



**King County
Housing
Authority**

**BOARD OF COMMISSIONERS
HYBRID MEETING**

**Monday,
April 20, 2026**

3:00pm

**700 Andover Park West
Tukwila, WA 98188**

Webinar Zoom ID:

816 0337 3802

HYBRID MEETING OF THE BOARD OF COMMISSIONERS AGENDA

Monday, April 20, 2026 - 3:00 p.m.

King County Housing Authority – Snoqualmie Conf. Room - 700 Andover Park West, Tukwila, WA 98188

<https://kcha-org.zoom.us/j/81603373802>

- I. Call to Order**
- II. Roll Call**
- III. Public Comment**
- IV. Approval of Minutes** **1**
 - A. Board Meeting Minutes – March 16, 2026
- V. Approval of Agenda**
- VI. Consent Agenda** **2**
 - A. Voucher Certification Reports for February 2026
- VII. Resolutions for Discussion**
 - A. Resolution No. 5823 –** **3**
Authorizing Changes to the Public Housing Admission and Continued Occupancy Policy Related to the Tenant Charge Schedule and Grievance Procedure

 - B. Resolution No. 5825–** **4**
Adoption of Revised Capital Asset Policy

VIII. Reports	
A. Safety and Security Update	5
B. Capital Construction Report	6
C. 2025 Fourth Quarter Financial Report	7
D. Tax Credit Overview	8
IX. President/CEO Report	
X. KCHA in the News	
XI. Commissioner Comments	
XII. Adjournment	

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

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

Monday, March 16, 2026

I. CALL TO ORDER

The monthly meeting of the King County Housing Authority Board of Commissioners was held as a virtual meeting on Monday, March 16, 2026. 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) and Commissioner Neal Black (via Zoom)

Excused: Commissioner Tina Keys

Absent: Commissioner Regina Elmi

III. PUBLIC COMMENT

No public comment.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – February 23, 2026

On motion by Commissioner Neal Black, and seconded by Commissioner Richard Jackson, the Board unanimously approved the February 23, 2026 meeting minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner Richard Jackson with revisions to remove Resolution No. 5823 from the agenda, and seconded by Commissioner Neal Black, the Board unanimously approved the March 16, 2026, hybrid Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Reports for January 2026

On motion by Commissioner Richard Jackson, and seconded by Commissioner Neal Black, the Board unanimously approved the March 16, 2026 hybrid Board of Commissioners' meeting consent agenda.

VII. RESOLUTIONS FOR DISCUSSION

- A. Resolution No. 5822** – Approving the Third Amendment to the Amended and Restated MTW Agreement Amending Attachment A (Calculation of Subsidies) for the RAD Between HUD and KCHA

Jessica de Barros, VP of Policy and Intergovernmental Affairs gave the key highlights and the purpose of the amendment.

On motion by Commissioner Richard Jackson, and seconded by Commissioner Neal Black, the Board unanimously approved Resolution 5822.

- B. Resolution No. 5824** – Authorizing Payment of a Retention and Accomplishment Incentive and a Base Salary Increase for the President and Chief Executive Officer (CEO) for Calendar Year 2025

Tonya Harlan, Executive VP for People and Culture presented the resolution.

On motion by Commissioner Richard Jackson, and seconded by Commissioner Neal Black, the Board unanimously approved Resolution 5824.

VIII. BRIEFINGS AND REPORTS

- A. RAD Status Report**

Chris Clevenger, Housing Initiatives Officer gave an update on RAD.

- B. 2025 Q4 Executive Dashboard**

Jessica de Barros, VP of Policy and Intergovernmental Affairs summarized the dashboard.

- C. NAHRO Hill Day Recap**

Jessica de Barros, VP of Policy and Intergovernmental Affairs gave details of the visits at Hill Day in DC.

- D. 2026 Goals**

Robin Walls, President/CEO, detailed the goals and objectives for the year.

IX. PRESIDENT/CEO REPORT

Robin Walls, President/CEO gave updates:

- Two agenda items for my report, additional feedback from Kent and the Road to Housing, were already spoken about.
- NAHRO – Came out of the legislative conference last week, HUD Secretary Turner spoke at one of the plenary sessions.

- NY Times had an article regarding VA moving to enforcing guardianship action on some of the patients that remain unhoused. We will be looking for additional VASH referrals.

X. EXECUTIVE SESSION

A. To review the performance of a public employee (RCW 42.30.110 (1) (g)).

Chair Lee announced that the Board of Commissioners will go into Executive Session to review the performance of a public employee and will reconvene the meeting at 5:00pm.

4:15pm – Board meeting was suspended.

5:12pm – Board meeting was re-convened.

XI. KCHA in the News

None.

XII. COMMISSIONER COMMENTS

None.

XIII. ADJOURNMENT

Chair Lee adjourned the meeting at 5:13 p.m.

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

JERRY LEE, Chair
Board of Commissioners

ROBIN WALLS

President/CEO and Secretary-Treasurer

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King County Housing Authority

To: Board of Commissioners

From: Mary Osier, Accounting Manager

Date: April 8, 2026

Re: **VOUCHER CERTIFICATION FOR FEBRUARY 2026**

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

 Mary Osier
 Accounting Manager
 April 8, 2026

Bank Wires / ACH Withdrawals		7,199,487.70
	<i>Subtotal</i>	7,199,487.70
Accounts Payable Vouchers		
Key Bank Checks - #361404-361919		7,132,276.40
Tenant Accounting Checks - #12634-12651		15,489.29
	<i>Subtotal</i>	7,147,765.69
Payroll Vouchers		
Checks - #913328319-913328322 & 913384211-913384221 & 913452938-913452945		89,959.22
Direct Deposit		2,820,871.68
	<i>Subtotal</i>	2,910,830.90
Section 8 Program Vouchers		
Checks - #662607-663375		2,175,863.61
ACH - #662955-665297		21,929,179.60
	<i>Subtotal</i>	24,105,043.21
Purchase Card / ACH Withdrawal		298,250.53
	<i>Subtotal</i>	298,250.53
	GRAND TOTAL	\$ 41,661,378.03

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

FROM: Wen Xu, Director of Asset Management

I, Aran Church, on behalf of 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.

Aran Church

Property	Wired to Operating Account for Obligations of Property			Notes:
	Date	Wire Transaction	Claim	
Bellepark	02/04/2026	\$ 20,118.12	AP and Payroll	
Hampton Greens	02/04/2026	\$ 68,311.51	AP and Payroll	
Kendall Ridge	02/04/2026	\$ 72,458.89	AP and Payroll	
Landmark	02/04/2026	\$ 21,193.94	AP and Payroll	
Riverstone	02/04/2026	\$ 79,279.65	AP and Payroll	
Woodside East	02/04/2026	\$ 37,693.07	AP	
ALPINE RIDGE	02/05/2026	\$ 7,943.93	AP	
ARBOR HEIGHTS	02/05/2026	\$ 32,726.06	AP	
Aspen Ridge	02/05/2026	\$ 4,917.40	AP	
Auburn Square	02/05/2026	\$ 36,528.76	AP	
Carriage House	02/05/2026	\$ 4,674.58	AP	
Carrington	02/05/2026	\$ 28,532.93	AP	
CASCADIAN	02/05/2026	\$ 1,793.21	AP	
Colonial Gardens	02/05/2026	\$ 2,774.17	AP	
FAIRWOOD	02/05/2026	\$ 33,624.15	AP	
HERITAGE PARK	02/05/2026	\$ 446.74	AP	
Highlander House	02/05/2026	\$ 510.20	AP	
LAURELWOOD	02/05/2026	\$ 6,471.72	AP	
Meadows	02/05/2026	\$ 107,250.55	AP	
Newporter	02/05/2026	\$ 22,809.34	AP	
Overlake	02/05/2026	\$ 16,040.97	AP	
Parkwood	02/05/2026	\$ 1,979.01	AP	
Pinewood Village	02/05/2026	\$ 585.70	AP	
Plum Court	02/05/2026	\$ 1,615.45	AP	
RAINIER VIEW I	02/05/2026	\$ 12,931.11	AP	
RAINIER VIEW II	02/05/2026	\$ 8,672.61	AP	
Salish	02/05/2026	\$ 13,794.43	AP	
Sandpiper East	02/05/2026	\$ 61,598.41	AP	
SI VIEW	02/05/2026	\$ 6,551.35	AP	
SOUTHWOOD SQUARE	02/05/2026	\$ 1,162.83	AP	
Sterling Ridge	02/05/2026	\$ 15,502.80	AP	
Tall Cedars	02/05/2026	\$ 19,555.62	AP	
Timberwood	02/05/2026	\$ 82,701.30	AP	
Vashon Terrace	02/05/2026	\$ 5,338.32	AP	
Walnut Park	02/05/2026	\$ 4,531.44	AP	
WINDSOR HEIGHTS	02/05/2026	\$ 31,598.56	AP	
Woodridge Park	02/05/2026	\$ 5,527.40	AP	
Argyle	02/11/2026	\$ 26,632.29	AP and Payroll	
Ballinger Commons	02/11/2026	\$ 246,241.50	AP and Payroll	
Bellepark	02/11/2026	\$ 21,130.49	AP	
Brier Woods	02/11/2026	\$ 37,221.19	AP and Payroll	
Emerson	02/11/2026	\$ 95,225.55	AP and Payroll	
GILMAN SQUARE	02/11/2026	\$ 34,231.06	AP and Payroll	
Hampton Greens	02/11/2026	\$ 50,010.24	AP	
Kendall Ridge	02/11/2026	\$ 45,077.17	AP	
Landmark	02/11/2026	\$ 82,413.62	AP	
Meadowbrook	02/11/2026	\$ 61,330.07	AP and Payroll	
Riverstone	02/11/2026	\$ 82,775.87	AP	
SALMON CREEK	02/11/2026	\$ 5,012.96	Monthly Bank Fees	

Surrey Downs	02/11/2026	\$	31,259.67	AP and Payroll
Tall Cedars	02/11/2026	\$	10,561.51	AP
Villages at South Station	02/11/2026	\$	60,452.86	AP and Payroll
Woodside East	02/11/2026	\$	24,575.60	AP
ALPINE RIDGE	02/12/2026	\$	9,572.83	AP and Payroll
ARBOR HEIGHTS	02/12/2026	\$	28,478.33	AP and Payroll
ARBOR HEIGHTS	02/12/2026	\$	18,055.69	AP
Aspen Ridge	02/12/2026	\$	39,651.95	AP and Payroll
Auburn Square	02/12/2026	\$	24,853.31	AP and Payroll
Carriage House	02/12/2026	\$	39,104.06	AP and Payroll
Carrington	02/12/2026	\$	18,636.55	AP and Payroll
CASCADIAN	02/12/2026	\$	32,263.31	AP and Payroll
Colonial Gardens	02/12/2026	\$	19,491.58	AP and Payroll
Cottonwood	02/12/2026	\$	15,670.79	AP and Payroll
Cove East	02/12/2026	\$	133,901.74	AP and Payroll
FAIRWOOD	02/12/2026	\$	31,851.43	AP and Payroll
Henry House	02/12/2026	\$	17,612.73	AP and Payroll
HERITAGE PARK	02/12/2026	\$	35,443.06	AP and Payroll
Highlander House	02/12/2026	\$	4,490.01	AP and Payroll
Juanita View	02/12/2026	\$	26,639.44	AP and Payroll
LAURELWOOD	02/12/2026	\$	19,049.21	AP and Payroll
Meadows	02/12/2026	\$	14,205.41	AP and Payroll
Newporter	02/12/2026	\$	20,890.56	AP and Payroll
NIA	02/12/2026	\$	59,105.08	AP and Payroll
Overlake	02/12/2026	\$	86,371.60	AP and Payroll
Parkwood	02/12/2026	\$	30,509.02	AP and Payroll
Pinewood Village	02/12/2026	\$	62,013.94	AP and Payroll
Plum Court	02/12/2026	\$	18,091.65	AP and Payroll
Salish	02/12/2026	\$	37,512.35	AP and Payroll
SALMON CREEK	02/12/2026	\$	35,092.21	AP and Payroll
Sandpiper East	02/12/2026	\$	30,049.18	AP and Payroll
SEOLA CROSSING	02/12/2026	\$	83,142.61	AP and Payroll
SEOLA CROSSING	02/12/2026	\$	42,733.39	AP and Payroll
SOUTHWOOD SQUARE	02/12/2026	\$	19,220.98	AP and Payroll
Sterling Ridge	02/12/2026	\$	25,885.64	AP and Payroll
Timberwood	02/12/2026	\$	24,235.63	AP and Payroll
Walnut Park	02/12/2026	\$	33,905.05	AP and Payroll
WINDSOR HEIGHTS	02/12/2026	\$	53,892.97	AP and Payroll
Woodridge Park	02/12/2026	\$	46,536.47	AP and Payroll
Argyle	02/13/2026	\$	44,527.98	AP
Brier Woods	02/13/2026	\$	26,478.12	AP
GILMAN SQUARE	02/13/2026	\$	32,970.81	AP
Villages at South Station	02/13/2026	\$	6,636.10	AP
ALPINE RIDGE	02/18/2026	\$	8,868.81	AP
ARBOR HEIGHTS	02/18/2026	\$	19,716.10	AP
ARBOR HEIGHTS	02/18/2026	\$	2,904.32	AP
Aspen Ridge	02/18/2026	\$	33,118.22	AP
Auburn Square	02/18/2026	\$	17,002.64	AP
Bellepark	02/18/2026	\$	12,378.33	AP
Carriage House	02/18/2026	\$	2,464.29	AP
Carrington	02/18/2026	\$	31,147.84	AP
CASCADIAN	02/18/2026	\$	5,255.99	AP
Colonial Gardens	02/18/2026	\$	7,160.27	AP
FAIRWOOD	02/18/2026	\$	18,463.62	AP
Hampton Greens	02/18/2026	\$	68,219.23	AP
HERITAGE PARK	02/18/2026	\$	1,798.34	AP
Highlander House	02/18/2026	\$	527.75	AP
Kendall Ridge	02/18/2026	\$	34,589.91	AP
Landmark	02/18/2026	\$	24,716.68	AP
LAURELWOOD	02/18/2026	\$	7,581.25	AP

Meadows	02/18/2026	\$ 8,945.61	AP
Newporter	02/18/2026	\$ 32,942.11	AP
Overlake	02/18/2026	\$ 44,744.51	AP
Parkwood	02/18/2026	\$ 7,134.38	AP
Pinewood Village	02/18/2026	\$ 3,228.46	AP
Plum Court	02/18/2026	\$ 532.86	AP
RAINIER VIEW I	02/18/2026	\$ 6,377.85	AP
RAINIER VIEW II	02/18/2026	\$ 3,735.08	AP
Riverstone	02/18/2026	\$ 41,681.31	AP
Salish	02/18/2026	\$ 14,040.93	AP
SI VIEW	02/18/2026	\$ 4,058.63	AP
SOUTHWOOD SQUARE	02/18/2026	\$ 1,762.00	AP
Sterling Ridge	02/18/2026	\$ 24,072.91	AP
Tall Cedars	02/18/2026	\$ 2,726.51	AP
Timberwood	02/18/2026	\$ 16,921.08	AP
Vashon Terrace	02/18/2026	\$ 835.31	AP
Walnut Park	02/18/2026	\$ 12,582.98	AP
WINDSOR HEIGHTS	02/18/2026	\$ 30,140.65	AP
Woodridge Park	02/18/2026	\$ 25,594.72	AP
Woodside East	02/18/2026	\$ 47,722.37	AP
Argyle	02/20/2026	\$ 16,900.00	AP
Argyle	02/25/2026	\$ 33,944.48	AP and Payroll
Ballinger Commons	02/25/2026	\$ 201,003.67	AP and Payroll
Bellepark	02/25/2026	\$ 9,809.34	AP
Brier Woods	02/25/2026	\$ 35,150.10	AP and Payroll
Emerson	02/25/2026	\$ 56,621.83	AP and Payroll
GILMAN SQUARE	02/25/2026	\$ 27,430.85	AP and Payroll
Hampton Greens	02/25/2026	\$ 29,636.93	AP
Kendall Ridge	02/25/2026	\$ 103,674.89	AP
Landmark	02/25/2026	\$ 17,777.17	AP
Meadowbrook	02/25/2026	\$ 47,415.55	AP and Payroll
Riverstone	02/25/2026	\$ 26,716.26	AP
Surrey Downs	02/25/2026	\$ 54,386.52	AP and Payroll
Villages at South Station	02/25/2026	\$ 62,521.74	AP and Payroll
Woodside East	02/25/2026	\$ 1,548.86	AP
ALPINE RIDGE	02/26/2026	\$ 14,078.71	AP and Payroll
ARBOR HEIGHTS	02/26/2026	\$ 43,484.73	AP and Payroll
ARBOR HEIGHTS	02/26/2026	\$ 18,453.67	AP and Payroll
Aspen Ridge	02/26/2026	\$ 10,309.18	AP and Payroll
Auburn Square	02/26/2026	\$ 34,097.75	AP and Payroll
Carriage House	02/26/2026	\$ 21,832.87	AP and Payroll
Carrington	02/26/2026	\$ 20,386.93	AP and Payroll
CASCADIAN	02/26/2026	\$ 17,763.35	AP and Payroll
Colonial Gardens	02/26/2026	\$ 17,288.07	AP and Payroll
Cottonwood	02/26/2026	\$ 14,585.42	AP and Payroll
Cove East	02/26/2026	\$ 78,980.19	AP and Payroll
FAIRWOOD	02/26/2026	\$ 8,081.63	AP and Payroll
Henry House	02/26/2026	\$ 29,770.09	AP and Payroll
HERITAGE PARK	02/26/2026	\$ 14,064.88	AP and Payroll
Highlander House	02/26/2026	\$ 1,058.92	AP and Payroll
Juanita View	02/26/2026	\$ 31,614.52	AP and Payroll
LAURELWOOD	02/26/2026	\$ 26,092.20	AP and Payroll
Meadows	02/26/2026	\$ 26,714.45	AP and Payroll
Newporter	02/26/2026	\$ 11,490.39	AP and Payroll
NIA	02/26/2026	\$ 17,031.88	AP and Payroll
Overlake	02/26/2026	\$ 20,954.64	AP and Payroll
Parkwood	02/26/2026	\$ 9,582.93	AP and Payroll
Pinewood Village	02/26/2026	\$ 12,135.30	AP and Payroll
Plum Court	02/26/2026	\$ 6,551.07	AP and Payroll
RAINIER VIEW I	02/26/2026	\$ 10,728.99	AP and Payroll

RAINIER VIEW II	02/26/2026	\$ 10,110.99	AP and Payroll	
Salish	02/26/2026	\$ 23,256.64	AP and Payroll	
SALMON CREEK	02/26/2026	\$ 32,588.03	AP and Payroll	
Sandpiper East	02/26/2026	\$ 22,056.39	AP and Payroll	
SEOLA CROSSING	02/26/2026	\$ 50,297.87	AP and Payroll	
SEOLA CROSSING	02/26/2026	\$ 27,977.30	AP and Payroll	
SI VIEW	02/26/2026	\$ 8,348.09	AP and Payroll	
SOUTHWOOD SQUARE	02/26/2026	\$ 8,109.48	AP and Payroll	
Sterling Ridge	02/26/2026	\$ 15,170.84	AP and Payroll	
Timberwood	02/26/2026	\$ 16,077.66	AP and Payroll	
Walnut Park	02/26/2026	\$ 9,266.01	AP and Payroll	
WINDSOR HEIGHTS	02/26/2026	\$ 40,397.19	AP and Payroll	
Woodridge Park	02/26/2026	\$ 34,928.20	AP and Payroll	
Vashon Terrace	02/27/2026	\$ 3,598.80	AP and Payroll	
	183 Wires	\$ 5,312,218.94		

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To: Board of Commissioners

From: Judi Jones, Senior Program Compliance Manager

Date: April 13, 2026

Re: Resolution No. 5823: Authorizing Changes to the Admissions and Continued Occupancy Policy relating to the Grievance Procedure and Tenant Charge Schedule

Attached for your review and approval are changes to the Tenant Charge Schedule and Public Housing Grievance Procedure which are included in the ACOP as Exhibits O and I, respectively. For your convenience, the following is a summary of changes to each of the Exhibits:

Schedule of Tenant Charges

This schedule lists maintenance and service costs (such as repairs, cleaning, and lock changes) that may be charged to tenants when applicable (i.e. damages beyond normal wear and tear). Proposed updates are intended to clarify existing policies, improve work order processing, and reflect cost inflation.

Summary of Proposed Changes

- *Repair Categories Streamlined:* Major repairs have been simplified to show charges will be based upon the actual time and materials needed to complete the work.
- *Labor Charge Clarification:* Labor will be billed in 15-minute increments after the minimum charge.
- *Updated Flat Rates:* Flat rate charges (such as lock changes or dump fees) have been updated to align with current costs.

Public Housing Grievance Procedure

This document details the requirements, standards, and procedures for the handling and review of Tenant Grievances presented by Public Housing residents to the Housing Authority. KCHA's Public Housing Grievance Procedure has been designed in compliance with regulations under 24 CFR Part 966, Subpart B. Proposed updates are intended to make the process clearer, more consistent, and easier for tenants to understand and use.

Summary of Proposed Changes

- *Clarify the Purpose:* Changes proposed to better explain that the grievance process is not a judicial review - it is an informal way for tenants to challenge actions or failures to act by the Housing Authority that affect their rights or responsibilities. The grievance process does not limit a complainant's right to seek court review.
- *Update Definition:* Update the term "Hearing Officer" to more closely match federal regulations.

- *Clearer Rules About When the Procedure Applies:*
 - It does **not** apply to disagreements between tenants.
 - It **cannot** be used to challenge general policy issues or group (“class”) grievances.
 - Certain criminal-related evictions are **not eligible** for the grievance process (e.g., serious criminal activity, drug-related or violent crimes, felony convictions).
- *Clarify Selection of Hearing Officers:* The Housing Authority will continue to maintain a list of qualified individuals to serve as Hearing Officers.
 - Approved individuals may be current or former Housing Authority employees, agency partners, or other persons as deemed necessary by the Housing Authority. Hearing Officers selected from the established list will be impartial and free from conflicts of interest.

Following HUD regulations, Tenants were notified of the opportunity to review and submit comments on the proposed changes through March 15, 2026. Any comments received will be compiled for Board review during the March meeting.

Staff recommends approval of Resolution No. 5823 as attached.

RESOLUTION 5823:
PUBLIC HOUSING
GRIEVANCE
PROCEDURE & TENANT
CHARGES

APRIL 20, 2026

OVERVIEW:

TENANT CHARGE SCHEDULE

Purpose of Charge Schedule

The schedule details maintenance costs and other amounts charged to tenants such as those for damages beyond normal wear and tear.

KEY CHANGES

Streamlined Repair Categories

Repair categories have been simplified to make the process easier for staff and tenants.

Time and Materials Billing

Charges are based on actual time and materials used, rather than flat rates, for accuracy.

Labor Billing Increments

Labor is billed in 15-minute increments after a minimum charge, preventing overcharging.

Updated Flat Rates for Specific Services

Certain services like lock changes and dump fees retain updated flat rates for clarity.

OVERVIEW:

PUBLIC HOUSING GRIEVANCE PROCEDURE

Purpose of the Grievance Procedure

The procedure provides tenants an opportunity to raise complaints about housing authority actions or inactions.

Compliance with Federal Regulations

The grievance procedure adheres to federal rules under 24 CFR Part 966, ensuring legal protections for tenants.

Commitment to Fairness and Accountability

The Housing Authority uses the grievance process to help ensure fairness and protect tenant rights.

KEY UPDATES

Purpose and Nature

The grievance procedure is an informal, **non-judicial process** designed to help resolve disputes efficiently and amicably.

Hearing Officer Role

Updated definition to ensures impartiality and expertise in handling tenant grievances fairly and professionally.

Scope and Application

Clearer guidance on when the grievance process applies helps manage expectations and streamline case handling.

HEARING OFFICERS

Role in Grievance Process

Hearing Officers act as impartial adjudicators in tenant dispute resolution, ensuring fair hearings.

Qualifications and Expertise

Qualified Hearing Officers may include current or former employees or partners with relevant expertise.

Ensuring Fairness and Integrity

Hearing Officers must avoid conflicts of interest and uphold unbiased decision-making to maintain trust.

WHEN THE GRIEVANCE PROCEDURE DOES NOT APPLY

Scope Limitations

It does **not** apply to disagreements between tenants.

It **cannot** be used to challenge general policy issues or group (“class”) grievances.

Certain criminal-related evictions are **not eligible** for the grievance process (e.g., serious criminal activity, drug-related or violent crimes, felony convictions).

Purpose of Exceptions

Exceptions help prevent misuse, directing resources toward resolving tenant complaints effectively.

The Grievance Procedure **DOES NOT** affect any rights the Complainant may have to a trial de novo or judicial review in any judicial proceedings.

TENANT NOTICE

Tenant Comment Period

Tenant notices posted February 13, 2026 and March 19, 2026

Tenant opportunity to review and comment provided through April 17, 2026.

NEXT STEPS: STAFF RECOMMENDS APPROVAL

Benefits to Tenants and Authority

Updated policies aim to improve efficiency, clarity and fairness benefiting tenants and the Housing Authority.

Ensuring Policy Responsiveness

Adopting updates ensures policies remain current, fair, and responsive to community needs.

HOUSING AUTHORITY OF THE COUNTY OF KING

EXHIBIT I - GRIEVANCE PROCEDURE

I. Purpose

This document sets forth the requirements, standards, and procedures for the handling and review of Tenant Grievances presented to the Housing Authority of the County of King, Washington (“Housing Authority” or “KCHA”). The Grievance Procedure has been adopted by the Board of Commissioners of the Housing Authority and is incorporated by reference in all dwelling leases between the Housing Authority and its Tenants.

The Grievance Procedure is not a judicial process. It is an informal process established to help ensure a Tenant the opportunity for reasonable review of an individual Tenant dispute regarding a KCHA action (or failure to act) involving the Tenant’s lease or HA regulations which adversely affect the individual Tenant’s rights, duties, welfare or status.

Copies of the Grievance Procedure shall be provided to each Tenant and all resident organizations. In addition, KCHA shall provide at least 30 days’ notice to Tenants and Resident Organizations of any changes to the Housing Authority’s Grievance Procedure and provide opportunity to submit written comments regarding the proposed changes. Comments submitted shall be considered by the Housing Authority before adoption of any Grievance Procedure change.

II. Definitions

For the purpose of handling and reviewing all individual Tenant complaints, the following definitions apply:

- A. “Area Office” means the management office for the property in which the Complainant resides.
- B. “Complainant” means any Tenant presenting a complaint or dispute to the Housing Authority, or at one of the Area Offices, to be handled or reviewed in accordance with the procedures set forth below. The Complainant may also be referred to as “Tenant”.
- C. “Grievance” means any complaint or dispute which an individual Tenant (residing in a Housing Authority-owned dwelling unit assisted under the U.S. Housing Act of 1937) may have with respect to a Housing Authority action or failure to act which affects that Tenant’s lease or with respect to Housing Authority regulations which a Tenant believes adversely affect their rights, duties, welfare, or status. Examples include, but are not limited to, a proposed lease termination, transfer of the Tenant

to another unit, or imposition of charges for maintenance, repair, or excess consumption of utilities.

- D. "Hearing Officer" means an impartial person (or persons) selected by the Housing Authority other than the person who made or approved the decision under review, or a subordinate of that person.
- E. "Regional Manager" means a representative of the Housing Authority assigned to oversee the operations and management of one of KCHA's property management regions.
- F. "Resident Organization" includes a resident management corporation, Resident Advisory Committee, and/or KCHA-recognized resident council.
- G. "Tenant" means an adult person (other than live-in attendants):
 - 1. Who resides in the unit, and who executed the lease with the Housing Authority, or, if no such person now resides in the unit,
 - 2. Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit.

III. Applicability

This procedure applies to all Grievances, except as stated below:

- A. The Grievance Procedure does not apply to disputes between Tenants;
- B. The Grievance Procedure is not to be used as a forum for initiating, negotiating or reviewing administrative determinations by the HA, general policy issues or class grievances.
- C. The Grievance Procedure does not apply to Evictions or Terminations that involve:
 - 1) Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents or employees of the Housing Authority;
 - 2) Any drug-related or violent criminal activity on or off the premises; or
 - 3) Any criminal activity that resulted in felony conviction of a household member.

The Grievance Procedure will not affect any rights the Complainant may have to a trial de novo or judicial review in any judicial proceedings.

IV. Steps of the Grievance Procedure

A. **STEP 1: Present the Grievance**

Grievances must be presented by the Complainant, either orally or in writing, to the Area office within **ten (10) business days** of the Housing Authority action (or failure to act).

Failure to present a Grievance within the above time limits will result in the Complainant forfeiting any further rights to have their grievance heard. However, if the Complainant establishes to the Regional Manager's satisfaction that the failure to comply with this requirement was for good cause, the Regional Manager may choose to proceed with an informal meeting as set forth in Step 2, below. "Good cause" is defined as an unavoidable conflict that prevented the Complainant from presenting their grievance within the time limit provided. KCHA may request documentation of the good cause.

B. **STEP 2: Informal Settlement of the Grievance**

Subject to any limitations details in Section III (Applicability) a Regional Manager will hold an informal meeting with The Complainant so that the Grievance may be discussed informally and, if possible, settled without a hearing.

During the informal meeting, the Complainant and the Regional Manager may each have a maximum of three other people in attendance at the meeting. After the meeting, the Regional Manager will write a detailed summary of the meeting which includes: (1) the date of the meeting; (2) the pertinent facts discussed; (3) the names of the participants; (4) the proposed disposition of the Grievance and reasons therefor; and (5) an attached copy of the Grievance Procedure that specifies the procedures by which a hearing may be obtained if the Complainant is not satisfied with the Regional Manager's proposed disposition.

This summary shall be sent to the Complainant within **five (5) business days** after the meeting. A copy will also be retained in the Complainant's tenant file.

C. **STEP 3: Grievance Hearing**

Once the Complainant receives the Regional Manager's summary of the meeting, if not satisfied with the proposed disposition the Complainant may request a hearing.

1. **Request for a Hearing.** The Complainant must submit a written request for a hearing to the Area Office within **five (5) business days** of the receipt of the Regional Manager's summary of the informal meeting prepared pursuant to Subsection B above. Receipt is defined as the date of actual delivery to a

member of the Complainant household, or, when the documents are sent by mail, five days from the date of proper mailing. The written request must specify: (1) the Grievance; (2) the reasons for the Grievance; and (3) the action or relief sought.

The Complainant's request for a grievance hearing will be dated immediately upon receipt at the appropriate Area Office and placed in the Complainant's tenant file (together with the summary of the informal meeting).

2. **Failure to Request a Hearing.** If the Complainant does not request a hearing in the manner described above, the Housing Authority's disposition of the Grievance under Section IV.B above, will become final. However, failure to request a hearing does not constitute a waiver by the Complainant of the right to contest the disposition of the Grievance in an appropriate judicial proceeding.
3. **Scheduling of Grievance Hearings.** The Hearing Officer will schedule the Grievance Hearing within a reasonable time, but no later than 15 business days, following the Complainant's properly submitted request as detailed in Section IV.C(1) above. Extension of this time limit must be agreed to in writing by both parties. The place of the hearing will be reasonably convenient both to the Complainant and to the Housing Authority. The Complainant and the Housing Authority shall be given written notice of the time, place, and procedures governing the hearing.

V. Selection of Hearing Officer

- A. To support an expeditious Grievance process, the Housing Authority will establish a list of qualified individuals to serve as Hearing Officers. Qualified individuals need not be legal professionals and may be current or former Housing Authority employees, agency partners or other persons deemed necessary by the Housing Authority.
- B. In selecting a Hearing Officer from the list of qualified individuals the Housing Authority will avoid selecting an individual who may have a conflict of interest with the Complainant or may lack impartiality.

The Housing Authority reserves the right to pay Hearing Officers for their services and to provide training on such areas as the grievance procedure, dwelling lease requirements, and other related policies and procedures.

VI. Accommodation of Person with Disabilities

- A. At any time during the Grievance process, a Complainant may request reasonable accommodation of a handicap or disability of a household member, including

reasonable accommodation so that the Complainant can meet lease requirements or other requirements of tenancy.

- B. The Housing Authority shall provide reasonable accommodations for persons with disabilities to participate in the Grievance process. Reasonable accommodation may include but is not limited to qualified sign language interpretation, readers, and accessible locations.
- C. If the Complainant is visually impaired, any notice to the Complainant that is required as part of the Grievance procedure will be in an accessible format.

VII. Procedures Governing the Grievance Hearing

- A. The Complainant will be afforded a fair hearing providing the basic safeguards of due process which includes:
 - 1. The opportunity to examine before and during the hearing all documents, records, and regulations of the Housing Authority directly relevant to the grievance hearing. The Complainant shall be allowed to copy any such document at their own expense. Any document not made available for examination upon request by the Complainant may not be used by the Housing Authority at the hearing;
 - 2. The right to be represented by counsel or any other person designated by Complainant as Complainant's representative, and to have such person make statements on the Complainant's behalf;
 - 3. The right to a private hearing unless the Complainant requests a public hearing;
 - 4. The right to present evidence and arguments in support of the Complainant's complaint, to contest evidence or information relied on by the Housing Authority, and to confront or cross-examine all witnesses upon whose testimony or information the Housing Authority relies; and
 - 5. A decision based solely and exclusively upon the facts presented at the hearing.
- B. The Hearing Officer may render a decision without proceeding with the hearing if it is determined that the issue raised by the Grievance has been the subject of a decision in a previous proceeding that provided the Complainant procedural safeguards at least equal to those required herein.
- C. If either the Complainant or the Housing Authority fails to appear at a scheduled hearing, the Hearing Officer may continue the hearing for a period of no more than five business days for documented good cause (as defined in Section IV.A above) or may determine that the non-appearing party has waived the right to a hearing. Both

the Complainant and the Housing Authority shall be notified of the decision of the Hearing Officer. A determination that the Complainant has waived the right to a hearing does not constitute a waiver of any right the Complainant may have to contest the Housing Authority's disposition of the Grievance in an appropriate judicial proceeding.

- D. At the hearing, the Complainant will first explain why they think that the Housing Authority action was incorrect and why they are entitled to the relief sought. Afterwards, the Housing Authority shall present its reason for taking or failing to take the action that is in dispute. Either party will have the opportunity to rebut the information presented during the hearing, including the right to confront and cross-examine witnesses.
- E. All hearings shall be conducted informally by the Hearing Officer. Oral and documentary evidence pertinent to the facts and issues raised by the Grievance may be received regardless of whether such evidence would be admissible in a judicial proceeding. Irrelevant and unduly repetitive evidence will be excluded. Challenges to the admissibility of evidence shall be determined solely by the Hearing Officer in their reasonable discretion. The Hearing Officer shall require everyone in attendance to conduct themselves in an orderly fashion. Failure to comply with the directions of the Hearing Officer may result in exclusion from the proceedings, in a decision adverse to the interests of the disorderly party, or in such other relief as the Hearing Officer reasonably determines.

The Complainant or Housing Authority may arrange in advance—and at the expense of the party making the arrangement—for a verbatim transcript of the hearing. Any interested party may purchase a copy of such transcript. The Housing Authority will comply with HUD's "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons" issued on January 22, 2007.

VIII. Decision of the Hearing Officer

- A. The Hearing Officer shall prepare a written decision, stating the findings of fact and conclusions upon which the result is based, within **ten (10) business days** of the hearing. Copies of the decision will be sent to the Complainant and to the Housing Authority. The Housing Authority shall retain a copy of the decision in the Complainant's tenant file. A log of all hearing officer decisions will be maintained by the Housing Authority and made available upon request of the hearing officer, a prospective Complainant, or a prospective Complainant's representative(s).
- B. The decision of the Hearing Officer shall be binding on the Housing Authority which shall take (or refrain from) any actions, necessary to carry out the decision unless the Housing Authority's Board of Commissioners determines within a reasonable

time, not to exceed 30 days, and promptly notifies the Complainant in writing of its determination, that:

1. The Grievance does not concern the Housing Authority's action or failure to act in accordance with or involving the Complainant's lease on Housing Authority regulations which adversely affects the Complainant's rights, duties, welfare, or status; or
 2. The decision of the Hearing Officer is contrary to applicable Federal, state, or local law; the United States Housing Act of 1937, as amended; Department of Housing and Urban Development (HUD) regulations or requirements; the Housing Authority's regulations and policies; or requirements of the Annual Contributions Contract between HUD and the Housing Authority in effect on the date of the hearing.
- C. A decision by a Hearing Officer or Board of Commissioners in favor of the Housing Authority or which denies the relief requested by the Complainant in whole or in part, will not constitute a waiver of, nor affect in any manner whatever, any rights the Complainant may have to a trial de novo or judicial review in any judicial proceedings, which may later be brought in the matter.

IX. Impact upon Proposed Adverse Actions/Eviction Actions

- A. In the case of proposed adverse actions other than a proposed lease termination, the Housing Authority shall not take the proposed action until the time for the Tenant to request a grievance hearing has expired, and (if a hearing was timely requested by the Tenant) the grievance process has been completed.
- B. If the Grievance involves a Housing Authority notice of termination of tenancy (including any concurrently served notice to vacate required under state or local law), the tenancy shall not terminate until the time for the Tenant to request a grievance hearing has expired, and (if a hearing was timely requested by the Tenant) the grievance process has been completed.

HOUSING AUTHORITY OF THE COUNTY OF KING

EXHIBIT I - GRIEVANCE PROCEDURE

I. Purpose

This document sets forth the requirements, standards, and procedures for the handling and review of Tenant Grievances presented to the Housing Authority of the County of King, Washington (“Housing Authority” or “KCHA”). ~~The Grievance Procedure is established to ensure a Tenant has the opportunity for reasonable review, and if requested, a hearing with respect to an individual Tenant dispute regarding a KCHA action (or failure to act) involving the Tenant’s lease or regulations which adversely affect the individual Tenant’s rights, duties, welfare or status.~~ The Grievance Procedure has been adopted by the Board of Commissioners of the Housing Authority and is incorporated by reference in all dwelling leases between the Housing Authority and its Tenants.

The Grievance Procedure is not a judicial process. It is an informal process. ~~The Grievance Procedure is established to help ensure a Tenant has the opportunity for reasonable review, and if requested, a hearing with respect to of an individual Tenant dispute regarding a KCHA action (or failure to act) involving the Tenant’s lease or HA regulations which adversely affect the individual Tenant’s rights, duties, welfare or status.~~

Copies of the Grievance Procedure shall be provided to each Tenant and all resident organizations. In addition, KCHA shall provide at least 30 days’ notice to Tenants and Resident Organizations of any changes to the Housing Authority’s Grievance Procedure and provide opportunity to submit written comments regarding the proposed changes. Comments submitted shall be considered by the Housing Authority before adoption of any Grievance Procedure change.

II. Definitions

For the purpose of handling and reviewing all individual Tenant complaints, the following definitions apply:

- A. “Area Office” means the management office for the property in which the Complainant resides.
- B. “Complainant” means any Tenant presenting a complaint or dispute to the Housing Authority, or at one of the Area Offices, to be handled or reviewed in accordance with the procedures set forth below. The Complainant may also be referred to as “Tenant”.

- C. "Grievance" means any complaint or dispute which an individual Tenant (residing in a Housing Authority-owned dwelling unit assisted under the U.S. Housing Act of 1937) may have with respect to a Housing Authority action or failure to act which affects that Tenant's lease or with respect to Housing Authority regulations which a Tenant believes adversely affect their rights, duties, welfare, or status. Examples include, but are not limited to, a proposed lease termination, transfer of the Tenant to another unit, or imposition of charges for maintenance, repair, or excess consumption of utilities.
- D. "Hearing Officer" means an impartial person (or persons) selected by the Housing Authority ~~other than the person who made or approved the decision under review, or a subordinate of that person. appointed in accordance with Section V below to hear a Grievance and render a decision.~~
- E. "Regional Manager" means a representative of the Housing Authority assigned to oversee the operations and management of one of KCHA's property management regions.
- F. "Resident Organization" includes a resident management corporation, Resident Advisory Committee, and/or KCHA-recognized resident council.
- G. "Tenant" means an adult person (other than live-in attendants):
1. Who resides in the unit, and who executed the lease with the Housing Authority, or, if no such person now resides in the unit,
 2. Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit.

III. Applicability

This procedure applies to all Grievances, except as stated below:

- A. The Grievance Procedure does not apply to disputes between Tenants;
- ~~A. The Grievance Procedure does not apply to or to class grievances against the Housing Authority.~~
- B. The Grievance Procedure is not to be used as a forum for initiating, negotiating, or reviewing administrative determinations by the HA, general policy issues or class grievances. policies established by the Housing Authority Board of Commissioners including, but not limited to, policies relating to eligibility, the calculation of rent, and unit size determinations;
- C. The Grievance Procedure does not apply to Evictions or Terminations that involve:

- 1) Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents or employees of the Housing Authority;
- 2) Any drug-related or violent criminal activity on or off the premises; or
- 3) Any criminal activity that resulted in felony conviction of a household member.

The Grievance Procedure will not affect any rights the Complainant may have to a trial de novo or judicial review in any judicial proceedings.

IV. Steps of the Grievance Procedure

A. STEP 1: Present the Grievance

~~All~~ Grievances must be personally presented by the Tenant Complainant, either orally or in writing, to the Area office within ten (10) business days of the Housing Authority action (or failure to act). ~~;~~ ~~or~~

~~within 10 business days of the date of the receipt of the notice of the Housing Authority's proposed adverse action (or the date of the Housing Authority's alleged failure to act), with the exception of the Housing Authority's proposed actions that relate to termination of a tenancy. In the cases Complainant's GIX~~

~~where the Housing Authority's proposed actions relate to the termination of a tenancy, the Tenant's Grievance must be presented, either orally or in writing, to the appropriate Area Office within the time set forth in the termination of tenancy notice the Housing Authority served on Tenant.~~

Failure to present a Grievance within the above time limits will result in the Complainant forfeiting any further rights to have their grievance heard. ~~;~~ However, if, however, if the Complainant establishes to the Regional Manager's satisfaction that the failure to comply with this requirement was for good cause, the Regional Manager may choose to proceed with an informal meeting as set forth in Step 2, below. "Good cause" is defined as an unavoidable conflict that prevented the Complainant from presenting their grievance within the time limit provided. KCHA may request documentation of the good cause.

B. STEP 2: Informal Settlement of the Grievance:

Subject to any limitations details in Section III (Applicability) a ~~The Regional Manager~~ a Regional Manager will hold an informal meeting with The Complainant so that the Grievance may be discussed informally and, if possible, settled without a hearing. ~~Section outlined in Section IX~~

During the informal meeting, ~~t~~The Complainant and the Regional Manager may each have a maximum of three other people in attendance at the meeting. After the meeting, the Regional Manager will write a detailed summary of the meeting which includes: (1) the date of the meeting; (2) the pertinent facts discussed; (3) the names of the participants; (4) the proposed disposition of the Grievance and reasons therefor; and (5) an attached copy of the Grievance Procedure that specifies the procedures by which a hearing may be obtained if the Complainant is not satisfied with the Regional Manager's proposed disposition.

This summary shall be sent to the ~~Complainant Tenant~~ within **five (5) business days** after the meeting. A copy will also be retained in the ~~Complainant's tenant Tenant~~ file.

C. **STEP 3: Grievance Hearing**

Once the Complainant receives the Regional Manager's summary of the meeting, if not satisfied with the proposed disposition the Complainant may request a hearing.

1. **Request for a Hearing.** The Complainant must submit a written request for a hearing to the Area Office within **five (5) business days** of the receipt of the Regional Manager's summary of the informal meeting prepared pursuant to Subsection B above. Receipt is defined as the date of actual delivery to a member of the ~~Complainant tenant~~ household, ~~or~~, when the documents are sent by mail, five days from the date of proper mailing. The written request must specify: (1) the Grievance; (2) the reasons for the Grievance; and (3) the action or relief sought.

The ~~Complainant's Tenant's~~ request for a grievance hearing will be dated immediately upon receipt at the appropriate Area Office and placed in the ~~Complainant's t~~~~Tenant's~~ file (together with the summary of the informal meeting).

2. **Failure to Request a Hearing.** If the Complainant does not request a hearing in the manner described above, the Housing Authority's disposition of the Grievance under Section IV.B above, will become final. However, failure to request a hearing does not constitute a waiver by the Complainant of the right to contest the disposition of the Grievance in an appropriate judicial proceeding.
3. **Scheduling of Grievance Hearings.** The Hearing Officer will schedule the Grievance Hearing within a reasonable time, but no later than 15 business days, following the ~~Complainant Tenant~~'s properly submitted request as detailed in Section IV.C(1) above. Extension of this time limit must be agreed to in writing by both parties. The place of the hearing will be reasonably convenient both to the Complainant and to the Housing Authority. The ~~Complainant Tenant~~ and the

Housing Authority shall be given written notice of the time, place, and procedures governing the hearing.

V. Selection of Hearing Officer

~~A. For grievances involving a charge under \$100, the Hearing Officer will be an impartial employee of the Housing Authority who was not involved in the original decision.~~

A. To support an expeditious Grievance process, the Housing Authority will establish a list of qualified individuals to serve as Hearing Officers. Qualified individuals need not be legal professionals and may be current or former Housing Authority employees, agency partners or other persons deemed necessary by the Housing Authority.

~~B. In selecting For all other grievances, a Hearing Officer from the list of qualified individuals the Housing Authority will avoid selecting an individual who may have a conflict of interest with the Complainant or may lack impartiality. The Hearing Officer will be an impartial person who is not an officer, employee, agent, or tenant of the Housing Authority. In these cases, the following applies:~~

~~C.B. The Hearing Officer will be selected from a list of qualified individuals established by the Housing Authority in response to an advertised request for services. The Housing Authority's list of Hearing Officers will be presented to the Resident Advisory Board for their review and comment. Individuals selected for this list of Hearing Officers need not be legal professionals, but must be able to show sufficient experience and training in the areas of Housing Authority regulations and Landlord Tenant law as well as proven experience in effectively communicating findings and conclusions both orally and in writing.~~

The Housing Authority reserves the right to pay Hearing Officers a stipend for their services and to provide training on such areas as the grievance procedure, dwelling lease requirements, and other related policies and procedures.

VI. Accommodation of Person with Disabilities

- A. At any time during the Grievance process, a Complainant may request reasonable accommodation of a handicap or disability of a household member, including reasonable accommodation so that the Complainant can meet lease requirements or other requirements of tenancy.
- B. The Housing Authority shall provide reasonable accommodations for persons with disabilities to participate in the Grievance process. Reasonable accommodation may include but is not limited to qualified sign language interpretation, readers, and accessible locations.

- C. If the Complainant is visually impaired, any notice to the Complainant that is required as part of the Grievance procedure will be in an accessible format.

VII. Procedures Governing the Grievance Hearing

- A. The Complainant will be afforded a fair hearing providing the basic safeguards of due process which includes:
 - 1. The opportunity to examine before and during the hearing all documents, records, and regulations of the Housing Authority directly relevant to the grievance hearing. The Complainant shall be allowed to copy any such document at their own expense. Any document not made available for examination upon request by the Complainant may not be used by the Housing Authority at the hearing;
 - 2. The right to be represented by counsel or any other person designated by Complainant as Complainant's representative, and to have such person make statements on the Complainant's behalf;
 - 3. The right to a private hearing unless the Complainant requests a public hearing;
 - 4. The right to present evidence and arguments in support of the [Complainant's Tenant's](#) complaint, to contest evidence or information relied on by the Housing Authority, and to confront or cross-examine all witnesses upon whose testimony or information the Housing Authority relies; and
 - 5. A decision based solely and exclusively upon the facts presented at the hearing.
- B. The Hearing Officer may render a decision without proceeding with the hearing if it is determined that the issue raised by the Grievance has been the subject of a decision in a previous proceeding that provided the Complainant procedural safeguards at least equal to those required herein.
- C. If either the Complainant or the Housing Authority fails to appear at a scheduled hearing, the Hearing Officer may continue the hearing for a period of no more than five business days for documented good cause (as defined in Section IV.A above) or may determine that the non-appearing party has waived the right to a hearing. Both the Complainant and the Housing Authority shall be notified of the decision of the Hearing Officer. A determination that the Complainant has waived the right to a hearing does not constitute a waiver of any right the Complainant may have to contest the Housing Authority's disposition of the Grievance in an appropriate judicial proceeding.
- D. At the hearing, the Complainant will first explain why they think that the Housing Authority action was incorrect and why they are entitled to the relief sought.

Afterwards, the Housing Authority shall present its reason for taking or failing to take the action that is in dispute. Either party will have the opportunity to rebut the information presented during the hearing, including the right to confront and cross-examine witnesses.

- E. All hearings shall be conducted informally by the Hearing Officer. Oral and documentary evidence pertinent to the facts and issues raised by the Grievance may be received regardless of whether such evidence would be admissible in a judicial proceeding. Irrelevant and unduly repetitive evidence will be excluded. Challenges to the admissibility of evidence shall be determined solely by the Hearing Officer in their reasonable discretion. The Hearing Officer shall require everyone in attendance to conduct themselves in an orderly fashion. Failure to comply with the directions of the Hearing Officer may result in exclusion from the proceedings, in a decision adverse to the interests of the disorderly party, or in such other relief as the Hearing Officer reasonably determines.

~~F.—The Complainant or Housing Authority may arrange in advance—and at the expense of the party making the arrangement—for a verbatim transcript of the proceedings at a hearing. Any interested party may purchase a copy of such reporting or recording transcript. will be made available to either party upon request at their own expense.~~

The Housing Authority will comply with HUD’s “Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons” issued on January 22, 2007.

VIII. Decision of the Hearing Officer

- A. ~~T~~The Hearing Officer shall prepare a written decision, stating the findings of fact and conclusions upon which the result is based, within **ten (10) business days** of the hearing. Copies of the decision will be sent to the Complainant and to the Housing Authority. The Housing Authority shall retain a copy of the decision in the Complainant’s Tenant’s file folder. A log of all hearing officer decisions will be maintained by the Housing Authority and made available upon request of the hearing officer, a prospective Complainant, or a prospective Complainant’s representative(s).
- B. The decision of the Hearing Officer shall be binding on the Housing Authority which shall take (or refrain from) any actions, necessary to carry out the decision unless the Housing Authority’s Board of Commissioners determines within a reasonable time, not to exceed 30 days, and promptly notifies the Complainant in writing of its determination, that:

1. The Grievance does not concern the Housing Authority's action or failure to act in accordance with or involving the Complainant's lease ~~on~~ Housing Authority regulations which adversely affects the Complainant's rights, duties, welfare, or status; or
 2. The decision of the Hearing Officer is contrary to applicable Federal, state, or local law; the United States Housing Act of 1937, as amended; Department of Housing and Urban Development (HUD) regulations or requirements; the Housing Authority's regulations and policies; or requirements of the Annual Contributions Contract between HUD and the Housing Authority in effect on the date of the hearing.
- C. A decision by a Hearing Officer or Board of Commissioners in favor of the Housing Authority or which denies the relief requested by the Complainant in whole or in part, will not constitute a waiver of, nor affect in any manner whatever, any rights the Complainant may have to a trial de novo or judicial review in any judicial proceedings, which may later be brought in the matter.

IX. Impact upon Proposed Adverse Actions/Eviction Actions

- A. In the case of proposed adverse actions other than a proposed lease termination, the Housing Authority shall not take the proposed action until the time for the Tenant to request a grievance hearing has expired, and (if a hearing was timely requested by the Tenant) the grievance process has been completed.
- B. If the Grievance involves a Housing Authority notice of termination of tenancy (including any concurrently served notice to vacate required under state or local law), the tenancy shall not terminate until the time for the Tenant to request a grievance hearing has expired, and (if a hearing was timely requested by the Tenant) the grievance process has been completed.

EXHIBIT O - SCHEDULE OF TENANT CHARGES - KCHA

~~In order to~~To standardize charges to tenants for services rendered by management, this uniform charge schedule will be used. All other charges not specifically included in the ~~schedule~~Schedule of Charges below will be based upon the actual cost of materials plus labor at the current HUD-approved labor pay rate ~~as listed below. Overtime charges may apply to emergency after hour calls at the rate of time and a half (or double if it falls on a holiday) based on the labor rates listed below.~~

Tenant shall pay reasonable charges (as outlined herein) for the repair of damages to the dwelling unit, equipment or to the project (including damages to buildings, facilities, or common areas) caused by the tenant, a member of the household or a guest; and/or whenever repair or replacement is necessitated for reasons other than normal wear and tear. Charges for landscaping and cleaning apply when tenants are responsible for these tasks.

In cases where the cost of repair is greater than the cost of replacement, the replacement cost will apply. In instances where ~~items have~~the housing authority has an established life cycle and the cost of repair is greater than the cost of replacement, the tenant will be charged for the unused portion of the life cycle ~~as stated in Section V.~~

Whenever referred to in this policy, "Actual Costs" will be the current actual cost of materials and labor ~~needed~~ to repair or replace each item. Labor charges will be assessed in 15 minute (.25 hour) increments. for the actual time worked only, and do not include travel time by the maintenance staff ~~person.~~ The minimum time charged ~~for work completed will be 30 minutes (.5 hours)~~ during ~~normal~~regular business hours ~~will be one half hour. Any repairs required, and 60 minutes (1 hour) after normal working hours will have a minimum charge of one (1) hour, weekends, and on holidays. All charges for labor will be calculated using the labor rate in effect at the overtime or holiday labor rates outlined in Sections I, II, and III whenever damages are due to reasons other than normal wear and tear~~ time the work is completed.

Examples of instances beyond normal wear and tear include but are not limited to:

- Damage/repair: broken glass for light fixtures, cracked floor tiles, holes in walls or ceilings, damaged or missing doors, burnt countertops, broken appliance components, and carpet stains.
- Painting: due to crayon/ink marks, returning paint to original color, and encapsulating/covering substances such as residue from cooking or candles.
- Yard: overgrown vegetation.

Work Orders Charged to Tenants

Any maintenance work to be charged to a tenant will be plainly marked as charged ~~All completed on work orders. Completed~~ work orders will be ~~assessed~~reviewed by the portfolio management office ~~that, which~~ will post applicable charges to the tenant's account and file the work order in the resident's/tenant's file. Property Management staff will ~~send notification of~~notify the ~~charged work order to the resident~~tenant of any charges.

CHARGES FOR MAINTENANCE/REPAIR/PAINTING

Charges for Maintenance/Repair/Painting items will be assessed based on the actual time to complete the work, which, in turn, will be based on the current hourly wage approved by the Department of Housing and Urban Development (HUD). Additional costs may be incurred for any materials or supplies needed to complete the repair. Hourly wages are adjusted yearly and will be posted in the Property Management offices. Please note, these rates are subject to change as mandated by HUD.

CHARGES FOR PAINTING

Charges for painting a unit will be assessed if there are damages outside of normal wear and tear and would include additional painting effort required as a result of items such as (but not limited to): holes in walls, removal of crayon/ink/paint added by resident(s) and/or removal of residue from smoking and/or candles. In such cases, charges for painting required will be assessed in addition to those applicable charges to repair/clean the wall surface. Painting charges will be assessed based on the labor rates listed in Section I.

CLEANING CHARGES FOR VACATED UNITS

Cleaning charges will be assessed for the actual time spent cleaning a vacated unit and will be based on the current hourly wage approved by HUD. Additional costs may be incurred for any materials or supplies needed to complete the repair, based on their actual costs. Hourly wages are adjusted yearly and will be posted in the Property Management offices. Please note, these rates are subject to change as mandated by HUD.

CHARGES FOR CLEANING AND LANDSCAPING

Charges for Landscaping and Cleaning where the resident is not exempt from performing this work will be based on the current hourly rate for a Landscape/Cleaner and the actual cost of materials and supplies. Hourly wages are adjusted yearly and will be posted in the Property Management offices. Please note, these rates are subject to change as mandated by HUD. Exceptions to these types of charges may be allowed based on approved Reasonable Accommodation requests.

CHARGES FOR DAMAGE TO DWELLING EQUIPMENT

(Ranges, Hot Water Tanks, Refrigerators, Heaters, etc.)

Because of the great variety of replacement parts and the variation in the extent of damages that are possible, all charges for damages or repair of dwelling equipment will be based on the actual cost of the part(s) needed for repair and the actual labor involved at the current labor rates listed in Section I of this policy. Please note, these rates are subject to change as mandated by HUD. The determination regarding whether or not dwelling equipment needs to be replaced rather than repaired will be based on the life expectancy chart below.

EQUIPMENT LIFE EXPECTANCY RATES (BASED ON HUD GUIDELINES)

Equipment	Life Expectancy
Stove	13 Years
Refrigerator	10 Years
Washer/Dryer (where provided by KCHA)	10 Years
Carpet	5 Years
Vinyl/Tile Flooring	10 Years
Blinds/Screens/Window Treatments	5 Years
Cabinet Boxes/Doors/Drawers	20 Years

Equipment	Life Expectancy
Toilet	20 Years
Interior /Closet Doors	20 Years
Entry/Sliding/Patio Doors	50 Years
Tubs/Sinks/Tub Surrounds/Shower Doors	20 Years
Heater/Air Conditioning Units	14 Years

CHARGES FOR DAMAGE TO BUILDINGS AND FIXTURES

For each incident, the total charge to repair the damage will be based on the total costs of material and labor required to repair the damage. All labor charges will be calculated using the maintenance/repair labor rates listed above in Section I. Examples of charges for damages within this category include, but are not limited to: glass replacement for light fixtures, floor tiles, holes in walls/ceilings, damaged/defaced/missing doors, and damaged door jams.

Miscellaneous Resident Charges (Includes Deposits)

Schedule of Charges - Routine Maintenance and Other Charges (Including deposits)

Item	Description	Cost
Unit Key	Lost/Unreturned Key Replacement	\$5.00 per key
Electronic Key Access Card	Lost/Unreturned Card Replacement	\$10.00 per card
Lock Changes	Failure to Return Keys/Requested by Resident / Tenant	\$25.00 per lock
During Work Hours Lock Outs	Resident / Tenant is locked out of unit	\$15.00 per occurrence
After Hours Lock Outs	Resident / Tenant is locked out of unit	\$50.00 per occurrence
Garbage Dump Fees	If total amount of trash/items removed from unit will not fit in dumpster/compactor	\$25.00 per trip <u>Actual cost.</u>
Furniture/Appliance Disposal	Tenant-owned Items taken to the dumpster	\$25.00 per item
Return of Garbage Cans/Lids	From street to unit area	\$10.00
Rescheduling Pest Control	Resident Unprepared / Tenant unprepared for treatment	Actual Cost <u>cost</u> from contractor
Fire Damage	Damages to their unit or common areas (caused by resident and/or guests)	100% of Damage Amount (Maximum of \$3,000.00)

Item	Description	Cost
Copies of Documents	From resident/tenant file or policy documents	No charge for 525 pages or less. \$.15 per additional page after the first 5 .
Over Housed Family Fee	Family is in a bigger unit than they qualify for	The charge will be calculated as the difference between KCHA's the local (1) Voucher Payment Standard for the family's current unit size and (2) the Voucher Payment Standard for the unit size for which the family actually qualifies.
Additional Parking Space	If extra spaces are available	\$25.00
Security Deposit	Refundable deposit required at time of move-in	\$75 (mixed population bldgs.) \$150 (family properties)
Pet Deposit	For allowed pets per policy	\$100 per pet

Note: All charges [listed](#) in this policy are subject to exceptions based on approved Reasonable Accommodation requests.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

RESOLUTION NO. 5823

**AUTHORIZING CHANGES TO THE PUBLIC HOUSING ADMISSION AND
CONTINUED OCCUPANCY POLICY RELATED TO THE TENANT CHARGE
SCHEDULE AND GRIEVANCE PROCEDURE**

WHEREAS, the King County Housing Authority (KCHA) is a Public Housing Authority (PHA) providing public housing assistance through an Annual Contributions Contract (ACC) with HUD; and

WHEREAS, KCHA's Public Housing program is administered in accordance with its Admission and Continued Occupancy Policy (ACOP); and

WHEREAS, staff has reviewed the KCHA ACOP and identified changes to the Tenant Charge Schedule (Exhibit O) needed to clarify the categories of charges that may be incurred by the resident and help ensure charges listed better reflect current KCHA costs; and

WHEREAS, in addition, staff has also identified changes to the Grievance Procedure (Exhibit I) to clarify its purpose and the process through which a resident may receive internal review of KCHA actions (or inactions) related to their occupancy within the Public Housing program; and

WHEREAS, the proposed changes to Exhibits O and I are intended to help ensure program compliance, streamline administration, reduce costs and increase operational efficiency; and

WHEREAS, staff has provided Public Housing residents with 30 days to review and comment on the proposed changes as required by HUD regulations; and

WHEREAS, KCHA Board of Commissioners approval of the proposed modification of the ACOP is required prior to implementation.

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON:

SECTION 1. Adopts the proposed changes to the ACOP as detailed in the attached documents effective immediately.

**ADOPTED AT A REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF COUNTY OF KING AT AN OPEN PUBLIC
MEETING THIS 16th DAY OF MARCH, 2026.**

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

JERRY LEE, Chair
Board Of Commissioners

ROBIN WALLS
CEO and Secretary-Treasurer

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To: Board of Commissioners

From: Wendy Teh, Vice President of Finance

Date: April 20, 2026

Re: **Resolution 5825: Revision of the Capital Assets Policy**

Purpose

The purpose of this memorandum is to explain the need to revise the Authority's existing Capital Asset Policy and to seek Board approval for the proposed updates. The current policy has not been materially updated since 2022 and no longer reflects prevailing industry practices, current accounting standards, or the Authority's evolving financial reporting needs.

Background

Capital asset policies establish the framework for how an organization defines, capitalizes, depreciates, and reports long-lived assets. Over time, changes in accounting guidance, operational scale, and industry norms can render older policies misaligned with best practice.

Management conducted a review of the existing policy and identified three primary drivers necessitating revision:

1. A capitalization threshold that is significantly higher than those used by most public housing authorities.
2. Financial reporting impacts, including effects on EBITDA and operating metrics.
3. The need to clearly define capital assets and standardize capitalization treatment.
4. The need to incorporate current accounting standards

Key Drivers for the Policy Revision

1. Capitalization Threshold Misalignment with Industry Practice

The Authority's current capitalization threshold is materially higher than what is commonly used by peer public housing authorities. This results in expenditures for significant asset purchases or improvements being expensed rather than capitalized, which reduces visibility into the Authority's long-term investment in property and equipment.

Revising the capitalization threshold to better align with industry norms will:

- Improve comparability of financial statements with peer housing authorities.
- More accurately reflect the Authority's capital investment activity.
- Provide a more complete and transparent presentation of assets with multi-year useful lives.

This change corrects a long-standing misalignment and brings the Authority's policy in line with widely accepted public housing authority practices.

2. Improved Comparability of Operating Metrics Across Peer Agencies

The Authority's unusually high capitalization threshold results in a higher level of capital-related expenditures being recorded as operating expenses compared to peer agencies. This accounting difference can materially affect operating metrics such as EBITDA, operating margin, and cost-per-unit measures, limiting the usefulness of peer benchmarking.

Revising the policy will:

- Improve consistency in how operating and capital costs are reported relative to other housing authorities.
- Enhance the reliability of peer comparisons used by the Board, management, lenders, and oversight bodies.
- Support clearer interpretation of financial performance trends across agencies.

Improved comparability strengthens the Board's ability to evaluate performance and position the Authority within the broader public housing sector.

3. Clarification of Capital Asset Definitions and Capitalization Treatment

The existing policy lacks clear and consistent definitions for capital assets and does not fully address capitalization treatment for common scenarios such as replacements, improvements, componentized assets, and mixed-use expenditures. This can lead to inconsistent application, increased reliance on judgment, and inefficiencies during financial close and audit processes.

The revised policy will:

- Clearly define what constitutes a capital asset versus an operating expense.
- Standardize treatment for repairs, maintenance, replacements, and improvements.
- Provide clearer guidance on capitalization of projects with multiple components.
- Promote consistent application across departments and over time.

These clarifications strengthen internal controls, improve staff efficiency, and support more consistent and defensible accounting outcomes.

4. Incorporation of Current Accounting Standards

Since adoption of the current policy, the Governmental Accounting Standards Board (GASB) has issued new pronouncements affecting capital asset accounting, including guidance related to:

- Leases (GASB Statement No. 87)
- Subscription-Based Information Technology Arrangements (GASB Statement No. 96)

Revising the Capital Asset Policy ensures:

- Ongoing compliance with current GASB standards.
- Reduced audit risk and likelihood of accounting adjustments.
- Clear and consistent guidance for staff responsible for asset accounting.

Governance and Risk Considerations

An up-to-date Capital Asset Policy is a key internal control and an important component of sound financial governance. Revising the policy strengthens compliance, improves audit readiness, and demonstrates prudent financial stewardship to regulators, funders, and the Board.

Recommendation

Management recommends that the Board approve the revised Capital Asset Policy as presented. The updated policy aligns the Authority with industry practice, improves financial reporting clarity and EBITDA presentation, incorporates current GASB guidance, and supports strong governance and oversight.

KING COUNTY AUTHORITY

Revised Capital Asset Policy

April 20, 2026



King County
Housing
Authority

CSG
ADVISORS



Discussion Overview

CSG Advisors Introduction & Role

Capital Asset Policy Overview

Policy Updates & Recommendation

Peer Comparison of Capital Asset Policies & Context

Financial Impact Analysis

Summary of Policy Changes

Recommendation

About CSG Advisors

Over the past 22 years, CSG has advised on **more long-term housing issues** and a higher volume of issues- than any other financial advisory firm.*

National Leadership

CSG has advised on many high-value transactions and helped **develop major financial programs** in response to past crises

Strategic Advisory Service

CSG has a specific public housing practice with over **50+ public housing clients** nationwide.

Real Estate Transactions

CSG has successfully closed an extensive range of real estate transactions combining **RAD, Section 18, and other HUD programs** in new and innovative ways.

Financial Advisory Leadership

In addition to financings, CSG focuses on **creating real estate and financial strategies, programs, analyses, and repositioning approaches** for public agencies.

PHA Focuses

**Source: Securities Data. Volume amount in \$ mill. Market share is % of all housing issues with or without advisors 2002-2024*

Capital Asset Policy Overview

- **What is Capital Asset Policy and why do we need one?**
 - A capital asset policy establishes clear and consistent rules for how KCHA acquires, records, depreciates, safeguards, and disposes of long-term assets.
 - A capital asset policy helps ensure accurate financial reporting, better ratings outcomes, strong controls, and clearer decision-making.
- **Why is a revision needed at this time?**
 - In reviewing how rating agencies like S&P assess us, we identified capitalization threshold changes that could improve key metrics, support a stronger credit rating, and deliver added operational and financial benefits.

Summary of Process & Update

KCHA has updated its Capital Asset Policy to align with industry standards and peer housing authority practices as well as to incorporate current governmental accounting standards.

The Revised Policy:

- Aligns capitalization thresholds with common practice among large PHAs
- Improves comparability of operating metrics across peer agencies
- Clarifies definitions and capitalization treatment of capital assets
- Incorporates current accounting standards including GASB Statement No. 87 (Leases) and GASB Statement No. 96 (SBITAs)

Illustrative Impact (FY2023 – FY 2025):

- \$3-6 mil. annual increase in reported EBITDA
- ~ 1 percentage point improvement in EBITDA margin
- ~ 0.4-0.6x improvement in Debt / EBITDA
- ~ 0.1-0.2x improvement in interest coverage



These updates affect how certain expenditures are classified for financial reporting purposes, but **do not** change underlying cash flows or the Authority's economic performance.

Why Capitalization Policy Matters

The Authority's capitalization policy affects how operating performance is presented — even when economic reality is unchanged.

- Capitalization thresholds and policies determine whether costs are:
 - *Recorded as operating expenses (immediate impact on EBITDA), or*
 - *Recorded as capital assets and depreciated over time (below the line and never impacting EBITDA)*
- Cash outflows are identical under each approach
- Reported operating margins and coverage ratios can differ materially
- Important for:
 - *Internal portfolio evaluation*
 - *Peer benchmarking*
 - *Communication with Board, stakeholders, investors*

What is EBITDA and Why it Matters

EBITDA (Earnings Before Interest, Depreciation, and Amortization) is a key measure of the Authority's operating performance.

- It reflects **cash-based operating results**, excluding non-cash expenses, like depreciation
- It is a **primary metric used by rating agencies & investors** to assess financial strength
- It is used to **evaluate key financial ratios** such as EBITDA-to-revenues and debt-to-EBITDA

KEY POINT: Because depreciation is excluded from EBITDA, *capitalization policy directly affects EBITDA – even when cash flow does not change*

KCHA's Current Capitalization Framework

KCHA applies relatively high capitalization thresholds compared to sector norms and peers. KCHA's policy is summarized below:

- Assets must generally:
 - *Have useful life of more than 3 years*
 - *Meet high dollar thresholds (\$100,000 or more)*
- Unit upgrades and special projects often evaluated in aggregate
- **Many life-extending projects fall below the threshold and are expensed**
- Depreciation: straight-line (consistent with peers)



Effect: More costs flow through operating expense rather than capitalized as an asset on the balance sheet compared to peers.

Conceptual Impact on Reported Results

Illustrative Accounting Flow: *The difference is classification and timing – not cash or financial substance.*

Under KCHA's Current Policy (Higher Threshold)

- Project cost recorded as operating expense
- EBITDA decreases immediately
- No long-term depreciation

Under Sector-Standard Threshold

- Project capitalized as an asset on balance sheet
- EBITDA higher in year of spend
- Depreciation recorded over useful life, no impact on EBITDA

Peer Policy Review – *Scope & Approach*

We reviewed capitalization practices at a select group of large PHAs to understand accepted capitalization practices among peer housing authorities.

Agencies Reviewed:

- Philadelphia Housing Authority
- Chicago Housing Authority
- Housing Authority of the County of Los Angeles (HACLA)
- Jacksonville Housing Authority
- Home Forward (Portland)
- Seattle Housing Authority

Focus Areas:

- ✓ Capitalization thresholds
- ✓ Useful-life requirements
- ✓ Treatment of repairs vs. improvements
- ✓ Depreciation methodology

Capitalization Threshold Comparison

Most large PHAs cluster around \$5,000 capitalization thresholds.

- Philadelphia Housing Authority: ~\$500 (clear low-end outlier)
- **Most others: ~\$5,000**
- Useful-life requirements generally > 1 year
- KCHA thresholds (~\$100,000 in many categories) are materially higher and have a longer useful life requirement.



Key Takeaway: Threshold differences drive classification differences that have real impact on EBITDA and related ratios.

Accounting Principles are Largely Consistent

Differences reflect conservatism in thresholds, not differences in accounting philosophy

Across Agencies:

- Straight-line depreciation
- Repairs expensed; improvements capitalized
- Useful-life standards are similar (1-3+ years)
- Componentization practices vary in detail, not principle



Implication:

KCHA's approach is more conservative in application, not inconsistent with GASB



External Auditor Review:

KCHA's external auditors, CohnReznick, reviewed the proposed policy updates and confirmed that the **revised framework is consistent** with governmental accounting standards and common practice among peer housing authorities.

How KCHA's Policy Affects Comparability

Two agencies with identical assets and cash spending can report materially different EBITDA, a key measure used by rating agencies to assess financial strength

- Higher expensing lowers reported EBITDA
- Margins may look weaker relative to peers
- Direct peer comparison requires awareness of policy differences



Key Takeaway: Policy differences complicate interpretation of financial performance metrics and can make financial results appear weaker than underlying economics.

Flexibility Does Not Mean Capitalizing “Everything”

A lower threshold expands discretion and financial flexibility, it does not eliminate judgment or create unintended administrative burden

A lower threshold provides:

- Reporting Flexibility
- Alignment with sector norms
- Improved comparability

It does *not* require capitalizing:

- Routine maintenance
- Minor repairs
- Immaterial items

Policy design maintains discipline through:

- Clear definitions of “improvement” vs. “repair”
- Materiality guidance
- Administrative practicality decisions



Key Takeaway: The goal is flexibility and clarity, not administrative complexity or balance sheet “padding”

Illustrative Impact Analysis - Methodology

We modeled how EBITDA and selected ratios would look under peer-aligned capitalization practices.

Approach:

- Identified capital budget items that would meet peer-typical capitalization thresholds (e.g., >\$5,000 and within the definition of capital items, not repairs)
- Reclassified applicable amounts from expensed on the income statement to capitalized on the balance sheet
- Assessed impact on:
 - *EBITDA*
 - *EBITDA to revenues*
 - *Debt to EBITDA*
 - *Coverage ratios*

Scope:

- ✓ Asset Management portfolio: FY23-FY25
- ✓ Subsidized Housing portfolio: FY23-FY25

Illustrative Impact Analysis - Results

Illustrative Impact on EBITDA and Key Financial Metrics

Applying peer-aligned capitalization thresholds to recent capital spending illustrates the potential impact on operating metrics.

Metric	FY23 Current	FY23 Proposed	FY24 Current	FY24 Proposed	FY25p Current	FY25p Proposed
EBITDA (\$)	144.0M	147.6M	108.4M	112.9M	125.5M	131.4M
EBITDA / Revenue	25.5%	26.2%	18.6%	19.4%	18.8%	20.4%
Debt / EBITDA	11.05x	10.78x	14.46x	13.89x	12.42x	11.87x
Interest Coverage	3.82x	3.91x	2.47x	2.57x	5.15x	5.39x

Three-Year Average Impact

Metric	Current	Proposed
EBITDA / Operating Revenue	21.0%	22.0%
Debt / EBITDA	12.64x	12.18x
Interest Coverage	3.81x	3.96x



Key Takeaways:

- Reported operating performance improves modestly
- Debt metrics improve slightly
- Credit rating methodology outcomes remain unchanged, but are strengthened and stabilized at current levels **giving the Authority more financial flexibility going forward**

Interpretation of Results



Key Observations:

- Differences reflect **accounting classification of capital spending**, not changes in economic performance
- Lower thresholds allow life-extending investments to be capitalized
- Reported EBITDA becomes more comparable with peer housing authorities
- Credit rating methodology outcomes **remain unchanged**, but are strengthened and stabilized within the Financial Risk Profile assessment

Summary of Capitalization Policy Updates

Topic	Policy Update	Purpose
Capitalization Threshold Alignment	Threshold for physical assets updated to \$5,000 per unit, aligning KCHA with common practice among large housing authorities	<ul style="list-style-type: none"> Improve comparability with peers Capitalize life-extending investments that were previously expensed
Per-Unit Capitalization Standard	Capitalization thresholds now applied per asset or unit , rather than through aggregate program thresholds	<ul style="list-style-type: none"> Simplifies application of policy Aligns with standard governmental capitalization practices
Updated Capital Asset Definitions	Capital assets must: <ul style="list-style-type: none"> Have a useful life greater than one year Have cost \geq \$5,000 Provide future service capacity through improvements, increased service capacity, or extended useful life 	<ul style="list-style-type: none"> Ensures capitalization decisions reflect economic substance
Incorporation of GASB Standards	Updated to incorporate: <ul style="list-style-type: none"> GASB 87 – Leases GASB 96 – Subscription-based IT Arrangements (SBITAs) 	<ul style="list-style-type: none"> Adds recognition and amortization guidance for right-to-use assets
Materiality Threshold for Contractual Assets	Leases and SBITAs capitalized only when: <ul style="list-style-type: none"> Term exceeds 12 months Present value of payments \geq \$100,000 	<ul style="list-style-type: none"> Avoid administrative burden of tracking immaterial contracts Maintain compliance with GASB standards

Conclusion & Recommendation



The proposed Capital Fixed Asset Policy update:

- Aligns capitalization thresholds with peer housing authority practices
- Improves clarity and consistency of capital asset accounting
- Incorporates current governmental accounting standards (GASB 87 and GASB 96)
- Enhances comparability of financial metrics used by stakeholders and rating agencies

The revisions **do not** change underlying cash flows or economic performance but improve the presentation and consistency of financial reporting.



Recommendation

Approve the resolution adopting the updated **Capital Fixed Asset Policy** with an effective date of **January 1, 2026**. Retroactive application to this current fiscal year captures the benefits of the policy change without complicating reporting.

THANK YOU

CSG
ADVISORS



MSRB Rule G-42 Disclosures

Conflicts of Interest and Other Matters Requiring Disclosures

Pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of CSG and its associated persons.

The following are potential conflicts of interest to be considered:

- CSG represents that in connection with the issuance of municipal securities, CSG may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, CSG hereby discloses, that such contingent and/or transactional compensation may present a potential conflict of interest regarding CSG's ability to provide unbiased advice to enter into such transaction. The contingent fee arrangement creates an incentive for CSG to recommend unnecessary financings or financings that are disadvantageous to the client, or to advise the client to increase the size of the issue. This potential conflict of interest will not impair CSG's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the client.
- CSG fees under this potential agreement may be based on hourly fees of CSG's personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for CSG to recommend alternatives that would result in more hours worked. This conflict of interest will not impair CSG's ability to render unbiased and competent advice or to fulfill its fiduciary duty to its clients.
- CSG's fees under this potential agreement, may be a fixed amount established at the outset. The amount is usually based upon an analysis by the client and CSG of, among other things, the expected duration and complexity of the transaction and the scope of services to be performed by CSG. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, CSG may suffer a loss. Thus, CSG may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest will not impair CSG's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the client.
- The fee paid to CSG increases the cost of investment to client. The increased cost occurs from compensating CSG for municipal advisory services provided.
- CSG serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another CSG client. For example, CSG serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, CSG could potentially face a conflict of interest arising from these competing client interests. CSG fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with its clients.
- CSG does not have any affiliate that provides any advice, service, or product to or on behalf of the client that is directly or indirectly related to the municipal advisory activities to be performed by CSG.
- CSG has not made any payments directly or indirectly to obtain or retain its clients' municipal advisory business.
- CSG has not received any payments from third parties to enlist CSG's recommendation to its clients of its services, any municipal securities transaction or any municipal finance product.
- CSG has not engaged in any fee-splitting arrangements involving CSG and any provider of investments or services to its clients.
- CSG does not have any legal or disciplinary event that is material to its clients' evaluation of the municipal advisory or the integrity of its management or advisory personnel.
- CSG does not act as principal in any of the transaction(s) related to such potential engagement.

Legal Events and Disciplinary History

CSG does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations, and civil litigation, that would affect its ability to provide municipal advisory activities and adhere to its fiduciary duty. On September 17, 2024, resulting from the SEC's industry-wide examination of text, email, and social media message retention by companies subject to SEC regulation, CSG agreed to pay a civil penalty of \$40,000 and to cease and desist from committing or causing violations and any future violations of rules noted below. The SEC found that CSG violated Section 17(a) of the Exchange Act and Rules 10Ba1-8 and Section 15B(c)(1) of the Exchange Act, as well as MSRB Rules G-8, G-9, and G-44. For more information, please see the linked press release:

<https://www.sec.gov/newsroom/press-releases/2024-132>.

The City may electronically access CSG's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html. There have been no additional material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

Revising the capitalization threshold to better align with industry norms will:

- Improve comparability of financial statements with peer housing authorities.
- More accurately reflect the Authority's capital investment activity.
- Provide a more complete and transparent presentation of assets with multi-year useful lives.

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Governance and Risk Considerations

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Recommendation

Management recommends that the Board approve the revised Capital Asset Policy as presented. The updated policy aligns the Authority with industry practice, improves financial reporting clarity and EBITDA presentation, incorporates current GASB guidance, and supports strong governance and oversight.



King County Housing Authority

Capital Asset Policy

Effective Date: January 1, 2026

Table of Contents

Capital Asset Policy	2
Purpose.....	2
Roles and Responsibilities	2
Categories of Fixed Assets	3
Capitalization Thresholds and Treatment.....	4
Depreciation and Amortization.....	7
Capital Asset Procedures	8
Safeguarding Assets.....	8
Disposal of Capital Assets	8
Depreciation.....	9
Work-in-Process	9

Issue Date:

Effective Date:

Approved By:

Capital Asset Policy

Purpose

The Authority has a significant investment in capital assets such as land, buildings, and vehicles which enable the Authority to carry out its mission. The purpose of this policy is to ensure that the Authority's fixed assets are acquired, safeguarded, disposed of, and accounted for in accordance with generally accepted accounting principles.

This policy was updated in 2026 to align capitalization thresholds with common practices among comparable housing authorities and to incorporate accounting guidance including GASB Statement No. 87 (Leases) and GASB Statement No. 96 (Subscription-Based Information Technology Arrangements.)

Roles and Responsibilities

The major responsibilities each party has in connection with the Capital Asset Policy and Procedures are as follows:

The **Finance Department** is responsible for the establishment and maintenance of a fixed asset system that allows for the proper presentation of capital assets in the financial statements and the overall safeguarding of these assets.

The **VP of Finance** will delegate the responsibilities for ensuring the fixed asset accounting system is being properly maintained, including the identification of capital assets, accurate use of codes, determination of useful lives, reconciliation to the general ledger, and financial reporting.

The designated **Fixed Asset Coordinator (FAC)** is responsible for the annual review of the fixed asset list and preparation of the fixed asset footnote for the annual financial statements. The Fixed Asset Coordinator will also assist the Fixed Asset Assistant with the annual reconciliation of the fixed assets module.

The designated **Fixed Asset Assistant (FAA)** will record fixed asset activity in the accounting software system including running depreciation on a monthly basis. The FAA is also responsible for the monthly review and reconciliation of all fixed asset activity, preparing fixed asset schedules as requested, and providing supporting transactional data for the fixed asset footnote on the annual financial statements.

All Department Heads are responsible for reading and understanding the Capital Fixed Asset policy; notifying the Fixed Assets Assistant whenever fixed assets are transferred/acquired, sold, donated, destroyed, stolen, lost, or otherwise disposed of by

Issue Date:

Effective Date:

Approved By:

using either the transfer form (Form 2859) or surplus form (Form 2858) found on the KCHA intranet; and supporting asset tracking and control procedures as required.

Categories of Fixed Assets

Land

Land is non-expendable, real property that represents ground to which the Authority holds title. Land is accounted for and controlled by tracts or parcels that are identified by their legal descriptions.

Buildings, Structures, and Improvements

Buildings are permanent, enclosed structures to house persons or personal property. The cost of buildings includes the cost of the structure itself plus the costs of all permanent, non-moveable, internal components necessary for the intended use of the structure. All permanently attached fixtures, machinery, and other apparatus that cannot be removed without cutting into walls, ceilings, or floors or otherwise damaging the building for the items to be removed are included in this classification.

This category also includes capitalized improvements to buildings. Building improvements are capital events that materially extend the useful life of a building or increase the value of a building, or both. A building improvement should be capitalized as a betterment and recorded as an addition of value to the existing building if the expenditure for the improvement is at the capitalization threshold, and the expenditure increases the life or value of the building.

Site Improvements

Site Improvements are infrastructure improvements and land improvements other than buildings that include modifications to land that improve its functionality and usability or adapt it to new use. An improvement provides additional value by 1) extending the useful life of the asset, 2) increasing the asset's ability to provide service, or 3) materially increasing the asset's value.

Unit Upgrades and Special Projects

As part of KCHA's ongoing efforts to extend the useful life of affordable housing inventory, the Authority has implemented the Unit Upgrades and Special Projects Programs to perform significant improvements to its properties. The Unit Upgrades and Special Projects Programs apply across the Authority's housing portfolio and include improvements that provide additional value by 1) extending the useful life of the asset, 2) increasing the asset's ability to provide service, or 3) materially increasing the asset's value.

Equipment

Equipment includes property that does not lose its identity when removed from its location and is not changed materially. Equipment is not attached to or an integral part of land or buildings. Vehicles are included in this category as well as furniture and fixtures.

Software

Software is programming code used to operate computer systems.

Leasehold Improvements

Leasehold improvements include changes made to rental properties to meet the needs of commercial tenants, which may include but are not limited to partitions, flooring, lighting, or painting.

Leased Assets (Right-to-Use Assets)

Assets recognized under GASB Statement No. 87 representing the Authority's right to use an underlying asset (such as land, buildings, vehicles, or equipment) for a specified period under a lease contract.

Subscription-Based Information Technology Arrangements (SBITAs)

Intangible right-to-use assets recognized under GASB Statement No. 96 representing the Authority's right to use vendor-provided information technology software for a defined subscription term.

Work-in-Process

Work-in-Process is the costs associated with constructing a capital asset that is not yet completed. When the asset is completed, the total cost is reported under the appropriate capital asset class.

Capitalization Thresholds and Treatment

For all asset categories not further specified below, the Authority capitalizes tangible and intangible capital assets that:

- Have an estimated useful life greater than one (1) year, and
- Have an original unit cost of \$5,000 or greater, and
- Provide future service capacity by extending useful life, increasing service capacity, or materially increasing asset value.

The Authority may apply professional judgment in determining whether capitalization is appropriate in cases where expenditures meet the capitalization threshold but do not provide meaningful future service capacity.

Issue Date:

Effective Date:

Approved By:

Leased Assets (GASB 87)

The Authority recognizes a right-to-use lease asset and corresponding lease liability for leases subject to GASB Statement No. 87 when the lease has a maximum possible term greater than twelve (12) months and the present value of total lease payments at commencement equals or exceeds \$100,000. Leases below this threshold are expensed in accordance with the payment provisions in the contract.

Leases with a maximum possible term of twelve (12) months or less are considered short-term leases and are expensed as incurred.

Lease assets are initially measured at the present value of lease payments expected to be made during the lease term. The corresponding lease liability represents the Authority's obligation to make those payments.

Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset unless ownership transfers at the end of the lease term.

Subscription-Based Information Technology Arrangements (GASB 96)

The Authority recognizes a right-to-use subscription asset and corresponding subscription liability for subscription-based information technology arrangements subject to GASB Statement No. 96 when the subscription has a maximum possible term greater than twelve (12) months and the present value of total subscription payments at commencement equals or exceeds \$100,000. SBITAs below this threshold are expensed in accordance with the payment provisions of the contract.

SBITA assets are initially measured as the sum of the subscription liability, payments made prior to commencement of the subscription term, and certain capitalizable implementation costs, including configuration and setup costs as defined under GASB Statement No. 96.

SBITA assets are amortized on a straight-line basis over the subscription term.

Work-in-Process

Upon project completion, work-in-process costs will be capitalized into fixed asset accounts or expensed, based on the application this policy and other accounting principles to underlying costs.

Per Unit Costs

In some cases, a group of similar items falls short of the capitalization threshold on an individual basis while they may exceed the threshold in the aggregate. It is the Authority's

policy to apply the capitalization thresholds on an individual "per unit" basis where a "unit" represents a discrete product. For example, a bulk order of 10 refrigerators costing \$600 each and totaling \$6,000 in total would not be capitalized because the unit cost of \$600 is less than the individual unit threshold of \$5,000. In this example, it is the Authority's position that the aggregate amount of \$6,000 is immaterial to the Authority's financial statements and therefore the amount would be expensed.

For modernization and rehabilitation projects, a "dwell unit" constitutes a "unit" for interior work and a "building" constitutes a "unit" for exterior work.

Componentization

A single capital asset (e.g., building) can sometimes be comprised of one or more individual components with a shorter useful life (e.g., roof and windows). For capitalization, the Authority will include the component as an integral part of the larger capital asset and also capitalize subsequent replacements if the replacement adds value by 1) extending the useful life of the asset, 2) increasing the asset's ability to provide service, or 3) materially increasing the asset's value. In the example of a building and its roof, the roof would be capitalized as an integral part of the building with the combined cost depreciated over the life of the building. Subsequent roof replacements would be capitalized as the replacement extends the useful life of the building.

Building, Structures, and Improvements

Newly constructed or newly rehabilitated buildings will be depreciated over a useful life of 40 years. Pre-owned buildings acquired by the Authority will be assigned a useful life of between 20 and 40 years. The final determination of the useful life will be based on the age and condition of the building. This determination would also be the result of consultation between the Finance Department and the appropriate management and will ultimately be made by the Director of Finance or his/her designee.

Unit Upgrades and Special Projects

Capitalization of expenses related to Unit Upgrades and Special Projects shall follow the general capitalization criteria outlined in this policy. Costs will be capitalized on a per-unit basis when they:

- Meet the \$5,000 capitalization threshold, and
- Extend useful life, increase service capacity, or materially increase asset value.

Program-level or aggregate capitalization thresholds will not be applied.

Subsequent Costs

In modernization and rehabilitation projects, costs may sometimes be incurred after capitalization and placing the asset in service (i.e. punch list items or warranty work). In this situation, costs that meet a \$5,000 threshold and meet the definition of capital asset, will be capitalized and added to the asset.

Acquisition

Capital asset acquisition shall comply with the KCHA procurement policy.

Depreciation and Amortization

Depreciation and amortization of fixed assets is computed on a straight-line basis over their estimated useful lives, as shown in the following table. Right-to-use assets recognized under GASB Statement No. 87 and GASB Statement No. 96 are amortized over the applicable lease or subscription term as described in the following table.

Asset Type	Useful Life
Land	No Depreciation
Buildings, Structures, Improvements	20-40 Years
Unit Upgrades and Special Projects	20 Years
Site Improvements	15 Years
Equipment	3-15 Years
Vehicles	10-15 Years
Software	3 Years
Leased Assets (Right-to-Use Assets)	Shorter of lease term or useful life of underlying asset
SBITAs	Subscription term
Leasehold Improvements	Lesser of 15 years or lease term

Capital Asset Procedures

Safeguarding Assets

The Authority maintains internal control policies and procedures for safeguarding assets, including vehicle management and tracking of small and attractive assets, which are addressed in separate policies.

Tagging

The Authority will use tags to help maintain control over movable equipment.

It is the responsibility of the IT department to tag all capitalized computer and computer-related equipment. The Fleet Manager is responsible for tagging all vehicles. The Admin Services department, through the Fixed Asset Assistant, is responsible for providing tags for all other equipment by sending them to the acquiring department. The Fixed Asset Assistant also updates the fixed asset record in the accounting system with the tag number. The Fixed Asset module will be a central data base with all tag numbers being entered into each corresponding asset's record.

Disposal of Capital Assets

The Fixed Assets Assistant is responsible for changing the status of records when the disposition of assets occurs.

Non-movable Assets

In the case of non-movable assets such as land and buildings, the Fixed Asset Coordinator will work with the Fixed Assets Assistant to ensure that the disposition of real property is recorded correctly in the general ledger and fixed asset module.

Equipment

In general, surplus or obsolete equipment may be disposed of by transferring to another department, discarding/scraping, trading-in, donating, or selling the asset. When selling, donating, or disposing of assets, the department responsible for the asset must complete the Surplus of KCHA Equipment form [InfoPath form 2858]. (The transfer of an asset to another department follows the same process but requires the Transfer of KCHA Equipment form [InfoPath form 2859].) The form should be forwarded to the Fixed Asset Assistant after being completed with approval signatures of the department head and the Deputy Executive Director/Chief Administrative Officer.

Depreciation

Recognition of depreciation begins on the first day of the month of acquisition. No depreciation is taken in the month of disposition.

Land, certain land improvements, and work-in-progress are not depreciated. Land is considered to have an unlimited useful life, and its salvage value is unlikely to be less than its acquisition cost. Certain land improvements may be considered to have an unlimited useful life and are not depreciated.

Work-in-Process

Development Projects

Project costs include all costs directly associated with the development of housing or other structures. For development projects, all project costs regardless of per unit cost and including all common area and dwell unit equipment and furnishings, will be capitalized in the Work-In-Process suspense account.

By year end, costs will be transferred out of the Work-In-Process suspense account and either posted to the applicable fixed asset accounts or expensed, based on the application of this capitalization policy and other accounting principles to underlying costs.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5825

ADOPTION OF REVISED CAPITAL ASSET POLICY

WHEREAS, the President/CEO recognizes the importance of establishing consistent standards for the capitalization, classification, safeguarding, depreciation, and disposal of capital assets; and

WHEREAS, King County Housing Authority maintains a Capital Asset Policy to govern the capitalization, depreciation, safeguarding, tracking, impairment, and disposal of capital assets in accordance with generally accepted accounting principles (GAAP), HUD requirements, and audit standards; and

WHEREAS, Management has conducted a review of the existing Capital Asset Policy and determined that revisions are necessary to reflect current operational practices, capitalization thresholds, and internal control requirements; and

WHEREAS, the Board has reviewed the revised Capital Asset Policy presented to it on April 20th, 2026, and determined that such policy supports sound financial management and effective stewardship of the Organization's resources.

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

- 1.** That the Revised Capital Asset Policy shall supersede and replace any prior capital asset policies previously adopted by the Housing Authority; and
- 2.** That the President/CEO is authorized and directed to implement the Revised Capital Asset Policy and to ensure compliance through appropriate procedures, internal controls, and staff training; and
- 3.** That the President/CEO or designee is authorized to make non-material administrative or clerical updates to the policy as necessary, provided such updates do not alter capitalization thresholds, depreciation methodologies, or Board-approved policy intent; and
- 4.** That this resolution and the Revised Capital Asset Policy shall be maintained in the official records of the Housing Authority and made available for audit and regulatory review.

**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 20TH DAY OF APRIL, 2026.**

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

JERRY LEE, Chair
Board of Commissioners

Attest:

ROBIN WALLS
President/CEO and Secretary-Treasurer

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**King County
Housing
Authority**

Safety & Security Update

Ponha Lim
Vice President
Safety & Security

April 20th, 2026

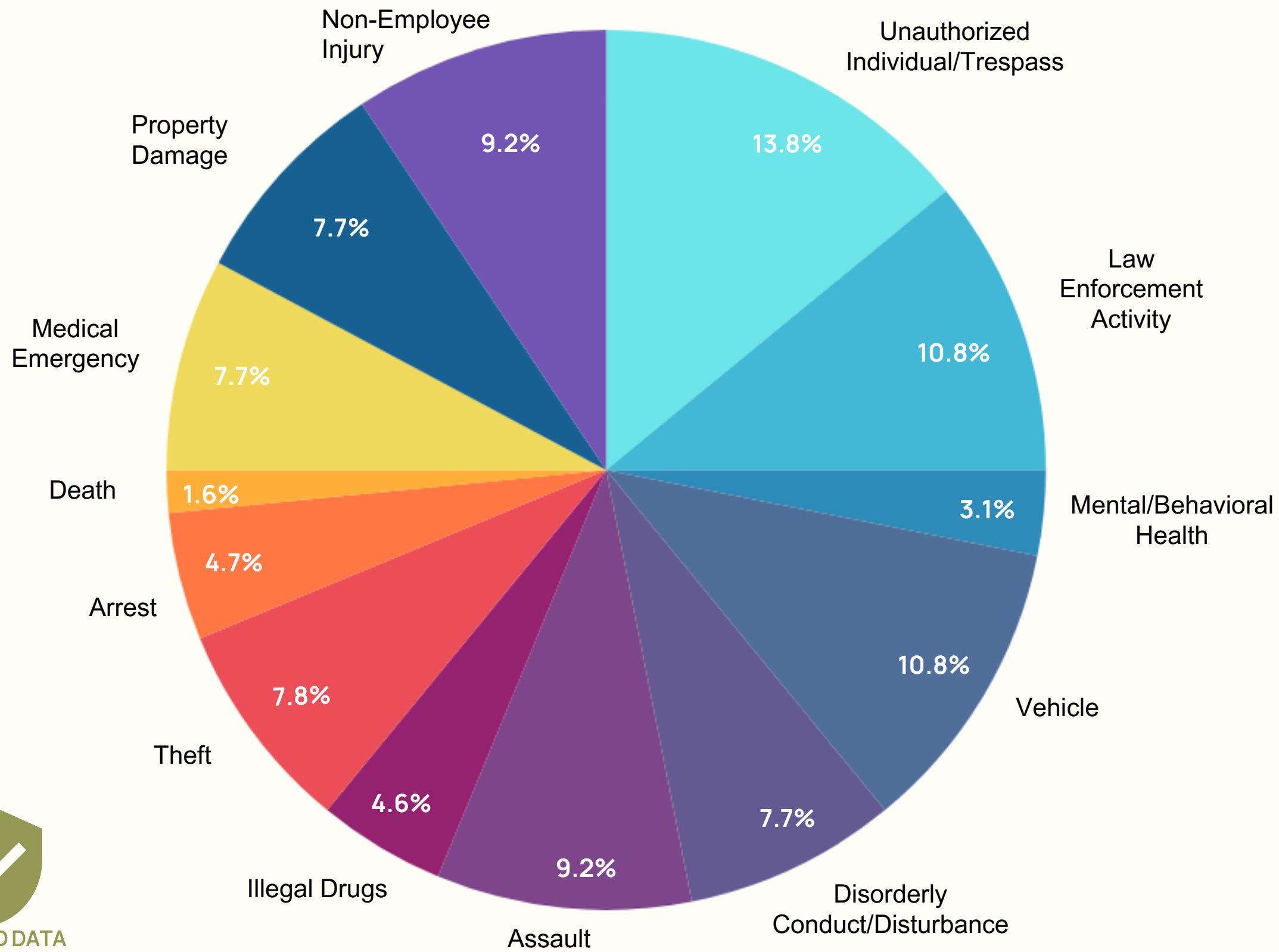


Agenda

- Safety & Security Data & Trends
- 2025 Year-in-Review: Initiative Updates
- Strategic Planning: 2026 Objectives and Outlook
- Questions & Discussion



Safety & Security Data & Trends

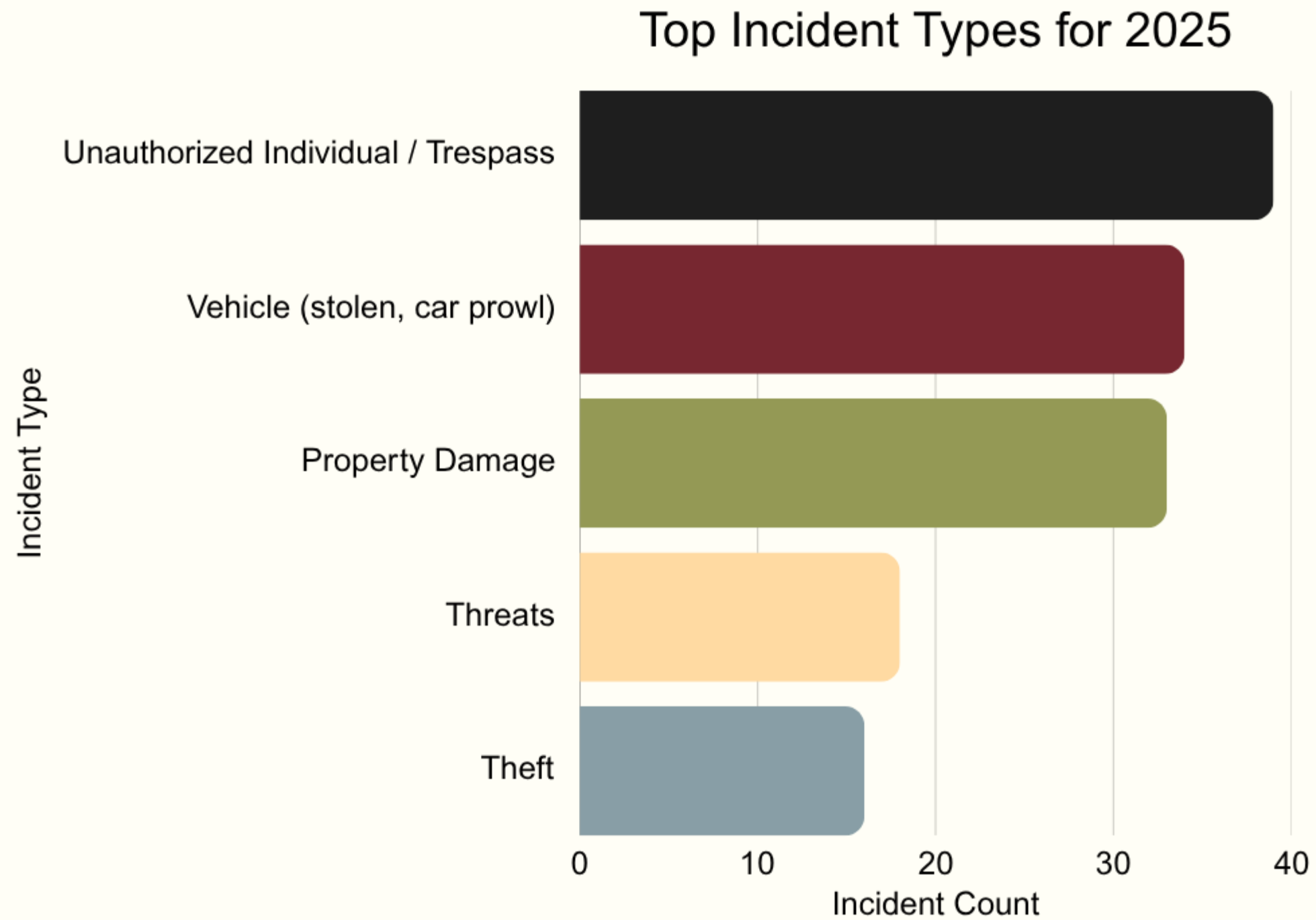


Top 5 Incidents for Q1 2026

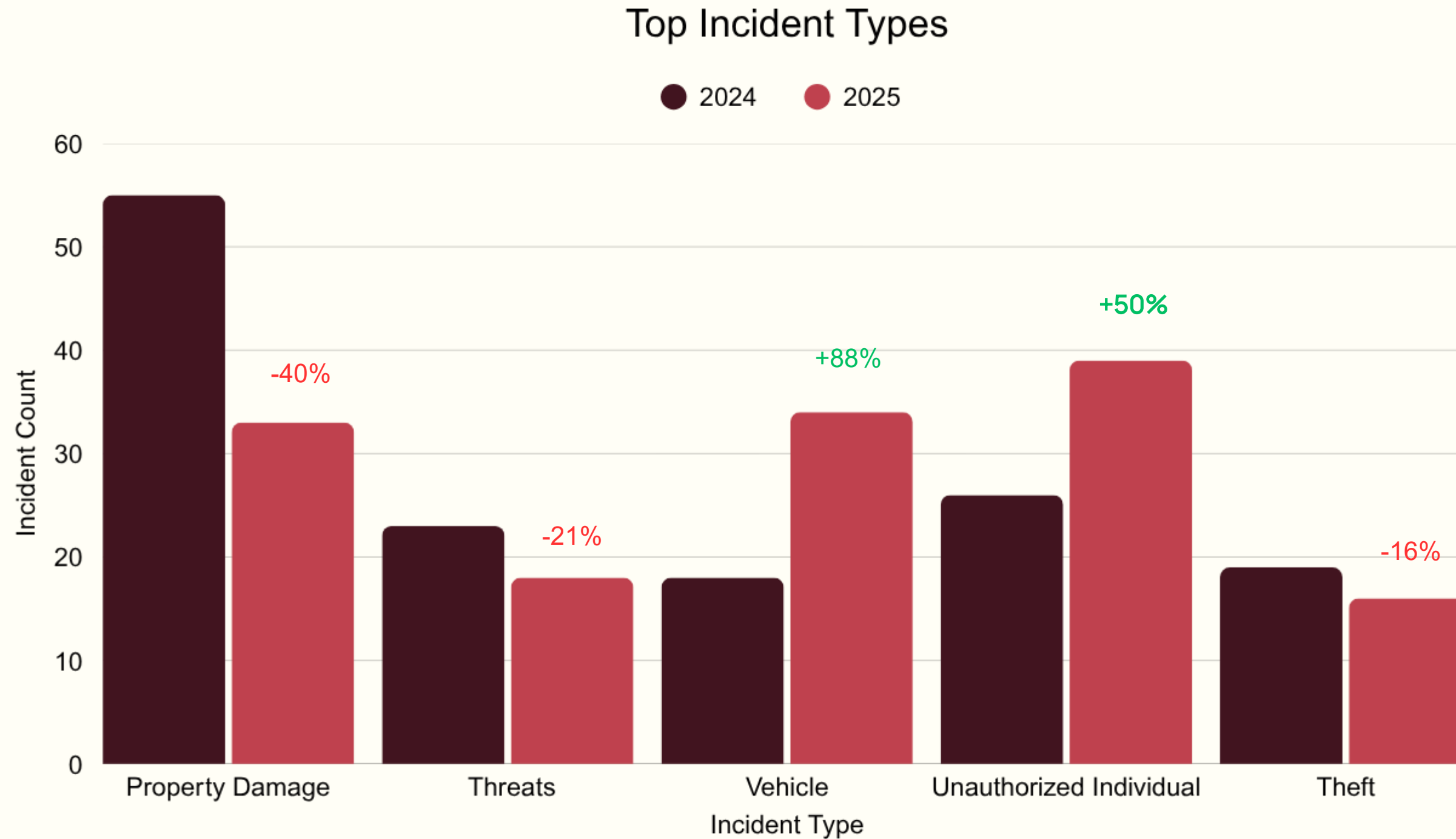
1. Unauthorized Individual/Trespass
2. Law Enforcement Activity
3. Vehicle (car prowls, stolen vehicles)
4. Assault
5. Non-Employee Injury



Safety & Security Data & Trends

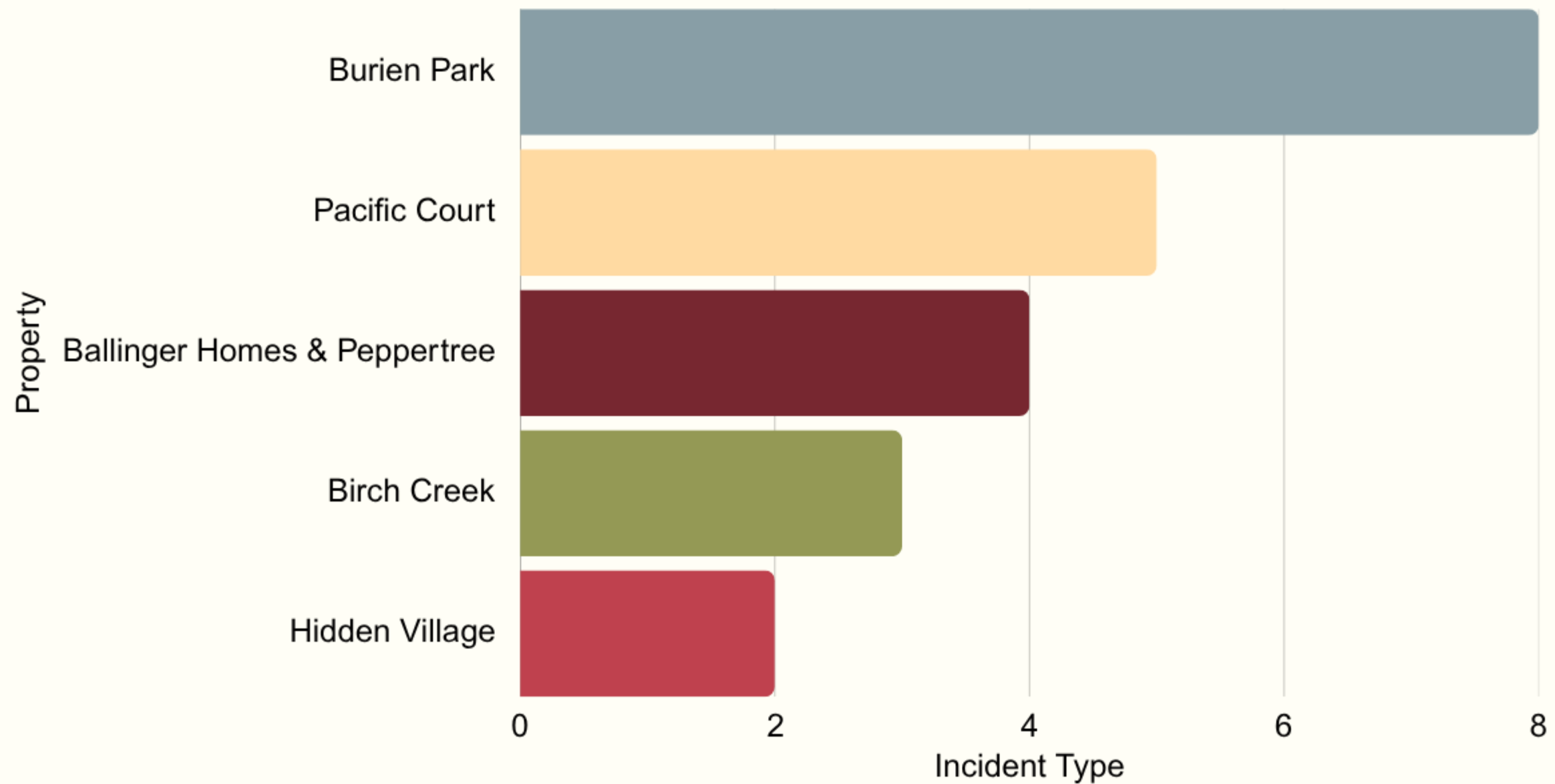


Safety & Security Data & Trends



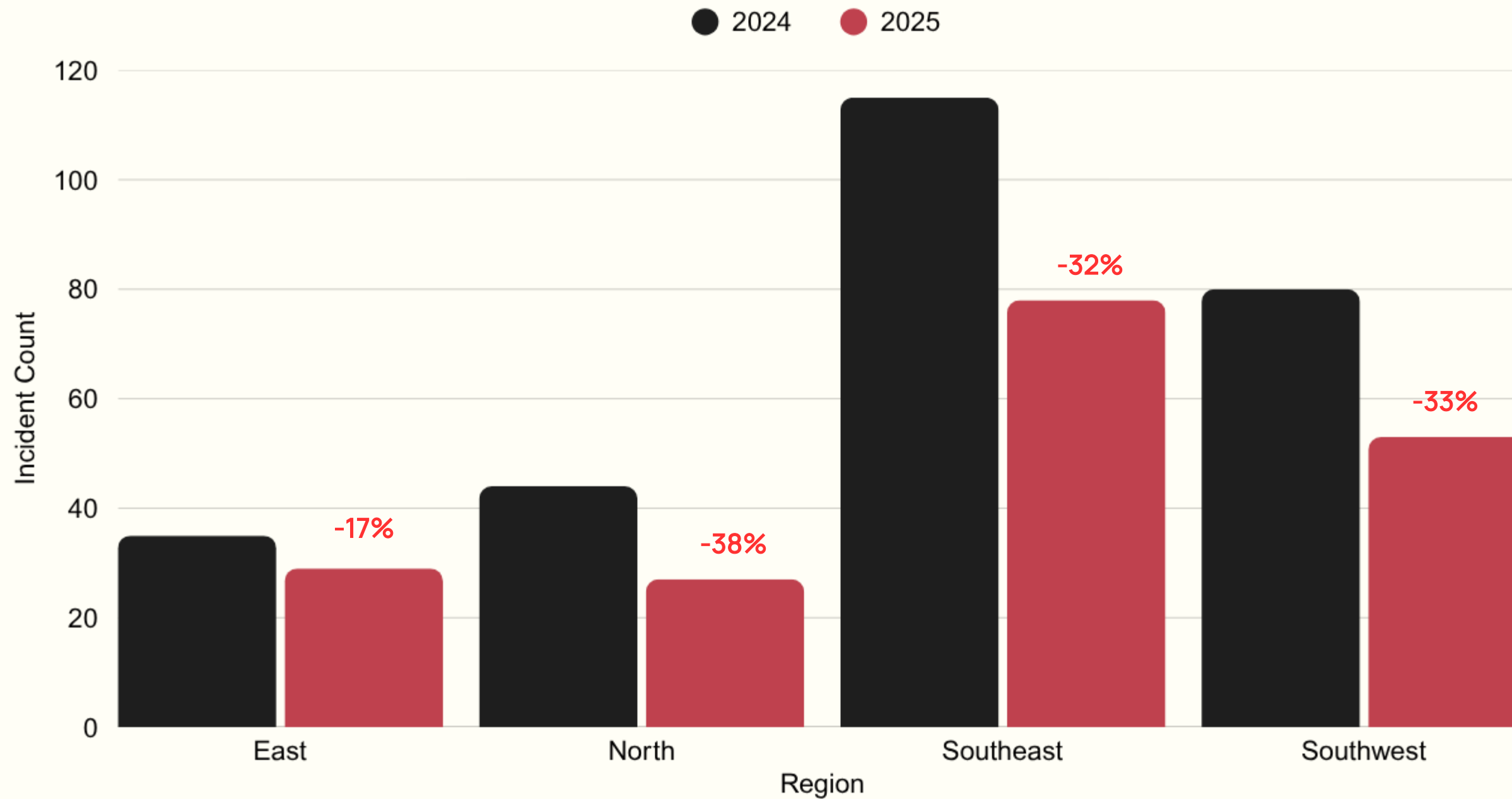
Safety & Security Data & Trends

Properties with Highest Incident Volume for Q1 2026



Safety & Security Data & Trends

Incident Count Comparison by Region
2024 and 2025





2025 Year-in-Review Initiative Updates

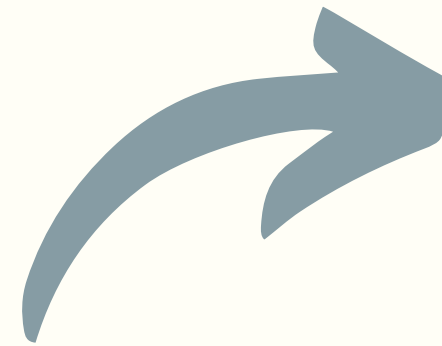


2025 Year-in-Review: Initiative Updates

Security Integration Project

KCHA properties upgraded with:

- Cloud-based cameras
- Office safety intercoms
- Encrypted card readers



Standardized security system to a single, unified platform. Improves staff safety, response, and accountability



2025 Year-in-Review: Initiative Updates

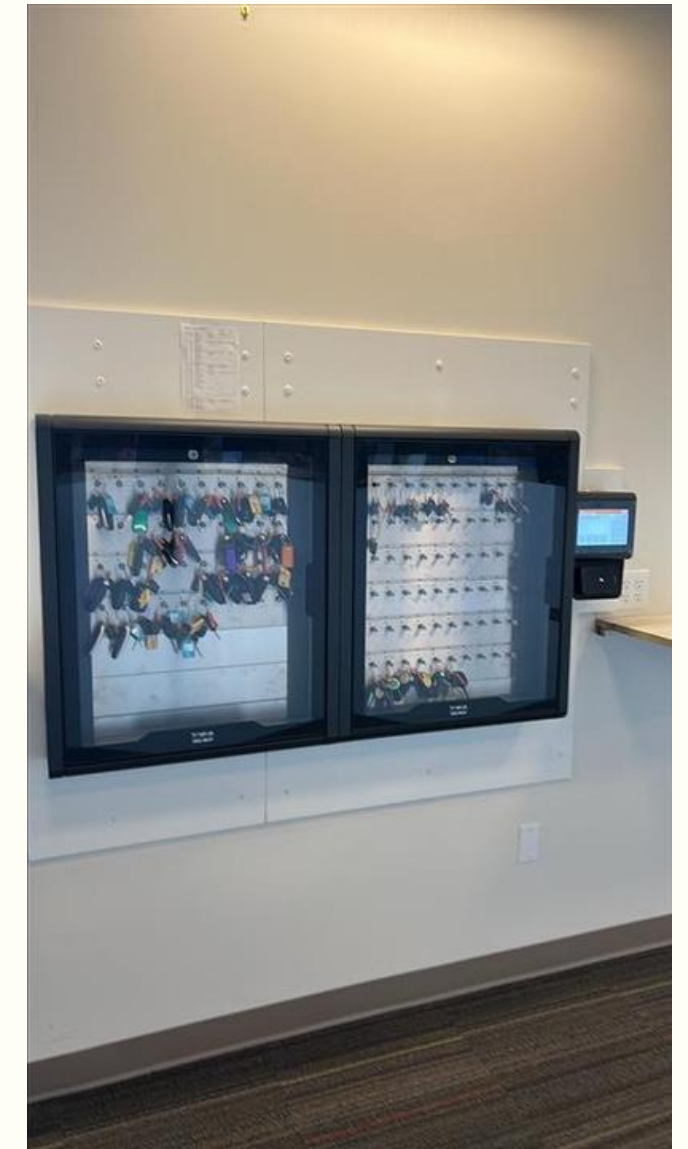
Traka Digital Key Boxes

- Keys are secured in electronic lockboxes
- Integrated with KCHA badge readers
- Tracks key use, eliminating paper logs
- Reduces risk and improves accountability for staff and facilities

**Implemented at Central Office and Spiritwood;
additional sites scheduled*



Spiritwood



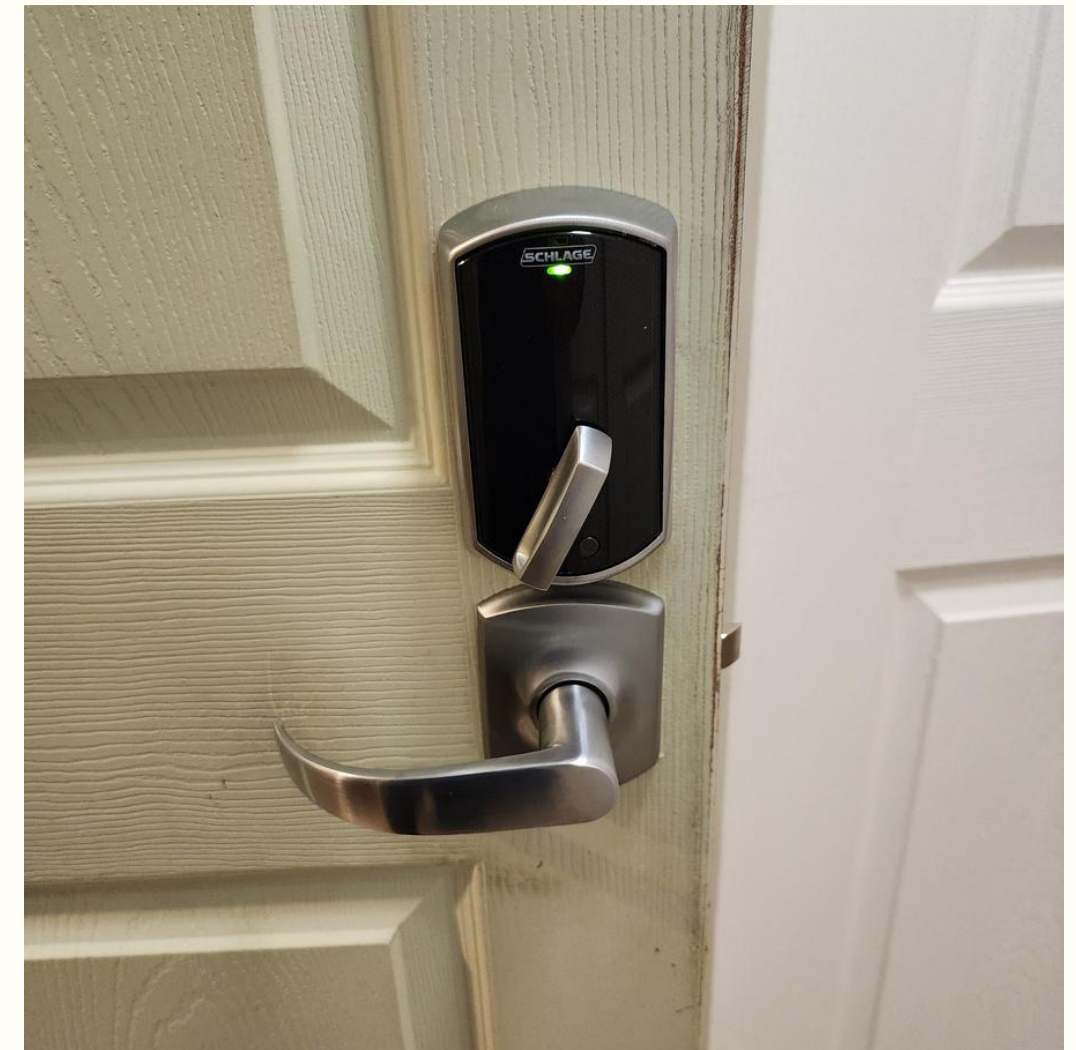
Central Office

2025 Year-in-Review: Initiative Updates

Residential Digital Locks

- Allows immediate activation and deactivation of access
- Faster response by allowing quick access changes
- Locks assigned to the unit, not an individual (no PII)
- Integrated with KCHA's security platform

**Properties upgraded include Mardi Gras, Paramount House, Patricia Harris*



2025 Year-in-Review: Initiative Updates

Office Space Safety Project

Safety enhancements include:

- Standardized customer service counters
- Shatter-resistant, half-inch glass
- Improved access control and addition of egress doors
- Balancing safety & customer service experience

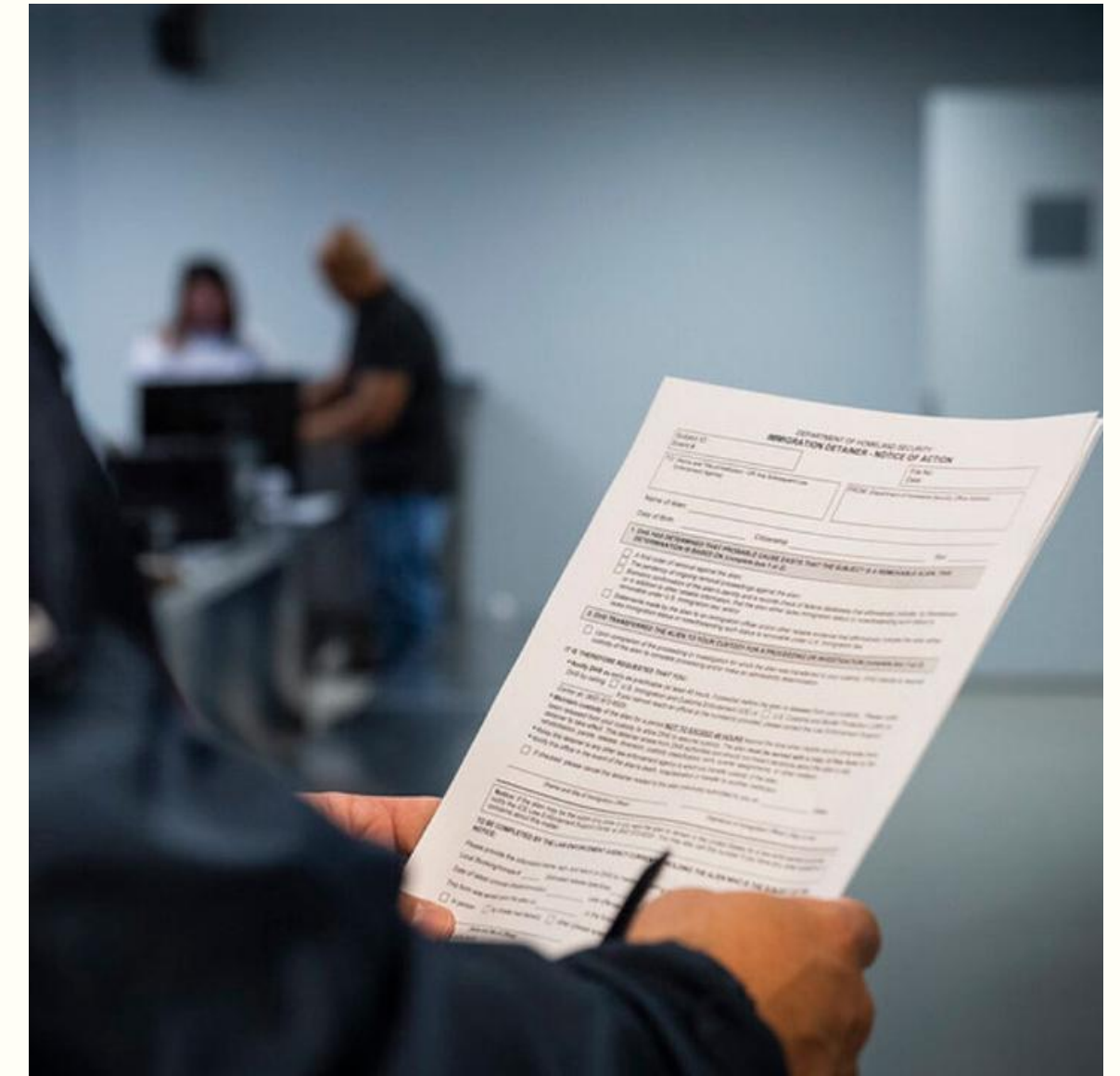


Firwood Circle (Auburn)

2025 Year-in-Review: Initiative Updates

Supporting Staff During Federal Operations

- Partnered with Property Management, Communications, and Compliance to clearly explain to staff how to handle interactions with federal officials, including warrants
- Published FAQs and a Quick Reference Guide outlining roles, rights, and expectations
- Hosted a KCHA Town Hall to answer questions and reinforce safe practices



2025 Year-in-Review: Initiative Updates

Rave Alert Expansion

- KCHA uses Rave Alerts to send safety messages via text to advise of immediate risk
- Rave Alerts have expanded to residents, partner agencies (e.g YMCA), and contractors/vendors
- Goal is to keep people advised and updated on safety issues, such as law enforcement activity, threats



RAVE
MOBILE SAFETY
a Motorola Solutions Company

2025 Year-in-Review: Initiative Updates

Off-duty Police Services

- Expanded law enforcement partnerships to include Auburn, building on ongoing work with Kent Police and the King County Sheriff's Office
- Patrols focused on being visible, engaging with the community, addressing transient activity, and enforcing trespass rules

**Tukwila PD contract under review*



2025 Year-in-Review: Initiative Updates

KCSO Housing Liaison Position

- Working with multiple agencies in a joint effort to support Supports KCHA staff with lease enforcement
- Engages residents and staff through safety meetings
- Provides critical support during active investigations
- Delivers crime reporting, data, and trend analysis



KCSO Det. David Desjardin (DJ)



Strategic Planning 2026 Objectives and Outlook



Strategic Planning: 2026 Objectives and Outlook

Safety and Security Strategic Plan (2026-2029)

- Standardize how KCHA identifies, assesses, and responds to safety risks
- Modernize security with clear guardrails that balance equity, privacy, and accountability
- Strengthen staff and resident safety through training, partnerships, and transparency



Strategic Planning: 2026 Objectives and Outlook

Threat Assessment Group

- Identifies, evaluates, and manages emerging risks
- Coordinates across departments (Property Management, HCV, People & Culture, Risk Management)
- Focuses on early intervention to prevent escalation



Strategic Planning: 2026 Objectives and Outlook

Threat & Vulnerability Assessments

- Create an assessment framework for high-security properties to ensure risks are identified, evaluated, and addressed
- Apply data-driven methods using KCHA incident reports, local police reports, and input from staff
- Being proactive improves preparedness, enhances safety for staff & residents, and reduces incidents

		Likelihood		
		1	2	3
Severity	1	Low	Low	Medium
	2	Low	Medium	High
	3	Medium	High	High

Strategic Planning: 2026 Objectives and Outlook

Crime Prevention Through Environmental Design (CPTED)

- Designing physical spaces to deter criminal activity
- Uses landscaping, such as thorny plants or rocks, to direct movement and deter unwanted foot traffic
- Collaborating with Property Management Maintenance and Resource Conservation



Before

After

Strategic Planning: 2026 Objectives and Outlook

Trauma Informed Care Portfolio

- Integrated into KCHA's Trauma-Informed Learning Portfolio
- A safety-focused approach that uses respectful, calm interactions to reduce escalation and avoid re-traumatization
- Focus on de-escalation, workplace security, and mental-health first aid
- Supports front-line, customer-facing staff



Strategic Planning: 2026 Objectives and Outlook

Inspection Training

- Prepares staff entering occupied units
- Scenario-based training on common hazards and disengagement
- Developed with HCV Inspections & Learning & Development



Strategic Planning: 2026 Objectives and Outlook

Emergency Communication

- Part of the Puget Sound Emergency Radio Network (PSERN)
- Reliable communication when cellular and internet networks are compromised
- Interoperability allows coordination with multiple jurisdictions across the county
- Major storms, earthquakes, or natural disasters





**Questions or
Discussion?**

Thank you!



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6



King County Housing Authority

KCHA Board of Commissioners

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

President/CEO — Robin Walls

TO: Board of Commissioners

FROM: JJ Jordan, Vice President Capital Construction & Weatherization

DATE: April 20th, 2026

RE: **2025 Year End Capital Expenditure Report & 2026 Planned Projects**

This report provides a detailed summary of capital expenditures in 2025 and planned capital work for 2026. It summarizes the activities in four departments: Capital Construction and Weatherization; the Greenbridge Department; Asset Management/Development; and Housing Management.

The total amount budgeted in 2025 for capital projects planned and managed by these departments was \$79,545,687. The actual expenditure totaled \$82,457,050 or 104% of the budgeted amounts. The table below summarizes 2025 capital expenditures.

Department	Project Category	No. of projects	2025 Budget	2025 Year End Expenditures*	% Expended
Construction	Public Housing	19	\$11,905,927	\$7,015,009	59%
Construction	509 Properties	2	\$0	\$234,706	N/A%
Construction	Other	4	\$2,063,810	\$978,191	47%
	Subtotal	25	\$13,969,737	\$8,227,905	59%
Weatherization					
(KCHA-owned projects)	Subtotal	1	--	\$155,753	--
Greenbridge Depart.	Greenbridge Land Development	15	\$4,132,000	\$3,834,769	93%
	Subtotal	-	\$4,132,000	\$3,834,769	93%
Asset Mgmt.	Bond Properties	13	\$2,650,000	\$2,292,572	87%
Asset. Mgmt.	HOP	5	\$375,000	\$467,599	125%
Asset. Mgmt.	Tax Credit	1	\$46,000,000	\$55,556,632	121%
Asset Mgmt.	Other Unbudgeted	12	\$4,400,000	\$4,855,907	110%
	Subtotal	31	\$53,425,000	\$63,172,710	118%
Housing Mgmt.	Unit Upgrades	112	\$5,618,950	\$5,018,950	89%
Housing Mgmt.	Small Repairs/Special Projects	282	\$2,400,000	\$2,046,963	85%
	Subtotal	394	\$8,018,950	\$7,065,913	88%
All Construction	Total		\$79,545,687	\$82,457,050	104%



Capital Construction – 2025 Budget and Expenditures

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

Expenditures in 2025 included several projects that were carried over from 2024, as well as unbudgeted projects the need for which emerged after the 2025 capital projects budget was approved.

Expenditures for 2025 projects include but were not limited to:

PROJECT	2025 PROJECT COST
Westminster Manor Roof	2,280,838
Brittany Park Window Replacement	495,749
Burndale Homes Office TI & Envelope	451,884
Boulevard Manor Fire System Upgrades	429,115
Yardley Arms Fire System Upgrades	414,880
600 Building Bathroom Remodel	387,432
Munro Manor Fire System Upgrades	377,898
Vantage Point South Elevator Addition	362,467
Mardi Gras Fire Monitoring System Upgrade	353,765
600 Building Transformer Upgrade	189,098
Newport Fire Monitoring System Upgrade	178,422
Cedar Grove Bldg A and B Roofing	177,940
Briarwood Fire Monitoring System Upgrade	173,954
Park Royal Site & Drainage	158,655
Burndale Homes Additional Transformer	116,574
Cedar Grove Bldg C Roofing	110,698

The Capital Construction and Weatherization Department’s overall 2025 construction expenditures, not including weatherization funds, were \$8,712,613 or 64% of the planned budget. Multiple projects were delayed intentionally due to federal funding uncertainty and strategically to include certain scopes of work in RAD Section 18 Blend conversions to maximize financial incentives under that structure.

The Department also leveraged \$155,753 in funding from the Low-Income Weatherization Assistance Program to complete energy conservation improvements at one (1) KCHA owned properties. This is lower spending than average on KCHA properties specifically due to a larger than normal project percentage executed in this calendar year at properties owned by low-income housing non-profits organizations.

Capital Construction – 2026 Projects

In 2026, Capital Construction budgeted \$13,292,796. This budget includes the design and construction of 13 new projects and completion of one (1) project that will carry over from 2025. Additionally, the budget includes design development for RAD Section 18 blends anticipated to start construction in 2027 and to complete critical repairs outlined in 3rd party capital needs assessments done on the 13 properties making up Cohorts 1 and 2 for RAD subsidy only conversion. This department will again undertake multiple projects to improve building systems, replace envelopes, and upgrade site components. Major new projects and design developments planned for 2026 are as follows:

PROJECT	2026 PROJECT BUDGET
Design Development for 2027 RAD Section 18 Blends (Multiple Projects / Sites)	3,446,677
Critical Repairs for RAD 2026 Subsidy Only Conversions (Multiple Projects / Sites)	1,392,000
Juanita Trace Site Improvement	1,025,140
Spiritwood Manor Roofs III	801,711
Yardley Arms Window Replacement	780,635
Kirkwood Terrace Site & Lighting Improvements	719,079
Harrison House Fire Monitoring System Upgrade	648,893
600 Building Lobby Remodel	585,100
Paramount House FAS	569,331
Vista Heights Roof Replacement	548,240
Eastridge House Common Area Heating Upgrades	440,354
Birch Creek Parking Lot Seal Coating	411,186
Newport Fire Monitoring System Upgrade	299,166
Briarwood Deck Refinishing	285,734
Briarwood Envelope	282,220

Greenbridge – 2025 Activities

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

The Greenbridge budget for 2025 was \$4,132,000, Total expenditures for 2025 were \$3,834,769 approximately 93% of the budget. Cost savings resulted from using outside



consultant support for construction management. The department also slowed studies of potential future development options at Wind Rose Notch and Greenbridge Lot 1.

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

Wind Rose

The Wind Rose Parks and Trails were turned over to the Greenbridge Association. In 2025, staff continued to work with Conner Homes to finalize necessary deeds and easements for the early transfer of three (3) parks, a trail section and open space to the Greenbridge Association for maintenance. Right-of-way planting, alleys, and water quality and detention ponds are under Conner Homes' maintenance until completion of construction permits from performance to maintenance bonds. The Pea Patch park is now open to members for Spring planting with great success.

Materra

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

Brio

BDR Homes has still not completed the alley. This work includes curb repair and final lift. King County has recovered the proceeds from the performance bund and is in the process of filing a lawsuit against the principals of BDR. King County has not shared a timeline for proceeding with the alley.

Altamura

Conner Homes sold 19 homes in 2025 with 17 of the 107 total homes remaining to be sold. Conner Homes is responsible for all maintenance in Division 8 and are finalizing a plan to close out and turn over the parks and trails to KCHA. Conner and KCHA are working on a temporary construction easement for any required repairs during this maintenance period.

Revenue from Home and Land Sales Activity

The Greenbridge Department generated \$27,781 in revenue through the Phase 4 Altamura land sales to Conner Homes. Profit participation from land sales is a primary funding source for Greenbridge.



PROJECTS COMPLETED IN 2025

Sandpiper Bridge

The Department has completed environmental permitting and construction on the Sandpiper bridge replacement project. The bridge crosses a fish bearing stream, Kelsey Creek, in Bellevue, WA. Grants totaled \$3,062,509 through King County Water Works and Flood Control District. Completed grant reimbursement and grant closeout.

Neighborhood House

Completed construction at Neighborhood House at Seola Gardens. Staff provided entitlement assistance and construction support.

4th Ave SW Improvements

Progress was made to complete the 4th Ave SW the King County maintenance period.

View Terrace

KCHA is working with MHCP to create a 30-unit affordable manufactured housing development to provide homeownership opportunities in Skyway, WA. KCHA completed land entitlement including publishing a SEPA RMDNS acting as lead agency. 2 road variances were approved. Completed a Housing Cooperation Agreement (HCA) with King County allowing priority processing, vesting of land use codes, thirteen land use code modifications.

Greenbridge Art

Confluence is the final art installation fabricated and installed by the artist Mary Coss, who has multiple art pieces throughout Greenbridge. In addition to the structure a poem was added in bronze cursive script. The two pieces work together to address leaving an old home and establishing a new one.

The total 2026 Budget for Greenbridge is \$2,465,000.

PROJECTS PLANNED FOR 2026

- Continue to work with Conner Homes to complete the build-out and turnover of the balance of Greenbridge Division 8 by providing design guideline review. Provide monthly home sale summaries including sales prices and profit participation. Work with Conner to



close out Wind Rose to Maintenance and obtain final approval. Begin the turnover process of Greenbridge Division 8, Altamura. Work with King County to complete the Brio ally.

- Provide leadership and direction to the Greenbridge and Seola Gardens Communities through Declarant leadership and management of the Associations by providing design guideline reviews, managing and updating reserve studies, reviewing annual budgets and resolving development and land use issues.
- Staff will continue development planning for the Wind Rose (Greenbridge) Notch as an affordable housing project, along with nearby sites planned for townhomes serving large families. Evaluation of stormwater improvements and ongoing coordination with King County on land use and zoning considerations need to be addressed.
- For View Terrace, continue to work and support MHCP to develop construction permits to construct the project.

Development/Asset Management – 2025 Projects

The Development and Asset Management Departments collaborate the initial development of Low-Income Housing Tax Credit (LIHTC) financed new construction and renovation projects. Development staff secure the financing including tax credit equity, public funding and bond financing, and the Asset Management staff manage the construction, lease-up, and contract compliance. In 2025, predevelopment work was completed for the Trailhead Apartments and future RAD conversions.

Asset Management’s construction group oversees both the larger LIHTC projects and capital improvement work on Bond, Tax Credit, and Home Ownership Program (HOP) mobile home properties within Asset Management’s portfolio. This latter work includes roof replacements, building envelope upgrades, deck repairs, exterior painting, asphalt/concrete, electrical and plumbing system replacements, etc. In 2025, Asset Management had 31 active capital improvement projects and expended \$63,172,710 or approximately 18% over the original capital projects budget of \$53,425,000.

The redevelopment of Kirkland Heights accounts for the largest portion of the difference. While the overall budget for Kirkland Heights remained the same, the amount of work completed in 2025 was almost \$10 million more than had been budget for the year. 22 of the 27 residential buildings at Kirkland Heights had been completed by the end of 2025.

2025 Completed projects included:

PROJECT	2025 PROJECT COST
Argyle – Asphalt	171,450
Auburn Square – Plumbing	357,653
Ballinger Commons – Roof	142,802

Carrington – Decks	212,215
Hampton Greens – Roof	137,252
Juanita View – Asphalt	92,777
Landmark – Landings	118,750
Riverstone – Asphalt	144,343
Sandpiper East – Roof	84,035
Sandpiper East – Siding	312,484
Sterling Ridge – Roof	166,769
Timberwood – Roof	174,392
Villages at South Station – Asphalt	177,650
Friendly Village – Asphalt	48,894
Tall Cedars – Water meters	213,529
Vantage Glen – Rockery	117,636
Vantage Glen – Asphalt	41,541
Vantage Glen – Roof	46,000
Village at Overlake - Roof	568,720
Rainier View – Site development	1,485,954
Ballinger Commons – Fire renovations	558,651
Cascadian – Fire renovations	506,475
Kendall Ridge – Fire renovations	297,800
Kendall Ridge – Contamination renovations	282,557
Kirkland Heights	55,556,632
Landmark – Roof	190,205
Gilman Square – Roof	56,098
Hampton Greens – Renovations	233,970
Meadowbrook – Electrical	150,000
Woodridge Park – Drainage	115,547
Carriage House – Exterior envelope	881,210
Timberwood – Truss replacement	97,439
TOTAL	63,172,710

Asset Management – 2026 Budget: Bond, HOP & Tax Credit Capital Improvements

For 2026, \$8,429,000 has been allocated for 45 projects in the Bond and HOP programs and \$4,970,000 is budgeted for 12 Tax Credit projects. In addition, \$1,550,653 is allocated for 8 non-budgeted projects and for carry-over projects from 2025. The Kirkland Heights project will finish rehab of the final five buildings in 2026, and construction of the Trailhead Apartments will begin. These two LIHTC development projects will add \$40,000,000 to the 2026 budget for construction. The total 2026 Budget for Asset Management and Development Construction is \$54,949,653 and includes 65 total projects.

PROJECT	2026 PROJECT BUDGET
Argyle – Bathroom fans and fireplaces	300,000
Aspen Ridge – Siding / Chimney	100,000
Auburn Square – Plumbing	160,000
Ballinger Commons – Roofs and Attics	350,000
Bellepark East – Siding	250,000
Bellepark East – Roof	250,000
Brier Woods – Handrail upgrades	150,000
Carriage House – Decks and siding	500,000
Carrington – Asphalt	50,000
Colonial Gardens – Electrical	150,000
Cottonwood – Window replacement	200,000
Cove East – Roof	100,000
Emerson – Decks	200,000
Emerson – HVAC	200,000
Gilman Square – Roof, attic ventilation, and remediation	450,000
Hampton Greens – Roof	90,000
Juanita View – Asphalt	80,000
Kendall Ridge – Siding and stair landing	550,000
Landmark – Decks	300,000
Meadowbrook – Plumbing	300,000
Newporter – Asphalt	50,000
Parkwood – Roof	100,000
Pinewood Village – Asphalt	50,000
Pinewood Village – Window replacement	100,000
Pinewood Village – Storm drain repairs	50,000
Pinewood Village – Playground	65,000
Rainier View I (USDA) – Stair replacements	84,000
Riverstone – HVAC	200,000
Riverstone – Roof	150,000
Salish Place – Roof	100,000
Sandpiper East – Roof, siding, and fans	1,210,000
Si View (USDA) – Roof	65,000
Sterling Ridge – Asphalt	50,000
Sterling Ridge – Roof	150,000
Surrey Downs – Roof	150,000
Timberwood – Roof	110,000
Timberwood – Truss repairs	40,000

Villages at South Station – Asphalt	300,000
Walnut Park – Playground	115,000
Woodside East – Asphalt	50,000
Woodside East – Window replacement	200,000
Rainier View – Lighting	15,000
Tall Cedars – Asphalt	25,000
Vantage Glen – Site improvements / rockeries	270,000
Arbor Heights – HVAC	80,000
Arbor Heights – Roof	150,000
Cascadian – Envelope	2,000,000
Laurelwood – Playground	30,000
Laurelwood – Roof	150,000
Laurelwood – Siding	150,000
Meadows on Lea Hill – Siding	150,000
Salmon Creek (Green Bridge) – Structural repairs	1,000,000
Village at Overlake – Roof	1,100,000
Windsor Heights – Electrical unit meter bases	80,000
Woodland North (WSST) – Envelope	50,000
Woodridge Park – Playground	30,000
Carrington – Decks	165,000
Hampton Greens – Renovations	350,653
Kendall Ridge – Contamination renovations	150,000
Kendall Ridge – Fire renovations	350,000
Landmark – Landings	100,000
Sandpiper East – Siding	250,000
Woodland North – Structural	100,000
Kirkland Heights – Attic draft stops	85,000
Kirkland Heights Redevelopment (LIHTC)	18,000,000
Trailhead Apartments (LIHTC)	22,000,000
TOTAL	54,949,653

Housing Management– 2025 Projects

The unit upgrade budget was expended at 89%, completing interior upgrades in 112 units of the 135 planned. The number of unit upgrades was intentionally reduced due to federal budget uncertainty in 2025. In addition, Housing Management also spent 85% of the planned budget on special projects and small repairs amounting to \$2,046,963, which excludes common area and vacated unit painting totaling another \$342,000.

Housing Management- 2026 Budget



For 2026 the Department has budgeted for the completion of 122 unit upgrades at various sites throughout the Property Management inventory, which represents an estimated investment of \$5,815,860.

In addition, there are 87 small projects included in the budget for 2024, estimated to cost \$1,335,409. The small projects and site support team will once again continue to focus on supporting the portfolio teams by painting approximately half of the vacated units as well as assisting in the completion of various small projects at many sites. These projects will result in higher curb appeal.



King County
Housing
Authority

KCHA Capital Program

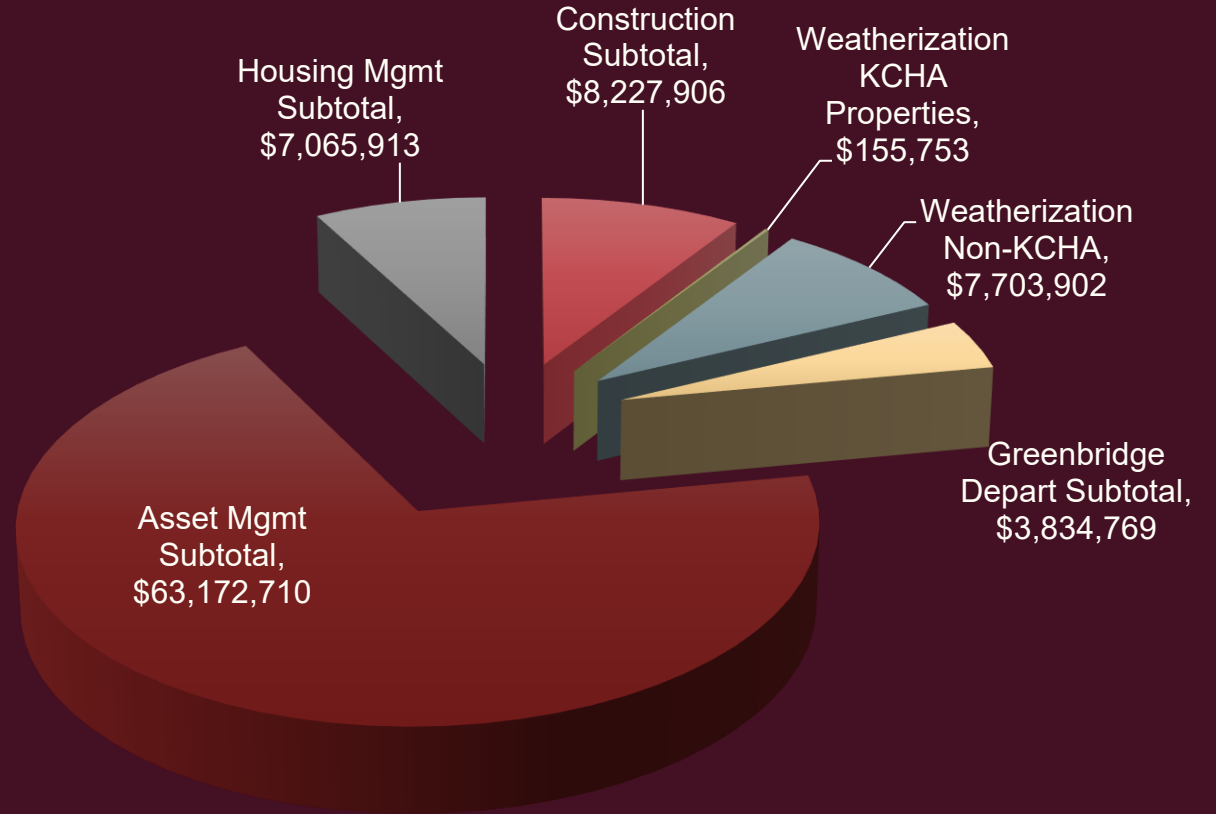
2025 Year End Review and 2026 Preview

April 20st, 2026



2025 Capital Budget Expenditure Summary

- 🏠 Capital Construction: 59% Spent vs. Budget
- 🏠 Greenbridge: 93% Spent vs. Budget
- 🏠 Asset Management: 118% Spent vs. Budget
- 🏠 Housing Management: 88% Spent vs. Budget
- 🏠 Program Total: 104% Spent vs. Budget



** Weatherization spent approx. 2% of grant funding on KCHA owned facilities vs. 98% on single family homes and non-profit partner properties.*

2025 Variance Summary

- 🏠 Capital Construction – 59% of Budget Spent
 - Intentional reduction in spending due to federal budget uncertainty in 2025.
 - The Gustaves Manor Window Replacement and Burien Park Roof projects were put on hold while decisions were made on which properties would be good candidates for RAD Section 18 blends.
- 🏠 Asset Management – 118% of Budget Spent
 - Accelerated work pace on Kirkland Heights Redevelopment.
- 🏠 Housing Management (Maintenance) – 88% of Budget Spent
 - Intentional reduction in spending / unit upgrades due to federal budget uncertainty in 2025.



2025 Capital Program Year in Review



Capital Construction

- 🏠 Building Envelope Upgrades – \$3.7 Million
 - Westminster Manor Full Envelope Upgrade Completed
 - \$190,438 reimbursed from Weatherization/Seattle City Light for energy savings w/ unique partnership between groups
- 🏠 Infrastructure Upgrades – \$4 Million
 - New fire alarm systems installed at: Boulevard Manor, Yardley Arms, Munro Manor, Mardi Gras, Newport, and Briarwood
 - Vantage Point - Hydraulic Elevator Full Replacement





2025 WEATHERIZATION PROGRAM OVERVIEW

Preserving Affordable Housing Through Energy Efficiency & Health



2025 PROGRAM HIGHLIGHTS



- 72 State Home Energy Assistance Program Funded Heat Pump Installations
- 10 Healthy Homes projects addressing asthma triggers
- 477 Residents provided with warmer, healthier and efficient homes

ACCESS & DELIVERY TIMEFRAMES



Median Wait Time:
377 Days (12.4 Months)



Average Project Length:
285 Days (9.4 Months)

AIR LEAKAGE REDUCTION

- Home sealed to reduce air leaks.



Equivalent to closing a Hole the Size of a Basketball in each home



ANNUAL ENERGY SAVINGS



440,000 kWh's of Electricity Saved



7,000 Therms of Natural Gas Saved



= **45** Cars Taken Off the Road



500,000+ miles of driving avoided

Weatherization Program Summary

- 🏠 \$10.2 Million Invested by Closed Projects Reported (differs from \$ spent)
- 🏠 Projects included a mix of single-family homes and multi-family
- 🏠 Projects range from installation of heat pumps, carbon saving measures, air leakage reduction, and health and safety improvements.
- 🏠 403 homes/units provided with warmer, healthier, and more efficient homes.

Greenbridge

- 🏠 Completion of construction on the Sandpiper Bridge Replacement
- 🏠 Completed construction of a 4-classroom Head Start Early Learning facility for toddlers and preschoolers at Seola Gardens, run by Neighborhood House
- 🏠 Worked with MHCP to create a 30-unit affordable manufactured housing development (View Terrace) including completing the land entitlement and Housing Cooperation Agreement w/ King County



Asset Management

- 🏠 Kirkland Heights Redevelopment Update
 - 97% of the work was completed by the end of 2025.
 - 13 buildings renovated in 2024, with 5 more to be completed in 2025.
- Trailhead Apartments
 - Design completed in 2025, permit applications submitted
 - Construction to start in 2026, with anticipated 2028 completion



Housing Unit Upgrades and Maintenance

🏠 Unit Upgrades

- Completed 112 comprehensive unit upgrades in 2025 through KCHA's in-house rehabilitation program.
- Upgrades (flooring, cabinets, fixtures) extend units' life by ~15 years, enhancing resident living conditions.

🏠 Maintenance Projects

- Conducted numerous smaller-scale projects to maintain housing quality, including:
 - 80 special maintenance projects.
 - 202 on-call repair work orders.
 - Repainting of 52 vacant units and 41 paint projects





2026 Capital Program Outlook



2026 Budget Overview

🏠 Capital Construction

- 2026 budget: **\$13,292,796** (vs. \$13,969,737 prior year)
- Spending is anticipated to be on track with the potential to underspend if some less critical planned projects need to be deferred to focus on RAD conversion related work.

🏠 Asset Management

- 2026 budget: **\$54,949,653** (vs. \$55,550,000 prior year)
- Spending is anticipated to be on track so far this year and is in line with prior year.

🏠 Housing Management - Maintenance

- 2026 budget: **\$7,152,269** (vs. \$7,920,375 prior year)
- Some special projects have been added including repairs at Pickering Court due to flooding. Planned projects for the remainder of the year may be re-evaluated at mid-year vs. budget.

🏠 Greenbridge

- 2026 budget: **\$2,465,000** (vs. \$4,337,710 prior year)
- Spending anticipated to be less this year due to fewer anticipated projects.

2026 RAD - CRITICAL REPAIRS

- 🏠 Combined Effort w/ Capital Construction and Maintenance to Complete Repairs
- 🏠 RAD Cohort 1 (6 properties) and Cohort 2 (7 properties) – Subsidy Only Conversions
- 🏠 Addresses 504 UFAS Accessibility and Potential Safety Issues
- 🏠 Examples of Critical Repairs:
 - Parking Lot Striping and Signage Improvements at ADA Stalls
 - Cane Detection at Low Clearance Areas below Stairwells
 - Installing Accessible Dishwashers, Refrigerators, Microwaves in Community Areas
 - Lowering Upper Cabinets and Countertop Surfaces in Community Kitchens
 - Modifying Door Swings / Widening Door Openings
 - Installing Additional Grab Bars in Units and Lowering Mirrors
 - Minor Electrical Issues – Junction Boxes w/ Missing Covers, Adding GFCI, Items stored in front of Electrical Panels, etc.

2026 RAD - NON-CRITICAL REPAIRS

- 🏠 Combined Effort w/ Capital Construction and Maintenance to Complete Repairs
- 🏠 RAD Cohort 1 (6 properties) and Cohort 2 (7 properties) – Subsidy Only Conversions
- 🏠 Projects to be completed in 2027 after RAD conversion, but any major non-critical repairs must be contracted before conversion
- 🏠 Addresses Capital Needs for building elements at End of Useful Life
- 🏠 Examples:
 - Parking Lot Seal Coats and Re-Striping
 - Replacement of resident unit refrigerators throughout a building
 - Replacement of old electrical systems/panels in resident units
 - Replacement of old/damaged flooring, casework, ACT tiles
 - Repair of small areas of fascia and/or siding where damaged
 - Replacement of water heaters in units and in one gas a 75,000 BTU furnace at end of life

2026 RAD - Section 18 Blend Design Starting

- 🏠 **Applies to RAD Cohort 3 in 2026 (5 Properties)**
- 🏠 Larger Rehab Projects targeting HCC (Housing Construction Cost) to secure TPVs (Tenant Protection Vouchers) based on percentage tiers (30%/60%/90%)
- 🏠 Projects are anticipated to start construction in 2027 / 2028 AFTER conversion
- 🏠 Design of the Project must be done BEFORE conversion to get contractor pricing required to close.
- 🏠 Currently Evaluating Concept Scope (Phase 1) looking at 30% and 60% targets before proceeding to Design (Phase 2)
 - Average 30% HCC Target Cost for Cohort 3 ~ \$2.5 Million
 - Average 60% HCC Target Cost for Cohort 3 ~ \$5 Million
- 🏠 Example Design Scopes – Updating MEP (Mechanical, Electrical, Plumbing), Security Improvements, Accessibility Upgrades, Sitework, Replacement of End-of-Life Finishes



Questions?



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Memo

TO: Board of Commissioners

FROM: Wendy Teh
Vice President of Finance

DATE April 20, 2026

RE: 2025 Fourth Quarter Financial Report

Executive Summary

Fourth quarter 2025 financial results for KCHA, excluding development activities, exceeded budget projections. Operating income was approximately \$27.9 million more than budget with tenant revenue, block grant revenue and public housing operating subsidy higher than expected. Operating expenses were 96% of budget and approximately \$22.8 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 \$50.7 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 \$20.4 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 97% of the budgeted total. This resulted in additional net operating income of \$31.0 million above budget.

Other highlights include:

- Capital Construction projects were below target with approximately 81% 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 \$5.0 million due to unfilled positions.

The Local Programs and Properties had operating revenue that was \$7.5 million above budget. Combined with lower-than-expected expenditures, net operating income was \$19.7 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 \$12.2 million in operating expenses.

Other notable highlights include:

- 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
- Green River Homes II, a property formerly owned by a tax credit entity, was acquired by the Authority as the Investor exited the partnership.

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 64% 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 December 31, 2025**

	2025 YTD Actual	2025 YTD Budget	% of YTD Budget	
Operating Revenues				
1 Tenant Revenue	\$180,721,900	\$174,613,802	103%	
2 Operating Subsidy from HUD-HCV	299,131,545	279,550,491	107%	(1)
3 Operating Subsidy from HUD-PH	15,099,825	13,220,333	114%	(2)
4 Port-In Income	42,347,191	42,959,439	99%	
5 Other Operating Income	44,226,038	43,285,114	102%	
6 Total Operating Income	<u>581,526,500</u>	<u>553,629,179</u>	105.0%	
Operating Expenses				
7 Salaries	66,253,696	72,513,363	91%	(3)
8 Benefits	20,513,063	24,128,555	85%	(3)
9 Occupancy Expenses	51,317,789	53,179,293	96%	
11 HAP Expense-KCHA	244,132,209	246,251,913	99%	
12 HAP Expense-Ports In	43,089,087	42,959,439	100%	
13 Other Social Service Expenses	20,302,770	25,458,278	80%	(4)
14 Administrative Expenses	39,735,162	43,672,117	91%	
15 Total Operating Costs	<u>485,343,777</u>	<u>508,162,957</u>	96%	
16 Net Operating Income	96,182,723	45,466,222	212%	
Non-Operating Revenues				
17 Non-Operating income	34,733,093	37,135,075	94%	(5)
18 Total Non-Operating Income	<u>34,733,093</u>	<u>37,135,075</u>	94%	
Non-Operating Expenses				
19 Interest Payments	37,075,523	33,977,413	109%	
20 Non-Operating Expenses	1,505,560	1,547,979	97%	
21 Total Non-Operating Expenses	<u>38,581,084</u>	<u>35,525,392</u>	109%	
22 Net Non-Operating Income (Loss)	(3,847,990)	1,609,683	NM	
23 Net Income(Loss)	92,334,733	47,075,904	196%	
Adjustments to Cash - Sources (Uses)				
24 Principal Payments	(56,789,355)	(20,650,451)	275%	(6)
25 Capital Expenditures	(49,771,431)	(52,528,096)	95%	(7)
26 Acquisitions/LIHTC Return to KCHA	(45,090,000)	0	NM	(8)
27 Change (to)/from Designated Cash	(3,805,790)	(3,568,796)	107%	
28 Change (to)/from Restricted Cash	(3,541,794)	(407,397)	869%	(9)
29 Transfers In/(Out)	724,298	(212,638)	NM	
30 Other Changes in Debt	45,090,000	0	NM	(8)
31 Others Sources/(Uses of Cash)	35,152,920	(2,182,574)	NM	(10)
32 Total Adjustments to Cash	<u>(78,031,152)</u>	<u>(79,549,953)</u>	98%	
33 Net Change in Unrestricted Cash	\$14,303,581	(\$32,474,048)	NM	
34 Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	323,540,454			
35 Ending Cash Balance-Unrestricted/Held by Mgmt Agent	345,191,618			

Footnotes:

- 1) Actual HCV subsidy funding received 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 prorated while actual funding was at 102.58 percent.
- 3) Salaries and benefit were below target due to unfilled positions.
- 4) Due to timing, weatherization projects are below target. As the planned police services were not fully utilized, security patrol expenses were below target. Finally, digital equity initiative expenses were below target as pilot contracts were not started until 2026.
- 5) As the Westminster roof project was completed significantly under budget (see note 8), the corresponding CFP grant draws were below target. Also, interest income earned on deposits were below target.
- 6) Due to payoff of the \$17 million Overlake bond with proceeds 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.
- 7) The Westminster roof project was completed significantly under budget, with final costs totaling \$2.5 million compared to the budget of \$5 million.
- 8) 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.
- 9) Due to higher than budgeted deposits to debt service reserves.
- 10) 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. 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 December 31, 2025**

	2025 YTD Actual	2025 YTD Budget	% of YTD Budget	
Operating Revenues				
5 Tenant Revenue	15,350,408	15,245,647	101%	
6 Operating Subsidy from HUD-HCV	298,640,861	279,080,491	107%	(1)
7 Operating Subsidy from HUD-PH	15,099,825	13,209,990	114%	(2)
8 Port-In Income	42,347,191	42,959,439	99%	
9 Other Operating Income	6,000,255	6,536,670	92%	
Total Operating Income	<u>377,438,540</u>	<u>357,032,237</u>	106%	
Operating Expenses				
10 Salaries	23,075,345	26,343,572	88%	(4)
11 Benefits	7,949,178	9,718,922	82%	(4)
12 Occupancy Expenses	16,587,358	15,260,313	109%	
14 HAP Expense-KCHA	244,132,209	246,251,913	99%	
15 HAP Expense-Ports In	43,089,087	42,959,439	100%	
16 Other Social Service Expenses	9,674,352	13,531,635	71%	(5)
17 Administrative Expenses	16,690,985	17,768,542	94%	
Total Operating Costs	<u>361,198,515</u>	<u>371,834,336</u>	97%	
Net Operating Income	<u>16,240,025</u>	<u>(14,802,099)</u>	NM	
Non-Operating Revenues				
21 Non-Operating income	18,218,935	17,356,679	105%	
Total Non-Operating Income	<u>18,218,935</u>	<u>17,356,679</u>	105%	
Non-Operating Expenses				
19 Interest Payments	4,331,974	3,761,019	115%	(5)
22 Non-Operating Expenses	(191,098)	0	NM	(6)
Total Non-Operating Expenses	<u>4,140,876</u>	<u>3,761,019</u>	110%	
Net Non-Operating Income (Loss)	<u>14,078,059</u>	<u>13,595,660</u>	104%	
Net Income(Loss)	<u>30,318,084</u>	<u>(1,206,439)</u>	-2513%	
Adjustments to Cash - Sources (Uses)				
18 Principal Payments	210,350	(385,000)	NM	
23 Capital Expenditures	(11,975,195)	(14,738,893)	81%	(7)
30 Acquisitions/LIHTC Return to KCHA	0	0	NM	
24 Change in Designated Cash	1,060,411	(300,803)	NM	(8)
25 Change in Restricted Cash	(2,736,806)	157,173	NM	(9)
26 Transfers In/Out	(8,355,396)	(1,160,461)	720%	(10)
31 Other Changes in Debt	0	0	NM	
27 Others Sources/(Uses of Cash)	1,479,391	(1,899,983)	NM	(11)
Non Operating Net Sources (Uses) of Cash	<u>(20,317,246)</u>	<u>(18,327,968)</u>	111%	
Net Change in Unrestricted Cash	<u>\$ 10,000,838</u>	<u>\$ (19,534,406)</u>	NM	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	66,818,995			
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	78,496,228			

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 102.58 percent.
- 3) Salaries and benefit were below target due to unfilled positions.
- 4) Slow spending on Resident Service and Homeless Program contracts.
- 5) Mainly due to unbudgeted Salmon Creek bond interest expense.
- 6) Technical accounting entry to adjust interest expense related to blended component units.
- 7) The Westminster roof project was completed significantly under budget, with final costs totaling \$2.5 million compared to the budget of \$5 million.
- 8) As the Yardi project progresses, release from technology reserve exceeded target.
- 9) Technical accounting entry to true-up section reserve balances at year-end.
- 10) Mainly due to transfer from MTW to pay-off the MKCRF \$7.6 million Federal Home Loan Bank (FHLB) loan. Unbudgeted.
- 11) 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 December 31, 2025**

	2025 YTD Actual	2025 YTD Budget	% of YTD Budget	
Operating Revenues				
5 Tenant Revenue	165,371,493	159,368,155	104%	
6 Operating Subsidy from HUD-HCV	490,684	470,000	104%	
7 Operating Subsidy from HUD-PH	-	10,343	0%	
8 Port-In Income	-	-	NM	
9 Other Operating Income	38,225,783	36,748,444	104%	
Total Operating Income	<u>204,087,960</u>	<u>196,596,942</u>	104%	
Operating Expenses				
10 Salaries	43,178,351	46,169,791	94%	(1)
11 Benefits	12,563,885	14,409,633	87%	(1)
12 Occupancy Expenses	34,730,430	37,918,980	92%	
13 Maintenance Projects	-	-	NM	
14 HAP Expense-KCHA	-	-	NM	
15 HAP Expense-Ports In	-	-	NM	
16 Other Social Service Expenses	10,628,418	11,926,643	89%	(2)
17 Administrative Expenses	23,044,177	25,903,575	89%	(3)
Total Operating Costs	<u>124,145,261</u>	<u>136,328,622</u>	91%	
Net Operating Income	<u>79,942,699</u>	<u>60,268,321</u>	133%	
Non-Operating Revenues				
21 Non-Operating income	16,514,159	19,778,396	83%	(4)
Total Non-Operating Income	<u>16,514,159</u>	<u>19,778,396</u>	83%	
Non-Operating Expenses				
19 Interest Payments	32,743,550	30,216,394	108%	
22 Non-Operating Expenses	1,696,658	1,547,979	110%	(5)
Total Non-Operating Expenses	<u>34,440,208</u>	<u>31,764,373</u>	108%	
Net Non-Operating Income (Loss)	<u>(17,926,049)</u>	<u>(11,985,977)</u>	150%	
Net Income(Loss)	<u>62,016,650</u>	<u>48,282,343</u>	128%	
Adjustments to Cash - Sources (Uses)				
18 Principal Payments	(56,999,705)	(20,265,451)	281%	(6)
23 Capital Expenditures	(37,796,237)	(37,789,203)	100%	
40 Acquisitions/LIHTC Return to KCHA	(45,090,000)	-	NM	(7)
24 Change in Designated Cash	(4,866,201)	(3,267,993)	149%	(8)
25 Change in Restricted Cash	(804,987)	(564,570)	143%	(9)
26 Transfers In/Out	9,079,694	947,823	958%	(10)
41 Other Changes in Debt	45,090,000	-	NM	(7)
27 Others Sources/(Uses of Cash)	33,673,529	(282,591)	NM	(11)
Non Operating Net Sources (Uses) of Cash	<u>(57,713,907)</u>	<u>(61,221,985)</u>	94%	
Net Change in Unrestricted Cash	<u>4,302,743</u>	<u>(12,939,642)</u>	NM	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	256,721,459			
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	266,695,390			

Footnotes:

- 1) Salaries and benefit were below target due to unfilled positions.
- 2) Due to timing, weatherization projects are below target. As the planned police services were not fully utilized, security patrol expense were below target. Finally, digital equity initiative expenses were below target as pilot contracts were not started until 2026.
- 3) Various categories were under target: professional services, admin contracts, and computer equipment.
- 4) Interest income earned on deposits was less than anticipated in the budget.
- 5) Mainly due to insurance reimbursement for Kendal Ridge and Ballinger Commons fire loss. Also, unbudgeted MKCRF capital transfer.
- 6) 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.
- 7) 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.
- 8) Deposits to replacement reserves were higher than budgeted. Also, the budgeted draw from Sandpiper property improvement reserve has yet to occur.
- 9) Due to higher than budgeted deposits to debt service reserves.
- 10) Transfer from MTW to pay-off the MKCRF \$7.6 million Federal Home Loan Bank (FHLB) loan. Also, transfer of the Skyway Vue Terrace Land sale proceeds totaling \$1.1 million to COCC for MHCP loan. Unbudgeted.
- 11) 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 December 31, 2025**

	2025 TYD Actual	2024 YTD Budget	% of YTD Budget	
Operating Revenues				
1 Operating Revenue	1,656,769	20,000	8284%	(1)
2 Total Operating Income	1,656,769	20,000	8284%	
Operating Expenses				
3 Operating Expenses	847,040	1,327,248	64%	(2)
4 Total Operating Costs	847,040	1,327,248	64%	
Net Operating Income (Loss)	809,729	(1,307,248)	NM	
Non-Operating Revenues				
5 Non-Operating income	14,148,931	13,222,993	107%	
Non-Operating Expenses				
6 Non-Operating Expenses	0	0	NM	
7 Interest Payments	5,782,001	6,354,384	91%	
Total Non-Operating Expenses	5,782,001	6,354,384	91%	
Net Non-Operating Income (Loss)	8,366,930	6,868,610	122%	
Net Income(Loss)	9,176,659	5,561,362	165%	
Adjustments to Cash - Sources (Uses)				
8 Change in Debt	3,293,382	62,782,925	5%	(3)
9 Capital Expenditures	(3,339,903)	(2,976,686)	112%	(4)
10 Acquisitions/LIHTC Return to KCHA	(1,406,500)	(60,000,000)	2%	(5)
12 Change in Restricted Cash	(2,312,466)	(1,502,673)	154%	(6)
13 Transfers In/Out	(724,298)	721,929	NM	(7)
15 Others Sources/(Uses of Cash)	(25,024,847)	(22,047,234)	114%	(8)
Non Operating Net Sources (Uses) of Cash	(29,514,633)	(23,292,876)	127%	
Net Change in Unrestricted Cash	(20,337,974)	(17,731,515)	115%	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	(12,980,790)			
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	(33,318,764)			

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 related to new property acquisitions was booked in the local fund group. Also, salaries and benefits were below target due to unfilled positions.
- 3) \$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.
- 4) Due to Trailhead construction costs yet to be transferred to the development fund.
- 5) The Skyway US Bank land acquisition valued \$1.4 million was unbudgeted.
- 6) Interest income earned on Program Income reserves exceeded target. Also, due to \$800K escrow deposit for Trailhead project. Unbudgeted.
- 7) Mainly due to transfer of the Skyway Vue Terrace Land sale proceeds totaling \$1.1 million to COCC for MHCP loan.
- 8) Increase in developer fee and other receivables, decrease in accounts payable offset by lower than anticipated Subordinate debt advance for Kirkland Heights Apartment project.



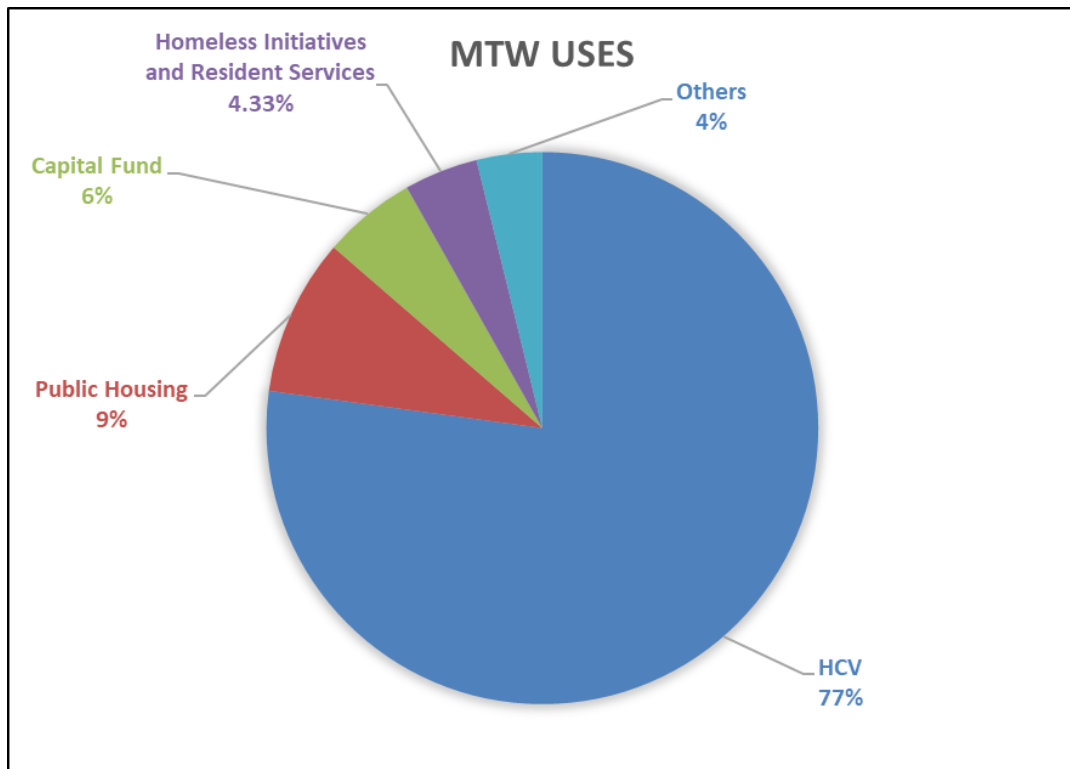
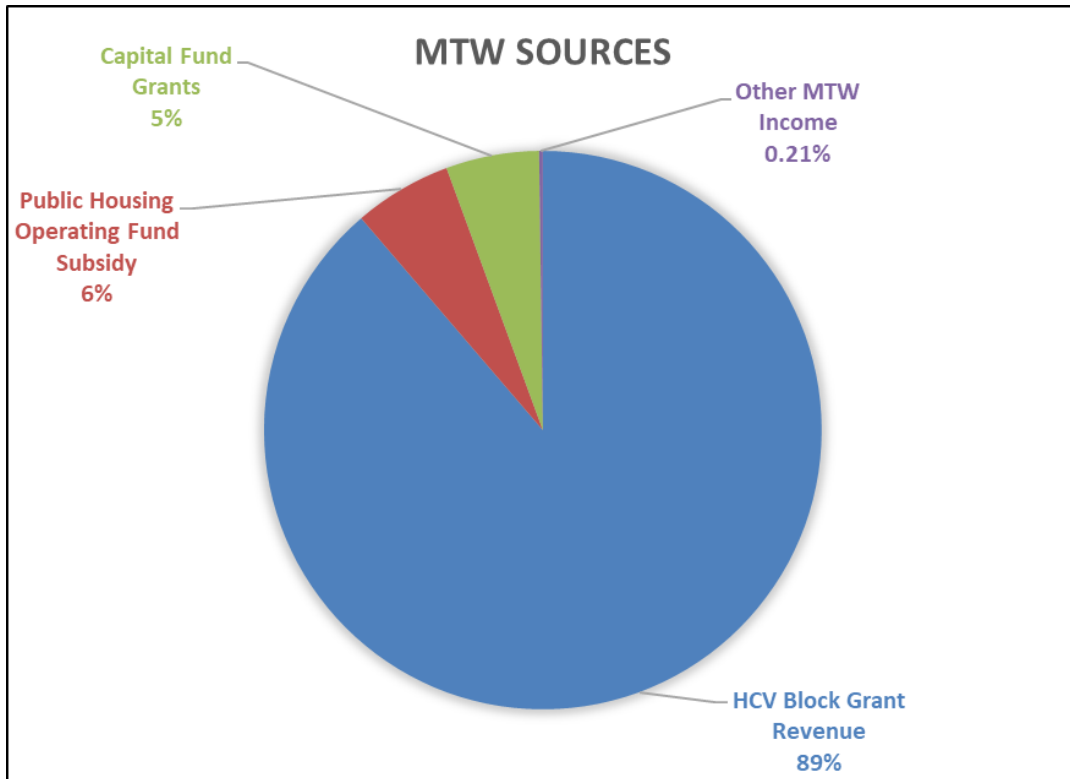
**King County Housing Authority
Statement of Financial Position
Combined Operations (excluding development activity)
As of December 31, 2025**

	2025 Actual
Cash-Unrestricted	\$153,929,925
Cash-Held by Management Agent	35,427,089
Cash-Designated	124,768,772
Cash-Restricted	31,065,832
Total Cash	<u>345,191,618</u>
Other Current Assets	28,887,396
Long-term Assets	1,923,772,942
Total Other Assets	<u>1,952,660,338</u>
Total Assets	<u><u>\$2,297,851,956</u></u>
Current Liabilities	81,820,682
Long-Term Liabilities	1,210,386,762
Total Liabilities	<u>1,292,207,444</u>
Equity	1,005,644,512
Total Liabilities and Equity	<u><u>\$2,297,851,956</u></u>



MTW Sources & Uses

	<u>Actual</u>
<u>MTW SOURCES</u>	
HCV Block Grant Revenue	\$ 235,914,299
Public Housing Operating Fund Subsidy	15,099,825
Capital Fund Grants	14,363,709
Other MTW Income	567,907
Total MTW Sources	<u>265,945,739</u>
<u>MTW USES</u>	
HCV	
Funding of HAP Payments to Landlords	(189,037,249)
Funding of HCV Administrative Costs	(13,389,813)
Public Housing	
Transfers to PH AMPs Based on Need	(9,047,357)
Public Housing Operating Expenses	(15,099,825)
Capital Fund	
Capital Fund Grants	(14,363,709)
Homeless Initiatives and Resident Services	
Homeless Initiatives	(1,625,201)
Resident Services	(9,738,966)
Others	
MTW Admin Support Costs	(516,032)
Construction Activity & Management Fees	(238,271)
FHLB debt payments	(7,637,903)
Misc. Other Uses	(1,668,895)
Total MTW Uses	<u>\$ (262,363,221)</u>





King County
Housing
Authority

KCHA 2025 4th Quarter Financial Recap & 2026 Outlook

Wendy Teh
Vice President of Finance

April 20, 2026





2025 Financial Recap



Year End Results



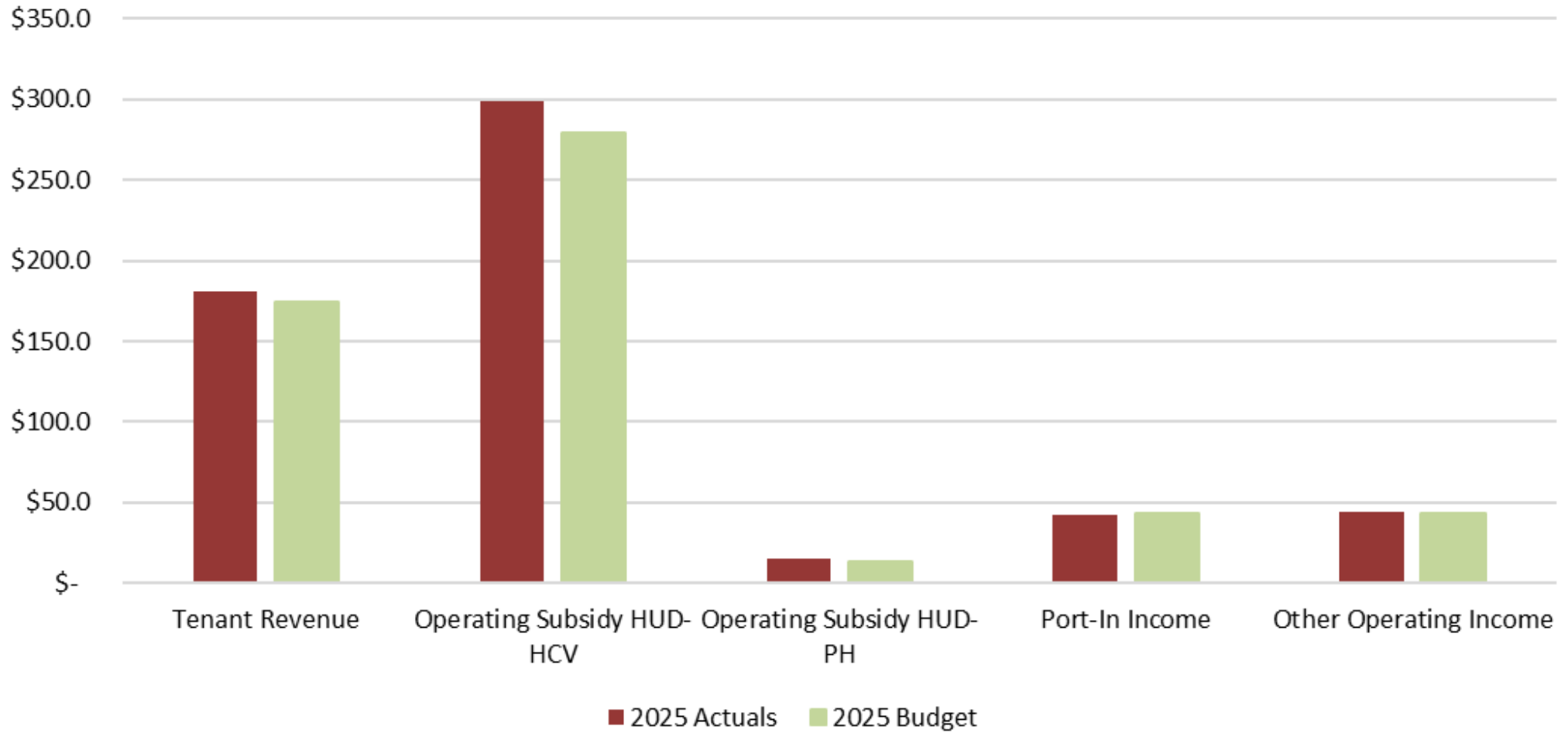
Key Performance Indicators exceeded expectations

- 🏠 Operating Revenue above budget 5.0%
- 🏠 Operating Expenses below budget 4.5%
- 🏠 Net Income above budget 96.2%
- 🏠 Net increase in Unrestricted Cash \$21.7 million

Operating Revenue (in millions)

	2025 Actuals	2025 Budget	% of Budget
Tenant Revenue	\$ 180.7	\$ 174.6	103.5%
Operating Subsidy HUD-HCV	\$ 299.1	\$ 279.6	107.0%
Operating Subsidy HUD-PH	\$ 15.1	\$ 13.2	114.2%
Port-In Income	\$ 42.3	\$ 43.0	98.6%
Other Operating Income	\$ 44.2	\$ 43.3	102.2%
Total Operating Income	\$ 581.5	\$ 553.6	105.0%

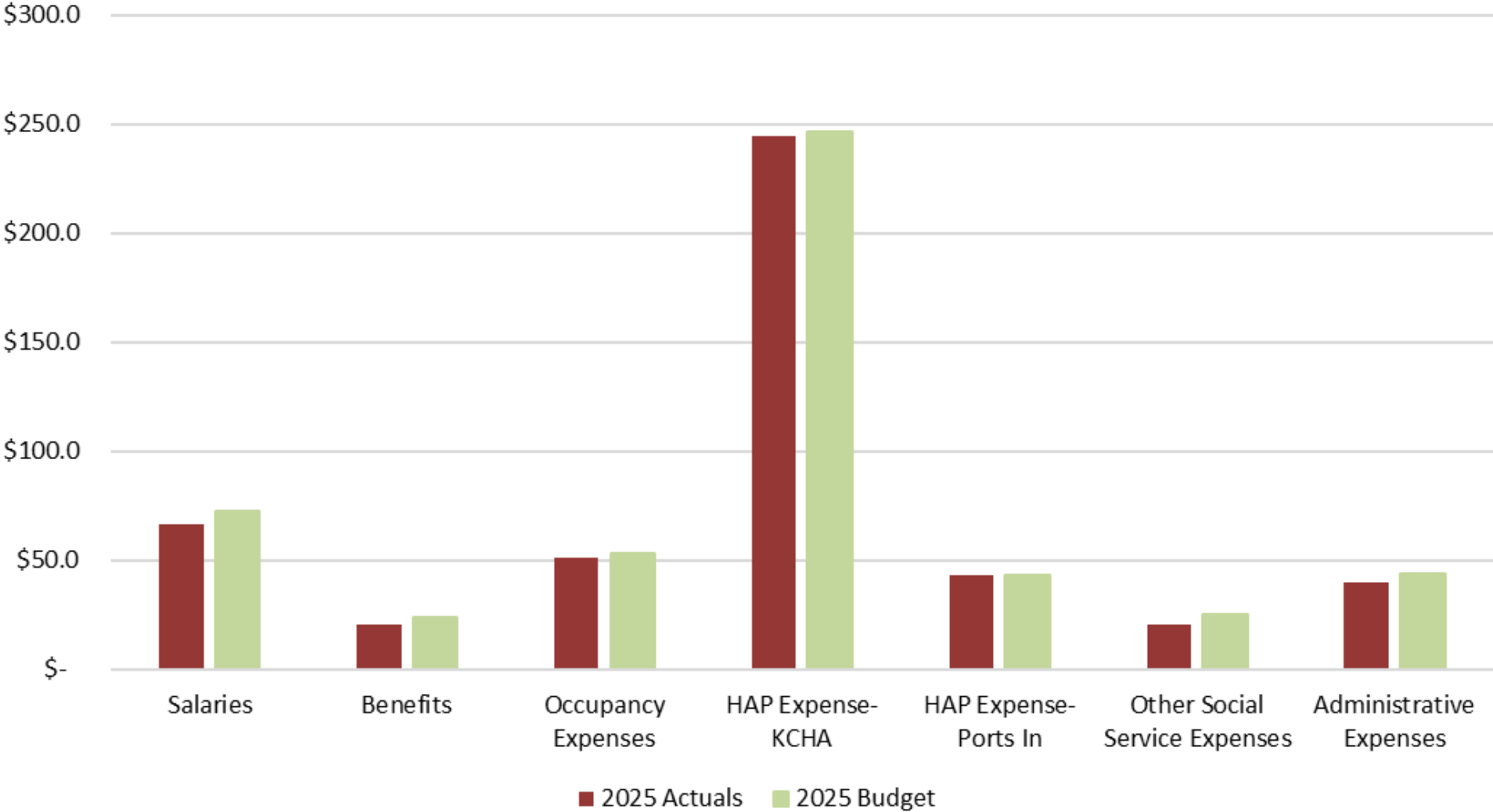
Operating Revenue (millions)



Operating Expense (in millions)

	2025 Actuals		2025 Budget		% of Budget
Salaries	\$	66.3	\$	72.5	91.4%
Benefits	\$	20.5	\$	24.1	85.0%
Occupancy Expenses	\$	51.3	\$	53.2	96.5%
HAP Expense-KCHA	\$	244.1	\$	246.3	99.1%
HAP Expense-Ports In	\$	43.1	\$	43.0	100.3%
Other Social Service Expenses	\$	20.3	\$	25.5	79.7%
Administrative Expenses	\$	39.7	\$	43.7	90.9%
Total Operating Costs	\$	485.3	\$	508.2	95.5%

Operating Expenses (millions)



Net Income (in millions)

	2025 Actuals		2025 Budget		% of Budget
Net Operating Income	\$	96.1	\$	45.5	211%
Non-Operating Revenue	\$	34.7	\$	37.1	93%
Non-Operating Expenses	\$	38.6	\$	35.5	109%
Net Income	\$	92.3	\$	47.1	196%

Federal vs Local Programs (in millions)

	Federal Programs	Local Programs
Operating Income	\$ 377.4	\$ 204.1
Operating Expenses	\$ 361.3	\$ 124.1
Net Operating Income	\$ 16.1	\$ 80.0
Non-Operating Income	\$ 18.2	\$ 16.5
Non-Operating Expenses	\$ 4.1	\$ 34.4
Net Income	\$ 30.2	\$ 62.1

Cash Balances by Restriction Type (in millions)

Cash Balances	12/31/2025	9/30/2025	Change
Unrestricted	\$55.0	\$62.8	(\$7.8)
Restricted to Program Uses	61.3	45.8	15.5
Designated/Committed for Specific Uses	161.1	162.9	(1.8)
Externally Restricted	69.4	70.7	(1.2)
Total	<u><u>\$346.8</u></u>	<u><u>\$342.2</u></u>	<u><u>\$4.6</u></u>

Investment Results

Investment Summary (in millions) as of December 31, 2025

	Amount	Yield	% of Total
Invested in the Local Government Investment Pool & Masterfund	\$174.5	3.87%	48.4%
Invested by KCHA	67.4	3.51%	18.7%
Cash held by trustees	17.5	0.02% *	4.8%
Cash held in checking and savings accounts	91.4	0.02% *	25.3%
Invested by KCHA	\$350.8	2.63%	97.3%
Cash loaned for low income housing & EPC project purposes	9.8	5.02%	2.7%
Loaned by KCHA	9.8	5.02%	2.7%
Total	\$360.6	2.67%	100.0%

*Estimate



2026 Outlook





SWOT Analysis

Strengths Weaknesses Opportunities & Threats



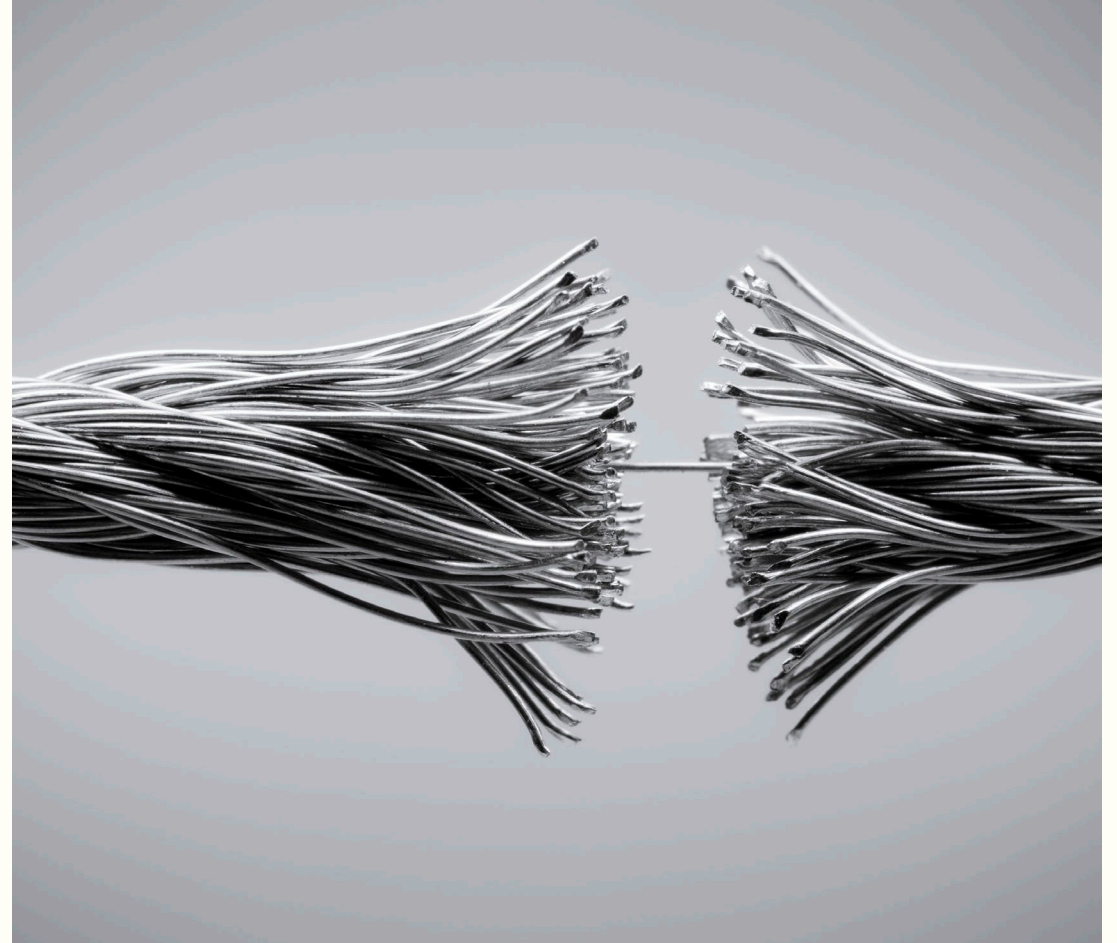
Threats

- 🏠 Funding uncertainty
- 🏠 Political arena and impact on HUD staffing levels
- 🏠 Potential new program rules
- 🏠 Mixed Immigration Status policy
- 🏠 Emergency Housing Vouchers
- 🏠 Rising costs – tariffs and Build America By America (BABA)



Weaknesses

- 🏠 Reliance on HUD funding
- 🏠 Potential downgrade of S&P rating
- 🏠 Aging technological systems
- 🏠 Aging properties requiring costly upgrades



Opportunities

- 🏠 Conversion of Public Housing stock to RAD is underway
- 🏠 Significant improvements and efficiencies from Yardi implementation
- 🏠 New modules for DayForce include Position Management and Learning & Development
- 🏠 Continued vision to increase workforce housing through acquisitions



Strengths

- 🏠 Strong Balance Sheet
- 🏠 Income from Workforce Housing Properties
- 🏠 Mission-driven, knowledgeable staff
- 🏠 Capital Improvements
- 🏠 Development team



Questions?



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King County
Housing
Authority

Tax Credit Overview

KCHA Board of Commissioners

April 20, 2026





History of Low-Income Housing Tax Credits

Subheader.



Legislative History of Low-Income Housing Tax Credits

- 🏠 Tax Reform Act of 1986
 - Created 9% and 4% LIHTC Programs
 - Regulated by IRS through Internal Revenue Code Section 42
- 🏠 Omnibus Budget Reconciliation Act of 1993
 - Made LIHTC program permanent
- 🏠 Other important LIHTC legislation
 - Housing and Economic Recovery Act of 2008 (HERA)
 - Taxpayer Certainty and Disaster Act of 2020
 - One Big Beautiful Bill Act of 2025 (OBBBA)
- 🏠 LIHTC financing has created over 4 million units of affordable housing

What are Low-Income Housing Tax Credits?

- 🏠 \$1 of reduced federal income tax liability for each \$1 invested in qualified affordable housing projects
 - Projects are owned by tax-paying entities
 - Projects must meet Minimum Set-Aside of affordable units for low-income households
- 🏠 10 years of credits
- 🏠 15-year initial compliance period
- 🏠 Extended use period of up to 40 years



LIHTC Minimum Set-Asides

🏠 20-50 Set-Side

- At least 20% of units are rent-restricted for and occupied by households with incomes below 50% of AMI

🏠 40-60 Set-Side

- At least 40% of units are rent-restricted for and occupied by households with incomes below 60% of AMI

🏠 Average Income Set-Side

- At least 40% of units are rent-restricted for and occupied by households with incomes up to 80% of AMI, with an overall average of no more than 60% of AMI



Types of Low-Income Housing Tax Credits

🏠 9% LIHTC

- Subject to state per capita limits on LIHTC allocations
- Allocated through annual competitive process run by state housing finance agencies
- Intended to serve lower income households

🏠 4% LIHTC

- At least 25% of project cost financed with Private Activity Bonds (PAB)
- Private Activity Bonds are subject to volume cap and are allocated by states
- Multifamily projects with PAB allocation access LIHTC through state housing finance agencies
- Usually serve 60% AMI households

LIHTC Allocations

- 🏠 Congress establishes state per capita limits for 9% LIHTC and Private Activity Bonds
 - 9% LIHTC Allocation Limits
 - 1986: \$1.25 per capita
 - 2026: \$3.416 per capita with \$3.954MM state minimum
 - 2026: \$24.58MM x 10 (creates ~\$175MM in investor equity)
 - OBBBA increased annual per capita by 12%
 - Private Activity Tax-Exempt Bond (PAB) Volume Cap (applies to 4% LIHTC)
 - 2020: \$135 per capita with \$398MM state minimum
 - 2026: \$1.065MM in Washington State (creates up to \$600MM in investor equity)
 - OBBBA reduced PAB requirement from 50% to 25% of Total Project Cost

KCHA LIHTC History

- 🏠 35 Tax Credit Deals
 - 42 properties with 4,473 units developed
 - 34 properties in 25 deals have exited partnership
 - 2 properties completed extended use period
 - 1 property resyndicated (Somerset Gardens)
 - 1 property under development (Trailhead)
- 🏠 9% LIHTC
 - 12 properties in 12 deals
- 🏠 4% LIHTC
 - 30 properties in 23 deals



KCHA 9% LIHTC Projects

- 🏠 Early acquisition rehabs
 - Before 9% credits became extremely competitive
- 🏠 Greenbridge/Seola Gardens
 - Required a HOPE VI set-aside
- 🏠 Extremely Low-Income Housing
 - Last 9% project: Vantage Point



KCHA 4% LIHTC Projects

- 🏠 Larger projects
- 🏠 Primarily acquisition/rehab projects
 - New acquisitions (Highland Village, Abbey Ridge, Kirkland Heights)
 - Rehab of existing properties (EGIS Portfolio, Woodland North)
- 🏠 Some new construction projects
 - Village at Overlake Station
 - Trailhead Apartments





How LIHTC Work

Subheader.



How do you use LIHTC

- 🏠 Calculating credits
- 🏠 Getting an allocation
- 🏠 Selling the credits
- 🏠 Claiming the credits
- 🏠 Exiting the partnership



Calculating Credits

Important Definitions

🏠 Eligible Basis

- Acquisition Basis: Acquisition costs - land costs
- Construction Basis: Total project costs - acquisition costs - amortized and expensed items - basis reductions

🏠 Applicable Fraction: Percentage of units occupied by Qualified Households (usually 100%)

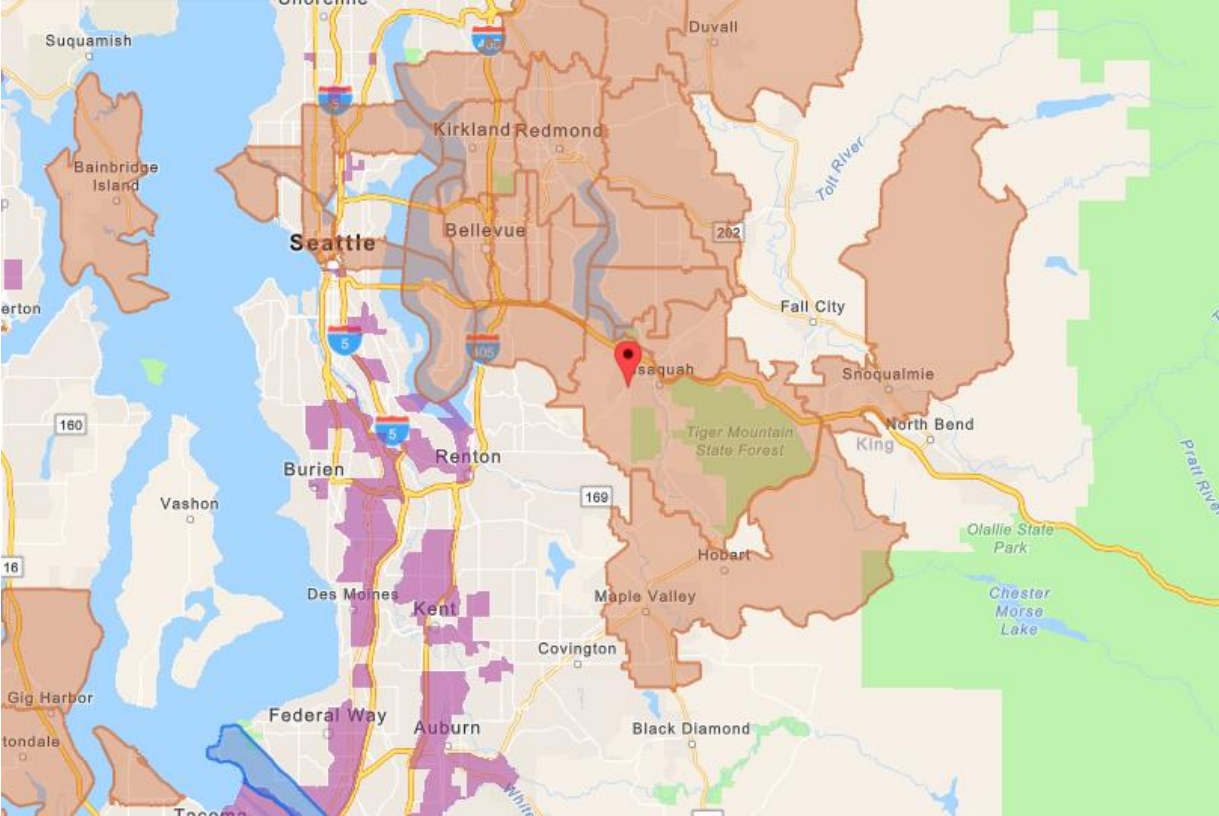
🏠 Basis Boost: 30% boost in Construction Basis for projects located in QCTs/DDAs

- QCT: Qualified Census Tract (lower income census tracts)
- DDA: Difficult Development Areas (high cost zip codes and rural counties)



🏠 Qualified Basis: (Eligible Basis + Construction Basis Boost) x Applicable Fraction

Calculating Credits

Qualified Census Tracts/Difficult Development Areas



LEGEND

-  Difficult Development Area
-  Qualified Census Tract

Calculating Credits

Qualified Basis: Trailhead Apartments

Cost Type	Total Project Costs	Land	Expensed/ Amortized	Basis Reductions	Acquisition Basis	Construction Basis
Acquisition	6,500,000	6,500,000			0	
Construction	77,500,000			100,000		77,400,000
Soft Costs	34,000,000		5,000,000			29,000,000
Total	118,000,000				0	106,400,000
Basis Boost						31,920,000
Qualified Basis					0	138,320,000

Calculating Credits

🏠 Annual Credits are equal to the lesser of:

- Qualified Basis x Applicable Tax Credit Percentage (4% or 9%)
- Equity Gap calculation (only as much as you need)
- WSHFC per unit, per project and per sponsor limits (9% credits only)

🏠 Total Credits are 10 x Annual Credits

Calculating Credits

	4% Deal			9% Deal		
	Acquisition	Construction	Total	Acquisition	Construction	Total
Qualified Basis	0	138,320,000	138,320,000	0	138,320,000	
Tax Credit Percentage	4%	4%		4%	9%	
Annual Tax Credits	0	5,532,800	5,532,800	0	12,448,800	12,448,800
Qualified Basis Credits	0	55,328,000	55,328,000	0	124,488,000	124,488,000
Equity Gap Tax Credits			55,328,000			
WSHFC Limit						26,739,480
Total Tax Credits	0		55,328,000	0		26,739,480

Getting an allocation

9% LIHTC

- 🏠 Annual competition through WSHFC
 - King County Pool: 35%
 - Favors permanent supportive housing
 - Metro Pool: 37%
 - Non-Metro Pool: 28%

9% COMPETITIVE HOUSING TAX CREDIT POLICIES

Washington State Housing Finance Commission

Last approved July 25th, 2024
Republished August 1st, 2025

Policies are in effect until changed and approved by the Board

Getting an allocation

4% LIHTC

🏠 Non-Profit & For-Profit

- Apply for bond cap and 4% LIHTC from WSHFC (competitive)

🏠 Housing Authorities

- AWAHA members and WSHFC negotiate for bond cap
- Apply for 4% LIHTC from WSHFC (non-competitive)



BOND / TAX CREDIT PROGRAM POLICIES

Washington State Housing Finance Commission
Approved 9/25/2025

Policies are in effect until changed and approved by the Board

Selling the Credits

Financial Benefits to Investor

- 🏠 Low-Income Housing Tax Credits (99.99% share to investors)
 - Credits spread out over 10-12 years
- 🏠 Tax losses (99.99% share to investors)
 - Annually over life of partnership (usually 15 years)
 - = Net Operating Income - Deductible Interest Expense – Amortization Expense – Depreciation Expense
 - Losses multiplied by Income Tax Rate to determine value

Selling the Credits

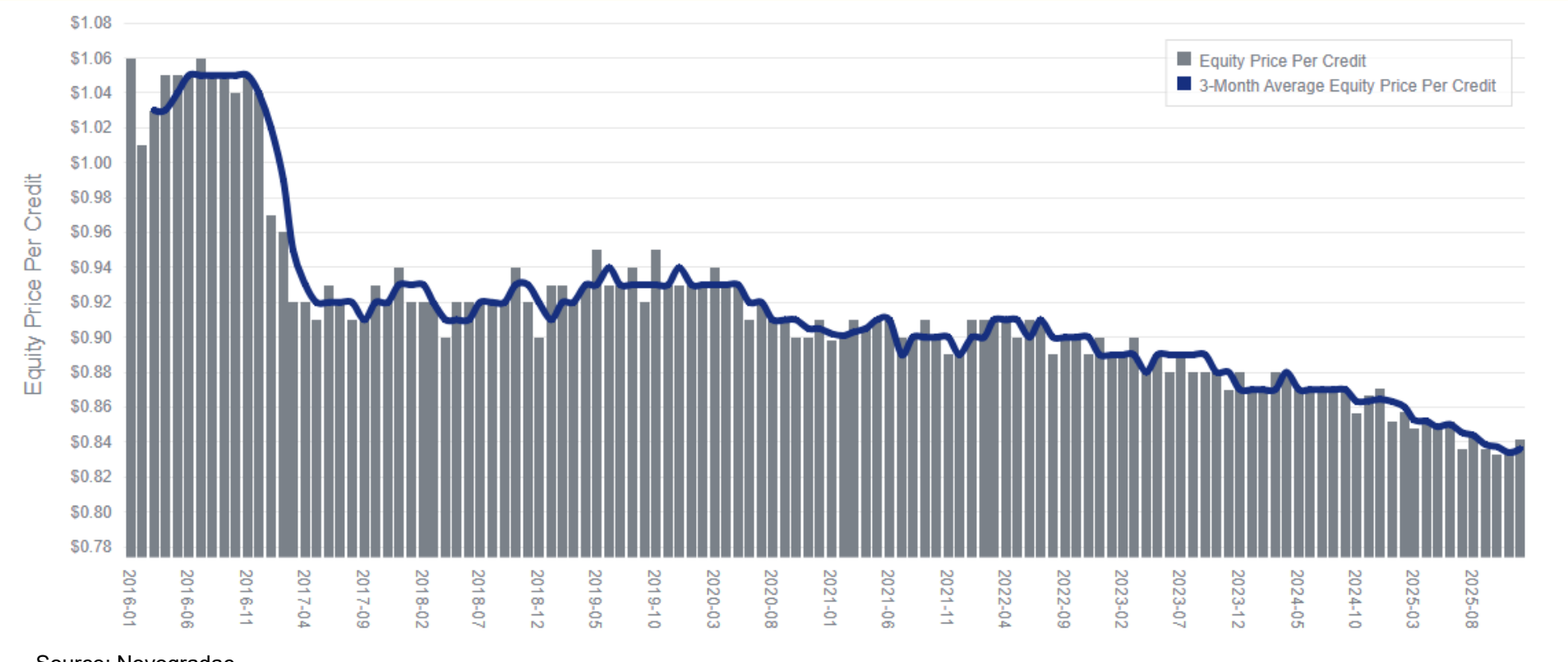
Factors affecting the price investors will pay

- 🏠 Timing of receipt of Low-Income Housing Tax Credits
- 🏠 Timing of equity disbursements
- 🏠 Risk considerations
 - Sponsor capacity
 - Deal underwriting
 - Local market conditions
- 🏠 Corporate tax rate
 - Impacts value of losses
 - Impacts demand for LIHTC
- 🏠 Supply and demand for LIHTC



Selling the Credits

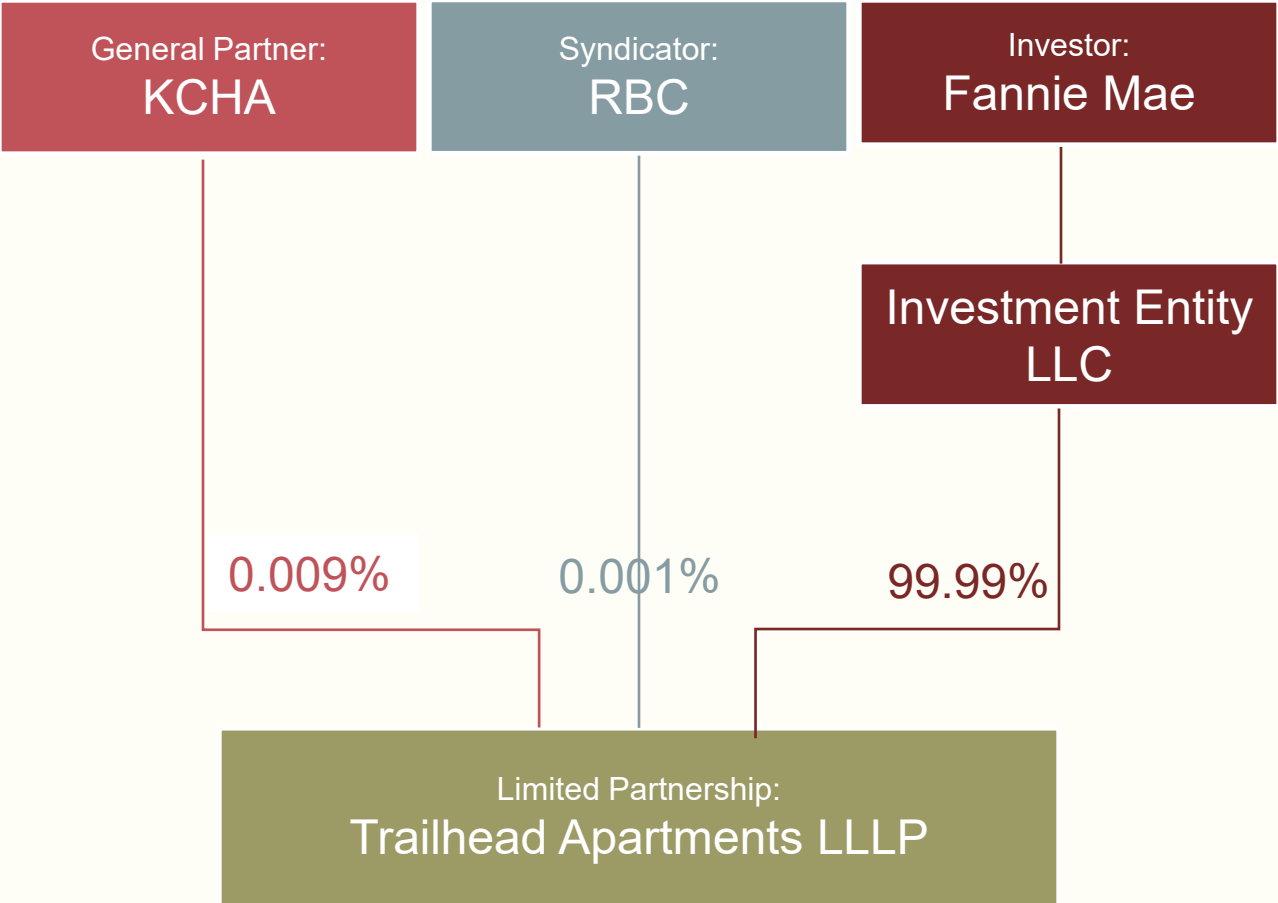
Overall LIHTC pricing trends



Source: Novogradac

Selling the Credits

Structure of LIHTC Project Ownership (Trailhead



Claiming the Credits

- 🏠 Placing the buildings in service
 - Rehab or new construction complete
 - Low-Income Units 100% occupied
- 🏠 WSHFC Placed-in-Service Requirements
 - Final Cost Certification from CPA (Novogradac)
 - Recorded Regulatory Agreement & title report
 - Payment of remaining fee
 - et.al.
- 🏠 Form 8609 from WSHFC
- 🏠 Annual tax returns for Partnership



Exiting the partnership

🏠 Right of First Refusal (non-profit sponsors only)

- Outstanding Debt Assumption
- Payment of Exit Taxes
 - Tax recapture on losses written off by investor that are in excess of investment (negative capital account)
 - Taxed at current income tax rate
 - Grossed up for taxes on payment to investor: 21% becomes 27%

🏠 Fair Market Value Purchase Option

- Appraised Value - Outstanding Debt Assumed



KCHA LIHTC Pipeline



Current KCHA LIHTC Projects

🏠 Kirkland Heights

- Closing out in 2026

🏠 Trailhead Apartment

- Beginning construction in 2026
- Completing construction in 2027



Future KCHA LIHTC Projects

🏠 2-3 RAD LIHTC portfolios (2027-2029)

🏠 Greenbridge Notch (2028?)

🏠 Patricia Harris Manor redevelopment

🏠 Existing property rehabilitation possibilities (alphabetical order)

- Cascadian
- Hampton Greens
- Henry House
- Juanita View
- Kendall Ridge
- Laurelwood Gardens
- Meadowbrook
- Parkway
- Sandpiper East



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Questions?

