



# **HYBRID MEETING OF THE BOARD OF COMMISSIONERS**

**Monday, April 21, 2025  
3:00 pm**

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**Webinar Meeting:**

**<https://kcha-org.zoom.us/j/84244814646>**

**Webinar ID: 842 4481 4646**

**Phone: (253) 215-8782**

# HYBRID MEETING OF THE BOARD OF COMMISSIONERS AGENDA

Monday, April 21, 2025 - 3:00 p.m.

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

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- I. Call to Order**
- II. Roll Call**
- III. Public Comment**
- IV. Approval of Minutes** **1**
  - A. Board Meeting Minutes – March 17, 2025
- V. Approval of Agenda**
- VI. Consent Agenda** **2**
  - A. Voucher Certification Reports for December 2024
  - B. Resolution 5790** – Changes to the Public Housing Admissions and Continued Occupancy Policy (ACOP) and Tenant-based and Project-based Administrative Plans (Admin Plans) relating to income and Assets **3**
- VII. Briefings and Reports**
  - A. 2024 Year End Capital Report and 2025 Preview **4**
  - B. 2024 Fourth Quarter Financial Report **5**
- VIII. Executive Session**
  - A. To review the performance of public employees (RCW 42.30.110 (1) (g)).
- IX. President/CEO Report**
- X. Commissioner Comments**
- XI. Adjournment**

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

**Monday, March 17, 2025**

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**I. CALL TO ORDER**

The special monthly meeting of the King County Housing Authority Board of Commissioners was held as a special hybrid meeting on Monday, March 17, 2025. There being a quorum, the hybrid meeting was called to order by Chair Barnes at 3:00 p.m.

**II. ROLL CALL**

**Present:** Commissioner Doug Barnes (Chair) (via Zoom), Commissioner Regina Elmi (via Zoom), Commissioner Richard Jackson (via Zoom), Commissioner Tina Keys (via Zoom) and Commissioner Jerry Lee

**III. PUBLIC COMMENT**

Cindy Ference gave written comments.

Alex Tsimerman gave public comment.

**IV. APPROVAL OF MINUTES**

A. Board Meeting Minutes – February 18, 2025

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved the February 18, 2025 meeting minutes.

**V. APPROVAL OF AGENDA**

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved the March 17, 2025, hybrid Board of Commissioners' meeting agenda.

**VI. CONSENT AGENDA**

A. Voucher Certification Reports for January 2025

On motion by Commissioner Jerry Lee, and seconded by Commissioner Richard Jackson, the Board unanimously approved the March 17, 2025, hybrid Board of Commissioners' meeting consent agenda.

## **VII. RESOLUTIONS FOR DISCUSSION**

### **A. Resolution No. 5789 –**

A Resolution providing for the issuance of revenue and refunding revenue bonds of the Authority in the aggregate principal amount not to exceed [110,000,000.00] for purposes which may include refunding certain outstanding obligations and financing the acquisition of one or more housing projects of the Authority, and determining related matters.

Tim Walter, Senior VP of Development and Asset Management explained that they want to finance this development by using the 4% low-income tax credits.

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved Resolution 5789.

## **VIII. BRIEFINGS AND REPORTS**

### **A. Fourth Quarter 2024 Executive Dashboard**

Grace Wood, MTW Program Manager gave a summary of changes.

### **B. Fourth Quarter 2024 Write-Off Report**

Penny Bradley, Assistant VP of Property Management gave a summary of the report.

## **IX. PRESIDENT/CEO REPORT**

Robin Walls, President/CEO gave news updates.

- Acknowledging the Public Comment that was submitted by Cindy Ference. It is appreciated that she noticed that these are challenging times for staff. There are many staff that have reached out and have expressed their concerns and apprehensions around some of the funding uncertainty.
- We have closed the management review for the Sedro-Woolley Housing Authority. That review has resulted in KCHA establishing a new management agreement for the Sedro-Woolley Housing Authority, as well as submitting and moving forward with the application for extending our MTW regionalization authority to Sedro-Woolley Housing Authority. That review has taken us 18 months to close out all of the open items. Appreciate all of the hard work of staff that have contributed to that. It really is one of Anneliese Gryta's last acts with us. Anneliese Gryta's last day is Friday. She has been here since 2021 and has been instrumental in helping move forward our housing operations. Her work has resulted in a new Safety and Security approach to safety and security to strengthening the management team and our operations. It's been a real pleasure working with her. She will be greatly missed and we wish her well.

- Last week several KCHA staff, as well as Commissioner Keys attended the National Association of Housing and Redevelopment Officials (NAHRO) Washington Legislative Conference in Washington DC. The focus was HUD Funding in respect to the continued Resolution. The continued Resolution was extended to September 30<sup>th</sup>, the end of the Fiscal Year. The day after the Resolution, there were five additional program cuts, these are programs that were appropriated, so that doesn't mean that there won't be additional cuts. We remain alert and active.
- We received approval for our initial HUD reserve request and we have a second reserve request for Birchcreek that will be submitted this week. There will be deep cuts in the Seattle HUD field office. They are due to close in May of this year. Last month we presented our intent to reposition part of our public housing portfolio through a process called RAD – Rental Assistance Demonstration Project. There has long been a backlog at HUD so we will move forward with the process.

#### **X. KCHA IN THE NEWS**

None.

#### **XI. COMMISSIONER COMMENTS**

None.

#### **XII. ADJOURNMENT**

Chair Barnes adjourned the meeting at 3:37 p.m.

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

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**DOUGLAS J. BARNES**, Chair  
Board of Commissioners

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**ROBIN WALLS**  
President/CEO and Secretary-Treasurer

# T A B N U M B E R



# King County Housing Authority

**To:** Board of Commissioners

**From:** Mary Osier, Accounting Manager

**Date:** April 9, 2025

**Re:** **VOUCHER CERTIFICATION FOR FEBRUARY 2025**

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.

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Mary Osier  
Accounting Manager  
April 9, 2024

Bank Wires / ACH Withdrawals		8,451,655.14
	<i>Subtotal</i>	<b>8,451,655.14</b>
Accounts Payable Vouchers		
Key Bank Checks - #355858-356282		9,761,629.64
Tenant Accounting Checks - #12375-12397		16,406.36
	<i>Subtotal</i>	<b>9,778,036.00</b>
Payroll Vouchers		
Checks - #911263936-911263938 & 911333394-911333410 & 911413990-911414003		57,017.42
Direct Deposit		2,667,961.68
	<i>Subtotal</i>	<b>2,724,979.10</b>
Section 8 Program Vouchers		
Checks - #654071-654683 & 655262		1,035,554.73
ACH - #633362-635942		22,733,823.25
	<i>Subtotal</i>	<b>23,769,377.98</b>
Purchase Card / ACH Withdrawal		369,596.59
	<i>Subtotal</i>	<b>369,596.59</b>
	<b>GRAND TOTAL</b>	<b>\$ 45,093,644.81</b>



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	02/05/2025	\$ 12,157.23	AP & Payroll	
Hampton Greens	02/05/2025	\$ 110,976.52	AP & Payroll	
Kendall Ridge	02/05/2025	\$ 55,723.62	AP & Payroll	
Landmark	02/05/2025	\$ 20,880.59	AP & Payroll	
Riverstone	02/05/2025	\$ 40,194.48	AP & Payroll	
Woodside East	02/05/2025	\$ 607,365.13	AP & Payroll	
ARBOR HEIGHTS	02/06/2025	\$ 7,751.05	AP	
Aspen Ridge	02/06/2025	\$ 17,061.77	AP	
Auburn Square	02/06/2025	\$ 8,162.68	AP	
Carriage House	02/06/2025	\$ 5,781.57	AP	
Carrington	02/06/2025	\$ 8,111.25	AP	
CASCADIAN	02/06/2025	\$ 5,599.20	AP	
Colonial Gardens	02/06/2025	\$ 23,148.84	AP	
FAIRWOOD	02/06/2025	\$ 13,038.19	AP	
LAURELWOOD	02/06/2025	\$ 12,303.52	AP	
Meadows	02/06/2025	\$ 5,062.62	AP	
Newporter	02/06/2025	\$ 50,663.80	AP	
OVERLAKE	02/06/2025	\$ 6,351.01	AP	
Parkwood	02/06/2025	\$ 6,892.89	AP	
Pinewood Village	02/06/2025	\$ 2,811.31	AP	
Plum Court	02/06/2025	\$ 12,298.95	AP	
RAINIER VIEW I	02/06/2025	\$ 24,423.85	AP	
RAINIER VIEW II	02/06/2025	\$ 16,591.63	AP	
Salish	02/06/2025	\$ 16,757.62	AP	
Sandpiper East	02/06/2025	\$ 18,318.42	AP	
SI VIEW	02/06/2025	\$ 12,665.77	AP	
SOUTHWOOD SQUARE	02/06/2025	\$ 987.36	AP	
Sterling Ridge	02/06/2025	\$ 10,776.94	AP	

Tall Cedars	02/06/2025	\$ 5,068.21	AP	
Timberwood	02/06/2025	\$ 2,717.87	AP	
Vashon Terrace	02/06/2025	\$ 6,500.00	AP	
Walnut Park	02/06/2025	\$ 11,255.96	AP	
WINDSOR HEIGHTS	02/06/2025	\$ 19,572.32	AP	
Woodridge Park	02/06/2025	\$ 3,984.35	AP	
Kendall Ridge	02/07/2025	\$ 15,000.00	AP	
Argyle	02/12/2025	\$ 72,596.99	AP & Payroll	
Ballinger Commons	02/12/2025	\$ 206,499.79	AP & Payroll	
Bellepark	02/12/2025	\$ 21,113.06	AP	
Emerson	02/12/2025	\$ 94,301.36	AP & Payroll	
GILMAN SQUARE	02/12/2025	\$ 97,831.37	AP & Payroll	
Hampton Greens	02/12/2025	\$ 84,753.69	AP	
Kendall Ridge	02/12/2025	\$ 68,691.62	AP	
Landmark	02/12/2025	\$ 27,278.65	AP	
Meadowbrook	02/12/2025	\$ 34,882.07	AP & Payroll	
Riverstone	02/12/2025	\$ 75,755.15	AP	
SALMON CREEK	02/12/2025	\$ 7,489.04	Monthly bank fees	
Surrey Downs	02/12/2025	\$ 46,421.26	AP & Payroll	
Villages at South Station	02/12/2025	\$ 88,754.05	AP & Payroll	
Woodside East	02/12/2025	\$ 38,900.21	AP	
ALPINE RIDGE	02/13/2025	\$ 10,801.12	AP & Payroll	
ARBOR HEIGHTS	02/13/2025	\$ 12,056.63	AP & Payroll	
Aspen Ridge	02/13/2025	\$ 20,852.63	AP & Payroll	
Auburn Square	02/13/2025	\$ 28,634.46	AP & Payroll	
Carriage House	02/13/2025	\$ 31,288.43	AP & Payroll	
Carrington	02/13/2025	\$ 22,270.21	AP & Payroll	
CASCADIAN	02/13/2025	\$ 34,985.10	AP & Payroll	
Colonial Gardens	02/13/2025	\$ 13,229.32	AP & Payroll	
Cottonwood	02/13/2025	\$ 12,782.20	AP & Payroll	
Cove East	02/13/2025	\$ 46,088.33	AP & Payroll	
FAIRWOOD	02/13/2025	\$ 63,886.73	AP & Payroll	
Henry House	02/13/2025	\$ 16,159.70	AP & Payroll	
HERITAGE PARK	02/13/2025	\$ 20,467.92	AP & Payroll	
Juanita View	02/13/2025	\$ 25,552.47	AP & Payroll	
LAURELWOOD	02/13/2025	\$ 19,330.90	AP & Payroll	
Meadows	02/13/2025	\$ 10,781.58	AP & Payroll	
Newporter	02/13/2025	\$ 17,955.30	AP & Payroll	
NIA	02/13/2025	\$ 46,776.26	AP & Payroll	
OVERLAKE	02/13/2025	\$ 165,647.38	AP & Payroll	

Parkwood	02/13/2025	\$ 22,839.79	AP & Payroll	
Pinewood Village	02/13/2025	\$ 48,623.96	AP & Payroll	
Plum Court	02/13/2025	\$ 8,625.13	AP & Payroll	
RAINIER VIEW I	02/13/2025	\$ 11,392.05	AP & Payroll	
RAINIER VIEW II	02/13/2025	\$ 6,592.72	AP & Payroll	
Salish	02/13/2025	\$ 31,448.70	AP & Payroll	
SALMON CREEK	02/13/2025	\$ 43,050.41	AP & Payroll	
Sandpiper East	02/13/2025	\$ 88,617.18	AP & Payroll	
SEOLA CROSSING	02/13/2025	\$ 84,259.46	AP & Payroll	
SEOLA CROSSING	02/13/2025	\$ 54,095.59	AP & Payroll	
SI VIEW	02/13/2025	\$ 1,139.73	AP & Payroll	
SOUTHWOOD SQUARE	02/13/2025	\$ 31,249.29	AP & Payroll	
Sterling Ridge	02/13/2025	\$ 31,643.69	AP & Payroll	
Timberwood	02/13/2025	\$ 30,519.84	AP & Payroll	
Vashon Terrace	02/13/2025	\$ 900.64	AP & Payroll	
Walnut Park	02/13/2025	\$ 39,395.55	AP & Payroll	
WINDSOR HEIGHTS	02/13/2025	\$ 72,965.87	AP & Payroll	
Woodridge Park	02/13/2025	\$ 41,218.62	AP & Payroll	
Bellepark	02/19/2025	\$ 30,152.07	AP & Payroll	
Hampton Greens	02/19/2025	\$ 110,040.19	AP & Payroll	
Kendall Ridge	02/19/2025	\$ 90,934.18	AP & Payroll	
Landmark	02/19/2025	\$ 45,680.26	AP & Payroll	
Riverstone	02/19/2025	\$ 94,438.38	AP & Payroll	
Woodside East	02/19/2025	\$ 53,035.71	AP & Payroll	
ALPINE RIDGE	02/20/2025	\$ 8,212.45	AP	
ARBOR HEIGHTS	02/20/2025	\$ 7,968.60	AP	
Aspen Ridge	02/20/2025	\$ 5,310.79	AP	
Auburn Square	02/20/2025	\$ 19,052.17	AP	
Carriage House	02/20/2025	\$ 2,149.70	AP	
Carrington	02/20/2025	\$ 34,078.99	AP	
CASCADIAN	02/20/2025	\$ 6,321.50	AP	
Colonial Gardens	02/20/2025	\$ 11,378.07	AP	
HERITAGE PARK	02/20/2025	\$ 13,415.34	AP	
LAURELWOOD	02/20/2025	\$ 8,030.93	AP	
Meadows	02/20/2025	\$ 15,253.35	AP	
Newporter	02/20/2025	\$ 13,308.50	AP	
OVERLAKE	02/20/2025	\$ 16,913.73	AP	
Parkwood	02/20/2025	\$ 11,733.05	AP	
Pinewood Village	02/20/2025	\$ 3,367.10	AP	
Plum Court	02/20/2025	\$ 15,265.12	AP	

RAINIER VIEW I	02/20/2025	\$ 12,569.75	AP	
RAINIER VIEW II	02/20/2025	\$ 4,204.76	AP	
Salish	02/20/2025	\$ 9,479.82	AP	
Sandpiper East	02/20/2025	\$ 26,290.92	AP	
SI VIEW	02/20/2025	\$ 738.86	AP	
SOUTHWOOD SQUARE	02/20/2025	\$ 245.38	AP	
Sterling Ridge	02/20/2025	\$ 19,578.33	AP	
Tall Cedars	02/20/2025	\$ 11,994.36	AP	
Timberwood	02/20/2025	\$ 18,803.28	AP	
Vashon Terrace	02/20/2025	\$ 617.86	AP	
Walnut Park	02/20/2025	\$ 11,583.98	AP	
WINDSOR HEIGHTS	02/20/2025	\$ 19,557.23	AP	
Woodridge Park	02/20/2025	\$ 21,216.82	AP	
FAIRWOOD	02/21/2025	\$ 4,941.07	AP	
Argyle	02/26/2025	\$ 29,794.47	AP & Payroll	
Ballinger Commons	02/26/2025	\$ 253,990.60	AP & Payroll	
Emerson	02/26/2025	\$ 135,131.05	AP & Payroll	
GILMAN SQUARE	02/26/2025	\$ 28,365.18	AP & Payroll	
Hampton Greens	02/26/2025	\$ 11,731.35	AP	
Meadowbrook	02/26/2025	\$ 54,509.94	AP & Payroll	
Surrey Downs	02/26/2025	\$ 27,075.93	AP & Payroll	
Villages at South Station	02/26/2025	\$ 57,177.43	AP & Payroll	
ALPINE RIDGE	02/27/2025	\$ 6,046.50	AP & Payroll	
ARBOR HEIGHTS	02/27/2025	\$ 15,881.34	AP & Payroll	
Aspen Ridge	02/27/2025	\$ 4,101.24	AP & Payroll	
Auburn Square	02/27/2025	\$ 40,478.83	AP & Payroll	
Carriage House	02/27/2025	\$ 47,599.86	AP & Payroll	
Carrington	02/27/2025	\$ 15,101.48	AP & Payroll	
CASCADIAN	02/27/2025	\$ 21,861.41	AP & Payroll	
Colonial Gardens	02/27/2025	\$ 15,759.41	AP & Payroll	
Cottonwood	02/27/2025	\$ 16,605.03	AP & Payroll	
Cove East	02/27/2025	\$ 38,372.68	AP & Payroll	
FAIRWOOD	02/27/2025	\$ 17,015.42	AP & Payroll	
HERITAGE PARK	02/27/2025	\$ 9,999.47	AP & Payroll	
Juanita View	02/27/2025	\$ 22,392.92	AP & Payroll	
LAURELWOOD	02/27/2025	\$ 23,948.00	AP & Payroll	
Meadows	02/27/2025	\$ 23,157.00	AP & Payroll	
Newporter	02/27/2025	\$ 18,773.33	AP & Payroll	
NIA	02/27/2025	\$ 22,991.93	AP & Payroll	
OVERLAKE	02/27/2025	\$ 37,781.11	AP & Payroll	

Parkwood	02/27/2025	\$ 13,685.99	AP & Payroll	
Pinewood Village	02/27/2025	\$ 14,940.51	AP & Payroll	
Plum Court	02/27/2025	\$ 34,533.82	AP & Payroll	
RAINIER VIEW I	02/27/2025	\$ 2,958.83	AP	
RAINIER VIEW II	02/27/2025	\$ 954.12	AP	
Salish	02/27/2025	\$ 27,347.73	AP & Payroll	
SALMON CREEK	02/27/2025	\$ 36,186.31	AP & Payroll	
Sandpiper East	02/27/2025	\$ 47,554.83	AP & Payroll	
SEOLA CROSSING	02/27/2025	\$ 32,721.28	AP & Payroll	
SEOLA CROSSING	02/27/2025	\$ 27,850.18	AP & Payroll	
SI VIEW	02/27/2025	\$ 2,743.24	AP	
SOUTHWOOD SQUARE	02/27/2025	\$ 14,071.35	AP & Payroll	
Sterling Ridge	02/27/2025	\$ 23,078.92	AP & Payroll	
Tall Cedars	02/27/2025	\$ 14,385.61	AP & Payroll	
Timberwood	02/27/2025	\$ 23,313.98	AP & Payroll	
Vashon Terrace	02/27/2025	\$ 274.51	AP	
Walnut Park	02/27/2025	\$ 16,357.53	AP & Payroll	
WINDSOR HEIGHTS	02/27/2025	\$ 45,344.75	AP & Payroll	
Woodridge Park	02/27/2025	\$ 24,624.29	AP & Payroll	
	167 Wires	\$ 5,606,783.01		

# T A B N U M B E R

3



**To:** Board of Commissioners

**From:** Judi Jones

**Date:** April 7, 2025

**Re:** Changes to the Public Housing Admissions and Continued Occupancy Policy (ACOP) and Tenant-based and Project-based Administrative Plans (Admin Plans) relating to Income and Assets

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Attached, for your review and approval, are changes to KCHA's ACOP and Admin Plans related to implementation of selected requirements of Section 102 and Section 104 of the Housing Opportunities through Modernization Act of 2016 (HOTMA) ([42 U.S.C. 1436a](#)). Although much of HOTMA has been delayed pending changes in HUD data collection and reporting systems, on December 17, 2024, HUD published PIH Notice 2024-38 to provide guidance to PHAs relating its implementation. Specifically, the notice detailed portions of HOTMA's Section 102 and Section 104 relating to Income and Asset calculations under covered housing programs that HUD determined could be implemented without further delay. HUD set an implementation deadline of July 1, 2025 for PHAs including updating ACOP and/or Administrative Plans as necessary to implement identified policies.

KCHA staff has reviewed PIH Notice 2024-38 in conjunction with regulatory waivers provided through participation in HUD's MTW program. HOTMA Sections 102 and 104 primarily focus on rules a standard PHA must follow to calculate household income, assets and rent. However, as a participant in the MTW program, KCHA has used MTW authority to waive most of these HUD regulations in favor of systems designed to promote income growth and resident self-sufficiency and streamline program operations. Where HOTMA's proposed policy changes conflict with previously adopted program waivers, staff have confirmed MTW-based rules and strategies take precedence. As a result, proposed ACOP and Admin Plan edits attached are limited to those that clarify

or enhance our current MTW-based income, asset or rent policy. For example, edits to clarify use of income received from working as a Day Laborer, Independent Contractor or Seasonal employee have been added to KCHA policies while other items, such as changes relating to interim and annual reviews, income deductions or earned income disregards, have not been incorporated as KCHA has previously waived these regulations.

Prior to implementing revisions, KCHA must have Board approval of related changes to the ACOP and Admin Plans as attached.

Staff recommends approval of Resolution No. 5790, effective July 1, 2025.



**THE HOUSING AUTHORITY OF THE COUNTY OF KING**  
**RESOLUTION NO. 5790**  
**AUTHORIZING CHANGES TO THE PUBLIC HOUSING ADMISSION AND**  
**CONTINUED OCCUPANCY POLICY (ACOP) AND THE ADMINISTRATIVE**  
**PLANS (AD PLANS) FOR TENANT-BASED AND PROJECT-BASED**  
**VOUCHER PROGRAMS RELATING TO INCOME AND ASSETS**

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**WHEREAS,** Sections 102 and 104 of the Housing Modernization through Opportunity Act of 2016 (HOTMA) introduced new regulatory requirements relating to the determination of income and assets under HUD’s Public Housing and Tenant-based and Project-based Housing Voucher programs; and

**WHEREAS,** following numerous delays, on December 17, 2024, HUD published PIH Notice 2024-38 providing guidance to PHAs regarding implementation of selected requirements of HOTMA Section 102 and 104; and

**WHEREAS,** staff has reviewed HUD’s guidance, together with regulatory waivers granted KCHA as a participant in the MTW program, and determined the extent to which such guidance should be integrated into its subsidized housing programs; and,

**WHEREAS,** HUD has stipulated that PHA’s have until July 1, 2025 to implement applicable Section 102 and Section 104 policy changes identified in PIH Notice 2024-38; and

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

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

- (1.)** The Board of Commissioners hereby approves revisions to the Public Housing ACOP and Tenant and Project-based Administrative Plans;  
and
- (2.)** Authorizes the Housing Authority to take the necessary steps to implement HOTMA-related revisions to policies as necessary to ensure the efficient operation of KCHA's subsidized housing programs.

**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 21<sup>st</sup> DAY OF APRIL, 2025.**

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

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**Doug Barnes**, Chair  
Board of Commissioners

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**ROBIN WALLS**  
Secretary-Treasurer

## 1: DEFINITION OF TERMS

**Adjusted Annual Income:** Total Household Annual Income less the sum of total eligible deductions for unreimbursed medical expenses, handicapped assistance expenses and/or childcare expenses (as defined) which the household is determined eligible to receive during the recertification process and determination of tenant rent. (See [Section 9](#) and [Exhibit C](#) for additional information.)

**Adult:** A household member who is 18 years or older or who is the head of the household, or spouse, or co-head.

**Allowances:** Amounts deducted from the household's gross annual income in determining adjusted annual income (the income amount used in the rent calculation). As established under KCHA's EASY Rent and WIN Rent programs, allowances for medical expenses, handicapped assistance expenses and child care expenses for children under 13 years of age, as outlined in this ACOP.

**Alternative non-public housing rent:** The monthly rent charged to a Non-public housing over-income household. The rent is equal to the greater of:

- (1) The applicable fair market rent, as defined in [24 CFR part 888, subpart A](#), for the unit; or
  - (2) The amount of the monthly subsidy provided for the unit, which will be determined by adding the per unit assistance provided to a public housing property as calculated through the applicable formulas for the Public Housing Capital Fund and Public Housing Operating Fund.
    - (A) For the Public Housing Capital Fund, the amount of Capital Funds provided to the unit will be calculated as the per unit Capital Fund assistance provided to a PHA for the development in which the family resides for the most recent funding year for which Capital Funds have been allocated;
    - (B) For the Public Housing Operating Fund, the amount of Operating Funds provided to the unit will be calculated as the per unit amount provided to the public housing project where the unit is located for the most recent funding year for which a final funding obligation determination has been made;
- (C) HUD will publish such funding amounts no later than December 31 each year

**Annual Income:** All amounts, not specifically excluded in Exhibit B of this policy, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age. (See Exhibit A and Exhibit B for additional information).

~~All amounts, monetary or not, that (See [Exhibit A](#) and [Exhibit C](#) for additional information):~~

~~Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member; or~~

~~Are anticipated to be received from a source outside the family during the 12 month period following admission or recertification; and~~

~~Are not specifically excluded from annual income (See [Exhibit B](#)).~~

~~Annual Income also includes amounts derived (during the 12 month period) from total assets valued at \$50,000 or more to which any member of the family has access.~~

**Applicant (applicant family):** A person or family that has applied for admission to a program but is not yet a participant in the program.

**Authority:** The Housing Authority of the County of King, Washington, a public corporation.

**Certification:** The examination of a household's income, expenses, and family composition to determine the family's initial eligibility for program participation and to calculate the family's share of rent.

**Child Care Deduction:** The amount allowed under KCHA's WIN Rent program as a reduction from Annual Income when child care expenses (as defined) are incurred by a participating household. Households with income in excess of \$75,000 and above are not eligible for this deduction. **A child care deduction is only provided when KCHA determines no other adult in the household is available** to provide care **AND** the amount paid (1) is not reimbursed by another party or source; (2) is reasonable in relation to the time and hours worked; (3) is not paid to a family member; (4) does not exceed the income received as a result of the provision of the care. A Child Care Deduction **may not be** granted to a household operating an in-home childcare facility in order to provide for the care of the household's own children. The actual amount of the deduction provided is established by KCHA according to the following expense bands:

Eligible Child Care Expenses Incurred	\$ Amount of Deduction
Below \$2,500	\$0
\$2,500 - \$4,999	\$2,500
\$5,000 – \$7,499	\$5,000
\$7,500 - \$9,999	\$7,500
\$10,000 or more	\$10,000

See [Section 9](#) and [Exhibit C](#) for additional information.

**Child Care Expense:** The “out-of pocket” amount paid for (1) the care of children in the household under 13 years of age **and/or** (2) attendant care and auxiliary apparatus for a Handicapped or Disabled Family member. Under the WIN Rent program, child care expenses must: (1) be necessary to enable a member of the household to be gainfully employed or further his/her education; (2) not be reimbursed by another party or source; (3) be reasonable in relation to the time and hours worked; (4) not be paid to a family member; (5) not exceed the income received as a result of the provision of the care. Households with income of \$75,000 and above are not eligible for this deduction. (See [Section 9](#) and [Exhibit C](#) additional information.)

**Citizen:** A citizen or national of the United States.

**Community Service:** The performance of voluntary work or duties that are a public benefit and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities.

**Consent Form:** Any consent form approved by HUD and/or the Authority to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return information for unearned income from the Internal Revenue Service. The consent forms may authorize the collection of other information from assistance applicants or participant to determine eligibility or level of benefits.

**Co-Tenant:** An adult member of the Family household who is neither head nor spouse, but who enters the lease jointly with the Head of Household. A Co-Tenant has the same standing in the lease as would a spouse.

**Dependent:** A member of the Family household (excluding foster children and foster adults) other than the Family head or spouse, who is under 18 years of age or is a person with a disability. An unborn child shall not be counted as a Dependent except when determining initial program eligibility of a single pregnant woman **without** other children in the household.

**Day Laborer:** An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future. Income earned as a day worker is not considered non-recurring income.

**Dilapidated Housing Unit:** For selection preference purposes, a housing unit is considered dilapidated if it does not provide safe and adequate shelter, in its present condition endangers the health, safety or well-being of a family, or it has one or more critical defects, or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. The defects may involve original

construction, or they may result from continued neglect or lack of repair from serious damage to the structure.

**Disabled Family:** A family whose head, spouse or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**Displaced Family:** For eligibility purposes, a family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

**Displaced Person:** For eligibility purposes, a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under Federal disaster relief laws.

**Drug-Related Criminal Activity:** The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell distribute or use the drug. [\(As defined in Section 102 of the Controlled Substances Act \(21 U.S.C. 802\)\)](#)

**Dwelling Lease:** A rental agreement between the Housing Authority and the tenant in the form shown in [Exhibit J](#) of this policy. The Dwelling Lease (or a Rider to the Dwelling Lease) shall, among other things, reflect the rent currently being charged and the conditions governing occupancy. ([J- Section 7](#))

~~**Economic Self-Sufficiency Program:** Any program designed to encourage, assist, train or facilitate the economic independence of HUD assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, and any program necessary to ready a participant for work (including a substance abuse or mental health treatment program), or other work activities.~~

**Earned income:** Income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

**EASY Rent Program:** The rent calculation method applied by KCHA to Easy Rent households (see definition). Under Easy Rent program rules, rent is calculated based upon 28% of an eligible household's adjusted gross income. Minimum rent paid by eligible families is \$0 per month, in accordance with the policies outlined in this ACOP. Households under the EASY Rent program undergo a **full recertification** of income and program eligibility just once every three (3) years. During intervening years, rent will be

adjusted to account for changes in the applicable Energy Assistance Supplements and/or Social Security Cost-of-Living adjustments received in the prior year. Unit inspections will still be performed in accordance with the HA's established schedule. (See [Section 9](#) and [Section 10](#) for additional information.)

**EASY Rent Household:** A resident or family living in any of KCHA's Public Housing Mixed Population Hi-rise buildings, or a family in which (1) All adults in the household (excluding live-in attendants) are Elderly or Disabled (as defined); and (2) have no source of income, **or**, at least 90% of total household income is derived from any combination of the following fixed income sources: Social Security, SSI, Government Pension, Public or Private Pensions, GAU and/or Disability Lifeline (a DSHS general assistance grants). An EASY Rent Household includes a household in which a dependent minor has turned eighteen (18) years of age in between the established (3 year) recertification period. Easy Rent Households may also be referred to as a "fixed income" household in this ACOP as their income is typically from a fixed source such as Social Security or SSI.

**Economic Self-Sufficiency Program:** Any program designed to encourage, assist, train or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, and any program necessary to ready a participant for work (including a substance abuse or mental health treatment program); or other work activities.

**EIV (Enterprise Income Verification):** A HUD web-based system used to validate tenant reported income including wages, unemployment, Social Security, SSI and other income and benefits.

**Elderly Family:** A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

**Elderly Person:** A person who is at least 62 years of age.

**Eligible Immigration Status:** An immigration status in one of the following categories:

1. A noncitizen lawfully admitted for permanent residence, as defined by [Section 101\(a\)\(20\)](#) of the Immigration and Nationality Act (INA), as an immigrant, as defined by [Section 101\(a\)\(15\)](#) of the INA (8 U.S.C. 1101 (a)(20) and 1101(a)(15), respectively) (immigrants). (This category includes a noncitizen admitted under [Section 210](#) or [210A](#) of the INA (8 U.S.C. 1160 or 1161), (special agricultural worker), who has been granted lawful temporary resident status);

~~3.4.~~ A Person with Disabilities or Disabled Family (see definition)

~~4.5.~~ A Remaining Member of a tenant family (see definition)

For purposes of determining **initial eligibility** for the Housing Authority's Public Housing program:

1. A Family **must include** at least one household member who is disabled, elderly, near-elderly or who qualifies as a dependent (see definition);
2. Single-persons (as defined: those who are not elderly, near-elderly or disabled) will not be placed on the waiting list. However, such individuals may be considered eligible for assistance and be placed on the waiting list for any specific targeted "set-aside" program established by the Housing Authority (such as programs to assist Chronically Homeless individuals or youth transitioning out of foster care) for which they qualify.

For purposes of properties that are owned and/or administered by the Housing Authority in conjunction with the Low Income Housing Tax Credit (LIHTC) program, a Family will not include a household that consists solely of family members that are considered Full-time students (as defined by the LIHTC program).

**Family Income:** For purposes of qualifying for a Federal Preference, Family Income is "Monthly Income" as defined in this Section.

**Family Members:** All members of the household other than live-in aides, foster children, and foster adults. All family members permanently reside in the unit, though they may be temporarily absent. All family members are listed on the lease.

**Family Development:** Any development assisted under the [US Housing Act of 1937](#) (other than Section 8 or Section 17 of the Act) which is not a Project for the Elderly or Disabled.

**Family Self-Sufficiency Program (FSS Program):** The program established by a Housing Authority to promote self-sufficiency among participating families, including the coordination of supportive services.

**Foster Adult:** A member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.



**Foster Child Care Payment:** Payments to eligible households by state, local or private agencies.

**Foster Child:** A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

**Handicapped Assistance Expenses:** Reasonable expenses that are anticipated, during the period for which annual Income is computed, for attendant care or auxiliary apparatus for a Handicapped or Disabled Family member, and **that are necessary to enable a Family member (including the Handicapped or Disabled member) to be employed or further his/her education**, provided that the expenses are neither paid to a member of the Family nor reimbursed by an outside source.

**Head of Household:** The adult member of the Family who is the head of the household for the purposes of determining income eligibility and rent. A Head of Household must be 18 years of age or older unless they document approval as an Emancipated Minor pursuant to Washington State regulations (*RCW 13.64.*).

**Homeless Family:** For selection preference purposes, an applicant is considered a Homeless Family if they:

1. Lack a fixed, regular and adequate night time residence; and
2. Have a primary night time residence that is:
  - a. A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters and transitional housing for the mentally ill);
  - b. An institution that provides a temporary residence for individuals intended to be institutionalized; or
  - c. A public or private place not designed for or ordinarily used as, a regular sleeping accommodation for human beings.

A Homeless Family does not include any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State law.

**Housing Authority (HA):** The Housing Authority of the County of King, a public corporation.

**HUD:** The U.S. Department of Housing and Urban Development.

**Imputed Asset Income:** For households with assets of more than \$50,000, the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used as income from assets in determining annual income.

**Imputed Welfare Income:** The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

**Income Limits:** A schedule of incomes that do not exceed a percent of the median income for the area as determined by HUD with adjustments for smaller or larger Families, except that HUD may establish income limits higher or lower on the basis of its findings that such variations are necessary because of prevailing levels of construction costs, unusually high or low incomes, or other factors. (See [Exhibit E](#))

**Independent Contractor:** An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code federal income tax requirements and whose earnings are subject to self-employment tax. In general, an individual is an independent contractor if they have the right to control or direct only the conduct of the work. Income earned as an independent contractor is **not** considered non-recurring income.

**Interim Recertification:** A reexamination of a family income, expenses, and household composition conducted between regular recertifications when a change in a household's circumstances warrants such a reexamination. (See [Section 10](#) for additional information.)

**INS:** The U.S. Immigration and Naturalization Service.

**Live-in Aide:** A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who (1) is determined by the Housing Authority to be essential to the care and well-being of the person(s); (2) is not obligated for the support of the person(s); and (3) would not be living in the unit except to provide necessary supportive services.

A relative meeting the above three criteria would not be prohibited from serving as a Live-in Aide.

With the consent of the Housing Authority, a live-in aide meeting the above criteria may be permitted to reside in the dwelling unit. In addition to screening the live-in aide for the normal suitability criteria, permission may depend on whether the addition of a new occupant would require a transfer of the family to another unit, and whether another appropriate unit is available.

who are at least 55 years of age but below the age of 62 living together with one or more live-in aides.

**Near Elderly Disabled Person:** A Person who is at least 55 years of age but below the age of 62.

**Near Elderly Family:** A family whose head, spouse, or sole member is a person who is at least 55 years of age but below the age of 62; or two or more persons, who are at least 55 years of age but below the age of 62 living together; or one or more persons who are at least 55 years of age but below the age of 62 living together with one or more live-in aides.

**Near Elderly Person:** A Person who is at least 55 years of age but below the age of 62.

**Net Family Assets:**

1. The net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.
2. Net family assets must include the value of any business or family assets disposed of for less than fair market value during the two years preceding the date of application for the program or reexamination, in excess of the consideration received therefore.
  - a. This includes a disposition in trust, but not in a foreclosure or bankruptcy sale.
  - b. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms.
  - c. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

See Exhibit B and Exhibit C for additional information regarding exclusions and calculation of Annual Income and Rent.

- ~~1. Net cash value after deducting reasonable costs that would be incurred in disposing or real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian Trust land and excluding equity accounts in HUD home ownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.~~
- ~~2. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the Family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining Annual Income.~~

~~3. In determining Net Family Assets, housing authorities or owners, as applicable, shall include the value of any Business or Family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received thereof. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.~~

**Net Income from Operation of a Business or Profession:** See [Exhibit A](#).

**Noncitizen:** A person who is neither a citizen nor national of the United States.

**Noncitizen Student:** A noncitizen who:

1. Has a residence in a foreign country, that the person has no intention of abandoning;  
**and,**
2. Is a bonafide student qualified to pursue a full course of study; **and,**
3. Is admitted to the United States temporarily and solely for purposes of pursuing such a course of study at an established institution of learning or other recognized place of study in the United States, particularly designated by such person and approved by the Attorney General after consultation with the Department of Education of the United States, which institution or place of study shall have agreed to report to the Attorney General the termination of attendance of each nonimmigrant student.

**Non-public housing over-income family:** A family whose income exceeds the over-income limit for 24 consecutive months and is paying the alternative non-public housing rent.

**Occupancy Standards:** The standards that a housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

**Other Criminal Activity:** Criminal activity that would adversely affect the health, safety, or right to peaceful enjoyment of the premises by other residents, persons residing in the immediate vicinity, the owner or public housing employees.

**Over-income family:** A family whose income exceeds the Over-income limit.

**Remaining Member of Tenant Family:** A member of the Family listed on the Lease who continues to live in the dwelling unit after all of the Family Members have left.

If the person is named on the lease but did not sign it, it will be the sole determination of the Housing Authority whether to enter into a new lease with that person. Among other factors, the person's suitability for tenancy and his or her ability to uphold a lease will be considered.

In accordance with the [Authority's Occupancy Standard](#), the remaining member may be required to transfer to an appropriate sized dwelling unit or type of project.

**Rent:** For tenant selection and preference purposes, rent is defined as:

1. The actual amount due, calculated on a monthly basis, under a lease or occupancy agreement between a family and the family's current landlord; and
2. In the case of utilities purchased directly by tenants from utility providers:
  - a. The Energy Assistance Supplement (if any) determined for the Section 8 Certificate/Voucher Program; or
  - b. If the family chooses, the average monthly payments that it actually made for its utilities for the most recent 12 month period, or if that information is not obtainable, for the entire period of an appropriate recent period (such period shall be no less than 6 consecutive months).

**Seasonal Worker:** An individual who is: (1) hired into a short-term position (e.g., for which the customary employment period for the position is 6 months or fewer); and (2) the employment begins about the same time each year (i.e. summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry. Income earned as a seasonal worker is **not** considered nonrecurring income.

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

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

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

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

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

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

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

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

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

**Total Tenant Payment (TTP):** For EASY Rent Households, the TTP is equal to the 28% of the household's gross adjusted income. For WIN Rent Households, the TTP is equal to the Gross Rent established for the household's associated gross adjusted income. In general, the TTP less the established Energy Assistance Supplement is the monthly Tenant Rent payable by a household, subject to any Minimum Rent established by the Housing Authority. (See [Section 9](#) for additional information.)

**Unearned income.** Income, that is not categorized under the definition of earned income as detailed in this policy.

## I. DISCOVERY OF ERRORS

If an error in rent is revealed at any time, the Authority shall make adjustments to correct the error as follows:

1. If the error was due to misrepresentation/fraud (i.e., not reporting a change, withholding information, etc.) and corrective actions result in an increased tenant rent, such rent shall be retroactive to the first month following the date the misrepresentation occurred. Unless otherwise agreed to by the Authority, all retroactive rent charges shall be payable the first of the month following determination of the charge.
2. If the error was the fault of the tenant and corrective action results in decreased tenant rent, such decrease shall be effective the first of the month following the date when the error was discovered.
3. If the error was not the fault of the tenant and corrective action results in increased rent, such rent shall be effective the first of the second month following the date the error was discovered.
4. If the error was not the fault of the tenant and corrective action results in decreased tenant rent, the change in rent shall be made retroactive to the effective date the error was made, and the tenant shall be reimbursed accordingly. Where possible, reimbursement will be completed by crediting the tenant's account for the overpayment. Otherwise, the HA will issue a check to the tenant following completion of the corrective action.

## J. RETROACTIVE RENT COLLECTION PROCEDURES

If the Housing Authority allows a person who owes back rent to remain on the program, a written repayment agreement may be offered, at the sole discretion of the Housing Authority, and will be calculated in the following manner:

1. For retroactive amounts accrued in 12 months or less, repayment shall be made in a time period not to exceed the number of months it took to accrue the balance.
2. For retroactive amounts whose accrual time is longer than 12 months, repayment shall be made in a time period not to exceed 12 months.

The Housing Authority retains the right to begin eviction procedures against a tenant who misses a payment or refuses to sign a retroactive rent agreement.

In the case of a vacated or evicted Public Housing participant owing retroactive rent amounts, a repayment agreement must be signed with the Housing Authority within 30 days of the date of the vacate. The repayment agreement shall not exceed 6 months. If

## 12: EXHIBIT A - INCOME INCLUSIONS

### I. ANNUAL INCOME MEANS ALL AMOUNTS, MONETARY OR NOT, THAT:

1. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
2. Are anticipated to be received from a source outside the family during the twelve-month period following admission or annual examination effective date; and

~~3.~~ In both cases, Annual Income does not include amounts that are ~~Are not~~ specifically excluded ~~from annual income (see as described in~~ Exhibit B of this policy.

### II. INCOME INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING

1. The **full amount** of employment income (wages, salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services), of all household members. (Except as excluded under paragraph B.1 of Exhibit B.) Income arising from work as a day laborer, seasonal worker or independent contractor is included as a source of employment income.
2. The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the Family.
3. Where the Family has Total Assets which value \$50,000 or more, Annual Income shall include: Interest, dividends, and other net income of any kind from real or personal property, except as outlined in Exhibit B. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph 2 of this Exhibit. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Annual Income shall include the greater of the actual income derived from all Net Family Assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other



## 13: EXHIBIT B - INCOME EXCLUSIONS

1. Income **from employment** of household members, other than family head, spouse or co-tenant, under the age of 21 years. Income from employment of family members under age 21 is excluded from the calculation of household income until the first review (Interim or Full Recertification) completed after the household member reaches age 21. This item **excludes ONLY employment income**, all other sources of income received by or on behalf of those under age 21 is included in the calculation of household income as detailed in this ACOP (See [Exhibit A](#) and [Exhibit B](#)).
2. Payments received for the care of foster children, or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone). These amounts include ~~Kin-GAP payments and similar state guardianship payments available to children exiting the juvenile court system~~ State or Tribal kinship or guardianship care payments.
3. Lump-sum additions to family assets, such as inheritances, insurance payments, (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal property losses (but See Paragraph B.5 of [Exhibit A](#)).
4. Amounts received by the family that are specifically for or in reimbursement of the cost of medical expenses for any family member.
5. Income of a Live-In Aide, foster child or foster adult as defined.
6. The full amount of student financial assistance paid directly to the student or to the educational institution. Loan proceeds are not considered income.
7. Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by Federal, State, or local government.
- ~~7.8.~~ 8.9. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
- ~~8.9.~~ 9.10. Income from Assets when the total value of assets held by the Family is less than \$50,000.
- ~~9.10.~~ 9.10. Amounts received from the following programs:

## Admission and Continued Occupancy Policy (ACOP)

- a. Amounts received under training programs funded by HUD, or other qualifying training program funded in whole or in part through Federal, State or local government sources. (See [Exhibit C](#) for additional information).
- b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self Sufficiency (PASS).
- c. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program. Among the programs to which this applies are the Community Work Experience and Employment School Program. This provision would also apply to amount received to cover transportation costs of a Volunteer Firefighter.
- d. A resident service stipend (not to exceed ~~an average of \$750~~ 781.50 per month) received by a resident for performing a service for the owner (HA) or participating in activities, on a part-time basis, that enhance the quality of life in the development and/or increase the economic self-sufficiency of the resident through education and training. As determined by the Housing Authority, services may include, but are not limited to, laundry room attendant, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination, and serving as a member of the Housing Authority Board of Commissioners. No resident may receive more than one such stipend during the same period of time. The maximum amount payable as a resident service stipend and excluded from income will be reviewed annually and adjusted to reflect any COLA increase approved for KCHA administrative staff beginning with the first full pay period of November 2024.

~~d.~~

### ~~10. Non-recurring or sporadic income (including gifts).~~

### 11. Non-recurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

- a. Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.
- b. Direct Federal or State payments intended for economic stimulus or recovery.
- c. Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

## Admission and Continued Occupancy Policy (ACOP)

- d. Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.
  - e. Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).
  - f. Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.
  - g. Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.
12. Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.
13. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.
14. Civil rights settlements or judgments, including settlements or judgments for back pay.
- ~~11-15.~~ Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era (effective April 23, 1993).
- ~~12-16.~~ Adoption assistance payments.
17. Deferred periodic payments of supplemental security income (SSI) and Social Security benefits that are received in a lump sum payment or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
18. Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.
- ~~13-19.~~ Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
20. Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit. ~~Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.~~

## Admission and Continued Occupancy Policy (ACOP)

21. Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).
22. Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.
23. Replacement housing “gap” payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.
24. Income earned on amounts placed in a family's Family Self Sufficiency Account.
25. The following types of trust distributions:
  - a. For a trust held outside of the control of the family:
    - i. Distributions from the principle or corpus of the trust and
    - ii. Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.
  - b. For a trust held under the control of the family, any distributions from the trust. Any actual income earned by the trust shall be counted as income, per Exhibit C of this plan.
- ~~14-26.~~ Amounts that HUD is required by specifically excluded by any other Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the [United States Housing Act of 1937](#). As described in 24 CFR 5.609(b)(22) HUD will publish notice in the Federal Register to identify and update benefits that qualify for this exclusion when necessary. Items listed below are those most recently listed by HUD as of January 30, 2024. The following types of income are subject to such exclusions:
  - a. The value of the allotment provided to an eligible household, regardless of the form of the allotment, under the [Food Stamp Act of 1977](#) (7 U.S.C. 2017 [b]). This exclusion also applies to assets.
  - b. Payments, including for supportive services and reimbursement of out-of-pocket expenses, to for volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044[~~g~~], [42 U.S.C. 5058](#)). are excluded from income except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for Nationals and Community Service appointed under 42 U.S.C. 12651c

## Admission and Continued Occupancy Policy (ACOP)

determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or great than the minimum wage in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greatest (42 U.S.C. 5044 (f)(1)). This exclusion also applies to assets.

- c. Payments received under the ~~Alaska Native Claims Settlement Act (43 U.S.C. 1626(a)-(c))~~ Alaska Native Claims Settlement Act (43 U.S.C. 1626 (c)). This exclusion also applies to assets.
- d. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C ~~459e~~5506). This exclusion also applies to assets.
- e. Payments or allowances made under ~~the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))~~ the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624 (f)(1)). This exclusion also applies to assets.
- f. Income derived from the disposition of funds of the ~~Grand River Band of Ottawa Indians (Pub. L.94-540, 90 Stat. 2503-2504)~~ Grand River Band of Ottawa Indians (Pub. L.94-540, section 6). This exclusion also applies to assets.
- g. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court the interests if individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C 1407 - 1408). This exclusion also applies to assets.
- h. Amounts of ~~scholarships~~ student financial assistance funded under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under the Federal ~~Work Study Programs~~ or under ~~the Bureau of Indian Affairs Student Assistance Program (20 U.S.C. 1087uu)~~ the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu).
- i. Payments received from programs funded under ~~Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))~~ Title V of the Older Americans Act of 1985 (42 U.S.C. 3056g).
- j. Payments received on or after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the **In Re Agent** product liability litigation, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets.

## Admission and Continued Occupancy Policy (ACOP)

- k. Payments received under the Maine Indian Claims Settlement Act of 1980 (~~25 USC 1721~~Pub. L. 96-420, 94 Stat 1785). This exclusion also applies to assets.
- l. The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g).
- m. ~~Any~~ Earned income tax credit (ETIC) received on or after January 1, 1991 (26 U.S.C. 32 (J)). This exclusion also applies to assets.
- ~~l.~~ The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409).
- ~~m.n.~~ The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g).
- ~~n.o.~~ Payments by the Indian Claims Commission to the Confederate Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433 section 2). This exclusion also applies to assets.
- p. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d)).
- ~~o.q.~~ Any allowance paid to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811-16), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821-22) is excluded from income and assets (38 U.S.C. 1833(c)).
- ~~p.r.~~ Any amount of crime victim compensation ~~that provides medical or other assistance (or payment or reimbursement of the cost of such assistance)~~ (under the Victims of Crime Act of 1984) received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102 (c)). This exclusion also applies to assets. ~~(or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602).~~
- ~~q.s.~~ Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 reauthorized as the Workforce Innovation and Opportunity Act of 2014 (~~29 U.S.C. 2931~~29 U.S.C. 3241 (a)(2))

## Admission and Continued Occupancy Policy (ACOP)

- ~~r.t.~~ Any amount received under the Richard B. Russell School Lunch Act and the Child Nutrition Act of 1966 (42 USC 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC). This exclusion also applies to assets.
- ~~s.u.~~ Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990. Pub. L. 101-503 section 8(b)). This exclusion also applies to assets. (25 USC 1774f((b)).
- ~~t.v.~~ Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts ~~as provided by an amendment to the definition of annual income in the U.S. Housing Act of 1937 (42 USC 143742 U.S.C. 1437a(b)(4)) by Section 2608 of the Housing and Economic Recovery Act of 2008.~~
- ~~u.w.~~ Any amounts (i) not received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. §1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. chapter 11 or dependency and indemnity compensation under 38 U.S.C. chapter 13 as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 to the definition of income applicable to programs under the Native American Housing Assistance and Self Determination Act (NAHASDA). ~~Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self Determination Act of 1966 (25 USC 4101) and administered by the Office of Native American Programs.~~
- ~~x.~~ A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Coball et al. v. Ken Salazar et al.*, 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution act of 2010 (Pub. L. 111-291 section 101(f)(2)). This exclusion also applies to assets. ~~United States District Court, District of Columbia, as provided in the Claims Resolution Act of 2010.~~
- ~~y.~~ Any amounts in an “individual development account” are excluded from assets and any assistance, benefit or amounts earned by or provided to the individual development account are excluded from income as provided by the Assets for Independence Act, (42 U.S.C. 604(h)(4)).
- ~~z.~~ Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amounts of the original Tribal Trust



## Admission and Continued Occupancy Policy (ACOP)

Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013-1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407).

aa. Federal assistance for a major disaster or emergency received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)). This exclusion also applies to assets.

bb. Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113-295), as described in Notice PIH 2019-09 or subsequent or superseding notice is excluded from income and assets.

~~v~~-cc. Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116-260, section 501 (j)) and the American Rescue Plan Act of 2021 (Pub. L. 117-2 section 3201). This exclusion also applies to assets.



## H. ALIMONY OR CHILD SUPPORT

Count amounts awarded as part of a divorce or separation agreement unless the applicant certifies that the income is not provided and documents that the required efforts have been made to collect these amounts. (See Verification Requirements, [Exhibit G](#)) This also applies to situations where an applicant states they are receiving less than specified in the court judgment or settlement agreement.

## I. EARNED INCOME TAX CREDIT

Earned income tax credits and other tax credits as described in Exhibit B will not be used in calculating annual income.

## J. LUMP-SUM PAYMENTS COUNTED AS INCOME

Generally lump-sum amounts received by a family are considered assets, not income (inheritances, insurance settlements, proceeds from the sale of property, etc.). Lump-sum payments made because of a delay in processing unemployment or welfare benefits are counted as income.

However, a lump-sum payment for the delayed start of a periodic payment from SSI and Social Security is not counted as income.

## K. IMPUTED WELFARE INCOME/WELFARE BENEFIT REDUCTION

The Imputed Welfare Income is the difference between the welfare payment the Family receives and the welfare payment the Family would have received had it not been reduced and is based on information presented by the welfare agency. The imputed welfare income is to be included in the calculation of the Family Income along with the Family's other income.

The reduction of welfare benefits by the welfare agency, in whole or in part for a family member, is determined by the welfare agency because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with the agency's requirement to participate in an economic self-sufficiency program.

However, "Imputed Welfare Income" does not include a reduction or termination of welfare benefits:

1. At the expiration of a lifetime or other time limit on the payment of welfare benefits
2. Because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

## Admission and Continued Occupancy Policy (ACOP)

2. Broker and legal fees for selling or converting assets to cash; and
3. Settlement costs for real estate transactions.

The cash values of the following are examples of assets that are to be considered in the calculation of income:

1. Current amounts in savings accounts and the average balance of the last six months in checking accounts, where such average balance has exceeded \$1,000; (includes amounts deposited in credit unions)
2. Stocks, bonds, savings certificates, money market funds and other investment accounts;
3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. Do not include equity in an owner-occupied cooperative or manufactured housing unit if the family intended to continue living in the cooperative unit or manufactured housing home after being admitted to the Section 8 program. For real estate, have tenant certify the estimated Fair Market Value (no appraisal needed) and subtract mortgage and established costs (i.e., attorney's fees, closing costs, etc.).
4. The cash value of any trusts available to and under the control of the family. Do not include the value of trusts that ~~no family member of the family or household can control~~ are outside the control of the family. The value of the trust fund outside of the control of the family will not be considered an asset so long as the fund continues to be held in trust. ~~However, any~~ income distributed from the trust shall be counted when determining the family's annual income, in the following manner:
  - a. For any trust held outside the control of the family:
    - i. Do not include distributions from the principle or corpus of the trust.
    - ii. Do not include distributions of income from the trust when those distributions are used to pay the costs of health and medical care expenses for a minor.
    - iii. Include all other distributions of income from the trust.
  - b. For a revocable trust under the control of the family,
    - i. Any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.
    - ii. Distributions from the trust shall not be considered income, as they were counted when the income was earned by the trust.

EASY Rent and WIN Rent programs, only allowances for medical expenses handicapped assistance expenses and childcare expenses for children under 13 years of age are allowed (as outlined in this Plan).

**Annual Contributions Contract (ACC):** A written contract between HUD and a HA. Under the contract HUD agrees to provide funding for operation of the program, and the HA agrees to comply with HUD requirements of the program.

**Annual Income:** All amounts, not specifically excluded in Exhibit B of this policy, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age. (See Exhibits A and Exhibit B for additional information).

~~Annual income means all amounts, monetary or not, that: (1) go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or (2) are anticipated to be received from a source outside the family during the 12-month period following admission or recertification effective date, and (3) are not specifically excluded from annual income (See Exhibit B).~~

**Applicant (Applicant Family):** A person or family that has applied for admission to a program but is not yet a participant in the program.

**Child Care Deduction:**<sup>6</sup> The amount allowed under KCHA's WIN Rent program as a reduction from Annual Income when child care expenses (as defined) are incurred by a participating household. Households with income in excess of \$75,000 and above are not eligible for this deduction. **A child care deduction is only provided when KCHA determines no other adult in the household is available** to provide care **AND** the amount paid (1) is not reimbursed by another party or source; (2) is reasonable in relation to the time and hours worked; (3) is not paid to a family member; (4) does not exceed the income received as a result of the provision of the care. A Child Care Deduction **may not be** granted to a household operating an in-home childcare facility in order to provide for the care of the household's own children. The actual amount of the deduction provided is established by KCHA according to the following expense bands:

Eligible Child Care Expenses Incurred	\$ Amount of Deduction
Below \$2,500	\$0
\$2,500 - \$4,999	\$2,500
\$5,000 – \$7,499	\$5,000

<sup>6</sup> Approved under MTW 11/1/10

\$7,500 - \$9,999	\$7,500
\$10,000 or more	\$10,000

See [Section 9](#) and [Exhibit C](#) for additional information.

**Child Care Expenses:**<sup>7</sup> ~~(See Adjusted Income)~~ The “out-of pocket” amount paid for (1) the care of children in the household under 13 years of age **and/or** (2) attendant care and auxiliary apparatus for a Handicapped or Disabled Family member. Under the WIN Rent program, child care expenses must: (1) be necessary to enable a member of the household to be gainfully employed or further his/her education; (2) not be reimbursed by another party or source; (3) be reasonable in relation to the time and hours worked; (4) not be paid to a family member; (5) not exceed the income received as a result of the provision of the care.

**Citizen:** A citizen or national of the United States.

**Co-Tenant:** An adult member of the Family household who is neither head nor spouse, but who enters the lease jointly with the Head of Household. A Co-Tenant has the same standing in the lease as would a spouse.

**Consent Form:** Any consent form approved by HUD and/or the HA to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return information for unearned income from the IRS. The consent forms may authorize the collection of other information from assistance applicants or participants to determine eligibility or level of benefits.

**Continuously Assisted:** An applicant is continuously assisted under the [1937 Housing Act](#) if the family is already receiving assistance under any [1937 Housing Act](#) program when the family is admitted to the certificate or voucher program.

**Contract Rent:** The total amount of rent specified in the Housing Assistance Payments Contract as payable by the HA and the Tenant to the Owner for an assisted unit.

**Day Laborer:** An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future. Income earned as a day worker is not considered non-recurring income.

**Dependent:**<sup>8</sup> A member of the Family household (excluding foster children and foster adults) other than the Family head or spouse, who is under 18 years of age or is a Person

<sup>7</sup> Approved under MTW 11/1/10

<sup>8</sup> Approved under MTW 11/1/10

with a disability. An unborn child shall not be counted as a Dependent except when determining initial eligibility of a single pregnant woman without other children in the household.

**Dilapidated Housing Unit:** For selection preference purposes, a housing unit is considered dilapidated if it does not provide safe and adequate shelter, and in its present condition endangers the health, safety, or well-being of a family, or it has one or more critical defects, or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. The defects may involve original construction, or they may result from continued neglect or lack of repair or from serious damage to the structure.

**Disabled Family:** A family whose head (or co-head), spouse, or sole member is a person with disabilities (see definition); or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**Displaced Person or Family:** For eligibility purposes, a family in which each member, or whose sole member, is displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under Federal disaster relief laws.

**Domestic Violence:** the term “domestic violence” will include domestic violence, dating violence, sexual assault or stalking or the threat of physical violence against the resident or member of the resident’s household, as defined under the Violence Against Women and Department of Justice Reauthorization Act (VAWA) of 2013.

**Domicile:** The legal residence of the household head or spouse as determined in accordance with State and local law.

**Drug-related Criminal Activity:** The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute or use the drug. (As defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

**Drug-trafficking:** The illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance (as defined in section 102 of the Controlled Substance Act (21 U.S.C. 802).

**Earned income:** Income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

**EASY Rent Program:**<sup>9</sup> The rent calculation method applied by KCHA to EASY Rent households (see definition). Under EASY Rent program rules, rent is calculated based upon 28% of an eligible household's adjusted gross income. Minimum rent paid by eligible families is \$0 per month, in accordance with the policies outlined in this Plan. Households under the EASY Rent program undergo a **full recertification** of income and program eligibility once every three (3) years. Unit inspections will still be performed annually in accordance with the HA's established schedule and update reviews will be performed on the off years.

**EASY Rent Household:**<sup>10</sup> A family in which (1) All adults in the household (excluding live-in attendants) are Elderly or Disabled (as defined); and (2) have no source of income, **or**, at least 90% of total household income is derived from a combination of the following fixed income sources: Social Security, SSI, Government Pension, Private or Public Pensions, and/or GAU (DSHS general assistance grant). An EASY Rent Household includes a household in which a dependent minor has turned eighteen (18) years of age in between the established (3 year) recertification period. EASY Rent Households may also be referred to as a "fixed income" household in this Plan as their income is typically from a fixed source such as Social Security or SSI.

**EIV:** Enterprise Income Verification system is a form of Up-front Income Verification (UIV) used to verify and/or validate tenant reported (or unreported) income.

**Elderly Person or Family:** A Family whose head (including co-head) or spouse or sole member is a person who is at least 62 years of age, or two or more persons who are at least 62 years of age living together, or one or more of such persons living with a live-in aide.

**Eligible Immigration Status:** An immigration status in one of the following categories:

1. A noncitizen lawfully admitted for permanent residence, as defined by Section 101(a)(20) of the Immigration and Nationality Act (INA), as an immigrant, as defined by section 101(a)(15) of the INA (8 U.S.C. 1101(a)(20) and 1101(a)(15), respectively) (immigrants). (This category includes a noncitizen admitted under section 210 or 210A of the INA (8 U.S.C. 1160 or 1161), (special agricultural worker), who has been granted lawful temporary resident status);
2. A noncitizen who entered the United States before January 1, 1972, or such later date as enacted by law, and has continuously maintained residence in the United States since then, and who is not eligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General under Section 249 of the INA (8 U.S.C. 1259);

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<sup>9</sup> Approved under MTW 11/1/10

<sup>10</sup> Approved under MTW 11/1/10

2. Assistance from Private Sources is non-governmental sources of assistance, including assistance that may be provided to a student from parent, guardian or other family member, whether residing within the family in the Section 8 assisted unit or not, and from other persons not residing in the unit.
3. Assistance from an Institution of Higher Education requires reference to the particular institution and the institution's listing of financial assistance.
4. Loans Are Not Financial Assistance, and therefore, the loan programs cited in the Higher Education Act of 1965 (the Perkins, Stafford and Plus loans) are not included in the term "financial assistance" in determining student eligibility for Section 8 assistance.

**Foster Adult:** A member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

**Foster Care Payment:** Payments to eligible households made by State, local, or private agencies.

**Foster Child:** A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

**Gender Identity:** The actual or perceived gender-related characteristics of a participant.

**Gross Rent:** The sum of the rent to an owner, plus any utility allowance.

**Handicapped Assistance Expenses:** Reasonable expenses that are anticipated, during the period for which annual Income is computed, for attendant care or auxiliary apparatus for a Handicapped or Disabled Family member, and **that are necessary to enable a Family member (including the Handicapped or Disabled member) to be employed or to further his/her education**, provided that the expenses are neither paid to a member of the Family nor reimbursed by an outside source.

**Head of the Household:** The adult family member who is the head of the household for purposes of determining income eligibility and rent and is held accountable for the Family. A Head of Household must be 18 years of age or older, unless they have documented approval as an Emancipated Minor pursuant to Washington State regulations (RCW 13.64.).

**Homeless Family:** For selection preference purposes, an applicant is considered a Homeless Family if they:

**Housing Quality Standards (HQS):** The minimum housing quality standards for housing being assisted under the voucher program.

**Housing Voucher:** A document issued by an HA to a family selected for admission to the voucher program. This document describes the program and the procedures for HA approval of a unit selected by the family. The voucher also states obligations of the family under the program (See [Exhibit K](#)).

**HUD:** The U.S. Department of Housing and Urban Development.

**Imputed Asset Income:** For households with assets of more than \$50,000,<sup>15</sup> the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used as income from assets in determining annual income.

**Imputed Welfare Income:** The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

**Income Category:** Designates a family's income range. There are three categories: low income, very low income, and extremely low income.

**Income Limits:** A schedule of incomes that do not exceed a percent of the median income for the area as determined by HUD with adjustments for smaller or larger Families, except that HUD may establish income limits higher or lower on the basis of its findings that such variations are necessary because of the prevailing levels of construction costs, unusually high or low incomes, or other factors (See [Exhibit D](#)).

**Independent Contractor:** An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code federal income tax requirements and whose earnings are subject to self-employment tax. In general, an individual is an independent contractor if they have the right to control or direct only the conduct of the work. Income earned as an independent contractor is **not** considered non-recurring income.

**Independent Student:** For the purpose of determining the Section 8 eligibility of a student who is seeking assistance separately from their parents, a student will be considered independent if they meet the definition laid out by the U.S. Department of Education in the Higher Education Act of 1965 as amended, [20 U.S.C 1087vv\(d\)](#).

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<sup>15</sup> Approved under MTW 5/14/07



**Near-elderly Person:**<sup>20</sup> A person who is at least 55 years of age but below the age of 62.

**Net family assets:** Includes the following:

1. The net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.
2. Net family assets must include the value of any business or family assets disposed of for less than fair market value during the two years preceding the date of application for the program or reexamination, in excess of the consideration received therefore.
  - a. This includes a disposition in trust, but not in a foreclosure or bankruptcy sale.
  - b. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms.
  - c. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

See Exhibit B and Exhibit C for additional information regarding exclusions and calculation of Annual Income and Rent.

**Net Family Assets:**

- ~~1. Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD home ownership programs, and excluding the equity in a housing cooperative unit or in a manufactured home in which the family resides. The value of necessary items of personal property such as furniture and automobiles shall be excluded.~~
- ~~2. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the Family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining Annual Income as per the guidelines in Exhibit B of this policy.~~
- ~~3. The determination of Net Family Assets shall include the value of any Business or Family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale, during the~~

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<sup>20</sup> Approved under MTW 7/21/08

~~two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms. (See Exhibit C).~~

**Noncitizen:** A person who is neither a citizen nor national of the United States.

**Noncitizen Student:** A noncitizen who:

1. Has a residence in a foreign country, that the person has no intention of abandoning;  
**and**
2. Is a bona fide student qualified to pursue a full course of study; **and**
3. Is admitted to the United States temporarily and solely for purposes of pursuing such a course of study at an established institution of learning or other recognized place of study in the United States, particularly designated by such person and approved by the Attorney General after consultation with the Department of Education of the United States, which institution or place of study shall have agreed to report to the Attorney General the termination of attendance of each nonimmigrant student.

**Operating Reserve:** The administrative fee reserve.

**Other Criminal Activity:** Criminal activity that would adversely affect the health, safety, or right to peaceful enjoyment of the premises by other residents, persons residing in the immediate vicinity, the owner or public housing employees.

**Overcrowded Housing:** In the case of a family unification family and according to program guidelines, a family is considered to be living in an overcrowded unit (as defined in [Section 4: Subsidy Standards](#)) if:

1. The family is separated from its child, or children, and the parent(s) are living in an otherwise standard housing unit, but, after the family is reunited, the parents' housing unit would be overcrowded for the entire family and would be considered substandard; or
2. The family is living with its child, or children, in a unit that is overcrowded for the entire family and this overcrowded condition may result in imminent placement of its child, or children, in out-of-home care.

**Owner:** Any person or entity having legal right to lease or sublease a unit to a participant and who has not been determined by the HA to be ineligible to participate in the program.

to calculate the family's share of rent. As described elsewhere in this plan, recertification is completed at least once every three (3) years for Fixed Income EASY Rent households (see definition) and biennially (every 2 years) for WIN Rent households <sup>22</sup>

**Remaining Member of a Tenant Family:** A member of the family listed on the lease who continues to live in an assisted household after all other family members have left.

**Rent:**

1. Rent means Total Tenant Payment as defined in this section.
2. For selection preference purposes, rent is defined as:
  - a. The actual amount due, calculated on a monthly basis, under a lease or occupancy agreement between a family and the family's current landlord; and
  - b. In the case of utilities purchased directly by tenants from utility providers:
    - (1) The Energy Assistance Supplement<sup>23</sup> (if any) determined for the Section 8 Voucher Program; or
    - (2) If the family chooses, the average monthly payments that it actually made for its utilities for the most recent 12 month period, or if that information is not obtainable, for the entire period of an appropriate recent period (such period shall be no less than 6 consecutive months).

For an individual who owns a manufactured home but leases the space, rent calculation shall be conducted according to 24 CFR Part 882.623.

**Seasonal Worker:** An individual who is: (1) hired into a short-term position (e.g., for which the customary employment period for the position is 6 months or fewer); and (2) the employment begins about the same time each year (i.e. summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry. Income earned as a seasonal worker is **not** considered nonrecurring income.

**Sexual Orientation:** Means homosexuality, heterosexuality, or bisexuality.

**Single Person:**<sup>24</sup> A person who lives alone or intends to live alone, and who does not qualify as an elderly, near-elderly or displaced person, a person with disabilities, or (for continued occupancy) as the remaining member of a family. For purposes of determining

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<sup>22</sup> Approved under MTW 5/19/08 and 11/1/10

<sup>23</sup> Approved under MTW 11/1/10

<sup>24</sup> Approved under MTW 7/21/08

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

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

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

**Unearned income:** Income, that is not categorized under the definition of **earned income** as detailed in this policy.

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

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

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

**Voucher:** (See Housing Voucher)

**Welfare Benefit Reduction:**

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

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<sup>25</sup> Approved under MTW 11/1/10

<sup>26</sup> Approved under MTW 11/1/10

retroactive rent charges shall be payable the first of the month following determination of the charge.

- 2) If the error was the fault of the tenant and corrective action results in decreased rent, such decrease shall be effective the first of the month following the date when the error was discovered.
- 3) If the error was not the fault of the tenant and corrective action results in increased tenant rent, such rent shall be effective the first of the second month following the date the error was discovered.
- 4) If the error was not the fault of the tenant and corrective action results in decreased tenant rent, the change in rent shall be made retroactive to the effective date the error was made, and the tenant shall be reimbursed accordingly. Where possible, reimbursement will be completed by crediting the tenant's account for the overpayment. Otherwise, the HA will issue a check to the tenant following completion of the corrective action.-

## I. DEBT COLLECTION PROCEDURES

Before a debt is assessed against a participant or owner, the HA's claim that a debt is owed to King County Housing Authority must be properly documented, which shall include a clear written explanation of the method used to calculate the debt. The debt file, with all supporting documentation, shall be made available to the owner or the participant who owes the debt. When fraud is involved, the HA may refer a participant's or owner's case to the HUD Inspector General, in addition to pursuing any available civil remedy against the participant or owner.

### 1. Methods of Debt Collection

- a. Every effort shall be made to collect all debts owed, which includes, but is not limited to:
  - Demands for lump sum payments;
  - Execution of a payment agreement;
  - Partial abatements when appropriate;
  - Reductions in HAP in cases of an owner owing the HA;
  - Use of collection agencies; and
  - Securing judgments.

### 2. Payment Agreements

- a. A payment agreement is a written agreement entered into between the HA and a person who is indebted to the HA. It shall contain a promise to repay the debt, details regarding the nature of the debt, the terms of payment, any special provisions, and the remedies available to the HA in the event of a default by the debtor. Payment agreements must be signed and dated by the HA and the head of household and spouse/co-head (if applicable).

## EXHIBIT A: INCOME INCLUSIONS

### I. ANNUAL INCOME MEANS ALL AMOUNTS, MONETARY OR NOT, THAT:

1. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual examination effective date; and

In either both cases, Annual Income does not include amounts that are not specifically excluded from annual income (See as described in Exhibit B of this policy).

### II. INCOME INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:

1. The full amount of employment income (wages, salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services) of all household members (except as excluded by Exhibit B). Income arising from work as a day laborer, seasonal worker or independent contractor is included as a source of employment income.
2. The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the Family.
3. Where a Family has total Assets which value \$50,000<sup>61</sup> or more, Annual Income shall include: Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph 2 of this Exhibit. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Annual Income shall include the greater of the actual income derived from all Net Family Assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.

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<sup>61</sup> Approved under MTW 5/14/07

## EXHIBIT B: INCOME EXCLUSIONS

1. Income from employment of household members other than family head, spouse or co-tenant under the age of 21 years.
2. Payments received for the care of foster children, or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone). These amounts include ~~Kin-GAP payments and similar state guardianship payments available to children exiting the juvenile court system~~ State or Tribal kinship or guardianship care payments.
3. Lump-sum additions to family assets, such as inheritances, insurance payments, (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal property losses (except as provided by Paragraph II.5 of [Exhibit A](#)).
4. Amounts received by the family that is specifically, for or in reimbursement of, the cost of medical expenses for any family member.
5. Income of a Live-In Aide, foster child or foster adult as defined.
6. Except as described in paragraph 9 of [Exhibit A](#), the full amount of student financial assistance paid directly to the student or to the educational institution. Loan proceeds are not considered income.
- ~~6-7.~~ Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by Federal, State, or local government.
- ~~7-8.~~ The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
- ~~8-9.~~ Income from Assets when the total value of assets held by the Family is less than \$50,000.<sup>62</sup>
- ~~9-10.~~ The amounts received from the following programs:

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<sup>62</sup> Approved under MTW 5/14/07

- a. Amounts received under training programs funded by HUD or other qualifying training program funded in whole or in part through Federal, State or local government sources. (See [Exhibit C](#) for additional information).
- b. Amounts received by a Person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency ([PASS](#)).
- c. Amounts received by a participant in other publicly assisted programs which are specifically for, or in reimbursement of, out-of-pocket expenses (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program. Among the programs to which this applies are the Community Work Experience and Employment School Program. This provision would also apply to amount received to cover transportation costs of a Volunteer Firefighter.
- d. A resident service stipend (not to exceed an average of \$750-781.50 per month<sup>63</sup>) received by a resident for performing a service for the owner (HA) or participating in activities, on a part-time basis, that enhances the quality of life in the development and/or increase the economic self-sufficiency of the resident through education and training. As determined by the HA, services may include, but are not limited to, laundry room attendant, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination and serving as a member of the Housing Authority Board of Commissioners. No resident may receive more than one such stipend during the same period of time. The maximum amount payable as a resident service stipend and excluded from income will be reviewed annually and adjusted to reflect any COLA increase approved for KCHA administrative staff beginning with the first full pay period of November 2024.

11. Non-recurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is **not excluded** from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes: or sporadic income (including gifts).

- a. Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.
- b. Direct Federal or State payments intended for economic stimulus or recovery.
- c. Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.
- d. Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

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<sup>63</sup> Approved under MTW 12/1/08 and 9/25/203



- e. Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).
- f. Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.
- g. Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

12. Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.

13. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

~~12.~~14. Civil rights settlements or judgments, including settlements or judgments for back pay.

~~13.~~15. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era (effective April 23, 1993).

~~14.~~16. Adoption assistance payments.

~~15.~~17. Deferred periodic payments of supplemental security income (SSI) and Social Security benefits that are received in a lump sum payment or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

18. Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.

~~16.~~19. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

20. Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit. Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.

21. Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).
22. Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.
23. Replacement housing “gap” payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.
- 17-24. Income earned on amounts placed in a family's Family Self Sufficiency Account.
25. Payments made by a State Agency to a landlord to assist Section 8 participants with disabilities living in shared residential settings in obtaining or maintaining housing at an affordable level. This exclusion will not be applied if DSHS or other governmental entity reduces the households income in order to provide this contribution.<sup>64</sup>
26. The following types of trust distributions:
- a. For a trust held outside of the control of the family:
    - i. Distributions from the principle or corpus of the trust and
    - ii. Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.
  - a.b. For a trust held under the control of the family, any distributions from the trust. Any actual income earned by the trust shall be counted as income, per Exhibit C of this plan.
- ~~18-27.~~ Amounts ~~that HUD is required by specifically excluded by any other~~ Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. As described in 24 CFR 5.609(b)(22) HUD will publish notice in the Federal Register to identify and update benefits that qualify for this exclusion when necessary. Items listed below are those most recently listed by HUD as of January 30, 2024. ~~The following types of income are subject to such exclusions:~~

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<sup>64</sup> Approved under MTW 8/3/05

- a. The value of the allotment provided to an eligible household, regardless of the form of the allotment, under the Food Stamp Act of 1977 (7 U.S.C. 2017 [b]). This exclusion also applies to assets.
- b. Payments, including for supportive services and reimbursement of out-of-pocket expenses, to for volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(f), 42 U.S.C. 5058) are excluded from income except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for Nationals and Community Service appointed under 42 U.S.C. 12651c determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or great than the minimum wage in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greatest (42 U.S.C. 5044 (f)(1)). This exclusion also applies to assets.
- c. Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a)-(c)). This exclusion also applies to assets.
- d. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. ~~459e~~5506). This exclusion also applies to assets.
- e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624 (f)(1)(f)). This exclusion also applies to assets.
- f. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub. L.94-540, section 6 90 Stat. 2503-2504). This exclusion also applies to assets.
- g. The first \$2,000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, and the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands. This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407-1408). This exclusion also applies to assets.
- h. Amounts of ~~scholarships~~ student financial assistance funded under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under the Federal ~~W~~ork-~~S~~tudy ~~P~~rograms or under the Bureau of Indian Affairs ~~S~~tudent ~~A~~ssistance ~~P~~rograms (20 U.S.C. 1087uu). For Section 8 programs only (42 U.S.C. 1437f), the law requires that the amount of financial assistance in excess

of tuition and other required fees and charges shall be considered income except for those persons over the age of 23 with dependent children (Pub. L. 109-115, section 327) (as amended).

- i. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056~~(f)~~g).
- j. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the **In Re Agent Orange** product liability litigation, [M.D.L. No. 381 \(E.D.N.Y.\)](#). This exclusion also applies to assets.
- k. Payments received under the Maine Indian Claims Settlement Act of 1980 ([Pub. L. 96-420, 94 Stat 1785](#)). This exclusion also applies to assets.
- l. The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. sec. 9858q).
- m. Any earned income tax credit received on or after January 1, 1991 (26 U.S.C. 32(j)). This exclusion also applies to assets.
- ~~n.~~ The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409)
- ~~o.~~ Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation ([Pub. L. 95-433 section 2](#)). This exclusion also applies to assets.
- ~~p.~~ Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d)).
- ~~q.~~ Any allowance paid ~~under the provisions of 38 U.S.C. 1833(c)~~ to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. ~~1811-161821~~), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821-22) is excluded from income and assets (38 U.S.C. 1833(c)).
- ~~r.~~ Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) ~~(under the Victims of Crime Act of 1984)~~ received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses

- ~~suffered as a result of the crime (34 U.S.C. 20102 (c)). This exclusion also applies to assets. (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act. (42 U.S.C. 10602).~~
- ~~r.s.~~ Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. ~~2931~~3241 (a)(2)).
- ~~s.t.~~ Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1760 (e)) and the Child Nutrition Act of 1966 (42 USC 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC). This exclusion also applies to assets.
- ~~t.u.~~ Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (~~25 USC 1774f((b))~~). Pub. L. 101-503 section 8(b)). This exclusion also applies to assets.
- ~~u.v.~~ Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (42 USC 1437a(b)(4)).
- ~~v.w.~~ Any amounts (i) not received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. §1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. chapter 11 or dependency and indemnity compensation under 38 U.S.C. chapter 13 as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 to the definition of income applicable to programs under the Native American Housing Assistance and Self Determination Act (NAHASDA). Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act of 1966 (25 USC 4101) and administered by the Office of Native American Programs.
- ~~w.x.~~ A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Coball et al. v. Ken Salazar et al.*, 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution act of 2010 (Pub. L. 111-291 section 101(f)(2)). This exclusion also applies to assets.

~~y.~~ Any amounts in an “individual development account” are excluded from assets and any assistance, benefit or amounts earned by or provided to the individual development account are excluded from income as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107-110, 42 U.S.C. 604(h)(4)).

~~y-z.~~ Per capita payments made from the proceeds of Indian Tribal Trust ~~Cases~~ Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amounts of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013-1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds as described in PIH Notice 2013-30 “Exclusion from Income of Payments under Recent Tribal Trust Settlements” (25 U.S.C. 117b(a), 25 U.S.C. 1407).

~~z-aa.~~ Federal assistance for a ~~major~~ disaster ~~and~~ or emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by the States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)). This exclusion also applies to assets.

~~bb.~~ Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113-295), as described in Notice PIH 2019-09 or subsequent or superseding notice is excluded from income and assets. The entire value of an individual’s ABLE account. The actual or imputed interest on the ABLE account balance is also not counted as income under section 103 of the Achieving a Better Life Experience Act of 2014. (Pub. L. 113-295; PIH Notice 2019-09).

~~aa-cc.~~ Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116-260, section 501 (j)) and the American Rescue Plan Act of 2021 (Pub. L. 117-2 section 3201). This exclusion also applies to assets.



If a household member is confined to a nursing home or hospital on a long-term basis, allow the family to remove that family member's name from the lease, (with the owner's permission), exclude the income, and do not allow any deductions for the individual removed from the lease. The family member would be considered to be permanently absent and the family would be issued a Voucher for a smaller bedroom size at the time of the next annual review or mutual rescission.

#### **G. Regular Contributions and Gifts**

Count as income regular contributions and gifts from persons outside the household. This may include rent or utility payments regularly paid on behalf of the family, and any other cash or non-cash contributions provided to the family on a regular basis. In determining whether contributions should be counted, consider whether these contributions make up a regular portion of the family's annual income or whether they are sporadic or casual contributions, which should not be counted. Bartering in lieu of cash payment is to be counted as income.

#### **H. Alimony or Child Support**

Count amounts awarded as part of a divorce or separation agreement unless the applicant certifies that the income is not provided and documents that the required efforts have been made to collect these amounts. (See Verification Requirements, [Exhibit E](#)) This also applies to situations where an applicant states they are receiving less than specified in the court judgment or settlement agreement.

#### **I. Earned Income Tax Credit**

Earned income tax credits and other tax credits as described in Exhibit B will not be used in calculating annual income.

#### **J. Lump-Sum Payments Counted as Income**

Generally lump-sum amounts received by a family are considered assets, not income (inheritances, insurance settlements, proceeds from the sale of property, etc.). Lump-sum payments made because of a delay in processing unemployment, child support or welfare benefits are counted as income.

However, a lump-sum payment for the delayed start of a periodic payment from SSI and Social Security is not counted as income.

#### **K. Imputed Welfare Income/Welfare Benefit Reduction**

The Imputed Welfare Income is the difference between the welfare payment the Family receives and the welfare payment the Family would have received had it not



- the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. Do not include equity in an owner-occupied cooperative or manufactured housing unit if the family intended to continue living in the cooperative unit or manufactured housing home after being admitted to the Section 8 program. For real estate, have tenant certify the estimated Fair Market Value (no appraisal needed) and subtract mortgage and established costs (i.e., attorney's fees, closing costs, etc.).
4. The cash value of any trusts available to ~~and under the control of~~ the family. Do not include the value of trusts that ~~no family member of the family or household can control~~ are outside the control of the family. The value of the trust fund outside of the control of the family will not be considered an asset so long as the fund continues to be held in trust. ~~However, any~~ income distributed from the trust shall be counted when determining the family's annual income in the following manner:-
    - a. For any trust held outside the control of the family:
      - i. Do not include distributions from the principle or corpus of the trust.
      - ii. Do not include distributions of income from the trust when those distributions are used to pay the costs of health and medical care expenses for a minor.
      - iii. Include all other distributions of income from the trust.
    - b. For a revocable trust under the control of the family,
      - i. Any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.
      - ii. Distributions from the trust shall not be considered income, as they were counted when the income was earned by the trust.
  5. IRA, Keogh, and similar retirement savings accounts. These are included because participation is voluntary and the family has access to them, even though withdrawal would result in a penalty.
  6. Company retirement/pension funds.
    - a. While the family member is employed, include amounts the family can withdraw without retiring or terminating employment.
    - b. At retirement or termination or employment, count as an asset any amount the member elects to receive as a lump-sum. If the benefits will be received through a periodic payment, include the benefit in annual income.
  7. Assets disposed of for less than Fair Market Value.

handicapped assistance expenses, and childcare expenses for children under 13 years of age are allowed (as outlined in this plan).

**Annual Contributions Contract (ACC):** A written contract between HUD and a HA. Under the contract HUD agrees to provide funding for operation of the program, and the HA agrees to comply with HUD requirements of the program.

**Annual Income:** All amounts, not specifically excluded in Exhibit B of this policy, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age. (See Exhibit A and Exhibit B for additional information).

~~Annual income means all amounts, monetary or not, that: (1) go to (or on behalf of) the Family head or spouse (even if temporarily absent) or to any other family member, or (2) are anticipated to be received from a source outside the Family during the 12-month period following admission or recertification effective date, and (3) are not specifically excluded from annual income (See Exhibit B).~~

**Applicant (Applicant Family):** A person or Family that has applied for admission to a program, but is not yet a participant in the program.

**Child Care Deduction:**<sup>11</sup> The amount allowed under KCHA's WIN Rent program as a reduction from Annual Income when child care expenses (as defined) are incurred by a participating household. Households with income in excess of \$75,000 and above are not eligible for this deduction. ***A child care deduction is only provided when KCHA determines no other adult in the household is available*** to provide care **AND** the amount paid (1) is not reimbursed by another party or source; (2) is reasonable in relation to the time and hours worked; (3) is not paid to a family member; (4) does not exceed the income received as a result of the provision of the care. A Child Care Deduction **may not be** granted to a household operating an in-home childcare facility in order to provide for the care of the household's own children. The actual amount of the deduction provided is established by KCHA according to the following expense bands:

Eligible Child Care Expenses Incurred	\$ Amount of Deduction
Below \$2,500	\$0
\$2,500 - \$4,999	\$2,500
\$5,000 – \$7,499	\$5,000

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<sup>11</sup> Approved under MTW 11/1/10

\$7,500 - \$9,999	\$7,500
\$10,000 or more	\$10,000

See [Section 21](#) and Exhibit C for additional information.

**Child Care Expenses:**<sup>12</sup> ~~(See Adjusted Income)~~—The “out-of pocket” amount paid for (1) the care of children in the household under 13 years of age **and/or** (2) attendant care and auxiliary apparatus for a Handicapped or Disabled Family member. Under the WIN Rent program, child care expenses must: (1) be necessary to enable a member of the household to be gainfully employed or further his/her education; (2) not be reimbursed by another party or source; (3) be reasonable in relation to the time and hours worked; (4) not be paid to a family member; (5) not exceed the income received as a result of the provision of the care.

**Citizen:** A citizen or national of the United States.

**Consent Form:** Any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return information for unearned income from the IRS. The consent forms may authorize the collection of other information from assistance applicants or participants to determine eligibility or level of benefits.

**Contract Rent.** The total amount of rent specified in the Housing Assistance Payments Contract as payable by the HA and the Tenant to the Owner for an assisted unit.

**Co-Tenant:** An adult member of the Family household who is neither head nor spouse, but who enters the lease jointly with the Head of Household. A Co-Tenant has the same standing in the lease as would a spouse.

**Day Laborer:** An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future. Income earned as a day worker is **not** considered non-recurring income.

**Dependent:** A member of the Family household (excluding foster children and foster adults) other than the Family head or spouse, who is under 18 years of age or is a Person with disabilities. An unborn child shall not be counted as a Dependent except when determining initial eligibility of a single pregnant woman without other children in the household.

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<sup>12</sup> Approved under MTW 11/1/10

**Domestic Violence:** the term “domestic violence” will include domestic violence, dating violence, sexual assault or stalking or the threat of physical violence against the resident or member of the resident’s household, as defined under the Violence Against Women and Department of Justice Reauthorization Act (VAWA) of 2013.

**Dilapidated Housing Unit:** For selection preference purposes, a housing unit is considered dilapidated if it does not provide safe and adequate shelter, and in its present condition endangers the health, safety, or well-being of a Family, or it has one or more critical defects, or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. The defects may involve original construction, or they may result from continued neglect or lack of repair or from serious damage to the structure.

**Disability Assistance Expenses:** Reasonable expenses that are anticipated during the period for which Annual Income is computed, for attendant care and auxiliary apparatus for a Disabled family member, and that are necessary to enable a family member (excluding the Disabled member) to be employed, provided that the expenses are neither paid to a member of the Family nor reimbursed by an outside source.

**Disabled Family:** A Family whose head (including co-head), spouse, or sole member is a person with disabilities (see definition); or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**Displaced Person or Family:** For eligibility purposes, a Family in which each member, or whose sole member, is displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under Federal disaster relief laws.

**Domicile.** The legal residence of the household head or spouse as determined in accordance with State and local law.

**Drug-related Criminal Activity.** The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute or use the drug. (As defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

**Drug-trafficking:** The illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance (as defined in section 102 of the Controlled Substance Act (21 U.S.C. 802).

**Earned income:** Income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

**EASY Rent Program:**<sup>13</sup> The rent calculation method applied by KCHA to EASY Rent households (see definition). Under EASY Rent program rules, rent is calculated based upon 28% of an eligible household's adjusted gross income. Minimum rent paid by eligible families is \$0 per month, in accordance with the policies outlined in this Plan. Households under the EASY Rent program undergo a **full recertification** of income and program eligibility once every three (3) years. Unit inspections will still be performed in accordance with the HA's established schedule annually and update reviews will be performed on the off years.

**EASY Rent Household:**<sup>14</sup> Will be defined as:

- A. A family in which (1) All adults in the household (excluding live-in attendants) are Elderly or Disabled (as defined); **and** (2) have no source of income, **or**, at least 90% of total household income is derived from a combination of the following fixed income sources: Social Security, SSI, Government Pension, Private or Public Pensions, and/or GAU (DSHS general assistance grant). An EASY Rent Household includes a household in which a dependent minor has turned eighteen (18) years of age in between the established (3 year) recertification period; or
- B. Any family living in, or applying for, a former Public Housing mixed population building.

EASY Rent Households may also be referred to as a "fixed income" household in this Plan as their income is typically from a fixed source such as Social Security or SSI.

**EIV:** Enterprise Income Verification system is a form of Up-front Income Verification (UIV) used to verify and/or validate tenant reported (or unreported) income.

**Elderly Person or Family:** A Family whose head (including co-head) or spouse or sole member is a person who is at least 62 years of age, or two or more persons who are at least 62 years of age living together, or one or more of such persons living with a live-in aide.

**Eligible Immigration Status:** An immigration status in one of the following categories:

- 1. A noncitizen lawfully admitted for permanent residence, as defined by Section 101(a)(20) of the Immigration and Nationality Act (INA), as an immigrant, as defined by section 101(a)(15) of the INA (8 U.S.C. 1101(a)(20) and 1101(a)(15), respectively) (immigrants). (This category includes a noncitizen admitted under section 210 or 210A of the INA (8 U.S.C. 1160 or 1161), (special agricultural worker), who has been granted lawful temporary resident status);

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<sup>13</sup> Approved under MTW 11/1/10

<sup>14</sup> Approved under MTW 11/1/10

4. Loans Are Not Financial Assistance, and therefore, the loan programs cited in the Higher Education Act of 1965 (the Perkins, Stafford and Plus loans) are not included in the term “financial assistance” in determining student eligibility for Section 8 assistance.

**Fixed Income Household:** A Section 8 Family in which (1) All adults in the household (excluding live-in attendants) are Elderly or Disabled (as defined); **and** (2) at least 90% of total household income is derived from a fixed income source such as Social Security, SSI, Government Pension, Private Pensions, and/or GAU (DSHS general assistance grant). A Fixed Income Household includes a household in which a dependent minor has turned eighteen (18) years of age in between the established (3 year) recertification period.<sup>18</sup>

**Foster Adult:** A member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

**Foster Care Payment:** Payments to eligible households made by State, local, or private agencies.

**Foster Child:** A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

**Full-time Student:** A person who is carrying a subject load, which is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

**Gender Identity:** The actual or perceived gender-related characteristics of a participant.

**Gross Rent:** The sum of the rent to an Owner, plus any utility allowance.

**Handicapped Assistance Expenses:** Reasonable expenses that are anticipated, during the period for which Annual Income is computed, for attendant care or auxiliary apparatus for a Handicapped or Disabled Family member, and that are necessary to enable a Family member (including the Handicapped or Disabled member) to be employed or to further his/her education, provided that the expenses are neither paid to a member of the Family nor reimbursed by an outside source.

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<sup>18</sup> Approved under MTW 5/19/08

2. An additional payment to the Family if the total assistance payment exceeds the rent to owner.

**Housing Assistance Payments Contract (HAP Contract):** A written contract between an HA and an Owner, in which the HA agrees to make housing assistance payments to the Owner on behalf of an eligible Family.

**Housing Quality Standards (HQS):** The minimum housing quality standards for housing being assisted under the voucher program.

**HUD:** The U.S. Department of Housing and Urban Development.

**Imputed Income:** For households with net family assets of more than \$50,000,<sup>20</sup> the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used as income from assets in determining annual income.

**Imputed Welfare Income:** The amount of annual income not actually received by a Family, as a result of a specified welfare benefit reduction, that is nonetheless included in the Family's annual income for purposes of determining rent.

**Income Category:** Designates a Family's income range. There are three categories: low income, very low income, and extremely low income.

**Income Limits:** A schedule of incomes that do not exceed a percent of the median income for the area as determined by HUD with adjustments for smaller or larger Families, except that HUD may establish income limits higher or lower on the basis of its findings that such variations are necessary because of the prevailing levels of construction costs, unusually high or low incomes, or other factors (See Exhibit D).

**Independent Contractor:** An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code federal income tax requirements and whose earnings are subject to self-employment tax. In general, an individual is an independent contractor if they have the right to control or direct only the conduct of the work. Income earned as an independent contractor is **not** considered non-recurring income.

**Independent Student:** For the purpose of determining the Section 8 eligibility of a student who is seeking assistance separately from their parents, a student will be considered independent if they meet the definition laid out by the U.S. Department of Education in the Higher Education Act of 1965 as amended, **20 U.S.C 1087vv(d)**.

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<sup>20</sup> Approved under MTW 5/14/07

**Near-elderly Person:**<sup>25</sup> A person who is at least 55 years of age but below the age of 62.

**Net Family Assets:** Includes the following:

1. The net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.
2. Net family assets must include the value of any business or family assets disposed of for less than fair market value during the two years preceding the date of application for the program or reexamination, in excess of the consideration received therefore.
  - a. This includes a disposition in trust, but not in a foreclosure or bankruptcy sale.
  - b. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms.
  - c. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

See Exhibit B and Exhibit C for additional information regarding exclusions and calculation of Annual Income and Rent.

- ~~1. Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD home ownership programs, and excluding the equity in a housing cooperative unit or in a manufactured home in which the Family resides. The value of necessary items of personal property such as furniture and automobiles shall be excluded.~~
- ~~2. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the Family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining Annual Income.~~
- ~~3.1. The determination of net family assets shall include the value of any Business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale, during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be~~

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<sup>25</sup> Approved under MTW 7/21/08



~~considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms. (See Exhibit C).~~

**Noncitizen:** A person who is neither a citizen nor national of the United States.

**Noncitizen Student:** A noncitizen who:

1. Has a residence in a foreign country, that the person has no intention of abandoning; **and**
2. Is a bona fide student qualified to pursue a full course of study; **and**
3. Is admitted to the United States temporarily and solely for purposes of pursuing such a course of study at an established institution of learning or other recognized place of study in the United States, particularly designated by such person and approved by the Attorney General after consultation with the Department of Education of the United States, which institution or place of study shall have agreed to report to the Attorney General the termination of attendance of each nonimmigrant student.

**Occupancy Standards:** See Subsidy Standards.

**Operating Reserve:** The administrative fee reserve.

**Other Criminal Activity:** Criminal activity that would adversely affect the health, safety, or right to peaceful enjoyment of the premises by other residents, persons residing in the immediate vicinity, the owner or public housing employees.

**Overcrowded Housing:** In the case of a family unification family and according to program guidelines, a Family is considered to be living in an overcrowded unit (as defined in Section 16: Subsidy Standards) if:

1. The Family is separated from its child, or children, and the parent(s) are living in an otherwise standard housing unit, but, after the Family is reunited, the parents' housing unit would be overcrowded for the entire Family and would be considered substandard; or
2. The Family is living with its child, or children, in a unit that is overcrowded for the entire Family and this overcrowded condition may result in imminent placement of its child, or children, in out-of-home care.

**Owner:** Any person or entity having legal right to lease or sublease a unit to a participant and who has been determined by the HA to be eligible to participate in the program.

**Reasonable Rent:** A rent that is reasonable in comparison to rent for other comparable unassisted units.

**Recertification:** The reexamination of a household's income, expenses, and Family composition to determine the Family's continued eligibility for program participation and to calculate the family's share of rent. As described elsewhere in this plan, recertification is completed at least once every three (3) years for Fixed Income EASY Rent households (see definition) and biennially (every 2 years) for WIN Rent households.

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**Remaining Member of a Tenant Family:** A member of the Family listed on the lease who continues to live in an assisted household after all other family members have left.

**Rent:**

1. Rent means Total Tenant Payment as defined in this section.
2. For selection preference purposes, rent is defined as:
  - a. The actual amount due, calculated on a monthly basis, under a lease or occupancy agreement between a Family and the Family's current landlord; and
  - b. In the case of utilities purchased directly by tenants from utility providers:
    1. The utility allowance (if any) determined for the Section 8 Voucher Program; or
    2. If the Family chooses, the average monthly payments that it actually made for its utilities for the most recent 12 month period, or if that information is not obtainable, for the entire period of an appropriate recent period (such period shall be no less than 6 consecutive months).

For an individual who owns a manufactured home but leases the space, rent calculation shall be conducted according to 24 CFR Part 882.623.

**Replacement Housing:** See Private Housing.

**Seasonal Worker:** An individual who is: (1) hired into a short-term position (e.g., for which the customary employment period for the position is 6 months or fewer); and (2) the employment begins about the same time each year (i.e. summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry. Income earned as a seasonal worker is **not** considered nonrecurring income.

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<sup>27</sup> Approved under MTW 5/19/08 and 11/1/10

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

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

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

**Unearned income.** Income, that is not categorized under the definition of **earned income** as detailed in this policy.

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

**Utility Allowance:** Allowances that are established by the HA that are adequate to cover the cost of tenant-supplied utilities in average size units in average conditions using average consumption patterns.

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

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

**Welfare Benefit Reduction:**

1. A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program, or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

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<sup>29</sup> Approved under MTW 11/1/10

<sup>30</sup> Approved under MTW 11/1/10

- i. If the error was due to misrepresentation/fraud (i.e., not reporting a change, withholding information, etc.) and corrective actions result in an *increased* tenant rent, such rent shall be retroactive to the first month following the day the misrepresentation occurred. Unless otherwise agreed to by KCHA, all retroactive rent charges shall be payable the first of the month following determination of the charge.
- ii. If the error was the fault of the tenant and corrective action results in *decreased* rent, such decrease shall be effective the first of the month following the date when the error was discovered.
- iii. If the error was *not* the fault of the tenant and corrective action results in *increased* tenant rent, such rent shall be effective the first of the second month following the date the error was discovered.
- iv. If the error was *not* the fault of the tenant and corrective action results in *decreased* tenant rent, the change in rent shall be made retroactive to the effective date the error was made, and the tenant shall be reimbursed accordingly. Where possible, reimbursement will be completed by crediting the tenant's account for the overpayment. Otherwise, the HA will issue a check to the tenant following completion of the corrective action.

## J. DEBT COLLECTION PROCEDURES

Before a debt is assessed against a participant or owner, the HA's claim that a debt is owed to King County Housing Authority must be properly documented, which shall include a clear written explanation of the method used to calculate the debt. The debt file, with all supporting documentation, shall be made available to the owner or the participant who owes the debt. When fraud is involved, the HA may refer a participant's or owner's case to the HUD Inspector General, in addition to pursuing any available civil remedy against the participant or owner.

### 1. Methods of Debt Collection

- a. Every effort shall be made to collect all debts owed, which includes, but is not limited to:
  - Demands for lump sum payments;
  - Execution of a payment agreement;
  - Partial abatements when appropriate;
  - Reductions in HAP in cases of an owner owing the HA;
  - Use of collection agencies; and
  - Securing judgments.

## 25: EXHIBIT A- INCOME INCLUSIONS

A. Annual income means all amounts, monetary or not, that:

1. Go to (or on behalf of) the Family head or spouse (even if temporarily absent) or to any other family member, or
2. Are anticipated to be received from a source outside the Family during the 12-month period following admission or annual examination effective date; and

3. In both cases, Annual Income does not include amounts that are ~~Are not~~ specifically excluded from annual income, as described in Exhibit B of this policy.

B. Income includes, but is not limited to, the following:

1. The full amount of employment income (wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services) of all household members<sup>86</sup> (Except as excluded by Exhibit B). Income arising from work as a day laborer, seasonal worker or independent contractor is included as a source of employment income.
2. The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the Family.
3. Where a Family has total Assets which value \$50,000<sup>87</sup> or more, Annual Income shall include: Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph 2 of this Exhibit. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Annual Income shall include the greater of the actual income derived from all Net Family

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<sup>86</sup> Approved under MTW 11/1/10

<sup>87</sup> Approved under MTW 5/14/07

## 26: EXHIBIT B - INCOME EXCLUSIONS

1. Income from employment of household members other than family head, spouse or co-tenant under the age of 21 years<sup>88</sup>.
2. Payments received for the care of foster children, or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone). These amounts include ~~Kin-GAP payments and similar state guardianship payments available to children exiting the juvenile court system~~ State or Tribal kinship or guardianship care payments.
3. Lump-sum additions to family assets, such as inheritances, insurance payments, (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal property losses (except as provided under Paragraph B.5 of Exhibit A).
4. Amounts received by the family that is specifically, for or in reimbursement of, the cost of medical expenses for any family member.
5. Income of a Live-In Aide, foster child or foster adult as defined.
6. Except as described in paragraph 9 of Exhibit A, the full amount of student financial assistance paid directly to the student or to the educational institution. Loan proceeds are not considered income.
- ~~6-7.~~ Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by Federal, State, or local government.
- ~~7-8.~~ The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
- ~~8-9.~~ Income from Assets when the total value of assets held by the Family is less than \$50,000.<sup>89</sup>
- ~~9-10.~~ The amounts received from the following programs:
  - a. Amounts received under training programs funded by HUD or other qualifying training program funded in whole or in part through Federal, State or local government sources. (See Exhibit C for additional information).

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<sup>88</sup> Approved under MTW 11/1/10

<sup>89</sup> Approved under MTW 5/14/07

- b. Amounts received by a Person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
- c. Amounts received by a participant in other publicly assisted programs which are specifically for, or in reimbursement of, out-of-pocket expenses (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program. Among the programs to which this applies are the Community Work Experience and Employment School Program. This provision would also apply to amount received to cover transportation costs of a Volunteer Firefighter.
- d. A resident service stipend (not to exceed an average of \$750-781.50 per month<sup>90</sup>) received by a resident for performing a service for the owner (HA) or participating in activities, on a part-time basis, that enhances the quality of life in the development and/or increase the economic self-sufficiency of the resident through education and training. As determined by the HA, services may include, but are not limited to, laundry room attendant, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination and serving as a member of the Housing Authority Board of Commissioners. No resident may receive more than one such stipend during the same period of time. The maximum amount payable as a resident service stipend and excluded from income will be reviewed annually and adjusted to reflect any COLA increase approved for KCHA administrative staff beginning with the first full pay period of November 2024.
- e. Participants receiving services through the COPES program **AND** living in a COPES assisted unit receiving Project-based assistance shall have all income excluded.<sup>91</sup>

11. Non-recurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes: ~~or sporadic income (including gifts).~~

- a. Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.
- b. Direct Federal or State payments intended for economic stimulus or recovery.
- c. Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.
- d. Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

<sup>90</sup> Approved under MTW 12/1/08 and 9/25/23

<sup>91</sup> Approved under MTW 4/13/16

- e. Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).
- f. Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.
- ~~10-g.~~ Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.
- 12. Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.
- 13. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.
- 14. Civil rights settlements or judgments, including settlements or judgments for back pay.
- ~~11-15.~~ Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era (effective April 23, 1993).
- ~~12-16.~~ Adoption assistance payments.
- 17. Deferred periodic payments of supplemental security income (SSI) and Social Security benefits that are received in a lump sum payment or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
- ~~13-18.~~ Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.
- ~~14-19.~~ Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
- 20. Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit. ~~Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.~~
- 21. Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g.,



proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

22. Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

23. Replacement housing “gap” payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.

15-24. Income earned on amounts placed in a family's Family Self Sufficiency Account.

25. Payments made by a State Agency to a landlord to assist Section 8 participants with disabilities living in shared residential settings in obtaining or maintaining housing at an affordable level. This exclusion will not be applied if DSHS or other governmental entity reduces the household's income in order to provide this contribution.<sup>92</sup>

26. The following types of trust distributions:

a. For a trust held outside of the control of the family:

i. Distributions from the principle or corpus of the trust and

ii. Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

b. For a trust held under the control of the family, any distributions from the trust. Any actual income earned by the trust shall be counted as income, per Exhibit C of this plan.

16-27. Amounts that HUD is required by ~~specifically excluded by any other~~ Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. As described in 24 CFR 5.609(b)(22) HUD will publish notice in the Federal Register to identify and update benefits that qualify for this exclusion when necessary. Items listed below are those most recently listed by HUD as of January 30, 2024. The following types of income are subject to such exclusions:

a. The value of the allotment provided to an eligible household, regardless of the form of the allotment, under the Food Stamp Act of 1977 (7 U.S.C. 2017 [b]). This exclusion also applies to assets.

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<sup>92</sup> Approved under MTW 8/3/05

- b. Payments, including for supportive services and reimbursement of out-of-pocket expenses, for ~~to~~ volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(f)(g), 42 U.S.C. 5058), are excluded from income except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for Nationals and Community Service appointed under 42 U.S.C. 12651c determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or great than the minimum wage in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greatest (42 U.S.C. 5044 (f)(1)). This exclusion also applies to assets.
- c. Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)(a)-(c)). This exclusion also applies to assets.
- d. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. ~~459e~~ 5506). This exclusion also applies to assets.
- e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1)(f)). This exclusion also applies to assets.
- f. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub. L. 94-540, section 6; ~~90 Stat. 2503-2504~~). This exclusion also applies to assets.
- g. The first \$2,000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U.S. Court of Claims, the interests of individual Indians in trust or restricted lands, and the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands. This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407-1408). This exclusion also applies to assets.
- h. Amounts of ~~scholarships~~ student financial assistance funded under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under the Federal Work Study Program or under the Bureau of Indian Affairs Student Assistance Programs (20 U.S.C. 1087uu). For Section 8 programs only (42 U.S.C. 1437f), the law requires that the amount of financial assistance in excess of tuition and other required fees and charges shall be considered income except for those persons over the age of 23 with dependent children (Pub. L. 109-115, section 327) (as amended).
- i. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056g(f)).

- j. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets.
- k. Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 94 Stat 1785). This exclusion also applies to assets.
- l. The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. sec. 9858q).
- m. Any earned income tax credit received on or after January 1, 1991 (26 U.S.C. 32 (j)). This exclusion also applies to assets.
- n. The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409).
- ~~n.o.~~ Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433 section 2). This exclusion also applies to assets.
- ~~o.p.~~ Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d)).
- ~~p.q.~~ Any allowance paid ~~under the provisions of 38 U.S.C. 1833(c)~~ to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05) children of women Vietnam veterans born with certain birth defects (38 U.S.C. ~~1811-161821~~), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821-22) is excluded from income and assets (38 U.S.C. 1833(c)).
- ~~q.r.~~ Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) (under the Victims of Crime Act of 1984) received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102 (c)). This exclusion also applies to assets. (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602).
- ~~r.s.~~ Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2)-2934).

- ~~s.t.~~ Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1760(e)) and the Child Nutrition Act of 1966 (42 USC 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC). This exclusion also applies to assets.
- ~~t.u.~~ Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (~~25 USC 1774f((b))~~). Pub. L. 101-503 section 8(b)). This exclusion also applies to assets.
- ~~u.v.~~ Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (42 USC 1437a(b)(4)).
- ~~v.w.~~ Any amounts (i) not received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. §1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. chapter 11 or dependency and indemnity compensation under 38 U.S.C. chapter 13 as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 to the definition of income applicable to programs under the Native American Housing Assistance and Self Determination Act (NAHASDA). ~~Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self Determination Act of 1966 (25 USC 4101) and administered by the Office of Native American Programs.~~
- ~~w.x.~~ A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled Elouise Coball et al. v. Ken Salazar et al., 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution act of 2010 (Pub. L. 111-291 section 101(f)(2)). This exclusion also applies to assets.
- ~~x.y.~~ Any amounts in an “individual development account” are excluded from assets and any assistance, benefit or amounts earned by or provided to the individual development account are excluded from income as provided by the Assets for Independence Act, as amended ~~in 2002 (Pub. L. 107-110, 42 U.S.C. 604(h)(4)).~~
- ~~y.z.~~ Per capita payments made from the proceeds of Indian Tribal Trust ~~Cases~~ Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amounts of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice

2013-1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds as described in PIH Notice 2013-30 "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a), 25 U.S.C. 1407).

~~z-aa.~~ Federal assistance for a ~~major~~ major disaster ~~and or~~ emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by ~~the~~ States, local government, and disaster assistance organizations (42 U.S.C. 5155(d)). This exclusion also applies to assets.

~~bb.~~ Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113-295), as described in Notice PIH 2019-09 or subsequent or superseding notice is excluded from income and assets. The entire value of an individual's ABLE account. The actual or imputed interest on the ABLE account balance is also not counted as income under section 103 of the Achieving a Better Life Experience Act of 2014. (Pub. L. 113-295; PIH Notice 2019-09)

~~aa-cc.~~ Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116-260, section 501 (j)) and the American Rescue Plan Act of 2021 (Pub. L. 117-2 section 3201). This exclusion also applies to assets.

whether contributions should be counted, consider whether these contributions make up a regular portion of the family's annual income or whether they are sporadic or casual contributions, which should not be counted. Bartering in lieu of cash payment is to be counted as income.

#### H. **Alimony or Child Support**

Count amounts awarded as part of a divorce or separation agreement unless the applicant certifies that the income is not provided and documents that the required efforts have been made to collect these amounts. (See Verification Requirements, Exhibit E) This also applies to situations where an applicant states they are receiving less than specified in the court judgment or settlement agreement.

#### I. **Earned Income Tax Credit**

Earned income tax credits and other tax credits as described in Exhibit B will not be used in calculating annual income.

#### J. **Lump-Sum Payments Counted as Income**

Generally lump-sum amounts received by a family are considered assets, not income (inheritances, insurance settlements, proceeds from the sale of property, etc.). Lump-sum payments made because of a delay in processing unemployment, child support or welfare benefits are counted as income.

However, a lump-sum payment for the delayed start of a periodic payment from SSI and Social Security is not counted as income.

#### K. **Imputed Welfare Income/Welfare Benefit Reduction**

The Imputed Welfare Income is the difference between the welfare payment the Family receives and the welfare payment the Family would have received had it not been reduced and is based on information presented by the welfare agency. The Imputed Welfare Income is to be included in the calculation of the Family Income along with the Family's other income.

A reduction of welfare benefits by the welfare agency, in whole or in part for a family member, is determined by the welfare agency because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with the agency's requirement to participate in an economic self-sufficiency program.

However, a welfare benefit reduction resulting in "Imputed Welfare Income" does not include a reduction or termination of welfare benefits:

1. At the expiration of a lifetime or other time limit on the payment of welfare benefits

1. Current amounts in savings accounts and the average balance of the last six months in checking accounts, where such average balance has exceeded \$50,000<sup>99</sup> (including credit unions). Note that some specialty savings accounts, such as ABLE accounts may be excluded per Exhibit B;
2. Stocks, bonds, savings certificates, money market funds and other investment accounts;
3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. Do not include equity in an owner-occupied cooperative or manufactured housing unit if the family intended to continue living in the cooperative unit or manufactured housing home after being admitted to the Section 8 program. For real estate, have tenant certify the estimated Fair Market Value (no appraisal needed) and subtract mortgage and established costs (i.e., attorney's fees, closing costs, etc.).
4. The cash value of any trusts available to and under the control of the family. Do not include the value of trusts that ~~no family member of the family or household can control~~ are outside the control of the family. The value of the trust fund outside of the control of the family will not be considered an asset so long as the fund continues to be held in trust. ~~However, any income distributed from the trust shall be counted when determining the family's annual income~~ in the following manner:-
  - a. For any trust held outside the control of the family:
    - i. Do not include distributions from the principle or corpus of the trust.
    - ii. Do not include distributions of income from the trust when those distributions are used to pay the costs of health and medical care expenses for a minor.
    - iii. Include all other distributions of income from the trust.
  - b. For a revocable trust under the control of the family,
    - i. Any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.
    - ii. Distributions from the trust shall not be considered income, as they were counted when the income was earned by the trust.
5. IRA, Keogh, and similar retirement savings accounts. These are included because participation is voluntary and the family has access to them, even though withdrawal would result in a penalty.
6. Company retirement/pension funds.

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<sup>99</sup> Approved under MTW 5/14/07

# T A B N U M B E R





# King County Housing Authority

## KCHA Board of Commissioners

- Doug Barnes, Chair
- Richard Jackson
- Regina Elmi
- Jerry Lee
- Tina Keys

**President/CEO** — Robin Walls

**TO:** Board of Commissioners

**FROM:** JJ Jordan, Vice President Capital Construction & Weatherization

**DATE:** April 21<sup>st</sup>, 2024

**RE:** **2024 Year End Capital Expenditure Report & 2025 Planned Projects**

This report provides a detailed summary of capital expenditures in 2024 and planned capital work for 2025. It summarizes the activities in four departments: Capital Construction and Weatherization; the Greenbridge Department; Asset Management/Development; and Housing Management.

The total amount budgeted in 2024 for capital projects planned and managed by these departments, was \$101,732,947. The actual expenditure totaled \$98,649,170 or 97% of the budgeted amounts. The table below summarizes 2024 capital expenditures.

Department	Project Category	No. of projects	2024 Budget	2024 Year End Expenditures*	% Expended
Construction	Public Housing	18	\$11,590,388	\$7,027,301	60%
Construction	509 Properties	2	\$0	\$471,393	N/A%
Construction	Other	2	\$1,963,356	\$1,213,919	62%
	<b>Subtotal</b>	<b>24</b>	<b>\$13,553,744</b>	<b>\$8,712,613</b>	<b>64%</b>
Weatherization					
(KCHA-owned projects)	<b>Subtotal</b>	<b>5</b>	<b>--</b>	<b>\$1,173,109</b>	<b>--</b>
Greenbridge Depart.	Greenbridge Land Development	15	\$893,912	\$739,402	83%
	<b>Subtotal</b>	<b>-</b>	<b>\$893,912</b>	<b>\$739,402</b>	<b>83%</b>
Asset Mgmt.	Bond Properties	42	\$11,920,622	\$8,885,351	75%
Asset. Mgmt.	HOP	9	\$2,207,000	\$370,115	17%
Asset. Mgmt.	Tax Credit	1	\$64,330,000	\$70,279,682	109%
Asset Mgmt.	Other Unbudgeted	15	-	\$3,031,721	n/a
	<b>Subtotal</b>	<b>67</b>	<b>\$78,457,622</b>	<b>\$82,566,869</b>	<b>105%</b>
Housing Mgmt.	Unit Upgrades	141	\$5,957,757	\$5,543,060	93%
Housing Mgmt.	Small Repairs	203	\$1,976,000	\$2,206,436	112%
	<b>Subtotal</b>	<b>330</b>	<b>\$7,933,757</b>	<b>\$7,749,496</b>	<b>98%</b>
<b>All Construction</b>	<b>Total</b>		<b>\$101,732,947</b>	<b>\$98,649,170</b>	<b>97%</b>

## Capital Construction – 2024 Budget and Expenditures

The Capital Construction and Weatherization Department primarily handles major renovation projects and construction of community facilities within existing KCHA public housing and some project-based Section 8 developments. The Department is responsible for identifying, prioritizing, planning, and scoping major capital repairs and improvements at these sites. The Department also administers the Low-Income Weatherization Assistance Program and invests funding for energy conservation improvements in KCHA projects whenever possible.

Expenditures in 2024 included several projects that were carried over from 2023, as well as unbudgeted projects the need for which emerged after the 2024 capital projects budget was approved.

Expenditures for 2024 projects include but were not limited to:

Project	Project Cost
Pepper Tree Deck Resurfacing	1,189,910
Southridge House Fire Monitoring	781,782
Burndale Homes Office TI & Envelope	673,429
Munro Manor Roof	657,121
600 Building Canopy Addition	619,031
Burien Park 1 & 2 Elevator Rehab	430,552
Vantage Point South Elevator Addition	427,178
Park Royal Site & Drainage	406,518
Plaza 17 Boiler & Heating System Upgrade	382,008
Briarwood Fire Monitoring System Upgrade	346,777
Eastridge Fire Monitoring System Upgrade	331,787
Cascade Homes Attic Air Assessment	247,881
Casa Madrona Heating System Balancing	190,712
Burien Park Fire Monitoring System Upgrade	185,002
600 Building Transformer Upgrade	180,956
Juanita Court Site	168,458
Nike Manor Fire	162,953
600 Building Foyer/Restroom Upgrade	116,798
Valli Kee Perimeter Fence & Entry Security Gate Addition	99,136
Island Crest Plumbing Upgrades	86,017
Northwood Apt Fire Monitoring System Upgrade	70,920

The Capital Construction and Weatherization Department's overall 2024 construction expenditures, not including weatherization funds, were \$8,712,613 or 64% of the planned budget. Multiple were projects delayed during design development in 2024 due to significant issues uncovered by exploratory demolition and were re-phased to 2025. Additionally, the Burndale Office and Park Royal Site & Drainage projects awarded significantly below engineer's estimates, resulting in budget savings.

The Department also leveraged \$1,173,109 in funding from the Low-Income Weatherization Assistance Program to complete energy conservation improvements at five (5) KCHA owned properties.

### Capital Construction – 2025 Projects

In 2025, Capital Construction is budgeting \$13,969,737 for the design and construction of 13 new projects and four (4) that will carry over from 2024. In 2025 the Department will again undertake multiple projects to improve building systems, replace envelopes, and upgrade site components. Major new projects planned for 2025 are as follows:

Project	Project Budget
Westminster Manor Roof	2,808,348
Burien Park Roof	993,949
Northridge Deck Resurfacing	840,000
Brittany Park Window Replacement	772,226
600 Building Lobby Upgrade with Security Improvements	702,024
Briarwood Fire Monitoring System Upgrade	615,420
Vista Heights Roof Replacement	580,340
Yardley Arms Fire System Upgrade	505,878
Boulevard Manor Fire Systems Upgrade	460,000
Munro Manor Fire System Upgrade	420,258
Mardi Gras Fire Monitoring System Upgrade	417,002
Gustaves Manor Historical Window Replacement	376,753
600 Building Bathroom Remodel	280,800
Mardi Gras Perimeter Fence & Entry Security Gate Addition	263,259
Vantage Point South Elevator Addition	190,125
Cedar Grove 1 – Buildings A and B Roofing	188,100
Spiritwood Manor Roofs III	148,005
Cedar Grove 2 – Building C Roofing	121,000
600 & 700 Buildings Transformer Upgrades	86,452

### Greenbridge – 2024 Activities

The Greenbridge Department completes phased property sales and supports and monitors builders constructing infrastructure and homes on sold parcels. Specific examples include providing utility developer extension assignments, inspection and turnover of completed and sold homes to the Greenbridge Association, and working with HUD to obtain releases of federal covenants. The department also works to manage and staff both the Greenbridge Association and the Seola Gardens Association.

The Greenbridge budget for 2024 was \$893,912. Total expenditures for 2024 were \$739,402, approximately 83% of the budget. Cost savings resulted from using outside consultant support for construction management. The department has also slowed studies of potential future development options to allow for the North Highline Plan Update and King County Comprehensive Plan to be completed and to develop relationships with potential development partners. The Sandpiper Bridge Replacement project was placed on hold due to complex permitting from the Army Corps of Engineers and is planned to be constructed in 2025.

The status of builder support and land sales activities at Greenbridge is summarized below:

#### Wind Rose

Through 2024 staff continued to work with Conner Homes to finalize necessary deeds and easements for the early transfer of three (3) parks, a trail section and open space to the Greenbridge Association for maintenance. Right-of-way planting, alleys, and water quality and detention ponds are under Conner Homes' maintenance until completion of construction permits from performance to maintenance bonds. The Pea Patch park is now open to members for Spring planting with great success.

#### Mattera

Staff completed work with Conner Homes to finalize deeds and easements for the late transfer of the two (2) parks and a trail section to the Greenbridge Association for maintenance. Conner Homes retains easements on common property until their maintenance bond closes out, which is expected to take approximately another year. Conner Homes also retains maintenance responsibility for all infrastructure including alleys until close out.

#### Brio

BDR Homes has still to complete site improvements including alley access, curb repair, final lift and right-of-way close-out. Staff are working with King County to support performance bond foreclosure (now received) to allow for funds to be available to King County to complete this work.

#### Altamura

Conner Homes sold 42 homes in 2024 and 76 of 107 homes in Phase 1 through Phase 4 of Greenbridge Altamura. Phase 4 infrastructure construction is completed to allow home foundation starts. Phase 4 design review is complete. Conner Homes is responsible for all maintenance in the Division 8 Altamura area of development until they can obtain an approval to maintenance bonds.

#### Revenue from Home and Land Sales Activity

The Greenbridge Department generated \$200,829 in revenue through the Phase 4 Altamura land sales to Conner Homes. Profit participation and sewer credit Revenue from land sales is a primary funding source for the Greenbridge development.

#### Projects Completed in 2024

- KCHA, in collaboration with King County Metro and a local artist, completed artwork on four bus shelters at Greenbridge.
- Staff completed close out of the Southwest Suburban Sewer District developer extension agreement. This 20-year agreement provided approximately \$3,000,00 in revenue to the Authority for over 569 residential and commercial sewer credits used and sold over this 20-year period.
- The Department has completed environmental permitting of the Sandpiper bridge replacement project. Grants totaling \$3,142,500 from King County

WaterWorks and Flood Control District will support the construction of the replacement bridge that was planned for 2024 but is now planned for 2025.

- Staff have completed the 8-year clean up of groundwater associated with the Park Lake Homes maintenance building. This effort resulted in a No Further Action designation from the Department of Ecology. Staff are working to apply for a grant for costs associated with the clean up to reimburse the Authority for some of the clean-up costs.
- Staff have completed working with the King County and the North Highline Plan and the Comprehensive Plan to entitle 6 orphan lots scattered around 5<sup>th</sup> Ave SW and on 8<sup>th</sup> Ave SW. Lots located around 5<sup>th</sup> Ave SW have been recently approved from the original zoning of R-6 to R-18. Staff completed a strike memo to append the Comprehensive Plan for the Vue Terrace, a 30 unit manufactured home site in Skyway for reduced density using a P-Suffix zoning condition.

#### Project Activities in 2025

- The Department will continue to work to expand land use entitlement, prepare parcels for future development, and increase public art installations.
- Studies are underway for potential development of: 1) the former Head Start site as a robotic education center; and 2) the Notch property on the northeast corner of Greenbridge as market rate condominiums, townhomes or affordable rental housing.
- Staff are working in coordination with Neighborhood House on the new Head Start at Seola Gardens. Staff provided entitlement information and construction support for this project that is led by Neighborhood House. The new project is expected to be completed in the early second quarter of 2025.
- Staff have worked with MHCP to entitle the Vue Terrace property for a model 30-unit manufactured mobile home park. Staff have worked to lead the SEPA process, a road variance, boundary line adjustment and binding site plan and assist with a housing cooperation agreement for the project.
- Staff are supporting the Skyway Resource Center. The project is under construction and is anticipated to open in mid-second quarter of 2025.
- Continue to market the 6 Orphan Lots adjacent to Greenbridge to a market rate developer that can utilize the increased zoning density obtained in the North Highline Plan.
- Construction is planned to begin on the Sandpiper East bridge replacement

project. The schedule includes working in water on Kelsey Creek through the fish window. Environmental permits were approved in 2024.

- Staff will continue permit and construction close out work including acting as Declarant to close out 4<sup>th</sup> Avenue Improvements. Staff will also assist builder developers to complete close out work for Wind Rose and Materra.

### **Development/Asset Management– 2024 Projects**

The Development and Asset Management Departments collaborate on the initial development of Low Income Housing Tax Credit (LIHTC) financed new construction and renovation projects. Development staff secure all financing including investor provided LIHTC equity, public funding and debt financing, and Asset Management staff manage construction, lease-up, tax credit delivery, and contract compliance.

Asset Management's construction group oversees both the larger LIHTC projects and capital improvement work on Bond, Tax Credit and Homeownership Program (HOP) mobile home properties within Asset Management's portfolio. This latter work includes roof replacements, building envelope upgrades, deck repairs, exterior painting, asphalt/concrete, plumbing system replacements, etc. In 2024, Asset Management had 64 active capital improvement projects and expended \$82,566,869, or approximately 5% over the original capital projects budget of \$78,457,622.

One major budget increase was the accelerated pace of work at Kirkland Heights Redevelopment and the addition of 15 non-budgeted projects. These non-budgeted projects included several roofing and site drainage projects, new fire alarm systems, restoration of fire damaged buildings, as well as a couple critical structural repairs. In addition, there were five projects that were delayed from 2023 and were not completed until well into 2024. As in previous years, there were several BOND projects that were either cancelled or delayed because of permitting and design issues. A few projects were delayed because initially all bids were rejected or no bids were received. Once again, the site improvement project in the HOP budget for Rainier View Mobile Home Park was postponed because of difficulty in permit reviews and design revision. This project did finally get started at the very end of 2024 and will continue into 2025.

The Development Department also managed the construction work for the Skyway Resource Center, a 4,600 square foot neighborhood service facility in unincorporated King County. In 2024 a total of \$3,051,622 was incurred on this development. The project will be completed in April 2025. The Skyway Resource Center will be transferred to a local non-profit in 2025, so these capital costs are not included in the totals for the capital improvements to KCHA's portfolio.

2024 Completed projects included:

Projects	Project Cost
Argyle Asphalt	\$84,580
Ballinger Commons Asphalt	\$145,320
Ballinger Commons Windows	\$125,434
Ballinger Commons HVAC	\$106,780
Ballinger Commons Roofing	\$198,622
Bellepark East Asphalt	\$46,705
Bellepark East Envelope	\$176,343
Carriage House Siding Bldg D (continued in 2025)	\$567,093
Carrington Asphalt	\$71,537
Cascadian Exterior Renovations N & P	\$1,782,185
Cottonwood Windows	\$66,144
Emerson Decks	\$47,750
Emerson HVAC	\$91,023
Gilman Square Windows	\$89,935
Hampton Greens Asphalt	\$96,109
Hampton Greens Roofing	\$148,860
Juanita View Asphalt	\$47,703
Kendall Ridge Asphalt	\$73,668
Landmark Roofing 41-43, 12 & 16	\$1,213,543
Landmark Roofing 12 & 16	\$321,050
Meadowbrook Electrical Panels	\$150,000
Pinewood Village Asphalt	\$47,830
Pinewood Village Windows	\$327,163
Rainier View I Exterior Paint	\$98,737
Rainier View II Exterior Paint	\$71,875
Riverstone Asphalt	\$89,874
Riverstone Stairs	\$82,803
Salish Asphalt	\$47,375
Salish Pool Decommission	\$46,750
Salish Roofing	\$131,886
Sand Piper East Asphalt	\$46,637
Sand Piper East Roofing	\$285,508
Si View Roofing	\$54,061
Vashon Terrace Exterior Paint	\$122,250
Timberwood Roofing	\$84,398

Vashion Terrace Asphalt	\$30,649
Villages at South Station Asphalt	\$93,087
Villages at South Station Stairs	\$58,900
Windsor Heights Landings	\$59,498
Woodridge Park Roofing	\$183,071
Woodside East Roofing	\$1,193,585
Woodside East Asphalt	\$79,030
Friendly Village Asphalt (HOP)	\$49,984
Friendly Village Electrical Pedestals (HOP)	\$76,000
Friendly Village Roofing Clubhouse	\$182,770
Tall Cedars Asphalt (HOP)	\$19,223
Vantage Glen Asphalt (HOP)	\$42,138
Kirkland Heights Redevelopment (Tax Credit)	\$70,279,682
Emerson Roofing	\$98,015
Aspen Ridge Roofing	\$64,625
Woodridge Site Drainage	\$115,547
Illahee Asphalt	\$93,104
Cascadian Fire Restoration (Extending into 2025)	\$171,410
Ballinger Commons Fire (Extending into 2025)	\$164,486
Greenbridge Salmon Creek Structure (Ext 2025)	\$114,000
Colonial Gardens Fire	\$143,560
Argyle Fire	\$8,132
Woodland North Structure (Ext 2025)	\$4,000
Hampton Greens Bld CC Structure (Ext 2025)	\$43,685
Meadowbrook Fire Alarms (Extending from 2023)	\$813,570
Sandpiper Office Renovation (Ext from 2023)	\$625,805
Riverstone Pool Deck (Ext from 2023)	\$53,964
Aspen Ridge Exterior Lighting ( Ext from 2023)	\$101,968
Carriage House Exterior C (Ext from 2023)	\$415,850
Total	\$82,566,869



### Asset Management – 2025 Budget: Bond, HOP & Tax Credit Capital Improvements

For 2025, \$6,505,000 has been allocated for 26 projects in the Bond and HOP programs, and \$46,615,000 is budgeted for three Tax Credit projects and redevelopment work, primarily at Kirkland Heights. In addition, \$2,430,000 is to be added for Non-Budgeted projects and for carry-over projects from 2024. The total 2025 Budget for Asset Management Construction is \$55,550,000 and includes 37 total projects.

Projects	Estimated Cost
Argyle Asphalt*	\$200,000
Auburn Square Plumbing	\$160,000
Ballinger Commons Asphalt*	\$300,000
Ballinger Commons Roofing	\$300,000
Carrington Decks	\$165,000
Colonial Gardens Electrical	\$150,000
Gilman Square Roofing	\$80,000
Hampton Greens Roofing	\$200,000
Juanita View Asphalt*	\$100,000
Landmark Landings	\$100,000
Landmark Roofing	\$175,000
Meadowbrook Electrical Panels	\$300,000
Parkwood Roofing	\$100,000
Riverstone Asphalt*	\$300,000
Sandpiper East Roofing	\$250,000
Sandpiper East Siding	\$250,000
Sterling Ridge Roofing	\$175,000
Timberwood Roofing	\$250,000
Villages at South Station Asphalt*	\$200,000
Woodridge Park Drainage	\$125,000
Friendly Village Asphalt*	\$50,000
Rainier View Expansion	\$2,250,000
Tall Cedars Plumbing	\$75,000
Vantage Glen Asphalt	\$50,000
Vantage Glen Rockeries	\$100,000
Vantage Glen Roofing	\$100,000
Kirkland Heights Redevelopment 2025	\$46,000,000
Village at Overlake Roofing	\$515,000
Woodland North Structural	\$100,000

Balinger Commons Fire	\$400,000
Cascadian Fire	\$350,000
Kendall Ridge Fire	\$350,000
Kendall Ridge Decontamination	\$150,000
Hampton Greens CC Foundation	\$180,000
Salmon Creek Walkways	\$1,000,000
Total	\$55,550,000

### **Asset Management/Development – 2025 Budget: Tax Credit Projects**

Kirkland Heights is a major tax credit development project the complete development of which will span 2022-2026. As part of a long-term plan to maximize density, the project will include the rehabilitation of existing buildings with 180 units and the new construction of 96 units. The finished development will include 28 buildings.

An initial contract for one of the buildings was completed in 2023, and a second contract for the remainder of the redevelopment was signed in late 2023. The contract is scheduled to be completed in mid 2026. The 2025 development budget for work at the site is \$60 million with the remaining budget to be included in 2026. 40% of the apartment units and the Community Center building were completed and occupied by the end of 2024 to take full advantage of LIHTC credits.

### **Housing Management– 2024 Projects**

The unit upgrade budget was expended at 93%, completing interior upgrades in 141 units of the 135 planned. In addition, Housing Management also spent 112% of the planned budget on special projects amounting to \$2,206,436, which includes common area and vacated unit painting. Examples of small projects completed include:

### **Housing Management- 2025 Budget**

For 2024 the Department has budgeted for the completion of 135 unit upgrades at various sites throughout the Property Management inventory, which represents an estimated investment of \$5,280,255.

In addition, there are 78 small projects included in the budget for 2024, estimated to cost \$1,976,000. The small projects and site support team will once again continue to focus on supporting the portfolio teams by painting approximately half of the vacated units as well as assisting in the completion of various small projects at many sites. These projects will result in higher curb appeal.



King County  
Housing  
Authority

# KCHA Capital Program

2024 Year End Review and 2025 Preview

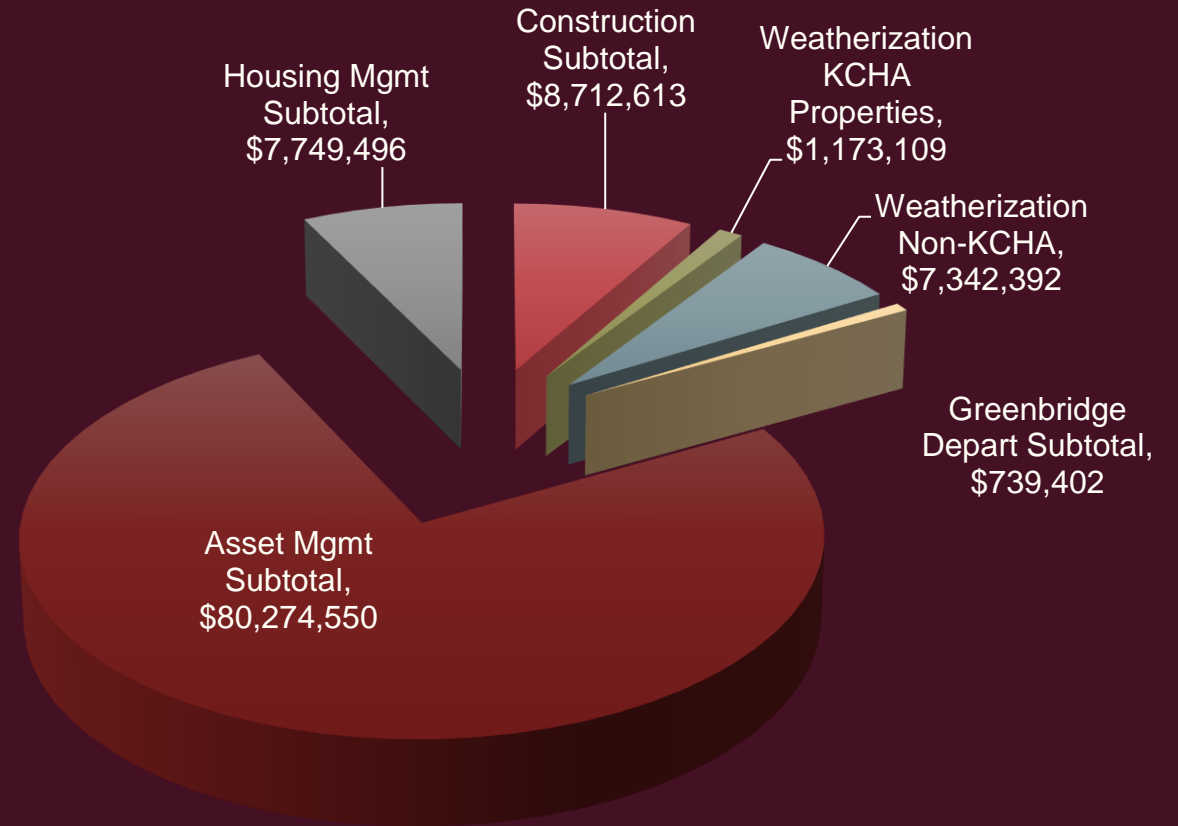
April 21<sup>st</sup>, 2025



# 2024 Capital Budget Expenditure Summary

- 🏠 Capital Construction: 64% Spent vs. Budget
- 🏠 Greenbridge: 83% Spent vs. Budget
- 🏠 Asset Management: 105% Spent vs. Budget
- 🏠 Housing Management: 98% Spent vs. Budget
- 🏠 Program Total: 97% Spent vs. Budget

*\* Weatherization spent approx. 14% of grant funding on KCHA owned facilities vs. 86% on single family homes and non-profit partner properties.*



# 2024 Variance Summary

## 🏠 Capital Construction – 64% of Budget Spent

- Multiple projects delayed during design development in 2024 due to significant issues uncovered by exploratory demolition; projects re-phased to 2025.
- Burndale Office and Park Royal Site & Drainage projects awarded significantly below engineer's estimates, resulting in budget savings.

## 🏠 Greenbridge – 83% of Budget Spent

- Achieved cost savings through external consultant support for construction management.
- Temporarily slowed exploration of future development options pending completion of the North Highline Plan Update and King County Comprehensive Plan, and to establish relationships with potential development partners.

## 🏠 Asset Management – 105% of Budget Spent

- Accelerated work pace on Kirkland Heights Redevelopment.
- Added 15 unplanned projects, including roofing, drainage improvements, fire alarm installations, restoration of fire-damaged structures, and critical structural repairs.



# 2024 Capital Program Year in Review





# Capital Construction

- 🏠 Building Envelope Upgrades – \$2.8 Million
  - Roofing Replacement completed at Munro Manor
  - Full Envelope Replacement completed at Peppertree
- 🏠 Infrastructure Upgrades – \$3.4 Million
  - Major projects included installation of new fire alarm systems and significant replacements at:
    - Southridge House, Burien Park, Eastridge, Briarwood, Nike Manor, Northwood





# Capital Construction

## 🏠 Sitework Improvements - \$650,000

- Park Royal: Repaired damaged site surfaces with new paving, wheel stops, and installed protective barriers to prevent vehicle incidents on slopes.

## 🏠 Security Improvements - \$1.2 Million

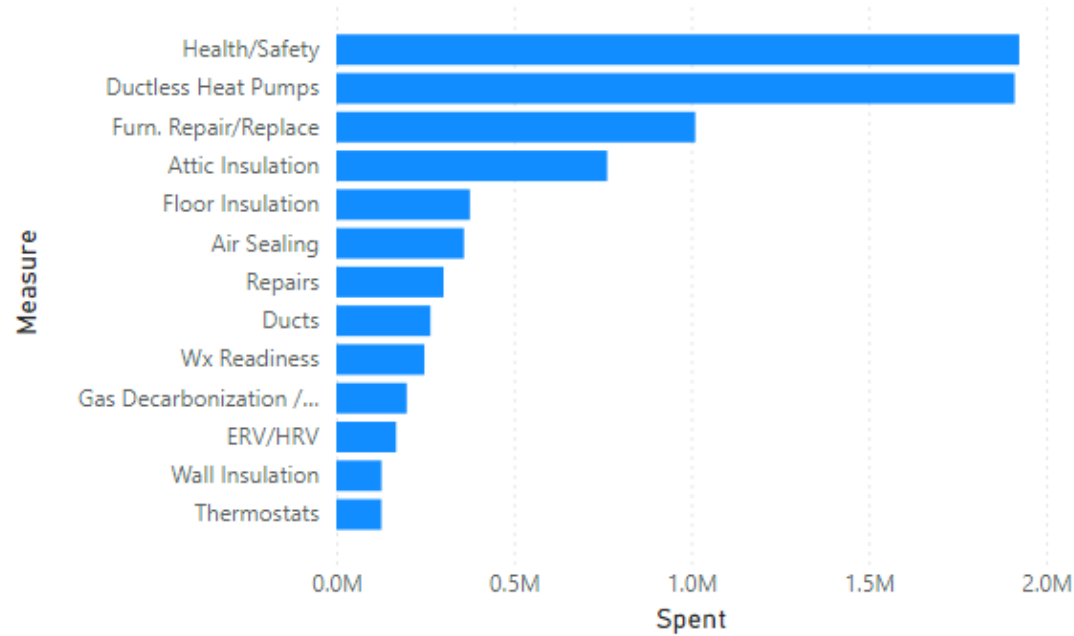
- Enhanced resident safety and security by installing new fencing at:
  - Birch Creek
  - Mardi Gras
  - Valli Kee



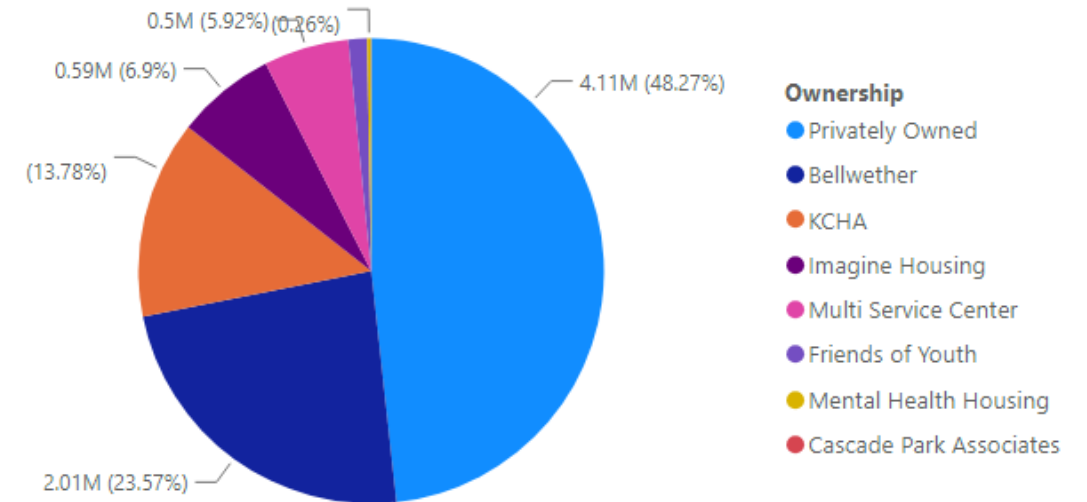


# Weatherization Program Summary

Spent  
BY MEASURE



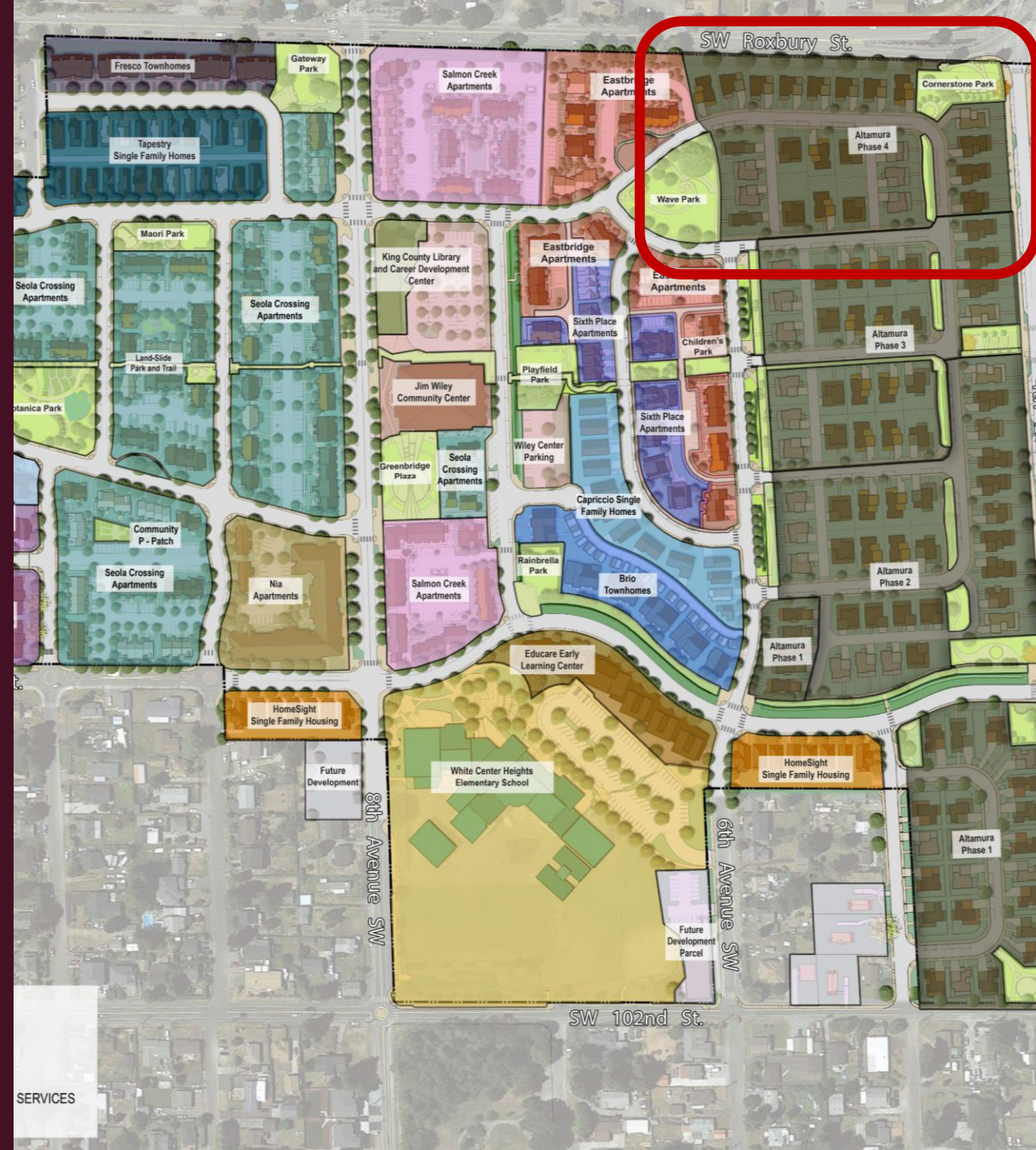
Spent  
BY OWNERSHIP



# Greenbridge

🏠 **Altamura Phase 4** sold and closed for \$5 million.

- Last large vacant parcel at Greenbridge.
- Phase 1 – 4 included 107 single-family lots and 10 parks and trails, platted and ready for infrastructure.
- Completes the final phase (4 of 4) of Greenbridge land sales.
- Total land sales generated over \$21.4 million in gross proceeds.





# Greenbridge

- 🏠 Phase 4 infrastructure construction and design review have been completed at Altamura; home foundation construction scheduled to begin in 2025.
- 🏠 Reopened Pea Patch Park community garden, restoring a valued community amenity after several years of closure.





# Greenbridge / Asset Management

- Continued construction of the Skyway Resource Center (*Asset Management Project w/ Greenbridge Assistance*).
  - Broke ground in 2024, with opening scheduled for mid-Q2 2025.
- Facility designated as a HUD EnVision Center, serving as a multi-service hub for the Skyway community offering:
  - Economic empowerment
  - Educational advancement
  - Health and wellness resources
  - Character and leadership development services





# Asset Management

- 🏠 Kirkland Heights Redevelopment Update
  - 45% complete as of 2024, representing a \$70 million investment that year.
  - Currently KCHA's largest ongoing development.
  - 2024 Scope included:
    - Renovation of 6 existing buildings (64 units).
    - Construction of 2 new residential buildings (48 units).
    - Addition of a new community facility.
  - On schedule for full completion in 2026.





# Asset Management

🏠 Other completed minor capital projects in 2024 by Asset Management include:

- Cascadian Exterior Renovations
- Carriage House Exterior Envelope
- Emerson Decks
- Gilman Square Window Replacements
- Rainier View Site Developments
- Landmark and Woodside East Roofing
- And more...





# Housing Unit Upgrades and Maintenance

## 🏠 Unit Upgrades

- Completed 141 comprehensive unit upgrades in 2024 (exceeding goal by 6 units) through KCHA's in-house rehabilitation program.
- Upgrades (flooring, cabinets, fixtures) extend units' life by ~15 years, enhancing resident living conditions.

## 🏠 Maintenance Projects

- Conducted numerous smaller-scale projects to maintain housing quality, including:
  - 34 special maintenance projects.
  - 62 on-call repair work orders.
  - Repainting of 77 vacant units for new tenants.





# 2025 Capital Program Outlook





# 2025 Budget Overview

## 🏠 Capital Construction

- 2025 budget: **\$13,969,737** (vs. \$13,553,774 prior year)
- Anticipated underspending in 2024 due to a conservative approach to putting new work on the street for bid until federal funding clarity improves.

## 🏠 Asset Management

- 2024 budget: **\$55,550,000** (vs. \$78,457,662 prior year)
- Reduced spending reflects steady progress toward mid-2026 completion of Kirkland Heights redevelopment.

## 🏠 Housing Management

- 2024 budget: **8,364,275** (vs. \$7,933,757 prior year)
- Spending expected below budget as evaluation of Unit Upgrade projects remains conservative, although tariffs may increase material costs for the year.

## 🏠 Greenbridge

- 2024 budget: **\$4,337,710** (vs. \$739,402 prior year)
- Increased budget reflects execution of the Sandpiper East Bridge project.

# 2025 Budget Overview – Ongoing Adjustments

## 🏠 Capital Construction

- Capital Construction has currently paused the following planned 2025 projects:
  - Northridge House 1 & 2 Deck Resurfacing - \$840,000
  - Burien Park Roof Replacement - \$993,949
  - Vista Heights Roof Replacement - \$580,340
  - Gustaves Manor Historical Window Repairs - \$376,753
  - Other projects being evaluated as design phases complete

## 🏠 Housing Management

- Unit Upgrades has modified annual estimates down from 136 units to 111 units, forecasting nearly \$500,000 savings. This could be offset some by rising material costs.

# 2025 Capital Program Outlook - Risks

## 🏠 Tariffs on lumber, gypsum, electrical components, lighting, etc.

- Material and Equipment costs may rise dramatically this quarter.
- Contractors may be caught with price escalation while under contract increasing bankruptcy risk.

## 🏠 Build America, Buy America Compliance

- For Federally subsidized projects over \$250,000, compliance with BABA will increase project cost and cause schedule delays due to required project specific waiver processing.

## 🏠 Federal Funding Allocation Uncertainty

- Capital Funds for 2025 have not yet been allocated.
- Reductions in Federal Funding and Program Cuts still seem possible. Agencies are taking a more cautious approach to capital investment.

# 2025 Capital Program Outlook - Opportunities

## ■ Increased Procurement Interest/Response

- Residential construction has been slowing, and tariffs will less development of housing.
- There is an opportunity to create new and/or stronger contractor relationships as KCHA continues to put work on the street.

## ■ Increased interest in open staffing positions

- Qualified labor may increase across all capital improvement disciplines as the market rate residential development market cools.



Questions?





# King County Housing Authority

## KCHA Board of Commissioners

- Doug Barnes, Chair
- Richard Jackson
- Regina Elmi
- Jerry Lee
- Tina Keys

## Memo

**TO:** Board of Commissioners

**FROM:** Wendy Teh  
Vice President of Finance

**DATE:** April 21, 2025

**RE:** 2024 Fourth Quarter Financial Report

### Executive Summary

Fourth quarter 2024 financial results for KCHA, excluding development activities, exceeded budget projections. Operating income was approximately \$20.2 million more than budget with both tenant revenue and block grant revenue exceeding expectations. Operating expenses were 98% of the budget and approximately \$10.9 million less than anticipated. The key drivers include reduced salaries and benefits due to unfilled positions as well as lower spending on social service, weatherization projects and administrative costs. As a result, net operating income was higher than budget by \$9.4 million.

### Financial Highlights

For Federal Programs and Properties, which include Moving to Work (MTW), Housing Choice Vouchers (HCV) and Public Housing (PH), operating revenue was \$15.8 million above the budget. Tenant revenue as well as federal subsidies for both HCV and PH were higher than anticipated. Operating expenses were slightly under budget at 99% of the budgeted total. These combined to result in additional net operating income of \$17.6 million. Other highlights include:

- Capital Construction projects were below target mainly due to Burndale Home Office and Envelope project having a late start due to environmental review issues. While the Munro Manor roof and Briarwood Fire Monitoring System Upgrade projects started in the 3rd quarter, the Westminster roof project was postponed to 2025.
- Social Service Expenses such as Health Services were below target due to a staffing gap, and relocation expenses were below target as the Capital Construction department was able to complete some projects without needing to temporarily relocate residents to hotels.
- Salaries and benefits were below budget due to unfilled positions.

The Local Programs and Properties had operating revenue that was \$4.4 million above budget. Combined with lower-than-expected expenditures, net operating income was \$13.5 million more than budget. The main driver of the increased revenue was higher than anticipated tenant revenue while for expenses, unfilled positions resulted in less salaries and benefits. Other notable highlights include:

- Lower spending and grant reimbursements on weatherization projects.
- Capital projects below target due to project delays.
- Various administrative categories under target including Professional Services, Administrative Contracts, and Computer Equipment.

For Development activities, operating revenue was less than budgeted due to lot sales at Greenbridge occurring earlier than anticipated at the end of 2023. Other highlights include:

- Interest expense on the Kirkland Heights bonds higher than budgeted.
- Subordinate debt yet to be advanced for development of Kirkland Heights Apartment project.

## **Financial Statements**

The Financial Statements below are included to provide detailed financial information for all activities as well as any corresponding notes needed for further explanation.

Income Statements show operating and non-operating income, expenses and net gain or loss. These have been broken out into four separate reports to show differences between KCHA programs and activities. Each individual report highlights the following programs:

1. Combined Operations – Federal and Local Programs, excluding Development activity
2. Federal Programs & Properties – Includes all federal programs such as Housing Choice Vouchers, Public Housing, Capital Fund Program, and several other Federal grants to house and assist families towards self-reliance or improved living circumstances.
3. Local Programs & Properties – Includes properties and programs owned by KCHA and managed either by KCHA Property Management or Asset Management via third party management companies. This category is sometimes referred to as Workforce Housing.
4. Development Activity – Includes all activities handled by our Development department. Most of the financial activities of this department are below-the-line, construction-related and as such are tracked in the balance sheet as “work-in-process” and do not impact net operating income.

The Balance Sheet, which shows assets, liabilities and equity, provides a snapshot of KCHA’s finances, and is divided into Combined Operations and Development Activity.



Finally, a detailed summary of MTW Uses and Sources is included. One of the most important features of being an MTW agency is the financial flexibility to use funds where they are needed most depending on local housing needs. The charts show where we are able to use funding streams in a variety of ways to support KCHA goals and initiatives.





**King County Housing Authority**  
**Income Statement with Cash Adjustments**  
**Combined Operations (excl development activity)**  
**For the Period Ended December 31, 2024**

	<b>2024</b>	<b>2024</b>	<b>% of</b>	
	<b>YTD</b>	<b>YTD</b>	<b>YTD</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	
<b>Operating Revenues</b>				
1 Tenant Revenue	\$170,546,900	\$162,882,788	105%	
2 Operating Subsidy from HUD-HCV	288,861,360	277,473,998	104%	
3 Operating Subsidy from HUD-PH	15,530,425	12,987,245	120%	(1)
4 Port-In Income	40,313,826	38,965,496	103%	
5 Other Operating Income	42,245,748	44,961,990	94%	(2)
6 Total Operating Income	557,498,258	537,271,517	103.8%	
<b>Operating Expenses</b>				
7 Salaries	60,667,711	66,278,867	92%	(3)
8 Benefits	19,556,600	21,875,056	89%	(3)
9 Occupancy Expenses	46,669,657	47,492,775	98%	
10 Maintenance Projects	0	0	NM	
11 HAP Expense-KCHA	234,249,035	231,477,490	101%	
12 HAP Expense-Ports In	40,849,316	38,965,496	105%	
13 Other Social Service Expenses	18,254,516	22,684,233	80%	(4)
14 Administrative Expenses	36,786,197	39,134,665	94%	(5)
15 Total Operating Costs	457,033,032	467,908,582	98%	
16 Net Operating Income	100,465,226	69,362,935	145%	
<b>Non-Operating Revenues</b>				
17 Non-Operating income	33,287,387	30,828,066	108%	(6)
18 Total Non-Operating Income	33,287,387	30,828,066	108%	
<b>Non-Operating Expenses</b>				
19 Interest Payments	36,943,434	33,289,936	111%	(7)
20 Non-Operating Expenses	2,985,137	1,891,479	158%	(8)
21 Total Non-Operating Expenses	39,928,571	35,181,415	113%	
22 Net Non-Operating Income (Loss)	(6,641,184)	(4,353,348)	153%	
23 Net Income(Loss)	93,824,042	65,009,587	144%	
<b>Adjustments to Cash - Sources (Uses)</b>				
24 Principal Payments	(30,522,774)	(20,853,981)	146%	(9)
25 Capital Expenditures	(40,710,013)	(57,406,694)	71%	(10)
26 Acquisitions/LIHTC Return to KCHA	(9,950,000)	0	NM	(11)
27 Change (to)/from Designated Cash	(8,507,650)	2,283,876	NM	(12)
28 Change (to)/from Restricted Cash	2,794,580	(10,170)	NM	(13)
29 Transfers In/(Out)	(189,095)	(712,777)	27%	(14)
30 Other Changes in Debt	9,950,000	0	NM	(11)
31 Others Sources/(Uses of Cash)	10,779,415	(4,224,606)	NM	(15)
32 Total Adjustments to Cash	(66,355,537)	(80,924,353)	82%	
33 Net Change in Unrestricted Cash	\$27,468,506	(\$15,914,766)	NM	
34 Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	151,298,098			
35 Ending Cash Balance-Unrestricted/Held by Mgmt Agent	178,766,604			

**Footnotes:**

- 1) Actual Operating Fund Subsidy funding was based on the 2024 subsidy request and prorate of 97.12% while the budget assumed 92% prorate and prior year funding level. This resulted in \$2.5 million additional revenue.
- 2) Mainly due to lower spending and grant reimbursements on weatherization projects.
- 3) Salaries and benefit were below target due to unfilled positions.
- 4) EHV service fees were below target as KCHA is reimbursed by HUD on an as-needed basis to support housing stability of the EHV clients leased up. Health Services were below target primarily due to a staffing gap that temporarily halted most planned budget expenditures in 2024. Relocation expenses were below target as Capitol Construction department was able to complete some projects without needing to temporarily relocate residents to hotels. Finally, the Family Self Sufficiency programs below target as the budgeted two programs (FSS Light and the Young Adult Prosperity Program) were not launched during 2024.
- 5) Various categories were under target: professional services, admin contracts, and computer equipment.
- 6) HUD CFP grant revenue exceeded target. Management decision was made to draw down the balance the 2021 CFP grant totaling \$6 million and apply towards unit upgrade and other large maintenance projects. This is partially offset as CFP funded capital projects were below target. Please see note 10.
- 7) Mainly due to Sterling Ridge Line of Credit interest expense. Unbudgeted.
- 8) MKCRF capital reimbursement exceeded target. The Juanita Trace roof repair and Eastridge fire monitoring system upgrade projects were budgeted in 2023. However, actual work continued through the 1st half of this year. Also, due to mitigation services for Cascadian fire loss. Unbudgeted.
- 9) Due to pay-off of Illahee debt principal from proceeds of the MTW reserve. Also, higher than budgeted principal payments from net cash flow for Spiritwood, Bellevue Manor, and Green River Homes 2.
- 10) Due to project delays capital projects are below target. While the Sandpiper site maintenance and construction project was moved to next year, the Rainier View expansion project started late due to city permit issues and expected to be completed in Spring of 2025. Also, capital construction projects were below target mainly due to Burndale Home Office and Envelope project having a late start due to environmental review issues. While the Munro Manor roof and Briarwood Fire Monitoring System Upgrade projects started in the 3rd quarter, the Westminster roof project was postponed to 2025.
- 11) Due to acquisition Henry House for \$9.95 million with proceeds of line-of-credit. \$60 million was budgeted for new housing acquisitions through debt financing in the development fund group.
- 12) Deposits to replacement reserves were higher than budgeted. Also, the budgeted draw from Sandpiper property improvement reserve has yet to occur.
- 13) Mainly due unbudgeted deposits to debt service reserves.
- 14) Draw from MTW reserves to pay for public housing projects expenses as well as pay-off the Illahee long term debt totaling \$2.8 million.
- 15) Mainly due to decrease in grant and internal loan receivable, increase in accrued interest payable, payroll liabilities, increase in deferred liabilities offset by decrease accounts payable and deferred revenue.



**King County Housing Authority  
Income Statement with Cash Adjustments  
Federal Programs and Properties  
For the Period Ended December 31, 2024**

	<b>2024 YTD Actual</b>	<b>2024 YTD Budget</b>	<b>% of YTD Budget</b>	
<b>Operating Revenues</b>				
5 Tenant Revenue	15,176,251	14,462,268	105%	
6 Operating Subsidy from HUD-HCV	288,407,409	276,987,184	104%	
7 Operating Subsidy from HUD-PH	15,530,425	12,987,245	120%	(1)
8 Port-In Income	40,313,826	38,965,496	103%	
9 Other Operating Income	6,934,861	7,120,749	97%	
Total Operating Income	366,362,771	350,522,943	105%	
<b>Operating Expenses</b>				
10 Salaries	22,278,882	24,987,580	89%	(2)
11 Benefits	7,922,103	9,161,004	86%	(2)
12 Occupancy Expenses	13,874,242	13,874,591	100%	
13 Maintenance Projects	-	-	NM	
14 HAP Expense-KCHA	234,249,035	231,477,490	101%	
15 HAP Expense-Ports In	40,849,316	38,965,496	105%	
16 Other Social Service Expenses	8,679,492	11,146,900	78%	(3)
17 Administrative Expenses	16,288,554	16,320,792	100%	
Total Operating Costs	344,141,625	345,933,854	99%	
<b>Net Operating Income</b>	<b>22,221,146</b>	<b>4,589,088</b>	<b>484%</b>	
<b>Non-Operating Revenues</b>				
21 Non-Operating income	14,887,140	13,116,552	113%	(4)
Total Non-Operating Income	14,887,140	13,116,552	113%	
<b>Non-Operating Expenses</b>				
19 Interest Payments	4,551,576	3,970,911	115%	(5)
22 Non-Operating Expenses	638,286	0	NM	(6)
Total Non-Operating Expenses	5,189,862	3,970,911	131%	
Net Non-Operating Income (Loss)	9,697,278	9,145,641	106%	
<b>Net Income(Loss)</b>	<b>31,918,424</b>	<b>13,734,730</b>	<b>232%</b>	
<b>Adjustments to Cash - Sources (Uses)</b>				
18 Principal Payments	(162,862)	(360,000)	45%	
23 Capital Expenditures	(12,561,705)	(17,237,178)	73%	(7)
30 Acquisitions/LIHTC Return to KCHA	0	0	NM	
24 Change in Designated Cash	864,369	706,474	122%	(8)
25 Change in Restricted Cash	(320,210)	197,947	NM	(9)
26 Transfers In/Out	(5,964,354)	(2,378,545)	251%	(10)
31 Other Changes in Debt	0	0	NM	
27 Others Sources/(Uses of Cash)	2,450,811	(1,817,332)	NM	(11)
Non Operating Net Sources (Uses) of Cash	(15,693,951)	(20,888,634)	75%	
<b>Net Change in Unrestricted Cash</b>	<b>\$ 16,224,473</b>	<b>\$ (7,153,905)</b>	<b>NM</b>	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	31,119,704			
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	47,344,177			

**Footnotes:**

- 1) Actual Operating Fund Subsidy funding was based on the 2024 subsidy request and prorate of 97.12% while the budget assumed 92% prorate and prior year funding level. This resulted in \$2.5 million additional revenue.
- 2) Salaries and benefit were below target due to unfilled positions.
- 3) EHV service fees were below target as KCHA is reimbursed by HUD on an as-needed basis to support housing stability of the EHV clients leased up. Health Services were below target primarily due to a staffing gap that temporarily halted most planned budget expenditures in 2024. Relocation expenses were below target as Capitol Construction department was able to complete some projects without needing to temporarily relocate residents to hotels. Finally, the Family Self Sufficiency programs below target as the budgeted two programs (FSS Light and the Young Adult Prosperity Program) were not launched during 2024.
- 4) HUD CFP grant revenue exceeded target. Management decision was made to draw down the balance the 2021 CFP grant totaling \$6 million and apply towards unit upgrade and other large maintenance projects. This is partially offset as CFP funded capital projects were below target. Please see note 7.
- 5) The Salmon Creek interest on notes payable was not budgeted.
- 6) Technical accounting entry to adjust prior year account balances.
- 7) Capital construction projects were below target mainly due to Burndale Home Office and Envelope project having a late start due to environmental review issues. While the Munro Manor roof and Briarwood Fire Monitoring System Upgrade projects started in the 3rd quarter, the Westminster roof project was postponed to 2025.
- 8) As the Yardi project progresses, release from technology reserve exceeded target.
- 9) Mainly due to unbudgeted deposits to debt service reserves.
- 10) Due to draw from MTW reserves to pay for public housing projects expenses as well as pay-off the Illahee long term debt totaling \$2.8 million.
- 11) Mainly due to decrease in grant, account receivable, and internal loan receivable, increase in deferred liabilities offset by decrease accounts payable and deferred revenue.



**King County Housing Authority**  
**Income Statement with Cash Adjustments**  
**Local Programs and Properties**  
**For the Period Ended December 31, 2024**

	<b>2024 YTD Actual</b>	<b>2024 YTD Budget</b>	<b>% of YTD Budget</b>	
<b>Operating Revenues</b>				
5 Tenant Revenue	155,370,649	148,420,520	105%	
6 Operating Subsidy from HUD-HCV	453,951	486,814	93%	
7 Operating Subsidy from HUD-PH	-	-	NM	
8 Port-In Income	-	-	NM	
9 Other Operating Income	35,310,887	37,841,240	93%	(1)
Total Operating Income	191,135,487	186,748,574	102%	
<b>Operating Expenses</b>				
10 Salaries	38,388,829	41,291,287	93%	(2)
11 Benefits	11,634,497	12,714,052	92%	(2)
12 Occupancy Expenses	32,795,415	33,618,183	98%	
13 Maintenance Projects	-	-	NM	
14 HAP Expense-KCHA	-	-	NM	
15 HAP Expense-Ports In	-	-	NM	
16 Other Social Service Expenses	9,575,024	11,537,333	83%	(1)
17 Administrative Expenses	20,497,643	22,813,873	90%	(3)
Total Operating Costs	112,891,407	121,974,728	93%	
<b>Net Operating Income</b>	<b>78,244,080</b>	<b>64,773,847</b>	<b>121%</b>	
<b>Non-Operating Revenues</b>				
21 Non-Operating income	18,400,247	17,711,514	104%	
Total Non-Operating Income	18,400,247	17,711,514	104%	
<b>Non-Operating Expenses</b>				
19 Interest Payments	32,391,858	29,319,025	110%	(4)
22 Non-Operating Expenses	2,346,851	1,891,479	124%	(5)
Total Non-Operating Expenses	34,738,709	31,210,504	111%	
Net Non-Operating Income (Loss)	(16,338,462)	(13,498,989)	121%	
<b>Net Income(Loss)</b>	<b>61,905,619</b>	<b>51,274,857</b>	<b>121%</b>	
<b>Adjustments to Cash - Sources (Uses)</b>				
18 Principal Payments	(30,359,912)	(20,493,981)	148%	(6)
23 Capital Expenditures	(28,148,308)	(40,169,517)	70%	(7)
40 Acquisitions/LIHTC Return to KCHA	(9,950,000)	-	NM	(8)
24 Change in Designated Cash	(9,372,019)	1,577,402	NM	(9)
25 Change in Restricted Cash	3,114,790	(208,117)	NM	(10)
26 Transfers In/Out	5,775,260	1,665,768	347%	(11)
41 Other Changes in Debt	9,950,000	-	NM	(8)
27 Others Sources/(Uses of Cash)	8,328,604	(2,407,274)	NM	(12)
Non Operating Net Sources (Uses) of Cash	(50,661,586)	(60,035,718)	84%	
<b>Net Change in Unrestricted Cash</b>	<b>11,244,033</b>	<b>(8,760,861)</b>	<b>NM</b>	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	120,178,395			
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	131,422,428			

**Footnotes:**

- 1) Mainly due to lower spending and grant reimbursements on weatherization projects.
- 2) Salaries and benefit were below target due to unfilled positions.
- 3) Various categories were under target: professional services, admin contracts, and computer equipment.
- 4) Mainly due to Sterling Ridge Line of Credit interest expense. Unbudgeted.
- 5) MKCRF capital reimbursement exceeded target. The Juanita Trace roof repair and Eastridge fire monitoring system upgrade projects were budgeted in 2023. However, actual work continued through the 1st half of this year. Also, due to mitigation services for Cascadian fire loss. Unbudgeted.
- 6) Due to pay-off of Ilahee debt principal from proceeds of the MTW reserve. Also, higher than budgeted principal payments from net cash flow for Spiritwood, Bellevue Manor, and Green River Homes 2.
- 7) Due to project delays capital projects are below target. While the Sandpiper site maintenance and construction project was moved to next year, the Rainier View expansion project started late due to city permit issues and expected to be completed in Spring of 2025.
- 8) Mainly due to acquisition Henry House for \$9.5 million with proceeds of line-of-credit. \$60 million was budgeted for new housing acquisitions through debt financing in the development fund group.
- 9) Deposits to replacement reserves were higher than budgeted. Also, the budgeted draw from Sandpiper property improvement reserve didn't occur.
- 10) Mainly due to technical accounting entry to correct the Overlake debt Service reserves
- 11) Unbudgeted transfer from MTW to pay-off the Ilahee apartments debt. Also, higher than budgeted transfer from MTW to fund to local properties.
- 12) Mainly due to increase in accrued interest payable and payroll liabilities, decrease in prepaid insurance and notes receivables offset by decreases in accounts payable.



**King County Housing Authority  
Income Statement with Cash Adjustments  
Development Activity  
For the Period Ended December 31, 2024**

	<b>2024 TYD Actual</b>	<b>2024 YTD Budget</b>	<b>% of YTD Budget</b>	
<b>Operating Revenues</b>				
1 Operating Revenue	202,484	1,235,744	16%	(1)
2 Total Operating Income	202,484	1,235,744	16%	
<b>Operating Expenses</b>				
3 Operating Expenses	587,026	893,846	66%	(2)
4 Total Operating Costs	587,026	893,846	66%	
<b>Net Operating Income (Loss)</b>	<b>(384,542)</b>	<b>341,898</b>	<b>NM</b>	
<b>Non-Operating Revenues</b>				
5 Non-Operating income	17,822,510	15,090,392	118%	(3)
<b>Non-Operating Expenses</b>				
6 Non-Operating Expenses	0	0	NM	
7 Interest Payments	6,257,036	2,794,712	224%	(3)
Total Non-Operating Expenses	6,257,036	2,794,712	224%	
Net Non-Operating Income (Loss)	11,565,474	12,295,680	94%	
<b>Net Income(Loss)</b>	<b>11,180,933</b>	<b>12,637,578</b>	<b>88%</b>	
<b>Adjustments to Cash - Sources (Uses)</b>				
8 Change in Debt	-	62,716,993	0%	(4)
9 Capital Expenditures	(4,995,032)	(2,058,379.54)	243%	(1)
10 Acquisitions/LIHTC Return to KCHA	-	(60,000,000)	0%	(4)
12 Change in Restricted Cash	(1,659,874)	(1,173,116)	141%	(5)
13 Transfers In/Out	189,095	712,777	27%	(6)
15 Others Sources/(Uses of Cash)	2,561,836	(7,894,001)	NM	(7)
Non Operating Net Sources (Uses) of Cash	(3,903,975)	(8,026,712)	49%	
<b>Net Change in Unrestricted Cash</b>	<b>7,276,958</b>	<b>4,610,865</b>	<b>158%</b>	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	(11,793,606)			
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	(4,516,648)			

**Footnotes:**

- 1) The current year budgeted home and lot sales occurred earlier than anticipated in the 4th quarter of 2023.
- 2) Professional and legal services fees related to the Greenbridge lot sales was below target. Also, salaries and benefits were below target due to unfilled positions.
- 3) Interest income and expense on Kirkland Heights pass through bonds was higher than anticipated in the budget.
- 4) \$60 million was budgeted for new housing acquisitions through debt financing. The acquisition of Henry House for \$9.5 million occurred in the 2nd quarter and reported in the Local properties fund group.
- 5) Due to rising interest rate, interest income earned on Program Income reserves exceeded target.
- 6) The budgeted equity transfer to support the Seola Gardens operations didn't occur.
- 7) Subordinate debt advanced for development of Kirkland Heights Apartment project was below target.





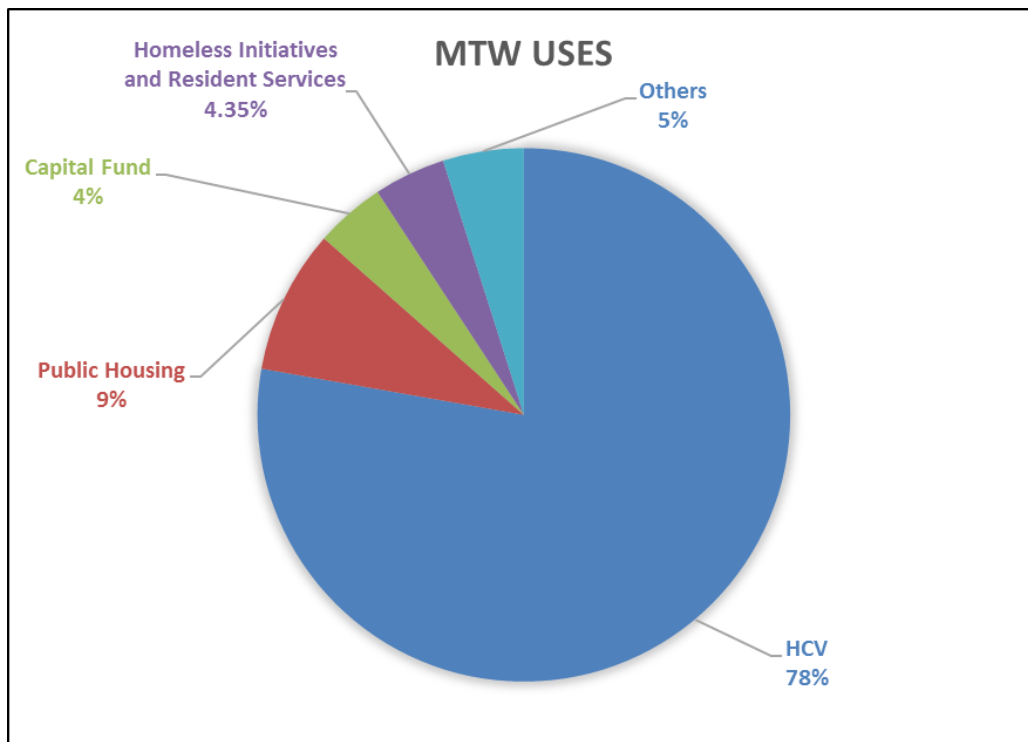
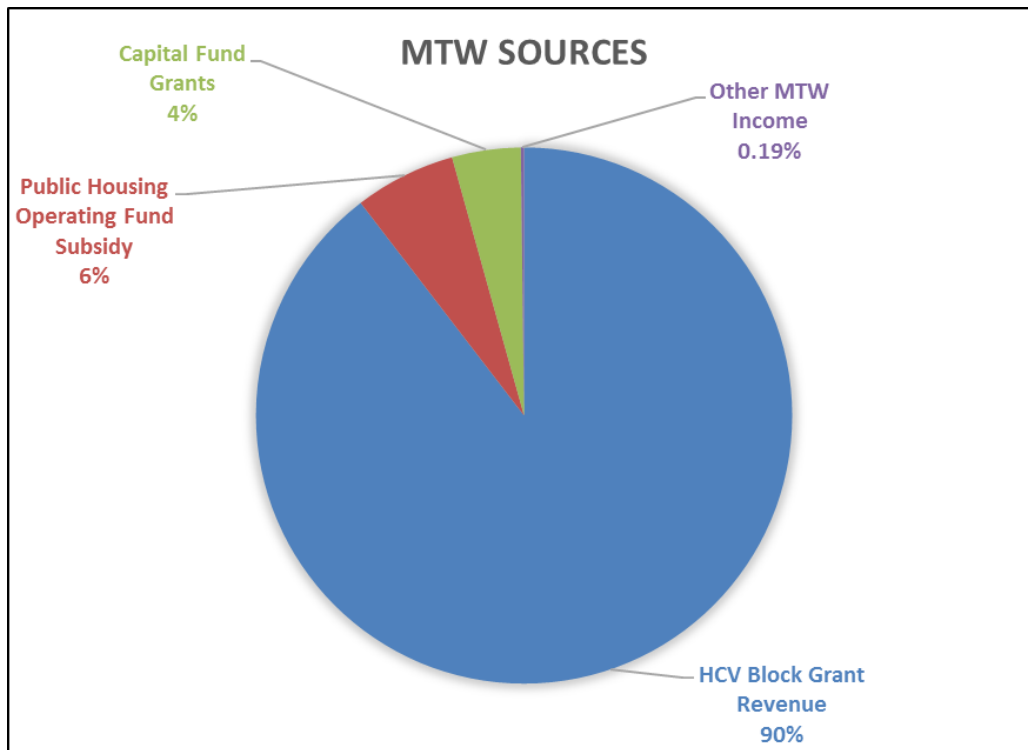
**King County Housing Authority  
Statement of Financial Position  
Combined Operations (excluding development activity)  
As of December 31, 2024**

	<b>2024 Actual</b>
Cash-Unrestricted	\$146,921,451
Cash-Held by Management Agent	31,845,153
Cash-Designated	120,962,982
Cash-Restricted	27,122,877
Total Cash	326,852,463
Other Current Assets	28,721,408
Long-term Assets	1,938,325,132
Total Other Assets	1,967,046,540
<b>Total Assets</b>	<b>\$2,293,899,004</b>
Current Liabilities	72,895,419
Long-Term Liabilities	1,227,781,554
Total Liabilities	1,300,676,973
Equity	993,222,030
<b>Total Liabilities and Equity</b>	<b>\$2,293,899,004</b>



## MTW Sources & Uses

	<u>Actual</u>
<b>MTW SOURCES</b>	
HCV Block Grant Revenue	\$ 228,061,181
Public Housing Operating Fund Subsidy	15,530,425
Capital Fund Grants	10,544,610
Other MTW Income	483,847
<b>Total MTW Sources</b>	<b><u>254,620,063</u></b>
<b>MTW USES</b>	
<b>HCV</b>	
Funding of HAP Payments to Landlords	(180,871,913)
Funding of Section 8 Administrative Costs	(12,531,690)
<b>Public Housing</b>	
Transfers to PH AMPs Based on Need	(6,191,531)
Public Housing Operating Expenses	(15,530,425)
<b>Capital Fund</b>	
Capital Fund Grants	(10,544,610)
<b>Homeless Initiatives and Resident Services</b>	
Homeless Initiatives	(1,662,854)
Resident Services	(9,163,683)
<b>Others</b>	
MTW Admin Support Costs	(425,622)
Construction Activity & Management Fees	(4,590,961)
Ilahee debt payments	(2,800,000)
Misc. Other Uses	(4,372,558)
<b>Total MTW Uses</b>	<b><u>\$ (248,685,846)</u></b>
<b>Difference</b>	<b>5,934,217</b>
<b>Reconciling Items</b>	
Cash - Beginning	7,084,524
Balance Sheet changes	17,372,331
Cash - Ending	<u>(4,353,590)</u>
	<b><u>5,934,217</u></b>





# King County Housing Authority

## KCHA Board of Commissioners

- Doug Barnes, Chair
- Richard Jackson
- Regina Elmi
- Jerry Lee
- Tina Keys

## Memo

**TO:** Board of Commissioners

**FROM:** Wendy Teh  
Vice President of Finance

**DATE:** April 21, 2025

**RE:** 2024 Investment Recap

As of December 31, 2024, King County Housing Authority had over \$2.2 billion in total assets including \$351.6 million in cash, cash equivalents and investments. Cash reserves are generally categorized in groups with majority being restricted to specific uses such as replacement reserves or limited to spending on program requirements. This recap summarizes the various cash segments and interest earned for the 2024 calendar year.

### Cash, Cash Equivalents and Investments (in 1000s)

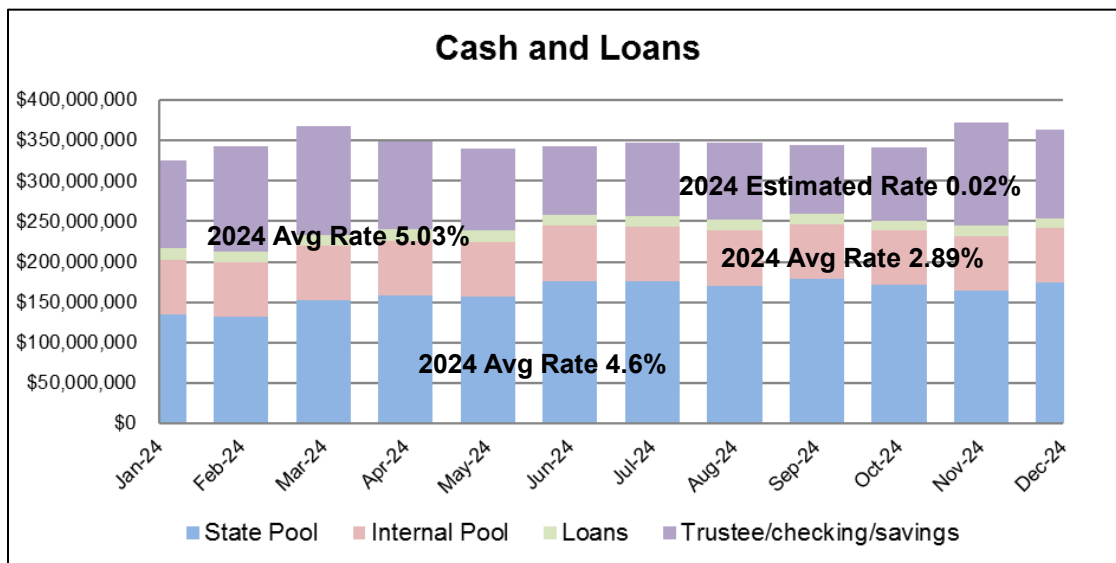
Unrestricted	\$	96.5
Restricted to Program Uses	\$	40.5
Designated/Committed for Specific Uses	\$	152.3
Externally Restricted	\$	62.3
Loans	\$	12.2
Total	\$	<u>363.8</u>

The cash balance of \$363.8 million is split between (1) the Washington State Local Government Investment Pool (LGIP), (2) the KCHA internal investment pool, (3) cash held by trustees, (4) cash in traditional checking and savings accounts, and (5) loans to housing partners and to the Energy Performance Contract (EPC) project. Total combined yield throughout all of 2024 was 2.92%.

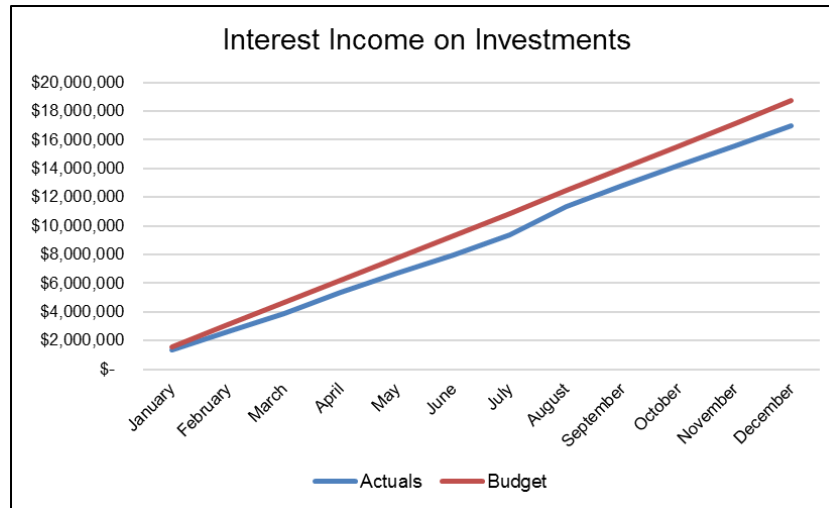
<b>Investment Summary (in millions) as of December 31, 2024</b>			
	Amount	Yield	% of Total
Invested in the Local Government Investment Pool & Masterfund	\$174.5	4.60%	48.0%
Invested by KCHA	67.4	2.89%	18.5%
Cash held by trustees	14.2	0.02% *	3.9%
Cash held in checking and savings accounts	95.5	0.02% *	26.2%
Invested by KCHA	\$351.6	2.86%	96.6%
Cash loaned for low income housing & EPC project purposes	12.2	5.03%	3.4%
Loaned by KCHA	12.2	5.03%	3.4%
<b>Total</b>	<b>\$363.8</b>	<b>2.92%</b>	<b>100.0%</b>

\*Estimate

Of the total \$363.8 million, \$191.7 million was considered investable (excluding investments in the LGIP). The Board previously authorized an allocation of up to 60% of investable resources in the internal investment pool. At the end of 2024, 35.2% of investable resources were in the KCHA's internal pool.



When compared to the 2024 adopted budget, earnings on KCHA's investments were slightly below target, with interest income totaling \$17.0 million against a budget of \$18.8 million.



Interest rates started the year higher and continued to steadily decrease through the second part of the year. The LGIP closely matches the 3-month Treasury Yield as by law its average maturity length cannot exceed 60 days. The LGIP yield for the year was 4.6% while that of the local investment pool yielded 2.89%. KCHA continues to earn increased income as a result of the higher interest rates. In 2023, the LGIP rate averaged 3.84% while the local investment pool rate averaged 2.81%.

During the time of rising interest rates, LGIP and 3-month Treasury rates rise at faster pace than the internal investment pool as they are highly sensitive to the market interest rate. The chart below illustrates the rates of return for the 3-month Treasury, the LGIP, and KCHA's internal investment pool during the year.

