



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

Tuesday, January 18, 2022

Zoom Meeting:

**[https://kcha-
org.zoom.us/j/85751295960?pwd=MEZGODNzeHR2dkZ
WUGE2dmNxa1g4UT09](https://kcha-org.zoom.us/j/85751295960?pwd=MEZGODNzeHR2dkZWUGE2dmNxa1g4UT09)**

PASSCODE: KCHA

Meeting ID: 857 5129 5960

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

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



SPECIAL VIRTUAL MEETING OF THE BOARD OF COMMISSIONERS AGENDA

January 18, 2022
8:30 a.m.

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

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of Minutes

A. Board Meeting Minutes – December 20, 2021

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V. Approval of Agenda

VI. Consent Agenda

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A. Voucher Certification Reports for Nov 2021

VII. Resolution for Discussion and Possible Action

A. Resolution No. 5712 – Authorizing Approval of the Sustainability Action Plan for the Five Year Period from 2022-2026.

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B. Resolution No. 5713 – A Resolution Authorizing Acquisition of Vacant Property at 3rd Avenue and Lawson Street in Black Diamond.

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C. Resolution No. 5714 – Authorizing a Change in the Pay Schedules and Other Incentives for Represented and Other Maintenance Employees.	5
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VIII. Briefings & Reports

A. Third Quarter Financial Statements	6
B. Fourth Quarter Procurement Report	7
C. New Bank Accounts	8
D. Overview of Financial Operations and Impact on S&P Rating Presentation	9
E. Updates on Rollout of Vaccination Policy and New Compensation Plan	10

IX. Executive Director Report

X. KCHA in the News	11
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XI. Commissioner Comments

XII. Adjournment

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

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

Monday, December 20, 2021

I. CALL TO ORDER

The meeting of the King County Housing Authority Board of Commissioners was held virtually on Monday, December 20, 2021. There being a quorum, the virtual meeting was called to order by Chair Barnes at 8:31 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 – November 15, 2021

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Susan Palmer, the Board unanimously approved the November 15, 2021 Meeting Minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner John Welch, the Board unanimously approved the December 20, 2021 virtual Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Reports for October 2021

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.

- 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.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner John Welch, the Board unanimously approved the December 20, 2021 virtual Board of Commissioners' meeting consent agenda.

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.

Craig Violante, Interim Deputy Executive Director/Chief Administrative Office, presented the 2022 Operating and Capital Budgets to the Board.

Questions of Commissioners were answered.

On motion by Commissioner Susan Palmer, and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved Resolution 5707.

- A. **Resolution No. 5709** – Authorizing Higher Payment Standards for the Housing Choice Voucher Program.

Tyler Shannon, Research and Data Analyst, presented the results of the most recent Payment Standards analysis. The analysis showed a need for an upward adjustment across all tiers.

Questions of Commissioners were answered.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Susan Palmer, the Board unanimously approved Resolution No. 5709.

- B. **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.

Chair Barnes, KCHA Board Commissioner presented the Resolution to the Board.

On motion by Commissioner Susan Palmer, and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved Resolution No. 5710.

C. Resolution No. 5712 – A Resolution of the Housing Authority of the County of King, Recognizing and Thanking Stephen Norman for 25 Years of Outstanding Service to the Residents and Communities of King County and to The King County Housing Authority.

Co-Chair Palmer, KCHA Board Commissioner presented the Resolution for Stephen Norman and read it in its entirety.

Commissioners made comments of appreciation to Stephen Norman.

On motion by Commissioner Susan Palmer, and seconded by Commissioner John Welch, the Board unanimously approved Resolution No. 5712.

VIII. BRIEFINGS AND REPORTS

A. New Bank Accounts

Craig Violante, Interim Deputy Executive Director/Chief Administrative Officer, reported that one new bank account had been opened for Newport Apartments in Des Moines.

Questions of Commissioners were answered.

B. Third Quarter CY 2021 Dashboard

Andrew Calkins, Director of Policy & Intergovernmental Affairs gave a brief overview of the dashboard results, and reported that 160 units had been added, bringing the total to 12,339.

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)).)

9:40 a.m. – Board meeting was suspended for the Executive Session

10:25 a.m. – Board meeting was re-convened.

X. EXECUTIVE DIRECTOR REPORT

Executive Director Norman echoed the compliments of the Commissioners regarding the quality of today's presentations and mentioned that this is easily his 250th Board meeting.

Mr. Norman stated that the quality of the leadership and staff he leaves behind is evident by the presentations today. They reflect the work of every department in the organization and the funding for over 100 initiatives that are in the work plan for next year. The initiatives are a combination of maintenance of effort, new undertakings, and adaptations to the new working environment.

The payment standards presentation gives a sense of how far KCHA has come in its ability to perform meaningful analytics which help forecast the impact of outside conditions on residents, thus proactively informing the decision-making process.

The Des Moines Newport apartment acquisition has closed. The track record of the Asset Management team that puts these deals together is extraordinary. Thanks to Tim, Beth and the entire crew.

The Amazon partnership that brought \$161.5 million of low-rate financing to the table has been executed.

KCHA received another grant for solar installation, this one for \$120,000 at Nia. In addition, the Authority was awarded \$500,000 for the Family Self Sufficiency Program, a bump of \$130,000 from last year. Kudos to Resource Conservation and Resident Services staff.

Phase II of the land sales to Connor Homes in Greenbridge closed, 10 weeks ahead of schedule. There is a \$5.8 million payment associated with this land sale, on which 29 single-family homes will be built for private home ownership.

Regarding Emergency Housing Vouchers (EHV) – more than 600 vouchers have been issued. Of the 618 Housing Authorities that received an allocation of vouchers, KCHA is currently ranked 7th in both issuance and utilization.

Mr. Norman wanted to share his thoughts around the issues and challenges that, 25 years from now, the community will be glad were addressed.

Education and Children: KCHA serves over 20,000 children, 14,000 of those are extremely low income. They are the region's seed corn. Work done to improve their prospects in life will be the most important underlying thing that KCHA can do as an agency. There are around 10,000 school children that are homeless or unstably-housed, and children who are constantly moving will not succeed in school.

Homelessness: There is a significant portion of the population that is homeless. For a community to reduce homelessness, there must be a ramp up in public health and behavioral health services. Housing alone it not enough.

Affordability: Property ownership is a key component in regional affordability and the opportunity for people to live anywhere in the county. This goal is critical as it helps with educational outcomes, the regional economy, and environmental sustainability. Acquiring

properties in high opportunity neighborhoods and those near mass transit corridors is essential to keeping these areas decoupled from market pressures. KCHA is leading the country in these efforts and it is critical these effort be maintained.

Climate change: The Authority has a small part to play, but efforts must be increased. A Sustainability Action Plan will be brought to the Board in January and includes an ambitious goal reducing the agency's carbon dioxide footprint. KCHA was recently mentioned by name in Glasgow Climate Summit.

Mr. Norman publicly acknowledged and thanked the Board. Their support for the Authority and their strategic guidance has had a huge impact on KCHA's success. All Board members are subject matter experts in areas such as development, labor relations, lived experiences and education. Each member has provided advice both individually and collectively. Mr. Norman stated that the time they have dedicated to KCHA and the stability they have provided to him and the Executive Team is truly appreciated. This is volunteer citizen work at its highest level, and Mr. Norman stated that he can't adequately express his appreciation.

To the Board, the Leadership, the Staff, thank you for all you are doing every day, it is truly making a difference in the community.

XI. KCHA in the News

None.

XII. COMMISSIONER COMMENTS

None.

XII. ADJOURNMENT

Chair Barnes adjourned the meeting at 10:54 a.m.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

DANIEL WATSON
Secretary

T A B N U M B E R



To: Board of Commissioners

From: Ai Ly, Interim Assistant Director of Finance

Date: December 29, 2021

Re: **VOUCHER CERTIFICATION FOR NOVEMBER 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 29, 2021

Bank Wires / ACH Withdrawals		9,747,494.77
	<i>Subtotal</i>	9,747,494.77
Accounts Payable Vouchers		
Key Bank Checks - #337505-337876		4,488,664.62
Tenant Accounting Checks - #11549-11564		65,147.52
	<i>Subtotal</i>	4,553,812.14
Payroll Vouchers		
Checks - #92796-92800 & 92811-92818 & 92824-92831		24,393.03
Direct Deposit		1,789,467.64
	<i>Subtotal</i>	1,813,860.67
Section 8 Program Vouchers		
Checks - #635907-636206 & 636170-636210		302,178.59
ACH - #529203-531869		17,315,741.70
	<i>Subtotal</i>	17,617,920.29
Purchase Card / ACH Withdrawal		291,874.76
	<i>Subtotal</i>	291,874.76
	GRAND TOTAL	\$ 34,024,962.63

TO:

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

FROM:

Wen Xu, Director of Asset Management

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

Wen Xu

Date

Property	Wired to Operating Account for Obligations of Property			Notes:
	Date	Wire Transaction	Claim	
Ballinger Commons	11/03/2021	\$ 7,455.00	A/P & Payroll	
Bellepark	11/03/2021	\$ 28,261.96	A/P & Payroll	
Hampton Greens	11/03/2021	\$ 21,625.11	A/P & Payroll	
Kendall Ridge	11/03/2021	\$ 40,188.78	A/P & Payroll	
Landmark	11/03/2021	\$ 19,141.28	A/P & Payroll	
Riverstone	11/03/2021	\$ 32,478.38	A/P & Payroll	
Woodside East	11/03/2021	\$ 15,009.34	A/P & Payroll	
ALPINE RIDGE	11/04/2021	\$ 946.46	A/P	
ARBOR HEIGHTS	11/04/2021	\$ 13,037.75	A/P	
Aspen Ridge	11/04/2021	\$ 13,651.73	A/P	
Auburn Square	11/04/2021	\$ 19,146.05	A/P	
Carriage House	11/04/2021	\$ 7,813.53	A/P	
CASCADIAN	11/04/2021	\$ 10,164.23	A/P	
Colonial Gardens	11/04/2021	\$ 5,525.00	A/P	
Colonial Gardens	11/04/2021	\$ 1,950.99	A/P	
FAIRWOOD	11/04/2021	\$ 11,309.41	A/P	
HERITAGE PARK	11/04/2021	\$ 4,333.73	A/P	
Pinewood Village	11/04/2021	\$ 4,956.35	A/P	
Sandpiper East	11/04/2021	\$ 4,536.35	A/P	
Carrington	11/04/2021	\$ 6,461.26	A/P	
LAURELWOOD	11/04/2021	\$ 4,342.42	A/P	
Meadows	11/04/2021	\$ 8,071.99	A/P	
OVERLAKE TOD	11/04/2021	\$ 138,955.21	A/P & Debt Service	
Parkwood	11/04/2021	\$ 1,928.59	A/P	
RAINIER VIEW I	11/04/2021	\$ 6,739.65	A/P & Debt Service	
RAINIER VIEW II	11/04/2021	\$ 5,407.49	A/P & Debt Service	
SI VIEW	11/04/2021	\$ 3,923.89	A/P & Debt Service	
SOUTHWOOD SQUARE	11/04/2021	\$ 1,378.33	A/P	

Newporter	11/04/2021	\$ 744.08	A/P	
Timberwood	11/04/2021	\$ 1,315.00	A/P	
Timberwood	11/04/2021	\$ 6,397.61	A/P	
Walnut Park	11/04/2021	\$ 2,636.56	A/P	
WINDSOR HEIGHTS	11/04/2021	\$ 17,166.00	A/P	
Woodridge Park	11/04/2021	\$ 3,487.89	A/P	
Cottonwood	11/08/2021	\$ 46,357.86	A/P & Payroll & OCR	
Cove East	11/08/2021	\$ 30,600.69	A/P & Payroll & OCR	
Juanita View	11/08/2021	\$ 28,172.00	A/P & Payroll & OCR	
Kirkland Heights	11/08/2021	\$ 58,291.42	A/P & Payroll & OCR	
NIA APARTMENTS	11/08/2021	\$ 34,694.84	A/P & Payroll & OCR	
ALPINE RIDGE	11/10/2021	\$ 5,934.10	A/P & Payroll	
ARBOR HEIGHTS	11/10/2021	\$ 10,757.95	A/P & Payroll	
Aspen Ridge	11/10/2021	\$ 5,911.94	A/P & Payroll	
Auburn Square	11/10/2021	\$ 23,184.05	A/P & Payroll	
Ballinger Commons	11/10/2021	\$ 145,936.50	A/P & Payroll	
Bellepark	11/10/2021	\$ 7,896.16	A/P	
Carriage House	11/10/2021	\$ 20,750.53	A/P	
CASCADIAN	11/10/2021	\$ 18,358.37	A/P & Payroll	
Colonial Gardens	11/10/2021	\$ 30,633.58	A/P & Payroll	
Emerson	11/10/2021	\$ 83,971.18	A/P & Payroll	
FAIRWOOD	11/10/2021	\$ 28,896.96	A/P & Payroll	
GILMAN SQUARE	11/10/2021	\$ 16,620.99	A/P & Payroll	
HERITAGE PARK	11/10/2021	\$ 13,657.20	A/P & Payroll	
Hampton Greens	11/10/2021	\$ 31,175.91	A/P	
Pinewood Village	11/10/2021	\$ 11,481.61	A/P & Payroll	
Sandpiper East	11/10/2021	\$ 15,900.20	A/P & Payroll	
Argyle	11/10/2021	\$ 25,744.34	A/P & Payroll	
Carrington	11/10/2021	\$ 20,999.05	A/P & Payroll	
Surrey Downs	11/10/2021	\$ 40,940.32	A/P & Payroll	
Kendall Ridge	11/10/2021	\$ 9,355.76	A/P	
Landmark	11/10/2021	\$ 4,562.02	A/P	
LAURELWOOD	11/10/2021	\$ 17,049.13	A/P & Payroll	
Meadowbrook	11/10/2021	\$ 22,071.80	A/P & Payroll	
Meadows	11/10/2021	\$ 7,459.10	A/P & Payroll	
OVERLAKE TOD	11/10/2021	\$ 39,341.35	A/P & Payroll	
Parkwood	11/10/2021	\$ 28,028.67	A/P & Payroll	
RAINIER VIEW I	11/10/2021	\$ 6,568.61	A/P	
RAINIER VIEW II	11/10/2021	\$ 3,430.54	A/P	
Riverstone	11/10/2021	\$ 70,231.43	A/P	

SI VIEW	11/10/2021	\$ 500.00	A/P	
SOUTHWOOD SQUARE	11/10/2021	\$ 17,453.88	A/P & Payroll	
Newporter	11/10/2021	\$ 19,091.72	A/P & Payroll	
Timberwood	11/10/2021	\$ 23,993.73	A/P & Payroll	
Vashon Terrace	11/10/2021	\$ 1,316.86	A/P	
Villages at South Station	11/10/2021	\$ 30,459.15	A/P & Payroll	
Walnut Park	11/10/2021	\$ 62,274.94	A/P & Payroll	
WINDSOR HEIGHTS	11/10/2021	\$ 39,494.12	A/P & Payroll	
Woodridge Park	11/10/2021	\$ 79,300.53	A/P & Payroll	
Woodside East	11/10/2021	\$ 9,875.78	A/P	
Ballinger Commons	11/17/2021	\$ 33,730.00	A/P	
Ballinger Commons	11/17/2021	\$ 12,644.88	A/P	
Ballinger Commons	11/17/2021	\$ 4,296.00	A/P	
Bellepark	11/17/2021	\$ 8,087.67	A/P & Payroll	
Hampton Greens	11/17/2021	\$ 24,193.09	A/P & Payroll	
Kendall Ridge	11/17/2021	\$ 8,797.98	A/P & Payroll	
Landmark	11/17/2021	\$ 21,792.42	A/P & Payroll	
Riverstone	11/17/2021	\$ 33,474.85	A/P & Payroll	
Woodside East	11/17/2021	\$ 25,371.00	Transfer to Landmark - Correction	
Woodside East	11/17/2021	\$ 16,185.84	A/P & Payroll	
ALPINE RIDGE	11/18/2021	\$ 4,086.45	A/P	
ARBOR HEIGHTS	11/18/2021	\$ 535.15	A/P	
Aspen Ridge	11/18/2021	\$ 7,722.39	A/P	
Auburn Square	11/18/2021	\$ 5,394.64	A/P	
Carriage House	11/18/2021	\$ 10,654.21	A/P	
CASCADIAN	11/18/2021	\$ 10,608.83	A/P	
Colonial Gardens	11/18/2021	\$ 10,020.17	A/P	
FAIRWOOD	11/18/2021	\$ 4,760.46	A/P	
HERITAGE PARK	11/18/2021	\$ 6,344.95	A/P	
Pinewood Village	11/18/2021	\$ 3,360.19	A/P	
Sandpiper East	11/18/2021	\$ 39,382.80	A/P	
Carrington	11/18/2021	\$ 5,536.15	A/P	
LAURELWOOD	11/18/2021	\$ 7,904.74	A/P	
Meadows	11/18/2021	\$ 8,044.79	A/P	
OVERLAKE TOD	11/18/2021	\$ 27,642.04	A/P	
Parkwood	11/18/2021	\$ 2,271.44	A/P	
RAINIER VIEW I	11/18/2021	\$ 13,818.75	A/P	
RAINIER VIEW II	11/18/2021	\$ 10,511.94	A/P	
SI VIEW	11/18/2021	\$ 6,846.15	A/P	
SOUTHWOOD SQUARE	11/18/2021	\$ 4,226.58	A/P	

Tall Cedars	11/18/2021	\$ 19,474.38	A/P	
Newporter	11/18/2021	\$ 7,395.22	A/P	
Timberwood	11/18/2021	\$ 6,726.54	A/P	
Vashon Terrace	11/18/2021	\$ 6,554.88	A/P	
Walnut Park	11/18/2021	\$ 5,112.50	A/P	
WINDSOR HEIGHTS	11/18/2021	\$ 38,577.31	A/P	
Woodridge Park	11/18/2021	\$ 29,123.34	A/P	
Cottonwood	11/22/2021	\$ 13,534.94	A/P & Payroll & OCR	
Cove East	11/22/2021	\$ 27,801.93	A/P & Payroll & OCR	
Juanita View	11/22/2021	\$ 23,784.99	A/P & Payroll & OCR	
Kirkland Heights	11/22/2021	\$ 50,935.92	A/P & Payroll & OCR	
NIA APARTMENTS	11/22/2021	\$ 15,550.18	A/P & Payroll & OCR	
Ballinger Commons	11/23/2021	\$ 130,736.25	A/P & Payroll	
Bellepark	11/23/2021	\$ 36,020.32	A/P	
Emerson	11/23/2021	\$ 57,838.25	A/P & Payroll	
GILMAN SQUARE	11/23/2021	\$ 61,661.97	A/P & Payroll	
Hampton Greens	11/23/2021	\$ 17,626.03	A/P	
Argyle	11/23/2021	\$ 23,604.56	A/P & Payroll	
Surrey Downs	11/23/2021	\$ 68,453.05	A/P & Payroll	
Kendall Ridge	11/23/2021	\$ 4,436.50	A/P	
Landmark	11/23/2021	\$ 1,940.99	A/P	
Meadowbrook	11/23/2021	\$ 59,812.92	A/P & Payroll	
Riverstone	11/23/2021	\$ 29,008.17	A/P & Payroll	
Villages at South Station	11/23/2021	\$ 64,228.07	A/P	
Woodside East	11/23/2021	\$ 4,331.53	A/P	
ALPINE RIDGE	11/24/2021	\$ 4,476.00	A/P & Payroll & OCR & Management Fee	
ALPINE RIDGE	11/24/2021	\$ 3,620.00	A/P & Payroll & OCR & Management Fee	
ALPINE RIDGE	11/24/2021	\$ 14,285.93	A/P & Payroll & OCR & Management Fee	
ARBOR HEIGHTS	11/24/2021	\$ 26,588.37	A/P & Payroll & OCR & Management Fee	
Aspen Ridge	11/24/2021	\$ 29,748.24	A/P & Payroll & OCR & Management Fee	
Auburn Square	11/24/2021	\$ 36,934.51	A/P & Payroll & OCR & Management Fee	
Carriage House	11/24/2021	\$ 26,708.56	A/P & Payroll & OCR & Management Fee	
CASCADIAN	11/24/2021	\$ 25,227.67	A/P & Payroll & OCR & Management Fee	
Colonial Gardens	11/24/2021	\$ 22,154.20	A/P & Payroll & OCR & Management Fee	
FAIRWOOD	11/24/2021	\$ 30,089.21	A/P & Payroll & OCR & Management Fee	
HERITAGE PARK	11/24/2021	\$ 20,087.21	A/P & Payroll & OCR & Management Fee	
Pinewood Village	11/24/2021	\$ 20,183.99	A/P & Payroll & OCR & Management Fee	
Sandpiper East	11/24/2021	\$ 46,565.86	A/P & Payroll & OCR & Management Fee	
Carrington	11/24/2021	\$ 19,680.88	A/P & Payroll & OCR & Management Fee	
LAURELWOOD	11/24/2021	\$ 15,267.57	A/P & Payroll & OCR & Management Fee	

Meadows	11/24/2021	\$ 29,365.47	A/P & Payroll & OCR & Management Fee	
OVERLAKE TOD	11/24/2021	\$ 48,242.19	A/P & Payroll & OCR & Management Fee	
Parkwood	11/24/2021	\$ 16,978.26	A/P & Payroll & OCR & Management Fee	
RAINIER VIEW I	11/24/2021	\$ 383.58	A/P	
RAINIER VIEW II	11/24/2021	\$ 254.56	A/P	
SI VIEW	11/24/2021	\$ 4,474.35	A/P	
SOUTHWOOD SQUARE	11/24/2021	\$ 21,324.50	A/P & Payroll & OCR & Management Fee	
Newporter	11/24/2021	\$ 50,134.31	A/P & Payroll & OCR & Management Fee	
Timberwood	11/24/2021	\$ 82,751.09	A/P & Payroll & OCR & Management Fee	
Vashon Terrace	11/24/2021	\$ 900.00	A/P	
Walnut Park	11/24/2021	\$ 29,023.66	A/P & Payroll & OCR & Management Fee	
WINDSOR HEIGHTS	11/24/2021	\$ 42,683.01	A/P & Payroll & OCR & Management Fee	
Woodridge Park	11/24/2021	\$ 23,275.87	A/P & Payroll & OCR & Management Fee	
<i>TOTAL</i>	161 Wires	\$ 3,593,140.61		

T A B N U M B E R

3



TO: Board of Commissioners

FROM: Scott Percival, Sustainability Manager

DATE: January 4, 2022

RE: **Resolution No. 5712:** Adoption of the 2022-2026 Sustainability Action Plan

Attached for your review is the proposed 2022-2026 Sustainability Action Plan (SAP) for 2022-2026 which details the strategies and action plans for leading KCHA into a sustainable, equitable, and environmentally-responsible future.

Background

KCHA's commitment to environmental sustainability spans nearly two decades. Since 2004, the organization has assessed its sustainability opportunities and implemented strategies to reduce its impact on the environment. The work began with the Sustainability Project Report in 2004 (O'Brien & Co.) and continued in 2005 with the adoption Board Resolution 5005-Commitment to Sustainable Communities through Excellence in Environmental Stewardship. Two management plans have since been adopted, the most recent being the 2017 – 2021 Environment Sustainability Plan (ESP) which expired at the end of 2021. During this time, KCHA established five key conservation outcomes for energy, water, solid waste, hazardous waste and communication & awareness. The 2021 Annual Sustainability report to the Board is currently scheduled for March 2022.

Over the five year span of the ESP, KCHA greatly improved the sustainability of its daily operations. A wide range of measures were deployed that returned substantial energy, water, and wastewater utility savings. Of critical importance, KCHA began measuring its annual carbon footprint and identifying carbon reduction strategies. In 2021, KCHA participated in a Department of Energy (DOE) Low Carbon pilot program which explored the range of strategies to decarbonize our housing stock. KCHA also joined the Better Climate Challenge, an inter-agency federal program that calls on participants to reduce its scope 1 and 2 greenhouse gas emissions by 50% over the next ten years.

The Plan

The new 2022-2026 Sustainability Action Plan will build off of past successes and turn attention toward new areas of importance that respond to existing environmental conditions, scientific consensus, and empirical evidence. The areas of focus include:

- Greenhouse Gas Reduction
- Climate Change Preparedness
- Sustainable Property Operation and Management
- Healthy, Resilient, Equitable Communities

These areas of focus overlap neatly with King County's Strategic Climate Action Plan (SCAP) and fit well with past Board guidance. Many other state and federal agencies, including The Washington State Department of Commerce, the Department of Housing and Urban Development (HUD), the Environmental Protection Agency (EPA) and the Department of Energy (DOE) are actively working to address these same areas of focus and encourage housing providers to participate—often providing support and funding.

The proposed SAP lays out six goals which are directly tied to the new areas of focus while continuing to build on resource conservation and sustainability work of past plans. While the goals are ambitious in their scope and scale, they are attainable and consistent with local, state, and national goals.

By the end 2026, the plan calls for:

- A 35% reduction of operational greenhouse gas emissions intensity
- 100% property compliance with energy-efficient level designations by building type (compliance levels currently being evaluated)
- 100% of residences meeting water efficiency compliance level of 50 gallons per person per day
- Increase on-site solar energy generation capacity by 300 kW
- Diversion of 50% of solid waste from landfill
- 100% property certification within the EnviroStars program

The 2022-2026 Plan will engage KCHA with some of the most important and relevant environmental issues facing housing authorities today while raising the level of climate literacy across the agency. Adaptation to the impacts of climate change will ensure that KCHA's mission of "Transforming Lives through Housing" is preserved, even as the built and natural environment undergo unprecedented changes.



Sustainability Action Plan

2022 – 2026

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KCHA Sustainability Program
November 2021

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Introduction

King County Housing Authority (KCHA) continues to demonstrate its commitment to employ environmentally sustainable business practices and develop healthy sustainable communities with the 2022 – 2026 Sustainability Action Plan (SAP). The SAP provides a five-year framework for KCHA to advance current sustainability practices, prepare for the impacts of climate change, pursue deeper utility cost savings, and address environmental inequities within its communities. Furthermore, the plan sets the stage for KCHA to decarbonize its buildings and operations to meet its Better Climate Challenge commitment of 50% greenhouse gas reduction over the next ten years.

History of Sustainability at KCHA

KCHA's environmental sustainability work can be traced back decades. Beginning in 2004, the organization began investing resources and developing strategies to reduce its impact on the environment through the following directives:

- Washington State Low Income Weatherization Program established in 1977
- The Sustainability Project (O'Brien & Co.) report in 2004
- KCHA Board Resolution 5005 Commitment to Sustainable Communities Through Excellence in Environmental Stewardship in 2005
- Establishment of Resource Conservation Department in 2005
- Resource Management Plan (2011 – 2016)
- Environmental Sustainability Plan (2017-2021)
- KCHA Board Resolution 5657 - In Support of KCHA's Day of Solidarity Proclamation and Commitment to Equity

Guiding Principles

At the core of KCHA's mission is to provide affordable housing and opportunity to those in need. With KCHA Resolutions 5005 and 5657 in mind (see Appendix E), the guiding principles of the SAP were developed by the Resource Conservation Department (RC), with input from stakeholders. They serve as a link between KCHA's core mission and the desired outcomes of the SAP, and align SAP goals with local, County, State, and federal sustainability goals. The guiding principles are:

- Keep KCHA's values and mission at the core of work
- Use best available science
- Account for needs of now and the future
- Seek cost-effective solutions with co-benefits
- Responsibility to equitably serve residents and those disproportionately affected
- Act with intention and urgency
- Contribute to local, County, State, and national sustainability goals

- Build partnerships inside and outside of KCHA
- Support staff in their core functions

Pathway to Carbon Neutrality and Climate Resiliency

Climate change is one of the most fundamental and disruptive emergencies of our time, with large-scale and pervasive consequences. A threat-multiplier, it puts stress on our built environment, substantially disrupts natural provisions (such as fresh water, agrarian cycles, and clean air), increases the frequency and intensity of extreme weather events, reduces economic growth, and exacerbates inequities—all of which make basic needs like housing, utilities, and food, more expensive and scarcer. Simply put, climate change poses a direct threat to KCHA’s core mission to provide affordable, safe housing and economic vitality for those in need.

To stave off the worst effects of climate change, we must both drastically reduce atmospheric greenhouse gas emissions and prepare for the effects of our changing environment. The SAP sets the blueprint for KCHA to act on climate. It sets the foundation for decarbonizing KCHA’s daily operations, as well as preparing properties for the anticipated changes to our natural and built environment.

Equity, Diversity, and Inclusion

Sustainability is not only an environmental issue but also an issue of racial and social justice. Environmental hazards and climate change disproportionately affect low-income communities and communities of color because of direct and indirect results of institutional rules, regulations, policies, and government and/or private decisions. This plan centers its work on undoing systemic environmental injustices through building health and resiliency back into underserved communities. In order to realize this, it is essential that we include and account for the diverse voices of KCHA staff, its residents, and community members.

Sustainability Plan Strategy

To accomplish such a wide scope of environmental initiatives, KCHA will incorporate sustainability into its siting decisions, building designs, capital investments, daily decision-making, and workplace operations. The Sustainability Department will help KCHA realize this by providing internal and externally facing resources, conduct research and assessments of concepts and techniques, collaborate on and troubleshoot sustainability challenges, participate in project planning, set agency-wide environmental standards, and lead sustainability-related educational sessions for staff. The Sustainability Department will identify capital improvement opportunities at specific properties, manage sustainability projects and programs, provide in-depth data analysis and transparency, identify opportunities for collaboration with third parties, coordinate maintenance strategies, and work directly with residents to inform, educate, and support more sustainable living.

While some components of the SAP are similar to the past Environmental Sustainability Plan (2017-2021), the SAP scope of work expands on resource conservation specifically and examines properties through a climate change lens. Understanding changing environmental conditions and needs will be essential for a property’s longevity, financial viability, safety, and resiliency.

Measuring Success

The SAP scope of work is ambitious in its subject matter and foundational for manageable decarbonization, transformative climate adaptation and sustainable living. While the entire scope of work in the SAP cannot be quantified, each action item directly or indirectly contributes towards achieving the SAP goals and improving cross-departmental sustainability literacy at KCHA. Furthermore, the paybacks of the work within the SAP are long-term, frequently co-beneficial, and compounding; for example, there are several benefits to planting trees that are difficult to quantify but we know of their many qualitative benefits. Reaching many of these goals hinges on the assurance that external partners—like energy utilities, municipalities, King County, HUD, and government departments—live up to their own commitments so their subsequent benefits can be realized.

Sustainability Action Plan Goals

The following six SAP Goals were selected to track KCHA's progress towards improved environmental outcomes. By 2027, KCHA plans to achieve the following goals:

- **35% reduction of operational greenhouse gas emissions (MT CO₂e / sq. ft.).** KCHA has successfully decreased its greenhouse gas emissions from buildings by more than 5% over the past five years. However, transformative and swift decarbonization is imperative to avoid the worst possible outcomes of climate change. KCHA is leading housing authorities across the country in this effort. It has conducted greenhouse gas inventories for the past four years, and in 2021 it joined the Department of Energy's Better Climate Challenge¹—a program that sets a goal for 50% reduction of scope 1 and 2 greenhouse gas emissions by 2032, (compared to 2016, the baseline year), and provides guidance on reduction strategies and measurement methodology. KCHA is committing to reduce its operational greenhouse gas emissions by 35% over the next five years using a variety of reduction strategies, detailed in the Greenhouse Gas Reduction Actions section, setting the stage for a full 50% reduction by 2032.
- **100% of properties meet energy efficiency compliance level by building type (kBtu/sq. ft.).** Energy efficiency remains one of KCHA's top sustainability priorities. It provides residents with energy security, cuts utility bill costs, and reduces our impact on the environment at the energy source. Past plans have resulted in substantial energy efficiency gains to KCHA's overall portfolio, but there is a wide disparity in Energy Use Intensities (EUI – kBtu/sq. ft.) within buildings of the same type and usage. Instead of setting an overall percentage reduction target for energy efficiency, KCHA will set building type-specific EUI thresholds, and meet or exceed the thresholds for each building in its portfolio by 2027. This strategy enables KCHA to focus on the specific buildings that need the attention and resources, while monitoring buildings already measured to have high energy efficiency. Currently, we are in the process of conducting a comprehensive review of our energy data across the portfolio to ensure all meter data are reported on a building-by-building level. We will set EUI thresholds in Q2 2022 after the completion of building inventory and utility data review, and the update to EnergyStar Portfolio Manager. *Current Status: EUI threshold levels being evaluated*
- **100% of residences meet water efficiency compliance level.** Of the three major utility types, water and sewer costs are projected to increase the most drastically. It is a priority that KCHA continues to implement water reduction measures at its properties. KCHA will ensure that every residential building will meet the water efficiency threshold of 50 gallons per person per

¹ [DRAFT BCC Factsheet 10-15.pdf \(energy.gov\)](#)

day or lower by 2027, while seeking opportunities to reduce water usage on its landscaping. Current Status: 60%

- Increase on-site solar energy generation capacity by 300 kW DC.** A growing area of opportunity, on-site solar will become an increasingly important tool to reducing GHG emissions, while cutting electricity billing costs. KCHA commits to adding 300 kW of solar generation capacity by 2027, nearly doubling its overall solar capacity across the portfolio. *Current Status: 117 kW planned in 2022*
- Divert 50% of solid waste from landfill to recycling or composting facilities.** Solid waste disposal is one of Property Management's biggest ongoing sustainability concerns. The Sustainability Department will continue to lead Property Management in right-sizing collection bins, educate residents on correct disposal methods, and provide residents with useful tools to manage their own solid waste generation and disposal. *Current Status: 45%*
- 100% of qualified properties EnviroStars certified.** Participation in the EnviroStars green business certification program has proven to be a reliable and impactful method of incorporating sustainable property management practices into everyday activities. KCHA will continue to utilize EnviroStars and aim to certify every eligible property. *Current Status: 58%*

2022 – 2026 Goals						
Goal and Description	Baseline	2022	2023	2024	2025	2026
Greenhouse Gas Emissions Reduction: 35% GHG emissions concentration reduction in measured emission (MT CO ₂ e / sq. ft.)	Y2016 3.845 MT CO ₂ e/sq. ft.	23%	26%	29%	32%	35% 2.499
Energy Efficiency: 100% of properties meeting EUI threshold (to be determined in Q1 2021)	Y2019* TBD	80%	85%	90%	95%	100%
Renewable Energy Production: Increase on-site solar generation capacity by 300 kW DC	Y2021 394 kW	460 kW	520 kW	580 kW	640 kW	694 kW
Residential Water Use: 100% of properties meeting Gallons per Person Per Day Threshold (50 Gallons per Person per Day or lower)	Y2019* 60%	68%	76%	84%	92%	100%
Waste Diversion: 50% waste diversion from landfill	Y2019* 45%	46%	47%	48%	49%	50%
EnviroStars Certified Properties: 100% of all eligible properties certified by 2026	Nov. 2021 58%	60%	70%	80%	90%	100%

*Baseline set using best available pre-COVID19 data.

Focus Areas and Actions

The SAP identifies four sustainability focus areas for, as well as actions to take to advance the focus areas. Many actions, identified below, return co-benefits, meaning their impacts improve KCHA's standing across multiple focus areas. The focus areas are:

- Greenhouse Gas Reduction
- Climate Change Preparedness
- Sustainable Property Operations and Management
- Healthy, Equitable, and Resilient Communities

Building on the success of the Environmental Sustainability Plan (2017-2021), King County Housing Authority's Sustainability Action Plan (2022-2026) elaborates on existing initiatives from past plans and identifies new areas of focus. Through months of stakeholder engagement, scientific research, policy review, and comprehensive evaluation of the efficacy of past sustainability practices, the areas of focus are based on: materiality to KCHA stakeholders; identified opportunity areas; and present and future environmental, social, and financial impacts. Additionally, the areas of focus align with King County's Strategic Climate Action Plan, which serves as a blueprint for the County's approach to addressing climate change, and its desired outcomes. The SAP sets six five-year goals (Appendix A) which guides actions and initiatives. Each goal directly or indirectly addresses one or more of the identified areas of focus:

Greenhouse Gas Reduction

Atmospheric greenhouse gas concentrations are rising beyond levels reflective of a stable climate, and the scientific community overwhelmingly agrees that humans must decarbonize to prevent the worst impacts of climate change. KCHA is committed to reducing its scope 1, 2, and 3 greenhouse gas emissions across its portfolio through multiple decarbonization strategies. For more on greenhouse gas emissions scope levels, please see Appendix A.

We will achieve this ambitious target through: continued energy reduction and decarbonization strategies like weatherization, air sealing, and improved heating systems; strategically phasing out natural gas in buildings and fossil fuel-powered landscaping power tools; electrification of our fleet and development of infrastructure to support EVs; and installation of solar arrays on our properties. While the decarbonization transition requires substantial capital, each of these strategies is considered cost-effective in the long-term, especially as natural gas prices become increasingly volatile, and governments develop and implement a pricing mechanism for carbon. Furthermore, the Sustainability Department will explore external funding sources and implementation opportunities to support KCHA reach its goal.

Actions

Energy Efficiency Measures

Energy consumption in buildings causes the overwhelming majority of KCHA's carbon emissions. Through continued energy reduction strategies like weatherization, air sealing, upgrades to heating systems, and the deployment of energy recovery systems, KCHA can achieve substantial energy savings that translate to reduced GHG emissions and savings on their energy bills. **Partners: Weatherization, Construction, Property Management, Asset Management, Development**

HVAC Equipment Commissioning

Heating and cooling systems that are not properly maintained do not run as efficiently as a regularly commissioned system. Following a HVAC commissioning schedule will ensure that equipment uses less energy, performs at its optimal level, and lasts to its designed lifespan. An effective commissioning regime will save KCHA money on its energy bills and equipment replacement costs. **Partners: Property Management, Asset Management, Maintenance**

Electrification of Buildings

Along with reducing overall energy consumption, phasing out fossil fuels from our energy mix is essential to decarbonization. Replacing natural gas appliances with electric options, as well as phasing out natural gas heating systems will not only cut emissions but also become increasingly clean as the electrical grid decarbonizes in kind. KCHA should anticipate these transitions and take advantage of emerging electricity-powered technologies and the carbon savings they deliver. **Partners: Weatherization, Construction, Property Management, Asset Management, Development**

Solar Array Installations

Renewable energy is a key tool to combating climate change, reducing dependency on grid power, and saving utility costs. On-site solar in King County currently is typically a cost-effective measure (depending on the specific property), with the system returning greater savings over its lifetime than the installation costs itself. Furthermore, solar technology is projected to improve, and its costs decrease over time, while grid power costs rise. KCHA is poised to ramp up its solar installations across the portfolio through grant funding, budgetary allocations, and other funding sources. **Partners: Weatherization, Construction, Property Management, Asset Management, Maintenance, Development**

Commute Trip Reduction

Transportation is one of King County's largest source of greenhouse gas emissions. It is essential that we decrease our dependency on cars to advance a sustainable future. Reducing the number of commutes from single occupancy vehicles by taking advantage of other transit options—such as the light rail or bus—or replacing a portion of commutes with remote work are all effective carbon reduction options, that will lower KCHA's scope 3 emissions. KCHA's new remote work policies will complement these efforts. **Partners: All KCHA staff**

Electrification of Fleet

KCHA owns and operates well over 100 vehicles that are used daily for work-based travel, and field work. Electrifying the fleet of vehicles will replace expensive and price-volatile gasoline as a fuel source with low-carbon electricity that can be delivered to vehicles right on site. Furthermore, the simplicity of electric vehicles translates into fewer breakdowns and less maintenance needs, saving KCHA both time and money. **Partners: Administrative Services**

EV Charging Station Installations

As the KCHA fleet moves toward 100% electrification, the need will grow for the infrastructure at our workplaces to support the electric vehicles. These charging stations are available to residents and the public and will gain more use over the next few years. **Partners: Administrative Services, Construction, Property Management, Asset Management, Development**

Landfill Methane Emissions

Methane, a commonly produced byproduct in landfills, is the most potent greenhouse gas. KCHA's waste diversion strategies aim to mitigate the amount of methane produced from its waste sent to landfill by leveraging recycling and composting options which do not produce methane. Right-sizing waste bins along with successful waste disposal education campaigns ensures that only necessary waste is sent to landfill, while also returning cost savings on solid waste bills. **Partners: Administrative Services, Property Management, Asset Management**

Climate Change Preparedness

While there is still possibility of reducing the worst impacts of climate change through greenhouse gas reduction, the effects of a changing climate are already being felt across King County. Average temperatures are increasing, and extreme weather events, like heavy rainstorms, winter storms, and heat waves, are on the rise in both frequency and magnitude. KCHA must prepare against these conditions to ensure safe, healthy, and comfortable living conditions for its residents. The work we plan to do over the next five years will include the following:

Actions

Heat Pump Installations

Heat pumps are commonly believed to be the best option for energy efficient, low-carbon heating and cooling. They perform well in our climate (even in heat waves) and are more energy-efficient than alternative heating and cooling options.² Advancements in heat pump technology are occurring

² <https://rmi.org/why-heat-pumps-are-the-answer-to-heat-waves/>

rapidly; equipment is getting more affordable while also improving heat pump energy efficiency and efficacy. Currently, they seem to represent the best option for providing energy efficient cooling to residents, and their application potential for multifamily housing is projected to only grow. **Partners: Weatherization, Construction, Maintenance, Property Management, Asset Management**

Flood Mitigation

KCHA will continue collaborating with King County Flood Control and Adopt-a-Stream as we did recently at Illahee, Sandpiper, and Friendly Village to help mitigate issues caused by flooding. All properties will be assessed for current and future flood potential and seek assistance as needed. Furthermore, KCHA will explore the application of retention ponds, sustainable urban drainage systems (SUDS), and other environmentally friendly flood mitigation strategies. **Partners: Construction, Property Management, Asset Management, Development**

Climate Risk Assessments

While regional effects of climate change are well understood, there is a need to assess how these effects could directly and indirectly impact KCHA properties. KCHA will use the U.S. Climate Resilience Toolkit³—a suite of tools designed by a partnership of several federal agencies and organizations—to assess properties’ specific risks and vulnerabilities to our changing climate. These assessments will inform KCHA of what options are available to address the risks, help prioritize and plan, and direct action. **Partners: Property Management, Asset Management, Development**

Urban Heat Island Effect Mitigation

The Urban Heat Island (UHI) effect occurs when natural environments are replaced with the built environment, consisting of dense concentrations of pavements and buildings that absorb and retain heat at higher rates than natural landscapes. This land use change results in increased temperatures, and lower air quality, which drives up cooling energy costs, worsens air pollution levels, and exacerbates air quality and heat-related illnesses. A “threat multiplier”, climate change is and will continue to amplify these effects. UHIs are not uniformly observed; they are more likely to occur in locations that are located near industrial infrastructure and large road systems, and do not have access to green spaces—all more common in low-income communities than in wealthy ones. In King County, UHI poses a risk to residents in South King County, which is also home to the County’s largest population of people of color. Currently, KCHA is partnering with King County Department of Natural Resources and Park and King County Department of Community and Human Services to develop a riverfront park in the Skyway neighborhood, providing nearby residents of multifamily properties access to green space. KCHA will continue to mitigate the UHI in affected communities by creating more natural green spaces, providing more shading to surfaces, and deploying other solar radiation reflection strategies. **Partners: Construction, Property Management, Asset Management, Development**

³ Toolkit.climate.gov

Sustainable Property Operation and Management

Over the years KCHA has achieved substantial gains in sustainable property operations and management through the deployment of energy and water saving measures, outreach and education campaigns, recycling and composting programs, pollution prevention strategies, and other utility consumption reduction techniques. These strategies have delivered significant environmental benefits and deep cost savings. Over the next five years, KCHA will continue to implement and expand upon existing standardized maintenance and landscaping practices, and provide analytics-driven recommendations and support to properties. Some of the actions we plan to take will occur in the following areas:

Actions

Energy Reduction

Not only does energy reduction equate to a reduction in global greenhouse gas emissions, it lowers our bills, and helps keep residents comfortable in their homes. Over the next five years, we intend to focus on the high energy using properties in our portfolio and prioritize them for energy efficiency measures whether that be insulation and air sealing, adding solar to offset energy use, installing LED lighting, or taking other measures. By focusing on the high-users and reducing their EUI we can bring all properties into a more precise range of energy use. **Partners: Weatherization, Construction, Development, Housing Management, Asset Management**

Water Reduction

With water costs on the rise and potential water shortages in many parts of the state, the Sustainability Department will help KCHA realize greater reductions in water use through the installation of low-flow toilets, “smart” irrigation systems, water-efficient appliances, shower heads and faucet aerators. We intend to offer these water reduction measures to all properties over the next five years with an early emphasis on properties with high gallon-per-person-per-day numbers. We will also look into new technologies such as using rainwater for flushing toilets or watering gardens. **Partners: Weatherization, Construction, Development, Property Management, Asset Management**

Waste Reduction

The management of solid waste at KCHA properties takes much staff time, is very expensive, and can be an eyesore. Over the next 5 years, we will work with resident services and property staff to provide outreach and education to residents so they can properly recycle and compost and help our staff keep properties as tidy as possible. When we recycle and compost, we reduce our cost as well as the carbon and methane emissions involved with landfilling. **Partners: Property Management, Resident Services, Asset Management**

Chemical Reduction

With well over 100 multifamily properties that all need to be cleaned and maintained—a multitude of hazardous materials and chemicals are a necessary part of this work. Long-term exposure to these materials is harmful to human and environmental health. Through the EnviroStars program, our Green

Purchasing Policy, and collaboration with the King County Hazardous Material Program, we plan to engage with property staff and together, come up with a chemical purchasing and use protocol that prioritizes the health of staff members. **Partners: Risk Management, Property Management, Asset Management**

Environmentally Preferable Purchasing

KCHA procures and purchases a wide variety of materials in order to carry out the daily work of housing people and these materials have varying degrees of negative impact on people, environment, and financial bottom line. It is important to be mindful about these upstream and downstream impacts when making all purchases and we plan to provide support for departments and staff to bring awareness and compliance with the KCHA Green Purchasing Guidelines. **Partners: All Departments**

Sustainable Landscaping

Maintaining attractive landscapes can be carried out in low-impact, low-chemical ways that prioritize human, plant, and environmental health or in a way that causes as much harm as it does benefit. We will continue helping property staff to follow the KCHA sustainable landscaping guide and provide trainings and learning opportunities that help instill the importance and the specific skills needed to carry out sustainable landscaping operations at KCHA properties. **Partners: Property Management, Asset Management.**

EnviroStars

The EnviroStars “green business” program provides a well-rounded series of sustainable actions that a property must take, in areas such as energy, water, waste reduction, and the proper use of hazardous materials. This provides property staff with a sustainable property management guide, of sorts, that can help them learn the basics of “being” more sustainable. We will work with EnviroStars staff to make sure that periodic reminders and assessments can be provided to ensure that the sustainable steps taken become engrained in property behavior and not forgotten. **Partners: Asset Management, Property Management**

Healthy, Equitable, and Resilient Communities

Environmental impacts do not affect everyone the same way, with underprivileged communities impacted most disproportionately. Many of KCHA’s properties, the residents they house, and the communities they inhabit, endure higher rates of air pollution, more heat exposure, less access to less greenspaces, and more stress on their basic infrastructure. When compounded, these results have adverse health and economic impacts. KCHA will alleviate these inequities by identifying those properties that are disproportionately affected and work to develop solutions that benefit KCHA’s residents and the community alike.

Actions

Tree Planting

Trees provide a multitude of benefits such as shade for people and buildings, air-filtration, reduction of “urban heat island” effect, edible food, and habitat for wildlife. We will help KCHA adopt a healthy tree removal and replacement program as well as seek opportunities to add more trees to KCHA properties. **Partners: Property Management, Asset Management, Construction**

Community Gardens

Reconnecting with our natural surroundings is a critical component of feeling and being inclusive. We will continue to help residents connect with the earth and with fellow residents through community gardens. We will also help connect gardeners with local non-profit garden educators such as Tilth Alliance so they may enjoy free classes, plants and seeds, and volunteer support at community gardens. **Partners: Resident Services, Property Management, Asset Management**

Youth Program Support

A key component of the KCHA mission is to support our young people, from birth through high school, and beyond. Providing rich and diverse opportunities helps kids stay involved, the Sustainability Department plans to continue providing environmental education programming through our youth providers to reach as many of our young people as we can. **Partners: Social Impact, Resident Services, Property Management**

Sustainable Event Support

Parties and social events are a big part of KCHA community culture and provides a great opportunity to keep our “environmental footprint” as small as possible through the use of non-disposable plates, cutlery, etc. and proper disposal containers for recycling, food waste, and garbage. **Partners: Resident Services, Property Management, CO Staff**

Listening Tours and Educational Events

The Sustainability Department is committed to maintaining an open dialogue with residents and staff. We will create opportunities to engage in open conversation sessions and provide education and outreach events to provide awareness and collect feedback on a multitude of sustainability-related topics. **Partners: Resident Services, Property Management, CO Staff**

Ecosystem Preservation

With properties situated throughout King County, it isn’t surprising that many of our properties share space with creeks, forests, and other natural surroundings. Being a responsible steward to these ecosystems is important so we will continue working with King Conservation District and King County Natural Lands staff to assess our properties for creek and forest preservation opportunities and resources. **Partners: Property Management, Asset Management**

Healthy Homes/Green Cleaning

Purchasing and properly using household chemicals and cleaning supplies takes can be doubly complicated for residents who cannot easily understand warning labels written in a language they may not read. We will work with resident services to provide “healthy homes” trainings and information so

that families and individuals can make informed choices when purchasing and using chemicals and other potentially hazardous materials around the home. This will include connecting with the King County Hazardous Waste Program to provide multi-lingual educational materials and trainings as available. **Partners: Resident Services, Property Management, Asset Management**

Purchase Properties in Gentrified Areas

A property's location, and the nearby opportunities available, play a major role in sustainable living. Through purchasing properties in gentrified areas, KCHA residents have access to high quality schools, healthy food options (i.e. avoiding "food deserts" and "food swamps"), public transportation, and job opportunities. KCHA will continue this practice to ensure that the infrastructure, amenities, goods and services available to the wealthy are also made available to their residents.

Weatherization of Privately Owned Low-Income Properties

KCHA's Weatherization department will continue to weatherize privately owned low-income homes to lower residents' cost burden to heat and cool their homes, and thus alleviating energy poverty in the region. Furthermore, saving energy in privately owned homes will reduce residents' greenhouse gas emissions and support county and statewide decarbonization efforts.

Internships / "Green Jobs" Introductions

The Sustainability Department can engage with and improve equity and diversity at KCHA by identifying and connecting KCHA youth to internship options through partner organizations, municipalities, and contractors, encouraging KCHA youth to apply for Sustainability internships, and connecting them with youth providers and local colleges to find job fair and especially "green jobs" opportunities for residents and youth to explore. **Partners: Social Impact, Resident Services, Property Management, Asset Management**

Green Team

The KCHA Green Team has brought sustainably-minded staff together to share in their common interest and give back to the community through sustainable actions for well over a decade. Beginning in 2022 the Green Team will seek new opportunities to help advance sustainability goals and actions through an open and collaborative relationship with departments, committees, staff, and residents. Providing information/recruitment sessions to build membership and get to know staff will be a priority. **Partners: All Departments and Staff**

Summary of Appendices

Greenhouse Gas Scopes Explained (Appendix A): This table details the six SAP goals, and the annual targets, which will be used to measure the impact of the five-year implementation strategy, and the annual progress towards the goal.

Sustainability Action Plan Overview (Appendix B): This document includes a list of action items to accomplish the SAP goals. The listed items are categorized by impacted area of focus—Greenhouse Gas Reduction; Climate Change Preparedness; Sustainable Operation and Management; and Healthy, Equitable, and Resilient Communities—and are marked as continued or new action items.

Sustainability Action Plan Timeline (Appendix C): This table outlines the estimated timeline to implement the SAP Overview.

Sustainability Accomplishments (Appendix D): This document summarizes KCHA’s past sustainability accomplishments and serves as context to the work that has led the agency to the SAP.

KCHA Board Resolutions (Appendix E): A compilation of KCHA Resolutions approved by the Board of Commissioners that have informed the SAP guiding principles.

Greenhouse Gas Protocol Scopes (Appendix A)

Accounting for GHG emissions can be tricky due to several reasons. Primarily, there are many kinds of GHGs that each interact with the climate in different degrees and durations. Additionally, organizations have varying levels of ownership and responsibility for these emissions which in turn calls for a method which segregates these emissions appropriately.

Organizational boundaries are determined using an equity share or control approach. Under the equity share approach, the reporting organization is only responsible for the emissions proportional to the amount of equity they have in the operation. Under the control approach, the organization accounts for 100% of the emissions from operations over which it has either financial or operational control. For KCHA it becomes important to consider this issue when evaluating certain sources of emissions, like energy consumption, where GHG impacts are due to both technology and management efficiencies. For example, though common area energy bills are paid by KCHA, the agency doesn't have direct control over residents' consumption. However, given that decisions about capital improvement and major appliances are made by KCHA, opportunities do exist for the agency to reduce emissions from residential units' daily use. Since data is not entirely available at this segregated level, this GHG inventory assumes KCHA has operational control over the entirety of their properties and thus all emission sources accounted for are assumed to be fully under KCHA control.

Operational boundaries are based on the emissions generated as a direct or indirect result of the organization's operations. Due to the different types of emissions associated with different kinds of activities and varying control over these emissions, they can be classified into scopes for further consideration. According to the GHG Protocol, operational boundaries can be divided up into three scopes:

- Scope 1: Direct emissions owned or controlled sources. For example, emissions from company vehicles.
- Scope 2: Indirect emissions from generation of purchased energy. For example, emissions from purchased electricity.
- Scope 3: Upstream and downstream emission activities. Emissions associated before and after the creation of a product, such as transportation or capital goods.

Scope 1 and 2 are relatively easy to identify and estimate, since data for these emissions are often accessible. Organizations leading their industries in carbon accounting are now also accounting for Scope 3 emissions, however they are generally much more difficult to quantify. Figure 1 provides a visual representation of these scopes with additional examples.

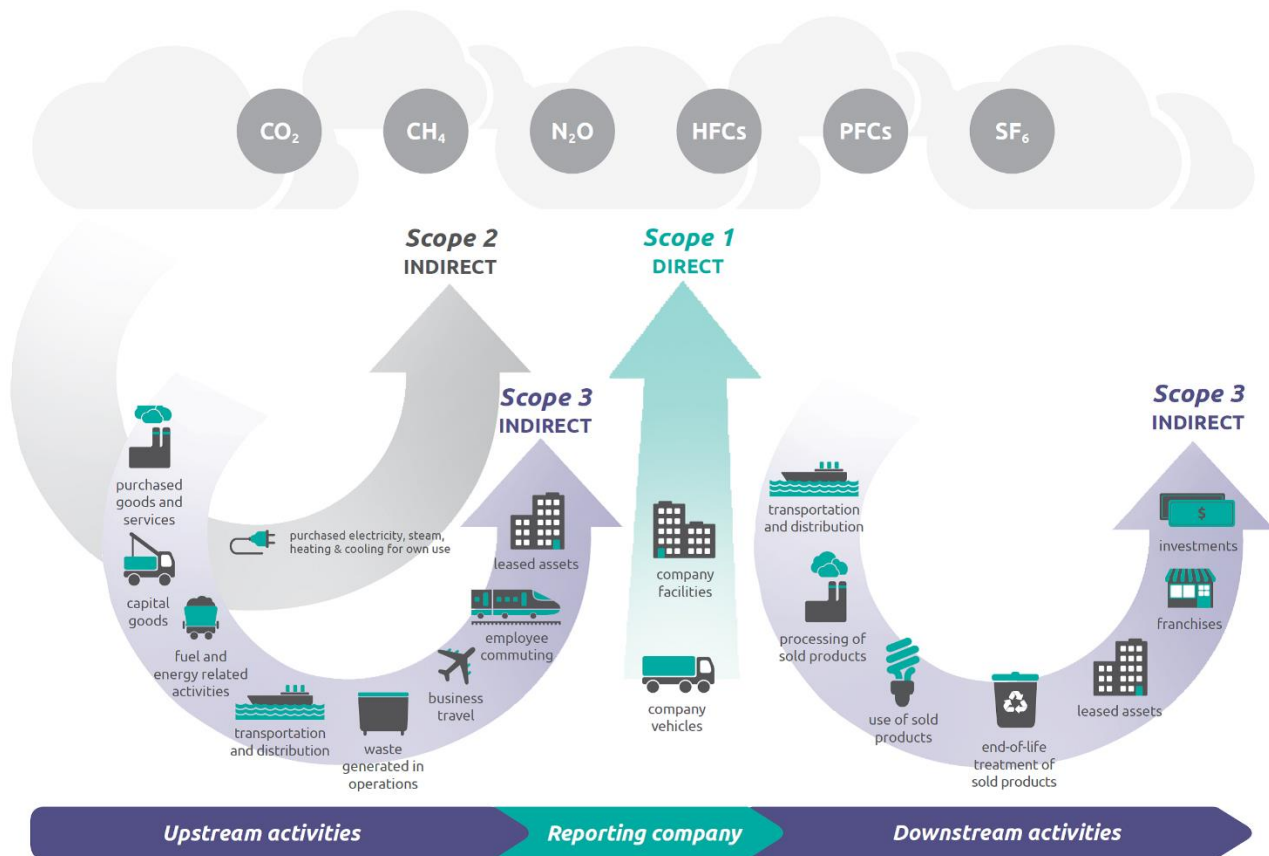


Figure 1 - Overview of GHG Protocol scopes and emissions⁴

⁴ [Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf \(ghgprotocol.org\)](#)

Sustainability Action Plan Overview 2022 – 2026 (Appendix B)

2022-2027 Actions / Initiatives	GHG Reduction	Climate Change Preparedness	Sustainable O+M	Healthy Resilient, Equitable Communities
Energy efficiency measures	• x		• x	
HVAC equipment commissioning	•	• x	•	
Electrification of buildings	x		x	
Commute trip reduction strategies	• x			
Electrification of fleet vehicles	• x		• x	• x
EV charge stations	x		x	x
Landfill methane emissions tracking	•			
Heat pump installations	x	x	x	
Solar array installation	• x	• x	• x	• x
Climate risk assessments		x		
Urban heat island assessments		x	x	x
Water reduction measures		•	•	
Waste reduction measures	•		•	
Environmentally preferable purchasing			•	
Sustainable landscape management practices		• x	• x	• x
EnviroStars	•		•	•
Green team reorganization	x	x	x	x
Tree planting	x	x	x	x
Community gardening			•	•
Youth program			•	•
Sustainable events			x	x
Healthy homes / green cleaning			• x	• x
Wellness program			•	

2022-2027 Actions / Initiatives	GHG Reduction	Climate Change Preparedness	Sustainable O+M	Healthy Resilient, Equitable Communities
Internships and green jobs	x	x	x	x

x : implementation of new strategy

●: Continuation of existing strategy

Sustainability Action Plan Timeline 2022 – 2026 (Appendix C)

[illegible]

[illegible]

Sustainability Accomplishments (Appendix D)

KCHA's long history of sustainability efforts has resulted in a variety of environmental achievements. Energy and water efficient building upgrades have saved roughly \$170 thousand since 2011. 100% of KCHA properties have recycling services, which has saved an estimated \$72 thousand per year since 2014. Overall water use per person has dropped by almost 9% since 2010, and since 2012 whole property energy use has been reduced by 5%. KCHA has established green purchasing policies, developed certified green buildings, and engaged with residents about utility bill and healthy home management.

Key Accomplishments and Goals from Past Plans

Energy efficiency

- In 1976, KCHA's established the Weatherization Assistance Program with funding from the U.S. Department of Energy to provide low-income property owners free-of-charge weatherization services. Since 1998, KCHA has spent almost \$47 million in federal, state, and local grant funds to weatherize over 10,000 low-income households in the King County area.
- Since 2012, KCHA has reduced the entire portfolio's whole building energy use per square foot (EUI) by 10%, and lowered common area KCHA paid energy consumption by 19%.
- ENERGY STAR appliances are installed in all residential units, and buildings have been retrofitted with better insulation, more energy-efficient windows and high-efficiency boilers.
- LED lighting has replaced both incandescent and older CFLs to save energy, increase illumination and improve security.
- Since 2011, KCHA has installed more than 500 kW of solar photo voltaic (PV) systems at six properties.

Water Quality and Storm Water Management

- In new developments, permeable surfaces, landscape swales and rain gardens have been installed to filter storm water, and reduce runoff.
- Buffer zones around streams have been added to protect water quality and fish habitat.
- Rainwater harvesting cisterns have been installed at community gardens, and landscapes have been designed to be low maintenance and drought tolerant.

Waste reduction

- 100% of KCHA properties have recycling services, and at least 21 are composting food.
- KCHA manages all files electronically, and encourages two-sided printing.
- Administrative offices provide recycling, food waste composting, plastic bag, Styrofoam and electronic equipment recycling.
- Donation bins are provided on-site at multifamily properties to help divert reusable items from the garbage.

Human Health

- For all new construction and major renovation projects, KCHA uses green-building principles established by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system, the Master Builders Association of King and Snohomish Counties' Built Green® program, and/or the Evergreen Sustainable Development Standards.
- Often Energy Recovery Ventilation (ERV) systems are installed to improve air quality and reduce the potential for mold.
- Janitorial services are required to use environmentally friendly products and cleaning techniques.
- 59 qualifying properties have been certified by the King County EnviroStars program for exceptional management of hazardous waste materials.
- 100% of properties are smoke-free.
- Many properties have P-Patch community gardens, and often residents are permitted to garden in front of their units or around the property.

Transportation

- KCHA is growing its motor pool and maintenance vehicles fleet of fuel efficient/hybrid vehicles. By 2033, 100% will be non-gasoline powered.
- Transit subsidies are provided to staff and telecommuting options are available to minimize car use. KCHA also offers a guaranteed ride home program for people who commute via vanpool or public transportation.

- Seven electronic vehicle charging stations have been installed at multifamily properties and administrative offices. Six more are planned for the next few years.

Procurement

- We require that the products we purchase have a lesser impact on the environment and human health. Environmentally Preferable Purchasing Guidelines have been written to support staff in their purchasing decision making.
- We urge staff and contractors to reduce consumption in the office, in the management of our properties and during construction.

Resource Conservation

- KCHA employs three full-time resource conservation staff dedicated to implementing the 2011-2016 Resource Management Plan and 2016-2021 Environmental Sustainability Plan. This staff monitors utility bills, assesses properties for environmental improvements, and educates residents and staff about managing utilities and reducing KCHA's impact on the environment.

KCHA Board Resolutions (Appendix E)

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5005

COMMITMENT TO SUSTAINABLE COMMUNITIES THROUGH EXCELLENCE IN ENVIRONMENTAL STEWARDSHIP

WHEREAS environmental stewardship should be an important element in the provision of affordable housing in the communities KCHA serves; and

WHEREAS the Authority, in the course of providing and maintaining affordable housing, undertakes operations that have varying degrees of impact upon the environment; and

WHEREAS the Authority is committed to improving energy efficiency, reducing waste and pollution and operating in a more environmentally sustainable manner; and

WHEREAS *sustainability* is defined as meeting the needs of the present generation without compromising the ability of future generations to meet their own needs; and

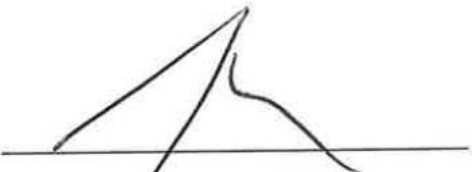
WHEREAS sustainability in Authority operations entails a systemic evaluation of the long-term impacts of our activities on the environment and the community; and

WHEREAS the Authority intends to make continuous progress towards sustainability in all operations; to consistently provide high quality housing that enhances the well-being of residents; to purposefully prioritize the social and economic vitality of local communities; to protect natural resources and demonstrate long-term financial responsibility through creative, environmentally-responsible practices; to empower the participation of employees, residents and other stakeholders in achieving these goals; to effectively communicate progress and celebrate achievements with employees, residents and the communities we serve and to solicit and respond to feedback on our performance.

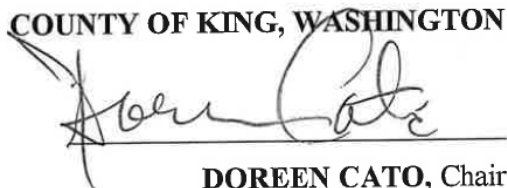
NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING:

The King County Housing Authority is committed to reducing the environmental impacts of its operations and to creating environmentally sustainable communities as part of its core mission.

ADOPTED AT A MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 9TH DAY OF MAY2005.


STEPHEN NORMAN
Secretary-Treasurer

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


DOREEN CATO, Chair
Board of Commissioners

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5657

**A RESOLUTION IN SUPPORT OF KCHA'S DAY OF SOLIDARITY PROCLAMATION
ON JUNE 19TH 2020**

WHEREAS, pervasive and systemic racism, social injustice and barriers preventing equity and equitable opportunity persist in the United States and disproportionately harm Black, Indigenous and Other People of Color; and

WHEREAS, the mission of the King County Housing Authority to transform lives through housing must be based upon a foundation of equity both within our organization and within our programs that serve communities across King County; and

WHEREAS, the King County Housing Authority is committed to ensuring that its policies and programs afford equitable treatment and opportunities for its workforce and the Black, Indigenous, and Other People of Color communities that it serves; and

WHEREAS, the King County Housing Authority will collaborate with our communities to identify and address the longstanding impacts of systemic racial discrimination through outreach to our residents, community partners and program participants; and

WHEREAS, June 19th is observed in Washington State and across the nation as the holiday celebrating the end of slavery in the United States; and

WHEREAS, the Housing Authority celebrated June 19th, 2020 KCHA's first annual "Day of Solidarity"; and

WHEREAS, KCHA's Race, Equity, Diversity, Inclusion (REDI) Team drafted and Executive Director, Stephen Norman, issued a Proclamation on June 19th, 2020 reaffirming KCHA's commitment to racial justice and equity both within the organization and within the communities we serve and calling for June 19th to become KCHA's annual "Day of Solidarity";

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


1. June 19th is hereby established as KCHA's annual "Day of Solidarity" with Black, Indigenous and Other People of Color. The Executive Director and leadership team are directed to establish work hours, events and activities that help recognize and celebrate KCHA's commitment to racial equity and social justice.
2. The Executive Director and leadership team are directed to review KCHA's policies, procedures and processes and eliminate any that disproportionately harm Black, Indigenous, and Other People of Color in our workforce and in our communities.
3. The Executive Director and leadership team are directed to provide the support and resources to the Racial Equity, Diversity, and Inclusion Team needed to carry out its mission.
4. The Executive Director and leadership team are directed to establish group and individual training programs in racial equity, diversity, inclusion and implicit/explicit bias for current and new employees to improve employee competencies, skills and communication with regard to systemic racial and social injustice.

**ADOPTED AT THE MEETING OF THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE COUNTY OF MARTIN LUTHER KING JR. AT AN OPEN
PUBLIC MEETING THIS 20th DAY OF JULY, 2020.**

**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

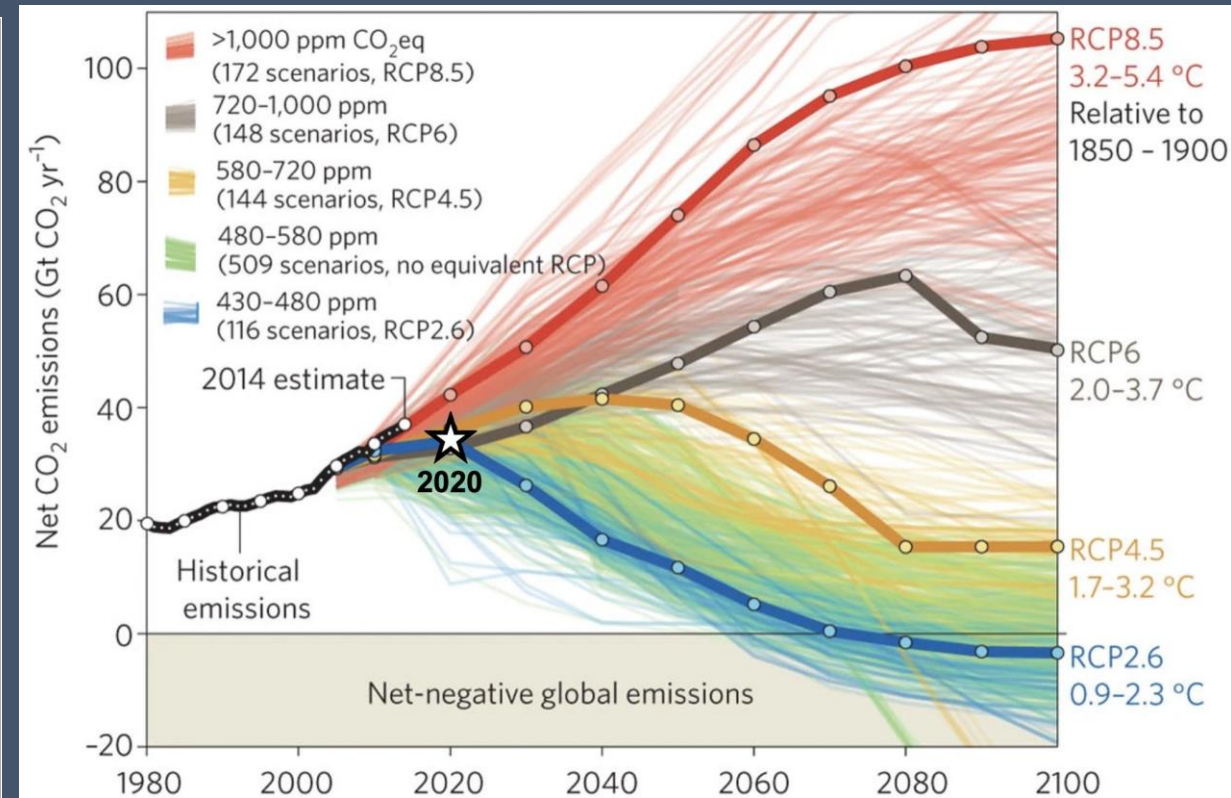
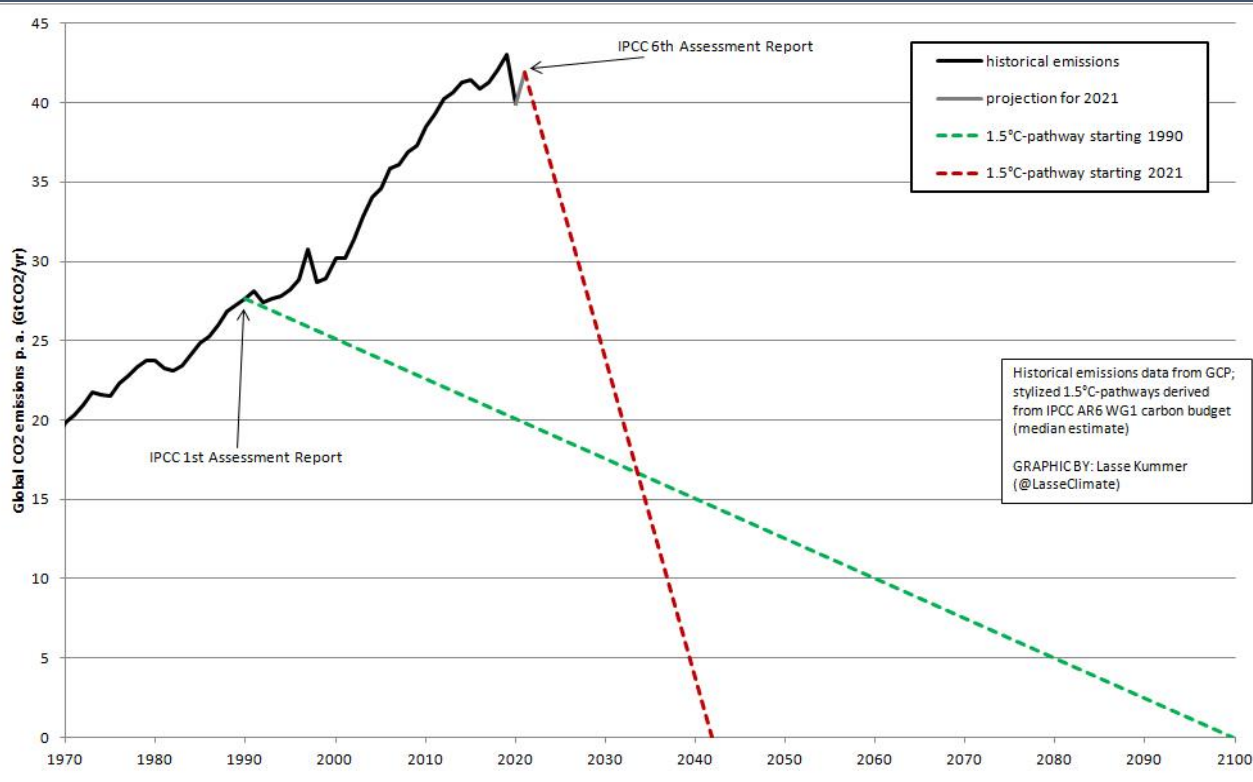


Five-Year Sustainability Action Plan

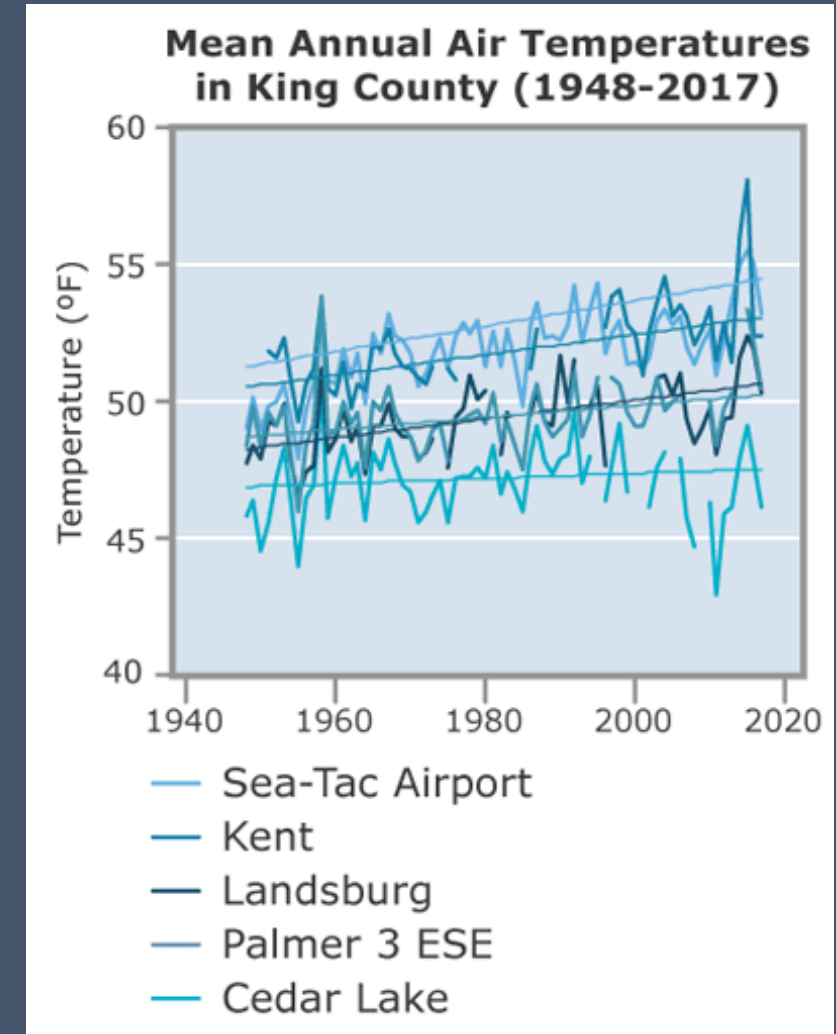
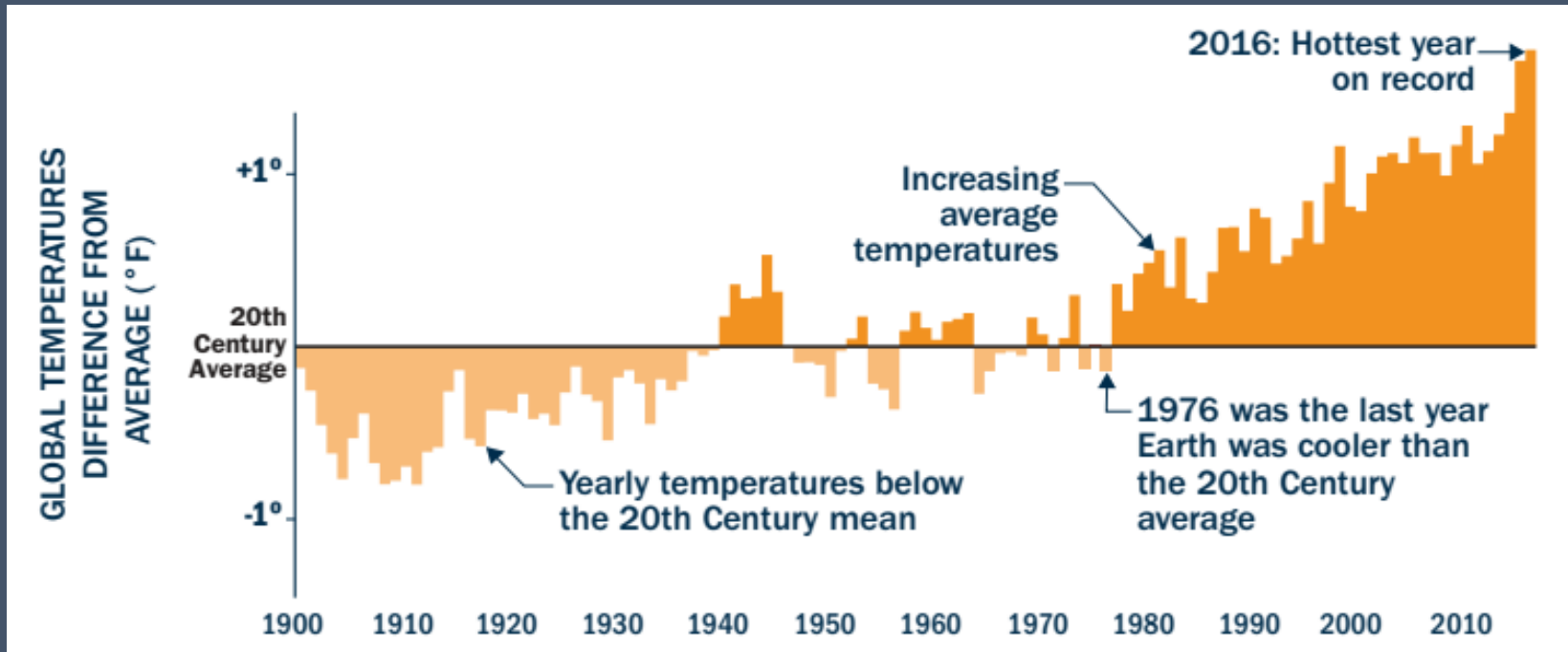
Board of Commissioners Review of the SAP Draft

1/18/2022

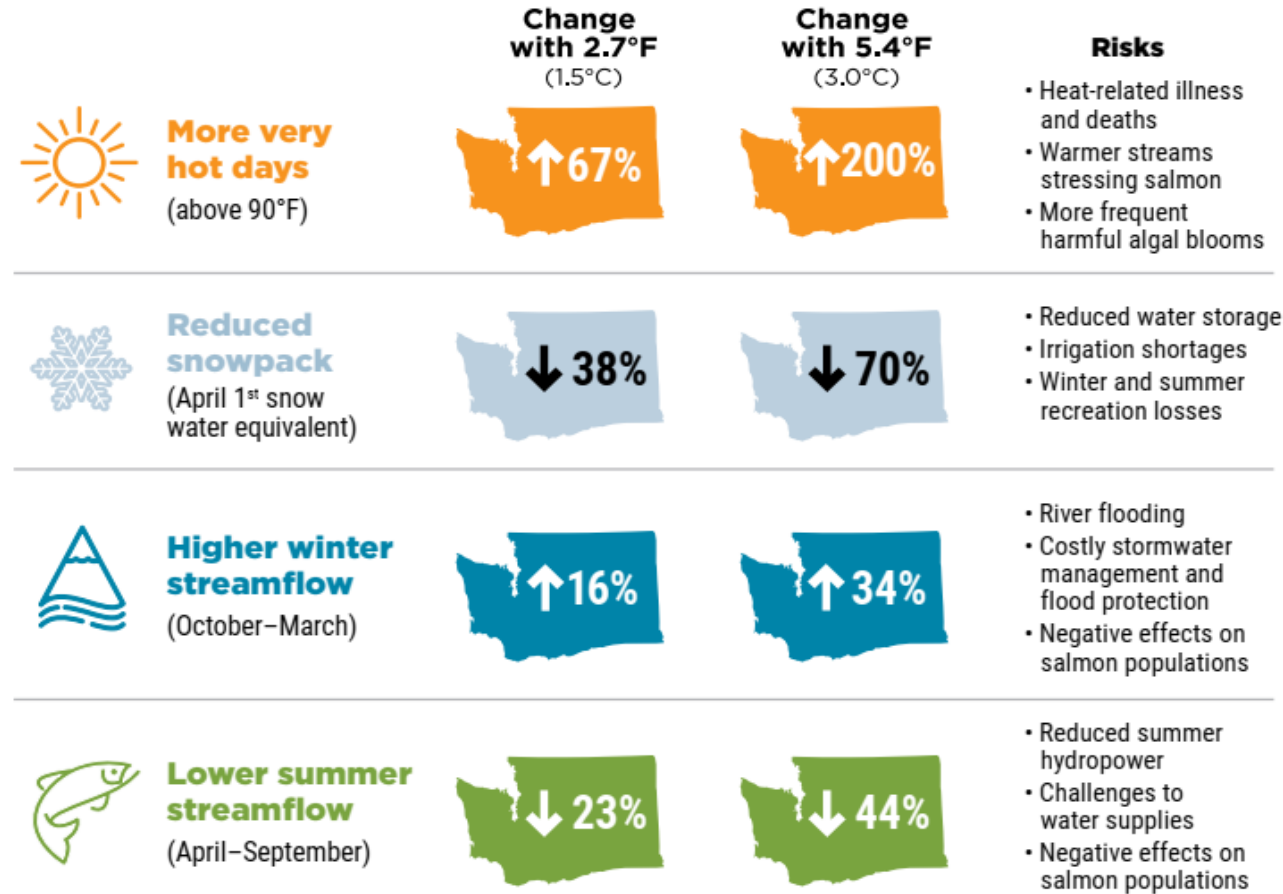
Climate Change - Global Outlook



Global “Warning”? - Average Temps are Rising



Climate Change – Local Outlook

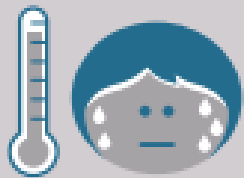


Adapted from UW Climate Impacts Group (Snover et al. 2019)⁷



Climate Change – Local Health Impacts

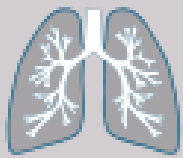
HEALTH-RELATED CLIMATE CHANGE IMPACTS



Heat-related impacts



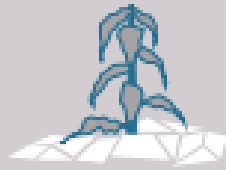
Mental health and well-being



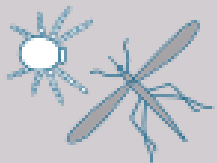
Air quality



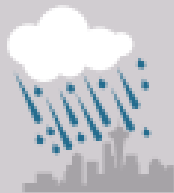
Water impacts



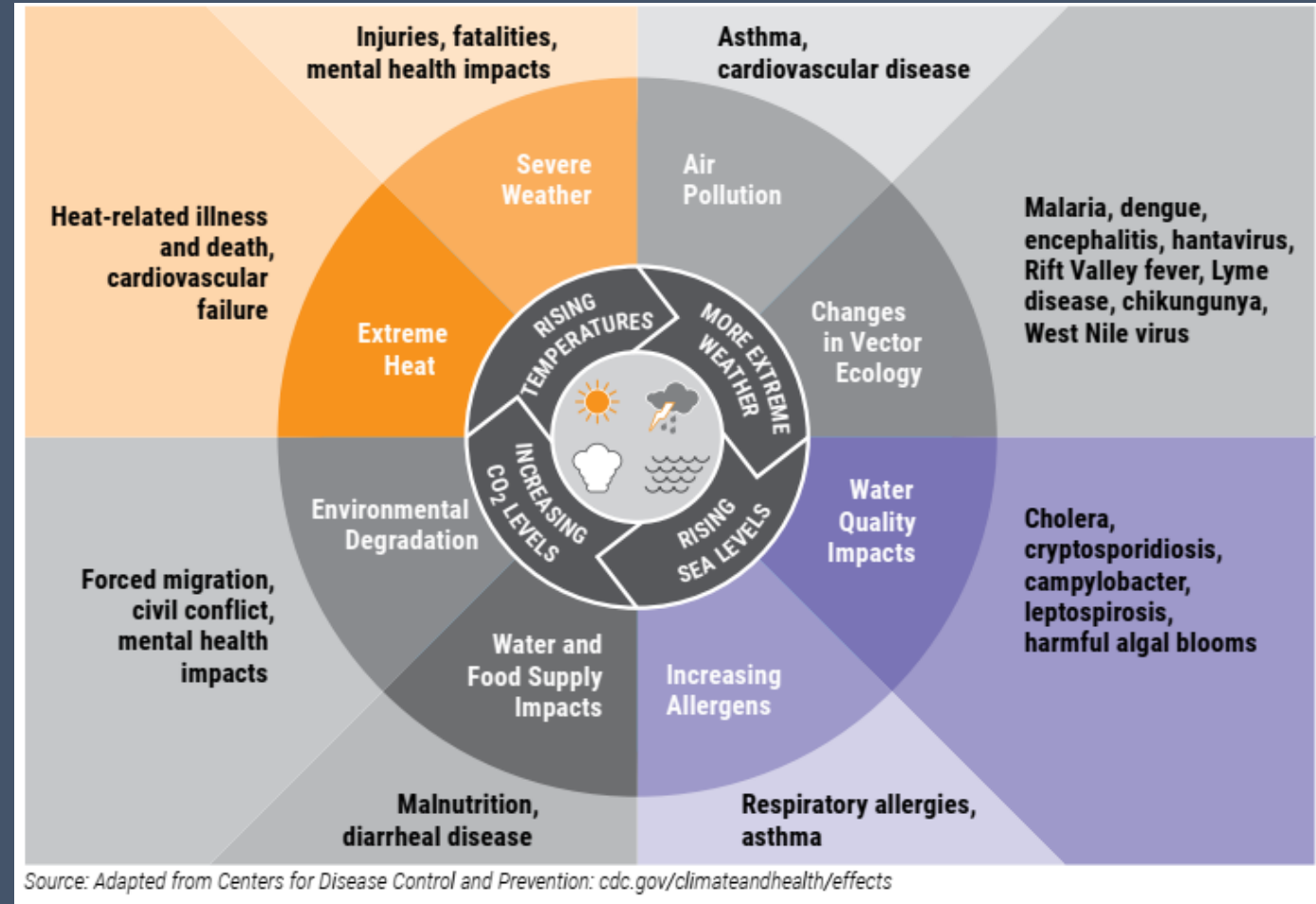
Food impacts



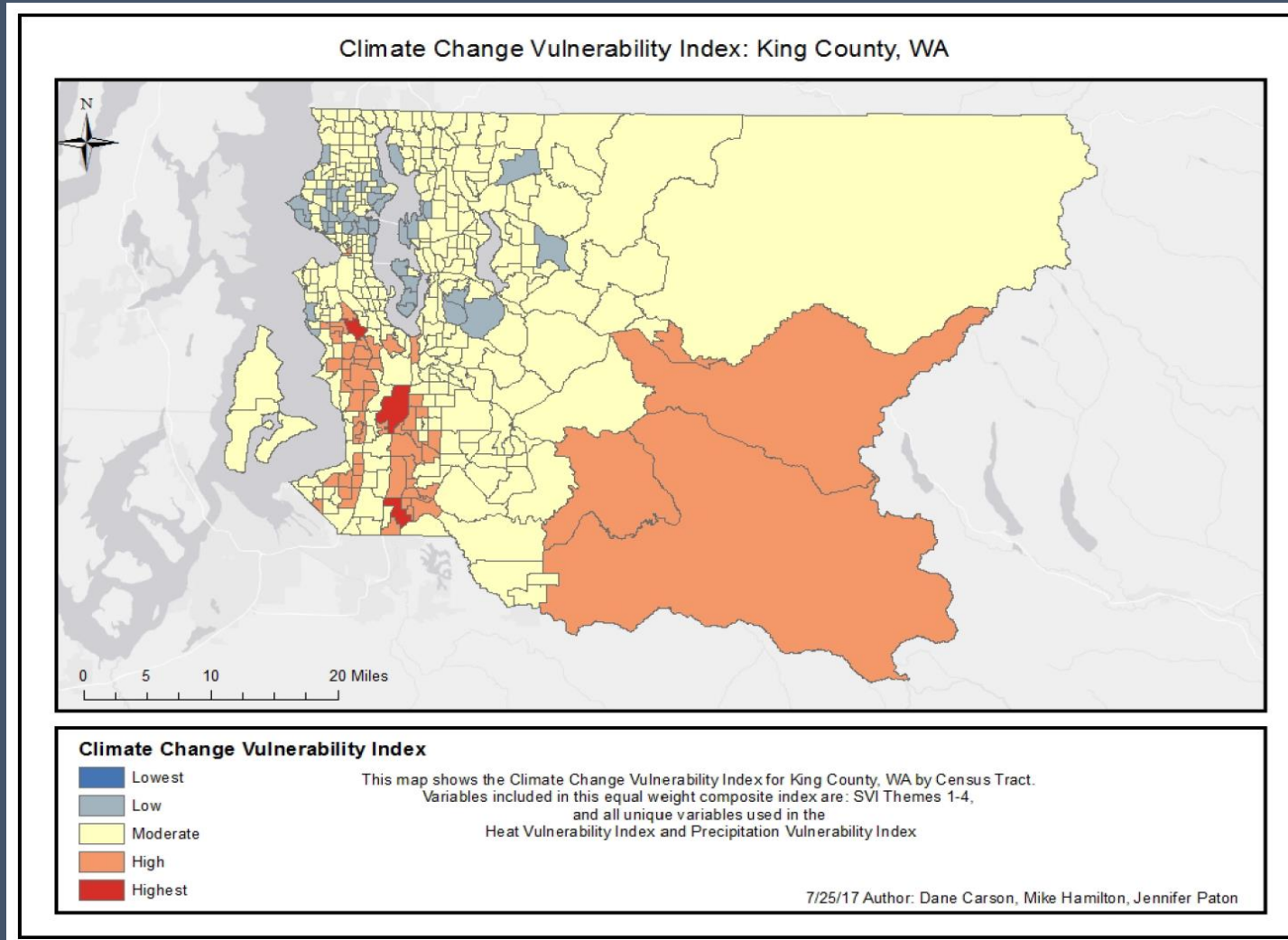
Vector-borne diseases



Extreme weather events

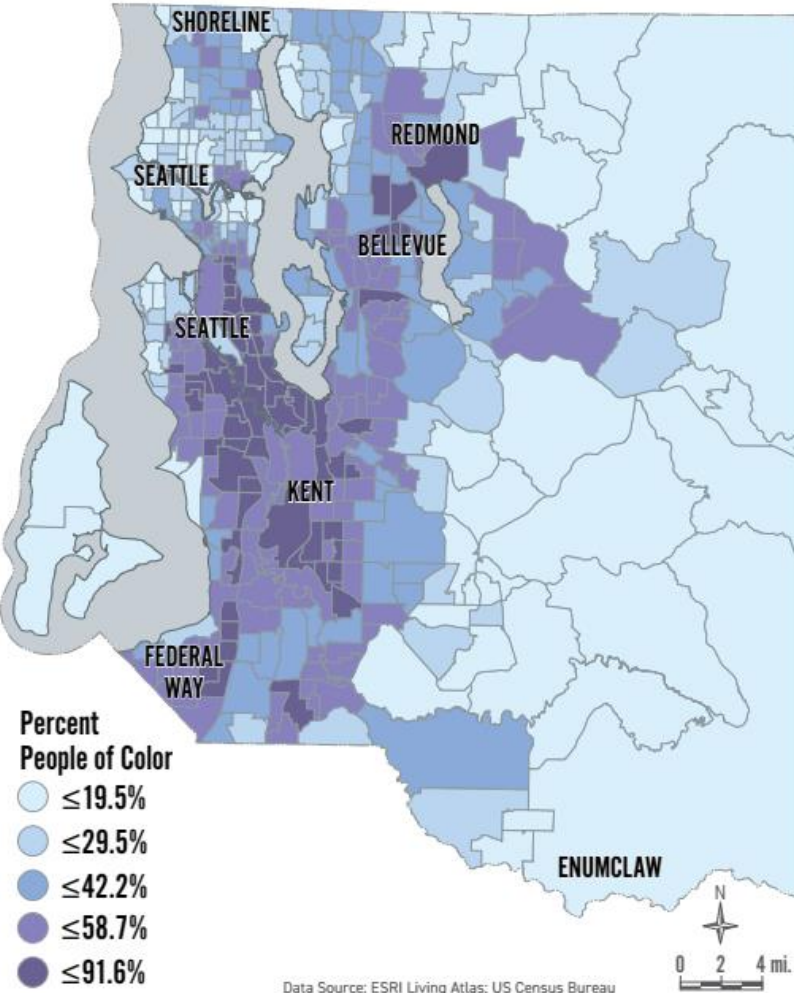


Climate Change Impacts - Uneven Distribution

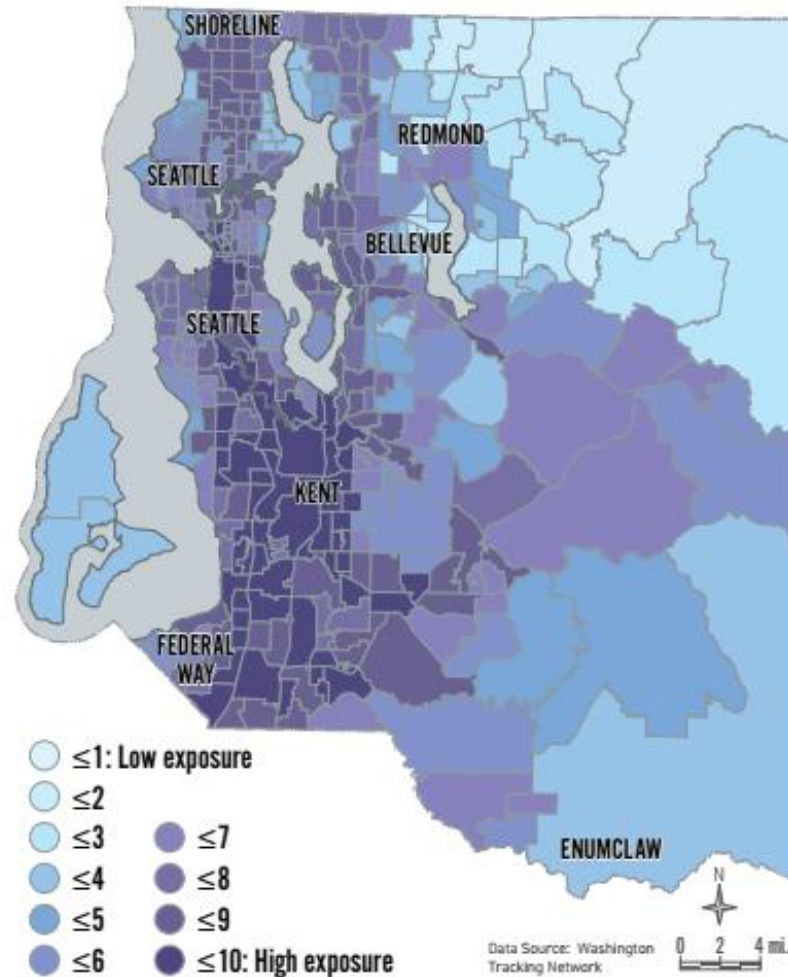


Sustainability is an Issue of Social and Racial Justice

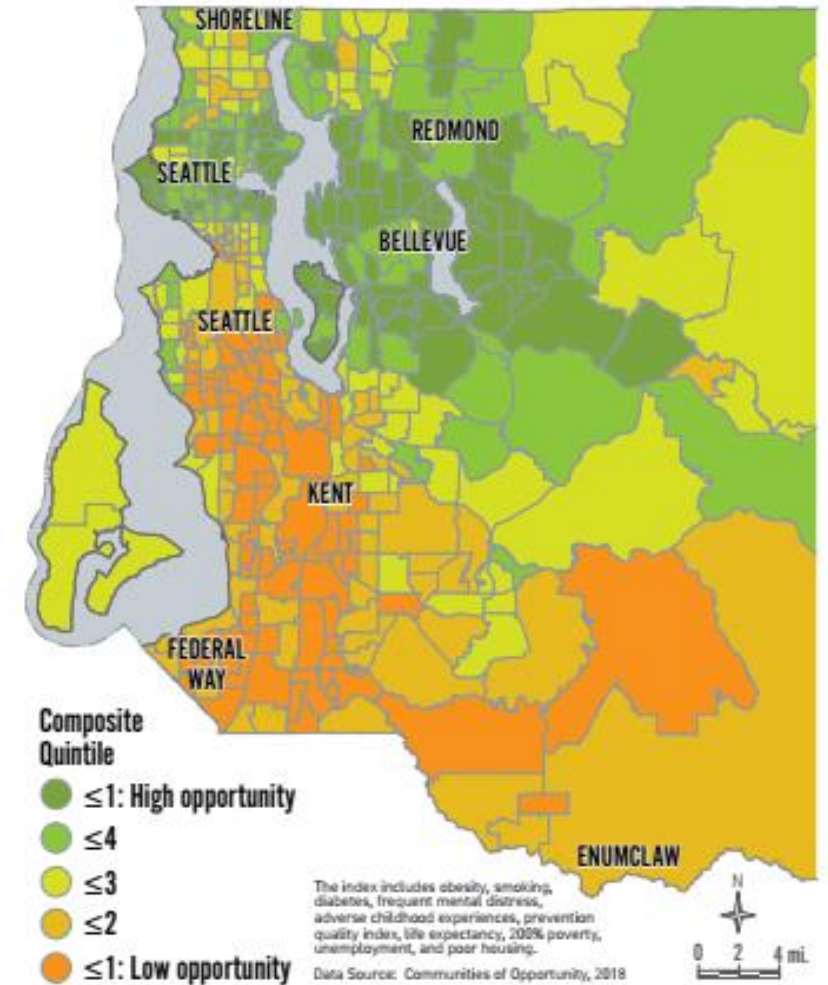
PERCENT PEOPLE OF COLOR



ENVIRONMENTAL EXPOSURE INDEX



HEALTH AND ECONOMIC INDEX



Review of Current RC Programs and Activities

- DOE Better Buildings Challenge (joined 2013)
 - Goal: 20% reduction in Energy Use per Sq. Ft. by 2023
 - Goal: 20% reduction in Gallons per Person per Day by 2026
- Evergreen Sustainable Development Standards
- Cascade Water Alliance
- EnviroStars Sustainable Business Program
- Solar Array installations
- Green Fleet
- **DOE Better Climate Challenge (joined 2021)**
 - **Goal: 50% reduction in Scope 1 and 2 GHG emissions by 2032**

Better Climate Challenge

Why? – to address the United States' climate crisis while creating jobs and strengthening the clean energy economy.

What? – a DOE sponsored, national platform for organizations to make public commitments, share replicable solutions, leverage technical expertise, and gain recognition.

KCHA's Commitment – 50% or more reduction in scope 1 and 2 GHG emissions over the next 10 years. The reduction target is in alignment with the Paris Accord's goal of preventing 1.5° C warming

KCHA SAP – Context

- Centers Sustainability Work on Areas of Focus
- SAP Strategies
 - Identify areas of materiality to KCHA staff
 - Pursue actions that achieve multiple positive outcomes across subject areas
 - Alignment with local, state and federal goals and priorities
 - Clearer short-term targets and indicators
 - Inter-department collaboration
- SAP Draft Process
 - ✓ Research and Review of Science and Industry practices
 - ✓ Stakeholder Engagement
 - ✓ Senior leadership feedback
 - ✓ Draft plan for stakeholder review
 - ✓ Draft Final Plan
 - Finalize Plan via Board Adoption



SAP Guiding Principles

- *Keep KCHA's values and mission at the core of work*
- *Use best available science*
- *Account for needs of now and the future*
- *Seek cost-effective solutions with co-benefits*
- *Responsibility to serve residents and those disproportionately affected*
- *Act with intention and urgency*
- *Contribute to local, County, State, and national sustainability goals*
- *Build partnerships inside and outside of KCHA*
- *Support staff in their core functions*

SAP Focus Areas

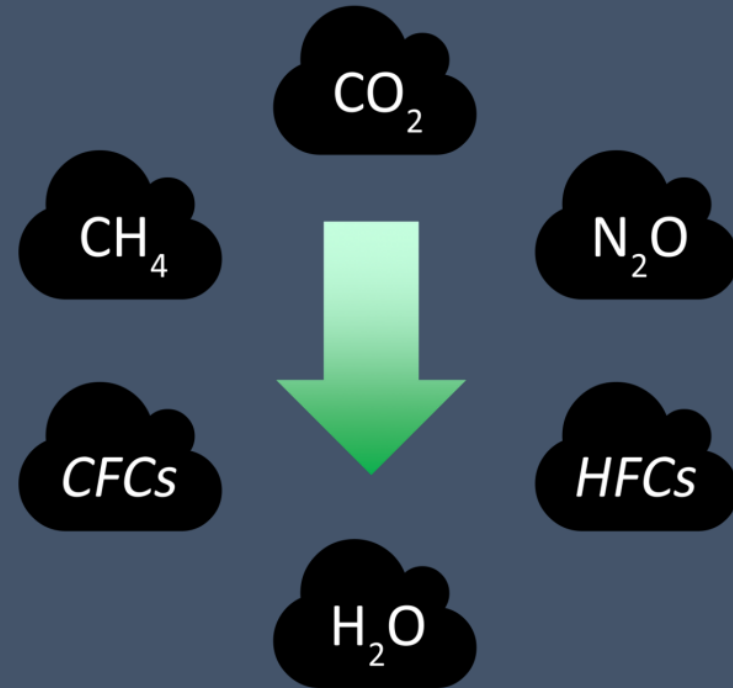
- **Greenhouse Gas Reduction** – reduce KCHA’s greenhouse gas levels to support global effort to mitigate climate change
- **Climate Change Preparedness** – design and upgrade buildings and operations to be resilient against impacts of climate change
- **Sustainable Property Operations and Management** – continue work of past plans in reducing utility costs, conserving resources, promoting biodiversity, and implementing environmentally friendly property management practices
- **Health, Equitable, Resilient Communities** – practice environmental justice by addressing environmental harms disproportionately impacting particular locales and communities

Focus Area – Greenhouse Gas Reduction

Why? – To prevent catastrophic effects of climate change and maintain a habitable planet

Action Items:

- Energy Efficiency Measures
- HVAC Equipment Commissioning
- Building and Fleet Electrification
- Solar Array Installation
- Commute Trip Reductions
- EV Charge Stations



Focus Area – Climate Change Preparedness

Why? – To prepare for effects of climate change already baked into atmosphere.

Action Items:

- Energy-efficient Heating and Cooling (e.g. heat pumps)
- Flood Mitigation
- Climate Risk Assessments
- Urban Heat Island Effect Mitigation



Focus Area – Sustainable Property O + M

Why? – To ensure properties are run with responsible and efficient use of resources, reduce utility costs, while disrupting the environment as little as possible.

Action Items:

- Energy Reduction
- Water Reduction
- Solid Waste Management
- Sustainable Landscaping
- Chemical Use Reduction
- Sustainable Purchasing
- EnviroStars Sustainable Business Program



Focus Area – Healthy, Resilient, Equitable Communities

Why? – To undo environmental injustices done to particular communities in King County, and to mitigate environmental harm disproportionately impacting specific communities.

Action Items:

- Tree Planting
- Community Gardens
- Youth Program Support
- Sustainable Event Support
- Listening Tours / Educational Events
- Ecosystem Preservation
- Healthy Homes / Green Cleaning
- Internships & Green Jobs Training Network
- Purchase Properties in Gentrified Areas
- Weatherization of privately owned low-income properties

SAP Targets and Timeline

2022 – 2026 Goals						
Goal and Description	Baseline yr. / Baseline	2022	2023	2024	2025	2026
Greenhouse Gas Emissions Reduction: 35% GHG emissions concentration reduction in measured emission (MT CO ₂ e / sq. ft.)	2016 3.845	23%	26%	29%	32%	35% 2.499
Energy Efficiency: 100% of properties meeting EUI threshold (thresholds will be building-type-specific and are currently being determined)	2019 n/a	80%	85%	90%	95%	100%
Renewable Energy Production: Increase on-site solar generation capacity by 300 kW DC	Nov. 2021 394 kW	460 kW	520 kW	580 kW	640 kW	700 kW
Residential Water Use: 100% of properties meeting Gallons per Person Per Day Threshold (50 Gallons per Person per Day or lower)	2019 60%	68%	76%	84%	92%	100%
Waste Diversion: 50% waste diversion from landfill	2019 45%	46%	47%	48%	49%	50%
EnviroStars Certified Properties: 100% of all eligible properties certified by 2026	Nov. 2021 58%	60%	70%	80%	90%	100%

Thank you! Questions?

Contact info: Scott Percival – scottp@kcha.org

Patrick Malloy – patrickm@kcha.org

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5712

**AUTHORIZING APPROVAL OF THE SUSTAINABILITY ACTION PLAN FOR THE FIVE YEAR
PERIOD FROM 2022 TO 2026**

WHEREAS, the Federal Government has established a national energy policy designed to promote dependable, affordable and environmentally sound production and distribution of energy for the future; and

WHEREAS, the US Department of Housing and Urban Development (HUD) actively supports resource conservation efforts throughout the nation through various programs and written guidance; and

WHEREAS, Resolution No. 5005, Commitment to Sustainable Communities through Excellence in Environmental Stewardship, was adopted by the Board of Commissioners on May 8, 2005 and states that the Authority is committed to reducing the environmental impact of its operations and to creating environmentally-sustainable communities as part of its core mission; and

WHEREAS, Resolution No. 5339, adopted by the Board of Commissioners on August 4, 2011, authorized Housing Authority staff to implement the 2011-2016 Resource Management Plan designed to achieve environmental improvements in five conservation target areas: energy, water, solid waste, hazardous waste and communication of awareness; and

WHEREAS, Resolution 5548, adopted by the Board of Commissioners on November 21, 2016, adopted the 2017-2021 Environment Sustainability Plan which built on prior work by expanding KCHA's sustainability strategies to include new initiatives and areas of focus; and

WHEREAS, the Authority wishes to continue its efforts with another consistent, aggressive long-term plan for reducing its impact on the environment

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

The Housing Authority of the County of King hereby adopts the 2022-2027 Sustainability Action Plan and Plan goals as appended to this Resolution.

ADOPTED AT A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 18TH DAY OF JANUARY, 2022

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

DANIEL WATSON
Interim Executive Director and Secretary-Treasurer

T A B N U M B E R



To: Board of Commissioners

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

Date: January 11, 2022

Re: **Resolution No. 5713:** A Resolution authorizing the acquisition vacant parcel of land in Black Diamond

Resolution No. 5713 authorizes the Housing Authority to acquire a small vacant parcel of land in Black Diamond adjacent to KCHA's Rainier View manufactured housing community.

The owner of the property acquired it in 2018 for the purpose of constructing and operating a small pizza establishment on the site but has recently abandoned their development pursuits at this location. The owner plans to put the property for sale on the open market but before listing the property, they have reached out to KCHA to see if KCHA has an interest in acquiring the property given Rainier View borders their property. They have offered their property to KCHA for a price of \$125,000 which is what they paid for the site in 2018.

Staff believes this would be an excellent acquisition opportunity for the Authority and has outlined the rationale and specifics of this transaction in the attached Project Profile.

Staff recommends approval of Resolution No. 5713.

Vacant Parcel at Lawson and Third Avenue, Black Diamond Project Profile

KCHA is seeking approval to acquire a 0.2 acre vacant parcel of land (the “Property”) located at the southwest corner of Lawson St. and Third Avenue in Black Diamond. The Property is surrounded on two sides by KCHA’s Rainier View manufactured home community, a 55+ senior manufactured home park consisting of 31 individual homes on a 9.3 acre site.

Purchase Status

The Property is currently owned by Western Gateway LLC, a Washington LLC owned and operated by Chris Garcia who acquired the site in 2018 at a cost of \$125,000. Mr. Garcia acquired the property for the purpose of developing a small pizza retail establishment on the site but has recently abandoned his development pursuits at this location. Given Rainier View’s adjacency to his property, he has reached out to KCHA before listing the property for sale on the open market to see if KCHA would be interested in acquiring the site. He has offered the property to KCHA for the cost he paid for the site in 2018 (\$125,000).

Due Diligence Status

KCHA has not yet commenced any due diligence on the Property, however, having owned the adjacent vacant land since 1941 the Authority is very familiar with the Property. If a purchase agreement is successfully negotiated with the Mr. Garcia, the agreement will provide for an inspection period during which KCHA will conduct its due diligence.

Property Description

The Property includes 8,172 square feet (approximately .2 acre) of grassy flat land, and is located at the northeast corner of Rainier View, fronting on Third Avenue. Third Avenue is one of the main thoroughfares in Black Diamond.

Neighborhood Description

Both KCHA’s Rainier View manufactured home community and the Property are located in Black Diamond’s downtown area, with good pedestrian access to the local shops and services. These include the Black Diamond Bakery and a handful of other restaurants, convenience stores, civic clubs, coffee houses, hair stylists, post office, police station, schools, churches and parks. King County Metro Route 907 provides hourly service on weekdays from Black Diamond to Maple Valley and the Renton Transit Center. The stop in Black Diamond is at Baker Street and Third Avenue, approximately 1/4 mile from the center of Rainier View. According to Zillow market trends, the median price of homeownership in Black Diamond has increased from \$487K in Nov 2019 to \$679k in Nov 2021 (approximately 20% in each of the past two years), with newly constructed homes carrying significantly higher prices. These housing costs are far beyond the reach of low income senior who are typically on fixed income budgets. The average home at Rainier View sells for approximately \$70,000.

Strategic Rationale

In 2020, KCHA was awarded \$920,000 in 0% interest loans from King County and the Washington State Department of Commerce to help fund the development of 15 additional manufactured homes at Rainier View, expanding this 55+ senior community by about fifty percent. These homes were to be placed throughout the park but a significant number were anticipated to be sited on the large vacant parcel on the site that fronts along Third Avenue. Unfortunately, this effort has been delayed in part because the City of Black Diamond has determined that KCHA's vacant is limited to commercial use and not for residential development. This determination has forced KCHA to restructure its development plans in order to site the 15 homes in the remaining portion of the park.

The City of Black Diamond has expressed to KCHA its interest in seeing the vacant property along Third Avenue developed into a vibrant commercial development. While KCHA agrees some commercial use, specifically in the corner adjacent to and surrounding Mr. Garcia's Property makes sense and would benefit the community, it is highly unlikely the remaining portion of KCHA's vacant property would be viable as commercial property any time in the foreseeable future.

The acquisition of the Property would be an opportunistic purchase, giving KCHA additional flexibility in working with the City of Black Diamond. Purchasing the site will meet several objectives: (i) it will allow KCHA to acquire the sole piece of land not part of its existing parcel giving KCHA control over the entire block fronting Third Avenue and allowing more flexibility in site plan design; (ii) it will allow KCHA to have key input on the future commercial businesses that open along Third Avenue, ensuring these businesses are amenities for seniors and appropriate residential neighbors, and (iii) it will allow KCHA to explore strategies with the City with mutually beneficial outcomes to both parties, with the expectation that KCHA's development will move forward and its 0% interest financing award from the County and State can be put to its intended use.

Seniors living in Black Diamond are facing a shortage of affordable housing options and rapidly rising housing costs. Manufactured housing is one of the most economical forms of affordable homeownership. When well-located near services (as Rainier View is), this type of housing is particularly popular with senior citizens who can adapt the units to permit aging in place. Only two mobile home parks remain within and around Black Diamond. Considering the difficulty of siting new mobile home parks (particularly ones located adjacent to transit and services), it is important that existing parks be expanded where possible, as part of the overall affordable housing solution.

Proposed Financing

KCHA would fund the acquisition of the Property using existing non-federal cash reserves.

Risks & Mitigation

Acquisition Risks & Mitigation

- (Risk) The condition of the property has title or environmental defects unforeseen/unknown.

- (Mitigation) KCHA will obtain and/or review a title report and Phase I Environmental Assessment as part of standard due diligence and will follow up on any red flags to avoid against any material unforeseen defect.

Financing Risk & Mitigation

- No significant financing risks are identified as KCHA will use its own fund to pay cash for the purchase of the property. KCHA has sufficient funds on hand to cover the purchase in full without impairing or impacting other cash needs of the agency.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5713

**A RESOLUTION AUTHORIZING ACQUISITION OF
VACANT PROPERTY AT 3RD AVENUE AND LAWSON STREET
IN BLACK DIAMOND**

WHEREAS, there is an increasingly serious shortage of affordable housing in King County, which the King County Housing Authority (“Housing Authority”) is charged with addressing pursuant to its mission of providing quality affordable housing opportunities equitably distributed within King County; and

WHEREAS, it is a goal of local government and the Housing Authority to further fair housing in the region affirmatively, in part through the development of affordable housing opportunities; and

WHEREAS, access to work, services, school, shopping, cultural and other non-residential activities is a critical resource for low-income households; and

WHEREAS, King County Assessor’s Parcel No. 0844001365 (the “Property”) is vacant property comprising approximately 8,175 square feet located on the southwest corner of 3rd Avenue and Lawson Street in Black Diamond, Washington; and

WHEREAS, the Property is strategically located adjacent to Rainier View, a manufactured home development for 55+ residents which is owned by the Housing Authority; and

WHEREAS, the Housing Authority desires to expand the number of units at Rainier View to provide more affordable housing in Black Diamond, and such expansion can potentially be facilitated and/or accomplished if the Property and Rainer View are under common ownership; and

WHEREAS, RCW 35.82.070(2) provides, in part, that a housing authority shall have the power to acquire housing projects within its area of operations; and

WHEREAS, acquisition of the Property by the Housing Authority will serve the mission of the Housing Authority and the housing goals of the region by maximizing the development potential of Rainier View and ensuring the compatibility of commercial and/or non-residential property developed adjacent to Rainier View on the Property;

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

Section 1: The Interim Executive, Daniel R. Watson, is hereby vested with the authority, and with discretion in the exercise of such authority, to make a final determination after reviewing the results of inspection of the Property as to whether to proceed with the purchase of the Property if he deems it in the best interest of the Housing Authority to do so. The Interim Executive Director shall notify the Board of Commissioners in writing of the final determination he has made prior to final acquisition of the Property. If the Interim Executive Director makes a final determination to proceed, the Board of Commissioners hereby further authorizes the Interim Executive Director to take any and all actions necessary to acquire the Property, and authorizes, approves and/or ratifies the execution of a purchase and sale agreement at a price of One Hundred Twenty-Five Thousand Dollars (\$125,000), or such other amount as determined by the Interim Executive Director to be in the best interest of the Housing Authority so long as the price does not exceed 110% of the King County Assessor's most recent valuation of the Property or pursuant to an appraisal completed by a Washington State licensed MAI appraiser.

Section 2: The Board of Commissioners hereby authorizes the Interim Executive Director to execute any and all applications, agreements, certifications or other documents in connection with the submission of various funding and financing applications, in order to provide all or part of the interim and/or permanent financing of the acquisition of the Property pursuant to this Resolution.

Section 3: The Board of Commissioners hereby authorizes the Interim Executive Director, Daniel R. Watson, and in his absence, Acting Deputy Executive Director Craig Violante, to execute on behalf of the Housing Authority any and all contracts, agreements, certifications or other documents in connection with the Housing Authority's acquisition and financing of the Property pursuant to this Resolution.

ADOPTED AT A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 18TH DAY OF JANUARY, 2022.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

Attest:

DANIEL R. WATSON
Interim 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. 5713 (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on January 18, 2022 (the “Meeting”), and duly recorded in the minute books of the Authority;

2. That in accordance with RCW 43.06.220, and the Proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives (a) the Meeting was not conducted in person, (b) one or more options were provided for the public to attend the Meeting remotely, including by telephone access, which mean(s) of access provided the ability for all persons attending the Meeting remotely to hear each other at the same time, and (c) adoption of the Resolution is necessary and routine action of the Board of Commissioners of the Authority;

3. The public was notified of access options for remote participation in the Meeting via the Authority’s website and email to stakeholders; and

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

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of January 2022.

Daniel R. Watson

Secretary-Treasurer and Interim Executive
Director of the Authority

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To: Board of Commissioners

From: Craig Violante, Deputy Executive Director/Chief Administrative Officer

Date: January 7, 2022

Re: **Resolution 5714: Authorizing various changes in compensation for members of the Seattle Building Trades union and other maintenance staff**

Executive Summary

Resolution No. 5714 authorizes a 5.5% increase in the Building Trades Salary Schedule, representing 100% of the Consumer Price Index for Clerical Workers (CPI-W HALF1) for the Seattle-Tacoma area, plus 2.2 percentage points. This adjustment will be retroactive to November 6, 2021.

Resolution No, 5714 further authorizes an additional 2.0% market adjustment increase in the Building Trades Salary Schedule, retroactive to November 1, 2021.

Resolution No. 5714 also authorizes and increase in standby pay from \$300 per week to \$400 per week.

Finally, Resolution No, 5714 authorizes the payment of \$500 as a contract ratification incentive.

Background

The Board previously authorized an increase in the pay schedule of administrative employees in Resolution 5701, adopted on October 11, 2021. On January 4, 2022, the union membership ratified a fourth tentative agreement, which included:

- A 5.5% Cost of Living increase, effective retroactively to November 6, 2021, the same rate as authorized by the Board for administrative personnel in Resolution 5701
- A 2.0% market adjustment, effective retroactively to November 1, 2021
- An increase in standby pay from \$300 per week to \$400 per week, effective retroactively to November 1, 2021
- A \$500 incentive payment for contract ratification

The Cost of Living increase is following the same structure as that given to administrative employees, whereby the 2021 COLA was boosted to 5.5% by borrowing 2.2% from the 2022 COLA adjustment.

The 2% market adjustment is needed to retain and attract maintenance staff and remain competitive in the local job market.

The \$100 increase in Standby Pay applies to one employee per week in each of the four regions and was needed to attract more employees to volunteer to be added to the Standby Pay roster.

There are currently 83 employees who will be affected by these changes. The approximate costs to KCHA are:

- \$41,500 signing incentive (one-time payment)
- \$455,000 annual increase in salaries and variable benefits
- \$21,000 annual increase in standby pay

The extension agreement is attached for Board review.

Recommendation

Approval of Resolution No. 5714 is recommended.

TWO YEAR EXTENSION OF THE FACILITIES MAINTENANCE AGREEMENT
between
King County Housing Authority
and
the Seattle/King County Building Construction Trades Council

King County Housing Authority ("the Authority") and Seattle/King County Building Construction Trades Council ("the union") (collectively, "the parties") are parties to a Facilities Maintenance Agreement effective November 1, 2018, through October 31, 2020, ("Agreement"), extended by mutual agreement through October 31, 2021. The parties hereby agree to extend the Agreement by two years, through October 31, 2023.

All provisions of the Agreement, and the 2020-2021 extension, shall remain in force during the period of agreed-upon extension through October 31, 2023, with the following exceptions, which shall be amended as follows:

1. ARTICLE 6 WAGES AND CLASSIFICATIONS

Wage rates for this extension only will be based on a combined two-year Cost of Living Adjustment based on the annualized consumer price index increase for Urban Wage Earners and Clerical Workers (CPI-W) in the Seattle-Tacoma area as issued by the U.S. Department of Labor, Bureau of Labor Statistics calculated using the first half of calendar year 2021 at June 30, 2021 and the first half of calendar year 2022 at June 30, 2022.

Effective upon ratification of the agreement, wage rates for 2021-2022 will be increased by 5.5%, effective first pay cycle on November 6, 2021

The Authority commits to an additional two percent (2%) Compensation Market Adjustment additional increase across all pay bands effective November 1, 2021, to be processed within 30 days of ratification.

Wage rates for 2022-2023 shall be adjusted by the difference between the combined Two-Year COLA and the 5.5%, **with a minimum of a 2% increase.**

Incentive Pay: Effective upon ratification all employees will receive a cash payment of \$500 per employee payable within 30 days of ratification if the agreement is ratified by January 14, 2022.

2. ARTICLE 7 CALL-OUT ROSTER AND STANDBY PAY, Section 2

Effective with the pay period beginning **November 6, 2021** employees on call will be eligible for standby pay of **\$400.00** per 7-day period plus overtime pay equal to actual hours spent on an emergency call out (or a minimum of 2 hours whichever is greater) times 1.5 times the Employee's regular rate of pay. Alternatively, Employees may, subject to the provisions of Article VI, Section 1, elect to receive compensatory time in lieu of paid overtime. Overtime pay shall be calculated on the time actually spent once the Employee is dispatched from his or her home to the work site and shall not include telephone or other

time spent at home answering, responding to or investigating an emergency call out request.

3. ARTICLE 12 INSURANCE BENEFIT PROGRAMS AND PENSION PLAN,
Section 3

For Calendar Year 2022, deduction for employee health premiums will be provided as Exhibit B as soon as they are received and will be made a part of this Agreement. Calendar Year 2023 rates will be set using the same cost sharing percentages as 2021, rounded to the nearest dollar.

4. ARTICLE 25 TERM OF AGREEMENT

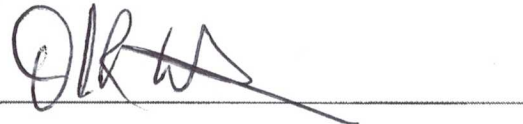
This Agreement shall be in effect as of November 1, 2021 and shall continue in effect through October 31, 2023. This Agreement shall be subject to termination upon ninety (90) days' prior notice by either the Council or the Authority to the other of a desire to cancel, change or amend same.

5. The Authority commits to a compensation review for all classifications to be completed before December 31, 2022, with input and in consultation with the Union. Before a final compensation determination is made, the Council will be allowed to present any data, comparable, salary studies or any other relevant information. The presentation of such information will be considered part of the parties' normal bargaining process and incorporated as appropriate compensation determination.

Recommendations and adjustment from the compensation evaluation that are jointly agreed to by the parties shall be implemented within six months of mutual agreement.

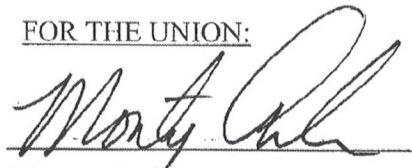
IN WITNESS WHEREOF, the parties hereto have duly accepted and executed this Agreement on the 10 day of January 2022.

KING COUNTY HOUSING AUTHORITY:



Executive Director
King County Housing

FOR THE UNION:



Monty Anderson
Executive Secretary
Seattle Building Trades

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5714

**AUTHORIZING A CHANGE IN THE PAY SCHEDULES AND OTHER INCENTIVES
FOR REPRESENTED AND OTHER MAINTENANCE EMPLOYEES**

WHEREAS the most recent contract extension expired on October 31, 2021; and

WHEREAS a new two-year contract extension was ratified by union membership on January 4, 2022; and

WHEREAS the Housing Authority has sufficient resources to increase base payroll so that employee wages can be maintained at their current inflation-adjusted levels during 2022 and to add additional increases to base pay to remain competitive in the marketplace; and

WHEREAS the contract extension has several provisions affecting the pay of union members; and

WHEREAS the contract extension includes a Cost of Living adjustment of 5.5% effective November 6, 2021, which matches what non-represented staff received; and

WHEREAS the contract extension includes a further 2% market adjustment to keep the Authority competitive in attracting and retaining maintenance staff; and

WHEREAS the contract extension increases the Standby Pay stipend from \$300 to \$400 per week; and

WHEREAS the contract extension includes a \$500 contract ratification incentive;

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

SECTION 1: The Building Trades Salary Schedule is hereby amended to reflect a 7.5 percent increase, consisting of a 5.5 percent cost of living increase and a 2.0 percent market adjustment, both affecting all ranges as set forth in said Salary Schedule, a copy of which is attached as Exhibit A hereto, and made a part hereof.

SECTION 2: The market adjustment increase of 2.0 percent shall be effective retroactively to November 1, 2021 and the 5.5 percent COLA increase shall be effective retroactively to November 6, 2021.

SECTION 3: Standby Pay shall be increased from \$300 per week to \$400 per week, effective retroactively to November 1, 2021.

SECTION 4: A contract ratification incentive of \$500 per represented and other maintenance staff is authorized.

**ADOPTED AT THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF
THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING
THIS 18TH DAY OF JANUARY, 2022.**

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

DOUG BARNES, Chair
Board of Commissioners

DANIEL WATSON
Secretary-Treasurer

Building Trades Salary Schedule
Maintenance Wage Rates
Effective through November 4, 2022

POSITION	Position #	Term	Paystep #	Hourly Rate	Annual
Landscaper/Cleaner - Grade 1 - Step 1	20713		BT-0101	\$22.15	\$46,062.00
Landscaper/Cleaner - Grade 1 - Step 2			BT-0102	\$23.06	\$47,962.00
Landscaper/Cleaner - Grade 1 - Step 3			BT-0103	\$23.97	\$49,853.00
Landscaper/Cleaner - Grade 1 - Step 4			BT-0104	\$24.90	\$51,786.00
Landscaper/Cleaner - Grade 1 - Step 5			BT-0105	\$25.77	\$53,597.00
Landscaper/Cleaner - Grade 1 - TOPS			BT-01-TOPS	\$26.03	\$54,134.00
Laborer - Grade 2 - Step 1	20704		BT-0201	\$28.29	\$58,852.00
Laborer - Grade 2 - Step 2			BT-0202	\$29.23	\$60,797.00
Laborer - Grade 2 - Step 3			BT-0203	\$30.15	\$62,720.00
Laborer - Grade 2 - Step 4			BT-0204	\$31.04	\$64,553.00
Laborer - Grade 2 - Step 5			BT-0205	\$31.95	\$66,454.00
Laborer - Grade 2-TOPS			BT-02-TOPS	\$32.22	\$67,013.00
Site Based Maintenance Mechanic - Grade 3 - Step 1	20700		BT-0301	\$30.30	\$63,033.00
Site Based Maintenance Mechanic - Grade 3 - Step 2			BT-0302	\$31.07	\$64,620.00
Site Based Maintenance Mechanic - Grade 3 - Step 3			BT-0303	\$31.86	\$66,275.00
Site Based Maintenance Mechanic - Grade 3 - Step 4			BT-0304	\$32.68	\$67,974.00
Site Based Maintenance Mechanic - Grade 3 - Step 5			BT-0305	\$33.54	\$69,763.00
Site Based Maintenance Mechanic - Grade 3-TOPS			BT-03-TOPS	\$33.81	\$70,322.00
Regional Maintenance Mechanic Trainee - Grade 7 - Step 1 (80% of RMM4 Step 1)	20716	0-6 mos	BT-0701	\$28.68	\$59,656.00
Regional Maintenance Mechanic Trainee - Grade 7 - Step 2 (85% of RMM4 Step 1)		7-12 mos	BT-0702	\$30.48	\$63,391.00
Regional Maintenance Mechanic Trainee - Grade 7 - Step 3 (90% of RMM4 Step 1)		13-18 mos	BT-0703	\$32.26	\$67,102.00
Regional Maintenance Mechanic Trainee - Grade 7 - Step 4 (95% of RMM4 Step 2)		19-24 mos	BT-0704	\$34.95	\$72,692.00
Regional Maintenance Mechanic - Grade 4 - Step 1	20702		BT-0401	\$35.84	\$74,548.00
Regional Maintenance Mechanic - Grade 4 - Step 2			BT-0402	\$36.78	\$76,494.00
Regional Maintenance Mechanic - Grade 4 - Step 3			BT-0403	\$37.67	\$78,349.00
Regional Maintenance Mechanic - Grade 4 - Step 4			BT-0404	\$38.60	\$80,295.00
Regional Maintenance Mechanic - Grade 4 - Step 5			BT-0405	\$39.53	\$82,218.00
Regional Maintenance Mechanic - Grade 4-TOPS			BT-04-TOPS	\$39.79	\$82,754.00
Elec Regional Maintenance Mechanic - Grade 4 - Step 1	20702		BT-0401E	\$38.09	\$79,221.00
Elec Regional Maintenance Mechanic - Grade 4 - Step 2			BT-0402E	\$39.02	\$81,167.00
Elec Regional Maintenance Mechanic - Grade 4 - Step 3			BT-0403E	\$39.91	\$83,005.00
Elec Regional Maintenance Mechanic - Grade 4 - Step 4			BT-0404E	\$40.84	\$84,946.00
Elec Regional Maintenance Mechanic - Grade 4 - Step 5			BT-0405E	\$41.75	\$86,846.00
Elec Regional Maintenance Mechanic - Grade 4E-TOPS			BT-04E-TOPS	\$42.03	\$87,428.00
Maintenance Operations Specialist - Grade 5 - Step 1	20703		BT-0501	\$41.50	\$86,310.00
Maintenance Operations Specialist - Grade 5-TOPS			BT-05-TOPS	\$41.75	\$86,846.00

T A B N U M B E R

6



To: Board of Commissioners

From: Windy K. Epps, Director of Finance

Date: January 7, 2021

Re: **Financial results through September 2021**

EXECUTIVE SUMMARY

Combined Operations (excluding development activity)

Overall financial performance for the Authority's federal and local programs and properties, excluding development activities, was strong through the third quarter as Net Operating Cash Flow reflected strong positive variances to budget.

**Summary of Net Operating Cash Flows by Program
Through September 30, 2021**

	2021 Actual	2021 Budget	Variance
<i>Federal Programs and Properties</i>			
MTW ⁽¹⁾	\$11,308,889	\$3,902,207	\$7,406,682
HCV	5,746,697	(146,686)	5,893,384
Public Housing ⁽¹⁾	(1,978,298)	(3,652,440)	1,674,142
Other Federal	(186,960)	(336,822)	149,863
	<u>\$14,890,328</u>	<u>(\$233,742)</u>	<u>\$15,124,070</u>
<i>Local Programs and Properties</i>			
Asset Management/Other ⁽²⁾	\$27,352,633	\$16,611,983	\$10,740,650
Other Housing Management ⁽²⁾	1,277,525	4,581,121	(3,303,597)
COCC ⁽²⁾	(4,952,443)	(6,797,642)	1,845,199
	<u>\$23,677,714</u>	<u>\$14,395,463</u>	<u>9,282,252</u>
COMBINED	<u><u>\$38,568,043</u></u>	<u><u>\$14,161,721</u></u>	<u><u>\$24,406,322</u></u>

1) Excluding operating transfers between MTW and Public Housing

2) Excluding operating transfers of net cash flow between properties and the COCC

Net Operating Cash Flow

Overall, operating income was \$17.18 million, or 5.6%, greater than budget projections through September. A Block Grant RFIF that exceeded budget estimates and favorable proration contributed \$5.8 million in additional HCV revenue on the federal side. A better prorate in the for Public Housing program, combined with a favorable pandemic-related adjustment to the subsidy calculation in 2021, added \$1.3 million in additional Operating Fund Subsidy. The newly awarded Emergency Housing Vouchers rounded off the increase in federal operating income with \$2.7 million in unplanned revenue.

Operating income for the Local Programs and Properties was better than expected by \$6.8 million, primarily due to the receipt of tenant rents from the newly acquired workforce housing properties.

Operating costs were below budget in all categories on both the federal and local side for a total of \$10.7 million, or 4.2% overall. Occupancy expenses and other social service expenses were the primary contributors as they were heavily impacted by pandemic-related delays. However, it is expected that both will increase as expenses are accrued at year-end. On the federal side, HAP expenses lagged the budget as well, but are also expected to increase as area rents continue to increase.

Cash balances remained solid with \$122.1 million in unrestricted cash and cash held by management agents, \$93.4 million in designated cash, and \$37.7 million in restricted cash.

Development Activity

Development revenue was less than planned through the third quarter primarily due to the Greenbridge Division 8 land sale, which was restructured to occur in three phases. The first phase occurred in the first quarter, the second phase is planned for the fourth quarter, and the last phase is expected in 2023. The impact from the restructured land sale was partially offset by \$800,000 in profit participation greater than budget.

Operating expenses were also less than planned by 9.8% due to unfilled positions and closing fees for new property acquisitions. The closing fees were budgeted as development activity but were recorded in the individual property funds and reflected in Combined Operations.

Development's ending cash balances were \$19.4 million in unrestricted cash and \$22 million in restricted cash.

THIRD-QUARTER HIGHLIGHTS

Tenant accounts receivable balances outstanding by more than 90 days have grown significantly over the course of the pandemic. Past-due balances greater than 90 days totaled \$687,000 at the end of the third quarter, which is up more than three times from the third quarter last year, and nearly seven times from what they were at the

end of the third quarter two years ago. Some of these balances will be eligible for Eviction Prevention Rental Assistance Program funds. Delinquencies for the bond program were nearly \$2.8 million or 30.7% of scheduled rents, a jump of 181% over the same period one year ago. As a comparison, past due rents totaled only \$295,000 at the end of 2019.

The HCV program received the initial funding payments for the 762 newly awarded Emergency Housing Vouchers in the third quarter, totaling \$2.7 million. EHVs were allocated to PHAs by HUD as part of the American Rescue Plan Act to assist individuals and families most at-risk for homelessness. Special fees for portability vouchers and SPVs totaling \$660,000 were also received during the third quarter. KCHA's eligibility for the special fees was determined based by administering a significant portion of portability vouchers compared to the total number of leased vouchers.

KCHA entered into an agreement with Washington State University Department of Social and Economic Science Research Center to conduct a survey of households to understand what they pay for rent. The outcome of the survey could help influence the RFIF for 2022. RFIFs are used to adjust the HCV program funds for changes in rents, utility costs, and tenant incomes. A portion of the RFIF is calculated from individual area inflation factors based on the annual changes in the two-bedroom FMR for local areas.

Based on the advice of an attorney with intimate knowledge of the MTW program, it was determined that monies returned to KCHA in the form of loan repayments should not be recorded into the MTW program, but instead should be considered more generically as "program income", meaning that the cash is still considered to be federally-sourced. As a result, a transfer of \$24.7 million was made from the MTW program fund to the Other Federal Program fund. The result is this transfer is a large decline in MTW cash and a large increase in the cash balances of Other Federal Programs. This new accounting methodology is also supported by semi-annual cash reconciliations from HUD that reflect the lower MTW cash balance.

Flood control projects are underway at Illahee and Sandpiper East with \$600,000 in grant funding from the Flood Control District and \$150,000 from the King County WaterWorks program to assist with stream erosion issues.

KCHA sold the Oaks at Forest bay nursing home facility in Shoreline in July for \$8.1 million to Catholic Community Services. KCHA originally purchased the property in April for \$7.3 million.

US Bank donated a former bank branch in Skyway to KCHA as part of a collaboration between Skyway community organizations and KCHA's Development Team to create a community center. The community plans to devise a service program that is aligned with the needs of the Skyway neighborhood.

Operation of Federal Programs and Properties

FEDERAL PROGRAMS Through 9/30/2021		
Combined Federal	2021 Actual	2021 Budget
Operating Cash Flow	\$14,890,328	(\$233,742)
Other Changes in Cash	(10,260,269)	(3,069,437)
Change in Unrestr/Prog Cash	<u>\$4,630,060</u>	<u>(\$3,303,178)</u>
MTW	2021 Actual	2021 Budget
Operating Cash Flow	\$11,308,889	\$3,902,207
Transfer to PH for Ops	(2,160,553)	(3,249,189)
Other Changes in Cash	(27,976,714)	(3,629,801)
Change in Unrestr/Prog Cash	<u>(\$18,828,378)</u>	<u>(\$2,976,783)</u>
		Cash transferred to other federal programs, offset by Block Grant RFIF and higher proration.
HCV	2021 Actual	2021 Budget
Operating Cash Flow	\$5,746,697	(\$146,686)
Transfer from MTW for Ops	0	0
Other Changes in Cash	(2,315,218)	12,771
Change in Unrestr/Prog Cash	<u>\$3,431,480</u>	<u>(\$133,915)</u>
		EHV funding, greater port-in admin fee income, and fewer HCV program expenses.
Public Housing	2021 Actual	2021 Budget
Operating Cash Flow ⁽¹⁾	(\$1,978,298)	(\$3,652,440)
Transfer from MTW for Ops	1,730,854	2,731,725
Other Changes in Cash	(1,021,611)	563,814
Change in Unrestr/Prog Cash	<u>(\$1,269,056)</u>	<u>(\$356,901)</u>
		Higher Subsidy; greater payments to vendors; less support transferred from MTW for operations and capital construction.
Other Federal	2021 Actual	2021 Budget
Operating Cash Flow	(\$186,960)	(\$336,822)
Transfer from MTW for Ops	429,699	517,464
Other Changes in Cash	21,053,274	(16,221)
Change in Unrestr/Prog Cash	<u>\$21,296,013</u>	<u>\$164,421</u>
		Cash transferred from MTW, offset by the creation of a technology reserve.

⁽¹⁾ Without transfers from MTW to support operations

MTW PROGRAM

In the *MOVING TO WORK (MTW) FUND*, KCHA combines certain HUD Public Housing revenues with Housing Choice Vouchers (HCV) Block Grant funding. Out of these aggregated revenues, there are five distinct uses:

- 1. Transfers to the Section 8 program to pay for Housing Assistance Payments to landlords and administrative expenses**

HCV Block Grant revenue tends to vary given the multi-step process for receiving block grant payments from HUD. Funding of Section 8 administrative costs and HAP payments to landlords tracked very close to budget in the third quarter.

<i>(In thousands of dollars)</i>	Actual	Budget	Variance Favorable (Unfavorable)	% Var	
HCV Block Grant Revenue	122,576.4	117,505.4	\$5,070.9	4.3%	(1)
Funding of HAP Payments to Landlords	(97,737.6)	(98,564.8)	827.2	0.8%	
Funding of Section 8 Administrative Costs	(7,428.4) (1)	(7,286.7)	(141.7)	(1.9%)	
Excess of HCV Block Grant Funding over Expenses	<u>\$ 17,410.3</u>	<u>\$ 11,653.9</u>	<u>\$ 5,756.4</u>	<u>49.4%</u>	

1) Block Grant revenue was greater than expected due to higher prorate and more favorable RFIF.

2. Payments to Public Housing sites to subsidize the difference between operating costs and tenant revenue

Traditional Public Housing properties are budgeted to receive an additional subsidy from MTW above the standard operating subsidy to support operations. The necessity of additional subsidy allocations is evaluated quarterly. Due to the deferment of maintenance projects caused by COVID-19, Traditional Public Housing properties did not require as much additional support in the third quarter as anticipated. Transfers to tax-credit-owned Public Housing properties were made as planned.

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var	
Transfers to PH AMPs Based on Need	<u>(\$2,160.6)</u>	<u>(\$3,249.2)</u>	<u>(\$1,088.6)</u>	<u>33.5%</u>	(1)
Net Flow of Cash(from)/to MTW from/(to) PH	<u>(\$2,160.6)</u>	<u>(\$3,249.2)</u>	<u>\$1,088.6</u>	<u>(33.5%)</u>	

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

3. Expenditures for homeless and resident service programs

MTW dollars support nearly all resident service programs and various initiatives designed to alleviate and prevent homelessness:

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var	
Public Housing Subsidy earmarked for resident services	\$411.1	\$343.0	\$68.1	19.8%	(1)
Homeless Initiatives	(922.1)	(2,000.7)	\$1,078.5	(53.9%)	(2)
Resident Services	<u>(3,724.5)</u>	<u>(4,112.5)</u>	<u>\$388.0</u>	<u>(9.4%)</u>	(3)
Use of MTW Funds for Special Programs	<u>(\$4,235.6)</u>	<u>(\$5,770.2)</u>	<u>\$1,534.6</u>	<u>(26.6%)</u>	

1) The 2021 operating subsidy exceeded target as the budget assumed a 90% proration level while the actual funding was 95.88%.

2) Highline School District Student Families Stability Initiative (SFSI) program expenses were below target as utilization has been impacted due to school closures with COVID-19.

3) Community events and travel expenses were below budget, mainly due to COVID-19. Resident services salaries were below budget due to unfilled positions.

4. Other uses of MTW funds

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

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var	
Construction Activity & Management Fees	\$5,374.3	\$7,119.2	(\$1,744.9)	(24.5%)	(1)
Green River and Birch Creek debt payments	998.8	1,777.7	(778.9)	(43.8%)	(2)
Misc. Other Uses	278.4	262.5	16.0	6.1%	
	<u>\$6,651.5</u>	<u>\$9,159.4</u>	<u>(\$2,507.9)</u>	<u>(27.4%)</u>	

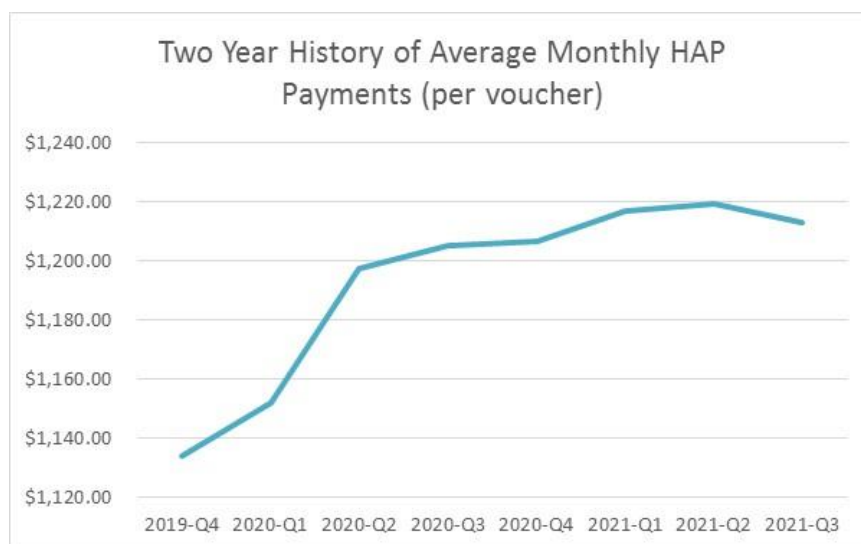
- 1) Due to delay in the MTW funded capital projects such as the Casa Madrona heating system repair and Kirkland Place Envelope and the Westminster Manor Fire Protection Systems projects, the budgeted capital transfer was below target.
- 2) Transfer in from MTW for Green River and Birch Creek debt payments are budgeted evenly throughout the year. However, the transfer for

5. Costs to administer the MTW program

Administrative costs are primarily salaries and benefits of those who manage or analyze MTW-funded programs. Expenses through the second quarter, totaling \$788,000, were 0.65% of gross program revenues and below the budget of \$1.18 million due to unfilled positions and lower than anticipated professional services.

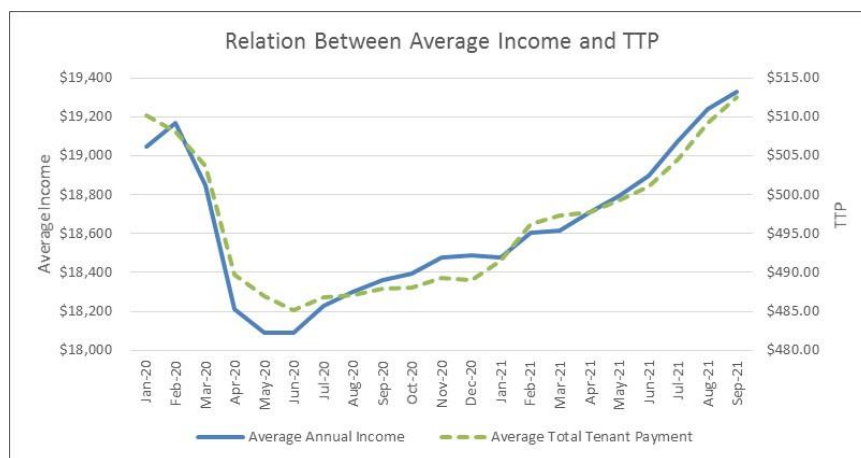
HOUSING CHOICE VOUCHERS

During the third-quarter, HCV HAP expense from all programs (excluding ports-in) was close to budget expectations, coming in lower by \$740,000 or 1.9%. Compared to the third quarter of 2020, total HAP expense climbed \$1.0 million or 2.7%. The HCV program was an aggregated 60-unit months over target for the quarter, a variance of 0.2%, and the average HAP payment per voucher was \$25.00 lower than budget estimates. The average quarterly HAP payment to landlords for all HCV vouchers was \$1,202.86, compared to \$1,207.20 last quarter and \$1,188.09 one year ago.



KCHA's average Block Grant HAP payments have remained relatively unchanged during the third quarter, rising \$0.49 from \$1,221.11 to \$1,221.60, or 0.04%. The block grant average per-unit cost for the third quarter was lower than the budget.

Total Tenant Payment (TTP) is the tenant's monthly contribution towards rent and utilities and is benchmarked at 28.3% of their income. The average TTP for the quarter was \$508.74, up slightly from \$499.36 the previous quarter and up from \$487.24 one year ago. As indicated by the chart below, this increase appears to be closely connected to the increase in average tenant annual incomes and has risen above pre-pandemic levels.



PUBLIC HOUSING

Through the third quarter, Operating Cash Flow exceeded budget expectations, with subsidy receipts outpacing projections by \$1.3 million. The Operating Fund Subsidy was calculated using an estimated prorate of 90.0%, while the final prorate for 2021 was 96.74%. Additionally, HUD assumed a pandemic-related drop in tenant rents when calculating the "formula income" portion of the Subsidy. Combined, the Authority expects to receive \$1.7 million of Operating Fund Subsidy over the original budget projections for 2021. Operating expenses were also less than planned due to pandemic-related delays, resulting in less than planned transfers from MTW for operations and capital construction.

OTHER FEDERAL

The change in unrestricted and program cash for the Other Federal programs was primarily impacted by the \$24.7 million cash reclassification mentioned in the Quarterly Highlights section above. A technology reserve offset this amount to fund the Housing Management Software conversion in the amount of \$4 million.

Operation of Local Programs and Properties

LOCAL PROGRAMS Through 9/30/2021		
Combined Local	2021 Actual	2021 Budget
Operating Cash Flow	\$27,677,714	\$14,395,463
Other Changes in Cash	(13,537,436)	(19,388,345)
Change in Unrestr/Prog Cash	<u>\$14,140,279</u>	<u>(\$4,992,882)</u>
Asset Management/Other	2021 Actual	2021 Budget
Operating Cash Flow	\$27,352,633	\$16,611,983
Excess Cash to COCC	(8,885,000)	(6,782,500)
Other Changes in Cash	(5,075,870)	(13,361,640)
Change in Unrestr/Prog Cash	<u>\$13,391,763</u>	<u>(\$3,532,157)</u>
Other Housing Management	2021 Actual	2021 Budget
Operating Cash Flow	\$5,277,525	\$4,581,121
Excess Cash to COCC	(2,872,737)	(2,100,000)
Other Changes in Cash	(1,605,574)	(1,131,176)
Change in Unrestr/Prog Cash	<u>\$799,213</u>	<u>\$1,349,946</u>
COCC	2021 Actual	2021 Budget
Operating Cash Flow ⁽¹⁾	(\$4,952,443)	(\$6,797,642)
Excess Cash from Properties	11,637,611	8,882,500
Other Changes in Cash	(6,735,865)	(4,895,529)
Change in Unrestr/Prog Cash	<u>(\$50,697)</u>	<u>(\$2,810,671)</u>

Tenant rents from newly acquired properties; some cash payments to vendors have yet to occur.

Construction costs incurred have yet to be reimbursed from MTW.

Greater than anticipated excess cash from non-federal properties.

⁽¹⁾ Without transfers of excess cash to support operations

ASSET MANAGEMENT/OTHER

Asset Management acquired Argyle, Carrington, Sandpiper East, and Surrey Downs Apartments between June and July for \$190 million, funded from the proceeds of the Key Bank Lines of Credit and the 2021 bond pool. Operating cash flow was greater than planned mainly due to tenant rents from the new properties and has distributed more excess cash to the COCC than initially planned.

OTHER HOUSING MANAGEMENT

Grant income in the amount of \$4 million was received from Amazon to support the acquisition of Illahee Apartments.

COCC (AGENCY OVERHEAD)

The Central Office Cost Center (COCC) aggregates overhead costs for the Authority. The COCC is supported by fees charged to both Federal and Local Programs and Properties and transfers of excess cash from Local Programs and Properties. KCHA continues to administer its programs in a fiscally prudent manner and within HUD guidelines. The net change in available COCC resources was greater than anticipated in the budget. Cash transfers from properties are budgeted evenly throughout the year. However, the fourth quarter transfers were posted in the third quarter. Additionally, salaries and benefits and administrative expenses were also less than planned. The chart below reflects a summary of COCC activity.

(In thousands of dollars)

	YTD Actual	YTD Budget	Variance	% Var	
Revenues					
Management fees	8,035.2	8,018.8	\$16.4	0.2%	
Cash transferred-in from properties	11,637.6	8,882.5	2,755.1	23.7%	(1)
Investment income	1,246.1	1,309.2	(63.0)	(5.1%)	
Other income	1,108.8	1,078.5	30.3	2.7%	
	<u>\$22,027.7</u>	<u>\$19,289.0</u>	<u>\$2,738.8</u>	<u>12.4%</u>	
Expenses					
Salaries & Benefits	9,478.9	10,688.3	(\$1,209.5)	(12.8%)	(2)
Administrative Expenses	2,195.7	3,159.7	(964.1)	(43.9%)	(3)
Occupancy Expenses	182.0	242.8	(60.8)	(33.4%)	
Other Expenses	630.6	633.5	(2.9)	(0.5%)	
	<u>\$12,487.2</u>	<u>\$14,724.4</u>	<u>(\$2,237.2)</u>	<u>(17.9%)</u>	
Net Change in Available COCC Resources	<u><u>\$9,540.5</u></u>	<u><u>\$4,564.6</u></u>	<u><u>\$4,976.0</u></u>		

- 1) Cash transfers were budgeted evenly throughout the year, however 4th quarter transfers were posted in the 3rd quarter.
- 2) Salaries and benefits were below target due to unfilled positions.
- 3) Various categories were under target: professional services, admin contracts, and training.

CAPITAL INVESTMENTS (Including tax credit partnerships)

The following schedule shows the budget versus actual costs of both KCHA-owned properties and KCHA-managed tax credit partnerships' capital projects for the third quarter of 2021.

	Actuals Thru 09/30/2021	Budget Thru 09/30/2021	YTD Variance	Percent of Annual Budget	2021 Annual Budget
CONSTRUCTION ACTIVITIES					
<i>Managed by Capital Construction Department</i>					
Public Housing	\$5,175,138	\$6,565,821	(\$1,390,683) (1)	62.0%	\$8,346,467
509 Properties	2,076,414	1,673,050	403,364 (2)	119.1%	1,743,598
Other Properties	253,153	1,614,655	(1,361,502) (3)	14.8%	1,706,175
	7,504,705	9,853,526	(2,348,821)	63.6%	11,796,240
<i>Managed by Housing Management Department</i>					
Unit Upgrade Program	2,995,085	2,853,555	141,530	78.7%	3,804,610
Energy Performance Contract	1,582	-	1,582	N/A	-
Other Projects	464,548	1,409,008	(944,459) (4)	28.0%	1,658,007
	3,461,216	4,262,562	(801,347)	63.4%	5,462,617
<i>Managed by Asset Management Department</i>					
Homeownership Projects-Managed by Internal staff	573,792	2,526,500	(1,952,708) (5)	20.6%	2,790,250
Bond Properties-Projects Managed by Internal Staff	7,022,502	14,664,793	(7,642,291) (6)	41.2%	17,060,097
	7,596,294	17,191,293	(9,594,999)	38.3%	19,850,347
Subtotal Construction Activities	18,562,215	31,307,381	(12,745,166)	50.0%	37,109,204
DEVELOPMENT ACTIVITY					
<i>Managed by Hope VI Department</i>					
Seola Gardens	1,046	9,007	(7,961)	8.7%	12,000
Greenbridge	546,601	371,867	174,733 (7)	119.0%	459,413
	547,647	380,874	166,772	116.2%	471,413
<i>Managed by Development Department</i>					
Bellevue Manor	4,297,003	4,653,704	(356,701) (8)		7,594,667
Other Projects	248,996	1,726,380	(1,477,384) (9)	10.8%	2,300,000
	4,545,999	6,380,084	(1,834,085)	45.9%	9,894,667
Subtotal Development Activity	5,093,646	6,760,959	(1,667,312)	49.1%	10,366,080
TOTAL CONSTRUCTION & DEVELOPMENT	\$23,655,861	\$38,068,340	(\$14,412,479)	49.8%	\$47,475,285
PROPERTY ACQUISITIONS & OTHER ASSETS					
Acquisitions-Nia	12,951,292 (10)				
Acquisitions- Oaks at Forest Bay	-				
Acquisitions- Carrington Apartments	39,850,000				
Acquisitions- Sandpiper East	57,800,000				
Acquisitions- Argyle	43,250,000				
Acquisitions- Surrey Downs	48,750,000				
Other adjustments	(3,458,143)				
TOTAL PER CASH RECONCILIATION REPORT	222,799,010				

- 1) Due to delays with materials and labor shortages, the Ballinger Homes envelope project began later than anticipated and will likely carry over into 2022. The Casa Madrona heating system repair didn't start until the middle of August. In addition, the Westminster Manor Fire Protection Systems was budgeted for the whole year but was delayed while waiting for design/build approval by the fire department. Actual work began in the third quarter.
- 2) The Avondale Manor envelope & roof project was budgeted in 2020. Due to COVID-19 delays, the project was postponed to 2021 and completed in the third quarter.
- 3) The Capital Construction department budgeted a placeholder for Architecture and Engineering project costs, however, actual costs are coded directly to projects. Also, the Woodcreek Lane envelope, roof and site project was delayed and didn't start until mid-September. The Meadowbrook elevator project expenditures were below target due to project delay and expected to be carried over to 2022.
- 4) The Spiritwood roof replacement project was delayed as bids were significantly higher than anticipated in the budget. The Riverton Terrace parking lot and side walk project and the Vista Heights external wall replacement projects were budgeted in the third quarter but expected to be completed by year end.
- 5) Due to permit delays, the Rainier View site improvement project is under target.
- 6) The Riverstone capital projects such as pool resurfacing, roofing project and window projects were cancelled for 2021 and will be included in 2022. The bulk of the Woodside East Asphalt project was budgeted in first half of the year, but is expected to be completed in the fourth quarter. Finally, Cascadian plumbing project will not be completed this year as management had difficulty finding a vendor/company to do the work.
- 7) Construction-Site Work/Infrastructure greater than expected in the budget.
- 8) Bellevue Manor rehab project was below budget due to permit delays and other delays related to COVID-19. Abbey Ridge and Woodland North rehab projects are managed by Development department. As disbursements are made through third parties, the project costs are excluded from KCHA's books.
- 9) The timeline for the Issaquah TOD project has been extended as there were delays related to working with Lumen.
- 10) KCA acquired the investor's interest in Nia.

CASH AND INVESTMENT SUMMARY

Unrestricted cash balances for the combined federal and local programs and properties (excluding development activities) increased by \$18.7 million since the beginning of the year. The primary driver for this increase is attributable to the workforce housing portfolio. For a complete report on KCHA's overall cash position at the end of the quarter, please see page 16.

The overall Return on Investment (ROI) on KCHA investments, including loans made for low-income housing and EPC project purposes, was 0.52%, up slightly from 0.50% last quarter. The Washington State Treasurer's Local Government Investment Pool (LGIP) average interest rate for the quarter was 0.09%. Total investment returns for the quarter were \$997,000 against a projected return of \$1.1 million.

Investment Summary (in millions) as of September 30, 2021

	Amount	Yield	% of Total
Invested in the Local Government Investment Pool & Masterfund	\$178.9	0.09%	58.6%
Invested by KCHA	66.4	0.72%	21.8%
Cash held by trustees	23.5	0.02% *	7.7%
Cash held in checking and savings accounts	17.3	0.02% *	5.7%
Invested by KCHA	\$286.1	0.24%	93.7%
Cash loaned for low income housing & EPC project purposes	19.3	4.96%	6.3%
Loaned by KCHA	19.3	4.96%	6.3%
Total	<u>\$305.4</u>	<u>0.52%</u>	<u>100.0%</u>

**Estimate*

King County Housing Authority
Statement of Financial Position
Combined Operations (excluding development activity)
As of September 30, 2021

	2021 Actual
Cash-Unrestricted	\$102,690,750
Cash-Held by Management Agent	19,427,367
Cash-Designated	93,355,168
Cash-Restricted	37,662,549
Total Cash	253,135,835
Current Assets	66,815,683
Long-term Assets	1,733,698,930
Total Other Assets	1,800,514,614
Total Assets	\$2,053,650,448
Current Liabilities	102,009,062
Long-Term Liabilities	1,176,145,247
Total Liabilities	1,278,154,308
Equity	775,496,140
Total Liabilities and Equity	\$2,053,650,448

King County Housing Authority
Cash Reconciliation Report
Combined Operations (excluding development activity)
For the Period Ended September 30, 2021

	2021 YTD Actual	2021 YTD Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	\$103,347,779			
Beginning Cash Balance-Designated	75,773,269			
Beginning Cash Balance-Restricted	25,882,075			
Total Beginning Resources	\$205,003,123			
Tenant Revenue	\$106,642,537	\$98,317,972	\$8,324,565	8.5%
Operating Subsidy from HUD-HCV	149,786,697	141,232,111	8,554,587	6.1%
Operating Subsidy from HUD-PH	9,250,371	8,023,605	1,226,766	15.3%
Port-In Income	37,074,363	37,979,235	(904,872)	(2.4%)
Other Operating Income	23,129,437	23,141,706	(12,268)	(0.1%)
Total Operating Income	325,883,405	308,694,629	17,188,777	5.6%
Salaries	(29,844,290)	(31,034,422)	1,190,131	3.8%
Benefits	(10,619,694)	(11,638,124)	1,018,429	8.8%
Occupancy Expenses	(21,557,316)	(25,052,919)	3,495,602	14.0%
Maintenance Projects	0	0	0	n/a
HAP Expense-KCHA	(119,565,742)	(120,547,804)	982,062	0.8%
HAP Expense-Ports In	(37,134,023)	(37,979,235)	845,212	2.2%
Other Social Service Expenses	(7,791,090)	(10,403,218)	2,612,128	25.1%
Administrative Expenses	(18,391,329)	(18,936,091)	544,763	2.9%
Total Operating Costs	(244,903,484)	(255,591,813)	10,688,328	4.2%
Total Operating Income before P & I	80,979,921	53,102,816	31,877,105	60.0%
Principal Payments	(20,109,188)	(17,773,240)	(2,335,948)	(13.1%)
Interest Payments	(22,302,690)	(21,167,855)	(1,134,835)	(5.4%)
Operating Cash Flow	38,568,043	14,161,721	28,406,322	200.6%
Non-Operating income	37,289,985	10,435,146	26,854,839	257.3%
Non-Operating Expenses	(27,032,689)	(2,872,788)	(24,159,901)	(841.0%)
Capital Expenditures	(398,405,195)	(31,545,541)	(366,859,654)	(1,163.0%)
Acquisitions/LIHTC Return to KCHA	176,405,102	(7,330,000)	183,735,102	2,506.6%
Change in Designated Cash	(17,581,899)	(4,116,933)	(13,464,966)	(327.1%)
Change in Restricted Cash	(11,780,474)	(194,915)	(11,585,559)	(5,943.9%)
Transfers In/Out	(1,316,163)	(560,001)	(756,162)	(135.0%)
Other Changes in Debt	204,208,000	7,330,000	196,878,000	2,685.9%
Others Sources/(Uses of Cash)	18,415,628	6,397,249	12,018,379	187.9%
Non Operating Net Sources (Uses) of Cash	(19,797,705)	(22,457,782)	(1,339,923)	(6.0%)
Net Change in Unrestricted Cash	\$18,770,338	(\$8,296,060)	\$27,066,399	326.3%
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	\$122,118,117			
Ending Cash Balance-Designated	93,355,168			
Ending Cash Balance-Restricted	37,662,549			
Total Ending Resources	\$253,135,835			

SUMMARY: Operating Cash Flow through September was very strong with operating cash flow exceeding budget by \$28.4 million with both income and expenses outperforming projections.

Operating Income was \$17.1 million or 5.6% above target with 60% of the variance on the Federal side of operations, and 40% from the Local Programs and Properties. See the Federal and Local summaries for more details.

Operating Expenses are below \$10.7 million or 4.2% below budget split evenly between Federal and Local programs and properties.

Other Sources/(Uses) of Cash was overall very close to budget, although the were offsetting variances on the federal and local programs and properties

King County Housing Authority
Cash Reconciliation Report
Federal Programs and Properties
For the Period Ended September 30, 2021

	2021 Actual	2021 Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	22,718,245			
Beginning Cash Balance-Designated	3,989,323			
Beginning Cash Balance-Restricted	10,682,270			
Total Beginning Resources	37,389,839			
Tenant Revenue	7,117,759	6,934,180	183,579	2.6%
Operating Subsidy from HUD-HCV	149,508,391	140,948,022	8,560,369	6.1%
Operating Subsidy from HUD-PH	9,250,371	8,023,605	1,226,766	15.3%
Port-In Income	37,074,363	37,979,235	(904,872)	-2.4%
Other Operating Income	4,527,161	3,231,901	1,295,260	40.1%
Total Operating Income	207,478,045	197,116,943	10,361,102	5.3%
Salaries	(11,043,197)	(11,654,205)	611,009	5.2%
Benefits	(4,284,500)	(4,775,799)	491,299	10.3%
Occupancy Expenses	(5,630,904)	(7,019,651)	1,388,748	19.8%
Maintenance Projects	-	-	-	n/a
HAP Expense-KCHA	(119,565,742)	(120,547,804)	982,062	0.8%
HAP Expense-Ports In	(37,134,023)	(37,979,235)	845,212	2.2%
Other Social Service Expenses	(4,877,424)	(5,777,457)	900,033	15.6%
Administrative Expenses	(7,510,820)	(7,726,347)	215,527	2.8%
Total Operating Costs	(190,046,609)	(195,480,499)	5,433,889	2.8%
Total Operating Income before P & I	17,431,436	1,636,444	15,794,992	965.2%
Principal Payments	(125,000)	(120,000)	(5,000)	-4.2%
Interest Payments	(2,416,108)	(1,750,186)	(5,168)	-0.3%
			-	n/a
Operating Cash Flow	14,890,328	(233,742)	15,124,070	6470.4%
Non-Operating income	29,801,575	6,647,313	23,154,262	348.3%
Non-Operating Expenses	(24,716,442)	0	(24,716,442)	n/a
Capital Expenditures	(7,634,282)	(9,985,996)	2,351,713	23.6%
Acquisitions/LIHTC Return to KCHA	(13,244,898)	0	(13,244,898)	n/a
Change in Designated Cash	(4,877,009)	(666,900)	(4,210,109)	-631.3%
Change in Restricted Cash	(3,205,295)	591,333	(3,796,628)	-642.0%
Transfers In/Out	(1,929,733)	(3,202,522)	1,272,790	39.7%
Other Changes in Debt	7,358,000	0	7,358,000	n/a
Others Sources/(Uses of Cash)	8,187,816	3,547,336	4,640,480	130.8%
Non Operating Net Sources (Uses) of Cash	(10,260,269)	(3,069,437)	(7,190,832)	-234.3%
Net Change in Unrestricted Cash	4,630,060	(3,303,178)	7,933,238	240.2%
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	27,348,305			
Ending Cash Balance-Designated	8,866,332			
Ending Cash Balance-Restricted	13,887,565			
Total Ending Resources	50,102,202			

SUMMARY: Operating Cash Flow through September was very strong with operating cash flow exceeding budget by \$15.1 million or 64%, with both income and expenses outperforming projections.

Operating Income was \$10.4 million or 5.3% above target. The 4.289% Block Grant RFIF (vs. 1.5% budget) and a 100% prorated (vs. a 98.5% budget) combined to yield \$5.8 million more revenue than budgeted. An Operating Fund Subsidy prorated of 96% (vs. a 90% budget) resulted in \$1.3 million additional revenue. Most of the remaining variance is from unbudgeted Emergency Housing Voucher revenue.

Operating Expenses are below budget in all categories, with Occupancy Expense and Other Social Service Expenses leading the way, although both will rise as expenses are accrued at year end. HAP expenses are also lagging budget, but they too are expected to increase as area rents continue to rise.

Other Sources/(Uses) of Cash reflected a decline of \$8.9 million, or \$5.8 million more than budgeted, as a \$4 million Technology

**King County Housing Authority
Cash Reconciliation Report
Local Programs and Properties
For the Period Ended September 30, 2021**

	2021 Actual	2021 Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	80,629,534			
Beginning Cash Balance-Designated	71,783,946			
Beginning Cash Balance-Restricted	15,199,805			
Total Beginning Resources	167,613,285			
Tenant Revenue	99,524,778	91,383,793	8,140,986	8.9%
Operating Subsidy from HUD-HCV	278,306	284,089	(5,783)	-2.0%
Operating Subsidy from HUD-PH	-	-	-	n/a
Port-In Income	-	-	-	n/a
Other Operating Income	18,602,276	19,909,804	(1,307,528)	-6.6%
Total Operating Income	118,405,360	111,577,685	6,827,675	6.1%
Salaries	(18,801,094)	(19,380,216)	579,123	3.0%
Benefits	(6,335,195)	(6,862,325)	527,130	7.7%
Occupancy Expenses	(15,926,413)	(18,033,267)	2,106,855	11.7%
Maintenance Projects	-	-	-	n/a
HAP Expense-KCHA	-	-	-	n/a
HAP Expense-Ports In	-	-	-	n/a
Other Social Service Expenses	(2,913,666)	(4,625,761)	1,712,096	37.0%
Administrative Expenses	(10,880,508)	(11,209,744)	329,236	2.9%
Total Operating Costs	(54,856,875)	(60,111,314)	5,254,439	8.7%
Total Operating Income before P & I	63,548,485	51,466,372	12,082,113	23.5%
Principal Payments	(19,984,188)	(17,653,240)	(2,330,948)	-13.2%
Interest Payments	(19,886,582)	(19,417,669)	(468,913)	-2.4%
			-	n/a
Operating Cash Flow	23,677,714	14,395,463	9,282,252	64.5%
Non-Operating income	7,488,411	3,787,833	3,700,577	97.7%
Non-Operating Expenses	(2,316,247)	(2,872,788)	556,541	19.4%
Capital Expenditures	(390,770,912)	(21,559,545)	(369,211,367)	-1712.5%
Acquisitions/LIHTC Return to KCHA	189,650,000	-	189,650,000	n/a
Change in Designated Cash	(12,704,890)	(3,450,033)	(9,254,857)	-268.3%
Change in Restricted Cash	(8,575,179)	(786,248)	(7,788,931)	-990.6%
Transfers In/Out	613,570	2,642,522	(2,028,952)	-76.8%
Other Changes in Debt	196,850,000	-	196,850,000	n/a
Others Sources/(Uses of Cash)	10,227,813	2,849,914	7,377,899	258.9%
Non Operating Net Sources (Uses) of Cash	(9,537,436)	(19,388,345)	9,850,909	50.8%
Net Change in Unrestricted Cash	14,140,279	(4,992,882)	19,133,161	383.2%
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	94,769,813			
Ending Cash Balance-Designated	84,488,836			
Ending Cash Balance-Restricted	23,774,984			
Total Ending Resources	203,033,633			

SUMMARY: Operating Cash Flow through September was very strong with operating cash flow exceeding budget by \$9.3 million or 64%, with both income and expenses outperforming projections.

Operating Income exceeded budget projections by \$6.8 million, due mostly to \$5.0 million of tenant revenue from newly-acquired properties, but nearly all properties reflected positive variances.

Operating Expenses are substantially below budget, due largely to the pandemic, although expenses will rise in the last quarter as lagging invoices are accrued.

Other Sources/(Uses) of Cash declined less than anticipated due solely to the timing of cash receipts and payments related to accounts receivable and payable.

King County Housing Authority
Statement of Financial Position
Development Activity
As of September 30, 2021

	2021 Actual
Cash-Unrestricted	\$19,395,071
Cash-Held by Management Agent	0
Cash-Designated	0
Cash-Restricted	22,038,414
Total Cash	41,433,485
Current Assets	8,549,524
Long-term Assets	223,623,085
Total Other Assets	232,172,610
Total Assets	\$273,606,095
Current Liabilities	\$2,545,920
Long-Term Liabilities	153,419,767
Total Liabilities	155,965,686
Equity	117,640,409
Total Liabilities and Equity	\$273,606,095

King County Housing Authority
Cash Reconciliation Report
Development Activity
For the Period Ended September 30, 2021

	2021 Actual	2021 Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	\$21,029,487			
Beginning Cash Balance-Designated	0			
Beginning Cash Balance-Restricted	15,346,529			
Total Beginning Resources	\$36,376,016			
Operating Revenue	1,694,639	3,158,953	(\$1,464,314)	-46.4%
Operating Expenses	(1,029,418)	(1,140,975)	111,557	9.8%
			-	n/a
Total Operating Income before P & I	665,222	2,017,979	(1,352,757)	-67.0%
Change in Debt	22,291,476	57,743,785	(35,452,309)	-61.4%
Interest Payments	(773,205)	(1,944,581)	1,171,375	60.2%
Non-Operating income	3,035,981	1,932,186	1,103,795	57.1%
Non-Operating Expenses	(49,993)	0	(49,993)	n/a
Capital Expenditures	(798,917)	(39,170,849)	38,371,933	98.0%
Change in Designated Cash	0	(672,679)	672,679	100.0%
Change in Restricted Cash	(6,691,885)	(14,911,605)	8,219,720	55.1%
Transfers In/Out	1,316,163	560,151	756,012	135.0%
Others Sources/(Uses of Cash)	(20,629,257)	(24,060,377)	3,431,120	14.3%
Non Operating Net Sources (Uses) of Cash	(2,299,637)	(20,523,969)		
Net Change in Unrestricted Cash	(\$1,634,415)	(\$18,505,991)		
Ending Cash Balance-Unrestricted	\$19,395,071			
Ending Cash Balance-Designated	0			
Ending Cash Balance-Restricted	22,038,414			
Total Ending Resources	\$41,433,485			

SUMMARY: Operating Cash Flow through September was less than expected, coming in under budget by \$1.35 million or 67%, with income under performing projections and expenses outperforming projections.

Operating Income was less than budget due to the Greenbridge Division 8 land sale, which was modified due to changing market conditions.

Operating Expenses were below budget mostly due to closing fees budgeted under Development, but incurred by the properties upon acquisition.

Other Sources/(Uses) of Cash declined less than anticipated primarily due to the timing of the Greenbridge Division 8 land sale, resulting in deposits into program reserves less than planned and delay of payment on internal loans.

FINANCIAL DASHBOARD

CORE OPERATING REVENUE SOURCES

Tenant Revenue

	2021 YTD Actual	2021 YTD Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
Public Housing	\$6,306,013	\$6,153,933	\$152,080	2.5%
Local-Asset Management	79,889,694	72,343,804	7,545,891	10.4%
Local-Housing Management	19,635,084	19,039,989	595,095	3.1%
Other	808,155	780,247	27,908	3.6%
	<u>\$106,638,946</u>	<u>\$98,317,972</u>	<u>\$8,320,974</u>	<u>8.5%</u>

Block Grant

Gross Receipts	\$122,576,352	\$117,505,428	\$5,070,924	4.3%
Less: Used for HAP	(97,737,613)	(98,564,787)	827,174	0.8%
Less: Used for Admin Fees	(7,428,420)	(7,286,746)	(141,674)	(1.9%)
Available for Other Purposes	<u>\$17,410,319</u>	<u>\$11,653,895</u>	<u>\$5,756,424</u>	<u>49.4%</u>

Other Core Revenues

Special Purpose Voucher Revenue	\$19,587,284	\$19,644,457	(\$57,173)	(0.3%)
HCV Administrative Fee Revenue	9,864,987	8,921,401	943,586	10.6%
Public Housing Operating Fund Subsidy	9,250,371	8,023,605	1,226,766	15.3%
	<u>\$38,702,642</u>	<u>\$36,589,463</u>	<u>\$2,113,179</u>	<u>5.8%</u>

CORE OPERATING EXPENSES

	2021 YTD Actual	2021 YTD Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
Salaries and Benefits	\$40,463,984	\$42,672,545	(\$2,208,561)	(5.2%)
Occupancy Expenses	21,557,316	25,052,919	(3,495,602)	(14.0%)
Administrative Expenses	18,391,329	18,936,091	(544,763)	(2.9%)
HAP Expenses-Block Grant	99,583,558	100,505,125	(921,567)	(0.9%)
HAP Expenses-Special Purpose Vouchers	19,656,536	19,857,495	(200,959)	(1.0%)
	<u>\$199,652,724</u>	<u>\$207,024,175</u>	<u>(\$7,371,451)</u>	<u>(3.6%)</u>

CASH REPORT

(Excluding development activities)

	As of September 30, 2021	As of Beginning of Year
<i>Cash Available for General KCHA Use</i>		
Unstricted Cash	\$75,669,523	\$59,519,762
Cash Set-aside but Available for General Use	40,486,644	38,108,966
Total	116,156,166	97,628,728
<i>Cash Designated for Specific Purposes</i>		
Held by Outside Property Management Companies	19,427,367	20,648,964
Replacement Reserves	37,769,821	34,377,515
Other	15,098,704	3,286,788
Total	72,295,892	58,313,268
<i>Cash that Must be Spent Within Specific Programs</i>		
Federal	27,124,996	22,718,245
Local	(103,769)	460,808
Total	27,021,227	23,179,053
<i>Cash that is Legally Restricted for Specific Purposes</i>		
Federal	13,887,565	10,682,270
Local	23,774,984	15,199,805
	37,662,549	25,882,075
TOTAL CASH	\$253,135,835	\$205,003,123

S & P RATIOS (Estimates)

EBITDA* as a % of Operating Revenue

25.3%

>50%	40% to 50%	30% to 40%	20% to 30%	10% to 20%	<10%
1	2	3	4	5	6

Best

Worst

KCHA had a score of 4 in its most recent ratings report

Liquidity-the ability of KCHA to pay all expected cash outflows in the coming 12 months, calculated by dividing all forecast resources by forecast uses

5.5

>2.5	1.75 to 2.5	1.25 to 1.75	1.00 to 1.25	0.75 to 1.00	<0.75
1	2	3	4	5	6

Best

Worst

KCHA had a score of 1 in its most recent ratings report

Debt Profile-The Ability of KCHA to Pay Its Debt Obligations

Ratio of Outstanding Debt to EBITDA* **8.20**

Ratio of EBITDA* to Annual Interest Payments **4.44**

Ratio of EBITDA* to Annual Interest Payments

	>2.5	1.75 to 2.5	1.25 to 1.75	1.00 to 1.25	0.75 to 1.00	<0.75
<10	1					
10 to 15						
15 to 20						
>20						

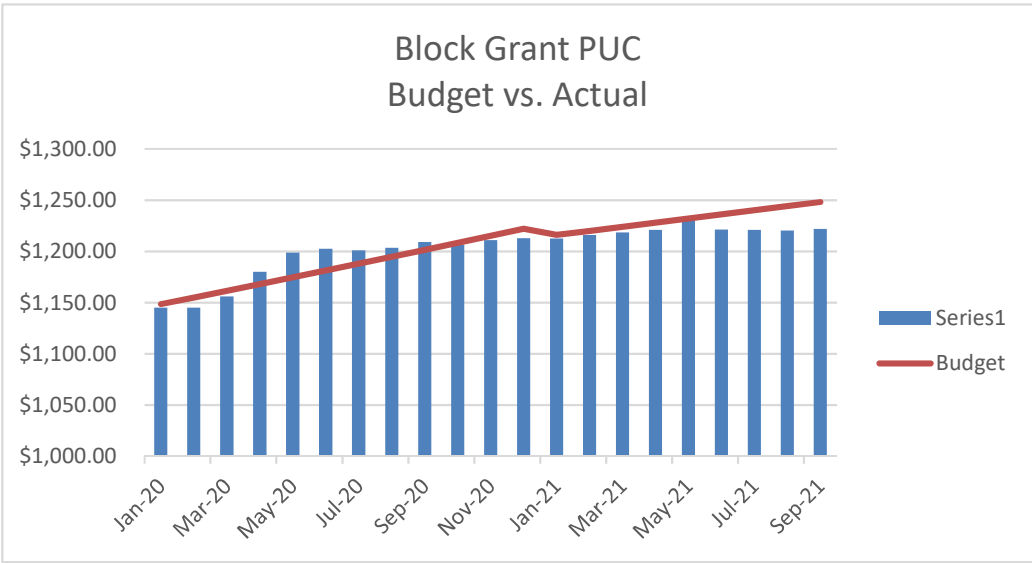
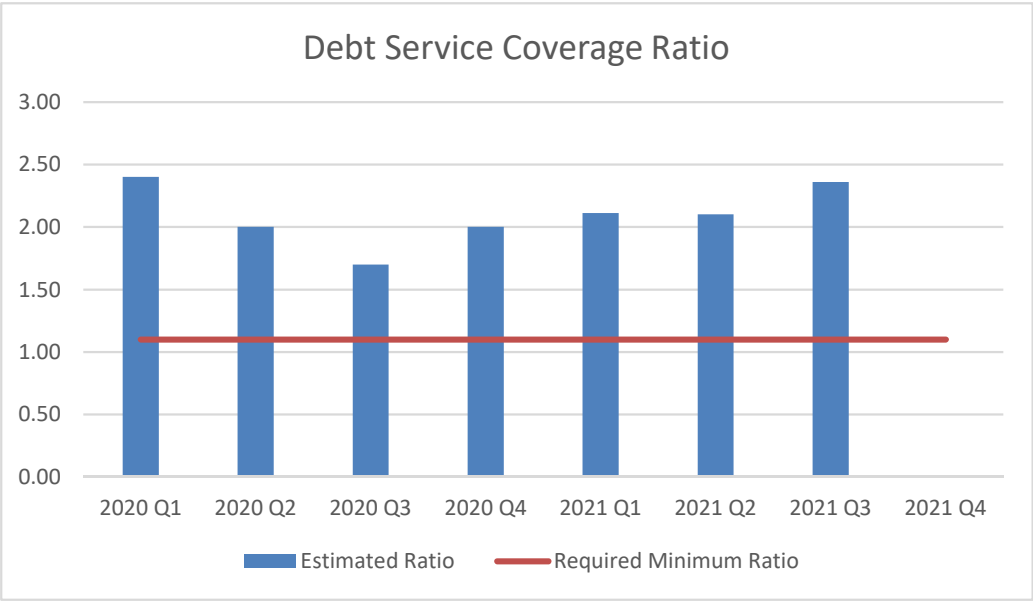
Best

Worst

KCHA had a score of 1 in its most recent ratings report

* Earnings Before Interest, Taxes, Depreciation and Amortization

OTHER KEY METRICS



T
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7



TO: Board of Commissioners

FROM: Tim Baker, Senior Management Analyst

DATE: January 7, 2022

RE: **Fourth Quarter CY 2021 Procurement Report**

The fourth quarter procurement report includes all activity from October through December 2021 that met one the following criteria:

- New contracts with values of \$100,000 or greater
- Change orders that resulted in revised contract values in excess of 110% of either the original value or the not-to-exceed contract amount
- Contracts with extensions or other foreseen changes

It is a best practice to keep KCHA's governing body informed of all significant procurement activity.

Awarded Contracts Over \$100,000:

KCHA entered into 10 new contracts with aggregated initial contract values of \$3.0 million and not-to-exceed limits of \$3.2 million. These 10 contracts accounted for 88% of the contracts executed in the quarter.

The largest construction contract was \$419,550, awarded to Vortex for the Lake House waste line repair project managed by the Capital Construction department.

There were two contracts executed for housing navigation service with a combined value of \$1.1 million. The largest award, \$568,467, went to Catholic Community Services. These housing services will help special purpose voucher holders, including those with the new Emergency Housing Vouchers, find apartments. These contracts will be managed by the Homeless Housing Dept.

Contract Change Orders

KCHA's internal procedures require heightened oversight and review once a contract has incurred change orders valued at more than 10% of the original contract amount. The change order section was divided between change orders issued in response to unforeseen field conditions or expanded project scopes, and change orders which were foreseen at the time the initial contract was executed (primarily through contract

extensions on multi-year contracts). The not-to-exceed total for the “foreseen” change order section is the projected total amount of the contract once all the foreseen change orders are completed.

Change Orders Exceeding 10%:

There were 16 condition change orders issued, including twelve by Asset Management. Activity at the Abbey Ridge and Woodland North renovation projects drove nine of the change orders due to unknown conditions at the time of contract execution and owner-directed upgrades.

Change Orders with Contract Extensions or Other Foreseen Circumstances:

There were three change orders issued in the quarter due to foreseen conditions. They were renewals for landscaping, transportation services and a workforce development program.

2021 Brief Summary:

There were 59 contracts valued over \$25k issued in 2021 at \$20.2 million. Woman/minority owned businesses received \$5.3 million in contracts, representing 26% of KCHA’s contracting activity, the second highest amount in the last 5 years. (2020 was slightly higher at 31%)

Section 3 businesses received \$1.1 million in contracts, representing 5.5% of contracting activity.

KING COUNTY HOUSING AUTHORITY
QUARTERLY PROCUREMENT REPORT
October-December 2021 (Fourth Quarter)

Awarded Contracts Over \$100,000

Issuing Department	Contract type	Contract Awarded to	Original Budgeted Estimate	Initial Contract Amount		NTE with extensions		Procurement Process	# of bids	Notes
Asset Management	Fairwood fire restoration	BCN	\$159,000	\$147,500		\$147,500		sealed bid	2	New contractor for KCHA.
Capital Construction	Cedar Grove envelope	Montes	\$239,568	\$194,700		\$194,700		sealed bid	3	Contractor has performed successfully on several KCHA projects. Minority owned business.
Capital Construction	Lake House deck repairs	Libby Builders	\$211,186	\$233,600		\$233,600		sealed bid	4	Contractor has performed successfully on many KCHA projects.
Capital Construction	Lake House waste line repairs	Vortex	\$366,042	\$419,550		\$419,550		sealed bid	1	New contractor for KCHA.
Capital Construction	Wayland Arms electrical panel replacements	Brink Elec.	\$573,426	\$384,000		\$384,000		sealed bid	3	Contractor has performed successfully on many KCHA projects.
Homeless Housing	Housing navigational services	YWCA	\$300,000	\$300,621		\$300,621		sole source	n/a	Provider selected via the grant application process.
Homeless Housing	Housing navigational services	CCS	\$650,000	\$368,467		\$368,467		sole source	n/a	Provider selected via the grant application process.
Housing Management-maint	Bldv. & Munro Manor floor replacements	Continental	\$162,347	\$132,210		\$132,210		cooperative	n/a	Contractor has performed successfully on several KCHA projects.
Housing Management-maint	Roofing services	Axiom D7	\$180,818	\$185,000		\$350,000		RFP	3	New contractor for KCHA.
Information Technology	Computer systems gap analysis	Nims	\$250,000	\$275,000		\$275,000		RFP	2	New contractor for KCHA.
		Total	\$3,195,387	\$3,030,648		\$3,195,648				

Contracts exceeding 10% cumulative change order-Condition Changes

Issuing Department	Contract type	Contract awarded to	Initial Contract Amount/NTE*	Prior Change Orders	Change Orders this Quarter	# of Change Orders this Quarter	Total Contract Value to Date	% of NTE*	Notes (Current Quarter Change Orders)
Asset Management	Abbey Ridge renovations	Allied	\$19,745,000	\$5,454,223	\$2,100,108	3	\$27,299,331	38%	Siding, roofing, site drainage, fencing, railing, doors, windows, HVAC, rot repairs, asphalt.
Asset Management	Bellevue Manor interior renovations	CDK	\$2,035,193	\$2,138,882	\$330,232	1	\$4,504,307	121%	Wide variety of electric, plumbing, framing, siding, door and window revisions.
Asset Management	Bellevue Manor roof replacement	North Sound	\$94,800	\$14,675	\$1,894	1	\$111,369	17%	Roof repairs needed after solar panel installation.
Asset Management	Woodland North roof replacement	North Sound	\$338,000	\$47,487	\$13,263	1	\$398,750	18%	Roof repairs needed after solar panel installation.
Asset Management	Woodland North seismic retrofits	Accord	\$185,205	\$290,983	\$78,023	2	\$554,211	199%	Added fire collars as requested by fire marshal, retaining wall, car deck modifications.
Asset Management	Woodland North building envelope	Pioneer Human Serv.	\$1,683,306	\$453,168	\$148,180	1	\$2,184,654	38%	Additional windows, plywood, painting, decking, curbs, handrails, lighting.
Asset Management	Woodland North A&E services	ARC	\$364,350	\$42,908	\$2,351	1	\$409,609	12%	Additional design services requested by the investor for seismic retrofits.
Asset Management	Woodland North site work	A-1 Landscaping	\$3,124,000	\$931,936	\$188,209	1	\$4,244,145	36%	Redesign of the pool to an enclosed patio area.
Asset Management	Kirkland Heights A&E services	SMR	\$150,320	\$2,420	\$32,912	1	\$185,652	24%	Additional design services requested by KCHA for new construction & energy codes.
Capital Construction	UV air treatment, multiple sites	Morgan	\$562,308	\$120,219	\$21,504	1	\$704,031	25%	Additional hardware needed to properly secure the units, extra unit purchases for stock.
Housing Management-maint	HVAC services	TRM	\$290,000	\$40,000	\$337,476	1	\$667,476	130%	Covid related measures and high material costs resulted in expending funds faster than anticipated.
Housing Management-maint	appliances	Haire/GE	\$500,000	\$0	\$82,000	1	\$582,000	16%	Expending funds faster than anticipated when contract was executed.
Social Impact	transportation services	Sound Generations	\$204,091	\$20,000	\$22,000	1	\$246,091	21%	Temporary extension of current contract due to no response to bid.
Total			\$29,176,573	\$9,556,901	\$3,358,152	16	\$42,091,626		

Contracts with contract extensions or other foreseen change orders

Issuing Department	Contract type	Contract awarded to		NTE*	Prior Contract Value	Contract Extensions this Quarter	# of Contract Extensions this Quarter	Current Contract Value	% of NTE*	Notes (Current Quarter Change Orders)
Housing Management-maint	landscaping services	Skagit Landscaping		\$101,125	\$51,540	\$49,585	1	\$101,125	100%	Final renewal of the contract.
Resident Services	workforce development programs	Hopelink		\$600,000	\$244,585	\$90,000	1	\$334,585	56%	Fifth renewal of the contract.
Social Impact	transportation services	Kent ISD		\$70,000	\$50,000	\$10,000	1	\$60,000	86%	Fourth renewal of the contract.
Total				\$771,125	\$346,125	\$149,585	3	\$495,710		

***NTE = Not To Exceed**

T A B N U M B E R



To: Board of Commissioners

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

Date: January 3, 2022

Re: New Bank Accounts

Since the last Board meeting KCHA opened 2 new bank accounts.

Bank: Northwest Bank

- King County Housing Authority DBA Newport Operating Trust
- King County Housing Authority DBA Newport Security Deposit Trust

Purpose: The Operating Trust Account will be used to receive and hold property income. The account also will pay operating expenses related to the properties.

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

T A B N U M B E R

9



To: Board of Commissioners

From: Craig Violante, Deputy Executive Director/Chief Administrative Officer

Date: January 7, 2022

Re: Overview of Financial Operations and Impact on S&P Rating

At last month's meeting, the Board of Commissioners expressed an interest in knowing more about KCHA's AA rating from Standard and Poors (S&P). KCHA's AA rating is a measure of the credit worthiness of KCHA, and more particularly the risk to purchasers of KCHA's bonds and other debt instruments. A high rating, such as AA, significantly reduces perceived risk, lowers borrowing costs, and greatly expands the bond buyer market for KCHA's debt instruments. With approximately \$1.2 billion in outstanding debt and the prospect of future bond issuances, the maintenance of KCHA's bond rating is a critical element in controlling costs and preserving KCHA's capacity for the expansion of its affordable housing portfolio.

A this month's meeting Tim Walter and I will be giving a high level overview of KCHA finances and the resulting impact on KCHA's bond rating.

S&P reviews a number of critical financial and management variables in publishing an agency credit rating. The finances of KCHA are both varied and complex with federal and non-federal funding sources linked to a wide array of properties and programs that serve a broad spectrum of residents. Unlike most other Housing Authorities in the country, KCHA is a Moving To Work (MTW) housing authority with tremendous flexibility in the use of federal funds received for the Public Housing and Housing Choice Voucher programs, allowing for innovation and expansion of a variety of housing and resident services programs. In addition, KCHA uniquely receives a significant portion of its net revenue from non federal sources, specifically KCHA's "Workforce Housing" properties managed by the Asset Management Department, a portion of which is flexibly used for other housing related purposes. These federal and nonfederal revenues, net of expenses, along with KCHA's cash balances all factor into S&P's agency credit rating.

The operating costs of KCHA's "Workforce Housing" properties are paid exclusively from tenant rents. The management challenge of this portfolio centers on balancing rent revenue and operating expenses so that the resulting net operating income can service the debt that was issued to acquire the

properties. Due to the high cost of acquiring housing, net rental revenue from newly acquired properties is not sufficient to cover the current costs of acquisition, without financial support from third parties or from mature properties within KCHA's workforce housing portfolio. KCHA's recent partnerships with Microsoft and Amazon have helped bridge this gap, but KCHA's overall debt load has still increased with each acquisition. S&P has been routinely engaged to issue a Ratings Report when new debt is offered, and the most recent is attached.

At the Board Meeting, a high level overview will be provided showing the complex interaction of federal and nonfederal sources of funds that generate the liquidity, cash flows, and other metrics that have to be carefully monitored to maintain KCHA's AA bond rating.

Research

Summary:

King County Housing Authority, Washington; General Obligation

Primary Credit Analyst:

Ki Beom K Park, San Francisco + 1 (212) 438 8493; kib.park@spglobal.com

Secondary Contact:

Aulii T Limtiaco, San Francisco + 1 (415) 371 5023; aulii.limtiaco@spglobal.com

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Rating Action

Stable Outlook

Credit Opinion

Enterprise Risk Profile

Financial Risk Profile

Related Research

Summary:

King County Housing Authority, Washington; General Obligation

Credit Profile

US\$80.435 mil pooled hsg rev and rfdg rev bnds ser 2021

Long Term Rating

AA/Stable

New

King Cnty Hsg Auth ICR

Long Term Rating

AA/Stable

Affirmed

Rating Action

S&P Global Ratings assigned its 'AA' long-term rating to the Housing Authority of King County (KCHA), Wash.'s pooled housing revenue and refunding revenue bonds, series 2021. At the same time, S&P Global Ratings affirmed its 'AA' issuer credit rating (ICR) and 'AA' long-term rating on the authority and its existing debt, respectively. The outlook is stable.

The ratings on KCHA reflect S&P Global Ratings' stand-alone credit profile (SACP) of 'aa' on the authority and our view that there is a moderate likelihood that the U.S. government would provide timely and sufficient extraordinary support to KCHA in the event of financial distress.

Series 2021 bond proceeds are expected to total approximately \$80.44 million when issued and will be used for the refunding of a portion of the authority's outstanding pooled refunding revenue note, series 2013, and pay the costs of both acquiring the Newport Apartments Project and costs of issuance. The bonds will be special obligations of the authority, the general revenues of the authority, and any available funds under the trust estate. While the authority's pledge is limited to its general revenues, we equate this pledge to the authority's ICR based on debt covenants which support creditor security at the senior debt level, and the assumption that the pledge will not be materially different from the authority's available revenues according to our ICR analysis.

Credit overview

Table 1

King County Housing Authority -- Rating Score Snapshot

Industry Risk	Very strong - 2
Regulatory Framework	Very strong - 2
Market Dependencies	Very strong - 2
Management and Governance	Extremely strong - 1
Enterprise Risk Profile	Very strong - 1.6
Financial Performance	Adequate - 4
Debt Profile	Very strong - 2
Liquidity	Extremely strong - 1

Table 1

King County Housing Authority -- Rating Score Snapshot (cont.)

Financial Risk Profile	Very strong - 2.33
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S&P Global Ratings bases its ratings on non-profit social housing providers on the seven main rating factors listed in the table above. S&P Global Ratings' "Methodology For Rating Public And Nonprofit Social Housing Providers," published on June 1, 2021, summarizes how the seven factors are combined to derive each social housing provider's stand-alone credit profile and issuer credit rating.

The ratings reflect our view of KCHA's strengths, including its:

- Extremely strong strategy and management assessment as a result of a comprehensive strategic planning process, consistency of strategy with organization capabilities, and management expertise and experience;
- Very strong enterprise risk profile, supported by our assessment of its very strong market position and low industry risk;
- Very strong financial risk profile based on an extremely strong liquidity ratio (3.9x more resources of funding to cover uses);
- Very strong debt profile;
- Multiyear housing development plans around the county, providing a growing and diverse portfolio of attractive and much-needed housing units;
- Strong focus on low-income social housing activities that continues to support our view that the authority will maintain adjusted EBITDA over adjusted operating revenue above 22.2% amid the economic effects of the COVID-19 pandemic; and
- Good financial flexibility as a designated Moving to Work (MTW) agency since 2003, with a long-term commitment until 2028.

The stable outlook reflects S&P Global Ratings' opinion of KCHA's finances with strong debt and liquidity profiles, led by a strong, experienced senior management team. We expect the authority's available funds for operations and debt service, and ability to repay debt from EBITDA, will likely remain stable for the next two years. Low-income housing demand in King County remains strong. In our opinion, KCHA will continue to employ an excellent strategic planning process, proactive business model, and MTW flexibility to address redevelopment needs.

KCHA is an independent municipal corporation created under Washington State law in 1939 to provide affordable housing and related services. The authority receives no operating funds from the state, the county, or the region's cities. It receives subsidies, primarily for operations and modernization activities, from the federal government. HUD is the federal oversight entity and is responsible for allocating subsidies for all PHAs.

KCHA operates 12,025 units across 153 properties, including approximately 4,700 units of federally funded housing for families, the elderly, and people with disabilities. The authority also administers more than 13,500 rental vouchers of which approximately 2,875 of these voucher holder households reside in units which it operates. Overall, it provides housing services for more than 50,000 individuals throughout King County. In our opinion, its essentiality to the market it serves is very strong. As with other public housing agencies (PHAs) in the country, the market demand for KCHA's housing services far exceeds supply.

With regard to the COVID-19 pandemic, the financial effects on KCHA remain minimal. The authority received

approximately \$7 million in support from the CARES Act, which, according to management, helped offset any increase in rental delinquency. According to the authority, aggregate physical occupancy for stabilized units in the portfolio was 98.5% as of July 2021. The relatively high percentage of market-rate units compared to subsidized units could potentially make KCHA susceptible to any prolonged downturn in the local rental market, compared to PHAs with a higher percentage of subsidized units. We will continue to monitor the effect of the pandemic on the authority's financial position, and update our rating as necessary.

Environmental, social, and governance

We have analyzed environmental, social, and governance (ESG) risks relative to KCHA's market position, management, and governance, financial performance, and debt and liquidity profile and have determined all are in line with our view of the sector standard. KCHA's diversity of countywide assets reduces the risk disruption would occur from an acute event or chronic long-term climate change. Furthermore, while the eviction moratorium due to COVID-19 has challenged rental property owners generally, the sector's market dependencies, which are largely countercyclical and benefit from extraordinary federal government support, somewhat mitigate these risks. We have also analyzed KCHA's governance and environmental risks and have determined they are in line with our view of the sector standard.

Stable Outlook

Upside scenario

We could raise the rating if the authority can demonstrate consecutive years of improved EBITDA margins, along with a sustained liquidity position. We also believe another key factor is its ability to leverage the needed resources to carry out its development plans, to continue both to engage in business activities that provide it with diverse income sources and to implement operational and administrative efficiencies. These factors could result in a higher SACP and ICR.

Downside scenario

We could consider a negative rating action if we were to observe a sharp deterioration of the authority's debt over EBITDA. Since its business model relies heavily on the local economy, government policies, and housing programs (e.g., low-income housing tax credits), if the current external environment dramatically shifts and significantly affects KCHA's ongoing or future developments and leveraged positions, we could lower the rating. We could also do so if the COVID-19 outbreak persists and weakens the authority's cash flows and debt profile.

Credit Opinion

Enterprise Risk Profile

We think public housing authorities benefit from a strong public policy mandate and operate under a stable and well-established framework that makes them key providers in the sector. There is strong oversight of the sector with high governance, reporting, and disclosure standards so that sector or individual risks are easily identified. However, when risks are identified they are not always remedied at an early stage.

There is direct and ongoing operational support to public housing authorities. They regularly receive federal grants in the form of capital and operating contributions to maintain and operate public housing and administer various programs to provide low-income affordable housing. There is no precedent of adverse negative intervention from governments or their agencies, and we do not expect any during the next few years. Public housing is subject to tenant income and rent limits.

U.S. PHAs' focus on affordable housing lends further stability with low competitive risk. We consider the U.S. PHA industry to have low risk, based on a combination of individual assessments: a low risk for cyclical risk and a low risk for competitive risk, with no adjustment for the support of government policies for the industry.

Strong demand and the high quality of KCHA's housing stock have resulted in vacancy rates consistently below 1.5% in the past three years, compared to 1.6% vacancy rates in the local affordable market. While rent collections began slightly decreasing in fiscal 2020 (about 3% of occupied units behind on rent) due primarily to tenants experiencing COVID-19-related challenges and the eviction moratorium indirectly limiting rent collections, the majority of tenants receive unemployment benefits as well as subsidized housing benefits. We do not expect arrears to weaken our view of operational performance. In addition, the federal government provided additional support for the authority through specific provisions in the CARES Act. The additional funding support should help cover administrative expenses for various housing programs to support or maintain the health and safety of assisted tenants. KCHA's average rent equaled roughly 39% of local market rent for fiscal 2021, supporting our assessment of very strong market dependencies.

We assess KCHA's management and governance as very strong, based on our assessment of its strategic planning process, the consistency of strategy with operational capabilities and marketplace conditions, management expertise and experience, and financial policies and risk management standards. KCHA's vision is defined and sets forth the organization's overall strategic plan, in our view. Its board and staff set six strategic initiatives that enable it to build, lead, and sustain operations in a volatile and demanding external environment. KCHA's strategy is nearly always consistent with its capabilities while considering account marketplace conditions. The experienced senior leadership has a record of success in executing its plans, and its risk management department monitors and mitigates applicable and potential risks.

Since 2003, KCHA has been an MTW agency; this allows it the flexibility to waive certain statutes and HUD regulations to design and test approaches for providing housing assistance. The MTW agreement with HUD extends through 2028. As an MTW agency, KCHA submits an annual plan to HUD that articulates key policies, objectives, and strategies for the administration of federal housing programs to address local needs most effectively. Its MTW plan contains specific financial and operational goals with clear benchmarks for achieving those goals.

Financial Risk Profile

Table 2

King County Housing Authority, WA -- Key Ratios Peer Comparison								
Entity	ICR	Average rent to market rent (%)	Vacancy rate (%) - entity	Vacancy rate (%) - market participants	Adj. EBITDA over adj. operating revenue (%)	Debt over Non-sales adj. EBITDA (x)	Non-sals adj. EBITDA over interest (x)	Liquidity ratio (x)
King County Housing Authority	AA	38.8	1.5	1.6	22.2	11.0	4.5	3.9
Housing Authority of City of Seattle	AA	38.7	2.1	3.1	30.5	3.2	11.1	3.2
Housing Catalyst	AA-	44	6.5	6.5	25	13.7	9.1	4.8
Philadelphia Housing Authority	AA-	36.7	6.9	1.1	28	2.7	62.7	2.5
NCRC	A+	51.9	2.9	4	24.2	36.5	1.5	2.3
Elm City Communities	A+	48.9	10	3.5	16.5	8.44	8.7	2.45
Columbus Metropolitan Housing Authority	A+	57.3	5.2	4.7	2.7	8.18	6.04	3.48

Our assessment of financial performance uses a five-year average, including fiscal years 2019 (audited), 2020 (unaudited), and 2021 (the current budget), as well as our forecast for fiscal years 2022 and 2023. We regard KCHA's financial performance as adequate, reflecting a five-year average adjusted EBITDA-to-adjusted operating revenue ratio of about 22.2%. EBITDA strengthened substantially in fiscal 2021, primarily reflecting a 20% year-over-year growth in tenant revenue as KCHA added new properties to its portfolio, and by a 4% growth in total contributions. In terms of net operating income, the authority has been profitable over the past three fiscal years, and management expects to remain so in the near term.

The authority's debt profile is very strong, in our view, as supported by our calculated EBITDA-to-interest and debt-to-EBITDA financial ratios. We calculate a five-year average EBITDA-to-interest ratio of roughly 4.5x, and a debt-to-EBITDA ratio of 11x. We estimate total debt outstanding as of fiscal year-end 2021 to be approximately \$1.03 billion, representing a 18% increase year over year from \$878 million in fiscal 2020. The increase primarily attributed reflects new-money financing for the acquisition and development of multiple projects. Corresponding with the authority's near-term plans to continue to acquire properties to add more than 400 units for the next two years, we anticipate that overall debt will continue to increase, and could reach \$1.08 billion by 2023.

Our assessment of KCHA's extremely strong liquidity reflects very high cash reserves, cash provided by operating activities, and sufficient access to external liquidity. In our base case during the next 12 months, we estimate sources of liquidity equal to roughly \$281 million will cover uses by 3.9x.

Liquidity sources include:

- Forecast cash generated from continuing operations of \$65.3 million;
- Cash and liquid investments of \$198.3 million; and

- The undrawn, available portion of committed bank facilities or bank lines that can be drawn, of \$17.9 million.

Liquidity uses include:

- All interest and principal payable on short- and long-term debt obligations coming due totaling \$61.1 million; and
- Other cash outflows of \$11.1 million.

Anchor ratings, overriding factors, caps, and holistic analysis

The anchor rating, determined by indicative scores and weights according to our methodology, is 'AA' for the ICR and debt ratings. We applied no holistic adjustment, resulting in a final SACP of 'aa'.

Related Research

- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Ratings Detail (As Of November 19, 2021)		
King Cnty Hsg Auth pooled hsg rev bnds		
Long Term Rating	AA/Stable	Affirmed
King Cnty Hsg Auth pooled hsg rfdg rev bnds		
Long Term Rating	AA/Stable	Affirmed
King Cnty Hsg Auth rfdg rev bnds (Somerset Gardens Apts)		
Long Term Rating	AA/Stable	Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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T A B N U M B E R

10



To: Board of Commissioners

From: Tonya Harlan, Director of Human Resources

Date: January 10, 2022

RE: Updates on Rollout of Vaccination Policy and New Compensation Plan

The Human Resources department has taken a leadership role in two issues of vital importance to both staff and residents. At the January 18th Board meeting, there will be a brief presentation on KCHA's Vaccination Policy and the Baker Tilly Compensation & Job Description project.

Vaccination Policy

KCHA's Vaccination Policy was introduced to staff on December 1, 2021, and the update will include a brief overview of:

- Key components of the vaccination policy and timeline;
- Staff exemption and reasonable accommodation process; and
- Additional pandemic considerations, and next steps.

Baker Tilly Compensation & Job Description Project

Phase 1 was rolled out to all KCHA administrative on December 1 & 2, 2021 and included:

- Presentations by Baker Tilly and Compensation Connections on the Phase 1 project methodology, compensation plan deliverables, and an overview of the Pay Equity Analysis.
- Key project deliverables included: A compensation market study, refreshed job descriptions, new classification grade assignment, and new pay band structure.
- Employee Communication was delivered via Zoom information sessions, SharePoint portal with pay program documents, and direct email notifications.
- Implementation of the new pay bands and classification designations was effective January 1, 2022.
- Phase 2 and next steps

KING COUNTY HOUSING AUTHORITY

COVID-19 Vaccination Policy

PURPOSE: In accordance with the King County Housing Authority's responsibility to provide and maintain a safe work environment, KCHA is instating a COVID-19 vaccination requirement to safeguard the health of our employees and their families; our clients; residents; guests; and the community at large. The context for this policy is a deadly surge in the transmission and contraction of COVID-19, primarily by and among unvaccinated individuals, and the implementation of vaccination requirements by Washington State, King County and the City of Seattle.

KCHA acknowledges that some staff may have concerns about the vaccine, especially individuals who are members of communities historically and currently discriminated against. We offer opportunities and resources to support fact-based decision-making. The COVID-19 vaccines have been scientifically proven to be safe and highly effective at reducing serious illness and death within the workplace and the greater community. Staff are encouraged to speak with their medical provider or trusted medical and scientific experts for questions or concerns. Useful information about the vaccine can be found on the [Public Health – Seattle & King County website and CDC](#).

We respect those staff seeking medical or religious exemptions, and those who fully qualify for such exemptions may continue employment with KCHA and follow all COVID-19 operational protocols if reasonable accommodation is approved.

SCOPE: This policy applies to all King County Housing Authority (KCHA) employees and temporary hires and temporary workers assigned to KCHA from employment agencies and employees who are represented by our labor partners (i.e. unions).

RESPONSIBILITY:

Human Resources in conjunction with legal counsel will be responsible for administering this policy and the exemption process.

Employees are responsible for reporting their vaccination status to Human Resources via Apricity as described in the Reporting Requirement section of the policy by the February 28, 2022 deadline.

POLICY: As a condition of employment, all current and future KCHA employees, both regular and temporary, must have completed a full vaccination cycle with a U.S. FDA-authorized COVID-19 vaccine and provide documentation proving their fully vaccinated status to KCHA by February 28, 2022. For purposes of this Guidance, people are considered fully vaccinated if they have received COVID-19 vaccines currently approved or authorized for emergency use by the U.S. Food and Drug Administration (Pfizer-BioNTech, Moderna, and Johnson & Johnson [J&J]/Janssen COVID-19 vaccines) or COVID-19 vaccines that have been listed for emergency use by the World Health Organization (e.g., AstraZeneca/Oxford). Someone is fully vaccinated two weeks after they have received the second dose of the Pfizer or Moderna vaccine; or two weeks after receiving a single dose of the Johnson & Johnson vaccine. This requirement includes keeping up to date with booster vaccinations if required by public health agencies, once boosters are available locally and you qualify, and complying with additional safety measures and protocols in the future.

KCHA will allow one day of COVID emergency sick pay to employees for each COVID vaccine dose appointment scheduled during their normal work hours.

New hires and temporary workers hired after December 01, 2021 must submit their proof of vaccination to Human Resources after an employment offer/assignment and before their first day of employment. Absent a qualifying religious or medical exemption and the ability to make reasonable accommodation, KCHA will rescind any employment offers or placements if we do not receive proof of fully vaccinated status at the time employment is scheduled to begin.

Unvaccinated workers who are on an approved leave of absence before February 28, 2022 will be required to show proof of fully vaccinated status before returning to work. If they need more time to complete the cycle, they will need to contact Human Resources. They will need to use their accrued sick or annual leave, or take leave without pay.

Timeline: On December 1, 2021, KCHA informed staff of the intent to institute this policy. This policy will remain in effect for the duration of the COVID-19 pandemic or until it is determined by KCHA that it is no longer needed based on the threat of the virus and public health guidance. February 28, 2022 is the deadline for all KCHA staff to be fully vaccinated. March 1 through March 30, 2022 is the paid administrative leave period for eligible staff who will be separating from employment due to non-compliance with the vaccine requirement. March 31, 2022 concludes the initial implementation of the vaccination requirement and the paid administrative leave benefit.

The King County Housing Authority will continue to follow applicable laws and public health guidance, and staff must continue to adhere to KCHA's COVID-19 protocols and policies as required.

PROCEDURE:

I. Reporting Requirement:

Human Resources is the agency's coordinating unit for COVID-19 vaccination reporting and tracking. Individuals must demonstrate full vaccination by providing the following information to Human Resources via Apricity by February 28, 2022 at midnight:

1. A copy/picture of their official CDC COVID-19 Vaccination card; or
2. Documentation of vaccination from a health care provider or electronic health record; or
3. State immunization information system record (find your COVID-19 vaccination record at the State's website: [MyLRmobile.com](https://mylrmobile.com)), or
4. For an individual who was vaccinated outside of the United States, a reasonable equivalent of any of the above.

II. Exemptions from COVID-19 Vaccination

Individuals may request an exemption from the COVID-19 vaccine requirement as a reasonable accommodation for the following:

- a. Medical Exemption as advised by a licensed healthcare provider;
- b. Religious Exemption for a sincerely held religious belief, observance or practice that prevents an individual from receiving the vaccine. A religious belief need not be one held by a formal religious organization (theistic) but can be a non-theistic, strongly held moral or ethical belief. Every request for a religious exemption will be carefully reviewed, but in general, belief based on social, political, or economic philosophies, as well as mere personal preferences, are not considered religious beliefs under federal or state law.

Requests for exemptions must be sent to Human Resources by email at HRCOVIDOPS@kcha.org and will be reviewed by a representative from HR and legal counsel as part of the accommodation process. To ensure all exemption requests can be resolved by February 28, 2022, please submit your application as early as possible but no later than December 29, 2021 at midnight.

KCHA has partnered with law firm Ogden Murphy Wallace, P.L.L.C. to review exemption requests to evaluate the nature and validity of the request in alignment with EEOC guidelines. If more information is

needed, HR will contact you with additional questions. If sufficient information was provided, HR will provide the requestor a written determination of approval or denial of the exemptions.

Staff will be notified if the request meets the exemption criteria, and, if so, whether the exemption is permanent or provisional. Human Resources will outline expectations for continued safety measures including wearing face coverings, social distancing, daily self-screening, work and or workplace modifications, and the procedure for promptly reporting COVID-19 symptoms. Employees who are unvaccinated by an approved exemption must strictly follow all stated expectations.

APPROVED: If approved, the requestor will be moved to the Reasonable Accommodation Review process. KCHA anticipates this stage to begin around mid-January. An approved exemptions does not guarantee that a reasonable accommodation can be made.

WORK ACCOMMODATIONS FOR EXEMPTED EMPLOYEES: Continued employment for exempted employees will be available until the reasonable accommodation process is complete.

DENIED: If denied, the requestor will be given until February 28, 2022 to comply with the vaccination requirements or will be placed on 30-days administrative leave on March 1, 2022 and separated from employment on March 31, 2022 in alignment with the vaccine requirement separation process. If staff have provided required documentation by February 28, 2022, staff will be permitted to continue working, following all masking and social distancing requirements, a possible alternative work arrangement and any other safety and health requirements until they reach full vaccinated status.

EXEMPTION APPEAL: An employee may file an appeal for a secondary review if their initial request is denied. Appeals must be requested within ten calendar days of the initial determination. If the exemption request is again denied, the employee may remain in the workplace with proper face covering and social distancing while they become fully vaccinated. Failure to provide proof of becoming vaccinated by February 28, 2022 will result in the employee being placed on paid administrative leave in alignment with vaccine requirement employment separation procedures.

REASONABLE ACCOMMODATION: Once the Reasonable Accommodation review process begins, KCHA will initiate an interactive dialogue with the supervisor/employee about the employee's functional capabilities, work requirements, interactions with residents and clients, and what if any reasonable accommodations may be appropriate to enable the employee to meet the business needs of the organization and perform the essential functions of the position. An assessment of the impact of the proposed accommodation on the overall financial resources, interactions with residents and clients, operations and workflow of the department and KCHA will be evaluated. If a reasonable accommodation is identified, the accommodation will be subject to continuous review and evaluation depending on guidance from public health officials. Reasonable accommodations may need to be changed or modified or eliminated as circumstances change. KCHA may not be able to reasonably accommodate all those who request and receive an exemption. Reasonable accommodations cannot be appealed.

For new hires after December 1, 2021, they must inform KCHA's Human Resources department as soon as possible if they intend to apply for an exemption. They will not be able to start employment until and unless an exemption is approved and a reasonable accommodation can be made.

III. Compliance

Barring a qualifying medical or religious exemption, regular and long term temporary, benefit-eligible employees who have completed their introductory period who fail to provide the required documentation by February 28, 2022, will be placed on paid administrative leave for thirty (30) calendar days. KCHA will separate employment at the end of the thirty-day period. Employment separation will be non-disciplinary and affected employees will be deemed eligible for a competitive rehire if they 1) otherwise left in good standing and 2) provide proof they meet the vaccination requirement. The Human Resources department will notify separating employees of their outgoing benefit package and contact information. Interns, non-benefit, introductory period and temporary employees who have not qualified for an exemption, will be separated on March 1, 2022 without the paid administrative leave benefits.

More Information

See the [KCHA COVID-19 Vaccine Policy FAQs](#). KCHA staff should also regularly check their emails and hard copy postings for staff without regular access to email for follow-up communications about the implementation of the policy and requirements. The King County Housing Authority reserves the right to modify, add, or waive requirements as the COVID-19 situation changes.

COVID VACCINE EXEMPTION REQUEST PROCESS

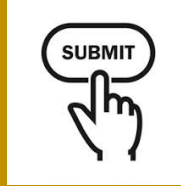
FORM

Employee completes medical or religious exemption request form.



SUBMIT

Complete form, attach documentation, submit to HRCOVIDOPS@KCHA.ORG by 12/29/2021.



REVIEW

HR submits request to Odgen Murphy for legal review and decision making.



RESPONSE

1. More information needed
2. Approved
3. Denied



APPROVED

Move to phase 2
Reasonable
Accommodation Review



DENIED

Obtain full vaccination by 2/28/2022 or separate employment 3/1/2022.



- **FORMS:** Retrieve the appropriate form from [P-drive](#) or request the appropriate form from HRCOVIDOPS@KCHA.ORG. Complete document in detail with supporting documentation.
- **SUBMIT:** Submit completed exemption request and supporting documentation via email to HRCOVIDOPS@KCHA.ORG by **December 29, 2021**. Please ensure that you have responded to all questions and data requests.
- **REVIEW:** KCHA has partnered with law firm Ogden Murphy Wallace, P.L.L.C. to evaluate the nature and validity of exemption requests in alignment with ADA, EEOC and State guidelines.
- **RESPONSE:** 1. If more information is needed, HR will contact you with additional questions. 2. If sufficient information was provided, HR will provide the requestor a written determination of approval or denial of the exemptions.

- **APPROVED:** If approved, the requestor will be moved to the Reasonable Accommodation Review process. KCHA anticipates this stage to begin around January 15, 2022. Please complete the Reasonable Accommodation Form that can be found on the [P-drive](#).
- **DENIED:** If denied, the requestor will be given until February 28, 2022 to comply with vaccination requirements, or will move to the vaccine requirement policy separation process March 1st.
- **Appeal:** Exemption Request Appeals must be submitted within ten business days of the initial determination in alignment with the HR Policies and Procedures Manual, Section 2.6. Appeals will be reviewed by the Executive Director or Designee in consultation with legal counsel and HR.

KCHA COVID-19 Vaccine Reasonable Accommodation Process

QUESTIONNAIRE TO STAFF/SUPERVISOR

HR sends questionnaire to employee & supervisor to learn about job duties both modified for COVID and standard operating requirements.

STEP 01

REVIEW ESSENTIAL DUTIES

HR and supervisor meet to analyze job duties to determine if staff can be accommodated in current role. Can public interaction be eliminated? **IF NO, go to Step 3**

STEP 02

EXPLORE ALTERNATIVES

Can staff be moved to an alternative work site; is there a different position at a comparable level; or can other work arrangements be made?

STEP 03

INTERACTIVE PROCESS

HR meets with employee to discuss options. Accommodations are subject to ongoing review, modification, or withdrawal if it is no longer feasible. Approved or denied.

STEP 04

CONFIRM EXPECTATIONS

Accommodated staff may be required to:

- Wear KN95 masks
- Social distancing at all times
- Careful hygiene and sanitation measures
- Possible routine COVID-19 testing

STEP 05

If a reasonable accommodation cannot be reached staff may choose to vaccinate by February 28, 2022, or move to vaccine requirement policy separation process March 1, 2022.

T A B N U M B E R



KCHA IN THE NEWS

January 18, 2022



Leading, and now leaving, the King County Housing Authority

By [Ashley Archibald](#) | December 22, 2021

Stephen Norman has helped house thousands of households and now is looking forward to passing the baton



King County Housing Authority Executive Director Stephen Norman has worked at KCHA since 1997 and is retiring at the end of 2021. He worked to preserve naturally affordable housing during his tenure, which included purchasing buildings and units in the area to rent out directly from the Housing Authority.

Stephen Norman, the executive director of the King County Housing Authority, will retire at the end of the year after more than two decades on the job. He will be working right up to the last minute, closing out two bonds worth thousands of units of affordable and workforce housing and getting households into units using emergency housing vouchers approved through recent federal legislation.

"Let me tell you, retiring is hard work," Norman said.

Norman began his career as a community organizer in the Sunset Park neighborhood of South Brooklyn. It became clear to him that access to safe, affordable housing for the communities with which he was working was a critical precursor to other objectives.

He joined New York City's Housing Department in the 1980s as homelessness became visible on the city's streets and worked to set up a pipeline for thousands of units of affordable housing for people experiencing homelessness. He went from there to the Corporation for Supportive Housing, a national organization that worked on what was then a new model called permanent supportive housing (PSH). PSH is now the gold standard for high-need individuals.

Norman came to the King County Housing Authority (KCHA) in 1997. In the past 25 years, the organization has worked to preserve naturally affordable housing, prevent displacement of vulnerable communities and open the doors of high-cost, high-opportunity locations to people who would otherwise not be able to afford to live there. But the region has also seen the loss of housing units and slow movement on embracing density paired with mass transit, exacerbating the strain on the housing market.

The following interview has been edited for length and clarity.

***Real Change:* What are your thoughts on how the PSH model has changed over time and the take-up rate? Do you feel that it has been embraced as it should?**

Stephen Norman: No. I think our frustration over the years is that the model has proved its effectiveness. The proof of concept is there, the jury is in, that quality, permanent supportive housing has successful outcomes, both for the individuals who are being housed [and] for the communities they're being housed in, because it is far better to have folks in housing than on the streets. And it has also been a success from the perspective of the taxpayers in that it is far more cost effective to get people into permanent supportive housing than it is to have them endlessly cycling between the streets and the jails and the emergency rooms, each of which works on whatever the presenting issue is and then just sort of passes people on again.

... And I think that the frustration is that the federal government in particular, but also ... state and local governments, have never really put in the level of resources needed to scale this up.

What role has the housing authority played there?

I think the focus on housing authorities has been on housing folks who are at an economic level that they need additional support to be housed. And I think what we've seen over the last decade, a little earlier in the case of the King County Housing Authority, was a proactive outreach to other systems to see how we could partner to provide housing. Although I would be the first to say that we don't run permanent supportive housing; this is not within our expertise.

We partner with the groups who know how to do that — the Catholic Community Services, the Plymouth, the DESCs — to provide rental subsidy in housing that gets developed as PSH. And I think part of our frustration out in the county is that there has not been, until relatively recently, much of a pipeline in PSH outside of the city of Seattle. That's where the nonprofits — for a variety of reasons, including the fact that you had a city housing levy to provide the additional funding needed — that's where they focus much of their efforts.

Here what we did was we aggressively went after special purpose Housing Choice vouchers — Section 8 vouchers — that could be used with homeless populations. And we've used most of that on a scatter site basis. We have, at this point, over 5,000 vouchers. Well, most of it is vouchers. Some of it is housing, but we have 5,000 households that receive dedicated rental subsidies who are either homeless or living with disabilities.

What work has the King County Housing Authority done to preserve “naturally affordable” housing?

I want to give full credit to Dan Watson and Tim Walter on the staff, most of whom were here before I left...

[B]oth were here before I came, and both of them are in senior leadership roles as I leave. They really started this program back in the early '90s, but we have been able to accelerate it, particularly in the last few years. We currently have over 8,500 units that we've purchased around the county, and we do this for a number of reasons.

The first is to avoid the displacement of existing populations as the markets change around them. And I think Wonderland Estates is a great example. Another is Highland Village, which was a complex we saved in Bellevue a few years ago. Bellevue Manor, which is three blocks off Old Main in downtown Bellevue, where the prior owner was opting out of the federal subsidies and selling the site. This was extremely low-income seniors, and I have no doubt that the site would have been a construction site within a year and a half.

So, we do a lot of this to keep folks from being displaced. The second is that we are essentially trying to create a portfolio of housing, a percentage of the inventory in this region, that is decoupled from rising market pressures. What economists would say is it's been “decommodified.” And this is essentially social housing that is owned by the Housing Authority, directly.

And for a region that is never going to, I think, get to rent control, this is the strategy that can keep rents reasonable for a portion of the inventory, and this is not new. This is essentially the European social housing model that's been practiced in most major European social democracy urban cores since World War II, in the case of Vienna, since World War I. And I think it's an important approach here — really across the country — is that we need a far larger portion of that rental housing inventory in urban areas that is owned by either nonprofits or public entities simply so you don't have the kind of dynamic pricing that we're seeing in much of the housing market in hot communities.

The third thing it does is, because we are buying this housing mostly in what we would call “high-opportunity neighborhoods,” is that it keeps existing residents in those neighborhoods with good schools and job prospects. But we are a very receptive Section 8 landlord. So about 15 percent of the housing in this inventory is occupied by people with housing choice vouchers. They have a true mix of incomes here from zero to 80 percent of [area median income (AMI)], but it gives access, broader access, for extremely low-income households into these kind of high-opportunity neighborhoods.

And we have combined that with buying up small complexes and converting them to public housing. ... And this is also another way of creating more options for extremely low-income families to live in these high-opportunity neighborhoods and take advantage of the fact that they have all sorts of strengths that help households and their children, most particularly, prosper over the long term.

State law doesn't allow for rent control in our area. But if you were to be able to wave a magic wand, is that a policy preference that you would have?

I think some kind of what we called in New York “rent stabilization,” which was a middle path between complete rent control and complete unfettered market capitalism. I think the devil is always in the details, but I think that we do need to figure out a way to mitigate the impacts of these rent increases, particularly if we are not successful — and we are not — in addressing the supply-demand imbalance that we have within our market.

What are some policies that you’ve seen over the course of your tenure at the Housing Authority that could allow these kinds of solutions to scale?

The first is on the availability of housing choice vouchers. Nationally, one-in-four households that is eligible for a voucher actually gets a voucher, and it is the only means-tested federal poverty program where qualifying doesn’t get you the benefit. If you qualify for food stamps, you get food stamps. If you qualify for Medicaid, you get Medicaid. If you qualify for housing choice vouchers, you get on a waiting list, which is frequently five-to-10 years long. So, I think the first challenge is that we have to have a much larger supply of vouchers.

We both need to preserve the affordable housing through the strategies we were talking about before, but we’ve also got to build a lot more housing. And I think a couple of key elements of the production piece are one, around density. And I think that we have to look at this region as a whole because we can’t load all the density into Seattle. And I will be clear that as somebody who grew up in Manhattan, my concept of density is a little different than folks out here, and I understand and respect the concern about quality of life in single-family neighborhoods.

But I think that there needs to be a thoughtful, regional approach that both tries to maximize the protection for the lower-density neighborhoods that people have invested, in some cases, their life savings in and are concerned about change. But at the same time, we need to create enough land that is zoned for sufficient density that we can really start to see a significant increase in housing production. But a lot of that also will involve transportation. Mass transit is first and foremost, not a people conveyor, but a land use determinant.

The other piece is the cost of housing construction for a wide variety of reasons is too high, and the reality is that the rents that many people can afford to pay in this region won’t adequately support the cost of the private sector constructing this housing. It ranges from the cost of land because we don’t have that much developable land that has been zoned right, to a scarcity of contractors, to a scarcity of workers, to material costs, to the overlay of regulations.

Over your tenure at KCHA, what do you consider the greatest challenge that you had to overcome, and what do you see the challenge for your successor to be?

Well, I think the challenge for everybody in the housing arena at the moment is homelessness. They declared a state of emergency, what, a decade ago?

The most recent one was in November of 2015, if I recall correctly.

Okay, six years. People were dying on the streets in the wealthiest nation in the history of the world. This is a moral imperative that we figure out how to do this. And I think from where we sit, the frustration is we think we know some of the tried-and-true solutions. Rental subsidies, housing development. What we need are the resources to do more of it, to scale it up. And then I think, particularly on the [homelessness] challenge, the behavioral health care system in this state is simply not providing the level of resources to local-based efforts to address homelessness that it needs to do.

In the current climate where we are seeing housing prices escalate to the degree that we are seeing it, do you see the role of the housing authority changing or the need for it changing as we continue on this path?

Well, I think that our scope has broadened out from an initial focus on households that were earning between zero and 30 percent of AMI to a broader range of incomes through the acquisitions we're doing, because I don't think you can solve the homeless issue. I don't think you can solve the total housing issue for folks between zero and 30 percent of AMI unless you really solve the housing issue for folks up to 80 percent of AMI, and it gives you both opportunities to do more income mixing within complexes. But it really tries to start to stabilize a portion of the inventory across that full range of incomes.

Can you elaborate on issues of equity in housing?

Well, I think a lot of what we deal with in this country and in this region in terms of poverty and homelessness is a result of deeply embedded, systematized, historical patterns of racism. Everything from the deliberate efforts by the federal government to keep African American households from buying housing in the suburbs that were being created after World War II; which is one of the main drivers in the disparities in terms of household wealth between African American and white households in this country, to the fact that we have criminalized, to a certain degree, homelessness, poverty and race in this country and that we deal with a lot of clients who, I don't think, if they were white, would have the records that the police department will show they have for things that really are the result of being homeless, being of a different color, and that this all has an impact on people's life successes.

After 45 years in this business and 25 years at the King County Housing Authority, what are you going to do with your free time?

First thing I'm going to do is catch up with sleep... I'm looking forward to taking some time to kick back and relax a bit and sort of take stock. We are housing about 60,000 people a night, and the operational demands of that are pretty all-consuming. I would like to really sort of sit back and take a little stock and gain a little bit of perspective before I commit to doing anything else. Certainly I am going to be working on brushing up my barbecue skills and catching up on my reading.

Do you have any advice for the next person who's going to sit in your chair?

I think my strongest piece of advice is that the critical elements of success in this job are, one, listening to the communities we serve and then, two, partnering on all levels and in all directions. Those are the key elements here. There's a tremendous staff at the housing authority. We have some 450 employees, and I can't praise them highly enough, particularly the frontline workers who, even in the midst of this pandemic, are out there serving our communities and trying to get people housed and helping keep people to stay housed. They really get all the credit.

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