



MEETING OF THE BOARD OF COMMISSIONERS VIRTUAL MEETING

Monday, December 20, 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, December 20, 2021
8:30 a.m.

VIRTUAL MEETING

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

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of Minutes

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A. Board Meeting Minutes – November 15, 2021

V. Approval of Agenda

VI. Consent Agenda

A. Voucher Certification Reports for October 2021

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B. **Resolution No. 5708** – Authorizing Changes to the Public Housing Admission and Continued Occupancy Policy (ACOP) and the Administrative Plans (AD Plans) for the Tenant-Based and Project-Based Housing Choice Voucher Programs as a Result of the COVID-19 Pandemic.

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C. **Resolution No. 5711** - A Resolution of the Board of Commissioners of the Housing Authority of the County of King relating to human resources; adding a new section to the Human Resources Policies and Procedures manual; confirming application of state law to Authority officers and employees; authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution; and, determining related matters.

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VII. Resolution for Discussion and Possible Action

- A. Resolution No. 5707** – Authorizing Approval of the Comprehensive Operating and Capital Budgets for the Calendar Year Beginning January 1, 2022. **5**
- B. Resolution No. 5709** – Authorizing Higher Payment Standards for the Housing Choice Voucher Program. **6**
- C. Resolution No. 5710** – A Resolution of the Housing Authority of the County of King Appointing Daniel Watson to the Position of Interim Executive Director and Secretary and Authorizing Execution of an Employment Contract. **7**

VIII. Briefings & Reports

- A. New Bank Accounts **8**
- B. Third Quarter CY 2021 Dashboard **9**

IX. Executive Session

- A. (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)).)

X. Executive Director Report

XI. KCHA In the News **10**

XII. Commissioner Comments

XIII. Adjourn

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

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

Monday, November 15, 2021

I. CALL TO ORDER

The meeting of the King County Housing Authority Board of Commissioners was held virtually on Monday, November 15, 2021. There being a quorum, the virtual meeting was called to order by Chair Barnes at 8:32 a.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair), Commissioner Susan Palmer (Vice-Chair) (via Zoom), Commissioner John Welch (via Zoom), Commissioner TerryLynn Stewart (via Zoom) and Commissioner Regina Elmi (via Zoom).

III. PUBLIC COMMENT

No Public Comment.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – October 11, 2021

On motion by Commissioner Susan Palmer, and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the October 11, 2021 Meeting Minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner John Welch, and seconded by Commissioner Susan Palmer, the Board unanimously approved the November 15, 2021 virtual Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Report for September 2021

B. Resolution No 5702 – Resolution authorizing the extension and modification of the Authority's Revolving Line of Credit Revenue Note, 2015 (Tax-Exempt) and Revolving Line of Credit Revenue Note, 2015 (Taxable) and determining related matters.

On motion by Commissioner Susan Palmer, and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the November 15, 2021 virtual Board of Commissioners' meeting consent agenda.

VII. RESOLUTION FOR DISCUSSION AND POSSIBLE ACTION

A. Resolution No. 5703 – Resolution providing for the issuance of revenue and refunding revenue bonds of the Authority in the aggregate principal amount not to exceed \$95,000,000.00 for purposes which may include refunding certain outstanding obligations and financing the acquisition of one or more housing projects of the Authority, and determining related matters.

Tim Walter, Senior Director of Development and Asset Management gave a briefing to the Board.

Questions of Commissioners were answered.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner John Welch, the Board unanimously approved Resolution 5703.

B. Resolution No. 5704 – Resolution authorizing the issuance of a tax-exempt refunding revenue note in the principal amount of not to exceed \$35,600,000.00 for the purpose of refunding an outstanding 2015 note which refinanced three existing multifamily housing projects, and determining related matters.

Tim Walter, Senior Director of Development and Asset Management gave details of this refinancing and explained a correction of the description under the termination section as a right of early termination was negotiated.

Questions of Commissioners were answered.

On motion by Commissioner Susan Palmer, and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved Resolution No. 5704.

C. Resolution No. 5705 – Resolution Authorizing Acquisition of the Village Plaza Apartments in Kirkland, WA.

Tim Walter, Senior Director of Development and Asset Management and Beth Pearson, Strategic Real Estate Advisor, explained the process for this acquisition.

This is a small six-plex, two miles north of downtown Kirkland. It's located near good schools, transit, and is surrounded by residential housing.

The city of Kirkland is assisting with the acquisition of this property by dedicating a portion of their Real Estate Excise Tax (REET) revenue. The city of Kirkland was willing to make all of that amount available for the purchase of Village Plaza.

KCHA's plan is to add the property to the Public Housing portfolio by utilizing "banked" subsidy and transition to eligible tenants upon vacates.

Questions of Commissioners were answered.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner John Welch, the Board unanimously approved Resolution No. 5705.

D. Resolution No. 5706 – Resolution Authorizing Acquisition of the Newport Apartments in Des Moines, WA.

Tim Walter, Senior Director of Development and Asset Management, gave the details of this acquisition.

The Newport Apartments in Des Moines consists of 136 units, of which 50 have three bedrooms and is sited immediately West of Highline College. The property is located 0.6 miles from the light rail station, and there a straight path the campus. It is currently the largest apartment complex close to the light rail station and is in a moderate opportunity area. There are higher than average rates of homelessness and poverty.

Questions of Commissioners were answered.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Susan Palmer, the Board unanimously approved Resolution No. 5706.

VIII. BRIEFINGS AND REPORTS

A. Third Quarter CY 21 Write-Off Report

Craig Violante, Interim Deputy Executive Director/Chief Administrative Office gave a brief overview of the report.

Overall delinquencies are about \$700,000, and \$350,000 in mitigation funding has been received from the King County, although not yet applied to individual accounts. The board will be kept apprised of progress.

Questions of Commissioners were answered.

B. Third Quarter CY 21 Procurement Report

Craig Violante, Interim Violante, Interim Deputy Executive Director/Chief Administrative Office explained the details for the report.

IX. STUDY SESSION

A. 2022 CY Budget Context Briefing

Craig Violante, Interim Deputy Executive Director/Chief Administrative Office gave a presentation regarding major assumptions driving the 2022 budget as well as issues surrounding Congressional funding and current economic conditions.

X. EXECUTIVE DIRECTOR REPORT

Executive Director Norman echoed the compliments of the Commissioners regarding the quality of today's presentations and the work that has gone into these projects.

He focused his remarks on a review of key challenges and opportunities for the upcoming year, an outline of which had previously been transmitted to the Board. These areas of focus are:

- Hiring and on-boarding new Executive leadership
- Implementing the new Job Classification, Performance Management and Career Advancement plan and continuing to follow up on the recommendations from the equity audit
- Embedding equity, diversity and inclusion in all aspects of KCHA leadership and operations, internal and external
- Maintaining appropriate workload distribution and staffing levels
- Initiating software platform migration for HUD-funded programs
- Implementing the new 2022 to 2026 Environmental Sustainability Action Plan
- Re-opening KCHA offices and establish flexible alternative work arrangements
- Successfully leasing-up the 1,400 recently awarded housing choice vouchers
- Leveraging additional supportive services to address rising client needs
- Safely re-opening KCHA's public housing operations and addressing the backlog of inspections and work orders
- Ramping up capital work if the Build Back Better legislation is enacted
- Maintaining and advancing KCHA's housing development pipeline
- Continuing to acquire and preserve existing affordable housing in the region.

He noted that funding support for all these initiatives has been included in the proposed 2022 budget that will be forward to the Commissioners for review and approval at the next Board meeting.

XI. KCHA in the News

None.

XII. COMMISSIONER COMMENTS

Thanks to everyone for all the work being done.

XII. ADJOURNMENT

Chair Barnes adjourned the meeting at 10:31 a.m.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary

T A B N U M B E R



To: Board of Commissioners

From: Ai Ly, Interim Assistant Director of Finance

Date: December 1, 2021

Re: **VOUCHER CERTIFICATION FOR OCTOBER 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
December 1, 2021

Bank Wires / ACH Withdrawals		6,979,983.36
	<i>Subtotal</i>	6,979,983.36
Accounts Payable Vouchers		
Key Bank Checks - #336988-337504		9,888,162.47
Tenant Accounting Checks - #11518-11548		33,473.15
	<i>Subtotal</i>	9,921,635.62
Payroll Vouchers		
Checks - #92772-92795 & 92801-92810		45,498.44
Direct Deposit		2,686,455.37
	<i>Subtotal</i>	2,731,953.81
Section 8 Program Vouchers		
Checks - #635639-635906 & 636169		301,634.45
ACH - #526508-529202		17,224,696.46
	<i>Subtotal</i>	17,526,330.91
Purchase Card / ACH Withdrawal		318,973.41
	<i>Subtotal</i>	318,973.41
	GRAND TOTAL	\$ 37,478,877.11

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	10/06/2021	\$ 11,407.41	A/P and Payroll	
Cottonwood	10/06/2021	\$ 23,200.15	A/P, Payroll and OCR	
Cove East	10/06/2021	\$ 48,795.70	A/P, Payroll and OCR	
Hampton Greens	10/06/2021	\$ 33,152.51	A/P and Payroll	
Juanita View	10/06/2021	\$ 18,877.82	A/P, Payroll and OCR	
Kendall Ridge	10/06/2021	\$ 16,024.70	A/P and Payroll	
Kirkland Heights	10/06/2021	\$ 55,382.93	A/P, Payroll and OCR	
Landmark	10/06/2021	\$ 19,154.68	A/P and Payroll	
NIA	10/06/2021	\$ 35,148.39	A/P, Payroll and OCR	
Riverstone	10/06/2021	\$ 61,301.47	A/P and Payroll	
Woodside East	10/06/2021	\$ 17,910.78	A/P and Payroll	
ALPINE RIDGE	10/07/2021	\$ 4,692.45	A/P	
Aspen Ridge	10/07/2021	\$ 20,584.83	A/P	
Auburn Square	10/07/2021	\$ 6,189.69	A/P	
Carriage House	10/07/2021	\$ 9,314.50	A/P	
Carrington	10/07/2021	\$ 7,415.75	A/P	
CASCADIAN	10/07/2021	\$ 7,067.80	A/P	
Colonial Gardens	10/07/2021	\$ 12,743.69	A/P	
FAIRWOOD	10/07/2021	\$ 9,043.40	A/P	
HERITAGE PARK	10/07/2021	\$ 3,054.54	A/P	
LAURELWOOD	10/07/2021	\$ 3,934.53	A/P	
Meadows	10/07/2021	\$ 6,827.22	A/P	
Newporter	10/07/2021	\$ 2,400.27	A/P	
OVERLAKE	10/07/2021	\$ 101,903.54	A/P	
Parkwood	10/07/2021	\$ 6,483.15	A/P	
Pinewood Village	10/07/2021	\$ 2,004.41	A/P	
RAINIER VIEW I	10/07/2021	\$ 7,621.87	A/P and Debt service	
RAINIER VIEW II	10/07/2021	\$ 5,023.97	A/P and Debt service	

Riverstone	10/07/2021	\$ 24,067.26	A/P	
Sandpiper East	10/07/2021	\$ 18,982.55	A/P	
SI VIEW	10/07/2021	\$ 13,127.12	A/P and Debt service	
SOUTHWOOD SQUARE	10/07/2021	\$ 245.72	A/P	
Timberwood	10/07/2021	\$ 3,852.90	A/P	
Walnut Park	10/07/2021	\$ 5,813.85	A/P	
WINDSOR HEIGHTS	10/07/2021	\$ 26,985.42	A/P	
Woodridge Park	10/07/2021	\$ 4,878.83	A/P	
Argyle	10/13/2021	\$ 58,698.91	A/P and Payroll	
Ballinger Commons	10/13/2021	\$ 104,304.12	A/P and Payroll	
Bellepark	10/13/2021	\$ 15,928.37	A/P	
Emerson	10/13/2021	\$ 70,059.31	A/P and Payroll	
GILMAN SQUARE	10/13/2021	\$ 57,571.32	A/P and Payroll	
Hampton Greens	10/13/2021	\$ 18,810.14	A/P	
Kendall Ridge	10/13/2021	\$ 91,036.45	A/P	
Landmark	10/13/2021	\$ 18,692.80	A/P	
Meadowbrook	10/13/2021	\$ 48,953.38	A/P and Payroll	
NIA	10/13/2021	\$ 17,164.00	A/P	
Riverstone	10/13/2021	\$ 33,473.47	A/P	
Surrey Downs	10/13/2021	\$ 54,164.37	A/P and Payroll	
Villages at South Station	10/13/2021	\$ 48,875.34	A/P and Payroll	
Woodside East	10/13/2021	\$ 6,373.68	A/P	
ALPINE RIDGE	10/14/2021	\$ 8,310.50	A/P and Payroll	
ARBOR HEIGHTS	10/14/2021	\$ 18,682.76	A/P and Payroll	
Aspen Ridge	10/14/2021	\$ 16,475.75	A/P and Payroll	
Auburn Square	10/14/2021	\$ 28,121.55	A/P and Payroll	
Carriage House	10/14/2021	\$ 25,385.06	A/P and Payroll	
Carrington	10/14/2021	\$ 11,405.32	A/P and Payroll	
CASCADIAN	10/14/2021	\$ 33,700.43	A/P and Payroll	
Colonial Gardens	10/14/2021	\$ 19,873.81	A/P and Payroll	
FAIRWOOD	10/14/2021	\$ 91,874.17	A/P and Payroll	
HERITAGE PARK	10/14/2021	\$ 45,220.43	A/P and Payroll	
LAURELWOOD	10/14/2021	\$ 18,988.12	A/P and Payroll	
Meadows	10/14/2021	\$ 10,293.10	A/P and Payroll	
Newporter	10/14/2021	\$ 21,272.21	A/P and Payroll	
OVERLAKE	10/14/2021	\$ 100,292.37	A/P and Payroll	
Parkwood	10/14/2021	\$ 42,777.40	A/P and Payroll	
Pinewood Village	10/14/2021	\$ 32,874.25	A/P and Payroll	
RAINIER VIEW I	10/14/2021	\$ 8,511.41	A/P	
RAINIER VIEW II	10/14/2021	\$ 5,801.55	A/P	

Sandpiper East	10/14/2021	\$ 59,427.62	A/P and Payroll	
SI VIEW	10/14/2021	\$ 2,563.23	A/P	
SOUTHWOOD SQUARE	10/14/2021	\$ 32,767.44	A/P and Payroll	
Tall Cedars	10/14/2021	\$ 6,675.45	A/P and Payroll	
Timberwood	10/14/2021	\$ 20,122.16	A/P and Payroll	
Vashon Terrace	10/14/2021	\$ 1,939.15	A/P	
Walnut Park	10/14/2021	\$ 51,672.45	A/P and Payroll	
WINDSOR HEIGHTS	10/14/2021	\$ 59,084.50	A/P and Payroll	
Woodridge Park	10/14/2021	\$ 32,480.50	A/P and Payroll	
Bellepark	10/20/2021	\$ 28,610.51	A/P and Payroll	
Hampton Greens	10/20/2021	\$ 38,685.50	A/P and Payroll	
Kendall Ridge	10/20/2021	\$ 37,128.00	Kendall to Landmark - Corection	
Kendall Ridge	10/20/2021	\$ 26,835.26	A/P and Payroll	
Landmark	10/20/2021	\$ 19,507.64	A/P and Payroll	
Riverstone	10/20/2021	\$ 130,902.20	A/P and Payroll	
Woodside East	10/20/2021	\$ 22,598.85	A/P and Payroll	
ALPINE RIDGE	10/21/2021	\$ 1,686.04	A/P	
ARBOR HEIGHTS	10/21/2021	\$ 1,995.89	A/P	
Aspen Ridge	10/21/2021	\$ 9,457.69	A/P	
Auburn Square	10/21/2021	\$ 5,549.60	A/P	
Carriage House	10/21/2021	\$ 8,142.60	A/P	
Carrington	10/21/2021	\$ 15,135.53	A/P	
CASCADIAN	10/21/2021	\$ 4,015.00	A/P	
Colonial Gardens	10/21/2021	\$ 6,905.17	A/P	
Cottonwood	10/21/2021	\$ 8,466.74	A/P, Payroll and OCR	
Cove East	10/21/2021	\$ 51,634.51	A/P, Payroll and OCR	
FAIRWOOD	10/21/2021	\$ 3,325.18	A/P	
HERITAGE PARK	10/21/2021	\$ 2,382.89	A/P	
Juanita View	10/21/2021	\$ 26,020.99	A/P, Payroll and OCR	
Kirkland Heights	10/21/2021	\$ 27,253.10	A/P, Payroll and OCR	
LAURELWOOD	10/21/2021	\$ 6,603.13	A/P	
Meadows	10/21/2021	\$ 4,498.90	A/P	
Newporter	10/21/2021	\$ 6,954.27	A/P	
NIA	10/21/2021	\$ 14,819.54	A/P, Payroll and OCR	
OVERLAKE	10/21/2021	\$ 28,086.15	A/P	
OVERLAKE	10/21/2021	\$ 6,363.00	A/P	
Parkwood	10/21/2021	\$ 2,432.41	A/P	
Pinewood Village	10/21/2021	\$ 3,778.49	A/P	
RAINIER VIEW I	10/21/2021	\$ 2,024.71	A/P	
RAINIER VIEW II	10/21/2021	\$ 1,057.61	A/P	

Sandpiper East	10/21/2021	\$ 13,109.18	A/P	
SI VIEW	10/21/2021	\$ 4,711.44	A/P	
SOUTHWOOD SQUARE	10/21/2021	\$ 903.00	A/P	
Timberwood	10/21/2021	\$ 2,949.70	A/P	
Vashon Terrace	10/21/2021	\$ 5,815.48	A/P	
Walnut Park	10/21/2021	\$ 11,350.99	A/P	
WINDSOR HEIGHTS	10/21/2021	\$ 7,446.49	A/P	
Woodridge Park	10/21/2021	\$ 24,426.28	A/P	
Argyle	10/27/2021	\$ 54,648.46	A/P and Payroll	
Ballinger Commons	10/27/2021	\$ 158,824.95	A/P and Payroll	
Bellepark	10/27/2021	\$ 29,587.73	A/P	
Emerson	10/27/2021	\$ 52,579.01	A/P and Payroll	
GILMAN SQUARE	10/27/2021	\$ 26,594.94	A/P and Payroll	
Hampton Greens	10/27/2021	\$ 32,099.70	A/P	
Kendall Ridge	10/27/2021	\$ 3,888.91	A/P	
Kendall Ridge	10/27/2021	\$ 405.00	Kendall to Ballinger - Corection	
Landmark	10/27/2021	\$ 18,424.91	A/P	
Meadowbrook	10/27/2021	\$ 33,348.29	A/P and Payroll	
Riverstone	10/27/2021	\$ 7,578.30	A/P	
Surrey Downs	10/27/2021	\$ 26,388.01	A/P and Payroll	
Villages at South Station	10/27/2021	\$ 62,183.03	A/P and Payroll	
Woodside East	10/27/2021	\$ 16,895.44	A/P	
ALPINE RIDGE	10/28/2021	\$ 18,532.46	A/P, Payroll, Management fee and OCR	
ARBOR HEIGHTS	10/28/2021	\$ 15,174.10	A/P, Payroll, Management fee and OCR	
Aspen Ridge	10/28/2021	\$ 10,388.25	A/P, Payroll, Management fee and OCR	
Auburn Square	10/28/2021	\$ 41,131.81	A/P, Payroll, Management fee and OCR	
Carriage House	10/28/2021	\$ 27,254.74	A/P, Payroll, Management fee and OCR	
Carrington	10/28/2021	\$ 13,704.28	A/P, Payroll, Management fee and OCR	
CASCADIAN	10/28/2021	\$ 72,716.38	A/P, Payroll, Management fee and OCR	
Colonial Gardens	10/28/2021	\$ 19,907.67	A/P, Payroll, Management fee and OCR	
FAIRWOOD	10/28/2021	\$ 18,384.21	A/P, Payroll, Management fee and OCR	
HERITAGE PARK	10/28/2021	\$ 86,239.70	A/P, Payroll, Management fee and OCR	
LAURELWOOD	10/28/2021	\$ 5,525.00	Laurelwood to Colonial - Correction	
LAURELWOOD	10/28/2021	\$ 4,575.00	Laurelwood to Meadows - Correction	
LAURELWOOD	10/28/2021	\$ 96,597.68	A/P, Payroll, Management fee and OCR	
Meadows	10/28/2021	\$ 13,246.58	A/P, Payroll, Management fee and OCR	
Newporter	10/28/2021	\$ 19,381.20	A/P, Payroll, Management fee and OCR	
NIA	10/28/2021	\$ 2,436.00	Nia depository to Nia RR - Correction	
OVERLAKE	10/28/2021	\$ 63,998.88	A/P, Payroll, Management fee and OCR	
Parkwood	10/28/2021	\$ 16,486.60	A/P, Payroll, Management fee and OCR	

Pinewood Village	10/28/2021	\$ 19,821.14	A/P, Payroll, Management fee and OCR	
RAINIER VIEW I	10/28/2021	\$ 6,184.06	A/P	
RAINIER VIEW II	10/28/2021	\$ 7,588.07	A/P	
Sandpiper East	10/28/2021	\$ 23,855.94	A/P, Payroll, Management fee and OCR	
SI VIEW	10/28/2021	\$ 2,247.54	A/P	
SOUTHWOOD SQUARE	10/28/2021	\$ 14,496.06	A/P, Payroll, Management fee and OCR	
Tall Cedars	10/28/2021	\$ 24,961.94	A/P and Payroll	
Timberwood	10/28/2021	\$ 28,093.88	A/P, Payroll, Management fee and OCR	
Walnut Park	10/28/2021	\$ 24,716.34	A/P, Payroll, Management fee and OCR	
WINDSOR HEIGHTS	10/28/2021	\$ 105,283.44	A/P, Payroll, Management fee and OCR	
Woodridge Park	10/28/2021	\$ 214,291.12	A/P, Payroll, Management fee and OCR	
<i>TOTAL</i>	159 Wires	\$ 4,269,550.56		

T A B N U M B E R

3



TO: Board of Directors

FROM: Judi Jones

DATE: December 7, 2021

RE: Resolution No. 5708: Changes to the Admissions and Continued Occupancy Policy, Tenant-Based and Project-Based Administrative Plans as a result of the COVID-19 pandemic

As you are aware, the COVID-19 pandemic has posed significant logistical barriers to agencies operating locally, regionally and across the nation. To address these issues – and to ensure our ability to continue to serve clients and the community effectively and efficiently, early in the pandemic (March 2020) KCHA implemented its MTW-based Catastrophic Emergency Plan. The Plan allowed significant changes in KCHA operations – such as temporarily closing offices and delaying annual reviews and Housing Quality inspections – upon declaration by the Agency’s Executive Director that a Catastrophic Emergency had occurred.

Shortly thereafter, as directed by Congress through the Consolidated Aid, Relief and Economic Recovery Act (CARES Act) of 2020, HUD issued PIH Notice 2020-05 which detailed specific regulatory waivers available to PHAs to address pandemic-related issues impacting our subsidized housing programs. Some of these waivers provided regulatory relief beyond what KCHA was able to implement through its MTW contract flexibilities. Subsequent notices issued by HUD extended most waivers through December 31, 2021. Regulatory relief allowed under PIH Notice 2020-05 included deferment of the PHA requirement to seek prior Board approval of ACOP and Administrative Plan changes until December 31, 2021.

In support of the KCHA’s MTW-based Catastrophic Plan and implementation of identified HUD waivers, Resolution No. 5708 serves two purposes:

- 1) Provide formal Board approval of policy and program changes already implemented through HUD-waivers issued under PIH Notice 2020-05 and subsequent amendments thereof. Approval of the Resolution will allow KCHA to ensure compliance with the HUD requirement that any changes implemented be retroactively approved by the Board prior to December 31, 2021. Specific HUD-waivers utilized by KCHA, though previously reviewed by KCHA’s Board of Commissioners, are restated for convenience in the attached “COVID-19 Waivers and Policy/Procedure Changes Master List”. Please note, this document includes the full list of policy and program changes implemented by KCHA, however, this resolution only refers to those labeled in the 3rd Column as a “HUD Waiver”.
- 2) Provide approval of additional ACOP and Administrative Plan changes identified by staff as a result of the on-going pandemic. These changes are detailed in the attached pages from the respective plans. These changes will assist in further streamlining overall KCHA program operations – leading

to more effective and efficient use of KCHA's limited resources and ensure subsidized housing programs continue to operate in the best interest of the clients served. Specifically, proposed changes include the following:

- a. **Expansion of KCHA's MTW-based HQS Inspection protocols**. Policy changes in this area allow KCHA to establish Virtual Inspections as an acceptable means of completing HQS inspections for units under our Tenant and Project-based Voucher programs.
- b. **Clarification of the term "Tenant Rent"**. Changes are needed to clarify that KCHA may, from time to time, accept payments of rent or other amounts due from a 3rd party agency or individual on behalf of the client. Use of MTW flexibility with regard to the definition of Tenant Rent clarifies that though Tenant Rent is the amount due under the lease from the Tenant – KCHA will not require payments to come directly from the Tenant. This change is intended to address issues identified through negotiations with King County for acceptance of resident rental assistance provided through their Eviction Prevention and Rental Assistance Program (EPRAP).

Staff recommends approval of Resolution No. 5708, as noted within.

COVID-19 WAIVERS and Policy/Procedure Changes - Master List

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

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

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

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

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

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

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

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

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

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	Program Admin	HUD Waiver	Delays requirement to complete Utility Allowance system reviews annually as well as requirement to modify the EAS if rates increase by 10% or more cumulatively.	N/A	PH, HCV, PBS8	Protects KCHA from missed deadline if backlog occurs	May result in savings with deferred effective dates of increased allowances	Mike Reilly	4/13/2020	12/31/2021
Housing Mgmt	Eligibility	HUD Waiver	FUP program change to allow increased eligibility age from 24 years of age to those who are 25 years old (have not reached 26 years old)	N/A	HCV, PBS8	More program flexibility	Increases target applicant pool	Mike Reilly	4/13/2020	12/31/2021
Housing Mgmt	Community Service Req	HUD Waiver	Suspends the Community Service Rule - temporarily removes KCHA responsibility to require certain PH residents perform Community Service at least 8 hours (96 per year) of Community Service.	N/A	PH	Staff time savings	Reduced burden on PH tenants	Mike Reilly	4/13/2020	12/31/2021
Housing Mgmt	Program Admin	HUD Waiver	Extends 50058 reporting requirement to allow submission within 90 days (rather than 60) from effective date a review.	N/A	PH, HCV, PBS8	More flexibility	Protects KCHA from missed deadline if backlog occurs	Mike Reilly	4/13/2020	12/31/2021
Housing Mgmt	Capital Fund	HUD Waiver	Extends Obligation / Expenditure dates for all open CFP grants by one (1) year from current due date	N/A	PH	More flexibility	Protects KCHA from missed deadline if backlog occurs	Mike Reilly	4/13/2020	Varies by grant year

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

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Housing Mgmt	Mainstream Eligibility	HUD Waiver	Allows use of the Mainstream voucher to a household when the qualifying family member was under 62 at the time of voucher issue, but has turned 62 and has not yet leased-up. Such households remain eligible to use the voucher as long as the qualifying member has not yet reached the age of 63.	N/A	HCV	Allows additional time for a household to initially lease-up under the Mainstream program	More flexibility for clients	Jill Stanton	9/2/2020	12/31/2021
Human Resources	Telework Policy	Policy	Employee not in good standing clause is waived	Yes	Admin	Employees must be protected even if not in good standing	Reduced supervision could result in lower work output	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Telework Policy	Policy	Feasibility worksheets prepared in advance of making request is waived	No	Admin	Although part of the policy, this section was optional	None	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Telework Policy	Policy	List of who must approve is waived and blanket approvals by department is allowed	Yes	Admin	There were too many employees moving to teleworking to be able to approve each separately in timely manner	None	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Telework Policy	Policy	The Equipment Needs clause is waived Hours of work clause is waived	Yes	Admin	Many employees needed to be moved to telework in spite of lack of equipment, this was necessary of continuity of services	Additional costs to KCHA	Craig Violante	3/2/2020	When rescinded by Finance Director

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

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
Human Resources	Telework Policy	Policy	Removal of records clause is waived in limited cases	Yes	Admin	Some very limited employees in very limited circumstances needed files at home	Security concerns	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Telework Policy	Policy	Prior authorization of written telework agreement is waived	Yes	Admin	There was not time to go through the telework approval process in advance	None	Craig Violante	3/2/2020	When rescinded by Finance Director
Human Resources	Standard Work Day Policy	Policy	Section 7.4 of the KCHA Human Resources Policies and Procedures manual states that the standard work day for employees is 8:00 a.m. to 4:30 p.m. or 8:00 a.m. to 5:00 p.m. depending upon how much time is taken for lunch. This clause is suspended to allow management to shorten the work day on an ad hoc basis	Yes	Admin	During the pandemic staff is working under enormous stress and management feels it is essential to allow staff extra time off on an ad hoc basis, as authorized by executive management, to relax and recuperate.	Improved morale, possible offset by limited lower productivity	Jill Stanton	4/1/2020	When rescinded by Deputy Executive Director
Human Resources	Annual Leave Policy	Policy	Section 8.2 of the KCHA Human Resources Policies and Procedures manual caps the amount of annual leave that can be carried over to the next year unless an exception is made by the Executive Director. The Board authorized the waiver of this cap for amounts carried over into 2021 and 2022	Yes	Admin	Due to the extremely difficult working conditions resulting from the pandemic, many employees are foregoing taking annual leave days. This waiver prevents employees from being harmed by losing earned leave.	More days of annual leave taken in outer years	Board	5/18/2020	1/1/2022
Human Resources	Annual Leave Policy	Policy	Section 8.2 of the KCHA Human Resources Policies and Procedure manual states that upon termination of employment,	Yes	Admin	Employees are not taking annual leave due to the workload associated with the effects of the pandemic. Not	Extra cash paid at time of retirement.	Stephen Norman	6/1/2020	1/1/2021

Department	Category	Type	Description	Board Approval Normally Required?	Program	Rationale	Possible Impact	Waived By	Waiver Date	Waiver Expiration Date
			employees will be paid for unused accrued annual leave up to the maximum accrual. This is waived for employees retiring in 2020.			paying them for accrued annual leave in excess of the maximum during this time was deemed unfair.				
Human Resources	Annual Leave Policy	Policy	Section 8.2 of the KCHA Human Resources Policies and Procedure manual states that upon termination of employment, employees will be paid for unused accrued annual leave up to the maximum accrual. This is waived for employees leaving employment in 2020, except for employees terminated for cause.	Yes	Admin	Employees are not taking annual leave due to the workload associated with the effects of the pandemic. Not paying them for accrued annual leave in excess of the maximum during this time was deemed unfair.	Extra cash paid at time of termination.	Jill Stanton	7/2/2020	1/1/2021
Finance	Timesheet approvals	Procedure	Normally, timesheet approval is done by designated individuals, who may be an employee's direct supervisor or may be someone else higher in the chain of command. This is being waived and all approvals will be from each employee's direct supervisor only	No	Admin	It is not feasible to have multiple layers of timesheet approvals while so many staff are working remotely. This procedure has the approval process fall to the person best qualified to opine on the veracity of each timesheet-the supervisor.	Reduced internal control; more responsibility on direct supervisors	Craig Violante	3/19/2020	When rescinded by Finance Director
Finance	Timesheet approvals	Procedure	The procedural requirement for all employees to sign a timesheet is waived for employees who do not have access to the remote timesheet system and are not able	No	Admin	Normally, each employee must sign a timesheet. With social distancing, most employees are using a remote timesheet service. However, some	Reduced internal control. To somewhat mitigate, "Negative Assurance" e-mails will be sent to such employees along with a copy of the timesheet as entered	Craig Violante	4/7/2020	When rescinded by Finance Director

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Admission and Continued Occupancy Policy (ACOP)

Single-Person: A person who lives alone or intends to live alone, and who does not qualify as an elderly, near-elderly or displaced person, a person with disabilities, or, (for continued occupancy) as the remaining member of a tenant family. For the purposes of determining initial program eligibility, a single pregnant woman **without** other children or an individual in the process of securing legal custody of a dependent **is not** considered a Single-Person.

Site-based Waiting List: One of the waiting lists used to fill vacant units. Applicants on this type of waiting list have indicated a desire or need to move to a specific public housing development rather than accept the first available unit in a particular region of the Authority's jurisdiction.

Social Security Number: The number that is assigned to a person by the Social Security Administration of the Department of Health and Human Services, and that identifies the record of the person's earnings that are reported to the Administration.

Spouse: Spouse means the husband or wife of the Head of Household.

Standard Replacement Housing: For selection preference purposes, standard replacement housing is housing:

1. That is decent, safe, and sanitary;
2. That is adequate for the family size (according to the [Authority's occupancy standards](#)); and
3. That the family is occupying pursuant to a lease or occupancy agreement.

Such housing does not include transient facilities (such as motels, hotels or temporary shelters for victims of domestic violence or homeless families not the housing unit in which the applicant and the applicant's spouse or other member of the household who engages in such violence lives).

Tenant: Any lessee or the remaining head of the household or any tenant family residing in housing accommodations covered by [Title 24 of the Code of Federal Regulations, part 966](#).

Tenant Rent: The amount payable monthly by the Tenant as rent to the Housing Authority. This definition does not limit KCHA's ability to accept payment of rent or other charges due under the lease from a 3rd party agency or individual on behalf of the Tenant to expedite payment receipt and/or processing and ensure client stability. According to this policy, Tenant Rent is determined by the Rent program (Easy or WIN Rent) for which the family qualifies. (See [Section 9](#) for additional information.) .

SECTION 8: HOUSING QUALITY STANDARDS AND INSPECTIONS

A. THE HOUSING QUALITY INSPECTION

The purpose of the Section 8 Voucher Program is to assist a very low-income family in obtaining a decent, safe and sanitary place to live. Thus, the HA will inspect all units prior to initial leasing to determine that the units are safe and sanitary. The HA will utilize HUD Guidebook 7420.10G, the Housing Inspection Manual, 24 CFR Part 982.401, and the MTW agreement as guides in explaining and interpreting Housing Quality Standards. In addition, the HA will be governed by state and local law, and local fire codes concerning identification of units and operation and placement of smoke detectors. The HA will use the HUD Inspection Checklist (Form 52580) or computer generated revision for the actual inspections. **Inspections may be conducted in-person or virtually at the discretion of the HA and with the approval of the owner and tenant.**

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For the SRO Mod Rehabilitation Program, the HA will adhere to the requirements of 24 CFR 882.404 and 982.401. Specifically, a sprinkler system that protects all major spaces (as defined in 24 CFR 882.803 (b) [2]), hard wired smoke detectors, and such other fire and safety improvements as State and local law may require shall be installed in each building.

As the purpose of these inspections is to determine the livability of each unit according to the Housing Quality Standards set by HUD, the HA's inspections will pass judgments only on housing conditions which are visible. Hazards which are within wall systems, or which require testing to detect, are beyond the scope of an HQS inspection. By participating in this inspection, the HA is expressing an opinion only regarding the quality and condition of the matters reported upon and nothing contained in the HA's inspection report shall be considered as a representation by the HA of any fact or as a warranty by it as to quality or condition. The Family and Owner will be required to sign a Lease Addendum acknowledging the purpose and limitations of the HQS inspection.

As part of the MTW program, the HA adopted a change to the inspection guidelines allowing a unit to be acceptable for occupancy if there are no "major" fail items. The HA will conduct reinspections only on units that failed as a result of major failures. A unit will be considered to be eligible to receive a subsidy and the HA will be authorized to execute a HAP contract if there are no outstanding major fail

Tenant Rent:²⁵ The amount payable monthly by the family as rent to the owner as determined by the program (EASY Rent or WIN Rent) for which the family qualifies. This definition does not limit the owner's ability to accept payment of rent or other charges due under the lease from a 3rd party agency or individual on behalf of the Tenant to expedite payment receipt and/or processing and ensure client stability.

Total Tenant Payment (TTP):²⁶ For EASY Rent Households, the TTP is equal to 28% of the household's gross adjusted income. For WIN Rent Households, the TTP is equal to the Gross Rent established for the household's associated gross adjusted income.

UIV: Up-front income verification system used to verify income before or during a family reexamination through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals.

USCIS: The U.S. Citizenship and Immigration Service.

Very-low Income Family: A Low-income Family whose Annual Income does not exceed the very-low income limit, which is 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

Violent Criminal Activity: Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Voucher: (See Housing Voucher)

Welfare Benefit Reduction:

1. A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program, or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.
2. "Welfare reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

²⁵ Approved under MTW 11/1/10

²⁶ Approved under MTW 11/1/10

19: HOUSING QUALITY STANDARDS AND INSPECTIONS⁶⁴

A. THE HOUSING QUALITY INSPECTION

All units will be inspected prior to initial leasing to determine that the unit is in compliance with minimum Housing Quality Standards (HQS). A unit's subsidy will not begin or continue until the unit has passed its HQS Inspection.

As the purpose of these inspections is to determine the livability of each unit according to the Standards set by HUD, the inspections will pass judgments only on housing conditions that are visible. Hazards which are within wall systems, or which require testing to detect (other than Lead-based paint), are beyond the scope of an HQS inspection. By participating in this inspection, the inspector is expressing an opinion only regarding the quality and condition of the matters reported upon and nothing contained in the inspection report shall be considered as a representation of any fact or as a warranty by it as to quality or condition. The Family and Owner will be required to sign a Lease Addendum acknowledging the purpose and limitations of the HQS inspection. Inspections may be conducted in-person or virtually at the discretion of the HA and with the consent of the owner and tenant.

The inspections are based upon the information contained in the Housing Inspection Manual, 24 CFR Part 982.401, and the MTW Agreement as guides in explaining and interpreting Housing Quality Standards. A qualified HQS Inspector will perform all annual inspections. KCHA-qualified owners' representatives will perform some inspections as detailed below. In addition, the inspection will be governed by State and local law and local fire codes concerning identification of units and operation and placement of smoke detectors.

1. Initial Inspection

- a. Prior to proposal selection, the site will be examined to determine if the units substantially comply with KCHA's inspection standards. Units qualifying as "Existing" must meet HQS within 180 days of selection
- b. KCHA will inspect developments under application at the time of contract execution. Each unit must pass the inspection prior to signing of the contract and occupancy of the unit. For former Public Housing and other KCHA owned units converting to Project-based, KCHA may substitute the most recent passed unit inspection in lieu of performing a new inspection provided the unit inspection is no more than 12 months old.⁶⁵

⁶⁴ Approved MTW Policy Section V.9

⁶⁵ Approved MTW Policy 4-11-12

Spouse: Spouse means the husband or wife of the Head of Household.

Standard Replacement Housing: For selection preference purposes, standard replacement housing is housing:

1. That is decent, safe, and sanitary;
2. That is adequate for the Family size (according to the HA's occupancy standards); and
3. That the Family is occupying pursuant to a lease or occupancy agreement.

Such housing does not include transient facilities (such as motels, hotels or temporary shelters for victims of domestic violence or homeless families nor the housing unit in which the applicant and the applicant's spouse or other member of the household who engages in such violence lives).

Subsidy Standards: Standards established by a HA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

Tenant: The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit and who has legal capacity to enter a lease under State and local law. Legal capacity means that the tenant is bound by the terms of the lease, and may enforce the terms of the lease against the landlord.

Tenant Rent:²⁹ The amount payable monthly by the Family as rent to the ~~Owner~~ owner (as determined by the program EASY Rent or WIN Rent) for which the family qualifies. This definition does not limit the owner's ability to accept payment of rent or other charges due under the lease from a 3rd party agency or individual on behalf of the Tenant to expedite payment receipt and/or processing and ensure client stability.

Total Tenant Payment (TTP):³⁰ For EASY Rent Households, the TTP is equal to 28% of the household's gross adjusted income. For WIN Rent Households, the TTP is equal to the Gross Rent established for the household's associated gross adjusted income. In general, the TTP, less the established Energy Assistance Supplement, is the monthly Tenant Rent payable by a household, subject to any Minimum Rent established by the Housing Authority.

UIV: Up-front income verification system used to verify income before or during a Family reexamination through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals.

²⁹ Approved under MTW 11/1/10

³⁰ Approved under MTW 11/1/10

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5708

**AUTHORIZING CHANGES TO THE PUBLIC HOUSING ADMISSION AND CONTINUED
OCCUPANCY POLICY (ACOP) AND THE ADMINISTRATIVE PLANS (AD PLANS) FOR
THE TENANT-BASED AND PROJECT-BASED HOUSING CHOICE VOUCHER
PROGRAMS AS A RESULT OF THE COVID-19 PANDEMIC**

WHEREAS, on March 13, 2020, utilizing MTW program flexibility, the King County Housing Authority's (KCHA) Executive Director declared an operational emergency as a result of the COVID-19 pandemic which provided staff with added program flexibility allowable under its MTW-based Catastrophic Plan to meet the urgent needs of KCHA's clients; and,

WHEREAS, on April 10, 2020, as directed by the Congress through the Consolidated Aid, Relief and Economic Security Act (CARES Act) of 2020, the Department of Housing and Urban Development (HUD), issued PIH Notice 2020-05 - providing a list of time-limited regulatory waivers available to Housing Authorities as a result of the COVID-19 pandemic; and,

WHEREAS, policy and procedure modifications allowed under KCHA's Catastrophic Emergency plan, together with available HUD waivers (see attached), have allowed KCHA to implement measures that have protected resident, staff and community health and safety and helped reduce community spread of COVID-19; and

WHEREAS, PIH Notice 2020-05 included a requirement that KCHA seek retroactive Board approval of any ACOP or AD Plan changes implemented as a result of the use of available HUD waivers no later than December 31, 2021; and,

WHEREAS, as a result of policy and program changes implemented during the pandemic, KCHA has identified additional ACOP and AD Plan modifications possible through use of its MTW program flexibility in order to further streamline program administration – increasing program effectiveness and efficiency to ensure best use of our financial resources and help KCHA's programs better protect and serve low-income and at-risk clients; and,

WHEREAS, as an MTW participant, KCHA is authorized, in lieu of federal program regulations, to develop and implement new approaches for providing and administering housing assistance consistent with local needs and circumstances;

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

- (1.) The Board of Commissioners hereby approves KCHA's use of HUD waivers provided under the CARES Act and, pursuant to PIH Notice 2020-05, retroactively approves ACOP and Administrative Plan policy changes implemented as a result of their adoption; and
- (2.) Approves additional changes to the ACOP and Ad Plans as attached and authorizes the Housing Authority to take the necessary steps to implement such changes effective immediately.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 20TH DAY OF DECEMBER, 2021.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN NORMAN
Executive Director and Secretary-Treasurer

T A B N U M B E R

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5711

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King relating to human resources; adding a new section to the Human Resources Policies and Procedures manual; confirming application of state law to Authority officers and employees; authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution; and, determining related matters.

Adopted December 20, 2021

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5711

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King relating to human resources; adding a new section to the Human Resources Policies and Procedures; confirming application of state law to Authority officers and employees; authorizing and directing appropriate officers of the Authority to execute and deliver such documents as are useful or necessary to the purposes of this resolution; and determining related matters.

WHEREAS, the Housing Authority of the County of King (the “Authority”) maintains a Human Resources Policies and Procedure manual; and

WHEREAS, RCW 4.96.041 (1) proves that whenever an action or proceeding for damages is brought against any past or present officer, employee, or volunteer of a local governmental entity of this state, arising from acts or omissions while performing or in good faith purporting to perform his or her official duties, such officer, employee, or volunteer may request the local governmental entity to authorize the defense of the action or proceeding at the expense of the local governmental entity; and

WHEREAS, RCW 4.96.041 (2) provides for the Authority Board, or through a procedure adopted by Board resolution, to provide for the protection of its officers, employees, and volunteers from liability consistent with RCW 4.96.041 or other applicable law; and

WHEREAS, the Authority has provided such protection and by this Resolution better documents the process and procedures for indemnification and defense of officers, employees, and volunteers subject to claims.

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

Section 1. Policy Manual Amended. A new chapter is added to the Authority's Human Resources Policies and Procedures manual, and applicable as set forth herein, as follows:

Indemnification and Defense Policy

1.1 **Policy Stated.** As authorized by RCW 4.96.041, there is hereby created a procedure to provide for indemnification and defense of claims of liability arising from acts or omissions of officials and employees of the Authority, including volunteers, while performed or in good faith purported to have been performed in the scope of their official duties.

1.2 **Definitions.** Unless the context indicates otherwise, the words and phrases used in this chapter shall have the following meaning:

(a) "Employee" means any person who is or has been employed by the Authority, including volunteers and appointed members of advisory boards and the Board. "Employee" does not include independent contractors. "Employee" also includes an employee's spouse when an employee's marital community is named in any action subject to this policy.

(b) "Official" means any person who is serving or has served as a member of the Authority Board, and any person who is serving or who has served as an appointed officer of the Authority as defined by RCW 42.23.020(2), as written or hereafter amended. "Official" does not include independent contractors performing the duties of appointed positions.

1.3 Legal Representation.

(a) The Authority shall provide to an official or employee, subject to the conditions and requirements of this chapter, and notwithstanding the fact that such official or employee may have concluded service or employment with the Authority, such legal representation as may be reasonably necessary to defend a claim or lawsuit filed against such official or employee resulting from any conduct, act or omission of such official or employee performed or omitted on behalf of the Authority in his/her capacity as an Authority official or employee, which act or omission is within the scope of his/her service or employment with the Authority. The provisions of this chapter shall not operate to provide legal representation to defend a claim or lawsuit for any conduct, act, or omission resulting in the termination for cause of any official or employee.

(b) The legal representation shall be provided by such legal counsel as may be appointed by the Authority and may include the Executive Director engaging the services of outside legal counsel. If any provision of an applicable policy of insurance provides legal counsel for the employee or official, Authority legal counsel will work with the policy holder for purposes of obtaining legal representation under the existing insurance policy.

(c) In the event that outside counsel is retained, the Authority shall indemnify the employee or official from the reasonable costs of defense; provided, that in no event shall the official or employee be indemnified for legal counsel's fees in excess of the hourly rates established by the Authority's contract with legal counsel selected by the Authority. The official or employee shall be liable for all hourly rates charged more than said rate.

(d) The determination whether the official or employee was acting in good faith within the scope of his or her official duties shall be made by the Executive Director in consultation

with the Authority legal counsel and/or outside legal counsel. This determination shall be based on an investigation of the facts and circumstances surrounding the incident and shall be made as early in the proceedings as is reasonably possible. Once the determination is made, the official or employee involved shall be notified by the Executive Director in writing. If the employee or official involved is the Executive Director, the determination shall be made by the Board in consultation with the Authority legal counsel and/or outside legal counsel based on an investigation of the facts and circumstances surrounding the incident and shall be made as early in the proceedings as is reasonably possible. Once the determination is made, the Executive Director shall be notified by the Authority legal counsel, in writing. In any claim involving an allegation of criminal conduct, no investigation by the Authority will occur prior to a determination of guilt, or prior to a dismissal of the criminal charge with prejudice, so as not to compromise the official's or employee's constitutional right against self-incrimination. Any determination made under this Section shall not be subject to appeal.

1.4 Exclusions. Except as otherwise determined pursuant to Section 1.3, in no event shall protection be offered under this chapter by the Authority to:

(a) Any dishonest, fraudulent, criminal, willful, intentional or malicious act or course of conduct of an official or an employee.

(b) Any act or course of conduct of an official or employee which is not performed on behalf of the Authority.

(c) Any act or course of conduct which is outside the scope of an official's or employee's service or employment with the Authority; and/or,

(d) Any lawsuit brought against an official or employee by or on behalf of the Authority; or, brought by an official or employee against the Authority or any other official or employee of the Authority.

(e) Any action or omission contrary to RCW 35.82.050 or contrary to or not in furtherance of any adopted Authority policy.

1.5 Reserved Rights. Nothing herein shall be construed to waive or impair the right of the Authority to institute suit or counterclaim against any official or employee nor to limit its ability to discipline or terminate an employee.

1.6 Policy Secondary to Insurance. The provisions of this chapter shall have no force or effect with respect to any accident, occurrence or circumstance for the which the Authority or the official or employee is insured from whatever source against loss or damage; provided that the provisions of this chapter shall apply in the event the loss or damages fall within the deductible or exclusion(s) of the Authority's applicable insurance policy. The provisions of this chapter are intended to be secondary to any contract or policy of insurance whether owned by or otherwise applicable to any official or employee. The Authority shall have the right to require an employee to fully utilize any such policy protection prior to requesting the protection afforded by this Chapter.

1.7 Determination of Exclusion. The determination whether an official or employee shall be afforded a defense by the Authority under the terms of this chapter shall be made after a determination pursuant to Section 1.3 as to whether the official or employee was acting within the scope of his or her duties. The Executive Director and Authority legal counsel shall prepare a recommendation to the Board. The decision of the Board shall be final as a legislative determination and shall be based upon a finding that an official or employee meets or does not

meet the criteria of this chapter. Nothing herein shall preclude the Authority from undertaking an official's or employee's defense under a reservation of rights. The determination as to whether a defense is to be furnished as provided under this chapter to a member or to members of the Board shall be made without the vote of the Board member named in the claim or lawsuit unless the inclusion of such member or members is required for a quorum; provided, that if a claim or lawsuit affects a quorum or greater number of the members of the Board, all such affected members shall retain their voting privileges under this Section.

1.8 Representation and Payment of Claims – Conditions. The provisions of this chapter shall apply only when all the following conditions are met:

(a) In the event of any incident or course of conduct potentially giving rise to a claim for damages, or for the commencement of a lawsuit, the official or employee involved shall, as soon as practicable, give the employee's department director and, if applicable, the Authority legal counsel and the Executive Director written notice thereof. The notice shall identify the official or employee involved, all information known to the official or employee involved with respect to the date, time, place and circumstances surrounding the incident or conduct giving rise to the potential claim or lawsuit, as well as the names and addresses of all persons allegedly injured or otherwise damaged thereby, and the names and addresses of all witnesses.

(b) Upon receipt, the official or employee shall as soon as practicable deliver any claim, demand, notice or summons or other process relating to any such incident or conduct to the Authority legal counsel and shall cooperate with the Authority legal counsel, or if the Executive Director authorizes or designates another legal counsel to handle the matter, shall cooperate with that legal counsel, and, upon request, shall assist in making settlement of any suit and enforcing any claim for any right of subrogation against any persons or organizations that may

be liable to the Authority because of any damage or claim of loss arising from said incident or course of conduct, including, but not limited to, rights of recovery for costs and legal counsel's fees arising out of state or federal statute upon a determination that the lawsuit brought was frivolous in nature. Failure to timely deliver any claim, demand, notice or summons to the Authority legal counsel, and in which an adverse decision against the official, the employee or Authority results from such failure, shall operate to negate all indemnification and opportunity for defense under this chapter and the Authority shall have no obligation to offer a defense to the named official or employee.

(c) Such official or employee shall attend interviews, depositions, hearings and trials and shall assist in securing and giving evidence and obtaining assistance of witnesses all without any additional compensation to the official or employee, and, in the event that an employee has left the employ of the Authority, no fee or compensation shall be provided.

(d) Such official or employee shall not accept nor voluntarily make any payment, assume any obligation, or incur any expense related to said claim or lawsuit, other than for first aid to others at the time of any incident or course of conduct giving rise to any such claim, loss or damage. Nothing herein shall be deemed to preclude any official or employee from retaining legal counsel to represent his/her interests relating to such claim or lawsuit; however, all costs and expenses incurred thereby shall be paid by the official or the employee.

(e) Nothing herein shall modify existing procedures or requirements of law for processing and payment of claims against the Authority.

1.9 Effect of Compliance With Conditions. If legal representation of an official or employee is undertaken by the Authority, whether by the Authority legal counsel or by legal counsel obtained by the Authority or through its insurance coverage, and all of the conditions of

representation are met, and a judgment is entered against the official or employee or a settlement is made, the Authority shall pay such judgment or settlement according to the provisions herein; provided, that the Authority may at its discretion appeal as necessary any such judgment. In no event shall this Section be interpreted to provide for payment of an award of punitive damages. The process for payment of punitive damages is discretionary under this chapter and is set forth in Section 1.16. The decision to appeal an award of damages will be made by the Board upon the recommendation of the Executive Director and the Authority legal counsel and/or outside legal counsel.

1.10 Failure to Comply With Conditions. In the event that any official or employee fails or refuses to comply with any of the conditions set forth in Section 1.8, or elects to provide his/her own representation with respect to any such claim or litigation, then all of the provisions of this chapter shall be inapplicable and shall have no force or effect with respect to any such claim or litigation.

1.11 Reimbursement of Incurred Expenses.

(a) If the Authority's investigation under Section 1.3 determines that an official or employee does not come within the provisions of this chapter and a court of competent jurisdiction later determines that such claim does come within the provisions of this chapter, then the Authority shall pay any judgment, excepting punitive damages, rendered against the official or employee and reasonable legal counsel's fees incurred in defending against the claim if said judgment is not covered by the Authority's insurance provisions or by the official's or employee's insurance. The Authority shall pay any costs and reasonable legal counsel's fees incurred by the employee or official in obtaining the determination that such claim is covered by the provisions of this chapter; provided, that if a court of competent jurisdiction determines that such claim does not

come within the provisions of this chapter, then the official or employee shall pay the Authority's costs and reasonable legal counsel's fees incurred in obtaining the determination that such claim is not covered under the provisions of this chapter.

(b) If the Authority determines that a claim against an Authority official or employee does come within the provisions of this chapter and a court of competent jurisdiction later finds that such claim does not come within the provisions of this chapter, then the Board shall have the option of requiring reimbursement by the official or employee for costs or expenses incurred in obtaining the determination that such claim is not covered by the provisions of this chapter.

1.12 Conflict With Provisions of Insurance Policies. The indemnification provisions of this chapter do not constitute a policy of insurance and nothing contained in this chapter shall be construed to modify or amend any provisions of any policy of insurance where the Authority or any of its current or former officials or employees thereof is the named insured. In the event of any conflict between this chapter and the provisions of any such policy of insurance, the policy provisions shall be controlling; provided, however, that nothing contained in this chapter shall be deemed to limit or restrict any employee's or official's right to full coverage pursuant to this chapter, it being the intent of this chapter to provide the coverage detailed in this chapter only above and beyond insurance policies which may be in effect while not compromising the terms and conditions of such policies by any conflicting provisions contained in this chapter.

1.13 Pending Claims. The provisions of this chapter shall apply retroactively to any pending claims or lawsuits against any official or employee at the time of adoption of this resolution and to any such claims or lawsuits hereinafter filed within an applicable statute of

limitations, irrespective of the date of the events or circumstances which are the basis of such claim or lawsuit.

1.14 Modification of Chapter. The provisions of this chapter shall be subject to amendment, modification and repeal, at the sole discretion of the Board, provided that unless explicitly set forth, any such amendment, modification or repeal shall apply prospectively only and shall have no effect on the obligation of the Authority to indemnify and/or defend against any claim which is based, in whole or in part, upon any action or omission of an employee or official occurring prior to the effective date of the amendment, modification or repeal.

1.15 Bargaining Unit Contracts. If a union contract under chapter 41.56 RCW covers any of the provisions of this chapter, all employees under such contract shall be governed by the provisions thereof, rather than by the provisions of this chapter, and where any conflict exists between the provisions of any such contract and this chapter, such contract shall control.

1.16 Punitive Damages. When an employee or official of the Authority has been represented in a claim and/or litigation by the Authority pursuant to this chapter and any judgment is rendered against such employee or official for punitive damages, the employee or official may make a request to the Board that the Authority pay the award of punitive damages on behalf of the official or employee. Upon receiving a request made by or on behalf of an Authority employee or official to pay punitive damages, the Board shall receive a report and recommendation from the Executive Director and the Authority legal counsel. If the official or employee is the Executive Director or a Board member, the Board may request a report and recommendation from the Authority legal counsel or may retain the services of another person or agency to provide a recommendation. Following receipt of the report and any recommendation, the Board shall determine whether the best interests of the Authority and justice will be served by payment by the

Authority of the award for punitive damages. There shall be no appeal from such determination. The Executive Director shall communicate the Board's determination with respect to the employee's or official's request for payment of punitive damages to said employee or official. Thereafter, the finance director shall prepare the payment of punitive damages if the council authorized such payment.

Section 2. Ratification and Confirmation. Any actions of the Authority or its officers or employees prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 3. Supplemental Authorization. The Authority's officers, and each of them acting alone, are authorized on behalf of the Authority to: (i) 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.

Section 4. 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 this resolution.

Section 5. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or the Executive Director of the Authority may in the absence of such person be taken by the duly authorized acting Chair of the Board or the duly authorized acting Executive Director of the Authority, respectively.

Section 6. 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.

Section 7. 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 20th
DAY OF DECEMBER, 2021.**

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

ATTEST:

STEPHEN J. NORMAN
Executive Director and Secretary-Treasurer

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. 5711 (the “Resolution”) is a true and correct copy of the resolution of the Board of Boarders of the Authority as adopted at a meeting of the Authority held on December 20, 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 email to stakeholders; and

4. The Meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of the Meeting was given; that a quorum was present throughout the Meeting through telephonic and/or internet means of remote access, and a majority of the members of the Board of Boarders 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 20th day of December, 2021.

Stephen Norman

Executive Director and Secretary-Treasurer

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TO: Board of Commissioners

FROM: Craig Violante, Deputy Executive Director/CAO

DATE: December 14, 2021

RE: **Resolution No. 5707:** 2022 Operating and Capital Budgets

Attached for your review on pages 16 and 17 are the 2022 Comprehensive Operating and Capital Budgets (Exhibits A and B, respectively). The proposed budget balances the regional need for additional affordable housing, the proper maintenance of the current housing stock and the vital services provided to residents while positioning the agency for the future. The budget makes significant investments in maintaining affordability and housing quality for current program participants while expanding housing opportunities across its programs. The Authority enters 2022 with 1,584 more households, either in our existing programs or in the pipeline, than at the beginning of 2021. Revenue assumptions are based upon reasonably conservative estimates regarding final congressional appropriations of the HUD budget and of the inflation factor for the Housing Choice Voucher program.

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

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

EXECUTIVE SUMMARY

The Comprehensive Budget is a combination of three distinct budgets:

- Operating Budget
- Capital Budget
- Cash Budget

Selected highlights from the Comprehensive Budget include:

- As proposed, this budget will maintain the operating metrics Standard and Poors uses to rate KCHA at current levels
- \$229.0 million toward the Housing Choice Voucher (HCV) program Housing Assistance Payments (HAP), supporting over 11,750 families funded by KCHA and another 3,400 expected “ports-in” to KCHA’s service area during the year.
- \$70.0 million as a placeholder for future acquisitions. The budget assumes that any such acquisition will be 100% debt funded in the short term. No actual

acquisition would move forward without separate review and approval by the Board.

- A substantial investment in staffing with 44 new positions, 86% of which are in core, front-line service roles. Funding supports the recent 5.5% COLA adjustment and continued funding for the compensation redesign project.
- \$41.7 million for construction projects at multiple properties.
- \$12.6 million in pre-development activity at Issaquah Trailhead and Kirkland Heights.
- A funding commitment of \$3.7 million dedicated to a variety of dedicated homeless programs, plus an additional \$3.2 million to support the lease-up of the 762 Emergency Housing Vouchers awarded to KCHA in 2021. These programs complement the extensive use of other Housing Choice Vouchers to support the region's rehousing efforts.
- \$7.7 million for a wide array of resident service and education programs focused on economic mobility, self-sufficiency, youth and senior services, student housing and educational outcomes for youth.
- Expansion of the newly-established Office of Equity, Diversity and Inclusion (EDI) with two additional staff.

Operating Budget Summary

Below is a summary (in thousands of dollars) of the operating components of four different budgets or projections:

- 2021 Adopted Budget
- 2021 Midyear Financial Projection
- 2021 Normalized Budget
- 2022 Proposed Budget

All of the analyses below will compare the 2022 Proposed Budget to the 2021 Normalized Budget. The Normalized budget modifies the Midyear Projection to account for items such as a full year's rent receipts for new acquisitions and new incremental Housing Choice Voucher awards. For example, the 2021 Midyear Projection included 6 months of revenues and expenses for several new acquisitions. To enable an "apples-to-apples" comparison to the 2022 Proposed Budget, an additional six months of revenue and expenses were added to the Midyear Projection, resulting in the Normalized Budget.

Resolution 5707
2022 Operating and Capital Budgets
December 20, 2021 Board Meeting
Page 3 of 17

2022 Budget
(In \$1,000's; excludes non-KCHA-managed component units)

	2021 Adopted Budget	2021 Midyear Projection	2021 Normalized	Proposed 2022	\$ Change From Normalized	% Change Change fm Normalized
Revenues						
Tenant Revenue	\$131,260.7	\$138,375.5	\$147,701.9	\$149,824.1	2,122.2	1.4%
Operating Fund Subsidy from HUD	10,698.1	12,382.8	12,654.1	12,274.4	(379.7)	-3.0%
HCV Program Subsidy from HUD	190,934.9	206,036.4	204,841.9	214,836.9	9,995.0	4.9%
Other Operating Revenue	81,354.3	79,110.3	77,983.3	85,361.7	7,378.4	9.5%
Total Operating Revenues	414,248.0	435,905.0	443,181.3	462,297.1	19,115.9	4.3%
Expenses						
Salaries & Benefits	(56,636.7)	(57,436.1)	(58,365.7)	(65,793.7)	(7,427.9)	12.7%
Routine Maint, Utilities, Taxes & Insurance	(33,346.9)	(35,432.4)	(36,718.2)	(38,060.6)	(1,342.4)	3.7%
Other Social Service Support Expenses & HAP	(227,103.9)	(228,112.1)	(230,487.5)	(244,791.7)	(14,304.2)	6.2%
Administrative Support Expenses	(25,049.8)	(25,815.4)	(26,421.7)	(29,070.9)	(2,649.3)	10.0%
Total Operating Expenses	(342,137.3)	(346,796.0)	(351,993.1)	(377,716.9)	(25,723.8)	7.3%
Operating Net Income	72,110.7	89,109.0	91,188.2	84,580.3	(6,607.9)	-7.2%

In many respects, the 2022 proposed budget is steady-state compared to the 2021 normalized budget, but there are some significant changes, most notable in the areas of HCV Program Subsidy and related Housing Assistance Payments, Salaries and Benefits, and Administrative Support costs.

HCV Program Subsidy is projected to increase \$10.0 million over the 2021 normalized budget. Of this \$10.0 million, \$8.8 million will be in the block grant, driven by the estimated Renewal Funding Inflation Factor (RFIF) of 5.0%, with the remainder attributable to inflation in the Special Purpose Voucher program and to some new incremental vouchers.

Offsetting the additional HCV revenue is a projected uptick of \$11.6 million in 2022 Housing Assistance Payment (HAP) expenses over the 2021 normalized budget, excluding HAP related to ports-in. Driving the gap between increased HAP revenues and expenses is the Emergency Housing Voucher Program. KCHA has been receiving EHV HAP revenue in 2021, but most has gone into reserves as leasing has not kept pace with the cash receipts. Current projections indicate a \$4.5 million EHV HAP reserve at the end of 2021. In 2022 KCHA must draw from this reserve, and no additional funding will be received until the reserve is exhausted.

Salaries and Benefits, which will be discussed in more detail later, are reflecting a bump of \$7.4 million or 12.7% when compared to the 2021 normalized budget.

Administrative Support expenses are climbing by \$2.6 million or 10.0%. Increases are seen across several administrative categories including professional services, contracts, training, and equipment and is reflective of a ramp up of activities in anticipation of returning to normal operations.

Other key assumptions and highlights from the 2022 budget, all of which will be explored further, include:

- The 2021 Public Housing Operating Fund subsidy was budgeted assuming a 92% prorate, while the 2021 actual subsidy prorate has been just shy of 96%. This conservative approach is prudent as the Federal Fiscal Year 2022 budget has not yet been adopted by Congress.
- As mentioned above, a 5% inflation factor was assumed for HCV revenue. Average HAP costs were assumed to grow over 2022 at a 7% clip. The impact of the proposed Payment Standard Changes being considered by the Board this month is factored in the 2022 cost projections.
- The draw on MTW for traditional Public Housing purposes is forecast to increase by \$1.2 million in 2022, up from \$3.0 million in 2021 to \$4.2 million next year, driven in large part by an uptick in special small capital projects.

	2021 Budget	2022 Budget
MTW Funds to Provide Additional Public Housing Operating Resources	\$1,970,796	\$2,285,629
MTW Funds to Provide Additional Public Housing Special Project Resources	985,315	1,914,800
Total	\$2,956,111	\$4,200,429

As is typical, KCHA will reforecast anticipated revenues as part of the 2022 mid-year review once Federal funding levels are known, and will make adjustments in expenditure levels at that point if deemed prudent.

Capital Budget Summary

The 2022 proposed capital budget totals \$127.7 million, of which \$54.9 million relates to construction and development activities. A brief reconciliation follows, and more information can be found on page 13:

Proposed 2022 Capital Budget	\$127,774,419
Less: Cost of New Acquisition	(70,000,000)
Less: Cost of Software and Vehicles	(2,863,420)
2022 Construction/Development Budget	<u><u>\$54,910,999</u></u>

Cash Budget Summary

KCHA cash is divided into three broad categories: Unrestricted/program, Designated and Restricted. Unrestricted/program cash can be spent on any mission-oriented activity or associated program within the Agency. Designated reserves have been set aside for specific purposes by the Housing Authority. Restricted reserves have legal covenants associated with them limiting any expenditures to defined purposes.

Operating cash levels are projected to be stable in 2022, declining by only \$332,000. Additional information can be found in the Cash Budget section on page 13.

OPERATING BUDGETS

KCHA's budget is bifurcated into two broad categories of operations:

- Federally-Funded Properties and Programs
- Local Properties and Programs

Although dramatically different in funding streams, program design and daily operations, both are equally critical to the fulfillment of KCHA's mission.

Federally-Funded Properties and Programs

Federally-funded properties and programs rely on congressional appropriations which carry a certain level of uncertainty. To provide maximum operational and financial flexibility in the face of this uncertainty, KCHA entered HUD's Moving to Work (MTW) Program in 2003. Participation in the program gives KCHA two distinct financial benefits:

- 1) The bulk of Housing Choice Voucher (HCV) program revenue is received as a block grant and, in combination with revenues from the Public Housing program (Operating Fund Subsidy and Capital Fund grants), can be used for any purpose allowed under the MTW contract. This is known as Fungibility.
- 2) Full funding (subject to Congressional proration) for all vouchers that are part of the block grant is automatically renewed each year, enabling KCHA to continue to receive the benefit of savings realized through efficiencies in program operations. This is in contrast to non-block-grant programs where renewal funding is limited to the actual cost of vouchers leased in the prior year.

Using a combination of projected 2022 Federal funding streams, along with some existing reserves, resources will be sufficient in 2022 to support all proposed budgetary expenditures.

The following table is a summary of 2022 Sources and Uses of Federal Properties and Programs:

2022 Budgeted Sources and Uses
Federal Programs and Properties
(In \$1,000's; excludes non-KCHA-managed component units)

<i>Beginning Balance, Unrestricted Cash</i>	\$31,182.0
<i>Revenues</i>	
Tenant Revenue	\$12,663.2
Subsidy from HUD	226,721.5
Other Operating Revenue	57,686.9
Total Operating Revenues	297,071.6
<i>Expenses</i>	
Salaries & Benefits	(25,787.7)
Routine Maintenance, Utilities, Taxes & Insurance	(10,496.1)
Other Social Service Support Expenses & HAP	(239,699.4)
Administrative Support Expenses	(11,207.9)
Total Operating Expenses	(287,191.2)
Net Operating Income	9,880.3
<i>Other Sources/(Uses) of Cash</i>	
Net Non-Operating Income (Expense)	7,126.8
Capital Projects and Acquisitions	(14,028.3)
Net Transfers In From (Out to) Other Funds	(7,156.1)
Other Sources/(Uses)	6,496.0
Total Other Sources/(Uses) of Cash	(7,561.5)
Net Change in Unrestricted Cash	2,318.8
<i>Ending Balance, Unrestricted Cash</i>	\$33,500.8

Programs that fall within the Federal funding sphere include:

- Housing Choice Vouchers
- Public Housing
- MTW-driven Activities
 - Resident Service Programs
 - Social Impact Initiatives
 - Homeless Initiatives

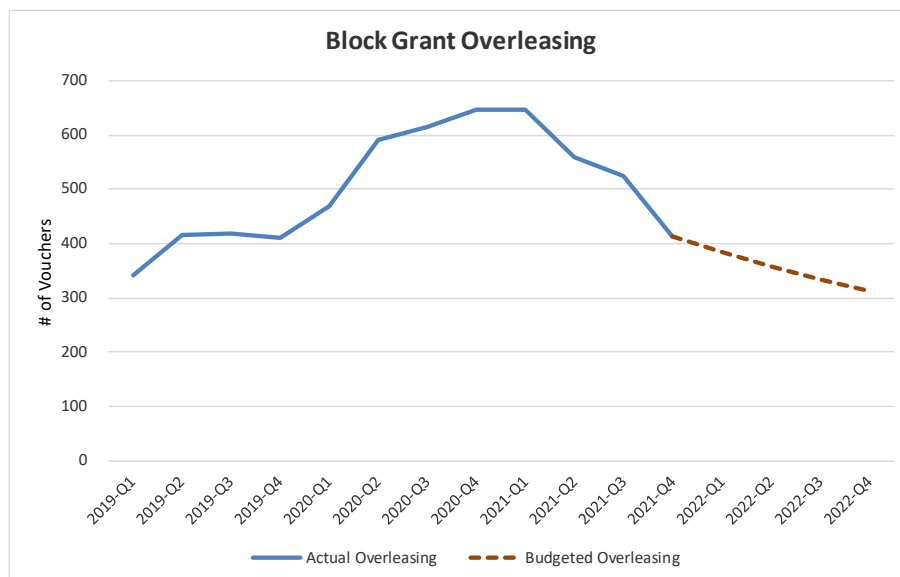
Housing Choice Vouchers

Approximately 71% of the Housing Choice Vouchers KCHA have been awarded are funded and administered within the MTW program. These 8,410 vouchers carry contractual funding provisions whereby KCHA retains budget authority for all included revenue and can deploy it for any allowed program expense. In contrast, the remaining 3,355 vouchers are designated as Special Purpose Vouchers (SPVs) and are funded using a model whereby any revenue not spent on HAP reverts back to HUD.

Assuming a 5.0% RFIF inflation adjustment, 2022 funding *eligibility* for Block Grant vouchers and SPVs is estimated at \$177.4 million and \$33.5 million, respectively, while *budgeted* funding is \$175.6 million and \$33.2 million after accounting for the assumed 99% prorate. If the RFIF differs from 5.0% or the prorate differs from 99.0%, each respective percentage point change results in a funding variance of approximately \$1.8 million for block grant vouchers and \$335,000 for SPVs.

Out of this revenue stream, KCHA subsidizes the rent of program participants by making monthly payments directly to landlords, and it pays for the costs of administering the program. Within the HCV program, the Authority uses its MTW authority in two key ways:

- KCHA currently supports more households than the baseline number of vouchers for which it is funded in the block grant. This “over-leasing” reached a peak in 2020, driven by lease-up targets for eligible families under the Creating Moves to Opportunities (CMTO) research project, but is projected to decline throughout 2022 and finish the year slightly above 300 vouchers, which is the over-leasing target previously established by the Board. A chart showing actual and projected over-leasing from 2019 to 2022 is below.



When all locally-designed programs are factored in, KCHA anticipates housing 523 households above baseline throughout 2022 at an annualized cost of \$7.1 million.

- KCHA has the flexibility to set different maximum values for vouchers, depending upon the number of bedrooms in the rental unit and its geographic location. These voucher values are known as Payment Standards. MTW allows KCHA to provide payment standards in high cost (and high opportunity) neighborhoods significantly above the regional Fair Market Rents. This expands geographic choice for program participants and supports KCHA's goal of increasing the number of households living in these neighborhoods. The Board last adopted a change in payment standards via Resolution No. 5698 at the August 2021 board meeting. Additional adjustments will be presented to the Commissioners for consideration at the December 2021 meeting.

To fund the costs of administering an HCV program, HUD pays Administrative Fees (admin fees). For MTW Block Grant Vouchers, this fee is based on the number of vouchers in the block grant, and is paid regardless of how many vouchers are actually leased. As this fee is included as part of the block grant, it inflates each year as part of the RFIF and is subject to the same prorate. For Special Purpose Vouchers, HUD pays the fee for every voucher leased based on published rates, which are typically subject to a proration between 80% and 86%. For purposes of 2022 revenue projections KCHA has assumed a pro-ratio of 86% on non-block grant administrative fees.

As the incoming MTW Block Grant admin fees are embedded as part of the monthly block grant payment from HUD, the revenue is recorded in the MTW fund. The Section 8 program internally bills the MTW program each month for admin fees for each MTW Block Grant voucher leased. The billing rate of this internal charge is determined by KCHA during the budget process and, as an operating metric, the value is compared to the non-block grant fee rate. For 2022, it is estimated that HUD's published fee will be \$108.19 per unit per month (PUM) while KCHA's internal rate is being set at \$105.02, meaning that KCHA is operating its HCV program within the cost parameters established by HUD, although not necessarily within the actual funding provided by HUD, as the actual administrative fee for non-block grant vouchers, after proration, is estimated at 86% of the published rate.

Public Housing

The Public Housing program operates on a combination of tenant revenue and Operating Fund Subsidy provided by HUD. In 2022, KCHA is eligible, based on HUD's funding formula, to receive \$13.7 million of Operating Fund Subsidy. Due to chronic congressional underfunding, it is estimated that only 92% of eligible funding, or \$12.6 million, will actually be received. Of this amount, \$458,000 is dedicated to paying a portion of the cost of resident service programs, and \$4.0 million will be used for debt repayment and other costs associated with the Energy Performance Contract. The remaining \$8.1 million will be used to partially offset the gap between the costs of operating the properties and the rents received from tenants, but a deficit of \$4.2 million will remain. This deficit will be funded with transfers from the MTW program.

Resident Services

The Resident Services department has budget authority for 36.5 full-time equivalent (FTE) employees in 2022. It has an overall department budget of \$5.8 million, of which 87.4% is funded from the MTW block grant, 8.2% from Public Housing Operating Fund subsidy, and the remainder from other sources such as federal and/or local grants. There will be a continued focus on housing stability, resident health and workforce development in 2022.

Homeless Initiatives

KCHA's Public Housing and Section 8 programs continue their focus on ending regional homelessness. The Homeless Housing Initiatives (HHI) department oversees use of dedicated Section 8 vouchers in partnership with regional efforts and develops innovative new initiatives serving those who, for a variety of reasons, cannot use traditional federal programs. HHI's 2022 department budget of \$5.7 million contains a wide array of locally-designed rental assistance programs. Highlights of the 2022 work plan include:

- Aggressively pursue all opportunities to increase resources for hard to house populations by applying for new Special Purpose Vouchers (SPV) as they are made available by HUD. In 2021, 66 Family Unification (FUP) vouchers were awarded in support of the Foster Youth to Independence program.
- Collaborate with the HCV department and various community partners to help Emergency Housing Vouchers holders to successfully lease safe, affordable housing in the local housing market. The HHI budget includes nearly \$2.4 million to fund Housing Navigators and Client Assistance Funds to support leasing efforts.
- Continue efforts to maintain and achieve high lease-up rates for Special Purpose Voucher (SPV) programs by partnering closely with the Housing Choice Voucher department and KCHA's community-based partners to help people experiencing homelessness find permanent housing. This will position KCHA to meet HUD eligibility requirements when applying for new voucher allocations as they are made available.

Local Properties and Programs

Local Properties and Programs are those that receive no direct federal support. Although some of the properties may accept Housing Choice Voucher HAP payments towards tenant rents, the Net Cash Flow from these properties has no associated federally-imposed restrictions and may be used for any purpose within KCHA's mission.

Properties and programs that are considered Local include:

- Asset-Managed Portfolio
 - Workforce Housing Properties owned outright by KCHA
 - Mobile Home Parks
 - Workforce Housing Properties that are owned in partnership with tax credit investors are excluded from both the budget and the quarterly financial statements. There are seven properties in this group with 755 units and operating revenue of approximately \$9.8 million.
- Housing Management Portfolio

- Project-Based Section 8 properties, some of which are owned in partnership with tax credit investors
- Non-federally subsidized properties
- Weatherization and Home Repair Programs
- Overhead captured in the Central Office Cost Center (COCC)

The following table summarizes the 2022 budget for Local Properties and Programs:

2022 Budgeted Sources and Uses

Local Programs and Properties

(In \$1,000's; excludes non-KCHA-managed component units)

<i>Beginning Balance, Unrestricted Cash</i>	\$94,978.9
<i>Revenues</i>	
Tenant Revenue	\$137,160.9
Subsidy from HUD	389.8
Other Operating Revenue	27,462.2
Total Operating Revenues	165,012.9
<i>Expenses</i>	
Salaries & Benefits	(38,735.8)
Routine Maintenance, Utilities, Taxes & Insurance	(27,522.5)
Other Social Service Support Expenses & HAP	(5,092.3)
Administrative Support Expenses	(17,494.5)
Total Operating Expenses	(88,845.1)
Net Operating Income	76,167.8
<i>Other Sources/(Uses) of Cash</i>	
Net Non-Operating Income (Expense)	(26,002.8)
Capital Projects and Acquisitions	(30,511.4)
Net Transfers In From (Out to) Other Funds	5,005.8
Other Sources/(Uses)	(27,310.0)
Total Other Sources/(Uses) of Cash	(78,818.4)
Net Change in Unrestricted Cash	(2,650.6)
<i>Ending Balance, Unrestricted Cash</i>	<u><u>\$92,328.3</u></u>

The decline in unrestricted cash is due to the planned use of reserves to fund pre-development activities for KCHA's development pipeline, in particular work in 2022 on the Trailhead and Kirkland Heights projects.

Asset-Managed Workforce Housing

The Workforce Housing portfolio included in the budget and the quarterly financial statements reflects properties owned outright by KCHA, but excludes those owned in partnership with tax credit investors, as well as the mobile home park portfolio. KCHA currently has 47 separate properties in this portfolio, with 6,691 units. These properties are managed by outside fee-based property management companies. All properties have some form of debt outstanding, and the servicing of this debt comes from the cash flow of each of the properties. In addition, each property makes monthly contributions to replacement reserve accounts and annually self-funds capital repair and rehabilitation projects. After all such expenses, the 2022 net cash flow from these properties is projected to be \$8.2 million, and the budget includes a transfer to \$6.8 million to the Central Office Cost Center (COCC) in support of general KCHA overhead. This cash flow has been enhanced by favorable financing terms achieved on recent bond issuances and through debt placement with local technology companies.

Mobile Home Parks

KCHA owns five mobile home parks with a total of 654 homes. The 2022 budget includes \$2.7 million of capital expenditures for this portfolio, including \$1.7 million for the planned expansion of the Rainier View Park in Black Diamond.

Project-based Section 8 Properties

There are currently 1,557 units in this portfolio, including properties owned in partnership with tax credit investors but managed and controlled by KCHA. With a few exceptions, they operate similarly to public housing but with a different form of subsidy. 1,213 units have Project-Based Section 8 contracts. Some of the most significant properties in this group are:

- MKCRF properties-509 units
- Birch Creek-262 units
- Spiritwood Manor-104 units
- Hidden Village-78 units

The 344 units not receiving Section 8 subsidies include the mobile home park portfolio and a variety of smaller properties.

The budget includes a transfer of \$3.3 million from this portfolio to the COCC.

Non-Federally-Subsidized Properties

There are 128 units in this portfolio, spread over 10 separate locations. These properties receive no direct subsidies, and serve a variety of tenants, including elderly, disabled and transitional.

Weatherization and Housing Repair program

This program provides energy conservation improvements to low income residents of King County living in single-family residences, mobile homes, and multifamily housing. It also provides repairs to single-family homes through the City of Bellevue's Housing Repair program. The 2022 budget includes construction activity of \$4.2 million to weatherize or repair 420 housing units and is funded through six separate federal, state and local grants and contracts. Future funding is expected to increase due to the recent passage of the Infrastructure Bill, but amounts and timing are currently uncertain.

Agency Overhead-COCC

Expenses for most administrative departments are aggregated in the COCC, and the costs are then recovered through a series of fees charged to properties and programs, plus the transfer of excess cash flow from locally-owned properties. The COCC covers most activities within the Human Resources, Information Technology, Administrative Services, Finance, Communications and Executive departments, as well as certain functions within Asset Management, Housing Management and Capital Construction.

A high-level summary of the core COCC operating budget is below. 75% of COCC operating costs are attributable to personnel, making it a challenge to reduce costs without reducing staff. The complexity of the organization generally requires the staffing level the Authority currently maintains. KCHA will need to continue to identify operational efficiencies or additional sources of revenue in future years to support operations at this level.

Fees and Other Revenue	\$10,699,408
Excess Cash from Properties	10,460,000
Total Operating Resources	21,159,408
<i>Core Operating Uses</i>	
Operating Expenses	(21,136,399)
Net Excess/(Deficit) Related to Core Overhead Activities	\$23,008

CAPITAL BUDGET

Below is a summary of the capital budget. Full detail can be found on Attachment B.

Category	Budgeted Amount	Managed by	Funding Sources
Rehabilitation of existing properties	\$12,706,614	Capital Construction Department	MTW, CFP grant, COCC, MKCRF cash flow
	\$7,453,593	Housing Management Department	MTW, Operating Fund subsidy, site cash flow
	\$21,516,095	Asset Management Department	Replacement reserves and site cash flow
Pre-development Activities	\$12,570,000	Development Department	COCC, debt, investor equity
Work at Greenbridge sites	\$664,697	Development Department	Internal loans
Software and Vehicles	\$2,863,420	Various	Various
Total	\$57,774,419		

Plus: cost of new acquisition	70,000,000
Total Capital Budget	<u><u>127,774,419</u></u>

CASH BUDGET

Below is the 2022 cash budget:

Operations	Unrestricted & Program	Designated	Restricted	Total
Projected Cash, 1/1/2022	\$126,160,937	\$94,448,151	\$39,653,653	\$260,262,741 (1)
Projected 2022 Change	(331,803)	(160,537)	(6,341,206)	(6,833,546)
Projected Cash, 12/31/2022	<u>\$125,829,134</u>	<u>\$94,287,614</u>	<u>\$33,312,447</u>	<u>\$253,429,194 (1)</u>

1) Including cash held by HUD

Development	Unrestricted & Program	Designated	Restricted	Total
Projected Cash, 1/1/2022	\$16,996,740	\$100,003	\$22,047,732	\$39,144,475
Projected 2022 Change	(3,943,912)	557,736	238,066	(3,148,110)
Projected Cash, 12/31/2022	<u>\$13,052,828</u>	<u>\$657,739</u>	<u>\$22,285,798</u>	<u>\$35,996,365</u>

KCHA is also awarded annual Capital Fund Program grants. These grants are on a reimbursement-only basis and thus are not shown as an asset of KCHA. However, it is forecast that as of the end of 2022, \$25.8 million in untapped grant awards will be available for capital purposes.

THE INVESTMENT IN KCHA'S EMPLOYEE INFRASTRUCTURE

Overview

KCHA will continue to invest in its employees on several fronts during 2022. In addition to significant staffing increases and boosts in compensation and benefits, the budget includes support for the following key initiatives, some of which have been rolled over from 2021 due to the pandemic:

- Embark on Phase II of KCHA's compensation, classification and employee performance management initiative where a variety of topics will continue to be addressed, including internal pay equity, development of a matrix guiding initial salary offers for new employees, and the pace at which employees proceed through pay bands.
- Select and begin implementation of new Housing Management Software. A \$4 million technology reserve has been established for this project.
- Select and begin installation of new Human Resources Information System software.
- Make significant investments in training and tuition reimbursement.
- The EDI Department will take the lead on shaping and leading organization-wide strategies to imbed EDI into every aspect of KCHA's work. Key 2022 initiatives include leading efforts to conduct both internally-focused and externally-focused equity reviews of agency policies and practices, coordinating KCHA's Committee activities, developing and maintaining meaningful relationships with community leaders and partners, and enhancing the agency's Section 3 and Affirmatively Furthering Fair Housing programs. In addition, KCHA will begin observing Juneteenth next year as a paid holiday for all employees.

Employee Count

The 2022 budget includes 487.13 full-time equivalent (FTE) positions, a net increase of 42.9 positions over the 2021 budget.

FTE Count, 2021 Budget	444.25
New Regular FTEs approved during 2021	42.50
New Temp FTEs approved during 2021	2.00
Current FTE Count	<hr/> 488.75
Newly-Proposed Recurring Positions	2.38
Eliminate Vacant Recurring Positions	(2.00)
Eliminate Temporary Positions	(2.00)
FTE Count, 2022 Budget	<hr/> <hr/> 487.13

The COVID-19 pandemic has had a negative impact on all of KCHA's dedicated and hard-working staff. It has been especially hard on "front line" employees, particularly those in the Housing Choice Voucher and Property Management departments. There is a significant backlog of in-unit inspections and related maintenance, and a high incidence of burnout and turnover. Both departments are in severe need of additional staff to continue providing high levels of customer service and be well-positioned for the pandemic's recovery phase. The Housing Choice Voucher Department has also received an additional 762 Emergency Housing Vouchers for homeless households and needs additional staff to issue and lease these vouchers. In response to these pressing needs, the budget includes a total of 44.9 new positions, of which 37 are in Housing Choice Vouchers and Property Management. It is anticipated that a significant number of these positions will not be re-filled, if not warranted, as normal turnover occurs over the next two to three years.

Personnel Costs

Personnel costs are rising significantly in 2022, due predominantly to the spike in the employee count noted above. Other factors include:

- **Cost of Living Adjustments.** The 2021 COLA for non-represented KCHA staff approved by the Board in October was 5.5%, the highest increase since 1991. The 2022 budget currently assumes that all employees will receive this COLA adjustment, adding \$1.9 million to base payroll costs. The budget also assumes a 2.5% COLA increase in November 2022.
- **Medical Premiums.** After significant increases in 2017, PEBB rate increases have been moderate. Plan increases for 2022 vary, but no plan increased by more than 5.1%, with most plans increasing by around 3.5%. In 2021 several employees moved into less-costly plans, but the 2022 census won't be known until December when open-enrollment ends. The estimated average cost per employee for 2022 is \$14,269, up slightly from the recalculated 2021 average of \$14,043. The 2022 plan designs have no significant changes in cost allocations.
- **Over the past 10 years, the cost of participating in the state Public Employees Retirement System (PERS) pension system has risen dramatically, peaking in 2020 at 12.97% of payroll costs. Effective July 2021, rates declined by 2.72 percentage points to 10.25%. No additional changes are forecast by the state through 2022. This rate reduction will lower KCHA's annual pension contributions by approximately \$980,000.**
- **KCHA continues to fund a merit pool equal to 2% of eligible employees' annual salary. Employees not at the top of their range who achieve an "exceeds standards" rating are eligible for a merit increase. Biennially, employees who are at the top of their pay band and have been rated "outstanding" for two consecutive years are eligible to receive a 2% incentive payment, which is not added to base pay. This approach to providing "merit pay" will be reviewed as part of this coming year's work plan under the compensation review initiative mentioned above.**

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2022 Operating and Capital Budgets
December 20, 2021 Board Meeting
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KING COUNTY HOUSING AUTHORITY
2022 Budget (Cash Basis)
(In \$1,000's; excludes non-KCHA-managed component units)

EXHIBIT A

	Operations and Capital						
	Federal Programs	Local Programs	2022 Proposed Budget	2021 Adopted Budget	Dollar Change	Percent Change	Development
Beginning Balance, Unrestricted Cash	\$31,182.0	\$94,978.9	\$126,160.9				\$16,996.7
Revenues							
Tenant Revenue	\$12,663.2	\$137,160.9	\$149,824.1	\$131,260.7	\$18,563.4	14.1%	\$.0
Operating Fund Subsidy from HUD	12,274.4	.0	12,274.4	10,698.1	1,576.2	14.7%	.0
Section 8 Subsidy from HUD	214,447.1	389.8	214,836.9	190,934.9	23,902.0	12.5%	.0
Other Operating Revenue	57,686.9	27,462.2	85,149.1	81,354.3	3,794.8	4.7%	212.7
Total Operating Revenues	297,071.6	165,012.9	462,084.5	414,248.0	47,836.5	11.5%	212.7
Expenses							
Salaries & Benefits	(25,787.7)	(38,735.8)	(64,523.5)	(56,636.7)	(7,886.8)	13.9%	(1,270.1)
Routine Maintenance, Utilities, Taxes & Insurance	(10,496.1)	(27,522.5)	(38,018.6)	(33,346.9)	(4,671.7)	14.0%	(42.0)
Other Social Service Support Expenses & HAP	(239,699.4)	(5,092.3)	(244,791.7)	(227,103.9)	(17,687.8)	7.8%	.0
Administrative Support Expenses	(11,207.9)	(17,494.5)	(28,702.5)	(25,049.8)	(3,652.7)	14.6%	(368.4)
Total Operating Expenses	(287,191.2)	(88,845.1)	(376,036.4)	(342,137.3)	(33,899.1)	9.9%	(1,680.5)
Operating Net Income	9,880.3	76,167.8	86,048.1	72,110.7	13,937.4	19.3%	(1,467.9)
Non-operating Revenue	11,352.9	5,411.8	16,764.7	13,609.5	3,155.2	23.2%	3,115.7
Non-operating Expenses	(4,226.1)	(31,414.5)	(35,640.7)	(31,495.3)	(4,145.3)	13.2%	(3,285.7)
Net Income	17,007.1	50,165.0	67,172.1	54,224.9	12,947.3	23.9%	(1,637.9)
Other Sources/(Uses) of Cash							
Capital Projects and Acquisitions	(14,028.3)	(30,511.4)	(44,539.7)	(37,361.7)	(7,178.0)	19.2%	(83,234.7)
Changes in Designated Cash	2,029.7	(1,869.2)	160.5	(5,294.2)	5,454.8	-103.0%	(557.7)
Changes in Restricted Cash	6,296.5	44.7	6,341.2	971.3	5,369.9	552.8%	(238.1)
Changes in Receivables	560.2	(4,467.2)	(3,907.0)	6,152.9	(10,059.8)	-163.5%	33,759.2
Changes in Other Assets	.0	81.7	81.7	81.7	.0	0.0%	.0
Changes in Debt	(455.0)	(23,559.1)	(24,014.1)	(23,249.7)	(764.4)	3.3%	38,145.3
Changes in Other Liabilities	(1,935.4)	2,459.1	523.6	653.9	(130.2)	-19.9%	7,669.7
Changes in Equity	.0	.0	.0	.0	.0	n/a	.0
Total Other Sources/(Uses) of Cash	(7,532.2)	(57,821.4)	(65,353.7)	(58,045.9)	(7,307.8)	12.6%	(4,456.3)
Transfer In from (Out to) Other Funds							
Transfers In from Other Funds	11,168.4	27,761.8	38,930.2	36,119.9	2,810.3	7.8%	2,150.3
Transfers Out to Other Funds	(18,324.5)	(22,756.0)	(41,080.5)	(36,742.3)	(4,338.2)	11.8%	.0
Net Transfer In/(Out)	(7,156.1)	5,005.8	(2,150.3)	(622.4)	(1,527.8)	245.5%	2,150.3
Net Change in Unrestricted Cash	2,318.8	(2,650.6)	(331.8)	(4,443.4)	4,111.6	(.0)	(3,943.9)
Ending Balance, Unrestricted Cash	\$33,500.8	\$92,328.3	\$125,829.1				\$13,052.8
Beginning Balance, Designated Cash	\$8,891.5	\$85,556.6	\$94,448.2				\$100.0
Changes in Designated Cash	(2,029.7)	1,869.2	(160.5)				557.7
Ending Balance, Designated Cash	\$6,861.8	\$87,425.8	\$94,287.6				\$657.7
Beginning Balance, Restricted Cash	\$16,432.4	\$23,221.2	\$39,653.7				\$22,047.7
Changes in Restricted Cash	(6,296.5)	(44.7)	(6,341.2)				238.1
Ending Balance, Restricted Cash	\$10,135.9	\$23,176.5	\$33,312.4				\$22,285.8

EXHIBIT B

Capital Budget
By Responsible Department
2022 Budget

CONSTRUCTION ACTIVITIES

Managed by the Capital Construction Department

Public Housing Properties	\$6,824,333	
MKCRF Properties	3,924,728	
Other Properties	1,003,485	
Placeholder for Pre-Construction Design Work	<u>860,668</u>	12,613,214

Managed by the Resident Services Department

Various Relocation Expenses	<u>93,400</u>	93,400
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Managed by the Housing Management Department

Unit Upgrade Program	3,851,896	
Other Projects	<u>3,601,697</u>	7,453,593

Managed by the Asset Management Department

Projects at Workforce Housing Properties	18,769,095	
Projects at Mobile Home Properties and Other	<u>2,747,000</u>	21,516,095

DEVELOPMENT/ACQUISITION ACTIVITIES

Managed by the Development Department

Acquisitions	70,000,000	
Hope VI Properties	664,697	
Pre-development Activities-Issaquah Trailhead	8,000,000	
Pre-development Activities-Other	<u>4,570,000</u>	83,234,697

OTHER ACTIVITIES

Technology Expenditures	2,000,000	
Vehicles & Other	<u>863,420</u>	2,863,420

TOTAL CAPITAL EXPENDITURES		<u>\$127,774,419</u>
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THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5707

**AUTHORIZING APPROVAL OF THE COMPREHENSIVE OPERATING AND
CAPITAL BUDGETS FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2022**

WHEREAS, the Executive Director has submitted Comprehensive Operating and Capital Budget for the Calendar Year beginning January 1, 2022 (Calendar Year 2022); and

WHEREAS, the Board of Commissioners has determined that the proposed expenditures are necessary for the efficient and economical operation of the Housing Authority for the purpose of serving low-income families; and

WHEREAS, the Budget indicates sources of funding adequate to cover all proposed expenditures; and

WHEREAS, all proposed rental charges and expenditures will be consistent with provisions of the Washington State Housing Authority Law (RCW 35.82) and the Annual Contributions Contract (where applicable); and

WHEREAS, the Authority hereby certifies that no employee of the Housing Authority is serving in a variety of positions which will exceed 100% of his/her time. This certification includes the proration of an employee's time between the various programs administered by the Housing Authority of the County of King; and

WHEREAS, the Authority certifies that none of the funds in the budget authorized under Section 8 (only with respect to the tenant-based rental assistance program) and Section 9 of the United States Housing Act of 1937 will be used for any amount of salary for any employee that exceeds the annual rate of basic pay payable for a position at Level IV of the Federal Executive Schedule; and

WHEREAS, the Authority certifies that a drug-free workplace is provided to employees as required by the Drug-Free Workplace Act of 1988; and

WHEREAS, the Authority certifies that no Federally appropriated funds will be paid on behalf of the Housing Authority to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

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

SECTION 1: The following expenditures are hereby authorized for the Calendar Year beginning January 1, 2022:

Fund Groups	Expenses	Capital	Total
Federal Programs	\$291,417,380	\$14,028,282	\$305,445,662
Local Programs	120,259,646	30,511,440	150,771,085
Development Activities	4,966,207	83,234,697	88,200,904
Total 2022 Expenditures	<u>\$416,643,233</u>	<u>\$127,774,419</u>	<u>\$544,417,652</u>

SECTION 2: The Detail of Budgeted Revenues and Expenses as found in Exhibit A are hereby incorporated into this resolution.

ADOPTED AT A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 20TH DAY OF DECEMBER, 2021

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

Doug Barnes, Chair
Board of Commissioners

Stephen J. Norman
Secretary-Treasurer

KING COUNTY HOUSING AUTHORITY
2022 Budget (Cash Basis)
(In \$1,000's; excludes non-KCHA-managed component units)

EXHIBIT A

	Operations and Capital						Development
	Federal Programs	Local Programs	2022 Proposed Budget	2021 Adopted Budget	Dollar Change	Percent Change	
Beginning Balance, Unrestricted Cash	\$31,182.0	\$106,868.9	\$138,050.9				\$16,996.7
Revenues							
Tenant Revenue	\$12,663.2	\$137,160.9	\$149,824.1	\$131,260.7	\$18,563.4	14.1%	\$.0
Operating Fund Subsidy from HUD	12,274.4	.0	12,274.4	10,698.1	1,576.2	14.7%	.0
Section 8 Subsidy from HUD	214,447.1	389.8	214,836.9	190,934.9	23,902.0	12.5%	.0
Other Operating Revenue	57,686.9	27,462.2	85,149.1	81,354.3	3,794.8	4.7%	212.7
Total Operating Revenues	297,071.6	165,012.9	462,084.5	414,248.0	47,836.5	11.5%	212.7
Expenses							
Salaries & Benefits	(25,787.7)	(38,735.8)	(64,523.5)	(56,636.7)	(7,886.8)	13.9%	(1,270.1)
Routine Maintenance, Utilities, Taxes & Insurance	(10,496.1)	(27,522.5)	(38,018.6)	(33,346.9)	(4,671.7)	14.0%	(42.0)
Other Social Service Support Expenses & HAP	(239,699.4)	(5,092.3)	(244,791.7)	(227,103.9)	(17,687.8)	7.8%	.0
Administrative Support Expenses	(11,207.9)	(17,494.5)	(28,702.5)	(25,049.8)	(3,652.7)	14.6%	(368.4)
Total Operating Expenses	(287,191.2)	(88,845.1)	(376,036.4)	(342,137.3)	(33,899.1)	9.9%	(1,680.5)
Operating Net Income	9,880.3	76,167.8	86,048.1	72,110.7	13,937.4	19.3%	(1,467.9)
Non-operating Revenue	11,352.9	5,411.8	16,764.7	13,609.5	3,155.2	23.2%	3,115.7
Non-operating Expenses	(4,226.1)	(31,414.5)	(35,640.7)	(31,495.3)	(4,145.3)	13.2%	(3,285.7)
Net Income	17,007.1	50,165.0	67,172.1	54,224.9	12,947.3	23.9%	(1,637.9)
Other Sources/(Uses) of Cash							
Capital Projects and Acquisitions	(14,028.3)	(30,511.4)	(44,539.7)	(37,361.7)	(7,178.0)	19.2%	(83,234.7)
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Ending Balance, Restricted Cash	\$10,135.9	\$23,176.5	\$33,312.4				\$22,285.8

T A B N U M B E R

6



To: Board of Commissioners

From: Tyler Shannon, Research & Data Analyst

Date: December 20, 2021

Re: **Resolution No. 5709** Authorizing Higher Payment Standards for the Housing Choice Voucher Program

Executive Summary

Every night, KCHA supports over 10,800 households across the county through the tenant-based Housing Choice Voucher Program (HCV or Section 8). The payment standard determines the maximum subsidy amount KCHA will provide to a participating household and is a central component of the HCV program. Our system of multi-tiered payment standards ensures that KCHA provides a sufficient subsidy so that households can secure and maintain safe and affordable housing in all regions of the county while controlling program costs. Staff last reviewed payment standard amounts in August 2021. This review resulted in moderately increased payment standards in all Tiers. At the December 2021 Board of Commissioners meeting staff will present a proposal to again increase payment standards in all Tiers. The proposed payment standards, combined with previous adjustments and an expected market rent escalation of 7%, are expected to increase annualized housing assistance payments (HAP) for tenant-based vouchers funded through the Moving to Work block grant by \$12.7 million annually at full implementation. The proposed increases outlined below are responsible for \$3.4 million of this cost.

Budgetary Impact

Increasing payment standards involves a substantial investment from the housing authority's budget. In addition to increasing the costs associated with current households and existing rent levels, higher payment standards also raise the ceiling on the amount of HAP costs that KCHA may incur as a result of future rent increases. When modeling the full implementation of the payment standard proposals with expected voucher-level rent increases of 7% across the program, it is expected that HAP costs for tenant-based vouchers will increase by \$12.7 million on an annualized basis. \$3.4 million of this cost is due to the proposed increases.

Background & Methodology

Payment standards set the maximum amount that a housing authority will provide to a voucher holder, based on household size and market costs, to assist with rent and utilities. While most housing authorities typically have a single payment standard set at a level between 90% and 110% of the area's HUD-determined Fair Market Rent, since 1999 KCHA has maintained multiple payment standards. In 2016, the Board expanded the two-tiered system of payment standards

(which involved a regular standard and an “exception area” standard that covered East King County) to create a ZIP code-based, multi-tiered structure with five payment standard levels. Since implementation, the Board has approved additional increases in payment standards, and in November 2017 approved the creation of a new (sixth) tier.

The creation of multiple payment standard tiers reflects the reality that King County is not a single housing market and that housing costs vary dramatically from one sub-market to another. The HUD Fair Market Rent is set at the estimated 40th percentile of rents for the entire region. KCHA’s approach essentially establishes a Fair Market Rent at the 40th percentile for each ZIP code in the county, which are then grouped into six tiers.

The Board’s initial adoption of multi-tiered payment standards recognized the importance of closely aligning payment standards to local rental sub-markets as a means of achieving four key aims: (1) increasing access to high opportunity areas and affirmatively furthering fair housing goals; (2) containing program costs by “right-sizing” subsidies in lower and middle-cost markets; (3) ensuring that new and existing voucher holders can secure and maintain their housing in competitive and increasingly costly rental markets; and (4) limiting the number of households experiencing “shelter burden” (spending more than 40% of their income on rent).

As with prior reviews, we have examined a range of indicators, including: shopping success rates, rents paid by currently leased and newly leased voucher holders, household shelter burden, rent increase requests from landlords, and market rent trends from multiple external data sources. The private rental data company CoStar continues to be our primary source for understanding the rental market and setting payment standards. As with each review of payment standards, we have incorporated feedback from housing specialists and other members of the HCV team.

Considerations and Consequences from the COVID-19 Pandemic

The COVID-19 pandemic continues to impact the rental market in King County and KCHA’s Housing Choice Voucher Program, although in different ways than in prior reviews. Most significantly, KCHA was awarded 762 emergency housing vouchers through the American Rescue Plan Act of 2021, all of which are intended for individuals and families experiencing homelessness. These households are currently attempting to secure housing in the King County rental market using the payment standards approved at the August 2021 Board of Commissioners meeting. While almost 600 vouchers have been issued, very few households have been successful in leasing a unit. While there are other factors that make it difficult for these families to secure a unit, ensuring that the payment standard is high enough to enable these households to find a unit they can afford is a major factor in our recommendations.

Findings from the Market Analysis

Private Rental Market

After multiple years of rapid growth in the King County rental market, the onset of the COVID-19 pandemic led to dramatic changes in the market. In 2020, rents in our highest tiers dropped for the first time since the Great Recession. However, these trends were temporary. Through the course of 2021, CoStar data shows that rents are increasing in all of our tiers, and virtually all areas of King County are seeing rents above pre-pandemic levels, with several cities experiencing record-high rents.

Since December, 2020, 40th percentile rents for two bedroom units have increased by 19% in Tier 5, and by 11% in Tier 6. One bedroom units in Tier 5 increased by 16%, with one bedroom units in Tier 6 increasing 14%. A significant portion of these increases happened within the last six months. Since July of 2021, 40th percentile estimates for one bedroom units have gone up in by almost 10% in Tiers 4, 5, and 6. One bedroom units in Tier 3 increased by 6% in the same period, while Tiers 1 and 2 saw rents stabilizing or increasing slightly. Looking forward, CoStar has projected that rents will continue to increase in all tiers throughout 2022.

Effectiveness of the Payment Standards for KCHA Voucher Holders

When market rents exceed allowable subsidy levels provided under the payment standard, the participating HCV household must pay the overage directly out of pocket. Therefore, the failure of the payment standards to reflect rising housing costs directly increases the amount paid by program participants and can also hamper the ability of some households, particularly households coming directly from homelessness with extremely limited incomes, to secure new housing.

KCHA's multi-tiered approach to setting payment standards based on location has broadened geographic choice for families. Currently over 30% of KCHA's federally subsidized families with children (including project-based vouchers and public housing), are living in high opportunity neighborhoods. The success of the Creating Moves to Opportunity (CMTO) pilot, now being replicated nationally, has rested on this approach.

KCHA's receipt of over 700 Emergency Housing Vouchers means that hundreds of unhoused families are currently or will soon be trying to find a unit in the region's rental markets. If these families are unable to lease a unit using the current payment standard, they lose the voucher and will remain unhoused. The majority of these families are seeking one bedroom and two bedroom units, thus the focus on increasing the one bedroom and two bedroom payment standard (the studio payment standard is tied to 95% of the one-bedroom standard).

The latest shopping success reports (the percentage of newly issued voucher holders leasing up within 240 days of issuance) have shown steep declines, with the most recent cohort of vouchers averaging success rates of 66%, significantly lower than in prior reviews. This aligns with on-the-ground reports from HCV staff, who report that households are having difficulty finding units within the current payment standard.

The end of the rent increase moratorium on June 30th, 2021 will continue to impact KCHA households. Since July 1st, KCHA has approved over one thousand rent increases for voucher households living in non-KCHA owned units. The median increase for these units is approximately 7%, or around \$100. Households in units that are already at the maximum payment standard amount will pay the entire cost of any increases to rent. Without changes to the payment standards, shelter burdens are expected to increase considerably – from the current rate of 13.1% of households to 23% of households.

In summary, reduced shopping success and the need for Emergency Housing Voucher holders to secure housing in an increasingly expensive rental market leads us to recommend an increase to the current payment standards.

Recommended Payment Standard Adjustments

Staff is recommending a moderate increase in payment standard amounts in all tiers for studios, one bedroom units, and two bedroom units. This recommendation will ensure that households with Emergency Housing Vouchers as well as other new households will be more successful in leasing units.

Payment Standard Amounts: The proposed payment standard amounts are calculated based on the ZIP code weighted average of the 40th percentile rent estimates within each tier. The increases are then adjusted to account for budgetary considerations, expected rent increases, and overall impact on shelter burden.

KCHA will again conduct a payment standards analysis beginning in May 2022, with any potential adjustments effective July 1st, 2022.

Proposed Payment Standards to be Effective January 1, 2022

		Studios	1BR	2BR	3BR	4BR*
Tier 1	<i>Current</i> Proposed	\$1,240	\$1,300	\$1,580 +\$60 \$1,640	\$2,050	\$2,670
Tier 2	<i>Current</i> Proposed	\$1,280 +\$50 \$1,330	\$1,340 +\$50 \$1,390	\$1,610 +\$60 \$1,670	\$2,100	\$2,830
Tier 3	<i>Current</i> Proposed	\$1,330 +\$130 \$1,460	\$1,390 +\$140 \$1,530	\$1,660 +\$150 \$1,810	\$2,170	\$2,860
Tier 4	<i>Current</i> Proposed	\$1,470 +\$120 \$1,590	\$1,540 +\$130 \$1,670	\$1,820 +\$70 \$1,890	\$2,380	\$3,100
Tier 5	<i>Current</i> Proposed	\$1,650 +\$170 \$1,820	\$1,730 +\$180 \$1,910	\$1,960 +\$200 \$2,160	\$2,560	\$3,330
Tier 6	<i>Current</i> Proposed	\$1,800 +\$160 \$1,960	\$1,890 +\$170 \$2,060	\$2,210 +\$190 \$2,400	\$2,880	\$3,760

* Five and six bedroom payment standards are determined by applying a factor of 1.15 and 1.30 to the four-bedroom payment standard.

Staff will continue to monitor rental costs, shelter burden, and shopping success trends over the next six months in advance of our mid-year review. As with past adjustments, staff is proposing to implement new payment standards for new households on January 1st, and then on a rolling basis at existing households' next interim or annual reexamination.

Approval of Resolution 5709 is recommended.

APPENDIX A: 2022 Multi-Tiered Payment Standards

Proposed Payment Standards Amounts Effective January 1, 2022

	Studios	1 BR	2 BR	3 BR	4 BR
Tier 1	\$1,240	\$1,300	\$1,640	\$2,050	\$2,670
Tier 2	\$1,330	\$1,390	\$1,670	\$2,100	\$2,830
Tier 3	\$1,460	\$1,530	\$1,810	\$2,170	\$2,860
Tier 4	\$1,590	\$1,670	\$1,890	\$2,380	\$3,100
Tier 5	\$1,820	\$1,910	\$2,160	\$2,560	\$3,330
Tier 6	\$1,960	\$2,060	\$2,400	\$2,880	\$3,760



2022 Annual Payment Standards Review

Housing Choice Voucher Program

Tyler Shannon
Research & Data Analyst

Presentation to the Board of Commissioners
December 20, 2021

Agenda

01

Background

02

Market Analysis

03

Proposal

04

Block Grant Projections

05

Questions & Discussion

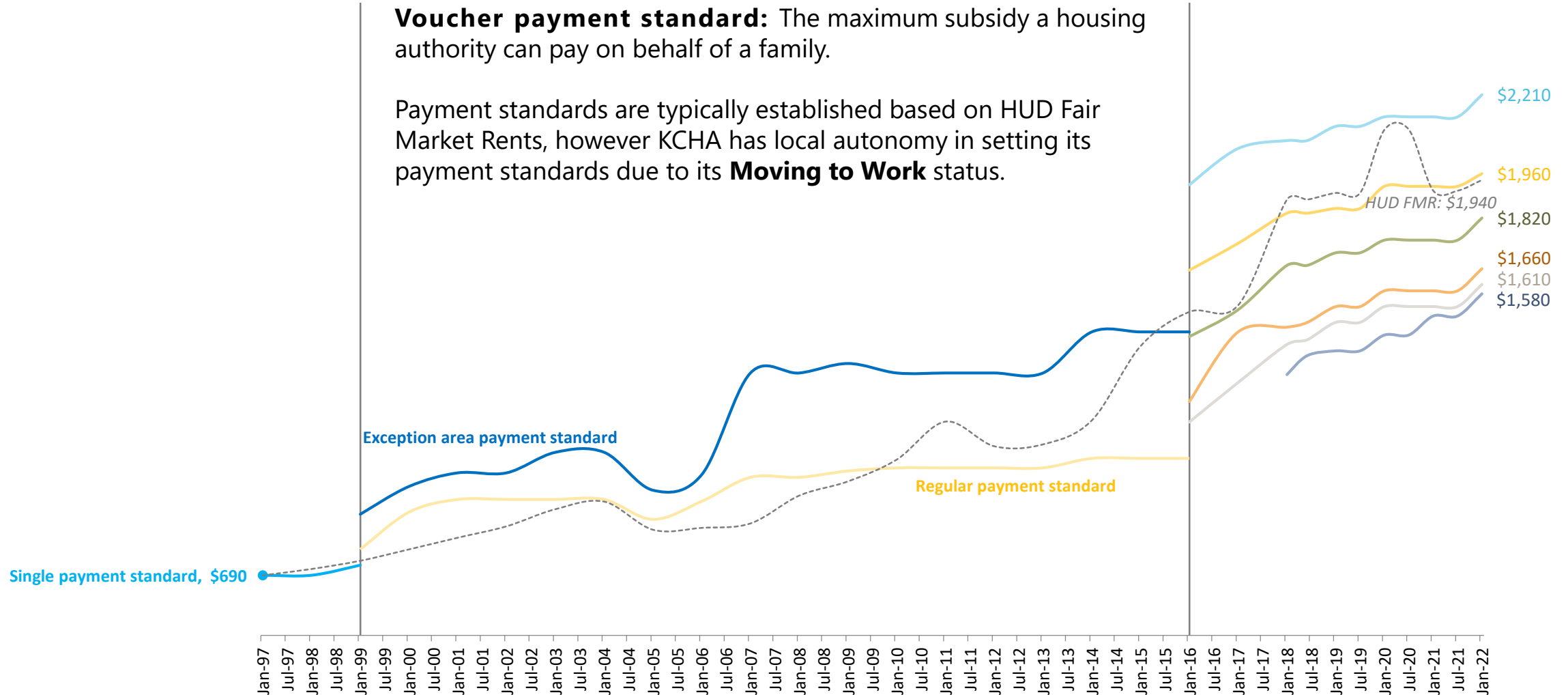
01

Background

Payment Standards over Time

Voucher payment standard: The maximum subsidy a housing authority can pay on behalf of a family.

Payment standards are typically established based on HUD Fair Market Rents, however KCHA has local autonomy in setting its payment standards due to its **Moving to Work** status.



Multi-Tiered Payment Standards Goals

Support
Shopping
Success



Limit
Shelter
Burden



Increase
Geographic
Choice



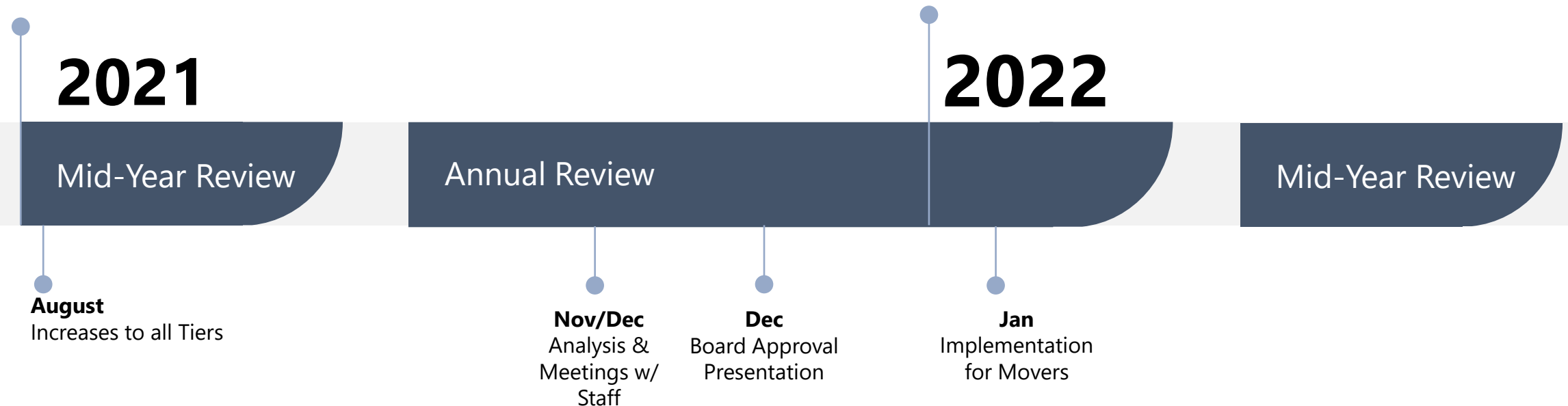
Support Cost
Containment



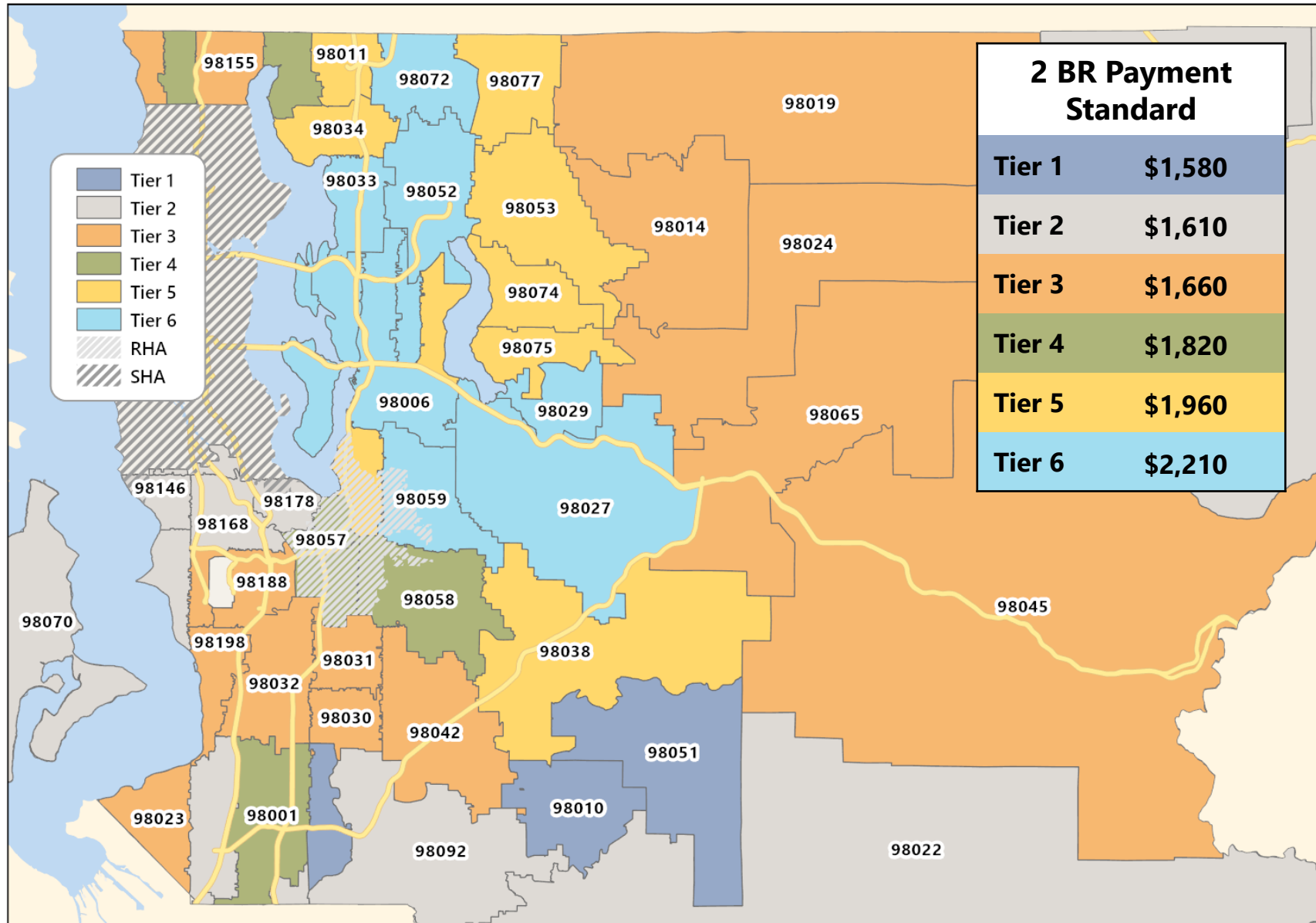
Parameters for Annual Analysis

For the annual analysis we look at changes to the payment standard amounts as well as changes to ZIP code groupings.

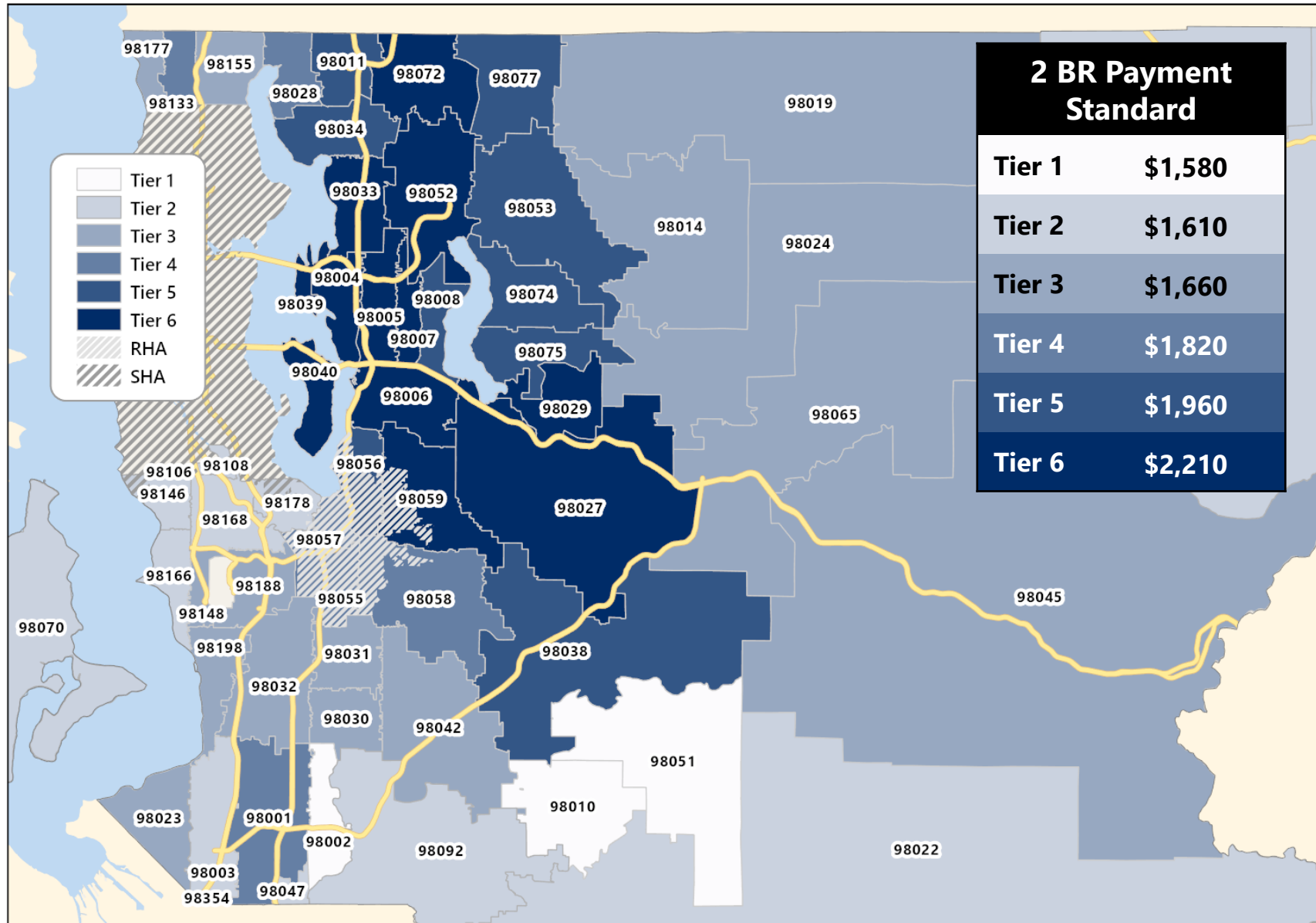
Timeline



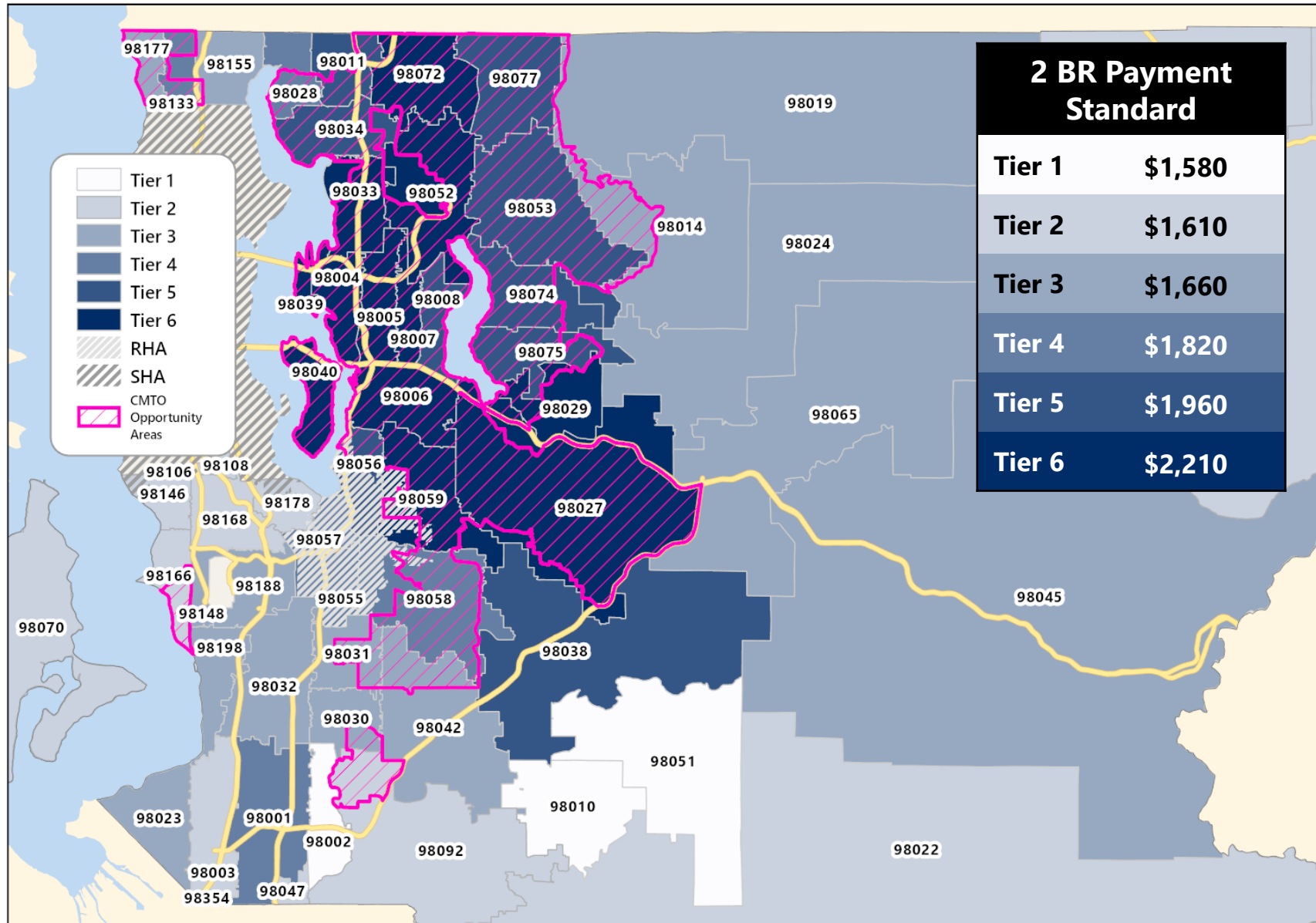
KCHA 2021 Payment Standard Tiers



KCHA 2021 Payment Standard Tiers



KCHA 2021 Payment Standard Tiers



COVID-19 Considerations



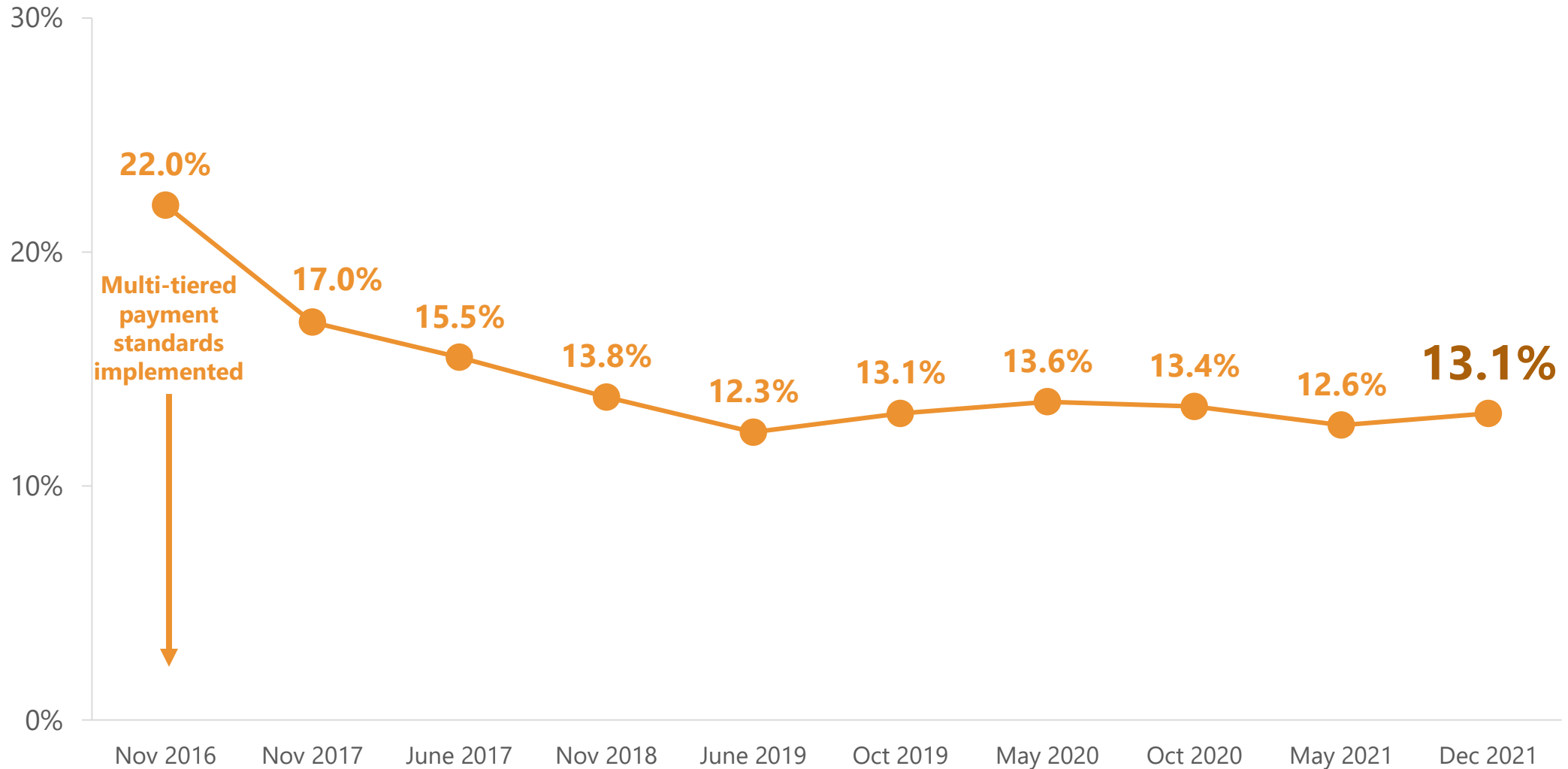
- Rental market is back to pre-pandemic patterns
- End of moratorium on rent increases
- Over 700 Emergency Housing Vouchers for individuals and families experiencing homelessness

02

Market Analysis

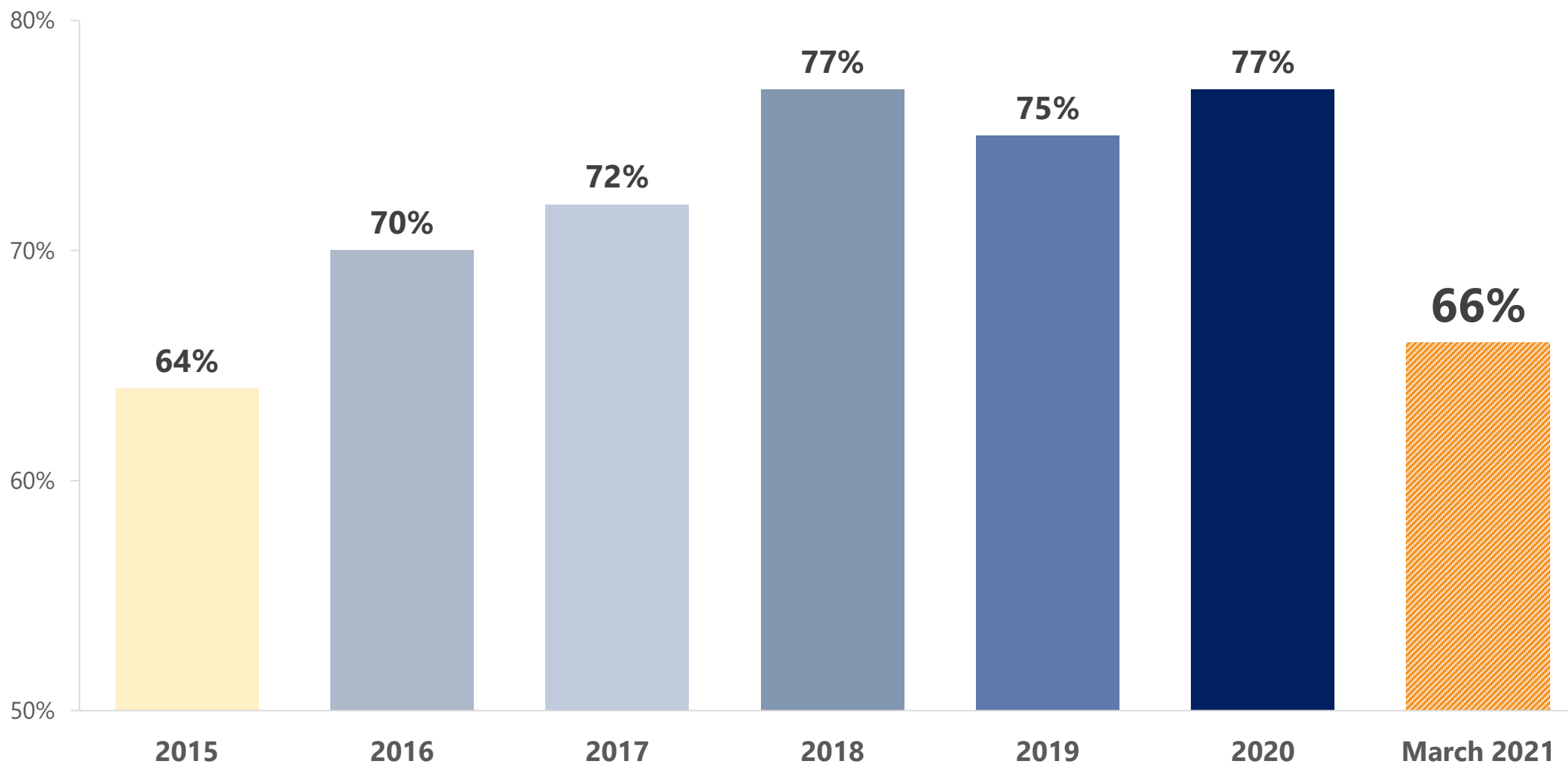
Shelter burden increasing for first time since May 2020

Percentage of tenant-based households spending more than 40% of income on rent, excluding those in larger bedrooms.



Shopping success is dropping, EHV's may be even lower

The percentage of households leasing within 240 days of voucher issuance.



Rent increases from landlords averaging 7%

Non-KCHA owned units, rent increase requests approved from July 1st to December 1st

	Households	Median Rent Increase Amount	Median Rent Increase Percentage
Tier 1	111	\$100	7%
Tier 2	234	\$101	8%
Tier 3	357	\$100	7%
Tier 4	88	\$80	5%
Tier 5	82	\$140	7%
Tier 6	149	\$133	7%
Total	1,021	\$100	7%

2a

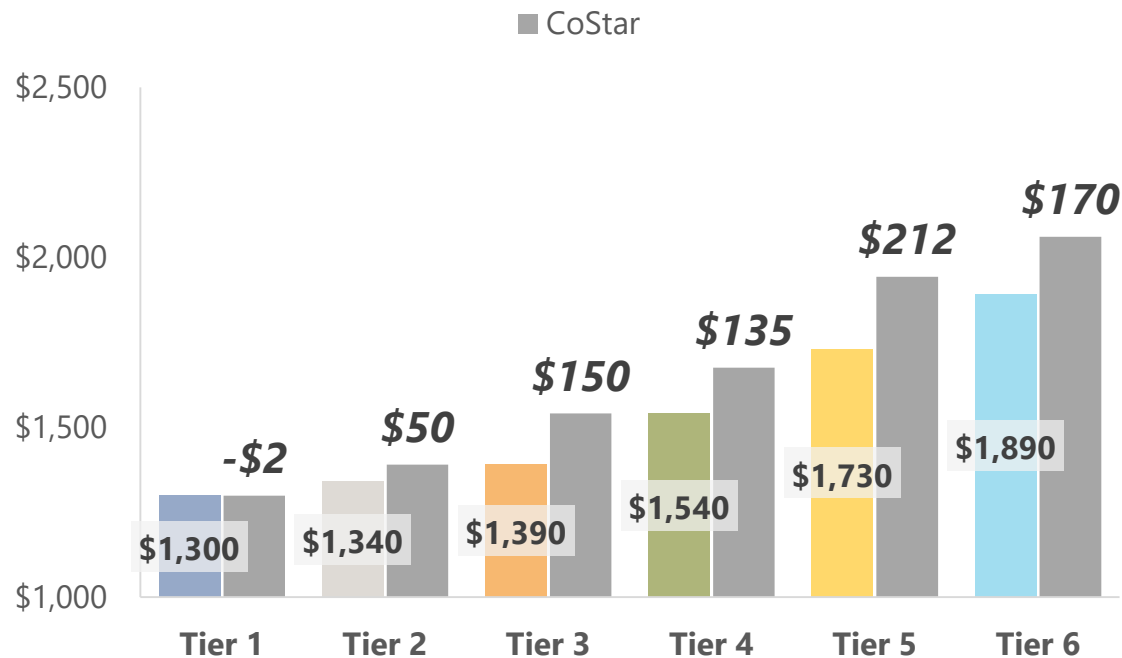
Rental Market: Present

1BR: 40th Percentile Rents significantly higher than Payment Standard in Tiers 3-6

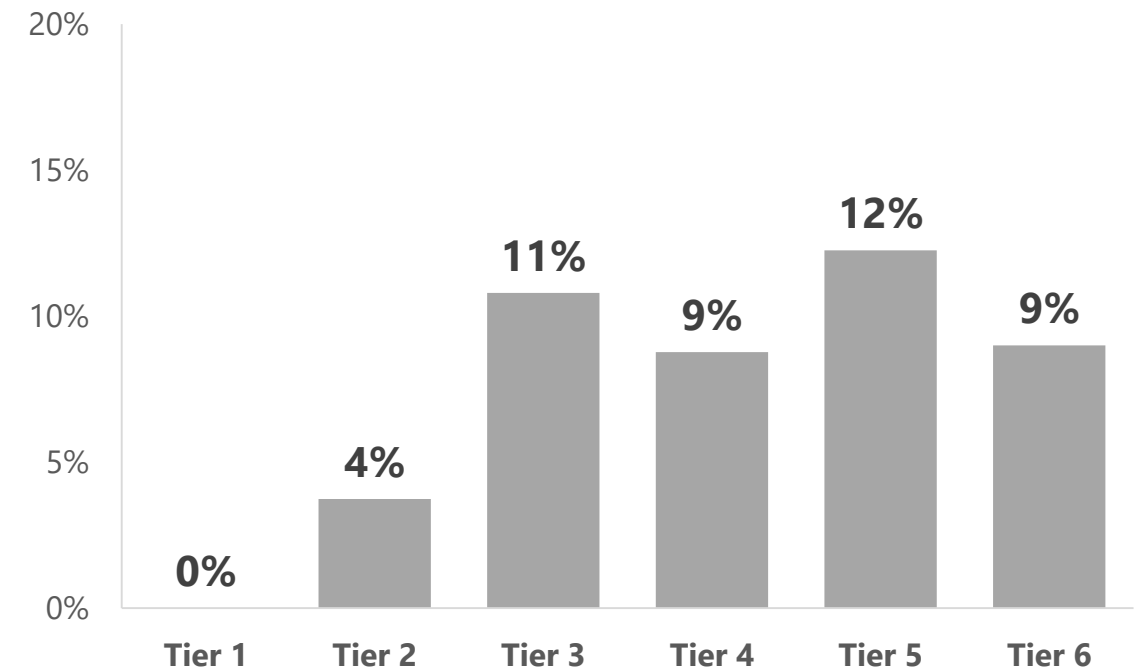
CoStar 40th percentile rents calculated using December 2021 data

One Bedroom Units

1BR – Costar 40th percentile over the payment standard



1BR – CoStar percentage higher than Payment Standard

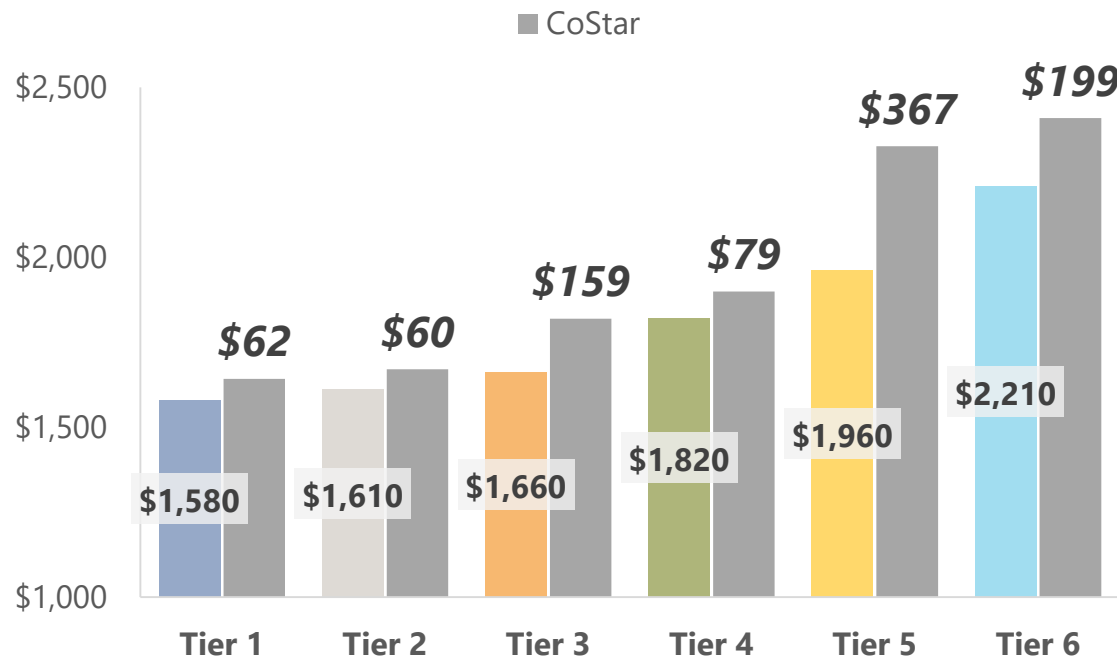


2BR: 40th Percentile Rents much higher than Payment Standard in Tiers 3, 5, & 6

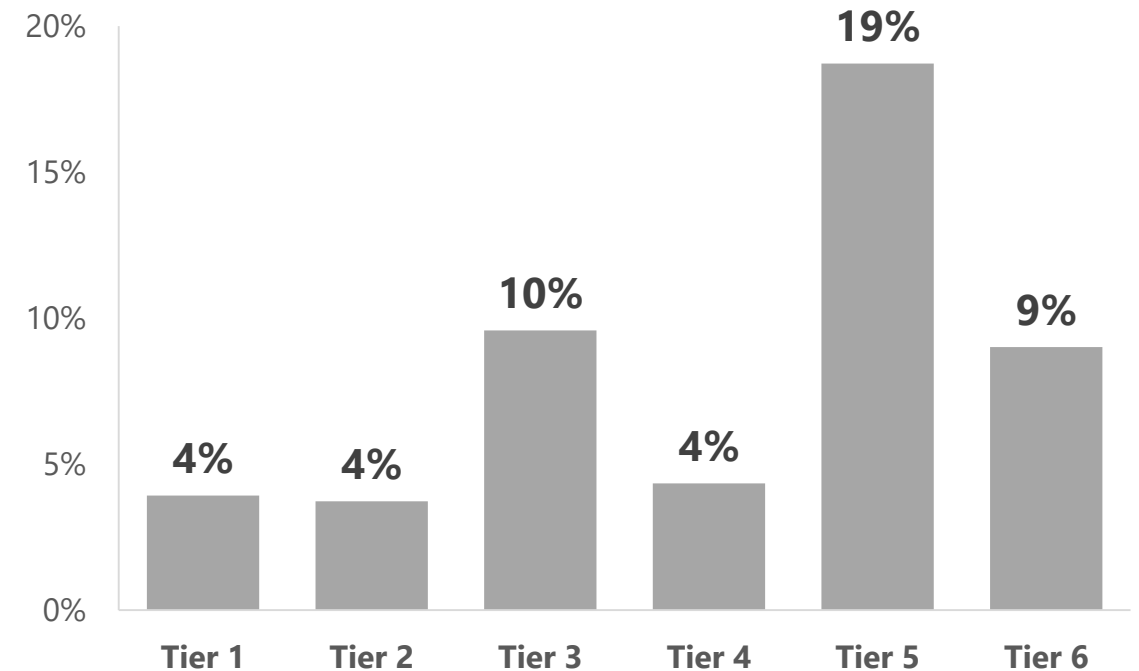
CoStar 40th percentile rents calculated using December 2021 data

Two Bedroom Units

2BR – CoStar 40th percentile over the payment standard



2BR – CoStar percentage higher than Payment Standard

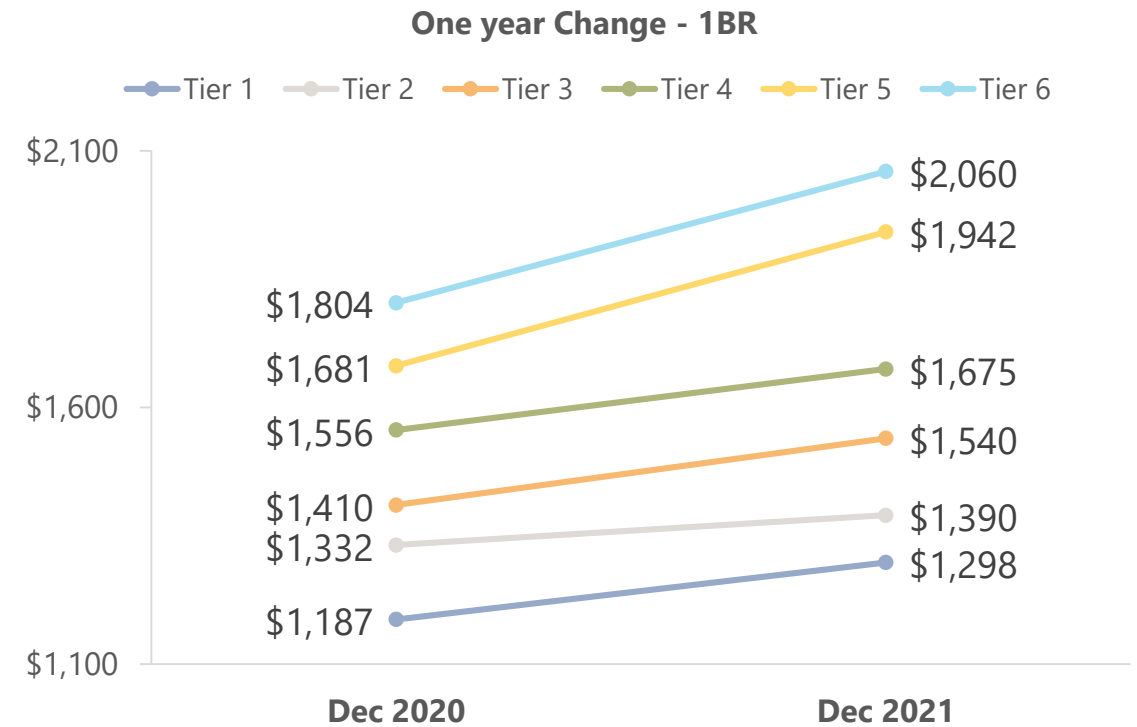
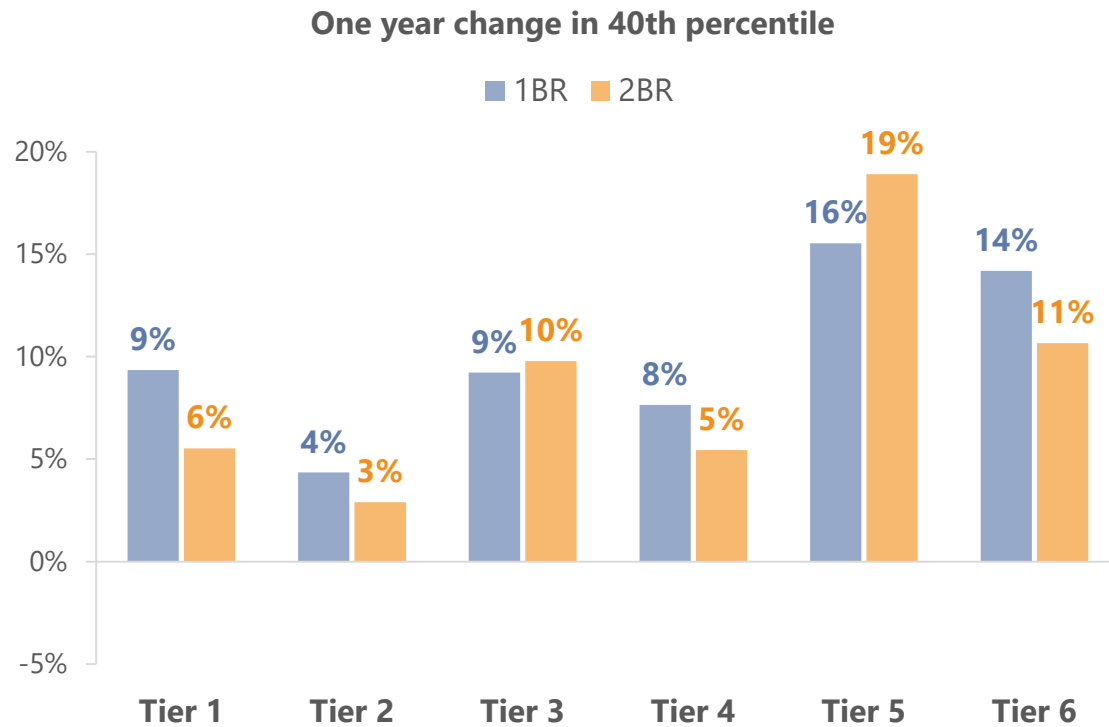


2b

Rental Market: Changes over 2021

40th Percentile Rents increased in every tier over 2021

Change in CoStar 40th percentile rent between December 2020 and December 2021

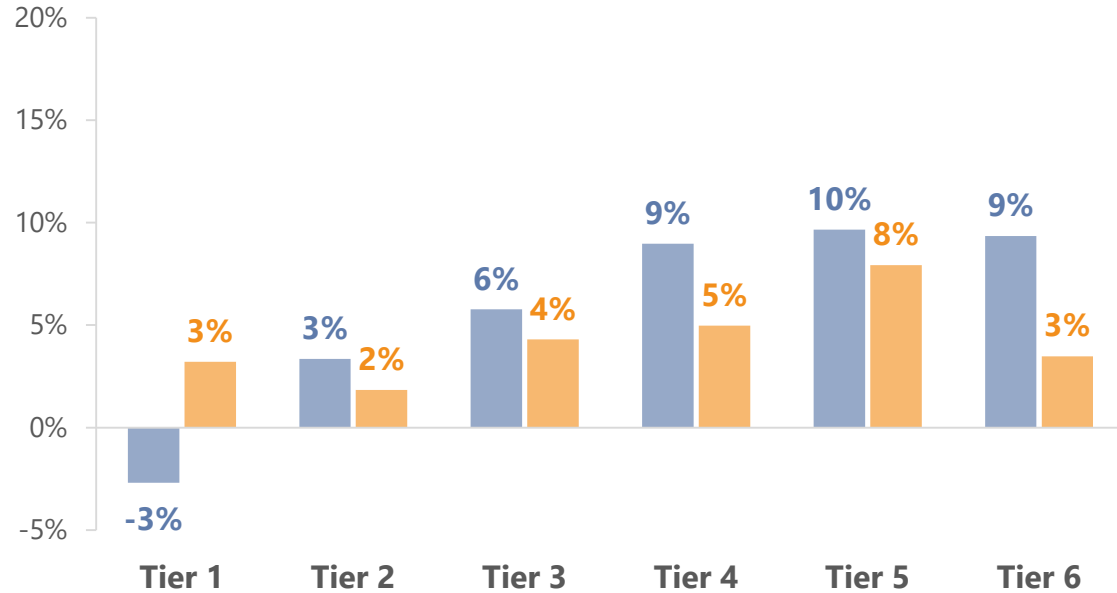


In the last six months 1BR rents have increased significantly

Change in CoStar 40th percentile rent between June 2021 and December 2021

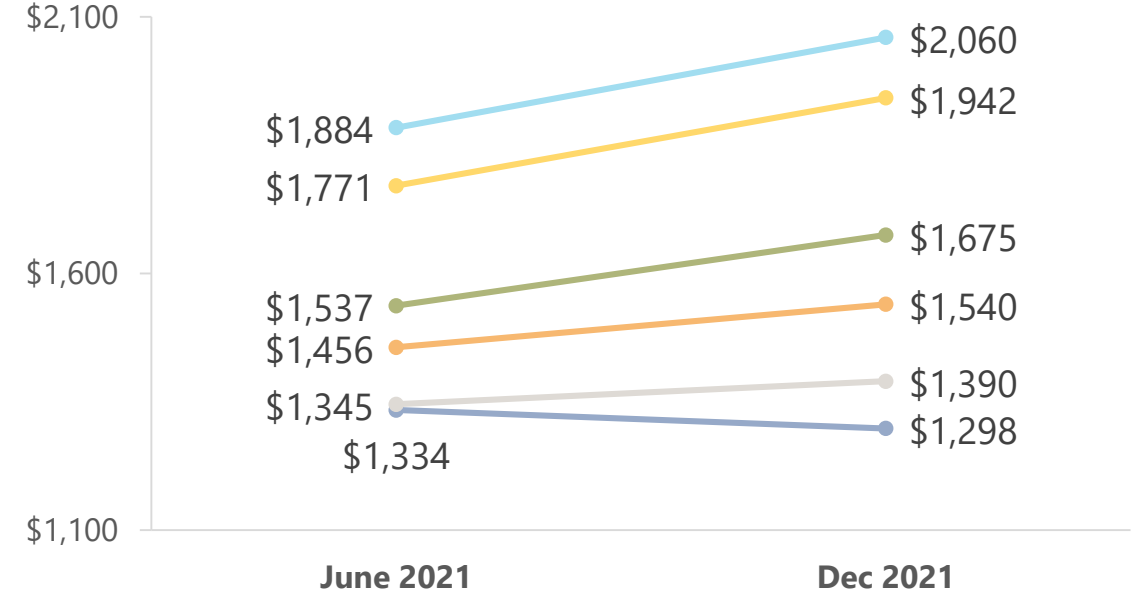
Six month change in 40th percentile

■ 1BR ■ 2BR



Six month change - 1BR

● Tier 1 ● Tier 2 ● Tier 3 ● Tier 4 ● Tier 5 ● Tier 6



Feedback from HCV Staff



- Many KCHA households are struggling to find units
- Households are cancelling moves due to inability to find an affordable unit
- Notable number of port-outs – families are completely leaving King County and Washington State

Nearly all EHV's issued are for 1BR and 2BR units

Bedroom Size	Percent of Issued Vouchers	
1BR	47%] 86% of issued vouchers are for 1BR and 2BR units
2BR	39%	
3BR	12%	
4BR	1.8%	
5BR	0.2%	

EHVs issued through November 29th

03

Proposal for 2022 Payment Standard Adjustments

Framework for Proposals



- Market rental rates are increasing significantly
- Shopping success is declining
- Hundreds of emergency housing vouchers currently searching for units in a highly competitive and increasingly unaffordable market

Proposed Increase in All Tiers, only 0BR-2BR

Implementation January 1st

Proposal - Market Increases										
Tier	0BR	Δ	1BR	Δ	2BR	Δ	3BR	Δ	4BR	Δ
Tier 1	\$1,240	\$0	\$1,300	\$0	\$1,640	\$60	\$2,050	\$0	\$2,670	\$0
Tier 2	\$1,330	\$50	\$1,390	\$50	\$1,670	\$60	\$2,100	\$0	\$2,830	\$0
Tier 3	\$1,460	\$130	\$1,530	\$140	\$1,810	\$150	\$2,170	\$0	\$2,860	\$0
Tier 4	\$1,590	\$120	\$1,670	\$130	\$1,890	\$70	\$2,380	\$0	\$3,100	\$0
Tier 5	\$1,820	\$170	\$1,910	\$180	\$2,160	\$200	\$2,560	\$0	\$3,330	\$0
Tier 6	\$1,960	\$160	\$2,060	\$170	\$2,400	\$190	\$2,880	\$0	\$3,760	\$0

Shelter Burden with Full Implementation	Households no longer Shelter Burdened	Additional Cost with 7% Rent Increase	Shelter Burden with 7% Rent Increase
6.5%	242	\$3.4 Million	13.4%

Block Grant Projections

Annualized Cost Projections

	Current Rent Levels Full Payment Standards Implementation	With 7% Rent Increases Full Payment Standards Implementation
No Change	+ \$2.0 mil	+ \$9.3 mil
Proposed Increase	+ \$3.0 mil (+ \$1.0 mil)	+ \$12.7 mil (+ \$3.4 mil)

Previous Payment Standard Increases

	Additional Cost over Current Standard with Assumed Rent Increases
2019 Annual	\$7.4 mil
2020 Annual	\$7.3 mil
2021 Annual (Dec 2020)	\$88 k
2021 Mid-Year	\$2.9 mil
Proposed Changes	\$3.4 mil

05

Questions & Discussion

Packet Contents

- 1. Process & Parameters for the Analysis**
- 2. Internal Rent Indicators**
- 3. Rental Market Indicators**
- 4. Proposed Direction for 2022 Payment Standards**
- 5. Block Grant PUC Projection**

1. Annual Review of Payment Standards Process

The comprehensive review of the payment standards occurs at the end of each year and looks at: 1) the payment standard amounts, 2) eliminating or adding payment standard tiers, and 3) moving ZIP codes between tiers. This year, our primary consideration is ensuring Emergency Housing Voucher holders are successful in finding a unit. KCHA was awarded over 700 emergency housing vouchers through the American Rescue Plan Act of 2021, all of which are intended for unhoused families. We believe that our existing payment standards are not sufficient for these households to find a unit in the current rental market.

With this year's review, we will be proposing increases to the payment standard for studios, one-bedroom, and two-bedroom units, with significant increases in Tier 3 through Tier 6, and minor adjustments in Tiers 1 and 2. The rental market is rising rapidly in the higher tiers, and we feel a major increase is necessary to ensure the success of our EHV households, the majority of which will be looking for one-bedroom and two-bedroom units. We are not recommending changes to the tier configuration at this time.

Process for the Annual Payment Standards Review

Timeline: Due to the urgent nature of the EHV program, the bulk of the analysis is taking place in December, with anticipated Board approval of any changes at the December 2021 Board meeting.

Staff Meetings: We met individually with a number of senior housing specialists to determine what is happening in their particular ZIP codes. This feedback was invaluable to the analysis, providing key insights into the housing search process and the rental market. This smaller meeting format for obtaining guidance and feedback will likely be used for future reviews.

Data Sources: We analyzed a variety of data sources to understand current rent trends, 40th percentile rents by ZIP code and tier, and how the rental market looks to someone using a voucher. These include the following:

- **CoStar:** In late 2019, KCHA secured a contract with CoStar, the leading provider of data on apartment rental rates in our area and around the country. This company uses a variety of means to obtain rents for rental properties. We are confident in their rent levels for properties with 20 or more units. We have used this sample to estimate 40th percentile rents and build out our recommendation.
- **Voucher Holder Rents & Shelter Burden Trends:** We look at rents paid by currently leased voucher holders and rents for households who have recently moved. We also pay close attention to shelter burden trends by tier and bedroom size. Shelter burden is defined as households spending more than 40% of their income on rent.
- **Shopping Success:** We also monitor shopping success rates (the percentage of households leasing within 120 and 240 days).
- **Rent Increases:** We closely analyzed approved rent increase requests from July 1st onward to look for trends by ZIP code, tier, and unit size.

COVID-19 Considerations: In previous reviews, we had seen that the pandemic was shifting the market, as high income households were leaving more expensive areas for South King County, which is more affordable. This had caused rents to drop in higher tiers while continuing to increase in our lower tiers. This shift is no longer impacting the market, and rents have increased back to pre-pandemic levels in virtually all areas of the county. Previous issues related to the continuing COVID-19 pandemic, including the moratoriums on rent increases and evictions, are either no longer applicable, or no longer affecting the rental market to a significant degree. KCHA received over 700 Emergency Housing Vouchers as part of the American Rescue Plan Act of 2021, passed as a response to COVID-19. These vouchers are intended for households experiencing homelessness. These households have been attempting to secure housing in the King County rental market using the current payment standards, approved at the August 2021 Board of Commissioners meeting. Since September 1st, KCHA has issued almost 600 of the emergency housing vouchers, and as of December 7th, only twenty households had successfully leased a unit. We believe that higher payment standards are needed to ensure the remaining households are able to secure housing with our vouchers.

2. Internal Rent Indicators

A. Tenant-Based Households by Tier & Unit Bedroom Size

As of December 1, 2021.

	0BR	1BR	2BR	3BR	4BR	5BR	6BR	Total	%
Tier 1	2	258	224	65	19	2	0	570	5%
Tier 2	24	1,157	1,100	535	261	53	5	3,135	29%
Tier 3	41	1,073	1,294	902	358	76	12	3,756	35%
Tier 4	20	304	268	184	87	14	3	880	8%
Tier 5	7	251	237	137	49	25	6	712	7%
Tier 6	40	603	686	340	50	22	6	1,747	16%
Total	134	3,646	3,809	2,163	824	192	32	10,800	100%

B. Tenant-Based Median Gross Rents

As of December 1, 2021, excluding households in KCHA-owned units.

Median Gross Rent of Tenant-Based Voucher Holders by Tier & Unit Bedroom Size

	0BR	1BR	2BR	3BR	4BR
Tier 1	\$933	\$1,276	\$1,527	\$1,859	\$2,071
Tier 2	\$1,162	\$1,270	\$1,540	\$1,964	\$2,387
Tier 3	\$1,172	\$1,309	\$1,621	\$2,073	\$2,660
Tier 4	\$1,222	\$1,453	\$1,779	\$2,280	\$2,723
Tier 5	\$1,602	\$1,678	\$1,902	\$2,538	\$3,092
Tier 6	\$1,709	\$1,767	\$2,123	\$2,780	\$3,223

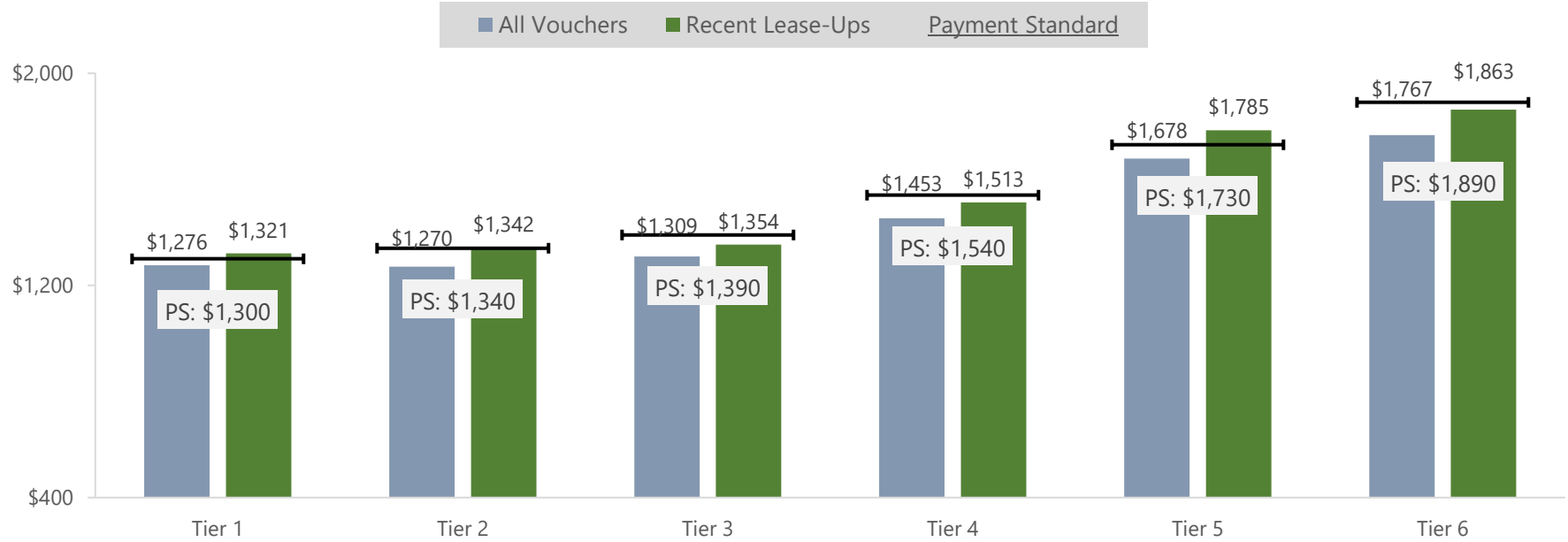
Difference of median rent from payment standard

	0BR	1BR	2BR	BR	4BR
Tier 1	-\$307	-\$24	-\$53	-\$191	-\$599
Tier 2	-\$118	-\$70	-\$70	-\$136	-\$443
Tier 3	-\$159	-\$81	-\$39	-\$98	-\$200
Tier 4	-\$249	-\$87	-\$41	-\$100	-\$377
Tier 5	-\$48	-\$52	-\$58	-\$23	-\$239
Tier 6	-\$92	-\$123	-\$87	-\$100	-\$537

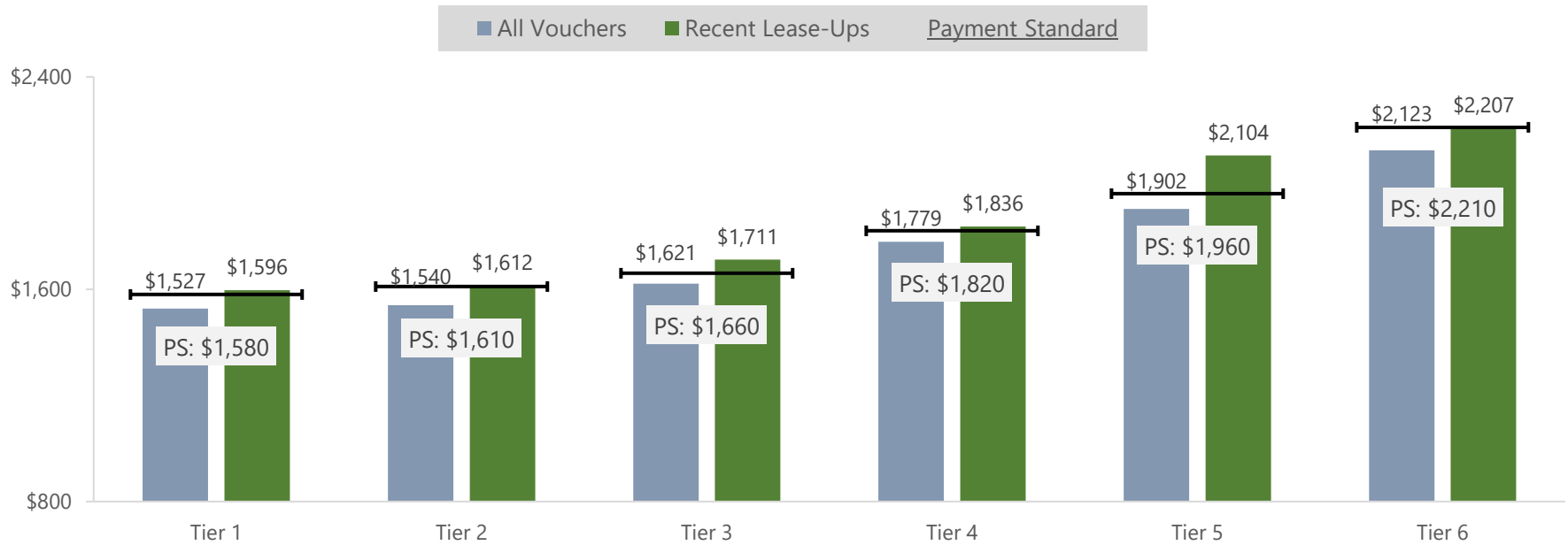
Most voucher holders remain leased below the payment standards

C. 1 Bedroom Internal Rent Indicators (As of December 2021)

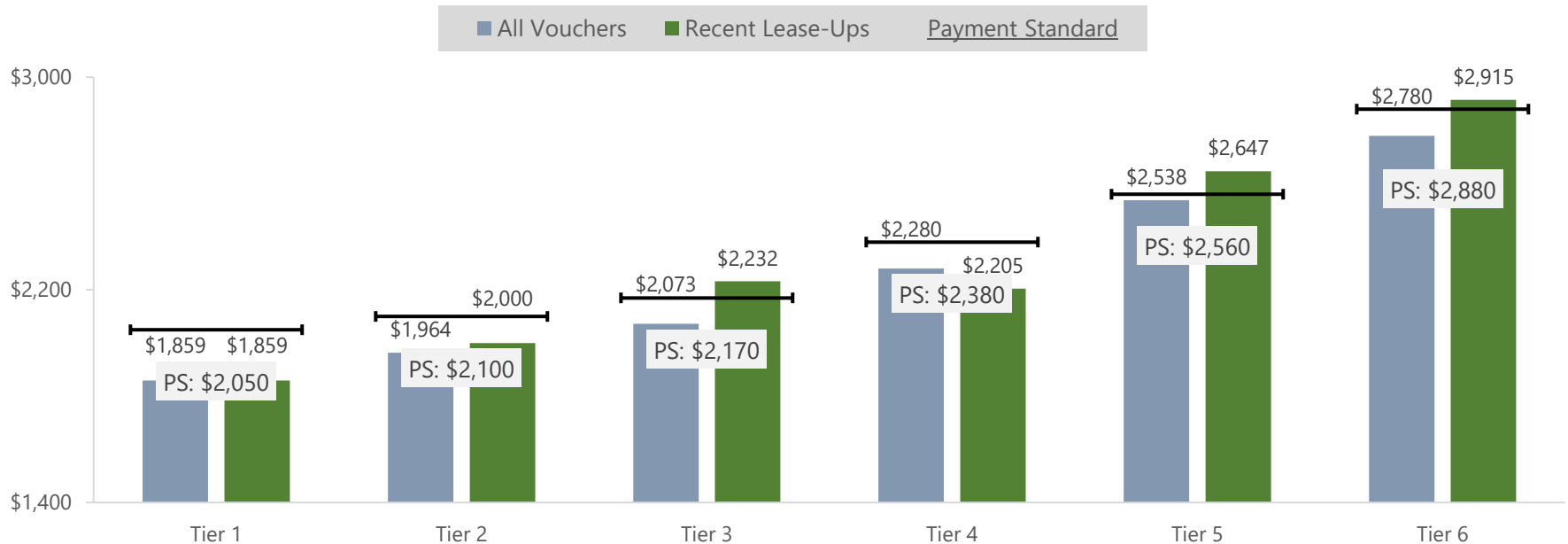
*Recent lease-up figures include only those that took place after May 2021



D. 2 Bedroom Internal Rent Indicators (As of December 2021)

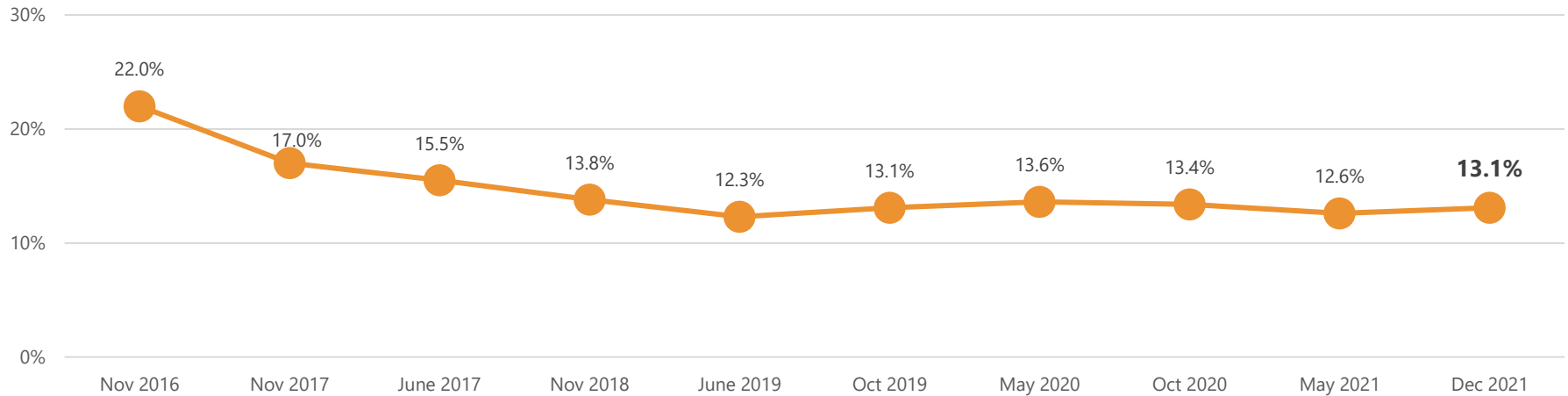


E. 3 Bedroom Internal Rent Indicators (As of December 2021)



F. Shelter Burden

11/1/2016 – 12/1/2021. Tenant-based households paying more than 40% of income to rent, excluding households in larger bedroom sizes¹ and in KCHA properties.



G. Shelter Burden by Tier & Bedroom Size

Tenant-based households paying more than 40% of income to rent, excluding households in larger bedroom sizes and in KCHA properties.

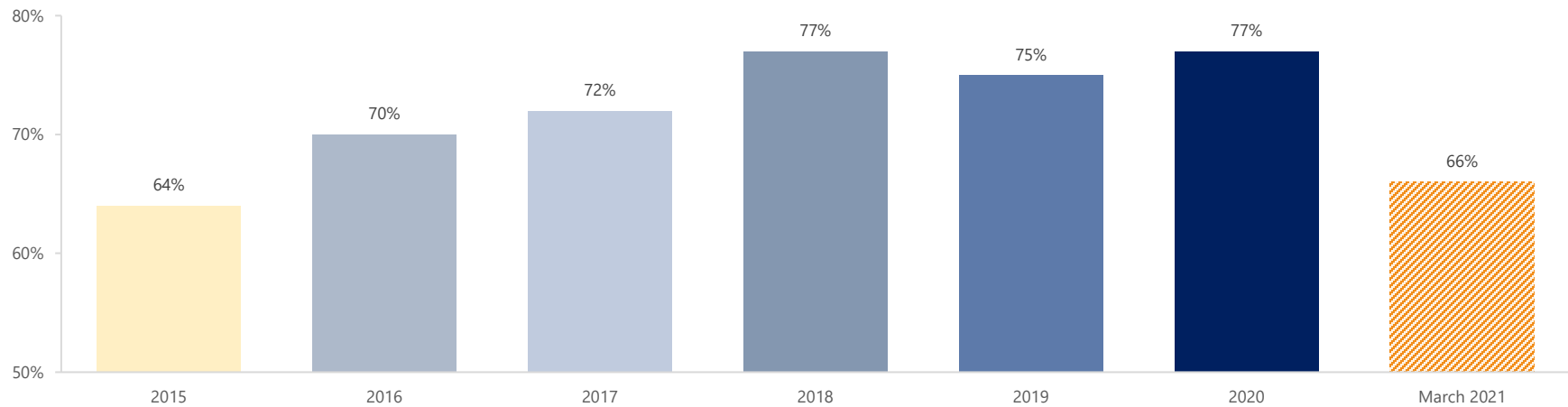
	1BR	2BR	3BR	4BR	Overall
Tier 1	0%	13%	4%	0%	10%
Tier 2	9%	14%	12%	10%	12%
Tier 3	0%	17%	15%	17%	14%
Tier 4	5%	14%	18%	11%	14%
Tier 5	14%	16%	21%	8%	14%
Tier 6	15%	17%	12%	12%	13%
All	7%	16%	14%	13%	

¹ For shelter burden figures, we exclude households renting units with more bedrooms than our occupancy standards will subsidize. For instance, a family that qualifies for a two-bedroom voucher may choose to lease a three-bedroom unit, thus increasing their shelter burden to pay for the unsubsidized bedroom.

H. Shopping Success

While shopping success has consistently been strong over the last three years, current shopping success rates (the percentage of newly issued voucher holders leasing up within 240 days of issuance) have shown steep declines, with the most recent cohort of vouchers averaging success rates of 66%, significantly lower than in prior reviews. This aligns with on-the-ground reports from HCV staff, who report that households are having difficulty finding units within the current payment standard.

The percentage of households leasing within 240 days of voucher issuance.



I. Rent Increase Requests

On June 30th, the moratorium on rent increases ended. As expected at the mid-year review, a significant number of rent increase requests have been submitted. Since July 1st, we have approved over one thousand rent increases for voucher households living in non-KCHA owned units. The median increase for these units is approximately 7%, or around \$100.

	Households	Median Rent Increase Amount	Median Rent Increase Percentage
Tier 1	111	\$100	7%
Tier 2	234	\$101	8%
Tier 3	357	\$100	7%
Tier 4	88	\$80	5%
Tier 5	82	\$140	7%
Tier 6	149	\$133	7%
Total	1,021	\$100	7%

Rent Increase Impact on Shelter Burden: We also estimated the number of households who would become shelter burdened if all rents increased by 7%. Almost a quarter of all voucher households would become shelter burdened under the current standards.

Number of households that would become shelter burdened with a 7% rent increase.

	0BR	1BR	2BR	3BR	4BR	5BR	6BR	Total	Shelter Burdened
Tier 1		45	29	6				80	17%
Tier 2	2	199	171	55	22	5	1	455	18%
Tier 3	2	196	306	175	66	18	1	764	25%
Tier 4	2	47	56	40	9	2		156	25%
Tier 5	2	52	50	36	9	3		152	33%
Tier 6	8	94	151	80	8	1	1	343	28%
Total	16	633	763	392	114	29	3	1,950	23%

J. Emergency Housing Vouchers

KCHA was awarded 762 emergency housing vouchers through the American Rescue Plan Act of 2021, all of which are intended individuals and families experiencing homelessness. The majority of these vouchers are being issued for one bedroom and two bedroom units.

EHV issued by bedroom size through November 29th

Bedroom Size	Number Issued	Percent of Issued
1BR	180	47%
2BR	147	39%
3BR	46	12%
4BR	7	1.8%
5BR	1	0.2%

86% of issued EHVs are for 1BR and 2BR units

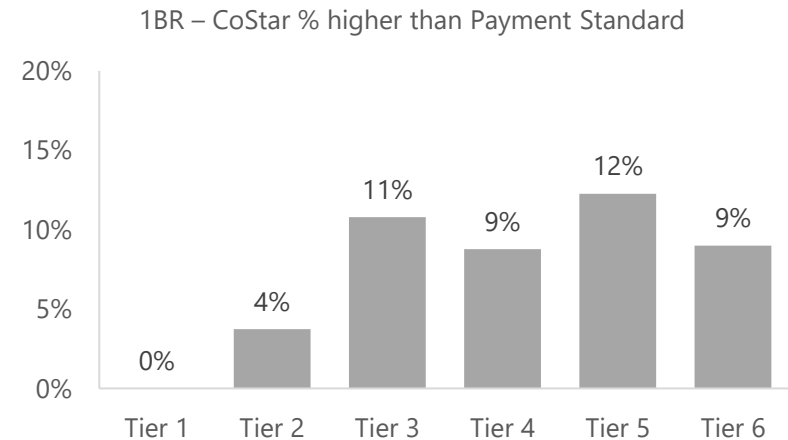
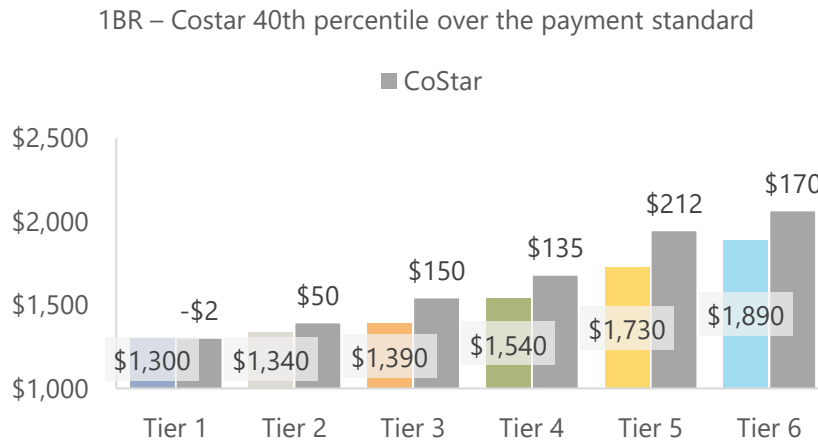
3. Rental Market Indicators

A. CoStar Findings – Market Rents

During the annual payment standard review in the fall of 2019, CoStar was a new data source for KCHA. We now have over two years of historical data to review. Over much of 2020, CoStar's 40th percentile rent estimates stayed relatively close to our payment standards. However, over the last year, rents increased considerably and now significantly exceed our payment standards in most tiers. CoStar reports that rents are now higher than pre-pandemic peaks in most areas of the county, setting record highs this last year in several areas, including Kirkland and Federal Way.²

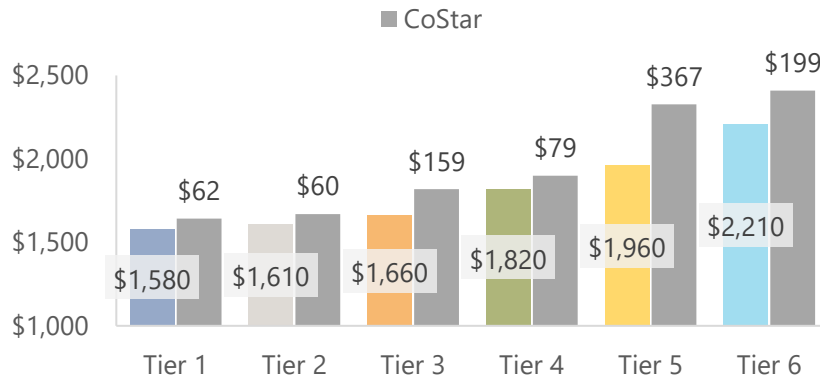
Since the beginning of 2021, 40th percentile rent estimates have increased dramatically, to as high as \$360 over the payment standard (two bedrooms in Tier 5 in December). Lower tiers (Tiers 1-3) reported 40th percentiles from \$50 to \$150 over our payment standards in December for one bedroom and two bedroom units, and in our higher tiers (tiers 5 and 6), 40th percentile estimates were \$170 to \$360 over the current standard.

December 2021 40th Percentile Rents (CoStar) compared to current Payment Standard

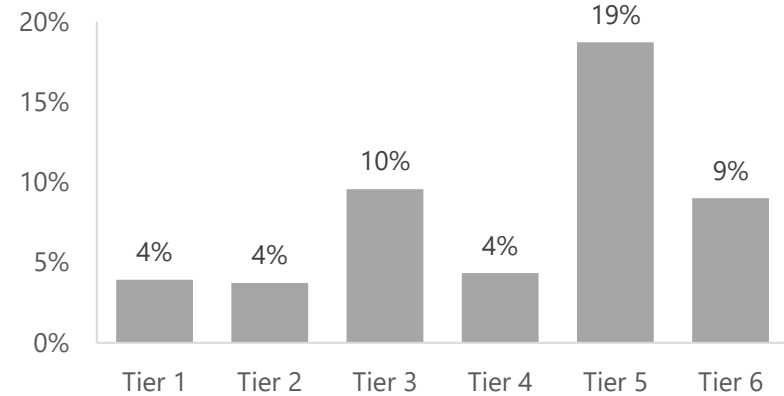


² Costar. Federal Way Multi-Family Submarket Report, December 2021, page 6; Kirkland Multi-Family Submarket Report, December 2021, page 2
2022 Annual Payment Standards Analysis – Board Meeting - Page 9

2BR – Costar 40th percentile over the payment standard



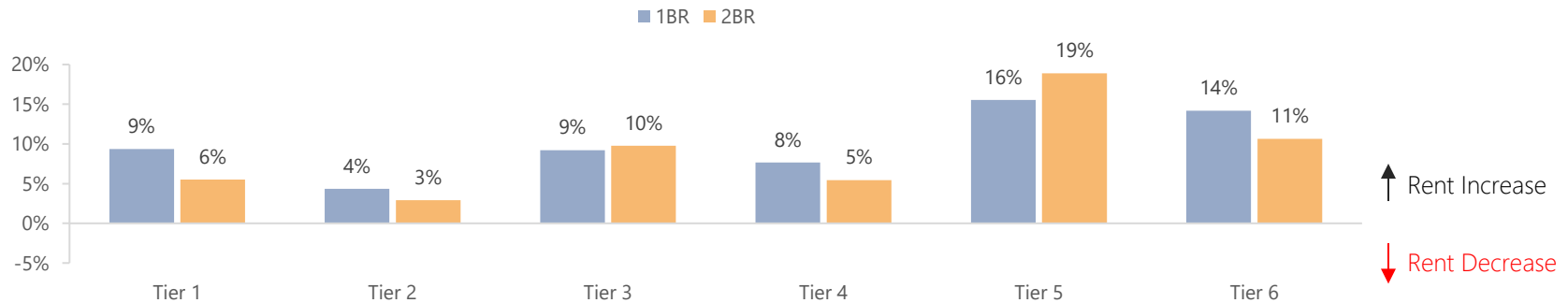
2BR – CoStar % higher than Payment Standard



Twelve Month Change in 40th Percentile Rents (CoStar)

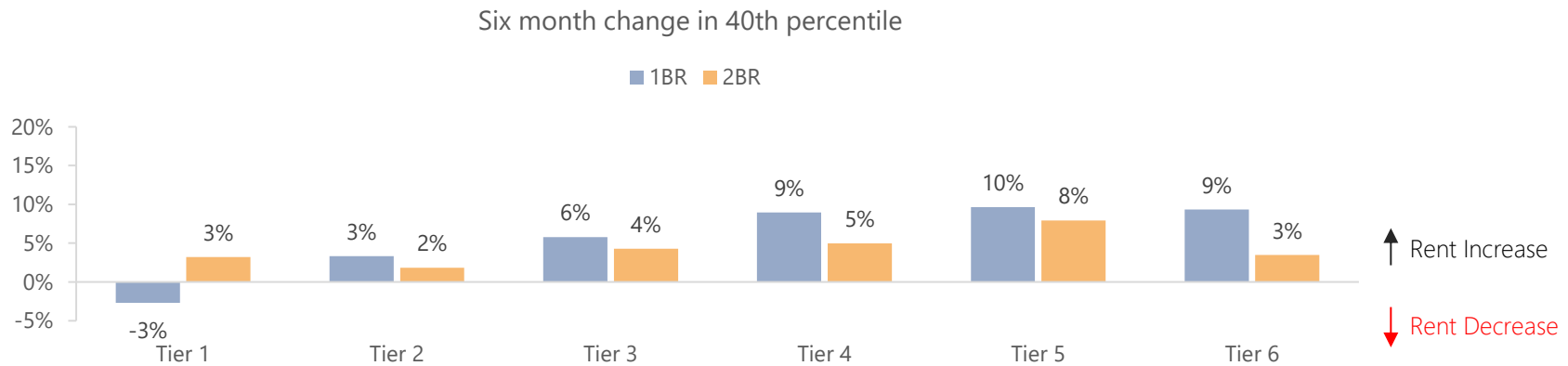
**Note: these values are approximations, not precise calculations for determining exact payment standard amounts.*

One year change in 40th percentile



Six Month Change in 40th Percentile Rents (CoStar)

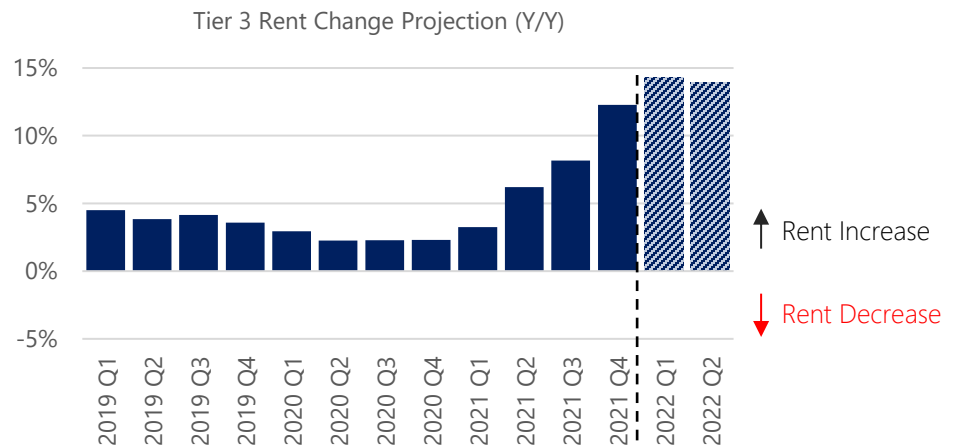
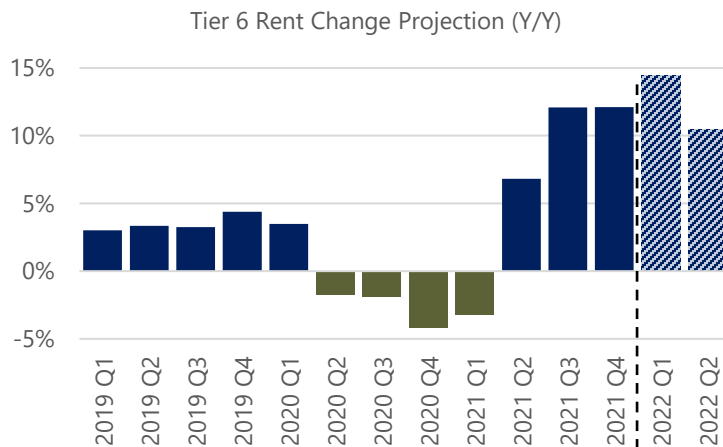
**Note: these values are approximations, not precise calculations for determining exact payment standard amounts.*



B. CoStar Findings – Rent Projections

CoStar predicts that over the next year, rents will continue to increase through 2022 in all Tiers.

Rent Outlook Projection (CoStar)



4. Proposed Direction for 2022 Annual Payment Standards Update

A. Proposed 2022 Tier Configuration

No changes for mid-year analysis.

B. Factors affecting Proposal

There were several considerations taken into account when developing this proposal.

- 1) **Rents all over the county are increasing at significant rates.** With CoStar reporting rents over the last year increasing at double digit rates in much of the county, our payment standards are significantly lagging the rental market. The COVID-19 pandemic no longer seems to be causing the changes in the market that we have seen in previous reviews, and much of the county is above pre-pandemic rent amounts.
- 2) **Over 700 Emergency Housing Voucher holders are currently or will soon be trying to find a unit in the rental market.** If these voucher holders are unable to lease a unit using the current payment standard, they will remain unhoused. The majority of these households are seeking one-bedroom and two-bedroom units, thus the focus on increasing the one-bedroom and two-bedroom payment standard (the studio payment standard is tied to 95% of the one-bedroom standard).
- 3) **Shopping success is declining.** While shopping success remained high through the first year of the pandemic, it has dropped considerably in the last few months. This lines up with discussions with HCV staff who say that many households are struggling to find units that they can afford. While we do not yet have shopping success data for EHV households, we believe they will have lower success rates, as is the case with other special purpose vouchers.
- 4) **Most families in larger unit sizes are leasing well below the current payment standard.** Median rents for KCHA households in larger bedroom sizes – three bedrooms and higher – are well below our current standards. In previous reviews, we have increased the payment standard for larger bedroom sizes based off of the two bedroom rate. Given the need to balance cost considerations with the focus on EHVs that will mostly be leasing units with two bedroom or less, we have chosen not to increase the payment standard for larger bedroom sizes.
- 5) **Shelter Burden remains low, but is expected to increase.** While not the primary consideration in this review, shelter burdens are expected to increase considerably. Starting July 1st, landlords were allowed to increase rents for the first time since the beginning of the pandemic. With over 1,000 increases for KCHA households already approved at an average of 7% above current rent levels, shelter burden will be negatively impacted if no changes are made to the payment standards. Shelter burden is forecasted to increase from the current rate of 13.1% of households to 23% of household under the current standards.

E. Proposed Payment Standards

Tier	OBR	Δ	1BR	Δ	2BR	Δ	3BR	Δ	4BR	Δ
Tier 1	\$1,240	\$0	\$1,300	\$0	\$1,640	\$60	\$2,050	\$0	\$2,670	\$0
Tier 2	\$1,330	\$50	\$1,390	\$50	\$1,670	\$60	\$2,100	\$0	\$2,830	\$0
Tier 3	\$1,460	\$130	\$1,530	\$140	\$1,810	\$150	\$2,170	\$0	\$2,860	\$0
Tier 4	\$1,590	\$120	\$1,670	\$130	\$1,890	\$70	\$2,380	\$0	\$3,100	\$0
Tier 5	\$1,820	\$170	\$1,910	\$180	\$2,160	\$200	\$2,560	\$0	\$3,330	\$0
Tier 6	\$1,960	\$160	\$2,060	\$170	\$2,400	\$190	\$2,880	\$0	\$3,760	\$0

Comparison to Other Regional Standards

Tier	OBR	1BR	2BR	3BR	4BR
2022 FMR	\$1,588	\$1,651	\$1,940	\$2,654	\$3,118
SHA (Market, 2018)	\$1,363	\$1,529	\$1,878	\$2,719	\$3,219
SHA (Aff'd, 2019)	\$1,095	\$1,173	\$1,407	\$1,772	\$2,130
RHA, EVHA (2019)	\$1,465	\$1,567	\$1,890	\$2,694	\$3,172
THA (2020)	\$991	\$1,075	\$1,408	\$2,031	\$2,472

F. Impact on Shelter Burden

This proposal would dramatically reduce shelter burden, dropping from 13.1% to 5.8% of households overall.

Percentage of tenant-based households that would be paying more than 40% of income to rent, excluding households in larger bedroom sizes and in KCHA properties.

	1BR	2BR	3BR	4BR	Overall
Tier 1	3%	5%	4%	0%	4%
Tier 2	4%	7%	7%	8%	6%
Tier 3	3%	5%	7%	14%	6%
Tier 4	3%	5%	9%	7%	5%
Tier 5	7%	3%	3%	8%	5%
Tier 6	5%	8%	6%	12%	7%
All	4%	6%	7%	11%	5.8%

242 households would no longer be shelter burdened compared to all households on the current standards. Not all households are on the current payment standard.

Impact of Proposal on Shelter Burden with a 7% Rent Increase. However, as happens each review, rents are expected to increase, With an expected 7% increase in rent for all tenant-based households, shelter burden would be stable, at only slightly above current levels.

Percentage of tenant-based households that would paying more than 40% of income to rent, excluding households in larger bedroom sizes and in KCHA properties.

	1BR	2BR	3BR	4BR	Overall
Tier 1	16%	8%	13%	0%	12%
Tier 2	10%	13%	14%	12%	12%
Tier 3	5%	10%	25%	28%	14%
Tier 4	6%	17%	28%	16%	15%
Tier 5	7%	11%	39%	33%	16%
Tier 6	8%	12%	30%	31%	15%
All	8%	12%	24%	22%	13.4%

5. Block Grant PUC Projection

Impact of Proposal on Annualized Block Grant HAP Costs

The proposed payment standard adjustments would increase annualized HAP costs for tenant-based vouchers by \$3.0 million. With assumed 7% rent increases, the proposed adjustments would increase HAP costs for tenant-based vouchers by \$3.4 million. The major driver of HCV HAP costs over the next year is the expected rent increases on households leased in units currently below the payment standard. As these rents increase, KCHA pays the full cost of the increase that is below the payment standard.

Change From Present Assuming Full Implementation of Payment Standards:

	Current Rent Levels <i>Full Payment Standards Implementation for TBVs</i>	With 7% Rent Increases <i>Full Payment Standards Implementation for TBVs</i>
No Change	+ \$1,988,823	+ \$9,299,463*
Proposal	+ \$3,013,463 (+ \$1,024,463)	+ \$12,709,195 (+ \$3,409,732)

* Estimates of HAP costs for the 2021 mid-year payment standard increases were originally modeled with a 6% rent increase, for \$7.9 million over the current cost. Compared with this original value, this proposal is an increase of \$4.8 million over current HAP costs.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION No. 5709

**AUTHORIZING HIGHER PAYMENT STANDARDS FOR THE
HOUSING CHOICE VOUCHER PROGRAM**

WHEREAS, the Housing Choice Voucher payment standards are the maximum subsidy levels used to calculate the housing assistance a household will receive under the Housing Choice Voucher program; and

WHEREAS, the Housing Authority's Board of Commissioners authorized implementation of a multi-tiered payment standard system with five tiers by passing Resolution No. 5531 dated the 16th of February 2016; and

WHEREAS, the Housing Authority's Board of Commissioners increased the multi-tiered payment standard system to six tiers by passing Resolution No. 5576 dated the 20th of November 2017; and

WHEREAS, the Housing Authority has committed to reviewing the multi-tiered payment standards system and the configuration of ZIP codes therein at least once a year; and

WHEREAS, the Housing Authority last made adjustments to the grouping of ZIP codes in December 2019 and last increased payment standards in August 2021; and

WHEREAS, it has been determined that an additional increase in payment standards is necessary to keep pace with regional rental market trends and limit shelter burden; and

WHEREAS, the Housing Authority has sufficient resources to fund higher payment standards in 2022; and,

WHEREAS, increased payment standard amounts will Affirmatively Further Fair Housing objectives in the Seattle Metropolitan region;

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

The Payment Standards for the Housing Authority's Housing Choice Voucher program are hereby adjusted in accordance with the proposed recommendations, set forth at the December 20th Board of Commissioners meeting and attached hereto, and effective January 1, 2022.

ADOPTED AT A REGULAR MEETING OF THE BOARD OF THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 20th DAY OF DECEMBER, 2021.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN NORMAN
Secretary

Proposed Payment Standards Amounts Effective January 1, 2022

	Studios	1 BR	2 BR	3 BR	4 BR
Tier 1	\$1,240	\$1,300	\$1,640	\$2,050	\$2,670
Tier 2	\$1,330	\$1,390	\$1,670	\$2,100	\$2,830
Tier 3	\$1,460	\$1,530	\$1,810	\$2,170	\$2,860
Tier 4	\$1,590	\$1,670	\$1,890	\$2,380	\$3,100
Tier 5	\$1,820	\$1,910	\$2,160	\$2,560	\$3,330
Tier 6	\$1,960	\$2,060	\$2,400	\$2,880	\$3,760

T A B N U M B E R

7

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5710

**A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF
KING APPOINTING DANIEL WATSON TO THE POSITION OF INTERIM
EXECUTIVE DIRECTOR AND SECRETARY AND AUTHORIZING
EXECUTION OF AN EMPLOYMENT CONTRACT**

WHEREAS, current Executive Director and Secretary Stephen Norman is retiring and leaving the employment of the Housing Authority on December 31, 2021.

WHEREAS, the Housing Authority has engaged an Executive Search firm Gans, Gans & Associates to recruit and assist in the hiring of a new Executive Director as Mr. Norman's replacement.

WHEREAS, due to the time involved in searching for, reviewing and interviewing candidates, Mr. Norman's replacement will not be hired and likely will not be able to start work at the Housing Authority for several months after Mr. Norman's departure

WHEREAS, Daniel Watson is currently serving as the Housing Authority's Deputy Director, Chief Development Officer and has indicated that he will not be applying for the Executive Director position.

WHEREAS, the Housing Authority desires to appoint Daniel Watson as the Interim Executive Director and Secretary of the Housing Authority for the period of time needed to find and employ Mr. Norman's replacement and for any additional time needed to on-board and advise Mr. Norman's replacement during a transition period of up to 120 days beyond the new Executive Director's hire date.

WHEREAS, Daniel Watson has indicated his willingness to accept the interim appointment as Interim Executive Director and Secretary of the Housing Authority.

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

1. Daniel Watson is hereby appointed to the position of Interim Executive Director and Secretary of the Housing Authority in accordance with the terms and conditions set forth in the in the attached employment contract.
2. The Chair of the Board of Commissioners, Doug Barnes is authorized to execute the attached employment contract on behalf the Housing Authority.

**ADOPTED AT A REGULAR MEETING OF THE BOARD OF
COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING
AT AN OPEN PUBLIC MEETING THIS 20th DAY OF DECEMBER, 2021.**

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

Attest:

STEPHEN J. NORMAN
Executive Director and Secretary Treasurer

T A B N U M B E R

8



To: Board of Commissioners

From: Craig Violante, Deputy Executive Dir-Chief Administrative Officer

Date: December 1, 2021

Re: New Bank Accounts

Since the last Board meeting KCHA is in the process of opening one new bank account.

Newport Apartments

- Newport Apartments – Depository

Bank: Bank of America

Purpose:

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

T A B N U M B E R





9

Households Served

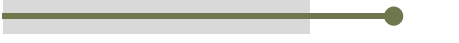


point in time as of September, 2021¹

23,026

Finance

	Budgeted	Actual	Actual to Budget	
Revenue year-to-date	\$308,694,629	\$328,492,339	106.4%	
Expenditure year-to-date	\$255,591,813	\$244,903,484	95.8%	
LGIP Rate Investments	0.46%	0.09%	-0.37%	
Non-LGIP Investments	0.46%	0.72%	0.26%	

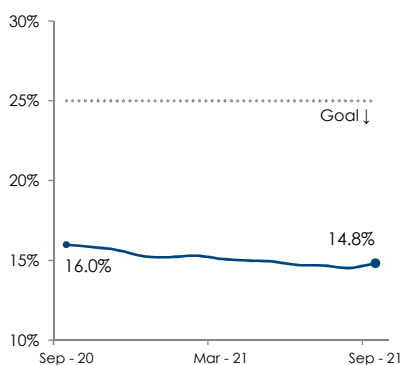
Housing Management

	Scope	Target	Sept '21	
Public Housing Occupancy²	3,766 units	98.0%	98.8%	
Local Programs Occupancy	8,573 units	96.5%	97.1%	
Total Units Online³	12,339 units	11,105	12,339	

Housing Choice Voucher Program Operations

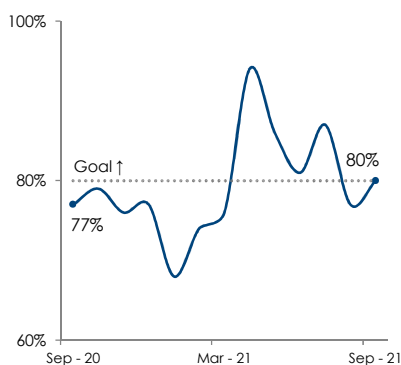
Shelter Burden

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



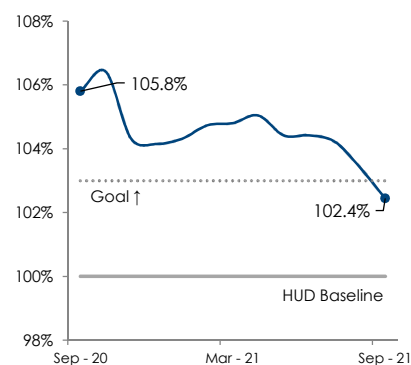
Shopping Success⁴

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



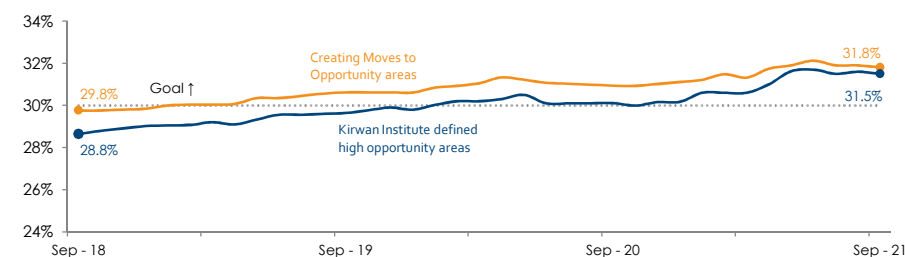
Utilization Rate⁵

Percentage of HUD ACC leased by month.



Increasing Access to Opportunity Areas

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



Notes

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

T A B N U M B E R

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KCHA IN THE NEWS

December 20, 2021



A Conversation with Stephen Norman, CLPHA Board President, on a “Wisely Chosen” Career

December 16, 2021

CLPHA Board President & King County Housing Authority (KCHA) Executive Director Stephen Norman has announced his plans to retire from the housing authority on December 31, 2021. Mr. Norman has led KCHA for 25 years and has served on CLPHA’s board for 18 years, many of those as CLPHA’s board president. His retirement follows a remarkable 45-year career in community development and affordable housing.

This month, CLPHA sat down with Mr. Norman to reflect upon his career, KCHA’s work, and the future of the public housing industry. The interview below is edited for clarity.



What inspired you to serve low-income families through public and affordable housing?

I started out as a community organizer working in South Brooklyn, in the primarily Hispanic low-income neighborhood of Sunset Park. This experience really exposed me to the challenges low-income families were dealing with. I began to recognize how fundamental the availability of decent, affordable housing was to everything else that we were aspiring to see improved in the community: education, health, social capital, equity, household income, and wealth. It all starts with people having a home. That's what pushed me into understanding how absolutely critical housing was as an underlying prerequisite for addressing larger community concerns. My other passion was architecture, and affordable housing was an exciting opportunity to combine both interests.

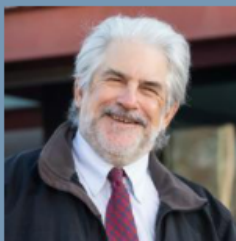
What achievements or projects are you most proud of in your career?

One of the things that has brought me the most satisfaction over the years has been the opportunity to save endangered communities, starting in the 1980s with Harding Park, a 223 single-family home community sited on a tax-foreclosed tract of land in the South Bronx. At KCHA, we've been buying up properties such as **Highland Village** and Wonderland Estates -- properties that were about to be demolished and where residents were about to lose their homes. The opportunity to go in and prevent the displacement of entire low-income communities is one of the things I'm most proud of.

Another is the development of Greenbridge, a 100-acre community that includes 900 units of mixed-income housing, retail establishments, a new elementary school, a library, after-school and early learning centers, parks, and trails. The opportunity to create a vibrant, mixed-income community in a very diverse, underserved area of King County has been enormously rewarding. I should be very clear that it took a village to do this. There is a tremendously talented team here at KCHA that I am privileged to work with. At the end of the day, we can all step back and say, "This is a legacy that will have a lasting impact across generations."

I also had the privilege of being involved in the birth of the permanent supportive housing (PSH) movement. I had the opportunity to fund some of the earliest PSH projects through my role as New York City's first Assistant Housing Commissioner for Homeless Housing Development. I later helped establish the Corporation for Supportive Housing, which is still going strong and is dedicated to scaling up housing and service models nationally. To watch as PSH has taken off over the past 35 years as a critical part of the solution to homelessness, and the impact this approach has had on people's lives, has been very rewarding.

The most valuable asset that the housing authority has is our staff. Our focus on mentoring, supporting, and encouraging staff can't be overstated. I want to be clear that the credit for what we've been able to accomplish at KCHA doesn't go to me, it goes to the staff, from the leadership team down to those doing the most difficult and important work in the field. This is probably my proudest legacy.



"At the end of the day, we can all step back and say, 'This is a legacy that will have a lasting impact across generations.'"

Speaking of successes, how has the Moving to Work (MTW) Demonstration impacted the King County Housing Authority?

MTW has been a complete game changer, not just for our housing authority but for housing authorities across the country. It has enabled us to move out of the tightly constrained programmatic boxes created by HUD and look at the broader issues we are trying to address – issues around the health and vitality of the communities and households we serve – in a much more strategic way. MTW gives us the flexibility to develop intentional, multi-year, locally designed approaches to accomplishing this. It encourages us to stop thinking about our programs as being all about compliance and to focus on longer term outcomes, on who we partner with and on how we develop programs that recognize and respond to local priorities, local needs, and local market conditions. It significantly changed the culture of KCHA, how we think about our mission, and how we can impact the communities we're serving.



At the groundbreaking for the Greenbridge community with Peter Orser, then KCHA's board chair, and Senator Patty Murray (D-WA), June 2005.

Do you think we're at a pivotal moment right now in our industry, with major proposed investments in housing like those included in the Build Back Better Act in play, to re-envision the role that public housing authorities play in their communities?

The first priority for the industry is the recapitalization of the existing public housing portfolios. There is real potential in what is being proposed in BBB to finally get that albatross off our necks and to make sure that the existing inventory remains viable and that tenants are living in conditions that we can be proud of.

The notion of universal vouchers being floated by the Biden-Harris administration also holds promise – this is one of the most significant and ambitious additions to the national conversation in decades. It would commit the federal government to finally stepping up to the plate with sufficient resources to actually address the housing needs of our nation's extremely low-income households. There is a down payment on this vision proposed in BBB. One of the challenges is that this massive expansion in rental subsidies can only be successful if there is an adequate supply of housing available. Production of more housing at all price points is essential. For affordable housing providers, recapitalizing the existing inventory, expanding rental subsidies, and increasing production all come together as exciting opportunities under Build Back Better.



"We are far stronger as an industry and in our individual roles when we work together."

With King County Executive Dow Constantine at the site of KCHA's Vantage Point senior development, 2014.

What is your advice for affordable housing professionals and CLPHA?

CLPHA has played a tremendous role in terms of connecting me with my peers in the industry, and these connections have been an indispensable tool as I puzzle through approaches to problems that so many very smart people in the industry are also grappling with. The ability of CLPHA to create forums in which these interactions can happen is truly invaluable.

My advice to executive directors and other PHA staff is that they should view CLPHA as a real opportunity to develop relationships with their peers. We are far stronger as an industry and in our individual roles when we work together.

KCHA and our Pacific Northwest member PHAs have long been at the vanguard of cross-sector partnerships and programs that help to improve health, education, and other life outcomes for their residents. What cross-sector programs and partnerships that KCHA has developed are you most proud of?

Our success in recapitalizing our public housing stock has allowed us to shift our focus to what I see to be the true mission of the housing authority, which is having a social impact in the communities we serve. We house over 20,000 children. Working with our partners in the education sector, we've built 14 after-school facilities that support school-linked programs, developed 3 early learning centers, and created connections between our residents and schools that were not there before. Housing is an important platform and tool for bringing educational stakeholders together.

Our programs to broaden geographic choice have also now put 30% of our extremely low-income households with children in high-opportunity neighborhoods. Based on Raj Chetty's research we believe this access to well-resourced neighborhoods can make a real difference in life outcomes for young children.

Our data work with the local health department is also helping us understand what we need to consider in designing health delivery strategies that will help improve the overall health of the populations we serve.

All of this is the result of our ability to recapitalize our stock, benefit from MTW flexibilities, and put together partnerships. This combination has enabled KCHA to start focusing on the broader outcomes that are important to the individuals and communities we serve.

You mentioned KCHA's mobility work – what do you think is the future of mobility programs, and why are they important?

Mobility has been an issue for years in our industry, but it has received a tremendous shot in the arm from [Raj Chetty's research](#) (link is external) that has conclusively established that if you get children into high-opportunity neighborhoods and keep them there, life outcomes for these children improve. The longer you keep them in these neighborhoods, the more they benefit. What this research tells us is that neighborhood quality matters, and this means two things.

First, we need to double down on offering geographic choice through creating better mobility programs with tenant-based vouchers. These are programs that help clients understand that geographic choice is also educational choice, and give them the tools necessary to empower them to live where they choose. KCHA is also targeting acquisitions of existing housing – some of which we are converting to public housing – in high-opportunity neighborhoods. We've acquired over 7,000 units under this initiative. We use a **combination** of tenant mobility tools and hard units to create access to these neighborhoods.

Second, however, as the majority of poor children continue to be living in neighborhoods that are underserved, Chetty's research tells us that the bigger challenge is to bring opportunity to these existing low-income communities. This speaks to the need for place-based approaches that improve existing housing and bring in the resources and services that you see in affluent communities without massive displacement. We are very proud of how we are doing this in White Center, which was arguably the poorest community in King County. We brought resources into the neighborhood and at the same time locked in long-term affordability for a significant portion of the stock so that as the community starts to gentrify, it will remain mixed-income and allow low-income residents to benefit from growing opportunities in the neighborhood.



With then-Mayor of Kent Suzette Cooke (left) and then-KCHA Board Chair Nancy Holland-Young at an event celebrating the renovation of KCHA's Birch Creek Apartments, 2010.

Just as we are having nationwide conversations about racism and racial inequity, in our industry and among CLPHA membership we have been discussing how to embed equity in our organizations and operations and address inequities experienced by the people we serve, most of whom are people of color. How does KCHA practice this in its work?

Everything envisioned in our mission must be framed in terms of equity. Every policy, every program choice has to be examined through an equity lens that acknowledges the deep-seated inequities and systemic racism in our society. We can't solve these problems by ourselves, but we can certainly recognize them and respond to them as we design our programs. This is a fundamental principle here at KCHA.

If you had the opportunity to talk to a young Stephen Norman just starting out, what would you tell yourself?

That I have never had had cause to regret the career choice I made. The question when you look back at the end of the day should be, "Do you feel you contributed to the common good?" The answer here is yes. The work that our industry does in creating and maintaining affordable housing is a fundamental building block for a good society. Every day we are helping people. I would say to someone entering this career, "You chose wisely."

Do you have any post-retirement plans?

I am looking forward catching up on sleep, reading, and connecting with friends. What comes after that – I'll see!



**The question when you look back at the end of the day should be, "Do you feel you contributed to the common good?"
The answer here is yes.**

At the grand opening of Vantage Point, a KCHA senior community, 2016.



Stephen Norman, the long-serving executive director of the King County Housing Authority (KCHA), will retire on Dec. 31. Mr. Norman assumed the leadership of the Housing Authority in 1997 and has played an influential role in furthering affordable housing efforts both nationally and in the Puget Sound region. The Pacific Northwest's largest affordable housing provider, KCHA currently helps house over 23,000 households on a daily basis. This number has more than doubled during Mr. Norman's tenure.

"It has been a joy and a privilege to work with the team here at KCHA," Mr. Norman said. "They truly care. This is an organization filled with enormously capable and dedicated individuals. What they are accomplishing every day in supporting our community is truly extraordinary."

"Stephen has done a phenomenal job as executive director of KCHA. His leadership and experiences will be deeply missed," said KCHA Board Chair Doug Barnes. "In a region where housing has become increasingly unaffordable, his impact can be seen in the tens of thousands of families who are stably housed, the children who have a real chance to rise above the probabilities of intergenerational poverty as a result of KCHA's innovative programs, and the elderly and disabled households who are living with dignity. We are grateful for Stephen's tireless efforts and the healthy, viable, diverse communities he and the team at KCHA have created and sustained. The Board extends its best wishes to Stephen for a well-deserved retirement and the very best in future endeavors."

The Authority's public housing inventory has been extensively renovated under Mr. Norman and is recognized as some of the highest quality public housing in the nation. Two major complexes in White Center, Greenbridge and Seola Gardens, have been completely redeveloped to provide over 1,000 units of mixed-income homeownership and rental housing that, combined with a new elementary school, early learning facilities, public library, retail establishments, community center and public plaza, have substantially transformed the core of one of the region's poorest neighborhoods. The Greenbridge development was recently cited by *Time Magazine* as a national model for reimagining public housing.

"King County has benefitted mightily from Stephen Norman's extraordinary vision and commitment to creating and preserving low-to-moderate income housing for families throughout our region," said King County Executive Dow Constantine. "From the development of the innovative Greenbridge and Seola Gardens communities, to our newest partnership to house local Veterans, and so many other collaborations over the past 25 years, it is a fact that tens of thousands of people across the county have a safe and affordable place to call home thanks to Stephen's extraordinary leadership."

In addition to the transformation of White Center, KCHA has been a leading developer of new housing across the county, including the Village at Overlake Station in Redmond, one of the first transit-oriented development projects in the region, and Vantage Point, new housing for extremely low-income seniors in Renton.

Under Mr. Norman's leadership, the Authority was designated as one of the first "Moving to Work" Housing Authorities in the country, a recognition that provided KCHA with the flexibility to redesign many of its federally funded programs to respond to local needs. KCHA has focused on bringing homeless families, disabled individuals, veterans, survivors of domestic violence and our community's youth into permanent affordable housing. Working in partnership with local service providers KCHA currently provides permanent housing for over 4,000 formerly homeless households. These partnerships have produced innovative housing models such as the YWCA's Passage Point, a community dedicated to reunifying previously incarcerated mothers with their children, the While-in-School Housing program (WISH) for homeless students at Highline College, and the Community Case Management initiative with King County and the Veterans Administration to house homeless veterans.

The Authority is on track to house over 1,000 additional homeless households over the next year.

"Many thousands of people have roofs over their heads in King County because of Stephen's expertise, vision, and hard work. I've been so fortunate to work alongside Stephen in this effort and to benefit from his deep experience, creative problem-solving, and endless energy," said King County Council Chair Claudia Balducci. "Our region will miss his leadership and his dedication to building a more affordable, inclusive King County. I thank Stephen for his years of service and wish him all the best in his retirement!"

In addition to housing, KCHA has created a network of 18 early childhood and afterschool learning centers to support improved educational outcomes for the 20,000 children it houses. Its partnerships with local school districts and healthcare providers have helped inform a growing national movement to coordinate housing and services for low-income households.

A Gates Foundation funded partnership with a research team led by the Harvard economist Raj Chetty has enabled KCHA to develop new approaches to assisting low-income families with children to move into high-opportunity, low-poverty neighborhoods. This research has served as the foundation for current efforts by the federal government to increase geographic choice and mobility for low-income households nationally. Currently, over 30 percent of the extremely low-income households with children in KCHA's federally subsidized programs live in high-opportunity, low-poverty neighborhoods.

As communities across the region have gentrified, KCHA has focused on acquiring existing apartment complexes such as Highland Village in Bellevue and mobile home parks such as Wonderland Estates in Renton and Friendly Village in Redmond to prevent the displacement of existing residents. Most recently the Authority partnered with Microsoft and Amazon to acquire 2,000 units of existing housing to preserve housing affordability and prevent further displacement in the heart of the region's technology belt. These acquisitions bring KCHA's total portfolio of workforce housing that has been preserved in gentrifying neighborhoods and along the region's emerging light rail corridors to over 7,000 units.

"On behalf of the City of Bellevue I want to commend Stephen Norman for his years of service leading the King County Housing Authority," said Bellevue Mayor Lynne Robinson. "Stephen has made an incredible impact in creating and maintaining housing security for thousands in our community. His knowledge, passion, and effectiveness will be greatly missed and I wish him the best in retirement."

Mr. Norman has had a 45-year career in community development and affordable housing, starting as a community organizer in the South Brooklyn area of New York. He served as the Assistant Commissioner

for Homeless Housing Development in New York City under Mayors Koch and Dinkins, and helped establish the Corporation for Supportive Housing (CSH) as its first vice-president. Currently, among other national roles, he serves as Chair of the Board of CSH and as President of the Council of Large Public Housing Authorities (CLPHA).

The KCHA Board of Directors has initiated a national search for Mr. Norman's successor.



Conner Homes wins two awards for developments in White Center and Kirkland

By [JOURNAL STAFF](#)



Photos courtesy of Conner Homes [\[enlarge\]](#)

Materra, at 9983 11th Ave. SW, is part of Conner Homes award winning Greenbridge Community.

Conner Homes won two awards at this month's New Home Council Tribute Awards ceremony, which honors the Puget Sound's top home builders for sales and marketing expertise.

The New Home Council is an independent team of home building industry professionals, working together through education, promotion and recognition of top performers.

Conner Homes was awarded Community of the Year for its Greenbridge master plan community neighborhoods in White Center, which include Materra, Wind Rose and the upcoming Altamura. In partnership with the King County Housing Authority, Conner Homes is the predominant builder of Greenbridge, which was launched as a revitalization effort in the White Center area in Seattle. The community includes an elementary school, a community center, open space, parks and a library. Designed by local architect Nash and Associates, homes at Greenbridge include single-family detached and attached floorplans that feature carefully planned spaces with smart functionality and an abundance of light.

“We are proud of our partnership with the King County Housing Authority and are honored to be recognized for what has been accomplished thus far,” said Michael Lorenz, president of Conner Homes, in a press release. “We look forward to opening Altamura, our next community at Greenbridge, this coming spring.”

Nash & Associates is also the architect for Altamura. The home designs will represent classic Seattle-style architecture and include a mix of Craftsman, Four Square, Modern, Farmhouse, Tudor and Dutch Colonial.

The second award was Best Home Design Over 3,000 Feet, which was given to Conner Homes for its Heron community in Kirkland. Designed by McCullough Architects, Heron's Northwest Contemporary plans include wood beams and steel accents. Each home was purposely designed to maximize views of Lake Washington, the Seattle skyline, the Olympics and Mt. Rainier. Heron's design expands the indoors to the outdoors with a main living area that opens onto a huge, covered lake-view deck with a glass wall of folding doors. The homes were finalized with a gourmet kitchen inspired by Chef John Howie.

“The homes at Heron were meticulously designed for the steep topography of the site and offered better views than we imagined,” Lorenz said. “And our partnership with Chef John Howie allowed us to create inspiring kitchens with customized cabinets and layouts designed for culinary expertise.”