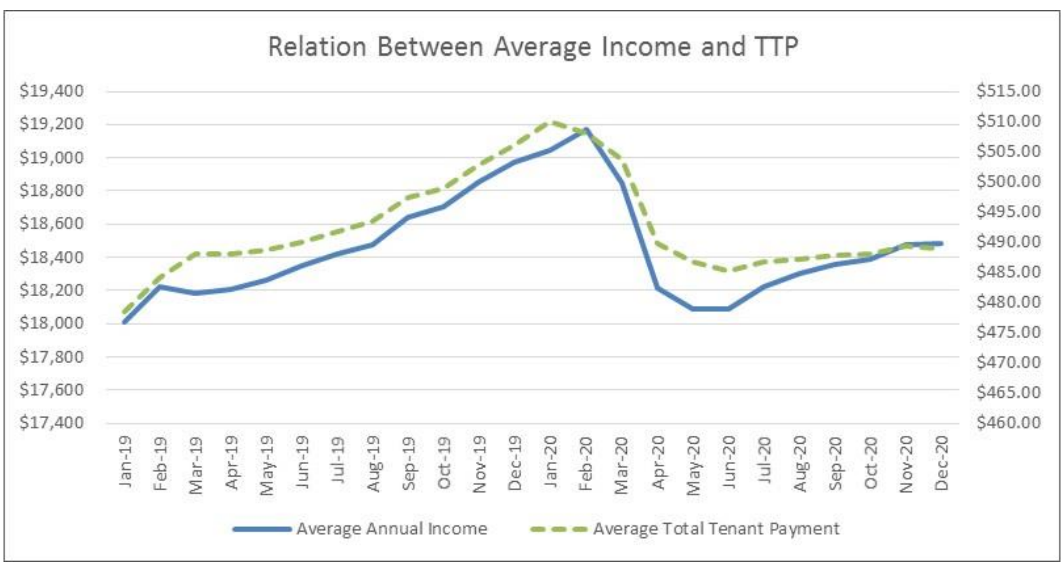
KCHA's average Block Grant HAP payments continued to rise during the fourth quarter, but at a much slower pace than earlier in the year.



The block grant average per unit cost through the end of the year were less than what was included in either the original adopted 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 $488.76, up slightly from $487.24 the previous quarter, and down from $502.69 one year ago. As indicated by the chart below, this decrease appears to be closely connected to the decrease in average tenant annual incomes and is starting to show a modest rise.



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*

Throughout 2020, block grant payments from HUD have closely tracked against budget projections with a 1.9% positive variance. Amounts used for HAP payments have also been close to the budget, with a favorable variance of 0.3%.
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	156,614.4	153,636.8	$2,977.6	1.9%	
Funding of HAP Payments to Landlords	(126,862.9)	(127,250.7)	387.8	0.3%	
Funding of Section 8 Administrative Costs	(8,234.2) (1)	(9,130.4)	896.2	9.8%	(1)
Excess of HCV Block Grant Funding over Expenses	$ 21,517.2	$ 17,255.7	$ 4,261.5	24.7%	

1) MTW 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 for 2020.

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Transfers to PH AMPs Based on Need	($767.6)	($2,862.8)	($2,095.2)	73.2%	(1)
Net Flow of Cash(from)/to MTW from/(to) PH	($767.6)	($2,862.8)	$2,095.2	(73.2%)	

1) Transfers from MTW to public housing projects were 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	$465.7	$434.6	$31.1	7.1%	
Homeless Initiatives	(1,688.3)	(2,750.7)	$1,062.3	(38.6%)	(1)
Resident Services	(4,174.3)	(4,835.5)	$661.2	(13.7%)	(2)
Use of MTW Funds for Special Programs	($5,397.0)	($7,151.5)	$1,754.6	(24.5%)	

1) The Highline School District program was below budget as utilization was 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-end expenditures include:

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Construction Activity & Management Fees	$7,661.3	$9,217.0	($1,555.7)	(16.9%)	(1)
Green River and Birch Creek debt payments	3,120.2	0.0	3,120.2	n/a	(2)
Misc. Other Uses	2,946.4	5,312.3	(2,365.9)	(44.5%)	(3)
	$13,727.8	$14,529.2	($801.4)	(5.5%)	

1) Due to delays and slow starts in various capital construction projects, the budgeted transfers from MTW to fund the projects were below target. This also resulted in reduced construction management fees charged to MTW.
2) A management decision was made to use MTW funds for the Birch Creek and Green River Homes 2 bond payments in lieu of the sources that were originally assumed in the budget.
3) The budgeted subsidy transfers from MTW to public housing projects were less than budgeted as housing projects expenses were below target primarily due to maintenance projects being put on hold due to COVID-19.

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 year, totaling $712,116, were 0.45% of program gross revenues and below the budget of $1,402,570. 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 and investment income. The chart below reflects a summary of COCC activity.

(In thousands of dollars)

Revenues	YTD Actual	YTD Budget	Variance	%Var	
Management fees	9,414.8	10,114.4	($699.5)	(7.4%)	(1)
Cash transferred-in from properties	8,860.0	8,640.0	220.0	2.5%	
Investment income	2,060.3	2,608.6	(548.3)	(26.6%)	(2)
Other income	1,792.6	1,348.4	444.1	24.8%	(3)
	$22,127.7	$22,711.4	($583.7)	(2.6%)	
Expenses					
Salaries & Benefits	12,359.7	13,521.5	($1,161.8)	(9.4%)	(4)
Administrative Expenses	3,380.5	4,365.9	(985.3)	(29.1%)	(5)
Occupancy Expenses	320.6	456.3	(135.8)	(42.4%)	(6)
Other Expenses	891.4	754.8	136.6	15.3%	(7)
	$16,952.2	$19,098.5	($2,146.3)	(12.7%)	
Net Change in Available COCC Resources	$5,175.5	$3,612.9	$1,562.6		

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 were 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 was delayed.
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

Consolidated Cash Report
As of 12/31/2020

	KCHA Cash		Cash of
	Current Quarter	Prior Quarter	Other Entities
Unrestricted	$78,729,826	$69,941,726	$6,460,719
Designated, but Available for General Use			
Excess Cash Flow from Birch Creek	11,731,799	11,717,258	0
Excess Cash Flow from Green River	4,838,346	4,834,469	0
Voluntary Debt Service Reserve-Birch Creek	2,530,464	2,526,122	0
Exit Tax Reserve, Birch Creek	3,008,356	3,002,539	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	**116,838,792**	**108,022,114**	6,460,719
Other Designated Cash			
Voluntary Replacement Reserves	34,377,515	31,822,116	0
Funds Held by Outside Property Management Companies	20,648,964	24,228,850	0
Excess Cash Reserve	136,900	136,900	400,000
EPC Project Reserves	2,600,000	2,400,000	0
Unspent Debt Proceeds Reserves	(168,419)	0	0
Hope VI Loan Interest Income Reserves	1,752,507	1,752,507	0
Other Designated Funds	49,386	44,362	268,919
Total Other Designated Cash	59,396,854	60,384,735	668,919
Programmatic Cash			
MTW Program	11,713,751	9,294,591	0
Public Housing	3,119,657	5,073,008	572,313
Housing Choice Voucher Program	2,000,576	337,460	0
Energy Performance Contract Project	626,255	529,294	0
Greenbridge/Seola Gardens General Cash Balances	(320,348)	1,709,268	0
Other Programmatic Cash	2,055,622	2,435,196	0
Total Programmatic Cash	19,195,513	19,378,816	572,313
Restricted Cash			
MTW Pledged as Collateral	5,772,615	7,088,216	0
Bond Reserves-1 Year Payment	2,381,256	2,350,939	0
Bond Reserves-P & I	15,452,392	12,377,783	0
Hope VI Lot Sales Proceeds	11,878,716	11,760,547	0
Replacement Reserves	649,537	652,035	1,101,178
Highland Village/Somerset Projects	0	0	0
FSS Reserves	1,821,347	1,630,125	0
Overlake Interest Mitigation Reserve	1,759,423	1,076,147	0
Residual Receipts	116,124	116,124	0
Security Deposits	3,105,032	3,159,757	120,320
Other Restricted Cash	2,652,122	1,858,146	0
Total Restricted Cash	45,588,564	42,069,819	1,221,498
TOTAL CASH	$241,019,723	$229,855,485	$8,923,448

King County Housing Authority **Statements of Financial Position** **As of December 31, 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	$5,115,647	$2,088,764	$17,733,695	$12,135,280	$1,980,443	$11,713,751	$42,952	$5,151,859	$48,995,979	$104,958,371
Cash-Designated	717,084	4,535,879	46,853,151	25,288,914	0	0	1,752,507	3,001,565	16,025,638	98,174,739
Cash-Restricted	758,670	2,186,887	21,579,395	1,114,595	3,023,559	6,155,085	11,991,872	0	0	46,810,062
Accounts Receivable	1,057,271	155,106	9,683,550	6,864,056	388,719	1,860,634	0	345,515	893,224	21,248,074
Other Short-term Assets	432,847	563,808	1,168,811	184,736	75,305	1,949	160	34,326	257,723	2,719,664
Long-term Receivables	66,199,148	442,108	187,923,911	98,341,946	0	22,802,174	321,021	209,641	36,254,743	412,494,690
Capital Assets	242,675,490	135,199,719	706,470,108	158,880,465	0	0	46,414,819	27,669,676	13,840,372	1,331,150,649
Other Assets	471,200	(925)	71,590	206,785	0	0	49,550	2,258	551,799	1,352,257
Total Assets	$317,427,356	$145,171,345	$991,484,210	$303,016,777	$5,468,026	$42,533,592	$60,572,882	$36,414,840	$116,819,478	$2,018,908,506
Liabilities and Equity										
Short-term Liabilities	$2,541,885	$936,993	$12,243,314	$2,004,741	$2,580,850	$826,064	$282,786	$5,612,593	$1,974,603	$29,003,830
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	49,045,203	41,271,483	804,594,649	131,485,352	0	0	22,883,608	0	25,388,229	1,074,668,523
Other Long-term Liabilities	2,661,974	1,611,032	706,778	5,342,554	0	0	16,098,127	25,300,462	0	51,720,928
Total Liabilities	54,404,062	46,272,472	826,364,709	142,210,795	2,580,850	826,064	39,264,522	30,913,055	28,536,959	1,171,373,487
Equity	263,023,294	98,898,873	165,119,502	160,805,982	2,887,176	41,707,528	21,308,361	5,501,785	88,282,519	847,535,019
Total Liabilities and Equity	$317,427,356	$145,171,345	$991,484,210	$303,016,777	$5,468,026	$42,533,592	$60,572,882	$36,414,840	$116,819,478	$2,018,908,506

King County Housing Authority
Cash Reconciliation Report
Combined Operations
Through December 31, 2020

	Actuals	Midyear Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$85,993,319**				
Rental Revenue and Subsidy					
Tenant Revenue	$132,525,088	$124,151,019	$8,374,069	6.7%	
Federal Operating Support	12,860,833	$12,866,785	(5,952)	0.0%	
Total Rental Revenue and Federal Support	145,385,921	$137,017,804	8,368,117	6.1%	
Other Operating Revenue					
Federal Support for HCV Program	181,504,900	186,890,559	(5,385,659)	-2.9%	
Other Revenue	83,619,439	82,007,330	1,612,108	2.0%	
Total Other Operating Revenue	265,124,339	268,897,889	(3,773,551)	-1.5%	
Total Operating Revenue	410,510,260	405,915,693	4,594,567	1.2%	
Operating Expenses					
Salaries and Benefits	(53,580,745)	(54,690,571)	1,109,825	2.0%	
Administrative Expenses	(13,393,363)	(15,123,481)	1,730,117	11.4%	(1)
Maintenance Expenses and Utilities	(42,475,090)	(44,963,905)	2,488,816	5.5%	
Management Fees Charged to Properties and Programs	(8,897,481)	(8,563,935)	(333,546)	-3.9%	
HCV Housing Assistance Payments to Landlords	(198,197,282)	(196,658,732)	(1,538,550)	-0.8%	
Other Programmatic Expenses	(7,054,894)	(9,752,566)	2,697,672	27.7%	(2)
Other Expenses	517,085	0	517,085	n/a	(3)
Total Operating Expenses	(323,081,771)	(329,753,190)	6,671,419	2.0%	
Net Operating Income	87,428,489	76,162,503	11,265,986	16.4%	
Non Operating Income/(Expense)					
Interest Income from Loans	11,459,900	11,557,993	(98,093)	-0.8%	
Interest Expense	(27,464,465)	(35,527,634)	8,063,170	22.7%	(4)
Transfers-in	93,740,570	63,676,779	30,063,791	47.2%	
Transfers-out	(93,740,570)	(63,676,779)	(30,063,791)	-47.2%	
Other Non-operating Income/(Expense)	35,208,394	(401,070)	35,609,464	8878.6%	(5)
Total Non Operating Income/(Expense)	19,203,830	(24,370,711)	43,574,541	166.0%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	163,219	2,413,838	(2,250,619)	-93.2%	(6)
Capital Project Expenditures	(55,732,896)	(87,678,975)	31,946,079	36.4%	(7)
Total Change in Capital Assets, net of Direct Funding and Debt	(55,569,677)	(85,265,137)	29,695,460	32.6%	
Change in Assets/Liabilities					
Change in Designated/Restricted Cash	(21,464,254)	(2,484,712)	(18,979,542)	-763.9%	(8)
Change in Short-term Assets	19,387,777	(1,989,795)	21,377,572	1074.4%	(9, 10)
Change in Long-term Receivables	(96,760,806)	(80,948,435)	(15,812,371)	-19.5%	(9,10,11)
Change in Other Assets	100,333	0	100,333	n/a	
Change in Short-term Liabilities	(7,749,707)	(27,226,038)	19,476,331	71.5%	(12)
Change in Long-term Debt	80,525,438	151,624,778	(71,099,340)	-46.9%	(13)
Change in Other Liabilities	2,817,519	7,775,378	(4,957,859)	-63.8%	(14)
Change in Equity	(546,862)	0	(546,862)	n/a	(15)
Change in Other Assets/Liabilities	(23,690,561)	46,751,176	(70,441,738)	-148.0%	
Change in Unrestricted/Program Cash	$27,372,080	$13,277,831	$14,094,249	1208.7%	
ENDING UNRESTRICTED/PROGRAM CASH	$113,365,400				

BEGINNING DESIGNATED/RESTRICTED CASH	**$115,113,518**				
Change in Replacement Reserves	7,100,736	2,631,081	4,469,655	169.9%	(8)
Change in Debt Service Reserves	11,580,234	30,136	11,550,098	38327.0%	(8)
Change in Other Reserves	2,783,284	(176,505)	2,959,789	1676.9%	(8)
Change in Designated/Restricted Cash	21,464,254	2,484,712	18,979,542	763.9%	
ENDING DESIGNATED/RESTRICTED CASH	**$136,577,771**				

1) Various categories are under target (professional services, admin contracts, and computer equipment).
2) Due to COVID-19, 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.
3) Technical accounting entry recording Overlake operating activities from prior year. Also, due to insurance proceeds for Riverstone fire loss. This is partially offset by 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.
4) 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. Also, due to falling interest rate, the Overlake variable interest expense was lower than budgeted.
5) Bellevue Manor, Abbey Ridge, and Woodland North were sold to tax credit partnerships under financing leases totaling $70 million. Of this amount, $36 million equivalent to the book value of the assets was not included in the budget.
6) Capital projects were delayed due to COVID-19 resulting in lower than budgeted draw from CFP grant and transfer from MTW.
7) $70 million was budgeted for acquisition of new properties. However, two properties were purchased for $48.8 million. Also, 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.
8) Increases in debt service, excess cash reserve and replacement reserves in workforce Housing projects. Also, due to deposit of earnest money for acquisition of Oaks at Forest Bay.
9) Due to an advance of a $12.5 million pass-through long-term debt to Somerset Gardens partnership, which was budgeted as a short-term interim loan.
10) 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. This is partially offset as receipt of $11.4 million Somerset and Highland Village developer fee was budgeted as short term and receipt of $6.1 million Abbey Ridge and Bellevue Manor developer fee was budgeted as long term receivable.
11) 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.
12) 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, due to unbudgeted repayment of Spiritwood lease payable totaling $2.5 million from net cash flow distribution.
13) $70 million was budgeted draw from LOC for acquisition of new properties. However, only $48.8 million was drawn (see note 9). The payoff of the $27.5 million Highland Village long-term line of credit, which was budgeted as a short-term payable. Unbudgeted transfer of the Abbey Ridge $20 million line of credit as property was sold to tax credit partnership.
14) 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 internal loan budgeted for Parkway and Kirkland Heights predevelopment projects did not occur due to project delays.
15) Technical accounting entry recording Overlake operating activity from prior year.

King County Housing Authority
Cash Reconciliation Report
Public Housing Not for Profit
Through December 31, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$8,790,405**				
Rental Revenue and Subsidy					
Tenant Revenue	$8,128,717	$8,193,994	($65,277)	-0.8%	
Federal Operating Support	8,710,949	6,528,951	2,181,998	33.4%	(1)
Transfer- Operating fund Support	767,592	2,924,420	(2,156,828)	-73.8%	(2)
Total Rental Revenue and Federal Support	17,607,258	17,647,365	(40,108)	-0.2%	
Other Operating Revenue					
Federal Support for HCV Program	0	0	0	n/a	
Other Revenue	130,552	264,839	(134,287)	-50.7%	(3)
Total Other Operating Revenue	130,552	264,839	(134,287)	-50.7%	
Total Operating Revenue	17,737,810	17,912,204	(174,395)	-1.0%	
Operating Expenses					
Salaries and Benefits	(6,964,397)	(5,964,690)	(999,707)	-16.8%	(4)
Administrative Expenses	(1,030,325)	(809,495)	(220,830)	-27.3%	(5)
Maintenance Expenses and Utilities	(7,545,538)	(7,699,079)	153,542	2.0%	
Management Fees Charged to Properties and Programs	(2,294,313)	(2,298,972)	4,658	0.2%	
HCV Housing Assistance Payments to Landlords	0	0	0	n/a	
Other Programmatic Expenses	(70,293)	(97,120)	26,827	27.6%	
Other Expenses	(115,021)	0	(115,021)	n/a	(6)
Transfers Out for Operating Purposes	0	0	0	n/a	(4)
Total Operating Expenses	(18,019,886)	(16,869,356)	(1,150,531)	-6.8%	
Net Operating Income	(282,077)	1,042,849	(1,324,926)	-127.0%	
Non Operating Income/(Expense)					
Interest Income from Loans	2,299,044	2,307,769	(8,725)	-0.4%	
Interest Expense	(1,086,316)	(1,094,502)	8,186	0.7%	
Other Non-operating Income/(Expense)	(1,384,313)	(1,513,395)	129,082	8.5%	
Total Non Operating Income/(Expense)	(171,585)	(300,128)	128,543	42.8%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	5,896,641	9,521,088	(3,624,447)	-38.1%	(7)
Capital Project Expenditures	(18,076,267)	(9,521,088)	(8,555,179)	-89.9%	(7, 8)
Total Change in Capital Assets, net of Direct Funding and Debt	(12,179,626)	0	(12,179,626)	n/a	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(78,880)	(74,261)	(4,619)	-6.2%	
Change in Receivables	(431,831)	(905,261)	473,430	52.3%	(9)
Change in Other Assets	(53,151)	0	(53,151)	n/a	(10)
Change in Debt	10,690,000	0	10,690,000	n/a	(11)
Change in Other Liabilities	(1,167,523)	477,102	(1,644,625)	-344.7%	(12)
Change in Equity	(84)	0	(84)	n/a	
Change in Other Assets/Liabilities/Equity	8,958,530	(502,420)	9,460,950	1,883.1%	
Change in Unrestricted/Program Cash	($3,674,758)	$240,301	($3,915,058)	-1,629.2%	
ENDING UNRESTRICTED/PROGRAM CASH	**$5,115,647**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance
BEGINNING DESIGNATED/RESTRICTED CASH	**$1,396,873**			
Change in Replacement Reserves	73,131	73,600	(469)	-0.6%
Change in Debt Service Reserves	0	0	0	n/a
Change in Other Reserves	5,750	661	5,089	769.8%
Change in Designated/Restricted Cash	78,880	74,261	4,619	0,006.2%
ENDING DESIGNATED/RESTRICTED CASH	**$1,475,754**			

1) The operating subsidy exceeded budget due to additional funding from the CARES Act, and the prorate was more favorable than anticipated.
2) The budgeted transfers from MTW to public housing projects was less than expected as the projects had adequate funding throughout the year.
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) 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 Ballinger, Forest Glen, Fairwind, Boulevard Manor, and Cascade Home exceeded the target. Unbudgeted write-off of uncollectiable accounts. Finally, background check expenses were higher than budgeted.
6) Cost of repairs at Ballinger Homes due to the fire in 2017 that were not budgeted.
7) Capital projects have been delayed due to COVID-19 resulting in lower than budgeted draws from the CFP grant and transfers from MTW.
8) Acquisition of Illahee Apartments for $10.8 million. The budget was included in fundgroup 7.
9) Due to receipt of outstanding receivables.
10) Due to an increase in prepaid insurance.
11) Due to draw from line of credit for the acquisition of Illahee Apartments, which was budgeted in fundgroup 7.
12) Due to a decrease in accounts payable and deferred revenue.

King County Housing Authority
Cash Reconciliation Report
Other Low Income Housing-Not for Profit
Through December 31, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$3,803,576**				
Rental Revenue and Subsidy					
Tenant Revenue	$15,560,461	$15,130,675	$429,786	2.8%	
Total Rental Revenue and Federal Support	15,560,461	15,130,675	429,786	2.8%	
Other Operating Revenue					
Federal Support for HCV Program	386,350	399,000	(12,650)	-3.2%	
Other Revenue	5,341,608	6,347,133	(1,005,525)	-15.8%	(1)
Total Other Operating Revenue	5,727,958	6,746,133	(1,018,175)	-15.1%	
Total Operating Revenue	21,288,419	21,876,808	(588,389)	-2.7%	
Operating Expenses					
Salaries and Benefits	(3,141,403)	(3,041,577)	(99,826)	-3.3%	
Administrative Expenses	(556,264)	(464,433)	(91,831)	-19.8%	(2)
Maintenance Expenses and Utilities	(5,083,050)	(5,784,284)	701,233	12.1%	(3)
Management Fees Charged to Properties and Programs	(1,051,772)	(1,038,744)	(13,028)	-1.3%	
Other Programmatic Expenses	(1,884)	(9,945)	8,061	81.1%	
Other Expenses	(59,960)	0	(59,960)	n/a	(4)
Transfers Out for Operating Purposes	(36,731)	0	(36,731)	n/a	
Total Operating Expenses	(9,931,064)	(10,338,983)	407,919	3.9%	
Net Operating Income	11,357,355	11,537,825	(180,470)	-1.6%	
Non Operating Income/(Expense)					
Interest Expense	(2,021,317)	(1,601,313)	(420,004)	-26.2%	
Other Non-operating Income/(Expense)	(6,385,993)	(8,227,371)	1,841,377	22.4%	(5)
Total Non Operating Income/(Expense)	(8,407,311)	(9,828,684)	1,421,373	14.5%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	3,796,291	4,850,390	(1,054,099)	-21.7%	(5)
Capital Project Expenditures	(3,599,577)	(6,453,508)	2,853,931	44.2%	(5, 6)
Total Change in Capital Assets, net of Direct Funding and Debt	196,714	(1,603,118)	1,799,832	112.3%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(1,336,298)	(231,908)	(1,104,390)	-476.2%	(7)
Change in Receivables	151,723	0	151,723	n/a	(8)
Change in Other Assets	(59,701)	0	(59,701)	n/a	(9)
Change in Debt	(2,483,422)	(1,851,764)	(631,658)	-34.1%	(10)
Change in Other Liabilities	(880,654)	889,732	(1,770,386)	-199.0%	(11)
Change in Other Assets/Liabilities/Equity	(4,608,353)	(1,193,940)	(3,414,413)	-286.0%	
Change in Unrestricted/Program Cash	($1,461,594)	($1,087,916)	($373,678)	-34.3%	
ENDING UNRESTRICTED/PROGRAM CASH	**$2,341,982**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING DESIGNATED/RESTRICTED CASH	**$5,133,250**				
Change in Replacement Reserves	549,279	231,874	317,405	136.9%	(7)
Change in Debt Service Reserves	2,153	0	2,153	n/a	
Change in Other Reserves	784,866	34	784,832	2,308,330.3%	(7)
Change in Designated/Restricted Cash	1,336,298	231,908	1,104,390	476.2%	
ENDING DESIGNATED/RESTRICTED CASH	**$6,469,548**				

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) Legal fees related to the acquisition of Oaks at Forest Bay, which were not budgeted. Increase in allowance for doubtful accounts resulted from accumulated unpaid rent. Also, background check expenses were higher than budgeted.
3) Slower-than-average spending on maintenance contracts due to the COVID-19 pandemic.
4) Due to fire loss repair at Victorian Woods, slightly offset by insurance proceeds.
5) MKCRF capital expenditures are under target as several projects were delayed to 2021. Unit upgrades and capital construction were also 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) Mainly due to increases in prepaid insurance.
10) Mainly due to higher than budgeted decrease in 2013 Pool Loan. More debt was allocated to Friendly Village than what was originally included in the budget.
11) Mainly due to decreases in accounts payable and deffrred revenue. 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 December 31, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$1,538,004**				
Rental Revenue and Subsidy					
Tenant Revenue	$91,630,466	$88,249,219	$3,381,247	3.8%	
Total Rental Revenue and Federal Support	91,630,466	88,249,219	3,381,247	3.8%	
Other Operating Revenue					
Other Revenue	8,830,132	7,350,524	1,479,608	20.1%	(1)
Total Other Operating Revenue	8,830,132	7,350,524	1,479,608	20.1%	
Total Operating Revenue	100,460,598	95,599,743	4,860,855	5.1%	
Operating Expenses					
Salaries and Benefits	(10,151,159)	(11,159,896)	1,008,738	9.0%	
Administrative Expenses	(5,319,794)	(5,631,650)	311,856	5.5%	
Maintenance Expenses and Utilities	(25,053,256)	(25,741,684)	688,429	2.7%	
Management Fees Charged to Properties and Programs	(1,639,530)	(1,614,600)	(24,930)	-1.5%	
Other Programmatic Expenses	(268,481)	(249,052)	(19,429)	-7.8%	
Other Expenses	666,648	0	666,648	n/a	(2)
Transfers Out for Operating Purposes	(36,855,823)	(5,750,000)	(31,105,823)	-541.0%	(3,4)
Total Operating Expenses	(78,621,394)	(50,146,883)	(28,474,511)	-56.8%	
Net Operating Income	21,839,204	45,452,860	(23,613,657)	-52.0%	
Non Operating Income/(Expense)					
Interest Income from Loans	4,298,622	4,387,007	(88,385)	-2.0%	
Interest Expense	(18,305,934)	(26,972,230)	8,666,296	32.1%	(5)
Other Non-operating Income/(Expense)	58,540,198	875,738	57,664,460	6584.7%	(4,6)
Total Non Operating Income/(Expense)	44,532,886	(21,709,485)	66,242,371	305.1%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	10,277,051	10,122,030	155,021	1.5%	
Capital Project Expenditures	(14,536,513)	21,585,101	(36,121,614)	-167.3%	(7)
Total Change in Capital Assets, net of Direct Funding and Debt	(4,259,462)	31,707,131	(35,966,593)	-113.4%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(18,366,694)	(1,535,707)	(16,830,988)	-1096.0%	(8)
Change in Receivables	(79,531,929)	(78,093,950)	(1,437,979)	-1.8%	
Change in Other Assets	(451,617)	0	(451,617)	n/a	(9)
Change in Debt	54,893,975	34,426,614	20,467,361	59.5%	(10)
Change in Other Liabilities	6,195,840	(10,578)	6,206,418	58672.9%	(11)
Change in Other Assets/Liabilities/Equity	(37,832,203)	(45,213,621)	7,381,417	16.3%	
Change in Unrestricted/Program Cash	$24,280,425	$10,236,886	$14,043,539	137.2%	
ENDING UNRESTRICTED/PROGRAM CASH	**$25,818,429**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING DESIGNATED/RESTRICTED CASH	**$41,981,117**				
Change in Replacement Reserves	6,013,251	1,845,126	4,168,125	225.9%	(8)
Change in Debt Service Reserves	11,470,815	30,136	11,440,679	37963.9%	(8)
Change in Other Reserves	882,629	(339,555)	1,222,184	359.9%	(8)
Change in Designated/Restricted Cash	18,366,694	1,535,707	16,830,988	1096.0%	
ENDING DESIGNATED/RESTRICTED CASH	**$60,347,812**				

1) A portion of the Bellevue Manor and Abbey Ridge developer fee budgeted in 2021 was received November in 2020.
2) Technical accounting entry recording Overlake operating activity from prior year. Also, insurance proceeds for Riverstone fire loss.
3) Transfer of $28 million of Bellevue Manor and Abbey Ridge Line of Credit to GP fund as properties were sold to tax credit partnership.
4) Technical accounting entry to transfer cash between bond properties.
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) Acquisition of Pinewood Apartments for $38 million. The budget was included in the Development Activities Fundgroup.
8) Increases in debt service and replacement reserves.
9) Mainly due to increase in prepaid insurance.
10) Due to draw from line of credit for the acquisition of Pinewood Apartments, which was budgeted in the Development Activities Fundgroup. This amount was offset by the payoff of the Abbey Ridge LOC.
11) Unbudgeted interest accrual on the 2019 bond pool.

King County Housing Authority
Cash Reconciliation Report
Other Low Income Housing-Net Cash Flow
Through December 31, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$7,827,560**				
Rental Revenue and Subsidy					
Tenant Revenue	$17,160,061	$15,952,131	$1,207,930	7.6%	
Federal Operating Support	(94,253)	(96,898)	2,645	2.7%	
Total Rental Revenue and Federal Support	17,065,808	15,855,233	1,210,575	7.6%	
Other Operating Revenue					
Other Revenue	12,131,007	539,960	11,591,047	2,146.6%	(1)
Total Other Operating Revenue	12,131,007	539,960	11,591,047	2146.6%	
Total Operating Revenue	29,196,815	16,395,193	12,801,622	78.1%	
Operating Expenses					
Salaries and Benefits	(2,431,027)	(2,432,095)	1,067	0.0%	
Administrative Expenses	(910,219)	(901,787)	(8,432)	-0.9%	
Maintenance Expenses and Utilities	(3,816,883)	(4,551,128)	734,245	16.1%	(2)
Management Fees Charged to Properties and Programs	(419,291)	(445,092)	25,801	5.8%	
Other Programmatic Expenses	(144,224)	(203,177)	58,953	29.0%	
Other Expenses	13,915	0	13,915	n/a	
Transfers Out for Operating Purposes	(3,031,125)	(2,890,000)	(141,125)	-4.9%	
Total Operating Expenses	(10,738,854)	(11,423,279)	684,424	6.0%	
Net Operating Income	18,457,960	4,971,914	13,486,046	271.2%	
Non Operating Income/(Expense)					
Interest Income from Loans	2,421,357	2,414,130	7,227	0.3%	
Interest Expense	(3,803,070)	(3,747,010)	(56,060)	-1.5%	
Other Non-operating Income/(Expense)	883,640	501,264	382,376	76.3%	(3)
Total Non Operating Income/(Expense)	(498,074)	(831,616)	333,542	40.1%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	(10,147,007)	(10,122,030)	(24,977)	-0.2%	
Capital Project Expenditures	8,545,981	9,514,464	(968,483)	-10.2%	
Total Change in Capital Assets, net of Direct Funding and Debt	(1,601,026)	(607,566)	(993,460)	-163.5%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(627,013)	(523,556)	(103,457)	-19.8%	(4)
Change in Receivables	2,937,038	3,063,210	(126,173)	-4.1%	
Change in Other Assets	19,543	0	19,543	n/a	
Change in Debt	(14,854,301)	(6,191,267)	(8,663,034)	-139.9%	(5)
Change in Other Liabilities	542,670	604,471	(61,801)	-10.2%	
Change in Other Assets/Liabilities/Equity	(11,982,063)	(3,047,142)	(8,934,921)	-293.2%	
Change in Unrestricted/Program Cash	$4,376,798	$485,590	$3,891,207	801.3%	
ENDING UNRESTRICTED/PROGRAM CASH	**$12,204,358**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING DESIGNATED/RESTRICTED CASH	**$25,707,419**				
Change in Replacement Reserves	375,877	384,486	(8,609)	-2.2%	
Change in Debt Service Reserves	107,266	0	107,266	n/a	(4)
Change in Other Reserves	143,870	139,070	4,800	3.5%	
Change in Designated/Restricted Cash	627,013	523,556	103,457	19.8%	
ENDING DESIGNATED/RESTRICTED CASH	**$26,334,431**				

1) With the sale of Bellevue Manor to a tax credit partnership, the debt was transferred into the new General Partner fund, which was not budgeted. The Green River Homes and Birch Creek debt principal and interest payments were budgeted to be paid from CFP grant and net cash flow distributions, however, a management decision was made to use MTW funds.
2) Maintenance expenses were below target as some projects have been delayed due to COVID-19.
3) Draw from the CFP grant for Green River Homes debt service payment made in 2019. This is partially offset as CFP grant funds were not used for the 2020 Green River Homes debt service payment as budgeted. See note 2.
4) Mainly due to increase in debt service reserve.
5) With the sale of Bellevue Manor to a tax credit partnership, debt totaling $8.6 million was transferred to the Workforce Housing Fundgroup, but was not budgeted.

King County Housing Authority
Cash Reconciliation Report
Housing Choice Voucher Program
Through December 31, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**($646,100)**				
Operating Revenue					
Federal Support for HCV Program-HAP Revenue	$150,791,001	$149,214,916	$1,576,085	1.1%	
Federal Support for HCV Program-Admin Fee Revenue	$13,551,061	$10,930,630	$2,620,431	24.0%	(1)
Revenue from Collection	$179,284	$125,000	$54,284	43.4%	(2)
Portability Income	47,675,265	42,920,813	4,754,452	11.1%	(3)
Other Revenue	2,712,693	3,294,284	(581,591)	-17.7%	(4)
Total Operating Revenue	214,909,304	206,485,643	8,423,661	4.1%	
Operating Expenses					
Salaries and Benefits	(8,694,786)	(8,276,341)	(418,445)	-5.1%	
Administrative Expenses	(1,439,293)	(1,016,905)	(422,387)	-41.5%	(5)
Maintenance Expenses and Utilities	(439,794)	(267,551)	(172,243)	-64.4%	(5)
Management Fees Charged to Properties and Programs	(3,258,857)	(3,301,043)	42,186	1.3%	
HCV Housing Assistance Payments to Landlords	(150,394,555)	(151,293,592)	899,037	0.6%	
HCV Housing Assistance Payment-Ports In	(47,802,726)	(42,920,813)	(4,881,913)	-11.4%	(3)
Other Programmatic Expenses	(415,139)	(340,458)	(74,681)	-21.9%	(6)
Transfers Out for Operating Purposes	(28,786)	0	(28,786)	n/a	
Total Operating Expenses	(212,473,938)	(207,416,704)	(5,057,234)	-2.4%	
Net Operating Income	2,435,366	(931,061)	3,366,427	361.6%	
Non Operating Income/(Expense)					
Other Non-operating Income/(Expense)	(162,630)	(470,000)	307,371	65.4%	(7)
Total Non Operating Income/(Expense)	(162,630)	(470,000)	307,371	65.4%	
Capital Activity					
Total Change in Capital Assets, net of Direct Funding and Debt	0	0	0	n/a	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(101,545)	(200,281)	98,736	49.3%	(8)
Change in Receivables	(270,697)	0	(270,697)	n/a	(9)
Change in Other Assets	(8,874)	0	(8,874)	n/a	
Change in Other Liabilities	734,923	0	734,923	n/a	(10)
Change in Other Assets/Liabilities/Equity	353,807	(200,281)	554,088	276.7%	
Change in Unrestricted/Program Cash	$2,626,544	($1,601,342)	$4,227,886	264.0%	
ENDING UNRESTRICTED/PROGRAM CASH	**$1,980,443**				

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	101,545	200,281	(98,736)	-49.3%	(8)
Change in Designated/Restricted Cash	101,545	200,281	(98,736)	-49.3%	
ENDING DESIGNATED/RESTRICTED CASH	**$3,023,559**				

1) The HCV admin fee revenue exceeded budget due to additional funding from the CARES Act. This is partially offset as funding of Section 8 administrative costs was less than planned.
2) Higher than anticipated recovery of collection loss.
3) Incoming ports averaged 3,201 units per month throughout the year while the budget assumed 3,133. The average Per Unit Cost was $1,243 vs. the budget of $1,141. As a result, both revenue and HAP expense exceeded the budget.
4) The budgeted MTW subsidization of special purpose vouchers was not needed as KCHA received additional funding from new incremental vouchers.
5) Various categories were over target due to COVID-19 expenses (Administrative Supplies, Computer Equipment Hardware, Fire/Safety Materials).
6) 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. 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.
7) Flex Funds are under budget as the issuance of CMTO/Tenant-Based vouchers have slowed, and VASH voucher referrals have been less than anticipated.
8) Mainly due to a decrease in FSS escrow accounts. KCHA does not budget for changes in escrow accounts.
9) Due to increases in receivables from other PHAs.
10) Mainly due to CARES Act funding that has been received but not yet used. Also due to increase in the FSS reserve liability account.

King County Housing Authority
Cash Reconciliation Report
MTW Program
Through December 31, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$7,906,180**				
Federal Support					
Block Grant Revenue	$156,614,381	$153,636,822	$2,977,559	1.9%	
Less: Used for HAP	(126,862,919)	(127,250,678)	387,759	0.3%	
Less: Used HCV Administrative Program Support	(8,234,225)	(9,130,416)	896,191	9.8%	
Federal Operating Support	465,669	434,615	31,054	7.1%	
Total Net Federal Support	21,982,906	17,690,343	4,292,563	24.3%	
Other Operating Revenue					
Other Revenue	170,641	203,025	(32,384)	-16.0%	
Total Other Operating Revenue	170,641	203,025	(32,384)	-16.0%	
Total Operating Revenue	22,153,547	17,893,368	4,260,179	23.8%	
Program Expenses					
Resident Service Salaries and Benefits	(3,008,768)	(3,236,705)	227,937	7.0%	
Resident Service Program and Administrative Expenses	(1,222,641)	(1,598,786)	376,144	23.5%	(1)
Homeless Salaries and Benefits	(420,421)	(559,917)	139,496	24.9%	(2)
Homeless Program and Administrative Expenses	(1,267,909)	(2,190,745)	922,836	42.1%	(3)
Policy Salaries and Benefits	(764,461)	(968,579)	204,118	21.1%	(2)
Policy Administrative Expenses	(49,082)	(264,375)	215,293	81.4%	(4)
Other Policy Expenses	(1,171,426)	(1,220,188)	48,762	4.0%	
Other Social Services Expenses	555,992	0	555,992	n/a	(5)
Additional Support of Public Housing Program	(767,592)	(2,862,755)	2,095,163	73.2%	(6)
Other Programmatic Expenses	(160,398)	(999,853)	839,455	84.0%	(7)
Total Programmatic Expenses	(8,276,706)	(13,901,902)	5,625,196	40.5%	
Used for Rehabilitation, Development or Debt Service Purposes					
Funding for Capital Construction Projects	(4,866,647)	(6,385,450)	1,518,803	23.8%	(8)
Funding for Unit Upgrades	(2,274,405)	(2,121,800)	(152,605)	-7.2%	
Management Fees Charged by COCC	(588,914)	(710,721)	121,807	17.1%	(9)
Used for Debt Service Payments	(3,120,179)	0	(3,120,179)	n/a	(10)
Total Rehab, Development and Debt Service Expenses	(10,850,146)	(9,217,971)	(1,632,175)	-17.7%	
Administrative Expenses					
Salaries and Benefits	335,984	(165,892)	501,876	302.5%	(5)
Administrative Expenses	(135,382)	(50,799)	(84,583)	-166.5%	(4)
Maintenance Expenses and Utilities	(158)	0	(158)	n/a	
Internal Management Fees	(22,545)	0	(22,545)	n/a	
Other Programmatic Expenses	374,232	0	374,232	n/a	(11)
Total Administrative Expenses	552,132	(216,691)	768,823	354.8%	
Total Operating Expenses	(18,574,720)	(23,336,564)	4,761,844	20.4%	
Net Operating Income	3,578,826	(5,443,196)	9,022,023	165.7%	
Non Operating Income/(Expense)					
Interest Income from Loans	992,646	1,001,641	(8,995)	-0.9%	
Total Non Operating Income/(Expense)	992,646	1,001,641	(8,995)	-0.9%	
Capital Activity					
Capital Project Expenditures	0	(796,250)	796,250	100.0%	(12)
Total Change in Capital Assets, net of Direct Funding and Debt	0	(796,250)	796,250	100.0%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	1,245,950	1,143,636	102,314	8.9%	
Change in Receivables	1,182,103	1,352,115	(170,012)	-12.6%	(13)
Change in Other Assets	(407)	0	(407)	n/a	
Change in Debt	(2,807,498)	0	(2,807,498)	n/a	(14)
Change in Other Liabilities	(424,996)	0	(424,996)	n/a	(15)
Change in Other Assets/Liabilities/Equity	(804,848)	2,495,751	(3,300,599)	-132.2%	
Change in Unrestricted/Program Cash	$3,766,624	($2,742,054)	$6,508,679	237.4%	
ENDING UNRESTRICTED/PROGRAM CASH	**$11,672,804**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % 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	(1,245,950)	(1,143,636)	(102,314)	-8.9%	(11)
Change in Designated/Restricted Cash	(1,245,950)	(1,143,636)	(102,314)	-8.9%	
ENDING DESIGNATED/RESTRICTED CASH	**$6,155,085**				

1) Resident Service contracts expenses, community and travel expenses were below target mainly due to COVID-19 pandemic.
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, software maintenance and agency-wide training are under target.
5) Transfer of some Resident Services expenses to the HCV for CARES Act funding purposes.
6) The budgeted additional transfers from MTW to public housing were less than budgeted as housing projects expenses have been below target primarily due to maintenance projects being put on hold due to COVID-19.
7) The budgeted MTW subsidization of special purpose vouchers was not used as KCHA received additional funding from new incremental vouchers.
8) Due to delays and slow starts in various capital construction projects, the budgeted transfers from MTW to fund the projects were below target.
9) Reduced Capital Construction resulted in lower management fees charged to MTW.
10) Transfer from MTW to fund the Birch Creek and Green River Homes 2 bond payments, which were budgeted to come from net cash flow and the CFP grant.
11) Transfer of homeless housing subsidy expense to HCV for CARES Act purposes.
12) The Capital Construction department budgeted a placeholder for Architecture and Engineering project costs, however, actual costs are being coded directly to projects.
13) Amount received from Greenbridge internal loan, which is paid from to lot sales proceeds was less than anticipated in the budget.
14) 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.
15) Due to decrease in short-term liabilities.

King County Housing Authority
Cash Reconciliation Report
Development Activities
Through December 31, 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	488,331	313,183	175,148	55.9%	(1)
Total Other Operating Revenue	488,331	313,183	175,148	55.9%	
Total Operating Revenue	488,331	313,183	175,148	55.9%	
Operating Expenses					
Salaries and Benefits	(236,360)	(306,189)	69,829	22.8%	(2)
Administrative Expenses	(10,584)	(152,511)	141,927	93.1%	(3)
Total Operating Expenses	(258,445)	(458,700)	200,255	43.7%	
Net Operating Income	229,886	(145,517)	375,403	258.0%	
Non Operating Income/(Expense)					
Interest Income from Loans	191	0	191	n/a	
Other Non-operating Income/(Expense)	186,659	25,000	161,659	646.6%	(4)
Total Non Operating Income/(Expense)	186,850	25,000	161,850	647.4%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	1,065,105	785,781	279,324	35.5%	(5)
Capital Project Expenditures	(26,888,065)	(106,736,476)	79,848,411	74.8%	(6)
Total Change in Capital Assets, net of Direct Funding and Debt	(25,822,960)	(105,950,695)	80,127,735	75.6%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(942,771)	(166,640)	(776,131)	-465.8%	(7)
Change in Receivables	682,763	0	682,763	n/a	(8)
Change in Other Assets	(29)	0	(29)	n/a	
Change in Debt	22,883,608	98,629,331	(75,745,723)	-76.8%	(9)
Change in Other Liabilities	2,186,661	7,030,630	(4,843,969)	-68.9%	(10)
Change in Other Assets/Liabilities/Equity	24,835,232	105,493,321	(80,658,089)	-76.5%	
Change in Unrestricted/Program Cash	($570,993)	($577,891)	$6,898	1.2%	
ENDING UNRESTRICTED/PROGRAM CASH	**$42,952**				

	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	942,771	166,640	776,131	465.8%	(7)
Change in Designated/Restricted Cash	942,771	166,640	776,131	465.8%	
ENDING DESIGNATED/RESTRICTED CASH	**$13,744,379**				

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. Actual costs are booked in fundgroups 1, 2 and 3.
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 budget.
6) $70 million was budgeted for new property acquisition, however, actual costs were booked in the Public Housing and Workforce Housing Fundgroups. 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) Draws from lines of credit for property acquisitions were budgeted in this fund group but recorded on the books of different fund groups. 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 December 31, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$1,822,995**				
Rental Revenue and Subsidy					
Federal Operating Support	3,644,568	3,378,423	266,145	7.9%	
Total Rental Revenue and Federal Support	3,644,568	3,378,423	266,145	7.9%	
Other Operating Revenue					
Other Revenue	6,759,640	7,895,106	(1,135,466)	-14.4%	(1)
Total Other Operating Revenue	6,759,640	7,895,106	(1,135,466)	-14.4%	
Total Operating Revenue	10,404,208	11,273,529	(869,321)	-7.7%	
Operating Expenses					
Salaries and Benefits	(2,051,486)	(2,181,966)	130,480	6.0%	
Administrative Expenses	(244,061)	(120,466)	(123,595)	-102.6%	(2)
Maintenance Expenses and Utilities	(151,719)	(22,314)	(129,405)	-579.9%	(3)
Management Fees Charged to Properties and Programs	(38,715)	(33,761)	(4,954)	-14.7%	
Other Programmatic Expenses	(3,191,000)	(4,327,050)	1,136,050	26.3%	(1)
Transfers Out for Operating Purposes	(1,214,844)	(1,520,895)	306,051	20.1%	(4)
Total Operating Expenses	(6,891,825)	(8,206,452)	1,314,627	16.0%	
Net Operating Income	3,512,383	3,067,077	445,306	14.5%	
Non Operating Income/(Expense)					
Interest Expense	(1,358,395)	(1,357,795)	(600)	0.0%	
Total Non Operating Income/(Expense)	(1,358,395)	(1,357,795)	(600)	0.0%	
Capital Activity					
Capital Project Funding, Excluding Debt Issuance	563,210	0	563,210	n/a	(5)
Capital Project Expenditures	(229,229)	(25,000)	(204,229)	-816.9%	(6)
Total Change in Capital Assets, net of Direct Funding and Debt	333,981	(25,000)	358,981	1,435.9%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(1,249,126)	(895,995)	(353,131)	-39.4%	(7)
Change in Receivables	309,942	0	309,942	n/a	(8)
Change in Other Assets	6,527	0	6,527	n/a	
Change in Other Liabilities	1,773,552	(942,017)	2,715,569	288.3%	(9)
Change in Other Assets/Liabilities/Equity	840,895	(1,838,012)	2,678,907	145.8%	
Change in Unrestricted/Program Cash	$3,328,864	($153,730)	$3,482,594	2,265.4%	
ENDING UNRESTRICTED/PROGRAM CASH	**$5,151,859**				

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING DESIGNATED/RESTRICTED CASH	**$1,752,440**				
Change in Replacement Reserves	89,199	95,995	(6,796)	-7.1%	
Change in Debt Service Reserves	0	0	0	n/a	
Change in Other Reserves	1,159,926	800,000	359,926	45.0%	(7)
Change in Designated/Restricted Cash	1,249,126	895,995	353,131	39.4%	
ENDING DESIGNATED/RESTRICTED CASH	**$3,001,565**				

1) Due to COVID-19, there has been lower spending and reimbursements on Weatherization projects.
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.
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) EPC elevator project at various sites. Unbudgeted.
7) Due to an unbudgeted increase in EPC Rehab reserves.
8) Due to an unbudgeted decrease in grant receivables.
9) 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 December 31, 2020

	Actual	Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance	
BEGINNING UNRESTRICTED/PROGRAM CASH	**$49,596,006**				
Operating Revenue					
Property Management Fees	$5,097,538	$5,068,293	$29,245	0.6%	
Bookkeeping Fees	2,154,548	2,194,718	(40,170)	-1.8%	
Asset Management Fees	1,568,660	1,542,540	26,120	1.7%	
Construction Fees	588,914	1,303,634	(714,720)	-54.8%	(1)
Other Revenue	1,628,386	1,793,704	(165,318)	-9.2%	
Total Operating Revenue	11,038,046	11,902,889	(864,843)	-7.3%	
Operating Expenses					
Salaries and Benefits	(12,359,963)	(13,579,950)	1,219,987	9.0%	
Administrative Expenses	(2,889,395)	(3,913,567)	1,024,172	26.2%	(2)
Maintenance Expenses and Utilities	(320,310)	(397,865)	77,554	19.5%	(3)
Management Fees Charged to Properties and Programs	(170,597)	(140,670)	(29,927)	-21.3%	
Other Programmatic Expenses	(1,933)	0	(1,933)	n/a	
Transfers Out for Operating Purposes	(327,250)	(209,238)	(118,012)	-56.4%	(4)
Total Operating Expenses	(16,069,449)	(18,241,290)	2,171,841	11.9%	
Other Operating Sources					
Transfer in of Excess Cash	8,860,000	8,640,000	220,000	2.5%	
Central Maintenance Cash Flow	(248,852)	409,586	(658,438)	-160.8%	(5)
Central Vehicle Cash Flow	74,801	71,750	3,051	4.3%	
Total Other Operating Sources	8,685,948	9,121,336	(435,388)	-4.8%	
Net Operating Income	3,654,545	2,782,936	871,609	31.3%	
Non Operating Income/(Expense)					
Interest Income from Loans	1,448,041	1,447,446	595	0.0%	
Interest Expense	(889,432)	(754,784)	(134,648)	-17.8%	(6)
COCC Capital Projects	(760,848)	(876,500)	115,652	13.2%	(7)
Funding for Capital Construction Projects Outside of COCC	(631,725)	(155,673)	(476,052)	-305.8%	(8)
Total Non Operating Income/(Expense)	(833,963)	(339,511)	(494,452)	-145.6%	
Change in Other Assets/Liabilities/Equity					
Change in Designated/Restricted Cash	(7,876)	0	(7,876)	n/a	
Change in Receivables	(1,775,345)	(7,354,344)	5,578,999	75.9%	(9)
Change in Other Assets	46,506	0	46,506	n/a	
Change in Debt	(1,174,127)	(900,000)	(274,127)	-30.5%	(10)
Change in Other Liabilities	(509,765)	0	(509,765)	n/a	(11)
Change in Other Assets/Liabilities/Equity	(3,420,608)	(8,254,344)	4,833,736	58.6%	
Change in Unrestricted/Program Cash	($600,027)	($5,810,919)	$5,210,893	89.7%	
ENDING UNRESTRICTED/PROGRAM CASH	**$48,995,979**				

	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	7,876	0	7,876	n/a
Change in Designated/Restricted Cash	7,876	0	7,876	n/a
ENDING DESIGNATED/RESTRICTED CASH	**$16,025,638**			

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 was delayed.
4) Transfer from the COCC to support local properties was higher than budgeted. Technical accounting entry to transfer funds from COCC local to bond properties.
5) Mainly due to increase in salaries and benefits from hazard pay and overtime related to COVID-19 and unbudgeted union benefit expenses for temporary employees.
6) 2013 Pool interest expense allocated to the 700 building, which was not budgeted.
7) The 600 building office remodel project was completed under budget.
8) Technical accounting entry applicable to Greenbridge.
9) 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.
10) Due to the unbudgeted payment of the 2013 Pool-Key Bank Bond principal.
11) Due to decreases in short-term and payroll liabilities.

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King County Housing Authority

To: Board of Commissioners

From: Craig Violante, Interim Deputy Executive Director/Chief Administrative Officer

Date: April 30, 2021

Re: **New Bank Accounts**

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

Bank: Bank of America

- Sandpiper East Depository Account
- Argyle Depository Account
- Carrington Depository Account

Purpose:

These new depository accounts will receive and hold all payments from tenants at these three new properties. Periodic wire transfers will be made from these accounts to pay for operating expenses.

TAB NUMBER 15

King County Housing Authority

KCHA IN THE NEWS

May 17, 2021

The Seattle Times

Community partnerships are key to achieving food equity

April 23, 2021 at 5:51 am

Luam Wersom, owner of the Mojito restaurant near Lake City, has contributed more than 5,000 meals to the YMCA of Greater Seattle's hunger fight since the pandemic's onset.

With its centralized organization and team-based structure, the YMCA of Greater Seattle is King County's largest provider of food services for the hungry.

By YMCA of Greater Seattle

Thirty percent of the homes in King County have reported food scarcity since the pandemic began in March 2020, according to the YMCA of Greater Seattle. Half of those households include children.

To combat hunger in the region, many organizations have stepped up efforts to deliver food to those in need. The YMCA of Greater Seattle, for example, provided more than 467,000 meals across more than 60 delivery sites in 2020.

Luam Wersom, owner of the Mojito restaurant near Lake City, has contributed more than 5,000 meals to the YMCA's hunger fight since the pandemic's onset. Every Monday finds him dishing up 120 carryout bowls of stir-fried chicken, rice and steamed vegetables in his restaurant kitchen for distribution to senior citizens in communities managed by King County Housing Authority and Imagine Housing.

The collaboration with Wersom is an example of how the YMCA actively partners with other individuals and organizations in the local community to address gaps in the social-services safety net and help people facing a crisis of hunger, housing or health care — or all three.

Wersom, 41, has seen both sides of the hunger problem. He was born in Ethiopia and spent four years as a refugee in Greece when he was a young man, subsisting on food donated by churches. Arriving in Seattle in 1993, he and his family relied on low-income housing, and were no strangers to poverty or hunger, until he was able to buy the Latin American eatery.

Today, he and his wife have a 10-year-old daughter, Gia, who helps pack the meals at Mojito on Monday nights. While Gia has never known the kind of food scarcity that 1 in 4 King County children face, Wersom understands the tormenting dilemma of parents who struggle to feed their hungry children.

“It’s heart-wrenching, but it happens day to day,” he said. “Do you pay the electricity or do you feed your kid? Do you buy food or buy water?”

In the 21 years that Wersom has owned Mojito, word about his dedication to feeding the less fortunate has gotten around the community.

“I sometimes get a random phone call at the restaurant. ‘I’m sorry to bother you, but my brother is stuck in his room and has no food,’ ” he said. “I don’t ask questions. I say, ‘Come down to the restaurant and pick up some food.’ Not everybody is humble enough to be willing to say they’re hungry and they need help.”

When YMCA staffers first met Wersom and saw his passion and commitment, it was a win-win for all parties concerned.

“We were eager to jump into a partnership with Mojito … as well as King County to be able to identify and weekly serve hot meals to five nearby senior housing locations,” said Dallas Wood, director of the YMCA of Greater Seattle’s community food programs. “Not only has it been rewarding to get over 5,000 meals into the hands of those in need, but in the process the Y has been able to build strong relationships with two community partners that can help us support our mission going forward.”

With its centralized organization and team-based structure, the YMCA of Greater Seattle is King County’s largest provider of food services for the hungry. It also offers emergency shelter, transitional housing and other residential services to the county’s roughly 11,000 youths and young adults who experience homelessness each night. And with 75 percent of the region’s young people reporting a mental health crisis in the past year, delivering behavioral health care services has taken on increased urgency at the Y.

Wersom credits the YMCA’s coordination and distribution network with the success of his Monday-night meal program.

“If it wasn’t for YMCA and King County Housing Authority, this thing would not have worked. They’re doing it quietly and they do it without advertising, without glamour. It takes a team, you know. If you have a soccer team and your goalie doesn’t show up, it doesn’t matter how good you are.

“For me, this is a lifestyle. It’s not an event. It’s not once a year. One of the reasons I’m still surviving in my restaurant is that I’m blessed to be able to give back,” he said. “Just because you haven’t experienced hunger doesn’t mean you’re not going to.”

*At the **YMCA of Greater Seattle**, it’s our mission to build a community where all people are encouraged to develop their fullest potential in spirit, mind and body. Visit us at seattleymca.org to get involved today.*

FAST COMPANY

The radical way cities are tackling affordable housing

Cities across the country are buying up buildings as a way to increase affordable housing stock and take more control of the market.

04-27-21

By Nate Berg

This story is part of Home Bound, a series that examines Americans' fraught relationship with their homes—and the once-in-a-lifetime opportunity to hit the reset button. Read more here.

The affordable-housing crisis in America was bad enough before the COVID-19 pandemic. Nearly a third of households in the U.S. are renters, and almost half of those households pay more than 30% of their income for housing. Before a federal moratorium was put in place last fall, up to 40 million people were at risk of eviction due to the economic shock of the pandemic. That risk may not be going away anytime soon.

One of the reasons for these stark numbers is the shortage of housing that's actually affordable to those with low incomes. The stock of permanently affordable public housing has been dwindling since its mid-century heyday, with just 1.2 million federally built public housing units left. Other affordably priced housing—much of which is developed by the private sector through tax credits and government subsidies—falls far short of providing the roughly 7 million homes needed by people with very low incomes. Of the 20 million cost-burdened households in the U.S., only about a quarter receive government housing assistance in any form.

A growing number of cities are stepping up to meet this need by exploring new ways of building affordable housing and preserving what already exists. The pandemic has created the conditions for cities to more boldly invest in their own affordable housing stock and take more control over the market forces that have caused prices to skyrocket.

Filling the supply gap is critical. But for decades, and especially during this pandemic, more attention has been focused on stopping the bleeding.

“We have not kept pace with production really since the early ’90s,” says Priya Jayachandran, president of the National Housing Trust. “We’ve minted more new low-income renters during COVID than we’ll ever be able to produce units for. So we’re still going to be in a hole, and a worse hole than when this started last March.”

New possibilities are emerging with the Biden administration’s agenda, and this may be the most opportune moment in decades for cities to start filling their affordable housing deficits. There are several promising models—both longstanding and cutting edge—that show how. It starts with cities taking literal ownership of the problem by buying more of the housing within their borders.

START BUYING BUILDINGS

“I’m going to go radical on you,” says James Stockard. A former longtime commissioner of the Cambridge Housing Authority, in Massachusetts, and a lecturer on housing studies at Harvard, he has been thinking about the housing crisis for decades. “If we really want to solve the housing problem in this country, we have to get as much of the private housing stock as we can out of the hands of for-profit owners and turn it over to nonprofit owners and public owners,” he says.

As radical as that sounds, it’s actually quite simple. Just like any other actor in the marketplace, all a city would have to do to get this housing stock is to buy it.

It’s happened in Dallas, where last May the city’s housing authority bought a 347-unit apartment building right next to a commuter rail station. It’s also happened in Missoula, Montana, where the city’s housing authority prevailed in a bidding war to buy and preserve an affordably priced 96-unit apartment complex. It’s even happened in cash-strapped Gary, Indiana, where the city’s housing authority bought a disused elementary school and plans to convert it into affordable housing.

Despite funding barriers and political challenges, cities across the country have shown that this can work. But not nearly enough realize that it’s an option. “It just isn't on their radar. 'We provide police services, we pick up the trash, we pave the streets, we don't buy houses,'" Stockard says.

In Cambridge, the housing authority has been particularly aggressive in adding to the city's affordable housing stock by buying existing properties and also paying a large sum upfront to building owners so that they extend the affordability period on housing built using federal subsidies, periods that sometimes last only 15 or 30 years. "The city's affordable housing trust fund just gave the owner of a building a huge check, but it bought 50 more years of affordability for 500 homes," Stockard says. "Clever, determined cities, and especially those with some resources, can buy that affordability for a number of more years."

The costs of doing this are not insignificant. Stockard notes that well-resourced cities such as Cambridge have an easier time carving a slice out of their budgets to make such purchases, but that even less-wealthy cities can find ways. One example is redirecting short-term resources, such as part of the budget of an emergency shelter, to fund permanent supportive housing for the chronically homeless. The funds have similar goals, and rerouting some of them can provide longer-term benefits.

Low-rent housing developments on the open market are a straightforward way for cities to buy and preserve affordable housing. In King County, Washington, the housing authority has created or preserved 7,000 units of housing since 2000. Minneapolis and St. Paul have an affordable housing preservation fund that's in the process of buying 1,500 homes in the two cities. And in Los Angeles, the city council just approved a plan to expand its effort to buy and preserve affordable housing, setting a goal of buying up 10,000 units by 2030. With about 10 million households nationwide paying more than 50% of their income on rent, these numbers are far below the overall need, but they represent a start.

"Landlords are struggling; they're uncertain about whether they're ever going to be made whole in terms of the rent that hasn't been paid," says Stockard. "I'm certain that in many cities around the country, the city could pick up some rental properties for much less than they could have two years ago or than they will be able to two years from now."

The Department of Housing and Urban Development has been trying to help, with a new way of governing the public housing authorities that many big cities use to manage their public housing and affordable housing stocks. Previously, housing authorities were tightly restricted in how they could use federal funding, with pools of funding dedicated to specific purposes, such as maintenance or housing vouchers, and funding from one pool couldn't be used to meet shortfalls in another. Through a new demonstration program called Moving to Work, a few dozen housing authorities have been given more flexibility in how they use their federal funding, enabling authorities such as Cambridge's to buy and preserve existing housing and even develop new affordable projects. HUD plans to expand that program to another 100 housing authorities by 2022. But for now, most housing authorities, which Stockard likens to property managers, are highly constrained in how they can use their funding.

“Our focus now is assembling the tools to give housing authorities more ability to acquire properties and to bring to neighborhoods other types of affordable housing,” says Sunia Zaterman, executive director of the Council of Large Public Housing Authorities. HUD’s more flexible rules can help, but there are still challenges, Zaterman says. “Money. You may have heard this before—money is the key obstacle.”

With extra pressure added by the pandemic, Congress has made some notable efforts to offset housing challenges, including the temporary eviction moratorium and the distribution of roughly $47 billion in short-term rental assistance. New funding commitments from the Biden administration could accelerate and spread these efforts. “Housing is being put at center stage in a way we haven’t seen for some time,” says Zaterman.

Building on a campaign platform that proposed roughly $85 billion in affordable housing funding and incentives, Biden’s administration has also taken the big step of including $213 billion in funding for affordable housing in the new $2 trillion infrastructure bill. The plan would build, preserve, or retrofit a total of 2 million homes and would also put $40 billion toward long-standing maintenance and infrastructure needs in the public housing system. “The appropriations level and the central position in the legislation reflects an acknowledgment that housing stability is totally intertwined with economic recovery, COVID recovery, racial equity, and climate change issues,” Zaterman says. Compared to a typical year, when HUD’s entire budget hovers around $50 billion, the current plan is a massive increase in funding specifically addressing housing affordability.

HELP CONTROL HOUSING PRICES

When cities own more of their housing, more of it is affordable.

One example can be seen in Berlin, Germany, where state-owned housing companies own and manage more than 325,000 units of housing across the city. Partly a product of postwar rebuilding and former East Germany’s communist past, state ownership of housing has long been part of Berlin’s housing market, as well as the housing market in Germany in general.

“Altogether these state-owned housing companies have a stock of roughly 17% of all rental units, which is definitely a high share,” says Matti Schenk, a researcher at the global real estate company Savills who’s written a report on the German rental housing market.

Because the city controls the housing companies, it can also control the price of housing.”Their role is generally a stabilizing aspect in the market,” Schenk says. “It’s not only the fact that state-owned housing companies are offering affordable rents, but the long-term strategy in Berlin is that by owning more units, the municipality is getting more and more control over the entire market."

But this state participation in the housing market isn't simply a holdover from East German communism. It's a direct response to skyrocketing housing costs, which have been on the rise for several years. Part of the way the city has been able to increase its housing stock is through a state law that allows it right of first refusal on residential properties being sold. Technically possible in other parts of Germany, the law has been used only sparingly until recently, when one district in Berlin began using it to prevent the loss of affordably priced housing. Since 2017, it's bought hundreds of units a year.

Though Berlin's approach is more aggressive than others, state-owned housing makes sense in Germany because so much of the population rents, according to Schenk. His report shows that there are 21 million rental apartments nationwide, and that in some cities, such as Berlin, Frankfurt, and Hamburg, the proportion of the population that rents rather than owns is above 70%.

Things aren't actually that different in U.S. cities. According to a 2018 analysis from Zillow, renters made up more than 60% of households in New York, Los Angeles, San Francisco, Oakland, Miami, Boston, and Washington, D.C. Of the largest 50 cities in the U.S., 29 have renter households in the majority. City-owned housing meets only a tiny fraction of this renter demand. In Los Angeles, a city of 4 million people, the housing authority owned fewer than 7,000 public housing units as of 2019. The New York City Housing Authority has the largest public housing stock of any U.S. city, but it still only owns about 170,000 housing units—accommodating just 5% of the city's roughly 3 million households.

These cities may have lessons to learn from Germany's system, according to Willow Lung-Amam, a nonresident senior fellow in Governance Studies at the Brookings Institution. "In many European countries, the state does own a large portion of the housing, and that's how housing is protected. For some reason, that's a really unpalatable conversation or has historically been in this country, and I think we need to change that," she says.

Some cities in the U.S. now have the legal framework to make it easier to buy up housing. In Washington, D.C., a right-of-first-refusal law gives the city or a development partner the ability to buy properties at market rate when they come up for sale. A related law allows tenants the same right when the owner of their home or apartment building is proposing a sale. Other cities, including San Francisco and Portland, Oregon, have made similar moves.

Like Stockard, Lung-Amam believes that cities have the power to start changing the way their housing systems work. More cities are starting affordable-housing trust funds, which can be tailored to local needs and funding sources in order to buy or develop affordable housing. Cities are also looking at making city-owned land available for development and requiring that whatever gets built has a high rate of affordable housing units. These types of policies can be implemented anywhere.

“It takes a lot of resources to be able to invest in affordable housing, but it’s absolutely possible. There are a ton of tools that municipalities can take advantage of, a ton of great examples of cities that are doing wonderful things,” Lung-Amam says. “But most cities don’t do it because they don’t have to, and there’s not always a huge outcry if they don’t.”

GET CREATIVE

The federal government remains the primary funder of affordable housing—through Low Income Housing Tax Credits given to developers and rental subsidies, formerly known as Section 8 vouchers, given directly to renters. That means it has the power to distribute the resources to meet more of the growing demand for affordable housing. But since the federal government essentially stopped building public housing projects in the 1960s and passed a ’90s-era law that prevents it from building more, cities have been left to determine how that funding gets distributed and where projects are either built or preserved.

With a historic amount of federal money being put on the table, the onus is now on cities to act. In many cities, there is plenty of opportunity, particularly housing units from the early 1990s that were developed using the Low Income Housing Tax Credit and that could soon be converted to market-rate housing after their 30-year affordability requirement. Cities should consider themselves viable bidders when building owners look to cash out of their investments and sell on the open market. “Cities could be more aggressive about buying these properties from for-profit owners at the end of their affordability period. The best method is to buy them and turn them over to a nonprofit or the housing authority,” Stockard says. “There is no question that housing operated well by a public agency or by a nonprofit body is less expensive than housing operated by a for-profit organization.”

He argues that housing authorities benefit by not having to pay real estate taxes, passing along savings to residents. Owning affordable housing can even be profitable, with some housing authorities able to build up a pool of funding to do new development. Most don’t do this, though, for reasons including HUD rules that prevent the funds from being used for development, a perceived (or real) lack of funding to buy or develop a project, or a lack of political will.

The private sector is starting to fill the void, and it’s reaping benefits. In Charlotte, North Carolina, where growth is putting pressure on the housing market, social impact investors have funded an effort to buy and preserve naturally occurring affordable housing for the next 20 years. And in Arlington, Virginia, the nonprofit Washington Housing Conservancy plans to preserve or create 1,300 units of affordable housing near the new Amazon HQ2, using below-market financing from Amazon’s new $2 billion Housing Equity Fund. These efforts are successful as much for their innovation as for the slow pace of action at the city level.

Jayachandran of the National Housing Trust says policies such as giving a city right of first refusal on properties coming to market do get some pushback, especially from the mainstream real estate community. “[Their argument is] cities are interfering with market dynamics,” she says. “I would argue there’s a market failure and there’s an externality that the right of first refusal is solving. The owner is not sacrificing. You’re matching that price.”

There’s also the challenge of gathering political support for big changes in housing policy. “In many municipalities, it’s not a platform that a lot of people run on to protect affordable housing, to protect public housing, to invest more in poor people, and generally poor people of color,” says Lung-Amam.

And most cities will face the inevitable limitation of funding. “There’s no city you’re going to go to where they’ll tell you we’ve got plenty of extra dough and we can’t figure out what to do with it,” Stockard says. These budget challenges have only been exacerbated by the pandemic.

But even without the huge infusion of funding proposed in the Biden administration’s infrastructure plan, creative cities and housing authorities can tap existing funding sources. Stockard suggests they can use their less restrictive Community Development Block Grant funds to buy properties or partner with nonprofit developers and redirect some of their federally funded housing vouchers to bake place-based affordability into new projects.

Cities may not suddenly start buying up massive amounts of affordable housing or aggressively encouraging its development at the scale needed to quickly address the housing shortage. But still, there are a few simple things they can do to lay the groundwork. Jayachandran points to policy changes such as zoning reform that lifts onerous restrictions on more affordable multifamily development, improved permitting processes that let accessory dwelling units be built in backyards, and allowing prefabricated or modular housing to be more easily approved. Focusing development near transit and reinvesting in neighborhoods where affordability exists but jobs don’t can also have long-term benefits. “Lots of little things add up—it’s not one thing,” Jayachandran says. “I think it just has to be a comprehensive, holistic approach to housing.”

There are many proven approaches and piecemeal solutions. But if cities want to take a big first step toward solving housing affordability issues, it may be time to start buying it.

“For my money, this is the moment in history to start buying those buildings,” Stockard says.