MEETING OF THE BOARD OF COMMISSIONERS

HYBRID MEETING

Monday, September 19, 2022

Webinar Meeting:

https://kcha-org.zoom.us/j/82168511406

Webinar ID: 821 6851 1406

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

HYBRID MEETING OF THE BOARD OF COMMISIONERS AGENDA

September 19, 2022 - 8:30 a.m.

King County Housing Authority - West Wing Conference Room
600 Andover Park West, Tukwila, WA 98188

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of Minutes **1**

A. Board Meeting Minutes – August 15, 2022

V. Approval of Agenda

VI. Consent Agenda **2**

A. Voucher Certification Reports for July 2022

VII. Resolutions for Discussion **3**

A. **Resolution No. 5730 –** Authorizing Changes to the Administrative Plans (AD PLAN) for KCHA's Tenant-Based Voucher Program.

VIII. Briefings & Reports

IX. Executive Director Report

X. KCHA in the News

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.

TAB NUMBER 1

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

Monday, August 15, 2022

I. CALL TO ORDER

The monthly meeting of the King County Housing Authority Board of Commissioners was held as a special hybrid meeting on Monday, August 15, 2022. There being a quorum, the hybrid meeting was called to order by Chair Barnes at 8:31 a.m.

II. ROLL CALL

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

Excused: Commissioner Regina Elmi.

III. PUBLIC COMMENT

No Public Comment.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – July 18, 2022

On motion by Commissioner Susan Palmer, and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the July 18, 2022 Meeting Minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner John Welch, and seconded by Commissioner Susan Palmer, the Board unanimously approved the August 15, 2022 hybrid Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Report for June 2022

B. **Resolution No. 5728 –** A Resolution providing for the formation a limited liability limited partnership in connection with the rehabilitation of Kirkland Heights Apartments, declaring the Authority's intention to sell tax-exempt obligations to finance the Kirkland Heights Apartments, and providing for other related matters

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Susan Palmer, the Board unanimously approved the August 15, 2022 hybrid Board of Commissioners' meeting consent agenda.

VII. RESOLUTIONS FOR DISCUSSION

A. Resolution No. 5729 – Authorizing a Change in the Pay Schedules for Administrative and Building Trade Employees of 6.4% Effective September 10, 2022.

Craig Violante explained the change for this year's COLA and the date.

Normally, the COLA is given at the first full pay period in November. This year we have recommended that it start earlier as the high rate of inflation in the area. The percent is 6.4%, as it was 8.6% and we gave 2.2% a year ago, early for employees.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Susan Palmer, the Board unanimously approved Resolution 5728.

VIII. BRIEFINGS & REPORTS

A. Second Quarter CY 2022 Write-Offs

Bill Cook, Director of Property Management gave a summary of the report.

The amounts have gone down, we are clear of the rental assistance programs that were instituted during the pandemic and we have fallen below our amounts pre-pandemic.

The rental assistance program in King County has worked really well and helped a lot of our residents get current with their rent.

Questions of Commissioners were answered.

VIII. EXECUTIVE DIRECTOR REPORT

Executive Director Robin Walls gave National and Local level news updates.

National Level:

- HUD is considering a new methodology for calculating fair market rents. The new proposed methodology will consider the Consumer Price Index (CPI) similar to ones we use to calculate our increases as well as other private market sources. Last month we had a Resolution increasing our payment standards which are a factor of the fair market rents. KCHA has always had to contest HUD's Methodology.

- Inflation Reduction Act is focused on climate as well as tax components and does not have a strongly featured housing component.

Local News:

- We have had some community concerns at Aspen Ridge. Dan and Executive Director Walls have met with Council Member Zahilay as well as local residents. They have follow up items to address their concerns, such as increase in crime. There are site base issues that Tim and Wen are aggressively following up on. We will have a follow up discussion with this group around late September/early October.

- We are beginning our first round of interviews for the Deputy Executive Director/Chief Administrative Office position for Administration. Craig is retiring at the end of the year. We have contracted with a National Search Firm.

- Executive Director Walls will be holding an all staff meeting in a Town Hall format on Thursday, August 25th. She will be inviting staff to submit questions and will talk about her impressions of KCHA in terms of her first 30 days.

- Reminder – We will have the All Staff Meet and Greet at the Museum of Flight on Friday, September 9, 2022.

IX. KCHA IN THE NEWS

None.

X. COMMISSIONER COMMENTS

Federal Level – Are we thinking about a trip to DC? Yes, we are thinking of a spring trip.

XI. ADJOURNMENT

Vice-Chair Palmer adjourned the meeting at 8:53 a.m.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

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DOUGLAS J. BARNES, Chair
Board of Commissioners

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ROBIN WALLS
Secretary

TAB NUMBER 2

King County Housing Authority

To: Board of Commissioners

From: Mary Osier, Accounting Manager

Date: September 2, 2022

Re: **VOUCHER CERTIFICATION FOR JULY 2022**

I, Mary Osier, 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.

Mary Osier
Accounting Manager
September 2, 2022

Bank Wires / ACH Withdrawals		5,278,615.68
	Subtotal	***5,278,615.68***
Accounts Payable Vouchers		
Key Bank Checks - #340967-341474		6,851,396.71
Tenant Accounting Checks - #11700-11713		50,883.77
	Subtotal	***6,902,280.48***
Payroll Vouchers		
Checks - #93118-93154		52,603.58
Direct Deposit		1,889,955.40
	Subtotal	***1,942,558.98***
Section 8 Program Vouchers		
Checks - #639331-639813 & 640242-640246		440,474.83
ACH - #550691-553307		18,601,616.65
	Subtotal	***19,042,091.48***
Purchase Card / ACH Withdrawal		330,355.11
	Subtotal	***330,355.11***
	GRAND TOTAL	***$ 33,495,901.73***

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	07/06/2022	$ 34,053.11	A/P & Payroll	
Ballinger Commons	07/06/2022	$ 87,993.07	A/P & Payroll	
Bellepark	07/06/2022	$ 3,118.04	A/P	
Cottonwood	07/06/2022	$ 16,627.36	A/P & Payroll & OCR	
Cove East	07/06/2022	$ 72,392.25	A/P & Payroll & OCR	
Emerson	07/06/2022	$ 51,691.84	A/P & Payroll	
GILMAN SQUARE	07/06/2022	$ 19,855.35	A/P & Payroll	
Hampton Greens	07/06/2022	$ 19,766.76	A/P	
Juanita View	07/06/2022	$ 23,296.62	A/P & Payroll & OCR	
Kendall Ridge	07/06/2022	$ 4,696.42	A/P	
Kirkland Heights	07/06/2022	$ 59,371.93	A/P & Payroll & OCR	
Landmark	07/06/2022	$ 14,548.33	A/P	
Meadowbrook	07/06/2022	$ 38,197.66	A/P & Payroll	
Riverstone	07/06/2022	$ 17,628.41	A/P	
SALMON CREEK	07/06/2022	$ 20,166.93	A/P & Payroll & OCR	
SALMON CREEK	07/06/2022	$ 9,406.56	Monthly Bond fees	
SALMON CREEK	07/06/2022	$ 7,545.71	Monthly Bond fees	
SALMON CREEK	07/06/2022	$ 1,104.78	Monthly Bond fees	
SEOLA CROSSING LLC	07/06/2022	$ 77,752.15	A/P & Payroll & OCR	
SEOLA CROSSING LLC	07/06/2022	$ 33,540.79	A/P & Payroll & OCR	
Surrey Downs	07/06/2022	$ 23,774.70	A/P & Payroll	
Villages at South Station	07/06/2022	$ 38,021.07	A/P & Payroll	
Woodside East	07/06/2022	$ 1,850.00	A/P & Payroll	
ALPINE RIDGE	07/07/2022	$ 9,090.80	A/P & Payroll	
ARBOR HEIGHTS	07/07/2022	$ 5,443.65	A/P & Payroll	
Aspen Ridge	07/07/2022	$ 26,193.72	A/P & Payroll	
Auburn Square	07/07/2022	$ 15,551.32	A/P & Payroll	
Carriage House	07/07/2022	$ 20,178.27	A/P & Payroll	

Carrington	07/07/2022	$	13,334.69	A/P & Payroll	
CASCADIAN	07/07/2022	$	67,561.50	A/P & Payroll	
Colonial Gardens	07/07/2022	$	11,799.67	A/P & Payroll	
FAIRWOOD	07/07/2022	$	10,748.75	A/P & Payroll	
HERITAGE PARK	07/07/2022	$	10,822.43	A/P & Payroll	
LAURELWOOD	07/07/2022	$	10,688.30	A/P & Payroll	
Meadows	07/07/2022	$	11,839.15	A/P & Payroll	
Newporter	07/07/2022	$	10,529.27	A/P & Payroll	
NIA	07/07/2022	$	48,957.05	A/P & Payroll & OCR	
OVERLAKE	07/07/2022	$	39,712.97	A/P & Payroll	
Parkwood	07/07/2022	$	10,394.33	A/P & Payroll	
Pinewood	07/07/2022	$	12,906.45	A/P & Payroll	
RAINIER VIEW I	07/07/2022	$	7,870.93	A/P & Debt service	
RAINIER VIEW II	07/07/2022	$	8,078.22	A/P & Debt service	
Salish	07/07/2022	$	22,564.37	A/P & Payroll	
Sandpiper	07/07/2022	$	12,240.13	A/P & Payroll	
SI VIEW	07/07/2022	$	5,170.39	A/P & Debt service	
SOUTHWOOD SQUARE	07/07/2022	$	7,974.43	A/P & Payroll	
Tall Cedars	07/07/2022	$	10,000.00	A/P & Payroll	
Timberwood	07/07/2022	$	13,282.33	A/P & Payroll	
Vashon Terrace	07/07/2022	$	2,446.74	A/P & Debt service	
Walnut Park	07/07/2022	$	19,422.29	A/P & Payroll	
WINDSOR HEIGHTS	07/07/2022	$	41,982.34	A/P & Payroll	
Woodridge Park	07/07/2022	$	45,443.89	A/P & Payroll	
Bellepark	07/13/2022	$	16,949.93	A/P & Payroll	
Hampton Greens	07/13/2022	$	49,106.53	A/P & Payroll	
Kendall Ridge	07/13/2022	$	77,404.70	A/P & Payroll	
Landmark	07/13/2022	$	34,672.96	A/P & Payroll	
Parkwood	07/13/2022	$	13,951.67	A/P & Payroll	
Riverstone	07/13/2022	$	43,075.29	A/P & Payroll	
Woodside East	07/13/2022	$	30,109.73	A/P & Payroll	
ALPINE RIDGE	07/14/2022	$	1,693.91	A/P	
ARBOR HEIGHTS	07/14/2022	$	14,544.63	A/P	
Aspen Ridge	07/14/2022	$	891.40	A/P	
Auburn Square	07/14/2022	$	13,782.36	A/P	
Carriage House	07/14/2022	$	1,463.03	A/P	
Carrington	07/14/2022	$	5,721.25	A/P	
CASCADIAN	07/14/2022	$	3,020.36	A/P	
Colonial Gardens	07/14/2022	$	15,123.16	A/P	
FAIRWOOD	07/14/2022	$	9,212.50	A/P	

HERITAGE PARK	07/14/2022	$	1,591.05	A/P	
LAURELWOOD	07/14/2022	$	7,040.00	A/P	
Meadows	07/14/2022	$	10,127.45	A/P	
Newporter	07/14/2022	$	9,245.82	A/P	
OVERLAKE	07/14/2022	$	61,278.11	A/P	
Parkwood	07/14/2022	$	17,003.59	A/P	
Pinewood	07/14/2022	$	8,532.21	A/P	
RAINIER VIEW I	07/14/2022	$	8,634.69	A/P	
RAINIER VIEW II	07/14/2022	$	6,338.81	A/P	
Salish	07/14/2022	$	10,656.09	A/P	
SI VIEW	07/14/2022	$	2,584.94	A/P	
SOUTHWOOD SQUARE	07/14/2022	$	9,952.85	A/P	
Timberwood	07/14/2022	$	8,645.06	A/P	
Vashon Terrace	07/14/2022	$	2,590.75	A/P	
Walnut Park	07/14/2022	$	47,263.52	A/P	
WINDSOR HEIGHTS	07/14/2022	$	32,031.22	A/P	
Woodridge Park	07/14/2022	$	12,285.01	A/P	
Argyle	07/20/2022	$	92,294.18	A/P & Payroll	
Ballinger Commons	07/20/2022	$	119,742.30	A/P & Payroll	
Bellepark	07/20/2022	$	2,258.47	A/P	
Emerson	07/20/2022	$	40,004.94	A/P & Payroll	
GILMAN SQUARE	07/20/2022	$	38,400.39	A/P & Payroll	
Kendall Ridge	07/20/2022	$	12,953.99	A/P	
Landmark	07/20/2022	$	56,862.63	A/P	
Meadowbrook	07/20/2022	$	19,834.69	A/P & Payroll	
Riverstone	07/20/2022	$	19,064.73	A/P	
SALMON CREEK	07/20/2022	$	2,895.97	A/P	
Surrey Downs	07/20/2022	$	49,572.40	A/P & Payroll	
Villages at South Station	07/20/2022	$	47,423.43	A/P & Payroll	
Woodside East	07/20/2022	$	26,933.05	A/P	
ALPINE RIDGE	07/21/2022	$	6,574.50	A/P & Payroll	
ARBOR HEIGHTS	07/21/2022	$	10,539.40	A/P & Payroll	
Aspen Ridge	07/21/2022	$	8,154.83	A/P & Payroll	
Auburn Square	07/21/2022	$	25,580.92	A/P & Payroll	
Carriage House	07/21/2022	$	34,344.04	A/P & Payroll	
Carrington	07/21/2022	$	14,273.06	A/P & Payroll	
CASCADIAN	07/21/2022	$	22,279.54	A/P & Payroll	
Colonial Gardens	07/21/2022	$	13,816.94	A/P & Payroll	
Cottonwood	07/21/2022	$	24,663.22	A/P & Payroll & OCR	
Cove East	07/21/2022	$	25,563.22	A/P & Payroll & OCR	

FAIRWOOD	07/21/2022	$	20,229.35	A/P & Payroll	
HERITAGE PARK	07/21/2022	$	11,636.42	A/P & Payroll	
Juanita View	07/21/2022	$	18,936.33	A/P & Payroll & OCR	
Kirkland Heights	07/21/2022	$	62,682.75	A/P & Payroll & OCR	
LAURELWOOD	07/21/2022	$	15,043.23	A/P & Payroll	
Meadows	07/21/2022	$	10,637.31	A/P & Payroll	
Newporter	07/21/2022	$	20,039.96	A/P & Payroll	
NIA	07/21/2022	$	56,968.86	A/P & Payroll & OCR	
OVERLAKE	07/21/2022	$	37,679.39	A/P & Payroll	
Parkwood	07/21/2022	$	18,311.10	A/P & Payroll	
Pinewood	07/21/2022	$	11,677.19	A/P & Payroll	
RAINIER VIEW I	07/21/2022	$	9,718.68	A/P	
RAINIER VIEW II	07/21/2022	$	4,750.92	A/P	
Salish	07/21/2022	$	23,130.33	A/P & Payroll	
SALMON CREEK	07/21/2022	$	25,725.15	A/P & Payroll & OCR	
Sandpiper	07/21/2022	$	32,354.99	A/P & Payroll	
Sandpiper	07/21/2022	$	7,006.71	A/P & Payroll	
SEOLA CROSSING LLC	07/21/2022	$	21,731.75	A/P & Payroll & OCR	
SEOLA CROSSING LLC	07/21/2022	$	19,609.82	A/P & Payroll & OCR	
SI VIEW	07/21/2022	$	4,385.82	A/P	
SOUTHWOOD SQUARE	07/21/2022	$	11,690.70	A/P & Payroll	
Tall Cedars	07/21/2022	$	13,472.60	A/P & Payroll	
Timberwood	07/21/2022	$	90,645.06	A/P & Payroll	
Vashon Terrace	07/21/2022	$	3,620.99	A/P	
Walnut Park	07/21/2022	$	28,112.28	A/P & Payroll	
WINDSOR HEIGHTS	07/21/2022	$	48,223.38	A/P & Payroll	
Woodridge Park	07/21/2022	$	41,120.17	A/P & Payroll	
Bellepark	07/27/2022	$	14,911.18	A/P & Payroll	
Hampton Greens	07/27/2022	$	28,850.39	A/P & Payroll	
Kendall Ridge	07/27/2022	$	31,235.10	A/P & Payroll	
Landmark	07/27/2022	$	26,185.02	A/P & Payroll	
Riverstone	07/27/2022	$	31,683.18	A/P & Payroll	
Woodside East	07/27/2022	$	86,018.53	A/P & Payroll	
ALPINE RIDGE	07/28/2022	$	8,465.29	A/P & Management fee & OCR	
ARBOR HEIGHTS	07/28/2022	$	18,122.95	A/P & Management fee & OCR	
Aspen Ridge	07/28/2022	$	4,805.19	A/P & Management fee & OCR	
Auburn Square	07/28/2022	$	31,852.04	A/P & Management fee & OCR	
Carriage House	07/28/2022	$	22,499.49	A/P & Management fee & OCR	
Carrington	07/28/2022	$	9,111.12	A/P & Management fee & OCR	
CASCADIAN	07/28/2022	$	19,070.34	A/P & Management fee & OCR	

Colonial Gardens	07/28/2022	$	8,945.16	A/P & Management fee & OCR	
FAIRWOOD	07/28/2022	$	44,333.23	A/P & Management fee & OCR	
HERITAGE PARK	07/28/2022	$	8,150.71	A/P & Management fee & OCR	
LAURELWOOD	07/28/2022	$	6,747.04	A/P & Management fee & OCR	
Meadows	07/28/2022	$	11,762.96	A/P & Management fee & OCR	
Newporter	07/28/2022	$	40,144.42	A/P & Management fee & OCR	
OVERLAKE	07/28/2022	$	26,323.45	A/P & Management fee & OCR	
Parkwood	07/28/2022	$	17,624.30	A/P & Management fee & OCR	
Pinewood	07/28/2022	$	10,637.44	A/P & Management fee & OCR	
RAINIER VIEW I	07/28/2022	$	1,400.85	A/P	
RAINIER VIEW II	07/28/2022	$	867.42	A/P	
Salish	07/28/2022	$	22,523.18	A/P & Management fee & OCR	
Sandpiper	07/28/2022	$	26,062.61	A/P & Management fee & OCR	
SI VIEW	07/28/2022	$	2,459.67	A/P	
SOUTHWOOD SQUARE	07/28/2022	$	10,099.37	A/P & Management fee & OCR	
Timberwood	07/28/2022	$	13,214.87	A/P & Management fee & OCR	
Vashon Terrace	07/28/2022	$	389.48	A/P	
Walnut Park	07/28/2022	$	12,430.11	A/P & Management fee & OCR	
WINDSOR HEIGHTS	07/28/2022	$	25,544.02	A/P & Management fee & OCR	
Woodridge Park	07/28/2022	$	52,882.16	A/P & Management fee & OCR	
Total	**168 Wires**	**$ 3,853,677.15**			

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TO: Board of Commissioners

FROM: Judi Jones

DATE: August 26, 2022

RE: Resolution 5730: Changes to the Tenant-based Administrative Plans (Ad Plan)

Attached, for your review and approval, are changes to KCHA's Tenant-based subsidy program in the following two subject areas:

(1) **Youth Vouchers under HUD's FUP and FYI targeted assistance programs**. Recent amendments of the Fostering Stable Housing Opportunities (FSHO) Act of 2020 provide for limited extension of the 3 year term limit of these vouchers – allowing eligible families up to 24 additional months to complete education, employment and self-sufficiency goals and build towards financial security. Changes to the Administrative Plan for our Tenant and Project-based programs as detailed on the attached policy excerpts are required in order for the HA to incorporate requirements of the FSHO amendment into its operation.

(2) **Absorption of Port-in Vouchers**. Currently, the HA's policy significantly limits the situations in which it will absorb vouchers that have ported in from another agency. This policy has been a road-block in our ability to utilize port absorption as a means of balancing financial and housing resources. Changes outlined on the attached black-lined pages provide KCHA greater flexibility in determining the circumstances under which voucher "port-ins" will absorbed. While retaining the ability to cross-absorb vouchers with a partner PHA, changes proposed will reserve the HA's right to make individual decisions regarding whether to absorb when a 1:1 trade is not possible. This flexibility will provide KCHA with the ability to balance internal financial needs with those of our staff, clients and partner agencies.

Staff recommends modification of its Ad Plan as detailed on the attached policy excerpts through approval of Resolution No. 5730, effective immediately.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5730

AUTHORIZING CHANGES TO THE ADMINISTRATIVE PLANS (AD PLAN) FOR KCHA'S TENANT-BASED VOUCHER PROGRAM

WHEREAS, as a participant in HUD's Moving to Work Program KCHA is encouraged to develop its programs and policies in manner that expands housing choices while supporting the financial stability for its housing programs; and

WHEREAS, staff review has identified the need to modify the Tenant-based Ad Plan to (1) implement changes required as a result of amendment of the Fostering Stable Housing Opportunities Act of 2020; and (2) revise KCHA's approach regarding voucher absorption when a 1:1 exchange with another PHA is not possible; and

WHEREAS, modifying the Ad Plan as proposed will help (1) provide additional support to eligible Youth Voucher holders with the goal of building financial security among this targeted group; and (2) allow greater flexibility in determining when to absorb a port-in voucher from a originating PHA when a 1:1 trade of subsidy is not possible; and

WHEREAS, these modifications support KCHA efforts to increase housing stability of program participants, help ensure the financial stability of KCHA programs and are not projected to have an adverse impact upon KCHA programs or communities; and

WHEREAS, Board approval for changing HUD-mandated operational policies in the areas described is required before KCHA can implement such changes.

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

(1.) The Board of Commissioners hereby approves revisions to the Section 8 Tenant-based Administrative Plan as attached; and

(2.) Authorizes the Housing Authority to take the necessary steps to implement revisions as necessary to ensure the efficient operation of KCHA's subsidized housing programs.

ADOPTED AT THE MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 19TH DAY OF SEPTEMBER 2022.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

____
DOUG BARNES, Chair
Board of Commissioners

____
ROBIN WALLS
Secretary-Treasurer

Absorption

i. Ensure the HA has the financial ability to provide assistance for families that move out of the HA program under the portability procedures that have not been absorbed by the receiving HA, as well as for families that remain in the HA program.

3. **The Housing Authority as the receiving HA will**:

a. Accept the tenant-based assistance and promptly notify the initial HA that services will be provided by billing in accordance with the requirements of 24 CFR 982.355(e) and PIH Notice 2004-12.

b. Issue a voucher to the family with the term to expire no sooner than 30 days after the expiration date of any initial HA voucher. The receiving HA will determine and notify the initial HA of any extension beyond the initial 30 day term.

c. Determine the unit size for the family in accordance with its subsidy standards.

d. Promptly notify the initial HA if the family has leased an eligible unit under the program, or if the family fails to submit a Request for Tenancy Approval for an eligible unit within the term of the voucher.

e. Perform all HA program functions, such as reexaminations of family income and composition, annual HQS inspections of the unit, etc.

f. Reserve the right to deny or terminate assistance to the family in accordance with Section 12 of this policy.

4. **The HA will use the following guidelines in absorbing incoming Port clients.**

~~a. At the request of the initial PHA, the HA may absorb an incoming Section 8 participant if the following criteria is met:~~

~~i. The initial PHA has a total Section 8 program size of less than 500 units, and~~

~~ii. The family has lived in the jurisdiction of KCHA with assistance from the Section 8 program for two or more years immediately prior to the date of possible absorption, and~~

~~iii. Not more than 10% of total unit turnover had been absorbed since January first of the current year.~~

~~b. The HA will absorb any original KCHA voucher holder porting back to KCHA who ported out within the previous 24 months and was absorbed by another agency.~~

~~b. The HA will absorb on a one for one basis outgoing and incoming portables with the same HA.~~

~~c.~~

a. KCHA will cross-absorb on a one for one basis outgoing and incoming portables with the same HA.

b. When cross absorption is not possible, KCHA reserves sole discretion regarding decisions to absorb an incoming portable from an initial HA. At no time shall absorptions cause KCHA to cease housing applicants off of the waitlist. Examples of circumstances taken under considered when determining whether to absorb such vouchers include (but are not limited to) the following:
   i. The impact upon the KCHA's finances, program utilization rates and waiting list;
   ii. The length of time the family has lived within the KCHA's jurisdiction immediately prior to the proposed absorption.
   iii. Whether the initial HA has requested that KCHA absorb a port-in to alleviate an identified budget shortfall per HUD regulations.

C. PORTABILITY -- FAMILY SELF-SUFFICIENCY PROGRAM

For the Family Self-Sufficiency program, provisions from Section 11.B. applies except that the participant must lease an assisted unit in the initial HA's jurisdiction for a minimum of 12 months after the effective date of the Contract of Participation. Thereafter, the FSS family may move outside the initial HA's jurisdiction. For those families who choose to move after the initial residency and who are unable to fulfill the obligations under their Contract of Participation, the HA may terminate the family from the FSS Program.

D. EXCEPTIONS TO PORTABILITY PROCEDURES

Exceptions to the portability restrictions will be approved for good cause (as defined below). The Section 8 Supervisor's judgment shall prevail when determining whether a request meets the definition of "good cause." The reason for the portability request **cannot have existed prior to the date of original application** (except in the case of terminally ill clients attempting to move closer to medical facilities or Mainstream voucher holders approved under item 6 below). Good Cause is defined to include the following:

1. Medical emergencies substantiated by written recommendation by the tenant's physician. The Section 8 Supervisor shall review the documentation, provided on the physician's letterhead, to insure that it is a statement of medical urgency rather than a letter of support. The statement must include all of the following:

Youth Voucher Extensions

WIN Rent:[27] The rent calculation method applied by KCHA to WIN Rent households (see definition). Under WIN Rent program rules, rent is calculated based upon established Income Bands. Minimum rent paid by eligible families is $25 per month, in accordance with the policies outlined in this Plan. Households under the WIN Rent program undergo a **full recertification** of income and program eligibility once every two (2) years.

WIN Rent Household:[28] A household that does not qualify as an EASY Rent Household. Typically, WIN Rent Households include at least one adult (over age 18) family member who is currently working or considered "work-able".

Youth Vouchers: A time-limited special purpose voucher funded by HUD and designated to assist eligible youth and young adults who are homeless and/or exiting foster care. Examples of these include Family Unification Program Youth (FUP Youth) vouchers and the Foster Youth to Independence (FYI) program.

[27] Approved under MTW 11/1/10
[28] Approved under MTW 11/1/10

c. Term of the lease

d. Amount of monthly rent to owner

e. Utilities and appliances to be furnished by the owner and to be furnished by the tenant.

15. Information regarding any restrictions on the amount of the initial tenant rent.

16. Briefings for holders of Youth Vouchers will also include:

a. Explanation of the initial 36-month time limit on voucher usage; and

b. The possibility of an extension of the time limit for up to an additional 24 months; and

~~15.~~c. How to qualify for an extension, as detailed in Section 10, paragraph M of this policy.

During the briefing, families will be urged to ask about any aspect of housing, relevant or not to this program, in an effort to determine what areas of housing need to be fully explained or emphasized. It is the desire of this Authority that each Family will be properly briefed and sufficiently informed so that the Family can have the maximum opportunity for choice of housing, find a suitable approvable unit, and discuss the requirements of the program with an Owner.

Families will also be assured of the HA's concern in assisting them in their efforts to improve their housing environment and the HA's willingness to offer any additional information which may be helpful. The briefing sessions will be conducted by a Briefing Specialist. Individual briefings may be given to Families who are not able to attend group sessions due to reasonable accommodation requests or other documented emergencies.

B. VOUCHER HOLDER'S PACKET

When a Family attends the briefing, the Family will be given a Voucher holders packet which will include information on the following:

1. The term of the Voucher, and the HA policy on any extensions or suspensions of the term. The packet will also explain how, and under what circumstances, an applicant may be able to request an exception.

2. How the HA determines the housing assistance payment for a family, including information on the payment standard and the HA utility allowance schedule.

3. How the HA determines the maximum rent for an assisted unit;

4. What the family should consider in deciding whether to lease a unit, including:

5. The Owner (defined as a principal or other interested party) has not been debarred, suspended, or subject to limited denial of participation from the Section 8 program (See Section 12. B.)

Once the above has been met, the HA will notify the owner and the Family of the unit and lease approval. The Tenant and Owner must then execute the lease with a final, signed copy being sent to the HA. The HA then has up to 60 days from the beginning of the lease term to execute a HAP contract

The HA may not pay any housing assistance payment to the owner until the HAP contract has been executed, however, payments will cover back to the date of lease execution (provided the 60 day limit has not been exceeded). Any HAP contract executed after the 60 day period is void, and the HA may not pay any housing assistance payment to the owner.

The Request for Tenancy Approval, the approved lease, inspection report(s), the certification that the rent is reasonable and not in excess of rents currently being charged by the Owner for comparable unassisted units and the executed Contract will all be retained in the Authority's files.

Review of the Housing Assistance Payments Contract

The Housing Assistance Payments Contract (HAP contract) is a contract between the HA and an owner. In the HAP contract, the owner agrees to lease a specified dwelling unit to a specified eligible family, and the HA agrees to make monthly housing assistance payments to the owner for the family. The HAP contract will be in the form required by HUD and the term is the same as the term of the lease (except in the case of ~~FUP~~ Youth ~~vouchers~~ Vouchers or similar funding in which ~~where~~ the term of the contract is limited ~~to 18 months as~~ per federal regulations).

The amount of monthly housing assistance is determined by the HA in accordance with HUD regulations and other requirements and is credited toward the monthly rent to the owner under the family's lease. The total of rent paid by the tenant plus the HA payment to the owner may not be more than the rent to the owner. Any excess payment must be immediately returned to the HA.

In the Voucher program, the Contract Rent for the unit is a matter determined solely between the family and the Owner, however, it must be reasonable for the area. The HA determines the amount of subsidy a family will receive but does not limit the rent charged by the Owner. However, the rent may not be increased during the initial term of the lease.

The owner may not demand or accept any rent payment from the tenant in excess of the amount determined by the HA and must immediately return any excess rent payment to the tenant. The family is not responsible for payment of the portion of rent to be covered by the HA.

M. YOUTH VOUCHER EXTENSIONS

Per provisions of the Fostering Stable Housing Opportunities Act (as amended) extensions of the 36-month time limit on FUP Youth and FYI vouchers (also referred to as Youth Vouchers) are available to eligible program participants as detailed below:

1. **Availability of extensions for time-limited Youth Vouchers**
   a. Extensions are available for eligible youth voucher holders who first entered a lease agreement after December 27, 2020.

   b. Extensions are available for up to 24 months, -provided in 12-month increments.
      i. Eligibility for extension is determined, at the 36-month mark and once at the 48-month mark.
      ii. A voucher may not be extended past 60 months.

2. **Determining Eligibility for an extension**
   a. Extensions may be granted to eligible participants meeting one of the requirements listed in paragraphs 2.d and 2.e below.

   b. The participant must meet a requirement at both the 36 and 48 month interval -to receive the full 24 months' worth of extensions.
      i. The participant does not need to meet the same requirement for each extension.

   c. Neither of the self- sufficiency programs referenced below are mandatory to receive or retain a Youth Voucher.

   d. Participants must do **one** of the following to be granted an extension unless they meet one of the criteria for exceptions detailed 2.e below:
      i. Participate in a KCHA-developed MTW self-sufficiency program for youth such as the Young Adult Prosperity Program.
      ii. Participate in the general Family Self Sufficiency (FSS) program.
         - If the self-sufficiency program is at capacity and the tenant was unable to enroll in the first 36 months then an extension may be granted if the tenant participates in any combination of the following activities for 9 of the 12 months before the extension:
            - Engaged in obtaining a recognized postsecondary credential or a secondary school diploma. Examples include a GED, associate's degree, apprenticeship or a state license.
            - Participating in a career pathway, as defined by the Workforce Innovation and Opportunity Act (29 USC 3102).
            - The tenant was employed.

   e. Extension of Assistance Exceptions. A FUPY/FYI youth will be entitled to receive an extension of their FUPY/FYI assistance for up to 24 months beyond the 36-month time limit of assistance if they certify that they meet one of the statutory exceptions below:

i. Be responsible for the care of a dependent child under 6 or for the care of an incapacitated person.
    - The child must be under 6 at the time of the extension.
    - The child or incapacitated person does not need to be part of the household. Examples of this include a child who is in the household part-time due to shared custody or caring for an elderly relative who does not live with the tenant.

ii. Are regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program.

iii. Be incapable of participating in the self-sufficiency programs detailed above due to a documented medical condition.

3. Verification and documentation requirements

a. For those participating in an MTW Self-Sufficiency Program for Youth – obtain verification from program staff.

b. For those participating in the general FSS program – confirm FSS participation in computer system and document in the tenant file.

c. For those unable to enroll in the general FSS program due to capacity constraints – demonstrate participation in at least one education, workforce development, or employment activity for at least 9 months of the 12- month period immediately preceding the end of the 36-month or 48-month time period, as applicable.

d. For all statutory exception options – certify that they meet one of the requirements listed above. This is the only documentation that must be submitted in order to demonstrate that the tenant meets one of the requirements. If the HA's annual reexamination determines that the youth is eligible for extension of voucher assistance in accordance with the applicable statutory provision – the extension will be granted. If the FUPY/FYI youth does not meet any of the statutory conditions, the youth is subject to the statutory time limit of 36 months

TAB NUMBER 4

King County Housing Authority

To: Board of Commissioners

From: Annie Pennucci, Director of Impact & Evaluation

Date: September 19, 2022

Re: KCHA Community Indicators Dashboard

Summary: At the September 2022 Board Meeting, staff will present an updated version of the Community Indicators Dashboard. KCHA's Community Indicators Dashboard is intended to provide the Board with a broad backdrop of community trends to inform KCHA's program and policy design, resource allocation decisions, and approaches for measuring agency impact. The dashboard was first introduced at the 2018 Board Retreat and is updated at least once a year as new data become available.

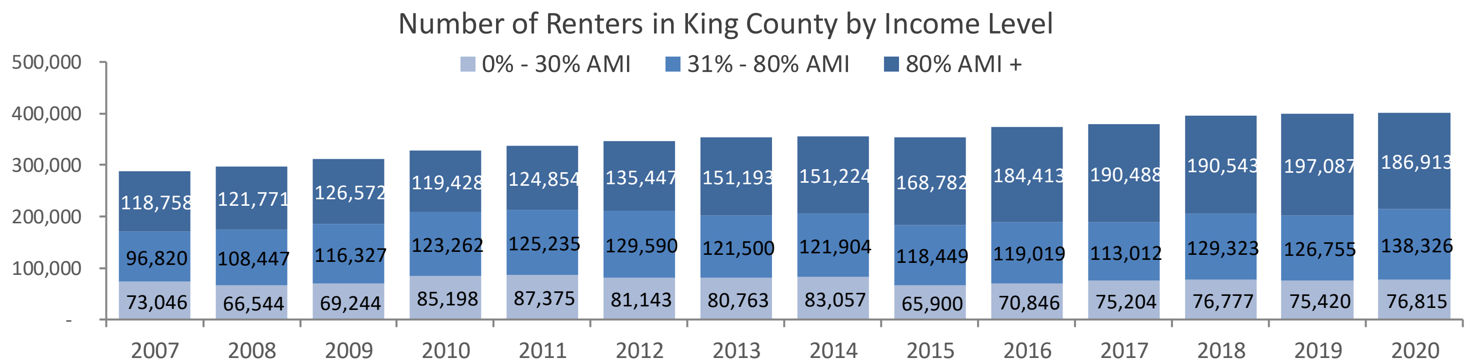
The current iteration of the dashboard provides context in three domains: 1) rent burdens among extremely low-income and moderately low-income households; 2) annual counts of homelessness from the county's Point in Time (PIT) count and school districts' annual reporting; and 3) racial disproportionality among people experiencing poverty and homelessness. The Community Indicators Dashboard includes graphs, maps, and narrative providing context, definitions, and analysis of the covered trends.

We look forward to reviewing these indicators with the Board and discussing their usefulness for understanding KCHA's impact.

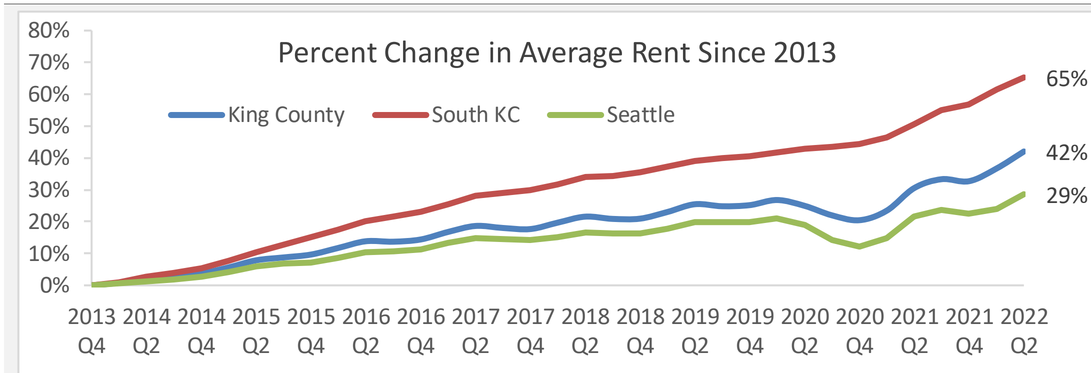
King County Housing Authority Community Indicators Dashboard: Context

Over the last decade, King County and the greater Puget Sound region have been the center of economic growth and transformation, rapidly expanding with high-paying jobs and accompanying population growth. Since 2007, King County has added over 113,000 new renter households—a 39% increase. During and immediately following the Great Recession, the increase was primarily among moderately low-income families (between 30% and 80% of the Area Median Income or AMI), and more recently, higher-income households (over 80% AMI). The number of extremely low-income renters (below 30% AMI) has held relatively steady.

Growth in Renters is Primarily Driven by Middle and High Income Households *(80% AMI or Higher)* [1]



The region is experiencing steadily rising rents, increasing by over 40% across King County since 2013. In 2020, rents temporarily declined, particularly in Seattle as many renters sought larger spaces outside of the city for working, learning, and living at home full-time during the COVID-19 pandemic. In 2021, quarantine requirements were relaxed and rent increase moratoria ended, and the market responded with sharp rent increases. South King County in particular has experienced considerable rent increases (by 65% since 2013), likely associated with the area's historically lower costs and an influx of people into the area.



$2,041

Costar Average Rent Estimate 2022

Rent trends in King County continue to reduce the supply of naturally occurring affordable housing available to households earning less than 80% of AMI.

42%

increase since 2013

KCHA's Community Indicators dashboard highlights related indicators that are impacted by these rental market trends, including rent burdens among low-income households in King County, homelessness, and racial disparities in poverty and homelessness.

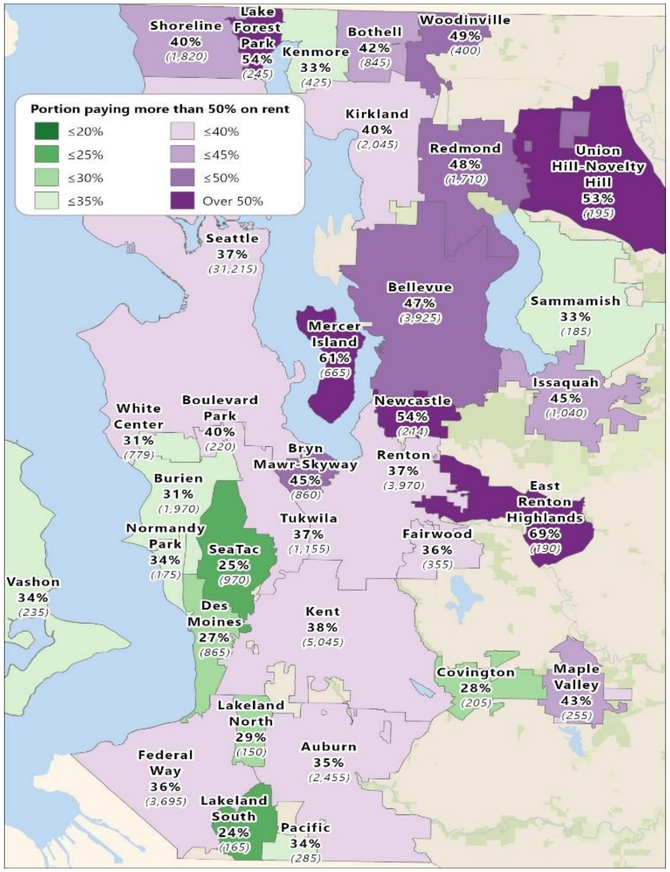
[1] American Community Survey (ACS), One-Year Public Use Microdata Sample (PUMS). U.S. Census Bureau. 2007 - 2020. https://www.census.gov/programs-surveys/acs/data/pums.html.

Community Indicator: **Rent Burden**

Severe Rent Burden[2]

Rent burden is a common indicator used to measure the affordability of housing for various groups. When a household pays between 30% and 50% of their income on rent and utilities, they are considered rent burdened. When a household pays more than 50% of their income on rent, they are considered severely rent burdened.

Percentage of All Low-Income Renters (0%-80% of AMI) with Severe Rent Burdens by Census Area[3]



70%

of extremely low-income renters are severely rent burdened

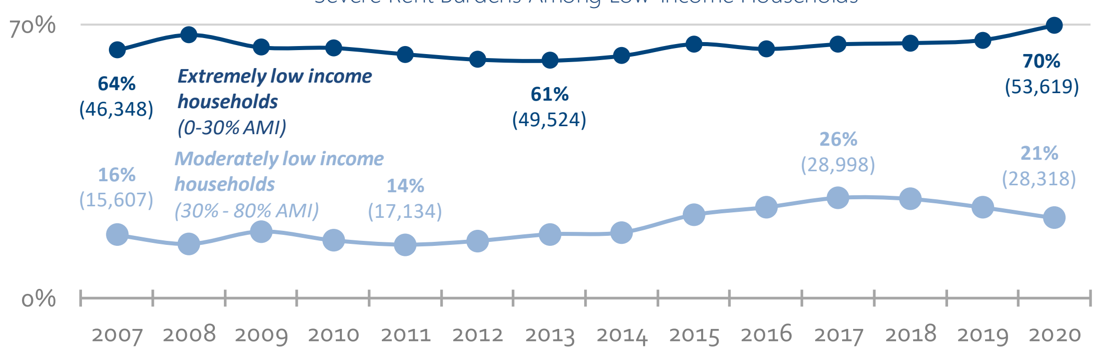
50% *increase since 2011*

in the proportion of moderately low-income households experiencing severe rent burden

Analysis

Rent burden for extremely low-income households (0–30% AMI) is at its highest since 2007: 70% of these households are severely rent burdened, illustrating the need for additional income-based rental resources to serve this population. The remaining 30% of extremely low-income households are likely recipients of housing assistance provided by local housing authorities and other affordable housing organizations, and therefore not severely rent burdened.

Severe Rent Burdens Among Low-Income Households



Though the percentage of severely rent-burdened households in the moderately low-income range (30%-80% AMI) has declined in recent years, the proportion remained 50% higher in 2020 than in 2011. These trends indicate the need for policies and programs to secure rental assistance for low-income households, particularly in northeast King County (see map).

[2] U.S. Census Bureau. American Community Survey (ACS), One-Year Public Use Microdata Sample (PUMS). 2007 - 2019. https://www.census.gov/programs-surveys/acs/data/pums.html.

[3] U.S. Department of Housing and Urban Development (HUD). Consolidated Planning/CHAS Data. 2013 - 2017. https://www.huduser.gov/portal/datasets/cp.html.

Community Indicator: **Homelessness**

Point-in-Time Count

At a single point in time each year, King County counts the number of people experiencing homelessness by walking and driving through streets, parks, and other areas to identify unsheltered individuals. Additionally, the county's Homeless Management Information System (HMIS) provides an estimate of the number of people living in shelters and transitional housing. While the PIT methodology changed in 2017 and again in 2022, limiting the ability to precisely estimate historical trends, the PIT Count still illustrates the severity of the ongoing crisis.

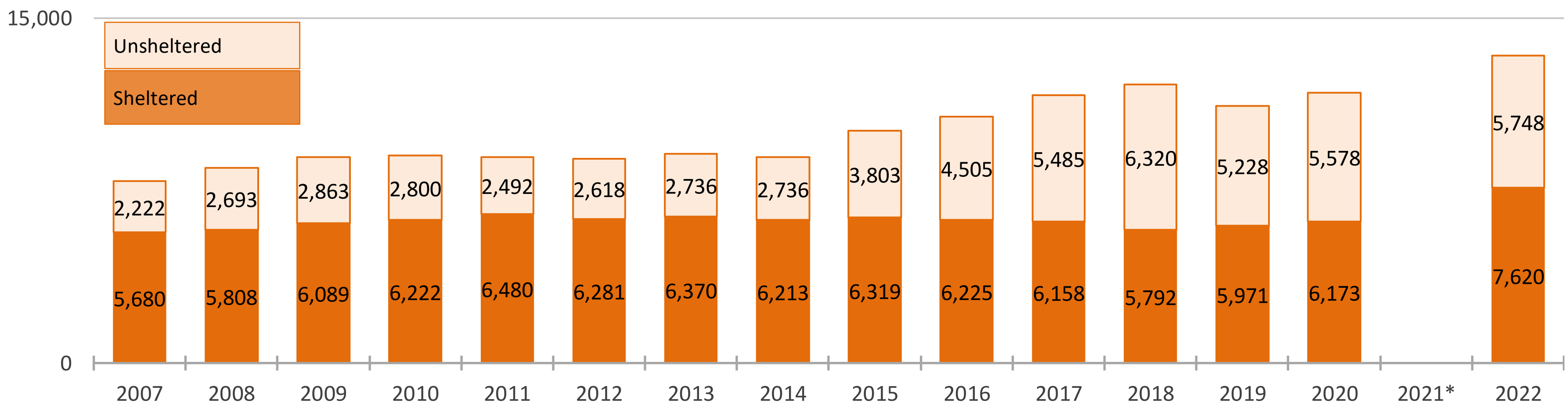
In 2022 the methodology continued to include HMIS for sheltered individuals, but replaced the "walking and driving" approach with "respondent driven sampling" for the unsheltered count.[4] An estimated 13,368 individuals were experiencing homelessness in King County in March 2022, with increases in both the sheltered and unsheltered populations compared with prior years. The PIT Count was not conducted in 2021 due to the COVID-19 pandemic.

As of 2022

13,368

people were experiencing homelessness in King County

King County Point-in-Time Count[5]



*Due to the COVID-19 pandemic, the PIT count was not conducted in 2021.

[4] King County Regional Homelessness Authority 2022 Point-in-Time Count. https://kcrha.org/wp-content/uploads/2022/06/PIT-2022-Infograph-v7.pdf

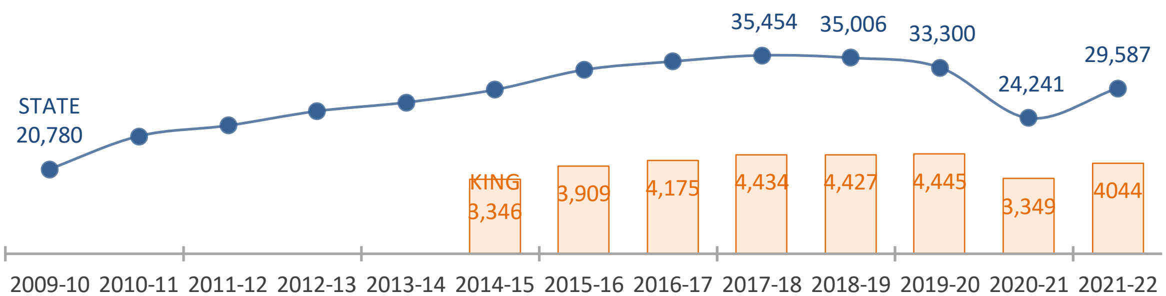
[5] All Home King County and U.S. Department of Housing and Urban Development. Point-in-Time (PIT) Estimates of Homelessness by Continuum of Care Program. 2007 - 2020. https://www.hudexchange.info/resource/3031/pit-and-hic-data-since-2007 and KCHRA 2022 Point-in-Time Count.

Students Experiencing Homelessness

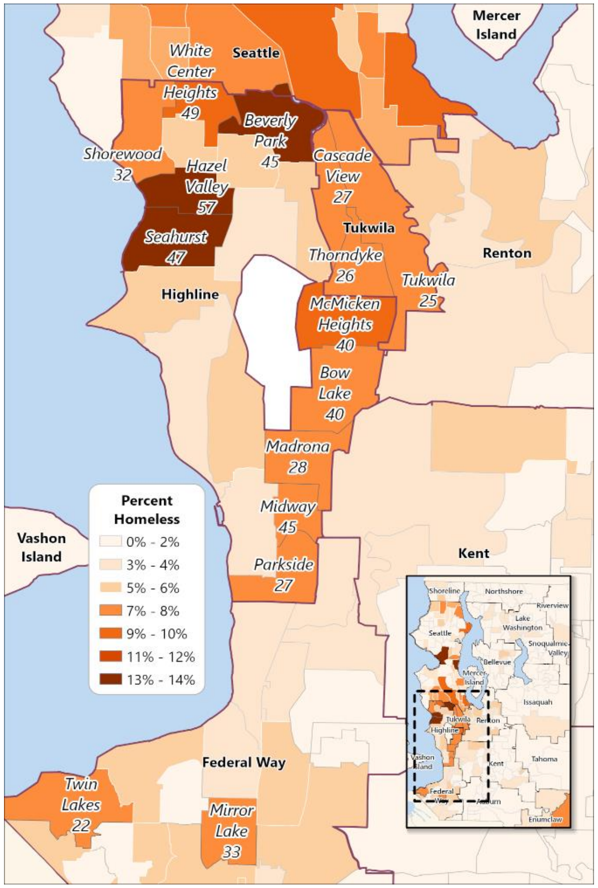
Washington's K-12 public schools began reporting the incidence of homelessness among students in the mid-2000s. State and federal laws have since evolved, with increasing emphasis on consistent reporting and academic outcomes. The U.S. Department of Education definition of homelessness is broader than the HUD definition used in the PIT Count, and includes doubled-up families and those who are "couch surfing" and living in motels. Locally, southwest King County has some of the highest rates of student homelessness (see map).

The estimated number of students experiencing homelessness rose steadily statewide until the 2018-19 school year, when estimates began dropping, even before the pandemic.[6]

K-12 Students Experiencing Homelessness in Washington State and King County



Students Experiencing Homelessness by Elementary School Catchment Area (2021-22)



The observed decline in the number of students identified as experiencing homelessness is not fully understood, but is likely due to multiple factors and does not necessarily reflect actual reductions in homelessness prevalence. Those factors include:

- *Methodology*: a change in the methodology used to produce estimates of student homelessness from the state Office of Superintendent of Public Instruction (OSPI).
- *Under-identification*: during the COVID-19 pandemic, extremely limited opportunities for school staff to connect with, identify, and support students experiencing homelessness due to the need for social distancing and the use of virtual platforms for instruction.
- *Disengagement from school*: disengagement and disenrollment from school altogether during the pandemic, a concern for all students and particularly the most vulnerable. In the 2019-20 school year, after increasing by an annual average of 1% for years, total public school enrollment in Washington State dropped by 4%.

The estimate of students experiencing homelessness increased in 2021-22 statewide and in King County as in-person learning resumed and K-12 school enrollments began to rebound.

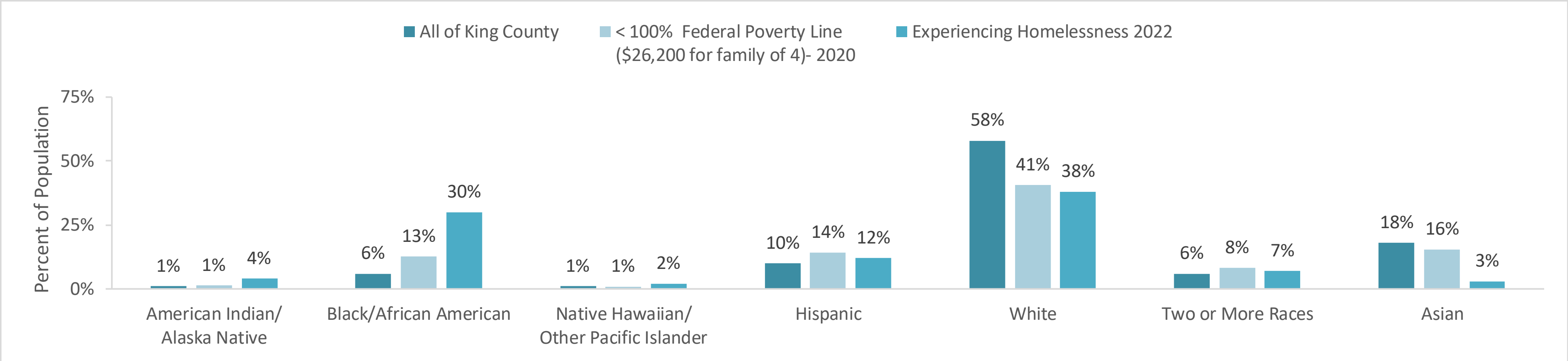
[6] Washington State Office of Superintendent of Public Instruction, Report Card Data, Enrollment_Trend_Programs_Dashboard.csv (State Total). Downloaded August 2022.

Community Indicator: **Racial Disparities in Poverty & Homelessness**

Racial Disparities

The history of federal housing policy in the United States is inseparable from race. Following centuries of slavery and displacement, throughout the late 19th and 20th centuries, federal, state, and local governments continued to use public policy to disenfranchise and segregate people of color, including through redlining, racial covenants, mortgage underwriting, and zoning policy. The systemic and structural remnants of these policies are evident today in statistics on poverty and homelessness.

Racial Disparities in Poverty and Homelessness in King County[7]



Note: *One's identification as Hispanic/Latino is collected and reported supplementary to race, resulting in percentages that exceed 100%.*

Analysis

People of color are overrepresented in poverty, compared to their share of the total population, particularly Black/African American households (13% vs 6%), Hispanic/Latinx (14% vs 10%), and two or more races (8% vs 6%). Starker disparities emerge in the experience of homelessness, and are not explained by poverty alone: American Indian/ Alaskan Native and Black/African American households are represented in even higher relative proportions among those experiencing homelessness (4% vs 1% in poverty and 30% vs 13% respectively).

These numbers support the need for housing policy to incorporate an equity lens to focus attention and support to the most affected communities, from both a service provision and outcomes perspective. To ensure that existing racial disparities are not reinforced, housing programs must provide equitable access, treatment, and outcomes through a variety of means including tailored outreach, program design, and service delivery.

[7] U.S. Census Bureau. American Community Survey (ACS). 2007-2020 and King County Regional Homelessness Authority, 2022 Point in Time Count

TAB NUMBER 5

To: Board of Commissioners

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

Date: September 19, 2022

Re: **2021 Resident Characteristics Analysis**

Since 2016, members of the Research & Evaluation team within the Social Impact Department of the King County Housing Authority have conducted annual analyses of the characteristics of residents within KCHA's federally subsidized housing programs. The analyses include over 17,000 households with active tenant-based or project-based vouchers, or who reside in public housing. The 2021 Resident Characteristics Analysis relies on two primary sources of information: data which is routinely collected while administering KCHA's federally subsidized programs, and topical discussions with staff. This is the sixth analysis in the series, and highlights will be presented to members of the Board on September 19, 2022.

2021
Resident Characteristics Analysis

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

Analysis includes only federally subsidized households.

Division of Policy, Research & Evaluation in the Social Impact Department

September 2022

King County Housing Authority

We transform lives through housing

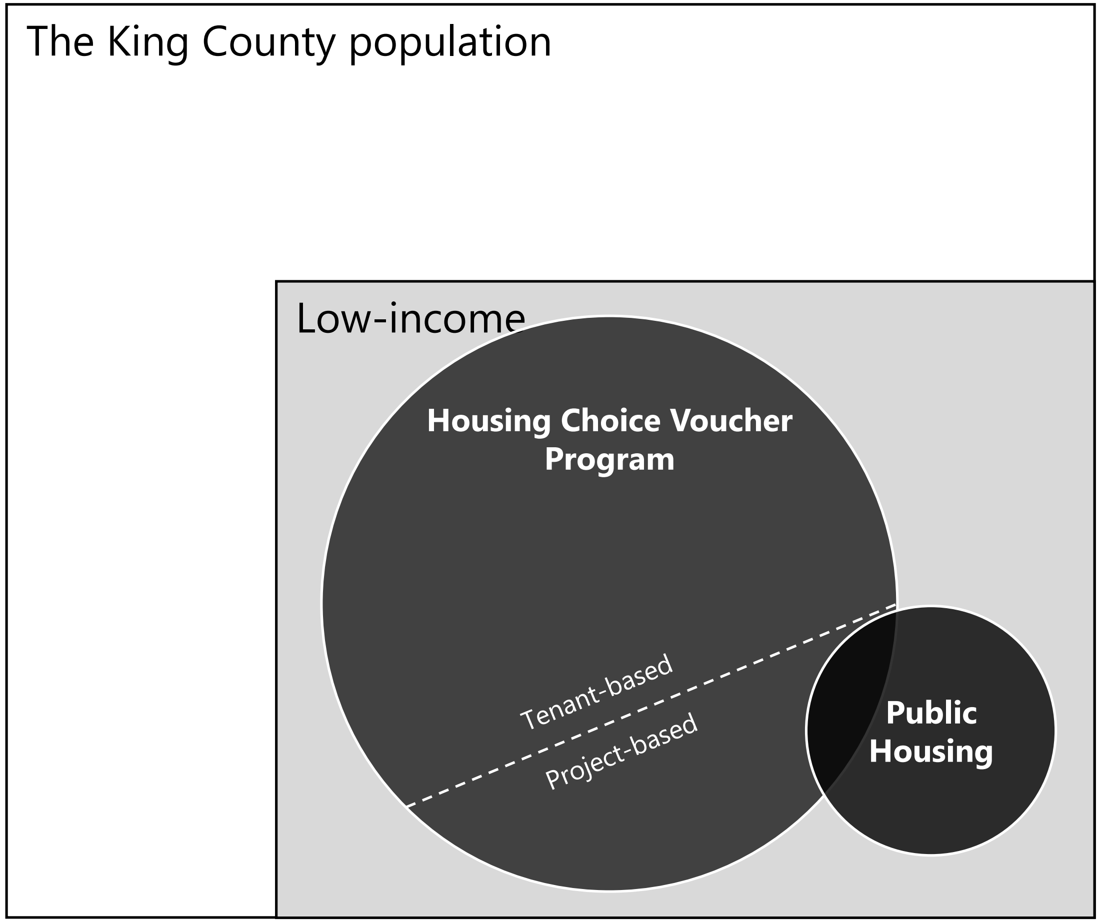
Outline

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

The population included in the analysis

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

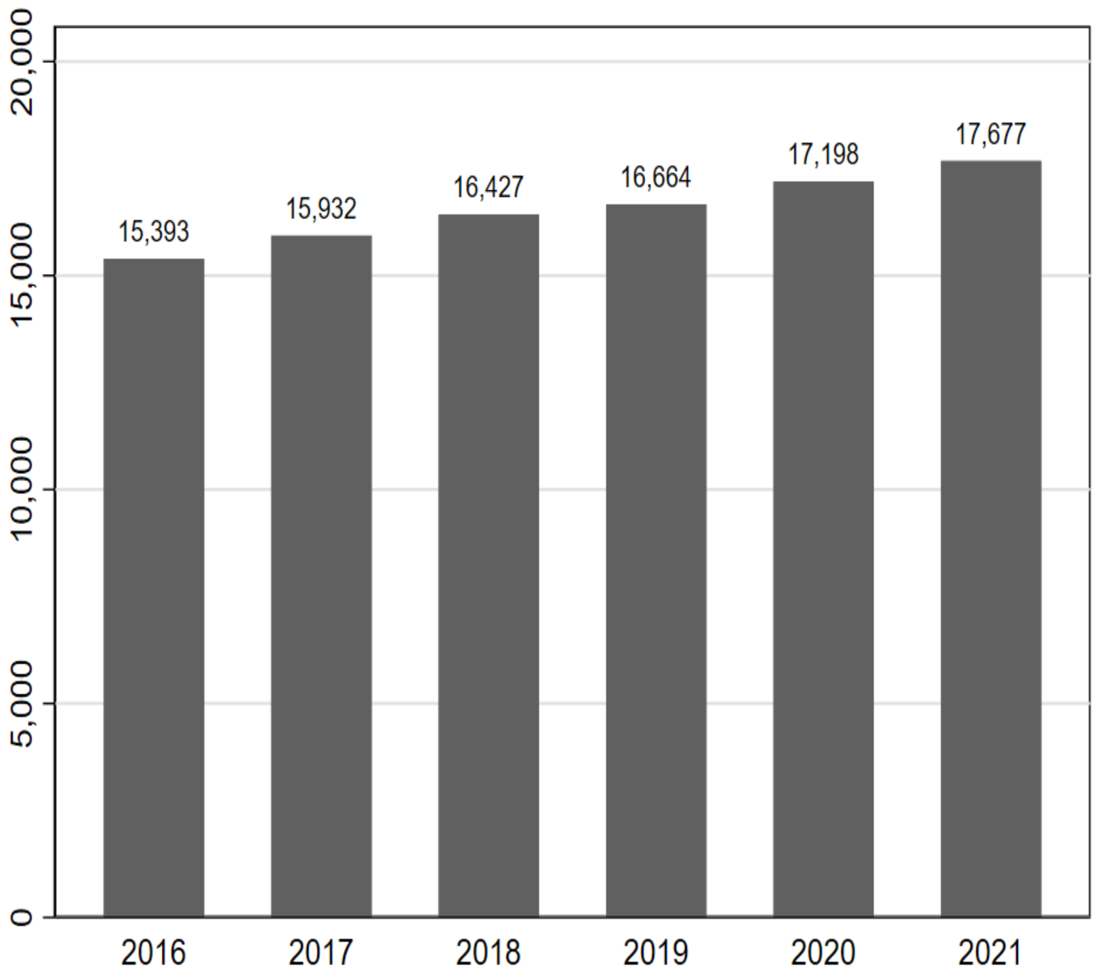
Note: of the households KCHA serves, about 70% reside in federally subsidized units.



KCHA continues to serve more households

In 2021, KCHA served 17,677* households. This number grew by 14.8% since 2016.

*Excluding port-outs



2021

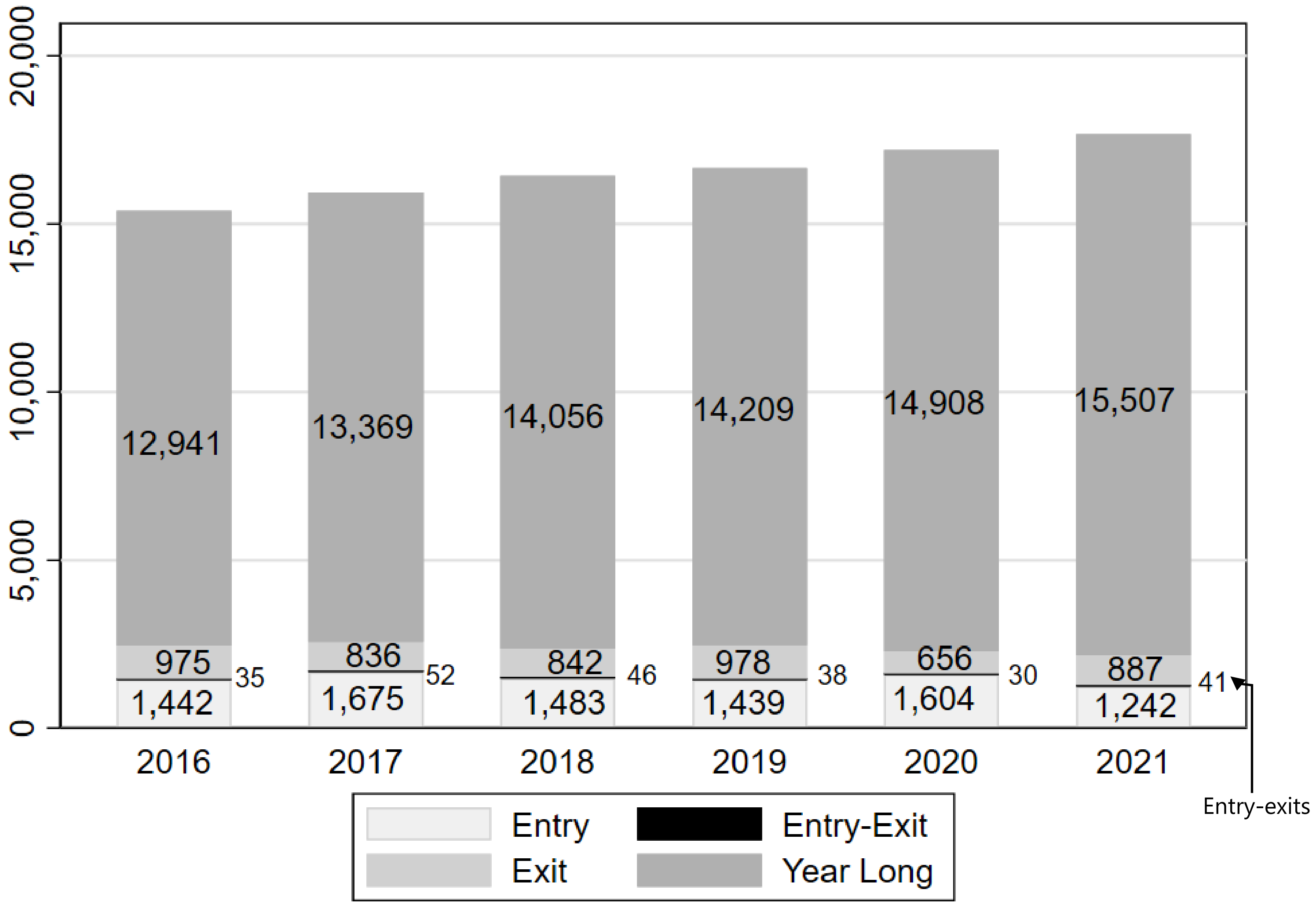
avg
2.4 ppl/hh

42,325 ppl

Fewer entries in 2021

In 2021 …

- Yearlong: ~88%
- Exits: ~5%
- Entry-exits: <1%
- Entries: ~7%

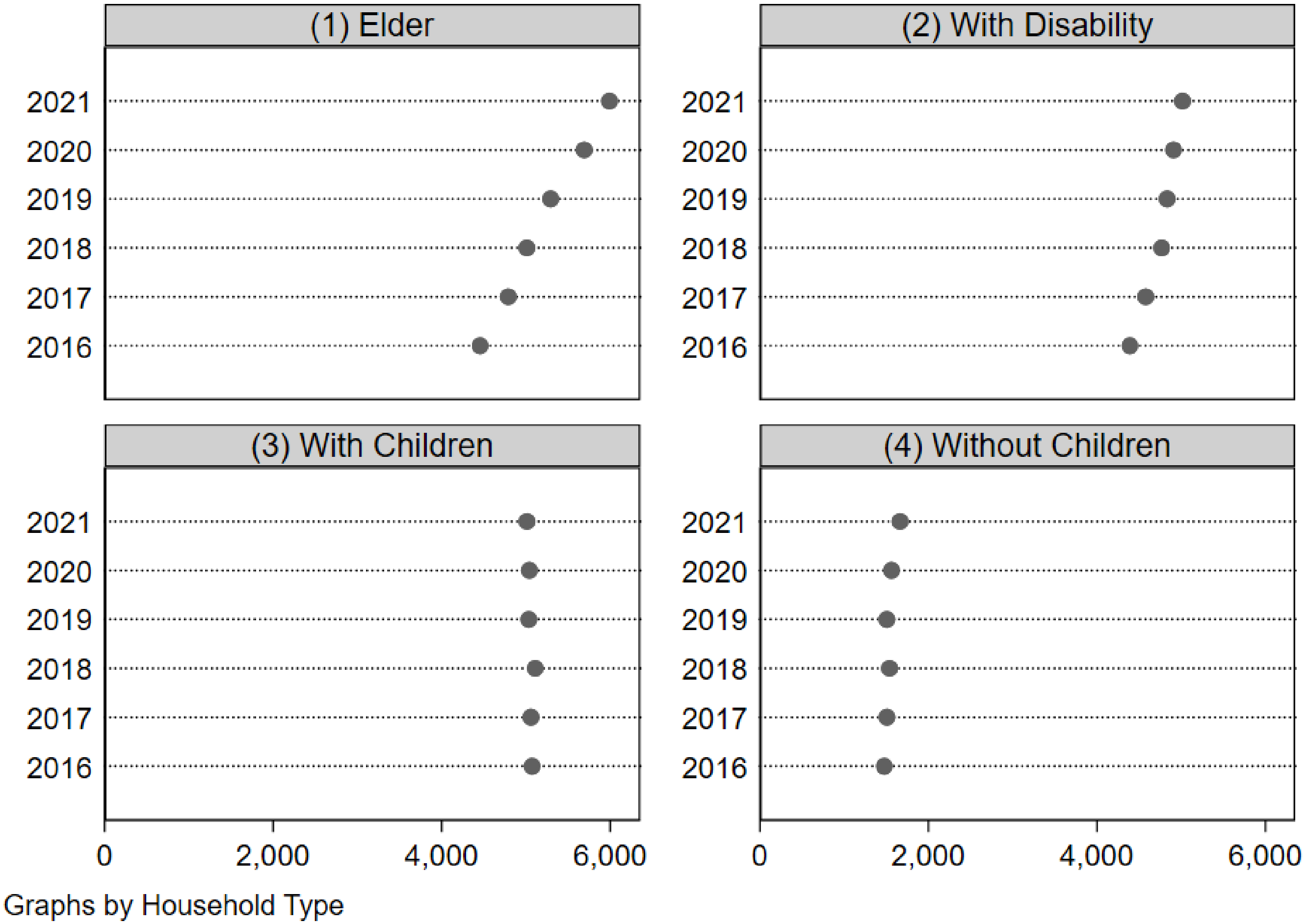


Trends in household type

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

Elder households
2016: 4,474
2021: 6,112

1,638 increase in elder households from 2016 to 2021



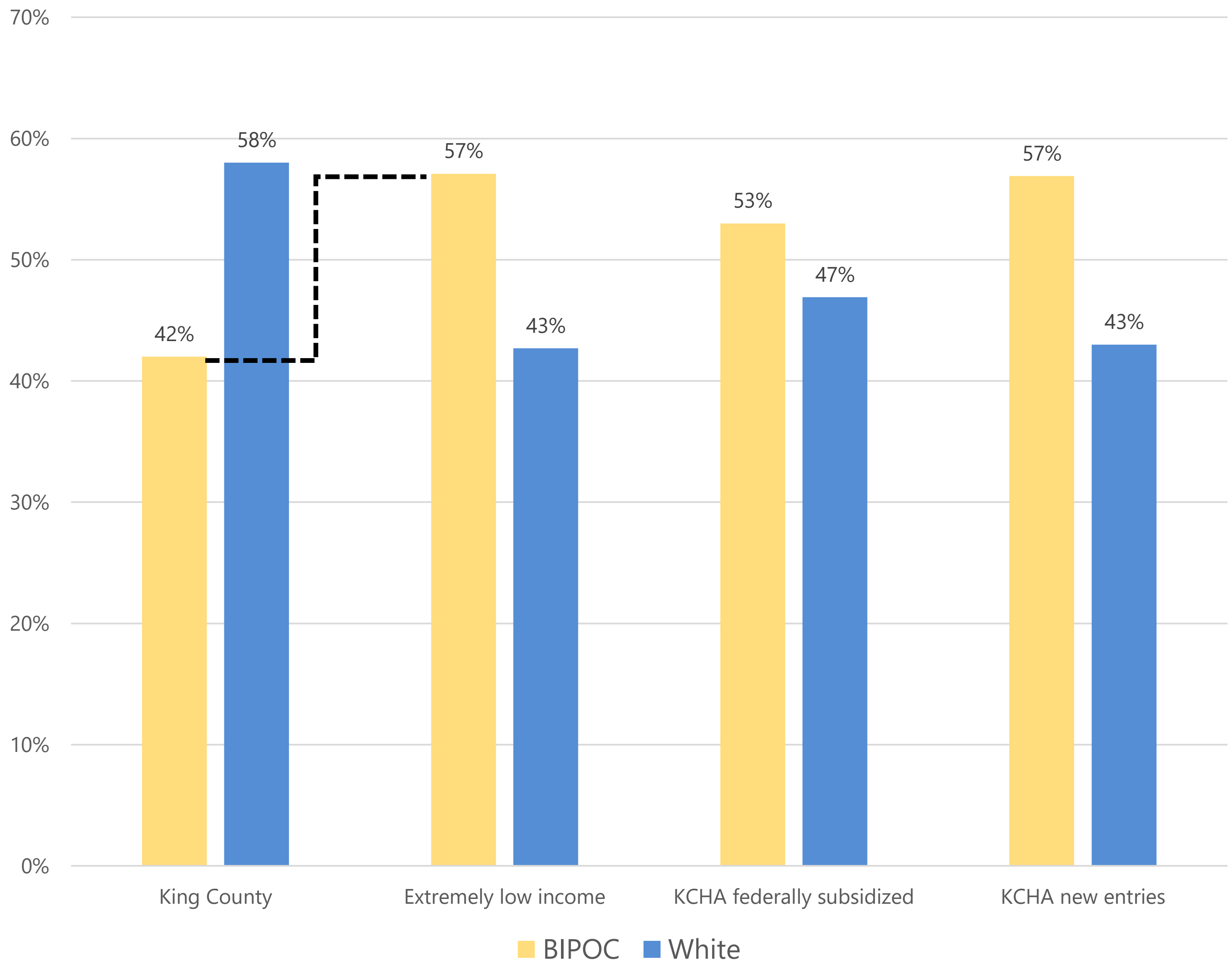
Mutually exclusive household types

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

King County and KCHA

Race and Ethnicity

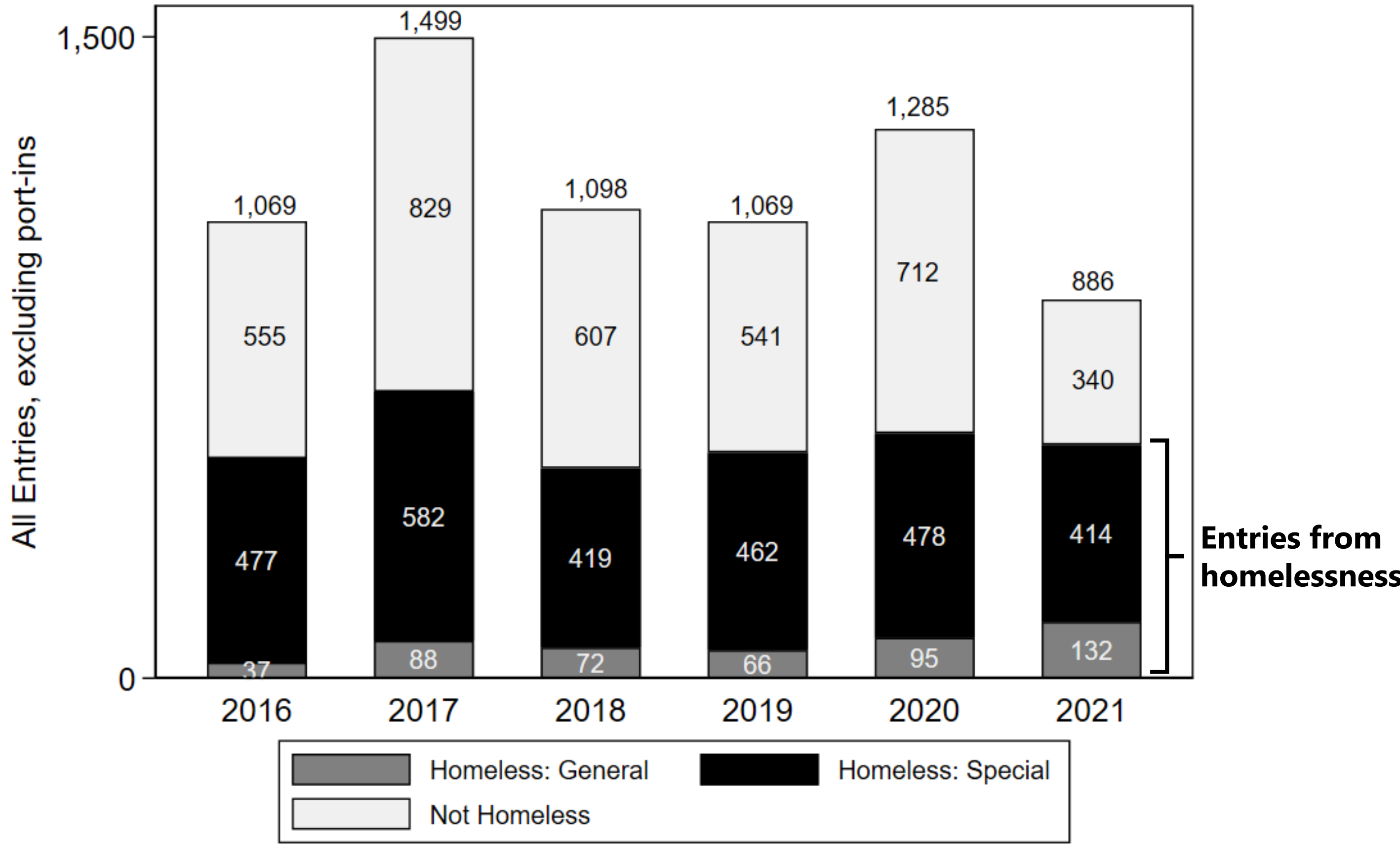
Racial disparity in extremely low income households



62% experienced homelessness prior to entry in 2021

Of the 546 households that entered from homelessness in 2021, those with special purpose vouchers made-up 414, or 76%.

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



62% experienced homelessness prior to entry in 2021

Of the 546 households that entered from homelessness in 2021

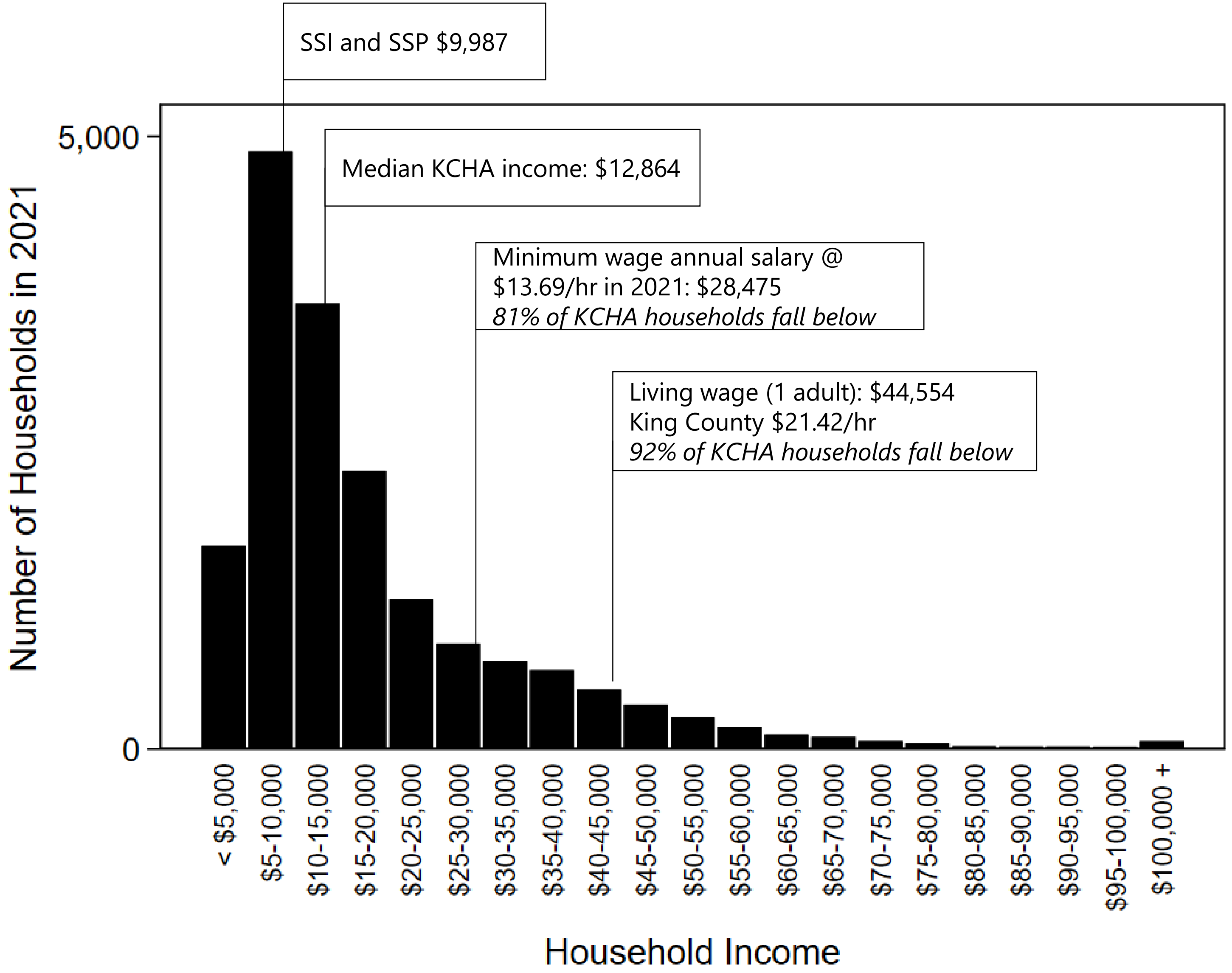
312 Tenant-Based Vouchers (57%)

215 Project-Based Vouchers (39%)

19 Public Housing (3%)

325 member with disability (60%)

2021 Income Distribution



Note on calculation: This calculation excludes port-outs.

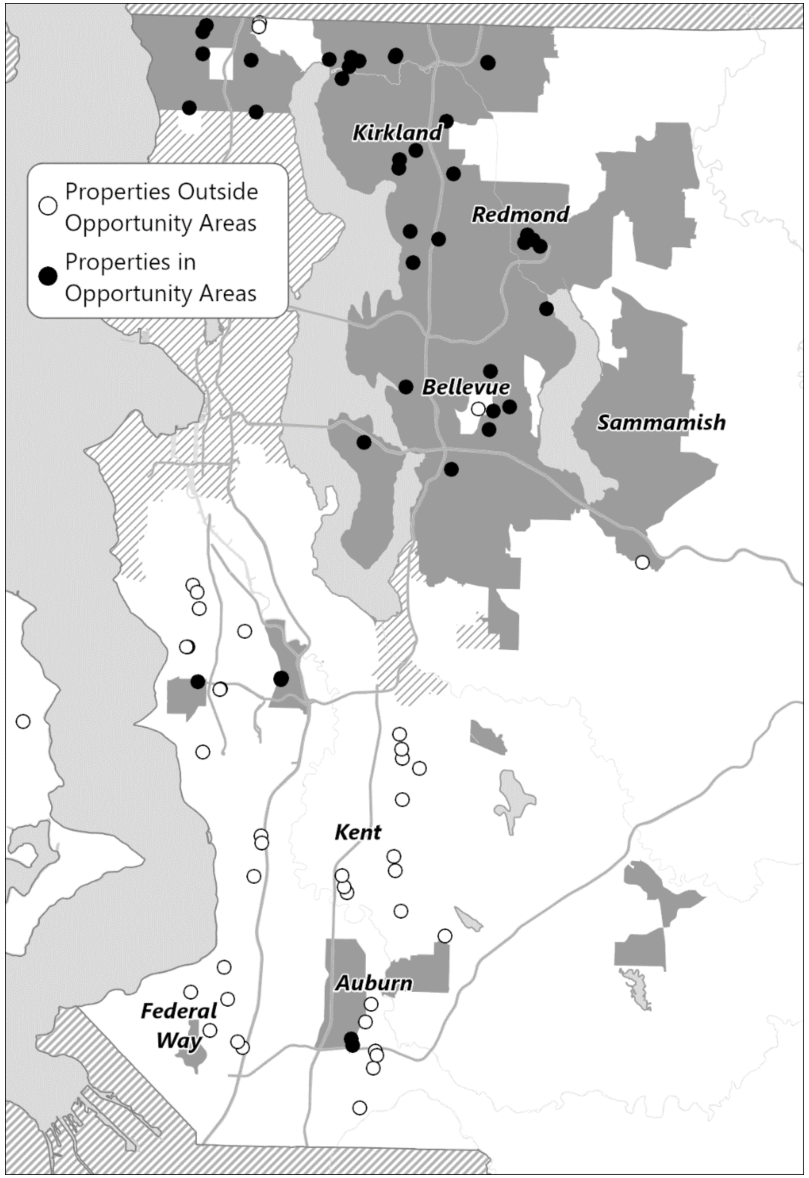
High opportunity areas

KCHA’s Public Housing

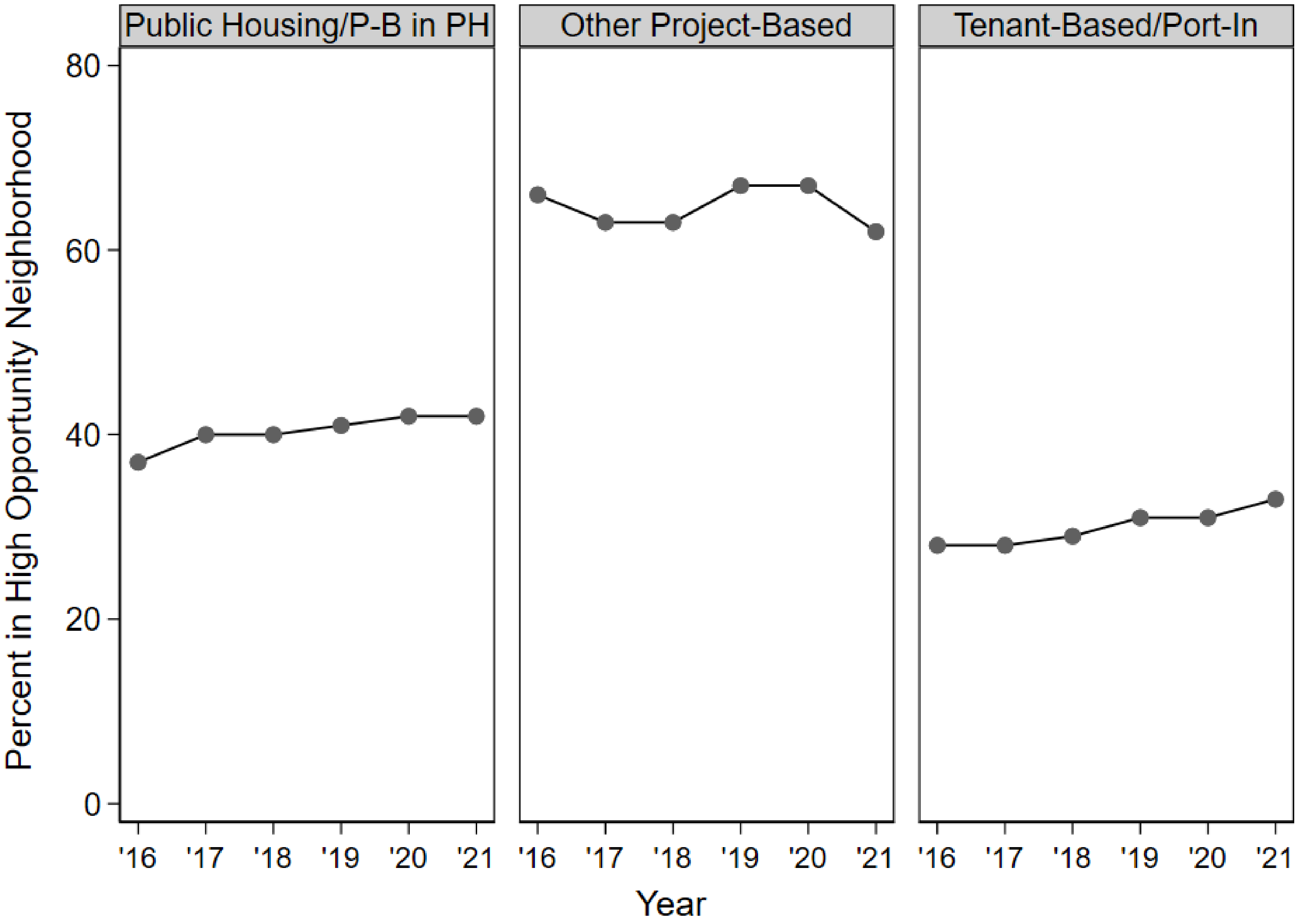
High opportunity areas are shaded. Circles represent KCHA’s public housing.

Number of public housing units in …

- high opportunity neighborhoods: 41%
- other neighborhoods: 59%



High opportunity areas
Percent by Subsidy Type



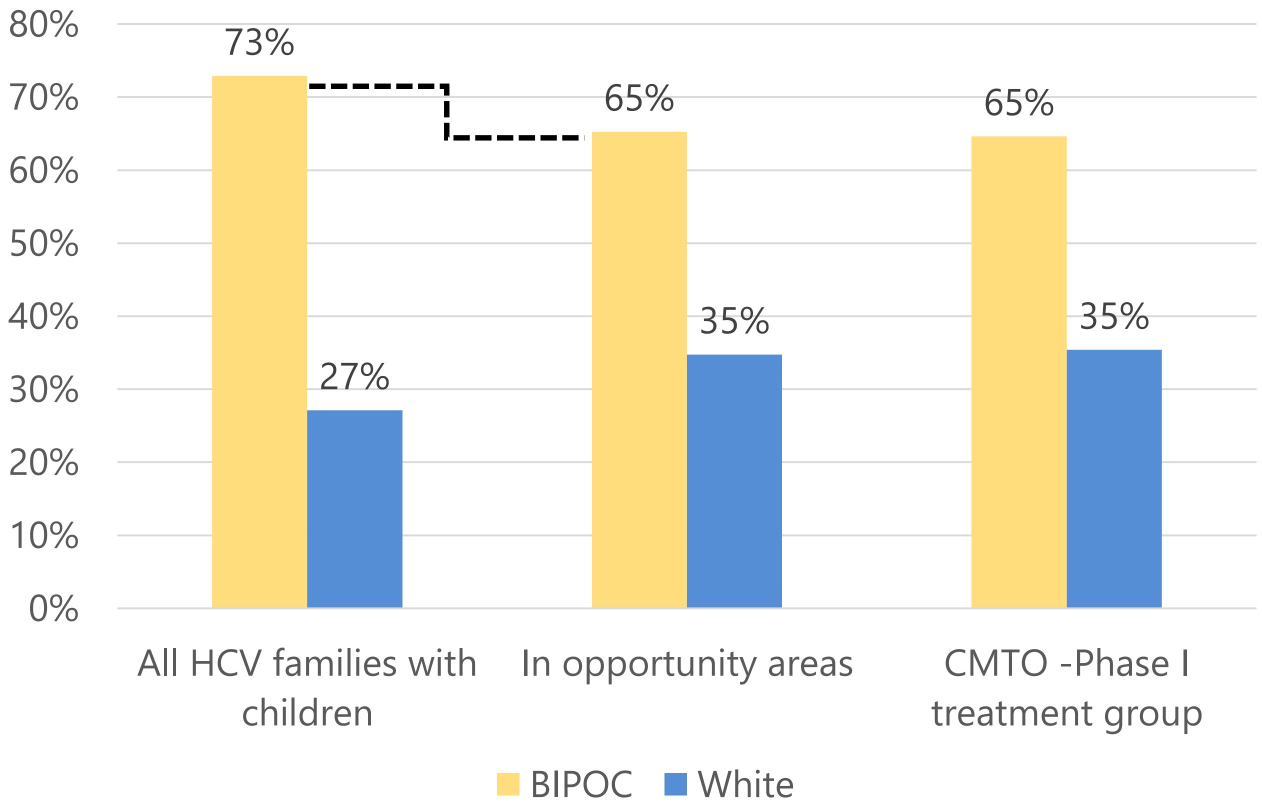
Families with Children

KCHA's Housing Choice Vouchers

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

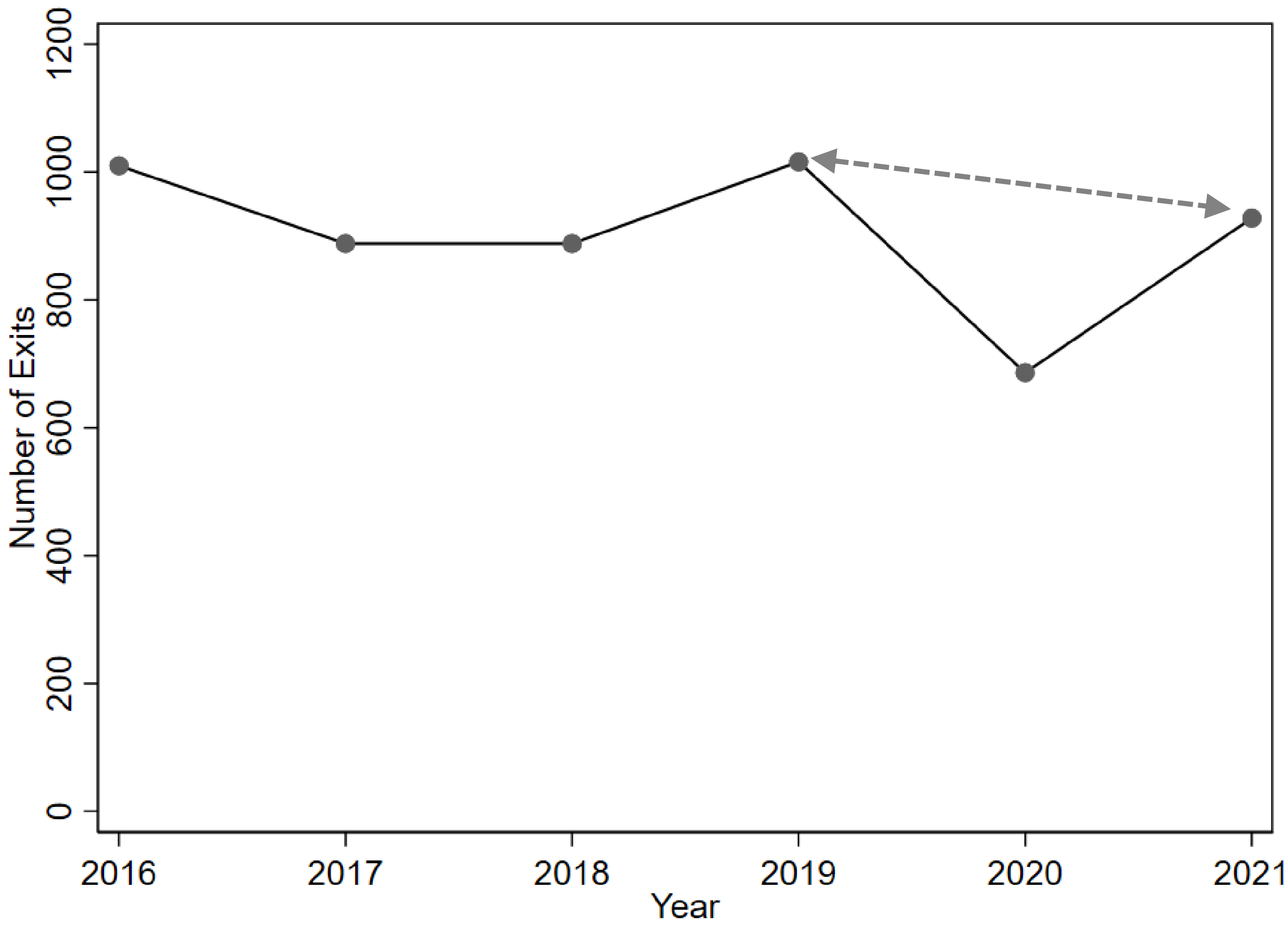
CMTO Phase I treatment group families mirror those living in High Opportunity Neighborhoods.

Note: no port-ins



Number of Exits: 2021 saw a return to usual levels

Drop in 2020 could have been pandemic-related: slower growth in economic independence; lower evictions

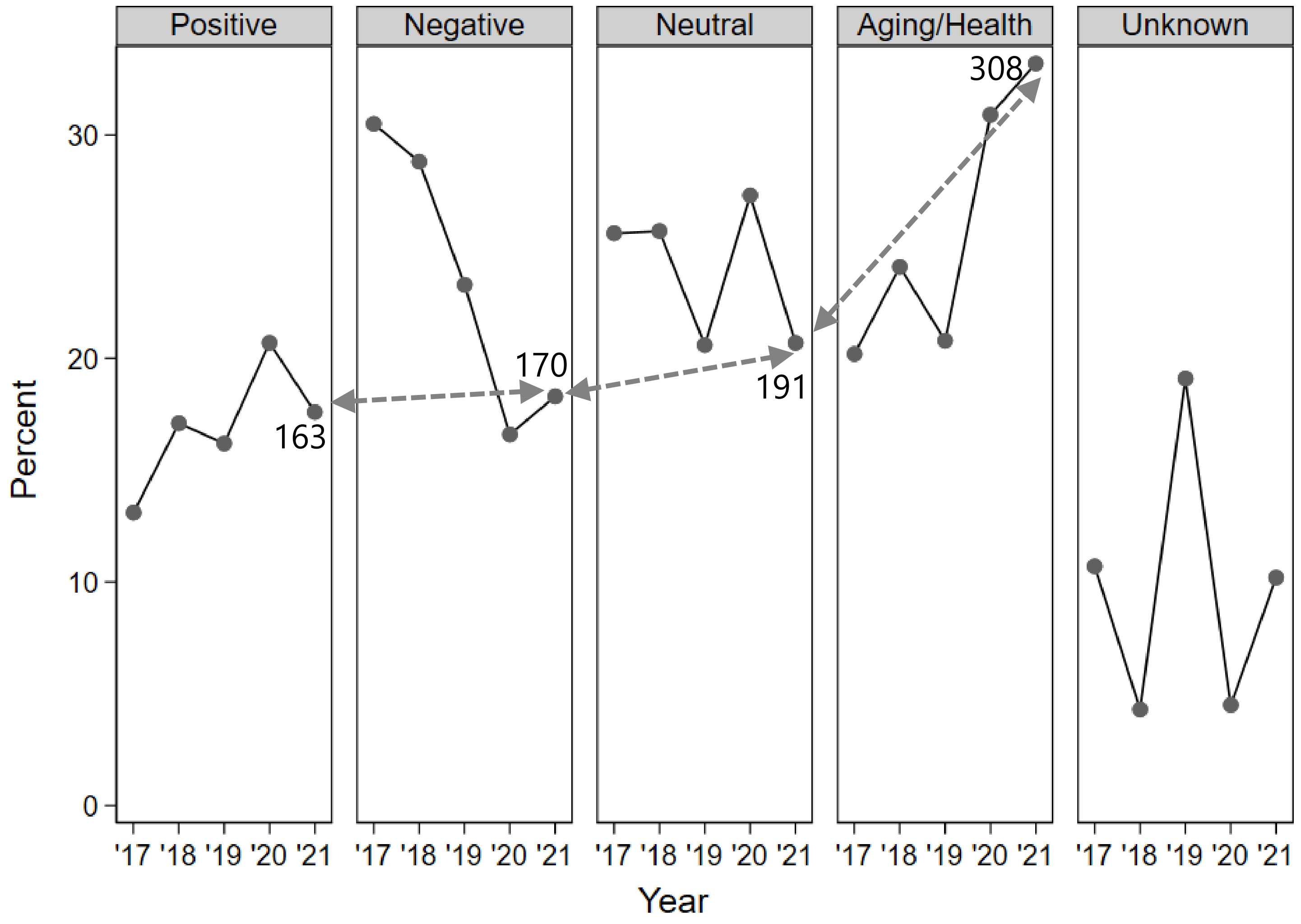


Exits are few: positive reasons on par with negative and neutral in 2021

KCHA 2021: **53%** BIPOC/ Hispanic

Overall exits in 2021: **50%** BIPOC/ Hispanic

Negative exits in 2021: **53%** BIPOC/ Hispanic



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

In Conclusion

- Households we serve
  - Continuing increase in elder population, greater need for supportive services and staff time
- Entries from homelessness
  - 62% of the entries are from homelessness with 76% of those through special purpose vouchers
- Household incomes
  - Continue to serve very low income households: 81% of our families' incomes are below full-time minimum wage rates

In Conclusion

- High opportunity areas
  - Families with children less likely to live in high opportunity areas compared to others
- Exit outcomes in 2021
  - number exits returning to more typical levels
  - positive, negative, neutral exits 18-20%
  - aging/health-related exits 34%

PRE Delivers New Report

Resident Characteristics Data Book

- A summary of data describing KCHA's federally subsidized households
- Answers the need for
  - ready information
  - more raw data

Thank you!

Questions? Comments?

TAB NUMBER 6

To: Board of Commissioners

From: Windy K. Epps, Director of Finance

Date: September 6, 2022

Re: **Financial results through June 2022**

EXECUTIVE SUMMARY

Combined Operations (excluding development activity)

Second-quarter 2022 financial performance for KCHA, excluding development activities, far outpaced budget projections. Net Operating Cash Flows were $25.0 million, exceeding the $11.5 million budget by $13.4 million or 116%. The Federal Programs and Properties drove 41% of this increase, surpassing projections by $5.5 million. The Local Programs and Properties came in over budget by $7.9 million.

Summary of Net Operating Cash Flows by Program
Through June 30, 2022

Federal Programs and Properties	2022 Actual	2022 Budget	Variance
MTW(1)	$10,199,647	$5,158,307	$5,041,340
HCV	(4,645,708)	(2,790,326)	(1,855,382)
Public Housing (1)	(1,434,182)	(2,025,696)	591,514
Other Federal	1,628,074	(76,476)	1,704,550
	$5,747,831	$265,808	$5,482,023
Local Programs and Properties			
Asset Management/Other(2)	$21,348,306	$14,021,221	$7,327,085
Other Housing Management(2)	2,808,958	3,498,420	(689,462)
COCC(2)	(4,940,554)	(6,240,743)	1,300,190
	$19,216,711	$11,278,898	7,937,813
COMBINED	$24,964,542	$11,544,706	$13,419,836

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

On the Federal side, Net Operating Cash Flow exceeded the budget through the second quarter as block grant revenue was greater than anticipated due to the receipt of funding from the prior year award, combined with better than anticipated RFIF and prorate. Additionally, Operating costs lagged projections stemming largely from lower HAP and EHV service expenses.

Net Operating Cash Flow for the Local Programs and Properties was greater than planned largely due to the refinancing of the Key Bank 2013 Pool, resulting in no principal payments during the first half of the year; lower lease principal payment from the Birch Creek net cash flow distribution stemming from a $2 million HAP reimbursement at the end of last year, and timing of other bond principal payments. Additionally, various occupancy, administrative, and other social service expenses were less than budget.

Development Activity

Operating revenue exceeded the target through the second quarter by $591 thousand, primarily due to a Puget Sound Energy weatherization rebate for Abbey Ridge and better than expected profit participation on Greenbridge lot sales. Operating expenses were less than planned by $217 thousand or 25.5% due to unfilled positions and lower professional services costs related to property acquisitions than anticipated.

An estimated amount was budgeted for property acquisitions evenly throughout the year. However, no property acquisitions occurred through the second quarter.

Agency Liquidity

At the end of the quarter, cash balances remained solid with $130.1 million in unrestricted cash and cash held by management agents, $99.7 million in designated cash, and $32.8 million in restricted cash.

Development's ending cash balances were $10.0 million in unrestricted cash and $26.0 million in restricted cash.

SECOND-QUARTER HIGHLIGHTS

The KCHA Board passed a resolution to allow KCHA to acquire the investor's interest of Eastbridge, Sixth Place, and Zephyr Apartments. The investor's interest will be transferred to Northwest Affordable Communities LLP, owned by KCHA. This will allow KCHA to preserve the partnership, entity while allowing the investor to exit the tax credit partnership.

Tenant accounts receivable for the workforce housing program were $2.8 million or 26.29% of scheduled rents. In comparison, past due rents totaled only $892,000 at the end of the second quarter in 2020 and were only 10.14% of scheduled rents. However, the current accounts receivable balances represent a decline of nearly $1.5 million from the prior quarter.

Delinquencies outstanding by more than 90 days for KCHA-managed properties have also dropped significantly over the second quarter to $115 thousand, down $125 thousand, or 52% from last quarter, and $798 thousand since the end of the year. The year-to-date reduction is largely due to the receipt of Eviction Prevention Rental Assistance Program funding that were received from King County.

New accounting guidance was issued for the Family Self Sufficiency (FSS) program, PIH 2022-20. The new guidance allows FSS forfeitures to be used for the benefit of any FSS program participant in good standing, instead of going back to the HCV Program as HAP or the Public Housing Program as Operating Fund Income.

The Greenbridge department has procured and contracted with architects to study development options for the Notch property. Capital expenditures are anticipated in the 3rd quarter of 2022.

Operation of Federal Programs and Properties

FEDERAL PROGRAMS
Through June 30, 2022

Combined Federal	2022 Actual	2022 Budget
Operating Cash Flow	$5,747,831	$265,808
Other Changes in Cash	(4,956,048)	(944,753)
Change in Unrestr/Prog Cash	$791,783	($678,944)

MTW	2022 Actual	2022 Budget
Operating Cash Flow	$10,199,647	$5,158,307
Transfer to PH for Ops	(2,832,879)	(2,529,780)
Other Changes in Cash	(7,837,613)	(4,519,305)
Change in Unrestr/Prog Cash	($470,845)	($1,890,778)

Transfer from MTW to fund the Housing Management software system is below target.

HCV	2022 Actual	2022 Budget
Operating Cash Flow	($4,645,708)	($2,790,326)
Transfer from MTW for Ops	150,006	500,000
Other Changes in Cash	2,528,748	2,241,062
Change in Unrestr/Prog Cash	($1,966,954)	($49,264)

Less transfer from MTW for HAP susbsidy; offset by the less HAP expense and EHV service expenses

Public Housing	2022 Actual	2022 Budget
Operating Cash Flow (1)	($1,434,182)	($2,025,696)
Transfer from MTW for Ops	2,678,081	2,379,057
Other Changes in Cash	864,420	(456,737)
Change in Unrestr/Prog Cash	$2,108,320	($103,377)

Fewer operating costs, funds received from Eviction Prevention Rental Assistance Program, the receipt of grant receivables outstanding at year end.

(1) Without transfers from MTW to support operations

Other Federal	2022 Actual	2022 Budget
Operating Cash Flow	$1,628,074	($76,476)
Transfer from MTW for Ops	154,798	150,720
Other Changes in Cash	(661,609)	1,290,231
Change in Unrestr/Prog Cash	$1,121,262	$1,364,475

Less draw from technology reserve funds for housing management software; offset by fewer occupancy expenses.

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 was over budget due to the receipt of funding from the prior-year award and favorable Renewal Funding Inflation Factor (RFIF) and prorate. Funding of HAP payments to landlords tracked close to budget in the second-quarter, coming in under budget by 2.2%. Funding of Section 8 administrative costs were under budget by $769 thousand, primarily due to fewer unit months than budgeted.

(In thousands of dollars)	Actual	Budget	Variance Favorable (Unfavorable)	%Var	
HCV Block Grant Revenue	$85,271.2	$83,249.8	$2,021.4	2.4%	(1)
Funding of HAP Payments to Landlords	(66,090.1)	(67,594.1)	1,504.0	2.2%	
Funding of Section 8 Administrative Costs	(4,796.0) (1)	(5,564.9)	769.0	13.8%	(2)
Excess of HCV Block Grant Funding over Expenses	$ 14,385.2	$ 10,090.8	$ 4,294.4	42.6%	

1) Block Grant revenue exceeded target due better than anticipated RFIF and prorate
2) Fewer unit months leased than budget resulted in less Administrative Fee earned.

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. Through the second quarter, transfers exceeded budget by $303 thousand, or 12.0% Transfers to tax-credit-owned Public Housing properties were made as planned.

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Transfers to PH AMPs Based on Need	($2,832.9)	($2,529.8)	$303.1	(12.0%)	(1)
Net Flow of Cash(from)/to MTW from/(to) PH	($2,832.9)	($2,529.8)	($303.1)	12.0%	

1) Subsidy transfers from MTW to public housing exceeded 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:

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Public Housing Subsidy earmarked for resident services	$256.2	$240.2	$16.0	6.7%	
Homeless Initiatives	(762.2)	(1,159.2)	$397.0	(34.2%)	(1)
Resident Services	(2,432.5)	(2,532.5)	$100.0	(3.9%)	
Use of MTW Funds for Special Programs	($2,938.5)	($3,451.4)	$512.9	(14.9%)	

1) Homeless programs are expected to be funded and initiated later than anticipated when developing the budget. In particular, staffing expenditures are under target due to hiring delays.

4. *Other uses of MTW funds*

MTW working capital is used for a variety of other purposes. 2022 expenditures include:

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Construction Activity & Management Fees	$2,853.9	$2,212.1	$641.8	29.0%	(1)
Green River and Birch Creek debt payments	1,014.2	718.8	295.4	41.1%	(2)
Misc. Other Uses	198.4	2,172.0	(1,973.6)	(90.9%)	(3)
	$4,066.5	$5,102.8	($1,036.3)	(20.3%)	

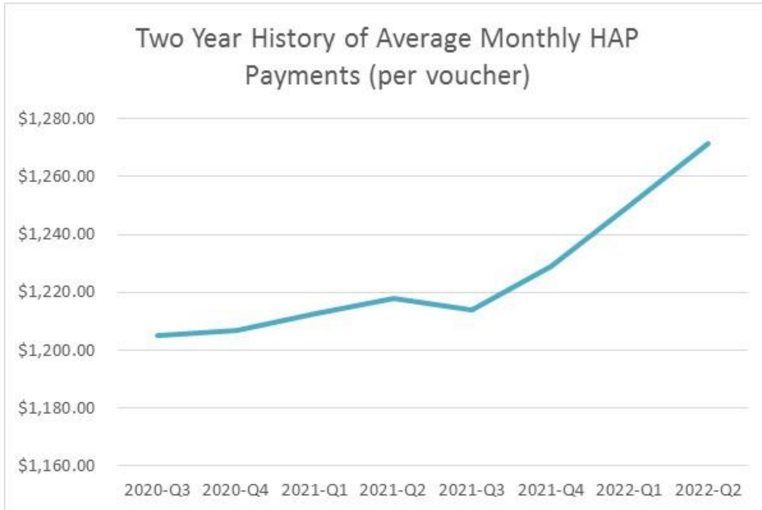
1) Due to project delays, transfer for capital contruction and related management fees were below target.
2) The budget includes transfers from MTW for Green River and Birch Creek debt payments. The transfer for Birch Creek will occur later in the year. However, the Green River loan was paid off in 2021.
3) MTW transfer to fund Housing Management software system and transfer to cover landlord recruitment/retainage for EHV were below target.

5. *Costs to administer the MTW program*

Administrative costs are primarily salaries and benefits of those who manage or analyze MTW-funded programs. Expenses for the second quarter of 2022, totaling $638 thousand, were 0.68% of gross program revenues and below the budget of $808 thousand due to unfilled positions.

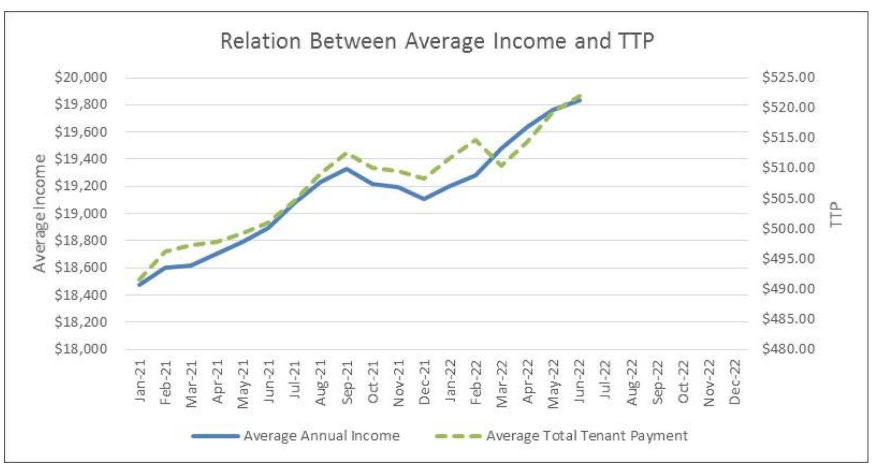
HOUSING CHOICE VOUCHERS

During the second quarter, HCV HAP expense from all programs (excluding ports-in) were greater than budget expectations, coming in higher by $169 thousand or 0.4%, due to the Emergency Housing Vouchers and offset by lower HAP for the block grant and special purpose vouchers. Compared to the second quarter of 2021, total HAP expense climbed by $3.7 million or 9.3%. The HCV program was an aggregated 197 unit months under target for the quarter, a variance of 0.6%, and the average HAP payment per voucher was $2.37 lower than budget estimates. The average quarterly HAP payment to landlords for all HCV vouchers was $1,266.36, compared to $1,240.60 last quarter and $1,206.02 one year ago.



KCHA's average Block Grant HAP payments have increased during the second quarter, rising $20.66 from $1,251.29 to $1,271.95, or 1.7%. The block grant average per unit cost for the second quarter was lower than the budget by $7.63.

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 $518.54, up slightly from the average of $512.30 for the previous quarter and up from $499.36 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 start of the pandemic.



PUBLIC HOUSING

The net change in unrestricted cash was better than budget expectations by $2.2 million. The primary driver for this variance was the receipt of EPRAP funding from King County and a better than anticipated prorate. The budget assumed an estimated prorate of 92.0%, while the proration through June was 104.8%.

OTHER FEDERAL

The change in unrestricted and program cash for the Other Federal programs through the second quarter was primarily impacted by fewer draws from the technology reserve, which was set up in 2021 to fund the Housing Management Software conversion.

Operation of Local Programs and Properties

LOCAL PROGRAMS
Through June 30, 2022

Combined Local	2022 Actual	2022 Budget	
Operating Cash Flow	$19,216,711	$11,278,898	
Other Changes in Cash	(4,775,794)	(13,883,647)	
Change in Unrestr/Prog Cash	$14,440,916	($2,604,750)	

Asset Management/Other	2022 Actual	2022 Budget	
Operating Cash Flow	$21,348,306	$14,021,221	Tenant rents from newly acquired properties, fewer excess transfers to COCC, offset by increase in debt service and other restricted deposits.
Excess Cash to COCC	(3,740,000)	(5,305,000)	
Other Changes in Cash	(8,201,628)	(6,516,097)	
Change in Unrestr/Prog Cash	$9,406,679	$2,200,124	

Other Housing Management	2022 Actual	2022 Budget	
Operating Cash Flow	$2,808,958	$3,498,420	Less spending on MKCRF capital projects. Also, funds received from Eviction Prevention Rental Assistance Program
Excess Cash to COCC	(1,920,000)	(1,850,000)	
Other Changes in Cash	3,289,947	(577,079)	
Change in Unrestr/Prog Cash	$4,178,905	$1,071,340	

COCC	2022 Actual	2022 Budget	
Operating Cash Flow [1]	($4,940,554)	($6,240,743)	Less spending on Admin costs, delay in predevelopment loans from COCC.
Excess Cash from Properties	5,660,000	7,155,000	
Other Changes in Cash	135,886	(6,790,471)	
Change in Unrestr/Prog Cash	$855,333	($5,876,214)	

[1] Without transfers of excess cash to support operations

ASSET MANAGEMENT/OTHER

Operating Cash Flow for Asset Management exceeded budget projections by $7.3 million. Principal and interest payments were less than planned due to refinancing the Key Bank 2013 Pool. Tenant rents were also greater than the budget from the newly acquired Salish Place Apartments. Rounding out the increase was lower spending on occupancy expenses.

Other changes in unrestricted/program cash include $2.7 million in Transit Oriented Development loan from King County deposited into the Riverstone replacement reserves account for future projects. Deposit of $7 million into debt service reserves for the 2020 and 2021 Bond Pool debt payment. These amounts are offset by lower capital expenditures and receipt of outstanding receivables.

OTHER HOUSING MANAGEMENT

Net change in unrestricted cash for Other Housing Management Programs was $3.1 million better than expected due to less spending on Moving King County Residents Forward capital projects. Capital expenditures will pick up over the remainder of the year. However, they are expected to finish the year under budget. Additionally, the receipt of EPRAP funding from King County, and unbudgeted transfers from the COCC for Illahee and Campus Green unit upgrades.

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. Operating cash flow was greater than anticipated in the budget as various administrative and occupancy expense categories were less than planned.

The chart below reflects a summary of COCC activity.

COCC	2022 Actual	2022 Budget	**Favorable (Unfavorable) $ Variance**	**Favorable (Unfavorable) % Variance**
Other Operating Income	$ 7,210,503	$ 7,131,904	$ 78,598	1.1%
Salaries	(6,973,850)	(6,847,819)	(126,031)	-1.8%
Benefits	(2,224,290)	(2,274,068)	49,778	2.2%
Occupancy Expenses	(131,570)	(172,158)	40,588	23.6%
Other Social Service Expenses	(249)	(75,020)	74,771	99.7%
Administrative Expenses	(2,045,085)	(3,007,481)	962,396	32.0%
Total Operating Costs	(11,375,044)	(12,376,547)	1,001,503	8.1%
Total Operating Income before P & I	(4,164,542)	(5,244,643)	1,080,101	20.6%
Principal Payments	(450,000)	(596,850)	146,850	24.6%
Interest Payments	(326,012)	(399,251)	73,239	18.3%
			-	n/a
Operating Cash Flow	$ (4,940,554)	$ (6,240,743)	$ 1,300,190	20.8%

CAPITAL INVESTMENTS (Including tax credit partnerships)

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

	Actuals Thru 06/30/2022	Budget Thru 06/30/2022	YTD Variance	Percent of Annual Budget	2022 Annual Budget
CONSTRUCTION ACTIVITIES					
Managed by Capital Construction Department					
Public Housing	$1,754,644	$1,756,268	($1,624)	25.7%	$6,824,333
509 Properties	857,204	2,835,058	(1,977,854) (1)	21.8%	3,924,728
Other Properties	664,907	1,050,757	(385,850) (2)	35.7%	1,864,153
	3,276,756	5,642,083	(2,365,328)	26.0%	12,613,214
Managed by Housing Management Department					
Unit Upgrade Program	2,223,998	1,925,948	298,050	57.7%	3,851,896
Energy Performance Contract	216	-	216	N/A	-
Other Projects	107,819	-	107,819	N/A	-
	2,332,034	1,925,948	406,086	60.5%	3,851,896
Managed by Asset Management Department					
Homeownership Projects-Managed by Internal staff	284,704	3,844,618	(3,559,914) (3)	4.4%	6,543,068
Bond Properties-Projects Managed by Internal Staff	310,683	-	310,683 (4)	N/A	-
	595,387	3,844,618	(3,249,231)	9.1%	6,543,068
Subtotal Construction Activities	**6,204,176**	**11,412,649**	**(5,208,473)**	**27.0%**	**23,008,178**
DEVELOPMENT ACTIVITY					
Managed by Hope VI Department					
Greenbridge	(178,127)	-	(178,127)	N/A	-
Notch	4,074	98,430	(94,356)	2.1%	193,697
	(174,053)	98,430	(272,483)	0	193,697
Managed by Asset Management Department					
Bellevue Manor	301,164	-	301,164 (5)		20,000
	301,164	-	301,164	-	20,000
Managed by Development Department					
Other Projects	594,102	3,400,800	(2,806,698) (6)	9.1%	6,550,000
	594,102	3,400,800	(2,806,698)	0	6,550,000
Subtotal Development Activity	**721,213**	**3,499,230**	**(2,599,890)**	**10.7%**	**6,763,697**
TOTAL CONSTRUCTION & DEVELOPMENT	**$ 6,925,389**	**$14,911,879**	**($7,808,363)**	**23.3%**	**$29,771,875**
PROPERTY ACQUISITIONS & OTHER ASSETS					
Acquisitions-Seola Crossing	24,653,676 (7)				
Other adjustments	1,433,559				
TOTAL PER CASH RECONCILATION REPORT	**$ 33,012,624**				

1) The Young's Lake Envelope and Kings Court site projects were budgeted evenly through out the year but started in the second quarter due to supply chain issues and expected to be completed by year end.
2) The Friendly Village Clubhouse Ventilation and Rainier View Site Improvement projects were budgeted in the first quarter but are now expected to occur in the third quarter.
3) The Rainier View Site Improvement project is on hold due to a permit delay from the City. Also, the Cascadian Fire Prevention Project was budgeted for the first quarter and is now expected to be postponed to 2023 as the actual cost significantly exceed the budget. The Riverstone Pool/SPA/Hot Tub project was budgeted in the first quarter but is now expected to occur in the third quarter. The Cascadian Plumbing project was budgeted in the second quarter but didn't start until the third quarter.
4) Salish Place Apartments construction project was unbudgeted due to the timing of the purchase. This project is being financed by the seller through a credit that was issued at closing.
5) Mainly due to interest on the Bellevue Manor subordinate loan, which was capitalized to the project.
6) The Kirkland Heights development is expected to catch up with projections by the end of the third quarter. The Trailhead project is delayed as the authority has yet to control the site. The project is expected be under budget by year-end.
7) KCHA acquired the investor's interest in Seola Crossing.

CASH AND INVESTMENT SUMMARY

KCHA cash balances, excluding development activities, increased by $15.2 million since the beginning of the year, with most of the change occurring in the workforce housing portfolio. Designated cash increased by $5.2 million due to voluntary deposits to replacement reserves. Restricted cash increased by $4.7 million primarily due to deposits in debt service reserves. For a complete report on KCHA's overall cash position at the end of the quarter, 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 1.0%, increasing 40 basis points since last quarter. The average interest rate of the Washington State Treasurer's Local Government Investment Pool (LGIP) for the quarter was 0.67%. Total investment returns for the quarter were very close to the budget at $1.99 million against a projected return of $1.72 million.

Investment Summary (in millions) as of June 30, 2022	Amount	Yield		% of Total
Invested in the Local Government Investment Pool & Masterfund	$176.6	1.02%		55.8%
Invested by KCHA	67.4	0.81%		21.3%
Cash held by trustees	18.4	0.02%	*	5.8%
Cash held in checking and savings accounts	36.1	0.02%	*	11.4%
Invested by KCHA	$298.6	0.81%		94.3%
Cash loaned for low income housing & EPC project purposes	18.0	4.95%		5.7%
Loaned by KCHA	18.0	4.95%		5.7%
Total	$316.6	1.03%		100.0%

REPORTS TABLE OF CONTENTS

King County Housing Authority
Statement of Financial Position
Combined Operations (excluding development activity)
As of June 30, 2022

	2022 Actual
Cash-Unrestricted	$105,256,782
Cash-Held by Management Agent	24,854,423
Cash-Designated	99,671,260
Cash-Restricted	32,828,800
Total Cash	262,611,265
Other Current Assets	133,852,191
Long-term Assets	1,773,873,796
Total Other Assets	1,907,725,987
Total Assets	$2,170,337,252
Current Liabilities	169,362,777
Long-Term Liabilities	1,183,319,543
Total Liabilities	1,352,682,320
Equity	817,654,932
Total Liabilities and Equity	$2,170,337,252

King County Housing Authority
Cash Reconciliation Report
Combined Operations (excluding development activity)
For the Period Ended June 30, 2022

	2022 YTD Actual	2022 YTD Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	$114,878,746			
Beginning Cash Balance-Designated	94,470,038			
Beginning Cash Balance-Restricted	28,070,222			
Total Beginning Resources	$237,419,005			
Tenant Revenue	$76,461,516	$74,220,467	$2,241,049	3.0%
Operating Subsidy from HUD-HCV	99,701,279	99,645,177	56,102	0.1%
Operating Subsidy from HUD-PH	6,673,627	6,137,193	536,434	8.7%
Port-In Income	25,736,948	25,660,568	76,380	0.3%
Other Operating Income	15,823,542	18,311,605	(2,488,063)	(13.6%)
Total Operating Income	224,396,912	223,975,010	421,902	0.2%
Salaries	(22,672,908)	(23,745,948)	1,073,041	4.5%
Benefits	(7,593,444)	(8,311,771)	718,326	8.6%
Occupancy Expenses	(16,012,460)	(18,712,165)	2,699,705	14.4%
Maintenance Projects	0	0	0	n/a
HAP Expense-KCHA	(83,928,917)	(84,662,954)	734,037	0.9%
HAP Expense-Ports In	(25,522,062)	(25,660,568)	138,506	0.5%
Other Social Service Expenses	(5,837,632)	(7,724,032)	1,886,401	24.4%
Administrative Expenses	(11,897,658)	(13,927,826)	2,030,168	14.6%
Total Operating Costs	(173,465,081)	(182,745,264)	9,280,183	5.1%
Total Operating Income before P & I	50,931,831	41,229,746	9,702,085	23.5%
Principal Payments	(8,972,429)	(14,766,438)	5,794,009	39.2%
Interest Payments	(16,995,100)	(14,918,602)	(2,076,499)	(13.9%)
Operating Cash Flow	24,964,302	11,544,706	13,419,596	116.2%
Non-Operating income	5,188,819	6,614,448	(1,425,630)	(21.6%)
Non-Operating Expenses	(1,107,245)	(3,611,550)	2,504,306	69.3%
Capital Expenditures	(11,466,090)	(22,297,124)	10,831,034	48.6%
Acquisitions/LIHTC Return to KCHA	(24,055,629)	0	(24,055,629)	n/a
Change in Designated Cash	(5,201,222)	80,269	(5,281,491)	(6,579.8%)
Change in Restricted Cash	(4,758,578)	5,239,324	(9,997,902)	(190.8%)
Transfers In/Out	(736,388)	(753,999)	17,610	2.3%
Other Changes in Debt	17,400,000	0	17,400,000	n/a
Others Sources/(Uses of Cash)	15,004,491	(99,768)	15,104,258	15,139.4%
Non Operating Net Sources (Uses) of Cash	(9,731,842)	(14,828,400)	5,096,557	34.4%
Net Change in Unrestricted Cash	$15,232,459	($3,283,694)	$18,516,153	563.9%
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	$130,111,205	$15,232,459		
Ending Cash Balance-Designated	99,671,260	$5,201,222		
Ending Cash Balance-Restricted	32,828,800	$4,758,578		
Total Ending Resources	$262,611,265	$25,192,260		

SUMMARY: Operating Cash Flow through the second quarter was strong with operating cash flow exceeding budget by $13.4 million with income close to budget and costs over performing projections.

Operating Income was $422 thousand or 0.2% over target with 88% of the variance on the Federal side of operations, and 12% from the Local Programs and Properties**.** See the Federal and Local summaries for more details.

Operating Expenses are $9.2 million or 5.1% below budget with 58% of the variance on the Federal side and 42% from the Local programs and properties.

Other Sources/(Uses) of Cash was $5.1 million or 34.4% over budget with ($4.0) million of the variance attributable to the Federal side and $9.1 million from the Local programs and properties.

King County Housing Authority
Cash Reconciliation Report
Federal Programs and Properties
For the Period Ended June 30, 2022

	2022 Actual	2022 Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	26,497,335			
Beginning Cash Balance-Designated	8,946,065			
Beginning Cash Balance-Restricted	12,251,055			
Total Beginning Resources	47,694,455			
Tenant Revenue	5,415,211	5,863,565	(448,354)	-7.6%
Operating Subsidy from HUD-HCV	99,490,389	99,450,103	40,286	0.0%
Operating Subsidy from HUD-PH	6,673,627	6,137,193	536,434	8.7%
Port-In Income	25,736,948	25,660,568	76,380	0.3%
Other Operating Income	3,851,126	3,686,093	165,033	4.5%
Total Operating Income	141,167,301	140,797,522	369,779	0.3%
Salaries	(8,443,353)	(9,320,187)	876,835	9.4%
Benefits	(3,079,185)	(3,525,156)	445,971	12.7%
Occupancy Expenses	(4,142,625)	(5,052,960)	910,335	18.0%
Maintenance Projects	-	-	-	n/a
HAP Expense-KCHA	(83,928,917)	(84,662,954)	734,037	0.9%
HAP Expense-Ports In	(25,522,062)	(25,660,568)	138,506	0.5%
Other Social Service Expenses	(3,514,819)	(5,177,563)	1,662,744	32.1%
Administrative Expenses	(4,471,867)	(5,093,133)	621,266	12.2%
Total Operating Costs	(133,102,828)	(138,492,522)	5,389,693	3.9%
Total Operating Income before P & I	8,064,472	2,305,000	5,759,472	249.9%
Principal Payments	(175,000)	(175,000)	-	0.0%
Interest Payments	(2,141,641)	(1,864,192)	(277,449)	-14.9%
				n/a
Operating Cash Flow	5,747,831	265,808	5,482,023	2062.4%
Non-Operating income	2,474,310	3,690,479	(1,216,169)	-33.0%
Non-Operating Expenses	(33,708)	0	(33,708)	n/a
Capital Expenditures	(4,268,591)	(5,345,736)	1,077,145	20.1%
Acquisitions/LIHTC Return to KCHA	(24,055,629)	0	(24,055,629)	n/a
Change in Designated Cash	(1,396,341)	1,014,862	(2,411,203)	-237.6%
Change in Restricted Cash	2,437,844	3,608,582	(1,170,738)	-32.4%
Transfers In/Out	(2,880,409)	(2,607,005)	(273,404)	-10.5%
Other Changes in Debt	17,400,000	0	17,400,000	n/a
Others Sources/(Uses of Cash)	5,366,476	(1,305,934)	6,672,411	510.9%
Non Operating Net Sources (Uses) of Cash	(4,956,048)	(944,753)	(4,011,296)	-424.6%
Net Change in Unrestricted Cash	791,783	(678,944)	1,470,727	216.6%
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	27,289,118			
Ending Cash Balance-Designated	10,342,407			
Ending Cash Balance-Restricted	9,813,211			
Total Ending Resources	47,444,736			

SUMMARY: Operating Cash Flow through the quarter exceeded budget by $5.5 million, with income close to budget and costs over performing projections.

Operating Income was $370 thousand or 0.3% above target mainly due to higher than budgeted operating subsidy.

Operating Expenses are below budget in all categories. Salaries and Benefits, Occupancy and Other Social Service expenses contributed $5.4 million or or 3.9% below target .

Other Sources/(Uses) of Cash reflected an decrease of $4.0 million less than target mainly due to increase in net capital assets from blending of Seola Crossing to KCHA, offset by the net increase in block grant receivable.

King County Housing Authority
Cash Reconciliation Report
Local Programs and Properties
For the Period Ended June 30, 2022

	2022 Actual	2022 Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	88,381,411			
Beginning Cash Balance-Designated	85,523,972			
Beginning Cash Balance-Restricted	15,819,167			
Total Beginning Resources	189,724,550			
Tenant Revenue	71,046,306	68,356,902	2,689,404	3.9%
Operating Subsidy from HUD-HCV	210,890	195,074	15,816	8.1%
Operating Subsidy from HUD-PH	-	-	-	n/a
Port-In Income	-	-	-	n/a
Other Operating Income	11,972,416	14,625,512	(2,653,096)	-18.1%
Total Operating Income	83,229,611	83,177,488	52,123	0.1%
Salaries	(14,229,555)	(14,425,761)	196,206	1.4%
Benefits	(4,514,259)	(4,786,615)	272,355	5.7%
Occupancy Expenses	(11,869,835)	(13,659,205)	1,789,370	13.1%
Maintenance Projects	-	-	-	n/a
HAP Expense-KCHA	-	-	-	n/a
HAP Expense-Ports In	-	-	-	n/a
Other Social Service Expenses	(2,322,813)	(2,546,469)	223,657	8.8%
Administrative Expenses	(7,425,791)	(8,834,693)	1,408,902	15.9%
Total Operating Costs	(40,362,253)	(44,252,742)	3,890,490	8.8%
Total Operating Income before P & I	42,867,359	38,924,746	3,942,613	10.1%
Principal Payments	(8,797,429)	(14,591,438)	5,794,009	39.7%
Interest Payments	(14,853,459)	(13,054,410)	(1,799,050)	-13.8%
			-	n/a
Operating Cash Flow	19,216,470	11,278,898	7,937,573	70.4%
Non-Operating income	2,714,509	2,923,969	(209,460)	-7.2%
Non-Operating Expenses	(1,073,536)	(3,611,550)	2,538,014	70.3%
Capital Expenditures	(7,197,499)	(16,951,389)	9,753,889	57.5%
Acquisitions/LIHTC Return to KCHA	-	-	-	n/a
Change in Designated Cash	(3,804,881)	(934,593)	(2,870,288)	-307.1%
Change in Restricted Cash	(7,196,422)	1,630,743	(8,827,165)	-541.3%
Transfers In/Out	2,144,021	1,853,007	291,014	15.7%
Other Changes in Debt	-	-	-	n/a
Others Sources/(Uses of Cash)	9,638,014	1,206,167	8,431,848	699.1%
Non Operating Net Sources (Uses) of Cash	(4,775,794)	(13,883,647)	9,107,853	65.6%
Net Change in Unrestricted Cash	14,440,676	(2,604,750)	17,045,426	654.4%
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	102,822,087			
Ending Cash Balance-Designated	89,328,853			
Ending Cash Balance-Restricted	23,015,589			
Total Ending Resources	215,166,529			

SUMMARY: Operating Cash Flow was very strong with operating cash flow exceeding budget by $7.9 million or 70.4%, while income was close to budget and expenses were less than projections.

Operating Income were very close to budget projections with a variance of only 0.1%.

Operating Expenses were below budget, by $3.8 million, largely due to slow spending on occupancy, weatherization and admin expenditures.

Other Sources/(Uses) of Cash declined by $4.7 million or $9.1 million better than budget projections due to lower MKCRF capital expenditures and housing capital projects. Also, less that budgeted draw from COCC predevelopment loans.

King County Housing Authority
Statement of Financial Position
Development Activity
As of June 30, 2022

	2022 Actual
Cash-Unrestricted	$10,001,841
Cash-Held by Management Agent	0
Cash-Designated	0
Cash-Restricted	25,996,468
Total Cash	35,998,309
Other Current Assets	16,405,309
Long-term Assets	226,132,951
Total Other Assetts	242,538,260
Total Assets	$278,536,570
Current Liabilities	$2,163,062
Long-Term Liabilities	149,242,701
Total Liabilities	151,405,764
Equity	127,130,806
Total Liabilities and Equity	$278,536,570

King County Housing Authority
Cash Reconciliation Report
Development Activity
For the Period Ended June 30, 2022

	2022 Actual	2022 Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	$14,853,151			
Beginning Cash Balance-Designated	0			
Beginning Cash Balance-Restricted	25,561,646			
Total Beginning Resources	$40,414,796			
Operating Revenue	717,386	126,331	$591,055	467.9%
Operating Expenses	(631,432)	(847,929)	216,497	25.5%
			-	n/a
Total Operating Income before P & I	85,954	(721,598)	807,552	111.9%
Change in Debt	(8,107,615)	18,869,076	(26,976,691)	-143.0%
Interest Payments	(674,734)	(1,762,284)	1,087,551	61.7%
Non-Operating income	2,071,736	1,678,323	393,413	23.4%
Non-Operating Expenses	0	0	-	n/a
Capital Expenditures	(750,068)	(37,979,730)	37,229,662	98.0%
Change in Designated Cash	0	0	-	n/a
Change in Restricted Cash	(434,822)	(696,769)	261,947	37.6%
Transfers In/Out	734,954	754,158	(19,204)	-2.5%
Others Sources/(Uses of Cash)	2,223,286	15,014,846	(12,791,559)	-85.2%
Non Operating Net Sources (Uses) of Cash	(4,937,263)	(4,122,382)	(814,881)	-19.8%
Net Change in Unrestricted Cash	($4,851,309)	($4,843,980)	($7,329)	-0.2%
Ending Cash Balance-Unrestricted	$10,001,841			
Ending Cash Balance-Designated	0			
Ending Cash Balance-Restricted	25,996,468			
Total Ending Resources	$35,998,309			

SUMMARY: Operating Cash Flow for the first quarter exceeded target, coming in over budget by $807 thousand or 111.9%, with income outperforming projections and expenses less than projections.

Operating Income exceeded budget due to the Greenbridge lot sale price participation and PSE weatherization rebate for Abbey Ridge.

Operating Expenses were below budget mostly due to salaries and benefits.

Other Sources/(Uses) of Cash declined more than anticipated as development subordinate loan advanced to the partnership exceeded target.

FINANCIAL DASHBOARD

CORE OPERATING REVENUE SOURCES	2022 YTD Actual	2022 YTD Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance
Tenant Revenue				
Public Housing	$3,663,581	$4,190,856	($527,274)	(12.6%)
Local-Asset Management	58,204,529	54,724,929	3,479,600	6.4%
Local-Housing Management	12,841,776	13,631,973	(790,196)	(5.8%)
Other	1,755,113	1,672,710	82,404	4.9%
	$76,465,000	$74,220,467	$2,244,533	3.0%
Block Grant				
Gross Receipts	$85,271,235	$83,249,814	$2,021,421	2.4%
Less: Used for HAP	(66,090,097)	(67,594,123)	1,504,026	2.2%
Less: Used for Admin Fees	(4,795,953)	(5,564,905)	768,952	13.8%
Available for Other Purposes	$14,385,185	$10,090,786	$4,294,399	42.6%
Other Core Revenues				
Special Purpose Voucher Revenue	$12,832,646	$14,896,008	($2,063,362)	(13.9%)
HCV Administrative Fee Revenue	6,148,061	6,828,283	(680,222)	(10.0%)
Public Housing Operating Fund Subsidy	6,673,627	6,137,193	536,434	8.7%
	$25,654,334	$27,861,484	($2,207,150)	(7.9%)

CORE OPERATING EXPENSES	2022 YTD Actual	2022 YTD Budget	Favorable (Unfavorable) $ Variance	Favorable (Unfavorable) % Variance
Salaries and Benefits	$30,266,352	$32,057,719	($1,791,367)	(5.6%)
Occupancy Expenses	16,012,460	18,712,165	(2,699,705)	(14.4%)
Administrative Expenses	11,897,418	13,927,826	(2,030,168)	(14.6%)
HAP Expenses-Block Grant	66,147,457	67,635,026	(1,487,569)	(2.2%)
HAP Expenses-Special Purpose Vouchers	14,334,738	14,651,453	(316,715)	(2.2%)
	$138,658,425	$146,984,189	($8,325,523)	(5.7%)

CASH REPORT

(Excluding development activities)

Cash Available for General KCHA Use	As of June 30, 2022	As of Beginning of Year
Unstricted Cash	$80,287,621	$71,581,723
Cash Set-aside but Available for General Use	39,860,256	40,502,860
Total	120,147,877	112,084,582
Cash Designated for Specific Purposes		
Held by Outside Property Management Companies	24,854,423	19,931,123
Replacement Reserves	44,259,800	38,818,474
Other	15,551,204	15,148,704
Total	84,665,426	73,898,301
Cash that Must be Spent Within Specific Programs		
Federal	25,997,576	27,829,502
Local	(1,028,414)	129,130
Total	24,969,161	27,958,632
Cash that is Legally Restricted for Specific Purposes		
Federal	9,813,211	8,873,105
Local	23,015,589	17,252,576
	32,828,800	26,125,681
TOTAL CASH	$262,611,265	$240,067,196

S & P RATIOS (Estimates)

EBITDA* as a % of Operating Revenue

19.8%

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

Best ← → Worst

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

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

5.8

>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*	**12.58**
Ratio of EBITDA* to Annual Interest Payments	**3.45**

Ratio of EBITDA to Annual Interest Payments*

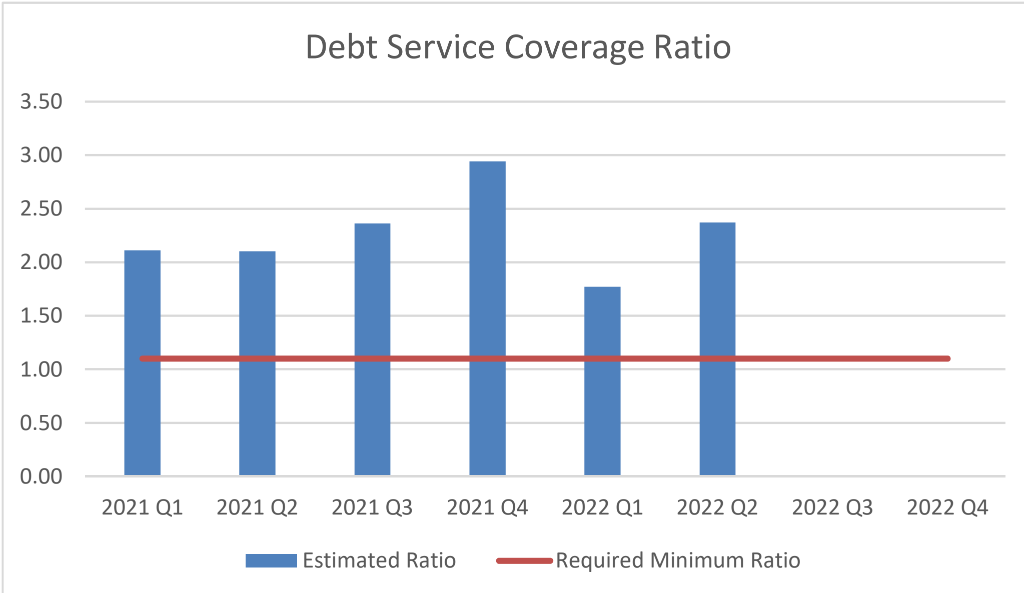
	>2.5	1.75 to 2.5	1.25 to 1.75	1.00 to 1.25	0.75 to 1.00	<0.75	
<10							Best
10 to 15	2						↕
15 to 20							
>20							Worst

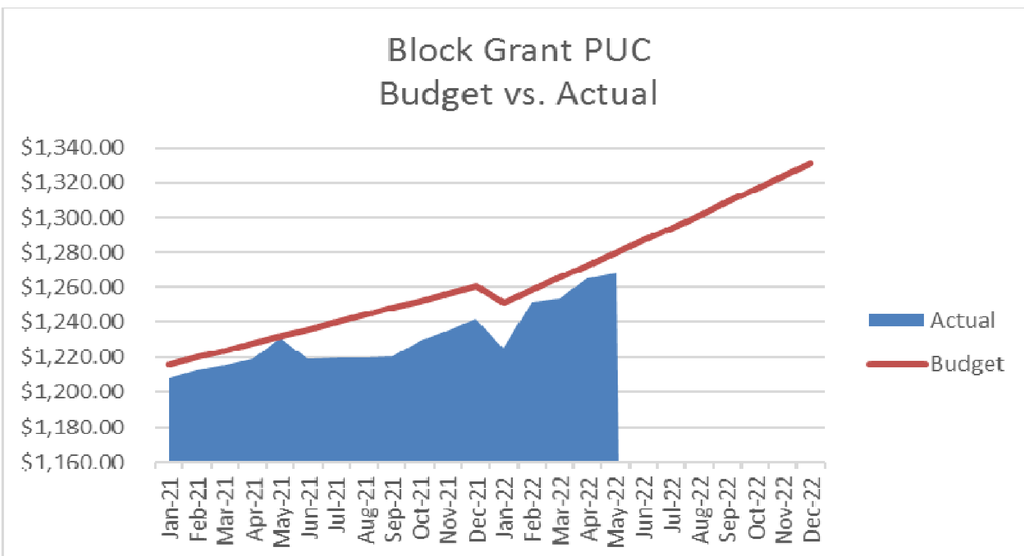
Best ← → Worst

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

* Earnings Before Interest, Taxes, Depreciation and Amortization

OTHER KEY METRICS





TAB NUMBER 7

KCHA Executive Dashboard

2022 Q2

April - June 2022

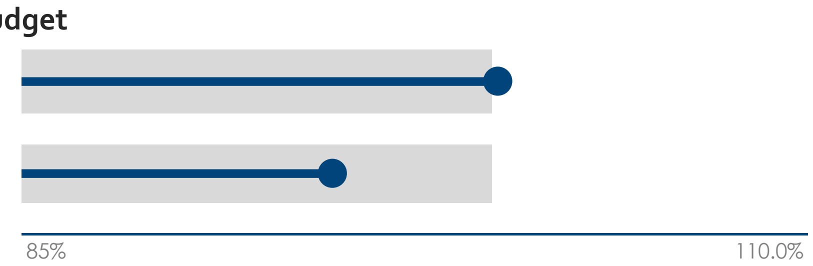
Households Served

point in time as of June 2022[1]

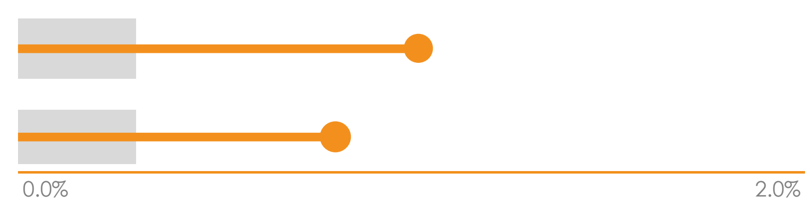
23,522

Finance

	Budgeted	Actual	Actual to Budget
Revenue year-to-date	$223,975,010	$224,396,912	**100.2%**
Expenditure year-to-date	$182,745,264	$173,465,081	**94.9%**



LGIP Rate Investments	0.30%	1.02%	**0.72%**
Non-LGIP Investments	0.30%	0.81%	**0.51%**



Housing Management

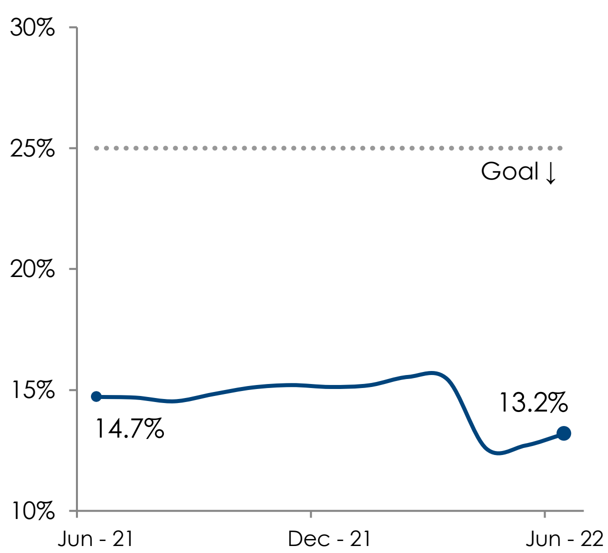
	Scope	Target	Jun '22
Public Housing Occupancy[2]	3,766 units	98.0%	**98.9%**
Local Programs Occupancy	8,715 units	96.5%	**98.6%**

Total Units Online[3]	12,481 units	11,105	**12,481**

Housing Choice Voucher Program Operations

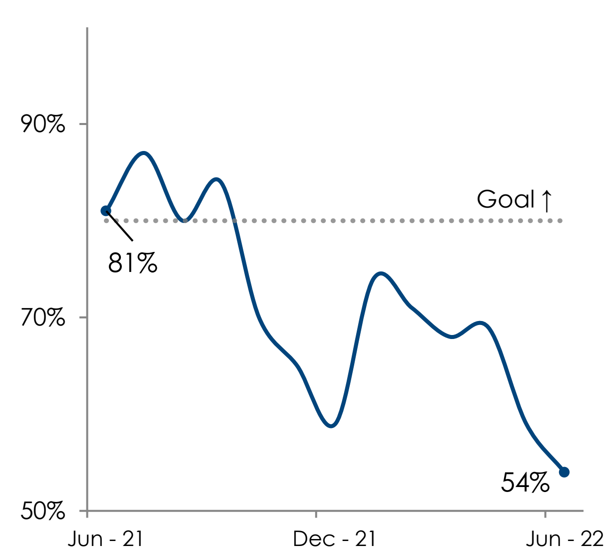
Shelter Burden

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



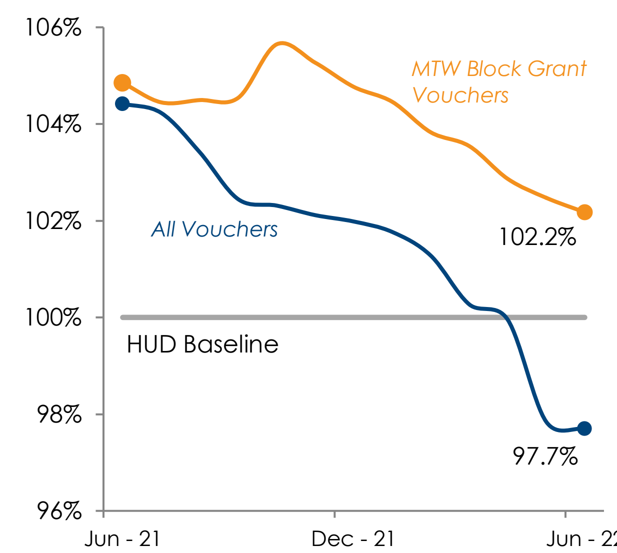
Shopping Success[4]

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



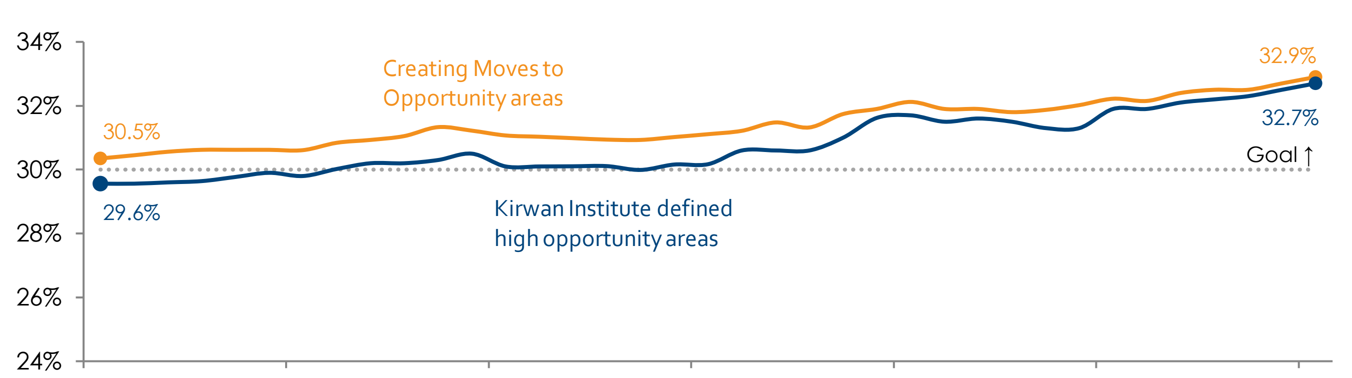
Utilization Rate[5]

Percentage of HUD ACC leased by month.



Increasing Access to Opportunity Areas

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



Notes

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

TAB NUMBER 8

King County Housing Authority

To: Board of Commissioners

From: Dan Landes, Director of Development

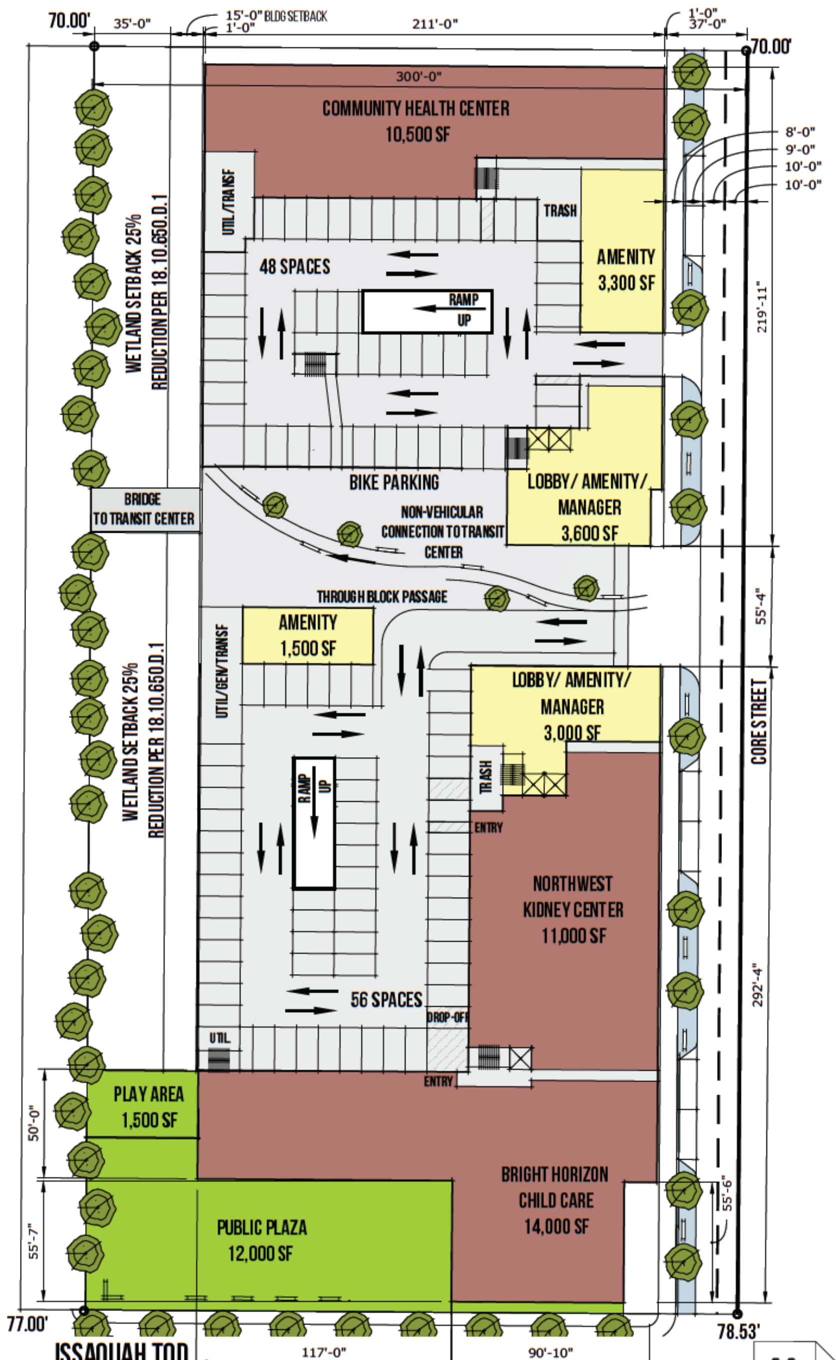
Date: September 13, 2022

Re: Update the acquisition of the TOD Site for the Trailhead Apartments.

KCHA has been working with City of Issaquah to acquire a site adjacent to the Issaquah Transit Center for the purpose of developing a mixed-use, mixed-income Transit Oriented Development. Lumen and KCHA have reached a preliminary agreement for the sale of the site with a closing scheduled for December 2022. In March 2021, the Board of Commissioners passed Resolution No. 5678 which authorized the Authority to acquire the site. Since that time, the terms of the transaction have changed and the staff intend to come back to the Board in October 2022 with an amended resolution which authorizes the transaction under the current terms. At the September Board Meeting KCHA staff will provide a brief historical overview of the project, review the details of the proposed deal and discuss what has changed since the last Board action. A full written project description including risks and mitigations will be provided at the October Board meeting.

Trailhead Location Map

Issaquah TOD Site



ISSAQUAH TOD
L1/P1 PLAN - ON GRADE
1"= 40'-0" 02.13.18
NORTH

ISSAQUAH TOD
TYP. RESIDENTIAL PLAN
1"= 40'-0" 02.13.18
NORTH

Architectural Rendering of Issaquah TOD

TAB NUMBER 9

KCHA IN THE NEWS

September 19, 2022

From the Puget Sound Business Journal:
https://www.bizjournals.com/seattle/news/2022/08/12/eastside-affordable-housing-forum.html

Eastside Affordable Housing Forum

Sponsored Content
Aug 12, 2022

The affordable housing crisis is perhaps most evident on the eastside, where home prices have soared higher than anywhere else in the region.

One of the region's biggest issues is the lack of affordable housing. The affordable housing crisis is perhaps most evident on the eastside, where home prices have soared higher than anywhere else in the region in recent years. The PSBJ partnered with Amazon on an event that featured a panel moderated by Don Baker, president and publisher of the PSBJ. The panel featured Nicole Bachaud, Economist for Zillow; Catherine Buell, Director of the Housing Equity Fund for Amazon; Amy Liu, Director of Affordable Housing and Human Services for Washington State for Microsoft; Lynne Robinson, Mayor of the City of Bellevue; and Dan Watson, Interim Executive Director at the King County Housing Authority. (This is an edited and condensed transcript of the panel.)

Don Baker: Nicole, can you give us a brief overview of the real estate market in Puget Sound region, and how that's changed in the past couple of years, in terms of how that's impacting the affordable housing price?

Nicole Bachaud: So, what we've really been seeing, since the start of the pandemic is the housing market has taken off really quickly. We've seen home prices rising in a lot of the Eastside suburb markets. We've seen upwards of 30% yearly growth, and that has put a challenge on affordability. Particularly when you notice that in this market, we've seen a huge constriction of supply that’s really leading to a lot of these affordability challenges. We have a lot of people trying to go buy in this market. You have a lot of millennials trying to buy their first home. You have mortgage rates that are really low. They're allowing a lot of people to have affordable monthly payments. So, we had a flood of people coming in the market at the same time we're catching up with a 15-year gap in building. After the end of the Great Recession, home builders were not keeping pace. So, we had a huge demographic shift of people trying to buy and we didn’t have enough home for them to buy. And that started to push prices up really quickly. Coming with the beginning of this year, we saw interest rates and mortgage rates starting to rise rapidly, and that is starting to change people’s decisions and ability to be able to afford to buy. When you look at markets like Bellevue and the surrounding cities around here, the median home price is $1.5 million. That increase in interest rate is adding thousands of dollars a month in interest payments alone, on monthly mortgage costs. That’s limiting the number of folks able to go out and buy in this market. … And so, we're at a time where we have this huge affordability problem. If we're not able to get supply up to where it needs to be, we’re not going to be able to have that availability and opportunity of housing. So, focusing on supply is really going to be what a lot of folks are going to be talking about as a way to overcome this challenge overall in the market and particularly when it comes to addressing that affordable, low-income segment of the market.

Don Baker: Dan, give us an overview of the King County Housing Authority’s history and how the efforts have transitioned into what you're focusing on today.

Dan Watson: The King County Housing Authority is the largest provider of affordable housing in the state of Washington, and certainly the largest on the eastside. We're not part of county government though and we have no taxing authority so what we have to do is work on a variety of programs. Our core mission is really serving very low-income people, these are people at 30% of median income and below. And this is like, somebody that earns $35,000 a year for a three-person household. And those folks require direct subsidy, there's just no way around it. We have 80,000 households in King County alone, that are 30% of medium or below. Most of those people are severely cost burdened, paying well in excess of 50% of their income on rent. But the second part, I think probably the program that set us apart from most housing agencies around the country, is our preservation of workforce housing. And this started back in the early '90s, we have since bought approximately 50 different apartment properties, comprising nearly 8,000 units of housing. All of these acquisitions were made just through primarily financed, initially, through debt. And if you think about it, we're talking about older properties, usually the '70s and '80s vintages, which are medium density, two or three-story walk-up apartments that we bought primarily in high areas of high opportunity, such as the eastside and near transit corridors. … The real magic here is that we were able to keep the rents affordable. And the only way that rents get increased is to pay for increased operating costs. So over time, these buildings that we bought in early '90s have become increasingly more affordable, as rent increases just to cover operating costs went up way more slowly than both market rents, and household income. So, properties we bought back in the '90s, now rent anywhere from $500 to $700 a month cheaper than comparable buildings in the area. But as time moved on, and as the prices continued to escalate in this region, and cap rates went down, we no longer could afford to buy completely with the debt from that issue … we have these gaps that we had to figure out how to fill. Now initially, we were able to pay that by refinance some of our earlier more seasoned properties and be able to fill that gap. But it became evident as we moved on that that was no longer possible. So, we were able to partner with Microsoft and Amazon to help us with filling those gaps. So, over the last four years, we've bought about 1,700 units on the eastside, 1,200 in Bellevue and 400 in Kirkland. And the essential part of that was while we could issue maybe 60% of the debt, the other 40% came from our corporate partners. So, they provided a total of $240 million in financing. And it was absolutely essential to getting this done. So, we've been able to at least preserve 1,700 units and we're looking to do more. And in Bellevue alone, now we have 2,500 units of workforce housing, they have more affordable housing and value than in any other city in King County. But that doesn't begin to address the overall problem. I think there's kind of two policy outcomes out of this to look at. One of which is that, for very low-income people that requires public subsidy, the tax that these folks pay when you pay 50% of your income in rent, and you're only making $35,000 a year, doesn't leave a lot for other things, transportation, food, educating your kids and doing all the other normal things of life. So that's part of it. But the other part is preserving the affordable housing that we have. It’s really important to do that and I think that's going to be asked to be a focus. And it's done with a lot of different partnerships. So, you know that the housing wage now is $31 an hour. That’s what it takes to just pay for the average apartment in King County. So that's what we've kind of learned in our history. If we look forward, we have to do those two things, which is provide more subsidy for those below 30% of medium income, and then to figure out ways to preserve and increase our stock of workforce housing that is disconnected from the private marketplace.

Don Baker: Catherine, can you give us an update on Amazon's efforts?

Catherine Buell: First, I wanted to say what an honor it is to be on this stage with all of these team members. Microsoft was the first to come out with an affordable housing pledge, and really set the stage for a lot of tech companies doing great work. And as Dan mentioned, King County Housing Authority has been doing work for decades, that we've been able to piggyback on and the city of Bellevue has been an amazing partner, for Amazon. And we really focus on those government partnerships. We recognize that we cannot do this work alone. We are here to be a player; we're here to contribute; but it really is the governments taking the lead. At Amazon we have focused on three different issue areas. So, preservation of affordability is issue one and the partnership with the King County Housing Authority. The second area is nontraditional public private partnerships. There are a lot of public agencies that people don't traditionally think about that are invested in doing more affordable housing. So, we focus on groups like transit agencies. Sound Transit is building out the light rail system in the Puget Sound and they actually have an equitable development plan. They have plans to utilize their excess land for the purpose of affordable housing. And we were able to piggyback on their joint development plan, which allows them to go out, seek private developers, who will build out the transit station, the areas around the transit station. And we're able to finance the affordable housing there. In the Puget Sound we have committed to the Spring District here in Bellevue, as well as Angle Lake with Mercy Housing, which allows us to really invest in TOD oriented housing. We know that if you can't live near public transportation, your commute times are really long. And when you're talking about those families that are earning somewhere between $30,000 and $60,000 a year, if you're spending two hours in the car, an hour and a half in the car, which is really the average commute time in a place like Bellevue for those who are lower income, being able to have access to those public amenities and public transportation makes all the difference in the world. We've also partnered with Bellevue Schools Foundation to help them fund a study to look at what they can do to divert and use their excess property and other things that they may have to housing teachers and the staff for the school district. And then the third area we've been focused on is making sure there's equity and partnerships. So, we've focused on working with minority developers. Working with LISC-Puget Sound, we have a fellowship program, we have 10 great fellows who are doing dynamic work, one we've already announced in Gardner Global, to really be able to diversify the partners that we can work with and those who are based in the Puget Sound, who are already doing good work but really need access to capital.

Don Baker: Amy, will you share how Microsoft started its affordable housing efforts and how those have evolved to what they are today?

Amy Liu: Microsoft has a long history of working with partners to support our eastside community; in services, education, transportation, light rail, etc... our leadership ... launched our affordable housing initiative over four years ago. We looked at the tools and resources that we could contribute. Money is important.

We have contributed grants and different forms of investments and loans. But money alone is not going to solve this problem. We need more than just funding to address the affordable housing crisis. So, we have worked with entities like housing authorities and the Washington State Housing Finance Commission. We have partnered significantly with the city of Bellevue and others on policies to really increase the scope and scale of affordable housing. Thank you so much Mayor Robinson, and the City of Bellevue, for their hard work. We have worked in coalition advocating for significantly more affordable homes across the board. And we will continue to keep trying to contribute to solving the significant issue we have.

Don Baker: Mayor, the city of Bellevue has really stepped up in terms of a focus in trying to make a difference in affordable housing. Can you tell us what's being done now that's different from the past and what prompted the city leadership to take a hard look at this problem now?

Mayor Lynne Robinson: Well, we really have a strong commitment to affordable housing that I don't think was there 10 years ago. The full council are very, very supportive of our affordable housing efforts. It takes council support. It takes staff that can do the work for us. And we're in a very good position and we're tackling it from all angles. We're doing incentive programs. We're doing direct fundraising. We're doing zoning changes. We're working with our partners, as you've heard here, and we have partnerships with Amazon, Microsoft, King County Housing Authority, and also Sound Transit. We've worked with the Chamber to come up with the multifamily property tax exemption. That was a great compromise between developers and affordable housing advocates that is so successful, that every single developer that can use it is using it right now. So, things like that. It's not just the one solution, we really have to hit it from all angles. But I firmly believe, and I think council has the full support of this, we need the full spectrum of affordability, from zero to 80% and beyond and how do you get to each of those levels is a different strategy.

Amy Liu: The work around this program, the multifamily housing exemption, is super wonky and... just stay with me... that program had been in place for five or six years in Bellevue and had resulted in about 30 affordable units. Through the work of the city and many advocates leaning in, the program was tweaked and now there are 500 affordable units in the pipeline, and we hope for thousands more. That is the type of policy change we need to keep continuing to make progress on to get to the scope and scale of the problem.

Don Baker: Partnerships are important in this effort. Who are some of the new players who have come on board and what are some of the innovative approaches that they’re bringing to the table?

Catherine Buell: We are seeing more non-traditional agencies weighing in on housing, even Kaiser Permanente actually has a housing fund, which most people don't think about health care and housing. But if you don’t have housing your health outcomes typically are not as good. People like transit agencies, school districts, folks who have resources are coming to the table, which is really exciting to see. But we also we can't stop there, we recognize that we have to continue to talk about what resources are available. Those who own land, that's if you want any agencies that own excess land, whether they are housing agencies or not, you can be a contributor to affordable housing. Those that have capital, clearly capital will help and is really important. But we're also seeing more groups weigh in on the affordable housing conversation. And I just love to point out we recently sponsored an upper growth housing production report. And the findings in the housing production report were pretty alarming. Housing production is in a crisis across the United States. And the Puget Sound in particular is rising in terms of upper production of housing stock. And so, it's not going to just take government agencies, it's not going to just take private corporations, but it's going to take all of us being really creative about these housing issues and what we can bring to the table and seeing more players who historically have been on the sidelines of housing.

Don Baker: Nicole, can you talk about the importance of densification?

Nicole Bachaud: When you look at an area like the Puget Sound, where we're really strapped for land, there’s not a lot of available land to keep building out like you can do in a lot of Midwest markets around the country. What we see is when we have the ability to add, even if you just take, for example, a single-family neighborhood and if 10 percent of all single family lots were able to have two units per lots verses one unit per lot, nationally, we would see millions more homes over the course of a couple of decades than would have shown up otherwise. And that could really help to target the affordability and accessibility problems when we look at housing. And we also know from survey data that LGBTQ and BIPOC buyers are much more likely to purchase homes that are higher density home types, so things like townhomes, condos, duplexes, and triplexes. And so, including more of those types of homes in development gives more opportunity for these buyers who are typically on the margin to be able to get in at a more accessible and affordable price point. And so really focusing on densification is a great way to not only create those opportunities, but to create them at a price point that's a little bit more sustainable for a lot of people to afford.

Catherine Buell: And one of the things I would love to add is just to put it in context, we've been looking at some of the numbers. And we found that close to 80% of the land in Seattle and Bellevue is zoned for single family housing. And a third of the land near transit stations is zoned for single family housing, so you can't build the kind of housing that we're talking about. And that's a real bottleneck. And so, when you look at the zoning policies and some of the restrictions on where properties can be developed, and where we have the highest needs. The more we can support state legislation and other bills that really do support densification, particularly near transit. Most employers are locating near transit. I would say almost 100% of employers want to locate near transit. So, it makes perfect sense to put housing near transit so they can not only make sure that people have a way to get to and from their job centers, but you're also increasing the health outcomes for those families.

Don Baker: A lot of focus is on creating new affordable housing, but can you talk about the importance of preserving the existing housing?

Catherine Buell: Yeah, it's actually scary. So as much as we talk about the housing under production; I like to call it the hole in the boat. So, we're swimming as fast as we can. But we have a gaping hole, where a lot of these multi-family properties and naturally occurring, affordable housing properties, are actually being lost faster than we can build new affordable housing. And there are essentially no tools for our partners to come in and say we're going to preserve the affordability. A lot of those properties are existing. ... But if we don't talk about housing preservation as much as we talk about housing production, we're never going to be able to get out of this jam. Most people are not, and most jurisdictions are not, thinking about preservation as much as they are thinking about production.

Mayor Lynne Robinson: I'll give you a number, 24% of the housing in Bellevue is affordable, but only a third of that affordable housing is currently zoned affordable, that means the rest could disappear if somebody were to redevelop it.

Dan Watson: The McKinsey report that was done about three or four years ago indicated that from 2000 to 2010, we lost 112,000 units of affordable housing and in King County, primarily through rent increases, but also these older apartments, they get what's called Value Add or reposition, and rents go up dramatically. So, they get upgraded.

Don Baker: Can you talk about the importance of equity in affordable housing?

Catherine Buell: Absolutely. We do know that communities of color are disproportionately affected by housing. And it's not just the right thing to do, but it is making sure that as our communities we value diversity that we talk about this. Part of the reason why we're doing the work with the Bellevue School Foundation is because they want to have a more diverse staff and teacher base, and they recognize that this is a numbers problem that if there isn't housing that’s available to their staffing, they're not going to be able to attract and retain the kind of diverse teacher population and staff population that they want to have. Not only that but also looking at who is building the housing. When I started with Amazon, I got a list of about 30 unsolicited proposals, and not one was from a person or organization of color. And that was not to reflect on Amazon at all. That was just a reflection of who had relationships with funding firms.

A lot of diverse partners do not have those relationships. We have been really intentional about reaching out to them, diverse partners. I actually think some people are surprised that we're serious about our commitment, and we will go and find them. Being able to have a number of different partners at the table really does make a difference in terms of how we're addressing equity both in the populations that we are serving and in the populations we're supporting, but also the partners that we're able to bring to the table. And most of those partners, as we look at the diverse partners we've been able to invest in the Puget Sound their homegrown, so you end up not only having that diversity, but you're also investing in local businesses that hopefully 5 or 10 years from now grow and do even better work and end up being the leaders in affordable housing.

Don Baker: Amy, talk about the long-term aspect of this. What are the stakes?

Amy Liu: They're big. We all benefit when we're living in thriving communities, with people from diverse experiences. We want our teachers, our first responders, our frontline workers, our artists to be living in our communities, and to be able to have the choice to live near where they work. It's going to take all of us. And I think we need to act boldly. And I hope we can work together, we need to work together, with the scope and the scale and the urgency that the problem needs.

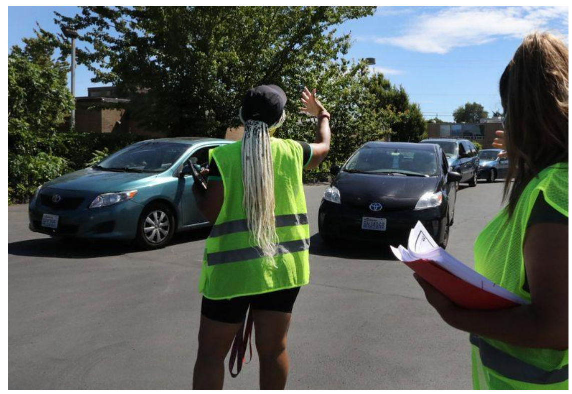
The Seattle Times

Skyway fights for housing, parks and community at 'critical moment'

Aug. 13, 2022 at 6:00 am Updated Aug. 14, 2022 at 2:11 pm

By Daniel Beekman *Seattle Times staff reporter*

Skyway community leader Ryan Quigtar stands in front of the vacant U.S. Bank branch in Skyway. The Skyway Resource Center launched with pop-up events in 2020 and there's a plan for a permanent version to open in what used to be this U.S. Bank building.
(Daniel Kim / The Seattle Times)



Jasmine RaeLynn directs traffic at the Skyway Resource Center pop-up she helped organize. Skyway, in unincorporated King County, has lacked basic services other neighborhoods enjoy, like a Community Center. Now some amenities are on the way. (Alan Berner/The Seattle Times)

Emily Corson checks the contents of the first bag Received at the Skyway Resource Center Pop-up. It includes this COVID test, books, puzzles and other Items for children. To help with her 11-month old, she received a packet of diapers. (Alan Berner/ Seattle Times)

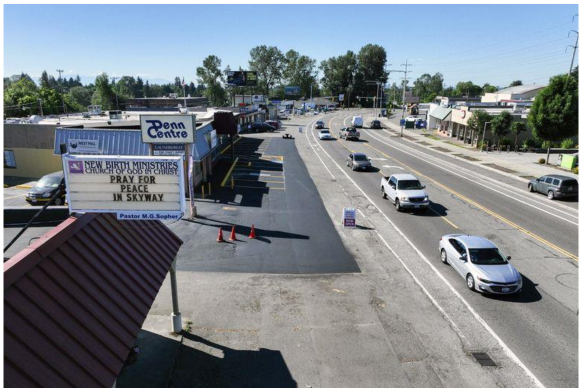
Camisha Ndalama with the Silent Task Force checks on the food needs of the next person in line of cars at the Skyway Resource Center pop-up event in July. (Alan Berner/Seattle Times)

James Barker with the Silent Task Force grabs two full
Boxes of food supplies for the next car in line at the Skyway
Resource Center pop-up in July. The unincorporated King
County area has lacked basic services that other neighborhoods
Enjoy, like a community center. Now some amenities are
On the way. Barker is a volunteer at this event. (Alan Berner/
Seattle Times)

The Skyway Resource Center started with pop-up
events in 2020. There's a plan to open a permanent
version in this former US Bank branch. (Daniel Kim/
Seattle Times)

Jasmine RaeLynn helps organize the Skyway pop-ups.
This area has lacked basic services typical in other
Neighborhoods, such as a community center. (Alan Berner/
Seattle Times)

Two boxes filled with food supplies are delivered to a
vehicle at the Skyway Resource Center Pop-up line.
(Alan Berner/Seattle Times)



Cars whiz by on Renton Avenue South in Skyway. A sign
from New Birth Ministries says "Pray for peace in
Skyway." (Daniel Kim/Seattle Times)

SKYWAY — Ryan Quigtar doesn’t think his neighbors should have to wait.

That’s why he keeps the line moving at the drive-thru resource events he supervises; why he and others launched the events during the pandemic to distribute supplies like groceries, diapers, masks and books; why they snagged an abandoned bank building for the cause.

“This is the community taking care of each other,” Quigtar said, motioning drivers into a parking lot as volunteers handed items into car windows.

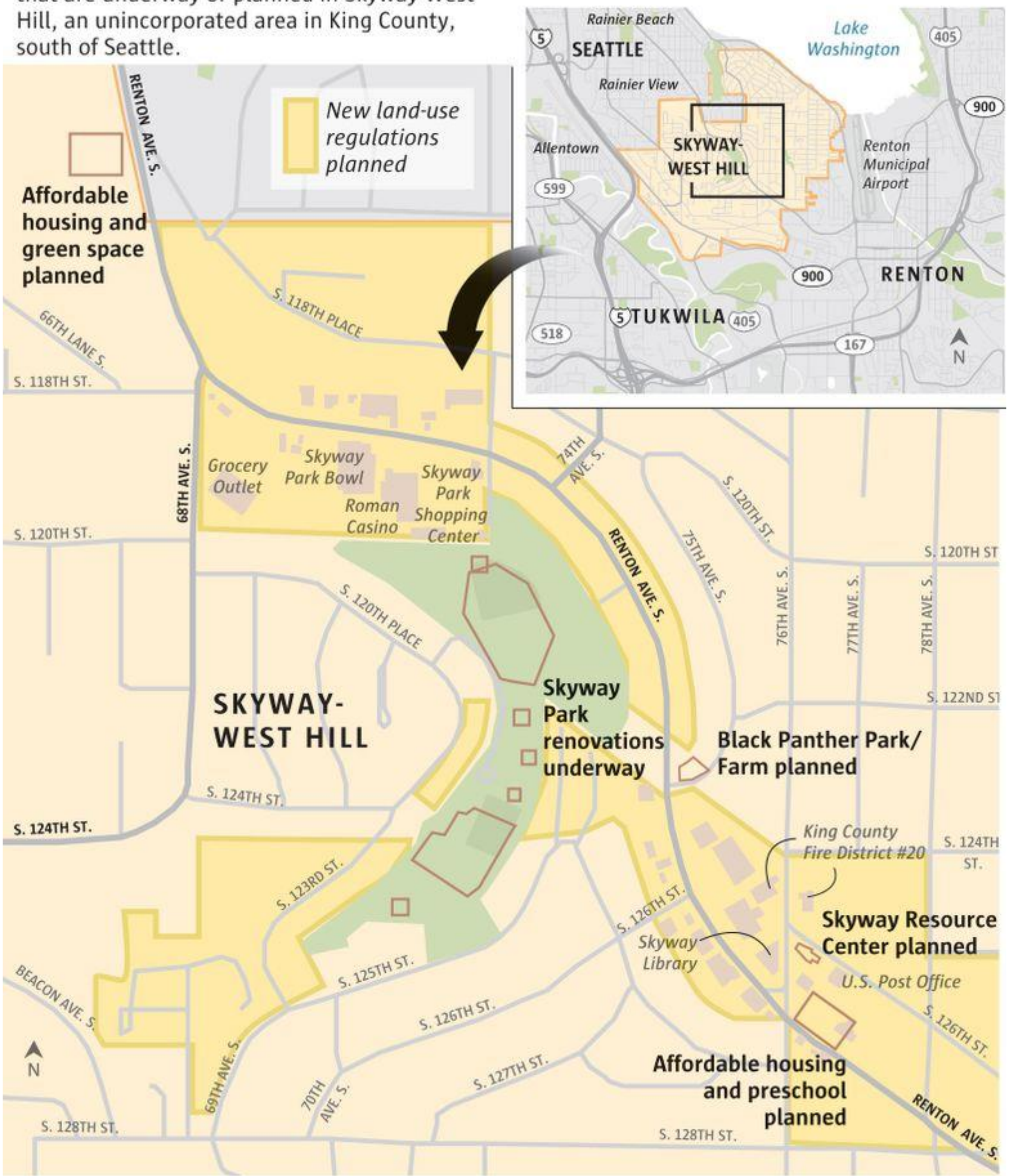
Rather than waiting for outside investments to surge in Skyway-West Hill, a long-neglected part of unincorporated King County located between Seattle, Renton and Tukwila, residents and organizers like Quigtar have labored for years to advance their own neighborhood-strengthening strategies.

And now those strategies are, at last, attracting support from the powers that be, partly in response to the pandemic and the Black Lives Matter protests of 2020. Park and transit improvements are underway, and the county recently allocated more than $20 million for new projects in the area, including the Skyway Resource Center that Quigtar is working to set up in the old bank.

But the new attention is arriving at the same time that housing cost increases are boosting worries about displacement, especially in an area where two-thirds of the 18,000 residents are people of color and the per capita annual income is $25,000 less than in Seattle, per U.S. census data.

In Skyway, long-awaited changes are in the works

Park improvements, affordable housing and a community resource center are among the projects that are underway or planned in Skyway-West Hill, an unincorporated area in King County, south of Seattle.



Source: King County Department of Local Services

MARK NOWLIN / THE SEATTLE TIMES

Most of the county dollars budgeted have yet to actually reach Skyway-West Hill because the wheels of bureaucracy spin slowly, and residents are wondering whether the county will keep spending in the years to come.

“It’s such a critical moment, because things could go either way,” said Rebecca Berry, executive director of the Skyway Coalition and a renter watching houses in the area sell for amounts she can’t match.

As neighborhoods across the region grapple with similar dynamics, Skyway-West Hill organizers want to set an example. Based on community input, a new long-range plan for the area under consideration by the Metropolitan King County Council this year includes regulations that would require developers to include affordable housing when constructing new buildings on certain blocks.

“The term that we like to use” to describe the thought behind that and other steps, Quigtar said, “is development without displacement.”

What has been lacking

There are multiple neighborhoods in the unincorporated area that the county calls Skyway-West Hill, including some homes with Lake Washington views. But the heart of the area is Skyway, where apartment complexes and houses surround a sprawling park and a pocket-size business district.

Whereas residents in Seattle, Renton and Tukwila are served by city governments, Skyway-West Hill’s streets are maintained and policed only by the county, with limited tax resources. The area’s students attend the Renton School District. Not until 2019 did the county establish a Department of Local Services to provide unincorporated areas with community-specific attention.

That means sidewalks and bus routes have been scarce. Weeds have marred the baseball diamonds. Today, the area has no bank, no pharmacy, no all-ages restaurant with a lot of tables and only one supermarket. For years, the sign above a church on the main drag has read “Pray for Peace in Skyway,” referring to nearby shootings, noted Quigtar, who grew up in the area.

Schools could “teach an entire class about systemic racism, just studying Skyway,” King County Councilmember Girmay Zahilay has argued, noting the area has a larger Black population, percentagewise, than any city in the state, at more than 27%. “Systemic racism doesn’t require intent,” but underinvestment has occurred in Skyway anyway “because of the governmental structure that exists here.”

Jasmine RaeLynn didn’t recognize disparities as a child, accustomed to “seeing people in the streets, jogging around with nothing really going on,” she said. Not until she came back as an adult did she notice what the area lacked, said RaeLynn, who works with Quigtar at the Renton Innovation Zone Partnership, a nonprofit that serves young people.

Perhaps most importantly, Skyway-West Hill lacks a community center, which residents have pointed out repeatedly, including the last time the county wrote a comprehensive plan for the area, way back in 1994.

Zahilay, whose council district includes Skyway-West Hill, remembers moving to the area from Seattle as a teenager. He stayed at home while his mother worked multiple jobs, as peers got into trouble.

"In Seattle, I was surrounded by … things to do that nurture a child. Then we moved to Skyway, and all those amenities suddenly disappeared," the council member said. "The isolation was damaging."

Historically, the county deliberately disregarded the area to incentivize annexation by a city, Zahilay said. Local organizers did push for annexation by Renton at one point, but 55% of Skyway-West Hill voters said "no" in a 2012 election, as Renton's mayor raised budget concerns.

Residents later helped draft a "conceptual design" for a community center, and they included the idea when they wrote a Skyway-West Hill "action plan" in 2016, with more than 1,000 people providing input. The county didn't pick up the ball, though a new library branch opened that year.

The county wasn't ready at the time, said Kevin LeClair, strategic planning manager at the Department of Local Services. "They told us it would be too expensive," Quigtar said. "That was a huge blow."

Pop-up solutions

Then the coronavirus emerged, cramming hospitals and causing mass unemployment, with South King County hit particularly hard. The Renton Innovation Zone Partnership started holding pop-up resource events in September 2020, inviting other organizations to distribute necessities and help residents connect with health care, sign up for government benefits and even get bikes repaired.

Later that year, when Quigtar and others heard U.S. Bank was leaving Skyway, they led a community campaign that persuaded the company to donate its $1 million-plus property, via the **King County Housing Authority.** Now they're working with Schemata Workshop and residents to redesign the structure for English classes, youth programs and seasonal markets. The bank's old sign reads: "The future home of the Skyway Resource Center."

Meanwhile, the drive-thru events have continued even as the pandemic has changed and inflation has soared. More than 25 cars baked in the sun on a Friday afternoon last month, snaking around the King County Fire Station 20 parking lot. Volunteers with clipboards moved down the line, quietly gathering data in English, Spanish, Chinese and Vietnamese: 55% of the people who visit the events live in Skyway-West Hill and 38% identify as African American, 27% as Asian and 16% as Hispanic.

Emily Corson stopped by to pick up diapers and at-home coronavirus tests. Under another tent, volunteers were registering people to vote.

“I’m scraping every penny I have just to stay in this area,” said Corson, who rents near the house where she was raised and her parents still live.

The Urban Food Systems Pact distributes up to 100 boxes of groceries at each event, unloading from the back of a delivery truck. The boxes include produce like sweet potatoes and lemons, said La Tanya DuBois, whose organization, The Silent Task Force, is a part of the collective.

DuBois works in Seattle, as well, but said Skyway is important because Black people have been squeezed out of many other neighborhoods.

“We’re already seeing those markers here,” said Berry, who’s Black, Filipino, Native Alaskan, Mexican and white. “In the last year, the folks that walk down my block … the new faces are mostly white families and couples.”

The median home sale in Skyway was $611,000 last month, up from $570,000 in July 2021, according to Northwest Multiple Listing Service data. The median monthly rent in nearby Renton just surpassed $2,000 for the first time, according to ApartmentList, which publishes no Skyway-specific data.

“Preparation meets opportunity”

Two years after the Black Lives Matter protests, a popular narrative suggests the marches against police brutality and institutional racism achieved little, policywise, said Zahilay, who was elected in 2019. But the pressure they exerted was crucial as he sought dollars for Skyway-West Hill, he said.

In this 2020 file photo, Girmay Zahilay is all smiles after he is sworn in as a member of the King County Council. Zahilay now represents District 2, which includes Seattle’s Central area, Capitol Hill, Beacon Hill, the Rainier Valley, Seward Park, Skyway, UW, Fremont, Ravenna, and Laurelhurst. (Ellen M. Banner / The Seattle Times)

Not long after the Renton Innovation Zone Partnership launched the resource events, the County Council passed a 2021-22 budget with unprecedented spending for the area: $10 million for a new community center, $5 million for affordable housing, several million dollars for park upgrades and transit options like a ride-share van, and almost $5 million for ideas that residents are currently voting to select.

As King County attempts "participatory budgeting" for the first time, the options include projects like new sidewalks and programs like free laundromat service for residents with low incomes.

"Success is where preparation meets opportunity," and Skyway residents have been preparing for decades, Zahilay said.

Walking through the area, passersby wave to Quigtar and shake his hand. Friends jokingly call the nonprofit leader and hoops coach, who played at Renton High, the unofficial "mayor" of Skyway. He points out where changes are planned. New basketball courts in the park, 60-70 affordable apartments with a preschool by the 7-Eleven, the nascent Skyway Resource Center.

There's a scruffy Renton Avenue South bus stop where, on blue-sky days, the Olympic Mountains hover majestically above Skyway Park. There, the county has tapped Seattle-based Nurturing Roots Farm to revive a vacant lot. The space will include an herb garden, berry bushes, a lending library and places to rest, said Nyema Clark, who leads Nurturing Roots.

"We're hoping to break ground this year," Clark said.

Some of the other projects are less imminent. The participatory budgeting process took a while to set up. The county is still seeking a site for the new community center, rebuffed by the owner of the area's bowling alley-casino, Zahilay said. The Skyway Resource Center needs additional funding, and the affordable housing projects won't open for years.

That worries Quigtar, who sees time slipping away. Residents are getting priced out now, even without the high-octane development reshaping many Seattle neighborhoods. The challenge is to prepare for what may be coming, said Kathleen Hosfeld, executive director of Homestead Community Land Trust, which is planning a 55-unit homeowner project for lower-income buyers from the area. Talk about annexation continues to swirl.

The housing regulations under consideration by the County Council this year would require for-profit developers to reserve at least 15%-30% of the units they construct in Skyway's commercial nodes for lower-income residents. The Skyway Coalition, an umbrella group for nonprofits like the Renton Innovation Zone Partnership and the West Hill Community Association, wants to see higher percentages, Quigtar said, and is requesting more money for the area in the county’s 2023-24 budget, Berry added.

Word is spreading about the people-powered momentum, said Keja Taylor, stopping her car to chat with Quigtar outside the old bank. The preschool director just bought a house in Skyway, returning partly because she saw neighbors working together to create something better.

“Just that sense of community,” she said.

Price of Recovery

Affordable housing efforts meet resistance in Seattle area

Sep 4, 2022, 5:00am PDT

Architect Rex Hohlbein has a $75,000 idea to ease Seattle's $11 billion affordable housing problem — and it may be sitting in your backyard.

MARCUS R. DONNER | PSBJ
Rex Hohlbein's idea for the Block Project emerged in 2009 after speaking with unsheltered individuals who congregated near his office.

In 2017, Hohlbein and his daughter, Jenn LaFreniere, launched the Block Project, a nonprofit that builds small cottages — or detached accessory dwelling units (DADUs) — in the backyards of homeowners willing to donate some of their personal space to help others. The 125-square-foot dwellings cost about $75,000 to develop, which is less than half the price of a typical DADU that runs about $180,000. By comparison, it costs about $330,000 per unit and several years to develop permanent supportive housing.

But so far, only 15 units have been developed.

The main stumbling block is that for every resident placed in one of the backyard units, adequate social care must be provided. While Hohlbein was able to recruit developers and contractors to donate time to develop the cottages, finding social care support is more challenging.

"For this idea to really work in a neighborhood, people's emotional needs must be looked after," Hohlbein says. "We want zero failure. Once people enter the project, we want them to be successfully housed the rest of their lives and to eventually be able to make it on their own."

The Block Project isn't a panacea for Seattle's housing woes, Hohlbein says, but rather an example from the spectrum of solutions that should be pursued throughout the region.

"Everyone deserves the right to seek shelter and we, as a society, have to change the way we view it," he says. "We need to accept alternatives. Not everyone will live on a tree-lined street on a cul-de-sac."

Most experts agree that the Puget Sound region needs more housing options, but zoning changes, regulations and NIMBYism have stunted progress.

'Housing variations exist'

Hohlbein's idea for the Block Project emerged in 2009 after speaking with unsheltered individuals who congregated near his office. He launched a podcast as a way to tell their stories and soon realized that housing is not a static state, but a series of changes over a lifetime.

At the less desirable end, it means sheltering under a freeway overpass or crashing on a friend's couch. At the higher end, housing means renting luxury apartments and living in one's own home.

"These housing variations exist and denying that doesn't make it less true. We have to be willing to talk about solutions and decide what is acceptable and what isn't. Is it acceptable to have people living under bridges? If not, what can we do about that?" Hohlbein says.

David Neiman, a partner at Neiman Taber Architects, is trying to answer that question, as well.

Neiman has developed three co-living apartment buildings that can be affordable to those whose income is 40% to 50% of the area median income. Ranging from $800 to $1,200 a month, the units have private bedrooms and bathrooms, and include a community kitchen, living room, decks and additional living spaces. The larger, higher-priced units, which are about 225 square feet, have private kitchenettes. The smaller units are about 150 to 170 square feet.

It takes a wage of $32 an hour — nearly double the minimum wage in Seattle — for an individual to earn enough to pay for a modest, market-rate one-bedroom apartment in King County, according to Andrew Calkins, director of policy and intergovernmental affairs for the King County Housing Authority, citing a statistic from a National Low Income Housing Coalition calculation. The average individual income in King County is $40 an hour, or $83,437 per year, according to county data.

Neiman has 165 units spread across three properties in Seattle: the Roost, the Freya and the Karsti. Twenty-five percent of the units are affordable, which allows him to use Seattle's multifamily tax program.

Neiman would like to develop more, but due to zoning changes there are very few sites where this type of housing is both legal and feasible, he says. In 2014, zoning changes restricted where micro apartments could be built by about 90%.

In 2018 and 2019, the city of Seattle made more zoning changes that made this type of housing less financially feasible for developers, Neiman says. For example, mid-rise developments need elevators, which increases the development costs.

"Now, there is a fraction of land where it is permitted and legal and economically feasible to develop this type of housing that is small and minimal, but enough for some people," Neiman says. "It's really important to the people who need it. But there is a whole constituency that finds it threatening."

At last count in 2017, Seattle had about 48,000 extremely poor individuals whose incomes were 0% to 30% of the area median income. Those are the people who typically end up in the cycle of homelessness.

As of 2019, King County only had 27% of the housing stock needed for the extremely poor, Calkins says.

Some of the pushback against micro apartments, Neiman says, stems from the belief that people shouldn't have to live in small spaces.

"The solutions I'm talking about is to try to make the best of a social system that is unfair," he says. "People want to build a better world, but unfortunately, we don't have the ability to deliver that so we stop the development, all while offering our moral outrage."

'That's the beautiful thing'

While the costs of developing affordable housing from the ground up can be prohibitive, not every affordable housing effort needs to start from scratch.

Emily Hubbard, a co-founder of Sage Investment Group, has plans to turn three motels in the Fife area into affordable housing. In March, the company bought the Travelodge at 3516 Pacific Highway E. for $5.5 million and the Port of Tacoma Inn at 3501 Pacific Highway E. for $7.1 million. It is working on another acquisition.

Hubbard says the hotels only take a couple of months to convert since they are already small versions of self-contained living units that lack a kitchen.

"That's the beautiful thing about hotel/motel conversions," Hubbard says. "It's easy to convert these rooms into living units by adding kitchenettes."

King County and Seattle have a few more requirements than other areas in the region, but Hubbard says those haven't restricted the conversion projects she's done. However, the cost for land in King County is considerably higher, making it harder for developers like Hubbard to purchase motel properties where affordable housing is needed.

Hubbard has also contended with community pushback. The motels that she has been working on are already known for criminal activity. She has hired a security team to address crime at the sites in an effort to make the developments safe for permanent residents.

Hubbard, who is developing similar properties in Oklahoma City; Wichita, Kansas; and Montgomery, Alabama; says cities and counties should embrace this option as a way to get more housing stock on the market.

A few developers are even repurposing aging office space into multifamily units. The 97-year-old Washington Building in downtown Tacoma is being converted into 160 apartment units, and nearby, Spokane-based InterUrban Development plans to flip a 109-year-old office tower.

"Office buildings were never intended for residential," Steve DeWalt, a partner at InterUrban, told the Business Journal earlier this year. "It's more about floor plates. You can put all sorts of office space amenities in a 20,000-square-foot floor plate, but people need to live close to the exteriors of the buildings."

Challenges aside, DeWalt and Hubbard say turning existing properties into housing takes a commitment from local governments.

"Cities and counties have to figure out how to quickly bring on more affordable housing," Hubbard says.

‘There is no silver bullet’

In late 2021, the city of Tacoma took the extraordinary step of almost completely eliminating single-family housing zoning and giving the green light for additional dwelling units, duplexes and triplexes to be built on every lot.

Prior to the rezoning, about 75% of Tacoma’s lots were zoned single-family housing only.

The city council approved the ordinance as a way to get ahead of a future housing crisis. City planners expect Tacoma to have 45,000 more households by the year 2040.

Both regional and local Tacoma developers have been taking advantage of the city's willingness to work with developers when it comes to housing.

Alla Sorochinsky, chief financial officer of Los Angeles-based Cypress Equity Investments, says her company was looking for more property to develop in Tacoma after their recently completed The Hailey, in downtown Tacoma, turned out to be such a success.

Alan Winningham, co-founder of Seattle-based Theo Partner Investments, considers Tacoma the South Lake Union of 20 years ago. Theo Partner Investments developed the mixed-use 500 Mercer on the site of Lower Queen Anne's long-departed Tower Records store and is now anchored by a QFC.

He says Tacoma's city leaders see the opportunity, as well.

"The Tacoma Avenue neighborhood needs to be redeveloped, and the city of Tacoma recognizes that," Winningham says. "Tacoma has a beautiful waterfront and it is well-positioned to recreate what has been lost in Seattle, which is a sense of place. Seattle was very community-oriented. Tacoma has an opportunity to be like that and also have a very diverse community."

Seattle officials rezoned the University District in 2017 allowing developers to build residential towers up to 320 feet tall, nearly four times the previous limit.

While rezoning doesn't necessarily equate to more affordable units, it opens more options for housing developers at a time when the options in certain areas are limited.

Beyond that, Seattle Mayor Bruce Harrell has said he is willing to reexamine the city's restrictions on micro apartments, which he helped pass as a city councilmember in 2014.

Micro-units can be 150 square feet or smaller. The 2014 legislation set the minimum unit size at 220 square feet, among other requirements.

"The problem is so complex, there is no silver bullet," Hohlbein says. "We need to embrace multiple solutions from the simplest to the most complicated."

Shawna De La Rosa
Reporter
Puget Sound Business Journal

Seattle-based FareStart prepares food in kitchens to be distributed to organizations where people ar
in need of food. COURTESY PHOTO, FareStart

FareStart hits 5-million meals mark since pandemic struck

Nonprofit distributes food throughout Seattle area, including Kent organizations

By Steve Hunter
Tuesday, September 13, 2022 2:33pm | NEWS

Since the start of COVID-19 in March 2020, the Seattle-based nonprofit FareStart has provided more than 5 million meals to Seattle-area organizations that serve youth, adults and families, many of whom are experiencing food insecurity.

FareStart provides meals to several organizations in Kent, including the Kent YMCA; King County Housing Authority sites at Birch Creek and Walnut Park; and at King County's isolation and quarantine center at the former Econo Lodge hotel, according to an email from a FareStart spokesperson.

The meals have been distributed to over 80 nonprofit organizations and 365 sites, according to a Sept. 12 FareStart media release.

"FareStart was founded upon the idea of nourishing communities and our kitchens have served millions of meals throughout King County for three decades," said Angela Dunleavy, chief executive officer of FareStart. "When the COVID-19 pandemic began, we doubled down on our efforts to ensure individuals and families across the region did not go hungry. We are truly thankful that these collaborations allowed us to provide more meals in support of our neighbors who were most impacted by the pandemic. As the country learns to live with COVID-19, we remain committed to serving those who lack access to nutriti food."

In addition to organizational collaborations, the support from the Seattle community through financial donations and volunteers have contributed to FareStart's ability to provide these meals and disrupt poverty, according to the media release.

"FareStart has been on the frontlines of the response to COVID-19 since the beginning of the pandemic," said Shoko Toyama, chief development officer at Plymouth Housing in Seattle. "We are grateful to receive these meals as they have been a lifeline to our residents during this public health crisis. About 61% of Plymouth residents are 55 or older and 95% live with at least one disability and/or significant health concern. Many of them are at high risk of experiencing complications if they become infected with COVID-19. The meals delivered by FareStart not only nourish our residents, they have also reduced feelings of isolation and improved the relationships between residents and our staff."

Financial donations also support FareStart's job training and employment programs, which have been operating virtually throughout the pandemic, according to the media release. The job training program recently welcomed its first group of students back for in-person learning; a group of half a dozen students will be training in kitchens and production facilities, gaining on-the-job skills that support FareStart's hunger relief and food security work.

FareStart, which started in 1992, will continue to produce meals for undernourished and food-insecure communities across the greater Seattle area. Financial donations to FareStart are welcomed and encouraged, and volunteer opportunities are also available. To donate or volunteer, visit farestart.org.