



MEETING OF THE BOARD OF COMMISSIONERS

VIRTUAL MEETING

Monday, May 16, 2022

[Zoom Meeting:](#)

**[https://kcha-
org.zoom.us/j/84781916565?pwd=WXdYbnJtU1JmUnJ
GMHlHVXFHZNArZz09](https://kcha-org.zoom.us/j/84781916565?pwd=WXdYbnJtU1JmUnJGMHlHVXFHZNArZz09)**

PASSCODE: KCHA

Meeting ID: 847 8191 6565

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

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



VIRTUAL ANNUAL MEETING OF THE BOARD OF COMMISSIONERS AGENDA

May 16, 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 – April 18, 2022

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V. Approval of Agenda

VI. Consent Agenda

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A. Voucher Certification Reports for March 2022

VII. Resolution for Discussion and Possible Action

**A. Resolution No. 5720 – Acquisition of Investor Members' interest
in Eastbridge Apartments LLC**

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B. Resolution No. 5721 – Acquisition of Investor Members’ interest in Sixth Place Apartments LLLP	4
C. Resolution No. 5722 – Acquisition of Investor Members’ interest in Zephyr Apartments LLLP	5
 VIII. Briefings & Reports	
A. 2022 Property Management Overview & Update	6
B. Fourth Quarter 2021 Financial Reports	7
C. Construction Market Challenges	8
D. Office of EDI Update Scarleth	9
E. First Quarter 2022 Write-off’s	10
 IX. Executive Director Report	
X. KCHA in the News	11
 XI. Commissioner Comments	
 XII. Adjournment	

Members of the public who wish to give public comment: We are now accepting public comment during the meeting or written comments. Please send your requests for public comment to the Board Coordinator via email to kamir@kcha.org prior to the meeting date. If you have questions, please call 206-574-1206.

T A B N U M B E R

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

Monday, April 18, 2022

I. CALL TO ORDER

The monthly meeting of the King County Housing Authority Board of Commissioners was held virtually on Monday, April 18, 2022. There being a quorum, the virtual meeting was called to order by Chair Barnes at 8:30 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

Maria Hudson submitted written public comment.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – March 21, 2022

On motion by Commissioner Susan Palmer, and seconded by Commissioner John Welch, the Board unanimously approved the March 21, 2022 Meeting Minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Susan Palmer, the Board unanimously approved the April 18, 2022 virtual Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Report for February 2022

On motion by Commissioner Susan Palmer, and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the April 18, 2022 virtual Board of Commissioners' meeting consent agenda.

VII. RESOLUTION FOR DISCUSSION AND POSSIBLE ACTION

A. Resolution No. 5716 – Authorizing Approval of the Sustainability Action Plan for the Five Year Period from 2022 to 2026.

Scott Percival, Resource Conservation Program Manager, updated the board with clarified language around water usage.

Mr. Percival also reported on the feedback from the two resident outreach meetings, each with an average attendance of around of 45. There overwhelming consensus was positive and they are interested in getting involved with sustainability efforts.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Susan Palmer, the Board unanimously approved Resolution 5716.

B. Resolution No. 5717 – Resolution Authorizing the Limited Payout of Accrued Vacation Leave in Excess of Maximum Annual Vacation Carryover Balances.

Craig Violante, Interim Deputy Executive Director and Chief Administrative Officer, explained that this resolution allows for a one-time policy variance that will raise the maximum accrual cap by 50% at 12/31/2022. The temporary exception will allow employees to avoid the loss of accrued vacation at the end of 2022.

On motion by Commissioner Susan Palmer, and seconded by Commissioner John Welch, the Board unanimously approved Resolution 5717.

C. Resolution No. 5718 – Approval of the Revision of the KCHA Procurement Policy of Section B(1), Review and Approval Process, Section B(2), Budget Authority, Section B(4), Very Small Purchases and Section B(5), Small Purchases.

Craig Violante, Interim Deputy Executive Director and Chief Administrative Officer, explained that this resolution brings KCHA's Procurement policy into alignment with Federal regulations whereby contracts for goods and services valued as less than \$50,000 may be procured by obtaining a single bid. This will enable faster procurement of essential services throughout the entire agency.

Questions of Commissioners were answered.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Regina Elmi, the Board unanimously approved Resolution 5718.

D. Resolution No. 5719 – Acknowledging Receipt of the Post Audit Reports for the Period January 1, 2020 through December 31, 2020.

Windy Epps, Finance Director, presented the Audit Reports.

Ms. Epps reported that there were no findings or management letters in any of this year's audits

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner John Welch, the Board unanimously approved Resolution 5719.

VIII. BRIEFINGS AND REPORTS

A. 2021 Moving to Work Annual Report

Annie Pennucci, Director of Impact & Evaluation and Kyle Pierce, MTW Program Manager, gave a summary of 2021 Moving to Work Annual Report.

The report outlines the agency's goals, provides and overview of operational information for the MTW program, and summarizes the status of previously-approved initiatives.

Questions of Commissioners were answered.

B. 2021 Fourth Quarter Executive Dashboard

Andrew Calkins, Director of Policy & Intergovernmental Affairs gave a summary of the Dashboard through the end of 2021 and analyzed some of the key metrics.

Questions of Commissioners were answered.

C. First Quarter 2022 Procurement Report

Craig Violante, Interim Deputy Executive Director, Chief Administrative Officer, covered highlights of the report.

Questions of Commissioners were answered.

D. REDI quarterly Update & Office of EDI April Highlights

Scarleth Lever Ortiz, Senior Director for Equity, Diversity and Inclusion
Tonya Harlan, Director of Human Resources
Channie Butler, Section 8 Applications Development Specialist

Jesse Bennett, Construction Coordinator
Lisa Herrera, Senior Property Manager
Pam Taylor, Director of Housing Choice Voucher Programs

The team highlighted some of the important events for the month of April, including

- National Arab American Heritage Month
- Stress Awareness Month
- Earth Day – April 22, 2022

There was a presentation regarding the development process for KCHA's new Staff Dashboard at a Glance which will involve stakeholders in every step of the process.

Questions of Commissioners were answered.

IX. EXECUTIVE DIRECTOR REPORT

Interim Executive Director Watson explained that the Shopping Success rate for HCV utilization is down from prior years, which highlights the challenging rental market. We are pleased with the progress that we are making with the leasing of the Emergency Housing Vouchers.

This is a complicated program as community-based organizations make referrals through the Regional Homeless Authority and then on to KCHA. We have now leased 40% of our 762 allocated vouchers, compared to the national average of 24%.

Mr. Watson commended the work that is being done by KCHA staff in many key departments, including HCV, Homeless Housing, Asset Management and Resident Services.

VASH vouchers are now above a 70% leasing rate which last year was the minimum level to be eligible to apply for new vouchers. This has required a tremendous effort from staff.

The President's proposed budget has been released, but it is typically more of a political document than a specific spending plan. It did include a substantial increase for additional vouchers.

State appropriators have set aside \$300 million for "rapid acquisitions" of hotels and apartments to address homelessness issues.

There has been an increase in security issues both at the central offices and at field sites. An RFP is being issued to help create a Security Master Plan, and the hiring of a Security Manager is planned.

Mr. Watson stated that throughout the pandemic we have asked for written public comment only. Going forward we will utilize the Zoom webinar feature that will allow public comment

using this method. Written comment can still be submitted. Resuming in-person meetings is also being studied.

KCHA has historically looked to do much of its investing in high opportunities areas and large Public Housing re-developments, such as Greenbridge and Seola Gardens. From an equity standpoint, we also need to look at investing in some low income communities.

Next month we will have a presentation to the board on Public Housing and property management, and we are interesting in hearing from the Board on other potential topics.

X. KCHA in the News

None.

XI. COMMISSIONER COMMENTS

The Board appreciates the modifications to the Board meetings with the briefings and deeper dives on certain topics.

There are a number of King County School Districts that are going through leadership transitions, and there are number of new Superintendents. If there are any introductions or anything that Commissioner Welch can be helpful with, please don't hesitate to reach out.

The Board commended Mr. Watson for the good job he is doing.

XII. ADJOURNMENT

Vice-Chair Palmer adjourned the meeting at 9:55 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, Associate Director of Finance

Date: May 2, 2022

Re: **VOUCHER CERTIFICATION FOR MARCH 2022**

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
Associate Director of Finance
May 2, 2022

Bank Wires / ACH Withdrawals		8,847,119.59
	<i>Subtotal</i>	8,847,119.59
Accounts Payable Vouchers		
Key Bank Checks - #339189-339606		4,120,271.00
Tenant Accounting Checks - #11623-11648		17,878.55
	<i>Subtotal</i>	4,138,149.55
Payroll Vouchers		
Checks - #92924-92962		58,123.77
Direct Deposit		1,877,570.62
	<i>Subtotal</i>	1,935,694.39
Section 8 Program Vouchers		
Checks - #637372-637849		217,352.24
ACH - #539939-542675		17,908,562.17
	<i>Subtotal</i>	18,125,914.41
Purchase Card / ACH Withdrawal		349,508.61
	<i>Subtotal</i>	349,508.61
	GRAND TOTAL	\$ 33,396,386.55

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	
Argyle	03/02/2022	\$ 32,060.56	A/P & Payroll	
Ballinger Commons	03/02/2022	\$ 118,805.96	A/P & Payroll	
Bellepark	03/02/2022	\$ 13,532.46	A/P	
Emerson	03/02/2022	\$ 34,439.01	A/P & Payroll	
GILMAN SQUARE	03/02/2022	\$ 63,287.61	A/P & Payroll	
Hampton Greens	03/02/2022	\$ 9,587.34	A/P	
Kendall Ridge	03/02/2022	\$ 16,288.80	A/P	
Landmark	03/02/2022	\$ 9,963.49	A/P	
Meadowbrook	03/02/2022	\$ 33,713.45	A/P & Payroll	
Riverstone	03/02/2022	\$ 38,055.42	A/P	
SALMON CREEK	03/02/2022	\$ 11,352.91	A/P	
Surrey Downs	03/02/2022	\$ 35,654.02	A/P & Payroll	
Villages at South Station	03/02/2022	\$ 64,470.13	A/P & Payroll	
Woodside East	03/02/2022	\$ 41,254.18	A/P	
ALPINE RIDGE	03/03/2022	\$ 4,239.44	A/P & Payroll	
ARBOR HEIGHTS	03/03/2022	\$ 10,704.65	A/P & Payroll	
Aspen Ridge	03/03/2022	\$ 10,840.35	A/P & Payroll	
Auburn Square	03/03/2022	\$ 15,369.16	A/P & Payroll	
Ballinger Commons	03/03/2022	\$ 70,907.45	EPARAP Correction	
Ballinger Commons	03/03/2022	\$ 40,140.79	EPARAP Correction	
Ballinger Commons	03/03/2022	\$ 26,444.00	EPARAP Correction	
Ballinger Commons	03/03/2022	\$ 8,628.00	EPARAP Correction	
Carriage House	03/03/2022	\$ 16,508.62	A/P & Payroll	
Carrington	03/03/2022	\$ 15,315.86	A/P & Payroll	
CASCADIAN	03/03/2022	\$ 54,861.89	A/P & Payroll	
Colonial Gardens	03/03/2022	\$ 9,426.13	A/P & Payroll	
FAIRWOOD	03/03/2022	\$ 52,526.21	A/P & Payroll	
HERITAGE PARK	03/03/2022	\$ 12,745.48	A/P & Payroll	

LAURELWOOD	03/03/2022	\$ 10,881.61	A/P & Payroll	
Meadows	03/03/2022	\$ 17,115.01	A/P & Payroll	
Newport	03/03/2022	\$ 44,168.29	A/P & Payroll	
Newporter	03/03/2022	\$ 16,882.98	A/P & Payroll	
OVERLAKE	03/03/2022	\$ 28,725.95	A/P & Payroll	
Parkwood	03/03/2022	\$ 7,208.19	A/P & Payroll	
Pinewood	03/03/2022	\$ 9,172.16	A/P & Payroll	
RAINIER VIEW I	03/03/2022	\$ 7,015.48	A/P & Debt service	
RAINIER VIEW II	03/03/2022	\$ 7,524.36	A/P & Debt service	
SALMON CREEK	03/03/2022	\$ 295.00	A/P & Payroll	
Sandpiper East	03/03/2022	\$ 16,060.91	A/P & Payroll	
SI VIEW	03/03/2022	\$ 3,685.59	A/P & Debt service	
SOUTHWOOD SQUARE	03/03/2022	\$ 15,312.35	A/P & Payroll	
Tall Cedars	03/03/2022	\$ 17,152.88	A/P & Payroll	
Timberwood	03/03/2022	\$ 33,781.10	A/P & Payroll	
Walnut Park	03/03/2022	\$ 26,468.59	A/P & Payroll	
WINDSOR HEIGHTS	03/03/2022	\$ 34,718.30	A/P & Payroll	
Woodridge Park	03/03/2022	\$ 18,045.95	A/P & Payroll	
Cottonwood	03/08/2022	\$ 7,371.89	A/P & Payroll	
Cove East	03/08/2022	\$ 21,666.06	A/P & Payroll	
NIA	03/08/2022	\$ 31,731.43	A/P & Payroll	
SALMON CREEK	03/08/2022	\$ 24,778.93	A/P & Payroll	
SEOLA CROSSING	03/08/2022	\$ 61,088.33	A/P & Payroll	
SEOLA CROSSING	03/08/2022	\$ 20,061.08	A/P & Payroll	
Ballinger Commons	03/09/2022	\$ 14,040.00	EPRAP Correction	
Bellepark	03/09/2022	\$ 19,647.03	A/P & Payroll	
Hampton Greens	03/09/2022	\$ 29,498.20	A/P & Payroll	
Juanita View	03/09/2022	\$ 23,850.38	A/P & Payroll & OCR	
Kendall Ridge	03/09/2022	\$ 27,834.62	A/P & Payroll	
Kirkland Heights	03/09/2022	\$ 45,972.28	A/P & Payroll & OCR	
Landmark	03/09/2022	\$ 17,000.28	A/P & Payroll	
Riverstone	03/09/2022	\$ 42,628.33	A/P & Payroll	
Woodside East	03/09/2022	\$ 23,186.68	A/P & Payroll	
ALPINE RIDGE	03/10/2022	\$ 4,698.26	A/P	
ARBOR HEIGHTS	03/10/2022	\$ 16,329.98	A/P	
Aspen Ridge	03/10/2022	\$ 3,132.73	A/P	
Auburn Square	03/10/2022	\$ 14,536.64	A/P	
Carriage House	03/10/2022	\$ 13,138.36	A/P	
Carrington	03/10/2022	\$ 7,259.33	A/P	
CASCADIAN	03/10/2022	\$ 5,190.77	A/P	

Colonial Gardens	03/10/2022	\$ 13,904.53	A/P	
FAIRWOOD	03/10/2022	\$ 7,197.42	A/P	
HERITAGE PARK	03/10/2022	\$ 17,814.42	A/P	
LAURELWOOD	03/10/2022	\$ 5,051.70	A/P	
Meadows	03/10/2022	\$ 3,887.50	A/P	
Newport	03/10/2022	\$ 26,486.80	A/P	
Newporter	03/10/2022	\$ 1,524.00	A/P	
OVERLAKE	03/10/2022	\$ 62,053.40	A/P	
Parkwood	03/10/2022	\$ 2,168.19	A/P	
Pinewood	03/10/2022	\$ 4,226.25	A/P	
RAINIER VIEW I	03/10/2022	\$ 5,017.24	A/P	
RAINIER VIEW II	03/10/2022	\$ 2,759.73	A/P	
Sandpiper East	03/10/2022	\$ 3,751.01	A/P	
SI VIEW	03/10/2022	\$ 1,908.41	A/P	
SOUTHWOOD SQUARE	03/10/2022	\$ 7,664.60	A/P	
Timberwood	03/10/2022	\$ 10,133.45	A/P	
Vashon Terrace	03/10/2022	\$ 2,719.44	A/P	
Walnut Park	03/10/2022	\$ 10,170.27	A/P	
WINDSOR HEIGHTS	03/10/2022	\$ 53,951.39	A/P	
Woodridge Park	03/10/2022	\$ 37,298.32	A/P	
ALPINE RIDGE	03/11/2022	\$ 150,000.00	Distribution - Q1 2022	
ARBOR HEIGHTS	03/11/2022	\$ 100,000.00	Distribution - Q1 2023	
Aspen Ridge	03/11/2022	\$ 110,000.00	Distribution - Q1 2024	
Auburn Square	03/11/2022	\$ 400,000.00	Distribution - Q1 2025	
Ballinger Commons	03/11/2022	\$ 2,400,000.00	Distribution - Q1 2026	
Bellepark	03/11/2022	\$ 450,000.00	Distribution - Q1 2027	
Carriage House	03/11/2022	\$ 370,000.00	Distribution - Q1 2028	
Carrington	03/11/2022	\$ 187,000.00	Distribution - Q1 2029	
CASCADIAN	03/11/2022	\$ 325,000.00	Distribution - Q1 2030	
Colonial Gardens	03/11/2022	\$ 205,000.00	Distribution - Q1 2031	
Cottonwood	03/11/2022	\$ 150,000.00	Distribution - Q1 2032	
Cove East	03/11/2022	\$ 350,000.00	Distribution - Q1 2033	
Emerson	03/11/2022	\$ 1,100,000.00	Distribution - Q1 2034	
FAIRWOOD	03/11/2022	\$ 335,000.00	Distribution - Q1 2035	
GILMAN SQUARE	03/11/2022	\$ 500,000.00	Distribution - Q1 2036	
Hampton Greens	03/11/2022	\$ 830,000.00	Distribution - Q1 2037	
HERITAGE PARK	03/11/2022	\$ 160,000.00	Distribution - Q1 2038	
Juanita View	03/11/2022	\$ 30,000.00	Distribution - Q1 2039	
Kendall Ridge	03/11/2022	\$ 910,000.00	Distribution - Q1 2040	
Kirkland Heights	03/11/2022	\$ 35,000.00	Distribution - Q1 2041	

Landmark	03/11/2022	\$ 550,000.00	Distribution - Q1 2042	
LAURELWOOD	03/11/2022	\$ 200,000.00	Distribution - Q1 2043	
Meadowbrook	03/11/2022	\$ 180,000.00	Distribution - Q1 2044	
Meadows	03/11/2022	\$ 120,000.00	Distribution - Q1 2045	
Newporter	03/11/2022	\$ 420,000.00	Distribution - Q1 2046	
Parkwood	03/11/2022	\$ 265,000.00	Distribution - Q1 2047	
Pinewood	03/11/2022	\$ 99,750.00	Distribution - Q1 2048	
Riverstone	03/11/2022	\$ 1,100,000.00	Distribution - Q1 2049	
Sandpiper East	03/11/2022	\$ 530,900.00	Distribution - Q1 2050	
SOUTHWOOD SQUARE	03/11/2022	\$ 20,000.00	Distribution - Q1 2051	
Surrey Downs	03/11/2022	\$ 11,000.00	Distribution - Q1 2052	
Tall Cedars	03/11/2022	\$ 100,000.00	Distribution - Q1 2053	
Timberwood	03/11/2022	\$ 750,000.00	Distribution - Q1 2054	
Villages at South Station	03/11/2022	\$ 300,000.00	Distribution - Q1 2055	
Villages at South Station	03/11/2022	\$ 300,000.00	Distribution - Q1 2056	
Villages at South Station	03/11/2022	\$ 300,000.00	Distribution - Q1 2057	
Walnut Park	03/11/2022	\$ 400,000.00	Distribution - Q1 2058	
WINDSOR HEIGHTS	03/11/2022	\$ 660,000.00	Distribution - Q1 2059	
Woodridge Park	03/11/2022	\$ 370,000.00	Distribution - Q1 2060	
Woodside East	03/11/2022	\$ 710,000.00	Distribution - Q1 2061	
Argyle	03/16/2022	\$ 30,463.01	A/P & Pyaroll	
Ballinger Commons	03/16/2022	\$ 103,631.85	A/P & Pyaroll	
Bellepark	03/16/2022	\$ 6,680.11	A/P	
Emerson	03/16/2022	\$ 109,571.58	A/P & Pyaroll	
GILMAN SQUARE	03/16/2022	\$ 40,592.16	A/P & Pyaroll	
Hampton Greens	03/16/2022	\$ 24,652.25	A/P	
Kendall Ridge	03/16/2022	\$ 15,695.39	A/P	
Meadowbrook	03/16/2022	\$ 31,711.96	A/P & Pyaroll	
Riverstone	03/16/2022	\$ 22,318.22	A/P	
SALMON CREEK	03/16/2022	\$ 557.49	A/P & Pyaroll	
Surrey Downs	03/16/2022	\$ 34,579.90	A/P & Pyaroll	
Villages at South Station	03/16/2022	\$ 74,004.71	A/P & Pyaroll	
Woodside East	03/16/2022	\$ 8,953.27	A/P	
ALPINE RIDGE	03/17/2022	\$ 9,055.34	A/P & Pyaroll	
ARBOR HEIGHTS	03/17/2022	\$ 25,734.37	A/P & Pyaroll	
Aspen Ridge	03/17/2022	\$ 12,261.29	A/P & Pyaroll	
Auburn Square	03/17/2022	\$ 28,683.14	A/P & Pyaroll	
Carriage House	03/17/2022	\$ 14,843.09	A/P & Pyaroll	
Carrington	03/17/2022	\$ 14,033.62	A/P & Pyaroll	
CASCADIAN	03/17/2022	\$ 25,081.98	A/P & Pyaroll	

Colonial Gardens	03/17/2022	\$ 10,668.74	A/P & Pyaroll	
FAIRWOOD	03/17/2022	\$ 23,722.02	A/P & Pyaroll	
HERITAGE PARK	03/17/2022	\$ 8,128.07	A/P & Pyaroll	
LAURELWOOD	03/17/2022	\$ 11,702.30	A/P & Pyaroll	
Meadows	03/17/2022	\$ 12,408.51	A/P & Pyaroll	
Newport	03/17/2022	\$ 28,945.88	A/P & Pyaroll	
Newporter	03/17/2022	\$ 20,977.84	A/P & Pyaroll	
OVERLAKE	03/17/2022	\$ 38,535.11	A/P & Pyaroll	
Parkwood	03/17/2022	\$ 17,770.24	A/P & Pyaroll	
Pinewood	03/17/2022	\$ 12,584.33	A/P & Pyaroll	
RAINIER VIEW I	03/17/2022	\$ 12,271.34	A/P	
RAINIER VIEW II	03/17/2022	\$ 9,910.66	A/P	
Sandpiper East	03/17/2022	\$ 34,001.11	A/P & Pyaroll	
SI VIEW	03/17/2022	\$ 5,956.58	A/P	
SOUTHWOOD SQUARE	03/17/2022	\$ 18,663.14	A/P & Pyaroll	
Timberwood	03/17/2022	\$ 17,575.16	A/P & Pyaroll	
Vashon Terrace	03/17/2022	\$ 6,585.48	A/P	
Walnut Park	03/17/2022	\$ 71,927.90	A/P & Pyaroll	
WINDSOR HEIGHTS	03/17/2022	\$ 27,003.74	A/P & Pyaroll	
Woodridge Park	03/17/2022	\$ 35,458.49	A/P & Pyaroll	
Bellepark	03/21/2022	\$ 114,724.83	EPRAP Correction	
Bellepark	03/21/2022	\$ 72,016.50	EPRAP Correction	
Bellepark	03/21/2022	\$ 68,689.00	EPRAP Correction	
Bellepark	03/21/2022	\$ 38,622.58	EPRAP Correction	
Bellepark	03/21/2022	\$ 22,428.00	EPRAP Correction	
Ballinger Commons	03/23/2022	\$ 13,800.00	EPRAP Correction	
Bellepark	03/23/2022	\$ 39,836.20	A/P & Pyaroll	
Cottonwood	03/23/2022	\$ 21,781.39	A/P & Payroll & OCR	
Cove East	03/23/2022	\$ 21,615.52	A/P & Payroll & OCR	
Hampton Greens	03/23/2022	\$ 110,228.87	A/P & Pyaroll	
Juanita View	03/23/2022	\$ 17,511.70	A/P & Payroll & OCR	
Kendall Ridge	03/23/2022	\$ 16,855.10	A/P & Pyaroll	
Kirkland Heights	03/23/2022	\$ 68,262.96	A/P & Payroll & OCR	
Landmark	03/23/2022	\$ 66,292.52	A/P & Pyaroll	
Riverstone	03/23/2022	\$ 26,502.83	A/P & Pyaroll	
SALMON CREEK	03/23/2022	\$ 36,479.42	A/P & Payroll & OCR	
SEOLA CROSSING	03/23/2022	\$ 17,296.87	A/P & Payroll & OCR	
SEOLA CROSSING	03/23/2022	\$ 11,406.15	A/P & Payroll & OCR	
Woodside East	03/23/2022	\$ 70,100.08	A/P & Pyaroll	
ALPINE RIDGE	03/24/2022	\$ 466.17	A/P	

ARBOR HEIGHTS	03/24/2022	\$ 4,275.39	A/P	
Aspen Ridge	03/24/2022	\$ 3,591.24	A/P	
Auburn Square	03/24/2022	\$ 18,203.52	A/P	
Carriage House	03/24/2022	\$ 14,160.22	A/P	
Carrington	03/24/2022	\$ 7,734.20	A/P	
CASCADIAN	03/24/2022	\$ 23,112.34	A/P	
Colonial Gardens	03/24/2022	\$ 15,143.20	A/P	
FAIRWOOD	03/24/2022	\$ 13,678.84	A/P	
HERITAGE PARK	03/24/2022	\$ 3,537.28	A/P	
LAURELWOOD	03/24/2022	\$ 5,455.98	A/P	
Meadows	03/24/2022	\$ 8,879.10	A/P	
Newport	03/24/2022	\$ 90,725.58	A/P	
Newporter	03/24/2022	\$ 4,540.94	A/P	
NIA	03/24/2022	\$ 24,932.26	A/P	
OVERLAKE	03/24/2022	\$ 18,392.27	A/P	
Parkwood	03/24/2022	\$ 1,262.62	A/P	
Pinewood	03/24/2022	\$ 3,754.55	A/P	
RAINIER VIEW I	03/24/2022	\$ 1,186.85	A/P	
RAINIER VIEW II	03/24/2022	\$ 3,181.76	A/P	
Sandpiper East	03/24/2022	\$ 6,419.75	A/P	
SI VIEW	03/24/2022	\$ 584.00	A/P	
SOUTHWOOD SQUARE	03/24/2022	\$ 6,165.67	A/P	
Timberwood	03/24/2022	\$ 52,028.36	A/P	
Walnut Park	03/24/2022	\$ 24,388.90	A/P	
WINDSOR HEIGHTS	03/24/2022	\$ 5,376.80	A/P	
Woodridge Park	03/24/2022	\$ 10,077.29	A/P	
Tall Cedars	03/25/2022	\$ 24,903.75	A/P & Payroll	
Argyle	03/30/2022	\$ 16,255.99	A/P & Payroll	
Ballinger Commons	03/30/2022	\$ 107,710.47	A/P & Payroll	
Bellepark	03/30/2022	\$ 9,085.39	A/P	
Emerson	03/30/2022	\$ 20,541.86	A/P & Payroll	
GILMAN SQUARE	03/30/2022	\$ 100,190.21	A/P & Payroll	
Hampton Greens	03/30/2022	\$ 13,887.29	A/P	
Kendall Ridge	03/30/2022	\$ 14,554.65	A/P	
Landmark	03/30/2022	\$ 7,879.27	A/P	
Meadowbrook	03/30/2022	\$ 48,567.01	A/P & Payroll	
Riverstone	03/30/2022	\$ 17,753.38	A/P	
Surrey Downs	03/30/2022	\$ 35,767.03	A/P & Payroll	
Villages at South Station	03/30/2022	\$ 35,658.22	A/P & Payroll	
Woodside East	03/30/2022	\$ 14,075.46	A/P	

ALPINE RIDGE	03/31/2022	\$ 7,319.96	A/P & Payroll & Management fee & OCR	
ARBOR HEIGHTS	03/31/2022	\$ 11,694.82	A/P & Payroll & Management fee & OCR	
Aspen Ridge	03/31/2022	\$ 10,812.22	A/P & Payroll & Management fee & OCR	
Auburn Square	03/31/2022	\$ 31,369.13	A/P & Payroll & Management fee & OCR	
Carriage House	03/31/2022	\$ 54,051.12	A/P & Payroll & Management fee & OCR	
Carrington	03/31/2022	\$ 21,067.91	A/P & Payroll & Management fee & OCR	
CASCADIAN	03/31/2022	\$ 34,559.01	A/P & Payroll & Management fee & OCR	
Colonial Gardens	03/31/2022	\$ 23,103.17	A/P & Payroll & Management fee & OCR	
FAIRWOOD	03/31/2022	\$ 48,463.73	A/P & Payroll & Management fee & OCR	
HERITAGE PARK	03/31/2022	\$ 11,622.73	A/P & Payroll & Management fee & OCR	
LAURELWOOD	03/31/2022	\$ 14,462.03	A/P & Payroll & Management fee & OCR	
Meadows	03/31/2022	\$ 16,104.82	A/P & Payroll & Management fee & OCR	
Newport	03/31/2022	\$ 26,963.62	A/P & Payroll & Management fee & OCR	
Newporter	03/31/2022	\$ 55,104.66	A/P & Payroll & Management fee & OCR	
NIA	03/31/2022	\$ 167,594.00	A/P & Payroll & Management fee & OCR	
OVERLAKE	03/31/2022	\$ 59,062.00	A/P & Payroll & Management fee & OCR	
OVERLAKE	03/31/2022	\$ 45,162.27	A/P & Payroll & Management fee & OCR	
Parkwood	03/31/2022	\$ 11,101.55	A/P & Payroll & Management fee & OCR	
Pinewood	03/31/2022	\$ 18,888.42	A/P & Payroll & Management fee & OCR	
SALMON CREEK	03/31/2022	\$ 73,350.00	A/P & Payroll & Management fee & OCR	
Sandpiper East	03/31/2022	\$ 37,489.08	A/P & Payroll & Management fee & OCR	
SEOLA CROSSING	03/31/2022	\$ 239,033.00	A/P & Payroll & Management fee & OCR	
SEOLA CROSSING	03/31/2022	\$ 161,757.00	A/P & Payroll & Management fee & OCR	
SOUTHWOOD SQUARE	03/31/2022	\$ 26,827.13	A/P & Payroll & Management fee & OCR	
Timberwood	03/31/2022	\$ 28,795.73	A/P & Payroll & Management fee & OCR	
Walnut Park	03/31/2022	\$ 21,944.25	A/P & Payroll & Management fee & OCR	
WINDSOR HEIGHTS	03/31/2022	\$ 46,131.29	A/P & Payroll & Management fee & OCR	
Woodridge Park	03/31/2022	\$ 41,620.18	A/P & Payroll & Management fee & OCR	
TOTAL	256 Wires	\$ 22,519,209.51		

T A B N U M B E R

3



TO: Board of Commissioners

FROM: Dave Allan, Sr. Asset Manager, Tax Credit Division

DATE: May 9, 2022

RE: **Resolutions 5720, 5721 & 5722** – Acquisition of Investor Interests in Eastbridge Apartments LLC, Sixth Place Apartments LLLP and Zephyr Apartments LLLP

The attached three resolutions authorize the Interim Executive Director to take all actions necessary for KCHA to acquire the tax credit investor interests in Eastbridge Apartments LLC, Sixth Place Apartments LLLP and Zephyr Apartments LLLP.

KCHA is the sole managing member of Eastbridge Apartments LLC and General Partner of Sixth Place Apartments LLLP and Zephyr Apartments LLLP. Similar to other tax credit developments at Greenbridge, KCHA will transfer the investor interests in all three entities to Northwest Affordable Communities LLC, a KCHA wholly-owned affiliate, resulting in the termination of the investors' involvement in the projects and making KCHA the sole owner of Eastbridge Apartments LLC, Sixth Place Apartments LLLP and Zephyr Apartments LLLP.

KCHA serves or has served as the managing general partner or managing member of 32 different tax credit partnerships and limited liability companies consisting of over 40 different properties. KCHA forms these entities to generate equity from the sale of the low income housing tax credits to help finance the development of the affordable housing. The tax credit equity has been an invaluable tool without which KCHA would not have been able to develop most of the housing it has developed or redeveloped over the last 25 years.

The tax credit model is structured to pass through tax credits and tax deductions to passive investors in exchange for their investment of capital into affordable housing. The tax credits are generally distributed over a 10 to 15 year window and it is over this time period the investor expects to receive its full investment return. The basic assumption in this “non-profit” managing member/general partner tax credit investment model is that 1) the investor will step in on day one, making its investment up front, 2) a non-profit managing member/general partner will operate the property for 15 years over which time the investor will claim its tax benefits and 3) once the primary investment return has been realized after the 15 year window, the investor will deed the property over to the non-profit. Unfortunately, while this is how these transactions should work from the non-profit's perspective, there are numerous tax and legal issues and investment motives that can complicate the ability of the non-profit to step in and take control of the property without incurring significant costs.

In general, for a real estate transaction to be arm's length, parties cannot sign an agreement to sell an interest in a limited liability company or partnership at a future point in time at a below market price without creating negative tax consequences to the company or partnership. There is an provision, however, in the current tax code that allows a non-profit managing member/general partner to, under certain conditions, acquire tax credit properties back from the investor at no cost, other than the simple assumption of the company/partnership debt plus a payment to the investor sufficient to cover any tax liability the investor may incur due to the transfer of its interest. This exemption is not an absolute right of the non-profit but may be agreed to in advance by the parties and is generally negotiated at the time the company or partnership agreement is originally executed.

The investor in Eastbridge Apartments LLC is an investment fund managed by the tax credit syndicator, NEF Assignment Corporation, Inc. The investors in Sixth Place Apartments LLLP and Zephyr Apartments LLLP are both investment funds managed by that tax credit syndicator, Boston Financial.

The proposed structure of the transfer of the investor's interest to KCHA is consistent with the terms of KCHA's prior transactions with other tax credit syndicators, such as Seola Crossing Apartments LLC and Salmon Creek Housing LLC. KCHA anticipates the transfers to occur on or after June 30th, 2022. There are no investor tax liability indemnity payments associated with these transfers although there will likely be administrative termination fee related payments of approximately \$25,000 or less per transaction.

Staff recommends passage of Resolution numbers 5720, 5721 and 5722.

THE HOUSING AUTHORITY OF THE COUNTY OF KING
RESOLUTION NO. 5720

(Eastbridge Apartments – Transfer Resolution)

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

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

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

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

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

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

WHEREAS, the Authority is the managing member of Eastbridge Apartments LLC (the “Company”), and NEF Assignment Corporation, Inc., an Illinois not-for-profit corporation, is the investor member (“Investor Member”) of the Company;

WHEREAS, the Authority is the fee owner of the real property located at 9800 3rd Lane SW, Seattle, Washington in the White Center unincorporated area of King County, Washington (the

“Property”), and pursuant to the terms of a Lease Agreement dated March 3, 2009 (the “Lease”), the Company was granted a leasehold interest in that certain 91-unit apartment building and all assets thereto located on the Property commonly known as Eastbridge Apartments (collectively, the “Project”);

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

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

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

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

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

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

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

RESOLUTIONS

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

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

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

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

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

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

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

**ADOPTED AT THE ANNUAL MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC
MEETING THIS 16TH DAY OF MAY, 2022.**

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

Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:

Daniel R. Watson
Interim Executive Director and Secretary-Treasurer

[CERTIFICATE FOLLOWS ON NEXT PAGE]

CERTIFICATE

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

1. That the foregoing Resolution No. 5720 (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on May 16, 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) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (b) the means of attending the Meeting provided the ability for all persons attending the Meeting to hear each other at the same time.

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

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

DATED: May 16, 2022.

Daniel R. Watson
Interim Executive Director of the Authority

T A B N U M B E R

**THE HOUSING AUTHORITY OF THE COUNTY OF KING
RESOLUTION NO. 5721**

(Sixth Place Apartments – Transfer Resolution)

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

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

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

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

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

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

WHEREAS, the Authority is the General Partner of Sixth Place Apartments LLLP (the “Partnership”), and BF GARDEN CORPORATE TAX CREDIT FUND XXXIII, A LIMITED PARTNERSHIP, a Massachusetts limited partnership (“BFGCTCF”), is the Investment Limited Partner, (“Limited Partner”) of the Partnership, and BCCC, INC., a Massachusetts corporation (“BCCC”),

is the Special Limited Partner (“Special Limited Partner”) of the Partnership and together with BFGCTCF, the (“Investor Partners”).

WHEREAS, the Authority is the fee owner of the real property located at 9740 Seventh Ave. SW, Seattle, Washington in the White Center unincorporated area of King County, Washington (the “Property”), and pursuant to the terms of a Lease Agreement dated June 22, 2010 (the “Lease”), the Partnership was granted a leasehold interest in that certain 24-unit apartment building and all assets thereto located on the Property commonly known as Sixth Place Apartments (collectively, the “Project”);

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

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

WHEREAS, the Authority desires to acquire the interests of the Investor Partners in the Partnership (the “Investor Partners Interests”);

WHEREAS, the Authority is the sole member of Northwest Affordable Communities LLC (the “Replacement Investor Partner”), a Washington limited liability company of which the Authority serves as the manager, for purposes in furtherance of the Authority’s mission as may be authorized in the Operating Agreement of the Replacement Investor Partner;

WHEREAS the Authority, in its own capacity, as General Partner of the Partnership, and as sole member and manager of the Replacement Investor Entity, desires to effectuate the transfer of the Investor Partner Interests to the Replacement Investor Entity:

WHEREAS, the Authority, in its own capacity, as General Partner of the Partnership, and as sole member and manager of the Replacement Investor Entity, desires to take such steps, make such

reasonable expenditures, including, but not limited to, attorneys' fees and costs, and to ratify all steps already taken, as reasonably necessary to accomplish the foregoing.

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

RESOLUTIONS

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

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

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

RESOLVED, that all steps or actions heretofore taken and/or documents heretofore executed with respect to the foregoing by the Authority in its own capacity, as General Partner of the Partnership on behalf of the Partnership, and as sole member and manager of the Replacement Investor Entity on behalf of the Replacement Investor Entity, as contemplated by the transactions herein are hereby ratified and affirmed.

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

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

**ADOPTED AT THE ANNUAL MEETING OF THE BOARD OF COMMISSISONERS
OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC
MEETING THIS 16TH DAY OF MAY, 2022.**

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

Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:

Daniel R. Watson
Interim Executive Director and Secretary-Treasurer

[CERTIFICATE FOLLOWS ON NEXT PAGE]

CERTIFICATE

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

1. That the foregoing Resolution No. 5721 (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on May 16, 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) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (b) the means of attending the Meeting provided the ability for all persons attending the Meeting to hear each other at the same time.

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

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

DATED: May 16, 2022.

Daniel R. Watson
Interim Executive Director of the Authority

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**THE HOUSING AUTHORITY OF THE COUNTY OF KING
RESOLUTION NO. 5722**

(Zephyr Apartments – Transfer Resolution)

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

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

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

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

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

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

WHEREAS, the Authority is the General Partner of Zephyr Apartments LLLP (the “Partnership”), and BF GARDEN CORPORATE TAX CREDIT FUND XXXII, A LIMITED PARTNERSHIP, a Massachusetts limited partnership (“BFGCTCF”), is the Investment Limited Partner, (“Limited Partner”) of the Partnership, and BCCC, INC., a Massachusetts corporation (“BCCC”),

is the Special Limited Partner (“Special Limited Partner”) of the Partnership and together with BFGCTCF, the (“Investor Partners”).

WHEREAS, the Authority is the fee owner of the real property located at 11464 4th Place SW, Seattle, Washington in the White Center unincorporated area of King County, Washington (the “Property”), and pursuant to the terms of a Lease Agreement dated January 29, 2010 (the “Lease”), the Partnership was granted a leasehold interest in that certain 25-unit apartment building and all assets thereto located on the Property commonly known as Zephyr Apartments (collectively, the “Project”);

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

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

WHEREAS, the Authority desires to acquire the interests of the Investor Partners in the Partnership (the “Investor Partners Interests”);

WHEREAS, the Authority is the sole member of Northwest Affordable Communities LLC (the “Replacement Investor Partner”), a Washington limited liability company of which the Authority serves as the manager, for purposes in furtherance of the Authority’s mission as may be authorized in the Operating Agreement of the Replacement Investor Partner;

WHEREAS the Authority, in its own capacity, as General Partner of the Partnership, and as sole member and manager of the Replacement Investor Entity, desires to effectuate the transfer of the Investor Partner Interests to the Replacement Investor Entity:

WHEREAS, the Authority, in its own capacity, as General Partner of the Partnership, and as sole member and manager of the Replacement Investor Entity, desires to take such steps, make such

reasonable expenditures, including, but not limited to, attorneys' fees and costs, and to ratify all steps already taken, as reasonably necessary to accomplish the foregoing.

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

RESOLUTIONS

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

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

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

RESOLVED, that all steps or actions heretofore taken and/or documents heretofore executed with respect to the foregoing by the Authority in its own capacity, as General Partner of the Partnership on behalf of the Partnership, and as sole member and manager of the Replacement Investor Entity on behalf of the Replacement Investor Entity, as contemplated by the transactions herein are hereby ratified and affirmed.

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

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

**ADOPTED AT THE ANNUAL MEETING OF THE BOARD OF COMMISSISONERS
OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC
MEETING THIS 16TH DAY OF MAY, 2022.**

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

Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:

Daniel R. Watson
Interim Executive Director and Secretary-Treasurer

[CERTIFICATE FOLLOWS ON NEXT PAGE]

CERTIFICATE

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

1. That the foregoing Resolution No. 5722 (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on May 16, 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) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (b) the means of attending the Meeting provided the ability for all persons attending the Meeting to hear each other at the same time.

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

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

DATED: May 16, 2022.

Daniel R. Watson
Interim Executive Director of the Authority

T A B N U M B E R

6



To: Board of Commissioners

From: Anneliese Gryta, Deputy Executive Director – Housing Assistance Programs

Date: May 11, 2022

Re: Property Management Overview & Update Presentation

At the May 16, 2022 KCHA Board of Commissioners Meeting, Anneliese Gryta, Deputy Executive Director – Housing Assistance Programs and Bill Cook – Director of Property Management will provide a high-level overview of the KCHA Property Management Program. We will also provide an update as to the major initiatives for 2022.

Please see the following presentation slides for your review.

KCHA Property Management Program Overview & Update

Anneliese Gryta - DED Housing Assistance Programs

Bill Cook - Director of Property Management

KCHA Board of Commissioners Meeting - May 16, 2022



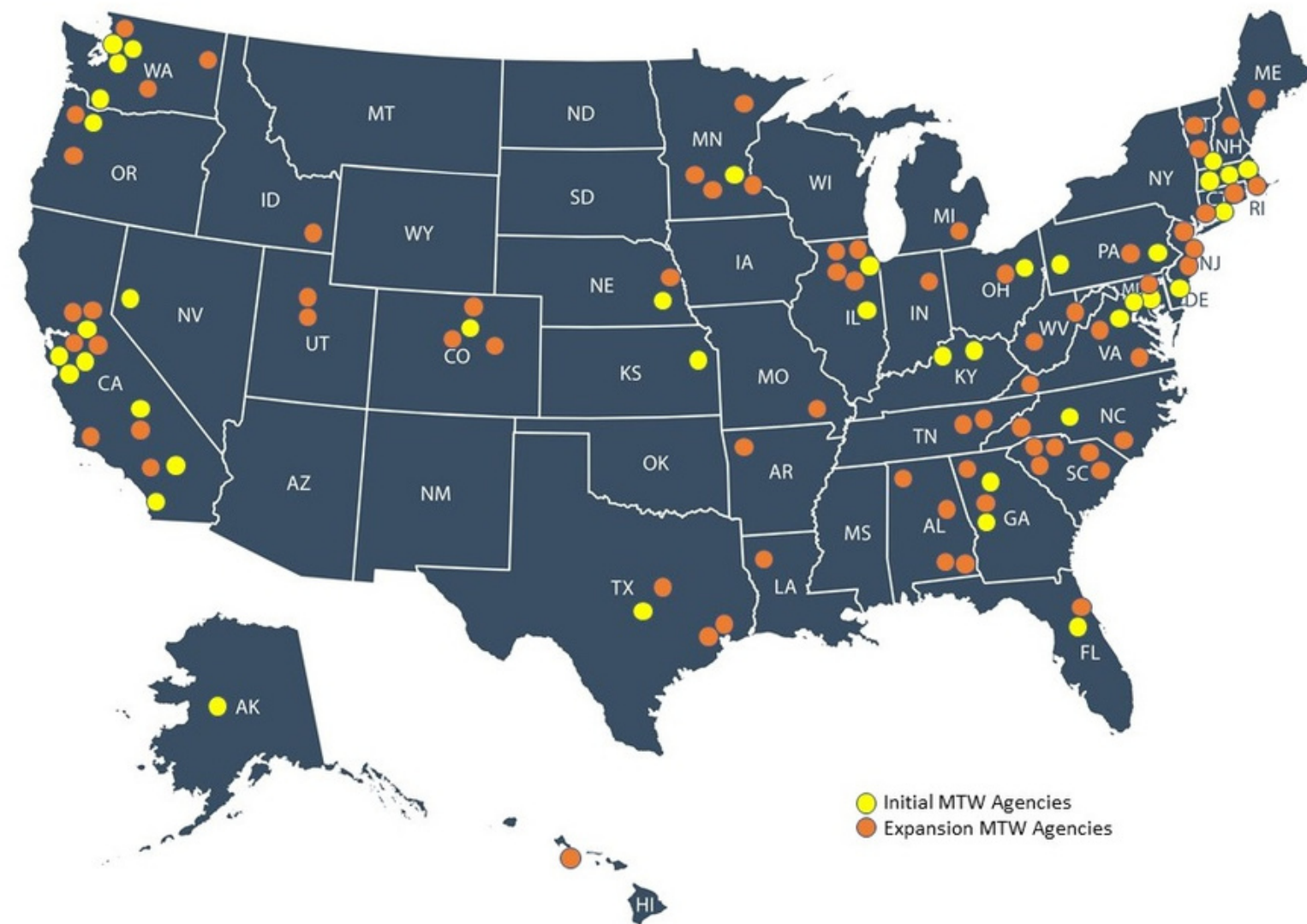
**We transform lives
through housing**

Agenda

1. Introduction
2. KCHA Property Management Overview
3. 2022 Updates & Hot Topics
4. Questions & Discussion

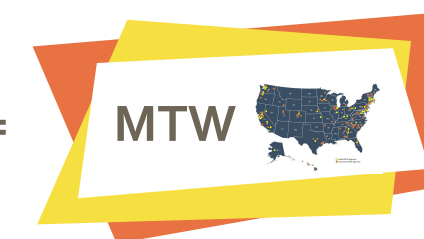


KCHA's Moving to Work Authority



- HUD Moving to Work (MTW) is a demonstration program for public housing authorities (PHAs) that provides them the opportunity to design and test innovative, locally designed strategies
- MTW allows PHAs exemptions from many existing public housing and voucher rules and provides funding flexibility with how they use their Federal funds
 - KCHA's MTW Contract runs through 2028

Designates MTW Authority =



KCHA Property Management: By the Numbers

7,640
individuals
served

3,833
units
managed

48%
Elderly

1,350+
work orders
monthly

12 days
avg. unit turn

2,380
PH units

1,383
PBV units

70
"Local" units

KCHA Property Management: Team



Anneliese Gryta
Deputy Executive Director
Housing Assistance Programs



Bill Cook
Director
Property Management



Penny Bradley
Regional Manager
Southeast



Al Khalaf
Regional Manager
Southwest



Francisco Flores
Regional Manager
North



Sela Kennedy
Regional Manager
Eastside



Kim Sayavong
Director of Central Applications



Matt Peterson
Maintenance Manager



Chris Clevenger
Housing Initiatives Officer



Andrew Urban
Senior Management
Analyst

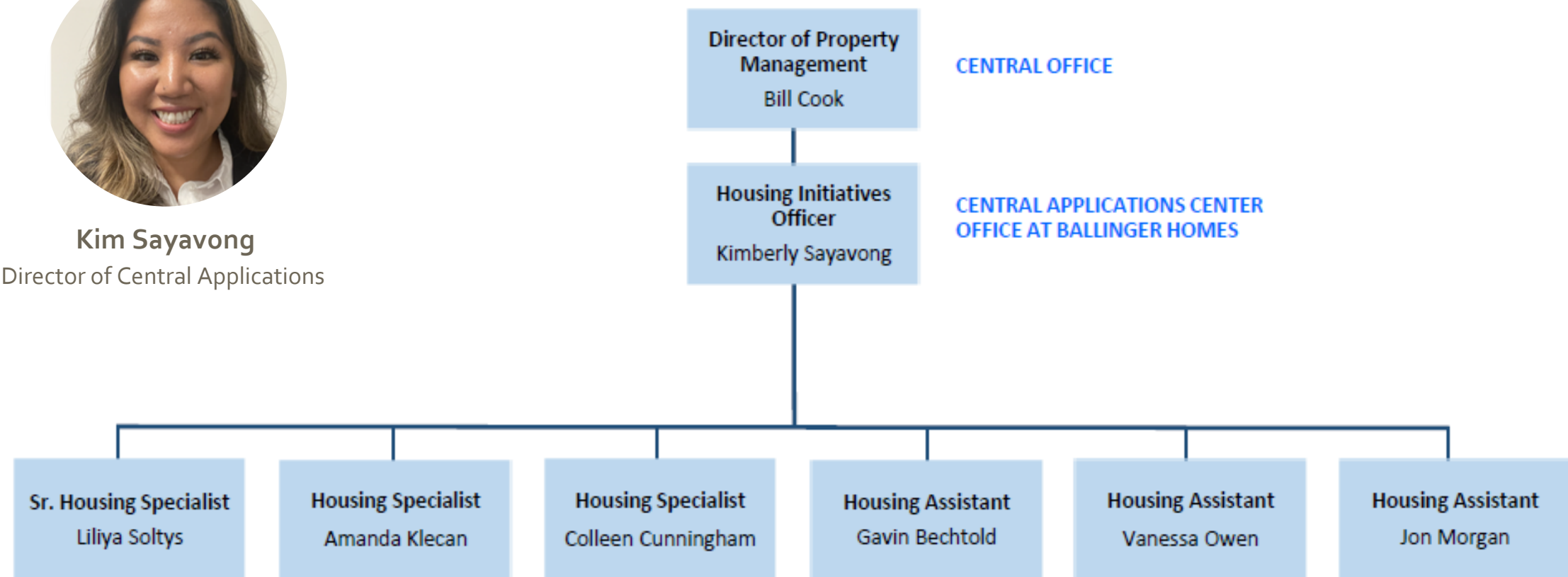
**Total
Department Staff: 172**

*includes seasonal, intern & temp workers

KCHA Property Management: Central Applications Center



Kim Sayavong
Director of Central Applications



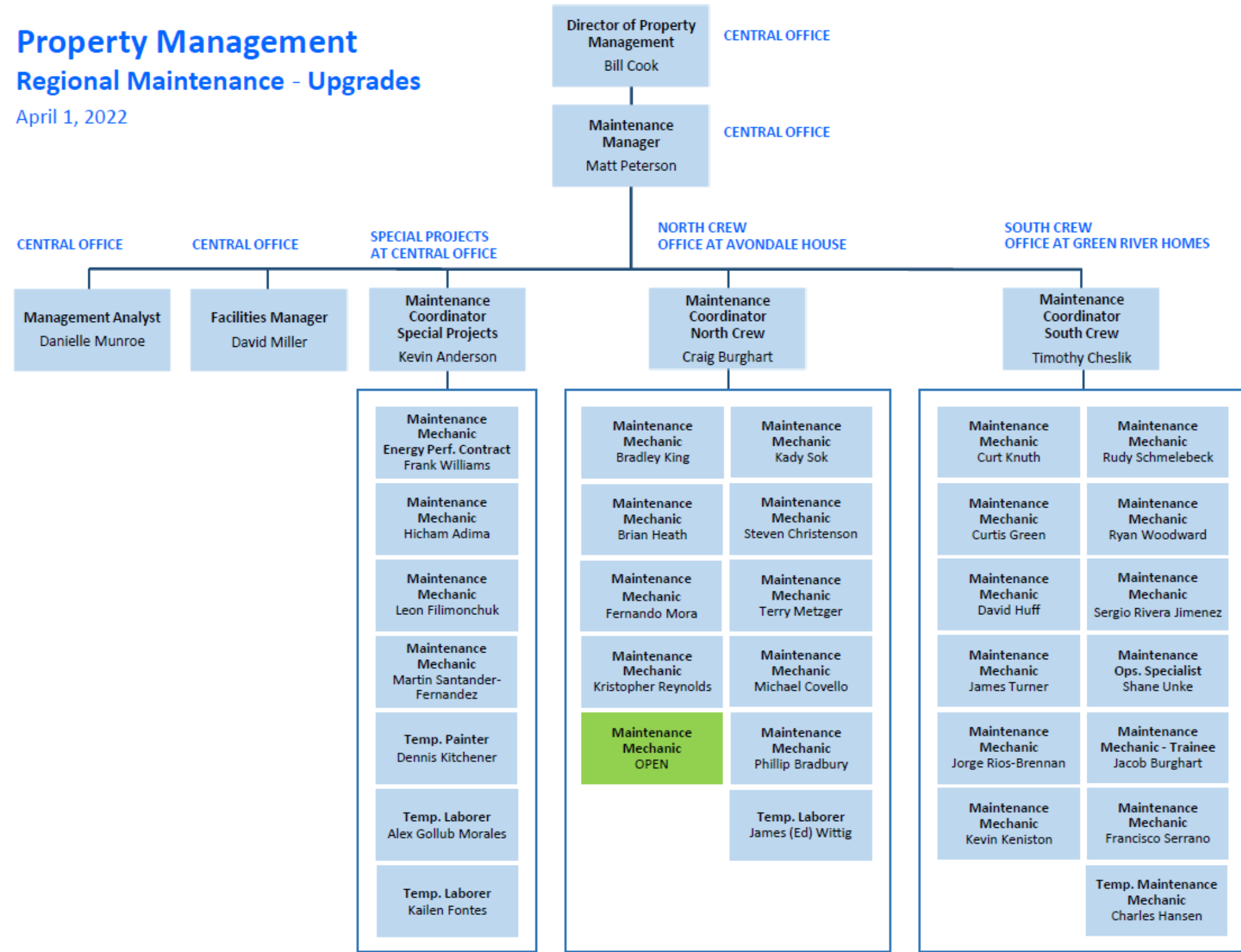
KCHA Property Management: Unit Upgrade Division



Matt Peterson
Maintenance Manager

Property Management Regional Maintenance - Upgrades

April 1, 2022



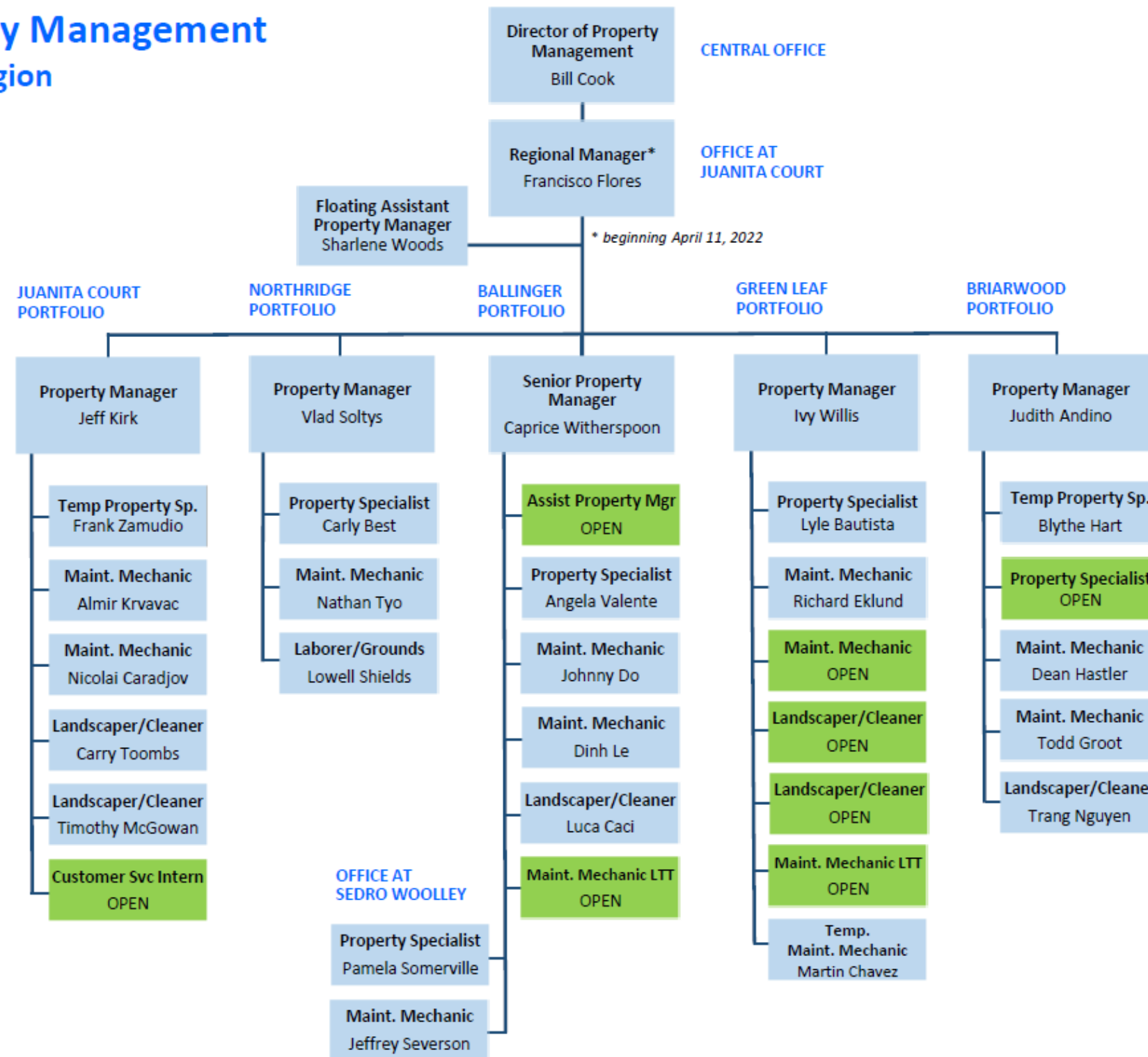
KCHA Property Management: North Region

Property Management North Region

April 1, 2022



Francisco Flores
Regional Manager
North



Ballinger Homes- Shoreline, WA

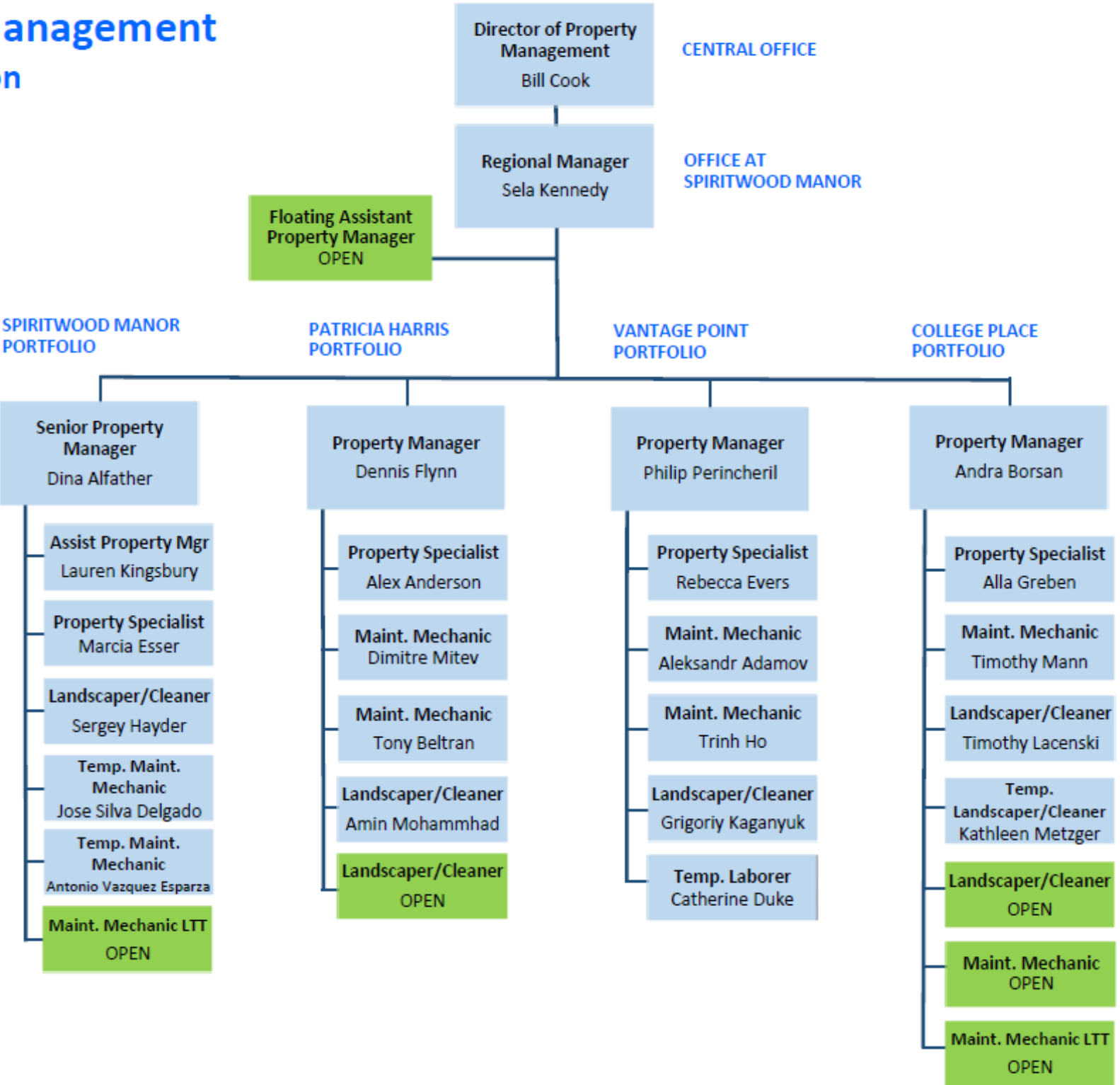
KCHA Property Management: Eastside Region

Property Management Eastside Region

April 1, 2022



Sela Kennedy
Regional Manager
Eastside



Parkway - Redmond, WA

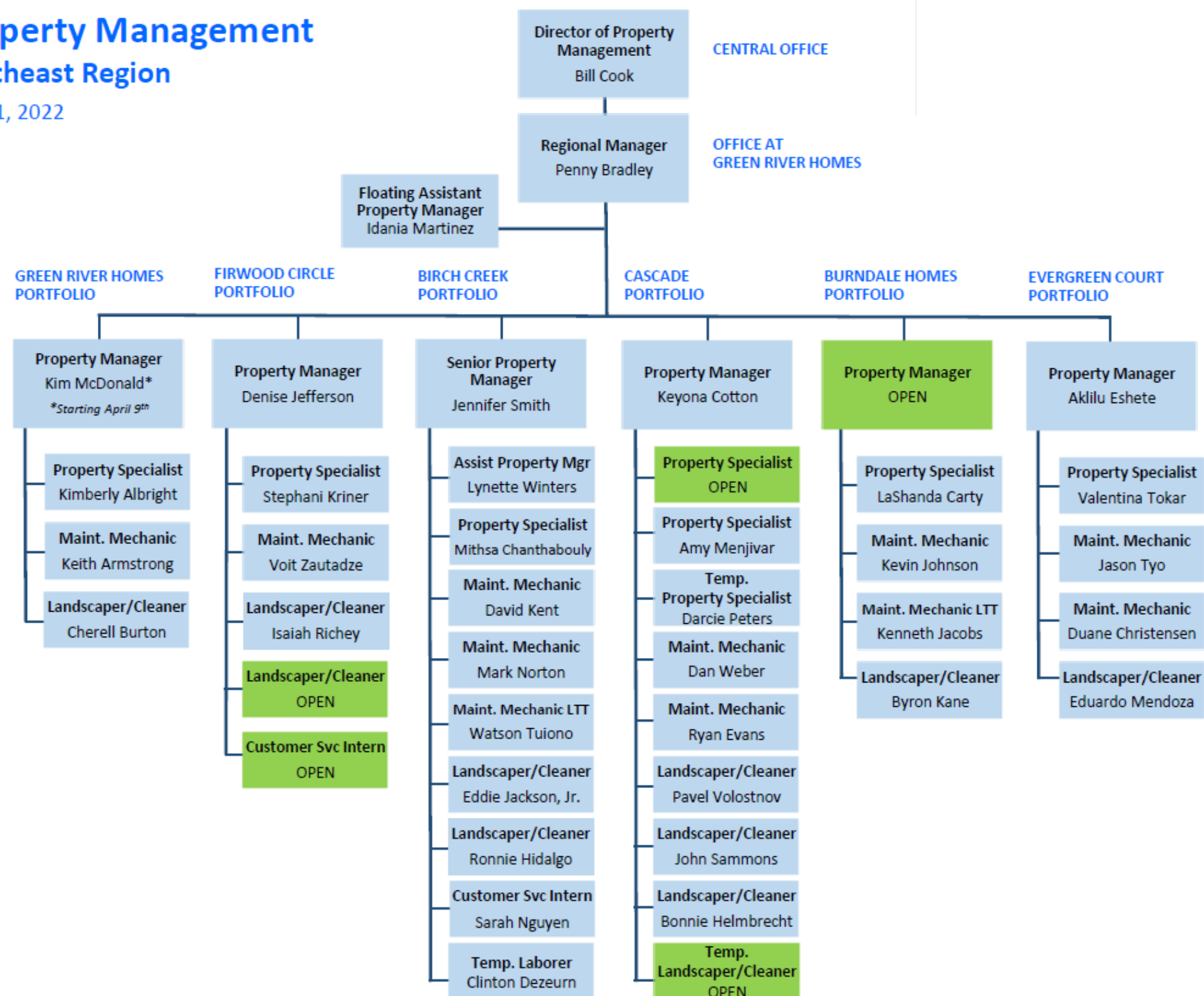
KCHA Property Management: Southeast Region

Property Management Southeast Region

April 1, 2022



Penny Bradley
Regional Manager
Southeast



Green River Homes - Auburn, WA

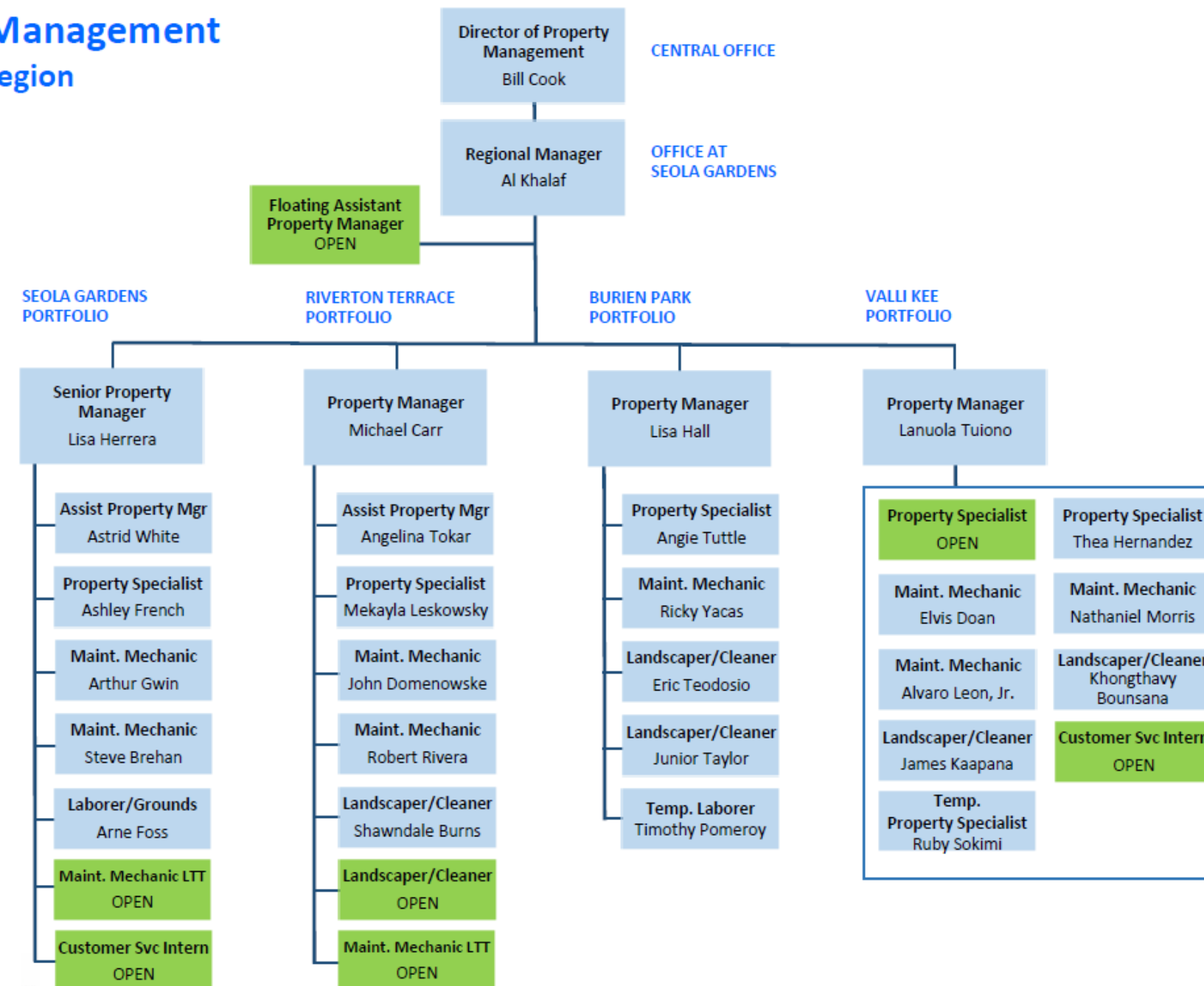
KCHA Property Management: Southwest Region

Property Management Southwest Region

April 1, 2022

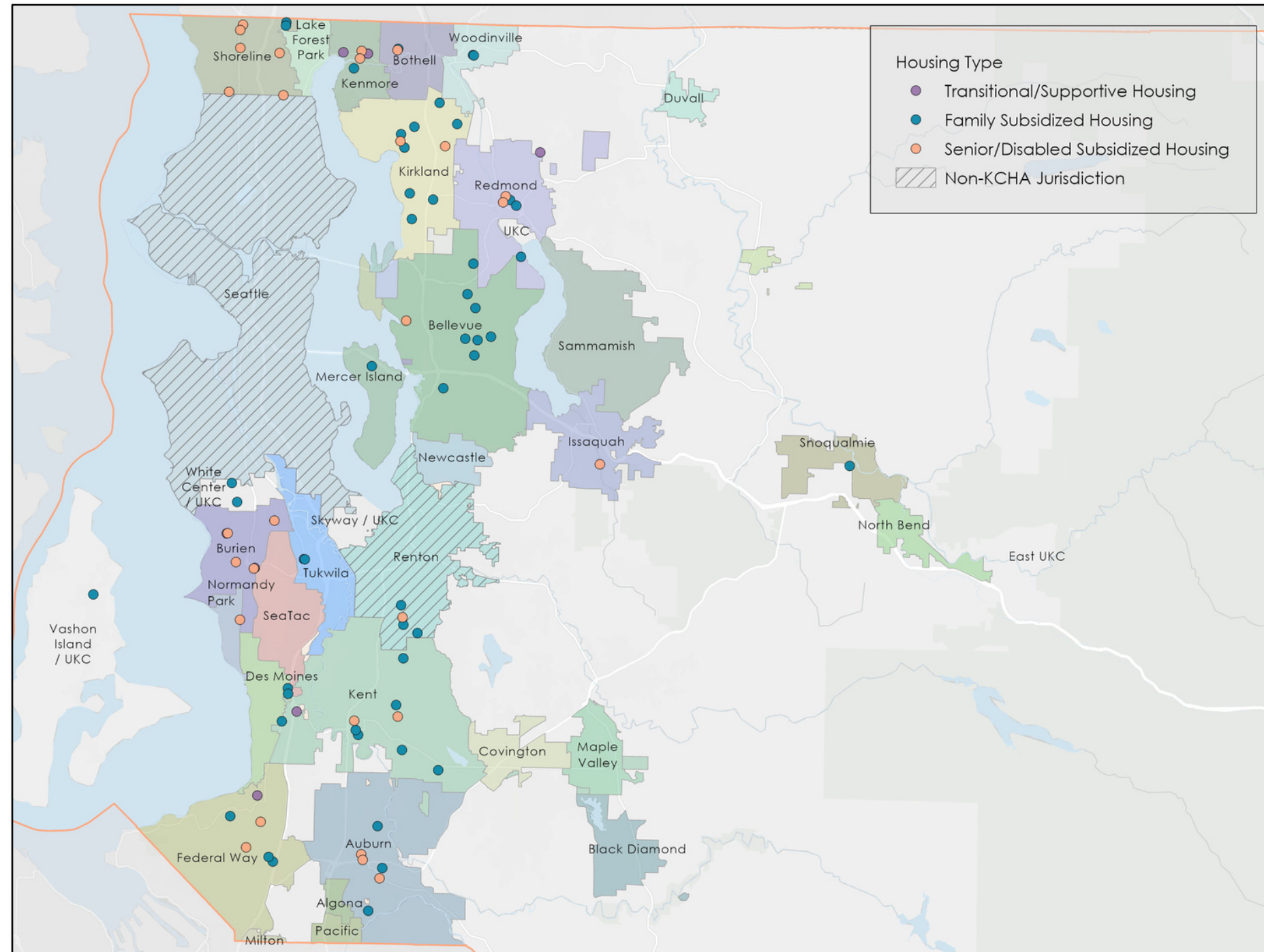


Al Khalaf
Regional Manager
Southwest



Riverton Terrace - Tukwila, WA

KCHA Property Management: Geographic Reach



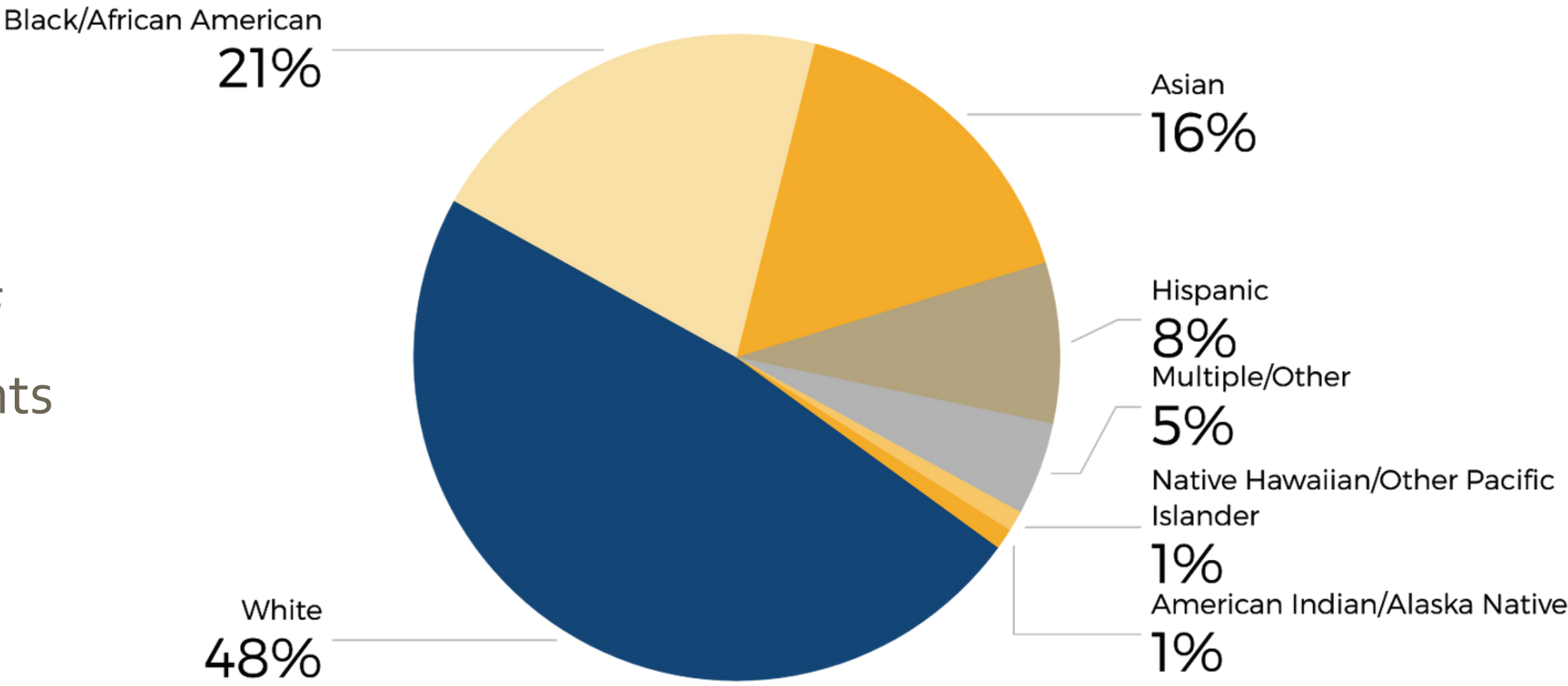
Total Units Under Management: 3,833*

Total Properties/Developments: 92

*Includes 1,383 units supported by Project Based Vouchers and 70 units through Local Programs

KCHA Property Management: Who We Serve

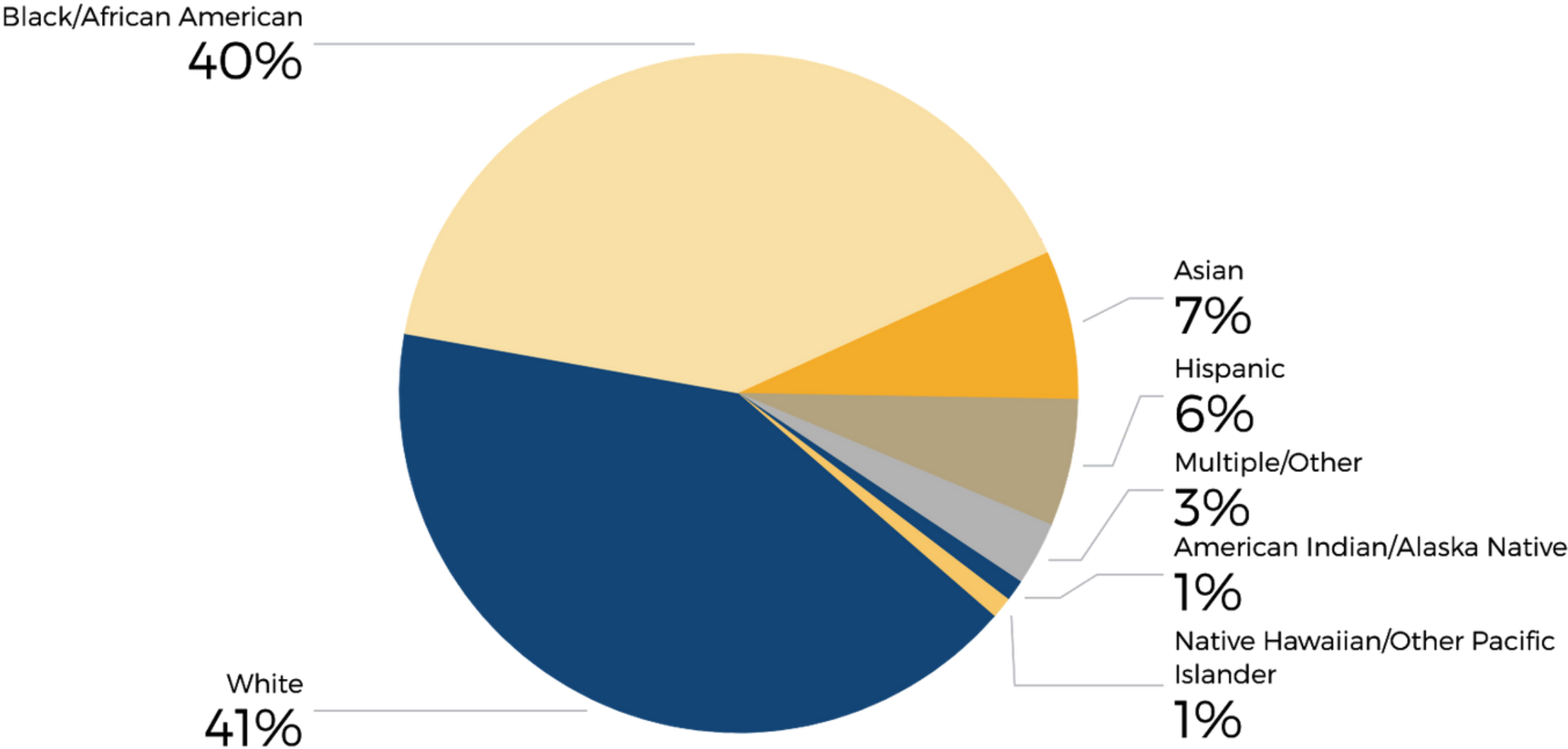
Race & Ethnicity Breakdown of Property Management Residents



*Includes Public Housing residents and Project Based Section 8 participants in Department-Managed Properties

Comparison to KCHA Housing Choice Voucher Program

Race & Ethnicity Breakdown of
HCV Participants



KCHA Property Management: Who We Serve

Elderly Individuals & Families

48% of units serve elderly residents



KCHA Property Management: Who We Serve



Disabled Individuals & Families

22% of units serve disabled residents

KCHA Property Management: Who We Serve

Low- Income Individuals & Families

- 23% of units house non-elderly, non-disabled families with children
- 6% of units house non-elderly, non-disabled families without children



KCHA Property Management: Who We Serve

Median Income

- \$10,644 for public housing residents
- \$11,880 including project-based participants

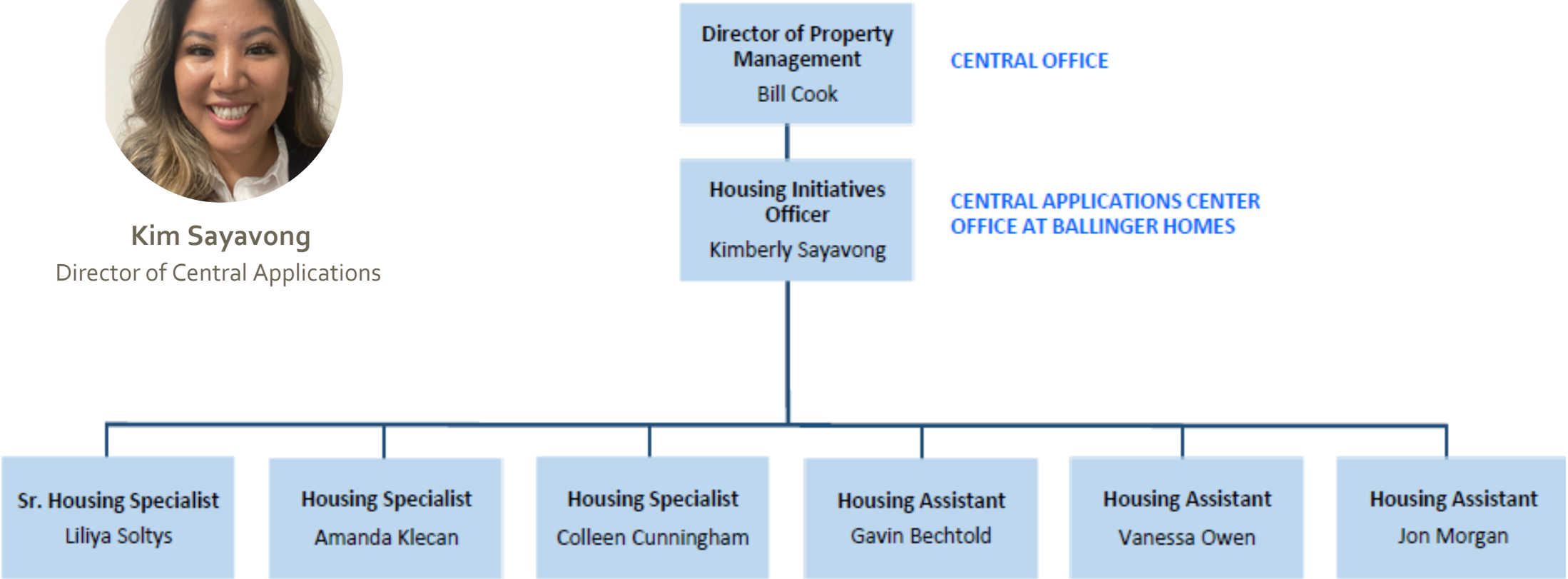
*Median income of HCV participants is \$13,608



KCHA Property Management: Central Applications Center

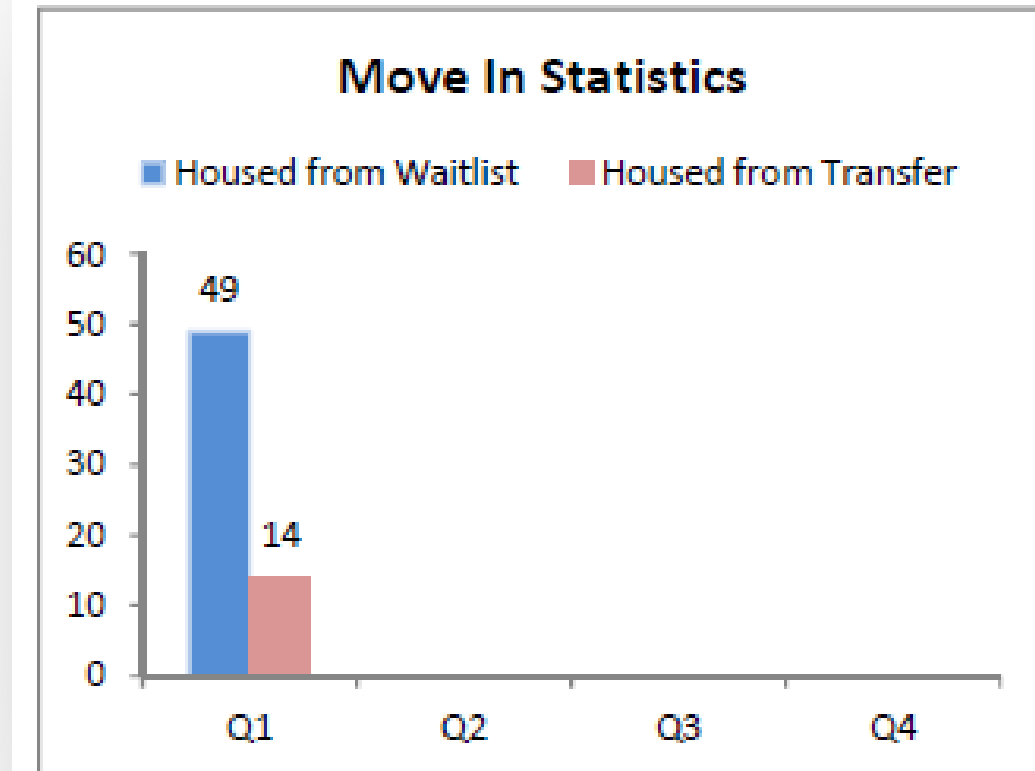
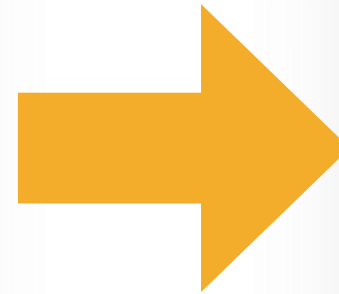
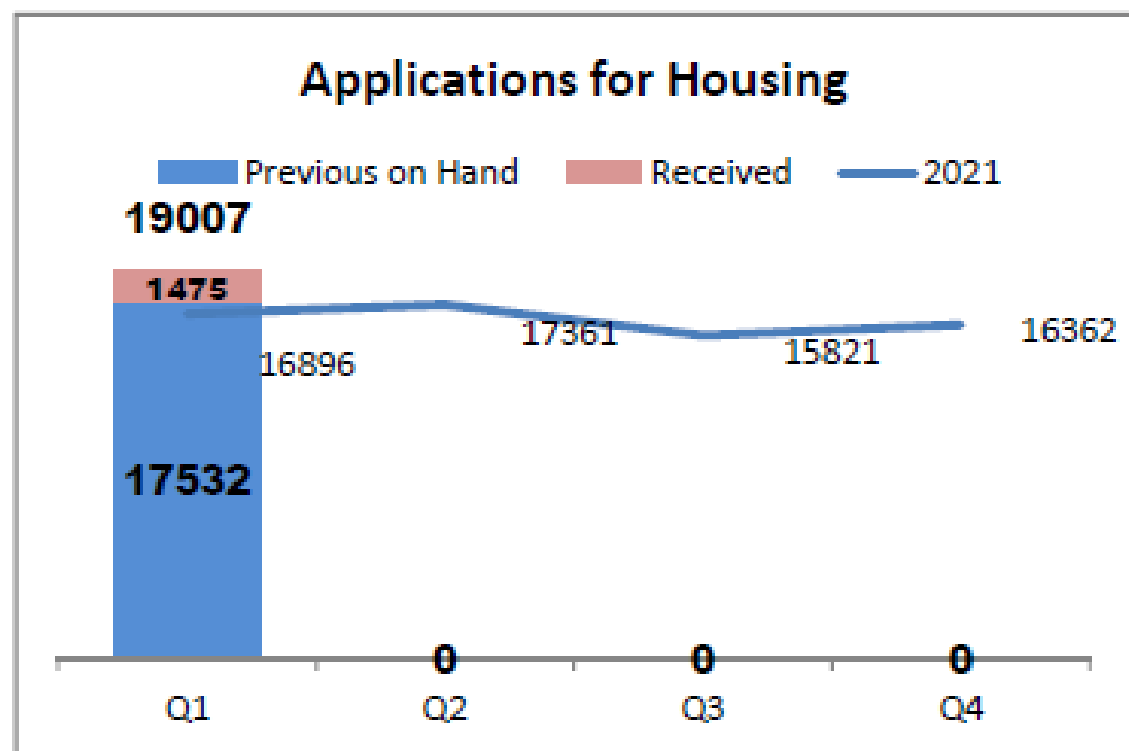


Kim Sayavong
Director of Central Applications



★ Currently, there are 19,007 applications on the waiting list. This is the highest number we have seen.

Moving From Waitlist to Housing



1,447 applications were received in Q1 2022 and 49 were housed from the waitlist.

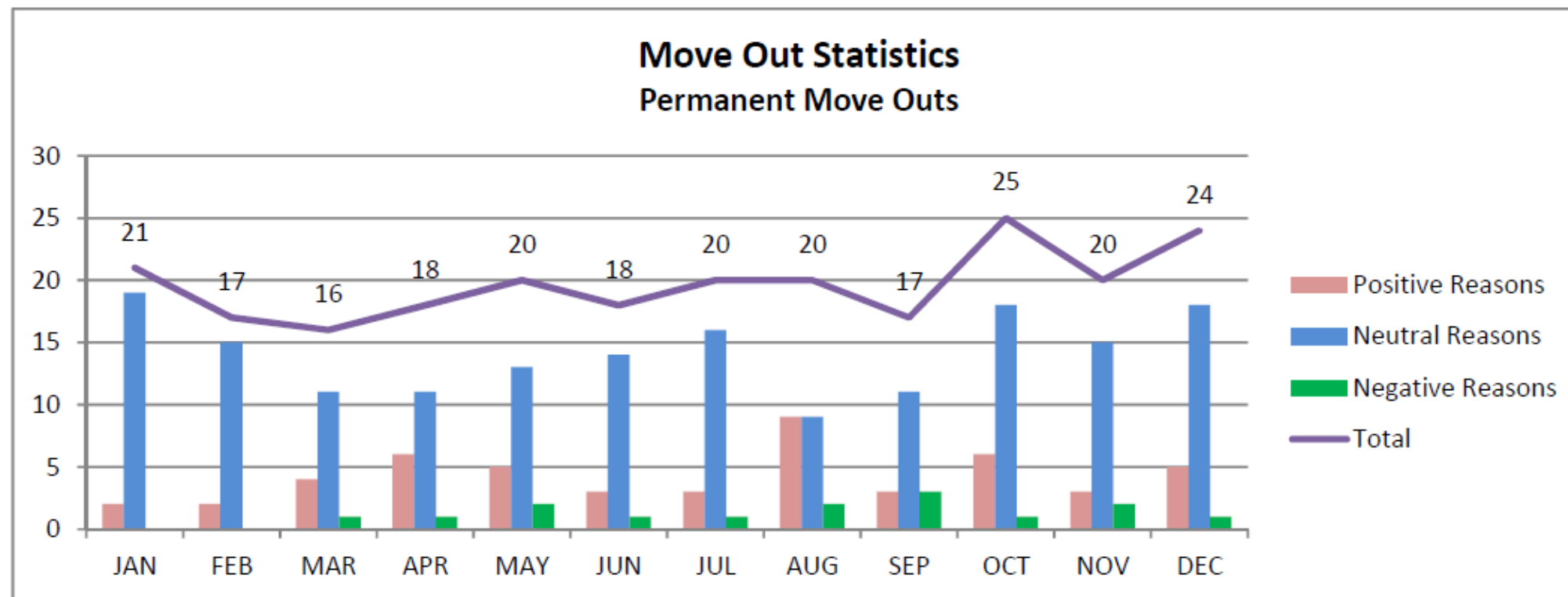
Unit Turnover (UTO) Process



KCHA's Property Management teams prioritize a fast turnover of units, ensuring that families do not wait a day longer than necessary for housing.

- 2021 average unit turn days: 12
- 2021 saw a higher than average number of turnovers at 501 units total
- 2020 total units turned: 409
- Reasons for the higher than average move-outs are wide-ranging

Expanding Positive Exits from Public Housing



2021 Exit Data

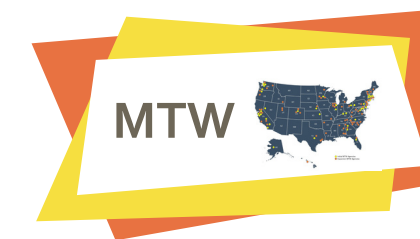
KCHA's Property Management teams track the reasons for all move-outs:

- Positive reasons include homeownership or a move to a non-subsidized rental (57)
- Negative reasons include such situations as incarcerations, unit abandonment or evictions (16)
- Neutral reasons include changes in subsidy type, or moves to another subsidized rental and transfers
- KCHA's Resident Services team is a critical element for preventing negative exits and expanding positive ones.

Partnership with KCHA's Resident Services Department

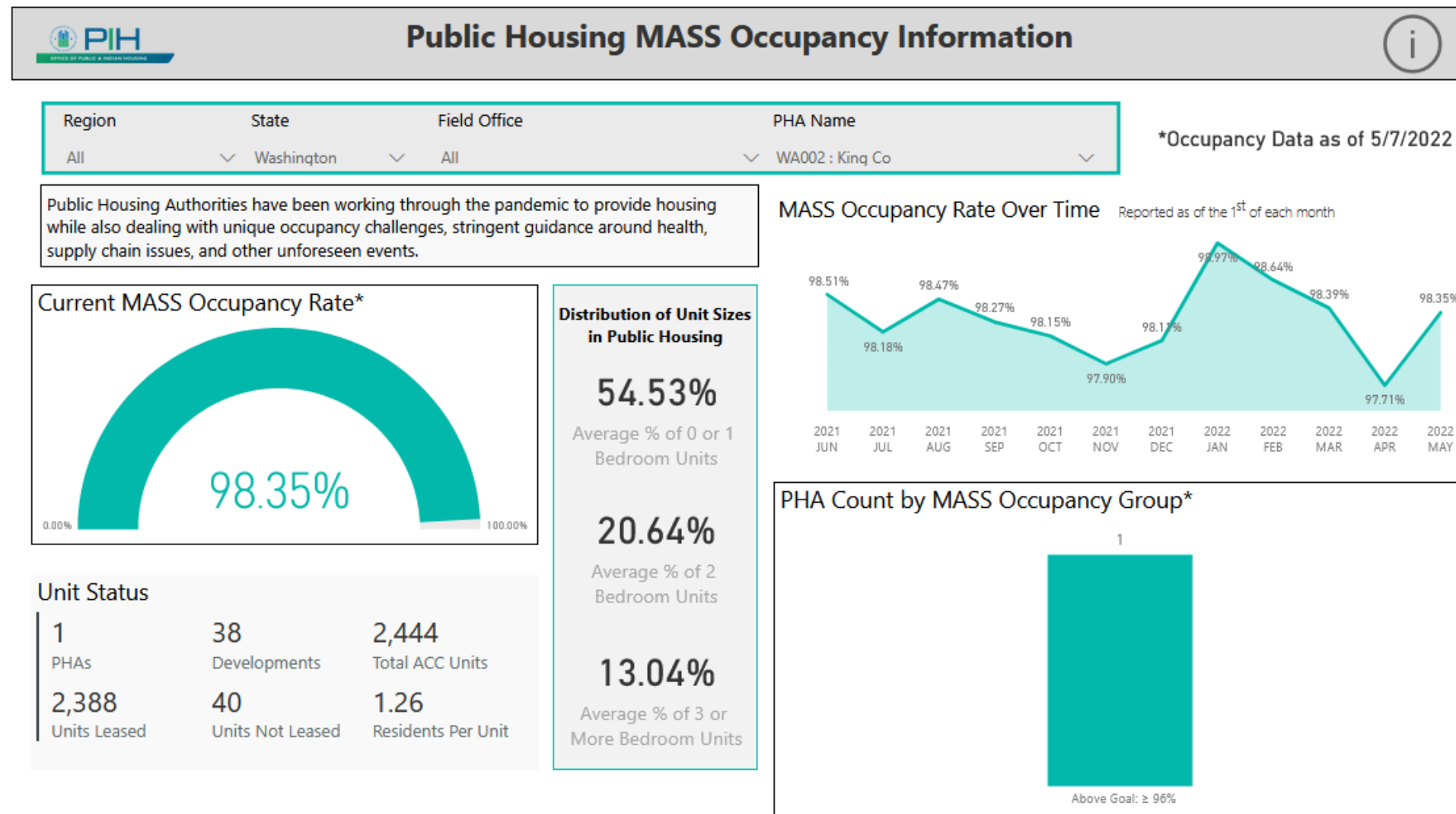
KCHA's robust Resident Services Department enhances the capacity of the Property Management Department in the following ways:

- Promoting Housing Stability
 - Staff supports residents around a wide array of issues that may impact a family's ability to remain stably housed, such as assistance with paperwork, reasonable accommodation requests, connection to mental health resources or housekeeping assistance.
- Building Economic Self Sufficiency
 - Staff assists residents with financial literacy, asset-building and access to careers and education, which creates pathways to positive move-outs.
 - Positive move-outs generate more unit availability for those on the waiting list, expanding housing access for all.



KCHA's MTW funding makes it possible to have such a strong Resident Services Department

HUD Public Housing Dashboard: KCHA Occupancy Rate



HUD Public Housing National Data Dashboard

This year, HUD has launched a National Public Housing Dashboard, which reflects data on the traditional public housing managed by KCHA's Property Management Department.

- KCHA Occupancy rate: 98.35% (May 2022)
- Maintaining high occupancy rates translates to more families housed.

https://www.hud.gov/program_offices/public_indian_housing/programs/ph

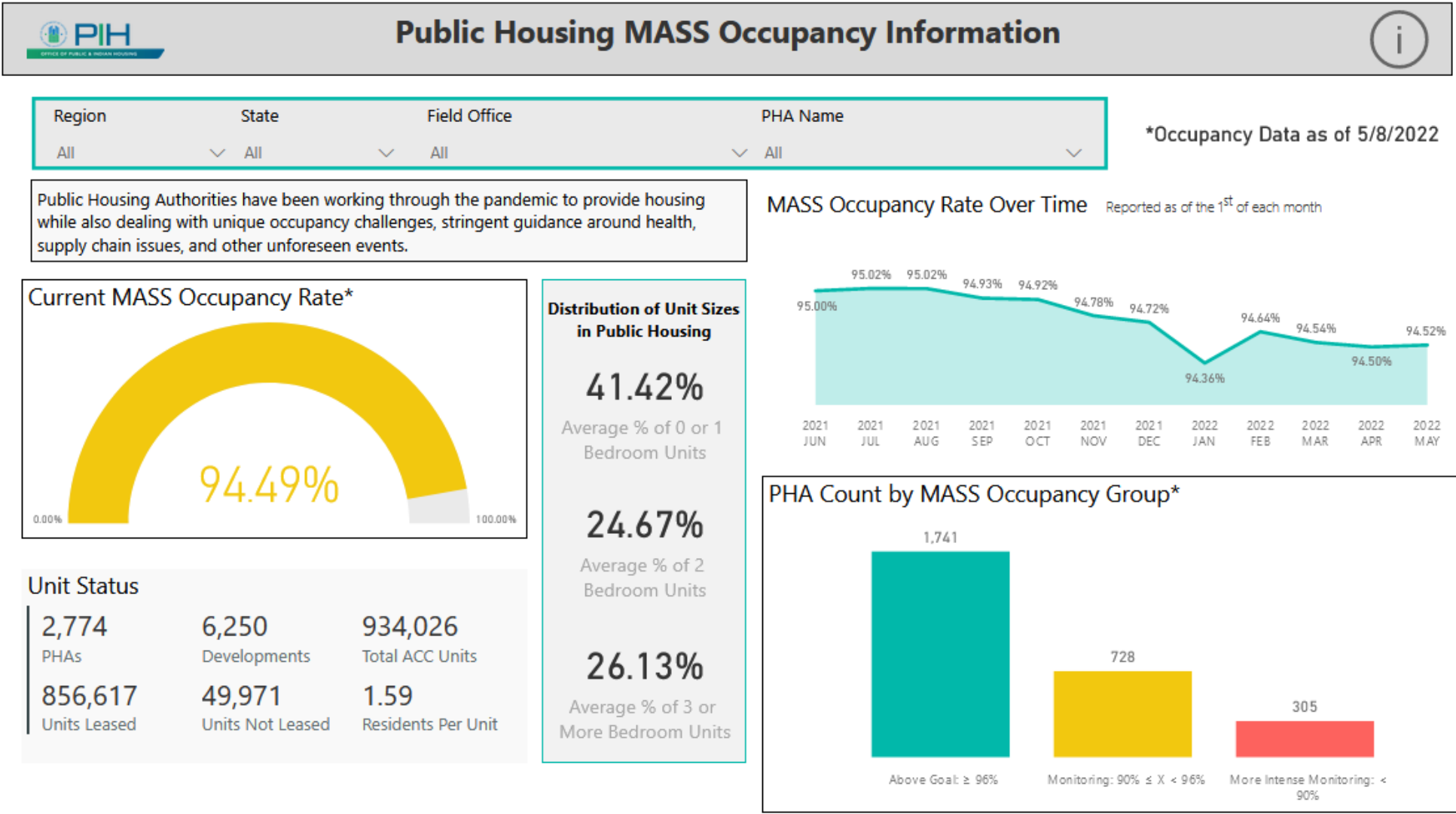
*Note that the HUD Dashboard is new and may not be fully updated with current numbers.

HUD Public Housing Dashboard: Nat'l Occupancy Rate



HUD Public
Housing National
Data Dashboard

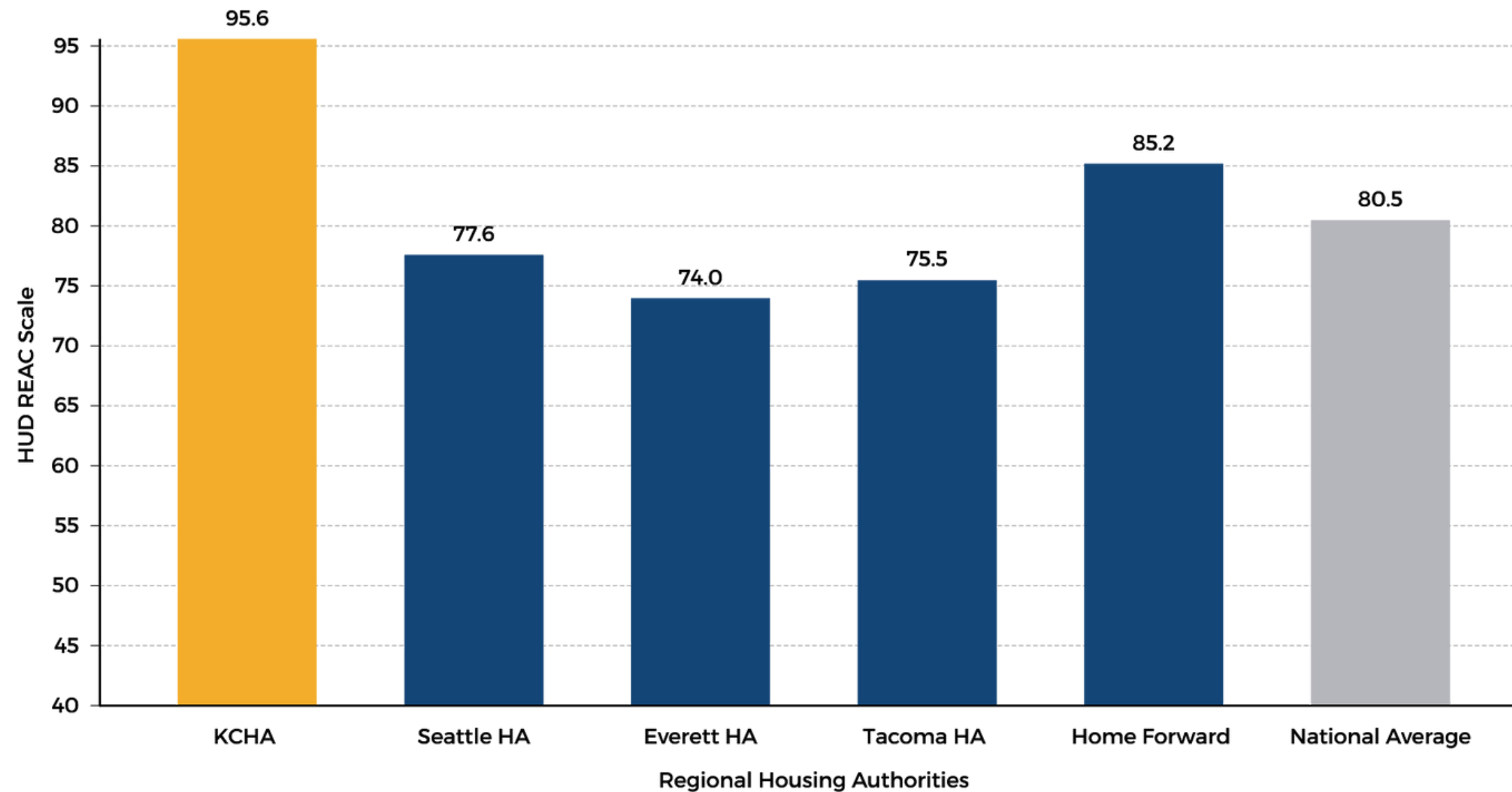
- National Occupancy rate: 94.49%
(May 2022)



https://www.hud.gov/program_offices/public_indian_housing/programs/ph

*Note that the HUD Dashboard is new and may not be fully updated with current numbers.

KCHA Property Management: HUD REAC Scores



HUD Real Estate Assessment Center (REAC) Inspections

KCHA's Property Management Department consistently secures some of the highest REAC Inspection Scores nationwide.

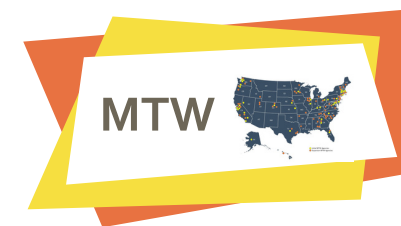
- 2015-Present KCHA avg. score: 95.6
- Changes are coming to HUD's REAC program in 2022.
- Staff are preparing for both these changes and post-pandemic reinstatement of inspections.

KCHA Property Management: Unit Upgrade Division



An Example of Current Design Standards at Illahee

- KCHA's highly skilled Unit Upgrade Division accomplished the following in 2021:
 - 135 total apartment renovations
 - 216 special projects
 - Paint support for unit turns
- Allows KCHA to comprehensively upgrade all units over a roughly 20 year time period.
- The existence of a Unit Upgrade program is a unique KCHA innovation across the public housing field.



KCHA's MTW funding makes it possible to support additional capital upgrades

KCHA Property Management: Budget

Total Public Housing Budget 2022

- Total Income:\$16,621,138
- Total Expenses: \$21,349,701
- Transfer from MTW Working Capital to support PH Operations:\$4,758,128
- Funding from MTW for Unit Upgrades/Other Special Projects: \$3,647,235
- Total Additional Capital Investment is \$12-14 Million annually, from multiple sources



Total Budget 2022 - Other Properties Managed by Property Management

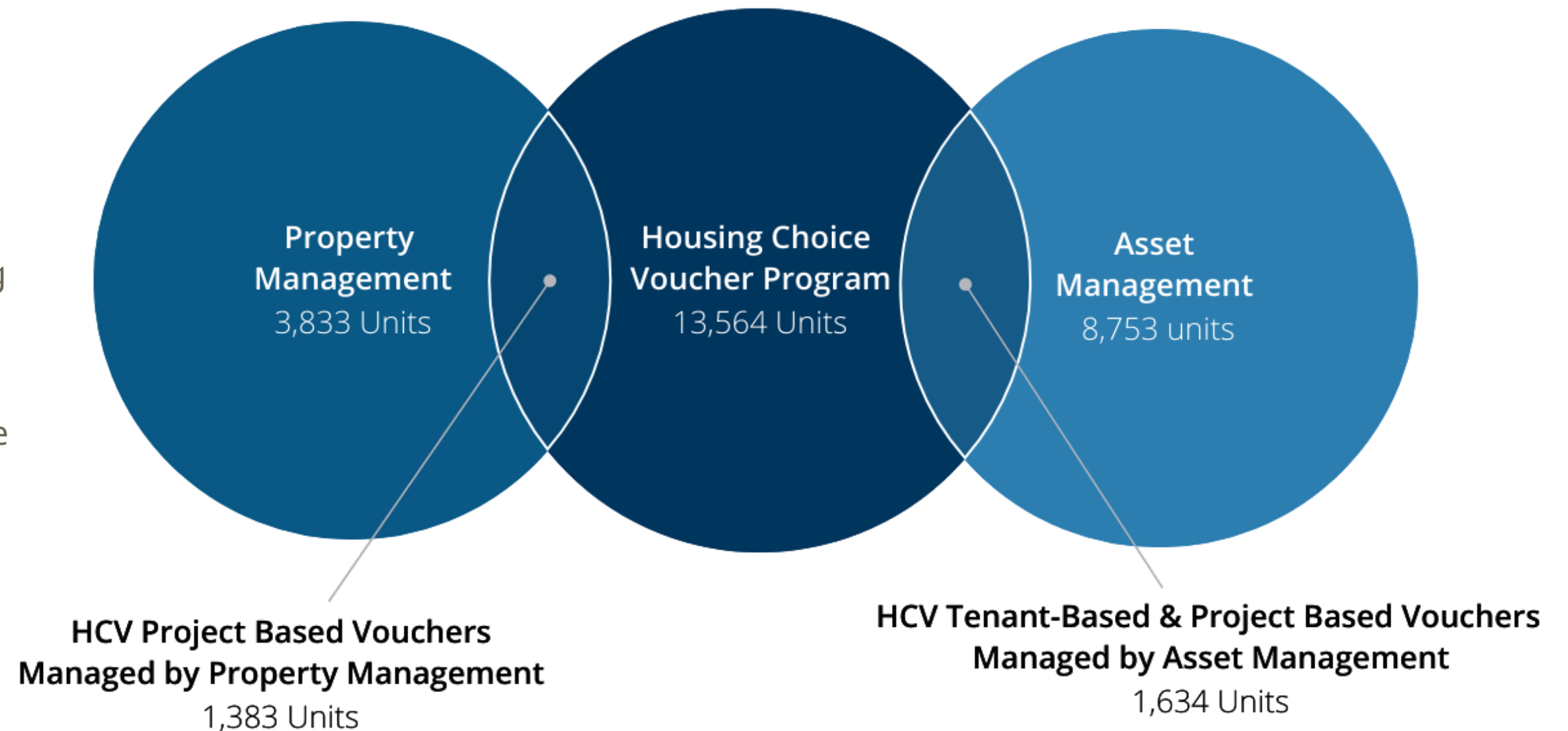
- Total Income:\$27,876,597
- Total Expenses: \$14,767,830
- Net Operating Income: \$13,108,768*

*Deployed towards debt service, reserves and overhead expenses.

KCHA Program Overlap & "Braided" Funding

KCHA's strategic use of financing means that some programs can overlap with each other.

This diagram shows how the KCHA Housing Choice Voucher program interacts with KCHA's Property Management and Asset Management inventory, helping to preserve and expand high quality affordable housing in King County.



Public Housing Redevelopment Initiatives

Redevelopment Projects:

- KCHA leveraged Low Income Housing Tax Credits for multiple large-scale property redevelopment efforts.
- 1,169 units have been redeveloped through this process.
- Administratively complex for staff, but a seamless experience for residents.
- KCHA's Compliance Department plays an instrumental role in administrative compliance.



Birch Creek

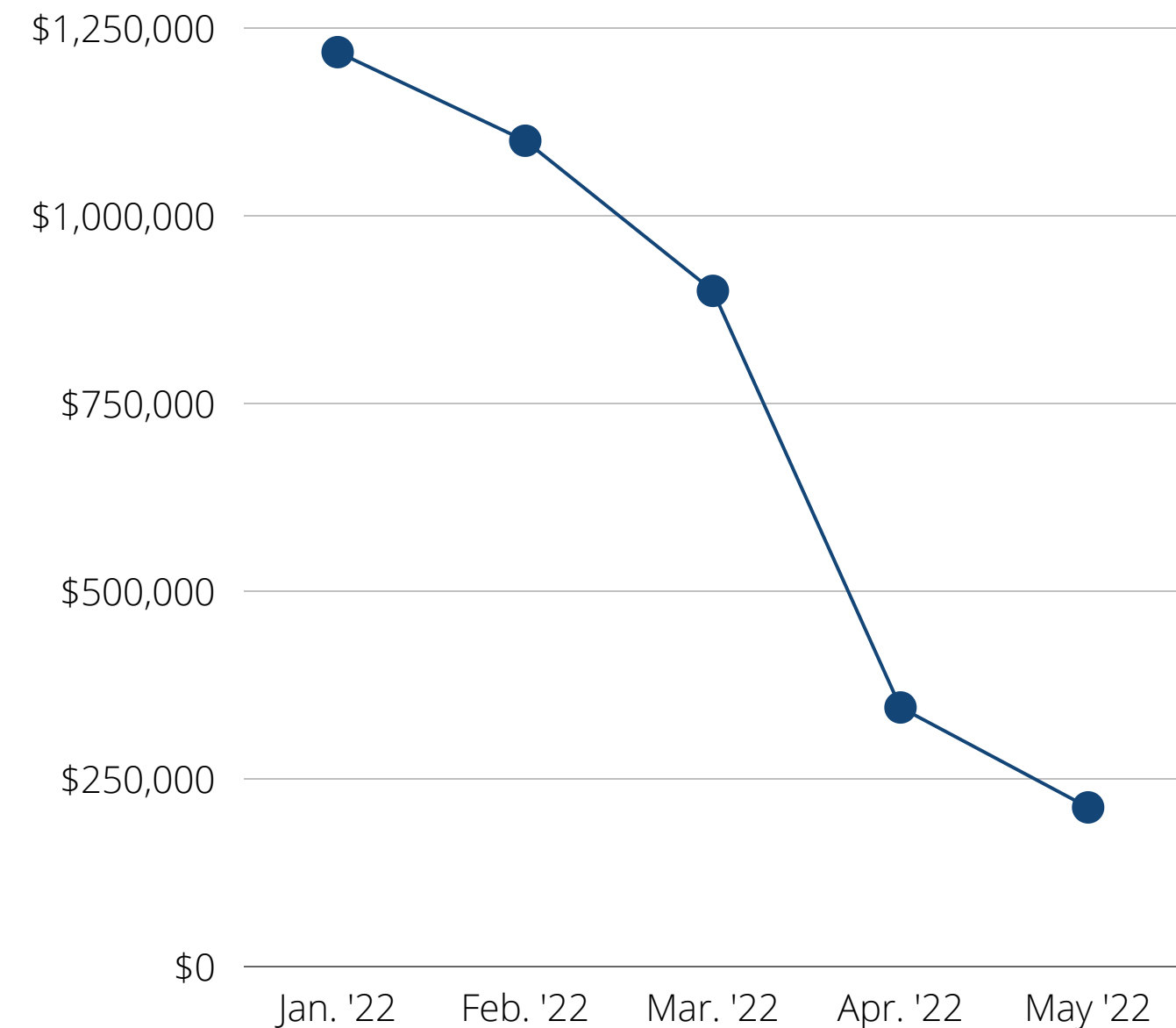


Green River Homes

2022 Updates & Hot Topics: Rental Assistance Program

In Spring 2022, KCHA carried out an initiative to ensure that residents eligible for federal Emergency Rental Assistance Program funds received these funds through King County:

- The total delinquent account balance dropped from \$1.2 million in January 2022 to just over \$200,000 in May 2022.
- The number of impacted residents dropped from 809 to 325.
- This represents a tremendous coordinated effort of KCHA's Property Management, Resident Services and Administrative Services Teams.
- Residents with remaining pandemic-era delinquent balances will be the target of an additional KCHA effort that goes beyond the federal program to help them maintain housing stability.



2022 Updates & Hot Topics: Major Initiatives



- Launch Software Conversion
 - Gap Analysis nearly complete (June 2022)
 - Re-convene internal Steering Committee (June 2022)
 - Hire & onboard Project Manager (Summer 2022)
 - Begin software procurement process (Fall 2022)



- Build Comprehensive Approach to Training & Professional Development
 - Hire & onboard a new internal trainer (Summer 2022)

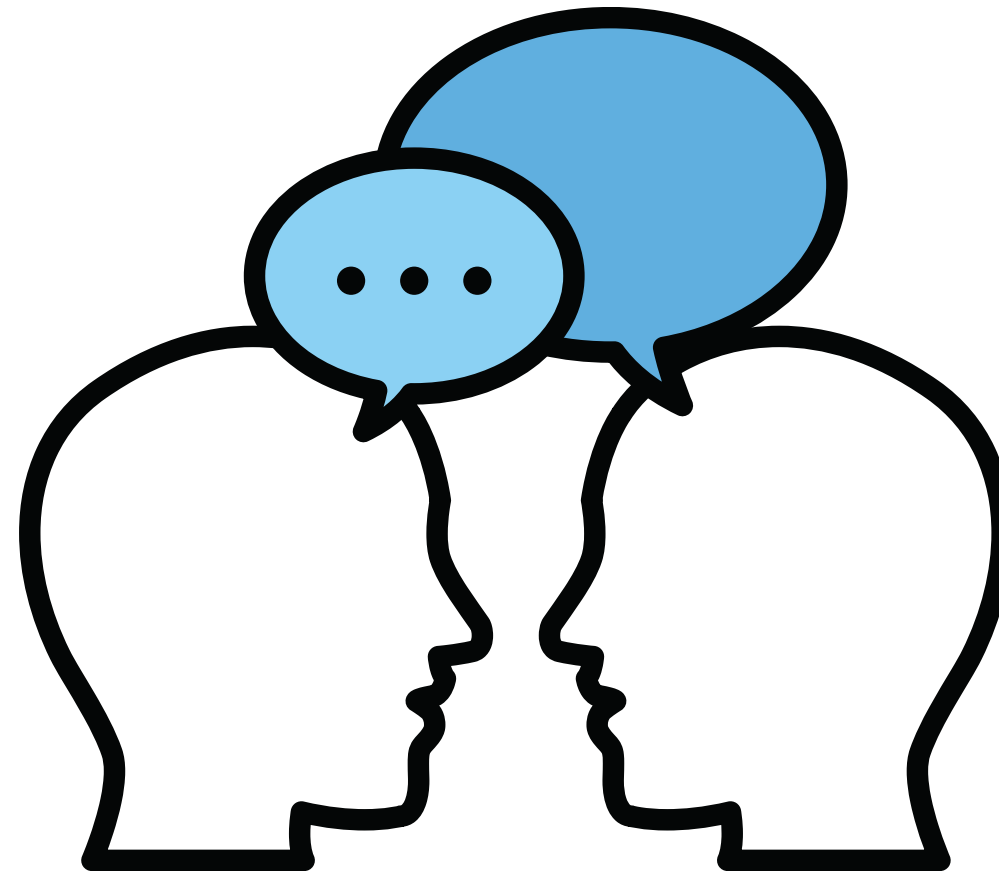


- Improve Physical Property Conditions
 - REAC Inspections resume (TBD)
 - Improve curb-appeal (ongoing)



- Building Engagement and Morale
 - Piloting staff pulse survey tool to better measure engagement
 - Morale-boosting events & activities
 - Partnerships with Office of Equity, Diversity & Inclusivity

Discussion & Questions



T A B N U M B E R

7



To: Board of Commissioners

From: Windy K. Epps, Director of Finance

Date: April 28, 2022

Re: **Financial results through December 2021**

EXECUTIVE SUMMARY

Combined Operations (excluding development activity)

Overall 2021 financial performance for KCHA, excluding development activities, far outpaced budget projections. Overall, Net Operating Cash Flows were 57.1 million, exceeding budget projections by 174% for 2021.

**Summary of Net Operating Cash Flows by Program
Through December 31, 2021**

	2021 Actual	2021 Budget	Variance
<i>Federal Programs and Properties</i>			
MTW ⁽¹⁾	\$20,107,622	\$7,158,508	\$12,949,113
HCV	7,085,032	(1,022,961)	8,107,993
Public Housing ⁽¹⁾	(2,976,430)	(4,392,216)	1,415,787
Other Federal	(241,981)	(519,219)	277,238
	<u>\$23,974,243</u>	<u>\$1,224,112</u>	<u>\$22,750,131</u>
<i>Local Programs and Properties</i>			
Asset Management/Other ⁽²⁾	\$34,741,301	\$23,109,540	\$11,631,761
Other Housing Management ⁽²⁾	5,431,576	5,937,501	(505,925)
COCC ⁽²⁾	(7,056,514)	(9,401,579)	2,345,065
	<u>\$33,116,362</u>	<u>\$19,645,462</u>	<u>13,470,900</u>
COMBINED	<u><u>\$57,090,605</u></u>	<u><u>\$20,869,574</u></u>	<u><u>\$36,221,031</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

Net Operating Cash Flow from the Federal Programs and Properties exceeded the budget by \$22.8 million while the Local Programs and Properties surpassed projections by \$13.5million.

The MTW Block Grant accounted for \$12.9 million of the budget variance on the Federal side as both the RFIF and proration were more favorable than anticipated. The HCV program added another \$8.1 million mostly due to unplanned EHV funding and greater port-in admin fee income.

Receipts of tenant rents from the newly-acquired workforce housing properties drove the increase in Net Operating Cash Flow for the Local Programs and Properties, exceeding budget projections by \$11.6 million. The remaining increase in Net Operating Cash Flow was attributed to lower administrative and occupancy expenses for the COCC.

Development Activity

Operating revenue was less than planned for 2021 by \$407,000 or 12.7%, primarily due to the Greenbridge Division 8 land sale which was restructured to occur in three phases. The first and second phases occurred 2021, and the last phase is expected to occur in 2023. The impact from the restructured land sale was partially offset by lot sale profit participation that exceeded the budget by \$887,000.

Operating expenses were less than planned by \$284,000 or 19.0% 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.

Other sources and uses of cash declined due to the timing of the Greenbridge Division 8 land sale. Draws on the Abbey Ridge, Bellevue Manor, and Woodland North subordinate debts were also less than anticipated in the budget.

Agency Liquidity

Cash balances at the end of the year remained solid with \$119.4 million in unrestricted cash and cash held by management agents, \$94.4 million in designated cash, and \$26.1 million in restricted cash.

Development's ending cash balances were \$14.0 million in unrestricted cash and \$25.6 million in restricted cash.

FOURTH-QUARTER HIGHLIGHTS

During the fourth quarter, much of KCHA's debt was restructured, resulting in lower interest obligations. Portions of the Key Bank \$250 million, \$80 million, and \$30

million variable rate lines of credit were paid down using the proceeds from a \$161 million, 1.875% fixed rate loan from Amazon; the \$53 million Workforce Housing Preservation Refunding Bonds, 2021; a \$30 million, 1.0% fixed rate loan from King County; and a \$20 million grant from Amazon. The restructuring was associated with the purchases of Surrey Downs, Sandpiper, Argyle, Carrington, Pinewood, Kirkland Heights, Juanita View, and Riverstone Apartments.

KCHA also issued Pooled Housing Revenue and Refunding Revenue Bonds, 2021, totaling nearly \$87.3 million. \$53 million of the proceeds were used to refinance the Key Bank 2013 Pool and the remainder was used in the acquisition of Salish Place Apartments.

Salish Place Apartments was built in 1985. It is a 13 building property with 136 units of workforce housing. The property is located in Des Moines and is only 0.6 miles from the future Kent-Des Moines Light Rail Station on Pacific Highway South, scheduled to open in 2024.

The 2015 Columbia pool was also refinanced, lowering the interest rate from 2.68% to 2.0%.

In the fourth quarter, Greenbridge sold 5 homes at Materra that generated \$222,000 of profit participation. The second phase of the Division 8 sale closed at \$5.8 million on December 15th.

Tenant accounts receivable balances for the bond program were over \$5.1 million or 49.66% of scheduled rents, a jump of 151% over the same period one year ago. As a comparison, past due rents totaled only \$425,000 at the end of 2019 and were only 5.53% of scheduled rents. Delinquencies outstanding by more than 90 days for KCHA managed properties have also grown significantly over the course of the pandemic. Past-due balances totaled \$914,000 at the end of the year, which is up more than 2 ½ times from the end of 2020, and 9 times from the end of 2019. Some of these balances will be eligible for the Eviction Prevention Rental Assistance Program (EPRAP) funds.

Operation of Federal Programs and Properties

FEDERAL PROGRAMS Through December 31, 2021		
Combined Federal	2021 Actual	2021 Budget
Operating Cash Flow	\$23,974,243	\$1,224,112
Other Changes in Cash	(18,671,565)	(3,377,803)
Change in Unrestr/Prog Cash	<u>\$5,302,677</u>	<u>(\$2,153,691)</u>
MTW	2021 Actual	2021 Budget
Operating Cash Flow	\$20,107,622	\$7,158,508
Transfer to PH for Ops	(4,023,527)	(4,332,210)
Other Changes in Cash	(34,224,282)	(3,335,423)
Change in Unrestr/Prog Cash	<u>(\$18,140,187)</u>	<u>(\$509,124)</u>
		Cash transferred to other federal programs, offset by increase in Block Grant revenue due to favorable RFIF and higher proration.
HCV	2021 Actual	2021 Budget
Operating Cash Flow	\$7,085,032	(\$1,022,961)
Transfer from MTW for Ops	87,534	0
Other Changes in Cash	(922,057)	(324,090)
Change in Unrestr/Prog Cash	<u>\$6,250,509</u>	<u>(\$1,347,051)</u>
		EHV funding, greater port-in admin fee income, and fewer HCV HAP expenses.
Public Housing	2021 Actual	2021 Budget
Operating Cash Flow ⁽¹⁾	(\$2,976,430)	(\$4,392,216)
Transfer from MTW for Ops	3,438,497	3,642,259
Other Changes in Cash	(4,383,461)	218,072
Change in Unrestr/Prog Cash	<u>(\$3,921,394)</u>	<u>(\$531,885)</u>
		Due to a reduction of accounts payable, offset by higher Subsidy and CFP management fee.
Other Federal	2021 Actual	2021 Budget
Operating Cash Flow	(\$241,981)	(\$519,219)
Transfer from MTW for Ops	585,030	689,951
Other Changes in Cash	20,858,234	63,637
Change in Unrestr/Prog Cash	<u>\$21,201,283</u>	<u>\$234,369</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 2021.

<i>(In thousands of dollars)</i>	Actual	Budget	Variance Favorable (Unfavorable)	% Var	
HCV Block Grant Revenue	166,770.5	159,871.3	\$6,899.2	4.3%	(1)
Funding of HAP Payments to Landlords	(128,469.3)	(132,369.0)	3,899.7	2.9%	
Funding of Section 8 Administrative Costs	(9,865.3) (1)	(9,737.7)	(127.6)	(1.3%)	
Excess of HCV Block Grant Funding over Expenses	<u>\$ 28,436.0</u>	<u>\$ 17,764.7</u>	<u>\$ 10,671.3</u>	<u>60.1%</u>	

1) HAP payments to landlords were less than anticipated primarily due to a \$2M reimbursement for 6 months of HAP expenses from the Birch Creek TCP.

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 2021. 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	(\$4,023.5)	(\$4,332.2)	(\$308.7)	7.1%	(1)
Net Flow of Cash(from)/to MTW from/(to) PH	<u>(\$4,023.5)</u>	<u>(\$4,332.2)</u>	<u>\$308.7</u>	<u>(7.1%)</u>	

1) Subsidy transfers from MTW to public housing were below budget as transfers are based on the actual 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	\$553.8	\$457.3	\$96.4	21.1%	(1)
Homeless Initiatives	(1,718.4)	(3,055.9)	\$1,337.5	(43.8%)	(2)
Resident Services	(4,555.7)	(5,384.1)	\$828.3	(15.4%)	(3)
Use of MTW Funds for Special Programs	<u>(\$5,720.3)</u>	<u>(\$7,982.6)</u>	<u>\$2,262.3</u>	<u>(28.3%)</u>	

- 1) The 2021 operating subsidy exceeded target as the budget assumed a 90% proration level while the actual funding was 96.64%.
- 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. 2021 expenditures include:

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var	
Construction Activity & Management Fees	\$8,265.9	\$8,956.7	(\$690.8)	(7.7%)	
Green River and Birch Creek debt payments	4,475.0	2,370.3	2,104.7	88.8%	(1)
Misc. Other Uses	504.2	350.0	154.3	44.1%	(2)
	<u>\$13,245.2</u>	<u>\$11,677.0</u>	<u>\$1,568.2</u>	<u>13.4%</u>	

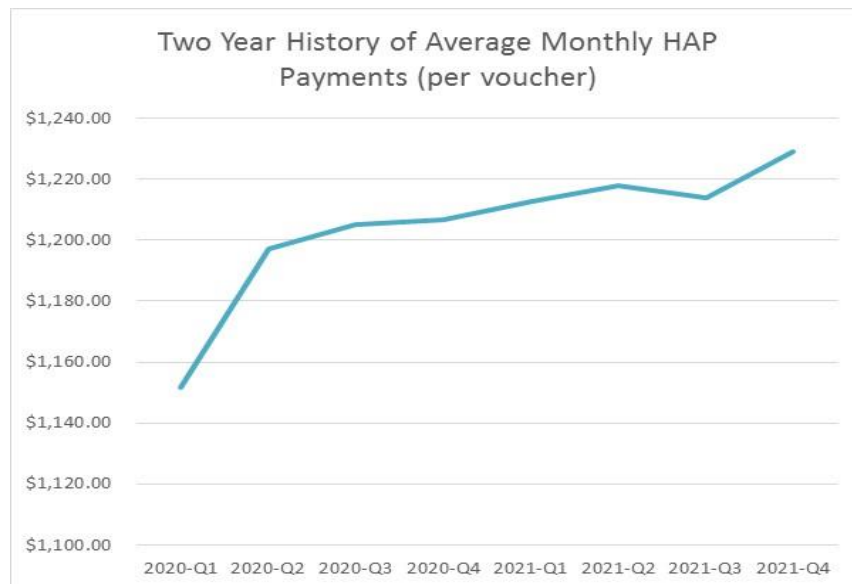
- 1) Due to pay-off of the Green River Homes II bond while the budget included the scheduled annual payment only.
 2) Mainly due to transfer of MTW funds to cover Cares Act related expenses.

5. Costs to administer the MTW program

Administrative costs are primarily salaries and benefits of those who manage or analyze MTW-funded programs. Expenses for 2021, totaling \$1.2 million, were 0.73% of gross program revenues and below the budget of \$1.57 million due to unfilled positions and lower than anticipated professional services.

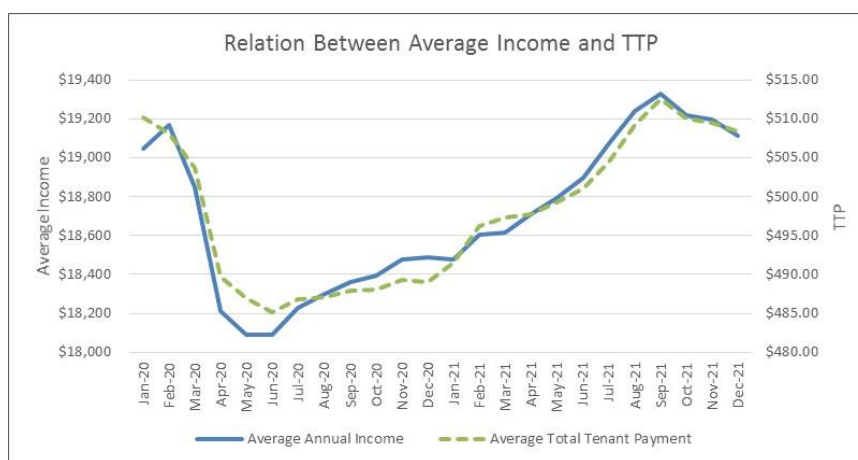
HOUSING CHOICE VOUCHERS

During the fourth quarter, HCV HAP expense from all programs (excluding ports-in) was close to budget expectations, coming in lower by \$1.1 million or 2.8%. Compared to the fourth quarter of 2020, total HAP expense climbed \$1.4 million or 3.5%. The HCV program was an aggregated 336 unit months under target for the quarter, a variance of 1.0%, and the average HAP payment per voucher was \$22.13 lower than budget estimates. The average quarterly HAP payment to landlords for all HCV vouchers was \$1,217.58, compared to \$1,202.25 last quarter and \$1,193.19 one year ago.



KCHA's average Block Grant HAP payments have remained relatively unchanged during the fourth quarter, rising \$21.43 from \$1,220.33 to \$1,241.76, or 1.73%. The block grant average per-unit-cost for the fourth 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 \$509.31, up slightly from the average of \$508.74 for the previous quarter and up from \$488.76 one year ago. As indicated by the chart below, changes in the TTP appear to be closely connected to the changes in the average tenant annual incomes and has risen consistently since the sharp decline at the start of the pandemic. However, we have started to see a decline over the last few months.



PUBLIC HOUSING

Operating Cash Flow exceeded budget expectations by \$1.4 million with subsidy receipts outpacing projections. 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 received \$1.7 million of Operating Fund Subsidy over the original budget projections for 2021. Operating expenses were close to plan with a variance of less than 1%.

OTHER FEDERAL

The change in unrestricted and program cash for the Other Federal programs was primarily impacted by the \$24.7 million cash reclassification from MTW as discussed last quarter. This amount was offset by a technology reserve to fund the Housing Management Software conversion in the amount of \$4 million.

Operation of Local Programs and Properties

LOCAL PROGRAMS Through December 31, 2021		
	2021 Actual	2021 Budget
Combined Local		
Operating Cash Flow	\$33,116,362	\$19,645,462
Other Changes in Cash	(22,365,766)	(22,361,131)
Change in Unrestr/Prog Cash	<u>\$10,750,596</u>	<u>(\$2,715,669)</u>
	2021 Actual	2021 Budget
Asset Management/Other		
Operating Cash Flow	\$34,741,301	\$23,109,540
Excess Cash to COCC	(9,057,562)	(8,960,000)
Other Changes in Cash	(5,951,610)	(14,563,776)
Change in Unrestr/Prog Cash	<u>\$19,732,129</u>	<u>(\$414,236)</u>
	2021 Actual	2021 Budget
Other Housing Management		
Operating Cash Flow	\$5,431,576	\$5,937,501
Excess Cash to COCC	(2,872,737)	(2,800,000)
Other Changes in Cash	(3,978,505)	(1,183,157)
Change in Unrestr/Prog Cash	<u>(\$1,419,667)</u>	<u>\$1,954,344</u>
	2021 Actual	2021 Budget
COCC		
Operating Cash Flow ⁽¹⁾	(\$7,056,514)	(\$9,401,579)
Excess Cash from Properties	11,810,172	11,760,000
Other Changes in Cash	(12,315,524)	(6,614,198)
Change in Unrestr/Prog Cash	<u>(\$7,561,866)</u>	<u>(\$4,255,777)</u>

Tenant rents from newly acquired properties and lower capital expenditures.

Payoff of Green River Homes II

Payoff of 700 Building line of credit, offset by lower administrative expenses

⁽¹⁾ Without transfers of excess cash to support operations

ASSET MANAGEMENT/OTHER

Operating Cash Flow for Asset Management exceeded budget projections by \$11.6 million. The primary driver for this increase was tenant rents from the newly acquired Argyle, Carrington, Sandpiper East, Surrey Downs, and Salish Place Apartments. Other changes in cash include \$20 million in grant revenue from Amazon, and \$7.2 million from CTC of Washington for Sandpiper East, which was deposited into property improvement reserves.

OTHER HOUSING MANAGEMENT

Two grants totaling \$8 million were received to support the acquisition of the Illahee Apartments, \$4 million each from Amazon and the City of Bellevue. Other significant activity included the \$3.5 million payoff of the Green River Homes II bonds.

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 operating cash flow was greater than anticipated in the budget. The CFP management fee from 2020 was not released until 2021, resulting in an increase in revenue. Additionally, various administrative and occupancy expense categories were less than budget.

The chart below reflects a summary of COCC activity.

COCC	2021 Actual	2021 Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
Other Operating Income	15,622,280	14,960,185	662,096	4.4%
Salaries	(12,441,003)	(12,394,427)	(46,576)	-0.4%
Benefits	(4,310,694)	(4,601,404)	290,711	6.3%
Occupancy Expenses	(338,800)	(819,114)	480,314	58.6%
Other Social Service Expenses	(14,632)	-	(14,632)	n/a
Administrative Expenses	(3,556,932)	(4,517,468)	960,537	21.3%
Total Operating Costs	(20,662,061)	(22,332,414)	1,670,354	7.5%
Total Operating Income before P & I	(5,039,780)	(7,372,230)	2,332,450	31.6%
Principal Payments	(1,184,674)	(1,184,674)	0	0.0%
Interest Payments	(832,060)	(844,675)	12,615	1.5%
			-	n/a
Operating Cash Flow	(7,056,514)	(9,401,579)	2,345,065	24.9%

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 2021.

	Actuals Thru 12/31/2021	Budget Thru 12/31/2021	YTD Variance	Percent of Annual Budget	2021 Annual Budget
CONSTRUCTION ACTIVITIES					
<i>Managed by Capital Construction Department</i>					
Public Housing	\$9,319,938	\$8,346,467	\$973,471 (1)	111.7%	\$8,346,467
509 Properties	2,243,972	1,743,598	500,374 (2)	128.7%	1,743,598
Other Properties	739,661	1,706,175	(966,514) (3)	43.4%	1,706,175
	12,303,571	11,796,240	507,331	104.3%	11,796,240
<i>Managed by Housing Management Department</i>					
Unit Upgrade Program	4,171,971	3,804,610	367,361	109.7%	3,804,610
Energy Performance Contract	1,582	-	1,582	N/A	-
Other Projects	98,538	191,600	(93,062) (4)	51.4%	191,600
	4,272,091	3,996,210	275,881	106.9%	3,996,210
<i>Managed by Asset Management Department</i>					
Homeownership Projects-Managed by Internal staff	249,349	1,703,750	(1,454,401) (5)	14.6%	1,703,750
Bond Properties-Projects Managed by Internal Staff	2,091,783	4,363,700	(2,271,917) (6)	47.9%	4,363,700
	2,341,131	6,067,450	(3,726,319)	38.6%	6,067,450
Subtotal Construction Activities	18,916,793	21,859,900	(2,943,107)	86.5%	21,859,900
DEVELOPMENT ACTIVITY					
<i>Managed by Hope VI Department</i>					
Seola Gardens	1,046	12,000	(10,954)	8.7%	12,000
Greenbridge	598,380	459,413	138,967 (7)	130.2%	459,413
	599,426	471,413	128,013	127.2%	471,413
<i>Managed by Development Department</i>					
Bellevue Manor	5,585,989	7,594,667	(2,008,679) (8)		7,594,667
Other Projects	413,113	2,300,000	(1,886,887) (9)	18.0%	2,300,000
	5,999,102	9,894,667	(3,895,566)	60.6%	9,894,667
Subtotal Development Activity	6,598,528	10,366,080	(3,767,553)	63.7%	10,366,080
TOTAL CONSTRUCTION & DEVELOPMENT	\$25,515,321	\$32,225,980	(\$6,710,659)	79.2%	\$32,225,980
PROPERTY ACQUISITIONS & OTHER ASSETS					
Acquisitions-Nia	13,387,721 (10)				
Acquisitions- Salish Place	37,750,000				
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	(7,589,158)				
TOTAL PER CASH RECONCILIATION REPORT	258,713,884				

- 1) The Ballinger Homes envelope project came in over budget mainly due to a significant increase in material cost. Westminster Manor Fire Protection project was delayed pending approval for the design/build by the fire department. Actual work did not begin until the third quarter.
- 2) The Avondale Manor envelope & roof project came in over budget due to significant increase in material cost.
- 3) The Capital Construction department budgeted a placeholder for Architecture and Engineering project costs, however, actual costs are coded directly to projects. The Woodcreek Lane envelope & roof project came in under budget as the site work was separated from the scope so only the roof and deck areas were replaced and the project came in \$300k below estimate.
- 4) The Spiritwood roof replacement project was delayed as bids were significantly higher than anticipated in the budget.
- 5) The Rainier View site improvement project is under target due to permit delays.
- 6) The Riverstone capital projects such as pool resurfacing, roofing project and window projects were cancelled for 2021 and will be included in 2022. Also, The Meadowbrook elevator project expenditures were below target due to project delays and will be carried over to 2022. Finally, Cascadian plumbing project was postponed to 2022 as management had difficulty finding a vendor/company to do the work.
- 7) Construction-Site Work/Infrastructure costs were 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. The Kirkland Heights redevelopment project started late but have advanced significantly in 2022. However, the redevelopment of Parkway has been put on an indefinite hold.
- 10) KCHA acquired the investor's interest in Nia.

CASH AND INVESTMENT SUMMARY

KCHA cash balances, excluding development activities, increased by \$31.1 million over the course of 2021, with most of the change occurring in the workforce housing portfolio. Unrestricted and designated cash increased by \$12.1 million and \$18.7 million, respectively. Changes in designated cash reserves included a \$7 million property improvement reserve for Sandpiper East, \$4 million for a technology reserve, and \$4 million into voluntary replacement reserves. For a complete report on KCHA's overall cash position at the end of the year, please see page 19.

The overall Return on Investment (ROI) on KCHA investments, including loans made for low-income housing and EPC project purposes, was 0.52%, reflecting no change since 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 \$883,000 against a projected return of \$1.0 million.

Investment Summary (in millions) as of December 31, 2021

	Amount	Yield	% of Total
Invested in the Local Government Investment Pool & Masterfund	\$174.5	0.09%	58.4%
Invested by KCHA	67.4	0.68%	22.6%
Cash held by trustees	13.5	0.02% *	4.5%
Cash held in checking and savings accounts	24.2	0.02% *	8.1%
Invested by KCHA	\$279.7	0.24%	93.7%
Cash loaned for low income housing & EPC project purposes	18.9	4.96%	6.3%
Loaned by KCHA	18.9	4.96%	6.3%
Total	\$298.6	0.52%	100.0%

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King County Housing Authority
Statement of Financial Position
Combined Operations (excluding development activity)
As of December 31, 2021

	2021 Actual
Cash-Unrestricted	\$99,557,463
Cash-Held by Management Agent	19,931,123
Cash-Designated	94,470,038
Cash-Restricted	26,125,681
Total Cash	240,084,305
Current Assets	31,710,244
Long-term Assets	1,764,637,365
Total Other Assets	1,796,347,609
Total Assets	\$2,036,431,913
Current Liabilities	47,069,676
Long-Term Liabilities	1,184,913,638
Total Liabilities	1,231,983,314
Equity	804,448,599
Total Liabilities and Equity	\$2,036,431,913

King County Housing Authority
Cash Reconciliation Report
Combined Operations (excluding development activity)
For the Period Ended December 31, 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	\$142,613,515	\$131,260,664	\$11,352,850	8.6%
Operating Subsidy from HUD-HCV	203,355,801	190,934,934	12,420,867	6.5%
Operating Subsidy from HUD-PH	12,455,777	10,698,140	1,757,637	16.4%
Port-In Income	49,491,120	51,122,842	(1,631,722)	(3.2%)
Other Operating Income	31,609,860	30,831,417	778,443	2.5%
Total Operating Income	439,526,073	414,847,998	24,678,075	5.9%
Salaries	(40,891,541)	(41,151,325)	259,783	0.6%
Benefits	(14,250,548)	(15,485,409)	1,234,860	8.0%
Occupancy Expenses	(31,718,058)	(33,346,882)	1,628,823	4.9%
Maintenance Projects	0	0	0	n/a
HAP Expense-KCHA	(157,323,474)	(161,812,691)	4,489,217	2.8%
HAP Expense-Ports In	(49,722,162)	(51,122,842)	1,400,680	2.7%
Other Social Service Expenses	(10,245,868)	(14,168,365)	3,922,497	27.7%
Administrative Expenses	(26,050,996)	(25,113,238)	(937,758)	(3.7%)
Total Operating Costs	(330,202,648)	(342,200,751)	11,998,103	3.5%
Total Operating Income before P & I	109,323,424	72,647,247	36,676,177	50.5%
Principal Payments	(22,476,904)	(23,249,721)	772,816	3.3%
Interest Payments	(29,755,915)	(28,527,952)	(1,227,963)	(4.3%)
Operating Cash Flow	57,090,605	20,869,574	36,221,031	173.6%
Non-Operating income	64,202,330	13,011,225	51,191,106	393.4%
Non-Operating Expenses	(28,654,708)	(3,331,578)	(25,323,130)	(760.1%)
Capital Expenditures	(31,225,722)	(37,361,704)	6,135,982	16.4%
Acquisitions/LIHTC Return to KCHA	(240,204,489)	0	(240,204,489)	n/a
Change in Designated Cash	(18,696,768)	(5,294,244)	(13,402,524)	(253.2%)
Change in Restricted Cash	(243,606)	971,334	(1,214,940)	(125.1%)
Transfers In/Out	(1,316,163)	(622,441)	(693,723)	(111.5%)
Other Changes in Debt	209,659,501	0	209,659,501	n/a
Others Sources/(Uses of Cash)	5,529,827	6,888,474	(1,358,647)	(19.7%)
Non Operating Net Sources (Uses) of Cash	(40,949,798)	(25,738,934)	(15,210,864)	(59.1%)
Net Change in Unrestricted Cash	\$16,140,807	(\$4,869,360)	\$21,010,167	431.5%
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	\$119,488,586	\$16,140,807		
Ending Cash Balance-Designated	94,470,038	\$18,696,768		
Ending Cash Balance-Restricted	26,125,681	\$243,606		
Total Ending Resources	\$240,084,305			

SUMMARY: Operating Cash Flow through December was very strong with operating cash flow exceeding budget by \$36.2 million with both income and expenses outperforming projections.

Operating Income was \$24.7 million or 5.9% above target with 62.7% of the variance on the Federal side of operations, and 37.3% from the Local Programs and Properties. See the Federal and Local summaries for more details.

Operating Expenses are \$12.1 million or 3.5% below budget with 60.5% of the variance on the Federal side and 39.5% from the Local programs and properties.

Other Sources/(Uses) of Cash was \$15.3 million or 59.4% below budget with 99.5% of the variance on the Federal side.

**King County Housing Authority
Cash Reconciliation Report
Federal Programs and Properties
For the Period Ended December 31, 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	9,502,650	9,238,881	263,769	2.9%
Operating Subsidy from HUD-HCV	203,011,818	190,556,452	12,455,366	6.5%
Operating Subsidy from HUD-PH	12,455,777	10,698,140	1,757,637	16.4%
Port-In Income	49,491,120	51,122,842	(1,631,722)	-3.2%
Other Operating Income	6,878,717	4,797,871	2,080,847	43.4%
Total Operating Income	281,340,082	266,414,186	14,925,896	5.6%
Salaries	(15,284,496)	(15,481,298)	196,802	1.3%
Benefits	(5,758,663)	(6,362,988)	604,325	9.5%
Occupancy Expenses	(8,583,620)	(9,319,942)	736,323	7.9%
Maintenance Projects	-	-	-	n/a
HAP Expense-KCHA	(157,323,474)	(161,812,691)	4,489,217	2.8%
HAP Expense-Ports In	(49,722,162)	(51,122,842)	1,400,680	2.7%
Other Social Service Expenses	(6,165,975)	(8,007,102)	1,841,127	23.0%
Administrative Expenses	(11,052,254)	(10,125,433)	(926,821)	-9.2%
Total Operating Costs	(253,890,645)	(262,232,296)	8,341,651	3.2%
Total Operating Income before P & I	27,449,437	4,181,890	23,267,547	556.4%
Principal Payments	(265,000)	(260,000)	(5,000)	-1.9%
Interest Payments	(3,210,195)	(2,697,778)	148,338	5.5%
Operating Cash Flow	23,974,243	1,224,112	22,750,131	1858.5%
Non-Operating income	31,191,708	7,907,410	23,284,298	294.5%
Non-Operating Expenses	(24,707,109)	0	(24,707,109)	n/a
Capital Expenditures	(13,335,958)	(12,598,117)	(737,841)	-5.9%
Acquisitions/LIHTC Return to KCHA	(12,804,489)	0	(12,804,489)	n/a
Change in Designated Cash	(4,956,742)	(694,196)	(4,262,546)	-614.0%
Change in Restricted Cash	1,809,166	1,203,821	605,345	50.3%
Transfers In/Out	(5,426,063)	(3,887,548)	(1,538,515)	-39.6%
Other Changes in Debt	7,308,000	0	7,308,000	n/a
Others Sources/(Uses of Cash)	2,337,455	4,690,827	(2,353,372)	-50.2%
Non Operating Net Sources (Uses) of Cash	(18,584,032)	(3,377,803)	(15,206,228)	-450.2%
Net Change in Unrestricted Cash	5,390,211	(2,153,691)	7,543,902	350.3%
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	28,108,456			
Ending Cash Balance-Designated	8,946,065			
Ending Cash Balance-Restricted	8,873,105			
Total Ending Resources	45,927,626			

SUMMARY: Operating Cash Flow for the year was very strong with operating cash flow exceeding budget by \$22.8 million, with both income and expenses outperforming projections.

Operating Income was \$14.9 million or 5.6% above target. The Block Grant RFIF was 4.289% vs. 1.5% budget, a 100% prorate vs. a 98.5% budget, and unbudgeted Emergency Housing Voucher revenue combined to yield \$12.4 million more revenue than budgeted. An Operating Fund Subsidy prorate of 96.4% vs. a 90% budget resulted in \$1.7 million additional revenue.

Operating Expenses are below budget in all categories, with HAP expenses lagging budget by \$4.5 million at year end. Occupancy Expense and Other Social Service Expenses also contributed to the \$8.3 million total variance.

Other Sources/(Uses) of Cash reflected a decline of \$18.6 million, or \$15.2 million more than budgeted as KCHA acquired the investor's interest in Nia Apartments, a \$4 million Technology reserve was established, MTW funds were used to pay-off the Green River Homes

**King County Housing Authority
Cash Reconciliation Report
Local Programs and Properties
For the Period Ended December 31, 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	133,110,865	122,021,783	11,089,082	9.1%
Operating Subsidy from HUD-HCV	343,983	378,482	(34,499)	-9.1%
Operating Subsidy from HUD-PH	-	-	-	n/a
Port-In Income	-	-	-	n/a
Other Operating Income	24,731,143	26,033,547	(1,302,404)	-5.0%
Total Operating Income	158,185,991	148,433,812	9,752,179	6.6%
Salaries	(25,607,045)	(25,670,026)	62,982	0.2%
Benefits	(8,491,885)	(9,122,421)	630,536	6.9%
Occupancy Expenses	(23,134,439)	(24,026,940)	892,501	3.7%
Maintenance Projects	-	-	-	n/a
HAP Expense-KCHA	-	-	-	n/a
HAP Expense-Ports In	-	-	-	n/a
Other Social Service Expenses	(4,079,893)	(6,161,263)	2,081,370	33.8%
Administrative Expenses	(14,998,742)	(14,987,806)	(10,936)	-0.1%
Total Operating Costs	(76,312,004)	(79,968,455)	3,656,452	4.6%
Total Operating Income before P & I	81,873,987	68,465,357	13,408,630	19.6%
Principal Payments	(22,211,904)	(22,989,721)	777,816	3.4%
Interest Payments	(26,545,721)	(25,830,174)	(715,547)	-2.8%
			-	n/a
Operating Cash Flow	33,116,362	19,645,462	13,470,900	68.6%
Non-Operating income	33,010,622	5,103,814	27,906,808	546.8%
Non-Operating Expenses	(3,947,599)	(3,331,578)	(616,021)	-18.5%
Capital Expenditures	(17,889,765)	(24,763,587)	6,873,822	27.8%
Acquisitions/LIHTC Return to KCHA	(227,400,000)	-	(227,400,000)	n/a
Change in Designated Cash	(13,740,027)	(4,600,048)	(9,139,979)	-198.7%
Change in Restricted Cash	(2,052,772)	(232,487)	(1,820,285)	-783.0%
Transfers In/Out	4,109,900	3,265,108	844,792	25.9%
Other Changes in Debt	202,351,501	-	202,351,501	n/a
Others Sources/(Uses of Cash)	3,192,372	2,197,647	994,725	45.3%
Non Operating Net Sources (Uses) of Cash	(22,365,766)	(22,361,131)	(4,635)	0.0%
Net Change in Unrestricted Cash	10,750,596	(2,715,669)	13,466,265	495.9%
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	91,380,130			
Ending Cash Balance-Designated	85,523,972			
Ending Cash Balance-Restricted	17,252,576			
Total Ending Resources	194,156,679			

SUMMARY: Operating Cash Flow was very strong with operating cash flow exceeding budget by \$13.5 million or 68.9%, with both income and expenses outperforming projections.

Operating Income exceeded budget projections by \$9.7 million, due to mostly from tenant revenue from newly-acquired properties, but nearly all properties reflected positive variances.

Operating Expenses were below budget, by \$3.7 million, due largely to the pandemic related projects delays.

Other Sources/(Uses) of Cash declined by \$22.4 million, which was very close to the budget with a variance of only -0.3%.

King County Housing Authority
Statement of Financial Position
Development Activity
As of December 31, 2021

	2021 Actual
Cash-Unrestricted	\$14,018,072
Cash-Held by Management Agent	0
Cash-Designated	0
Cash-Restricted	25,561,646
Total Cash	39,579,718
Current Assets	12,084,414
Long-term Assets	225,598,755
Total Other Assets	237,683,169
Total Assets	\$277,262,887
Current Liabilities	\$2,809,844
Long-Term Liabilities	151,919,728
Total Liabilities	154,729,571
Equity	122,533,315
Total Liabilities and Equity	\$277,262,887

King County Housing Authority
Cash Reconciliation Report
Development Activity
For the Period Ended December 31, 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	2,805,050	3,211,935	(\$406,885)	-12.7%
Operating Expenses	(1,216,355)	(1,500,813)	284,458	19.0%
			-	n/a
Total Operating Income before P & I	1,588,694	1,711,122	(122,428)	-7.2%
Change in Debt	22,336,476	78,801,051	(56,464,575)	-71.7%
Interest Payments	(1,029,493)	(2,619,014)	1,589,521	60.7%
Non-Operating income	7,463,393	13,672,788	(6,209,395)	-45.4%
Non-Operating Expenses	(99,038)	0	(99,038)	n/a
Capital Expenditures	2,488,862	(56,036,201)	58,525,064	104.4%
Change in Designated Cash	0	(772,682)	772,682	100.0%
Change in Restricted Cash	(10,215,117)	(14,920,923)	4,705,806	31.5%
Transfers In/Out	1,316,163	622,441	693,722	111.5%
Others Sources/(Uses of Cash)	(30,861,356)	(41,351,545)	10,490,189	25.4%
Non Operating Net Sources (Uses) of Cash	(8,600,109)	(22,604,085)	14,003,976	62.0%
Net Change in Unrestricted Cash	(\$7,011,415)	(\$20,892,963)		
Ending Cash Balance-Unrestricted	\$14,018,072			
Ending Cash Balance-Designated	0			
Ending Cash Balance-Restricted	25,561,646			
Total Ending Resources	\$39,579,718			

SUMMARY: Operating Cash Flow for th year was less than expected, coming in under budget by \$122 thousand or 7.2%, 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 and subordinate debt draws on Abbey Ridge, Bellevue Manor, and Woodland North were less than planned.

FINANCIAL DASHBOARD

CORE OPERATING REVENUE SOURCES

Tenant Revenue

	2021 YTD Actual	2021 YTD Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
Public Housing	\$8,421,639	\$8,198,684	\$222,955	2.7%
Local-Asset Management	108,888,147	96,653,893	12,234,254	12.7%
Local-Housing Management	24,222,717	25,367,890	(1,145,173)	(4.5%)
Other	1,076,223	1,040,197	36,026	3.5%
	<u>\$142,608,727</u>	<u>\$131,260,664</u>	<u>\$11,348,062</u>	<u>8.6%</u>

Block Grant

Gross Receipts	\$166,770,547	\$159,871,329	\$6,899,218	4.3%
Less: Used for HAP	(128,469,299)	(132,368,974)	3,899,675	2.9%
Less: Used for Admin Fees	(9,865,272)	(9,737,701)	(127,571)	(1.3%)
Available for Other Purposes	<u>\$28,435,976</u>	<u>\$17,764,654</u>	<u>\$10,671,322</u>	<u>60.1%</u>

Other Core Revenues

Special Purpose Voucher Revenue	\$26,077,260	\$26,356,979	(\$279,719)	(1.1%)
HCV Administrative Fee Revenue	13,248,287	11,880,169	1,368,118	11.5%
Public Housing Operating Fund Subsidy	12,455,777	10,698,140	1,757,637	16.4%
	<u>\$51,781,324</u>	<u>\$48,935,288</u>	<u>\$2,846,036</u>	<u>5.8%</u>

CORE OPERATING EXPENSES

	2021 YTD Actual	2021 YTD Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
Salaries and Benefits	\$55,142,089	\$56,636,733	(\$1,494,644)	(2.6%)
Occupancy Expenses	31,718,058	33,346,882	(1,628,823)	(4.9%)
Administrative Expenses	26,050,996	25,113,238	937,758	3.7%
HAP Expenses-Block Grant	130,331,686	134,331,506	(3,999,820)	(3.0%)
HAP Expenses-Special Purpose Vouchers	26,558,358	27,234,273	(675,915)	(2.5%)
	<u>\$269,801,188</u>	<u>\$276,662,632</u>	<u>(\$6,861,444)</u>	<u>(2.5%)</u>

CASH REPORT

(Excluding development activities)

	As of December 31, 2021	As of Beginning of Year
<i>Cash Available for General KCHA Use</i>		
Unstricted Cash	\$71,589,308	\$59,519,762
Cash Set-aside but Available for General Use	40,502,860	38,108,966
Total	112,092,168	97,628,728
<i>Cash Designated for Specific Purposes</i>		
Held by Outside Property Management Companies	19,931,123	20,648,964
Replacement Reserves	38,818,474	34,377,515
Other	15,148,704	3,286,788
Total	73,898,301	58,313,268
<i>Cash that Must be Spent Within Specific Programs</i>		
Federal	27,839,025	22,718,245
Local	129,130	460,808
Total	27,968,155	23,179,053
<i>Cash that is Legally Restricted for Specific Purposes</i>		
Federal	8,873,105	10,682,270
Local	17,252,576	15,199,805
	26,125,681	25,882,075
TOTAL CASH	\$240,084,305	\$205,003,123

S & P RATIOS (Estimates)

EBITDA* as a % of Operating Revenue

24.9%

>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

8.1

>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*

8.41

Ratio of EBITDA* to Annual Interest Payments

4.33

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						

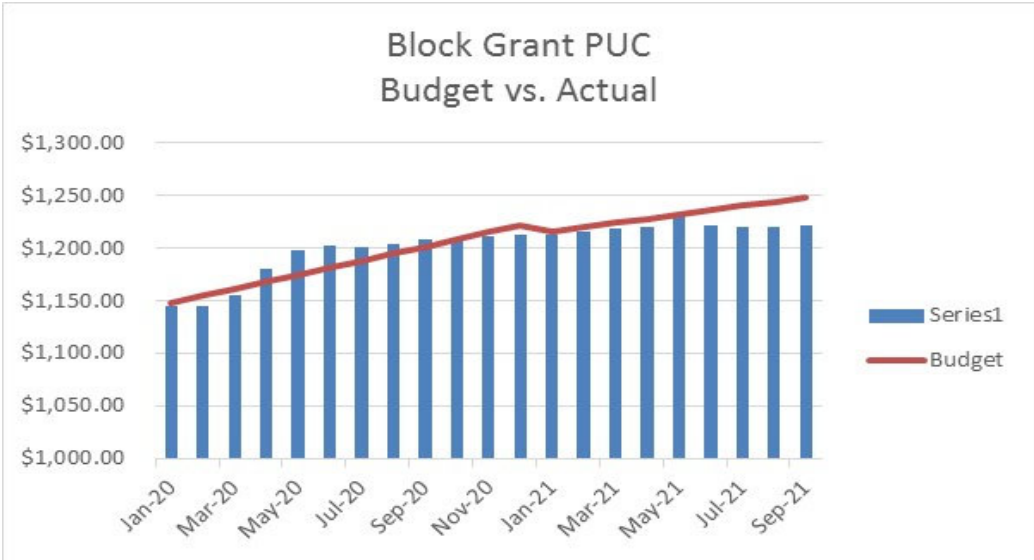
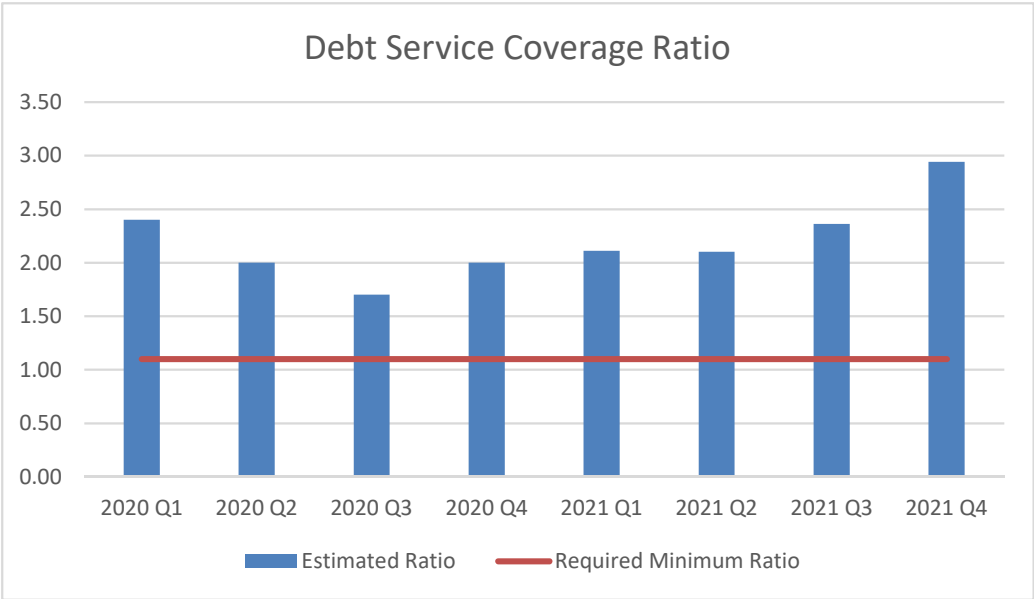
Best

Worst

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

* Earnings Before Interest, Taxes, Depreciation and Amortization

OTHER KEY METRICS



T A B N U M B E R

8



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

Interim Executive Director
Daniel Watson

To: Board of Commissioners

From: Patrick Kaapana, Capital Construction Program Manager

Date: May 12, 2022

Re: Construction Market Challenges

At the May Board of Commissioners meeting, I will be reviewing the on-going challenges in the construction market that are affecting both prices and project schedules.

The Capital Construction Department continues to monitor the cost of materials, supply chain issues, and the availability and cost of labor. Consistently high oil prices are impacting the costs of petroleum products, as well as their availability. For example roofing shingles have increased in price and availability and delivery schedules have been negatively impacted. Even with some progress in the concrete laborers strike, concrete availability and pricing are still issues and will continue to be as the building season ramps up, impacting KCHA site improvement projects.

The supply chain is erratic- we receive some of the needed materials but not all. Critical elements in heating projects like boilers are readily available, but the metal cabinets for hydronic heaters and the fin tubes are in short supply. The same is true with electrical components like breakers. In order to complete the Wayland Arms electric panel replacement project for example, we are waiting for two-pole ground fault breakers. We have installed standard breakers, so unit panels are functional, but we cannot complete the project until the ground fault breakers are installed. We have moved up the bidding of some projects and provided contractors Limited Notices to Proceed, which authorize the pre-contract purchase of long lead item materials, but even with advance purchase authorizations we still experience supply chain delays on some projects.

Specific examples of shortages/supply chain issues by type of work include:

- Hydronic heat and HVAC-- mixing valves, thermostats, fin coil units, sheet metal cases.
- Envelope projects supply issues -- windows, doors, siding trim, roof shingles.
- Electrical projects -- replacement breakers, panel/cabinets, wire.
- Site projects -- concrete, asphalt.

With the start of the construction season, we are beginning to see the labor pool shrink in specific trades. Public school projects are generally done in the summer months, and contractors not working on those project are beginning to see limited availability of electricians, plumbers, and workers in the HVAC trades. Although the industry is experiencing rising prices in both labor and materials, overall there is no shortage of work.

T A B N U M B E R

9



To: Board of Commissioners

From: S. Scarleth Lever Ortiz, Senior Director, Office of Equity, Diversity & Inclusion (EDI)

Date: May 16, 2022

Re: Office of EDI Updates

KCHA aspires to become an anti-racist organization both, within the agency, and in the communities it serves. To that end, KCHA established the Office of Equity, Diversity and Inclusion (EDI) in the summer of 2021 to help shape and lead organization-wide strategy to embed EDI into every aspect of KCHA's work, acknowledging a range of intersectional identities and placing an intentional emphasis on racial equity.

KCHA's Executive Leadership Team is committed to provide the organizational infrastructure to become an anti-racist organization. The Office of EDI is preparing to provide the agency-wide support, including to the Board of Commissioners, needed to help KCHA live out EDI values in its work every day to enhance and achieve KCHA's mission, vision and strategic goals.

Ji Soo Kim, Inaugural EDI Program Manager, and I, will strive to have equity at the heart of everything we do, as it is front and center of KCHA's mission and in alignment with our personal commitment to this work. In the coming years, we plan to build a best-in-class EDI program.

During our brief presentation, we will share highlights of the following cultural awareness topics commemorated at KCHA in the month of May:

1. Mother's Day
2. Asian American, Native Hawaiian and Pacific Islander Heritage Month
3. Mental Health Awareness Month

Finally, we will provide a progress update related to KCHA Staff Data Dashboard.

Office of Equity, Diversity and Inclusion

May 2022 Highlights

Board of Commissioners

May 16, 2022 Meeting



DEEPENING OUR CULTURAL AWARENESS

May Highlights



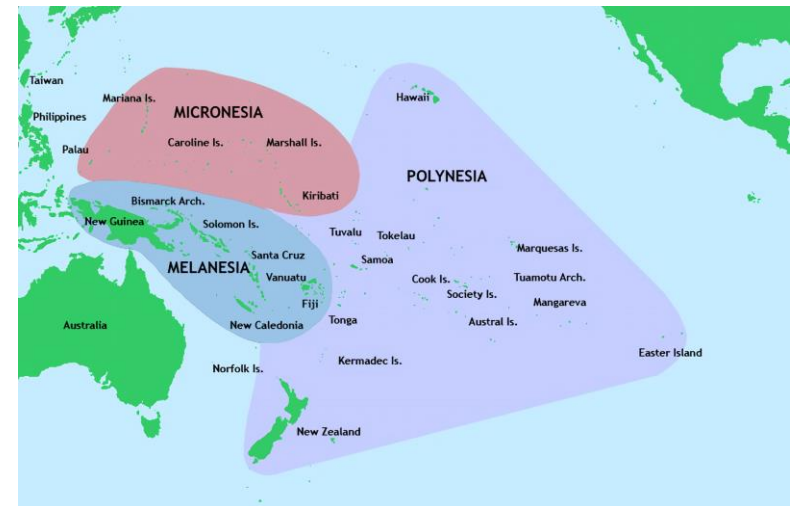
Special thanks to all the KCHA committees, departments, and individual staff for their contributions!



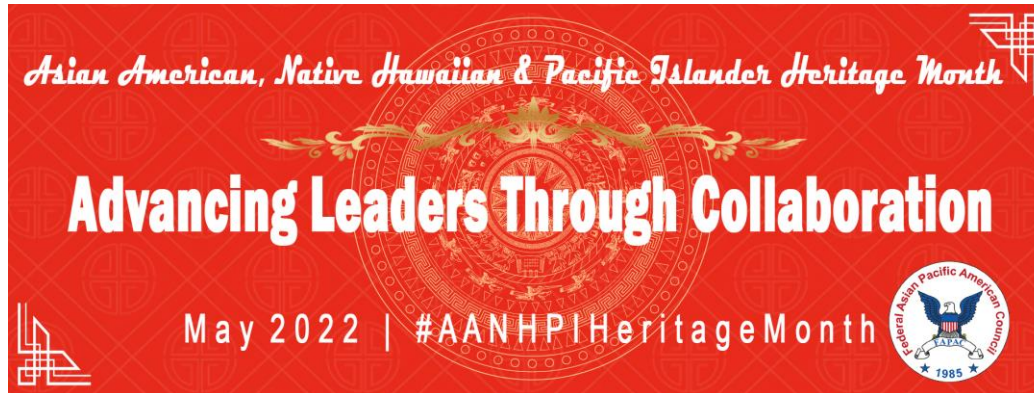
- Mother's Day is celebrated throughout the year all over the world. Starting in Mid-February in Norway to end of December in Indonesia, celebrating mom is a universal tradition.
- REDI & the Office of EDI collaborated on an all-staff email and raffle that commemorated and acknowledged that Mother's Day can be a complicated holiday for many, particularly amid pandemic.
- **At KCHA, 94% of KCHA' single parent residents/participants are headed by female households.**

AANHPI Heritage Month Did you Know?

- AANHPI stands **for Asian American, Native Hawaiian and Pacific Islander**
 - Fast-growing population of 23 million Americans representing **50 ethnic groups** with roots in more than **40 countries that speak over 100 languages.**
 - There are approximately 22 million Asian Americans in the U.S., **the fastest growing ethnic group**



AANHPI Heritage Month Did you Know?

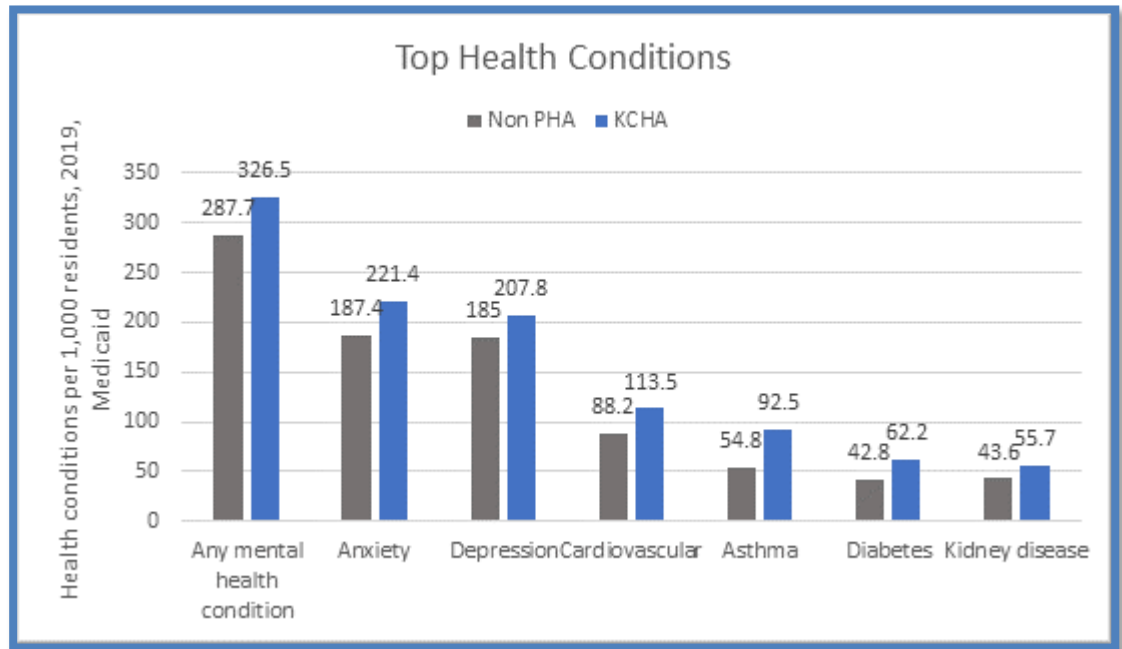


- The Federal Asian Pacific American Council's theme for the observance of Asian American, Native Hawaiian and Pacific Islander Heritage Month in May 2022 is **Advancing Leaders Through Collaboration**.
- In King County, approximately **20% of adults identify as Asian American, Native Hawaiian or Pacific Islander**
- **In KCHA, Asian American, Native Hawaiian or Pacific Islander representation is as follows:**
 - **8% of Residents**
 - **16% of Staff**
 - **5% of Senior Staff**

Mental Health Awareness Month: “Together for Mental Health”

Did you Know?

- 1 in 5 U.S. adults experience mental illness each year
- 1 in 20 U.S. adults experience serious mental illness each year
- **KCHA residents have higher rates of mental health conditions than non-PHA residents on Medicaid**



Mental Health Awareness Month:

Sample of KCHA Offerings

- Events pertaining to National Bike Month to promote physical activity.
- Links to webinars on mental health awareness hosted by HUD and the Substance Abuse and Mental Health Services Administration
- Link to the ALO MovesYoga App
- And a Lunchtime Learn & Burn on Wednesday, May 25th hosted by our Wellness Coordinator, Kristy Clark



T A B N U M B E R

10



TO: Board of Commissioners

FROM: Ai Ly, Associate Director of Finance

DATE: April 28, 2022

RE: 1st Quarter 2022 Summary Write-Offs

During the first quarter of 2022, tenant accounts totaling \$15,313 were deemed uncollectable and written off. This represents a 39% decrease from the previous quarter. Overall, past due rents owed to KCHA accounted for \$1,529 (10%) of the total and cleaning/damage charges accounted for \$3,192 (21%) of the total. Security deposits in the amount of \$1,475 were retained to offset 10% of the total charges. Per policy, all accounts with a balance owed of \$100 or more will be forwarded to KCHA's contracted collection agency. \$3,256 was recovered by the collection agency during the first quarter for payments to accounts that were sent to the collection agency.

	WRITE-OFFS	WRITE-OFFS
Rent Balance Forward to Vacate Month	\$ 10,591.94	\$ 10,591.94
Retro Rent Write-offs	\$ -	\$ -
<u>VACATE CHARGES:</u>		
Rent Delinquent in Vacate Month	1,528.87	1,528.87
Cleaning & Damages	3,192.02	3,192.02
Paper Service & Court Costs	-	-
Miscellaneous Charges	-	-
Total Charges	<u>4,720.89</u>	<u>4,720.89</u>
Total All Charges	<u>15,312.83</u>	<u>15,312.83</u>
<u>CREDITS:</u>		
Security Deposits	(1,475.00)	(1,475.00)
Miscellaneous Payments & Credits	<u>(608.22)</u>	<u>(608.22)</u>
Total Credits	<u>(2,083.22)</u>	<u>(2,083.22)</u>
Total Net Write-offs	<u>\$ 13,229.61</u>	<u>\$ 13,229.61</u>
Net Write-offs by Portfolio		
KCHA	13,002.06	13,002.06
Green River II	-	-
Soosette Creek	150.30	150.30
Zephyr	-	-
Fairwind	28.71	28.71
Vantage Point	48.54	48.54
Spiritwood Manor	-	-
	<u>\$ 13,229.61</u>	<u>\$ 13,229.61</u>

**Write-off and Collection Summary
2019 - 2021**

NET WRITE-OFFS			
	2020	2021	2022
January to March	15,086.25	12,832.74	13,229.61
April to June	32,185.06	10,693.56	
July to September	7,239.24	10,129.97	
October to December	16,311.82	22,866.78	
TOTAL	70,822.37	56,523.05	

NET COLLECTIONS			
	2020	2021	2022
January to March	3,068.43	826.80	3,256.04
April to June	499.08	282.75	
July to September	377.00	2,802.50	
October to December	1,382.11	1,558.05	
TOTAL	5,326.62	5,470.10	

T A B N U M B E R



KCHA IN THE NEWS

May 16, 2022

Seattle ‘social housing’ initiative faces early opposition from established housing providers

May 6, 2022 at 6:00 am



A ballot initiative to create a new agency to build “social housing” aims to reduce the numbers of unsheltered people in Seattle. (Alan Berner / The Seattle Times)

By [Greg Kim](#) *Seattle Times staff reporter*

Developers focused on creating housing for Seattle’s poorest residents have mounted the first vocal opposition to a campaign to increase locally funded, publicly owned affordable housing.

Ballot Initiative 135, which organizers hope will qualify for the fall ballot, would establish a public developer that would create, own and maintain public housing in Seattle that is insulated from private market forces and designed to

be permanently affordable. This model is popular in Europe and around the globe.

But the Housing Development Consortium, a lobbying group whose members include King County's major low-income housing developers, financial institutions and governmental development agencies, doesn't want to compete with a new organization for funding.

"We are concerned that Initiative 135, filed by the House our Neighbors coalition, distracts funds and energy away from what our community should be focusing on — scaling up affordable housing for low-income people," according to [a statement from the Housing Development Consortium](#) last week.

It is unclear whether the consortium is speaking for all its members. Organizations like the Seattle Housing Authority and the Downtown Emergency Service Center said they have not taken official positions on Initiative 135, despite being listed as members.

The "social housing" initiative had, so far, gone largely unchallenged since it was announced early last month. Supporters say it is focused on solutions to a growing homelessness crisis, a goal that it shares with the group opposing it.

"We've made super-clear to them that we're not going to go after any of the funds that they have," said Tiffani McCoy, co-chair of the coalition behind the measure, House Our Neighbors, and advocacy director at Seattle's street newspaper Real Change. "And in fact, we want them to keep that funding and keep doing what they're doing."

The coalition behind the initiative, House our Neighbors, was created in 2021 in opposition to Charter Amendment 29, also known as Compassion Seattle. That measure, which proposed requiring the city to build 2,000 shelter units while keeping parks and sidewalks clear of encampments, was kicked off the ballot when the Washington Court of Appeals ruled it would have interfered with state law.

The Housing Development Consortium argues that Seattle should focus its resources on the existing system for developing and operating affordable housing, which involves a collaboration between the largely federally funded Seattle Housing Authority, local public development agencies and other nonprofit organizations.

The group's members are the primary funders and builders of affordable housing in the region. The consortium says Seattle doesn't need new players but more money.

“We know what works,” the consortium wrote in its statement. “The primary constraint on our ability to scale proven affordable housing models is the limited public resources available to fund affordable housing.”

The statement says that the region’s focus should be renewing the Seattle Housing Levy, which it calls “the most important affordable housing tool the city of Seattle has.” Since 1981, Seattle housing levies have funded more than 13,000 affordable apartments and provided homeownership assistance and emergency rental assistance to thousands more.

Backers of the initiative disagree with the “scarcity mindset” that they say the consortium is operating in.

McCoy, of the sponsor coalition, says the initiative would supplement, rather than replace, existing affordable housing programs in Seattle.

The “social housing authority” the initiative would establish would also be independent of federal requirements for affordable housing, which many of Seattle’s existing programs are subject to because they use federal dollars. McCoy says those requirements are “incredibly onerous, and restrictive and are not set up to ever meet our needs.”

“We need so much more housing than our current strategies — that are dictated by the federal government — are able to provide,” McCoy said.

However, the campaign has not identified a long-term funding source for its program.

McCoy said that the House Our Neighbors Coalition is working with elected officials to identify a funding source for its initiative.

“The onus is on them to argue why we shouldn’t be funding every different tool to build that housing that we so desperately need,” McCoy said.

State Rep. Frank Chopp, D-Seattle, agrees.

“The raw reality of it is that the current system is not working,” Chopp said. “We’ve got rent increases through the roof, we’ve got home prices through the roof, so we need a new tool, and Initiative 135 could be a new tool.”

Another state representative, Nicole Macri, D-Seattle, shares the opposition’s concern that there is already a lot of competition for limited public resources, but she believes the model of housing that House our Neighbors is trying to build could fill a real need in Seattle.

“They want to do housing that is deliberately climate-friendly, that is governed by renters, that is deliberately cross-class, cross-subsidized, a diversity of families in one building. So that seems intriguing,” Macri said, speaking from her position as a lawmaker. Macri is also the deputy director of the Downtown

Emergency Service Center, which operates much of Seattle's emergency shelter capacity. The nonprofit does not have an official stance on Initiative 135, but it is listed as a member of the Housing Development Consortium on its website.

Initiative 135 would create housing that is community controlled by a renter-majority governing board that would decide how the development authority operates. People who make up to 120% of the area's median income would qualify — a higher threshold than current requirements.

Seattle's median household income was \$102,500 in 2019.

To qualify for low-income housing through the Seattle Housing Authority, the people in a household cannot, combined, earn more than 80% of area median income.

The hope in raising that bar is to help people who might earn closer to the median but still struggle to afford rent in a city where the median monthly rent for a one-bedroom is more than \$1,600.

The Seattle and King County housing authorities say they already do much of what supporters say Initiative 135 would do.

Seattle Housing Authority spokesperson Kerry Coughlin wrote in an email that tenants whose income increases beyond 80% of area median income are permitted to stay in Seattle Housing Authority units; however, their rent increases as their income does. She also pointed out that two members of the housing authority's seven-person board are Seattle Housing Authority tenants.

The King County Housing Authority, although it does not operate in Seattle, does oppose Initiative 135.

"I don't think you need to create a new system to create social housing," said Dan Watson, interim executive director of the authority, another member of the Housing Development Consortium. "The argument that I'm making is that there are existing organizations and funding mechanisms that support something like this. You don't need to start from scratch."

The campaign started collecting signatures for ballot Initiative 135 two weeks ago, but it declined to share how many signatures it has collected.

It needs almost 27,000 signatures to make the November ballot.

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