



**HYBRID
MEETING OF
THE BOARD OF COMMISSIONERS**

**Monday, December 15, 2025
3:00 pm**

Webinar Meeting:

<https://kcha-org.zoom.us/j/83674004715>

Webinar ID: 842 4481 4646

Phone: (253) 215-8782

HYBRID MEETING OF THE BOARD OF COMMISSIONERS AGENDA

Monday, December 15, 2025 - 3:00 p.m.

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

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of Minutes 1

A. Board Meeting Minutes – November 17, 2025

V. Approval of Agenda

VI. Consent Agenda 2

A. Voucher Certification Reports for October 2025

B. **Resolution No. 5811** - Authorizing the Commitment of
CY 2025 Excess Savings from the Authority's Energy
Performance Contract 3

VII. Resolutions for Discussion

A. **Resolution No. 5810**– Authorizing Approval of the
Comprehensive Operating and Capital Budgets for Calendar
Year Beginning January 1, 2026 4

VIII. Reports

A. 2025 Third Quarter Executive Dashboard 5

B. Rental Assistance Demonstration (RAD) Conversion Update 6

D. KCHA 2025 Affirmative Action Executive Summary

IX. President/CEO Report

X. Executive Session

- A. (To discuss with legal counsel representing the agency matters Relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency (RCW 42.30.110 (1) (i)).) and to receive and evaluate complaints or charges brought against a public officer or employee (RCW 42.30.110 (1) (f))

XI. Commissioner Comments

XII. Adjournment

Members of the public who wish to give public comment: We are now accepting public comment during the meeting or written comments. Please send your requests for public comment to the Board Coordinator via email to kamir@kcha.org 3 days prior to the meeting date. If you have questions, please call 206-574-1206.

T A B N U M B E R

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

Monday, November 17, 2025

I. CALL TO ORDER

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

II. ROLL CALL

Present: Commissioner Jerry Lee (Chair), Richard Jackson (Vice-Chair) (via Zoom), Commissioner Tina Keys (via Zoom) and Commissioner Neal Black (via Zoom)

Absent: Commissioner Regina Elmi

III. PUBLIC COMMENT

No Public Comment.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – October 20, 2025

On motion by Commissioner Neal Black, and seconded by Commissioner Richard Jackson, the Board unanimously approved the October 20, 2025 meeting minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner Richard Jackson, and seconded by Commissioner Neal Black, the Board unanimously approved the November 17, 2025, hybrid Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Reports for September 2025

On motion by Commissioner Richard Jackson, and seconded by Commissioner Neal Black, the Board unanimously approved the November 17, 2025, hybrid Board of Commissioners' meeting consent agenda.

VII. RESOLUTIONS FOR DISCUSSION

A. Resolution No. 5808 – Payment Standards

Pam Taylor, Senior VP of HCVP and Tyler Shannon, Senior Management Analyst presented the Payment Standards Annual Review for 2026.

The Voucher Payment Standard is the maximum subsidy a housing authority can pay on behalf of a family.

Payment standards are typically established based on HUD Fair Market Rents, however KCHA has local autonomy in setting its payment standards due to it's Moving to Work status.

Questions of Commissioners were answered.

On motion by Commissioner Neal Black, and seconded by Commissioner Richard Jackson, the Board unanimously approved Resolution 5808.

B. Resolution No. 5809 – Authorizing the Submission of Rental Assistance Demonstration (RAD) Program Applications for All Public Housing Units in Cohort 2.

Chris Clevenger, Housing Initiatives Officer presented the details of Cohort 2.

Seven public housing properties are included in Cohort 2:

- Boulevard Manor
- Burndale Homes
- Eastside Terrace
- Firwood Circle
- Paramount House
- Southridge House
- Valli Kee

Questions of Commissioners were answered.

On motion by Commissioner Richard Jackson, and seconded by Commissioner Neal Black, the Board unanimously approved Resolution 5809.

VIII. BRIEFINGS AND REPORTS

A. 2024 Resident Characteristics Report

Emilee Quinn, Senior Administrative Program Manager for Social Impact explained the descriptive characteristics of federally subsidized households served by KCHA.

The number of households KCHA serves continues to increase each year.

KCHA administers three federal subsidy types:

- Tenant-based vouchers 70%
- Project-based vouchers 16%
- Public Housing 14%

Nearly 1/3 of federally subsidized households lived in properties owned by KCHA.

2024 Highlights

- Number served
- Household composition
- Household income
- Time on subsidy
- Exiting Assistance

B. Second Quarter 2025 Write-Off Report

Penny Bradley, Senior VP of Housing and Community Services gave a detailed report.

Questions of Commissioners were answered.

IX. PRESIDENT/CEO REPORT

Robin Walls, President/CEO gave news updates.

- Summary of DC visit in late October. Commissioner Keys, myself, Andria Lazaga, VP for Compliance and Jessica de Barros, VP for Policy and Intergovernmental Affairs met with our Senators, as well as a couple of Representatives from KCHA's jurisdiction. Our in person meetings were with Senator Murray and Senator Cantwell. For the Senator Cantwell meeting, we were joined by Tacoma Housing Authority. We also met with Representative Smith and Kim Schrier. Topics we covered were Emergency Housing Voucher funding, Road to Housing as well as Tax Credits.
- Locally, elections were held last week. There is now a new King County Executive, Girmay Zahilay. We have a long-term relationship with him and look forward to continuing that relationship. Congratulations to Neal Black on his re-election for Kirkland City Council.
- The government shutdown ended last week. There is a continuing Resolution through Jan 30th. It is our understanding that the THUD bill will receive priority. THUD bill is tied in with the Dept of Transportation. We have the funding for TSA which was greatly impacted.
- We are looking for a response for our special purpose vouchers from HUD. We are in a shortfall status. We expect to receive a follow up for additional funding, to continue to house families.

- Commissioners, you will also receive an email from Kami regarding training. We are also scheduling our annual training and we will begin next month.

X. COMMISSIONER COMMENTS

None.

XI. ADJOURNMENT

Chair Lee adjourned the meeting at 4:10 p.m.

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

JERRY LEE, Chair
Board of Commissioners

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: December 8, 2025

Re: **VOUCHER CERTIFICATION FOR OCTOBER 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.

Mary Osier
Accounting Manager
December 8, 2025

| | | |
|---|--------------------|-------------------------|
| Bank Wires / ACH Withdrawals | | 4,576,914.93 |
| | <i>Subtotal</i> | 4,576,914.93 |
| Accounts Payable Vouchers | | |
| Key Bank Checks - #359534-360148 | | 12,647,905.24 |
| Tenant Accounting Checks - #12562-12581 | | 8,146.97 |
| | <i>Subtotal</i> | 12,656,052.21 |
| Payroll Vouchers | | |
| Checks - #912646305-912646308 & 912705829-712705840 & 912782254-912782264 | | 48,881.62 |
| Direct Deposit | | 2,884,193.21 |
| | <i>Subtotal</i> | 2,933,074.83 |
| Section 8 Program Vouchers | | |
| Checks - #659548-660289 | | 1,917,273.81 |
| ACH - #653463-655931 | | 22,491,495.29 |
| | <i>Subtotal</i> | 24,408,769.10 |
| Purchase Card / ACH Withdrawal | | 490,863.98 |
| | <i>Subtotal</i> | 490,863.98 |
| | | |
| | GRAND TOTAL | \$ 45,065,675.05 |

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

| Property | Wired to Operating Account for Obligations of Property | | | Notes: |
|-------------------|--|------------------|---------------|--------|
| | Date | Wire Transaction | Claim | |
| Ballinger Commons | 10/01/2025 | \$ 118,800.00 | A/P & Payroll | |
| Bellepark | 10/01/2025 | \$ 13,730.25 | A/P & Payroll | |
| Hampton Greens | 10/01/2025 | \$ 49,810.51 | A/P & Payroll | |
| Kendall Ridge | 10/01/2025 | \$ 37,217.72 | A/P & Payroll | |
| Landmark | 10/01/2025 | \$ 30,114.99 | A/P & Payroll | |
| SALMON CREEK | 10/01/2025 | \$ 7,597.68 | AP | |
| Woodside East | 10/01/2025 | \$ 37,976.00 | A/P & Payroll | |
| ALPINE RIDGE | 10/02/2025 | \$ 19,162.91 | AP | |
| ARBOR HEIGHTS | 10/02/2025 | \$ 7,046.47 | AP | |
| Aspen Ridge | 10/02/2025 | \$ 21,259.20 | AP | |
| Auburn Square | 10/02/2025 | \$ 11,485.14 | AP | |
| Carriage House | 10/02/2025 | \$ 37,507.29 | AP | |
| CASCADIAN | 10/02/2025 | \$ 11,195.10 | AP | |
| Colonial Gardens | 10/02/2025 | \$ 12,530.82 | AP | |
| FAIRWOOD | 10/02/2025 | \$ 20,469.53 | AP | |
| HERITAGE PARK | 10/02/2025 | \$ 12,444.85 | AP | |
| HIGHKANDER HOUSE | 10/02/2025 | \$ 12,444.85 | AP | |
| LAURELWOOD | 10/02/2025 | \$ 7,961.44 | AP | |
| Meadows | 10/02/2025 | \$ 10,668.87 | AP | |
| Newporter | 10/02/2025 | \$ 47,233.55 | AP | |
| Parkwood | 10/02/2025 | \$ 15,769.27 | AP | |
| Pinewood Village | 10/02/2025 | \$ 11,817.25 | AP | |
| Plum Court | 10/02/2025 | \$ 4,315.39 | AP | |
| Riverstone | 10/02/2025 | \$ 68,682.77 | AP | |
| SALMON CREEK | 10/02/2025 | \$ 1,041.30 | AP | |
| Sandpiper East | 10/02/2025 | \$ 6,642.36 | AP | |
| SOUTHWOOD SQUARE | 10/02/2025 | \$ 16,491.33 | AP | |
| Sterling Ridge | 10/02/2025 | \$ 25,839.13 | AP | |

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|---------------------------|------------|---------------|---------------|--|
| Timberwood | 10/02/2025 | \$ 10,905.64 | AP | |
| Walnut Park | 10/02/2025 | \$ 9,490.59 | AP | |
| WINDSOR HEIGHTS | 10/02/2025 | \$ 16,706.64 | AP | |
| Woodridge Park | 10/02/2025 | \$ 27,280.09 | AP | |
| Salish | 10/03/2025 | \$ 37,670.24 | AP | |
| Argyle | 10/08/2025 | \$ 57,305.60 | A/P & Payroll | |
| Ballinger Commons | 10/08/2025 | \$ 268,439.51 | A/P & Payroll | |
| Brier Woods | 10/08/2025 | \$ 40,640.95 | A/P & Payroll | |
| Bellepark | 10/08/2025 | \$ 12,660.23 | AP | |
| Emerson | 10/08/2025 | \$ 31,532.62 | A/P & Payroll | |
| GILMAN SQUARE | 10/08/2025 | \$ 69,580.25 | A/P & Payroll | |
| Hampton Greens | 10/08/2025 | \$ 20,234.02 | AP | |
| Kendall Ridge | 10/08/2025 | \$ 35,705.24 | AP | |
| Landmark | 10/08/2025 | \$ 21,247.95 | AP | |
| Meadowbrook | 10/08/2025 | \$ 21,610.00 | A/P & Payroll | |
| Riverstone | 10/08/2025 | \$ 57,102.86 | AP | |
| Surrey Downs | 10/08/2025 | \$ 26,929.83 | A/P & Payroll | |
| Villages at South Station | 10/08/2025 | \$ 31,246.81 | A/P & Payroll | |
| Woodside East | 10/08/2025 | \$ 21,327.98 | AP | |
| ALPINE RIDGE | 10/09/2025 | \$ 11,032.63 | A/P & Payroll | |
| ARBOR HEIGHTS | 10/09/2025 | \$ 15,685.78 | A/P & Payroll | |
| Aspen Ridge | 10/09/2025 | \$ 20,676.44 | A/P & Payroll | |
| Auburn Square | 10/09/2025 | \$ 50,567.31 | A/P & Payroll | |
| Carriage House | 10/09/2025 | \$ 28,833.32 | A/P & Payroll | |
| Carrington | 10/09/2025 | \$ 8,191.75 | A/P & Payroll | |
| CASCADIAN | 10/09/2025 | \$ 21,760.40 | A/P & Payroll | |
| Colonial Gardens | 10/09/2025 | \$ 8,192.09 | A/P & Payroll | |
| Cottonwood | 10/09/2025 | \$ 16,203.93 | A/P & Payroll | |
| Cove East | 10/09/2025 | \$ 52,669.42 | A/P & Payroll | |
| FAIRWOOD | 10/09/2025 | \$ 34,105.33 | A/P & Payroll | |
| Henry House | 10/09/2025 | \$ 14,099.36 | A/P & Payroll | |
| HERITAGE PARK | 10/09/2025 | \$ 15,157.58 | A/P & Payroll | |
| Juanita View | 10/09/2025 | \$ 27,371.13 | A/P & Payroll | |
| LAURELWOOD | 10/09/2025 | \$ 23,819.41 | A/P & Payroll | |
| Meadows | 10/09/2025 | \$ 21,756.91 | A/P & Payroll | |
| Newporter | 10/09/2025 | \$ 41,501.13 | A/P & Payroll | |
| NIA | 10/09/2025 | \$ 36,506.11 | A/P & Payroll | |
| Parkwood | 10/09/2025 | \$ 22,475.47 | A/P & Payroll | |
| Pinewood Village | 10/09/2025 | \$ 20,660.79 | A/P & Payroll | |
| Plum Court | 10/09/2025 | \$ 23,435.15 | A/P & Payroll | |

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|--------------------|------------|---------------|---------------|--|
| RAINIER VIEW I | 10/09/2025 | \$ 12,004.15 | A/P & Payroll | |
| RAINIER VIEW II | 10/09/2025 | \$ 8,643.92 | A/P & Payroll | |
| Salish | 10/09/2025 | \$ 48,903.42 | A/P & Payroll | |
| SALMON CREEK | 10/09/2025 | \$ 6,821.68 | A/P & Payroll | |
| SALMON CREEK | 10/09/2025 | \$ 66,949.05 | A/P & Payroll | |
| Sandpiper East | 10/09/2025 | \$ 30,501.76 | A/P & Payroll | |
| SEOLA CROSSING LLC | 10/09/2025 | \$ 104,043.79 | A/P & Payroll | |
| SEOLA CROSSING LLC | 10/09/2025 | \$ 63,803.95 | A/P & Payroll | |
| SI VIEW | 10/09/2025 | \$ 13,794.95 | A/P & Payroll | |
| SOUTHWOOD SQUARE | 10/09/2025 | \$ 15,469.88 | A/P & Payroll | |
| Sterling Ridge | 10/09/2025 | \$ 51,012.68 | A/P & Payroll | |
| Tall Cedars | 10/09/2025 | \$ 18,237.75 | AP | |
| Timberwood | 10/09/2025 | \$ 36,060.79 | A/P & Payroll | |
| Vashon Terrace | 10/09/2025 | \$ 4,597.11 | A/P & Payroll | |
| Walnut Park | 10/09/2025 | \$ 26,489.05 | A/P & Payroll | |
| WINDSOR HEIGHTS | 10/09/2025 | \$ 71,319.27 | A/P & Payroll | |
| Woodridge Park | 10/09/2025 | \$ 58,456.72 | A/P & Payroll | |
| Bellepark | 10/15/2025 | \$ 20,859.58 | A/P & Payroll | |
| Hampton Greens | 10/15/2025 | \$ 76,953.80 | A/P & Payroll | |
| Kendall Ridge | 10/15/2025 | \$ 75,716.60 | A/P & Payroll | |
| Landmark | 10/15/2025 | \$ 30,365.03 | A/P & Payroll | |
| Riverstone | 10/15/2025 | \$ 64,083.94 | A/P & Payroll | |
| Woodside East | 10/15/2025 | \$ 86,196.48 | A/P & Payroll | |
| ALPINE RIDGE | 10/16/2025 | \$ 10,159.35 | AP | |
| ARBOR HEIGHTS | 10/16/2025 | \$ 6,511.30 | AP | |
| Aspen Ridge | 10/16/2025 | \$ 5,972.10 | AP | |
| Auburn Square | 10/16/2025 | \$ 19,334.50 | AP | |
| Carriage House | 10/16/2025 | \$ 4,402.62 | AP | |
| CASCADIAN | 10/16/2025 | \$ 13,606.05 | AP | |
| Colonial Gardens | 10/16/2025 | \$ 3,073.38 | AP | |
| FAIRWOOD | 10/16/2025 | \$ 51,288.33 | AP | |
| HERITAGE PARK | 10/16/2025 | \$ 2,031.25 | AP | |
| Highalnder House | 10/16/2025 | \$ 10,259.23 | AP | |
| LAURELWOOD | 10/16/2025 | \$ 1,940.11 | AP | |
| Meadows | 10/16/2025 | \$ 9,612.44 | AP | |
| Newporter | 10/16/2025 | \$ 12,746.95 | AP | |
| Parkwood | 10/16/2025 | \$ 24,931.47 | AP | |
| Pinewood Village | 10/16/2025 | \$ 38,640.91 | AP | |
| Plum Court | 10/16/2025 | \$ 7,755.97 | AP | |
| RAINIER VIEW I | 10/16/2025 | \$ 7,937.52 | AP | |

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|---------------------------|------------|---------------|---------------|--|
| RAINIER VIEW II | 10/16/2025 | \$ 5,221.61 | AP | |
| Salish | 10/16/2025 | \$ 23,795.59 | AP | |
| Sandpiper East | 10/16/2025 | \$ 80,827.27 | AP | |
| SOUTHWOOD SQUARE | 10/16/2025 | \$ 18,014.84 | AP | |
| Sterling Ridge | 10/16/2025 | \$ 55,478.81 | AP | |
| Timberwood | 10/16/2025 | \$ 27,179.86 | AP | |
| Walnut Park | 10/16/2025 | \$ 31,974.78 | AP | |
| WINDSOR HEIGHTS | 10/16/2025 | \$ 35,977.37 | AP | |
| Woodridge Park | 10/16/2025 | \$ 24,306.15 | AP | |
| Argyle | 10/22/2025 | \$ 46,573.26 | A/P & Payroll | |
| Ballinger Commons | 10/22/2025 | \$ 249,887.26 | A/P & Payroll | |
| Bellepark | 10/22/2025 | \$ 1,162.28 | AP | |
| Brier Woods | 10/22/2025 | \$ 87,649.09 | A/P & Payroll | |
| Emerson | 10/22/2025 | \$ 118,790.59 | A/P & Payroll | |
| GILMAN SQUARE | 10/22/2025 | \$ 83,891.67 | A/P & Payroll | |
| Hampton Greens | 10/22/2025 | \$ 14,394.57 | AP | |
| Hampton Greens | 10/22/2025 | \$ 33.72 | AP | |
| Landmark | 10/22/2025 | \$ 228.22 | AP | |
| Landmark | 10/22/2025 | \$ 33.72 | AP | |
| Meadowbrook | 10/22/2025 | \$ 69,187.00 | A/P & Payroll | |
| Riverstone | 10/22/2025 | \$ 6,362.78 | AP | |
| Surrey Downs | 10/22/2025 | \$ 101,910.36 | A/P & Payroll | |
| Villages at South Station | 10/22/2025 | \$ 164,095.53 | A/P & Payroll | |
| Woodside East | 10/22/2025 | \$ 24,998.00 | AP | |
| Woodside East | 10/22/2025 | \$ 70.77 | AP | |
| ALPINE RIDGE | 10/23/2025 | \$ 11,672.76 | A/P & Payroll | |
| ARBOR HEIGHTS | 10/23/2025 | \$ 20,106.20 | A/P & Payroll | |
| Aspen Ridge | 10/23/2025 | \$ 17,219.60 | A/P & Payroll | |
| Auburn Square | 10/23/2025 | \$ 31,495.02 | A/P & Payroll | |
| Carriage House | 10/23/2025 | \$ 25,655.40 | A/P & Payroll | |
| Carrington | 10/23/2025 | \$ 42,827.58 | A/P & Payroll | |
| CASCADIAN | 10/23/2025 | \$ 32,149.53 | A/P & Payroll | |
| Colonial Gardens | 10/23/2025 | \$ 16,648.28 | A/P & Payroll | |
| Cottonwood | 10/23/2025 | \$ 11,050.42 | A/P & Payroll | |
| Cove East | 10/23/2025 | \$ 92,538.82 | A/P & Payroll | |
| FAIRWOOD | 10/23/2025 | \$ 63,592.03 | A/P & Payroll | |
| Henry House | 10/23/2025 | \$ 14,645.82 | A/P & Payroll | |
| HERITAGE PARK | 10/23/2025 | \$ 51,894.40 | A/P & Payroll | |
| Highlander House | 10/23/2025 | \$ 10,193.65 | A/P & Payroll | |
| Juanita View | 10/23/2025 | \$ 36,742.59 | A/P & Payroll | |

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|--------------------|------------|----|------------|----------------------------|--|
| LAURELWOOD | 10/23/2025 | \$ | 35,006.37 | A/P & Payroll | |
| Meadows | 10/23/2025 | \$ | 27,060.81 | A/P & Payroll | |
| Newporter | 10/23/2025 | \$ | 24,305.18 | A/P & Payroll | |
| NIA | 10/23/2025 | \$ | 26,383.70 | A/P & Payroll | |
| Parkwood | 10/23/2025 | \$ | 24,290.04 | A/P & Payroll | |
| Pinewood Village | 10/23/2025 | \$ | 15,650.97 | A/P & Payroll | |
| Plum Court | 10/23/2025 | \$ | 11,229.58 | A/P & Payroll | |
| RAINIER VIEW I | 10/23/2025 | \$ | 10,142.32 | AP | |
| RAINIER VIEW II | 10/23/2025 | \$ | 5,681.09 | AP | |
| Salish | 10/23/2025 | \$ | 40,001.70 | A/P & Payroll | |
| SALMON CREEK | 10/23/2025 | \$ | 28,305.00 | A/P & Payroll | |
| Sandpiper East | 10/23/2025 | \$ | 31,640.84 | A/P & Payroll | |
| SEOLA CROSSING LLC | 10/23/2025 | \$ | 71,025.41 | A/P & Payroll | |
| SEOLA CROSSING LLC | 10/23/2025 | \$ | 26,860.02 | A/P & Payroll | |
| SI VIEW | 10/23/2025 | \$ | 8,994.02 | AP | |
| SOUTHWOOD SQUARE | 10/23/2025 | \$ | 13,428.84 | A/P & Payroll | |
| Sterling Ridge | 10/23/2025 | \$ | 27,287.82 | A/P & Payroll | |
| Tall Cedars | 10/23/2025 | \$ | 16,504.04 | A/P & Payroll | |
| Timberwood | 10/23/2025 | \$ | 64,161.55 | A/P & Payroll | |
| Vashon Terrace | 10/23/2025 | \$ | 4,064.16 | AP | |
| Walnut Park | 10/23/2025 | \$ | 24,924.52 | A/P & Payroll | |
| WINDSOR HEIGHTS | 10/23/2025 | \$ | 70,866.81 | A/P & Payroll | |
| Woodridge Park | 10/23/2025 | \$ | 30,327.08 | A/P & Payroll | |
| Bellepark | 10/29/2025 | \$ | 29,892.04 | A/P & Payroll | |
| Hampton Greens | 10/29/2025 | \$ | 41,186.91 | A/P & Payroll | |
| Kendall Ridge | 10/29/2025 | \$ | 200,730.08 | A/P & Payroll | |
| Landmark | 10/29/2025 | \$ | 21,726.13 | A/P & Payroll | |
| Riverstone | 10/29/2025 | \$ | 58,764.07 | A/P & Payroll | |
| Woodside East | 10/29/2025 | \$ | 47,516.02 | A/P & Payroll | |
| ALPINE RIDGE | 10/30/2025 | \$ | 5,971.08 | A/P & Management Fee & OCR | |
| ARBOR HEIGHTS | 10/30/2025 | \$ | 20,358.83 | A/P & Management Fee & OCR | |
| Aspen Ridge | 10/30/2025 | \$ | 18,239.88 | A/P & Management Fee & OCR | |
| Auburn Square | 10/30/2025 | \$ | 31,748.74 | A/P & Management Fee & OCR | |
| Carriage House | 10/30/2025 | \$ | 19,914.31 | A/P & Management Fee & OCR | |
| Carrington | 10/30/2025 | \$ | 1,500.17 | A/P & Management Fee & OCR | |
| CASCADIAN | 10/30/2025 | \$ | 40,076.84 | A/P & Management Fee & OCR | |
| Colonial Gardens | 10/30/2025 | \$ | 4,953.43 | A/P & Management Fee & OCR | |
| FAIRWOOD | 10/30/2025 | \$ | 24,249.20 | A/P & Management Fee & OCR | |
| HERITAGE PARK | 10/30/2025 | \$ | 20,075.91 | A/P & Management Fee & OCR | |
| Highlander House | 10/30/2025 | \$ | 6,508.10 | A/P & Management Fee & OCR | |

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|------------------|------------|-----------------|----------------------------|--|
| LAURELWOOD | 10/30/2025 | \$ 16,397.77 | A/P & Management Fee & OCR | |
| Meadows | 10/30/2025 | \$ 14,597.86 | A/P & Management Fee & OCR | |
| Newporter | 10/30/2025 | \$ 26,926.62 | A/P & Management Fee & OCR | |
| Parkwood | 10/30/2025 | \$ 15,572.80 | A/P & Management Fee & OCR | |
| Pinewood Village | 10/30/2025 | \$ 11,321.48 | A/P & Management Fee & OCR | |
| Plum Court | 10/30/2025 | \$ 6,865.84 | A/P & Management Fee & OCR | |
| Salish | 10/30/2025 | \$ 27,525.24 | A/P & Management Fee & OCR | |
| Sandpiper East | 10/30/2025 | \$ 24,926.76 | A/P & Management Fee & OCR | |
| SOUTHWOOD SQUARE | 10/30/2025 | \$ 6,624.11 | A/P & Management Fee & OCR | |
| Sterling Ridge | 10/30/2025 | \$ 30,845.17 | A/P & Management Fee & OCR | |
| Timberwood | 10/30/2025 | \$ 31,320.91 | A/P & Management Fee & OCR | |
| Walnut Park | 10/30/2025 | \$ 18,294.84 | A/P & Management Fee & OCR | |
| WINDSOR HEIGHTS | 10/30/2025 | \$ 41,253.52 | A/P & Management Fee & OCR | |
| Woodridge Park | 10/30/2025 | \$ 18,517.61 | A/P & Management Fee & OCR | |
| | 195 Wires | \$ 6,504,084.63 | | |

T A B N U M B E R

3



To: Board of Commissioners

From: Lauren Mathisen,

Date: December 11, 2025

Re: Resolution No. 5811 – Commitment of Excess EPC Savings to EPC Debt Prepayment in Connection with RAD Closings

Background:

King County Housing Authority entered into a 20-year Energy Performance Contract (EPC) with Johnson Controls, Inc. under HUD regulations and our Moving to Work authorization. HUD provides utility incentive payments under EPC agreements, requiring that at least 75% of these payments be applied to eligible EPC project costs in any year. Savings beyond the 25% threshold may be subject to HUD recapture if not committed or expended in a timely manner.

Current Situation:

Preliminary analysis for Calendar Year 2025 indicates that EPC savings may exceed the 25% threshold, with an estimated excess of approximately \$325,000. Concurrently, the Authority is preparing for Rental Assistance Demonstration (RAD) conversions of several EPC properties in 2026, which will require prepayment of a proportionate share of EPC debt.

Recommendation:

To ensure compliance with HUD requirements and maximize the benefit of EPC savings, staff recommends adopting this resolution to commit any excess CY 2025 EPC savings to EPC debt prepayment associated with RAD closings in CY 2026.

Next Steps:

The President and CEO will report back to the Board once the final CY 2025 EPC savings calculation is complete to confirm the amount committed under this resolution.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5811

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AUTHORIZING THE COMMITMENT OF CY 2025 EXCESS SAVINGS FROM THE AUTHORITY'S ENERGY PERFORMANCE CONTRACT.

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

Section 1. Recitals and Findings. The Board of Commissioners (the "Board") of the Housing Authority of the County of King (the "Authority") takes note of the following facts and makes the following findings and determinations:

(a) The Authority has entered into a 20-year Energy Performance Contract (EPC) with Johnson Controls, Inc. (JCI) as authorized by 24 CFR 995.185 and further described under the terms of the Authority's Moving to Work authorization.

(b) The U.S. Department of Housing and Urban Development (HUD) defines excess savings under an EPC as the difference between the amount of utility incentive payments paid by HUD as requested by the Authority in its annual public housing operating subsidy filings and the amount of eligible EPC project costs in the base year used to request the subsidy.

(c) HUD requires that at least 75% of the utility incentive payments provided to a housing authority under an EPC in any year to be used for eligible EPC project costs, thereby restricting the amount of savings retained by a housing authority to not more than 25% of the total incentives (the "25% Threshold"); and

(d) When a housing authority uses less than 75% of its utility incentive payments for eligible project costs, HUD may recapture any amount of savings over the 25% Threshold; and

(e) Eligible project costs include, among other things, debt service, fees for monitoring and verification, replacement reserves, additional qualified energy improvements, and the acceleration of debt service on the existing project (if permitted under the financing contract); and

(f) The Authority's current analysis of Calendar Year 2025 indicates that the EPC may result in savings in excess of the 25% Threshold; and

(g) The Authority has applied to HUD for, and HUD has granted, a Commitment for Housing Assistance Payments (CHAP) under the Rental Assistance Demonstration (RAD) program, allowing a number of the Authority's public housing properties to convert from public housing subsidy to RAD Section 8 funding. The converting properties are

all part of the EPC, and the Authority will therefore be prepaying a proportionate share of the related EPC debt for each converting property in connection with the RAD closings.

(h) The Authority intends to complete the RAD conversion of these EPC properties through a simple subsidy-only (no debt) transaction which is expected to close in the middle of CY 2026; and

(i) The Authority desires to obligate any excess EPC savings amounts in CY 2025 to the prepayment of EPC debt in CY 2026.

Section 2. Authorization to Commit Excess Savings to 2026 EPC Debt Prepayment in connection with RAD Closings. Any CY 2025 excess savings resulting from the EPC, currently estimated to be approximately \$325,000, is committed by the Authority to the prepayment of EPC debt in connection with RAD closings occurring in CY 2026.

Section 3. Follow Up Reporting to the Board. The Executive Director will report to the Board when the CY 2025 EPC savings calculation is complete to verify the amount of excess savings committed by this Resolution.

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

**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 15th DAY OF DECEMBER, 2025.**

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

JERRY LEE, Chair
Board of Commissioners

ATTEST:

ROBIN WALLS, President/CEO and Secretary-Treasurer

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting President / Chief Executive Officer and Secretary-Treasurer of the Housing Authority of the County of King (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 5811 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a regular meeting of the Authority held at the Authority's regular meeting place on December 15, 2025 (the "Meeting"), and duly recorded in the minute books of the Authority;

2. That the public was notified of access options for remote participation at the Meeting via the Authority's website; and

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

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of December, 2025.

Robin Walls, Secretary-Treasurer and President/Chief
Executive Officer of the Authority

T A B N U M B E R



- Jerry Lee, Chair
- Tina Keys
- Richard Jackson
- Regina Elmi
- Neal Black

Memo

TO: KCHA Board of Commissioners

FROM: Wendy Teh, Vice President of Finance
Saeed Hajarizadeh, Executive Vice President of Administration

DATE December 15, 2025

RE: Resolution No. 5810: 2026 Operating & Capital Budgets

Enclosed for your consideration are the Comprehensive Operating and Capital Budgets for the year 2026 (Exhibits A and B, respectively). The proposed budget addresses the regional demand for increased affordable housing, ensures the adequate upkeep of existing housing, and supports essential services for residents, all while preparing the agency for future challenges. This budget allocates substantial resources to preserve affordability and enhance housing quality for current program participants, in addition to broadening housing opportunities throughout its various programs.

The budget is separated into Federal and Locally funded properties and programs.

Revenue projections for Federal programs are based on conservative assumptions regarding congressional allocations to the HUD budget and the inflation and proration factors affecting the Housing Choice Voucher program. The budget also reflects an anticipated reduction in funding for both the Operating Fund and Capital Fund, which support Public Housing operations and capital improvements.

The budget for the federal government's fiscal year spans from October 1, 2025, to September 30, 2026. At this time, a long-term budget has not been agreed upon, however, the recent government shutdown ended with a Continuing Resolution passed by Congress. This will allow HUD programs to continue to operate at existing funding levels.

We expect to maintain level funding until at least the end of January 2026 when there is the possibility of another federal government shutdown. Currently, there is a priority to get THUD appropriations, which includes both Transportation and HUD funding, passed before the end of January. In the event of another shutdown, we anticipate HUD to fund KCHA on a month-to-month basis.

The latter portion of our yearly budget consists of properties and programs financed locally. The non-Federal Workforce Housing Portfolio is expected to remain fully leased in 2026, presenting a favorable financial forecast. Additionally, other initiatives and projects of KCHA will persist and be fully funded until the year's conclusion.

Guiding this budget and the entire budgeting process are the main goals of KCHA:

- Expand and preserve the supply of affordable housing
- Promote economic opportunities and self-reliance
- Strengthen the internal infrastructure of KCHA to support the mission
- Help the region address homelessness

EXECUTIVE SUMMARY

The Comprehensive Budget is a combination of two distinct budgets:

- Operating Budget
- Capital Budget

Selected highlights from the Comprehensive Budget include:

- We are planning to spend \$295.7 million toward the Housing Choice Voucher (HCV) program Housing Assistance Payments (HAP) compared to \$289.2 million in 2025, supporting nearly 13,000 families funded by KCHA and another 2,000 “ports-in” to KCHA’s service area.
- A funding commitment of \$9.5 million dedicated to a variety of program and resident resources such as homeless housing, education, youth and senior services, student housing, workforce development, leasing assistance, subsidy retention, economic mobility and research projects.
- Capital Budget totaling \$127.7 million to improve and maintain our current housing stock as well as increase future inventory:
 - \$60 million earmarked for future acquisitions funded by debt
 - \$36 million to improve our Workforce Housing properties
 - \$8.1 million related to the Trailhead development in Issaquah
 - \$5.7 million for unit upgrades

Operating Budget Summary

Below is a summary of the operating and capital expenses of the KCHA budget and where the Board's approval is requested.

Development is shown on a separate column since activity is substantially different from year to year. This information is presented for your review only. Development projects are generally brought to the Board for approval on a case-by-case basis.

The 2026 budget is compared with 2025 with differences shown in amount and percent. Major differences are explained following the table.

KING COUNTY HOUSING AUTHORITY

2026 Budget (Cash Basis)

(excludes non-KCHA-managed component units)

EXHIBIT A

| | Operations and Capital | | | | Development |
|---|----------------------------|---------------------------|--------------------|-------------------|---------------------|
| | 2026 Proposed Budget | 2025 Adopted Budget | Dollar Change | Percent Change | |
| Beginning Balance, Unrestricted Cash | 184,136,961 | | | | (28,101,632) |
| Revenues | | | | | |
| Tenant Revenue | 189,925,881 | 176,440,584 | 13,485,298 | 7.6% | - |
| Operating Fund Subsidy from HUD | 13,914,383 | 13,220,333 | 694,050 | 5.2% | - |
| Section 8 Subsidy from HUD | 279,820,187 | 280,574,451 | (754,264) | -0.3% | - |
| Other Operating Revenue | 91,472,606 | 85,419,424 | 6,053,182 | 7.1% | 6,625,178 |
| Total Operating Revenues | 575,133,058 | 555,654,792 | 19,478,266 | 3.5% | 6,625,178 |
| Expenses | | | | | |
| Salaries & Benefits | (96,851,709) | (96,872,646) | 20,937 | 0.0% | (1,418,482) |
| Routine Maintenance, Utilities, Taxes & Insurance | (58,038,407) | (53,703,740) | (4,334,667) | 8.1% | (60,550) |
| Other Social Service Support Expenses & HAP | (319,753,621) | (314,669,630) | (5,083,991) | 1.6% | - |
| Administrative Support Expenses | (42,906,971) | (43,805,003) | 898,032 | -2.1% | (486,145) |
| Total Operating Expenses | (517,550,708) | (509,051,018) | (8,499,689) | 1.7% | (1,965,177) |
| Net Operating Income | 57,582,350 | 46,603,774 | 10,978,577 | 23.6% | 4,660,001 |
| Non-operating Revenue | 22,760,565 | 33,159,505 | (10,398,940) | -31.4% | 25,343,507 |
| Non-operating Expenses | (38,230,789) | (34,307,582) | (3,923,207) | 11.4% | (4,736,125) |
| Net Income | 42,112,126 | 45,455,696 | (3,343,571) | -7.4% | 25,267,384 |
| Other Sources/(Uses) of Cash | | | | | |
| Capital Projects and Acquisitions | (52,847,640) | (52,603,565) | (244,075) | 0.5% | (74,870,091) |
| Changes in Designated Cash | (3,366,239) | (3,568,796) | 202,557 | -5.7% | (361,265) |
| Changes in Restricted Cash | (355,840) | (444,981) | 89,141 | -20.0% | (1,277,944) |
| Changes in Receivables | 2,326,292 | 2,308,653 | 17,639 | 0.8% | (39,762,994) |
| Changes in Other Assets | 81,748 | 81,748 | - | 0.0% | - |
| Changes in Debt | (22,834,157) | (19,871,807) | (2,962,350) | 14.9% | 68,592,368 |
| Changes in Other Liabilities | (225,306) | (1,991,797) | 1,766,491 | -88.7% | 1,394,556 |
| Changes in Equity | - | - | - | n/a | - |
| Total Other Sources/(Uses) of Cash | (77,221,142) | (76,090,545) | (1,130,596) | 1.5% | (46,285,370) |
| Transfer In from (Out to) Other Funds | | | | | |
| Transfers In from Other Funds | 43,146,864 | 40,673,442 | 2,473,422 | 6.1% | 1,097,265 |
| Transfers Out to Other Funds | (44,244,129) | (40,886,080) | (3,358,049) | 8.2% | - |
| Net Transfer In/(Out) | (1,097,265) | (212,638) | (884,627) | 416.0% | 1,097,265 |
| Net Change in Unrestricted Cash | (36,206,281) | (30,847,487) | (5,358,794) | 17.4% | (19,920,722) |
| Ending Balance, Unrestricted Cash | 147,930,680 | | | | (48,022,353) |
| Beginning Balance, Designated Cash | 115,718,059 | | | | - |
| Changes in Designated Cash | 3,366,239 | | | | 361,265 |
| Ending Balance, Designated Cash | 119,084,298 | | | | 361,265 |
| Beginning Balance, Restricted Cash | 31,956,745 | | | | 39,224,846 |
| Changes in Restricted Cash | 355,840 | | | | 1,277,944 |
| Ending Balance, Restricted Cash | 32,312,585 | | | | 40,502,790 |

OPERATING BUDGETS

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

- Federally Funded Properties and Programs
- Local Properties and Programs

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

Federally Funded Properties and Programs

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

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

The following table is a summary of 2026 Sources and Uses of Federal Properties and Programs:

KING COUNTY HOUSING AUTHORITY
2026 Budgeted Sources and Uses
Federal Programs and Properties
(excludes non-KCHA-managed component units)

| | |
|--|----------------------|
| <i>Beginning Balance, Unrestricted Cash</i> | 46,575,143 |
| <i>Revenues</i> | |
| Tenant Revenue | 18,778,063 |
| Subsidy from HUD | 293,259,492 |
| Other Operating Revenue | 50,851,543 |
| Total Operating Revenues | 362,889,098 |
| <i>Expenses</i> | |
| Salaries & Benefits | (35,680,208) |
| Routine Maintenance, Utilities, Taxes & Insurance | (17,631,173) |
| Other Social Service Support Expenses & HAP | (305,492,983) |
| Administrative Support Expenses | (17,451,716) |
| Total Operating Expenses | (376,256,080) |
| Net Operating Income | (13,366,982) |
| <i>Other Sources/(Uses) of Cash</i> | |
| Net Non-Operating Income (Expense) | 5,179,137 |
| Capital Projects and Acquisitions | (8,041,691) |
| Net Transfers In From (Out to) Other Funds | (150,496) |
| Other Sources/(Uses) | (3,000,337) |
| Total Other Sources/(Uses) of Cash | (6,013,388) |
| Net Change in Unrestricted Cash | (19,380,371) |
| <i>Ending Balance, Unrestricted Cash</i> | 27,194,772 |

The decline in unrestricted cash is mainly due to the planned use of MTW reserves in 2026.

Programs that fall within the Federal funding sphere include:

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

Housing Choice Vouchers

Housing Choice Vouchers is our largest federally subsidized program with funding expected to be approximately \$280 million in 2026. This revenue is estimated based on conservative inflation and proration factors given the current funding uncertainty at the federal level.

With this anticipated funding and combined with reserve balances held at HUD, KCHA plans to spend \$248.4 million on Housing Assistance Payments in 2026 compared to \$246.3 million in 2025. The chart below shows the details by voucher type. Note that Ports, FSS and Mod Rehab are excluded and together cost a total of \$47.3 million.

The Annual Contributions Contract, or ACC, is the basis of our funding and our contractual agreement with HUD. The budget column reflects the anticipated units that will be leased by KCHA. Due to our funding flexibility, we can over lease and provide more vouchers to participants than our contacted amount. In the Block Grant, we anticipate being over leased by approximately 1,075 vouchers.

| Voucher Type | ACC Unit Months | Budgeted Unit | Over/(Under) Leased | Average Util % | Average PUC \$ | *Est HAP Revenue \$ | Est HAP Cost \$ | Cost to Revenue % |
|--------------------------|------------------------|----------------------|----------------------------|-----------------------|-----------------------|----------------------------|------------------------|--------------------------|
| Block Grant | 8,499 | 9,574 | 1,075 | 112.6% | 1,654.87 | 207,966,393 | 190,089,169 | 91% |
| Special Purpose Vouchers | | | | | | | | |
| VASH | 1,250 | 921 | (329) | 73.7% | 1,316.40 | 14,483,955 | 14,550,967 | 100% |
| Mainstream | 887 | 861 | (26) | 97.1% | 1,622.46 | 17,030,643 | 16,752,212 | 98% |
| EHV | 650 | 582 | (68) | 89.5% | 1,825.53 | 12,335,905 | 12,746,535 | 103% |
| FUP | 388 | 348 | (40) | 89.7% | 2,005.01 | 7,727,124 | 8,376,171 | 108% |
| FYI | 123 | 95 | (28) | 77.2% | 1,912.97 | 1,578,506 | 2,183,867 | 138% |
| CDP/NED | 200 | 206 | 6 | 103.0% | 1,510.03 | 3,699,128 | 3,732,788 | 101% |

Note: Excludes HAP costs related to Port Ins, FSS and Mod Rehab

*Estimated HAP Revenue includes Admin Fee Revenue

Due to costs rising at a faster pace than the subsidy received from HUD, leasing to new participants in the Block Grant is being halted in 2026 until funding streams are more in line with inflation and the cost of rent in the King County region. As such, when participants exit the program, new participants are not being pulled from wait lists.

In addition, Special Purpose Vouchers are funded separately from the block grant. KCHA anticipates shortfalls for certain Special Purpose Voucher allocations, which will be in place throughout 2026 including Mainstream, FUP/FYI and NED. In addition, EHV is also fully utilized with appropriations set to expire at the end of 2026.

KCHA was recently approved to increase our Total Tenant Payment (TTP) percent from approximately 28% to 31%. This is being implemented to address the funding gap arising from inflationary pressures on rent and costs as well as the upcoming loss of Emergency Housing Voucher revenue. For 2026, only a portion of the additional revenue is expected as the roll out is dependent on the timing of participant income recertifications.

Public Housing

Low Income Public Housing is a national subsidized housing program serving people at 30% of Area Median Income and below. It operates on a combination of tenant revenue and Operating Fund Subsidy provided by HUD. In 2026, KCHA is eligible, based on HUD's funding formula, to receive \$13.9 million of Operating Fund Subsidy. We anticipate receiving 90% of eligible funding due to congressional underfunding. Of this amount \$5.3 million will be used for debt repayment and other costs associated with the Energy Performance Contract. The remaining funds will be used to partially offset the gap between the costs of operating the properties and the rents received from tenants. The deficit will be funded with transfers from the MTW program.

The Rental Assistance Demonstration (RAD) program was created by HUD to help address the backlog of deferred improvements and maintenance needed at public housing properties. KCHA has started the process of converting all our public housing inventory into RAD properties and the budget reflects the costs of meeting program requirements and the staffing and consultants needed to accomplish the multiple phases of the conversion.

Local Properties and Programs

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

Properties and programs that are considered Local include:

- Asset-Managed Portfolio
 - Workforce Housing Properties owned outright by KCHA
 - Mobile Home Parks
 - Workforce Housing Properties that are owned in partnership with tax credit investors are excluded from both the budget and the quarterly financial statements. There are seven properties in this group with 855 units.
- Property Management Portfolio
 - Project-Based Section 8 properties, some of which are owned in partnership with tax credit investors
 - Non-federally subsidized properties
- Weatherization and Home Repair Programs
- Overhead captured in the Central Office Cost Center (COCC)

The following table summarizes the 2026 budget for Local Properties and Programs:

KING COUNTY HOUSING AUTHORITY
2026 Budgeted Sources and Uses
Local Programs and Properties
(excludes non-KCHA-managed component units)

| | |
|--|----------------------|
| <i>Beginning Balance, Unrestricted Cash</i> | 137,561,818 |
| <i>Revenues</i> | |
| Tenant Revenue | 171,147,819 |
| Subsidy from HUD | 475,079 |
| Other Operating Revenue | 40,621,063 |
| Total Operating Revenues | 212,243,960 |
| <i>Expenses</i> | |
| Salaries & Benefits | (61,171,501) |
| Routine Maintenance, Utilities, Taxes & Insurance | (40,407,234) |
| Other Social Service Support Expenses & HAP | (14,260,638) |
| Administrative Support Expenses | (25,455,255) |
| Total Operating Expenses | (141,294,627) |
| Net Operating Income | 70,949,333 |
| <i>Other Sources/(Uses) of Cash</i> | |
| Net Non-Operating Income (Expense) | (20,649,361) |
| Capital Projects and Acquisitions | (44,805,949) |
| Net Transfers In From (Out to) Other Funds | (946,768) |
| Other Sources/(Uses) | (21,373,164) |
| Total Other Sources/(Uses) of Cash | (87,775,243) |
| Net Change in Unrestricted Cash | (16,825,910) |
| <i>Ending Balance, Unrestricted Cash</i> | 120,735,908 |

Asset-Managed Workforce Housing

The Workforce Housing portfolio included in the budget reflects properties owned outright by KCHA or in partnership with tax credit investors, as well as the mobile home park portfolio. KCHA currently has 65 separate properties in this portfolio, with 9,171 units. These properties are managed by outside fee-based property management companies. All properties have some form of debt outstanding, and the servicing of this debt comes from the cash flow of each of the properties. In addition, each property makes monthly contributions to replacement reserve accounts, self-funds capital repair and rehabilitation projects, and pays management fees to the Central Office Cost Center (COCC).

The 2026 budget includes rent increases of approximately 6% and average vacancy rates of 3.5%.

Mobile Home Parks

KCHA owns five mobile home parks with a total of 654 homes.

Project-based Section 8 Properties

There are currently 1,238 units in this portfolio, including properties owned in partnership with tax credit investors but managed and controlled by KCHA. With a few exceptions, they operate similarly to public housing but with a different form of subsidy. 1,213 of these units carry Project-Based Section 8 contracts. Some of the most significant properties in this group are:

| |
|----------------------------|
| MKCRF properties-509 units |
| Birch Creek-262 units |
| Spiritwood Manor-128 units |
| Hidden Village-70 units |

Non-Federally Subsidized Properties

There are 97 units in this portfolio, spread over 13 separate locations. These properties receive no direct subsidies, and serve a variety of tenants, including elderly, disabled and transitional. These properties are listed below:

| |
|-------------------------------------|
| 301 SW Roxbury – 1 unit |
| Anita Vista – 14 units |
| Avondale House – 16 units |
| Burien Vet’s House – 6 units |
| Campus Green – 15 units |
| Echo Cove – 4 units |
| Federal Way Duplexes – 4 units |
| Harbour Villa – 5 units |
| Holt House – 1 unit |
| House on 102 nd – 1 unit |
| Shadrach – 9 units |
| Slater Park – 5 units |
| Sunnydale – 16 units |

Weatherization and Housing Repair program

This program provides energy conservation improvements to low-income residents of King County living in single-family residences, mobile homes, and multifamily housing. It also provides repairs to single-family homes through the City of Bellevue’s Housing Repair program. The 2026 budget includes construction activity of \$7.98 million to weatherize or repair approximately 480 to 500 housing units and is funded through six separate federal, state and local grants and contracts. KCHA manages the biggest weatherization program in Washington State.

CAPITAL BUDGET

The 2026 Capital Budget underscores KCHA’s strong commitment to preserving and enhancing its existing housing portfolio while expanding the availability of affordable units in the community. A total of \$127.7 million has been allocated to support these strategic objectives. See Exhibit B for details.

- **Capital Improvements – \$56 million**

The majority of this funding will address critical upgrades to Workforce Housing properties and manufactured homes, ensuring long-term sustainability and improved living conditions.

- **Opportunistic Acquisitions – \$60 million**

This allocation positions KCHA to act swiftly on acquisition opportunities that align with organizational goals and strengthen housing availability.

- **Development Projects – \$10 million**

Ongoing development work includes the Trailhead project in Issaquah and continued investment in Hope VI properties, advancing KCHA’s mission to create vibrant, affordable neighborhoods.

This capital investment reflects KCHA’s proactive approach to maintaining housing quality, expanding inventory, and meeting the evolving needs of the region.

KING COUNTY HOUSING AUTHORITY
2026 Budget (Cash Basis)
(excludes non-KCHA-managed component units)

EXHIBIT A

| | Operations and Capital | | | | Dollar Change | Percent Change | Development |
|---|------------------------|----------------------|----------------------------|---------------------------|--------------------|-------------------|---------------------|
| | Federal Programs | Local Programs | 2026 Proposed Budget | 2025 Adopted Budget | | | |
| Beginning Balance, Unrestricted Cash | 46,575,143 | 137,561,818 | 184,136,961 | | | | (28,101,632) |
| Revenues | | | | | | | |
| Tenant Revenue | 18,778,063 | 171,147,819 | 189,925,881 | 176,440,584 | 13,485,298 | 7.6% | - |
| Operating Fund Subsidy from HUD | 13,909,304 | 5,079 | 13,914,383 | 13,220,333 | 694,050 | 5.2% | - |
| Section 8 Subsidy from HUD | 279,350,187 | 470,000 | 279,820,187 | 280,574,451 | (754,264) | -0.3% | - |
| Other Operating Revenue | 50,851,543 | 40,621,063 | 91,472,606 | 85,419,424 | 6,053,182 | 7.1% | 6,625,178 |
| Total Operating Revenues | 362,889,098 | 212,243,960 | 575,133,058 | 555,654,792 | 19,478,266 | 3.5% | 6,625,178 |
| Expenses | | | | | | | |
| Salaries & Benefits | (35,680,208) | (61,171,501) | (96,851,709) | (96,872,646) | 20,937 | 0.0% | (1,418,482) |
| Routine Maintenance, Utilities, Taxes & Insurance | (17,631,173) | (40,407,234) | (58,038,407) | (53,703,740) | (4,334,667) | 8.1% | (60,550) |
| Other Social Service Support Expenses & HAP | (305,492,983) | (14,260,638) | (319,753,621) | (314,669,630) | (5,083,991) | 1.6% | - |
| Administrative Support Expenses | (17,451,716) | (25,455,255) | (42,906,971) | (43,805,003) | 898,032 | -2.1% | (486,145) |
| Total Operating Expenses | (376,256,080) | (141,294,627) | (517,550,708) | (509,051,018) | (8,499,689) | 1.7% | (1,965,177) |
| Net Operating Income | (13,366,982) | 70,949,333 | 57,582,350 | 46,603,774 | 10,978,577 | 23.6% | 4,660,001 |
| Non-operating Revenue | 8,787,100 | 13,973,465 | 22,760,565 | 33,159,505 | (10,398,940) | -31.4% | 25,343,507 |
| Non-operating Expenses | (3,607,963) | (34,622,826) | (38,230,789) | (34,307,582) | (3,923,207) | 11.4% | (4,736,125) |
| Net Income | (8,187,846) | 50,299,972 | 42,112,126 | 45,455,696 | (3,343,571) | -7.4% | 25,267,384 |
| Other Sources/(Uses) of Cash | | | | | | | |
| Capital Projects and Acquisitions | (8,041,691) | (44,805,949) | (52,847,640) | (52,603,565) | (244,075) | 0.5% | (74,870,091) |
| Changes in Designated Cash | 121,193 | (3,487,432) | (3,366,239) | (3,568,796) | 202,557 | -5.7% | (361,265) |
| Changes in Restricted Cash | (125,123) | (230,717) | (355,840) | (444,981) | 89,141 | -20.0% | (1,277,944) |
| Changes in Receivables | (1,478,280) | 3,804,572 | 2,326,292 | 2,308,653 | 17,639 | 0.8% | (39,762,994) |
| Changes in Other Assets | - | 81,748 | 81,748 | 81,748 | - | 0.0% | - |
| Changes in Debt | (470,000) | (22,364,157) | (22,834,157) | (19,871,807) | (2,962,350) | 14.9% | 68,592,368 |
| Changes in Other Liabilities | (1,048,127) | 822,821 | (225,306) | (1,991,797) | 1,766,491 | -88.7% | 1,394,556 |
| Changes in Equity | - | - | - | - | - | n/a | - |
| Total Other Sources/(Uses) of Cash | (11,042,029) | (66,179,113) | (77,221,142) | (76,090,545) | (1,130,596) | 1.5% | (46,285,370) |
| Transfer In from (Out to) Other Funds | | | | | | | |
| Transfers In from Other Funds | 16,737,956 | 26,408,908 | 43,146,864 | 40,673,442 | 2,473,422 | 6.1% | 1,097,265 |
| Transfers Out to Other Funds | (16,888,452) | (27,355,677) | (44,244,129) | (40,886,080) | (3,358,049) | 8.2% | - |
| Net Transfer In/(Out) | (150,496) | (946,768) | (1,097,265) | (212,638) | (884,627) | 416.0% | 1,097,265 |
| Net Change in Unrestricted Cash | (19,380,371) | (16,825,910) | (36,206,281) | (30,847,487) | (5,358,794) | 17.4% | (19,920,722) |
| Ending Balance, Unrestricted Cash | 27,194,772 | 120,735,908 | 147,930,680 | | | | (48,022,353) |

**2026 Capital Budget
By Responsible Department**
EXHIBIT B
CONSTRUCTION ACTIVITIES
Managed by the Capital Construction Department

| | | |
|--|------------------|------------|
| Public Housing Properties | \$2,865,980 | |
| MKCRF Properties | 2,732,813 | |
| Other Properties | 1,212,897 | |
| RAD Projects | 4,840,957 | |
| Central Office Projects | 585,100 | |
| Placeholder for Pre-Construction Design Work | <u>1,057,329</u> | |
| | | 13,295,076 |

Managed by the Property Management Department

| | | |
|----------------------|------------------|-----------|
| Unit Upgrade Program | 5,675,260 | |
| Other Projects | <u>1,419,594</u> | |
| | | 7,094,854 |

Managed by the Asset Management Department

| | | |
|--|------------------|------------|
| Projects at Workforce Housing Properties | 32,981,278 | |
| Projects at Mobile Home Properties and Other | <u>2,622,100</u> | |
| | | 35,603,378 |

DEVELOPMENT/ACQUISITION ACTIVITIES
Managed by the Development Department

| | | |
|---|----------------|------------|
| Acquisition Placeholder | 60,000,000 | |
| Hope VI Properties | 1,779,424 | |
| Trailhead Land Site Acquisition | 6,600,000 | |
| Pre-development Activities-Issaquah Trailhead | 1,500,000 | |
| Pre-development Activities-Other | <u>340,000</u> | |
| | | 70,219,424 |

OTHER ACTIVITIES

| | | |
|-------------------------|----------------|-----------|
| Technology Expenditures | 1,000,000 | |
| Safety & Security | 300,000 | |
| Vehicles & Other | <u>205,000</u> | |
| | | 1,505,000 |

TOTAL BUDGETED CAPITAL EXPENDITURES
\$127,717,731



King County
Housing
Authority

2026 KCHA Budget Presentation

Wendy Teh
Vice President of Finance

December 15, 2025



Acknowledgements

- 🏠 Shannon Nicholas – Planning Manager
- 🏠 Samy Ma – Senior Financial Analyst
- 🏠 Rina Tea – Senior Financial Analyst
- 🏠 Tesh Assefa – Interim AVP of Finance
- 🏠 Alfred Dulay – Accounting Manager
- 🏠 Bayisa Tadesse – Senior Accountant

Guiding Principles

- 🏠 Expand and preserve the supply of affordable housing
- 🏠 Promote economic opportunity and self-reliance
- 🏠 Strengthen the internal infrastructure of KCHA to support the mission
- 🏠 Help the region address homelessness





Our Core Operations

- 🏠 Help families and individuals to secure affordable housing
- 🏠 Support our residents to maintain stable housing
- 🏠 Sustain the quality of our facilities
- 🏠 Expand our housing inventory



Budget Highlights



Current Landscape

- 🏠 Federal Gov't open for business but could shutdown again end of January
- 🏠 Congress passed a clean Continuing Resolution (CR) on Nov 13th
- 🏠 Priority to get THUD bill passed before 1/30/26 as it includes both Transportation and HUD funding
- 🏠 National industry associations are predicting cuts to Operating Subsidy and Capital Funds
- 🏠 Proration for HCV funding remains unclear
- 🏠 If shutdown happens at the end of January, expect HUD's contingency plan to again fund PHAs on a month-to-month basis

Budget Assumptions

- Conservative Revenue assumptions given federal uncertainty
 - Proration:
 - 98.0% in Housing Choice Voucher (HCV) program
 - 90.0% in Public Housing Subsidy
 - 2.0% RFIF inflation factor in HCV program
- \$2.5M of non-federal funds to support Mixed Families
- Workforce Housing Properties – average 6% rent increase and 2% vacancy rate
- Significant Property Rehabilitation in both Subsidized housing and Workforce housing
- Rental Assistance Demonstration Program (RAD)
- Technology improvements – Yardi, DayForce phase 2
- Emphasis on improving Safety & Security for staff and residents
- Wage growth of 4.5% for staff

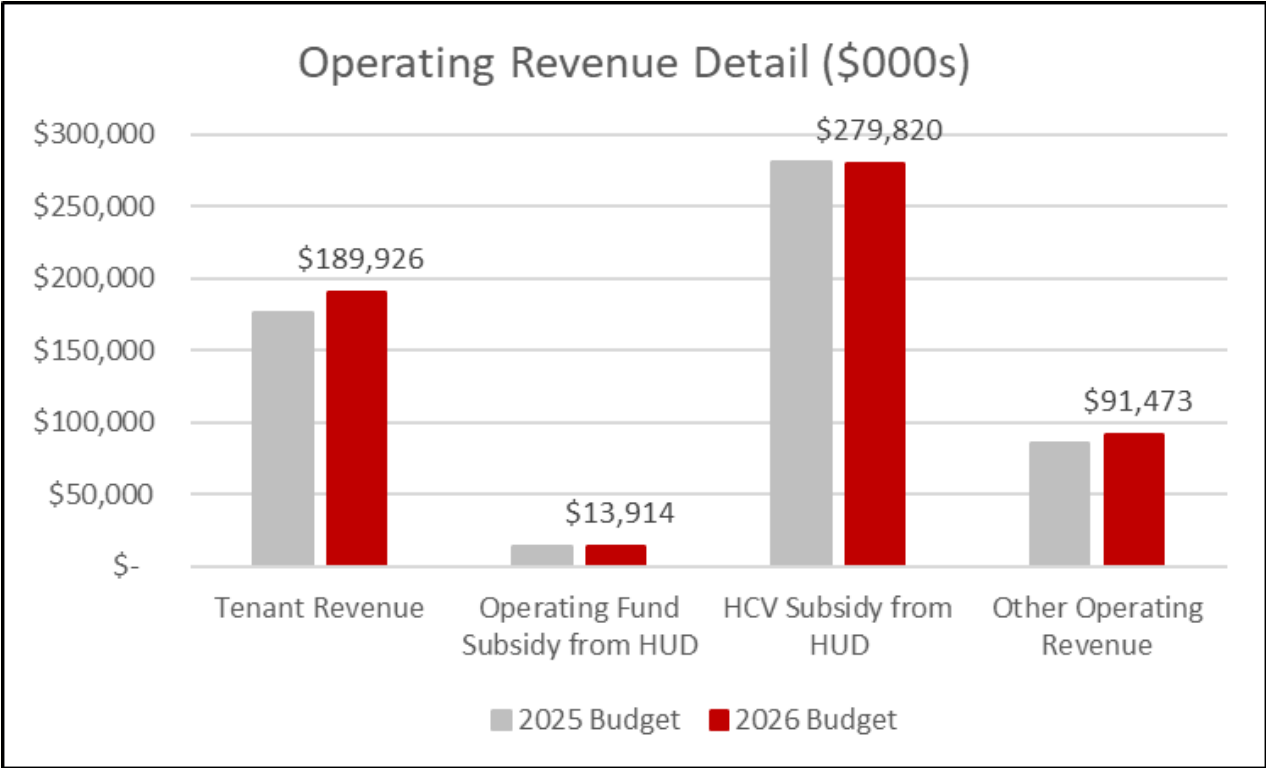


Operating Revenue by Category

| Operating Revenue | 2025 Budget | 2026 Budget | \$ Change | % Change |
|----------------------------------|-------------|-------------|------------|----------|
| Tenant Revenue | 176,440,584 | 189,925,881 | 13,485,298 | 7.6% |
| Operating Fund Subsidy from HUD* | 13,220,333 | 13,914,383 | 694,050 | 5.2% |
| HCV Subsidy from HUD* | 280,574,451 | 279,820,187 | (754,264) | -0.3% |
| HCV Port In Revenue | 42,959,439 | 46,052,145 | 3,092,706 | 7.2% |
| Other Operating Revenue | 42,459,985 | 45,420,461 | 2,960,476 | 7.0% |
| Total Operating Revenues | 555,654,792 | 575,133,058 | 19,478,266 | 3.5% |

* Estimates of uncertain HUD funding levels

Operating Revenue



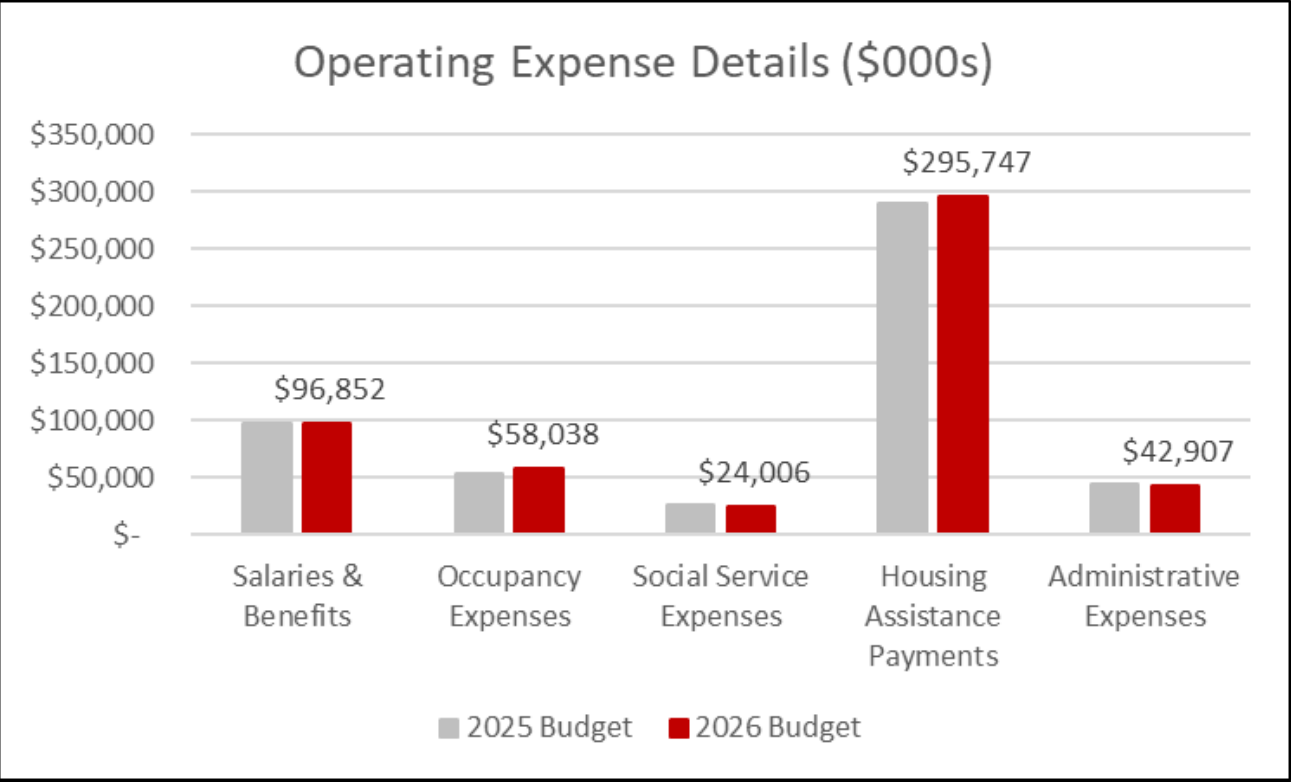
- 🏠 HCV Subsidy is our largest source of federal income and is based on yet to be determined HUD funding levels
- 🏠 Operating Subsidy is also an estimate based unknown HUD funding levels.
- 🏠 Tenant revenue is expected to increase 7.6% over the 2025 budget

Operating Expenses by Category

| Operating Expenses | 2025 Budget | 2026 Budget | \$ Change | % Change |
|-------------------------------------|-------------|-------------|-------------|----------|
| Salaries & Benefits | 96,872,646 | 96,851,709 | (20,937) | 0.0% |
| Occupancy Expenses | 53,703,740 | 58,038,407 | 4,334,667 | 8.1% |
| Social Service Expenses | 25,458,278 | 24,006,278 | (1,452,000) | -5.7% |
| Housing Assistance Payments* | 246,251,913 | 249,695,198 | 3,443,285 | 1.4% |
| Port In Housing Assistance Payment: | 42,959,439 | 46,052,145 | 3,092,706 | 7.2% |
| Administrative Support Expenses | 43,805,003 | 42,906,971 | (898,032) | -2.1% |
| Total Operating Expenses | 509,051,018 | 517,550,708 | 8,499,689 | 1.7% |

*Includes FSS expenses

Operating Expenses



- 🏠 Housing Assistance Payments to our landlords in the HCV program makes up 57% of operating expenses and will be approximately \$295M in 2026.
- 🏠 Approximately 19% of operating expenses is due to staff salaries and benefits

Sources & Uses of Cash Summary

| | Federal | Local | Combined |
|--|---------------------|---------------------|---------------------|
| Operating Income/Expenses | | | |
| Operating Revenue | 362,889,098 | 212,243,960 | 575,133,058 |
| Operating Expenses | (376,256,080) | (141,294,627) | (517,550,708) |
| Net Operating Income | (13,366,982) | 70,949,333 | 57,582,350 |
| Other Sources/(Uses) of Cash | | | |
| Net Non-Operating Income/(Expense) | 5,179,137 | (20,649,361) | (15,470,225) |
| Capital Projects & Acquisitions | (8,041,691) | (44,805,949) | (52,847,640) |
| Other Sources/(Uses) of Cash | (3,000,337) | (21,373,164) | (24,373,502) |
| Net Transfers In/(Out) | (150,496) | (946,768) | (1,097,265) |
| Total Sources/(Uses) of Cash | (6,013,388) | (87,775,243) | (93,788,631) |
| Net Increase/(Decrease) Unrestricted Cash | (19,380,371) | (16,825,910) | (36,206,281) |

Examples of Other Sources/(Uses) of Cash:

Non-Operating Income – Investment Income, CFP Grants

Non-Operating Expense – Interest Expense

Other Sources/Uses of Cash – Debt payments

Net Transfers In/Out – Transfers of funds between programs

Cash Balances at end of 2026

| | Federal | Local | Combined |
|------------------------------|--------------|--------------|--------------|
| Unrestricted Cash | | | |
| Beginning Balance | 46,575,143 | 137,561,818 | 184,136,961 |
| Changes in Unrestricted Cash | (19,380,371) | (16,825,910) | (36,206,281) |
| Ending Balance | 27,194,772 | 120,735,908 | 147,930,680 |
| Designated Cash | | | |
| Beginning Balance | 7,652,038 | 108,066,021 | 115,718,059 |
| Changes in Designated Cash | (121,193) | 3,487,432 | 3,366,239 |
| Ending Balance | 7,530,845 | 111,553,453 | 119,084,298 |
| Restricted Cash | | | |
| Beginning Balance | 6,461,956 | 25,494,789 | 31,956,745 |
| Changes in Restricted Cash | 125,123 | 230,717 | 355,840 |
| Ending Balance | 6,587,079 | 25,725,506 | 32,312,585 |

Two Core Lines of Operations



FEDERAL: Consisting of Deeply-Subsidized Properties and Programs



LOCAL: Consisting of Workforce Housing Properties with Below-Market Rental Rates



Federal Programs



Housing Choice Vouchers (HCV)

- 🏠 Housing & Urban Development (HUD) program
 - 11th in the country in terms of our HAP expenses
- 🏠 Largest federal program managed by KCHA
- 🏠 Oversee almost 13,000 vouchers
- 🏠 Additional 2,000 port-in vouchers
- 🏠 Block Grant vs Special Purpose Vouchers
 - VASH – Veteran's Affairs Supportive Housing
 - FUP – Family Unification Program
 - FYI – Foster Youth to Independence
 - Mainstream – Non-Elderly Disabled
 - EHV – Emergency Housing Vouchers
 - NED – Non-Elderly Disabled



Budget by Voucher Type

| Voucher Type | ACC Unit Months | Budgeted Unit | Over/(Under) Leased | Average Util % | Average PUC \$ | *Est HAP Revenue \$ | Est HAP Cost \$ | Cost to Revenue % |
|--------------------------|-----------------|---------------|---------------------|----------------|----------------|---------------------|-----------------|-------------------|
| Block Grant | 8,499 | 9,574 | 1,075 | 112.6% | 1,654.87 | 207,966,393 | 190,089,169 | 91% |
| Special Purpose Vouchers | | | | | | | | |
| VASH | 1,250 | 921 | (329) | 73.7% | 1,316.40 | 14,483,955 | 14,550,967 | 100% |
| Mainstream | 887 | 861 | (26) | 97.1% | 1,622.46 | 17,030,643 | 16,752,212 | 98% |
| EHV | 650 | 582 | (68) | 89.5% | 1,825.53 | 12,335,905 | 12,746,535 | 103% |
| FUP | 388 | 348 | (40) | 89.7% | 2,005.01 | 7,727,124 | 8,376,171 | 108% |
| FYI | 123 | 95 | (28) | 77.2% | 1,912.97 | 1,578,506 | 2,183,867 | 138% |
| CDP/NED | 200 | 206 | 6 | 103.0% | 1,510.03 | 3,699,128 | 3,732,788 | 101% |

Note: Excludes HAP costs related to Port Ins, FSS and Mod Rehab

*Estimated HAP Revenue includes Admin Fee Revenue

HCV Revenue vs Expense

- Conserve funding estimates resulting in HCV revenue surpassing Housing Assistance Payment expense by approximately \$16M
- Total Tenant Payment increase from 28% to 31% will not be fully implemented until 2027
 - \$2M of additional revenue budgeted in 2026
 - \$5M of additional revenue to be budgeted in 2027
- 2% increase to the one-bedroom payment standard in the 4th tier
- Continued rise in tenant rents in the region driving up Housing Assistance Payment costs

Special Purpose Vouchers

- 🏠 Emergency Housing Vouchers (EHV)
 - Sunsetting at end of 2026
- 🏠 Shortfall Risks
 - Mainstream Vouchers - lower funding proration in 2025 leading to shortfall
 - FUP/FYI - high cost due to participant need and low incomes
 - NED – high utilization
- 🏠 VASH
 - Veteran Affairs referrals needed



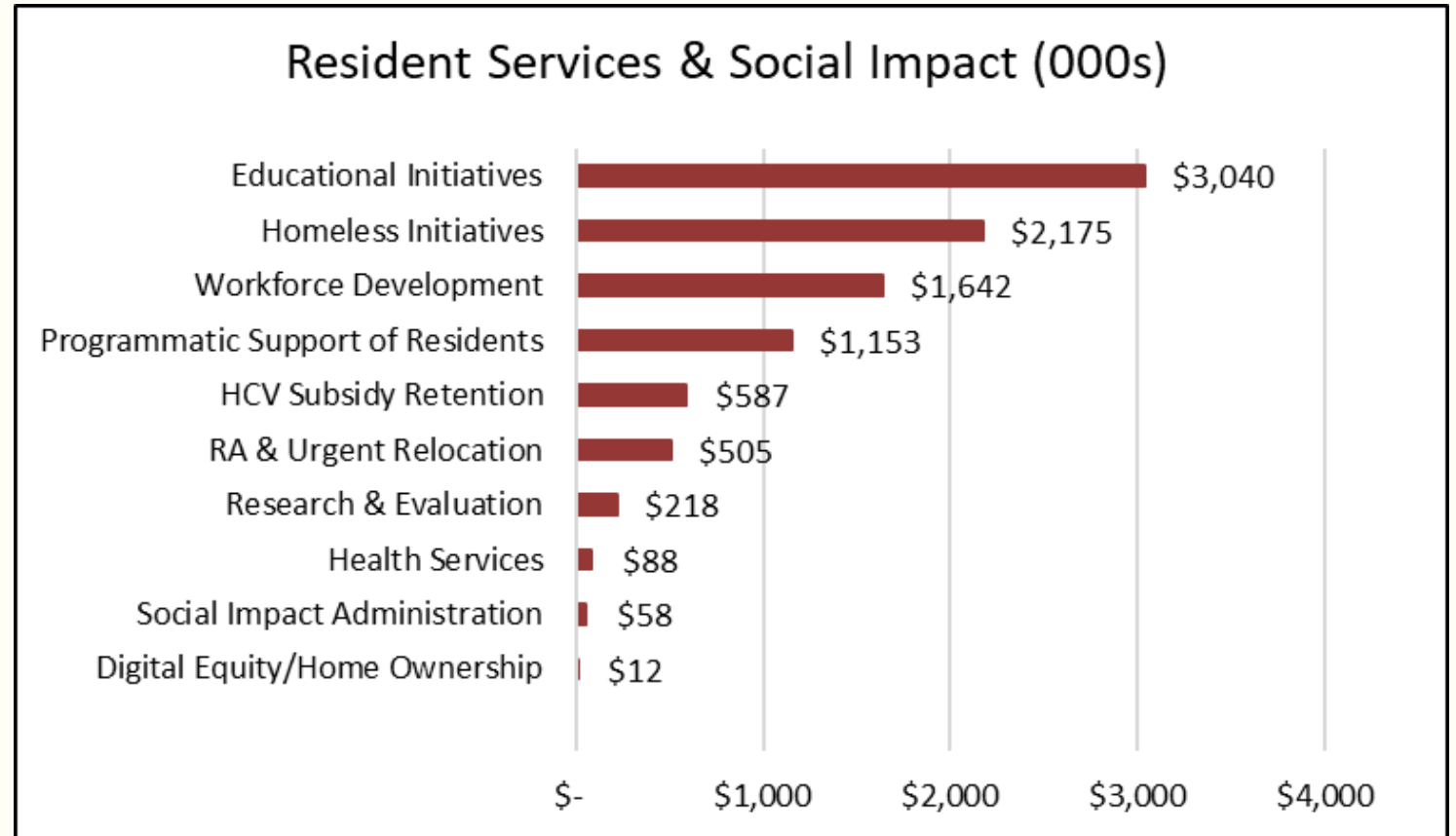
Public Housing

- 🏠 Public Housing program consists of 39 properties with 2,453 units
- 🏠 Properties are divided into four regions: East, North, Southeast and Southwest
- 🏠 Total capital work is expected to be \$10M including \$2.9M in large projects and \$5.7M for 71 unit upgrades
- 🏠 Staff of 198 FTEs manage this large and geographically vast portfolio of properties



Support for Housing Stability

- A total of \$15.9 million is earmarked for Housing Stability in the 2026 budget
- Some of the larger programs include:
 - Educational Initiatives
 - Regional support
 - Homeless Initiatives
 - Workforce Development





Local Programs



Local Properties & Programs

- Asset Managed Properties
 - Workforce Housing
 - Mobile Home Parks
 - Workforce Housing tax credit properties (excluded from the budget)
- Property Management
 - Project-based Section 8 properties
 - Non-federally subsidized properties
- Weatherization & Housing Repair Program
- Overhead in the Central Office Cost Center (COCC)



Local Program – Net Operating Income

| | <u>Federal</u> | <u>Local</u> | <u>Combined</u> |
|----------------------------------|----------------|---------------|-----------------|
| Operating Income/Expenses | | | |
| Operating Revenue | 362,889,098 | 212,243,960 | 575,133,058 |
| Operating Expenses | (376,256,080) | (141,294,627) | (517,550,708) |
| Net Operating Income | (13,366,982) | 70,949,333 | 57,582,350 |



Capital & Acquisitions Budget



Maintaining Our Housing Inventory

- 🏠 Capital Construction department
- 🏠 Unit Upgrades
- 🏠 RAD Conversions
- 🏠 Workforce Housing Projects
- 🏠 Pre-development activity



| Recurring Construction Budget | 2025 | 2026 |
|--|-------------------|-------------------|
| Large Projects in Subsidized Housing | 8,737,792 | 2,865,980 |
| Large Projects in Other Properties | 4,815,154 | 5,588,139 |
| Unit Upgrades Program | 5,683,963 | 5,675,260 |
| RAD Projects | - | 4,840,957 |
| Smaller Projects in Subsidized Housing | 2,180,345 | 1,419,594 |
| Projects in Workforce Housing | 26,074,698 | 35,603,378 |
| Total KCHA Construction Budget | 47,491,952 | 55,993,307 |
| Pre-Development Budget | | |
| Issaquah Trailhead | 1,897,879 | 1,500,000 |
| Other Projects | 500,000 | 340,000 |
| Total Pre-Development Budget | 2,397,879 | 1,840,000 |
| TOTAL | 49,889,831 | 57,833,307 |

Expanding our Housing Inventory

- Workforce housing added for 2025/2026 using debt to fund acquisition
 - Brier Woods (Federal Way), 136 units
 - Highlander House (Shoreline), 23 units
 - Haven Apartments (Kent), 246 units
 - Kirkland Heights tax credit development
 - 96 new units added to the property, a 35% increase in units



Major Technology Investments



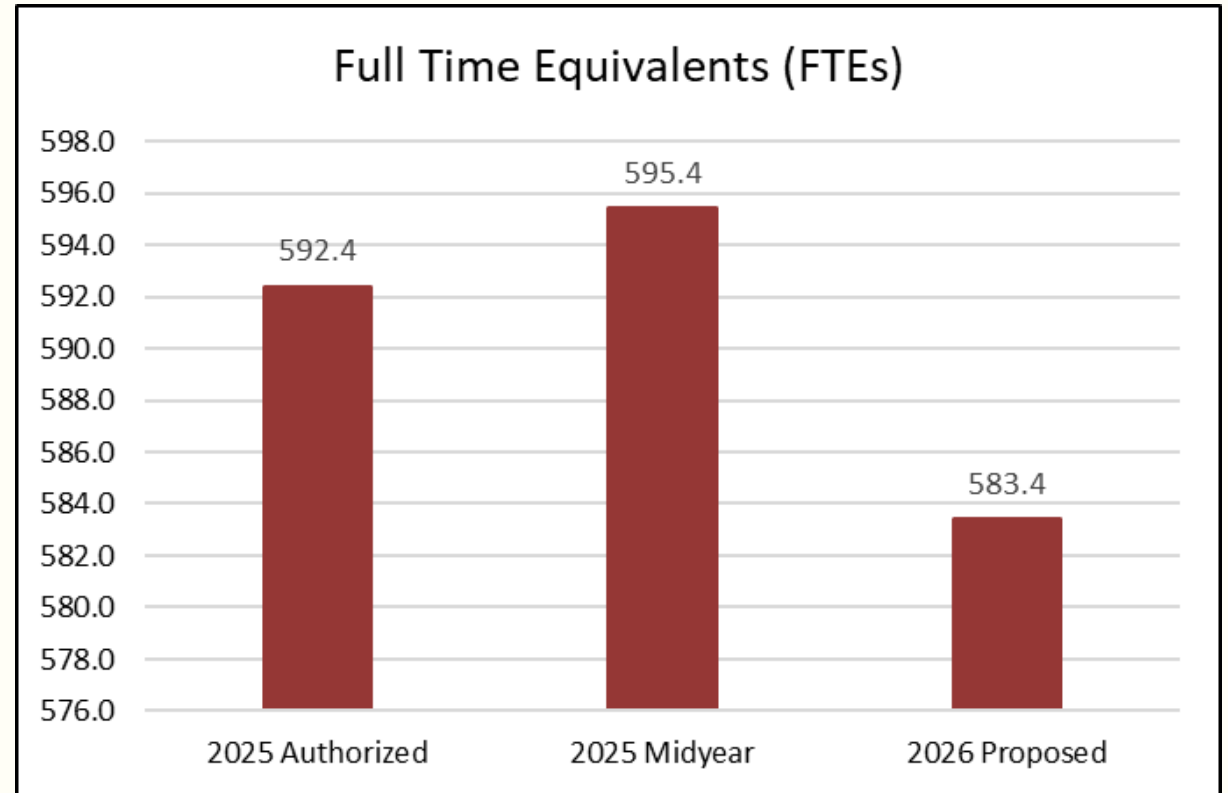


Workforce Planning

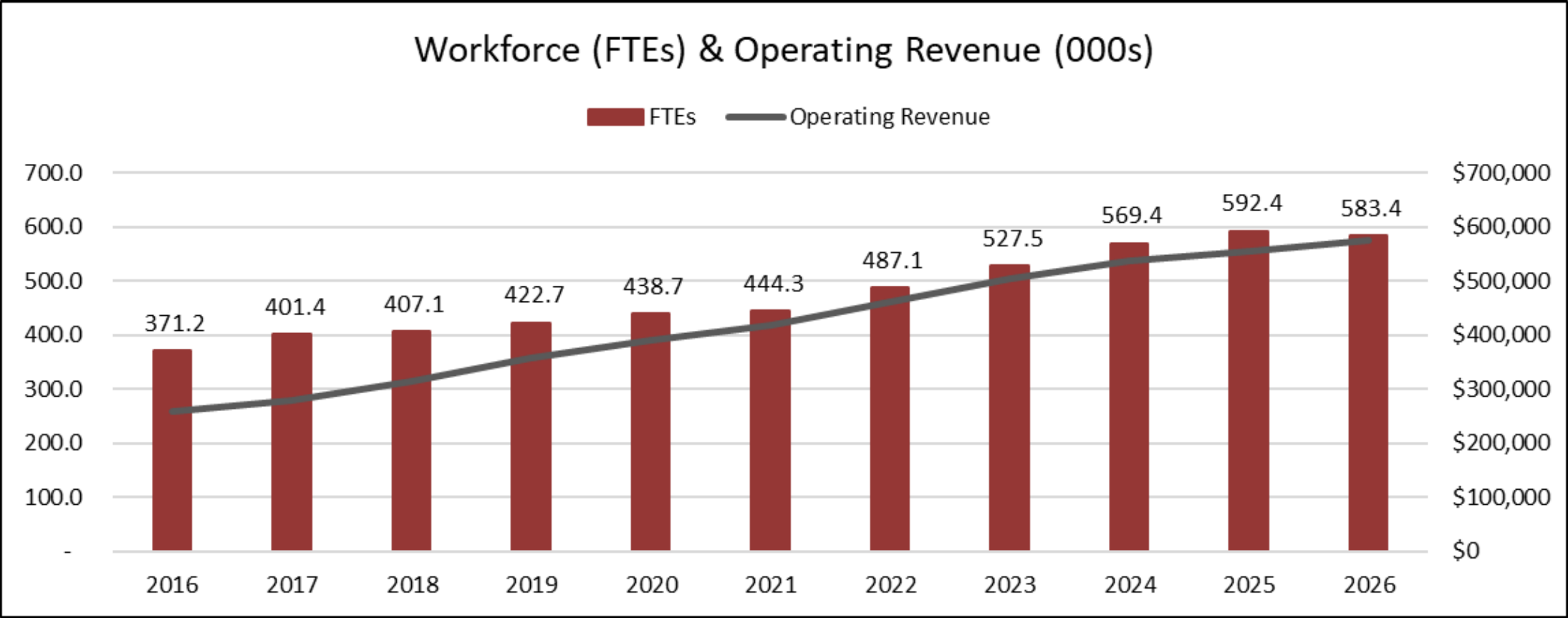


KCHA Workforce

- 🏠 Net reduction of 12.0 FTEs over 2025 Midyear budget
- 🏠 New staff to support:
 - Finance – 1.0 FTE for Internal Audit
 - Housing Management – 1.0 FTE for RAD
- 🏠 Elimination of 14 vacant positions

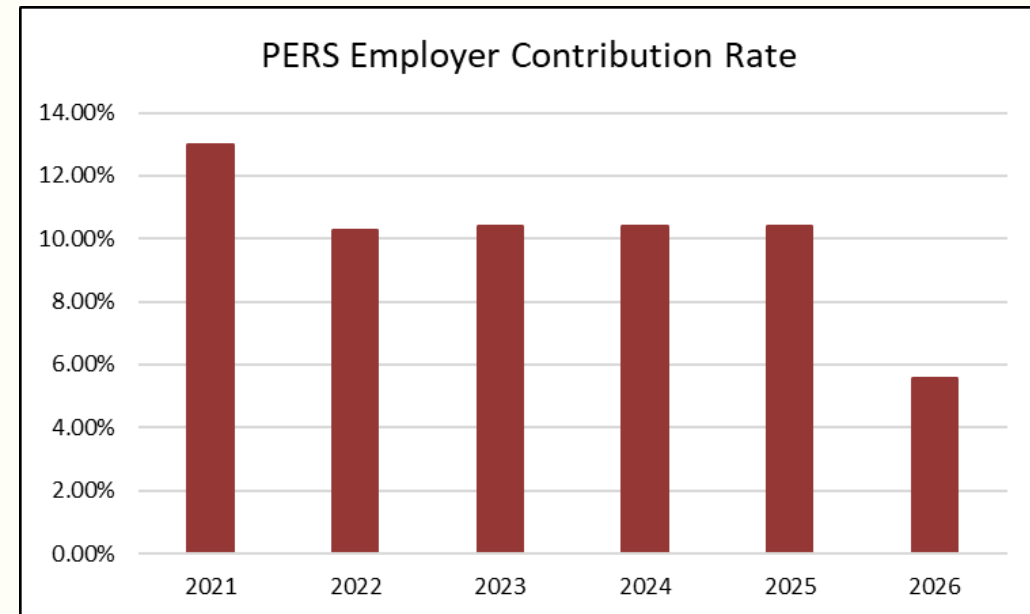
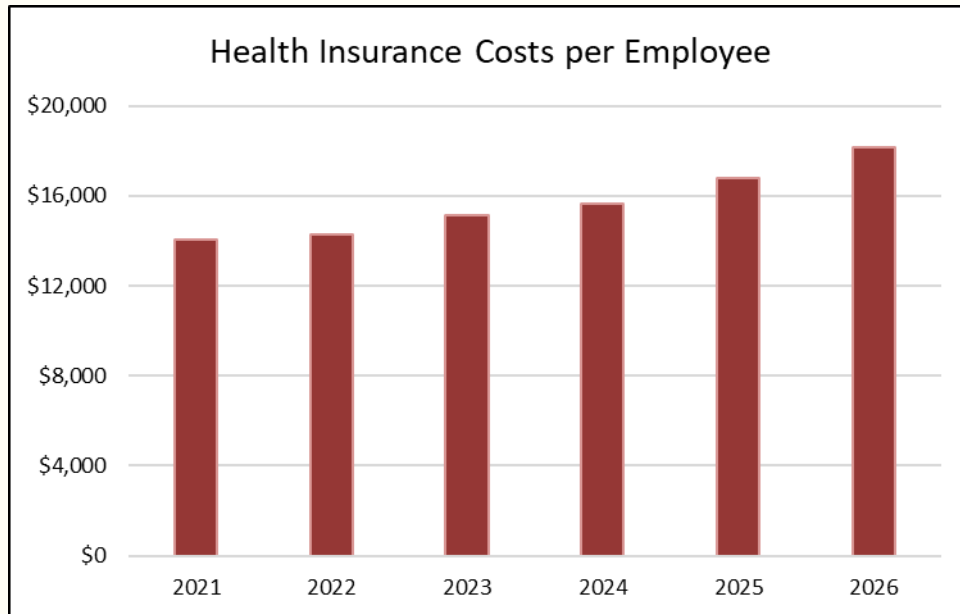


KCHA Workforce



Comprehensive Benefits

- 🏠 Total cost of salary and benefits increases in the 2026 budget is \$2.8 million.
- 🏠 The PERS employer contribution dropped to 5.58% totaling \$3.3 million compared to 10.39% and \$6.0 million in 2025
- 🏠 Fixed benefits including medical, dental, vision and life insurance is budgeted at \$18,148 per employee totaling \$11.3 million compared to \$16,810 in 2025.



¹ COLA calculated using the CPI-W Half1 index published by Bureau of Labor Statistics

Investing in Our Workforce

- 🏠 Learning & Development – LIFT Academy, DayForce & Yardi Training
- 🏠 Focus on Leadership development
- 🏠 Employee Association
- 🏠 Employee Committees
- 🏠 Continuing Education and Tuition reimbursement for staff
- 🏠 Wellness activities





King County
Housing
Authority

Questions?



THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5810

**AUTHORIZING APPROVAL OF THE COMPREHENSIVE OPERATING AND CAPITAL
BUDGETS FOR CALENDAR YEAR BEGINNING JANUARY 1, 2026**

WHEREAS, the Chief Executive Officer has submitted Comprehensive Operating and Capital Budget for the Calendar Year beginning January 1, 2026 (Calendar Year 2026); and

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

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

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

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

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

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

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

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

SECTION 1: The following expenditures are hereby authorized for the Calendar Year beginning January 1, 2026:

| | Expenses | Capital | Total |
|-------------------------|----------------------|----------------------|----------------------|
| Federal Programs | \$379,864,043 | \$8,041,691 | \$387,905,735 |
| Local Programs | 175,917,454 | 44,805,949 | 220,723,403 |
| Development Activities | 6,701,302 | 74,870,091 | 81,571,393 |
| Total 2026 Expenditures | <u>\$562,482,799</u> | <u>\$127,717,731</u> | <u>\$690,200,530</u> |

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

**ADOPTED AT A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF
THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING
THIS 15th DAY OF DECEMBER, 2025.**

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

JERRY LEE, Chair
Board of Commissioners

ROBIN WALLS
President/CEO and Secretary-Treasurer

KING COUNTY HOUSING AUTHORITY

2026 Budget (Cash Basis)

(excludes non-KCHA-managed component units)

EXHIBIT A

| | Operations and Capital | | | | | | |
|---|------------------------|----------------------|----------------------|----------------------|--------------------|----------------|---------------------|
| | Federal Programs | Local Programs | 2026 Proposed Budget | 2025 Adopted Budget | Dollar Change | Percent Change | Development |
| Beginning Balance, Unrestricted Cash | 46,575,143 | 137,561,818 | 184,136,961 | | | | (28,101,632) |
| Revenues | | | | | | | |
| Tenant Revenue | 18,778,063 | 171,147,819 | 189,925,881 | 176,440,584 | 13,485,298 | 7.6% | - |
| Operating Fund Subsidy from HUD | 13,909,304 | 5,079 | 13,914,383 | 13,220,333 | 694,050 | 5.2% | - |
| Section 8 Subsidy from HUD | 279,350,187 | 470,000 | 279,820,187 | 280,574,451 | (754,264) | -0.3% | - |
| Other Operating Revenue | 50,851,543 | 40,621,063 | 91,472,606 | 85,419,424 | 6,053,182 | 7.1% | 6,625,178 |
| Total Operating Revenues | 362,889,098 | 212,243,960 | 575,133,058 | 555,654,792 | 19,478,266 | 3.5% | 6,625,178 |
| Expenses | | | | | | | |
| Salaries & Benefits | (35,680,208) | (61,171,501) | (96,851,709) | (96,872,646) | 20,937 | 0.0% | (1,418,482) |
| Routine Maintenance, Utilities, Taxes & Insurance | (17,631,173) | (40,407,234) | (58,038,407) | (53,703,740) | (4,334,667) | 8.1% | (60,550) |
| Other Social Service Support Expenses & HAP | (305,492,983) | (14,260,638) | (319,753,621) | (314,669,630) | (5,083,991) | 1.6% | - |
| Administrative Support Expenses | (17,451,716) | (25,455,255) | (42,906,971) | (43,805,003) | 898,032 | -2.1% | (486,145) |
| Total Operating Expenses | (376,256,080) | (141,294,627) | (517,550,708) | (509,051,018) | (8,499,689) | 1.7% | (1,965,177) |
| Net Operating Income | (13,366,982) | 70,949,333 | 57,582,350 | 46,603,774 | 10,978,577 | 23.6% | 4,660,001 |
| Non-operating Revenue | 8,787,100 | 13,973,465 | 22,760,565 | 33,159,505 | (10,398,940) | -31.4% | 25,343,507 |
| Non-operating Expenses | (3,607,963) | (34,622,826) | (38,230,789) | (34,307,582) | (3,923,207) | 11.4% | (4,736,125) |
| Net Income | (8,187,846) | 50,299,972 | 42,112,126 | 45,455,696 | (3,343,571) | -7.4% | 25,267,384 |
| Other Sources/(Uses) of Cash | | | | | | | |
| Capital Projects and Acquisitions | (8,041,691) | (44,805,949) | (52,847,640) | (52,603,565) | (244,075) | 0.5% | (74,870,091) |
| Changes in Designated Cash | 121,193 | (3,487,432) | (3,366,239) | (3,568,796) | 202,557 | -5.7% | (361,265) |
| Changes in Restricted Cash | (125,123) | (230,717) | (355,840) | (444,981) | 89,141 | -20.0% | (1,277,944) |
| Changes in Receivables | (1,478,280) | 3,804,572 | 2,326,292 | 2,308,653 | 17,639 | 0.8% | (39,762,994) |
| Changes in Other Assets | - | 81,748 | 81,748 | 81,748 | - | 0.0% | - |
| Changes in Debt | (470,000) | (22,364,157) | (22,834,157) | (19,871,807) | (2,962,350) | 14.9% | 68,592,368 |
| Changes in Other Liabilities | (1,048,127) | 822,821 | (225,306) | (1,991,797) | 1,766,491 | -88.7% | 1,394,556 |
| Changes in Equity | - | - | - | - | - | n/a | - |
| Total Other Sources/(Uses) of Cash | (11,042,029) | (66,179,113) | (77,221,142) | (76,090,545) | (1,130,596) | 1.5% | (46,285,370) |
| Transfer In from (Out to) Other Funds | | | | | | | |
| Transfers In from Other Funds | 16,737,956 | 26,408,908 | 43,146,864 | 40,673,442 | 2,473,422 | 6.1% | 1,097,265 |
| Transfers Out to Other Funds | (16,888,452) | (27,355,677) | (44,244,129) | (40,886,080) | (3,358,049) | 8.2% | - |
| Net Transfer In/(Out) | (150,496) | (946,768) | (1,097,265) | (212,638) | (884,627) | 416.0% | 1,097,265 |
| Net Change in Unrestricted Cash | (19,380,371) | (16,825,910) | (36,206,281) | (30,847,487) | (5,358,794) | 17.4% | (19,920,722) |
| Ending Balance, Unrestricted Cash | 27,194,772 | 120,735,908 | 147,930,680 | | | | (48,022,353) |
| Beginning Balance, Designated Cash | 7,652,038 | 108,066,021 | 115,718,059 | | | | - |
| Changes in Designated Cash | (121,193) | 3,487,432 | 3,366,239 | | | | 361,265 |
| Ending Balance, Designated Cash | 7,530,845 | 111,553,453 | 119,084,298 | | | | 361,265 |
| Beginning Balance, Restricted Cash | 6,461,956 | 25,494,789 | 31,956,745 | | | | 39,224,846 |
| Changes in Restricted Cash | 125,123 | 230,717 | 355,840 | | | | 1,277,944 |
| Ending Balance, Restricted Cash | 6,587,079 | 25,725,506 | 32,312,585 | | | | 40,502,790 |

2026 Capital Budget
By Responsible Department

EXHIBIT B

CONSTRUCTION ACTIVITIES

Managed by the Capital Construction Department

| | | |
|--|------------------|------------|
| Public Housing Properties | \$2,865,980 | |
| MKCRF Properties | 2,732,813 | |
| Other Properties | 1,212,897 | |
| RAD Projects | 4,840,957 | |
| Central Office Projects | 585,100 | |
| Placeholder for Pre-Construction Design Work | <u>1,057,329</u> | |
| | | 13,295,076 |

Managed by the Property Management Department

| | | |
|----------------------|------------------|-----------|
| Unit Upgrade Program | 5,675,260 | |
| Other Projects | <u>1,419,594</u> | |
| | | 7,094,854 |

Managed by the Asset Management Department

| | | |
|--|------------------|------------|
| Projects at Workforce Housing Properties | 32,981,278 | |
| Projects at Mobile Home Properties and Other | <u>2,622,100</u> | |
| | | 35,603,378 |

DEVELOPMENT/ACQUISITION ACTIVITIES

Managed by the Development Department

| | | |
|---|----------------|------------|
| Acquisition Placeholder | 60,000,000 | |
| Hope VI Properties | 1,779,424 | |
| Trailhead Land Site Acquisition | 6,600,000 | |
| Pre-development Activities-Issaquah Trailhead | 1,500,000 | |
| Pre-development Activities-Other | <u>340,000</u> | |
| | | 70,219,424 |

OTHER ACTIVITIES

| | | |
|-------------------------|----------------|-----------|
| Technology Expenditures | 1,000,000 | |
| Safety & Security | 300,000 | |
| Vehicles & Other | <u>205,000</u> | |
| | | 1,505,000 |

TOTAL BUDGETED CAPITAL EXPENDITURES

\$127,717,731

T A B N U M B E R



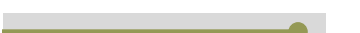

5

Households Served




point in time as of September 2025¹

24,139

Finance

| | Budgeted | Actual | Actual to Budget | |
|---------------------------------|---------------|---------------|------------------|---|
| Revenue year-to-date | \$415,012,645 | \$427,935,541 | 103.1% |  |
| Expenditure year-to-date | \$380,861,015 | \$362,172,943 | 95.1% |  |
| LGIP Rate Investments | 4.69% | 4.29% | -0.4% |  |
| Non-LGIP Investments | 4.69% | 3.09% | -1.6% |  |

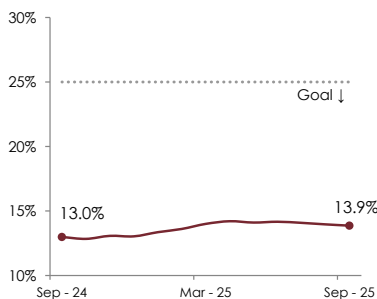
Housing Management

| | Scope | Target | September '25 | |
|--|--------------|--------|---------------|---|
| Public Housing Occupancy ² | 2,453 units | 98.0% | 98.2% |  |
| Local Programs Occupancy ³ | 9,012 units | 96.5% | 98.2% |  |
| Total Units Online | 11,465 units | | 12,782 |  |

Housing Choice Voucher Program Operations

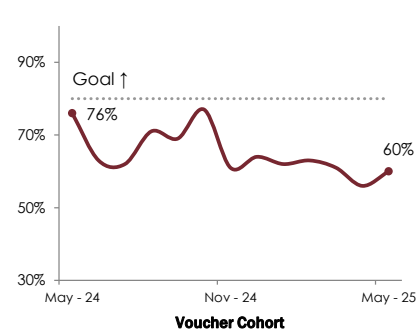
Shelter Burden

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



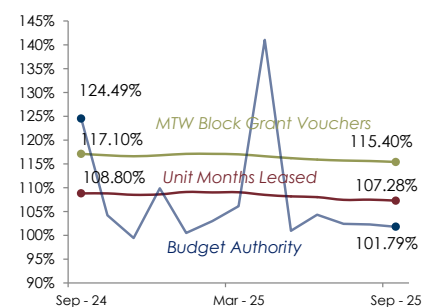
Shopping Success

Lease up success rate within 180 days of voucher issuance, by month of issuance.



Utilization Rate⁴

Percentage of HUD ACC leased by month and by budget authority.⁵



Focus Areas

Opportunity Area Access

Percentage of households with children living in high opportunity areas.



Notes

1) Includes households in federally subsidized programs, workforce housing, and local programs. 2) Excludes 49 units in portfolio where turnover is not tracked monthly. 3) Kirkland Heights is not factored in to occupancy rates because it is under construction. 4) Does not include Emergency Housing Vouchers. 5) HUD measures utilization by both unit months and budget authority. Historically, budget authority is a more important metric.

T A B N U M B E R

6



King County
Housing
Authority

RAD Conversion Update

Repositioning KCHA's public housing portfolio to the Section 8 program through HUD's Rental Assistance Demonstration (RAD) program.

December 15, 2025



Background

- 🏠 **May 2025** - Board of Commissioners adopted Resolution No. 5793 approving submission of:
 - a RAD **Portfolio Award** application to HUD for conversion of up to the entirety of KCHA public housing units (2,453 total public housing units) to PBV or PBRA; and
 - RAD applications for **six properties** (340 total public housing units) for conversion to RAD PBV.
- 🏠 **June 2025** - KCHA staff submitted a Portfolio Award application and six separate RAD applications for each public housing properties in **Cohort 1**: Briarwood, Brittany Park, Lake House, Munro Manor, Riverton Terrace II, and Yardley Arms.
- 🏠 **July 2025** – Board of Commissioners adopted Resolution No. 5799 approving RAD Amended to KCHA's 2025 MTW Plan.
- 🏠 **November 2025** - Board of Commissioners adopted Resolution No. 5809 approving submission of RAD applications for **seven properties** (485 total public housing units) for conversion to RAD PBV.
- 🏠 **December 2025** - KCHA staff submitted seven separate RAD applications for each public housing properties in **Cohort 2**: Boulevard Manor, Burndale Homes, Eastside Terrace, Firwood Circle, Paramount House, Southridge House, and Valli Kee.



RAD Conversion Plan



KCHA's RAD Conversion Plan

- Reposition KCHA's Public Housing properties to the Section 8 program through HUD's **Rental Assistance Demonstration** (RAD) program.
- Convert up to all **2,453** public housing units to RAD **Project-Based Vouchers** (PBVs).

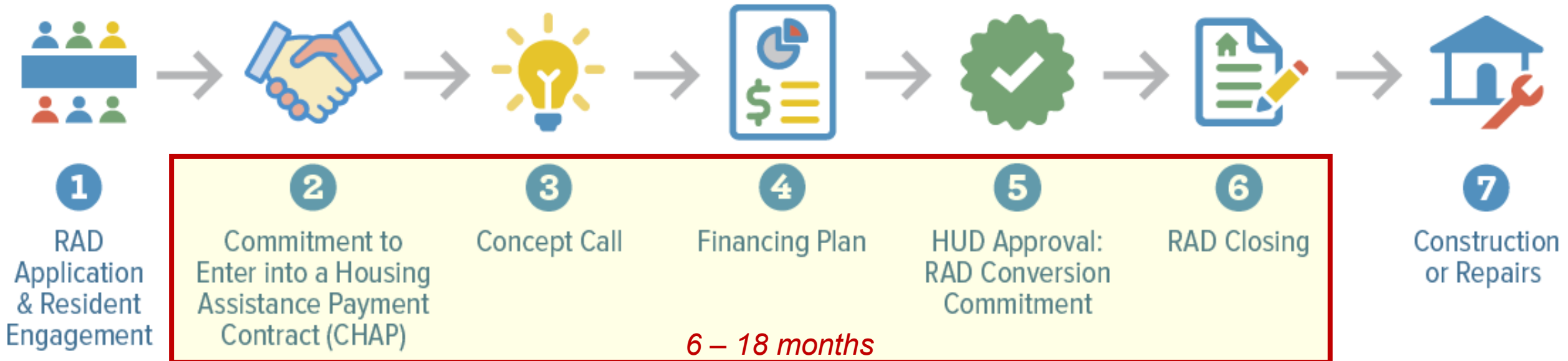
Reasoning

- For many years Congressional appropriations for public housing have been insufficient to cover the actual costs to administer the public housing program and to maintain the physical assets.
- Repositioning our public housing units to the Section 8 program through RAD conversion would provide greater assurance of long-term funding stability while preserving deep rental subsidies for residents.

RAD Conversion Process

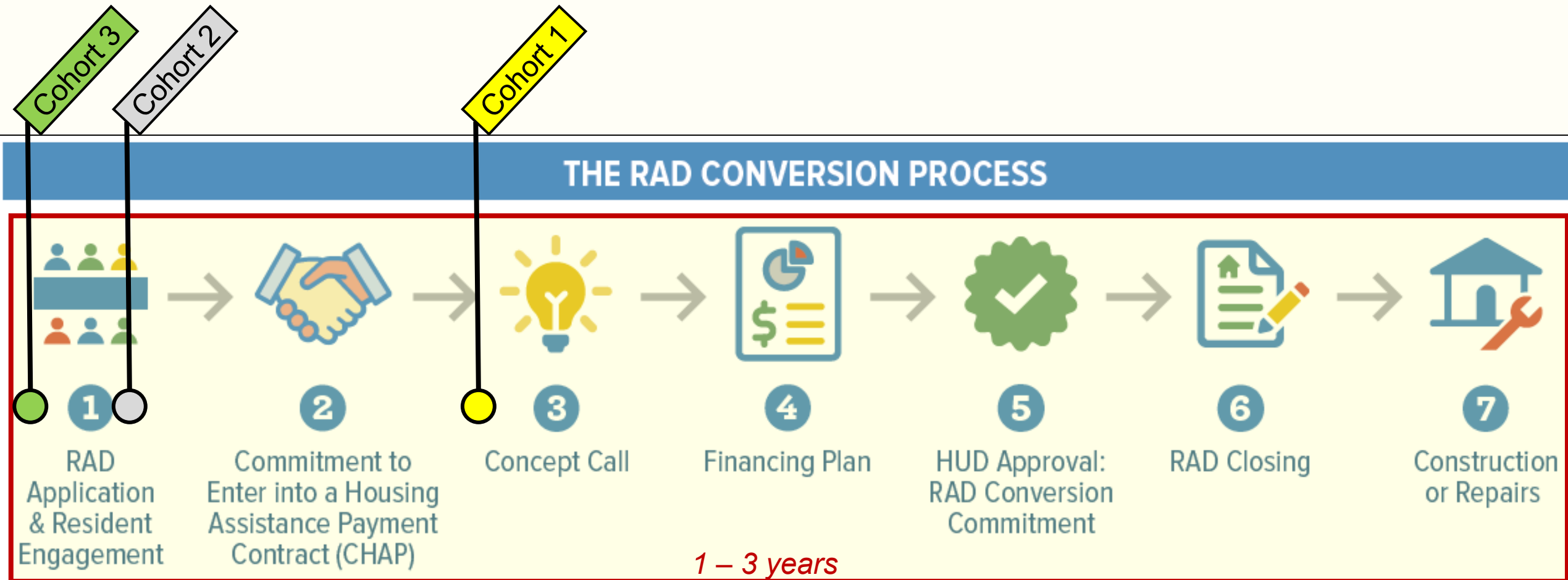
- Most RAD conversions typically take **6 – 18 months**, from the date HUD approves the application (CHAP award) until closing (conversion to RAD PBVs).

THE RAD CONVERSION PROCESS



RAD Conversion Process

- 🏠 The **entire process**, from initial resident engagement through the end of construction (if applicable) could take **3 years**.



Types of RAD Conversions

🏠 **Subsidy-Only (no-debt):**

- Straight RAD conversion (100% RAD PBVs)
- No rehab/construction
- No debt

🏠 **Construction Blend:**

- Blend of RAD and Section 18 Disposition (%Tenant Protection Vouchers / % RAD PBVs)
- Some level of rehab/construction
- Includes debt (Financed through KCHA and Bank Loan)
- Higher revenue from TPVs will help offset debt payments

🏠 **Construction Blend - LIHTC:**

- Construction Blend using Low-Income Housing Tax-Credits (LIHTC) to attract private investor equity help to finance the rehab/construction.

Types of RAD PBV Conversions

🏠 **Small PHA Blend** (Only available to KCHA once we reach 250 or fewer public housing units):

- Blend of RAD and Section 18 Disposition (90% TPV / 10% RAD PBV)
- No rehab/construction
- No debt

90% TPVs for this final RAD conversion cohort could increase annual revenue by over **\$3.5 million**

Phased Approach

We are still early in the RAD conversion process and KCHA's plans are subject to change

- 🏠 KCHA plans to convert our public housing inventory to the Section 8 program in groups
- 🏠 Some groups will convert through a straight RAD (subsidy-only) conversion, without any construction
- 🏠 Some groups will convert through a **blend** of RAD and Section 18 Disposition (includes construction)
- 🏠 We could convert our entire portfolio to the Section 8 program as early as **2029**, but it may take longer

| RAD Cohort / Application Group | Type of Conversion | Resident Notice – Initial Engagement | Estimated Closing | Status |
|--------------------------------|----------------------------|--------------------------------------|-------------------|-----------------------|
| Cohort 1 | Subsidy Only (no-debt) | Q2 2025 | Q3 2026 | Application Approved |
| Cohort 2 | Subsidy Only (no-debt) | Q3 2025 | Q4 2026 | Application Submitted |
| Cohort 3 | Construction Blend | Q1 2026 | Q3 2027 | Planning |
| Cohort 4 | Subsidy Only (no-debt) | Q2 2026 | Q4 2027 | Planning |
| Cohort 5 | Construction Blend - LIHTC | TBD | TBD | Planning |
| Cohort 6 | Small PHA Blend | TBD | TBD | Not started |



Resident Engagement

Questions and comments from meetings with residents





Residents Meetings

Resident Meetings

- 🏠 **RAC Meeting** - February 11th
- 🏠 **Brittany Park** - April 14th
- 🏠 **Yardley Arms** - April 15th
- 🏠 **Riverton Terrace II** - April 16th
- 🏠 **Munro Manor** - April 16th
- 🏠 **Lake House** - April 18th
- 🏠 **Briarwood** - April 18th
- 🏠 **RAD Webinar Cohort 1** – May 1st
- 🏠 **RAC Meeting** – June 24th
- 🏠 **Briarwood** – September 18th
- 🏠 **Boulevard Manor** – September 24th

- 🏠 **Firwood Circle** – September 25th
- 🏠 **Riverton Terrace II** – October 2nd
- 🏠 **Burndale Homes** – October 2nd
- 🏠 **Brittany Park** – October 6th
- 🏠 **Southridge House** – October 7th
- 🏠 **Munro Manor** – October 8th
- 🏠 **Lake House** – October 9th
- 🏠 **Yardley Arms** – October 14th
- 🏠 **Valli Kee** – October 14th
- 🏠 **Paramount House** – 15th
- 🏠 **Eastside Terrace** – October 23rd
- 🏠 **RAD Webinar Cohort 1** – October 28th
- 🏠 **RAD Webinar Cohort 2** – October 28th

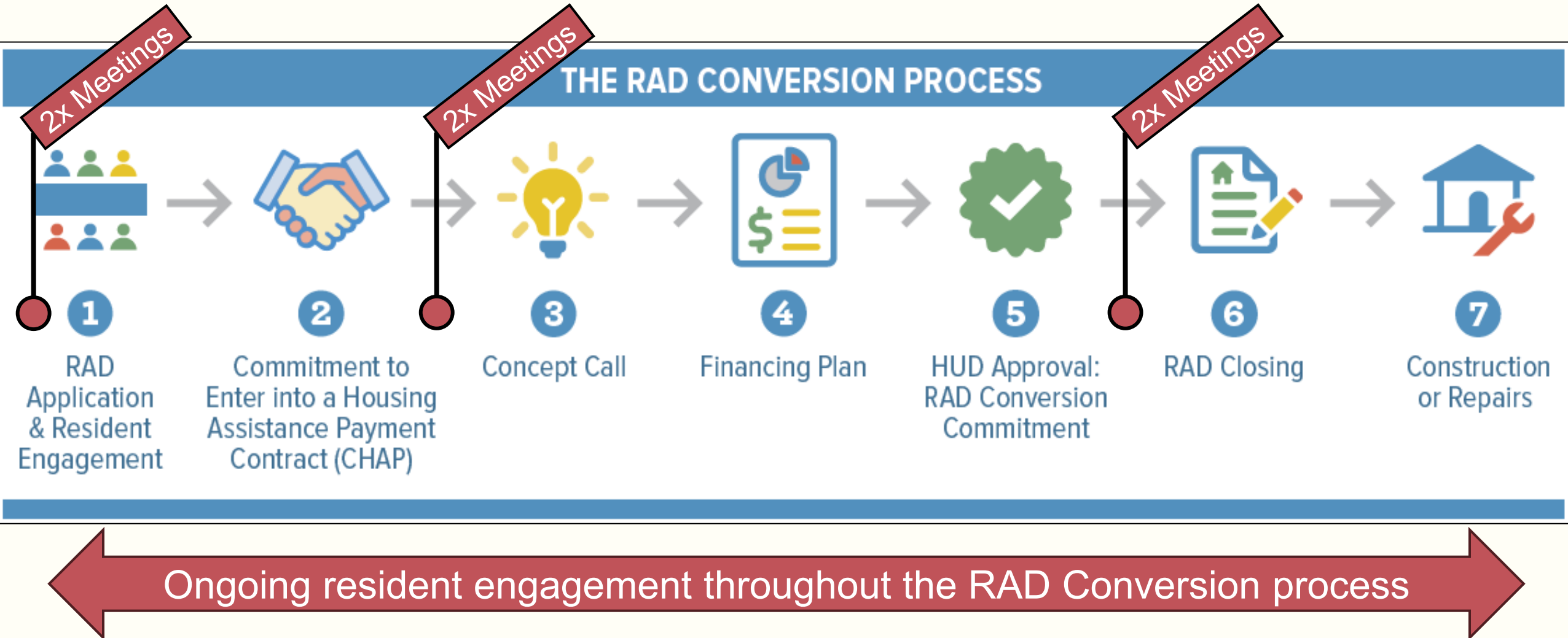


24 meetings
with residents

Top Resident Concerns

1. Rent Increases
2. Eligibility / Re-screening
3. Losing their apartment unit
4. Temporary Relocation
5. Funding cuts to the Section 8 program
6. Changes to the Section 8 program (e.g. work requirements)

Resident Engagement



Questions?

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7



King County Housing Authority

Memo

TO: Board of Commissioners

FROM: Wendy Teh
Vice President of Finance

DATE December 15, 2025

RE: 2025 Third Quarter Financial Report

Executive Summary

Third quarter 2025 financial results for KCHA, excluding development activities, exceeded budget projections. Operating income was approximately \$12.9 million more than budget with tenant revenue, block grant revenue and public housing operating subsidy higher than expected. Operating expenses were 95% of budget and approximately \$18.7 million less than anticipated. The key drivers included reduced payroll costs due to unfilled positions as well as continued lower spending on social services, occupancy and administrative costs. As a result, net operating income was higher than budget by \$35.7 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 \$10.6 million above budget. Tenant revenue as well as federal subsidies for both HCV and PH were higher than anticipated. Operating expenses were under budget at 98% of the budgeted total. This resulted in additional net operating income of \$16.7 million.

Other highlights include:

- Housing Assistance Payments for Mainstream, Foster Youth to Independence (FYI) and Family Unification Program (FUP) were underfunded and considered to be in shortfall status.
- Capital Construction projects were below target with approximately 76% of budget spent to date
- Social Service Expenses were below target for contracts, materials, and homeless housing programs
- Salaries and benefits were below budget approximately \$4.0 million due to unfilled positions.

The Local Programs and Properties had operating revenue that was \$2.4 million above budget. Combined with lower-than-expected expenditures, net operating income was \$14.9 million more than budget. The main driver of the higher-than-expected operating revenue was tenant rents. Lower payroll, occupancy, social service and administrative expenses contributed to an overall reduction of \$12.6 million in operating expenses.

Other notable highlights include:

- Maintenance expenses lower than anticipated as projects were put on hold due to funding uncertainty
- Administrative categories under budget include Professional Services, Administrative Contracts, and Computer Equipment
- Brier Woods and Highlander House Apartments were acquired for a total of \$45.1 million with proceeds from the KeyBank line of credit

For Development activities, net income was higher than expected due to the unbudgeted donation of the Skyway US Bank land donation valued at \$1.4 million. Operating expenses were approximately 77% of budget. Other highlights include:

- Non-operating income from the Kirkland Heights developer fee was higher than anticipated
- Debt for new acquisitions was under budget as the purchases of Brier Woods and Highlander House were booked in Local Programs

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 Statement of Financial Position, or 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 September 30, 2025

| | 2025 YTD Actual | 2025 YTD Budget | % of YTD Budget | |
|---|--------------------------------|--------------------------------|--------------------------------|------|
| Operating Revenues | | | | |
| 1 Tenant Revenue | \$134,241,024 | \$130,400,516 | 103% | |
| 2 Operating Subsidy from HUD-HCV | 219,701,195 | 209,645,234 | 105% | (1) |
| 3 Operating Subsidy from HUD-PH | 11,304,963 | 9,915,250 | 114% | (2) |
| 4 Port-In Income | 31,268,202 | 31,945,573 | 98% | |
| 5 Other Operating Income | 31,420,158 | 33,106,072 | 95% | |
| 6 Total Operating Income | 427,935,541 | 415,012,645 | 103.1% | |
| Operating Expenses | | | | |
| 7 Salaries | 49,920,307 | 55,231,079 | 90% | (3) |
| 8 Benefits | 15,559,616 | 18,448,374 | 84% | (3) |
| 9 Occupancy Expenses | 37,567,736 | 40,076,224 | 94% | (4) |
| 11 HAP Expense-KCHA | 182,749,969 | 183,468,038 | 100% | |
| 12 HAP Expense-Ports In | 31,928,524 | 31,945,573 | 100% | |
| 13 Other Social Service Expenses | 16,373,738 | 18,900,371 | 87% | (5) |
| 14 Administrative Expenses | 28,073,053 | 32,791,355 | 86% | (6) |
| 15 Total Operating Costs | 362,172,943 | 380,861,015 | 95% | |
| 16 Net Operating Income | 65,762,599 | 34,151,630 | 193% | |
| Non-Operating Revenues | | | | |
| 17 Non-Operating income | 22,621,296 | 28,064,434 | 81% | (7) |
| 18 Total Non-Operating Income | 22,621,296 | 28,064,434 | 81% | |
| Non-Operating Expenses | | | | |
| 19 Interest Payments | 27,597,896 | 25,702,038 | 107% | |
| 20 Non-Operating Expenses | 581,341 | 1,160,984 | 50% | (8) |
| 21 Total Non-Operating Expenses | 28,179,237 | 26,863,022 | 105% | |
| 22 Net Non-Operating Income (Loss) | (5,557,940) | 1,201,412 | NM | |
| 23 Net Income(Loss) | 60,204,658 | 35,353,042 | 170% | |
| Adjustments to Cash - Sources (Uses) | | | | |
| 24 Principal Payments | (49,697,206) | (16,740,591) | 297% | (9) |
| 25 Capital Expenditures | (37,885,210) | (43,260,349) | 88% | (10) |
| 26 Acquisitions/LIHTC Return to KCHA | (45,090,000) | 0 | NM | (11) |
| 27 Change (to)/from Designated Cash | (4,582,238) | (2,676,597) | 171% | (12) |
| 28 Change (to)/from Restricted Cash | (5,078,914) | (873,714) | 581% | (13) |
| 29 Transfers In/(Out) | 724,298 | (227,022) | NM | |
| 30 Other Changes in Debt | 45,090,000 | 0 | NM | (11) |
| 31 Others Sources/(Uses of Cash) | 37,941,655 | (1,269,379) | NM | (14) |
| 32 Total Adjustments to Cash | (58,577,614) | (65,047,651) | 90% | |
| 33 Net Change in Unrestricted Cash | \$1,627,044 | (\$29,694,609) | NM | |
| 34 Beginning Cash Balance-Unrestricted/Held by Mgmt Agent | 323,540,454 | | | |
| 35 Ending Cash Balance-Unrestricted/Held by Mgmt Agent | 334,828,649 | | | |

Footnotes:

- 1) Actual HCV subsidy funding received during the first quarter exceeded target. Additional funding totaling \$7.6 million was received to pay-off the MKCRF Federal Home Loan Bank (FHLB) loan.
- 2) Operating fund subsidy exceeded target; the budget assumed 92 percent prorate while actual funding was at 102.6 percent.
- 3) Salaries and benefit were below target due to unfilled positions.
- 4) Due to federal funds uncertainty, various maintenance projects are on hold.
- 5) Weatherization projects are below target but expected to increase in the latter part of the grant period. Also, due to slow spending on Resident Service and Homeless Program contracts.
- 6) Various categories were under target: professional services, admin contracts, and computer equipment.
- 7) As the Westminster roof project was completed significantly under budget (see note 10), the corresponding CFP grant draws were below target. Also, interest income earned on deposits were below target.
- 8) Mainly due to insurance reimbursement for Kendal Ridge and Ballinger Commons fire loss. Also, unbudgeted MKCRF capital transfer. Also, unbudgeted MKCRF capital transfer.
- 9) Due to payoff of the \$17 million Overlake bond with proceed from 2025 Revenue Bond and write-off of KCHA loan to Green River Homes II as the Investor exited and the property is acquired by the Authority. Also, due to pay-off the MKCRF \$7.6 million Federal Home Loan Bank (FHLB) loan from proceeds of the MTW reserves. Finally, due to payment of the Birch Creek and Spiritwood lease payable from distribution of net cash flow.
- 10) The Westminster roof project was completed significantly under budget, with final costs totaling \$2.5 million compared to the budget of \$5 million. The Sandpiper East bridge and riparian project was budgeted evenly throughout the year. As of the end of the third quarter, the project is 70% complete and is on track for full completion by February 2026.
- 11) Brier Woods and Highlander House Apartments were acquired for \$40.8 million and \$4.3 million, respectively, with the proceeds KeyBank Line of Credit. \$60 million was budgeted for new housing acquisitions 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. Finally, As the Yardi project progresses, release from technology reserve exceeded target.
- 13) Due to higher than budgeted deposits to debt service reserves.
- 14) Mainly due to write-off of the \$17 million Overlake passthrough loan receivable and write-off of KCHA loan receivable to Green River Homes II totaling \$13 million (see note 6). Also, due to increase accounts payable and decrease in accounts receivable, grant receivable and prepaid insurance.



**King County Housing Authority
Income Statement with Cash Adjustments
Federal Programs and Properties
For the Period Ended September 30, 2025**

| | 2025 YTD Actual | 2025 YTD Budget | % of YTD Budget | |
|--|--------------------------------|--------------------------------|--------------------------------|------|
| Operating Revenues | | | | |
| 5 Tenant Revenue | 11,612,321 | 11,401,578 | 102% | |
| 6 Operating Subsidy from HUD-HCV | 219,331,326 | 209,292,452 | 105% | (1) |
| 7 Operating Subsidy from HUD-PH | 11,304,963 | 9,907,492 | 114% | (2) |
| 8 Port-In Income | 31,268,202 | 31,945,573 | 98% | |
| 9 Other Operating Income | 4,708,408 | 5,112,695 | 92% | (3) |
| Total Operating Income | 278,225,220 | 267,659,790 | 104% | |
| Operating Expenses | | | | |
| 10 Salaries | 17,626,848 | 20,245,106 | 87% | (4) |
| 11 Benefits | 6,089,890 | 7,471,884 | 82% | (4) |
| 12 Occupancy Expenses | 12,020,087 | 11,526,342 | 104% | |
| 13 Maintenance Projects | - | - | NM | |
| 14 HAP Expense-KCHA | 182,749,969 | 183,468,038 | 100% | |
| 15 HAP Expense-Ports In | 31,928,524 | 31,945,573 | 100% | |
| 16 Other Social Service Expenses | 8,749,192 | 9,947,086 | 88% | (5) |
| 17 Administrative Expenses | 12,688,081 | 13,362,587 | 95% | |
| Total Operating Costs | 271,852,591 | 277,966,616 | 98% | |
| Net Operating Income | 6,372,629 | (10,306,826) | NM | |
| Non-Operating Revenues | | | | |
| 21 Non-Operating income | 9,697,754 | 13,017,554 | 74% | (6) |
| Total Non-Operating Income | 9,697,754 | 13,017,554 | 74% | |
| Non-Operating Expenses | | | | |
| 19 Interest Payments | 3,233,439 | 2,820,772 | 115% | (7) |
| 22 Non-Operating Expenses | (232,752) | 0 | NM | (8) |
| Total Non-Operating Expenses | 3,000,688 | 2,820,772 | 106% | |
| Net Non-Operating Income (Loss) | 6,697,067 | 10,196,782 | 66% | |
| Net Income(Loss) | 13,069,696 | (110,044) | -11877% | |
| Adjustments to Cash - Sources (Uses) | | | | |
| 18 Principal Payments | 217,411 | (253,750) | NM | |
| 23 Capital Expenditures | (9,512,105) | (12,498,296) | 76% | (9) |
| 30 Acquisitions/LIHTC Return to KCHA | 0 | 0 | NM | |
| 24 Change in Designated Cash | 1,122,749 | (225,602) | NM | (10) |
| 25 Change in Restricted Cash | (332,265) | (53,998) | 615% | (11) |
| 26 Transfers In/Out | (8,406,600) | (848,319) | 991% | (12) |
| 31 Other Changes in Debt | 0 | 0 | NM | |
| 27 Others Sources/(Uses of Cash) | 1,064,611 | (1,116,154) | NM | (13) |
| Non Operating Net Sources (Uses) of Cash | (15,846,199) | (14,996,119) | 106% | |
| Net Change in Unrestricted Cash | \$ (2,776,504) | \$ (15,106,163) | 18% | |
| Beginning Cash Balance-Unrestricted/Held by Mgmt Agent | 66,818,995 | | | |
| Ending Cash Balance-Unrestricted/Held by Mgmt Agent | 63,252,007 | | | |

Footnotes:

- 1) Actual HCV subsidy funding received during the third quarter exceeded target. Additional funding totaling \$7.6 million was received to pay-off the MKCRF Federal Home Loan Bank (FHLB) loan.
- 2) Operating fund subsidy exceeded target; the budget assumed 92 percent prorate while actual funding was at 102.6 percent.
- 3) Mainly due to lower than budgeted portability admin fee.
- 4) Salaries and benefit were below target due to unfilled positions.
- 5) Slow spending on Resident Service and Homeless Program contracts.
- 6) As the Westminster roof project was completed significantly under budget (see note 9), the corresponding CFP grant draws were below target. Also, interest income earned on deposits were below target.
- 7) Mainly due to unbudgeted Seola Crossing bond interest expense.
- 8) Technical accounting entry to adjust interest expense related to blended component units.
- 9) The Westminster roof project was completed significantly under budget, with final costs totaling \$2.5 million compared to the budget of \$5 million.
- 10) As the Yardi project progresses, release from technology reserve exceeded target.
- 11) Deposit to Seola Crossing debt service reserve account has yet to be made.
- 12) Mainly due to transfer from MTW to pay-off the MKCRF \$7.6 million Federal Home Loan Bank (FHLB) loan. Unbudgeted.
- 13) Mainly due to increase accounts payable and decrease in accounts receivable, grant receivable and prepaid insurance.



**King County Housing Authority
Income Statement with Cash Adjustments
Local Programs and Properties
For the Period Ended September 30, 2025**

| | 2025 YTD Actual | 2025 YTD Budget | % of YTD Budget | |
|--|-----------------------|-----------------------|-----------------------|------|
| Operating Revenues | | | | |
| 5 Tenant Revenue | 122,628,703 | 118,998,938 | 103% | |
| 6 Operating Subsidy from HUD-HCV | 369,869 | 352,782 | 105% | |
| 7 Operating Subsidy from HUD-PH | - | 7,757 | 0% | |
| 8 Port-In Income | - | - | NM | |
| 9 Other Operating Income | 26,711,749 | 27,993,377 | 95% | |
| Total Operating Income | 149,710,322 | 147,352,855 | 102% | |
| Operating Expenses | | | | |
| 10 Salaries | 32,293,459 | 34,985,973 | 92% | (1) |
| 11 Benefits | 9,469,726 | 10,976,490 | 86% | (1) |
| 12 Occupancy Expenses | 25,547,649 | 28,549,882 | 89% | (2) |
| 13 Maintenance Projects | - | - | NM | |
| 14 HAP Expense-KCHA | - | - | NM | |
| 15 HAP Expense-Ports In | - | - | NM | |
| 16 Other Social Service Expenses | 7,624,546 | 8,953,286 | 85% | (3) |
| 17 Administrative Expenses | 15,384,972 | 19,428,768 | 79% | (4) |
| Total Operating Costs | 90,320,352 | 102,894,399 | 88% | |
| Net Operating Income | 59,389,969 | 44,458,456 | 134% | |
| Non-Operating Revenues | | | | |
| 21 Non-Operating income | 12,923,542 | 15,046,880 | 86% | (5) |
| Total Non-Operating Income | 12,923,542 | 15,046,880 | 86% | |
| Non-Operating Expenses | | | | |
| 19 Interest Payments | 24,364,456 | 22,881,266 | 106% | |
| 22 Non-Operating Expenses | 814,093 | 1,160,984 | 70% | (6) |
| Total Non-Operating Expenses | 25,178,549 | 24,042,251 | 105% | |
| Net Non-Operating Income (Loss) | (12,255,007) | (8,995,370) | 136% | |
| Net Income(Loss) | 47,134,962 | 35,463,085 | 133% | |
| Adjustments to Cash - Sources (Uses) | | | | |
| 18 Principal Payments | (49,914,617) | (16,486,841) | 303% | (7) |
| 23 Capital Expenditures | (28,373,105) | (30,762,053) | 92% | (8) |
| 40 Acquisitions/LIHTC Return to KCHA | (45,090,000) | - | NM | (9) |
| 24 Change in Designated Cash | (5,704,987) | (2,450,995) | 233% | (10) |
| 25 Change in Restricted Cash | (4,746,648) | (819,716) | 579% | (11) |
| 26 Transfers In/Out | 9,130,898 | 621,298 | 1470% | (12) |
| 41 Other Changes in Debt | 45,090,000 | - | NM | (9) |
| 27 Others Sources/(Uses of Cash) | 36,877,045 | (153,225) | NM | (13) |
| Non Operating Net Sources (Uses) of Cash | (42,731,414) | (50,051,532) | 85% | |
| Net Change in Unrestricted Cash | 4,403,548 | (14,588,446) | NM | |
| Beginning Cash Balance-Unrestricted/Held by Mgmt Agent | 256,721,459 | | | |
| Ending Cash Balance-Unrestricted/Held by Mgmt Agent | 271,576,642 | | | |

Footnotes:

- 1) Salaries and benefit were below target due to unfilled positions.
- 2) Due to federal funds uncertainty, various maintenance projects are on hold.
- 3) Weatherization projects are below target but expected to increase in the latter part of the grant period.
- 4) Various categories were under target: professional services, admin contracts, and computer equipment.
- 5) Interest income earned on deposits was less than anticipated in the budget.
- 6) Mainly due to insurance reimbursement for Kendal Ridge and Ballinger Commons fire loss. Also, unbudgeted MKCRF capital transfer.
- 7) Due to payoff of the \$17 million Overlake bond with proceed from 2025 Revenue Bond and write-off of KCHA loan to Green River Homes II as the Investor exited and the property is acquired by the Authority. Also, due to pay-off the MKCRF \$7.6 million Federal Home Loan Bank (FHLB) loan from proceeds of the MTW reserves. Finally, due to payment of the Birch Creek and Spiritwood lease payable from distribution of net cash flow.
- 8) The Sandpiper East bridge and reparian project was budgeted evenly throughout the year. As of the end of the third quarter, the project is 70% complete and is on track for full completion by February 2026.
- 9) Brier Woods and Highlander House Apartments were acquired for \$40.8 million and \$4.3 million, respectively, with the proceeds KeyBank Line of Credit. \$60 million was budgeted for new housing acquisitions in the development fund group.
- 10) Deposits to replacement reserves were higher than budgeted. Also, the budgeted draw from Sandpiper property improvement reserve has yet to occur.
- 11) Due to higher than budgeted deposits to debt service reserves.
- 12) Transfer from MTW to pay-off the MKCRF \$7.6 million Federal Home Loan Bank (FHLB) loan. Unbudgeted.
- 13) Mainly due to write-off of the \$17 million Overlake passthrough loan receivable and write-off of KCHA loan receivable to Green River Homes II totaling \$13 million (see note 6). This is partially offset by decrease in accounts



**King County Housing Authority
Income Statement with Cash Adjustments
Development Activity
For the Period Ended September 30, 2025**

| | 2025 TYD Actual | 2024 YTD Budget | % of YTD Budget | |
|--|--------------------------------|--------------------------------|--------------------------------|-----|
| Operating Revenues | | | | |
| 1 Operating Revenue | 1,608,742 | 15,012 | 10716% | (1) |
| 2 Total Operating Income | 1,608,742 | 15,012 | 10716% | |
| Operating Expenses | | | | |
| 3 Operating Expenses | 783,367 | 1,014,369 | 77% | (2) |
| 4 Total Operating Costs | 783,367 | 1,014,369 | 77% | |
| Net Operating Income (Loss) | 825,375 | (999,357) | NM | |
| Non-Operating Revenues | | | | |
| 5 Non-Operating income | 11,765,804 | 10,288,135 | 114% | (3) |
| Non-Operating Expenses | | | | |
| 6 Non-Operating Expenses | 0 | 0 | NM | |
| 7 Interest Payments | 4,709,396 | 4,765,788 | 99% | |
| Total Non-Operating Expenses | 4,709,396 | 4,765,788 | 99% | |
| Net Non-Operating Income (Loss) | 7,056,408 | 5,522,347 | 128% | |
| Net Income(Loss) | 7,881,782 | 4,522,991 | 174% | |
| Adjustments to Cash - Sources (Uses) | | | | |
| 8 Change in Debt | 3,293,382 | 48,687,228 | 7% | (4) |
| 9 Capital Expenditures | (2,576,868) | (2,448,687.36) | 105% | |
| 10 Acquisitions/LIHTC Return to KCHA | (1,406,500) | (45,036,000) | 3% | (4) |
| 12 Change in Restricted Cash | (2,049,092) | (1,127,005) | 182% | (5) |
| 13 Transfers In/Out | (724,298) | 609,272 | NM | (6) |
| 15 Others Sources/(Uses of Cash) | (19,862,580) | (18,925,296) | 105% | (7) |
| Non Operating Net Sources (Uses) of Cash | (23,325,956) | (18,511,625) | 126% | |
| Net Change in Unrestricted Cash | (15,444,173) | (13,988,635) | 110% | |
| Beginning Cash Balance-Unrestricted/Held by Mgmt Agent | (12,980,790) | | | |
| Ending Cash Balance-Unrestricted/Held by Mgmt Agent | (28,424,963) | | | |

Footnotes:

- 1) The Skyway US Bank land donation valued \$1.4 million was unbudgeted. Also, due to Puget Sound Energy Multifamily Retrofit grant for Kirkland Heights development. Unbudgeted.
- 2) Professional service fees and expenses related to the Greenbridge lot sales was below target. Also, salaries and benefits were below target due to unfilled positions.
- 3) The Kirkland Heights developer fee income was higher than anticipated in the budget.
- 4) \$60 million was budgeted for new housing acquisitions through debt financing. The acquisition of Brier Woods for \$40.8 million occurred in the 2nd quarter booked in the local fund group. This is partially offset by \$10 million King County loan for Trailhead development project.
- 5) Due to rising interest rate, interest income earned on Program Income reserves exceeded target. Also, due to \$800K escrow deposit for Trailhead project. Unbudgeted.
- 6) Mainly due to transfer of the Skyway Vue Terrace Land sale proceeds totaling \$1.1 million to COCC for MHCP loan.
- 7) Increase in developer fee and other receivables, decrease in accounts payable offset by lower than anticipated Subordinate debt advance for Kirkland Heights Apartment project.



**King County Housing Authority
Statement of Financial Position
Combined Operations (excluding development activity)
As of September 30, 2025**

| | 2025 Actual |
|-------------------------------------|------------------------|
| Cash-Unrestricted | \$140,081,952 |
| Cash-Held by Management Agent | 36,598,525 |
| Cash-Designated | 125,545,220 |
| Cash-Restricted | 32,602,952 |
| Total Cash | 334,828,649 |
| Other Current Assets | 24,273,074 |
| Long-term Assets | 1,934,006,518 |
| Total Other Assets | 1,958,279,592 |
| Total Assets | \$2,293,108,241 |
| Current Liabilities | 81,341,142 |
| Long-Term Liabilities | 1,217,567,446 |
| Total Liabilities | 1,298,908,588 |
| Equity | 994,199,653 |
| Total Liabilities and Equity | \$2,293,108,241 |

MTW Sources & Uses

| | Actual |
|---|--------------------------------|
| <u>MTW SOURCES</u> | |
| HCV Block Grant Revenue | \$ 169,855,709 |
| Public Housing Operating Fund Subsidy | 11,304,963 |
| Capital Fund Grants | 7,195,982 |
| Other MTW Income | 434,264 |
| Total MTW Sources | <u>188,790,918</u> |
| <u>MTW USES</u> | |
| HCV | |
| Funding of HAP Payments to Landlords | (141,503,746) |
| Funding of Section 8 Administrative Costs | (8,114,094) |
| Public Housing | |
| Transfers to PH AMPs Based on Need | (1,532,147) |
| Public Housing Operating Expenses | (11,304,963) |
| Capital Fund | |
| Capital Fund Grants | (7,195,982) |
| Homeless Initiatives and Resident Services | |
| Homeless Initiatives | (1,219,579) |
| Resident Services | (8,803,743) |
| Others | |
| MTW Admin Support Costs | (349,581) |
| Construction Activity & Management Fees | (3,788,884) |
| Transfers Out-Operating-Property Support-Debt Service | 7,637,903 |
| Ilahee debt payments | (7,637,903) |
| Misc. Other Uses | (1,729,869) |
| Total MTW Uses | <u>\$ (193,180,492)</u> |

