



MEETING OF THE BOARD OF COMMISSIONERS

HYBRID/VIRTUAL MEETING

Monday, December 19, 2022

Zoom Meeting:

<https://kcha-org.zoom.us/j/86483652101>

Meeting ID: 864 8365 2101

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

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



HYBRID MEETING OF THE BOARD OF COMMISSIONERS AGENDA

December 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

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A. Board Meeting Minutes – November 14, 2022

V. Approval of Agenda

VI. Consent Agenda

A. Voucher Certification Reports for October 2022

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B. **Resolution 5742** – A Resolution designating and additional authorized officer for purposes of reporting, filing and similar actions.

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C. **Resolution No. 5738** – Authorizing Saeed Hajarizadeh as an Alternative Contracting Officer for the Purpose of Executing Essential Legal Documents

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D. Resolution No. 5739	– Authorizing Saeed Hajarizadeh as Contracting Officer, Signator and Agent Designated to Receive Claims for Damages	5
E. Resolution No. 5740	– Appointment of Auditing Officers for the Purpose of Certifying Obligations of the Authority is Accordance with RCW 42.24	6
 VII. Resolutions for Discussion		
A. Resolution No. 5741	– Approval of CY 2023 Operating and Capital Budgets	7
 VIII. Briefings & Reports		
A.	Third Quarter CY 2022 Executive Dashboard	8
B.	Third Quarter CY 2022 Financial Report	9
C.	HR & Office of EDIB December 2022 Updates	10
 IX. Executive Director Report		
X.	KCHA in the News	11
 XI. Commissioner Comments		
 XII. Adjournment		

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

T A B N U M B E R

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

Monday, November 14, 2022

I. CALL TO ORDER

The special monthly meeting of the King County Housing Authority Board of Commissioners was held as a hybrid meeting on Monday, November 14, 2022. There being a quorum, the hybrid meeting was called to order by Chair Barnes at 8:32 a.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair) (via Zoom), Commissioner Regina Elmi (via zoom) and Commissioner TerryLynn Stewart (via Zoom).

Excused: Commissioner John Welch

III. PUBLIC COMMENT

Resident Cindy Ference gave public comment.

Resident Tashena Sullivan gave public comment.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – October 10, 2022

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Regina Elmi, the Board unanimously approved the October 10, 2022 Meeting Minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Regina Elmi, the Board unanimously approved the October 10, 2022 hybrid Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Report for September 2022

B. **Resolution No. 5733** – Authorizing the Executive Director to Grant a General Revenue Pledge to Secure a Recoverable Grant for the Illahee Apartments Rental Housing Project.

- C. **Resolution No. 5734** – A Resolution of the Housing Authority of the County of King Authorizing the Executive Director/CEO to Extend or Amend the Employment Contract of Daniel Watson.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Regina Elmi, the Board unanimously approved the October 10, 2022 hybrid Board of Commissioners' meeting consent agenda.

VII. RESOLUTIONS FOR DISCUSSION

- A. **Resolution No. 5735** – Recognizing the Dedicated Service of Commissioner Susan Palmer Throughout her Tenure on the Board of Commissioners of the King County Housing Authority from 2012 through 2022 and Expressing the Appreciation of Board Members and Staff of the Housing Authority

Dan Watson, Advisor to the Executive Director, read Resolution 5735 in its entirety for Commissioner Susan Palmer to show her gratitude of service as a Commissioner.

Comments of Commissioners were made.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Regina Elmi, the Board unanimously approved Resolution 5735.

- B. **Resolution No. 5736** – Resolution Rescinding the Waivers of Internal Policies and Procedures due to the Ending of the State of Emergency due to COVID-19

Robin Walls, Executive Director/CEO explained the reasoning that the Board needing to rescind the Waivers of Internal Policies and Procedures due to Resolution 5732.

Questions of Commissioners were answered.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Regina Elmi, the Board unanimously approved Resolution 5736.

- C. **Resolution No. 5737** – ACOP Change on Max rents

Judi Jones, Senior Program Compliance Manager explained the changes.

Questions of Commissioners were answered.

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Regina Elmi, the Board unanimously approved Resolution 5737.

VIII. BRIEFINGS & REPORTS

A. Native American or Indigenous Heritage Month

Scarleth Lever Ortiz, Senior Director of Equity, Diversity and Inclusion reported the events Happening this month.

Courageous Spaces – happening on November 30th at 11am is a virtual event to celebrate diverse cultures, traditions and history. The presentation will provide an opportunity to raise general awareness about the unique challenges that Indigenous or Native people have faced and the ways that we can honor and support as a Nation.

B. Housing Management Eviction Moratorium Update

Anneliese Gryta, Deputy Executive Director for Housing Assistance Programs gave an update of the Eviction Moratorium and Rental Assistance Program.

- 3/18/2020 – Gov. Inslee Enacts Eviction Moratorium
- 9/4/2020 - U.S. CDC Issues National Eviction Moratorium
- 12/27/2020 – U.S. Congress – Emergency Rental Assistance 1 (ERA1) Enacted
- 3/11/2021 – U.S. Congress – Emergency Rental Assistance 2 (ERA2) Enacted
- 4/22/2021 – State of Washington – SB 5160 Tenant Protections Enacted
- 6/29/2021 – Gov. Inslee Issues Bridge Moratorium
- 11/1/2021 – Eviction Moratorium Ends
- 5/31/2022 – King County Eviction Prevention and Rent Assistance Program (EPRAP) Concludes

Rental assistance programs and tenant protections enacted during the pandemic are having a long-lasting benefit.

KCHA does not anticipate a large spike in evictions in Property Management or terminations in the Housing Choice Voucher Program post-pandemic.

Questions of Commissioners were answered.

C. Third Quarter CY 22 Write-Off Report

Craig Violante, Interim Deputy Executive Director – Chief Administrative Officer presented the report.

D. 2023 Budget Briefing

Craig Violante, Interim Deputy Executive Director – Chief Administrative Officer presented the Budget Briefing for the Board.

The annual budget is prepared using the Mission and Guided Principals from the Board.

MISSION STATEMENT

As a national leader in affordable housing, King County Housing Authority serves to provide innovative, effective and equitable housing solutions so that all people and communities can prosper.

Our vision is that all residents of King County have quality, affordable and equitable housing.

GUIDED PRINCIPALS

- Expand and Preserve the Supply of Affordable Housing
- Help the Region End Homelessness
- Promote Economic Self-sufficiency for Residents
- Strengthening the internal infrastructure of KCHA to support the mission

IX. EXECUTIVE DIRECTOR REPORT

Executive Director Robin Walls gave news updates.

- Notice of 100 VASH Vouchers
- We have been celebrating our continued success with respect to Emergency Housing Vouchers, commending the efforts of Kristy Johnson and the social impact team as well as Pam Taylor and the HCV team and their collaborative effort. There is a news release from HUD that specifically speaks to KCHA's efforts in addition to Seattle Housing Authority. As a region, we have stood out amongst all of the Emergency Housing Vouchers. There are a few of us flying out to Washington D.C. today, as we have meetings with the entire Congressional Delegation as a joint collaborative effort with Seattle Housing Authority and King County Regional Homelessness Authority to advocate for additional vouchers and highlighting our collective efforts.
- We will have a soft lobby opening that we will be seeing clients in our 700 building on December 13, 2022.
- On November 4, 2022, we held a Staff Recognition Event for employees that have been employed with us for 10+ years. We have had some staff that have been here for 40 years.
- If you log into our website, you will see features that we have launched meet KCHA, introducing us to each other and to the community. We have featured Pam Taylor and today we have Timothy Lacenski. KCHA properties are in fantastic state and remarkable.

- On Saturday, November 12th, we participated in the inaugural Somali Excellence Award Gala. There was a KCHA contingency there and we were recognized with a community partner award. We were happy to participate.

X. KCHA IN THE NEWS

None.

XI. COMMISSIONER COMMENTS

None.

XII. EXECUTIVE SESSION

A. (To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency (RCW 42.30.110 (1) (i)) and to review the performance of public employees (RCW 42.30.110 (1) (g)).

10:11am – Board meeting was suspended.

10:45am – Board meeting was re-convened.

XIII. ADJOURNMENT

Chair Barnes adjourned the meeting at 10:46 a.m.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

ROBIN WALLS
Secretary

T A B N U M B E R



To: Board of Commissioners

From: Mary Osier, Accounting Manager

Date: December 1, 2022

Re: **VOUCHER CERTIFICATION FOR OCTOBER 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
December 1, 2022

Bank Wires / ACH Withdrawals		28,335,563.10
	<i>Subtotal</i>	28,335,563.10
Accounts Payable Vouchers		
Key Bank Checks - #342428-342880		8,999,051.84
Tenant Accounting Checks - #11750-11781		13,650.14
	<i>Subtotal</i>	9,012,701.98
Payroll Vouchers		
Checks - #93212-93215 & 93226-93234 & 93239-93250		28,643.83
Direct Deposit		2,046,201.46
	<i>Subtotal</i>	2,074,845.29
Section 8 Program Vouchers		
Checks - #640776-641180		237,526.94
ACH - #558715-561301		19,180,107.69
	<i>Subtotal</i>	19,417,634.63
Purchase Card / ACH Withdrawal		377,366.57
	<i>Subtotal</i>	377,366.57
	GRAND TOTAL	\$ 59,218,111.57

TO:

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

FROM:

Wen Xu, Director of Asset Management

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

Wen Xu

Date

Property	Wired to Operating Account for Obligations of Property			Notes:
	Date	Wire Transaction	Claim	
Bellepark	10/05/2022	\$ 9,014.49	A/P & Payroll	
Cottonwood	10/05/2022	\$ 24,724.01	A/P & Payroll & OCR	
Cove East	10/05/2022	\$ 28,944.40	A/P & Payroll & OCR	
Hampton	10/05/2022	\$ 27,408.84	A/P & Payroll	
Juanita View	10/05/2022	\$ 26,912.01	A/P & Payroll & OCR	
Kendall Ridge	10/05/2022	\$ 24,317.24	A/P & Payroll	
Kirkland Heights	10/05/2022	\$ 66,953.00	A/P & Payroll & OCR	
Landmark	10/05/2022	\$ 16,872.29	A/P & Payroll	
Riverstone	10/05/2022	\$ 64,167.35	A/P & Payroll	
SALMON CREEK	10/05/2022	\$ 34,256.31	A/P & Payroll & OCR	
SALMON CREEK	10/05/2022	\$ 7,545.71	Monthly Bank fees	
SALMON CREEK	10/05/2022	\$ 7,027.03	Monthly Bank fees	
SALMON CREEK	10/05/2022	\$ 5,718.36	Monthly Bank fees	
SALMON CREEK	10/05/2022	\$ 1,116.92	Monthly Bank fees	
SEOLA CROSSING	10/05/2022	\$ 57,641.83	A/P & Payroll & OCR	
SEOLA CROSSING	10/05/2022	\$ 32,563.45	A/P & Payroll & OCR	
Woodside East	10/05/2022	\$ 19,939.20	A/P & Payroll	
ARBOR HEIGHTS	10/06/2022	\$ 6,501.08	A/P	
Aspen Ridge	10/06/2022	\$ 9,281.26	A/P	
Auburn Square	10/06/2022	\$ 13,098.72	A/P	
Carriage House	10/06/2022	\$ 82.50	A/P	
Carrington	10/06/2022	\$ 30,479.59	A/P	
CASCADIAN	10/06/2022	\$ 1,786.75	A/P	
Colonial Gardens	10/06/2022	\$ 9,702.89	A/P	
FAIRWOOD	10/06/2022	\$ 14,004.61	A/P	
HERITAGE PARK	10/06/2022	\$ 7,385.79	A/P	
LAURELWOOD	10/06/2022	\$ 5,592.60	A/P	
Meadows	10/06/2022	\$ 7,723.81	A/P	

Newporter	10/06/2022	\$ 401.00	A/P	
NIA	10/06/2022	\$ 51,356.59	A/P	
OVERLAKE	10/06/2022	\$ 23,491.65	A/P	
Parkwood	10/06/2022	\$ 1,454.18	A/P	
Pinewood	10/06/2022	\$ 27,600.87	A/P	
RAINIER VIEW I	10/06/2022	\$ 8,080.82	A/P & Debt services	
RAINIER VIEW II	10/06/2022	\$ 5,530.81	A/P & Debt services	
Salish	10/06/2022	\$ 8,829.71	A/P	
Sandpiper East	10/06/2022	\$ 3,179.43	A/P	
SI VIEW	10/06/2022	\$ 13,162.48	A/P & Debt services	
SOUTHWOOD SQUARE	10/06/2022	\$ 2,056.96	A/P	
Timberwood	10/06/2022	\$ 7,518.26	A/P	
Vashon Terrace	10/06/2022	\$ 852.50	A/P & Debt services	
Walnut Park	10/06/2022	\$ 6,408.10	A/P	
WINDSOR HEIGHTS	10/06/2022	\$ 28,027.03	A/P	
Woodridge Park	10/06/2022	\$ 4,091.51	A/P	
Argyle	10/12/2022	\$ 55,162.84	A/P & Payroll	
Ballinger Commons	10/12/2022	\$ 164,097.11	A/P & Payroll	
Bellepark	10/12/2022	\$ 13,655.61	A/P	
Emerson	10/12/2022	\$ 64,911.58	A/P & Payroll	
GILMAN SQUARE	10/12/2022	\$ 56,829.97	A/P & Payroll	
Hampton	10/12/2022	\$ 114,924.65	A/P & Payroll	
Kendall Ridge	10/12/2022	\$ 17,726.80	A/P	
Landmark	10/12/2022	\$ 9,612.15	A/P	
Meadowbrook	10/12/2022	\$ 241,307.05	A/P	
Riverstone	10/12/2022	\$ 50,876.14	A/P & Payroll	
Surrey Downs	10/12/2022	\$ 60,719.73	A/P & Payroll	
Villages at South Station	10/12/2022	\$ 52,837.98	A/P	
Woodside East	10/12/2022	\$ 9,689.37	A/P	
ALPINE RIDGE	10/13/2022	\$ 12,383.44	A/P & Payroll	
ARBOR HEIGHTS	10/13/2022	\$ 16,636.06	A/P & Payroll	
Aspen Ridge	10/13/2022	\$ 22,750.48	A/P & Payroll	
Auburn Square	10/13/2022	\$ 27,946.69	A/P & Payroll	
Carriage House	10/13/2022	\$ 27,297.31	A/P & Payroll	
Carrington	10/13/2022	\$ 40,257.60	A/P & Payroll	
CASCADIAN	10/13/2022	\$ 31,500.05	A/P & Payroll	
Colonial Gardens	10/13/2022	\$ 6,355.83	A/P & Payroll	
FAIRWOOD	10/13/2022	\$ 42,926.88	A/P & Payroll	
HERITAGE PARK	10/13/2022	\$ 50,032.21	A/P & Payroll	
LAURELWOOD	10/13/2022	\$ 23,377.55	A/P & Payroll	

Meadows	10/13/2022	\$	12,087.13	A/P & Payroll	
Newporter	10/13/2022	\$	19,680.62	A/P & Payroll	
OVERLAKE	10/13/2022	\$	78,921.95	A/P & Payroll	
Parkwood	10/13/2022	\$	37,826.12	A/P & Payroll	
Pinewood	10/13/2022	\$	11,983.92	A/P & Payroll	
RAINIER VIEW I	10/13/2022	\$	9,793.57	A/P	
RAINIER VIEW II	10/13/2022	\$	10,262.81	A/P	
Salish	10/13/2022	\$	41,314.15	A/P & Payroll	
Sandpiper East	10/13/2022	\$	78,038.21	A/P & Payroll	
SI VIEW	10/13/2022	\$	1,404.86	A/P	
SOUTHWOOD SQUARE	10/13/2022	\$	34,238.33	A/P & Payroll	
Timberwood	10/13/2022	\$	25,666.78	A/P & Payroll	
Vashon Terrace	10/13/2022	\$	1,654.36	A/P	
Walnut Park	10/13/2022	\$	59,708.47	A/P & Payroll	
WINDSOR HEIGHTS	10/13/2022	\$	65,705.78	A/P & Payroll	
Woodridge Park	10/13/2022	\$	42,636.90	A/P & Payroll	
Bellepark	10/19/2022	\$	45,026.98	A/P & Payroll	
Hampton	10/19/2022	\$	29,052.15	A/P & Payroll	
Kendall Ridge	10/19/2022	\$	20,842.99	A/P & Payroll	
Landmark	10/19/2022	\$	32,548.80	A/P & Payroll	
Riverstone	10/19/2022	\$	66,910.70	A/P & Payroll	
Woodside East	10/19/2022	\$	17,609.68	A/P & Payroll	
ALPINE RIDGE	10/20/2022	\$	13,453.55	A/P	
ARBOR HEIGHTS	10/20/2022	\$	3,475.24	A/P	
Aspen Ridge	10/20/2022	\$	15,624.95	A/P	
Auburn Square	10/20/2022	\$	12,629.46	A/P	
Carriage House	10/20/2022	\$	5,292.92	A/P	
Carrington	10/20/2022	\$	1,280.72	A/P	
CASCADIAN	10/20/2022	\$	1,448.75	A/P	
Colonial Gardens	10/20/2022	\$	4,534.84	A/P	
FAIRWOOD	10/20/2022	\$	7,248.60	A/P	
HERITAGE PARK	10/20/2022	\$	5,555.49	A/P	
LAURELWOOD	10/20/2022	\$	1,608.94	A/P	
Meadows	10/20/2022	\$	15,530.09	A/P	
Newporter	10/20/2022	\$	6,049.51	A/P	
OVERLAKE	10/20/2022	\$	15,904.81	A/P	
Parkwood	10/20/2022	\$	11,495.91	A/P	
Pinewood	10/20/2022	\$	3,586.63	A/P	
RAINIER VIEW I	10/20/2022	\$	7,721.47	A/P	
RAINIER VIEW II	10/20/2022	\$	3,690.98	A/P	

Salish	10/20/2022	\$ 26,162.56	A/P	
Sandpiper East	10/20/2022	\$ 13,550.79	A/P	
SI VIEW	10/20/2022	\$ 2,119.35	A/P	
Tall Cedars	10/20/2022	\$ 15,165.64	A/P	
Timberwood	10/20/2022	\$ 3,566.95	A/P	
Vashon Terrace	10/20/2022	\$ 2,765.86	A/P	
Walnut Park	10/20/2022	\$ 12,067.64	A/P	
WINDSOR HEIGHTS	10/20/2022	\$ 68,179.08	A/P	
Woodridge Park	10/20/2022	\$ 27,847.99	A/P	
Cottonwood	10/21/2022	\$ 18,286.02	A/P	
Cove East	10/21/2022	\$ 25,505.88	A/P	
Juanita View	10/21/2022	\$ 22,267.30	A/P	
Kirkland Heights	10/21/2022	\$ 19,926.61	A/P	
NIA	10/21/2022	\$ 9,701.31	A/P	
SALMON CREEK	10/21/2022	\$ 31,643.98	A/P	
SEOLA CROSSING	10/21/2022	\$ 62,281.32	A/P	
SEOLA CROSSING	10/21/2022	\$ 49,589.22	A/P	
SALMON CREEK	10/25/2022	\$ 6,950.00	A/P	
SEOLA CROSSING	10/25/2022	\$ 13,585.00	A/P	
SEOLA CROSSING	10/25/2022	\$ 11,735.00	A/P	
Argyle	10/26/2022	\$ 21,058.93	A/P & Payroll	
Ballinger Commons	10/26/2022	\$ 126,107.67	A/P & Payroll	
Emerson	10/26/2022	\$ 38,971.75	A/P & Payroll	
GILMAN SQUARE	10/26/2022	\$ 33,879.22	A/P & Payroll	
Meadowbrook	10/26/2022	\$ 40,762.35	A/P & Payroll	
SALMON CREEK	10/26/2022	\$ 8,049.00	A/P	
SEOLA CROSSING	10/26/2022	\$ 4,632.00	A/P	
Surrey Downs	10/26/2022	\$ 29,560.23	A/P & Payroll	
Villages at South Station	10/26/2022	\$ 40,932.70	A/P & Payroll	
ALPINE RIDGE	10/27/2022	\$ 15,398.59	A/P & Payroll & OCR & Management fee	
ARBOR HEIGHTS	10/27/2022	\$ 12,617.50	A/P & Payroll & OCR & Management fee	
Aspen Ridge	10/27/2022	\$ 23,867.56	A/P & Payroll & OCR & Management fee	
Auburn Square	10/27/2022	\$ 33,169.41	A/P & Payroll & OCR & Management fee	
Bellepark	10/27/2022	\$ 18,632.50	A/P	
Carriage House	10/27/2022	\$ 23,344.40	A/P & Payroll & OCR & Management fee	
Carrington	10/27/2022	\$ 16,922.10	A/P & Payroll & OCR & Management fee	
CASCADIAN	10/27/2022	\$ 30,623.66	A/P & Payroll & OCR & Management fee	
Colonial Gardens	10/27/2022	\$ 15,015.94	A/P & Payroll & OCR & Management fee	
FAIRWOOD	10/27/2022	\$ 28,842.35	A/P & Payroll & OCR & Management fee	
Hampton	10/27/2022	\$ 32,894.13	A/P	

HERITAGE PARK	10/27/2022	\$ 18,393.98	A/P & Payroll & OCR & Management fee	
Kendall Ridge	10/27/2022	\$ 32,889.05	A/P	
Landmark	10/27/2022	\$ 5,037.91	A/P	
LAURELWOOD	10/27/2022	\$ 24,367.83	A/P & Payroll & OCR & Management fee	
Meadows	10/27/2022	\$ 24,063.91	A/P & Payroll & OCR & Management fee	
Newporter	10/27/2022	\$ 23,765.73	A/P & Payroll & OCR & Management fee	
OVERLAKE	10/27/2022	\$ 53,592.95	A/P & Payroll & OCR & Management fee	
Parkwood	10/27/2022	\$ 15,802.76	A/P & Payroll & OCR & Management fee	
Pinewood	10/27/2022	\$ 14,874.11	A/P & Payroll & OCR & Management fee	
RAINIER VIEW I	10/27/2022	\$ 1,605.79	A/P	
RAINIER VIEW II	10/27/2022	\$ 1,055.21	A/P	
Riverstone	10/27/2022	\$ 7,810.33	A/P	
Salish	10/27/2022	\$ 27,731.57	A/P & Payroll & OCR & Management fee	
Sandpiper East	10/27/2022	\$ 38,406.22	A/P & Payroll & OCR & Management fee	
SI VIEW	10/27/2022	\$ 6,184.89	A/P	
SOUTHWOOD SQUARE	10/27/2022	\$ 32,857.27	A/P & Payroll & OCR & Management fee	
Tall Cedars	10/27/2022	\$ 17,606.02	A/P	
Timberwood	10/27/2022	\$ 59,374.21	A/P & Payroll & OCR & Management fee	
Vashon Terrace	10/27/2022	\$ 2,884.21	A/P & Payroll & OCR & Management fee	
Walnut Park	10/27/2022	\$ 30,627.22	A/P & Payroll & OCR & Management fee	
WINDSOR HEIGHTS	10/27/2022	\$ 59,183.75	A/P & Payroll & OCR & Management fee	
Woodridge Park	10/27/2022	\$ 28,598.58	A/P & Payroll & OCR & Management fee	
Woodside East	10/27/2022	\$ 26,063.28	A/P	
TOTAL	171 Wires	\$ 4,436,623.41		

T A B N U M B E R

3



To: Board of Commissioners

From: Dan Watson, Advisor to the Executive Director

Date: December 5, 2022

Re: **Resolution No. 5742:** A Resolution designating an additional authorized officer for purposes of reporting, filing, and similar actions

Resolution No. 5742 authorizes the Housing Authority to designate certain signature authority to the Sr. Director of Development and Asset Management.

There are numerous compliance, regulatory, tax and other property operating related documents, contracts, certifications, financing applications and agreements required related to the operation of the Authority's Asset Management and Development programs. The Sr. Director of Development and Asset Management is knowledgeable of the operations and requirements of the programs and the additional delegation of signing authority will assist with the administration and coordination of signing the numerous documents required in the operation of the Authority's Development and Asset Management programs.

This authorization is in addition to the existing signature authority currently designated to the Authority's Executive Director and Deputy Executive Directors.

THE HOUSING AUTHORITY OF THE COUNTY OF KING
RESOLUTION NO. 5742

**A RESOLUTION of the Housing Authority of the County of King
designating an additional authorized officer for purposes of reporting, filing,
and similar actions.**

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

Section 1. **Recitals and Findings.** The Board of Commissioners (the “Board”) of the Housing Authority of the County of King (the “Authority”) finds and determines:

(a) **Statutory Authorization.** The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things, (i) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); and (ii) delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040).

(b) **Authorized Officers.** The Authority, and separate legal entities for which the Authority has operational responsibilities (including, without limitation, limited partnerships and limited liability limited partnerships of which the Authority is the general partner) (i) are subject to ongoing reporting, filing, notice, and other requirements imposed by law, regulation, and/or agreement (including, without limitation, agreements entered into in connection with financings); and (ii) enter into various agreements, applications, permits, forms, and administrative instruments in connection with routine operations. It is necessary and desirable and in the best interest of the Authority to provide for the designation of an additional authorized officer of the Authority to support efficient operation and compliance procedures.

Section 2. **Designation of Additional Authorized Officers.** The Authority’s Senior Director of Development and Asset Management is designated as an authorized officer of the Authority, acting on its own behalf, and/or in other capacities (including, without limitation, as general partner of any limited partnership or limited liability limited partnership) for purposes of

(i) complying with applicable reporting, filing, notice, and other requirements imposed by law, regulation, agreement (including, without limitation, agreements entered into in connection with financings), or otherwise; (ii) negotiating, executing and delivering agreements, applications, permits, forms and administrative instruments necessary or desirable in connection with routine operations; and (iii) applying for any public and/or private sector financing. The Authority's Senior Director of Development and Asset Management is authorized on behalf of the Authority (acting on its own behalf and/or in other capacities) to negotiate, execute and deliver and, if applicable, file (or cause to be delivered and/or filed) (A) any forms, affidavits, certificates, reports, letters, and other instruments that such officer determines to be necessary or advisable to comply with obligations of the Authority imposed by law, regulation, and/or agreement (including, without limitation, agreements entered into connection with financings); (B) applications, permits, forms and administrative instruments necessary or desirable in connection with routine operations; and (C) any application forms or other instruments necessary and/or desirable in connection with application for any public and/or private sector financing. The Authority may, by appropriate filing(s) and with any necessary consent(s), designate the Authority's Senior Director of Development and Asset Management as a designated individual through whom the Authority, as partnership representative, will act, for purposes of Subchapter 63C of the Internal Revenue Code of 1986 and Treasury Regulations promulgated thereunder, each as amended from time to time.

Section 3. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 4. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

**ADOPTED AT THE REGULAR MEETING OF THE BOARD OF
COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT
AN OPEN PUBLIC MEETING THIS 19th DAY OF DECEMBER, 2022.**

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

ATTEST:

ROBIN WALLS
Executive Director/CEO and Secretary-Treasurer

CERTIFICATE

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

1. That the attached Resolution No. 5742 (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a regular meeting of the Authority held at the regular meeting place on December 19th, 2022 (the “Meeting”), and duly recorded in the minute books of the Authority;

2. That the public was notified of access options for remote participation in the Meeting; and

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

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of December, 2022.

ROBIN WALLS

Secretary-Treasurer and Executive Director of the
Authority

T A B N U M B E R



To: Board of Commissioners

From: Kami Robinson, Executive Assistant to the CEO

Date: December 9, 2022

Re: **Resolution 5738:** Authorizing Saeed Hajarizadeh as Alternative Contracting Officer for the purpose of Executing Essential Legal Documents

Resolution No. 5738 is authorizing Saeed Hajarizadeh as an Alternative Contracting Officer for Essential Legal Documents when Robin Walls, Executive Director/CEO is not available to sign.

This is a new resolution to add to Alternative Contracting Officers. The last resolution for this was Resolution No. 5676 from January 19, 2021 that had Daniel R. Watson and Craig Violante.

Staff recommends Resolution No. 5738

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5738

**AUTHORIZING SAEED HAJARIZADEH AS ALTERNATIVE CONTRACTING
OFFICER FOR THE PURPOSE OF EXECUTING ESSENTIAL LEGAL
DOCUMENTS**

WHEREAS, King County Housing Authority has numerous legal documents which are time sensitive and require execution by the Board of Commissioners or its designees; and,

WHEREAS, Robin Walls, Executive Director was designated primary Contracting Officer on May 26, 2022 via Resolution No. 5723; and

WHEREAS, Executive Director Walls may, from time to time, be unavailable to sign said documents; and

WHEREAS, Daniel R. Watson, Deputy Executive Director/Chief Development Officer and Craig Violante, Deputy Executive Director/Chief Administrative Officer are also designated as Alternative Contracting Officers for the purposes of signing said legal documents. Via Resolution No. 5676; and

WHEREAS, Saeed Hajarizadeh, Deputy Executive Director/Chief Administrative Officer is the appropriate staff to be added as a designated as Alternative Contracting Officers for the purposes of signing said legal documents.

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

SECTION 1: Saeed Hajarizadeh, Deputy Executive Director/Chief Administrative Officer is hereby designated Alternative Contracting Officer, empowered

to sign all legal documents essential to the business conducted by the Housing Authority,
at the direction of the Executive Director.

SECTION 2: The Executive Director is authorized to add to or change the names
of Alternative Contracting Officers, should another Deputy Executive Director be hired
or promoted, without further Board of Commissioner approval.

**ADOPTED AT THE REGULAR MEETING OF THE BOARD OF
COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF
KING AT AN OPEN PUBLIC MEETING THIS 19th DAY OF DECEMBER, 2022.**

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

Attest:

ROBIN WALLS
Executive Director/CEO and Secretary-Treasurer

T A B N U M B E R

5



To: Board of Commissioners

From: Robin Walls, Executive Director/CEO

Date: December 9, 2022

Re: **Resolution 5739:** Authorizing Saeed Hajarizadeh as contracting officer, signator, and agent to receive claims for damages

Executive Summary

Resolution No. 5739 transfers the signing authority of the position of Deputy Director of Administration-Chief Administrative Officer to Saeed Hajarizadeh.

Background On October 1, 2022 Saeed Hajarizadeh assumed the position of Deputy Director of Administration-Chief Administrative Officer, replacing Craig Violante, who resigned on December 31, 2022. The signing authority of this position will need to be transferred to Saeed Hajarizadeh.

Resolution No. 5739, includes the authorization for Mr. Hajarizadeh to:

1. Sign contracts and agreements, for and on behalf of the Housing Authority
2. Execute legal, financial, and other documents, for and on behalf of the Housing Authority as necessary
3. Act as a signatory to the Authority's numerous bank accounts
4. Receive any claims for damages under RCW Chapter 4.96, Section 2(20)

Staff Recommendation

Passage of Resolution No. 5739 is recommended

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5739

**AUTHORIZING SAEED HAJARIZADEH AS CONTRACTING OFFICER,
SIGNATOR, AND AGENT DESIGNATED TO RECEIVE CLAIMS FOR
DAMAGES**

WHEREAS, Craig Violante, current Deputy Executive Director of Administration-Chief Administrative Officer (CAO) is resigned effective December 31, 2022; and

WHEREAS, Saeed Hajarizadeh has been named by the Executive Director as the CAO, effective October 1, 2022, with the responsibility of executing the duties of that position; and

WHEREAS, it is necessary for the CAO to sign contracts and agreements for and on behalf of the Housing Authority and to execute legal, financial and other documents as may be necessary to conduct the business of the Authority; and

WHEREAS, the banks with which KCHA conducts its business must be affirmatively notified of the addition of a new signatory to the Authority's numerous bank accounts; and

WHEREAS, the CAO has previously been authorized as the individual designated by the Authority to receive any claims made for damages under RCW Chapter 4.96, Section 2(20), and should be specifically named in a required filing to King County.

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

Section 1. Saeed Hajarizadeh is hereby appointed a Contracting Officer of the King County Housing Authority with the authority to sign such contracts, agreements, legal documents, financial reports or any other such documentation as may be necessary to conduct the business of the Housing Authority.

Section 2. Saeed Hajarizadeh is hereby authorized as a designated signer for current and any future bank accounts used by the Authority to deposit its funds during the term of his employment.

Section 3. Saeed Hajarizadeh is hereby designated the Agent of the Authority for the purpose of receiving claims for tortious actions of the Authority.

ADOPTED AT THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 19th DAY OF DECEMBER, 2022.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

Attest:

ROBIN WALLS
Executive Director/CEO and Secretary-Treasurer

T A B N U M B E R

6



To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: December 9, 2022

Re: **Resolution 5740:** Appointment of Auditing Officers for the Purpose of Certifying Obligations of the Authority in Accordance with RCW 42.24

A fundamental obligation of the Board of Commissioners is to review and approve the vouchers paid by the Authority as it conducts its operations. Under RCW 42.24, such vouchers are certified by auditing officers elected or appointed pursuant to statute or, in the absence of statute, an appropriate charter provision, ordinance or resolution of the municipal corporation or political subdivision.

Resolution 5740 names Saeed Hajarizadeh, Michael Larson, Mary Osier and Alfred Dulay to this role and restates the names of Windy Epps, Ai Ly, Tim Walter and Wen Xu as auditing officers for KCHA, providing a current record of those so authorized by the Board. Passage is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5740

**APPOINTMENT OF AUDITING OFFICERS FOR THE PURPOSE OF CERTIFYING
OBLIGATIONS OF THE AUTHORITY IS ACCORDANCE WITH RCW 42.24**

WHEREAS, the Board of Commissioners is responsible for ensuring that the system of auditing and certifying vouchers in a manner such as to provide the greatest possible protection for Board members and the Authority, which said responsibility cannot be delegated, and

WHEREAS, RCW Chapter 42.24 requires the appointment of an auditing officer or officers, and

WHEREAS, all claims against the Authority must be certified by the auditing officer to assure that the claim is just, due and is an unpaid claim of the Authority, and

WHEREAS, such claims may be certified individually or by blanket certification by the auditing officer so long as the particular vouchers so certified are clearly indicated.

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

The following persons are hereby designated as Auditing Officers in accordance with the requirements contained in RCW Chapter 42.24:

Saeed Hajarizadeh, Deputy Executive Director of Administration

Windy Epps, Director of Finance

Ai Ly, Asst. Director of Finance

Michael Larson, Accounting Manager

Mary Osier, Accounting Manager

Alfred Dulay, Accounting Manager

Tim Walter, Senior Director of Development and Asset Management

Wen Xu, Director of Asset Management

**ADOPTED AT THE REGULAR MEETING OF THE BOARD OF
COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT
AN OPEN PUBLIC MEETING THIS 19th DAY OF DECEMBER, 2022.**

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

DOUG BARNES, Chair
Board of Commissioners

ROBIN WALLS
Executive Director/CEO and Secretary-Treasurer

T A B N U M B E R

7



TO: Board of Commissioners

FROM: Craig Violante, Deputy Executive Director

DATE: December 19, 2022

RE: **Resolution No. 5741:** 2023 Operating and Capital Budgets

Attached for your review on pages 17 and 18 are the 2023 Comprehensive Operating and Capital Budgets (Exhibits A and B, respectively). The proposed budget balances the regional need for additional affordable housing, the proper maintenance of the current housing stock and the vital services provided to residents while positioning the agency for the future. The budget makes significant investments in maintaining affordability and housing quality for current program participants while expanding housing opportunities across its programs. Revenue assumptions are based upon reasonably conservative estimates regarding final congressional proration of the HUD budget and of the inflation factor for the Housing Choice Voucher program.

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

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

EXECUTIVE SUMMARY

The Comprehensive Budget is a combination of three distinct budgets:

- Operating Budget
- Capital Budget
- Cash Budget

Selected highlights from the Comprehensive Budget include:

- As proposed, this budget will maintain the operating metrics Standard and Poors uses to rate KCHA at current levels
- \$248.9 million toward the Housing Choice Voucher (HCV) program Housing Assistance Payments (HAP), supporting nearly 12,000 families funded by KCHA and another 3,000 “ports-in” to KCHA’s service area.
- \$60.0 million as a placeholder for future acquisitions. The budget assumes that any such acquisition will be 100% debt funded in the short term. No actual

acquisition would move forward without separate review and approval by the Board. There is an additional \$6.2 million for the expected acquisition of Plum Court, a 10-unit senior/disabled property located in Kirkland for which KCHA acquired a purchase option back in 2014.

- A substantial investment in staffing with 33 new positions (including four temporary positions), 90% of which are in core, front-line service roles. Funding supports the recent 6.4% COLA adjustment and an assumed 5% COLA in 2023.
- \$46.2 million for construction projects at multiple properties.
- \$4.2 million in pre-development activity at Trailhead Issaquah and the Skyway Resource Center.
- A funding commitment of \$15.5 million dedicated to a variety of program and resident resources such as homeless housing, education, youth and senior services, student housing, workforce development, leasing assistance, subsidy retention, economic mobility and research projects.

Operating Budget Summary

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

- 2022 Adopted Budget
- 2022 Midyear Financial Projection
- 2022 Normalized Budget
- 2023 Proposed Budget

All of the analyses below will compare the 2023 Proposed Budget to the 2022 Normalized Budget. The Normalized budget modifies the Midyear Projection to account for items such as a full year's rent receipts and related expenses for new acquisitions and new incremental Housing Choice Voucher awards. This year, the 2022 Normalized Budget added 6 months of revenues and expenses for Salish Place, allowing an "apples-to-apples" comparison to the 2023 Proposed Budget.

Resolution 5741
2023 Operating and Capital Budgets
December 19, 2022 Board Meeting
Page 3 of 19

	2022 Adopted Budget	2022 Midyear Projection	2022 Normalized	Proposed 2023	\$ Change From Normalized	% Change Change fm Normalized
Revenues						
Tenant Revenue	\$149,824.1	\$149,824.1	\$152,001.5	\$159,706.3	7,704.8	5.1%
Operating Fund Subsidy from HUD	12,274.4	13,347.1	13,347.1	12,013.7	(1,333.4)	-10.0%
HCV Program Subsidy from HUD	214,836.9	219,590.0	219,590.0	243,263.2	23,673.1	10.8%
Other Operating Revenue	85,149.1	85,149.1	85,149.1	88,733.4	3,584.3	4.2%
Total Operating Revenues	462,084.5	467,910.3	470,087.8	503,716.6	33,628.8	7.2%
Expenses						
Salaries & Benefits	(64,523.5)	(64,523.5)	(64,875.2)	(75,742.1)	(10,866.9)	16.8%
Routine Maint, Utilities, Taxes & Insurance	(38,018.6)	(39,018.6)	(39,425.8)	(42,822.5)	(3,396.6)	8.6%
HAP Expenses	(229,036.7)	(226,348.5)	(226,348.5)	(248,949.9)	(22,601.4)	10.0%
Other Social Service Support Expenses & HAP	(15,755.0)	(15,755.0)	(15,770.8)	(19,069.4)	(3,298.6)	20.9%
Administrative Support Expenses	(28,702.5)	(28,702.5)	(28,827.0)	(36,055.5)	(7,228.5)	25.1%
Total Operating Expenses	(376,036.4)	(374,348.2)	(375,247.3)	(422,639.3)	(47,392.0)	12.6%
Net Operating Income	86,048.1	93,562.2	94,840.5	81,077.3	(13,763.2)	-14.5%

In many respects, the 2023 proposed budget is steady-state compared to the 2022 normalized budget, but there are some significant changes, most notable in the areas of HCV Program Subsidy and related Housing Assistance Payments, Salaries and Benefits, and Administrative Support costs.

HCV Program Subsidy is projected to increase \$23.7 million over the 2022 normalized budget. Of this total, \$7.4 million will be from the block grant, driven by the estimated Renewal Funding Inflation Factor (RFIF) of 5.0%, while \$10.9 million will be from the Emergency Housing Voucher (EHV) program. The remainder is attributable to inflation in the Special Purpose Voucher (SPV) program and to some new incremental vouchers. The 2021 and 2022 RFIF were 4.29% and 6.48 respectively.

Offsetting the additional HCV revenue is a projected uptick of \$22.6 million in 2023 Housing Assistance Payment (HAP) expenses over the 2022 normalized budget, excluding HAP related to ports-in. 2023 HAP is increasing for all voucher types, driven primarily by an estimated 7.0% increase in per unit costs throughout 2023. Other significant factors include an increase in block grant over-leasing and the full lease-up of the 762 Emergency Housing Vouchers.

Salaries and Benefits, which will be discussed in more detail later, are reflecting a bump of \$10.9 million, or 16.8%, when compared to the 2022 normalized budget.

Administrative Support expenses are climbing by \$7.2 million or 25.1%. However, \$3.8 million of this increase is related to higher management fee rates charged by the Central Office Cost Center (COCC) to the Housing Choice Voucher program. These rates had not been increased in 15 years, and the updated rates are necessary to cover overhead expenses. The remaining \$3.4 million change between budget years is primarily reflective of \$2.1 million in additional professional services, and includes additions for EDIB projects, safety and security, legal, auditing and other consulting services.

Other key assumptions and highlights from the 2023 budget, all of which will be explored further, include:

- The 2023 Public Housing Operating Fund subsidy was budgeted assuming a 95% prorate, while the 2022 actual subsidy prorate has been 104%. This conservative approach is prudent as the Federal Fiscal Year 2023 budget has not yet been adopted by Congress.
- As mentioned above, a 5% inflation factor was assumed for HCV revenue. Average HAP PUC costs were assumed to grow at a 7% clip.
- The draw on MTW resources for traditional Public Housing purposes is forecast to increase by \$2.9 million in 2022, up from \$4.2 million in 2022 to \$7.1 million next year, driven in large part by an uptick in new positions, COLA increases, and other operating costs.

	2022 Budget	2023 Budget
MTW Funds to Provide Additional Public Housing Operating Resources	\$2,285,629	\$5,132,140
MTW Funds to Provide Additional Public Housing Special Project Resources	1,914,800	2,013,667
Total	\$4,200,429	\$7,145,807

As is typical, KCHA will reforecast anticipated revenues as part of the 2023 mid-year review once Federal funding levels are known, and will make adjustments in expenditure levels at that point if deemed prudent.

Capital Budget Summary

The 2023 proposed capital budget totals \$96.1 million, of which \$51.8 million relates to construction and development activities. More information can be found on page 13 and in Exhibit B.

Proposed 2023 Capital Budget	\$96,090,742
Less: Cost of New Acquisitions	(66,200,000)
Less: Cost of Software and Vehicles	(2,435,000)
Plus: Asset disposals	24,354,452
2023 Construction/Development Budget	<u><u>\$51,810,194</u></u>

Cash Budget Summary

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

Operating cash levels are projected to decline by \$4.2 million in 2023. Additional information can be found in the Cash Budget section on page 13.

OPERATING BUDGETS

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

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

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

Federally-Funded Properties and Programs

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

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

Using a combination of projected 2023 Federal funding streams, along with some existing reserves, resources will be sufficient in 2023 to support all proposed budgetary expenditures.

The following table is a summary of 2023 Sources and Uses of Federal Properties and Programs:

2023 Budgeted Sources and Uses
Federal Programs and Properties
 (In \$1,000's; excludes non-KCHA-managed component units)

Beginning Balance, Unrestricted Cash	\$43,299.2
Revenues	
Tenant Revenue	\$13,592.6
Subsidy from HUD	254,855.1
Other Operating Revenue	54,235.2
Total Operating Revenues	322,682.9
Expenses	
Salaries & Benefits	(30,271.6)
Routine Maintenance, Utilities, Taxes & Insurance	(11,317.5)
Other Social Service Support Expenses & HAP	(258,729.6)
Administrative Support Expenses	(14,863.9)
Total Operating Expenses	(315,182.6)
Net Operating Income	7,500.3
Other Sources/(Uses) of Cash	
Net Non-Operating Income (Expense)	10,266.9
Capital Projects and Acquisitions	(15,819.7)
Net Transfers In From (Out to) Other Funds	(3,149.3)
Other Sources/(Uses)	2,341.6
Total Other Sources/(Uses) of Cash	(6,360.4)
Net Change in Unrestricted Cash	1,139.8
Ending Balance, Unrestricted Cash	\$44,439.0

Programs that fall within the Federal funding sphere include:

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

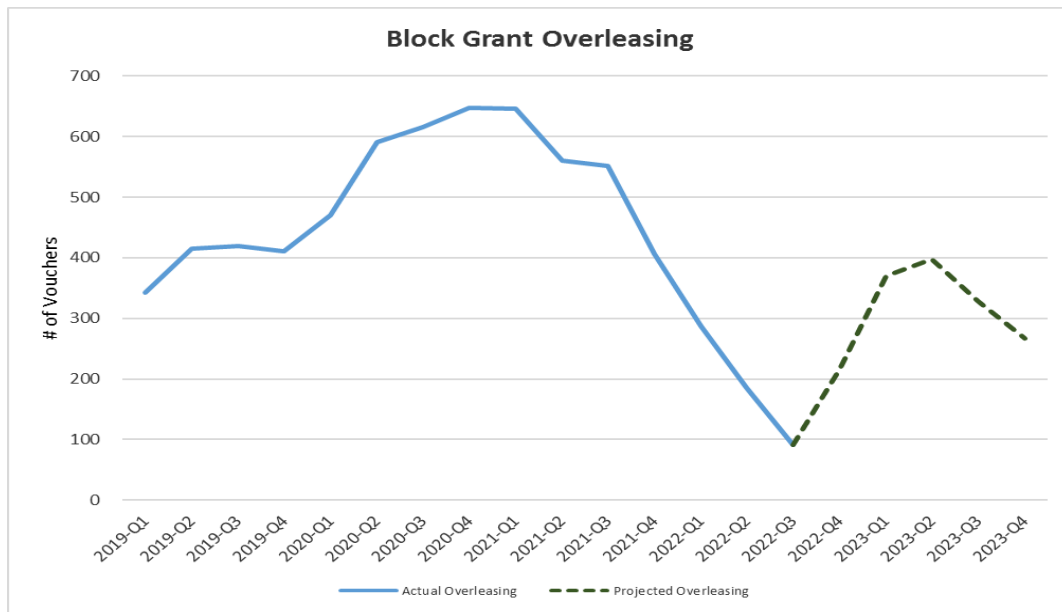
Housing Choice Vouchers

Approximately 70% of the Housing Choice Vouchers KCHA have been awarded are funded and administered within the MTW program. These 8,410 vouchers carry contractual funding provisions whereby KCHA retains budget authority for all included revenue and can deploy it for any allowed program expense. In contrast, the remaining 3,564 vouchers are designated as Special Purpose Vouchers (SPVs) and are funded using a model whereby any budget authority not spent on HAP reverts back to HUD.

Assuming a 5.0% Renewal Funding Inflation Factor (RFIF), 2023 funding renewal *eligibility* for Block Grant vouchers and SPVs is estimated at \$189.2 million and \$42.7 million, respectively, while *budgeted* funding is \$187.3 million and \$42.2 million after accounting for the assumed 99% prorate. If the RFIF differs from 5.0% or the prorate differs from 99%, each respective percentage point change results in a funding variance of approximately \$1.9 million for block grant vouchers and \$426,000 for SPVs.

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

- KCHA currently supports more households than the baseline number of vouchers for which it is funded in the block grant. This “over-leasing” reached a peak in 2020, driven by lease-up targets for eligible families under the Creating Moves to Opportunities (CMTO) research project, and declined throughout 2021 and 2022. Current projections show another spike in 2023 as some vouchers will be absorbed from other housing authorities, and approximately 200 additional block grant vouchers will be issued to EHV-eligible voucher holders. A chart showing actual and projected over-leasing from 2019 to 2023 is below.



When all locally-designed programs are factored in, KCHA anticipates housing 441 households above baseline throughout 2022 at an annualized cost of \$8.2 million.

- KCHA has the flexibility to set different maximum values for vouchers, depending upon the number of bedrooms in the rental unit and its geographic location. These voucher values are known as Payment Standards. MTW allows KCHA to provide payment standards in high cost (and high opportunity) neighborhoods significantly above the regional Fair Market Rents. This expands geographic choice for program

participants and supports KCHA's goal of increasing the number of households living in these neighborhoods. The Board last adopted a change in payment standards via Resolution No. 5726 at the July 2022 board meeting. No additional changes are anticipated this year.

Administrative costs of the HCV program are broken into three broad categories in the 2023 budget:

- Operating overhead (\$13.3 million)
- Internal fees charged by the COCC (\$6.2 million)
- Non-HAP tenant assistance expenses (\$761,000)

To fund the vast majority of this \$20.2 million administrative burden, KCHA receives Administrative Fees (admin fees) in three separate ways.

- \$3.0 million will be received from HUD for Special Purpose Vouchers. The fee is paid for every voucher leased, based on published rates, which are typically subject to a proration between 80% and 86%. For purposes of 2023 revenue projections KCHA has assumed a pro-ration of 86% on non-block grant administrative fees.
- \$2.0 million in fees will be received from other housing authorities whose clients have moved into KCHA's service area and are being administered by KCHA staff.
- The gap between the \$20.2 million in expenses and the \$5.0 million in Special Purpose Voucher and port-in admin fees is filled with transfers from MTW. In 2023, this transfers are projected to total \$15.1 million.

Public Housing

The Public Housing program operates on a combination of tenant revenue and Operating Fund Subsidy provided by HUD. In 2023, KCHA is eligible, based on HUD's funding formula, to receive \$12.6 million of Operating Fund Subsidy. Due to chronic congressional underfunding, it is estimated that only 95% of eligible funding, or \$12.0 million, will actually be received. Of this amount, \$493,000 is dedicated to paying a portion of the cost of resident service programs, and \$3.9 million will be used for debt repayment and other costs associated with the Energy Performance Contract. The remaining \$7.7 million will be used to partially offset the gap between the costs of operating the properties and the rents received from tenants, but a deficit of \$7.1 million will remain. This deficit will be funded with transfers from the MTW program.

Resident Services and Social Impact

The Resident Services and Social Impact departments have a combined 2023 budget authority of \$15.5 million, with 64 full-time equivalent (FTE) employees. 81% is funded from the MTW block grant, 15% from various local and national grants, and 3% from Public Housing Operating Fund subsidy.

The two departments manage a number of critical programs including:

- Homeless Housing Initiatives (\$3.4 million)
- General Support of Residents (\$4.0 million)
- Education Programs (\$1.9 million)
- Workforce Development (\$1.8 million)
- Research & Evaluation and other Social Impact Initiatives (\$3.2 million)

Some key initiatives in 2023 are:

- The Young Adult Prosperity Program will offer young adult-centered services and build critical life and financial-capability skills necessary to help ensure a pathway to long-term housing stability. Services may support the goals of GED attainment, connections to resources to help finance post-secondary and technical school attendance, job preparedness coaching, job training programs, internships and employment opportunities.
- Expanding partnerships to support resident health and housing stability by engaging residents in the process and collecting qualitative feedback to inform the implementation of the United Healthcare-funded Community Catalyst Initiative. The work includes developing and maintaining external partnerships with the Seattle Housing Authority, health care providers, and community-based organizations.
- Assess and revamp the Subsidy Retention Program to better meet tenant based HCV participant needs. Through the hiring a dedicated Subsidy Retention Program Manager, the program will be better able to meet current and emerging needs of tenant based HCV participants.

Local Properties and Programs

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

Properties and programs that are considered Local include:

- Asset-Managed Portfolio
 - Workforce Housing Properties owned outright by KCHA
 - Mobile Home Parks
 - Workforce Housing Properties that are owned in partnership with tax credit investors are excluded from both the budget and the quarterly financial statements. There are seven properties in this group with 855 units and operating revenue of approximately \$12.1 million.
- Housing Management Portfolio
 - Project-Based Section 8 properties, some of which are owned in partnership with tax credit investors

- Non-federally subsidized properties
- Weatherization and Home Repair Programs
- Overhead captured in the Central Office Cost Center (COCC)

The following table summarizes the 2023 budget for Local Properties and Programs:

2023 Budgeted Sources and Uses

Local Programs and Properties

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

Beginning Balance, Unrestricted Cash	\$121,144.4
Revenues	
Tenant Revenue	\$146,113.7
Subsidy from HUD	421.8
Other Operating Revenue	34,498.2
Total Operating Revenues	181,033.7
Expenses	
Salaries & Benefits	(45,470.4)
Routine Maintenance, Utilities, Taxes & Insurance	(31,505.0)
Other Social Service Support Expenses & HAP	(9,289.7)
Administrative Support Expenses	(21,191.6)
Total Operating Expenses	(107,456.7)
Net Operating Income	73,577.0
Other Sources/(Uses) of Cash	
Net Non-Operating Income (Expense)	(22,331.9)
Capital Projects and Acquisitions	(12,716.9)
Net Transfers In From (Out to) Other Funds	(6,250.0)
Other Sources/(Uses)	(37,595.1)
Total Other Sources/(Uses) of Cash	(78,893.8)
Net Change in Unrestricted Cash	(5,316.8)
Ending Balance, Unrestricted Cash	\$115,827.6

The decline in unrestricted cash is due to the planned use of reserves to fund pre-development activities for the Trailhead Issaquah and Skyway Resource Center projects.

Asset-Managed Workforce Housing

The Workforce Housing portfolio included in the budget and the quarterly financial statements reflects properties owned outright by KCHA, but excludes those owned in partnership with tax credit investors, as well as the mobile home park portfolio. KCHA currently has 47 separate properties in this portfolio, with 6,691 units. These properties are managed by outside fee-based property management companies. All properties have some form of debt outstanding, and the servicing of this debt comes from the cash flow of each of the properties. In addition, each property makes monthly contributions to

replacement reserve accounts, self-funds capital repair and rehabilitation projects, and pays management fees to the Central Office Cost Center (COCC). After all such expenses, the 2023 net cash flow from these properties is projected to be \$6.0 million, and the budget includes a transfer of \$6.1 million to the COCC in support of general KCHA overhead. This cash flow has been enhanced by favorable financing terms achieved on recent bond issuances and through debt placement with local technology companies.

Mobile Home Parks

KCHA owns five mobile home parks with a total of 654 homes. The 2023 budget includes \$2.6 million of capital expenditures for this portfolio, including \$1.6 million for the planned expansion of the Rainier View Park in Black Diamond.

Project-based Section 8 Properties

There are currently 1,229 units in this portfolio, including properties owned in partnership with tax credit investors but managed and controlled by KCHA. With a few exceptions, they operate similarly to public housing but with a different form of subsidy. 1,213 of these units carry Project-Based Section 8 contracts. Some of the most significant properties in this group are:

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

This group produces significant net cash flow, and the budget includes a transfer of \$5.1 million from this portfolio to the COCC.

Non-Federally-Subsidized Properties

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

Weatherization and Housing Repair program

This program provides energy conservation improvements to low income residents of King County living in single-family residences, mobile homes, and multifamily housing. It also provides repairs to single-family homes through the City of Bellevue's Housing Repair program. The 2023 budget includes construction activity of \$7.8 million to weatherize or repair 570 housing units and is funded through six separate federal, state and local grants and contracts.

Agency Overhead-COCC

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

A high-level summary of the core COCC operating budget is below. 68% of COCC operating costs are attributable to personnel, making it a challenge to reduce costs without reducing staff and available internal services. The complexity of the organization generally requires the staffing level the Authority currently maintains. KCHA will need to continue to identify operational efficiencies or additional sources of revenue in future years to support operations at this level.

Fees and Other Revenue	\$15,355,033
Excess Cash from Properties	<u>11,480,000</u>
Total Operating Resources	26,835,033
<i>Core Operating Uses</i>	
Operating Expenses	(27,706,369)
Net Excess/(Deficit) Related to Core Overhead Activities	<u>(\$871,336)</u>

CAPITAL BUDGET

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

Operating Funds

Category	Budgeted Amount	Managed by	Funding Sources
Rehabilitation of existing properties	\$14,089,865	Capital Construction Department	MTW, CFP grant, COCC, MKCRF cash flow
	\$8,738,010	Housing Management Department	MTW, Operating Fund subsidy, site cash flow
	\$23,345,964	Asset Management Department	Replacement reserves and site cash flow
Software and Vehicles	\$2,435,000	Various	Various

Budgeted Capital Expenditures-Operating Funds \$48,608,840

Less: Sale of Kirkland Heights to LIHTC Partnership (\$20,072,227)

Net Capital Projects-Operating Funds (See Exhibit A) \$28,536,613

Capital Funds

Category	Budgeted Amount	Managed by	Funding Sources
Pre-development Activities	\$4,238,000	Development Department	COCC, debt, investor equity
Work at Greenbridge sites	\$1,398,354	Development Department	Internal loans
New Acquisitions	\$66,200,000	Development Department	Debt

Budgeted Capital Expenditures-Development Funds \$71,836,354

Less: Sale of Assets-Greenbridge Land (4,282,225)

Net Capital Projects-Development Funds (See Exhibit A) \$67,554,129

CASH BUDGET

Below is the 2023 cash budget:

Operations	Unrestricted & Program	Designated	Restricted	Total	
Projected Cash, 1/1/2023	\$164,443,600	\$91,491,096	\$34,603,518	\$290,538,215	(1)
Projected 2023 Change	(4,177,001)	1,395,234	(2,153,249)	(4,935,016)	
Projected Cash, 12/31/2023	<u>\$160,266,599</u>	<u>\$92,886,330</u>	<u>\$32,450,269</u>	<u>\$285,603,199</u>	(1)

1) Including cash held by HUD

Development	Unrestricted & Program	Designated	Restricted	Total	
Projected Cash, 1/1/2023	\$15,334,349	\$0	\$25,996,793	\$41,331,142	
Projected 2023 Change	2,740,061	232,278	535,573	3,507,912	
Projected Cash, 12/31/2023	<u>\$18,074,411</u>	<u>\$232,278</u>	<u>\$26,532,366</u>	<u>\$44,839,055</u>	

KCHA is also awarded annual Capital Fund Program grants. These grants are on a reimbursement-only basis and thus are not shown as an asset of KCHA. However, it is forecast that as of the end of 2023, \$20.4 million in untapped grant awards will be available for capital purposes.

THE INVESTMENT IN KCHA'S EMPLOYEE INFRASTRUCTURE

Overview

KCHA will continue to invest in its employees on several fronts during 2023. In addition to significant staffing increases and boosts in compensation and benefits, the budget includes support for the following key initiatives:

- Phase II of KCHA's compensation, classification and employee performance management initiative where a variety of topics will continue to be addressed, including internal pay equity, development of a matrix guiding initial salary offers for new employees, and the pace at which employees proceed through pay bands.
- Selection and implementation of new Housing Management Software. A \$4 million technology reserve has been established for this project, and it is estimated that \$1 million of the reserve will be spent in 2023.
- Installation of new Human Resources Information System software, including payroll processing.
- Making significant investments in training and tuition reimbursement.
- The Office of Equity, Diversity, Inclusion and Belonging (EDIB) is expected to fully implement the first phase of the EDIB strategy by publishing an annual EDIB report, publishing EDIB definitions and operationalizing the new Section 3 rule.

The EDIB strategy was informed by input provided from previous KCHA efforts, including contributions by Race, Equity, Diversity and Inclusion (REDI), and the 2022 inclusive planning process, which included feedback from the agency's board, staff, residents and community partners. Other broad agency-wide efforts will continue to include EDIB trainings, commemoration of key cultural awareness days and the enhancement of equitable procurement practices that involve open and accessible processes and information.

Employee Count

The 2023 budget includes 527.53 full-time equivalent (FTE) positions, a net increase of 40.4 positions over the 2022 budget, which includes eight positions that have already been added during 2022.

FTE Count, 2022 Budget	487.13
New Regular FTEs approved during 2022	5.00
New Temp FTEs approved during 2022	3.00
Current FTE Count	<hr/> 495.13
Newly-Proposed Recurring Positions	29.15
Newly-Proposed Temporary Positions	4.25
Positions Eliminated	(1.00)
FTE Count, 2023 Budget	<hr/> <hr/> 527.53

Although the COVID-19 pandemic has essentially ended, its impact is still negatively affecting the operations of the Housing Authority. It continues to be especially hard on “front line” employees, particularly those in front-facing customer service roles in the Housing Choice Voucher and Property Management departments. In response to these pressing needs, the budget includes a total of 29 new regular positions and 4 temporary positions. Of the 29 proposed regular positions, 22 are in Housing Choice Vouchers and Property Management.

Personnel Costs

Personnel costs are rising significantly in 2023, due predominantly to the spike in the employee count noted above. Other factors include:

- **Cost of Living Adjustments.** The 2022 COLA for non-represented KCHA staff approved by the Board was 6.4%, the highest increase since 1991. Along with the 5.5% awarded in 2022, staff have received COLA bumps of 11.9% over the past two years. The budget also includes an assumption of a 5.0% COLA increase in November 2023.
- **Medical Premiums.** After significant increases in 2017, PEBB rate increases have been moderate. Last year, most plans rose by around 3.5%, and no plan exceeded

5.1%. 2023 will see the largest jump since 2018 with increases between 8.2% and 9.6%. The 2023 employee census won't be known until open-enrollment ends, but the estimated average cost per employee next year is \$15,117, up from \$14,269 in 2022. There are no significant changes in plan designs or cost allocations.

- Over the past 10 years, the cost of participating in the state Public Employees Retirement System (PERS) pension system has risen dramatically, peaking in 2020 at 12.97% of payroll costs. Rates in 2023 will increase slightly from the current 10.25% to 10.39%. This rate increase will raise KCHA's annual pension contributions by approximately \$64,700. Employees contribute a lesser amount.
- KCHA continues to fund a merit pool equal to 2% of eligible employees' annual salary. Employees not at the top of their range who achieve an "exceeds standards" rating are eligible for a merit increase. Biennially, employees who are at the top of their pay band and have been rated "outstanding" for two consecutive years are eligible to receive a 2% incentive payment, which is not added to base pay. This approach to providing "merit pay" will be reviewed as part of this coming year's work plan under the compensation review initiative mentioned above.

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2023 Operating and Capital Budgets
December 19, 2022 Board Meeting
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KING COUNTY HOUSING AUTHORITY
2023 Budget (Cash Basis)
(In \$1,000's; excludes non-KCHA-managed component units)

EXHIBIT A

	Operations and Capital						Development
	Federal Programs	Local Programs	2023 Proposed Budget	2022 Adopted Budget	Dollar Change	Percent Change	
Beginning Balance, Unrestricted Cash	\$43,299.2	\$121,144.4	\$164,443.6				\$15,334.3
Revenues							
Tenant Revenue	\$13,592.6	\$146,113.7	\$159,706.3	\$149,824.1	\$9,882.2	6.6%	\$.0
Operating Fund Subsidy from HUD	12,013.7	.0	12,013.7	12,274.4	(260.7)	-2.1%	.0
Section 8 Subsidy from HUD	242,841.4	421.8	243,263.2	214,836.9	28,426.2	13.2%	.0
Other Operating Revenue	54,235.2	34,498.2	88,733.4	85,149.1	3,584.3	4.2%	951.4
Total Operating Revenues	322,682.9	181,033.7	503,716.6	462,084.5	41,632.1	9.0%	951.4
Expenses							
Salaries & Benefits	(30,271.6)	(45,470.4)	(75,742.1)	(64,523.5)	(11,218.5)	17.4%	(947.3)
Routine Maintenance, Utilities, Taxes & Insurance	(11,317.5)	(31,505.0)	(42,822.5)	(38,018.6)	(4,803.9)	12.6%	(21.7)
Other Social Service Support Expenses & HAP	(258,729.6)	(9,289.7)	(268,019.3)	(244,791.7)	(23,227.5)	9.5%	.0
Administrative Support Expenses	(14,863.9)	(21,191.6)	(36,055.5)	(28,702.5)	(7,353.0)	25.6%	(346.9)
Total Operating Expenses	(315,182.6)	(107,456.7)	(422,639.3)	(376,036.4)	(46,602.9)	12.4%	(1,315.9)
Net Operating Income	7,500.3	73,577.0	81,077.3	86,048.1	(4,970.9)	-5.8%	(364.4)
Non-operating Revenue	14,385.4	9,696.3	24,081.7	16,764.7	7,317.0	43.6%	37,538.6
Non-operating Expenses	(4,118.5)	(32,028.1)	(36,146.6)	(35,640.7)	(506.0)	1.4%	(1,738.1)
Net Income	17,767.2	51,245.1	69,012.3	67,172.1	1,840.2	2.7%	35,436.1
Other Sources/(Uses) of Cash							
Capital Projects and Acquisitions	(15,819.7)	(12,716.9)	(28,536.6)	(44,539.7)	16,003.1	-35.9%	(67,554.1)
Changes in Designated Cash	829.2	(2,224.5)	(1,395.2)	160.5	(1,555.8)	-969.1%	(232.3)
Changes in Restricted Cash	2,479.0	(325.7)	2,153.2	6,341.2	(4,188.0)	-66.0%	(535.6)
Changes in Receivables	1,801.7	285.4	2,087.1	(3,907.0)	5,994.1	-153.4%	(49,107.9)
Changes in Other Assets	.0	81.7	81.7	81.7	.0	0.0%	.0
Changes in Debt	(340.0)	(36,417.5)	(36,757.5)	(24,014.1)	(12,743.4)	53.1%	70,952.4
Changes in Other Liabilities	(2,428.3)	1,005.5	(1,422.8)	523.6	(1,946.4)	-371.7%	4,382.2
Changes in Equity	.0	.0	.0	.0	.0	n/a	.0
Total Other Sources/(Uses) of Cash	(13,478.1)	(50,312.0)	(63,790.1)	(65,353.7)	1,563.6	-2.4%	(42,095.3)
Transfer In from (Out to) Other Funds							
Transfers In from Other Funds	12,542.3	37,608.1	50,150.4	38,930.2	11,220.2	28.8%	20,660.5
Transfers Out to Other Funds	(15,691.6)	(43,858.1)	(59,549.6)	(41,080.5)	(18,469.2)	45.0%	(11,261.3)
Net Transfer In/(Out)	(3,149.3)	(6,250.0)	(9,399.3)	(2,150.3)	(7,249.0)	337.1%	9,399.3
Net Change in Unrestricted Cash	1,139.8	(5,316.8)	(4,177.0)	(331.8)	(3,845.2)	.0	2,740.1
Ending Balance, Unrestricted Cash	\$44,439.0	\$115,827.6	\$160,266.6				\$18,074.4
Beginning Balance, Designated Cash	\$10,199.9	\$81,291.2	\$91,491.1				\$.0
Changes in Designated Cash	(829.2)	2,224.5	1,395.2				232.3
Ending Balance, Designated Cash	\$9,370.7	\$83,515.6	\$92,886.3				\$232.3
Beginning Balance, Restricted Cash	\$6,173.7	\$28,429.8	\$34,603.5				\$25,996.8
Changes in Restricted Cash	(2,479.0)	325.7	(2,153.2)				535.6
Ending Balance, Restricted Cash	\$3,694.7	\$28,755.6	\$32,450.3				\$26,532.4

EXHIBIT B

Capital Budget
By Responsible Department
2023 Budget

CONSTRUCTION ACTIVITIES

Managed by the Capital Construction Department

Public Housing Properties	\$9,064,406	
MKCRF Properties	1,184,260	
Other Properties	3,009,924	
Placeholder for Pre-Construction Design Work	<u>790,075</u>	14,048,665

Managed by the Resident Services Department

Various Relocation Expenses	<u>41,200</u>	41,200
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Managed by the Housing Management Department

Unit Upgrade Program	5,349,035	
Other Projects	<u>3,388,975</u>	8,738,010

Managed by the Asset Management Department

Projects at Workforce Housing Properties	20,704,264	
Projects at Mobile Home Properties and Other	<u>2,641,700</u>	23,345,964

DEVELOPMENT/ACQUISITION ACTIVITIES

Managed by the Development Department

Acquisitions	60,000,000	
Hope VI Properties	1,398,354	
Pre-development Activities-Issaquah Trailhead	8,200,000	
Pre-development Activities-Other	<u>2,238,000</u>	71,836,354

OTHER ACTIVITIES

Technology Expenditures	1,000,000	
Vehicles & Other	<u>1,435,000</u>	2,435,000

TOTAL BUDGETED CAPITAL EXPENDITURES	<u>\$120,445,194</u>
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Less: Sale of Kirkland Heights to LIHTC Partnership	(20,072,227)
Less: Sale of Assets-Greenbridge Land	(\$4,282,225)

NET CAPITAL EXPENDITURES (See Exhibit A)	<u>\$96,090,742</u>
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THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5741

**AUTHORIZING APPROVAL OF THE COMPREHENSIVE OPERATING AND
CAPITAL BUDGETS FOR CALENDAR YEAR BEGINNING JANUARY 1, 2023**

WHEREAS, the Executive Director has submitted Comprehensive Operating and Capital Budget for the Calendar Year beginning January 1, 2023 (Calendar Year 2023); and

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

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

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

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

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

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

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

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

SECTION 1: The following expenditures are hereby authorized for the Calendar Year beginning January 1, 2023:

	Expenses	Capital	Total
Federal Programs	\$319,301,114	\$15,819,728	\$335,120,842
Local Programs	139,484,794	12,716,885	152,201,679
Development Activities	3,053,928	67,554,129	70,608,057
Total 2023 Expenditures	<u>\$461,839,836</u>	<u>\$96,090,742</u>	<u>\$557,930,578</u>

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

ADOPTED AT A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 19th DAY OF DECEMBER, 2022.

THE HOUSING AUTHORITY OF THE
COUNTY OF KING, WASHINGTON

DOUGLAS J. BARNES, Chair
Board of Commissioners

ROBIN WALLS
Secretary-Treasurer

KING COUNTY HOUSING AUTHORITY
2023 Budget (Cash Basis)
(In \$1,000's; excludes non-KCHA-managed component units)

EXHIBIT A

	Operations and Capital						Development
	Federal Programs	Local Programs	2023 Proposed Budget	2022 Adopted Budget	Dollar Change	Percent Change	
Beginning Balance, Unrestricted Cash	\$43,299.2	\$121,144.4	\$164,443.6				\$15,334.3
Revenues							
Tenant Revenue	\$13,592.6	\$146,113.7	\$159,706.3	\$149,824.1	\$9,882.2	6.6%	\$.0
Operating Fund Subsidy from HUD	12,013.7	.0	12,013.7	12,274.4	(260.7)	-2.1%	.0
Section 8 Subsidy from HUD	242,841.4	421.8	243,263.2	214,836.9	28,426.2	13.2%	.0
Other Operating Revenue	54,235.2	34,498.2	88,733.4	85,149.1	3,584.3	4.2%	951.4
Total Operating Revenues	322,682.9	181,033.7	503,716.6	462,084.5	41,632.1	9.0%	951.4
Expenses							
Salaries & Benefits	(30,271.6)	(45,470.4)	(75,742.1)	(64,523.5)	(11,218.5)	17.4%	(947.3)
Routine Maintenance, Utilities, Taxes & Insurance	(11,317.5)	(31,505.0)	(42,822.5)	(38,018.6)	(4,803.9)	12.6%	(21.7)
Other Social Service Support Expenses & HAP	(258,729.6)	(9,289.7)	(268,019.3)	(244,791.7)	(23,227.5)	9.5%	.0
Administrative Support Expenses	(14,863.9)	(21,191.6)	(36,055.5)	(28,702.5)	(7,353.0)	25.6%	(346.9)
Total Operating Expenses	(315,182.6)	(107,456.7)	(422,639.3)	(376,036.4)	(46,602.9)	12.4%	(1,315.9)
Net Operating Income	7,500.3	73,577.0	81,077.3	86,048.1	(4,970.9)	-5.8%	(364.4)
Non-operating Revenue	14,385.4	9,696.3	24,081.7	16,764.7	7,317.0	43.6%	37,538.6
Non-operating Expenses	(4,118.5)	(32,028.1)	(36,146.6)	(35,640.7)	(506.0)	1.4%	(1,738.1)
Net Income	17,767.2	51,245.1	69,012.3	67,172.1	1,840.2	2.7%	35,436.1
Other Sources/(Uses) of Cash							
Capital Projects and Acquisitions	(15,819.7)	(12,716.9)	(28,536.6)	(44,539.7)	16,003.1	-35.9%	(67,554.1)
Changes in Designated Cash	829.2	(2,224.5)	(1,395.2)	160.5	(1,555.8)	-969.1%	(232.3)
Changes in Restricted Cash	2,479.0	(325.7)	2,153.2	6,341.2	(4,188.0)	-66.0%	(535.6)
Changes in Receivables	1,801.7	285.4	2,087.1	(3,907.0)	5,994.1	-153.4%	(49,107.9)
Changes in Other Assets	.0	81.7	81.7	81.7	.0	0.0%	.0
Changes in Debt	(340.0)	(36,417.5)	(36,757.5)	(24,014.1)	(12,743.4)	53.1%	70,952.4
Changes in Other Liabilities	(2,428.3)	1,005.5	(1,422.8)	523.6	(1,946.4)	-371.7%	4,382.2
Changes in Equity	.0	.0	.0	.0	.0	n/a	.0
Total Other Sources/(Uses) of Cash	(13,478.1)	(50,312.0)	(63,790.1)	(65,353.7)	1,563.6	-2.4%	(42,095.3)
Transfer In from (Out to) Other Funds							
Transfers In from Other Funds	12,542.3	37,608.1	50,150.4	38,930.2	11,220.2	28.8%	20,660.5
Transfers Out to Other Funds	(15,691.6)	(43,858.1)	(59,549.6)	(41,080.5)	(18,469.2)	45.0%	(11,261.3)
Net Transfer In/(Out)	(3,149.3)	(6,250.0)	(9,399.3)	(2,150.3)	(7,249.0)	337.1%	9,399.3
Net Change in Unrestricted Cash	1,139.8	(5,316.8)	(4,177.0)	(331.8)	(3,845.2)	.0	2,740.1
Ending Balance, Unrestricted Cash	\$44,439.0	\$115,827.6	\$160,266.6				\$18,074.4
Beginning Balance, Designated Cash	\$10,199.9	\$81,291.2	\$91,491.1				\$.0
Changes in Designated Cash	(829.2)	2,224.5	1,395.2				232.3
Ending Balance, Designated Cash	\$9,370.7	\$83,515.6	\$92,886.3				\$232.3
Beginning Balance, Restricted Cash	\$6,173.7	\$28,429.8	\$34,603.5				\$25,996.8
Changes in Restricted Cash	(2,479.0)	325.7	(2,153.2)				535.6
Ending Balance, Restricted Cash	\$3,694.7	\$28,755.6	\$32,450.3				\$26,532.4

T A B N U M B E R

8



KCHA Executive Dashboard

2022 Q3

July - September 2022

Households Served
point in time as of September 2022¹ **23,354**

Finance

	Budgeted	Actual	Actual to Budget	
Revenue year-to-date	\$341,978,807	\$345,395,871	101.0%	<div><div></div></div>
Expenditure year-to-date	\$278,645,896	\$268,143,319	96.2%	<div><div></div></div>
LGIP Rate Investments	0.30%	2.56%	2.26%	<div><div></div></div>
Non-LGIP Investments	0.30%	1.35%	1.05%	<div><div></div></div>

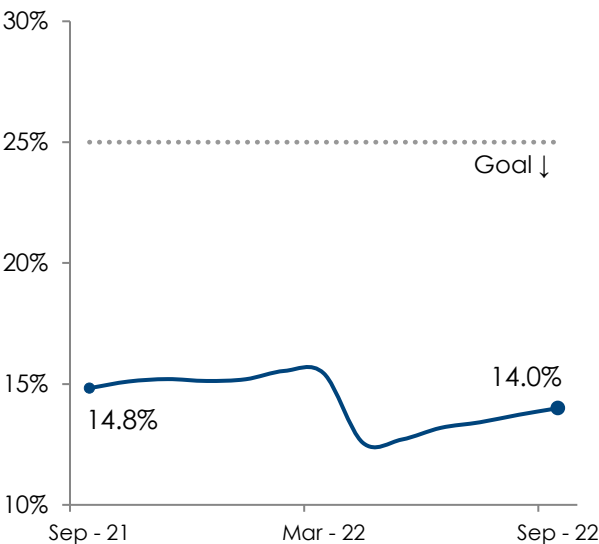
Housing Management

	Scope	Target	Sept '22	
Public Housing Occupancy ²	3,766 units	98.0%	98.6%	<div><div></div></div>
Local Programs Occupancy	8,715 units	96.5%	98.5%	<div><div></div></div>
Total Units Online ³	12,481 units	11,105	12,481	<div><div></div></div>

Housing Choice Voucher Program Operations

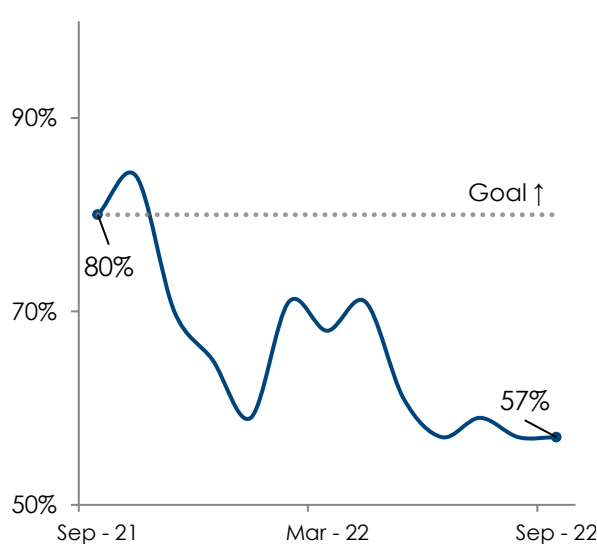
Shelter Burden

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



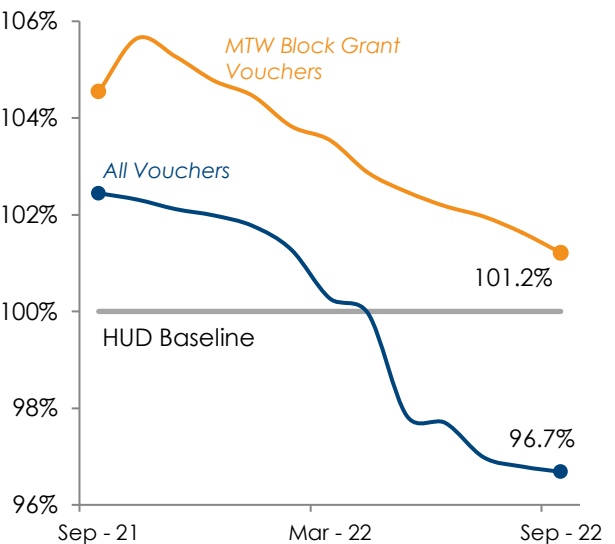
Shopping Success⁴

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



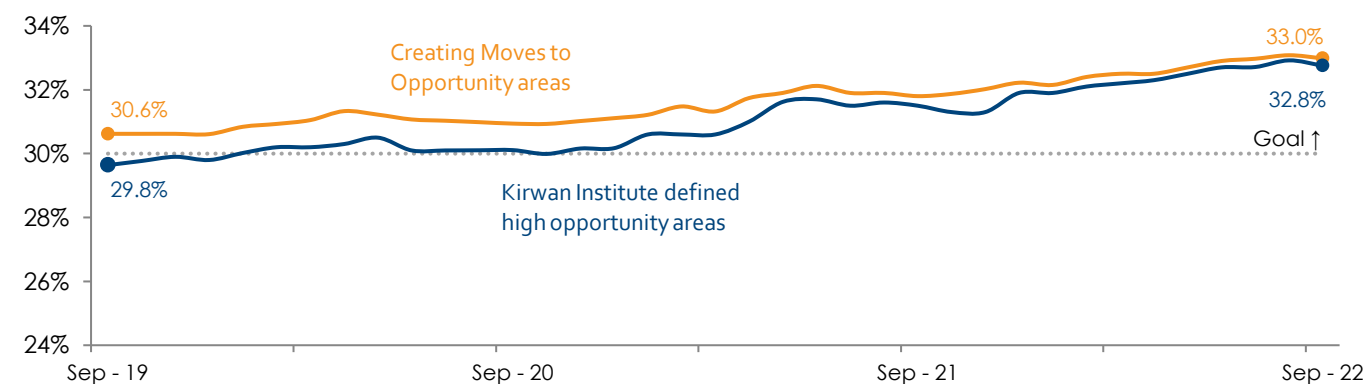
Utilization Rate⁵

Percentage of HUD ACC leased by month.



Increasing Access to Opportunity Areas

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



Notes

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

T A B N U M B E R

9



To: Board of Commissioners

From: Windy K. Epps, Director of Finance

Date: December 6, 2022

Re: **Financial results through September 2022**

EXECUTIVE SUMMARY

Combined Operations (excluding development activity)

Third-quarter 2022 financial performance for KCHA, excluding development activities, far outpaced budget projections. Net Operating Cash Flows were \$39.9 million, exceeding the annual budget by \$7.1 million or 21.7%. The Federal Programs and Properties drove 51% of this increase, surpassing annual projections by \$3.6 million. The Local Programs and Properties were greater than the annual budget by \$3.5 million.

**Summary of Operating Cash Flows by Program
Through September 30, 2022**

	2022 YTD Actual	2022 Annual Budget	% of Annual Budget
<i>Federal Programs and Properties</i>			
MTW ⁽¹⁾	\$18,816,358	\$17,265,797	109.0%
HCV	(8,432,265)	(6,703,497)	125.8%
Public Housing ⁽¹⁾	(2,284,693)	(4,068,564)	56.2%
Other Federal	1,433,387	(634,566)	NM
	<u>\$9,532,787</u>	<u>\$5,859,170</u>	162.7%
<i>Local Programs and Properties</i>			
Asset Management/Other ⁽²⁾	\$32,241,941	\$29,752,855	108.4%
Other Housing Management ⁽²⁾	5,930,743	9,091,334	65.2%
COCC ⁽²⁾	(7,757,196)	(11,891,010)	65.2%
	<u>\$30,415,488</u>	<u>\$26,953,179</u>	112.8%
COMBINED	<u><u>\$39,948,276</u></u>	<u><u>\$32,812,350</u></u>	121.7%

- 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 annual budget through the third 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 prorated. 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 an increase in tenant revenue from the acquisition of new properties; refinancing of the Key Bank 2013 Pool, resulting in no principal payments during 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 was three times greater than the annual budget or \$516 thousand due to higher Greenbridge lot sales price participation and the PSE weatherization rebate for Abbey Ridge. Operating expenses were 55.2% of the annual budget, or lower by \$753 thousand 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 third quarter.

Agency Liquidity

At the end of the quarter, cash balances remained solid with \$126.6 million in unrestricted cash and cash held by management agents, \$101.1 million in designated cash, and \$38.9 million in restricted cash.

Development's ending cash balances were \$8.4 million in unrestricted cash and \$26.0 million in restricted cash.

THIRD-QUARTER HIGHLIGHTS

The KCHA Board passed a resolution to allow KCHA to form a limited liability partnership in connection with the acquisition, rehabilitation, construction, equipping, and operation of the Kirkland Heights Apartments. The redevelopment will include the rehabilitation of all 180 of the existing units and will add approximately 96 new multifamily affordable housing units.

Tenant accounts receivable for the workforce housing program were \$3.16 million or 29.51% of scheduled rents at the end of September. In comparison, past due rents totaled \$1.2 million at the end of the third quarter in 2020 and were only 13.67% of scheduled rents.

Delinquencies outstanding by more than 90 days for KCHA-managed properties have also dropped significantly since last year to \$136 thousand. However, this amount is up slightly from \$115 thousand last quarter, and \$777 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.

During the third quarter, the Greenbridge department had several concurrent development projects. Conner Homes sold three homes at Division 8. The team reviewed options for building additional new homes at the South border of Greenbridge. Also, a preliminary study for the Notch development options were started.

Third-Quarter 2022 Financial Report
December 19, 2022, Board Meeting

OPERATION OF FEDERAL PROGRAMS AND PROPERTIES

FEDERAL PROGRAMS			
Through September 30, 2022			
	2022 YTD Actual	2022 Annual Budget	% of Annual Budget
Combined Federal			
Operating Cash Flow	\$9,532,787	\$5,859,170	162.7%
Other Changes in Cash	(15,250,794)	(3,540,392)	430.8%
Change in Unrestr/Prog Cash	<u>(\$5,718,006)</u>	<u>\$2,318,778</u>	NM
MTW	2022 YTD Actual	2022 Annual Budget	
Operating Cash Flow	\$18,816,358	\$17,265,797	109.0%
Transfer to PH for Ops	(2,980,095)	(5,059,562)	58.9%
Other Changes in Cash	(23,326,446)	(11,049,657)	211.1%
Change in Unrestr/Prog Cash	<u>(\$7,490,184)</u>	<u>\$1,156,579</u>	NM
HCV	2022 YTD Actual	2022 Annual Budget	
Operating Cash Flow	(\$8,432,265)	(\$6,703,497)	125.8%
Transfer from MTW for Ops	150,006	1,000,000	15.0%
Other Changes in Cash	2,083,768	4,510,514	46.2%
Change in Unrestr/Prog Cash	<u>(\$6,198,491)</u>	<u>(\$1,192,983)</u>	519.6%
Public Housing	2022 YTD Actual	2022 Annual Budget	
Operating Cash Flow ⁽¹⁾	(\$2,284,693)	(\$4,068,564)	56.2%
Transfer from MTW for Ops	2,764,307	4,758,128	58.1%
Other Changes in Cash	(37,380)	(742,422)	5.0%
Change in Unrestr/Prog Cash	<u>\$442,235</u>	<u>(\$52,858)</u>	NM
Other Federal	2022 YTD Actual	2022 Annual Budget	
Operating Cash Flow	\$1,433,387	(\$634,566)	NM
Transfer from MTW for Ops	482,449	656,979	73.4%
Other Changes in Cash	5,612,598	2,385,628	235.3%
Change in Unrestr/Prog Cash	<u>\$7,528,434</u>	<u>\$2,408,041</u>	312.6%

Increase in Block Grant receivable; offset by an increase in Block Grant revenue and less transfers to HCV for HAP and PH for operations.

Less SPV revenue, greater EHV HAP expense, and timing of release of EHV restricted cash.

Fewer operating costs and higher Op Sub from better than anticipated prorate; offset by lower tenant revenue and timing of receipt of CFP management fee.

Reverl of MTW internal loan, Seola Crossing's and Salmon Creeks' exit from TCP and blending to KCHA, offset by less cash released from technology reserve.

⁽¹⁾ Without transfers from MTW to support operations

MTW Program

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

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

HCV Block Grant revenue 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 2.5%. Funding of Section 8 administrative costs were under budget by \$1.2 million, primarily due to fewer unit months than budgeted.

<i>(In thousands of dollars)</i>	2022 YTD Actual	2022 Annual Budget	% of Annual Budget	
HCV Block Grant Revenue	\$132,224.4	\$175,632.5	75.3%	
Funding of HAP Payments to Landlords	(99,586.5)	(137,119.7)	72.6%	(1)
Funding of Section 8 Administrative Costs	(7,085.0) ⁽¹⁾	(11,099.2)	63.8%	(2)
Excess of HCV Block Grant Funding over Expenses	<u>\$ 25,552.9</u>	<u>\$ 27,413.5</u>	<u>93.2%</u>	

1) HAP payments have been less than planned through the third quarter.

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 third quarter, transfers were under budget by \$814 thousand, or 21.5% Transfers to tax-credit-owned Public Housing properties were made as planned.

<i>(In thousands of dollars)</i>	2022 YTD Actual	2022 Annual Budget	% of Annual Budget	
Transfers to PH AMPs Based on Need	(\$2,980.1)	(\$5,059.6)	58.9%	(1)
Net Flow of Cash(from)/to MTW from/(to) PH	<u>(\$2,980.1)</u>	<u>(\$5,059.6)</u>	<u>58.9%</u>	

1) Subsidy transfers from MTW to public housing undertarget as transfers are based on the actual needs of the properties.

3. Expenditures for homeless and resident service programs

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

<i>(In thousands of dollars)</i>	2022 YTD Actual	2022 Annual Budget	% of Annual Budget	
Public Housing Subsidy earmarked for resident services	\$385.2	\$480.4	80.2%	(1)
Homeless Initiatives	(1,314.9)	(2,620.8)	50.2%	(2)
Resident Services	(3,767.4)	(5,069.5)	74.3%	
Use of MTW Funds for Special Programs	<u>(\$4,697.1)</u>	<u>(\$7,209.9)</u>	<u>65.1%</u>	

- 1) Amount of Public Housing operating subsidy earmarked for resident services was greater than anticipated due to a favorable prorate.
- 2) 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:

<i>(In thousands of dollars)</i>	2022 YTD Actual	2022 Annual Budget	% of Annual Budget	
Construction Activity & Management Fees	\$5,395.5	\$4,809.4	112.2%	(1)
Green River and Birch Creek debt payments	1,014.2	3,553.0	28.5%	(2)
Misc. Other Uses	741.4	4,343.8	17.1%	(3)
	<u>\$7,151.1</u>	<u>\$12,706.2</u>	<u>56.3%</u>	

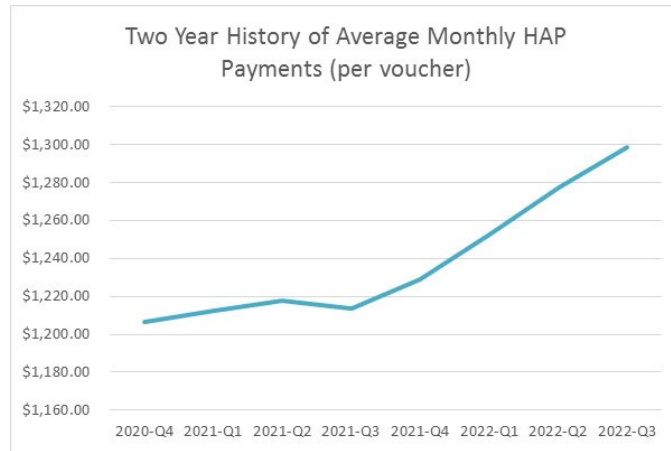
- 1) Mainly due to unbudgeted funding of MKCRF capital projects and higher than projected unit upgrade funding.
- 2) The budget includes transfers from MTW for Green River and Birch Creek debt payments. The transfer for Birch Creek will occur later in the year. However, the Green River loan was paid 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 third quarter of 2022, totaling \$986 thousand, were 0.74% of gross program revenues. This amount is lower than expected at 60% of the annual budget due to unfilled positions.

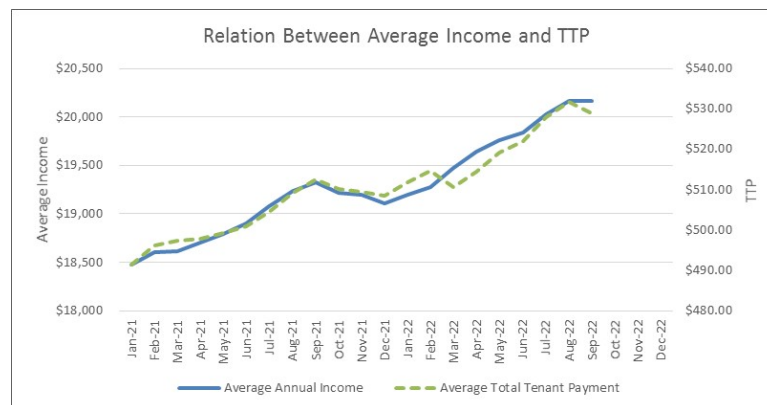
Housing Choice Vouchers

During the third quarter, HCV HAP expense from all programs (excluding ports-in) were \$237 thousand lower than budget expectations, or 0.5%, due to lower HAP for the block grant and special purpose vouchers, offset by the Emergency Housing Vouchers. Compared to the third quarter of 2021, total HAP expense climbed by \$5.3 million or 13.4%. The HCV program was an aggregated 179 unit months under target for the quarter, a variance of 0.5%, and the average HAP payment per voucher was \$0.15 lower than budget estimates. The average quarterly HAP payment to landlords for all HCV vouchers was \$2,296.23, compared to \$1,273.28 last quarter and \$1,202.25 one year ago.



KCHA's average Block Grant HAP payments have increased during the third quarter, rising \$18.99 from \$1,272.38 to \$1,291.36, or 1.5%. The block grant average per unit cost for the third quarter was lower than the budget by \$10.05.

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 \$529.56, up slightly from the average of \$518.54 for the previous quarter and up from \$508.74 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.



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Public Housing

The net change in unrestricted cash was better than the annual budget by \$495 thousand. The primary drivers for this variance were lower operating costs and a better than anticipated prorate. The budget assumed an estimated prorate of 92.0%, while the interim prorate through September was 104.3%.

Other Federal

The change in unrestricted and program cash for the Other Federal programs through the third quarter was primarily impacted by the reversal of an internal loan to MTW, Seola Crossing's and Salmon Creeks' exit from the TCP and blending to KCHA, and fewer draws from the technology reserve that was set up in 2021 to fund the Housing Management Software conversion.

OPERATION OF LOCAL PROGRAMS AND PROPERTIES

LOCAL PROGRAMS Through September 30, 2022				
	2022 YTD Actual	2022 Annual Budget		
Combined Local				
Operating Cash Flow	\$30,415,488	\$26,953,179	112.8%	
Other Changes in Cash	(13,008,167)	(29,603,761)	43.9%	
Change in Unrestr/Prog Cash	<u>\$17,407,322</u>	<u>(\$2,650,582)</u>	NM	
Asset Management/Other				
Operating Cash Flow	\$32,241,941	\$29,752,855	108.4%	Tenant rents from new properties, lower principal payments and capital expenditures; offset by an increase in debt service reserves and restricted deposits.
Excess Cash to COCC	(5,965,000)	(10,860,000)	54.9%	
Other Changes in Cash	(11,052,644)	(14,772,740)	74.8%	
Change in Unrestr/Prog Cash	<u>\$15,224,297</u>	<u>\$4,120,115</u>	369.5%	
Other Housing Management				
Operating Cash Flow	\$5,930,743	\$9,091,334	65.2%	Less spending on MKCRF capital projects. Less seasonal and periodic contracts. Also, less principal payment on Birch Creek debt from net cash flow.
Excess Cash to COCC	(2,545,000)	(3,700,000)	68.8%	
Other Changes in Cash	633,847	(1,240,664)	NM	
Change in Unrestr/Prog Cash	<u>\$4,019,591</u>	<u>\$4,150,669</u>	96.8%	
COCC				
Operating Cash Flow ⁽¹⁾	(\$7,757,196)	(\$11,891,010)	65.2%	Delay in predevelopment loans from COCC and less administrative costs; offset by less excess cash transfer from bond properties.
Excess Cash from Properties	8,510,000	14,560,000	58.4%	
Other Changes in Cash	(2,589,370)	(13,590,357)	19.1%	
Change in Unrestr/Prog Cash	<u>(\$1,836,566)</u>	<u>(\$10,921,366)</u>	16.8%	

⁽¹⁾ Without transfers of excess cash to support operations

Asset Management/Other

Operating Cash Flow through the third quarter for Asset Management exceeded the annual budget by \$2.5 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 from the Transit Oriented Development loan from King County that was deposited into the Riverstone replacement reserve account for future projects, \$11.7 million for the 2020 and 2021 Bond Pool debt payment were deposited into debt service reserves. These amounts were offset by lower capital expenditures.

Other Housing Management

Net increase in unrestricted cash for Other Housing Management Programs was at 96% of the annual budget 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, lower principal payment on Birch Creek debt from net cash flow.

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.

COCC	2022 YTD Actual	2022 Annual Budget	% of Annual Budget
Other Operating Income	\$ 11,326,046	\$ 14,981,988	75.6%
Salaries	(10,781,997)	(13,814,617)	78.0%
Benefits	(3,422,936)	(4,545,421)	75.3%
Occupancy Expenses	(220,713)	(342,692)	64.4%
Other Social Service Expenses	(353)	(150,000)	0.2%
Administrative Expenses	(3,495,482)	(6,026,646)	58.0%
Total Operating Costs	(17,921,481)	(24,879,377)	72.0%
Total Operating Income before P & I	(6,595,435)	(9,897,389)	66.6%
Principal Payments	(675,000)	(1,195,119)	56.5%
Interest Payments	(486,761)	(798,501)	61.0%
Operating Cash Flow	\$ (7,757,196)	\$ (11,891,010)	65.2%

Third-Quarter 2022 Financial Report
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CAPITAL INVESTMENTS (Including tax credit partnerships)

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

	Actuals Thru 09/30/2022	Budget Thru 09/30/2022	YTD Variance	Percent of Annual Budget	2022 Annual Budget
CONSTRUCTION ACTIVITIES					
<i>Managed by Capital Construction Department</i>					
Public Housing	\$4,692,843	\$5,856,167	(\$1,163,324) (1)	68.8%	\$6,824,333
509 Properties	3,400,450	3,785,494	(385,044) (2)	86.6%	3,924,728
Other Properties	958,676	1,444,067	(485,391) (3)	51.4%	1,864,153
	9,051,969	11,085,728	(2,033,759)	71.8%	12,613,214
<i>Managed by Housing Management Department</i>					
Unit Upgrade Program	3,632,987	2,888,922	744,065 (4)	94.3%	3,851,896
Energy Performance Contract	216	-	216	N/A	-
Other Projects	139,372	-	139,372	N/A	-
	3,772,575	2,888,922	883,653	97.9%	3,851,896
<i>Managed by Asset Management Department</i>					
Homeownership Projects-Managed by Internal staff	1,177,292	5,666,843	(4,489,551) (5)	18.0%	6,543,068
Bond Properties-Projects Managed by Internal Staff	312,944	-	312,944 (6)	N/A	-
	1,490,236	5,666,843	(4,176,607)	22.8%	6,543,068
Subtotal Construction Activities	14,314,780	19,641,493	(5,326,713)	62.2%	23,008,178
DEVELOPMENT ACTIVITY					
<i>Managed by Hope VI Department</i>					
Greenbridge	(395,218)	-	(395,218)	N/A	-
Notch	6,574	147,137	(140,563)	3.4%	193,697
	(388,644)	147,137	(535,781)	3.4%	193,697
<i>Managed by Asset Management Department</i>					
Bellevue Manor	422,315	20,000	402,315 (7)	2111.6%	20,000
	422,315	20,000	402,315	2111.6%	20,000
<i>Managed by Development Department</i>					
Other Projects	2,335,088	5,926,200	(3,591,112) (8)	35.7%	6,550,000
	2,335,088	5,926,200	(3,591,112)	35.7%	6,550,000
Subtotal Development Activity	2,368,759	6,093,337	(3,329,360)	35.0%	6,763,697
TOTAL CONSTRUCTION & DEVELOPMENT	\$ 16,683,539	\$25,734,830	(\$8,656,073)	56.0%	\$29,771,875
PROPERTY ACQUISITIONS & OTHER ASSETS					
Acquisitions-Salmon Creek	15,451,045 (9)				
Acquisitions-Seola Crossing	24,653,438 (9)				
Other adjustments	1,361,412				
TOTAL PER CASH RECONCILIATION REPORT	\$ 58,149,433				

- 1) Gustaves Envelope and Mardi Gras Roof and Waste Lines projects had delayed starts resulting lower than budget capital expenditures.
- 2) 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.
- 3) The Capital Construction department budgeted a placeholder for Architecture and Engineering project costs. This is partially offset by unbudgeted capital needs assessment Initiative costs.
- 4) Unit upgrade are budgeted evenly throughout the year but actual upgrades depend on units availability.
- 5) The Rainier View Site Improvement project is on hold due to a permit delay from the City. 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 fourth quarter. The Meadowbrook Elevator project was started late but expected to be completed by year-end.
- 6) 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.
- 7) Mainly due to interest on the Bellevue Manor subordinate loan, which was capitalized to the project.
- 8) The Kirkland Heights development is expected to catch up with projections by the end of the fourth 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.
- 9) KCHA acquired the investor's interest in Seola Crossing and Salmon Creek.

CASH AND INVESTMENT SUMMARY

KCHA cash balances, excluding development activities, increased by \$11.6 million since the beginning of the year, with most of the change occurring in the workforce housing portfolio. Designated cash increased by \$6.6 million due to voluntary deposits to replacement reserves. Restricted cash increased by \$1.8 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 2.0%, increasing 97 basis points since last quarter. The average interest rate of the Washington State Treasurer's Local Government Investment Pool (LGIP) for the quarter was 2.14%. Total investment returns for the quarter were greater than the budget at \$3.8 million against a projected return of \$2.7 million.

Investment Summary (in millions) as of September 30, 2022

	Amount	Yield	% of Total
Invested in the Local Government Investment Pool & Masterfund	\$178.9	2.56%	56.1%
Invested by KCHA	67.4	1.35%	21.2%
Cash held by trustees	24.6	0.02% *	7.7%
Cash held in checking and savings accounts	30.2	0.02% *	9.5%
Invested by KCHA	\$301.0	1.84%	94.5%
Cash loaned for low income housing & EPC project purposes	17.6	4.95%	5.5%
Loaned by KCHA	17.6	4.95%	5.5%
Total	\$318.6	2.00%	100.0%

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

	2022 Actual
Cash-Unrestricted	\$96,199,214
Cash-Held by Management Agent	30,394,652
Cash-Designated	101,107,249
Cash-Restricted	38,931,461
Total Cash	266,632,575
Other Current Assets	91,420,881
Long-term Assets	1,782,758,704
Total Other Assets	1,874,179,585
Total Assets	\$2,140,812,160
Current Liabilities	124,511,428
Long-Term Liabilities	1,187,991,859
Total Liabilities	1,312,503,287
Equity	828,308,874
Total Liabilities and Equity	\$2,140,812,160

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

	2022 YTD Actual	2022 Annual Budget	% of Annual Budget
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	\$114,904,550		
Beginning Cash Balance-Designated	94,470,038		
Beginning Cash Balance-Restricted	28,070,222		
Total Beginning Resources	\$237,444,809		
Tenant Revenue	\$116,997,729	\$149,824,074	78.09%
Operating Subsidy from HUD-HCV	154,366,752	212,040,804	72.80%
Operating Subsidy from HUD-PH	10,071,089	12,274,385	82.05%
Port-In Income	38,816,423	52,549,155	73.87%
Other Operating Income	25,143,878	36,056,069	69.74%
Total Operating Income	345,395,871	462,744,487	74.64%
Salaries	(35,230,923)	(47,853,175)	73.62%
Benefits	(11,706,755)	(16,670,368)	70.22%
Occupancy Expenses	(25,834,227)	(38,018,611)	67.95%
Maintenance Projects	0	0	NM
HAP Expense-KCHA	(128,338,830)	(176,487,539)	72.72%
HAP Expense-Ports In	(38,536,673)	(52,549,155)	73.33%
Other Social Service Expenses	(9,032,635)	(15,755,048)	57.33%
Administrative Expenses	(19,463,276)	(28,702,466)	67.81%
Total Operating Expenses	(268,143,319)	(376,036,362)	71.31%
Total Operating Income before P & I	77,252,552	86,708,125	89.09%
Principal Payments	(11,728,853)	(23,732,819)	49.42%
Interest Payments	(25,575,423)	(30,162,956)	84.79%
Operating Cash Flow	39,948,276	32,812,350	121.75%
Non-Operating income	10,114,069	16,104,672	62.80%
Non-Operating Expenses	(2,408,708)	(5,477,708)	43.97%
Capital Expenditures	(22,495,350)	(44,539,722)	50.51%
Acquisitions/LIHTC Return to KCHA	(39,074,308)	0	NM
Change in Designated Cash	(6,637,211)	160,537	NM
Change in Restricted Cash	(10,861,239)	6,341,206	NM
Transfers In/Out	(851,594)	(2,150,266)	39.60%
Other Changes in Debt	24,520,595	0	NM
Others Sources/(Uses of Cash)	19,434,786	(3,582,872)	NM
Non Operating Net Sources (Uses) of Cash	(28,258,960)	(33,144,153)	85.26%
Net Change in Unrestricted Cash	\$11,689,315	(\$331,803)	NM
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	\$126,593,865		
Ending Cash Balance-Designated	101,107,248.78		
Ending Cash Balance-Restricted	38,931,460.79		
Total Ending Resources	\$266,632,575		

SUMMARY: Operating Cash Flow through the third quarter was strong with operating cash flow exceeding the annual budget by 21.7% with income close to budget and costs over performing projections.

Operating Income was close to expectation at 74.6% of the annual budget.

Operating Expenses were below target at 71.3% of the annual budget, which was consistent between the Federal and Local programs.

Non Operating Net Sources (Uses) of Cash were over budget at 85.3% of the annual budget resulting from the Federal programs and slightly offset by the local programs. See the Federal and Local summaries for more details.

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

	2022 YTD Actual	2022 Annual Budget	% of Annual Budget
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	9,251,453	12,663,168	73.06%
Operating Subsidy from HUD-HCV	154,045,868	211,650,968	72.78%
Operating Subsidy from HUD-PH	10,071,089	12,274,385	82.05%
Port-In Income	38,816,423	52,549,155	73.87%
Other Operating Income	5,660,174	8,593,875	65.86%
Total Operating Income	217,845,007	297,731,551	73.17%
Salaries	(13,139,689)	(18,711,884)	70.22%
Benefits	(4,752,260)	(7,075,852)	67.16%
Occupancy Expenses	(6,817,431)	(10,496,142)	64.95%
Maintenance Projects	-	-	NM
HAP Expense-KCHA	(128,338,830)	(176,487,539)	72.72%
HAP Expense-Ports In	(38,536,673)	(52,549,155)	73.33%
Other Social Service Expenses	(5,566,245)	(10,662,739)	52.20%
Administrative Expenses	(7,503,855)	(11,207,934)	66.95%
Total Operating Expenses	(204,654,982)	(287,191,244)	71.26%
Total Operating Income before P & I	13,190,025	10,540,307	125.14%
Principal Payments	(175,000)	(455,000)	38.46%
Interest Payments	(3,482,238)	(4,226,136)	82.40%
Operating Cash Flow	9,532,787	5,859,170	162.70%
Non-Operating income	5,722,104	10,692,914	53.51%
Non-Operating Expenses	(226,406)	0	NM
Capital Expenditures	(8,381,479)	(14,028,282)	59.75%
Acquisitions/LIHTC Return to KCHA	(39,074,308)	0	NM
Change in Designated Cash	(1,763,806)	2,029,723	NM
Change in Restricted Cash	2,315,249	6,296,506	36.77%
Transfers In/Out	(3,778,747)	(7,156,057)	52.80%
Other Changes in Debt	24,520,595	0	NM
Others Sources/(Uses of Cash)	5,416,004	(1,375,196)	NM
Non Operating Net Sources (Uses) of Cash	(15,250,794)	(3,540,392)	430.77%
Net Change in Unrestricted Cash	(5,718,006)	2,318,778	NM
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	20,779,329		
Ending Cash Balance-Designated	10,709,871		
Ending Cash Balance-Restricted	9,935,806		
Total Ending Resources	41,425,006		

SUMMARY: Operating Cash Flow through the third quarter was strong with operating cash flow exceeding the annual budget by 62.7% with income close to budget and various operating costs coming in under projections.

Operating Income was close to budget projections at 73.2% of the annual budget.

Operating Expenses were below expectations at 71.3% of the annual budget. Lower costs in all categories contributed to the variance, including: Salaries and Benefits, Occupancy, HAP, and Other Social Service expenses.

Non Operating Net Sources (Uses) of Cash reflected an decrease of \$15.2 million mainly due to an increase in net capital assets from blending Seola Crossing and Salmon Creek into KCHA, offset by a net increase in block grant receivable.

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

	2022 YTD Actual	2022 Annual Budget	% of Annual Budget
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	88,407,215		
Beginning Cash Balance-Designated	85,523,972		
Beginning Cash Balance-Restricted	15,819,167		
Total Beginning Resources	189,750,354		
Tenant Revenue	107,746,275	137,160,906	78.55%
Operating Subsidy from HUD-HCV	320,884	389,836	82.31%
Operating Subsidy from HUD-PH	-	-	NM
Port-In Income	-	-	NM
Other Operating Income	19,483,705	27,462,195	70.95%
Total Operating Income	127,550,864	165,012,936	77.30%
Salaries	(22,091,234)	(29,141,291)	75.81%
Benefits	(6,954,495)	(9,594,517)	72.48%
Occupancy Expenses	(19,016,796)	(27,522,469)	69.10%
Maintenance Projects	-	-	NM
HAP Expense-KCHA	-	-	NM
HAP Expense-Ports In	-	-	NM
Other Social Service Expenses	(3,466,391)	(5,092,309)	68.07%
Administrative Expenses	(11,959,421)	(17,494,532)	68.36%
Total Operating Expenses	(63,488,338)	(88,845,118)	71.46%
Total Operating Income before P & I	64,062,527	76,167,818	84.11%
Principal Payments	(11,553,853)	(23,277,819)	49.63%
Interest Payments	(22,093,185)	(25,936,820)	85.18%
Operating Cash Flow	30,415,488	26,953,179	112.85%
Non-Operating income	4,391,965	5,411,758	81.16%
Non-Operating Expenses	(2,182,302)	(5,477,708)	39.84%
Capital Expenditures	(14,113,871)	(30,511,440)	46.26%
Acquisitions/LIHTC Return to KCHA	-	-	NM
Change in Designated Cash	(4,873,406)	(1,869,186)	260.72%
Change in Restricted Cash	(13,176,488)	44,700	NM
Transfers In/Out	2,927,154	5,005,791	58.48%
Other Changes in Debt	-	-	NM
Others Sources/(Uses of Cash)	14,018,782	(2,207,676)	NM
Non Operating Net Sources (Uses) of Cash	(13,008,167)	(29,603,761)	43.94%
Net Change in Unrestricted Cash	17,407,322	(2,650,582)	NM
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	95,201,876		
Ending Cash Balance-Designated	90,397,378		
Ending Cash Balance-Restricted	28,995,655		
Total Ending Resources	214,594,908		

SUMMARY: Operating Cash Flow through the third quarter was strong with operating cash flow exceeding the annual budget by 12.8% with income close to budget and various operating costs coming in under projections.

Operating Income was close to budget projections at 77.3% of the annual budget.

Operating Expenses were below expectations at 71.5% of the annual budget. Lower costs in all categories contributed to the variance, including: Salaries and Benefits, Occupancy, and Administrative expenses.

Non Operating Net Sources (Uses) of Cash were below expectations at 43.9 % of the annual budget. Contributing to this variance were lower capital and maintenance costs and lower draws on predevelopment loans, which were offset by an increase in deposits to debt service reserves.

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

	2022 Actual
Cash-Unrestricted	\$8,430,356
Cash-Held by Management Agent	0
Cash-Designated	0
Cash-Restricted	25,967,276
Total Cash	34,397,632
Other Current Assets	16,408,213
Long-term Assets	229,075,181
Total Other Assets	245,483,394
Total Assets	\$279,881,026
Current Liabilities	\$2,019,894
Long-Term Liabilities	150,316,977
Total Liabilities	152,336,871
Equity	127,544,154
Total Liabilities and Equity	\$279,881,026

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

	2022 YTD Actual	2022 Annual Budget	% of Annual Budget
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	729,022	212,662	342.8%
Operating Expenses	(927,242)	(1,680,519)	55.2%
Total Operating Income before P & I	(198,220)	(1,467,857)	13.5%
Change in Debt	(7,327,615)	30,815,270	NM
Interest Payments	(1,100,566)	(3,285,688)	33.5%
Non-Operating income	3,240,208	3,115,668	104.0%
Non-Operating Expenses	0	0	NM
Capital Expenditures	(2,407,849)	(75,904,697)	3.2%
Change in Designated Cash	0	0	NM
Change in Restricted Cash	(405,631)	(795,802)	51.0%
Transfers In/Out	841,366	2,150,266	39.1%
Others Sources/(Uses of Cash)	935,513	41,428,928	2.3%
Non Operating Net Sources (Uses) of Cash	(6,224,575)	(2,476,055)	251.4%
Net Change in Unrestricted Cash	(\$6,422,795)	(\$3,943,912)	162.9%
Ending Cash Balance-Unrestricted	\$8,430,356		
Ending Cash Balance-Designated	0		
Ending Cash Balance-Restricted	25,967,276		
Total Ending Resources	\$34,397,632		

SUMMARY: Operating Cash Flow through the third quarter was strong with net outflows at 13.5% of the annual budget as income exceeded projections and operating costs were less than projected.

Operating Income exceeded projections by three times the annual budget due to Greenbridge lot sales price participation and PSE weatherization rebate for Abbey Ridge.

Operating Expenses were below expectations at 55.2% of the annual budget. Lower costs including Salaries and Benefits, and Legal and Professional Services expenses related to new property acquisitions that have yet to occur have largely contributed to this variance.

Non Operating Net Sources (Uses) of Cash exceeded expectations at 251.4 % of the annual budget. Higher draw on Abbey Ridge, Bellevue Manor and Woodland North development subordinate debts contributed to most of the variance.

FINANCIAL DASHBOARD

CORE OPERATING REVENUE SOURCES

Tenant Revenue

	2022 YTD Actual	2022 YTD Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
Public Housing	\$5,859,836	\$6,286,283	(\$2,515,175)	(30.0%)
Local-Asset Management	88,032,896	82,275,593	(21,885,859)	(19.9%)
Local-Housing Management	19,713,380	20,447,959	(7,528,772)	(27.6%)
Other	3,393,904	3,216,217	(894,253)	(20.9%)
	<u>\$117,000,016</u>	<u>\$112,226,053</u>	<u>(\$32,824,058)</u>	<u>(21.9%)</u>

Block Grant

Gross Receipts	\$132,224,382	\$129,089,901	(\$43,408,135)	(24.7%)
Less: Used for HAP	(99,586,500)	(102,111,710)	37,533,246	27.4%
Less: Used for Admin Fees	(7,084,995)	(8,335,858)	4,014,254	36.2%
Available for Other Purposes	<u>\$25,552,887</u>	<u>\$18,642,333</u>	<u>(\$1,860,635)</u>	<u>(6.8%)</u>

Other Core Revenues

Special Purpose Voucher Revenue	\$19,329,966	\$22,232,052	(\$10,218,805)	(34.6%)
HCV Administrative Fee Revenue	9,182,321	10,230,925	(4,676,114)	(33.7%)
Public Housing Operating Fund Subsidy	10,071,089	9,205,789	(2,203,296)	(18.0%)
	<u>\$38,583,376</u>	<u>\$41,668,766</u>	<u>(\$17,098,215)</u>	<u>(30.7%)</u>

CORE OPERATING EXPENSES

	2022 YTD Actual	2022 YTD Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
Salaries and Benefits	\$46,937,678	\$48,412,365	(\$17,585,865)	(27.3%)
Occupancy Expenses	25,834,227	28,481,689	(12,184,384)	(32.0%)
Administrative Expenses	19,463,276	21,545,593	(9,239,190)	(32.2%)
HAP Expenses-Block Grant	99,718,357	102,173,292	(37,483,804)	(27.3%)
HAP Expenses-Special Purpose Vouchers	21,995,151	22,534,245	(8,816,042)	(28.6%)
	<u>\$213,948,689</u>	<u>\$223,147,184</u>	<u>(\$85,309,285)</u>	<u>(28.5%)</u>

CASH REPORT

(Excluding development activities)

	As of September 30, 2022	As of Beginning of Year
<i>Cash Available for General KCHA Use</i>		
Unstricted Cash	\$77,346,043	\$71,600,760
Cash Set-aside but Available for General Use	39,942,784	40,502,860
Total	117,288,827	112,103,620
<i>Cash Designated for Specific Purposes</i>		
Held by Outside Property Management Companies	30,394,652	19,931,123
Replacement Reserves	45,691,749	38,818,474
Other	15,472,715	15,148,704
Total	91,559,116	73,898,301
<i>Cash that Must be Spent Within Specific Programs</i>		
Federal	19,024,391	27,829,502
Local	(171,220)	129,130
Total	18,853,171	27,958,632
<i>Cash that is Legally Restricted for Specific Purposes</i>		
Federal	9,935,806	8,873,105
Local	28,995,655	17,252,576
	38,931,461	26,125,681
TOTAL CASH	\$266,632,575	\$240,086,234

S & P RATIOS (Estimates)

EBITDA* as a % of Operating Revenue

22.9%

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

Best ←————→ Worst

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

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

6.1

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

Best ←————→ Worst

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

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

Ratio of Outstanding Debt to EBITDA* **10.40**

Ratio of EBITDA* to Annual Interest Payments **4.17**

Ratio of EBITDA* to Annual Interest Payments

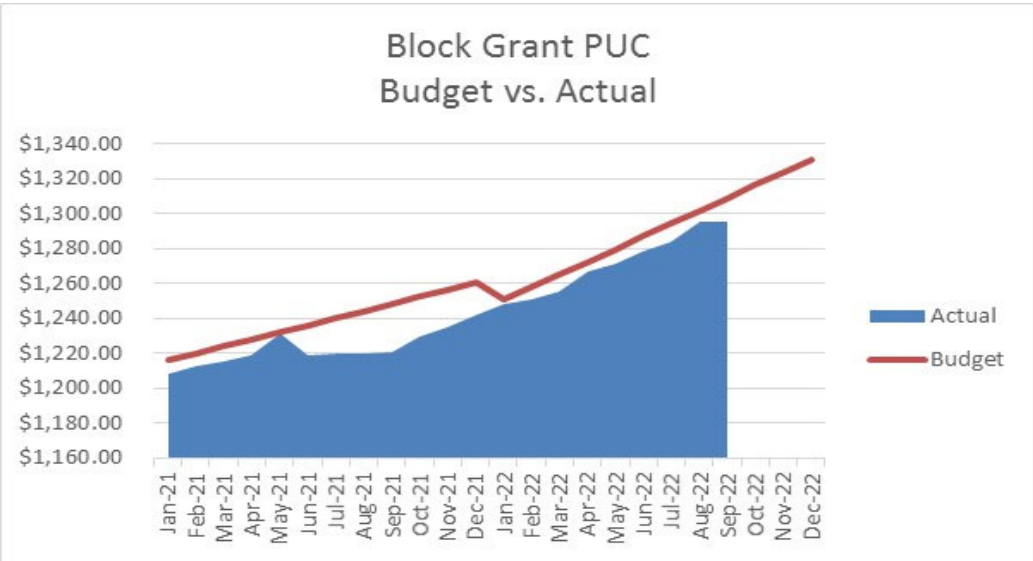
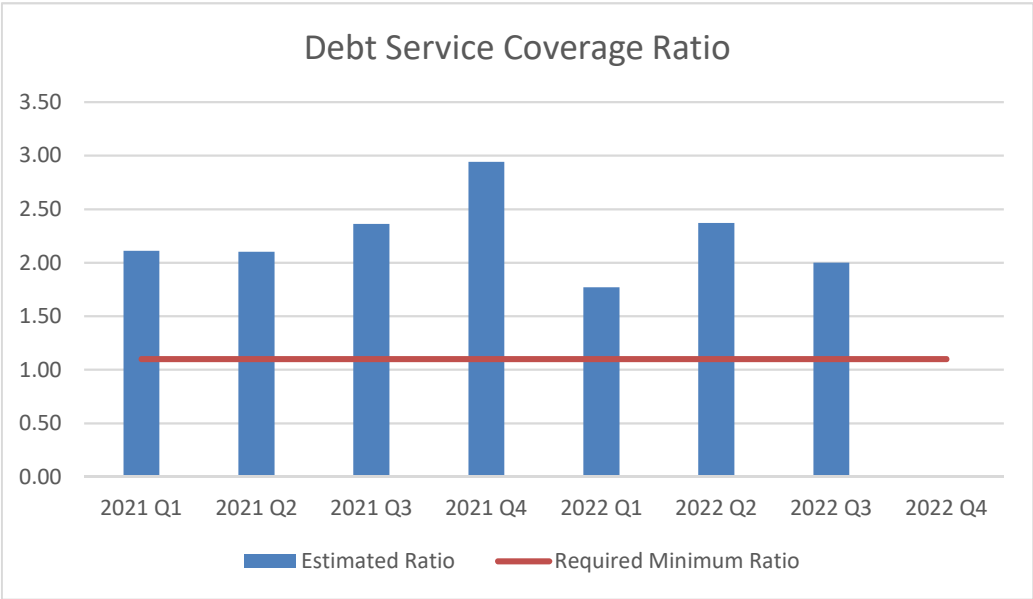
	>2.5	1.75 to 2.5	1.25 to 1.75	1.00 to 1.25	0.75 to 1.00	<0.75	
<10							Best
10 to 15	2						↑
15 to 20							↓
>20							Worst

Best ←————→ Worst

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

* Earnings Before Interest, Taxes, Depreciation and Amortization

OTHER KEY METRICS



T A B N U M B E R

10



To: Board of Commissioners

From: Tonya Harlan, Director, Human Resources
S. Scarleth Lever Ortiz, Senior Director, Office of Equity, Diversity,
Inclusion & Belonging (EDIB)

Date: December 8, 2022

Re: HR & Office of EDIB December 2022 Updates

In 2022, the Office of Equity, Diversity, Inclusion and Belonging (EDIB), in collaboration with the Race, Equity, Diversity and Inclusion (REDI) Employee Resource Group (ERG) completed a REDI self-assessment (facilitated by Greatheart Consulting), commemorated 9 heritage months via virtual Courageous Spaces events (see Exhibit A) and administered an agency-wide Courageous Spaces survey. In our brief presentation, we will highlight lessons learned and survey results. We will also provide a progress updates related to the Office of EDIB priorities:

1. Publish EDIB definitions
2. Release Annual EDIB report
3. Operationalize Section 3

In addition, we will share highlights from 2022 training and professional development offerings including a summary of the agency-wide administration of Inclusion Now, a behavior-based training program aimed to address today's issues and underscores the business imperatives for leveraging the cultural backgrounds, personal characteristics, and unique experiences of all employees to truly promote and benefit from an inclusive workplace. In 2022 KCHA partnered with Greatheart Consulting, Pacific Educational Group, LinkedIn Learning, Employment Learning Innovations (ELI), Archbright and Tactical Training Academy to continue to enhance the employee experience.

Finally, for your reference, the final Indigenous Heritage Month presentation has been included in Exhibit B.



Last Update: 12/8/2022

December 2022 Updates

BOARD OF COMMISSIONERS
DECEMBER 19, 2022 MEETING

**Office of Equity, Diversity, Inclusion, &
Belonging**

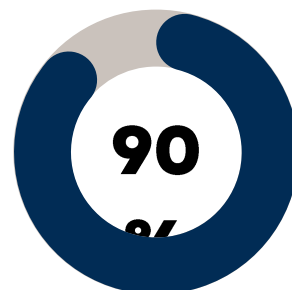
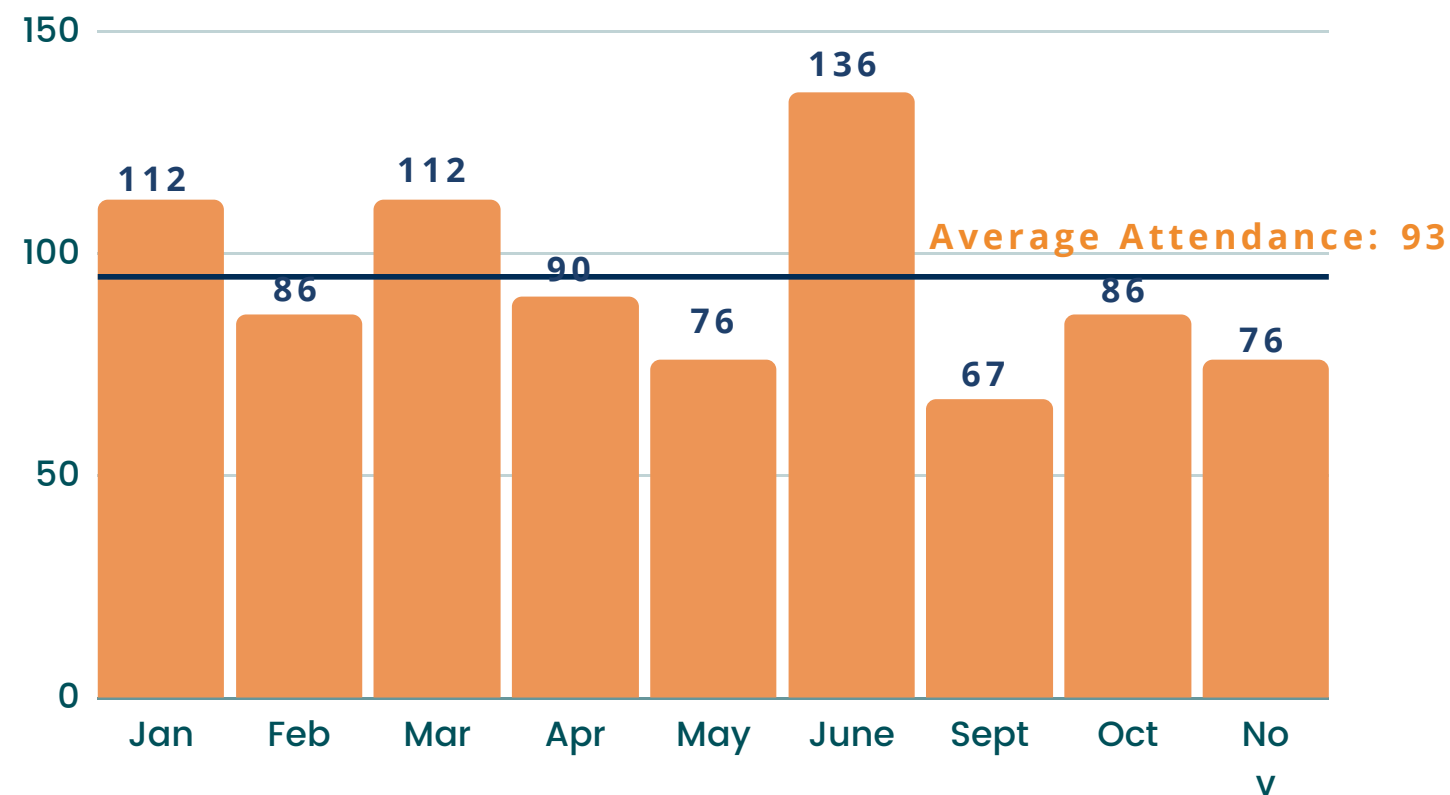
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- 02. Courageous Spaces Report
- 03. Training & Professional Development Highlights
- 04. HR Learning & Development: Inclusion Now
- 05. Current Priorities
- 06. Acknowledgments

COURAGEOUS SPACES REPORT

Attendance Numbers by Month



of our dollars spent on Courageous Spaces or \$854.21 went to supporting local minority-owned businesses in 2022

LESSONS LEARNED

1. EXPANDING ENGAGEMENT

Continue to revise strategies to increase engagement and accessibility with the use of data tracking tools.

2. ADAPTING TO NEEDS

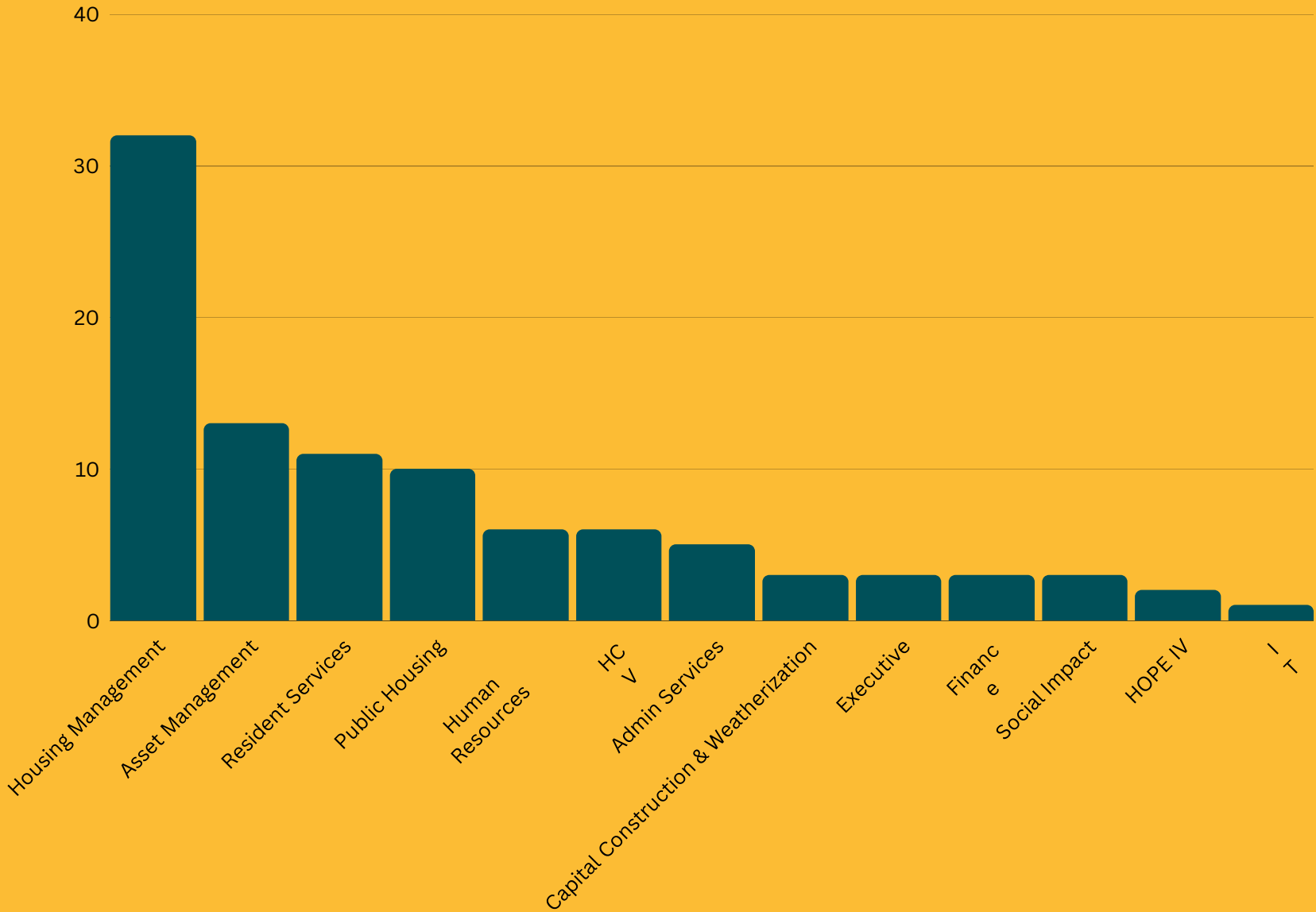
Continue to tailor offerings to the diverse needs of KCHA staff in alignment with strategic goals.

3. SUPPORTING LOCAL BUSINESSES

Continue to support local, minority-owned businesses whenever possible.

COURAGEOUS SPACES SURVEY RESULTS

Responses by Department



*Departments not represented in this chart had zero (0) respondents



Response Rate

20% of KCHA staff (90 responses total) responded to the Courageous Spaces Survey.



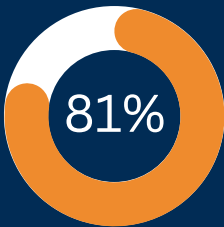
Barriers to Attendance

The majority of respondents (36%) said that Date & Time was the biggest barrier to attending Courageous Spaces



Event Format

Majority of respondents (85%) indicated that they prefer attending virtually over in-person.



Attendance

81% of survey respondents have attended a Courageous Spaces event in the past.

2022 TRAINING & PROFESSIONAL DEVELOPEMENT HIGHLIGHTS



- ELT and Senior Staff
 - Executive Coaching
 - Inclusive Leadership Assessments



- Agenc-wide
 - Self-Directed Modules



- Agency-wide
 - Managing for Hybrid Leadership
 - Change Management



Pacific Educational Group

- HR, REDI and Office of EDIB
 - Courageous Conversations About Race Practitioner's Certification
- ELT, HR and Office of EDIB
 - Courageous Conversations: Beyond Diversity 2-Day Training



Employment Learning Innovations

- Agency-wide
 - Civil Treatment
 - Inclusion Now



Tactical Technical Academy

- Agency-wide
 - Workplace Prevention Training

Inclusion Now!

Pilot Sessions Summary

Collaboration Overview



HR: Delivered 3 pilot trainings while tracking attendance.

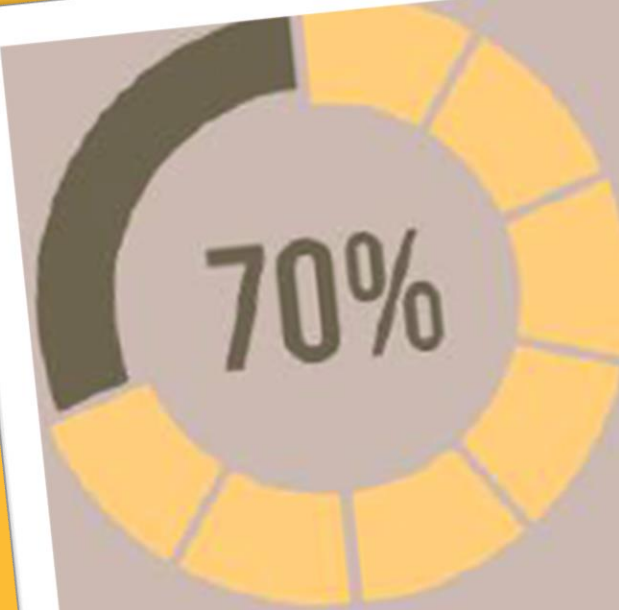
Office of EDIB: Observed and provided recommendations for improvement, and analysis of the attendance rosters.

77 or 17%

of KCHA staff attended
the pilot sessions

Divisions with highest
participation:

- Greenbridge (33%)
- Development (33%)
- Housing (29%)
Management



of the pilot
attendees
were women



of the pilot
attendees were
non-supervisors

Quotes:

“Unconscious bias video was very eye-opening”

“This is a great course and I would like to see more of it in the future.”

ALL STAFF WELCOME TO ATTEND

Highlights

15 Offerings to staff both VILT/ILT – OCT+NOV

138 total people/ 29.6% of Staff

Dividing class into a 2 part series for a **Learner Centric approach**

Over 15+ classes scheduled for January and February (smaller teams) ILT

Improvements

based on feedback

1. **HR will facilitate more customized sessions**
 - a. Offer trainings to departments/divisions adjusted to their needs by replacing and adding new activities that are more appropriate to the audiences
2. **HR will enhance registration form and exit survey**
 - a. Include questions that will help facilitator better understand the needs/expectations of diverse audiences
3. **Office of EDIB will enhance EDIB definitions survey**
 - a. Include questions aimed to capture KCHA's feedback related to themes/topics covered in Inclusion Now and our culture



Overall Rating

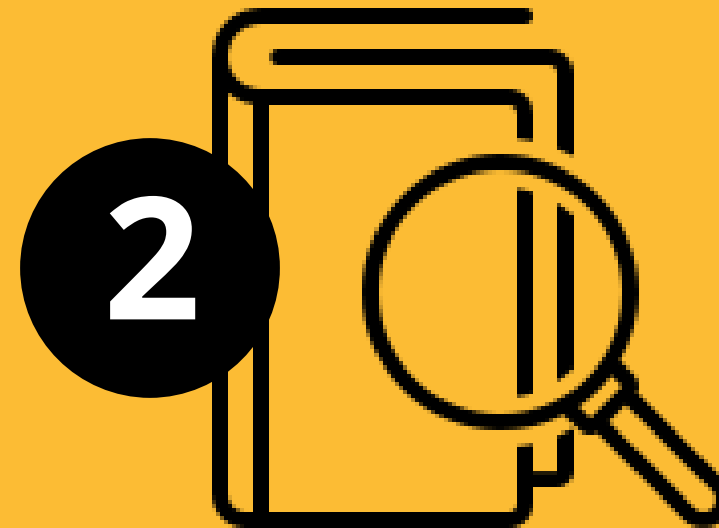
4.53

Average Rating

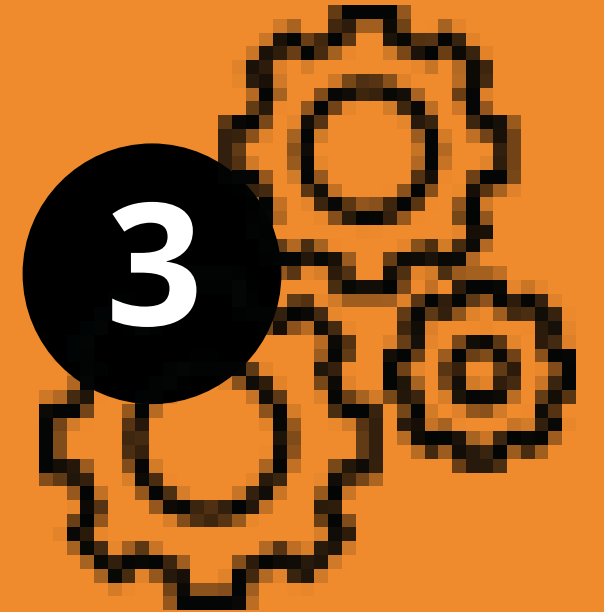
Current Priorities



**Publish first
EDIB Annual
Report**



**Develop EDIB
Definitions for
KCHA**



**Operationalize
Section 3**

A vibrant street scene featuring multi-story residential buildings with varied architectural styles and colors (yellow, white, red, blue). The street is lined with young trees and has a paved sidewalk with benches. A person is walking on the sidewalk, a cyclist is riding across the street, and a blue bus is visible on the right. The sky is clear and blue.

THANKYOU

REDI, Courageous Spaces Planning Teams, HR Learning and Development

Exhibit A
2023 Courageous Spaces Report

COURAGEOUS SPACES REPORT

2022



**REPORT BY: OFFICE OF EQUITY DIVERSITY
INCLUSION & BELONGING (EDIB)**

DATE: 12/7/2022

TABLE OF CONTENTS

- 1** INTRODUCTION
- 2** PREVIOUS EVENTS
- 3** OUTCOMES & INDICATORS
- 4** ESTABLISHING BASELINE
- 5** LESSONS LEARNED
- 6** ACKNOWLEDGEMENTS

INTRODUCTION

THE OFFICE OF EQUITY, DIVERSITY, INCLUSION & BELONGING (EDIB) WAS ESTABLISHED WITH THE HIRING OF THE SENIOR DIRECTOR OF EDIB IN 2021. THE OFFICE OF EDIB THEN ADDED TWO (2) FTE'S IN 2022 TO SUPPORT IN THE WORK OF OPERATIONALIZING EQUITY, DIVERSITY, INCLUSION & BELONGING AT KCHA

The Office of EDIB kicked-off their work with a Research & Discovery phase to establish the needs and priorities of EDIB within KCHA. Activities included working with cross-departmental groups such as KCHA committees, specifically the Race, Equity, Diversity, & Inclusion Team (REDI).

REDI seeks to educate and shape organizational culture, practices, and systems through an equity lens within the agency and the communities KCHA serves. The REDI work group is comprised of 11 members who serve in various positions across KCHA and serve as ambassadors throughout the organization. In 2021, REDI launched Courageous Spaces, an event where staff can discuss controversial topics using the Courageous Conversations About Race framework. The Office of EDIB collaborated with REDI to transform Courageous Spaces into an event that celebrates and acknowledges various cultural awareness months and provided technical assistance with project management of this event. The Office of EDIB also revamped REDI from a committee to an employee resource group and included a "B" for belonging into their name to become the B REDI Action Network in efforts to expand staff engagement and access.

The report serves as a way to memorialize this initiative and contains lessons learned as well as next steps for events-based EDIB initiatives and staff-level participation.

PREVIOUS EVENTS

There were 9 Courageous Spaces events in total in 2022. Topics were decided through suggestions submitted on the REDI SharePoint site, selected by REDI members, or based off of national awareness events in the United States.

2022	Topic
January	Martin Luther King Jr. Day: Unity is up to all of us
February	Black History Month: Our Founding Chef's – Black Heritage Cooking
March	Women's History Month: Breaking Bad Barriers
April	Arab American Heritage Month
May	AANHPI Heritage Month: Advancing Leaders through Collaboration
June	Juneteenth: We Rise by Lifting Others
July	PAUSED for REDI Self-Assessment Workshop
August	PAUSED for REDI Self-Assessment Workshop
September	Hispanic Heritage Month (Sept 15th – Oct. 15th)
October	LGBTQ+ History Month
November	Indigenous Heritage Month
December	Release Year-End Courageous Spaces Report

OUTCOMES AND INDICATORS

Performance goals monitor and measure progress. Clear and concrete performance goals make it easier to generate relevant, consistent and comparable data over time. Here are some metrics and outcomes of Courageous Spaces that will help inform future events!

EDIB METRICS

EQUITY

DIVERSITY

INCLUSION

BELONGING

KEY INDICATOR

Budget allocation for event supplies, giveaways, etc.

Courageous Spaces Attendance, Email open rates

Staff participation in planning meetings/emails & debrief sessions

Survey Responses (CS All-KCHA Survey, Exit Surveys)

ACTIVITY

Raffles or give aways post-event

Staff engagement demographics analysis

Staff engagement during the planning, execution, and evaluation of the event

Staff engagement for feedback on events

OUTCOME

Supported local minority-owned businesses through Courageous Spaces initiative

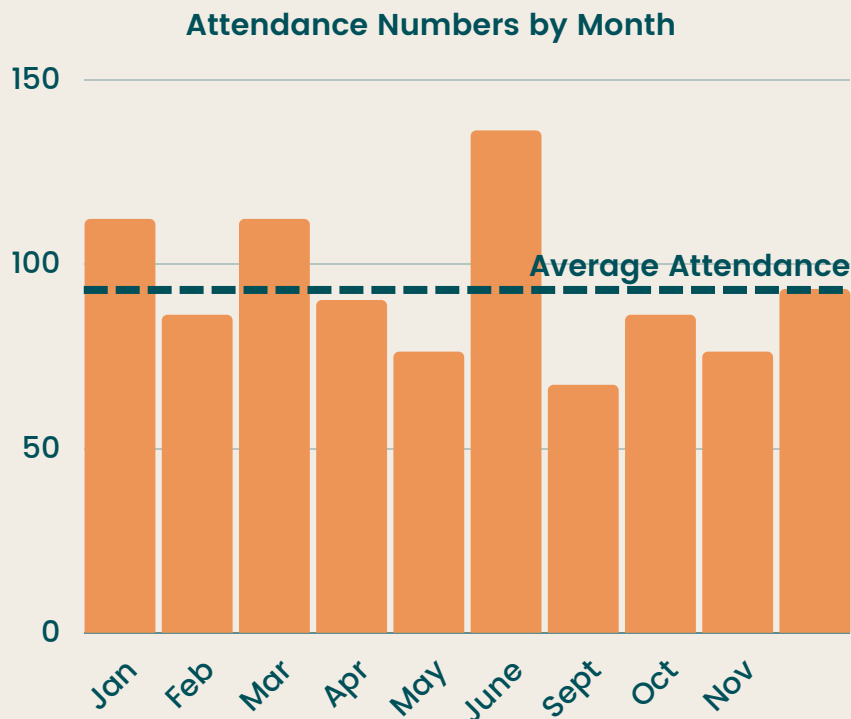
Developed baseline for staff engagement to track progress

Developed lessons learned on increasing staff participation in planning process

Developed baseline for staff engagement and sentiments to track progress

ATTENDANCE REPORT

WHO'S ATTENDING COURAGEOUS SPACES?



93

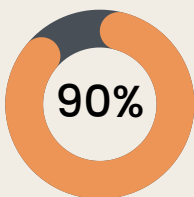
OR 19% OF
KCHA STAFF
WAS THE
AVERAGE
NUMBER OF
ATTENDEES

136

WAS OUR
HIGHEST
ATTENDANCE
FOR THE
JUNETEENTH
CELEBRATION

Data from the Sept - Dec 2022 Courageous Spaces Highlights*

- Majority of Courageous Spaces attendees were female. (average: 63.5%)
- Housing Choice/S8 department had the highest rate of attendance.
- Racial demographics were evenly split between BIPOC and White attendees

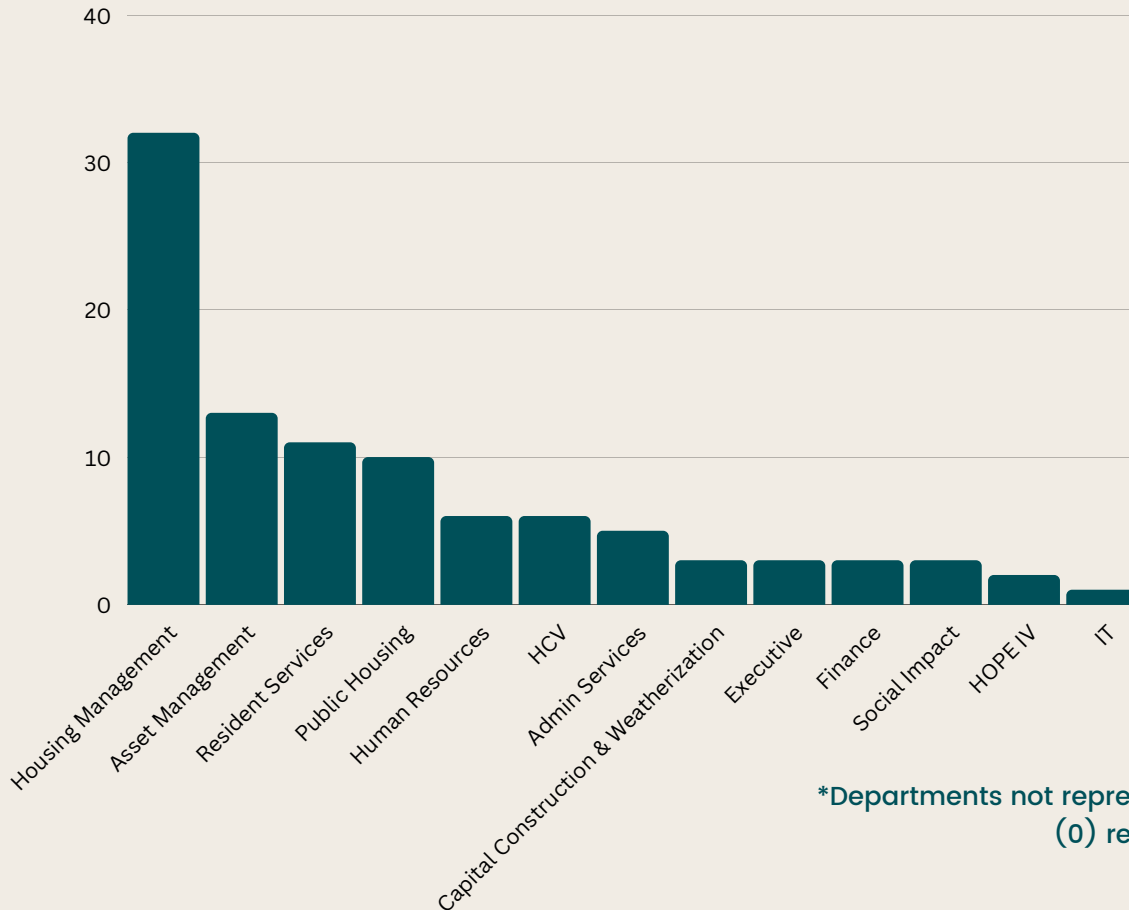


OF OUR DOLLARS SPENT ON COURAGEOUS SPACES OR \$854.21
WENT TO SUPPORTING LOCAL MINORITY-OWNED BUSINESSES
IN 2022

FACTS & FIGURES: LESSONS LEARNED

2022 COURAGEOUS SPACES ALL KCHA SURVEY RESULTS

of respondents by KCHA Department



99

OR 20% OF KCHA
STAFF
RESPONDED TO
THE SURVEY

81%

OF RESPONDANTS
HAVE ATTENDED A
COURAGEOUS
SPACES EVENT

*Departments not represented in this chart had zero
(0) respondents

Survey Highlights

- The majority of respondents (36%) said that Date & Time was the biggest barrier to attending Courageous Spaces
- Majority of respondents (85%) indicated that they prefer attending virtually over in-person.
- Majority of respondents indicated that Wednesday/Friday afternoons are the best time to hold events.
- Respondents indicated that Speakers and Q&A was the most meaningful activity they had done in Courageous Spaces.
- Majority of respondents indicated that "Cultural Heritage Awareness Months" was the topic they would most like to see covered in the future.

LESSONS LEARNED

What did we learn? This Courageous Spaces Report seeks to memorialize the lessons learned so that we continue to make progress in this space.

1

EXPANDING ENGAGEMENT

- Continue to revise communications and marketing strategy to reach the widest audience at KCHA utilizing communication tracking tools such as SendinBlue.
- Continue to use data and other tracking tools to measure engagement to find gaps in access.
- Continue to increase access by sending open invitations to all staff to help with planning and execution of the event.

2

ADAPTING TO ORGANIZATIONAL NEEDS

- Continue to provide a menu of options for all levels of cultural competency.
- Tailor events to the diverse needs of KCHA staff and in alignment with strategic goals.
- Connect topics to organizational mission and vision to affordable housing.
- Chose a date/time/format using survey data and department calendars to maximize engagement.

3

SUPPORTING LOCAL BUSINESSES

- Continue to support local, minority-owned businesses at KCHA events. Buy supplies, giveaways, etc. from local businesses whenever possible.

ACKNOWLEDGEMENTS

We would like to thank all those who contributed this report and acknowledge their contributions. We would like to give special thanks to:

- HR LEARNING & DEVELOPEMENT
- REDI EMPLOYEE RESOURCE GROUP
- COURAGEOUS SPACES PLANNING TEAMS
- COURAGEOUS SPACES ATTENDEES
- COURAGEOUS SPACES SURVEY RESPONDENTS
- GREATHEART CONSULTING



WE THANK YOU FOR YOUR CONTINUED SUPPORT IN KCHA'S COMMITTEMENT TO EDIB!

CONTACT THE OFFICE OF EDIB
OFFICEOFEDI@KCHA.ORG

COURAGEOUS SPACES REPORT 2022

Exhibit B
2022 Indigenous Heritage Month –
Courageous Spaces Presentation

..... COURAGEOUS
SPACES

Indigenous Heritage Month

November 2022



KCHA Land Acknowledgement

KCHA acknowledges and pays deep respect to the Coast Salish peoples, the original inhabitants of the Puget Sound region, and their sacred, ancestral, and contemporary lands. We hold gratitude for and honor each of these nations, their pasts, their presents, and their futures.

To view full text please visit our website: King County Housing Authority > About Us > Agency Overview (kcha.org)

Find which indigenous land you reside in through:

<https://native-land.ca/>

Text your zip code or your city and state (separated by a comma) to (907) 312-5085



KCHA Day of Solidarity Proclamation

"King County Housing Authority will take a stand in solidarity with Black, Indigenous, and People of Color to eradicate pervasive and persistent racism, social injustice, and any barriers preventing equity and/or equitable opportunities in our workforce and the communities that we serve."

Read full proclamation at [KCHA.org](https://kcha.org) > About > Board Info & Meetings > Approved Board Resolutions > "Resolution 5657"



P R O C L A M A T I O N

"KCHA's Day of Solidarity"

- WHEREAS,** The King County Housing Authority will take a stand in solidarity with Black, Indigenous, and People of Color to eradicate pervasive and persistent racism, social injustice, and any barriers preventing equity and/or equitable opportunities in our workforce and the communities that we serve.
- WHEREAS,** KCHA will examine policies, procedures, and processes and eliminate those that disproportionately harm Black, Indigenous, and People of Color in our workforce and our communities.
- WHEREAS,** All elements of the hiring, retention, promotion, and disciplinary processes will be guided through an equity lens to ensure the workforce, at all staffing levels, better reflect the communities we serve and are treated justly, subsequently affording equitable opportunities to Black, Indigenous, any People of Color.
- WHEREAS,** KCHA will collaborate with our communities to address the longstanding impacts of systemic racial discrimination. This will include outreach to our residents, community partners, and participants in an effort to improve the long term life outcomes of the people we serve.
- WHEREAS,** Executive leadership will provide support and resources to the Racial Equity Diversity and Inclusion team to fulfill their mission and vision. Together we will operationalize racial equity, integrating it into our routine decision-making processes.
- WHEREAS,** KCHA will build our employee's skills and competencies through required training to include racial equity; implicit and explicit bias. Given the importance of these values to KCHA, new employees will be required to participate in a conversation regarding race, equity, diversity and inclusion from the very beginning of their employment with the organization, as part of their onboarding.

NOW, THEREFORE, THE KING COUNTY HOUSING AUTHORITY DOES HEREBY PROCLAIM

JUNE 19, 2020 TO BE

KCHA's Day of Solidarity

Source: A Proclamation on National Native American Heritage Month, 2022 | The White House
Equal Pay Days | Margaret Sloss Center for Women and Gender Equity | Iowa State University
(iastate.edu)

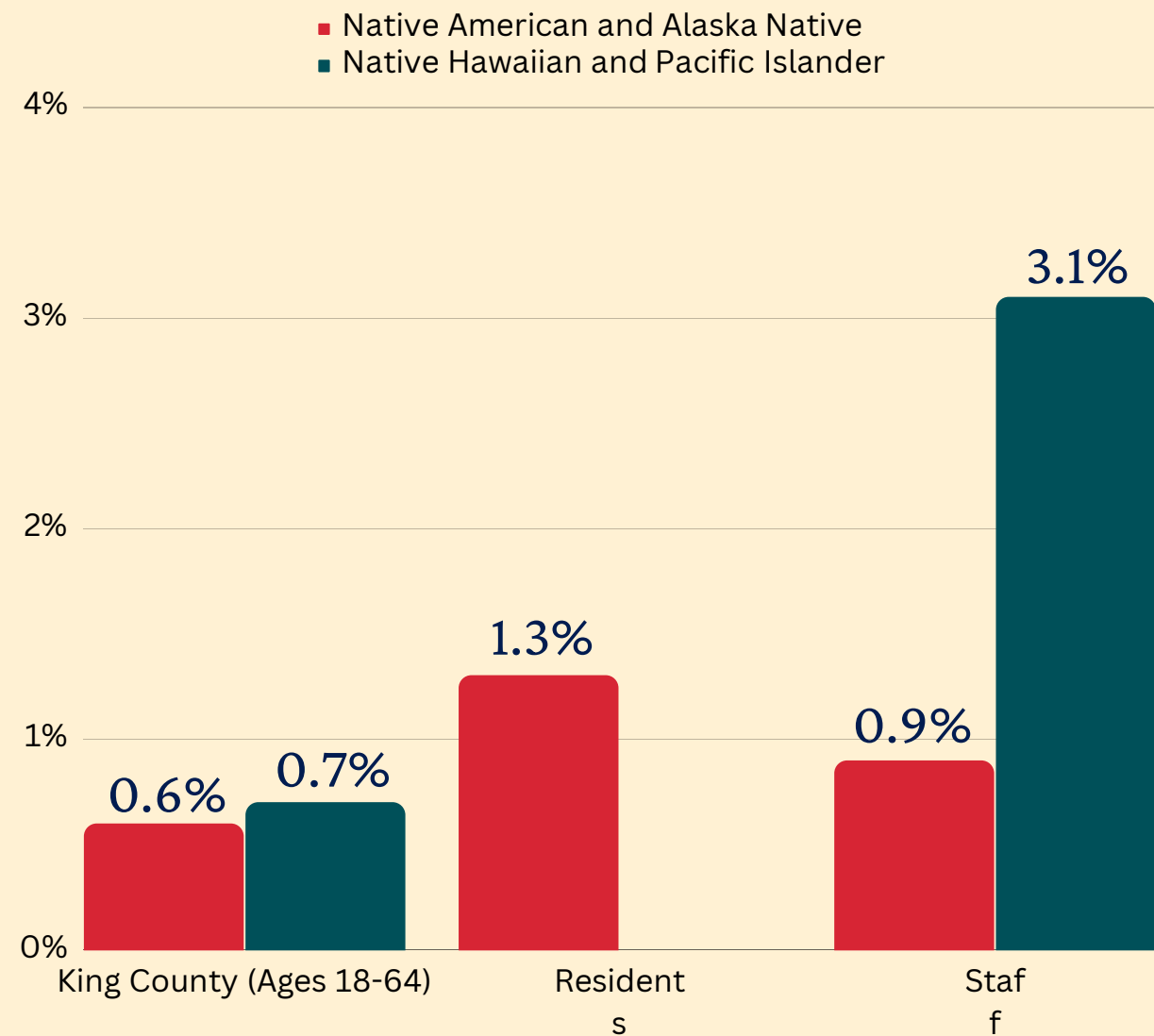
National Indigenous/ Native American/ Alaskan Native Heritage Month,

celebrates Indigenous peoples past and present and calls to rededicate ourselves to honoring Tribal sovereignty and promoting Tribal self-determination, such things that were not historically and presently upheld by the United States government. This is held every year during the month of November.

Indigenous Women's Equal Pay Day

Indigenous Women's Equal Pay Day (November 30, 2022) is a day to acknowledge the pay gap that Indigenous women face. Indigenous women earn 60 cents for every dollar paid to a white, non-Hispanic man.

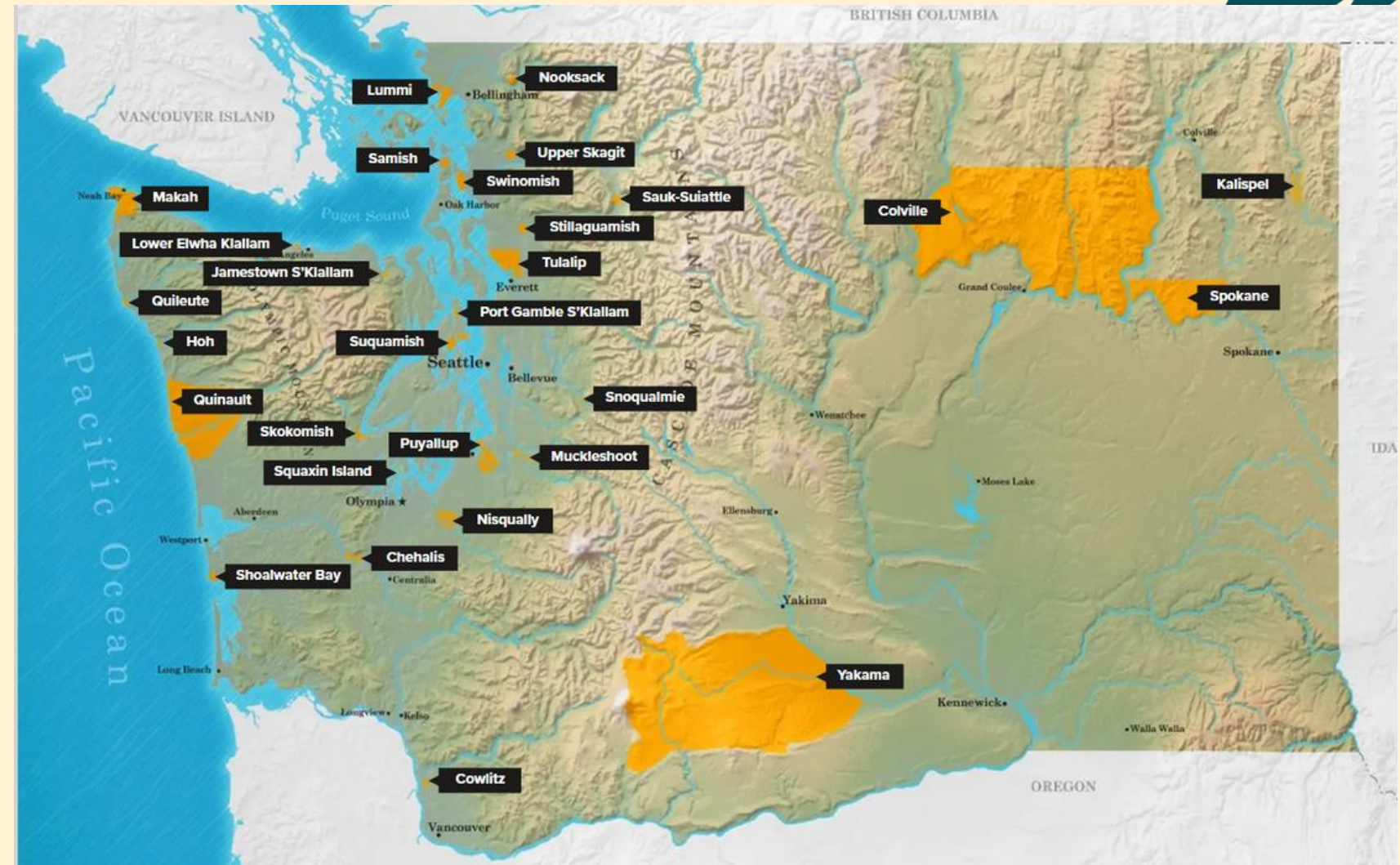
Did you know?



KCHA/King County Demographics

Source: The Tribes of Washington - Washington Tribes
US Census
KCHA Staff Data Dashboard

Indigenous Tribes in WA State



- There are 29 federally recognized tribes throughout Washington
- There are many other tribes not recognized by the U.S. federal government but have had a long history in present-day Washington. (Examples: Duwamish, Wanapum, and Chinook tribes)
- There are about 4 million indigenous people in the US (%1 of the population) and 140,714 Native citizens in Washington alone.

Terms & Definitions

- **Indigenous Peoples, Native American, Alaskan Native:** are culturally distinct ethnic groups whose members are directly descended from the earliest known inhabitants of a particular geographic region and, to some extent, maintain the language and culture of those original peoples.
- **Treaty:** solemn agreements between sovereign nations
- **Tribal Sovereignty:** the inherent authority of tribes to govern themselves
- **Federally Recognized Tribes:** "Recognition" is a legal term meaning that the United States recognizes a government-to-government relationship with a Tribe. Federally-recognized Tribes should possess certain inherent powers of self-government and entitlement to certain federal benefits, services, and protections however, follow through with these resources/protection have been inconsistent and inadequate.

Spawning Grounds

"The Snoqualmie Tribe has participated in the Kokanee Work Group (KWG) since its inception in 2007. In 2017, the KWG commissioned a documentary film to encapsulate and share the current emergency efforts being made to save the Lake Sammamish Kokanee. The Spawning Grounds documentary illustrates the culmination of the last three years of collaborative work, the Tribe's history, cultural and spiritual connection to the lake while we work to bring awareness to the plight of the kokanee"

Source: Spawning Grounds on Vimeo by Marc Pingry Productions



Traditions

Tribal Journeys (5 min)



Tribal Fishing Tradition Runs Deep (4 min)



Video: How the US stole thousands of Native American children (13 min)






Break Out Groups 15 min

Questions (choose 2-3 questions to discuss with your group):

- Which video resonated the most with you and why?
- Does your family/community have local legends, stories, or traditions that are passed down? What are they?
- Think about something that happened in your grandparent's generation that still affects you today. What have been the ripple effects of that incident?
- How can we honor KCHA's Land Acknowledgement from our positions within the agency?

TRIUMPHS FOR INDIGENOUS RIGHTS AND RECOGNITION

in Washington & in the USA



Since Time Immemorial: Tribal Sovereignty in Washington State (2015) - the Legislature passed Senate Bill 5433 modifying the original 2005 legislation, now requiring the Since Time Immemorial: Tribal Sovereignty in Washington state or other tribally-developed curriculum be taught in all schools.

Month of Commemoration (2016) - County Council declares November Native American Heritage Month in King County

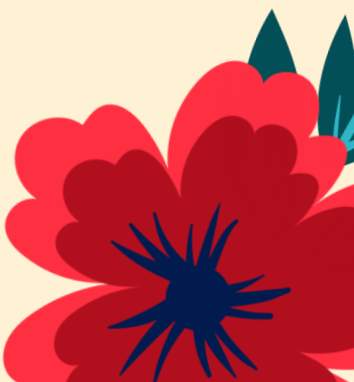
Native representation to increase in Washington Legislature - Three (3) enrolled members of Native tribes are poised to win their 2022 elections.

Debra Lekanoff, Tlingit tribe of Southeast Alaska
Claudia Kauffman, Nez Perce Tribe
Chris Stearns, Navajo Nation

NFL Team Name Change (2020) -The owner of the National Football League's Washington DC professional team changed its name to the commanders after decades of protests and demands by Native peoples and many other advocates.

U.S. Supreme Court ruling on tribal jurisdiction - U.S. Supreme Court has ruled, in a historic decision, to favor tribal jurisdiction over law enforcement and prosecution on tribal lands.

Standing Rock Sioux Tribe fight against the Dakota Pipeline (2017 to current) - US supreme court rejected a case by the Dakota Access oil pipeline operator to avoid a legally mandated environmental review.



ARTISTS & POETS

HISTORICAL FIGURES



DEB HAALAND (LAGUNA PUEBLO)



DEBORA JUAREZ (BLACKFEET
NATION)



SHARICE DAVIDS (HO-CHUNK)



JOHN HERRINGTON
(CHICKASAW)



WENDY RED STAR (APSÁALOOKE)



JOY HARJO (MUSCOGEE/CREEK)

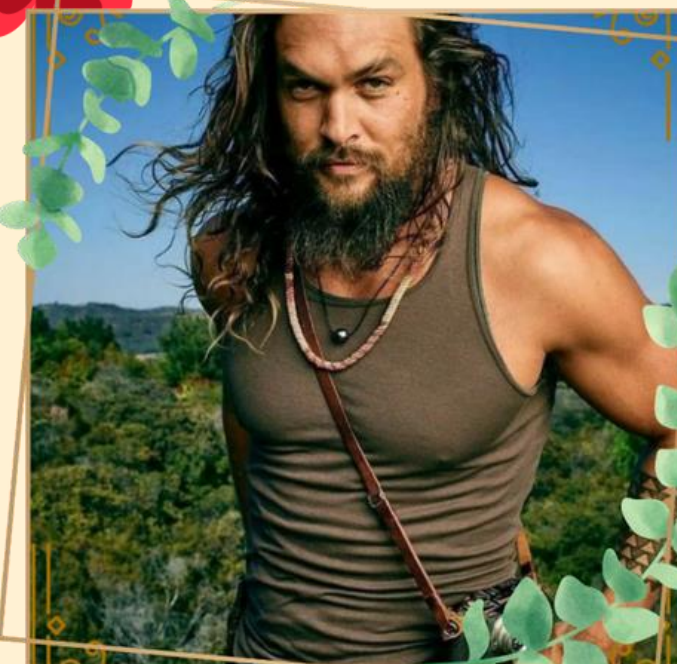
JIMMY HENDRIX (CHEROKEE)



POP CULTURE INFLUENCERS



QUANNAH
CHASINGHORSE
(DINÉ/LAKOTA)



JASON MOMOA
(PAWNEE,
NATIVE HAWAIIAN)

Indigenous Leaders & Influencers

American Politics & Pop Culture



To honor Indigenous Heritage Month,

- Incorporate our KCHA Land Acknowledgement into KCHA-hosted events.
- Learn more about the indigenous land you reside in by visiting: <https://native-land.ca/>
- Research on how you can contribute to the livelihood of the Native nations that share your geography and/or donate to organizations that serve Indigenous communities
- Support Indigenous artist, creators and business owners.

.....

Sources: 16 National Native American Heritage Month Facts to Know (goodhousekeeping.com)

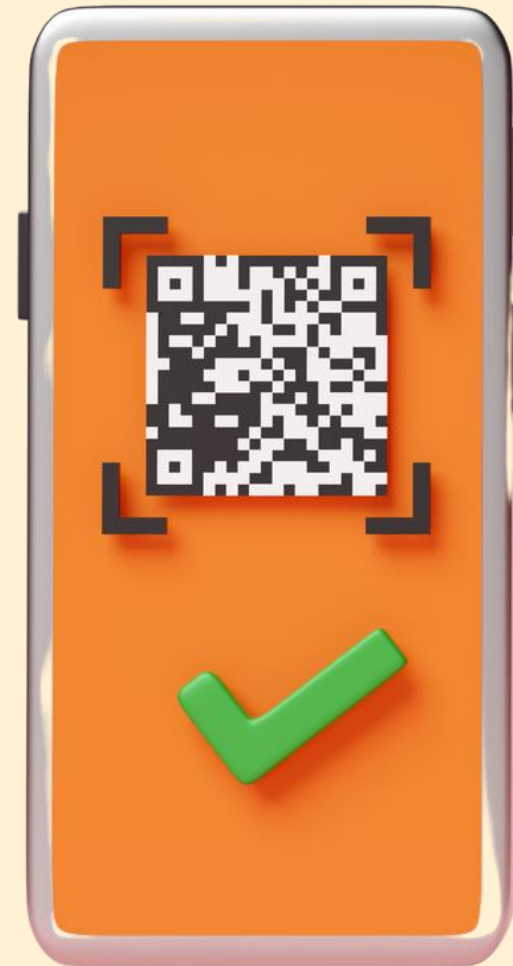
Native American Heritage Month: 5 Facts Beyond Imagination - Connecticut Children's (connecticutchildrens.org)

Maps - Trail Of Tears National Historic Trail (U.S. National Park Service) (nps.gov)

The Tribes of Washington - Washington Tribes

Native-owned Small Businesses - Intentionalist

INDIGENOUS UNITED MY HERITAGE, MY PRIDE



Scan to find and support local
Native-owned businesses



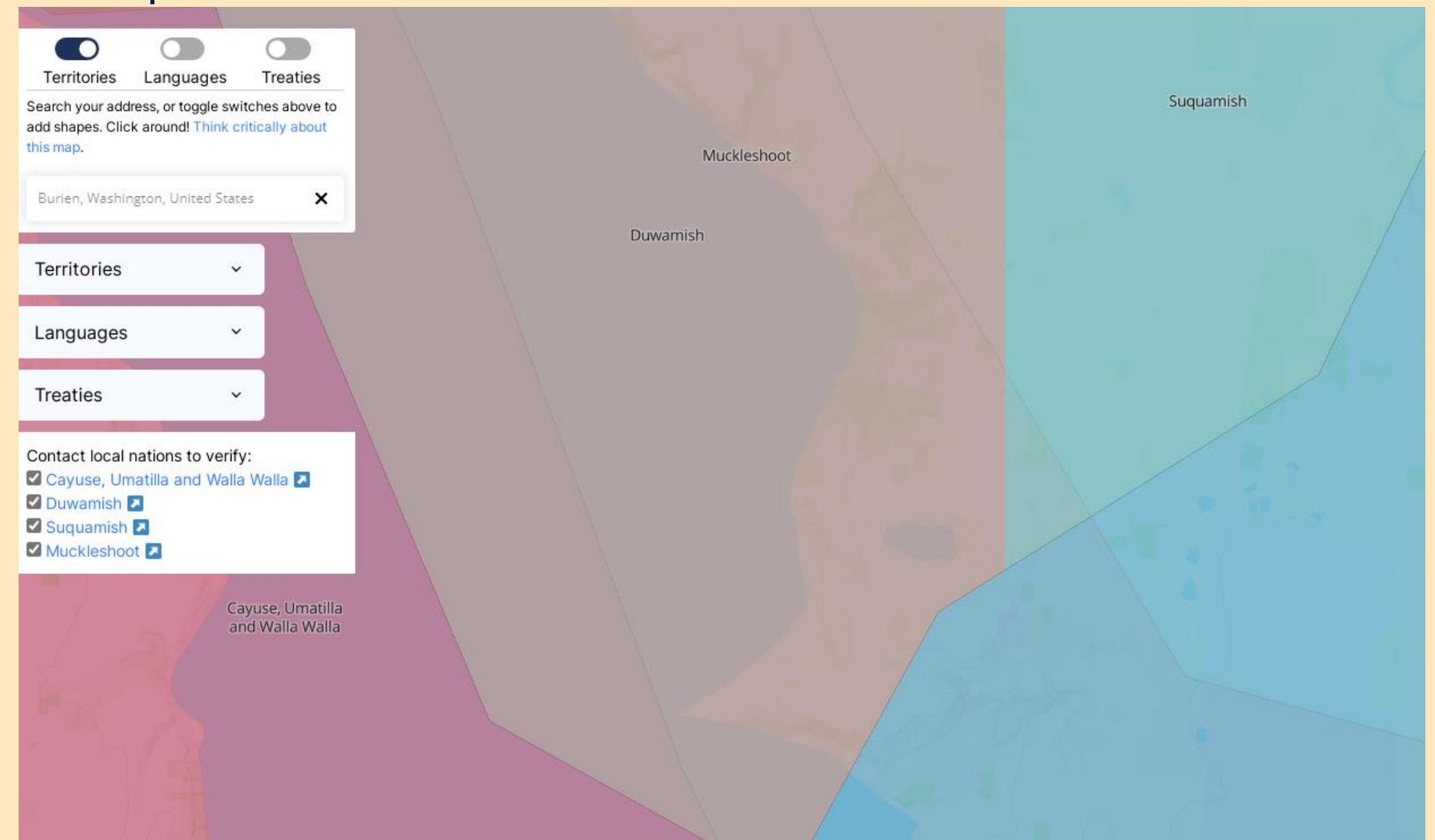
**“HUMANKIND HAS NOT WOVEN THE WEB OF LIFE. WE ARE BUT ONE THREAD WITHIN IT. WHATEVER WE DO TO THE WEB,
WE DO TO OURSELVES. ALL THINGS ARE BOUND TOGETHER. ALL THINGS CONNECT.”**

**THIS FAMOUS QUOTE WAS CREDITED TO CHIEF SEATTLE, DUWAMISH
A RED INDIAN CHIEF WHO LIVED IN NORTH AMERICA FROM 1786 TO 1866**

Raffle!

- Screenshot the area you call home on the native-lands.ca map and email that screenshot to OfficeofEDI@kcha.org to enter our raffle!
- We will be giving away gift certificates to **8th Generation**, a Seattle based art and lifestyle brand owned by the Snoqualmie Tribe.
- **Deadline to submit will be COB December 9th!**

Example:



.....

COURAGEOUS
SPACES

.....

Thank you!

Special thank you to our Indigenous Heritage Month Planning Team Volunteers: Ebane Mainor, Windy Epps, and Stephani Kriner!!



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KCHA IN THE NEWS

December 19, 2022



King County Housing Authority

6K followers • 262 following

Meet KCHA:
Timothy Lacenski

Timothy Lacenski joined KCHA in 2020 as a Landscaper/Cleaner for the subsidized properties in KCHA's College Place portfolio. Timothy learned about landscaping as an intern with the U.S. Department of Natural Resources, where his tenure was extended due to excellent performance. He also completed the Property Maintenance for Multi-Family Residences program at Renton Technical College. Timothy is most proud of a project he worked on at Marymoor Park in Redmond, where he led a landscape renewal project that saved a stately oak tree. His most rewarding experience at KCHA occurred during preparation of our properties for an inspection by HUD's Real Estate Assessment Center. He was charged with identifying tripping hazards and learned how to use a Scarifying machine to mitigate them. This hardscaping project was especially gratifying to him. Said Timothy: "When I see residents walking around, it makes me feel good to know that work I did makes their walk a little safer."





King County Housing Authority

6K followers • 262 following

Meet KCHA:
Cherie Montanez

As a Human Resources Specialist, Cherie Montanez focuses on employee benefits and payroll detail. A graduate of Central Washington University with a degree in business administration, Cherie also stays current in the appropriate certifications for human resources management. Cherie hails from a family of dedicated public servants. An immigrant who arrived in the Seattle area more than three decades ago, Cherie feels privileged to assist her co-workers when they are facing serious life challenges. She joined KCHA in 2006. Cherie walks regularly and is an avid hiker--especially to spectacular waterfalls and serene lakes. Cherie has been studying and practicing fung shui for many years. She prizes crystals and gemstones, not only for their beauty, but also for their special powers to protect, heal, guide, and enlighten. Peonies and lilacs are among her favorite flowers. Cherie also delights in observing hummingbirds.





King County Housing Authority

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Meet KCHA:
Loren Sisley

Loren Sisley was hired by KCHA in 1991. He started by mowing lawns, but has been a Housing Quality Standards Inspector in the Housing Choice Voucher department for the last 23 years. Prior to KCHA, Loren worked as a real estate broker and a property maintenance technician. He loves both meeting the needs of his clients and learning from them. Loren has participated in a number of KCHA-sponsored activities including KCHA's Adopt-A-Highway program, teaching English Language Learner classes to residents, and delivering meals to elderly/disabled residents during the height of the COVID-19 restrictions. Bringing joy to kids by handing them culturally responsive for-keeps books during inspections sparks a good feeling he's never outgrown. When not working, Loren enjoys spending time with his beloved wife, four adult daughters, seven grandchildren, and two great-grandchildren. He is active in his church, where he is also the keyboard player for its worship band. An avid cyclist, Loren has completed the 206-mile STP ride multiple times, finishing his last ride in 12 hours! Loren holds an associate degree in AutoCAD/architecture and a B.S. in project management from ITT Technical Institute. He studied Russian language at the University of Washington.





King County Housing Authority

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Meet KCHA:
Nikki Parrott

Nikki Parrott joined KCHA in 2006 as a Senior Development Manager and became the Director of Weatherization in 2009. In 2014, she was named Director of Capital Construction and Weatherization, responsible for the capital re-investment program for the public housing portfolio and for the federal- and state-funded weatherization program. Nikki brought 45 years of experience in housing and community development and environmental planning in the government and private sectors to KCHA. Additionally, she owned her own business: Pacific Development Concepts.

Nikki's first project at KCHA was financing critically needed fire and life safety upgrades for 8 properties that house elderly and disabled residents. The experience was instantly gratifying to her because it resulted in enhanced safety for vulnerable populations and brought her into contact with employees throughout the organization. Nikki has a B.A. in art history from Middlebury College and took graduate work in urban and regional studies at the University of Minnesota (Mankato). Nikki has long connection to the Pacific Northwest having moved here in 1978, and to the West in general, having been born and raised in Montana. Although she loves it here, always when she's driving east and crosses Lookout Pass (at the top is the Idaho/Montana border) she gets a physical, visceral feeling that says "I have come home."





King County Housing Authority

6K followers • 262 following

Meet KCHA: Our Properties Ballinger Homes

Ballinger Homes has long provided comfortable apartments in the Shoreline area. After recent extensive exterior renovations, the 140-unit complex is one of the most attractive apartment communities in the area. The townhome apartments are each equipped with washer and dryer hookups. There's a newly refurbished community room. The Homework Factory provides a host of services on site for young children, youth and adults.

<https://www.kcha.org/housing/property.aspx?PropertyID=7>





King County Housing Authority

6K followers • 262 following

Meet KCHA: Our Properties Abbey Ridge

Abbey Ridge offers spacious one-, two-, and three-bedroom apartments near downtown SeaTac. Set within a quiet residential area, its central location allows for quick access to major freeways, shopping, public schools, and outdoor recreation parks. RapidRide bus stops are located within a half-mile walk. Abbey Ridge also offers an excellent selection of on-site recreational, exercise, and leisure facilities.

<https://www.kcha.org/housing/property.aspx?PropertyID=151>





At 99%, KCHA Reports Highest Lease-Up Rate of Biden's 2021 Emergency Housing Vouchers

November 29, 2022

By Lauryn Bray



Last year, President Joe Biden passed the [American Rescue Plan Act of 2021](#), which included the release of 70,000 housing vouchers to U.S. cities experiencing high rates of homelessness. Through the Act, King County Housing Authority (KCHA) was granted 762 emergency housing vouchers and nearly \$18.4 million in funding by the [U.S. Department of Housing and Urban Development \(HUD\)](#) in 2021. As of Nov. 14, KCHA has reported that 756 of the 762 emergency housing vouchers, or 99%, have been leased.

“This is the first time we have seen this kind of federal investment come in to tackle homelessness in the region. So to get 762 vouchers, this was no small feat, to say the least,” said Kristy Johnson, KCHA’s senior director for policy, research, and social impact initiatives, in an interview with the *Emerald*.

‘HOUSING ITSELF CAN’T JUST BE IT’

Housing isn’t just a question of affordability. For some, it is a crucial support system.

Noemi Cagatin-Porter is the founder of CJK Community Homes in Tacoma.

JOHN FROSCHAUER



By [Shawna De La Rosa](#) – Reporter, Puget Sound Business Journal
Nov 28, 2022

When [Noemi Cagatin-Porter](#) accepts a new tenant, her first task is to take them to the store to buy simple essentials like toothpaste, toilet paper and groceries. The shopping spree is necessary, she says, because most of her residents are starting out with nothing.

“They are in overwhelming situations and they don’t know where to go or how to start,” she says.

Cagatin-Porter owns and operates the Tacoma-based nonprofit [CJK Community Homes](#) – a growing company that has 22 permanent supportive housing units in Tacoma with more planned.

In addition to starting her tenants out with basic essentials, she and her team also connect them to mental health and financial services, help them rebuild their credit history, find employment and keep up with life’s daily demands by providing monthly check-ins.

These are wraparound services, she says, and without those, most of her tenants would end up back where they started. Cagatin-Porter knows that firsthand.

In the early 2000s, Cagatin-Porter fled an abusive relationship and found herself homeless with her three daughters ages 4, 3 and 3 months. She wound up at the Tacoma Rescue Mission as 22-year-old mother of three.

The mission connected her with the Living Access Support Alliance (LASA) in Lakewood. LASA helped her find a home, a job, buy food and essentials. With its help, she enrolled in post-secondary courses and was connected to child care services.

“Their help made it so I could start paying for my own life, and it just went uphill from there,” Cagatin-Porter says. “They made sure we had what we needed in order for us to be OK, and we had someone guiding us along the way from helping us get food stamps to picking up our prescriptions. All those things need to be in place. It’s not just about housing.”

Over the last year, the Business Journal talked with several experts about the housing crisis. Based on these conversations, it is clear the issue boils down to two things: the need for more housing and the need for more wraparound, supportive services for those restarting their lives after trauma, mental health crises and addiction issues.

The housing complex

The affordable housing shortage has become so vast that decision-makers have trouble gathering data on the full scope of the issue. How many more units does the region need so that all its residents can pay no more than 30% of their income on housing? There is no clear answer to that question but there are some clues about what steps need to be taken.

Though the problems seem straightforward, housing solutions are anything but simple. They are caused by a complex web of land-use rules, high construction costs and a NIMBY attitude that prevents communities from adopting solutions.

As of the last count in 2017, King County only had enough housing for 27% of its 48,000 individuals in the extremely low-income bracket — which are those who make between 0% and 30% of the area median income or up to [\\$27,000 for a family of one](#).

It costs about \$300,000 to develop one 275-square-foot unit, according to [Ben Maritz](#), founder of Great Expectations, a for-profit affordable housing developer.



Great Expectations CEO Ben Maritz says he generally aims to charge rents "about 20% below the market" for competitive new construction buildings.

ANTHONY BOLANTE | PSBJ

That leaves King County about 35,000 units short, which equates to an \$11 billion housing gap for those in the extremely low-income category.

To afford a one-bedroom market-rate unit in King County, an individual must earn \$32 an hour, [Andrew Calkins](#), director of policy and intergovernmental affairs for the King County Housing Authority, told the Business Journal in August, citing a statistic from a National Low Income Housing Coalition calculation.

Curse of single-family zoning

Another piece of the problem is that most zoning in the Puget Sound region doesn't allow for more than one unit to be built on each lot. From Olympia to Everett, residential land is mostly zoned for single-family use only. For example, 70% of the land in Seattle and Bellevue is zoned for only single-family use, according to a [report by the Urban Institute](#), which was commissioned by [Amazon's Housing Equity Trust Fund](#).

The report also found that near transit hubs, one-third of the land is zoned for single-family use.

These [zoning policies result in too few housing units](#) and a high cost of rent, [Yonah Freemark](#), a senior research associate at the Urban Institute and a co-author of the report, told the Business Journal in November. His research found that almost half of Seattle renters are paying more than 30% of their income on rent. For housing to be considered affordable, households must pay no more than 30% of their income on rent or mortgages.

"Ultimately, it's about trade-offs," Freemark says. "If you want the community to stay the way it is, then keep the zoning the same. But the region will continue to be behind on the number of housing units."



Yonah Freemark, with Urban Institute, authored a report on zoning near transit lines in the Puget Sound area.

YONAH FREEMARK

In a Business Journal report published last spring, affordable housing developer Maritz said [more units are needed in order to make housing more affordable](#), especially for those in the middle-income market.

“I fundamentally believe homelessness is about not having enough housing,” he said at the time. “If we don’t have enough housing for those in the middle-income group, they take up the housing that should be available for those in the lower-income groups.”

That includes people like [Tracy Williams](#), a 55-year-old on disability assistance who was priced out of her Tacoma home in May 2018 when her rent nearly doubled over the course of a year.

“I had the rent paid for May, but I couldn’t make it for June,” she told the [Business Journal in January 2022](#). “It was hard. My daughter and I had to buy toiletries, pay for lights and electricity. It’s not just rent, it’s all the other things you need to pay for. I just couldn’t afford it anymore.”



Tracy Williams works at Low Income Housing Institute's TC Spirit Village of tiny houses. Williams once lived in a similar village. She now has permanent housing but continues to work with tiny village residents as they seek permanent housing.

TRACY WILLIAMS

Unable to pay, she was evicted and forced to live in her car for several months before securing a spot in a tiny village run by the Low Income Housing Institute in Seattle. She has since moved into a one-bedroom apartment in the George Fleming building in Seattle where she pays \$1,000 a month and holds down a part-time job.

[Yvonne Heads](#), who shared her story with the Business Journal in January, had also been [priced out of housing](#), even though she works full time at a factory in Sumner. Heads struggles with addiction and spent years living in a tent. Housing is an important part of recovery, she said.



Yvonne Heads was working four 10-hour shifts a week at Yusen Logistics in Sumner when she spoke to the Business Journal in January 2022.

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“I just got so sick and tired of being sick and tired,” she told the Business Journal in January. “I don’t want to die a drug addict. If you are living out there like that you are going to die.”

But having a full-time job put her above the 60% area median income threshold, which limits the type of affordable housing available to her. Rents for market-rate units are just too high for her income, she said. With viable housing options in short supply, Heads was staying with her son at his Tacoma apartment in January 2022.

Developers are working to solve the housing predicament she faced, while two of the region’s major tech companies — Microsoft and Amazon — are pledging millions of dollars to help finance the production of more units.

As of June 2022, Microsoft has allocated \$583 million to preserve or create 9,200 units, which works out to about \$60,000 in funding per unit. The tech giant has pledged [\\$750 million to help develop affordable housing in the region](#).

Similarly, Amazon has [committed more than \\$344.3 million in loans and grants](#) to develop affordable housing units in the region. So far, that money has been used to develop 2,870 affordable units in the area, which works out to \$120,000 per unit. The money is part of a \$2 billion long-term national affordable housing development initiative to help pay for 20,000 units.

Amazon recently announced its Housing Equity Fund will provide another \$124.4 million to build 1,060 affordable homes near public transit hubs in partnership with Washington (D.C.) Metropolitan Area Transit Authority and Sound Transit. Amazon’s contribution works out to about \$117,000 per unit.

The region needs more flexibility around [where affordable housing can be built](#), Catherine Buell, director of Amazon’s Housing Equity Fund, told the Business Journal in March 2022. “We need to have housing for that moderate-income tier to have vibrant and growing communities.”



Catherine Buell is the director of Amazon's Housing Equity Fund, which has focused its investments on housing near transit hubs.

TONY POWELL

More housing is the answer

[Rex Hohlbein](#), architect and founder of the Block Project, launched a program in 2017 to build affordable detached dwelling units, or DADUs, in the backyards of Seattle residents. The units are made available to those in need of safe, affordable housing. The units cost about \$75,000 to construct, thanks to many companies donating time and materials.

Despite his early optimism about the project, only 15 units have been developed so far. Hohlbein found his vision had two major stumbling blocks: Many people don't want a formerly homeless person living in their neighborhood, and those who need housing also typically need wraparound-service support.



Block Architects founder Rex Hohlbein, left, and daughter and son-in-law architects Jenn and Josh LaFreniere are working on a 100-bed facility in Bellevue.

ANTHONY BOLANTE | PSBJ

Providing that support is the main challenge, [he told the Business Journal in August](#). Cagatin-Porter, who was recently honored by Tacoma Urban League for her efforts, understands that.

“In my case, in order for me to have been successful, I needed someone guiding me along the way,” she says, referring to her own experience with permanent supportive housing 20 years ago. “The individuals that helped us and the resources they provided helped us tremendously. Housing is important, but we all need to have skill sets to navigate life. My tenants need hand holding. Housing itself can’t just be it.”

Ultimately, the solution to the housing crisis spectrum requires an all-hands-on-deck approach. From permanent supportive housing options to units geared toward those in the middle-income class, the production of more housing units for all income levels will help to ease the housing crisis.

“There is no silver bullet,” Buell told the Business Journal in March. “You have to have more housing solutions for those in the middle-income bracket so we can start to see housing prices ease.”

KCHA identifies itself as a “mission-driven organization established under state law.” [According to its website](#), the organization aids over 23,000 Seattle households by administering rental housing assistance, developing and managing affordable housing, and providing support services to low-income residents. KCHA also works closely with community stakeholders to address local priorities, such as ending homelessness, improving educational outcomes for the region’s low-income youth, and ensuring that disabled and elderly households can live with dignity.

[Emergency housing vouchers](#) are federal vouchers through HUD designed to serve households and individuals who are experiencing homelessness or at risk of experiencing homelessness; are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless and are at high risk of housing instability. KCHA learned it would be receiving emergency housing vouchers back in May 2021, but it wasn’t until June 10, 2021, that it learned exactly who would qualify for the vouchers.

“HUD put a pretty aggressive leasing deadline on these. They basically said we have to have 100% of our vouchers utilized — that means ‘leased up’ — by the end of December 2022, so we knew we had to move fast,” said Johnson.

To locate and reach out to people who qualify for emergency housing vouchers, KCHA worked closely with [Catholic Community Services](#) (CCS), an organization that provides emergency, transitional, and permanent housing as well as programs that serve houseless individuals.

“We’ve partnered really closely with KCHA. I know that other jurisdictions have struggled to lease up their vouchers, and KCHA has been a really powerful partner with us in getting these leased up quickly,” said Jana Lissiak of CCS. “We’ve had direct contacts when things have been stuck or when we needed to sort something out, and they’ve been really responsive. They even started a little pilot program to provide priority access to some of their tax credit properties so we could lease clients up more quickly to make the housing search easier.”

According to Lissiak, the emergency housing vouchers are unique because they provide individuals with permanent housing instead of a temporary solution. “In our homeless service system, there is this gap where we have rapid rehousing — which is like a voucher, but it’s time-limited, so it usually ends after a year — and then we have permanent supportive housing. There’s this gap for folks who just

need a permanent subsidy. They can live on their own; they don't need place-based supportive housing with really intensive services. They just need rent to be affordable for them forever to succeed," explained Lissiak.

So far, the emergency housing vouchers have granted over 750 people access to permanent housing, and CCS can see the hard work paying off.

"The benefits that these vouchers have provided are well beyond the obvious, which is a roof and safety and a warm place to sleep at night. It's bigger than that in a more subtle way. You see people gain this sense of self-worth that maybe they hadn't had before — their confidence is flourishing," said John Johnston of CCS in an interview with the *Emerald*. "Being homeless is an anxiety-ridden experience, and once people are housed, you can see that anxiety come off of them, and it frees them up to pursue their goals and to succeed in the future."

Johnston shared three success stories about people who changed their lives with the help of these vouchers:

"A woman living in a car with her toddler received a voucher and moved in, and within just two months, she was working full-time. She had child care worked out, and that was just over a year ago. Now, this woman makes too much money to qualify for a voucher. This person has taken their job and turned it into a career.

"A younger man — maybe early 30s — was homeless and received a voucher, but before that, he had sent his child to live with his grandparents in California, so he was not living with his child. Once the voucher was procured, he found stable housing. He is working to this day, and he and the child are reunited in the new home.

"A young family were living — actually, we're not sure where they were living, but we knew they did not have a roof, that is positive. The mother in that family, now that they are housed, was just accepted to spring matriculation at the University of Washington. The father is working full-time, and the kids are flourishing in their school."

Prior to the release of emergency housing vouchers in 2021, KCHA did not have enough hired staff to keep up with the December 2022 deadline. However, with funding from HUD, KCHA was able to build enough capacity to get the job done.

“For staffing, we had to look at those referral numbers and see how many referrals we were going to get on a monthly basis, and then try to come at that angle of staffing for our intake people. Along with ports — we know that we have a very heavy incoming port [queue], especially from Seattle Housing Authority, so we wanted to make sure that we were staffed up in those areas, along with our lease-ups and in our inspections; so, we had to look at all aspects,” explained Pam Taylor, KCHA’s director of housing choice vouchers.

A “port” refers to the movement of an individual from one housing authority to another. Previously, this process required the applicant to submit two sets of paperwork: one for the housing authority they were leaving, and one for the housing authority they were entering. However, with the new system, paperwork became universal, and now individuals only have to submit one application.

By the end of the calendar year, KCHA anticipates that the emergency housing vouchers will be fully leased up. The organization also claims that of the top 20 grantees ranked by award size, KCHA is the first housing authority to reach this milestone.

“We got a slow start, but we have blasted against every other housing authority in the country at this point, and we did use some really innovative strategies that enabled success,” said **Rhonda Rosenberg, director of communications at KCHA.**

KCHA attributes its high lease-up rate to several strategies: partnerships with nonprofit organizations that provide housing navigation services; close coordination among community-based organizations across King County; adequate funding to help mitigate financial leasing barriers, such as application fees and deposits, for low-income renters; and the universal forms between KCHA and Seattle Housing Authority to minimize paperwork for applicants.

KCHA also accredits its status as a Moving to Work (MTW) agency as important for its success. With this designation from HUD, KCHA is provided with flexibility in funding and program administration.

However, according to Kristy Johnson, the real success was being able to bridge the gap between people and the resources they needed.

“Really, it was just about meeting people where they were at,” said Johnson. “And I think that’s another lesson for us to take away from this experience: that we’re going to actually be able to help people when we meet them where they’re at versus making them meet us where we’re at.”