



**MEETING OF THE  
BOARD OF COMMISSIONERS  
VIRTUAL MEETING**

**Monday, July 19, 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



# MEETING OF THE BOARD OF COMMISSIONERS AGENDA

Monday, July 19, 2021  
8:30 a.m.

## VIRTUAL MEETING

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

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**I. Call to Order**

**II. Roll Call**

**III. Public Comment**

**IV. Approval of Minutes**

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A. Board Meeting Minutes – June 21, 2021

B. Board Meeting Minutes – July 12, 2021 – Executive Session

**V. Approval of Agenda**

**VI. Consent Agenda**

A. Voucher Certification Reports for May 2021

**2**

B. **Resolution No. 5696** – A Resolution of the Housing Authority Of the County of King authorizing the Executive Director to grant a general revenue pledge relating to the State Loan Documents for the Highland Village rental housing project.

**3**

<b>VII. Resolution for Discussion and Possible Action</b>	<b>4</b>
A. <b>Resolution No. 5697</b> – Authorizing providing for the issuance of the Authority’s Workforce Housing Preservation Pooled Refunding Revenue Bonds, 2021 in the aggregate principal amount of not to exceed \$63,000,000, for the purpose of providing all or part of the funds with which to effect the current refunding of certain outstanding obligations of the Authority, and to pay costs of issuing the bonds and the administrative costs of such refunding’s, and determining related matters.	
<b>VIII. Briefings &amp; Reports</b>	
A. Mid-Year Financial Forecast	<b>5</b>
B. First Quarter Financials	<b>6</b>
C. New Bank Accounts	<b>7</b>
D. 2020 Annual Resource Conservation Report	<b>8</b>
E. Skyway Property Donation	<b>9</b>
<b>IX. Study Session</b>	
A. Resident Characteristics Report	<b>10</b>
<b>X. Executive Director Report</b>	
<b>XI. KCHA in the News</b>	<b>11</b>
<b>XII. Commissioner Comments</b>	
<b>XIII. Adjournment</b>	

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

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

**Monday, June 21, 2021**

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**I. CALL TO ORDER**

The Annual meeting of the King County Housing Authority Board of Commissioners was held virtually on Monday, June 21, 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 John Welch (via Zoom) and Commissioner TerryLynn Stewart (via Zoom).

**Excused:** Commissioner Michael Brown

**III. PUBLIC COMMENT**

No public comment.

**IV. APPROVAL OF MINUTES**

A. Board Meeting Minutes – May 17, 2021

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

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Susan Palmer, the Board unanimously approved the May 17, 2021 and May 26, 2021 Executive Session Board of Commissioners' Meeting Minutes.

**V. APPROVAL OF AGENDA**

On motion by Commissioner Susan Palmer, and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the June 21, 2021 virtual Board of Commissioners' meeting agenda.

**VI. CONSENT AGENDA**

A. Voucher Certification Report for May 2021

**B. Resolution No. 5693** - Resolution authorizing the extension and modification of the Authority's Revolving Line of Credit Revenue Note, 2011 (Tax-Exempt) and Revolving Line of Credit Revenue Note, 2011 (Taxable); establishing certain terms and covenants of the notes; authorizing the negotiation, execution and delivery of documents; and determining related matters.

On motion by Commissioner Susan Palmer, and seconded by Commissioner John Welch, the Board unanimously approved the June 21, 2021 virtual Annual Board of Commissioners' meeting consent agenda.

## **VII. RESOLUTION FOR DISCUSSION AND POSSIBLE ACTION**

**A. Resolution No. 5694** – A Resolution Amending Resolution No. 5678 with Respect to the Acquisition of TOD Property in Issaquah.

In March, Resolution No. 5678 was approved by the Board. Shortly after that, Lumen, the owner of the subject property, rescinded their request to be relocated and requested the deal be structured as a simple purchase and sale agreement . The property appraised for \$12 million and, along with the cost of moving a cell tower the total acquisition price is expected to be \$12,600,000. November 2021 is the targeting closing date.

Questions of Commissioners were answered.

On motion by Commissioner John Welch, and seconded by Commissioner Susan Palmer, the Board unanimously approved Resolution 5694.

## **VIII. BRIEFINGS AND REPORTS**

### **A. First Quarter 2021 Executive Dashboard**

Andrew Calkins, Manager of Policy and Legislative Affairs, Social Impact gave a brief summary of the dashboard.

Mr. Calkins is working on developing a few options regarding the metrics on racial equity that will be presented at the Second Quarter presentation.

Questions of Commissioners were answered.

### **B. New Bank Accounts**

Craig Violante, Interim Deputy Executive Director-Chief Administrative Officer reported that seven new bank accounts were opened last month.

Questions of Commissioners were answered.

### C. VRT Update

The Virus Response Team gave details for plans for the future, as well as the work they have been doing.

#### Reopening Plans, Ginger Peck, Risk Manager

KCHA will have a three stage re-opening plan:

- Stage 1: KCHA offices to staff at up to a maximum 50% occupancy. Some departments will offer in-person appointments. Others will begin occupied in-unit work. Offices will still be closed to general public.
- Stage 2: KCHA offices open to staff and general public at up to 75%.
- Stage 3: KCHA opens at 100% in a new hybrid telework environment.
- KCHA is not linked to the state's Safe Start phases of reopening. The length of each KCHA stage will be determined by the VRT in collaboration with senior leadership. The VRT will regularly communicate with departments about its intentions to move to another stage.
- The VRT acknowledges that staff needs time for reopening, so in early June saw a communication campaign to help everyone prepare.
- KCHA will message general re-open information online in the future.

#### Vaccination Plans, Judi Jones, Interim Senior Director of Housing Initiatives

- Ms. Jones reported on what the VRT has been involved in for vaccinations as well as vaccination plans for the future.
- KCHA has done vaccination clinics for residents in properties that we own or manage.
- Over the past 6 months, KCHA partnered with many agencies to bring clinics directly on-site.
- There have been over 71 vaccination clinics that have vaccinated 1,960 people. Work continues with Fred Hutchinson and Swedish Medical to continue holding clinics.
- Thanks to the VRT and more than 125 volunteers to make sure these clinics have been successful in the community. The level of commitment that the KCHA staff has provided is amazing.

#### Reopening at Sites, Bill Cook, Director of Property Management

- July 19<sup>th</sup> is the date for stage 1 reopening.
- Property Management will be reopening by appointment only.
- Completion of non-emergency work orders will commence.
- Disinfection of buildings will continue at least 3 days per week.
- The Housing Choice Voucher department will open with appointment only for a limited number a hours per day and four days a week.
- Rent Assistance – There is a dramatic increase in the need for rental assistance. It is an open question about which moratoria will be extended.
- Andrew Calkins has been engaged in Eviction Prevention efforts. There is \$145 Million available from the Federal Government response to help. Residents are now being asked to apply for this. Payments will not start to be processed until mid-July at the earliest.

Emergency Work and Pay Plans. Tonya Harlan, Director of Human Resources

- The majority of KCHA staff are current working remotely. 80% of Central Office staff and 30% of field staff working remotely.
- 100 staff have exercised their right of paid sick leave for quarantining themselves or for when they have had COVID-19.
- Dependent Care Payment Assistance - reimbursement up to \$100 per week will sunset the first week of July 2021.
- Families First Coronavirus Response Act (FFCRA) ends on September 30.

The VRT has done a magnificent job working through unbelievable levels of detail. There are still problems and mixed advisories of mask wearing protocols.

Questions of Commissioners were answered.

There was a discussion of having in person Board Meetings in the future.

## **IX. STUDY SESSION**

### **A. REDI Team**

The REDI team shared with a PowerPoint presentation.

- Ken Nsimbi – REDI Co-Chair, Youth Programs Coordinator, Social Impact
- Camie Whidden – Administrative Program Manager/Training Program Manager, HR
- Channie Butler – REDI Co-Chair, Applications Development Specialist, Section 8
- Lisa Herrera – Property Manager

REDI Team Mission Statement:

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

REDI Team Vision:

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

Questions of Commissioners were answered.

## **X. EXECUTIVE SESSION**

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

9:52 a.m. – Board meeting was suspended for the Executive Session.

10:32 a.m. – Board meeting was re-convened.

**Resolution No. 5695** – Authorizing the Payment of a Retention and Accomplishment Incentive and the Establishment of a Retention and Accomplishment Incentive for the Executive Director for Calendar Years 2020 and 2021, Respectively.

On motion by Commissioner Susan Palmer and seconded by Commissioner John Welch, the Board unanimously approved Resolution No. 5695.

## **XI. EXECUTIVE DIRECTOR REPORT**

Executive Director Norman reported that KCHA is currently very focused on developing a plan for the new Emergency Housing Vouchers just received from HUD. This is the largest single voucher award – 764 vouchers – in KCHA’s history. The strategy is being developed in close coordination with the newly established Regional Homeless Authority.

He reported that the final property purchases for the 1,000 unit acquisition and preservation initiative made possible through our partnership with Amazon are proceeding smoothly. Tim Walter, Senior Director of Development and Asset Management, discussed interest rate risks that the Authority is monitoring.

Director Norman also reported that we are close to finalizing the sale of the Oaks facility in Shoreline to Catholic Housing Services for redevelopment as permanent supportive housing. Under the terms of the sale KCHA is being reimbursed for both its cost of acquisition and all incidental expenses incurred while the Authority held the property.

Director Norman noted that this is the last Board meeting for two valued members of the KCHA team:

Jeb Best, the Director of the Housing Choice Voucher Program is retiring after 40 years at the Housing Authority. Jeb has done a phenomenal job in running the Section 8 program – during his tenure the program has tripled in size and his efforts have made a real difference in our community and in our client’s lives.

Jenn Ramirez Robson, KCHA’s Director of Resident Services, was acknowledged for all of her good work over the last seven years. Her focus on keeping the wellbeing and concerns of our clients front and center in the work that we do, and her role in helping KCHA develop new initiatives around resident education, health, self-sufficiency and housing stability were commended.

## **XII. KCHA IN THE NEWS**

None.

### **XIII. COMMISSIONER COMMENTS**

Commissioner Palmer stated that it is great that we have all of the vouchers.

All Commissioners gave thanks to Jeb and Jenn.

Commissioner Welch gave a shout out to the VRT and the REDI Team for their great work as well as the staff when they write the Executive Briefing memo's for the Board, they are top notch they are some of the best executive briefings documents that he has ever seen. They are so thorough that we don't have questions because they answer them in the report. Thank you for all of the preliminary and prep work that you do so that these meetings run smoothly.

### **XIV. ADJOURNMENT**

Chair Barnes adjourned the meeting at 10:47 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**

**July 12, 2021**

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**I. CALL TO ORDER**

The telephonic special Executive Session meeting of the King County Housing Authority Board of Commissioners was held on Monday, July 12, 2021 via telephone/zoom. There being a quorum, the meeting was called to order by Chair Doug Barnes at 3:00 p.m.

**II. ROLL CALL**

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

**Absent:** Commissioner John Welch

**IX. EXECUTIVE SESSION**

- I.** This special meeting in executive session is held to receive and evaluate that portion of a meeting during which the governing body is to discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency (RCW 42.30.110 (1) (i)).

Note, there will be no final action taken at this meeting. The Board will immediately go into Executive Session for 60 minutes at commencement of meeting, and will recess following the executive session.

**XIII. ADJOURNMENT**

Chair Barnes adjourned the meeting at 3:41 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

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**To:** Board of Commissioners  
**From:** Ai Ly, Interim Assistant Director of Finance  
**Date:** July 2, 2021  
**Re:** **VOUCHER CERTIFICATION FOR MAY 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  
 July 2, 2021

Bank Wires / ACH Withdrawals		11,759,643.67
	<i>Subtotal</i>	<b>11,759,643.67</b>
Accounts Payable Vouchers		
Key Bank Checks - #334862-#335253		3,586,281.79
Tenant Accounting Checks - #11405-#11427		6,305.90
	<i>Subtotal</i>	<b>3,592,587.69</b>
Payroll Vouchers		
Checks - #92609-92657		27,564.62
Direct Deposit		1,678,394.32
	<i>Subtotal</i>	<b>1,705,958.94</b>
Section 8 Program Vouchers		
Checks - #634336-634606 & 634590-634846		293,370.79
ACH - #513263-515936		17,218,610.01
	<i>Subtotal</i>	<b>17,511,980.80</b>
Purchase Card / ACH Withdrawal		280,444.73
	<i>Subtotal</i>	<b>280,444.73</b>
	<b>GRAND TOTAL</b>	<b>\$ 34,850,615.83</b>

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

FROM: Wen Xu, Director of Asset Management

I, Wen Xu, do hereby certify under penalty of perjury that the claims represented by the wire transactions below were just, due, and unpaid obligations against the Housing Authority, and that I, and my designees, are authorized to authenticate and certify said claims.

Wen Xu

Date

Property	Wired to Operating Account for Obligations of Property			Notes:
	Date	Wire Transaction	Claim	
Bellepark	05/05/2021	\$ 9,943.57	A/P & Payroll	
Cottonwood	05/05/2021	\$ 41.90	A/P	
Hampton Greens	05/05/2021	\$ 37,009.90	A/P & Payroll	
Kendall Ridge	05/05/2021	\$ 20,014.83	A/P & Payroll	
Landmark	05/05/2021	\$ 28,483.28	A/P & Payroll	
Riverstone	05/05/2021	\$ 28,960.29	A/P & Payroll	
Woodside East	05/05/2021	\$ 17,085.60	A/P & Payroll	
ALPINE RIDGE	05/06/2021	\$ 18,436.37	A/P	
ARBOR HEIGHTS	05/06/2021	\$ 18,222.40	A/P	
Auburn Square	05/06/2021	\$ 1,157.49	A/P	
Carriage House	05/06/2021	\$ 3,265.25	A/P	
CASCADIAN	05/06/2021	\$ 46,241.26	A/P	
Colonial Gardens	05/06/2021	\$ 3,493.88	A/P	
Cottonwood	05/06/2021	\$ 14,112.17	A/P & Payroll & OCR	
Cove East	05/06/2021	\$ 42,816.64	A/P & Payroll & OCR	
FAIRWOOD	05/06/2021	\$ 9,407.69	A/P	
HERITAGE PARK	05/06/2021	\$ 1,542.18	A/P	
Pinewood Village	05/06/2021	\$ 3,546.20	A/P	
Juanita View	05/06/2021	\$ 24,323.37	A/P & Payroll & OCR	
Kirkland Heights	05/06/2021	\$ 43,595.53	A/P & Payroll & OCR	
Landmark	05/06/2021	\$ 33,660.00	A/P	
LAURELWOOD	05/06/2021	\$ 3,583.71	A/P	
Meadows	05/06/2021	\$ 1,749.63	A/P	
NIA	05/06/2021	\$ 35,961.29	A/P & Payroll & OCR	
OVERLAKE TOD HOUSING	05/06/2021	\$ 91,105.92	A/P & Debt service	
Parkwood	05/06/2021	\$ 7,174.08	A/P	
RAINIER VIEW I	05/06/2021	\$ 7,773.77	A/P	
RAINIER VIEW II	05/06/2021	\$ 5,598.64	A/P	

SI VIEW	05/06/2021	\$ 3,756.33	A/P
SOUTHWOOD SQUARE	05/06/2021	\$ 3,567.59	A/P
Timberwood	05/06/2021	\$ 3,619.53	A/P
Vashon Terrace	05/06/2021	\$ 1,375.59	A/P
Walnut Park	05/06/2021	\$ 2,340.97	A/P
WINDSOR HEIGHTS	05/06/2021	\$ 21,438.34	A/P
Woodridge Park	05/06/2021	\$ 25,329.07	A/P
Ballinger Commons	05/12/2021	\$ 109,740.79	A/P & Payroll
Bellepark	05/12/2021	\$ 15,656.00	A/P
Emerson	05/12/2021	\$ 84,491.34	A/P & Payroll
GILMAN SQUARE	05/12/2021	\$ 32,081.19	A/P & Payroll
Hampton Greens	05/12/2021	\$ 36,147.83	A/P
Kendall Ridge	05/12/2021	\$ 81,447.92	A/P
Landmark	05/12/2021	\$ 57,981.39	A/P
Meadowbrook	05/12/2021	\$ 22,050.12	A/P & Payroll
Riverstone	05/12/2021	\$ 14,186.12	A/P
Villages at South Station	05/12/2021	\$ 44,046.78	A/P & Payroll
Woodside East	05/12/2021	\$ 9,756.88	A/P
ALPINE RIDGE	05/13/2021	\$ 8,465.33	A/P & Payroll
ARBOR HEIGHTS	05/13/2021	\$ 22,849.65	A/P & Payroll
Aspen Ridge	05/13/2021	\$ 6,032.93	A/P & Payroll
Auburn Square	05/13/2021	\$ 23,409.03	A/P & Payroll
Carriage House	05/13/2021	\$ 28,967.11	A/P & Payroll
CASCADIAN	05/13/2021	\$ 25,668.32	A/P & Payroll
Colonial Gardens	05/13/2021	\$ 4,386.09	A/P & Payroll
FAIRWOOD	05/13/2021	\$ 20,225.74	A/P & Payroll
HERITAGE PARK	05/13/2021	\$ 14,365.10	A/P & Payroll
Pinewood Village	05/13/2021	\$ 10,528.98	A/P & Payroll
LAURELWOOD	05/13/2021	\$ 15,778.85	A/P & Payroll
Meadows	05/13/2021	\$ 26,163.49	A/P & Payroll
OVERLAKE TOD HOUSING	05/13/2021	\$ 451,906.23	A/P & Payroll
OVERLAKE TOD HOUSING	05/13/2021	\$ 450,000.00	A/P & Payroll
Parkwood	05/13/2021	\$ 16,670.73	A/P & Payroll
RAINIER VIEW I	05/13/2021	\$ 12,662.52	A/P
RAINIER VIEW II	05/13/2021	\$ 9,974.36	A/P
SI VIEW	05/13/2021	\$ 5,140.18	A/P
SOUTHWOOD SQUARE	05/13/2021	\$ 17,484.25	A/P & Payroll
Newporter	05/13/2021	\$ 19,765.95	A/P & Payroll
Timberwood	05/13/2021	\$ 27,616.70	A/P & Payroll
Vashon Terrace	05/13/2021	\$ 5,055.89	A/P

Walnut Park	05/13/2021	\$ 55,901.49	A/P & Payroll
WINDSOR HEIGHTS	05/13/2021	\$ 57,624.56	A/P & Payroll
Woodridge Park	05/13/2021	\$ 33,683.78	A/P & Payroll
Bellepark	05/19/2021	\$ 38,673.91	A/P & Payroll
Hampton Greens	05/19/2021	\$ 106,144.31	A/P & Payroll
Kendall Ridge	05/19/2021	\$ 31,041.93	A/P & Payroll
Landmark	05/19/2021	\$ 25,039.27	A/P & Payroll
Riverstone	05/19/2021	\$ 43,112.92	A/P & Payroll
Woodside East	05/19/2021	\$ 67,840.12	A/P & Payroll
ALPINE RIDGE	05/20/2021	\$ 14,500.21	A/P
ARBOR HEIGHTS	05/20/2021	\$ 13,966.31	A/P
Aspen Ridge	05/20/2021	\$ 4,365.47	A/P
Auburn Square	05/20/2021	\$ 9,601.74	A/P
Carriage House	05/20/2021	\$ 9,340.73	A/P
CASCADIAN	05/20/2021	\$ 4,932.08	A/P
Colonial Gardens	05/20/2021	\$ 2,507.03	A/P
FAIRWOOD	05/20/2021	\$ 16,733.72	A/P
HERITAGE PARK	05/20/2021	\$ 8,245.07	A/P
Pinewood Village	05/20/2021	\$ 5,569.29	A/P
LAURELWOOD	05/20/2021	\$ 2,598.71	A/P
Meadows	05/20/2021	\$ 6,404.86	A/P
OVERLAKE TOD HOUSING	05/20/2021	\$ 46,558.08	A/P
Parkwood	05/20/2021	\$ 9,927.63	A/P
RAINIER VIEW I	05/20/2021	\$ 10,613.70	A/P
SI VIEW	05/20/2021	\$ 5,018.60	A/P
SOUTHWOOD SQUARE	05/20/2021	\$ 2,672.36	A/P
Newporter	05/20/2021	\$ 5,259.29	A/P
Timberwood	05/20/2021	\$ 57,017.08	A/P
Walnut Park	05/20/2021	\$ 5,719.15	A/P
WINDSOR HEIGHTS	05/20/2021	\$ 8,242.11	A/P
Woodridge Park	05/20/2021	\$ 24,271.87	A/P
Cottonwood	05/21/2021	\$ 41,633.04	A/P & Payroll & OCR
Cove East	05/21/2021	\$ 19,371.68	A/P & Payroll & OCR
Juanita View	05/21/2021	\$ 20,995.76	A/P & Payroll & OCR
Kirkland Heights	05/21/2021	\$ 24,241.70	A/P & Payroll & OCR
NIA	05/21/2021	\$ 29,305.69	A/P & Payroll & OCR
Ballinger Commons	05/26/2021	\$ 156,355.94	A/P & Payroll
Bellepark	05/26/2021	\$ 13,154.76	A/P
Emerson	05/26/2021	\$ 29,801.90	A/P & Payroll
GILMAN SQUARE	05/26/2021	\$ 32,336.15	A/P & Payroll

Hampton Greens	05/26/2021	\$ 29,687.52	A/P	
Kendall Ridge	05/26/2021	\$ 12,817.70	A/P	
Landmark	05/26/2021	\$ 2,406.57	A/P	
Meadowbrook	05/26/2021	\$ 21,565.21	A/P & Payroll	
Riverstone	05/26/2021	\$ 61,209.11	A/P	
Villages at South Station	05/26/2021	\$ 56,476.87	A/P & Payroll	
Woodside East	05/26/2021	\$ 17,435.50	A/P	
ALPINE RIDGE	05/27/2021	\$ 11,765.07	A/P & Payroll & OCR & Mgmt Fee	
ARBOR HEIGHTS	05/27/2021	\$ 19,882.44	A/P & Payroll & OCR & Mgmt Fee	
Aspen Ridge	05/27/2021	\$ 11,708.06	A/P & Payroll & OCR & Mgmt Fee	
Auburn Square	05/27/2021	\$ 85,353.02	A/P & Payroll & OCR & Mgmt Fee	
Carriage House	05/27/2021	\$ 47,528.21	A/P & Payroll & OCR & Mgmt Fee	
CASCADIAN	05/27/2021	\$ 25,380.36	A/P & Payroll & OCR & Mgmt Fee	
Colonial Gardens	05/27/2021	\$ 8,530.30	A/P & Payroll & OCR & Mgmt Fee	
FAIRWOOD	05/27/2021	\$ 62,601.47	A/P & Payroll & OCR & Mgmt Fee	
HERITAGE PARK	05/27/2021	\$ 24,645.39	A/P & Payroll & OCR & Mgmt Fee	
Pinewood Village	05/27/2021	\$ 22,259.70	A/P & Payroll & OCR & Mgmt Fee	
LAURELWOOD	05/27/2021	\$ 16,113.58	A/P & Payroll & OCR & Mgmt Fee	
Meadows	05/27/2021	\$ 16,100.63	A/P & Payroll & OCR & Mgmt Fee	
OVERLAKE TOD HOUSING	05/27/2021	\$ 30,029.67	A/P & Payroll & OCR & Mgmt Fee	
Parkwood	05/27/2021	\$ 24,972.23	A/P & Payroll & OCR & Mgmt Fee	
RAINIER VIEW I	05/27/2021	\$ 2,626.25	A/P	
RAINIER VIEW II	05/27/2021	\$ 1,500.47	A/P	
SI VIEW	05/27/2021	\$ 7,545.00	A/P	
SOUTHWOOD SQUARE	05/27/2021	\$ 13,591.88	A/P & Payroll & OCR & Mgmt Fee	
Tall Cedars	05/27/2021	\$ 24,563.48	A/P & Payroll & OCR & Mgmt Fee	
Newporter	05/27/2021	\$ 43,545.65	A/P & Payroll & OCR & Mgmt Fee	
Timberwood	05/27/2021	\$ 34,217.12	A/P & Payroll & OCR & Mgmt Fee	
Vashon Terrace	05/27/2021	\$ 1,629.71	A/P	
Walnut Park	05/27/2021	\$ 15,246.45	A/P & Payroll & OCR & Mgmt Fee	
WINDSOR HEIGHTS	05/27/2021	\$ 49,106.53	A/P & Payroll & OCR & Mgmt Fee	
Woodridge Park	05/27/2021	\$ 47,576.19	A/P & Payroll & OCR & Mgmt Fee	
<b>TOTAL</b>	<b>140 Wires</b>	<b>\$ 4,300,379.39</b>		

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**To:** Board of Commissioners

**From:** Dan Landes, Director of Development

**Date:** July 14, 2021

**Re:** **Resolution No. 5696:** A Resolution authorizing the Executive Director to grant a general revenue pledge relating to the State Loan Documents for the Highland Village rental housing project.

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King County Housing Authority was successful in securing an earmark of \$1,500,000 from the Washington State Legislature in the 2017-2019 Capital Budget for the Highland Village acquisition. The financing will be in the form of a 50-year recoverable grant which does not need to be repaid so long as the Authority complies with the conditions in the agreement.

This financing is run through the Housing Trust Fund at the Washington State Department of Commerce (“Commerce”). Commerce normally requires that borrowers furnish collateral in the form of a Deed of Trust on properties financed with the Housing Trust Fund, but the Commerce staff agreed to accept the Authority’s general revenue pledge in lieu of the Deed of Trust. In the past the Authority has provided these general revenue pledges to other lenders through language in the note associated with bonds and loans, but the Commerce staff asked that we also provide a Board Resolution specifically authorizing the general revenue pledge to secure the State financing in the Highland Village development.

Resolution No. 5696 authorizes the pledge of general revenues as security for the State Housing Trust Fund financing provided to Highland Village. It also authorizes the Executive Director or his designee to take any actions necessary to execute the agreements required for this pledge.

Staff recommends approval of Resolution No. 5696.

**HOUSING AUTHORITY OF THE COUNTY OF KING**

**RESOLUTION NO. 5696**

**(Highland Village)**

**A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AUTHORIZING THE EXECUTIVE DIRECTOR TO GRANT A GENERAL REVENUE PLEDGE RELATING TO THE STATE LOAN DOCUMENTS FOR THE HIGHLAND VILLAGE RENTAL HOUSING PROJECT**

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**WHEREAS**, the Housing Authority of the County of King (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing within King County, Washington; and

**WHEREAS**, RCW 35.82.070(5) provides that a housing authority may, among other things and if certain conditions are met, “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project”; and

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

**WHEREAS**, the Authority is the fee owner of certain real property located at 600 146<sup>th</sup> Avenue NE, Bellevue, Washington which has been rehabilitated and currently contains 100 units of low income housing (the “Property”); and

**WHEREAS**, to facilitate the financing of the rehabilitation of the Property, the Authority entered into a long term Financing Lease with Somerset Gardens Apartments LLLP, a Washington limited liability partnership (the “Partnership”) in which the Authority serves as the General Partner;

**WHEREAS**, the Authority was selected by the Washington State Legislature to receive permanent long term financing from the Housing Trust Fund in the amount of \$1,500,000.00 (the “State Loan”) to undertake construction of the Property, which funds were appropriated in the 2017-2019 Capital Budget; and

**WHEREAS**, the Authority is willing to provide a pledge of its general revenues to secure the State Loan;

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

**Section 1.** General Revenue Pledge. The Authority is hereby authorized to pledge, as security for its obligations under the State Loan, all of its general revenues, which are defined as revenues from any source to the extent that those revenues are available to pay debt service on the State Loan and are not now or hereafter pledged or restricted by law, regulation, contract, covenant, resolution, deed of trust or otherwise restricted (including restrictions related to funds made available to the Authority under the U.S. Housing Act of 1937), solely to another particular purpose.

**Section 2.** Governmental Filings; Other Agreements. The Executive Director is authorized to take such further actions including but not limited to the execution, delivery and, if applicable, filing (or to cause the execution, delivering and, if applicable, filing), on behalf of the Authority and/or the Partnership, of such documents, agreements and instruments that either the Executive Director determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein.

**Section 3.** Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may be taken, in the absence of each person respectively by the duly authorized acting Chair of the Board or a Deputy Executive Director of the Authority.

**Section 4.** Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

**Section 5.** 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 AN OPEN PUBLIC MEETING THIS 19<sup>TH</sup> DAY OF JULY, 2021.**

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

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**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 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. 5696 (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners (the “Board”) of the Authority, as adopted at a special meeting of the Authority held on July 19, 2021, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 19<sup>th</sup> day of July 2021.

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**Stephen J. Norman**

Executive Director and Secretary-Treasurer of the  
Authority

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**To:** Board of Commissioners

**From:** Tim Walter, Sr. Director of Development & Asset Management

**Date** July 12, 2021

**Re:** Resolution No. 5697 - Authorizing the issuance of the Authority’s Workforce Housing Preservation Pooled Refunding Revenue Bonds, 2021 in the aggregate principal amount of not to exceed \$63,000,000, for the purpose of providing all or part of the funds with which to effect the current refunding of certain outstanding obligations of the Authority, and to pay costs of issuing the bonds and the administrative costs of such refundings, and determining related matters.

Resolution No. 5697 authorizes the issuance of publically issued tax-exempt housing revenue bonds to provide the final piece of the permanent financing for the Pinewood Village, Carrington, Argyle, Sandpiper East and Surrey Downs Apartments.

**Background**

In January, 2021, KCHA negotiated the proposed terms and conditions of a financing package with Amazon which has enabled KCHA to preserve over 1,000 units of workforce housing in the City of Bellevue or adjacent to mass transit. The financing package was to consist of a direct loan with Amazon, a grant from Amazon and publicly issued tax-exempt bonds.

With the closing of Surrey Downs and the Argyle Apartments, KCHA has now completed the acquisition of the Amazon partnership portfolio, which includes the following properties (the “Portfolio”):

<b>Property</b>	<b>Location</b>	<b>Purchase Date</b>	<b># Units</b>	<b>Purchase Price</b>
Hampton Greens	Bellevue	12/31/2019	326	\$126,500,000
Pinewood Village	Bellevue	12/18/2020	108	\$38,000,000
Carrington	Bellevue	6/01/2021	108	\$39,850,000
Sandpiper East	Bellevue	6/01/2021	224	\$65,000,000*
Surrey Downs	Bellevue	6/30/2021	122	\$48,750,000
Argyle	Federal Way	7/01/2021	160	\$43,250,000
<b>Total**</b>			<b>1,048</b>	<b>\$361,350,000</b>

Notes: \* Includes capitalized renovation fund of \$7,200,000  
 \*\* The total does not include the 36 unit Illahee Apartments, which was acquired as part of the Amazon initiative, but is being converted to public housing and accordingly cannot support any debt. Acquisition costs are being

funded through a \$4 million grant from Amazon, a matching \$4 million grant from the City of Bellevue and \$2.8 million in KCHA working capital.

### **Financing Plan**

KCHA previously issued the permanent financing for Hampton Greens (part of its Pooled Housing Refunding Revenue Bond, 2020) and is finalizing the financing documents with Amazon for their portion of the financing package. The tax-exempt bonds authorized by Resolution No. 5697 represent the final piece of the overall permanent financing for the Portfolio. The financing Sources & Uses for the interim and permanent financing are as follows:

### **Uses (Acquisition financing repayment)**

KeyBank lines of credit (Pinewood Village, Carrington Sandpiper East, Surrey Downs & Argyle acquisitions):	<u>\$234,850,000</u>
<b>Total Uses</b>	<b>\$234,850,000</b>

### **Sources**

Amazon Workforce Housing Note	\$161,500,000
Amazon Workforce Housing Grant	\$20,000,000
Tax-Exempt Municipal Bonds (to be issued)	<u>\$53,350,000</u>
<b>Total Sources</b>	<b>\$234,850,000</b>

### **Key terms of the publically issued tax-exempt housing revenue bonds:**

Term: 20 years.

Interest Rate: All-in rate anticipated to be between 2.4% - 2.60% based on current market conditions (original underwriting assumed 2.75%)

Amortization: 30-year amortization.

Security: The Bonds will be secured by a pledge of the Authority's general revenues (on parity with other lenders).

Optional Repayment: Prepayments of the Bonds permitted after 10 years.

### **Staff Recommendation**

Interest rates for tax-exempt municipal bonds have been at historic lows this year and unless there are significant changes in the market within the next six to eight weeks (the time it will take to bring the bond issue to the market), interest rates and terms are consistent with KCHA's initial underwriting for this bond issue.

Given the Authority's ultimate need to secure permanent financing for the Amazon partnership Portfolio of properties and the current low interest rate environment, staff recommends passage of Resolution No. 5697.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5697

(WORKFORCE HOUSING PRESERVATION  
POOLED REFUNDING REVENUE BONDS, 2021)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King providing for the issuance of refunding revenue bonds of the Authority in the aggregate principal amount of not to exceed \$63,000,000, for the purpose of providing all or part of the funds with which to effect the current refunding of certain outstanding obligations of the Authority, and to pay costs of issuing the bonds and the administrative costs of such refundings; authorizing the execution and delivery of a trust indenture, the bonds, and other agreements, documents, and certificates; providing for the call, payment, and redemption of the obligations to be refunded; delegating to officers of the Authority the authority to determine the form, terms and covenants of the bonds and to execute such documents as are useful or necessary to the purposes of this resolution; authorizing officers of the Authority to accept an offer from KeyBanc Capital Markets Inc. to purchase the bonds; and determining related matters.

Adopted July 19, 2021

*This document was prepared by:*

*FOSTER GARVEY P.C.  
1111 Third Avenue, Suite 3000  
Seattle, Washington 98101  
(206) 447-4400*

**HOUSING AUTHORITY OF THE COUNTY OF KING**

**RESOLUTION NO. 5697**

**(WORKFORCE HOUSING PRESERVATION  
POOLED REFUNDING REVENUE BONDS, 2021)**

RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King providing for the issuance of refunding revenue bonds of the Authority in the aggregate principal amount of not to exceed \$63,000,000, for the purpose of providing all or part of the funds with which to effect the current refunding of certain outstanding obligations of the Authority, and to pay costs of issuing the bonds and the administrative costs of such refundings; authorizing the execution and delivery of a trust indenture, the bonds, and other agreements, documents, and certificates; providing for the call, payment, and redemption of the obligations to be refunded; delegating to officers of the Authority the authority to determine the form, terms and covenants of the bonds and to execute such documents as are useful or necessary to the purposes of this resolution; authorizing officers of the Authority to accept an offer from KeyBanc Capital Markets Inc. to purchase the bonds; and determining related matters.

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

**WHEREAS**, RCW 35.82.070(2) provides that a housing authority may acquire and operate housing projects; 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 35.82.020 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(5) provides that a housing authority may pledge any interest in real or personal property or any interest therein; 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**, pursuant to Resolution No. 5504 adopted April 20, 2015, Resolution No. 5546 adopted August 18, 2016, and Resolution No. 5663 adopted May 15, 2017, the Authority previously issued its not to exceed \$80,000,000 Revolving Line of Credit Revenue Note, 2015 (Tax-Exempt) and Revolving Line of Credit Revenue Note, 2015 (Taxable) (together, the “2015 Notes”); and

**WHEREAS**, pursuant to Resolution No. 5691 adopted May 17, 2021, the Authority previously issued its not to exceed \$200,000,000 Non-Revolving Line of Credit Revenue Note, 2021 Series A and its not to exceed \$20,000,000 Non-Revolving Line of Credit Revenue Note, 2021 Series B (together, the “2021 Notes” and, together, with the 2015 Notes, the “Refunded Obligations”); and

**WHEREAS**, the Authority used proceeds of the Refunded Obligations to finance or refinance the acquisition of the following workforce housing properties, each as a housing project of the Authority: (a) an apartment complex known as the Pinewood Village Apartments and located at 14911 NE 1<sup>st</sup> Place, Bellevue Washington (the “Pinewood Village Apartments Project”); (b) an apartment complex known as the Sandpiper East Apartments and located at 1312 139th Avenue NE, Bellevue, Washington (the “Sandpiper East Apartments Project”); (c) an apartment complex known as the

Carrington Apartments and located at 2501 148<sup>th</sup> Avenue SE, Bellevue Washington (the “Carrington Apartments Project”); (d) an apartment complex known as the Surrey Downs Apartments located at 13035 SE 26<sup>th</sup> Street, Bellevue, Washington (the “Surrey Downs Apartments Project”); and (e) an apartment complex known as the Argyle Apartment Homes and located at 2517 South 316<sup>th</sup> Lane, Federal Way, Washington (the “Argyle Apartments Project”); and

**WHEREAS**, after due consideration, the Board of Commissioners of the Authority deems it necessary and desirable and in the best interest of the Authority to issue its Workforce Housing Preservation Pooled Refunding Revenue Bonds, 2021 (the “2021 Bonds”), in one or more series and in an aggregate principal amount not to exceed \$63,000,000, to provide funds required to (i) effect the current refunding of all or a portion of the Refunded Obligations, and (ii) pay costs of issuance of the 2021 Bonds and the administrative costs of such refundings; and

**WHEREAS**, the Authority anticipates that it may in the future authorize the issuance of additional bonds for Authority purposes (collectively with the 2021 Bonds, the “Bonds”), pursuant to the Indenture (as hereinafter defined); and

**WHEREAS**, the Authority anticipates that KeyBanc Capital Markets Inc. will offer to purchase the 2021 Bonds on the terms set forth in this resolution; NOW, THEREFORE,

**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 words have the following meanings, except as otherwise expressly provided or unless the context otherwise clearly requires:

“Act” means chapter 35.82 of the Revised Code of Washington.

“Additional Bonds” means the additional parity bonds authorized to be issued by the Authority pursuant to the Indenture.

“Argyle Apartments Project” means the apartment complex containing 160 dwelling units and located at 2517 South 316<sup>th</sup> Lane, Federal Way, Washington, known as the Argyle Apartment Homes.

“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.

“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.

“Bond” or “Bonds” means one or more of the 2021 Bonds and any Additional Bonds issued under the Indenture.

“Bond Purchase Contract” means the Purchase Contract between the Authority and the Underwriter relating to the sale of the 2021 Bonds.

“Bond Registrar” means the entity serving as registrar, authenticating agent and paying agent under the Indenture, initially the Trustee.

“Carrington Apartments Project” means the apartment complex containing 108 dwelling units and located at 2501 148<sup>th</sup> Avenue SE, Bellevue Washington, known as the Carrington Apartments.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor federal income tax statute or code. Any reference to a provision of the Code shall include the applicable regulations of the Department of the Treasury promulgated or proposed with respect to such provision.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement between the Authority and the dissemination agent named therein, relating to the 2021 Bonds, including any supplements or amendments thereto made in conformity therewith.

“County” means King County, Washington.

“Deeds of Trust” means any deed of trust that may be specifically granted by the Authority to the Trustee, constituting a lien on a Project or Projects financed or refinanced with Bond proceeds, including any supplements or amendments thereto made in conformity herewith, therewith, and with the Indenture.

“General Revenues” means all revenues of the Authority from any source (other than Project Revenues), but only to the extent that those revenues are available to pay debt service on the Bonds and are not now or hereafter pledged or restricted, 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.

“Indenture” means the Trust Indenture between the Authority and the Trustee relating to the Bonds as originally executed or as it may from time to time be supplemented, modified or amended.

“Pinewood Village Apartments Project” means the apartment complex containing 108 dwelling units and located at 14911 NE 1<sup>st</sup> Place, Bellevue Washington, known as the Pinewood Village Apartments.

“Net Operating Income” means Project Revenues less Operation and Maintenance Costs (as defined in the Indenture).

“Pledged Projects” means, initially, the 2021 Projects, and shall also include any Projects financed or refinanced with Additional Bonds if the Authority has, in a Supplemental Indenture, pledged the revenues derived from such Project to the payment of its obligations under the Indenture; provided that any Project may be released and cease to be a Pledged Project in accordance with the terms of the Indenture.

“Projects” means, collectively, the 2021 Projects and other housing projects as may be financed or refinanced with Bond proceeds.

“Project Revenues” means all amounts due to or received by the Authority or by the Trustee for the account of the Authority pursuant or with respect to the Pledged Projects, including without limitation all rental revenue, subsidy payments, lease payments, payments on contractors’ bonds, Insurance Proceeds and Condemnation Awards and proceeds resulting from foreclosure of a Deed of Trust, but excluding refundable security deposits and proceeds derived from any Bonds, Subordinate Obligations, or other financings.

“Refunded Obligations” means, together, the 2015 Notes and the 2021 Notes.

“Sandpiper East Apartments Project” means the apartment complex containing 224 dwelling units and located at 1312 139th Avenue NE, Bellevue, Washington, known as the Sandpiper East Apartments.

“Surrey Downs Apartments Project” means the apartment complex containing 122 dwelling units and located at 13035 SE 26<sup>th</sup> Street, Bellevue, Washington, known as the Surrey Downs Apartments.

“State” means the State of Washington.

“Tax Certificate” means the Tax Exemption and Nonarbitrage Certificate to be executed by the Authority in connection with the 2021 Bonds.

“Trustee” means the entity serving as trustee under the Indenture.

“2015 Notes” means the Authority’s not to exceed \$80,000,000 Revolving Line of Credit Revenue Note, 2015 (Tax-Exempt) and Revolving Line of Credit Revenue Note, 2015 (Taxable).

“2021 Bond” or “2021 Bonds” means one or more of the Housing Authority of the County of King Workforce Housing Preservation Pooled Refunding Revenue Bonds, 2021, authorized by, and at any time outstanding pursuant to, this resolution and the Indenture, provided that the designation of the 2021 Bonds may be adjusted pursuant to Section 3.

“2021 Notes” means the Authority’s not to exceed \$200,000,000 Non-Revolving Line of Credit Revenue Note, 2021 Series A and the Authority’s not to exceed \$20,000,000 Non-Revolving Line of Credit Revenue Note, 2021 Series B.

“2021 Projects” means, collectively, the Argyle Apartments Project, Carrington Apartments Project, Pinewood Village Apartments Project, Sandpiper East Apartments Project, and Surrey Downs Apartments Project.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture.

**Section 2. Authorization of 2021 Bonds and Application of Proceeds.** The Authority shall issue the 2021 Bonds in an aggregate principal amount not to exceed \$63,000,000, to provide funds required to (i) effect the refunding of all or a portion of the Refunded Obligations, and (ii) pay costs of issuance of the 2021 Bonds and the administrative costs of such refundings. Such financing with proceeds of the 2021 Bonds is declared and determined to be important for the feasibility of the 2021 Projects. All proceeds of the 2021 Bonds shall be deposited with the Trustee for those purposes in accordance with the Indenture. The Board finds that it is in the best interest of the Authority to issue the 2021 Bonds for the purposes set forth in this resolution.

**Section 3. Description of the 2021 Bonds.** The 2021 Bonds shall be designated the Housing Authority of the County of King Workforce Housing Preservation Pooled Refunding Revenue Bonds, 2021. The Authorized Officers, and each of them acting alone, are authorized to designate any or all of the 2021 Bonds as “social bonds” or any similar designation indicating the purpose for which the proceeds of the 2021 Bonds are to be used, and to adjust the title of the 2021 Bonds to reflect such designation. The 2021 Bonds shall be issued in registered form; shall be in an aggregate principal amount not to exceed \$63,000,000; shall be in authorized denominations of \$5,000 or any integral multiple thereof; and shall be dated such date, bear interest payable on such dates and at such rates,

mature at such times and in such amounts, have such prepayment or redemption provisions and have such other provisions consistent with the terms of this resolution as are set forth in the Indenture. The 2021 Bonds may be issued in one or more series, with appropriate series designations, as determined by an Authorized Officer and set forth in the Indenture. The execution of the Indenture by an Authorized Officer shall be conclusive evidence of the approval by the Authority of the terms set forth therein.

**Section 4. Security for the 2021 Bonds.** The 2021 Bonds shall be special obligations of the Authority payable solely from the Trust Estate pledged under the Indenture, which shall include (a) Net Operating Income and, if the Trustee appoints a receiver or exercises its right under any Deeds of Trust, all Project Revenues with respect to the applicable Deed of Trust Project(s), in each case to the extent eligible to be used to pay debt service on the Bonds, (b) all General Revenues of the Authority, (c) the lien on the real property and improvements thereon and personal property therein conveyed by any Deeds of Trust that may be specifically granted by the Authority in accordance with the Indenture (unless and until such property is released from the lien of the Deeds of Trust as provided in the Indenture), (d) certain funds and accounts established under the Indenture and investment earnings thereon and money, securities and obligations therein (subject to disbursements from such fund or account upon the conditions set forth in the Indenture), (e) all money and securities from time to time held by the Trustee under the terms of the Indenture and any and all other real or personal property conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture, and (e) proceeds of the foregoing, all as set forth in the Indenture.

The Authorized Officers, and each of them acting alone, are hereby granted the discretionary authority to determine, prior to the issuance of the 2021 Bonds, that it is necessary or desirable to encumber any or all of the 2021 Projects with one or more Deeds of Trust and, if so determined, to negotiate and approve the forms of such Deeds of Trust on behalf of the Authority.

The 2021 Bonds shall not be a debt of the County, the State or any political subdivision thereof, and the 2021 Bonds shall so state on their face. Neither the County, the State nor any political subdivision thereof (except the Authority, from the sources identified herein and in the Indenture) shall be liable for payment of the 2021 Bonds nor in any event shall principal of, premium, if any, on and interest on the 2021 Bonds be payable out of any funds or assets other than those pledged to that purpose by the Authority herein and in the Indenture. The Authority has no taxing power.

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 of lien with the Bonds. The Authority may also pledge any specific revenues, which otherwise would be General Revenues, to the payment of other obligations, such payments to have priority over the payments to be made under the Bonds.

In addition, the Authority reserves the right to issue Additional Bonds under and in accordance with the terms of the Indenture, which Additional Bonds will be payable from and secured by the Trust Estate pledged under the Indenture.

None of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bonds.

**Section 5. Form and Execution of 2021 Bonds.** Each series of the 2021 Bonds shall be in a form consistent with the provisions of this resolution, the Indenture and State law, shall bear the manual or facsimile signatures of the Chair of the Board and Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof.

The 2021 Bonds shall be authenticated by the Bond Registrar as set forth in the Indenture. No 2021 Bond shall be valid for any purpose until so authenticated. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the 2021 Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

**Section 6. Preservation of Tax Exemption for Interest on 2021 Bonds.** The Authority covenants that it will take all actions necessary to prevent interest on the 2021 Bonds 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 2021 Bonds or other funds of the Authority treated as proceeds of the 2021 Bonds at any time during the term of the 2021 Bonds that would cause interest on the 2021 Bonds to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the 2021 Bonds, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the 2021 Bonds, 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 2021 Bonds from being included in gross income for federal income tax purposes.

**Section 7. Refunding of the Refunded Obligations.** The proceeds of the sale of the 2021 Bonds to be used to pay and redeem all or a portion of the Refunded Obligations shall be promptly transferred by the Trustee to the holder of each of the Refunded Obligations, and used, together with proceeds of the other Authority obligations issued for such purposes and, if necessary, other money of the Authority available for such purposes, to redeem all or a portion of the outstanding Refunded Obligations. The proper officials of the Authority are authorized and directed to give or cause to be given such notices as are required in order to effect the redemption of the Refunded Obligations prior to their respective maturities. The Board hereby delegates to the Authorized Officers, and each of them acting alone, the discretionary authority to determine, prior to the issuance and sale of the 2021 Bonds, to omit, in whole or in part, any issue included in the definition of “Refunded Obligations” set forth in Section 1.

**Section 8. Authority Findings with Respect to Refunding.** The Board finds and determines that the issuance and sale of the 2021 Bonds at this time is in the best interest of the Authority. In making such finding and determination, the Board has given consideration to the terms and maturities of the Refunded Obligations, the proposed terms and maturities of the 2021 Bonds, and the costs of issuance of the 2021 Bonds.

**Section 9. Delegation; Authorization of Documents and Execution Thereof.** The Board hereby delegates to the Authorized Officers, and each of them acting alone, the authority to negotiate and approve the forms of the Indenture, the Bond Purchase Contract, the Continuing Disclosure Agreement, the Tax Certificate, and any Deeds of Trust. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the 2021 Bonds, the Indenture, the Bond Purchase Contract, the Continuing Disclosure Agreement, the Tax Certificate, any Deeds of Trust, and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the 2021 Bonds and the refunding of the Refunded Obligations.

The Authorized Officers, and each of them acting alone, are further authorized and directed to do everything necessary for the issuance, execution and delivery of the 2021 Bonds, including, without limitation, appointing the Trustee, and “deeming final” the preliminary official statement for the 2021 Bonds for the sole purpose of the 2021 Bond purchaser’s compliance with Securities and Exchange Commission Rule 15c2-12(b)(1), and to execute and deliver, on behalf of the Authority, Indenture, the Bond Purchase Contract, the Continuing Disclosure Agreement, the Tax Certificate, any Deeds of Trust, and any other documents that may be useful or necessary in connection with the refunding of the Refunded Obligations, the issuance of the 2021 Bonds, and the proper use and application of the proceeds from the sale of the 2021 Bonds. The Authorized Officers, and each of them acting alone, are further authorized to approve and execute an official statement for the 2021 Bonds.

The delegation to the Authorized Officers set forth in this resolution shall include setting the final number of series, series designations, principal amounts, maturity dates, principal and interest payment dates, redemption provisions, interest rates, and other terms for the 2021 Bonds; *provided* that (a) the aggregate principal amount of the 2021 Bonds does not exceed \$63,000,000, and (b) the final maturity of the 2021 Bonds does not exceed forty years from their date of issue.

**Section 10. Acting Officers Authorized.** Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may in the absence of such person be taken by the duly authorized acting Chair of the Board or Deputy Executive Director of the Authority, respectively.

**Section 11. Approval of Bond Purchase Contract.** It is anticipated that KeyBanc Capital Markets Inc. will present the Bond Purchase Contract to the Authority offering to purchase the 2021 Bonds under the terms and conditions provided herein. The Board finds that entering into the Bond Purchase Contract is in the best interest of the Authority, and therefore authorizes the Authorized Officers, and each of them acting alone, to accept such offer on behalf of the Authority.

The 2021 Bonds will be prepared at the Authority's expense and will be delivered to the purchaser thereof, with the approving legal opinion of Foster Garvey P.C. (or its successor), bond counsel of Seattle, Washington, regarding the 2021 Bonds.

The proper Authority officials are authorized and directed to do everything necessary for the prompt delivery of the 2021 Bonds to the purchaser thereof and for the proper application and use of the proceeds of the sale thereof.

**Section 12. Ratification and Confirmation.** Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

**Section 13. Supplemental Authorization.** 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 14.** 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 15.** Changes to Titles or Parties. 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.

**Section 16.** 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 2021 Bonds.

**Section 17.** 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 AN OPEN PUBLIC MEETING THIS 19<sup>th</sup>  
DAY OF JULY, 2021.**

**HOUSING AUTHORITY OF THE  
COUNTY OF KING**

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**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. 5697 (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 July 19, 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 19<sup>th</sup> day of July, 2021.

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**Stephen J. Norman**

Executive Director and Secretary-Treasurer of the  
Authority

CERTIFICATE

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**To:** Board of Commissioners

**From:** Windy Epps, Interim Director of Finance

**Date:** July 7, 2021

**Re:** **2021 Midyear Financial Forecast**

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## **EXECUTIVE SUMMARY**

The Board adopted the Calendar Year 2021 Operating and Capital Budget (“2021 Budget”) via Resolution 5674 on December 21, 2020. The 2021 Midyear Financial Forecast includes revised assumptions and new information not part of the original budget process.

The 2021 Midyear Financial Forecast includes several adjustments that reduce the projected cash balance at 12/31/2021 (including amounts held by HUD) to \$241.5 million, a decline of \$256,000. Unrestricted and programmatic cash is projected to rise by \$5.5 million, while restricted cash will decline by \$5.7 million. Core drivers of these projected changes include enhanced Federal revenues, including the new Emergency Housing Vouchers, offset by minor projected increases in Housing Choice Voucher (HCV) Housing Assistance Payments (HAP), additional capital construction costs, and the deferral of cash from the Greenbridge land sale to 2022 and 2023.

Exhibit A details the original 2021 Adopted Budget, the Midyear Forecasted Changes and the 2021 Revised Projection. Significant adjustments are explained in the Financial Forecast Highlights section.

The Changes to Staffing section discusses newly-planned positions and Exhibit B summarizes total positions by department.

Increases in planned capital expenditures due to emergent projects, scope changes, and revised projects cost estimates, along with architecture and engineering costs for projects planned for 2022 are detailed in Exhibit C.

## **CONTEXT**

The 2021 Midyear Financial Forecast provides the Board with an overall synopsis of the changes in the current and near-term fiscal outlook for KCHA as compared to the Authority's adopted 2021 budget. Included changes are generally limited to those with an aggregate financial impact of \$1.0 million or greater, although those affecting Moving to Work (MTW) funds with an aggregate impact of \$500,000 or greater are also included, as are other adjustments that are deemed significant.

Changes to the number of Full-Time Equivalent (FTE) employees are also included in this report to the Board of Commissioners but are not included in the fiscal projection as their inclusion would not materially impact the forecast.

## **FINANCIAL FORECAST HIGHLIGHTS**

### ***Federal Programs***

#### Revenue

##### *Block Grant*

KCHA historically uses conservative estimates of the HCV Renewal Funding Inflation Factor (RFIF) and prorate to derive budgeted Block Grant and Special Purpose Voucher revenue. As announced earlier in the year by HUD, actual 2021 RFIF and prorate levels are better than budgeted estimates. The 2021 RFIF of 4.289% surpassed the original projection of 1.5%, resulting in \$4.4 million of additional revenue. The 2021 prorate of 100% versus the budget of 98.5% added an additional \$2.5 million.

##### *Ports-In*

The midyear forecast reflects a decrease of \$1.2 million in operating revenue related to HCV "Ports-In", clients from other housing authorities who have moved into KCHA's service area. While the actual number of client households moving into the area is now projected to be only 10 households below initial projections, the per unit HAP cost has been less than originally forecast. Offsetting this decrease in revenue will be an equal reduction of HAP expense.

##### *Emergency Housing Vouchers*

KCHA was awarded 762 Emergency Housing Vouchers through the American Rescue Plan Act to assist individuals and families who are experiencing homelessness or are at risk of homelessness. The funding for these new vouchers includes recurring HAP funding and administrative fees along with one-time preliminary, placement, and service fees. HAP revenue of \$1,215 per voucher for the final six months of 2021 is included as an adjustment to revenue. Amounts received in excess of actual HAP payments to landlords will go into a restricted reserve account.

\$3.0 million in one-time fees to assist in leasing the vouchers were awarded to KCHA, but only \$1.8 million of this will be received in 2021 with the balance coming in 2022. Of the \$1.8 million in 2021 fees, \$1.0 million is reflected as revenue and the remainder will also go into a restricted reserve account.

### *Public Housing*

Through June, HUD has used an interim proration of 96.29% for the Public Housing Operating Fund Subsidy vs. the KCHA's budget assumption of 90.0%. Assuming that this prorate level will hold steady for the remainder of the year, revenue was increased by \$1.7 million.

The 2021 Capital Fund Program grant award was \$724,000 higher than forecast, but as none of this additional award will be drawn in 2021, there is no change in the midyear forecast.

### Expenses

#### *Housing Assistance Payments (HAP) for Block Grant Vouchers*

Due to the state-wide moratorium on rental rate increases, the "PUC" or Per Unit Cost for Housing Assistance Payments in the HCV program has been less than forecast in the budget. However, this moratorium ended effective July 1<sup>st</sup>, and the assumption is that there will be a spate of rental increases. The midyear financial forecast assumes an annualized increase of 6% in the PUC between now and the end of the year for all of KCHA voucher programs, including the block grant.

At the end of June, KCHA was over-leased in its block grant program by 531 vouchers but has actively been reducing this number. This forecast assumes that over-leasing will be reduced to 400 by the end of the year.

Excluding ports-in and the Emergency Housing Vouchers that are discussed below, combined HAP costs for KCHA are forecast to exceed the original budget by a modest \$166,000.

#### *Emergency Housing Vouchers*

In addition to the estimated \$1.2 million in HAP expense related to the new Emergency Housing Vouchers, costs to administer the program, as well as to provide housing navigation assistance, are estimated to increase 2021 operating expenses by \$819,000.

#### *Ports-In*

HAP costs related to tenants that have moved or "ported-in" to KCHA's service area are forecast to decline by \$1.2 million. This decline would be offset by a like reduction in revenue received from the originating housing authority.

### ***Other Changes***

The acquisition of five properties in the asset-managed portfolio will increase net income by \$638,000 in 2021, with \$7.1 million in tenant revenues and \$6.5 million in operating expenses.

The Greenbridge Division 8 land sale was originally expected to occur in 2021, but due to changing market conditions, the sale has been phased over three years. The first part of the sale occurred in the 2021 as planned, and the remaining sales are now expected to take place in 2022 and 2023. The impact on the 2021 budget is a \$14.6 million reduction of incoming cash, of which \$10.8 million was to have been restricted.

The increase in capital construction costs is primarily related to the Ballinger Homes envelope project. The lowest construction bid, driven by increased material costs and other factors, came in \$1.7 million higher than the level assumed in the original budget.

The midyear budget includes two additional corrections. First is a \$428,000 increase in incremental VASH voucher revenue due to an Excel formula error. The other adds interest expenses on several tax credit partnerships that were inadvertently left out of the adopted budget, increasing non-operating expense by \$801,000.

## **CHANGES TO STAFFING**

The financial effects of midyear personnel changes have not been quantified and are not included in the fiscal forecast due to materiality. However, the proposed personnel changes are presented here to provide clarity regarding agency staffing needs.

- The Executive department is adding a new Section 3 coordinator.
- Homeless Housing is adding a Long Term Temporary (LTT) Senior Housing Program Manager to assist with the new Emergency Housing Vouchers, potential new FUP vouchers, and other programming issues.
- Human Resources is adding a new LTT recruiting assistant to provide support for the significant increase in hiring activities.
- Property Management is adding a Landscaper/Cleaner to replace the unbudgeted position that was hired during the pandemic as well as a Property Specialist at Valli Kee.
- The Housing Choice Voucher Department is adding five new positions to support increased workloads from the 762 Emergency Housing Vouchers and other incremental vouchers as they are awarded. These include one Housing Assistant, two Housing Specialists, one Senior Housing Specialist and one LTT Housing Inspector. These positions will be funded from fee revenue from new incremental vouchers, including the Emergency Housing Vouchers.
- Asset Management is adding an Asset Manager to reflect the increase in portfolio size resulting from recent acquisition activity.

Please see Exhibit B for authorized staffing and midyear changes by department.

**EXHIBIT A**

**KING COUNTY HOUSING AUTHORITY**  
**2021 Midyear Budget Forecast (in thousands of dollars)**  
**(Excludes non-KCHA-managed component units)**

	<b>2021 Adopted Budget</b>	<b>TOTAL Forecasted Changes</b>	<b>2021 Revised Projection</b>	
<b><i>Beginning Balance, All Cash Reserves</i></b>	<b>\$247,057.2</b>		<b>\$247,057.2</b>	(1)
<b><i>Revenues</i></b>				
Tenant Revenue	\$131,260.7	\$7,114.8	\$138,375.5	
Operating Fund Subsidy from HUD	10,698.1	\$1,684.7	12,382.8	
Section 8 Subsidy from HUD	190,934.9	\$15,101.5	206,036.5	
Other Operating Revenue	84,566.2	\$(2,244.0)	82,322.2	
<b>Total Operating Revenues</b>	<b>417,459.9</b>	<b>21,657.1</b>	<b>439,117.0</b>	
<b><i>Expenses</i></b>				
Salaries & Benefits	(57,762.6)	(6,477.1)	(64,239.7)	
Routine Maintenance, Utilities, Taxes & Insurance	(33,370.6)	.0	(33,370.6)	
Other Social Service Support Expenses & HAP	(227,103.9)	(1,008.2)	(228,112.1)	
Administrative Support Expenses	(25,400.9)	.0	(25,400.9)	
<b>Total Operating Expenses</b>	<b>(343,638.1)</b>	<b>(7,485.3)</b>	<b>(351,123.4)</b>	
<b>Operating Net Income</b>	<b>73,821.8</b>	<b>14,171.8</b>	<b>87,993.7</b>	
Non-operating Revenue	27,283.7	.0	27,283.7	
Non-operating Expenses	(34,114.3)	(801.1)	(34,915.5)	
<b>Net Income</b>	<b>66,991.2</b>	<b>13,370.7</b>	<b>80,361.9</b>	
<b><i>Other Sources/(Uses) of Cash</i></b>				
Capital Projects and Acquisitions	(100,727.9)	(14,380.2)	(115,108.1)	(2)
Changes in Receivables	(33,808.5)	.0	(33,808.5)	
Changes in Other Assets	81.7	.0	81.7	
Changes in Debt	62,881.3	.0	62,881.3	
Changes in Other Liabilities	(736.3)	753.8	17.5	
<b>Total Other Sources/(Uses) of Cash</b>	<b>(72,309.6)</b>	<b>(13,626.4)</b>	<b>(85,936.1)</b>	
<b><i>Transfer In from (Out to) Other Funds</i></b>				
Transfers In from Other Funds	36,742.3	.0	36,742.3	
Transfers Out to Other Funds	(36,742.3)	.0	(36,742.3)	
<b>Net Transfer In/(Out)</b>	<b>.0</b>	<b>.0</b>	<b>.0</b>	
<b>Net Change in Cash</b>	<b>(5,318.5)</b>	<b>(255.7)</b>	<b>(5,574.2)</b>	
<b><i>Ending Balance, All Cash Reserves</i></b>	<b><u>\$241,738.7</u></b>	<b><u>\$(255.7)</u></b>	<b><u>\$241,483.0</u></b>	(3)

- 1) Beginning cash balance reflects actual agency cash balances at the beginning of the year
- 2) Related to the deferral of the Greenbridge Section 8 land sale to 2022 and 2023
- 3) Excludes \$18.3 million in undrawn Capital Fund Program grants

**EXHIBIT B**

**KING COUNTY HOUSING AUTHORITY  
 2021 Midyear Staffing**

	<b>2018</b>	<b>2021</b>		<b>Adjusted</b>	
	<b>FTEs</b>	<b>Authorized</b>	<b>Midyear</b>	<b>Authorized</b>	
		<b>FTEs</b>	<b>Changes</b>	<b>FTEs</b>	
Office of the Executive Director					
Office of the Executive Director	5.00	6.0	1.0	7.0	(a)
Social Impact	7.75	13.3	-	13.3	
Homeless Housing	4.00	6.0	1.0	7.0	(b)
Communication	2.00	2.0	-	2.0	
Development Department					
Development	2.00	2.5	-	2.5	
Greenbridge	7.00	6.0	-	6.0	
Administrative Services					
Admin Services	6.00	10.5	-	10.5	
Finance	24.00	25.0	-	25.0	
Human Resources	7.00	9.0	1.0	10.0	(c)
Information Technology	13.00	17.0	-	17.0	
Housing Management					
Property Management	160.97	170.0	2.0	172.0	(d)
Resident Services	37.33	36.5	-	36.5	
Housing Choice Vouchers	77.00	85.5	5.0	90.5	(e)
Asset Management	22.00	25.0	1.0	26.0	(f)
Construction	20.00	18.0	-	18.0	
Weatherization	12.00	12.0	-	12.0	
<b>TOTAL</b>	<b>407.05</b>	<b>444.3</b>	<b>11.0</b>	<b>455.3</b>	

- a) New Section 3 Coordinator position
- b) New LTT Senior Housing Program Manager to assist with new EHVs and potential new FUP vouchers
- c) New Recruitment Assistant
- d) New Landscaper/Cleaner (replaces unbudgeted cleaner hired during pandemic) and Property Specialist at Valli Kee
- e) New Housing Assistant, Housing Specialist and Senior Housing Specialist in HCV department to support 762 new Emergency Housing Vouchers. Also approved for a Housing Specialist and an LTT Housing Inspector.
- f) New Asset Manager to assist with acquisitions

**EXHIBIT C**

**KING COUNTY HOUSING AUTHORITY  
 2021 Projected Changes in Capital Expenditures**

<b>Property</b>	<b>Type of Change</b>	<b>Amount</b>
600 Building	2020 close out cost	\$52,000
Casa Juanita	A&E Cost for 2022 project	32,203
Gustaves Manor	A&E Cost for 2022 project	34,353
Mardi Gras	A&E Cost for 2022 project	23,947 (1)
Northridge House 2	A&E Cost for 2022 project	20,000
Park Royal	A&E Cost for 2022 project	37,187
Southridge	A&E Cost for 2022 project	18,898
Elevators	Development cost	45,000
Ballinger Homes	Emergent project	94,000
Brookside	Emergent project	170,000
Munro Manor	Emergent project	150,000
Northlake House	Emergent project	410,000
Ballinger Homes	Revised estimate	1,600,542
Evergreen Court	Revised estimate	537 (1)
Houghton	Revised estimate	77,201
Kirkland Place	Revised estimate	(323,619)
Westminster Manor	Revised estimate	(239,016)
Yardly Arms	Revised estimate	249,992
Youngs Lake	Revised estimate	(152,579)
Avondale Manor	Scope change	376,211
Munro Manor	Scope change	(193,460)
Wayland Arms	Scope change	(212,703)
Small Projects	Small Prjoects	60,000
UV Projects	UV Projects	333,941
LCP Tracking Software	New Software	25,000
Market Volatility Adjustment	Adjustment	(697,252)
Other	Other	32,617
<b>Net Increase in Expected Capital Expenditures</b>		<b>\$2,025,000</b>

1) Additional costs expected in 2022 as the project will likely cross over the calendar year. Amounts represent 2021 portion.

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**To:** Board of Commissioners  
**From:** Windy K. Epps, Interim Director of Finance  
**Date:** July 1, 2021  
**Re:** **First Quarter 2021 Financial Results**

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***EXECUTIVE SUMMARY***

First quarter 2021 revenue performance met expectations while expenditures were 10% below budgeted forecasts. Cash reserves remained adequate, with \$107.5 million in unrestricted and program reserves and \$147.8 million in designated and restricted cash.

After making some technical adjustments to revenue as detailed below, operating revenue ended the quarter close to target, coming in \$1.8 million above the budget projections, or 2.2%.

<i>(In thousands of dollars)</i>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	
<b>Total Operating Revenue</b>	<b>\$104,536</b>	<b>\$101,220</b>	<b>\$3,316</b>	3.3%
Block grant cash management adjustment	(5,000)	0	(5,000)	(1)
Operating subsidy retroactive adjustment	507	0	507	
Greenbridge land sale	0	(3,000)	3,000	(2)
<b>Total Adjustments</b>	<b>(4,493)</b>	<b>(3,000)</b>	<b>(1,493)</b>	
<b>Adjusted Operating Revenue</b>	<b>\$100,043</b>	<b>\$98,220</b>	<b>\$1,823</b>	1.9%

- 1) \$5 million from the 2020 block grant award was received in the first quarter.
- 2) Greenbridge land sales are technically operating revenue, but its inclusion would also skew the analysis.

Operating expenses were 10% below the first quarter forecast, lagging the budget in several categories, including property maintenance, utilities, salaries and benefits. Maintenance expenses and utilities were under budget primarily due to some pandemic-related delays, while the utility variance is due the timing of utility bills. Salaries and benefits were lower than expected resulting from some unfilled positions.

Total first quarter HCV HAP expense from all programs (excluding ports-in) were very close to the budget, higher by just \$5,000 or 0.01%. Compared to the first quarter of 2020, total HAP expense climbed \$3.7 million or 10.5%. The HCV program was an aggregated 29 unit months over target for the quarter, a variance of 0.09%. The average HAP payment per voucher for the quarter was \$0.91 lower than budget estimates.

The 2021 HCV Block Grant budget included an estimated 1.5% inflation factor and a 98.5% prorate for a projected funding increase of \$1.7 million over 2020. Actual 2021 funding includes a 4.289% inflation factor and 100% prorate, resulting in a \$6.89 million positive budget variance for the year and \$8.6 million in additional funding over 2020 totals.

The Public Housing Operating fund subsidy was budgeted using an estimated prorate of 90.0%, while the actual prorate through March was 96.0%. HUD based 2021 eligibility estimates on 2020 available formula data, resulting in slightly lower actual cash receipts. HUD's interim proration for June rose to 96.29% and was based on the 2021 operating subsidy request. If the current proration level holds, KCHA can expect an additional \$1.7 million of operating subsidy revenue over the amounts originally included in the budget.

A summary of estimated changes to the 2021 HCV and Public Housing revenue forecasts can be found in the table below.

<b>Estimated Change in HCV and Public Housing Revenue Forecast</b>			
<i>(in thousands of dollars)</i>	<b>Budgeted Funding</b>	<b>Actual Funding</b>	<b>Favorable/ (Unfavorable)</b>
Block Grant	\$159,871	\$166,771	\$6,899
Special Purpose Vouchers	28,455	29,909	1,454 <sup>(1)</sup>
Admin Fee	2,016	2,126	111
<b><i>Housing Choice Vouchers</i></b>	<b>\$190,342</b>	<b>\$198,806</b>	<b>\$8,464</b>
Capital Fund Program	6,000	6,724	724 <sup>(2)</sup>
Public Housing Operating Fund Subsidy	10,698	12,383	1,685
<b><i>Public Housing</i></b>	<b>\$16,698</b>	<b>\$19,107</b>	<b>\$2,408</b>
<b>Total Estimated Change in Revenue Forecast</b>	<b>\$207,040</b>	<b>\$217,913</b>	<b>\$10,873</b>

1) Excludes newly awarded Emergency Housing Vouchers

2) Amount represents increase in funding. Revenue will be recorded when the funds are spent.

## ***FIRST QUARTER HIGHLIGHTS***

An \$8.4 million distribution of 2020 net cash flow from KCHA's tax credit inventory was received during the first quarter, outperforming original estimates by \$2.3 million. The increased cash flow resulted from lower operating costs and turnover, and reduced non-routine maintenance expenses. Approximately \$930,000 of these proceeds was used to reduce outstanding bond principal or pay investor fees, and \$7.2 million was distributed to KCHA to make additional debt service payments, fund certain operating expenses, and other general uses. The table below shows the intended usage of these funds.

### **Net Cash Flow Usage Summary**

*(In thousands of dollars)*

Debt service Payment	\$ 1,885 <sup>(1)</sup>
Transfer to Program Income	770
GP Operating Expenses	963
General KCHA Use/Reserves	3,553
<b>Total Usage</b>	<b>\$ 7,170</b>

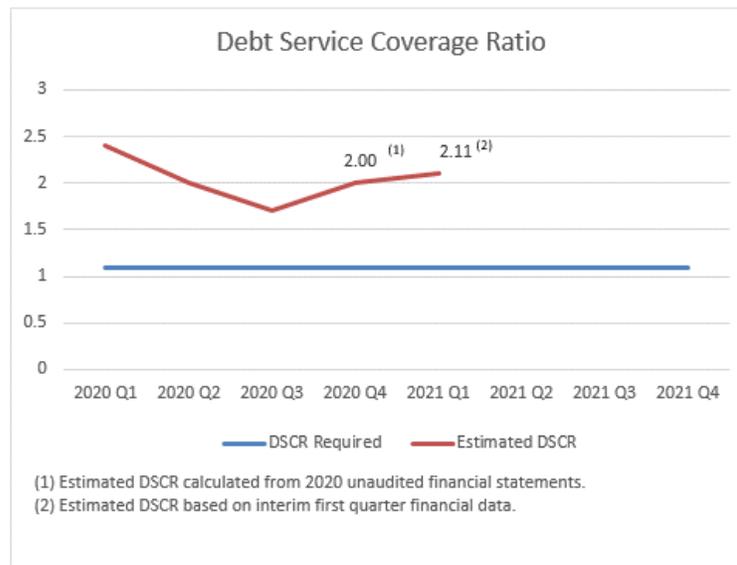
1) Earmarked to pay debt service, although other sources may be used in lieu of these funds.

Purchase and Sales Agreements were executed on two properties during the first quarter, the Sandpiper East and Argyle Apartments. Sandpiper East, located in Bellevue, was built in 1974 and has 224 residential units. Argyle Apartments was constructed in 1984, contains 161 residential units and is located in Federal Way. Both properties will be added to the workforce housing portfolio, and are being financed via draws on lines of credit until permanent financing is arranged.

KCHA received a \$99,000 Green Power Community Support grant from Puget Sound Energy. The grant will enable the installation of a 50.4 kW solar facility at the Vantage Point senior complex.

### ***DEBT SERVICE COVERAGE RATIO***

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 is meeting this covenant with a debt service coverage ratio of 2.11, a 0.29 decrease over last year. KCHA's official DSCR is only calculated annually and is based on the audited financial statements. All other calculations shown below are estimates based solely on interim financial data.



**CASH AND INVESTMENT SUMMARIES**

Overall, cash balances increased by \$14.1 million during the quarter. The primary driver of this increase is the \$7.2 million in net cash distributions from tax credit partnerships discussed above, along with 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 0.61%, down from 0.65% 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 0.13%. Total investment returns for the quarter were \$884,000 against a projected return of \$977,000.

<b>Investment Summary (in millions) as of March 31, 2021</b>	<u>Amount</u>	<u>Yield</u>	<u>% of Total</u>
Invested in the Local Government Investment Pool & Masterfund	\$152.1	0.13%	56.3%
Invested by KCHA	66.4	0.68%	24.6%
Cash held by trustees	20.5	0.02% *	7.6%
Cash held in checking and savings accounts	11.2	0.02% *	4.1%
Invested by KCHA	<u>\$250.2</u>	<u>0.28%</u>	<u>92.6%</u>
Cash loaned for low income housing & EPC project purposes	20.1	4.96%	7.4%
Loaned by KCHA	20.1	4.96%	7.4%
Total	<u><u>\$270.3</u></u>	<u><u>0.61%</u></u>	<u><u>100.0%</u></u>

\*Estimate

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

Reserve Balances

(in millions of dollars)

MTW Cash, Beginning of Quarter	\$19.7
--------------------------------	--------

*Quarterly change:*

Block grant cash receipts from HUD	40.9
Operating Fund subsidy related to resident service activities	0.1
Quarterly HAP payments sourced from the block grant	(32.8)
Quarterly block grant administrative fees paid to Section 8	(2.5)
Direct social service expenses	(1.1)
Homeless Housing expenses	(0.2)
Funding for capital construction	(1.7)
Funding for Debt Service Payments	0.0
Other net changes	(0.3)

MTW Cash, End of Quarter	\$22.1
--------------------------	--------

*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	\$15.9
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COCC Cash, Beginning of Quarter	\$63.6
---------------------------------	--------

*Quarterly change:*

Fee revenue	3.3
Used for construction projects	(0.3)
Short-term receivable	(2.0)
Administrative expenses	(3.7)
Other net change	(0.1)

COCC Cash, End of Quarter	\$60.8
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*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	\$44.8
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**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 first quarter 2021.

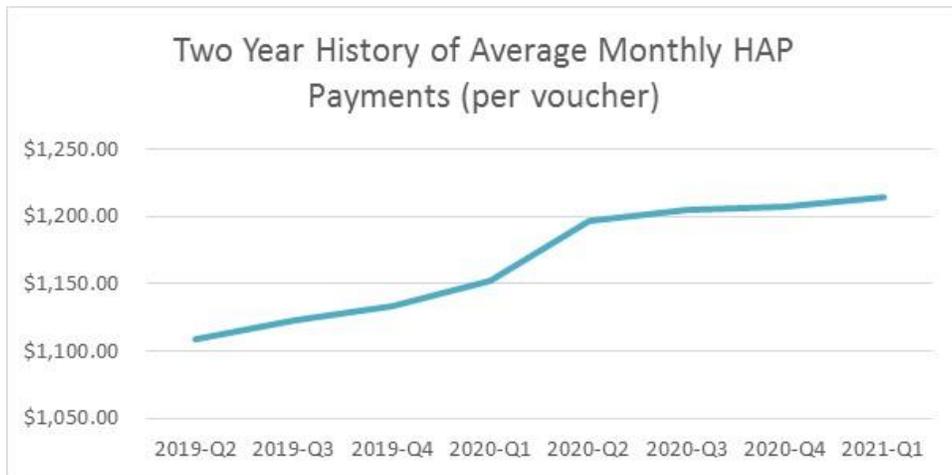
	Actuals Thru 03/31/2021	Budget Thru 03/31/2021	YTD Variance	Percent of Annual Budget	2021 Annual Budget
<b>CONSTRUCTION ACTIVITIES</b>					
<i>Managed by Capital Construction Department</i>					
Public Housing	\$965,499	\$1,124,562	(\$159,064) (1)	11.6%	\$8,346,467
509 Properties	274,222	116,017	158,206 (2)	15.7%	1,743,598
Other Properties	124,846	163,085	(38,239)	7.3%	1,706,175
	<u>1,364,567</u>	<u>1,403,664</u>	<u>(39,097)</u>	<u>11.6%</u>	<u>11,796,240</u>
<i>Managed by Housing Management Department</i>					
Unit Upgrade Program	1,075,361	951,185	124,176	28.3%	3,804,610
Energy Performance Contract	1,582	-	1,582	N/A	-
Other Projects	995	400	595	0.5%	191,600
	<u>1,077,939</u>	<u>951,585</u>	<u>126,353</u>	<u>27.0%</u>	<u>3,996,210</u>
<i>Managed by Asset Management Department</i>					
Homeownership Projects-Managed by Internal staff	508	250,000	(249,492) (3)	0.0%	1,703,750
Bond Properties-Projects Managed by Internal Staff	887,248	1,237,925	(350,677) (4)	20.3%	4,363,700
	<u>887,756</u>	<u>1,487,925</u>	<u>(600,169)</u>	<u>14.6%</u>	<u>6,067,450</u>
<b>Subtotal Construction Activities</b>	<b>3,330,261</b>	<b>3,843,174</b>	<b>(512,913)</b>	<b>15.2%</b>	<b>21,859,900</b>
<b>DEVELOPMENT ACTIVITY</b>					
<i>Managed by Hope VI Department</i>					
Greenbridge	192,317	148,546	43,772	(1.2%)	(16,540,587)
Notch	1,456	-	1,456	N/A	-
	<u>194,820</u>	<u>151,548</u>	<u>43,272</u>	<u>(1.2%)</u>	<u>(16,528,587)</u>
<i>Managed by Development Department</i>					
Other Projects	647,313	1,916,879	(1,269,566) (5)	6.5%	9,894,667
	<u>647,313</u>	<u>1,916,879</u>	<u>(1,269,566)</u>	<u>6.5%</u>	<u>9,894,667</u>
<b>Subtotal Development Activity</b>	<b>842,133</b>	<b>2,068,427</b>	<b>(1,226,294)</b>	<b>(12.7%)</b>	<b>(6,633,920)</b>
<b>TOTAL CONSTRUCTION &amp; DEVELOPMENT</b>	<b>\$4,172,394</b>	<b>\$5,911,602</b>	<b>(\$1,739,207)</b>	<b>27.4%</b>	<b>\$15,225,980</b>
<b>PROPERTY ACQUISITIONS &amp; OTHER ASSETS</b>					
Acquisitions-Nia	13,244,898 (6)				
Acquisitions- Oaks at Forest Bay	7,330,000				
Acquisitions- Bellevue Manor (KCHA Managed)					
Disposal of three properties to LIHTC partnerships	-				
Other adjustments	96,616				
<b>TOTAL PER CASH RECONCILIATION REPORT</b>	<b>24,843,909</b>				

- 1) The Ballinger Homes Envelope project was budgeted evenly throughout the year. However, the project started late. It is expected to be completed by year-end.
- 2) The Youngs Lake Water Main project exceeded target as more progress was made in the first quarter than originally planned. The majority of the work was budgeted for the second quarter. The project was completed in the second quarter and came under budget overall due to project scope changes.
- 3) Due to permit delays, the Rainier View site improvement project is under target.
- 4) The Riverstone capital projects such as pool resurfacing, roofing project and window projects were cancelled for 2021 and will be included in 2022. The budgeted Woodside East Asphalt project expected to be completed in the third quarter. Finally, the Bellepark East Windows project bid price came over budget. Asset Management is expected go ahead with the project if a better bid price is obtained. Otherwise, the project will be postponed to 2022.
- 5) The Bellevue Manor rehab project was below budget due to permit delays and other delays related to COVID-19. Also, the timeline for the Issaquah TOD project has been extended as there were delays related to working with Lumen.
- 6) KCA acquired the investor's interest in Nia Apartments.

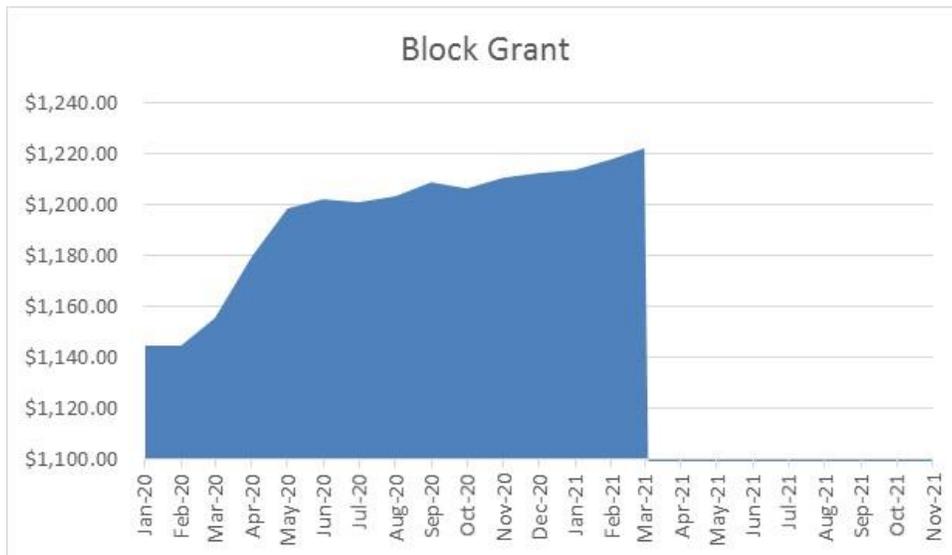
**PROGRAM ACTIVITIES**

**HOUSING CHOICE VOUCHERS**

The average quarterly HAP payment to landlords for all HCV vouchers was \$1,214.45, compared to \$1,206.72 last quarter and \$1,151.85 one year ago.

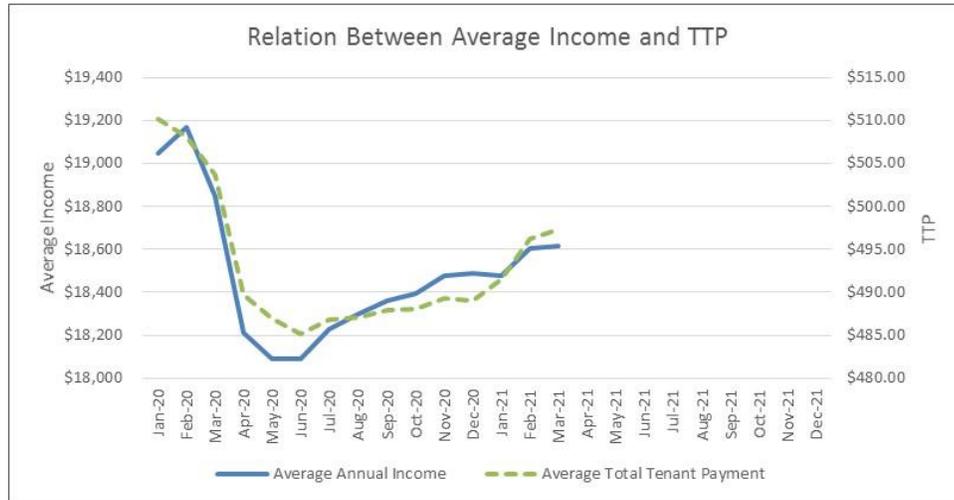


KCHA’s average Block Grant HAP payments continued to rise during the first quarter with greater increases in February and March. The estimated block grant per unit cost in March was \$1,222.26, which was up \$9.56 or 0.79% from December. The block grant average per unit cost for the first quarter was less than what was included in the budget.



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 \$495.00, up slightly from \$488.76 the previous quarter, and down from \$507.29 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**

During the first quarter, KCHA received \$5.0 million in additional block grant draws. The funds, which had been held by HUD due to federal cash management regulations, became available in the first quarter. Amounts used for HAP tracked very closely to the budget, with a small positive variance of 0.4%.

(In thousands of dollars)	Actual	Budget	(Unfavorable)	% Var
HCV Block Grant Revenue	40,926.2	35,971.1	\$4,955.2	13.8% (1)
Funding of HAP Payments to Landlords	(32,836.8)	(32,694.0)	(142.7)	(0.4%)
Funding of Section 8 Administrative Costs	(2,494.5) (1)	(2,440.8)	(53.8)	(2.2%)
Excess of HCV Block Grant Funding over Expenses	\$ 5,594.9	\$ 836.2	\$ 4,758.7	569.1%

1) Receiving block grant payments from HUD is a three stage process. First, HUD must issue budget authority to housing authorities, which it does on a periodic basis. Second, cash is advanced to each PHA based on prior year expense levels. Finally, additional cash is requested from HUD when sufficient budget authority exists and KCHA has a need for additional cash. Accordingly, quarterly cash receipts vary. Additional, draw of \$5 million was made during the first quarter.

## 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 excess of the standard operating subsidy to support operations. The necessity of additional subsidy allocations is evaluated quarterly, and due to the deferment of maintenance projects caused by COVID-19, Traditional Public Housing properties did not require additional support in the first quarter. Transfers to tax credit owned Public Housing were made as planned.

*(In thousands of dollars)*

	Actual	Budget	Variance	% Var	
Transfers to PH AMPs Based on Need	(\$297.0)	(\$1,083.1)	(\$786.1)	72.6%	(1)
Net Flow of Cash(from)/to MTW from/(to) PH	(\$297.0)	(\$1,083.1)	\$786.1	(72.6%)	

- 1) Subsidy transfers from MTW to public housing projects were budgeted evenly through out the year, but actual transfers are based on necessity.

## 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	\$104.0	\$114.3	(\$10.3)	(9.0%)	
Homeless Initiatives	(189.2)	(541.5)	\$352.3	(65.1%)	(1)
Resident Services	(1,137.3)	(1,400.8)	\$263.5	(18.8%)	(2)
Use of MTW Funds for Special Programs	(\$1,222.5)	(\$1,828.0)	\$605.5	(33.1%)	

- 1) The Highline School District program was below budget as utilization was impacted due to school closures with COVID-19.  
 2) Community events and travel expenses were below budget mainly due to COVID-19. Resident services salaries were below budget due to unfilled positions.  
 3) Various categories were under target: Professional Services, Relocation Expenses, Community Events. Also, due to unfilled positions.

## 4. **Other uses of MTW funds**

MTW working capital is used for a variety of other purposes. First quarter expenditures include:

*(In thousands of dollars)*

	Actual	Budget	Variance	% Var	
Construction Activity & Management Fees	\$1,723.0	\$1,324.8	\$398.2	30.1%	(1)
Green River and Birch Creek debt payments	0.0	592.6	(592.6)	(100.0%)	(2)
Misc. Other Uses	93.6	87.5	6.1	7.0%	
	\$1,816.5	\$2,004.9	(\$188.3)	(9.4%)	

- 1) Due to delays in various capital construction projects in 2020, MTW funded construction activity increased in the first quarter 2021 resulting in greater than budgeted funding transfers from MTW.  
 2) Transfer in from MTW for Green River and Birch Creek debt payments budgeted evenly throughout the year. Actual payments are expected to occur in the 2nd and 4th quarters.

**5. Costs to administer the MTW program**

Administrative costs are primarily salaries and benefits of those who manage or analyze MTW-funded programs. Expenses for first quarter, totaling \$213,000, were 0.52% of program gross revenues and below the budget of \$394,000 due to unfilled positions and lower than anticipated professional services.

**AGENCY OVERHEAD**

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

*(In thousands of dollars)*

	YTD Actual	YTD Budget	Variance	% Var
<b>Revenues</b>				
Management fees	3,097.1	2,373.9	\$723.3	23.4%
Cash transferred-in from properties	0.0	2,877.5	(2,877.5)	0.0%
Investment income	422.5	436.4	(13.8)	(3.3%)
Other income	359.5	358.0	1.5	0.4%
	<u>\$3,879.2</u>	<u>\$6,045.8</u>	<u>(\$2,166.6)</u>	<u>(55.9%)</u>
<b>Expenses</b>				
Salaries & Benefits	3,039.1	3,562.8	(\$523.7)	(17.2%)
Administrative Expenses	800.3	1,109.8	(309.5)	(38.7%)
Occupancy Expenses	50.1	77.9	(27.9)	(55.7%)
Other Expenses	213.7	211.2	2.5	1.2%
	<u>\$4,103.1</u>	<u>\$4,961.7</u>	<u>(\$858.6)</u>	<u>(20.9%)</u>
Net Change in Available COCC Resources	<u>(\$223.9)</u>	<u>\$1,084.1</u>	<u>(\$1,307.9)</u>	

- 1) Management fees exceeded target as the 2020 10% CFP management fee totaling \$647K was not released until 2021.
- 2) Transfer of excess cash from bond properties to COCC is slated to occur in the third quarter.
- 3) Salaries and benefits were below target due to unfilled positions.
- 4) Various categories were under target: professional services, admin contracts, and training.

**King County Housing Authority**  
**Consolidated Cash Report**  
**As of 3/31/2021**

	KCHA Cash		Cash of Other Entities
	Current Quarter	Prior Quarter	
Unrestricted	\$81,372,665	\$72,534,683	\$2,394,781
Designated, but Available for General Use			
Excess Cash Flow from Birch Creek	13,745,658	11,731,799	0
Excess Cash Flow from Green River	5,142,042	4,838,346	0
Voluntary Debt Service Reserve-Birch Creek	2,534,603	2,530,464	0
Exit Tax Reserve, Birch Creek	3,013,899	3,008,356	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
<b>Total Cash Available for General Use</b>	<b>121,808,868</b>	<b>110,643,649</b>	2,394,781
Other Designated Cash			
Voluntary Replacement Reserves	35,346,322	34,377,515	0
Funds Held by Outside Property Management Companies	14,844,384	20,648,964	0
Excess Cash Reserve	136,900	136,900	400,000
EPC Project Reserves	2,800,000	0	0
Unspent Debt Proceeds Reserves	(170,001)	(168,419)	0
Hope VI Loan Interest Income Reserves	0	0	0
Other Designated Funds	71,094	49,388	268,919
<b>Total Other Designated Cash</b>	<b>53,028,699</b>	<b>55,044,349</b>	668,919
Programmatic Cash			
MTW Program	16,022,392	13,591,613	0
Public Housing	8,804,442	7,627,442	749,534
Housing Choice Voucher Program	440,688	84,969	0
Energy Performance Contract Project	(616,431)	(699,672)	0
Greenbridge/Seola Gardens General Cash Balances	1,872,567	1,178,720	0
Other Programmatic Cash	2,301,141	2,361,835	0
<b>Total Programmatic Cash</b>	<b>28,824,798</b>	<b>24,144,908</b>	749,534
Restricted Cash			
MTW Pledged as Collateral	5,772,615	5,772,615	0
Bond Reserves-1 Year Payment	2,382,338	2,381,256	0
Bond Reserves-P & I	11,568,177	6,537,763	0
Hope VI Lot Sales Proceeds	12,171,118	11,878,716	0
Replacement Reserves	657,345	649,537	1,170,440
Highland Village/Somerset Projects	0	0	0
FSS Reserves	1,755,373	1,821,347	0
Overlake Interest Mitigation Reserve	1,855,243	1,759,423	0
Residual Receipts	116,124	116,124	0
Security Deposits	3,147,183	3,105,198	120,562
Other Restricted Cash	7,156,940	5,151,522	0
<b>Total Restricted Cash</b>	<b>46,582,455</b>	<b>39,173,501</b>	1,291,002
<b>TOTAL CASH</b>	<b>\$250,244,820</b>	<b>\$229,006,407</b>	<b>\$5,104,236</b>

**King County Housing Authority  
Statements of Financial Position  
As of March 31, 2021**

	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
<b>Assets</b>										
Cash-Unrestricted	\$4,486,876	\$3,367,243	\$27,682,152	\$12,238,730	\$225,460	\$15,924,253	\$2,269,217	\$2,360,405	\$44,787,443	\$113,341,778
Cash-Designated	717,109	4,803,988	41,803,682	27,550,624	0	0	0	3,222,282	16,036,136	94,133,820
Cash-Restricted	776,248	1,333,681	19,236,227	1,150,749	3,699,454	6,164,254	15,512,844	0	0	47,873,457
Accounts Receivable	342,756	118,807	10,632,386	4,193,692	512,790	1,939,724	0	391,692	893,014	19,024,861
Other Short-term Assets	333,673	502,453	886,381	152,626	60,534	1,194	107	33,428	180,933	2,151,328
Long-term Receivables	66,534,589	442,108	196,188,014	95,919,130	0	22,367,865	321,050	209,641	38,243,338	420,225,734
Capital Assets	243,393,419	142,537,285	724,189,786	158,332,575	0	0	47,042,791	28,015,435	13,743,074	1,357,254,366
Other Assets	458,222	840	48,311	198,026	2,543	0	49,680	2,258	544,554	1,304,434
Total Assets	<u>\$317,042,891</u>	<u>\$153,106,403</u>	<u>\$1,020,666,938</u>	<u>\$299,736,151</u>	<u>\$4,500,781</u>	<u>\$46,397,290</u>	<u>\$65,195,689</u>	<u>\$34,235,142</u>	<u>\$114,428,493</u>	<u>\$2,055,309,779</u>
<b>Liabilities and Equity</b>										
Short-term Liabilities	\$1,508,741	\$954,134	\$12,341,276	\$1,254,649	\$2,761,710	\$1,561,546	\$389,933	\$3,813,931	\$2,556,260	\$27,142,180
Current Portion of Long-term Debt	170,000	2,521,344	12,066,769	1,895,886	0	0	0	0	1,184,674	17,838,673
Long-term Debt	48,985,930	47,826,214	811,499,174	128,500,301	0	0	23,393,608	0	25,082,821	1,085,288,048
Other Long-term Liabilities	3,238,430	1,564,266	732,073	5,542,977	0	0	18,353,629	24,515,575	0	53,946,950
Total Liabilities	<u>53,903,101</u>	<u>52,865,958</u>	<u>836,639,292</u>	<u>137,193,813</u>	<u>2,761,710</u>	<u>1,561,546</u>	<u>42,137,170</u>	<u>28,329,506</u>	<u>28,823,755</u>	<u>1,184,215,850</u>
Equity	263,139,790	100,240,445	184,027,647	162,542,338	1,739,071	44,835,744	23,058,519	5,905,636	85,604,738	871,093,928
Total Liabilities and Equity	<u>\$317,042,891</u>	<u>\$153,106,403</u>	<u>\$1,020,666,938</u>	<u>\$299,736,151</u>	<u>\$4,500,781</u>	<u>\$46,397,290</u>	<u>\$65,195,689</u>	<u>\$34,235,142</u>	<u>\$114,428,493</u>	<u>\$2,055,309,779</u>

**King County Housing Authority  
Cash Reconciliation Report  
Combined Operations  
Through March 31, 2021**

	Actuals	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance	
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$103,535,630</b>				
<i>Rental Revenue and Subsidy</i>					
Tenant Revenue	\$34,410,282	\$32,717,119	\$1,693,163	5.2%	
Federal Operating Support	2,577,375	2,674,535	(97,160)	-3.6%	
<i>Total Rental Revenue and Federal Support</i>	36,987,657	35,391,654	1,596,003	4.5%	
<i>Other Operating Revenue</i>					
Federal Support for HCV Program	48,596,201	43,573,998	5,022,203	11.5%	(1)
Other Revenue	18,951,725	22,254,227	(3,302,502)	-14.8%	(2)
<i>Total Other Operating Revenue</i>	67,547,926	65,828,225	1,719,701	2.6%	
<b>Total Operating Revenue</b>	<b>104,535,583</b>	<b>101,219,879</b>	<b>3,315,704</b>	<b>3.3%</b>	
<i>Operating Expenses</i>					
Salaries and Benefits	(13,289,471)	(14,590,679)	1,301,208	8.9%	
Administrative Expenses	(3,251,934)	(3,977,919)	725,985	18.3%	(3)
Maintenance Expenses and Utilities	(7,172,163)	(12,129,603)	4,957,439	40.9%	(4)
Management Fees Charged to Properties and Programs	(2,302,166)	(2,196,416)	(105,750)	-4.8%	
HCV Housing Assistance Payments to Landlords	(52,255,590)	(52,079,560)	(176,030)	-0.3%	
Other Programmatic Expenses	(1,156,602)	(2,693,174)	1,536,572	57.1%	(5)
Other Expenses	541,823	0	541,823	n/a	(6)
<i>Total Operating Expenses</i>	(78,886,103)	(87,667,350)	8,781,248	10.0%	
<b>Net Operating Income</b>	<b>25,649,481</b>	<b>13,552,529</b>	<b>12,096,952</b>	<b>89.3%</b>	
<i>Non Operating Income/(Expense)</i>					
Interest Income from Loans	2,816,505	2,432,749	383,756	15.8%	(7)
Interest Expense	(7,564,383)	(7,611,150)	46,767	0.6%	
Other Non-operating Income/(Expense)	(824,957)	(873,707)	48,750	5.6%	
<i>Total Non Operating Income/(Expense)</i>	(5,572,835)	(6,052,058)	479,273	7.9%	
<i>Capital Activity</i>					
Capital Project Funding, Excluding Debt Issuance	2,265	663,027	(660,762)	-99.7%	(8)
Capital Project Expenditures	(24,843,909)	(19,207,618)	(5,636,290)	-29.3%	(9)
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	(24,841,644)	(18,544,592)	(6,297,052)	-34.0%	
<i>Change in Assets/Liabilities</i>					
Change in Designated/Restricted Cash	(10,161,020)	(18,757,056)	8,596,037	45.8%	(10)
Change in Receivables	(3,411,600)	(3,807,378)	395,778	10.4%	
Change in Other Assets	544,670	20,437	524,233	2565.1%	(11)
Change in Short-term Liabilities	(3,080,669)	(553,880)	(2,526,789)	-456.2%	(12)
Change in Long-term Debt	18,712,955	16,963,735	1,749,221	10.3%	(13)
Change in Other Liabilities	2,210,893	361,567	1,849,326	511.5%	(14)
Change in Equity	3,951,336	0	3,951,336	n/a	(15)
<i>Change in Other Assets/Liabilities</i>	8,766,566	(5,772,575)	14,539,141	251.9%	
<b>Change in Unrestricted/Program Cash</b>	<b>\$4,001,568</b>	<b>(\$16,816,696)</b>	<b>\$20,818,314</b>	<b>123.8%</b>	
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b>\$107,537,198</b>				

<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>	<b>\$137,650,838</b>				
Change in Replacement Reserves	1,045,877	622,702	423,175	68.0%	(10)
Change in Debt Service Reserves	5,030,415	0	5,030,415	n/a	(10)
Change in Other Reserves	4,084,728	18,134,354	(14,049,626)	-77.5%	(10)
<b>Change in Designated/Restricted Cash</b>	<b>10,161,020</b>	<b>18,757,056</b>	<b>(8,596,037)</b>	<b>-45.8%</b>	
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b>\$147,811,858</b>				

- 1) Receiving block grant payments from HUD is a three stage process. First, HUD must issue budget authority to housing authorities, which it does on a periodic basis. Second, cash is advanced to each PHA based on prior year expense levels. Finally, additional cash is requested from HUD when sufficient budget authority exists and KCHA has a need for additional cash. Accordingly, quarterly cash receipts vary.
- 2) Greenbridge Division 8 land sale was budgeted in the first quarter. However due to changing market conditions, the sale has been broken up into three parts. The first part of the sale occurred in the second quarter, the remaining sales will occur in 2022 and 2023.
- 3) Various categories were under target: professional services, admin contracts, and training.
- 4) Seasonal and periodic contracts are low partially due to project delays related to the pandemic, but also it is also typical early in the year. Timing of invoicing from utilities; the first quarter Fire benefit charges were paid in April. Also, some properties have not yet been billed for water and sewer expenses in March.
- 5) Due to project delays as result of COVID-19 pandemic, spending and reimbursements on weatherization projects were below target. Also, Highline School District Student Families Stability Initiative (SFSI) program expenses were below target as utilization has been impacted due to school closures with COVID-19.
- 6) Technical accounting entry recording Overlake operating expenses from prior year. In addition, insurance proceeds received for Riverstone fire damages occurred in December.
- 7) Interest income from Highland Village and Somerset subordinate debt. Unbudgeted.
- 8) The Ballinger Homes Envelope project and Casa Madrona Heating System Repair were budgeted to be financed from CFP grant draw in the first quarter, however the projects have been delayed.
- 9) Due to acquisition of Oaks at Forest Bay for \$7.33 million. Also, Blending of Nia capital assets totaling \$13.2 million. These amounts are offset by the \$70M budget for the acquisition of five new properties, which was spread evenly throughout the year.
- 10) Deposit to program income reserves from Greenbridge lot sales proceeds and profit participation was budgeted in the first quarter. Due to changing market conditions, the sale has been broken into three parts. See footnote No. 2. Actual deposits for the first part of the sale and profit participation occurred in the second quarter. Also, Increases in security deposit, debt service and replacement reserves exceeded target.
- 11) Unbudgeted decrease in prepaid insurance and tenant receivables.
- 12) Decrease in accounts payable and accrued payroll liabilities.
- 13) Increase in long-term debts resulting from KCHA acquiring the investor's interest in Nia Apartments. Also, due to draw \$7.3 million from Key Bank LOC for the purchase of Oaks at Forest Bay.
- 14) Draws from the COCC internal loan for Greenbridge projects were higher than budgeted.
- 15) Technical accounting entry for blending of Nia Apartments accounts into KCHA financials.

King County Housing Authority  
Cash Reconciliation Report  
Public Housing Not for Profit  
Through March 31, 2021

	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$6,236,170</b>			
<i>Rental Revenue and Subsidy</i>				
Tenant Revenue	\$2,189,714	\$2,051,311	\$138,403	6.7%
Federal Operating Support	1,490,818	1,638,194	(147,376)	-9.0%
Transfer- Operating fund Support	296,950	1,107,294	(810,344)	-73.2% (1)
<i>Total Rental Revenue and Federal Support</i>	<u>3,977,482</u>	<u>4,796,799</u>	<u>(819,317)</u>	<u>-17.1%</u>
<i>Other Operating Revenue</i>				
Other Revenue	62,980	74,843	(11,863)	-15.9%
<i>Total Other Operating Revenue</i>	<u>62,980</u>	<u>74,843</u>	<u>(11,863)</u>	<u>-15.9%</u>
<i>Total Operating Revenue</i>	<u>4,040,462</u>	<u>4,871,642</u>	<u>(831,180)</u>	<u>-17.1%</u>
<i>Operating Expenses</i>				
Salaries and Benefits	(1,679,548)	(1,699,169)	19,621	1.2%
Administrative Expenses	(282,089)	(296,529)	14,441	4.9%
Maintenance Expenses and Utilities	(1,374,332)	(2,313,643)	939,311	40.6% (2)
Management Fees Charged to Properties and Programs	(605,435)	(572,552)	(32,883)	-5.7%
Other Programmatic Expenses	(45,854)	(52,399)	6,545	12.5%
Other Expenses	7,086	0	7,086	n/a
Transfers Out for Operating Purposes	(624,580)	(372,682)	(251,898)	-67.6% (3)
<i>Total Operating Expenses</i>	<u>(4,604,752)</u>	<u>(5,306,975)</u>	<u>702,223</u>	<u>13.2%</u>
<i>Net Operating Income</i>	<u>(564,290)</u>	<u>(435,333)</u>	<u>(128,957)</u>	<u>-29.6%</u>
<i>Non Operating Income/(Expense)</i>				
Interest Income from Loans	603,051	604,733	(1,682)	-0.3%
Interest Expense	(383,296)	(166,803)	(216,493)	-129.8% (4)
Other Non-operating Income/(Expense)	(308,427)	(231,067)	(77,359)	-33.5% (5)
<i>Total Non Operating Income/(Expense)</i>	<u>(88,672)</u>	<u>206,862</u>	<u>(295,534)</u>	<u>-142.9%</u>
<i>Capital Activity</i>				
Capital Project Funding, Excluding Debt Issuance	1,523,653	1,813,405	(289,752)	-16.0% (6)
Capital Project Expenditures	(1,717,189)	(1,813,809)	96,620	5.3%
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	<u>(193,536)</u>	<u>(404)</u>	<u>(193,132)</u>	<u>-47825.1%</u>
<i>Change in Other Assets/Liabilities/Equity</i>				
Change in Designated/Restricted Cash	(17,436)	(18,786)	1,350	7.2%
Change in Receivables	550,742	(120,774)	671,517	556.0% (7)
Change in Other Assets	112,152	0	112,152	n/a (8)
Change in Debt	0	(120,000)	120,000	100.0% (9)
Change in Other Liabilities	(1,548,256)	0	(1,548,256)	n/a (10)
<i>Change in Other Assets/Liabilities/Equity</i>	<u>(902,797)</u>	<u>(259,560)</u>	<u>(643,237)</u>	<u>-247.8%</u>
<i>Change in Unrestricted/Program Cash</i>	<u>(\$1,749,295)</u>	<u>(\$488,435)</u>	<u>(\$1,260,860)</u>	<u>-258.1%</u>
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b><u>\$4,486,876</u></b>			

<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>	<b>\$1,475,921</b>			
Change in Replacement Reserves	18,767	18,741	26	0.1%
Change in Debt Service Reserves	0	0	0	n/a
Change in Other Reserves	(1,331)	45	(1,376)	-3057.8%
<i>Change in Designated/Restricted Cash</i>	<u>17,436</u>	<u>18,786</u>	<u>(1,350)</u>	<u>-7.2%</u>
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b><u>\$1,493,357</u></b>			

- Subsidy transfers from MTW to public housing projects were budgeted evenly through out the year, but actual transfers are based on the needs of the properties.
- Timing of invoicing; the first quarter Fire benefit charges were paid in April. Also, some properties have not yet been billed for water and sewer expenses in March. Finally, seasonal and periodic maintenance contracts are low as is typical early in the year.
- The transfer out of HOPE V6 loan interest income for development purposes was greater than anticipated in the budget.
- Interest expense for Vantage Point, Fairwind Apartments and Illahee Apartments was inadvertently not budgeted.
- HUD put a hold on the 2020 CFP grant. As a result, the 2020 10% management fee revenue, totaling \$647K, was recorded when the funds were released in 2021.
- The Ballinger Homes envelope project and Casa Madrona heating system repair were budgeted to be financed from CFP grant draws in the first quarter, however projects have been delayed. This is partially offset by Yardley Arms waste lines project finishing over budget due to a variety of reasons.
- Due to receipt of outstanding receivables.
- Due to reduction in prepaid insurance.
- The budgeted Nia and Salmon Creek debt payment from net cash flow distribution was made in the second quarter.
- Due to decrease in accounts payable and deferred revenue.

King County Housing Authority  
Cash Reconciliation Report  
Other Low Income Housing-Not for Profit  
Through March 31, 2021

	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance	
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$2,511,575</b>				
<i>Rental Revenue and Subsidy</i>					
Tenant Revenue	\$3,973,952	\$3,987,735	(\$13,783)	-0.3%	
<i>Total Rental Revenue and Federal Support</i>	<i>3,973,952</i>	<i>3,987,735</i>	<i>(13,783)</i>	<i>-0.3%</i>	
<i>Other Operating Revenue</i>					
Federal Support for HCV Program	100,063	94,696	5,367	5.7%	
Other Revenue	844,956	860,556	(15,599)	-1.8%	
<i>Total Other Operating Revenue</i>	<i>945,019</i>	<i>955,252</i>	<i>(10,232)</i>	<i>-1.1%</i>	
<i>Total Operating Revenue</i>	<i>4,918,972</i>	<i>4,942,987</i>	<i>(24,015)</i>	<i>-0.5%</i>	
<i>Operating Expenses</i>					
Salaries and Benefits	(708,089)	(772,457)	64,368	8.3%	
Administrative Expenses	(89,792)	(139,110)	49,318	35.5%	(1)
Maintenance Expenses and Utilities	(830,266)	(1,580,227)	749,961	47.5%	(2)
Management Fees Charged to Properties and Programs	(270,398)	(263,717)	(6,681)	-2.5%	
Other Programmatic Expenses	(349)	(13,270)	12,921	97.4%	
<i>Total Operating Expenses</i>	<i>(1,898,894)</i>	<i>(2,768,781)</i>	<i>869,887</i>	<i>31.4%</i>	
<i>Net Operating Income</i>	<i>3,020,078</i>	<i>2,174,206</i>	<i>845,872</i>	<i>38.9%</i>	
<i>Non Operating Income/(Expense)</i>					
Interest Expense	(481,188)	(488,544)	7,356	1.5%	
Other Non-operating Income/(Expense)	(1,044,244)	(803,270)	(240,975)	-30.0%	(3)
<i>Total Non Operating Income/(Expense)</i>	<i>(1,525,433)</i>	<i>(1,291,814)</i>	<i>(233,619)</i>	<i>-18.1%</i>	
<i>Capital Activity</i>					
Capital Project Funding, Excluding Debt Issuance	456,610	264,007	192,603	73.0%	(3)
Capital Project Expenditures	(7,859,357)	(553,376)	(7,305,980)	-1320.3%	(4)
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	<i>(7,402,747)</i>	<i>(289,369)</i>	<i>(7,113,377)</i>	<i>-2458.2%</i>	
<i>Change in Other Assets/Liabilities/Equity</i>					
Change in Designated/Restricted Cash	717,780	(17,730)	735,510	4148.4%	(5)
Change in Receivables	253,730	0	253,730	n/a	(6)
Change in Other Assets	59,590	0	59,590	n/a	(7)
Change in Debt	6,623,112	(713,146)	7,336,258	1028.7%	(8)
Change in Other Liabilities	(757,760)	975,362	(1,733,122)	-177.7%	(9)
<i>Change in Other Assets/Liabilities/Equity</i>	<i>6,896,452</i>	<i>244,486</i>	<i>6,651,966</i>	<i>2720.8%</i>	
<i>Change in Unrestricted/Program Cash</i>	<i>\$988,351</i>	<i>\$837,509</i>	<i>\$150,842</i>	<i>18.0%</i>	
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b>\$3,499,926</b>				

<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>	<b>\$6,722,766</b>				
Change in Replacement Reserves	132,024	17,730	114,294	644.6%	(6)
Change in Debt Service Reserves	(89,272)	0	(89,272)	n/a	(6)
Change in Other Reserves	(760,531)	0	(760,531)	n/a	(6)
<i>Change in Designated/Restricted Cash</i>	<i>(717,780)</i>	<i>17,730</i>	<i>(735,510)</i>	<i>-4148.4%</i>	
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b>\$6,004,986</b>				

- 1) Insurance premium reimbursement from USDA for three Rural Housing properties.
- 2) Some properties have not yet been billed for water and sewer expenses in March. Also, seasonal and periodic contracts are low as is typical early in the year.
- 3) MKCRF unit upgrade expenses and the related capital transfers exceeded target as more units became available than anticipated.
- 4) Due to acquisition of Oaks at Forest Bay for \$7.33 million. The budget was included in the Development Activities Fund group.
- 5) Release of earnest money deposit made for the purchase of Oakes at Forest Bay. Also, unbudgeted increase in replacement and debt service reserve accounts.
- 6) Mainly due to a decrease in tenant receivables.
- 7) Mainly due to decrease in prepaid insurance.
- 8) Due to draw from Key Bank LOC for the purchase of Oakes at Forest Bay. The budget was included in the Development Activities Fund group.
- 9) Mainly due to decrease in accounts payable. With the delay of the Rainier View mobile home project, the loan from COCC has not occurred.

King County Housing Authority  
Cash Reconciliation Report  
Workforce Housing-Net Cash Flow  
Through March 31, 2021

	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance	
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$18,132,675</b>				
<i>Rental Revenue and Subsidy</i>					
Tenant Revenue	\$23,630,375	\$22,366,433	\$1,263,942	5.7%	
Total Rental Revenue and Federal Support	23,630,375	22,366,433	1,263,942	5.7%	
<i>Other Operating Revenue</i>					
Other Revenue	191,122	1,256,755	(1,065,632)	-84.8%	(1)
Total Other Operating Revenue	191,122	1,256,755	(1,065,632)	-84.8%	
<b>Total Operating Revenue</b>	<b>23,821,497</b>	<b>23,623,187</b>	<b>198,310</b>	<b>0.8%</b>	
<i>Operating Expenses</i>					
Salaries and Benefits	(2,791,960)	(2,851,228)	59,269	2.1%	
Administrative Expenses	(1,332,980)	(1,461,657)	128,677	8.8%	
Maintenance Expenses and Utilities	(4,076,995)	(6,822,031)	2,745,035	40.2%	(2)
Management Fees Charged to Properties and Programs	(437,183)	(433,688)	(3,495)	-0.8%	
Other Programmatic Expenses	(65,645)	(63,346)	(2,299)	-3.6%	
Other Expenses	528,198	0	528,198	n/a	(3)
Transfers Out for Operating Purposes	0	(2,107,500)	2,107,500	100.0%	(1)
Total Operating Expenses	(8,176,565)	(13,739,450)	5,562,885	40.5%	
<b>Net Operating Income</b>	<b>15,644,932</b>	<b>9,883,737</b>	<b>5,761,195</b>	<b>58.3%</b>	
<i>Non Operating Income/(Expense)</i>					
Interest Income from Loans	1,018,457	673,828	344,629	51.1%	(4)
Interest Expense	(5,268,667)	(5,225,488)	(43,179)	-0.8%	
Other Non-operating Income/(Expense)	(12,768)	0	(12,768)	n/a	
Total Non Operating Income/(Expense)	(4,262,978)	(4,551,660)	288,682	6.3%	
<i>Capital Activity</i>					
Capital Project Funding, Excluding Debt Issuance	0	0	0	n/a	
Capital Project Expenditures	(14,292,759)	(1,237,925)	(13,054,834)	-1054.6%	(5)
Total Change in Capital Assets, net of Direct Funding and Debt	(14,292,759)	(1,237,925)	(13,054,834)	-1054.6%	
<i>Change in Other Assets/Liabilities/Equity</i>					
Change in Designated/Restricted Cash	(7,292,296)	(2,680,317)	(4,611,979)	-172.1%	(6)
Change in Receivables	(7,566,067)	(8,291,096)	725,029	8.7%	
Change in Other Assets	234,219	0	234,219	n/a	(7)
Change in Debt	12,455,127	3,382,845	9,072,282	268.2%	(8)
Change in Other Liabilities	4,846,578	0	4,846,578	n/a	(9)
Change in Other Assets/Liabilities/Equity	6,628,897	(7,588,569)	14,217,465	187.4%	
<b>Change in Unrestricted/Program Cash</b>	<b>\$3,718,092</b>	<b>(\$3,494,416)</b>	<b>\$7,212,508</b>	<b>206.4%</b>	
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b>\$21,850,766</b>				

<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>	<b>\$59,578,998</b>				
Change in Replacement Reserves	781,916	483,243	298,673	61.8%	(6)
Change in Debt Service Reserves	5,073,294	2,168,807	2,904,487	133.9%	(6)
Change in Other Reserves	1,437,086	28,267	1,408,819	4983.9%	(6)
<b>Change in Designated/Restricted Cash</b>	<b>7,292,296</b>	<b>2,680,317</b>	<b>4,611,979</b>	<b>172.1%</b>	
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b>\$66,871,294</b>				

- 1) The budgeted excess cash transfer from bond properties to COCC is slated to occur in the second quarter.
- 2) Slower spending on maintenance contracts and projects due to the COVID-19 pandemic. Also, due to timing of invoicing; some properties have not yet been billed for water and sewer expenses in March.
- 3) Technical accounting entry recording Overlake operating expenses from prior year. In addition, insurance proceeds received for Riverstone fire damages that occurred in December.
- 4) Interest income from Highland Village and Somerset subordinate debt which was inadvertently not budgeted.
- 5) Increase in capital assets resulting from KCHA acquiring the investor's interest in Nia Apartments.
- 6) Increases in security deposit, debt service and replacement reserves.
- 7) Mainly due to decrease in prepaid insurance.
- 8) Increase in long-term debts resulting from KCHA acquiring the investor's interest in Nia Apartments.
- 9) Increase in accounts payable and accrued interest.

King County Housing Authority  
Cash Reconciliation Report  
Other Low Income Housing-Net Cash Flow  
Through March 31, 2021

	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance	
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$12,189,078</b>				
<i>Rental Revenue and Subsidy</i>					
Tenant Revenue	\$4,692,818	\$4,270,357	\$422,460	9.9%	
Federal Operating Support	5,609	(18,068)	23,677	131.0%	
<i>Total Rental Revenue and Federal Support</i>	<u>4,698,427</u>	<u>4,252,290</u>	<u>446,137</u>	<u>10.5%</u>	
<i>Other Operating Revenue</i>					
Other Revenue	56,245	654,661	(598,416)	-91.4%	(1)
<i>Total Other Operating Revenue</i>	<u>56,245</u>	<u>654,661</u>	<u>(598,416)</u>	<u>-91.4%</u>	
<i>Total Operating Revenue</i>	<u>4,754,672</u>	<u>4,906,951</u>	<u>(152,279)</u>	<u>-3.1%</u>	
<i>Operating Expenses</i>					
Salaries and Benefits	(585,872)	(632,477)	46,605	7.4%	
Administrative Expenses	(285,786)	(286,929)	1,144	0.4%	
Maintenance Expenses and Utilities	(752,537)	(1,123,654)	371,117	33.0%	(2)
Management Fees Charged to Properties and Programs	(76,729)	(73,118)	(3,611)	-4.9%	
Other Programmatic Expenses	(38,219)	(51,462)	13,243	25.7%	
Transfers Out for Operating Purposes	0	(770,000)	770,000	100.0%	(3)
<i>Total Operating Expenses</i>	<u>(1,739,142)</u>	<u>(2,937,640)</u>	<u>1,198,498</u>	<u>40.8%</u>	
<i>Net Operating Income</i>	<u>3,015,529</u>	<u>1,969,310</u>	<u>1,046,219</u>	<u>53.1%</u>	
<i>Non Operating Income/(Expense)</i>					
Interest Income from Loans	611,888	566,394	45,494	8.0%	
Interest Expense	(885,864)	(929,728)	43,864	4.7%	
Other Non-operating Income/(Expense)	(35,600)	(26,700)	(8,900)	-33.3%	
<i>Total Non Operating Income/(Expense)</i>	<u>(309,575)</u>	<u>(390,034)</u>	<u>80,458</u>	<u>20.6%</u>	
<i>Capital Activity</i>					
Capital Project Funding, Excluding Debt Issuance	44,933	54,879	(9,946)	-18.1%	
Capital Project Expenditures	(153,152)	(143,121)	(10,031)	-7.0%	
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	<u>(108,219)</u>	<u>(88,242)</u>	<u>(19,977)</u>	<u>-22.6%</u>	
<i>Change in Other Assets/Liabilities/Equity</i>					
Change in Designated/Restricted Cash	(2,464,823)	(665,665)	(1,799,158)	-270.3%	(4)
Change in Receivables	5,102,993	4,618,904	484,089	10.5%	(5)
Change in Other Assets	40,870	0	40,870	n/a	(6)
Change in Debt	(4,342,735)	(3,997,862)	(344,873)	-8.6%	
Change in Other Liabilities	(856,366)	(543,760)	(312,605)	-57.5%	(7)
<i>Change in Other Assets/Liabilities/Equity</i>	<u>(2,520,061)</u>	<u>(588,383)</u>	<u>(1,931,678)</u>	<u>-328.3%</u>	
<i>Change in Unrestricted/Program Cash</i>	<u>\$77,674</u>	<u>\$902,652</u>	<u>(\$824,978)</u>	<u>-91.4%</u>	
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b><u>\$12,266,752</u></b>				

<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>	<b>\$26,342,428</b>				
Change in Replacement Reserves	90,872	80,689	10,183	12.6%	(4)
Change in Debt Service Reserves	46,397	0	46,397	n/a	(4)
Change in Other Reserves	2,327,554	584,976	1,742,578	297.9%	(4)
<i>Change in Designated/Restricted Cash</i>	<u>2,464,823</u>	<u>665,665</u>	<u>1,799,158</u>	<u>270.3%</u>	
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b><u>\$28,807,250</u></b>				

- 1) Transfer in from MTW for Green River and Birch Creek debt payments budgeted evenly throughout the year. Actual payments are expected to occur in the 2nd and 4th quarters.
- 2) Some properties have not yet been billed for water and sewer expenses in March. Also, seasonal and periodic contracts are low as is typical early in the year.
- 3) The budgeted excess cash transfer from bond properties to COCC is slated to occur in the second quarter.
- 4) Deposit to Birch Creek and Green River Homes 2 excess cash reserves from net cash flow distribution was budgeted evenly throughout the year. Deposit of \$2.3 million was made in the first quarter.
- 5) Due to higher than budgeted payment on Birch Creek, Green River and Spiritwood leases and notes payable as net cash flow distributions from the partnerships exceeded expectations.
- 6) Mainly due to decrease in prepaid insurance.
- 7) Mainly due to decrease in accounts payable and short-term liabilities.

King County Housing Authority  
Cash Reconciliation Report  
Housing Choice Voucher Program  
Through March 31, 2021

	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance	
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$84,964</b>				
<i>Operating Revenue</i>					
Federal Support for HCV Program-HAP Revenue	\$39,617,954	\$39,656,004	(\$38,050)	-0.1%	
Federal Support for HCV Program-Admin Fee Revenue	\$3,283,292	\$2,987,063	\$296,229	9.9%	
Revenue from Collection	\$57,324	\$41,283	\$16,041	38.9%	
Portability Income	12,381,901	12,421,273	(39,372)	-0.3%	
Other Revenue	565,337	407,193	158,144	38.8%	(1)
<i>Total Operating Revenue</i>	<u>55,905,807</u>	<u>55,512,816</u>	<u>392,991</u>	<u>0.7%</u>	
<i>Operating Expenses</i>					
Salaries and Benefits	(1,862,295)	(2,223,965)	361,671	16.3%	(2)
Administrative Expenses	(251,848)	(320,263)	68,415	21.4%	(3)
Maintenance Expenses and Utilities	(78,467)	(71,947)	(6,520)	-9.1%	
Management Fees Charged to Properties and Programs	(858,321)	(841,956)	(16,365)	-1.9%	
HCV Housing Assistance Payments to Landlords	(39,835,963)	(39,658,287)	(177,676)	-0.4%	
HCV Housing Assistance Payment-Ports In	(12,419,628)	(12,421,273)	1,645	0.0%	
Other Programmatic Expenses	(10,780)	(626)	(10,154)	-1623.4%	
Transfers Out for Operating Purposes	(100,000)	0	(100,000)	n/a	(4)
<i>Total Operating Expenses</i>	<u>(55,417,302)</u>	<u>(55,538,317)</u>	<u>121,015</u>	<u>0.2%</u>	
<i>Net Operating Income</i>	<u>488,505</u>	<u>(25,501)</u>	<u>514,007</u>	<u>2015.6%</u>	
<i>Non Operating Income/(Expense)</i>					
Other Non-operating Income/(Expense)	(20,923)	(102,582)	81,659	79.6%	(5)
<i>Total Non Operating Income/(Expense)</i>	<u>(20,923)</u>	<u>(102,582)</u>	<u>81,659</u>	<u>79.6%</u>	
<i>Capital Activity</i>					
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>	
<i>Change in Other Assets/Liabilities/Equity</i>					
Change in Designated/Restricted Cash	75,144	(12)	75,156	626298.6%	(6)
Change in Receivables	(124,071)	0	(124,071)	n/a	(7)
Change in Other Assets	12,228	0	12,228	n/a	
Change in Other Liabilities	(290,387)	0	(290,387)	n/a	(8)
<i>Change in Other Assets/Liabilities/Equity</i>	<u>(327,087)</u>	<u>(12)</u>	<u>(327,075)</u>	<u>-2725621.9%</u>	
<i>Change in Unrestricted/Program Cash</i>	<u>\$140,496</u>	<u>(\$128,095)</u>	<u>\$268,591</u>	<u>209.7%</u>	
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b><u>\$225,460</u></b>				

<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>	<b>\$3,774,598</b>				
Change in Replacement Reserves	0	0	0	n/a	
Change in Debt Service Reserves	0	0	0	n/a	
Change in Other Reserves	(75,144)	12	(75,156)	-626298.6%	(6)
<i>Change in Designated/Restricted Cash</i>	<u>(75,144)</u>	<u>12</u>	<u>(75,156)</u>	<u>-626298.6%</u>	
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b><u>\$3,699,454</u></b>				

- 1) Port-in admin income was higher than budgeted.
- 2) Salaries expense was lower than budgeted due to a combination of an unfilled position, timing gaps when filling positions, and several employees working part time.
- 3) Various categories were under target: Admin Supplies, Professional Expense, Admin Contracts, and Training
- 4) The budgeted transfer of \$100k from Section 8 to support the HASP program for 2020 was not completed until 2021.
- 5) Flex Funds are under budget as the issuance of CMTO/Tenant-Based vouchers have slowed, and VASH voucher referrals have been less than anticipated.
- 6) Mainly due to a decrease in FSS escrow accounts. KCHA does not budget for changes in escrow accounts.
- 7) Due to increases in grant receivables and receivables from other PHAs.
- 8) Mainly due to decrease in short-term liabilities.

King County Housing Authority  
Cash Reconciliation Report  
MTW Program  
Through March 31, 2021

	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance	
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$13,591,613</b>				
<i>Federal Support</i>					
Block Grant Revenue	\$40,926,202	\$35,971,050	\$4,955,152	13.8%	(1)
Less: Used for HAP	(32,836,762)	(32,694,025)	(142,737)	-0.4%	
Less: Used HCV Administrative Program Support	(2,494,548)	(2,440,790)	(53,758)	-2.2%	
Federal Operating Support	104,049	114,335	(10,286)	-9.0%	
<i>Total Net Federal Support</i>	<u>5,698,941</u>	<u>950,570</u>	<u>4,748,371</u>	<u>499.5%</u>	
<i>Other Operating Revenue</i>					
Other Revenue	20,655	105,770	(85,115)	-80.5%	(2)
<i>Total Other Operating Revenue</i>	<u>20,655</u>	<u>105,770</u>	<u>(85,115)</u>	<u>-80.5%</u>	
<i>Total Operating Revenue</i>	<u>5,719,596</u>	<u>1,056,340</u>	<u>4,663,256</u>	<u>441.5%</u>	
<i>Program Expenses</i>					
Resident Service Salaries and Benefits	(724,174)	(860,685)	136,511	15.9%	(3)
Resident Service Program and Administrative Expenses	(413,167)	(540,114)	126,947	23.5%	(4)
Homeless Salaries and Benefits	(79,529)	(170,289)	90,760	53.3%	(3)
Homeless Program and Administrative Expenses	(109,662)	(371,213)	261,552	70.5%	(5)
Policy Salaries and Benefits	(154,798)	(287,553)	132,755	46.2%	(3)
Policy Administrative Expenses	(8,829)	(63,063)	54,234	86.0%	(6)
Other Policy Expenses	(321,314)	(331,926)	10,611	3.2%	
Additional Support of Public Housing Program	(296,950)	(1,083,063)	786,113	72.6%	(7)
Other Programmatic Expenses	(87,495)	(87,495)	0	0.0%	
<i>Total Programmatic Expenses</i>	<u>(2,195,919)</u>	<u>(3,795,401)</u>	<u>1,599,483</u>	<u>42.1%</u>	
<i>Used for Rehabilitation, Development or Debt Service Purposes</i>					
Funding for Capital Construction Projects	(811,107)	(493,423)	(317,684)	-64.4%	(8)
Funding for Unit Upgrades	(755,213)	(711,834)	(43,379)	-6.1%	
Management Fees Charged by COCC	(156,632)	(120,526)	(36,106)	-30.0%	
Used for Debt Service Payments	0	(592,569)	592,569	100.0%	(9)
<i>Total Rehab, Development and Debt Service Expenses</i>	<u>(1,722,952)</u>	<u>(1,918,352)</u>	<u>195,400</u>	<u>10.2%</u>	
<i>Administrative Expenses</i>					
Salaries and Benefits	(42,829)	(42,339)	(490)	-1.2%	
Administrative Expenses	(68,460)	(61,081)	(7,380)	-12.1%	
Maintenance Expenses and Utilities	(76)	0	(76)	n/a	
Internal Management Fees	(6,084)	0	(6,084)	n/a	
Other Expenses	6,539	0	6,539	n/a	
<i>Total Administrative Expenses</i>	<u>(110,910)</u>	<u>(103,420)</u>	<u>(7,491)</u>	<u>-7.2%</u>	
<i>Total Operating Expenses</i>	<u>(4,029,781)</u>	<u>(5,817,173)</u>	<u>1,787,392</u>	<u>30.7%</u>	
<i>Net Operating Income</i>	<u>1,689,815</u>	<u>(4,760,833)</u>	<u>6,450,647</u>	<u>135.5%</u>	
<i>Non Operating Income/(Expense)</i>					
Interest Income from Loans	227,852	236,692	(8,840)	-3.7%	
<i>Total Non Operating Income/(Expense)</i>	<u>227,852</u>	<u>236,692</u>	<u>(8,840)</u>	<u>-3.7%</u>	
<i>Capital Activity</i>					
Capital Project Expenditures	0	(135,573)	135,573	100.0%	(10)
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	<u>0</u>	<u>(135,573)</u>	<u>135,573</u>	<u>100.0%</u>	
<i>Change in Other Assets/Liabilities/Equity</i>					
Change in Designated/Restricted Cash	(9,170)	215,909	(225,079)	-104.2%	(11)
Change in Receivables	382,315	1,629,656	(1,247,342)	-76.5%	(12)
Change in Other Assets	755	0	755	n/a	
Change in Other Liabilities	41,072	0	41,072	n/a	(13)
<i>Change in Other Assets/Liabilities/Equity</i>	<u>414,972</u>	<u>1,845,565</u>	<u>(1,430,593)</u>	<u>-77.5%</u>	
<i>Change in Unrestricted/Program Cash</i>	<u>\$2,332,639</u>	<u>(\$2,814,148)</u>	<u>\$5,146,787</u>	<u>182.9%</u>	
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b>\$15,924,253</b>				
<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>	<b>\$6,155,085</b>				
Change in Replacement Reserves	0	0	0	n/a	
Change in Debt Service Reserves	0	0	0	n/a	
Change in Other Reserves	9,170	(215,909)	225,079	104.2%	(11)
<i>Change in Designated/Restricted Cash</i>	<u>9,170</u>	<u>(215,909)</u>	<u>225,079</u>	<u>104.2%</u>	
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b>\$6,164,254</b>				

- 1) Receiving block grant payments from HUD is a three stage process. First, HUD must issue budget authority to housing authorities, which it does on a periodic basis. Second, cash is advanced to each PHA based on prior year expense levels. Finally, additional cash is requested from HUD when sufficient budget authority exists and KCHA has a need for additional cash. Accordingly, quarterly cash receipts vary.
- 2) The Homeless program special voucher fees was budgeted evenly throughout the year. The actual HUD grant awards have yet to be announced.
- 3) Due to unfilled positions.
- 4) Various categories were under target: Professional Services, Relocation Expenses, Community Events.
- 5) Highline School District Student Families Stability Initiative (SFSI) program expenses were below target as utilization has been impacted due to school closures with COVID-19.
- 6) Various categories were under target: Professional services, Training, and Travel.
- 7) Subsidy transfers from MTW to public housing projects were budgeted evenly through out the year, but actual transfers are based on the needs of the properties.
- 8) There were delays in various capital construction projects last year, but construction activity has increased in the first quarter and resulting funding transfers from MTW were above budget.
- 9) Transfers from MTW to fund Green River and Birch Creek debt payments were budgeted evenly throughout the year, but actual payments are expected to occur in the 2nd and 4th quarters.
- 10) The Capital Construction department budgeted a placeholder for Architecture and Engineering project costs, however, actual costs are coded directly to projects.
- 11) Budgeted reduction of Green River Collateral Reserves yet to occur.
- 12) Repayments of the Greenbridge internal loans were budgeted evenly throughout the year but have yet to occur. Payments are made from proceeds of lot sales.
- 13) Due to increase in short-term liabilities.

King County Housing Authority  
Cash Reconciliation Report  
Development Activities  
Through March 31, 2021

	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$2,139,401</b>			
<i>Rental Revenue and Subsidy</i>				
Total Rental Revenue and Federal Support	0	0	0	n/a
<i>Other Operating Revenue</i>				
Other Revenue	861,060	3,437,194	(2,576,134)	-74.9% (1)
Total Other Operating Revenue	861,060	3,437,194	(2,576,134)	-74.9%
<b>Total Operating Revenue</b>	<b>861,060</b>	<b>3,437,194</b>	<b>(2,576,134)</b>	<b>-74.9%</b>
<i>Operating Expenses</i>				
Salaries and Benefits	(210,556)	(256,848)	46,292	18.0% (2)
Administrative Expenses	(58,891)	(66,697)	7,806	11.7%
Total Operating Expenses	(269,446)	(332,608)	63,162	19.0%
<b>Net Operating Income</b>	<b>591,613</b>	<b>3,104,586</b>	<b>(2,512,972)</b>	<b>-80.9%</b>
<i>Non Operating Income/(Expense)</i>				
Interest Income from Loans	28	0	28	n/a
Other Non-operating Income/(Expense)	0	0	0	n/a
Total Non Operating Income/(Expense)	28	(262,500)	262,528	100.0%
<i>Capital Activity</i>				
Capital Project Funding, Excluding Debt Issuance	10,147	62,490	(52,343)	-83.8% (3)
Capital Project Expenditures	(760,029)	(15,315,058)	14,555,028	95.0% (4)
Total Change in Capital Assets, net of Direct Funding and Debt	(749,882)	(15,252,568)	14,502,685	95.1%
<i>Change in Other Assets/Liabilities/Equity</i>				
Change in Designated/Restricted Cash	(939,005)	(15,365,656)	14,426,651	93.9% (5)
Change in Receivables	(28)	0	(28)	n/a
Change in Other Assets	(77)	0	(77)	n/a
Change in Debt	510,000	18,708,067	(18,198,067)	-97.3% (4)
Change in Other Liabilities	717,167	(347,758)	1,064,925	306.2% (6)
Change in Other Assets/Liabilities/Equity	288,057	2,994,652	(2,706,596)	-90.4%
<b>Change in Unrestricted/Program Cash</b>	<b>\$129,816</b>	<b>(\$9,415,830)</b>	<b>\$9,545,646</b>	<b>101.4%</b>
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b><u>\$2,269,217</u></b>			

<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>	<b>\$14,573,839</b>			
Change in Replacement Reserves	0	0	0	n/a
Change in Debt Service Reserves	0	0	0	n/a
Change in Other Reserves	939,005	15,365,656	(14,426,651)	-93.9% (5)
<b>Change in Designated/Restricted Cash</b>	<b>939,005</b>	<b>15,365,656</b>	<b>(14,426,651)</b>	<b>-93.9%</b>
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b><u>\$15,512,844</u></b>			

- 1) The Greenbridge Division 8 land sale was budgeted in the first quarter. However, due to changing market conditions, the sale has been broken up into three parts. The first part of the sale occurred in the second quarter, the remaining sales will occur in 2022 and 2023.
- 2) Due to an unfilled position
- 3) Transfers to reimburse development expenses were below target but are expect to increase in the subsequent quarters.
- 4) \$70M draw from line of credit was budgeted evenly throughout the year for the acquisitions of five new properties . Actual purchases are being recorded in the property fund groups. During the first quarter, one property was purchased and booked in the Other Low Income Housing-Not for Profit fund group. The remaining properties are expected to be acquired in the 2nd quarter.
- 5) Deposits to program income reserves from Greenbridge lot sales proceeds and profit participation was budgeted in the first quarter. Actual deposits are expected to occur in the second and fourth quarters.
- 6) Due to a decrease in short-term liabilities. Also, draws from the COCC internal loan for Greenbridge projects were higher than budgeted.

King County Housing Authority  
Cash Reconciliation Report  
Other Activities  
Through March 31, 2021

	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$1,077,707</b>			
<i>Rental Revenue and Subsidy</i>				
Federal Operating Support	976,899	915,842	61,057	6.7%
<i>Total Rental Revenue and Federal Support</i>	<u>976,899</u>	<u>915,842</u>	<u>61,057</u>	<u>6.7%</u>
<i>Other Operating Revenue</i>				
Other Revenue	1,060,364	2,013,992	(953,628)	-47.4% (1)
<i>Total Other Operating Revenue</i>	<u>1,060,364</u>	<u>2,013,992</u>	<u>(953,628)</u>	<u>-47.4%</u>
<i>Total Operating Revenue</i>	<u>2,037,263</u>	<u>2,929,835</u>	<u>(892,572)</u>	<u>-30.5%</u>
<i>Operating Expenses</i>				
Salaries and Benefits	(477,030)	(541,386)	64,357	11.9% (2)
Administrative Expenses	(8,302)	(13,723)	5,421	39.5%
Maintenance Expenses and Utilities	(6,193)	(6,107)	(86)	-1.4%
Management Fees Charged to Properties and Programs	(10,829)	(8,743)	(2,086)	-23.9%
Other Programmatic Expenses	(209,842)	(1,415,820)	1,205,978	85.2% (1)
Transfers Out for Operating Purposes	(282,755)	(346,929)	64,174	18.5% (3)
<i>Total Operating Expenses</i>	<u>(994,950)</u>	<u>(2,332,708)</u>	<u>1,337,757</u>	<u>57.3%</u>
<i>Net Operating Income</i>	<u>1,042,312</u>	<u>597,127</u>	<u>445,185</u>	<u>74.6%</u>
<i>Non Operating Income/(Expense)</i>				
Interest Expense	(332,043)	(326,919)	(5,124)	-1.6%
<i>Total Non Operating Income/(Expense)</i>	<u>(332,043)</u>	<u>(326,919)</u>	<u>(5,124)</u>	<u>-1.6%</u>
<i>Capital Activity</i>				
Capital Project Expenditures	(7,987)	0	(7,987)	n/a
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	<u>(7,987)</u>	<u>0</u>	<u>(7,987)</u>	<u>n/a</u>
<i>Change in Other Assets/Liabilities/Equity</i>				
Change in Designated/Restricted Cash	(220,717)	(222,300)	1,583	0.7%
Change in Receivables	(46,178)	0	(46,178)	n/a (4)
Change in Other Assets	898	0	898	n/a
Change in Other Liabilities	846,413	(276,156)	1,122,569	406.5% (5)
<i>Change in Other Assets/Liabilities/Equity</i>	<u>580,416</u>	<u>(498,456)</u>	<u>1,078,872</u>	<u>216.4%</u>
<i>Change in Unrestricted/Program Cash</i>	<u>\$1,282,699</u>	<u>(\$228,247)</u>	<u>\$1,510,946</u>	<u>0,662.0%</u>
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b><u>\$2,360,405</u></b>			

<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>	<b>\$3,001,565</b>			
Change in Replacement Reserves	22,299	22,299	0	0.0%
Change in Debt Service Reserves	0	0	0	n/a
Change in Other Reserves	198,418	200,001	(1,583)	-0.8%
<i>Change in Designated/Restricted Cash</i>	<u>220,717</u>	<u>222,300</u>	<u>(1,583)</u>	<u>-0.7%</u>
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b><u>\$3,222,282</u></b>			

- 1) Due to project delays as result of COVID-19 pandemic, spending and reimbursements on weatherization projects were below target, but will increase throughout the year.
- 2) Due to an unfilled position.
- 3) Allocation of Weatherization program support expenses are under target due to slow spending of grants. See footnote 1 above.
- 4) Due to an unbudgeted increase in grant receivables.
- 5) 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 March 31, 2021

	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance	
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$47,572,447</b>				
<i>Operating Revenue</i>					
Property Management Fees	\$1,320,326	\$1,316,031	\$4,295	0.3%	
Bookkeeping Fees	589,559	553,165	36,395	6.6%	
Asset Management Fees	382,200	382,800	(600)	-0.2%	
Construction Fees	803,690	120,526	683,165	566.8%	(1)
Other Revenue	237,540	252,942	(15,401)	-6.1%	
<b>Total Operating Revenue</b>	<b>3,333,316</b>	<b>2,625,463</b>	<b>707,853</b>	<b>27.0%</b>	
<i>Operating Expenses</i>					
Salaries and Benefits	(3,039,068)	(3,562,783)	523,715	14.7%	(2)
Administrative Expenses	(668,841)	(984,161)	315,320	32.0%	(3)
Maintenance Expenses and Utilities	(50,066)	(77,930)	27,864	35.8%	
Management Fees Charged to Properties and Programs	(32,597)	0	(32,597)	n/a	
Other Programmatic Expenses	(330)	0	(330)	n/a	
Transfers Out for Operating Purposes	0	(985,000)	985,000	100.0%	(4)
<b>Total Operating Expenses</b>	<b>(3,790,901)</b>	<b>(5,609,875)</b>	<b>1,818,973</b>	<b>32.4%</b>	
<i>Other Operating Sources</i>					
Transfer in of Excess Cash	-	2,877,500	(2,877,500)	-100.0%	(5)
Central Maintenance Cash Flow	(152,750)	(93,246)	(59,504)	-63.8%	(6)
Central Vehicle Cash Flow	122,224	57,278	64,946	113.4%	(7)
<b>Total Other Operating Sources</b>	<b>(30,526)</b>	<b>2,841,532</b>	<b>(2,872,058)</b>	<b>-101.1%</b>	
<b>Net Operating Income</b>	<b>(488,111)</b>	<b>(142,879)</b>	<b>(345,232)</b>	<b>-241.6%</b>	
<i>Non Operating Income/(Expense)</i>					
Interest Income from Loans	355,228	351,102	4,127	1.2%	
Interest Expense	(213,325)	(211,169)	(2,156)	-1.0%	
COCC Capital Projects	(53,437)	0	(53,437)	n/a	(8)
Funding for Capital Construction Projects Outside of COCC	(33,931)	(62,440)	28,508	45.7%	
<b>Total Non Operating Income/(Expense)</b>	<b>54,535</b>	<b>77,493</b>	<b>(22,958)</b>	<b>-29.6%</b>	
<i>Change in Other Assets/Liabilities/Equity</i>					
Change in Designated/Restricted Cash	(10,498)	(2,499)	(7,999)	-320.1%	
Change in Receivables	(1,965,037)	(1,644,069)	(320,968)	-19.5%	(9)
Change in Other Assets	22,871	20437.02	2,434	0.119093684	
Change in Debt	(294,861)	(296,168)	1,308	0.4%	
Change in Other Liabilities	(103,903)	0	(103,903)	n/a	(10)
<b>Change in Other Assets/Liabilities/Equity</b>	<b>(2,351,427)</b>	<b>(1,922,299)</b>	<b>(429,128)</b>	<b>-22.3%</b>	
<b>Change in Unrestricted/Program Cash</b>	<b>(\$2,785,003)</b>	<b>(\$1,987,685)</b>	<b>(\$797,318)</b>	<b>-40.1%</b>	
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b>\$44,787,443</b>				
<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>					
<b>\$16,025,638</b>					
Change in Replacement Reserves	0	0	0	n/a	
Change in Debt Service Reserves	0	0	0	n/a	
Change in Other Reserves	10,498	2,499	7,999	320.1%	
<b>Change in Designated/Restricted Cash</b>	<b>10,498</b>	<b>2,499</b>	<b>7,999</b>	<b>320.1%</b>	
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b>\$16,036,136</b>				

- 1) HUD put a hold on the 2020 CFP grant. As a result, the 2020 10% management fee revenue, totaling \$647K, was recorded when the funds were released in 2021.
- 2) Under budget due to unfilled positions.
- 3) Various categories were under target: Professional Services, Admin Contracts, and Training.
- 4) Transfer from the COCC to support local properties was budgeted evenly throughout the year. Actual transfers are made as needed by the properties.
- 5) Transfer excess cash from bond properties to COCC is slated to occur in the second quarter.
- 6) Unbudgeted union benefit expenses for temporary employees.
- 7) Due to increase in prepaid insurance. Unbudgeted.
- 8) Final invoices on the 600 building renovation projected were paid in March 2021 while the project was budgeted in 2020.
- 9) Draws from the Greenbridge internal loan were higher than budgeted.
- 10) Due to decreases in short-term liabilities.

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**To:** Board of Commissioners

**From:** Craig Violante, Deputy Executive Director-Chief Administrative Officer

**Date:** July 1, 2021

**Re:** **New Bank Accounts**

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*Since the last Board meeting KCHA opened two new bank accounts.*

Bank: US Bank

- Surrey Downs - Operating Account
- Surrey Downs - Security Deposit

Purpose:

The Operating Accounts will be used to pay property operating expenses. The accounts will receive wires from the Depository Accounts and issue checks.

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

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Board of Commissioners  
 Doug Barnes, *Chair*  
 Susan Palmer, *Vice-Chair*  
 Michael Brown  
 TerryLynn Stewart  
 John Welch

*Executive Director*  
 Stephen J. Norman

**To:** Board of Commissioners  
**From:** Resource Conservation Team  
**Date:** July 8, 2021  
**Re:** **2017-2021 Environmental Sustainability Plan (ESP): 2020 Results**

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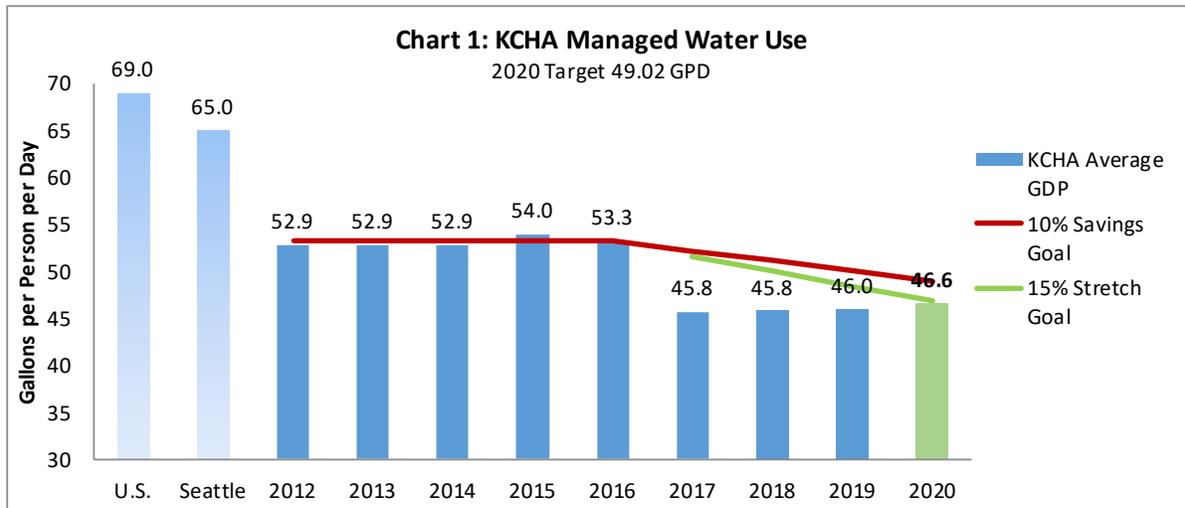
***EXECUTIVE SUMMARY***

The Resource Conservation Team is pleased to present the results of KCHA’s 2020 efforts to achieve the sustainability targets outlined in the 2017-2021 Environmental Sustainability Plan, adopted by the Board on November 21, 2016. Agency-wide sustainability efforts continued to make gains despite the COVID-19 pandemic which impacted staff’s field work abilities as well as water and energy savings as a significant percentage of residents stayed at home. This current year, 2021, marks the final year of the 2017-2021 Five Year Plan and the Resource Conservation Team will be presenting a new Resource Conservation Plan for Board consideration later on in the year.

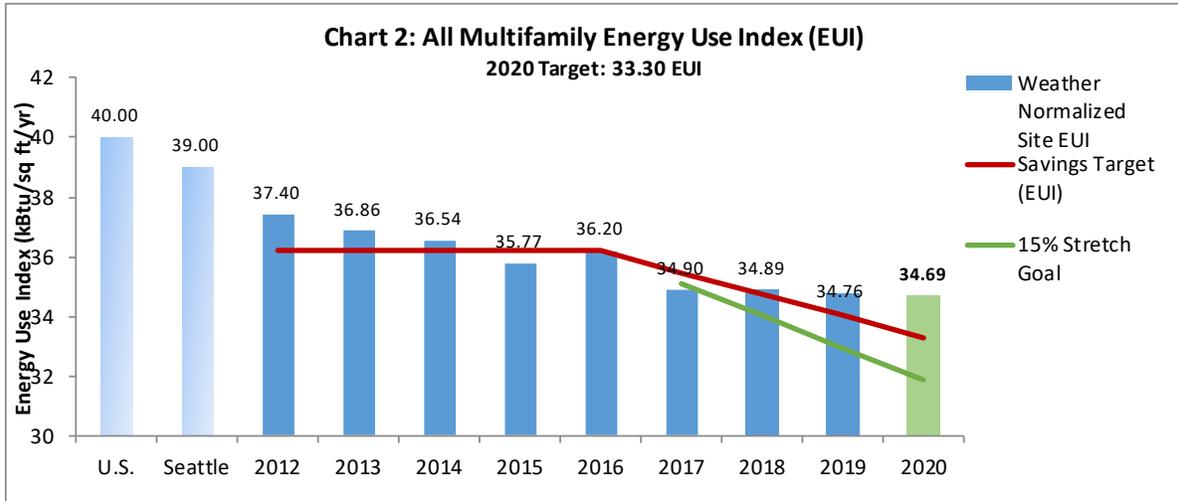
<b>Sustainability Targets through 2021</b>	<b>2016 (baseline)</b>	<b>2020 Goal</b>	<b>2020 Actual</b>	<b>Goal Achieved</b>
1) 10% Reduction in Multifamily Water Use: Gallons/ Person/Day (GPD)	53.28	49.0	<b>46.6</b>	Yes
2) 10% Reduction in Multifamily Energy Use (EUI - 1k British Thermal Units/Square Foot)	36.2	33.30	<b>34.69</b>	No
3) 5% Reduction in Multifamily Greenhouse Gas Intensity (Kg CO <sub>2</sub> e/Square Foot)	3.92	3.76	<b>3.309</b>	Yes
4) 100% Increase in Kilowatts (KW) Solar Energy Capacity	99.73	195	<b>234.53</b>	Yes
5) Achieve a 55% Waste Diversion Rate	40%	52%	<b>45.4%</b>	No
6) 60% of KCHA properties are EnviroStars Certified	N/A	45%	<b>42%</b>	No
7) 25% of Fleet Alternative Fueled	8%	21%	<b>22%</b>	Yes

## Performance in Each Sustainability Target Area

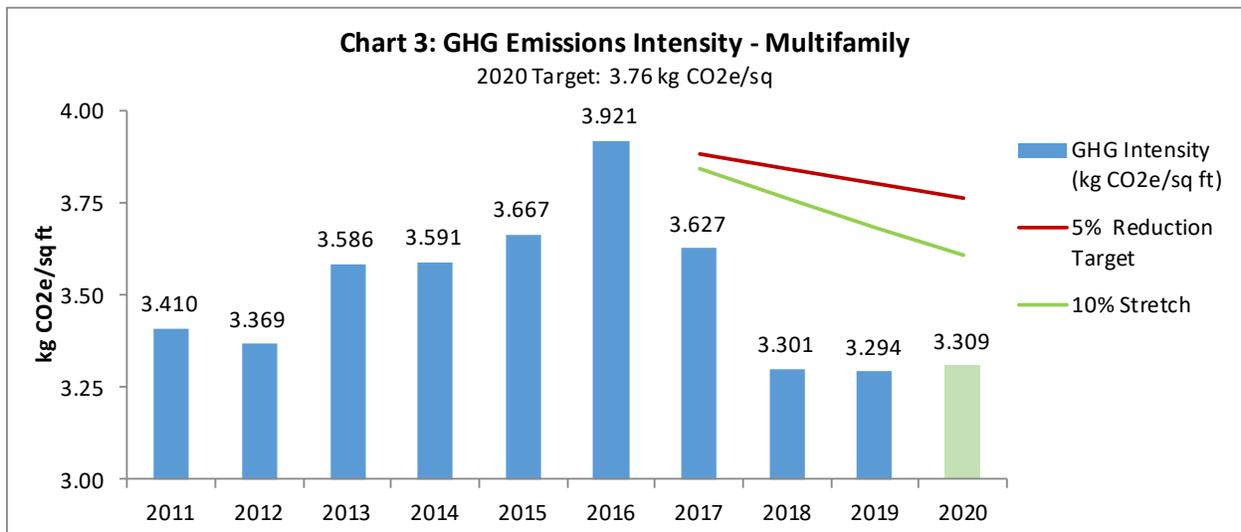
**2020 Target 1: Water usage of 49.0 Gallons per person per day (GPD) or less at KCHA-managed properties.** KCHA surpassed the water reduction goal for 2020 with a result of 46.6 GPD. Although 2020 consumption was slightly higher than seen in 2019, this was likely the result of the pandemic. In contrast, GPD for KCHA properties managed by private management firms was 53.7 in 2020. Landscape irrigation contributed to the higher combined annual water consumption for these properties.



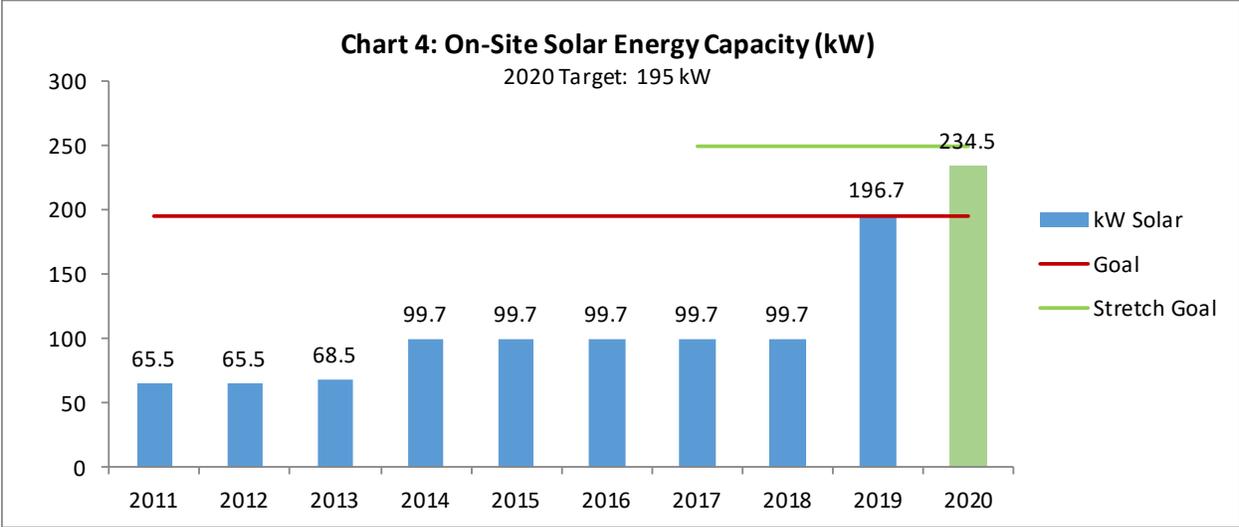
**2020 Target 2: Whole Property Energy Use Index (EUI) of 33.3 kBtu per Square Foot or less for all multifamily properties (including whole building energy consumption at both KCHA-managed and Asset-Managed properties).** Although KCHA fell 4% short of this goal with the 2020 result of 34.69 EUI, there was still a modest decline from 2019. It is believed that the pandemic's stay-at-home requirements impacted energy usage. Efficiency improvements funded through the Weatherization Program and substantial renovation projects are the major sources of energy savings.



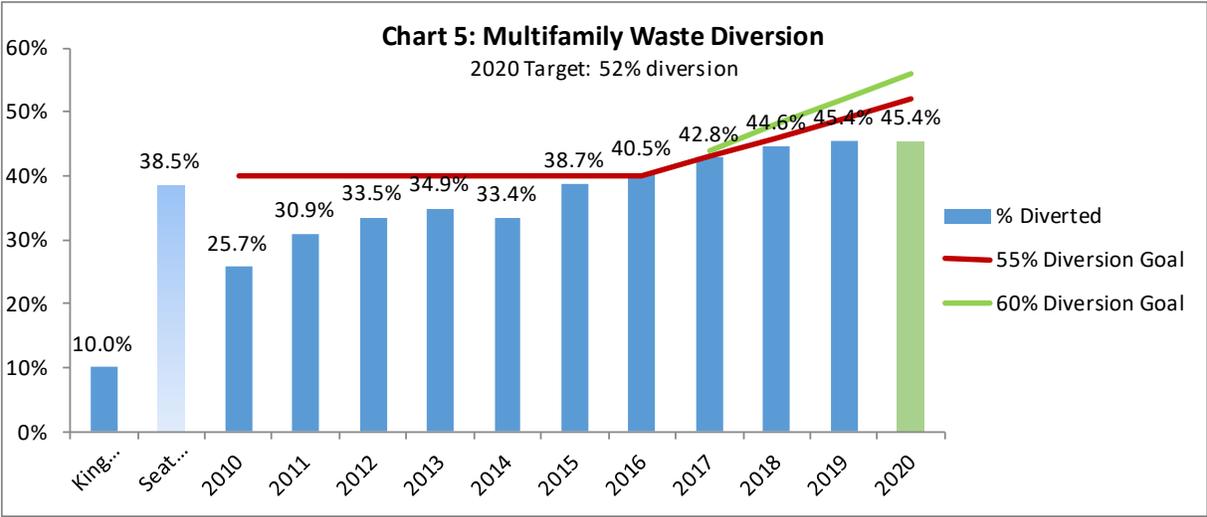
**2020 Target 3: Whole property Greenhouse Gas (GHG) emission intensity of 3.75 kg CO<sub>2</sub>e per square foot or less.** KCHA surpassed its GHG reduction targets by 12%, finishing 2020 at 3.309 kg CO<sub>2</sub>e. A comprehensive multi-sector GHG emissions report for the year will be available at the end of 2021. The relatively large decrease in GHG emissions intensity from the baseline year (2016) is attributed to electricity decarbonization at the Utility level, as well as fuel switching and energy efficiency gains at KCHA’s properties.



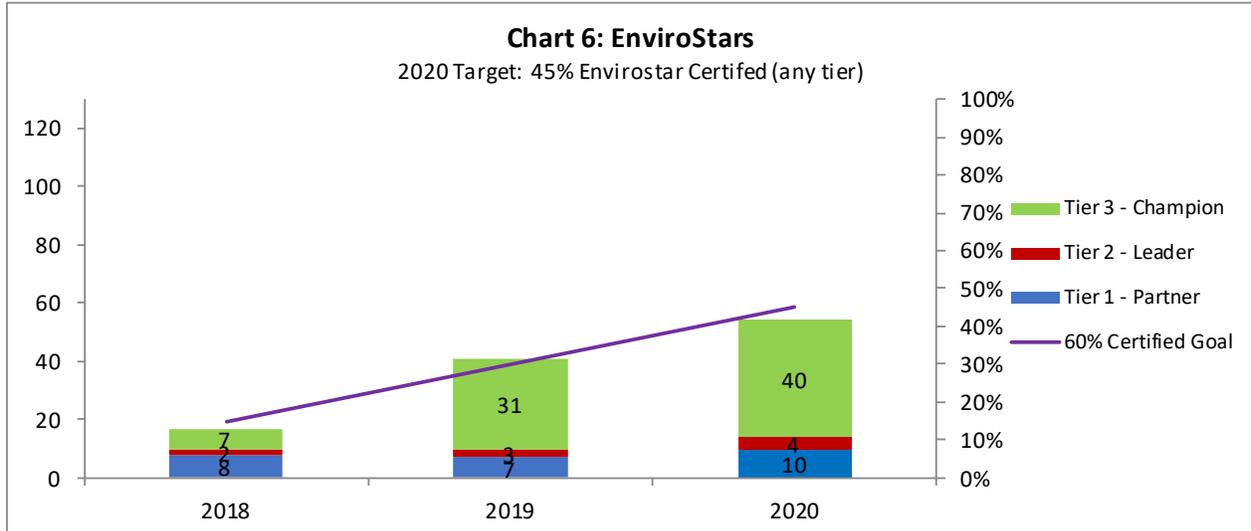
**2020 Target 4: Solar energy capacity of 195 kilowatt hours (kW) or higher.** Solar projects continued to pick up speed in 2020 as a 38 kW system was added at Meadows on Lea Hill bringing KCHA’s total capacity to 234.5 kW. In December of 2020, KCHA won another PSE solar grant which will cover a 50kW project at Vantage Point in 2021.



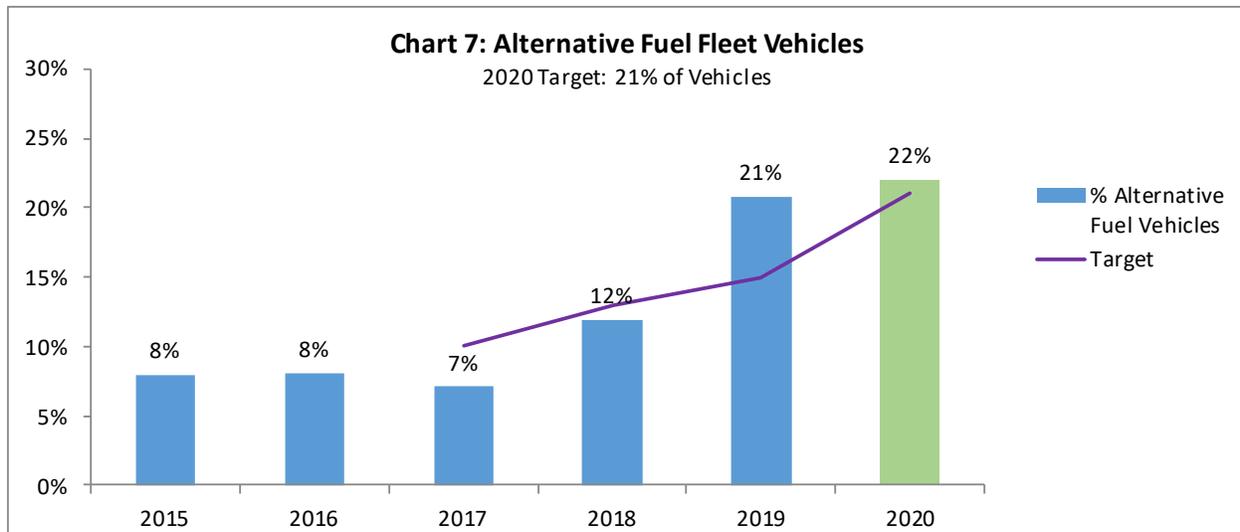
**2020 Target 5: Diversion of 52% or more of waste generated at all multifamily properties away from landfills.** 2020 saw a diversion rate of only 45.4%, although this rate held steady from 2019. Nationwide, diversion rates have been affected by China’s ban on accepting paper and plastic recyclables for processing. Waste hauling companies require cleaner recycling and in some cases have implemented contamination charges. Therefore, staff are focused on programs aimed at reducing contaminated recycling as opposed to increasing recycling. We will continue to evaluate opportunities to increase waste diversion and reduce material being sent to the landfill. Since 2015, overall solid waste costs have been cut by over \$160,000.



**2020 Target 6: Achieve EnviroStars certification at 45% or more of KCHA properties.** Although 2020 results fell short of the goal, 13 additional properties were certified during the year, bringing KCHA’s total to 54 properties, or 42% of the overall portfolio. Certification by King County’s EnviroStars program shows that KCHA is practicing a broad spectrum of sustainable property management practices for energy, water, pollution prevention, drainage, wastewater, and solid waste and reducing the environmental footprint of its properties. The program helps property managers implement the resource conservation practices that are engrained in KCHA standards.



**2020 Target 7: 21% or more of KCHA vehicle fleet powered by alternative fuel sources.** KCHA exceeded this target as 22% of its fleet is powered by alternative fuel sources which include vehicles powered partly or completely by non-gasoline and diesel fuels. These vehicles reduce CO<sub>2</sub> emissions and decrease air pollution. KCHA began buying traditional electric hybrids in 2003 and in 2018 began buying plug-in electric hybrids and propane fueled vans. Of note, electric vehicle charging stations encourages the use of alternative fuel vehicles by staff, residents, and the general public. KCHA has already installed 23 charging stations at 19 properties. Three stations are planned for installation in summer 2021.



#### Other 2020 Highlights and Current Year Initiatives:

- Weatherization Projects:** Last year, KCHA’s Weatherization program spent \$1.34 million in program funding to complete energy conservation measures in units at eight KCHA multifamily properties. Those measures included heating systems (ductless heat pumps and furnaces), insulation (walls, attic, and floor), air sealing, mechanical ventilation (bathroom fans and energy recovery ventilators), tank-less water heaters, and low cost items (LED bulbs, showerheads, and faucet aerators).
- Sustainable Landscape Initiatives:** Over the past several years, KCHA has assessed the water efficiency of the landscape irrigation systems at close to 20 properties. In 2019, KCHA began replacing irrigation controllers with “smart” controllers that automatically adjust watering schedules based on weather inputs. A pilot project at Ballinger Commons reduced water consumption by almost 20% and saved almost \$24,000 compared to previous years. In 2020, two more smart controllers were installed—one at Windsor Heights and one at the Riverstone Apartments.
- Solar Installations:** KCHA’s alternative energy efforts got a boost in December 2020. KCHA won a \$100,000 grant from Puget Sound Energy (PSE) to install solar at Vantage Point. In 2020, KCHA also registered the three 2019 solar projects with the State’s *Renewable Energy System Incentive for Community Solar & Shared Commercial Solar Projects* enabling KCHA to direct an estimated \$70,000 in renewable energy incentive payments over the next seven years to resident programs at Meadows on Lea Hill.
- King County Zero Waste of Resources Grant Projects:** With a \$36,000 grant from King County Solid Waste Division, Resource Conservation and Resident Services carried out a Green Gardening project at Seola Gardens and Greenbridge, an “Eco-living

Challenge” program for the Boys/Girls and Neighborhood House youth programs, and a waste reduction and recycling project at Greenbridge. Despite the pandemic, which vastly changed the original scope of work, the program engaged 80 gardeners, 100 youth, and 225 households and provided tools, live classes (outside), virtual trainings, and a Fall cleanup event dubbed “Cleanbridge”—all with a focus on hazardous chemical reduction, waste reduction and recycling, donation and reuse, safer cleaning methods, and community stewardship.

- **Juanita Creek Restoration:** The King Conservation District (KCD) awarded KCHA two grants for creek restoration projects at Juanita Court (\$12,000) and Casa Juanita (\$20,000), with KCHA contributing \$3,000 towards the two projects. KCD not only provided the funding and technical assistance, but also planted over 1,300 native plants and removed invasive, destructive plants along 25,000 square feet of Creekside land. KCD will maintain the area for the first 3 years.
- **Greenhouse Gas Reduction Initiatives:** It has become clear, at the State, Federal, and International level, that rising Greenhouse Gas emissions must be curbed and then reduced in order to avoid the worsening effects of global warming. Our next sustainability plan will prioritize carbon reduction and environmental justice initiatives to make sure we are not just mitigating but adapting to changing weather patterns, some of which we are already experiencing.

To carry this work out, in an effective and equitable manner, KCHA will be looking to multiple sources for guidance. Resources include the U.S. Department of Housing and Urban Development’s *Community Resilience Toolkit*, King County’s *2020 Strategic Climate Action Plan*, the State of Washington *Climate Commitment Act*, and KCHA’s very own Board of Commissioners Resolution No. 5005: *Commitment to Sustainable Communities Through Excellence in Environmental Stewardship*.

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**TO:** Board of Commissioners

**FROM:** Dan Watson

**DATE:** July 19, 2021

**RE:** Donation of Skyway US Bank Branch Building for Development of Community Resource Center

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KCHA was approached in 2020 by representatives of King County, including King County Councilmember Girmay Zahilay, and the Renton Innovation Zone Partnership (RIZP), a community based nonprofit, who want to create a permanent community resource center for the Skyway neighborhood. The group identified a vacant commercial branch bank building located at 12610 76<sup>th</sup> Avenue South (between 76<sup>th</sup> Ave S and South 126<sup>th</sup> Street) in Skyway and persuaded its owner, US Bank, to donate the site to serve as a new Skyway Resource Center. KCHA was asked to be the recipient of the donation and hold the property while funding is being assembled for renovation and repurposing of the building, and also act as the interim owner until a community based nonprofit entity can take ownership of the building and manage it for the long term. Preliminary due diligence has been completed indicating that the building can be adapted to this purpose.

To assist the RIZP in re-purposing the building, KCHA has negotiated a donation agreement with US Bank that would transfer ownership of the property to KCHA. The closing of the donation could occur as soon as August 31 but includes contingencies allowing KCHA to terminate the agreement up until the closing date. At closing, KCHA would enter into a lease allowing US Bank to continue operating a small drive through ATM machine. The ATM lease would include fair market rent payments, require US Bank to provide security for the ATM, and would allow for 180 day notice of termination in the event the ATM is no longer desired at the site. KCHA would pay for utilities, maintenance and site repairs for the building, and would provide technical assistance to the RIZP for the building renovation and leasing. KCHA's net out-of-pocket costs for holding the property are estimated at approximately \$50,000 per year. King County representatives and the RIZP have verbally agreed to reimburse KCHA's out of pocket costs related to both the property holding costs and any due diligence/acquisition-related costs associated with the site donation, although reimbursement would not occur until the renovation project is fully funded and underway. KCHA also reached a verbal understanding that if the Skyway Resource Center project is not moving forward after 3 years, the property can be developed by KCHA for other purposes such as affordable housing.

## **US Bank Branch Property**

The US Bank branch bank building was built in 1960, is approximately 4,568 square feet and sits on slightly more than one half acre in the heart of Skyway business district. The quadrangle shaped parcel includes surface parking and two drive through lanes for banking. A title report, survey and Phase 1 investigation have been completed, raising no issues. The building will require substantial renovation to be repurposed as a community resource center, requiring improvements such as fire sprinklers, ADA bathrooms, partitioning into offices and meeting rooms, and insulation and HVAC systems meeting current energy codes.

## **Skyway**

Skyway is the unincorporated urban area between Seattle and Renton that like White Center, has experienced historic public and private under-investment in community infrastructure and services. Skyway has a racially diverse population of 18,365 where over 70% of the residents are people of color and have household incomes that are more than 20% lower than the countywide average. Over 30% of the children in Skyway live below the poverty line, nearly triple the rate of King County overall. King County recently completed the 2020 update to the Skyway subarea comprehensive plan using an equity framework that was the culmination of over two years of conversations with a broad set of community stakeholders. The plan update noted numerous service deficits such early childhood development and education, job training, youth services and activities, health and other human services. Of particular note, was the absence of any facilities for place-based services and the need for a community center that could serve as a permanent anchor for a variety of community service providers. The need for a Skyway community center is longstanding and according to the plan update “has been documented in multiple planning and community-led efforts over the past 25 years.”

Skyway has been targeted for substantial investment by King County. New King County Councilmember Girmay Zahilay has been a strong and vocal advocate for increased County investment in Skyway, provided there is substantial and genuine community engagement and participation in investment decisions. \$10 million in King County funds have been reserved for underserved communities located in unincorporated areas of King County, such as Skyway. \$5 million in County affordable housing funds have been set-aside for Skyway.

The proposed Skyway Resource Center is not a substitute for a large robust, multi-service community center like those found in other cities, but will provide a permanent home for and build on the success of RIZP mobile Resource Center currently operating out of local public schools. The RIZP’s mobile Resource Center is the only HUD Envision Center in Western Washington. The RIZP has worked with 11 community based nonprofits, King County, and the Renton School District in providing no cost services in a mobile drive through program based at Campbell Hill Elementary.

The permanent Skyway Resource Center will greatly improve access and is expected to serve 1000 unduplicated members of the community annually. The mobile “pop up” Resource Center served 300 individuals and families in 2020. 69% of those served identified as BIPOC and nearly all were low income.

## **KCHA's Role**

Although exact roles and responsibilities have not been finalized, KCHA will be the fiscal agent for most of the competitive grants received for the project and will provide technical assistance to the RIZP in planning, developing, and leasing the renovated building. KCHA has developed numerous similarly sized community centers within its King County public housing developments in partnership with an array of agencies providing youth and adult education, food and health services, ESL and workforce development services, and will use this model in assisting the RIZP and its community partners.

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**To:** Board of Commissioners

**From:** Anita Rocha, Data Manager  
Annie Pennucci, Director of Impact & Evaluation

**Date:** July 2, 2021

**Re:** **2020 Resident Characteristics Analysis**

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Since 2016, members of the Research & Evaluation Division of the King County Housing Authority have conducted annual analyses of the characteristics of residents within KCHA's federally subsidized housing programs. The analyses include over 17,000 households with tenant-based or project-based vouchers, or who resided in public housing in 2020. The 2020 Resident Characteristics Analysis relies on two primary sources of information: data which is routinely collected while administering KCHA's federally subsidized programs, and topical discussions with staff. This is the fifth analysis in the series, and highlights will be presented to members of the Board on July 19, 2021.

# 2020

## Resident Characteristics Analysis

An annual analysis providing a snapshot of who the King County Housing Authority serves

*Analysis includes only federally subsidized households.*

Division of Research and Evaluation in the Social Impact Department

July 2021



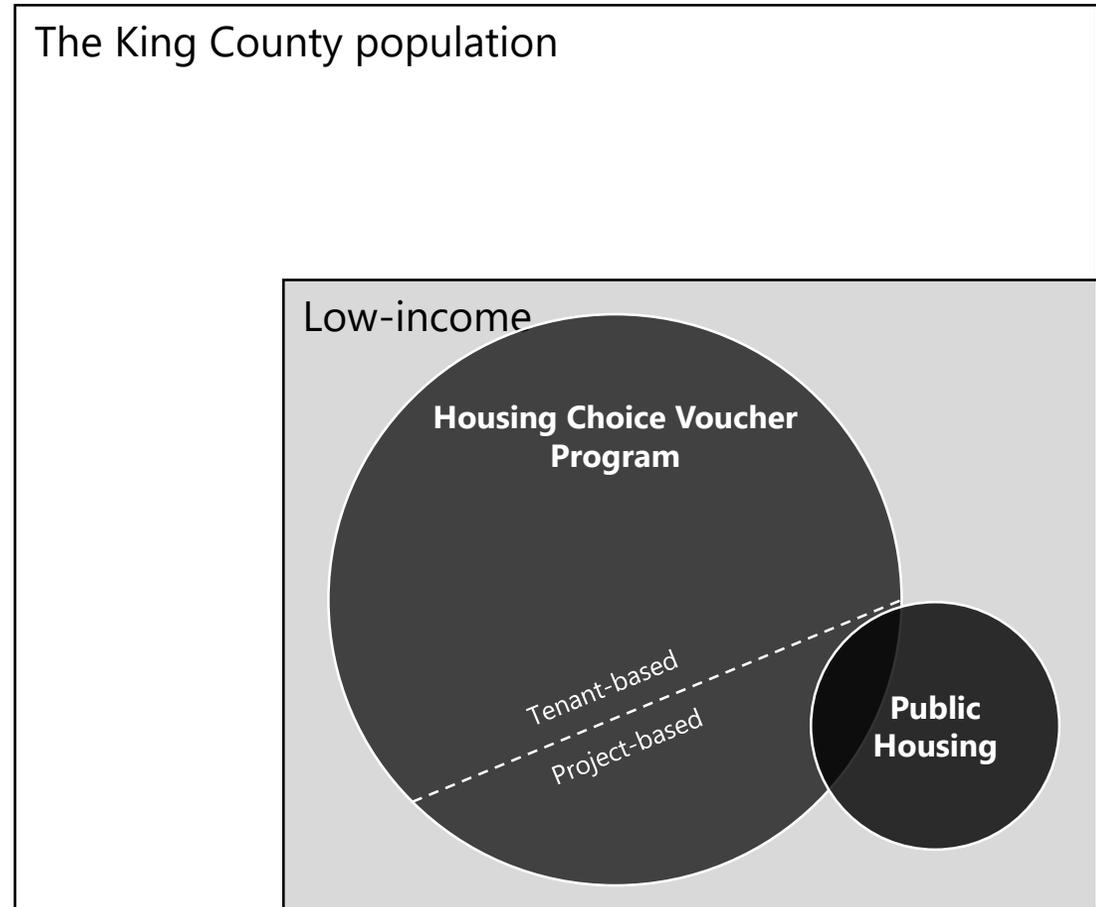
# Outline

- Introduction
- Households we serve
- Entries from homelessness
- Household incomes
- Opportunity area access and racial equity
- Exit outcomes

# The population included in the analysis

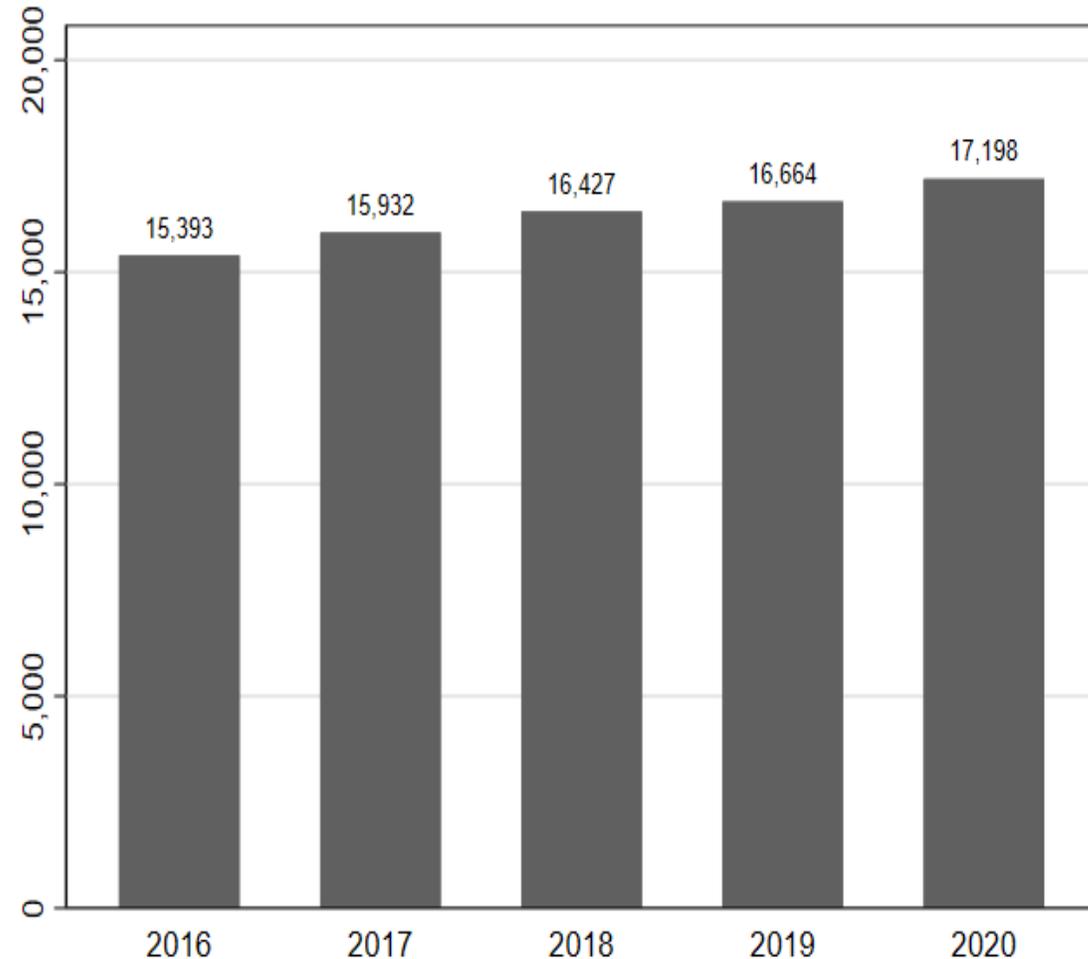
**Resident Characteristics Analysis** is comprised of households that are ***federally subsidized*** and living within KCHA's geographic boundaries.

Note: of the 24,218 households KCHA serves, 71% reside in federally subsidized units.



# KCHA continues to serve more households

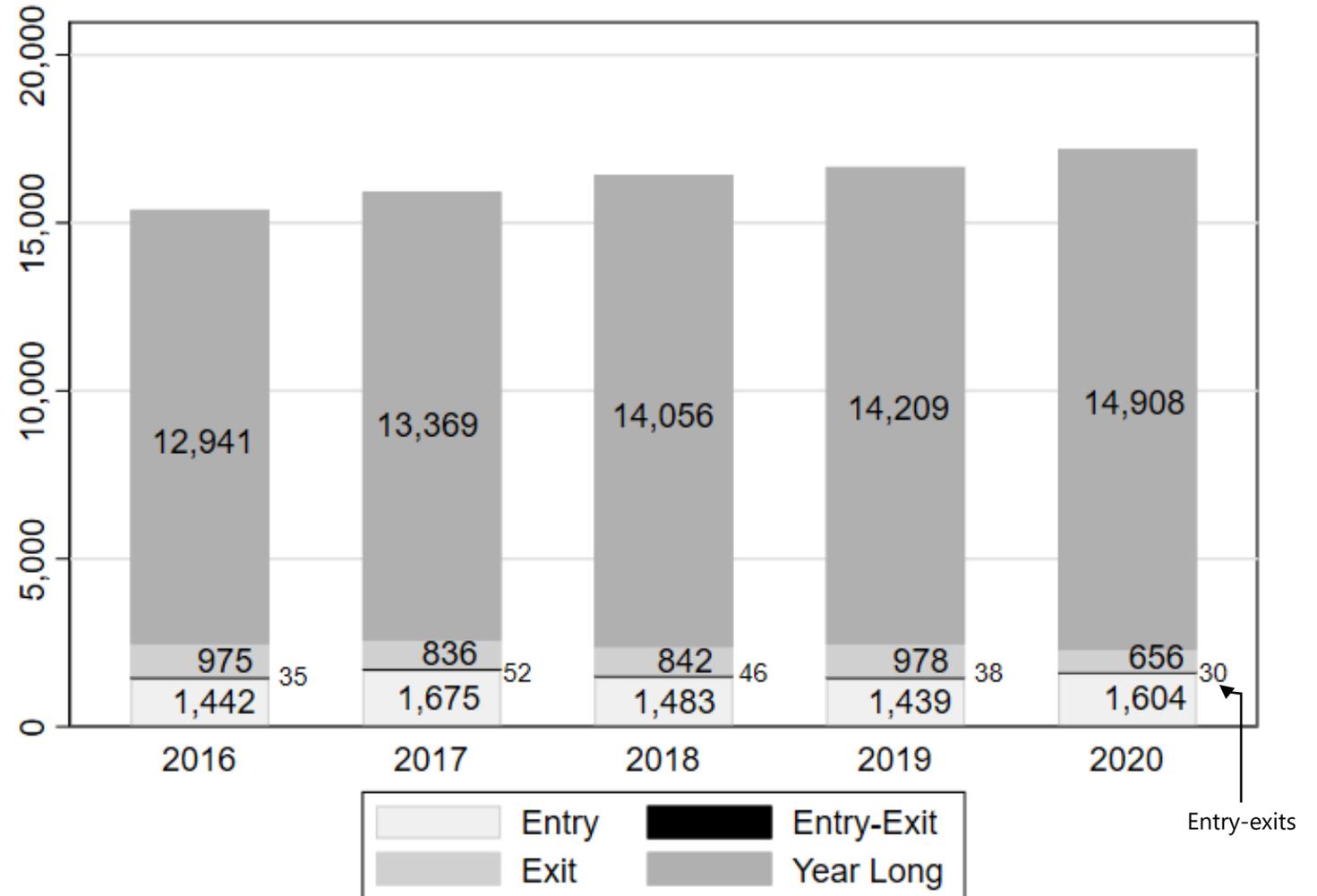
In 2020, KCHA served 17,198 households. This number grew by 11.7% since 2016.



# Fewer exits in 2020

In 2020 ...

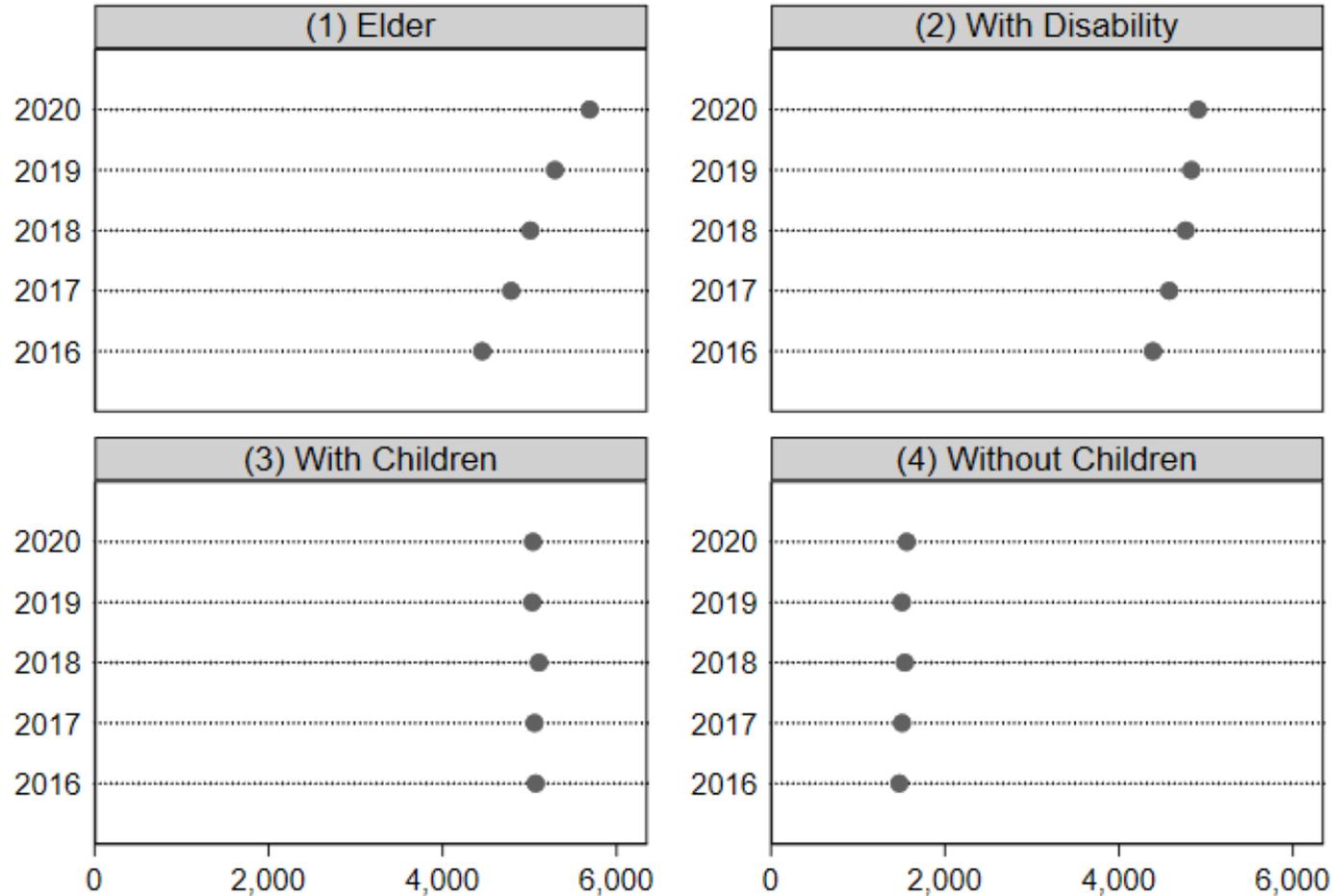
- Yearlong: ~87%
- Exits: ~4%
- Entry-exits: <1%
- Entries: ~9%



# Trends in household type

*Households with individuals who are elders or have disabilities on the rise*

1,340 increase in elder households from 2016 to 2020



Graphs by Household Type

Mutually exclusive household types

- (2) excludes elders;
- (3) excludes elders and those with members that have a disability, etc.

# Staff discussion groups

*Implications for aging in place*

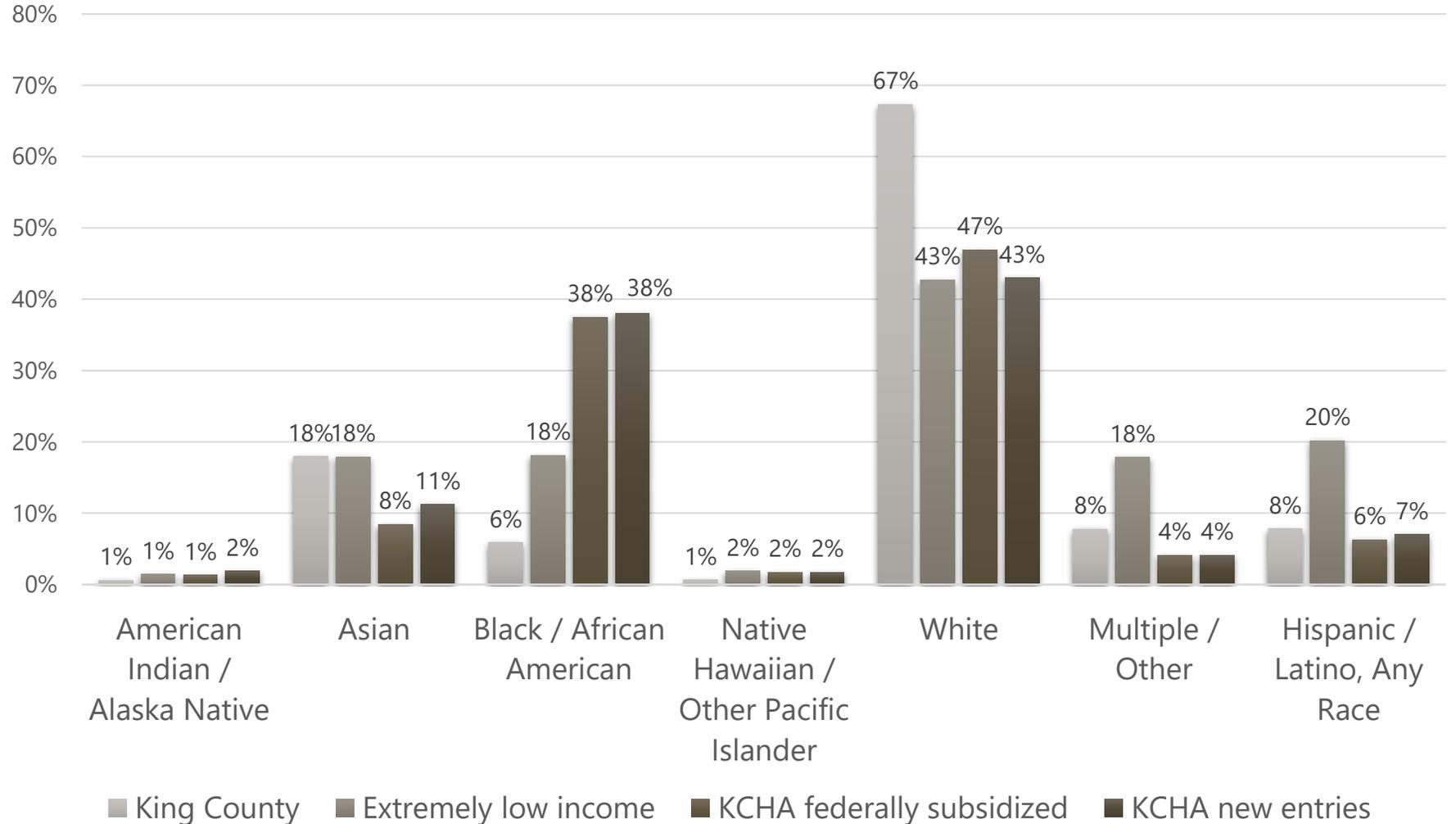
## **Elder resident population is growing**

- Consider augmentation of supportive services
- Help address elder isolation
- Consider greater transportation alternatives and accessible unit design
- Factor-in increased staff time

# King County and KCHA

## Race and Ethnicity

Racial and ethnic disparity in extremely low income households.

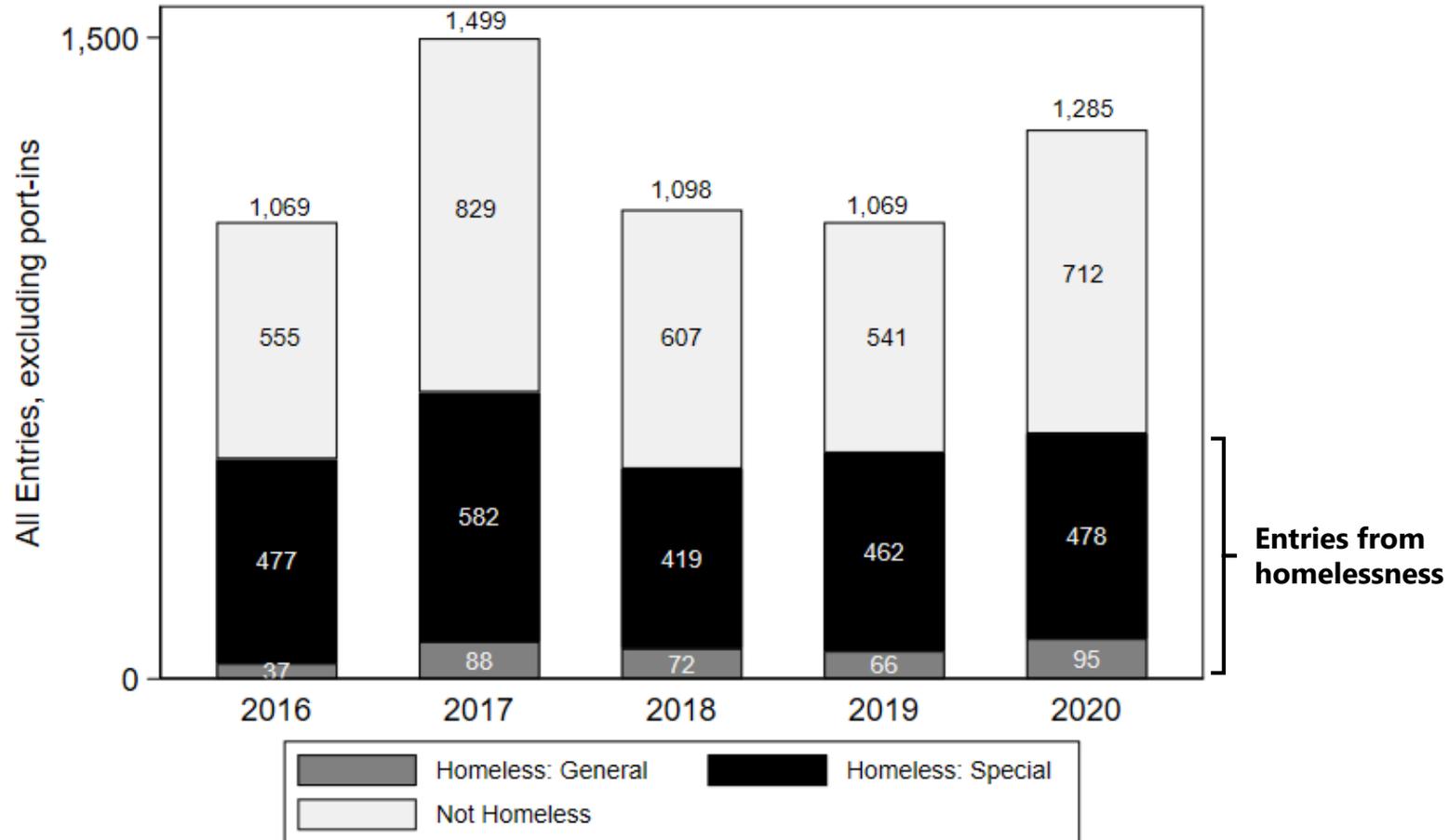


# 45% entries are from homelessness

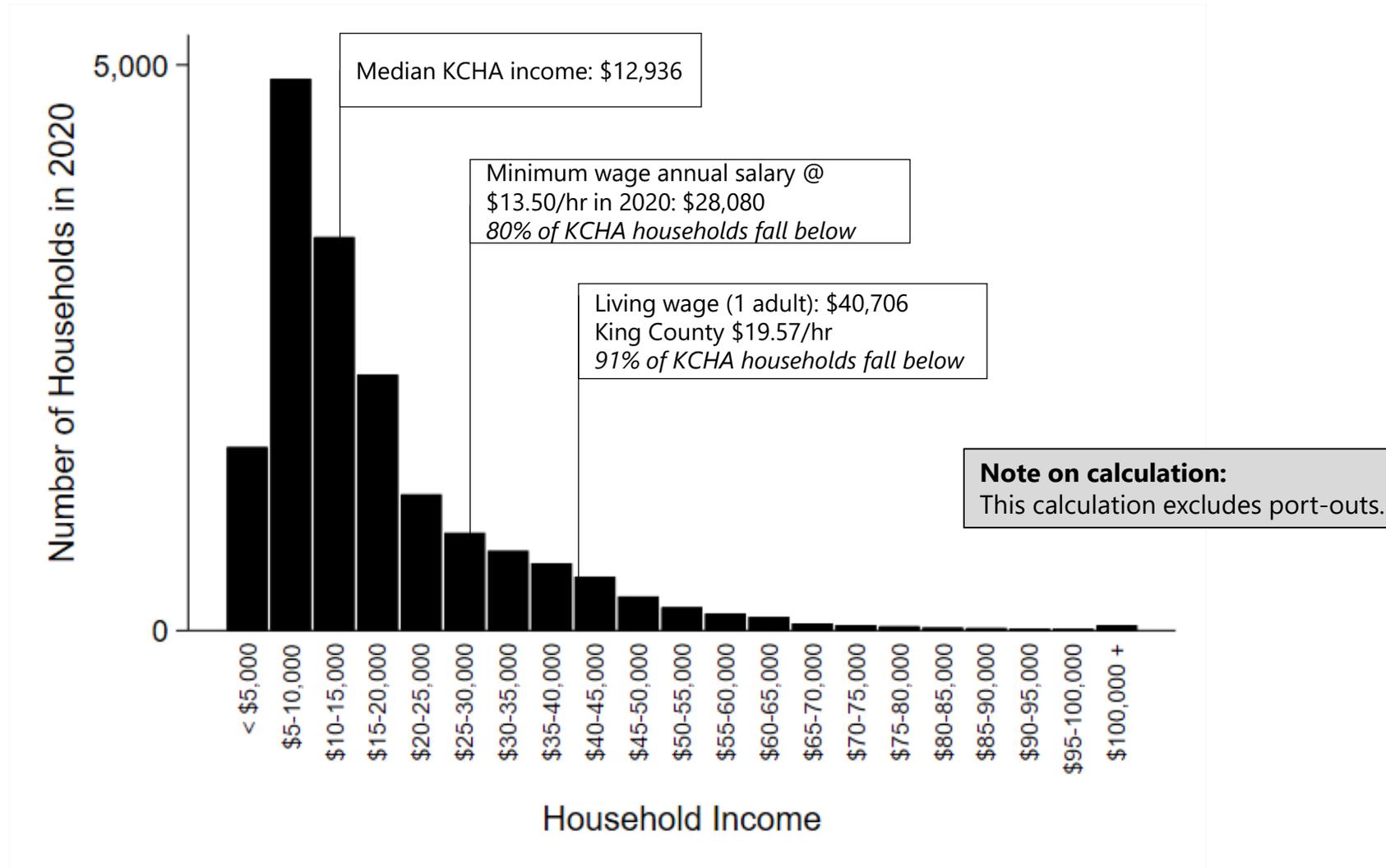
Of the 573 households that entered from homelessness in 2020, those with special purpose vouchers made-up 478, or 83%.

**Note on calculation:**

This calculation excludes port-ins as this population comes to KCHA with an existing housing subsidy.



# 2020 Income Distribution



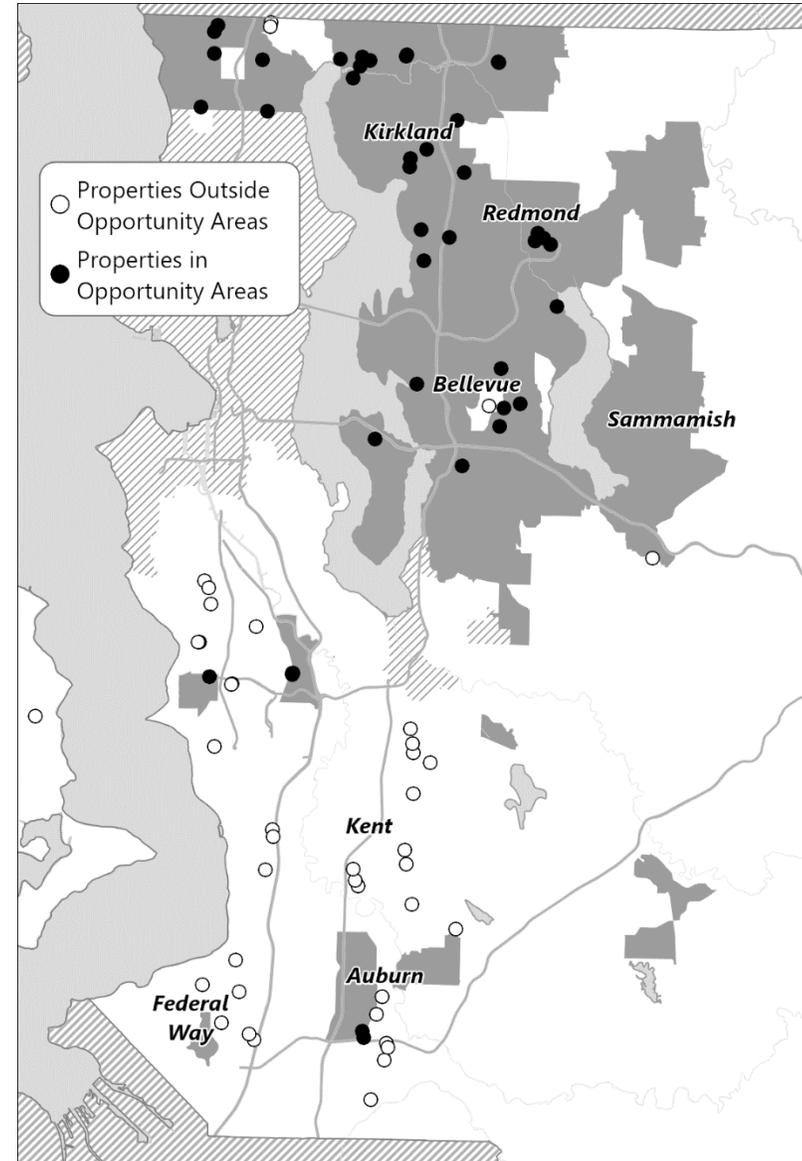
# High opportunity areas

## *KCHA's Public Housing*

High opportunity areas are shaded.  
Circles represent KCHA's public housing.

Number of public housing units in ...  
high opportunity neighborhoods:  
1,692 (41%)

other neighborhoods: 2,424 (59%)



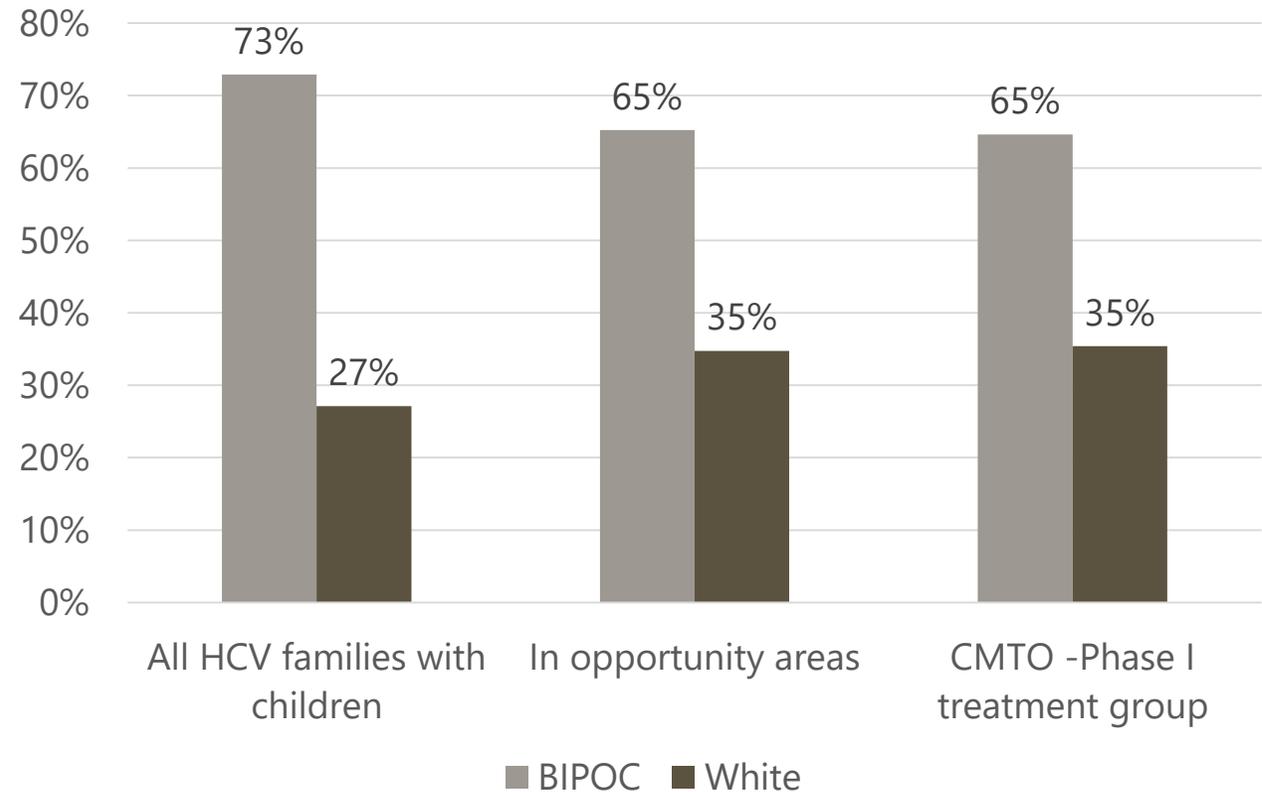
# Families with Children

## *KCHA's Housing Choice Vouchers*

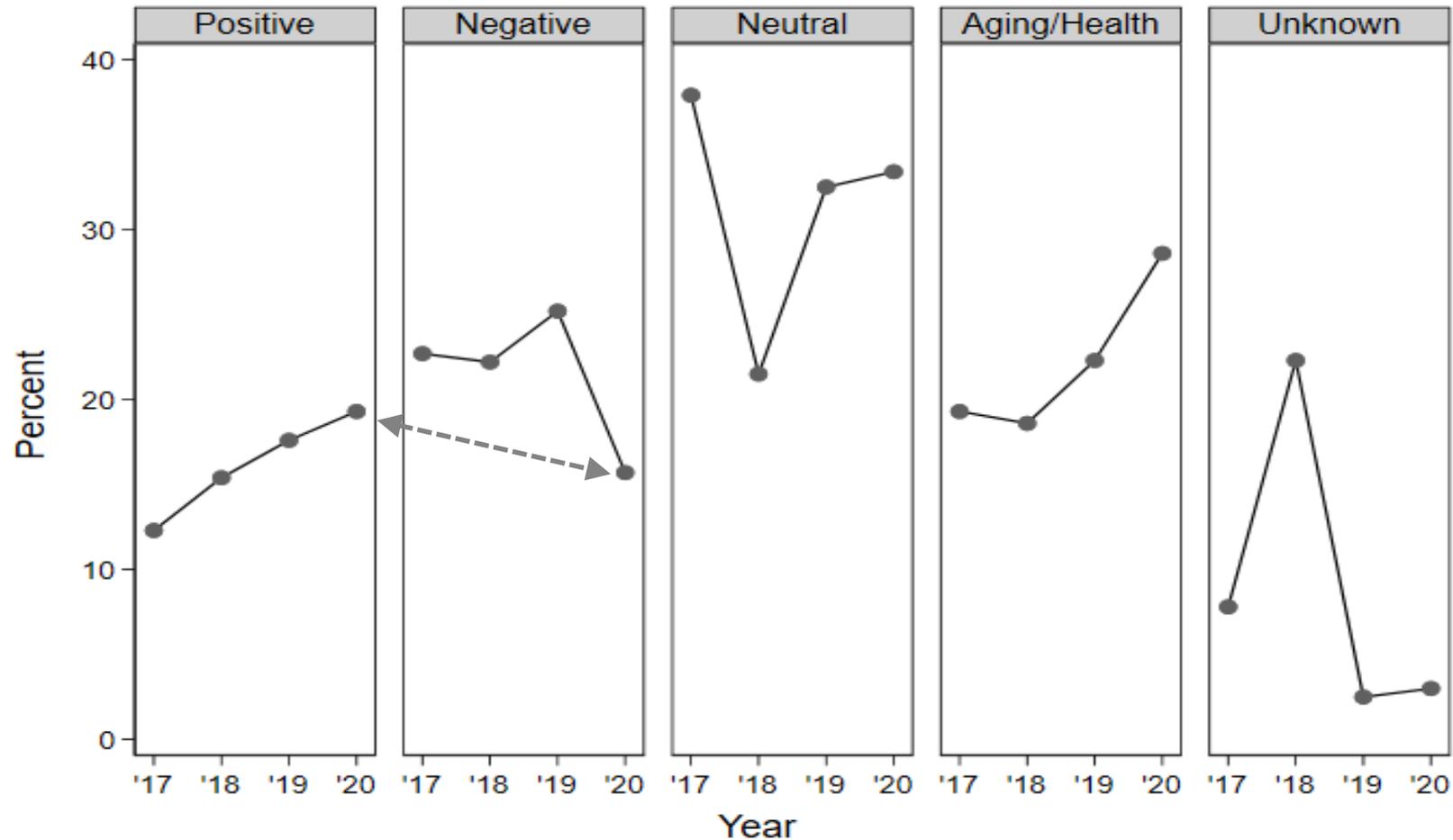
Proportionally fewer BIPOC/Hispanic families with children live in High Opportunity Neighborhoods compared to all HCV families with children.

CMTO Phase I treatment group families mirror those living in High Opportunity Neighborhoods.

Note: no port-ins



# Exits are few: positive reasons outpace negative for the first time in 2020



*Figures exclude data from 2016 due to large number of missing values.*

# Exits and Household Income

Table. Median household incomes in 2020, by termination category

	Median Income*
Exit Termination Category**	
Positive	\$44,387
Negative	9,913
Neutral	14,194
Aging/Health	9,880
Year long	13,188
Difference between Negative Exit and Year Long	-3,275

\* Most recent recorded household income

\*\*Must have termination reason

# In Conclusion

- Households we serve
  - Fewer exits in 2020, and growing elder population, increasing need for supportive services and staff time
- Entries from homelessness
  - 45% of the entries are from homelessness with 83% of those through special purpose vouchers
- Household incomes
  - Continue to serve very low income households: 80% of our families' incomes are below full-time minimum wage rates

# In Conclusion

- High opportunity areas
  - BIPOC/Hispanic HCV families with children less likely to live in high opportunity areas compared to all HCV families with children
- Exit outcomes
  - 2020 saw a proportional decline in negative exits
  - Lower incomes for those with negative exits

# Thank you!

Questions? Comments?

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# **KCHA IN THE NEWS**

**July 19, 2021**

# For many King County families, food aid ‘not nearly enough’ as need spikes in pandemic

June 27, 2021 at 6:00 am Updated June 27, 2021 at 7:25 am



A client at the Auburn Food Bank adds to her cart on Thursday, June 10. Auburn has a high rate of food insecurity, which increased across King County by 19% during the pandemic. (Ken Lambert / The Seattle Times)



Customers line up outside the Auburn Food Bank before it's 9 a.m. opening on June 10. (Ken Lambert/The Seattle Times)



A mother holding her 2-year old daughter looks for an item to add to her Basket at the Auburn Food Bank. The numbers show how many items are Allotted per client. (Ken Lambert / The Seattle Times)



A Client at the Auburn Food Bank adds to her cart. (Ken Lambert/The Seattle Times)



Leticia Brito, a paid staffer who is the volunteer and staff coordinator at the Auburn Food Bank, makes way for incoming donated food. (Ken Lambert / The Seattle Times)



By [Melissa Hellmann](#) *Seattle Times staff reporter*

The Auburn Food Bank’s parking lot and street have been filled every Wednesday with DoorDash cars poised to deliver boxes of food to hungry families. In mid-June, the 225 families on the delivery list received bacon and ground chicken, a bag of potatoes, and preservable items such as Toasty O’s Cereal, rice and pasta.

At the end of the delivery rush in the early afternoon, empty boxes of diapers and packaged items were strewn by the entrance as staff and volunteers organized food in preparation for next week’s packaging. Inside, behind racks of carefully organized food items and toiletries, four volunteers hurriedly prepared weekend food sacks for children that contained macaroni and cheese packs, tuna fish, vienna sausage, oatmeal and a fruit cup. It would take them over two hours to fill sacks for 420 students, which had increased from 230 prior to the pandemic.

While life has returned to normal for many people as 70% of King County’s population has been vaccinated against COVID-19, food insecurity — [defined as limited or uncertain access](#) to adequate food — was exacerbated by the pandemic and remains a reality for low-income residents. Hunger before and during the pandemic was most prevalent in South Seattle and South King County, where the greatest concentration of low-income, Black, Indigenous and people of color reside, [according to a recent Washington state food survey](#) by the University of Washington and Washington State University.

The data shows a spike in the need for food assistance. Throughout King County, households receiving basic food assistance increased by 19% between January 2020 and April 2021, according to Public Health – Seattle & King County data. ZIP code 98002 in Auburn had the highest rate of households in the county, 36.4%, that were enrolled in Supplemental Nutrition Assistance Program (SNAP).

Food bank staff and public health officials predict it will take households several years to recover from food insecurity made worse by the economic instability of the pandemic. As federally funded programs for economic recovery draw to a close, experts say more support is needed for families to gain access to fresh and healthy food.

“Food insecurity is real,” said Elizabeth Kimball, manager for the Healthy Eating Active Living program at Public Health – Seattle & King County. “It’s happening to your own neighbors and it’s invisible for the most part.”

A Washington state food survey released last October looked at economic insecurity and food access in King County, and found that of the 30% of the 861 respondents without access to food, 57% of those households had children. Respondents also cited increased food costs and reduced safety while food shopping as barriers in accessing food.

The study conducted between June 18 and July 31, 2020, showed that 59% of respondents whose income was less than \$15,000 reported food insecurity, compared to 11% of people who made between \$75,000 to \$149,999. People who earned a graduate degree were least likely to report food insecurity at 11%, compared to nearly 50% of

respondents without a college degree. Respondents of color were over 1.5 times more likely to report food insecurity than their white counterparts.

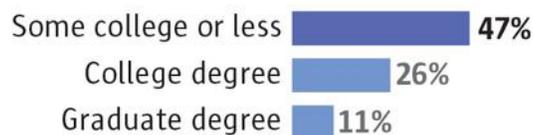
## Prevalence of food insecurity in King County by socio-demographics

Funded by the University of Washington Population Health Initiative, the Washington State Food Security Survey deployed and documented the impact of the pandemic on access to food.

### INCOME



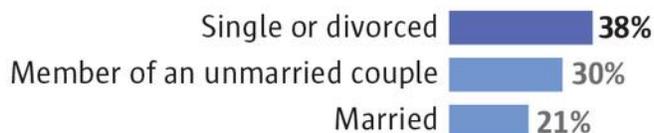
### EDUCATION



### RACE/ETHNICITY



### MARITAL STATUS



Source: UW & WSU Washington State Food Security Survey, King County, June to July 2020.

MARK NOWLIN / THE SEATTLE TIMES

The report also found that the number of respondents who received federal food benefits including SNAP and School Meals, and Women, Infants and Children (WIC) decreased during the pandemic, while reliance on mobile food programs, food banks, city grocery vouchers and summer school meals was on the rise.

Debbie Christian, the executive director of Auburn Food Bank, said that the demand for food at her agency generally remained consistent before and during the pandemic. What has increased over the past year is the number of people who receive home deliveries, which rose from 40 people before the pandemic to 225 families now. Started last July, The United Way-funded food delivery program with DoorDash and participating food banks will end in December.

The food bank has had to step up in other ways. Demand for a financial-assistance program, where the food bank gives away \$4,000 a month in total to help people pay for part of their rent or utilities, increased by 50% during the pandemic, Christian added. Additionally, the food bank partnered with United Way and other local food banks to roll out culturally relevant food boxes that include tortillas and Mexican sour cream to be delivered to Latino families.

“There’s always been a need for things like this, but it’s not necessarily been shared (publicly),” Christian said. “Now there’s more of an opportunity to say ‘hey, I need that.’”

In nearby Federal Way, the senior center's food bank provided food for over 9,000 households and 37,000 individuals — a 50% increase from 2019, said Federal Way Senior Center's executive director Shelley Puariea.

Some people found themselves using food banks for the first time during the pandemic. That was the case for Kay, who asked that her last name be omitted, a 71-year-old Auburn resident and botany instructor whose classes were canceled during the pandemic. When her husband lost his job in December, she didn't have enough money to buy food for the first time in her life.

"We had gone from a position of being able to help people," Kay said, "and that turned to us being in a position of needing help."

Her husband was initially against using the food bank, but as they grew deeper in debt, Kay applied to use the Auburn Food Bank's services at the beginning of the year. Everyone at the food bank was welcoming and generous, she said.

"It took some of the stigma and embarrassment out of it for me. It was very humbling to go to the food bank for the first time," she said.

Overall, the city of Auburn has ramped up food assistance programs. The Auburn Food Bank received a \$30,000 per year grant from the city for 2021 and 2022 to address hunger during the pandemic. Sound Generations' Meals on Wheels, which delivers meals to older adults and people with disabilities in King County, also received \$12,500 from Auburn's general fund this year and next. Meals on Wheels is now delivering to about 65 clients every week, up 10 from last summer, according to Auburn spokesperson Kalyn Brady. The program delivered 3,312 frozen meals in April and 2,993 in May, Brady added.

Additionally, YMCA and the King County Housing Authority were awarded \$75,000 in 2021 [through a federal relief funds' Community Development Block Grant](#) to create a program that delivers meals to low-income seniors who experienced barriers in accessing food during the pandemic.

Over the past year, Public Health has [received about \\$10 million in total in federal relief funding](#) for food assistance programs, which was used to distribute food vouchers worth up to \$400 per household through community-based organizations. Over \$2.5 million was awarded to organizations to purchase culturally relevant foods from ethnic markets and farms for their clients last summer. Another round of funding will go out this summer, but Kimball said Public Health has no plans to continue the food assistance program once the money runs out.

Public Health data shows that the highest percentage of people in the county on SNAP benefits reside in a part of Auburn that had a disproportionately higher rate of enrollment compared to other parts of the county prior to the pandemic. However, the use of SNAP benefits had a greater increase during the pandemic in Snoqualmie's ZIP code 98065, for reasons unknown to Kimball.

# Bellevue council approves expanded use of tax break for affordable housing



Amazon, which is drawing tens of thousands of workers to Bellevue in the next few years, recently announced a \$100 million partnership with Sound Transit to develop transit-oriented affordable housing in the Puget Sound region.  
CITY OF BELLEVUE

By [Shawna De La Rosa](#) – Reporter, Puget Sound Business Journal

Bellevue City Council adopted an amendment to its Multifamily Tax Exemption (MFTE) program Monday night that affordable housing advocates hope will help create more workforce and low-income housing options.

The move comes at the urging of representatives from Amazon.com Inc. and Microsoft Corp., which are [attracting well-paid tech workers](#) to Bellevue who are depleting its housing supply and driving up prices. Both companies have announced major affordable housing investments in recent years.

The city has an existing MFTE policy that allows 12-year tax exemptions for multifamily projects in which 20% of the units are affordable to moderate- or low-income residents. Currently, this program is only available in certain parts of the city.

The approved changes will expand the program area to include everywhere in Bellevue zoned for multifamily use. In the expanded areas, the affordable units will cater to

households earning up to 80% of the area median income, or no more than \$81,450 for a family of three.

Developers may combine the tax exemption in the newly affected areas with other land-use code incentives, but affordable units in those projects will need to be available to households earning 65% of AMI.

Parking will also be affected by the new plan. Rent for parking won't be taken into account in affordability calculations. But outside downtown, rent for parking must be offered at a 30% discount to MFTE tenants.

There will also be a 3% cap on rent increases for MFTE tenants that remain in the same development.

[Jane Broom](#), director of philanthropy for Microsoft, spoke at the meeting and urged the council to adopt the changes.

“Two and half years ago Microsoft announced its commitment to advance affordable housing across the Eastside in cities just like Bellevue,” she said. “The affordable housing initiative consists of the \$750 million investment. But perhaps more importantly, Microsoft has made a commitment to work with local governments, community, nonprofits and businesses to adopt practical, inclusive and responsible policies that will result in more housing options for people across income levels.”

The expansion of Bellevue’s MFTE’s program is “a critical step in the right direction” toward the creation of more low- and middle-income housing, Broom said.

[Jared Axelrod](#), senior manager of public policy at Amazon, said the company recently announced a [\\$100 million partnership](#) with Sound Transit to develop transit-oriented affordable housing in the region. Amazon is also working with the King County Housing Authority to make 470 units in Bellevue available for affordable housing.

Amazon believes in public-private partnerships, Axelrod said, “but we also believe government must do its part to drive affordable housing strategies.”

# King County launches first in the nation pilot program to house homeless Veterans

July 13, 2021

## Summary

**The Collaborative Case Management (CCM) Pilot Program, the first of its kind in the nation, blends federal Veteran housing vouchers with King County Veterans Program supportive services to make stable housing possible for more than 140 local Veterans.**

## Story



To increase utilization of federal housing vouchers to house more local Veterans, King County, the U.S. Department of Veterans Affairs (VA), and the King County Housing Authority have joined forces to develop a pioneering new program to aid local Veterans. The Collaborative Case Management (CCM) Pilot Program will combine the power of VA and their federal Housing and Urban Development (HUD) Veterans Affairs Supportive Housing (VASH) vouchers, the expertise of the King County Veterans Program social services staff, and housing units coordinated through the King County Housing Authority to help Veterans experiencing homelessness connect to safe and stable housing.

"King County is proud to join our partners at the VA and the King County Housing Authority to maximize federal and local assistance to house veterans and their families," said King County Executive Dow Constantine. "Working together, we are creating housing and supportive services so that every Veteran returning to King County after serving our country can secure a safe and stable home."

"Nobody who serves in our military, risking their lives to defend us and our country, should experience homelessness," said Secretary of Veterans Affairs Denis McDonough. "That's why we worked with King County to create the Collaborative Case Management Pilot program, which will maximize our capacity to help local Veterans obtain and maintain the stable housing they have earned. I hope this collaboration can serve as a nationwide model for preventing and ending Veterans homelessness, and VA looks forward to implementing similar partnerships in communities across America."

"When Veterans experiencing homelessness have the right opportunities, they can be successful," said VA Puget Sound Health Care System Director Michael Tadych. "Strong innovative federal, state, and local partnerships that place the needs of our Veterans front and center, like King County's Collaborative Case Management Pilot program, are essential in ensuring our most vulnerable Veterans receive the support they need."

"We are thrilled to partner with the King County Veterans Program and VA to pilot this new approach to housing veterans and their families. Eliminating homelessness among those who have served their country is a moral imperative for our community. By combining our resources and efforts, we have the potential to make significant progress in getting these veterans off the streets," said Stephen Norman, Executive Director, King County Housing Authority.

The pilot is coordinated through the King County Veterans Program (KCVP), one of the most robust veterans programs in the nation thanks to the support of the residents of King County who have three times voted to approve the Veterans, Seniors and Human Services Levy (VSHSL). The program launched in June.

## **Collaborative Case Management (CCM) Pilot Program**

The Collaborative Case Management (CCM) Pilot Program is a first-in-the-nation pilot that blends the rental assistance provided by a HUD-VASH housing voucher with a range of supportive services through KCVP, increasing utilization of VASH vouchers in King County and reaching a broader population of Veterans in need. The model serves low-income Veterans experiencing homelessness by pairing the federal vouchers that may otherwise have gone unused. The vouchers provide rental assistance and combine with KCVP's supportive services to address obstacles that Veterans may be facing. Social Service Professionals (SSPs) at both KCVP's Tukwila and new Northgate locations are available to help Veterans focus on maintaining their housing by providing support such as employment and training resources, access to physical and behavioral health services, and assistance with emergency food and other assistance. The King County Housing Authority is partnering in the program by identifying housing units and accepting the housing vouchers for eligible Veterans.

Eligible Veterans are connected to the CCM pilot program by working directly with KCVP or through community-based agencies that partner with KCVP's services. Pairing HUD-VASH housing vouchers with KCVP's supportive services helps Veterans not only find housing, but successfully maintain their housing and work towards healthy and thriving lives in their communities.

# First Veteran housed

The first Veteran has been housed under the new CCM pilot. William Ingram, an Army Veteran who served in Korea now calls Burien home, thanks to the voucher he received through the CCM pilot. He is settling into his new home and is working with his social services professional at KCVF to connect to additional supportive services.

"The CCM program is the best program because it allows Veterans like myself to get housed sooner than being on a housing waiting list. I would recommend the CCM program to any Veteran experiencing homelessness," said William Ingram. "Now I do not have to stress, I can really focus on my health. I may need surgery again because the hardware in my knee needs to be replaced. Being in permanent housing thanks to the CCM program allows me to prepare for that. Also, I have plans to return to school – I have 10 credits left before I can receive my business associate degree."

The CCM pilot is another example of the strong, ongoing partnerships in the Veteran service system in King County, working together to solve complex problems for the Veteran community, including the issue of Veteran homelessness.

## Relevant links

- [King County Veterans Program](#)

## Quotes



King County is proud to join our partners at the VA and the King County Housing Authority to maximize federal and local assistance to house veterans and their families. Working together, we are creating housing and supportive services so that every Veteran returning to King County after serving our country can secure a safe and stable home.

*Dow Constantine, King County Executive*



Nobody who serves in our military, risking their lives to defend us and our country, should experience homelessness. That's why we worked with King County to create the Collaborative Case Management Pilot program, which will maximize our capacity to help local Veterans obtain and maintain the stable housing they have earned. I hope this collaboration can serve as a nationwide model for preventing and ending Veterans homelessness, and VA looks forward to implementing similar partnerships in communities across America.

*United States Secretary of Veterans Affairs Denis McDonough*



When Veterans experiencing homelessness have the right opportunities, they can be successful. Strong innovative federal, state, and local partnerships that place the needs of our Veterans front and center, like King County's Collaborative Case Management Pilot program, are essential in ensuring our most vulnerable Veterans receive the support they need.

*Michael Tadych, VA Puget Sound Health Care System Director*

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We are thrilled to partner with the King County Veterans Program and VA to pilot this new approach to housing veterans and their families. Eliminating homelessness among those who have served their country is a moral imperative for our community. By combining our resources and efforts, we have the potential to make significant progress in getting these veterans off the streets.

*Stephen Norman, Executive Director, King County Housing Authority*

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*William Ingram, veteran*

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**FOR MORE INFORMATION, CONTACT:**

[Chase Gallagher](mailto:Chase.Gallagher@kingcounty.gov), Executive Office, 206-263-8537

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## Executive Office

401 5th Ave. Suite 800  
Seattle, WA 98104

Main phone: 206-263-9600  
TTY: Relay: 711  
FAX: 206-296-0194

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King County Executive  
**Dow Constantine**



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Read the Executive's [biography](#)



Last Updated July 13, 2021

Politics & Government

# New Program To Help Homeless Veterans Launches In King County

A first-of-its-kind program is connecting unhoused King County veterans with rental assistance and other services.

By Lucas Combos, Patch Staff  
Jul 13, 2021 1:56 pm PDT

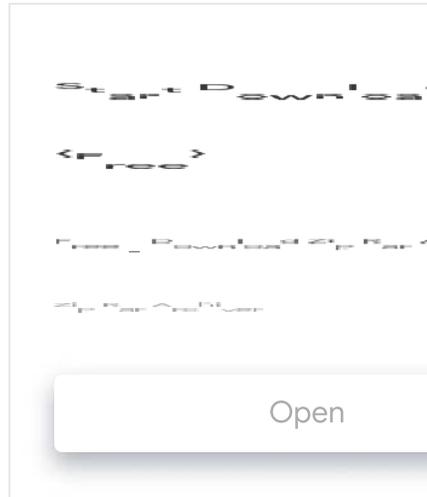
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A new partnership between the county and the federal government is tapping unused housing vouchers to help King County's veterans. (Shutterstock)

KING COUNTY, WA — King County has launched a program aimed to house more homeless veterans, using a new partnership between the King County Housing Authority and the U.S. Department of Veterans Affairs.

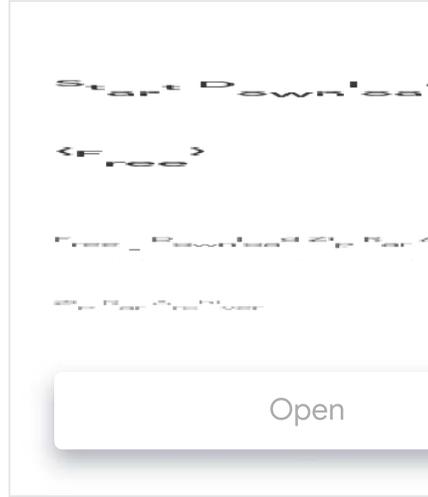


Officials touted the "Collaborative Case Management" pilot program as the first of its kind in the nation, utilizing federal housing vouchers and local support services to find stable homes for more than 140 veterans.

Subscribe

"King County is proud to join our partners at the VA and the King County Housing Authority to maximize federal and local assistance to house veterans and their families," said King County Executive Dow Constantine. "Working together, we are creating housing and supportive services so that every veteran returning to King County after serving our county can secure a safe and stable home."

The pilot program launched in June and is being coordinated through the King County Veterans Program with support from the voter-approved Veterans, Seniors and Human Services Levy. The program matches low-income, unhoused veterans with unused federal rental assistance vouchers and works to connect them with employment opportunities, training resources, physical and behavioral health services and emergency food assistance.



"When veterans experiencing homelessness have the right opportunities, they can be successful," said Michael Tadych, director of the VA Puget Sound Health Care System. "Strong, innovative federal, state, and local partnerships that place the needs of our veterans front and center, like King County's Collaborative Case Management Pilot program, are essential in ensuring our most vulnerable veterans receive the support they need."

In a news release Tuesday, the county said its program had successfully housed its first veteran, William Ingram, an Army veteran who served in Korea.

Ingram released a statement via the county, which reads:

"The CCM program is the best program because it allows Veterans like myself to get housed sooner than being on a housing waiting list. I would recommend the CCM program to any Veteran experiencing homelessness. Now I do not have to stress, I can really focus on my health. I may need surgery again because the hardware in my knee needs to be replaced. Being in permanent housing thanks to the CCM program allows me to prepare for that. Also, I have plans to return to school – I have 10 credits left before I can receive my business associate degree."

Residents can [learn more](#) about the King County Veterans Program online.

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