

**KING COUNTY HOUSING AUTHORITY (KCHA)
RESIDENT ADVISORY COMMITTEE (RAC)**

MEETING NOTES

King County Housing Authority, 700 Andover Park West, Tukwila WA ■ Snoqualmie Room
February 2, 2016 ■ 4:00 – 6:30 PM

Members Present	Sharon Bosteder, Mary-Lynn Bowen, Lillie Clinton, Paula Danielson, Koffi Hoto, Elsie Linebarger, David Madison, Mary Mangrum, Rose McCoo, Elizabeth Miller, Tammy Morris, Amy Pawloski, Noke Phoumkeo, Linde Radelich, Barbara Rice, Linda Sanchez-Suwaneh, TerryLynn Stewart, Eugene Young
KCHA Staff	Rickie Robinson, Andrew Calkins, Bill Cook, Beth Meshke, Jeb Best, Shawli Hathaway
Guests	Teresa Moore, Jake Terzo, Craig Plomondon

KEY POINTS DISCUSSED		
NO.	TOPIC	HIGHLIGHTS
1	Welcome, Introductions, Review Notes	Notes from December 2015 RAC meeting were approved.
2	EPIC Update	Johnson Controls provided more information about the Energy Performance Initiative Contract.
3	Section 8 Payment Standards Update	RAC members saw the table of multi-tiered Section 8 Payment Standards that will go to the KCHA Board.

Welcome and Introductions

Rickie Robinson welcomed everyone to the meeting and noted today's meeting is starting at 4 pm, an hour earlier than the RAC's usual starting time. Introductions were made around the room.

Prior RAC Meeting Notes

RAC members approved the notes from the December 12, 2015 meeting after adding one RAC member to the list of attendees. These notes will be posted at KCHA's web site:
<http://www.kcha.org/residents/rac/>

Energy Performance Initiative Contract (EPIC) Update

Introductions: KCHA will spend about \$21 million dollars on improvements at many of KCHA's Public Housing sites under EPIC. Most of these improvements will make KCHA properties more energy and water efficient. Bill introduced Jake Terzo, the Program Manager for energy performance contracting who works for the EPIC contractor Johnson Controls (JCI), and Craig Plomondon, head EPIC Construction Manager, who also works for JCI.

Background: This summer JCI did energy audits at KCHA properties, and investigated the cost of products. So far almost all of KCHA's Public Housing properties have been included in a project plan to make EPIC improvements at those sites. Section 8 and Project-based Section 8

properties are not included. In December 2015, the KCHA Board approved moving forward, and last week JCI finalized the project plan with KCHA, including the scope of what will be installed where.

In the next 3 – 6 months JCI is deciding exactly which products will be installed at the various locations. JCI is currently involved with installing samples and collecting feedback about various product options, and is developing a tenant orientation program to communicate what will be happening in the various sites getting EPIC upgrades. Some of the things that will be done include upgrading to LED lighting, water conservation improvements including new shower heads and new toilets, ductless heat pumps in about 500 units, and installation of exhaust fans and energy recovery ventilators to ensure high-quality indoor air quality. Construction will start around April or May 2016 and last 18 – 24 months. At each site on the EPIC list we will have resident orientation meetings a few weeks before construction starts so residents will hear about and see samples of what will be installed and learn why that equipment was selected, so residents will understand when the work will start in various buildings, and so they will know how often to expect someone from JCI will need to enter their units. JCI will also provide education on energy efficiency and water conservation.

With these energy and water-saving improvements, we can expect residents’ utility bills and KCHA’s utility costs to decrease. If some of the newly installed products require more maintenance, KCHA might choose to hire additional maintenance staff using the savings from lower utility expenses.

Section 8 Payment Standards

At the December 2015 RAC meeting, Andrew gave an overview of what are Section 8 Payment Standards and why KCHA is looking at going from two to five tiers based on ZIP codes. The zip codes in each of the five groups share similar rental prices. Having five rather than the former two payment standard groups will more closely align subsidies with the widely divergent rental markets across King County. By calibrating payment standards to specific submarkets, voucher holders will be better able to move to high-opportunity neighborhoods if they want to, and/or stay in their unit or neighborhood in the face of rising rents.

Andrew Calkins showed a table of the proposed Section 8 Payment Standards, which are the maximum amounts for rent and utilities that Section 8 will subsidize for various bedroom sizes, so the RAC members could comment before Andrew presents this recommendation to the KCHA Board of Commissioners in February with implementation expected in March, 2016. The table shows Section 8 Payment Standards for 5 groupings of zip codes within KCHA’s jurisdiction at various bedroom sizes.

PROPOSED NEW PAYMENT STANDARDS							
	Studios	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Tier 1	\$795	\$980	\$1,175	\$1,560	\$2,090	\$2,340	\$2,665
Tier 2	\$880	\$1,065	\$1,240	\$1,675	\$2,230	\$2,595	\$2,900
Tier 3	\$905	\$1,215	\$1,445	\$1,770	\$2,340	\$2,695	\$3,035
Tier 4	\$1,225	\$1,430	\$1,655	\$2,005	\$2,605	\$2,995	\$3,385
Tier 5	\$1,390	\$1,570	\$1,925	\$2,235	\$2,990	\$3,545	\$3,885

Jeb Best said that if the Board approves it, the revised payment standards schedule would be implemented as soon as possible (March or April) for new and moving voucher households, for those with approved interim rent changes, and for rent increases effective in March and April. The new payment standards will be applied on a rolling basis starting in May for full and interim recertifications. Section 8 will probably build in a hardship and offer optional implementation sooner than one's normal recertification month for participants paying over 50% of their income on rent and utilities under the old payment standards. As these new payment standards get implemented, eventually about 5,000 KCHA Section 8 households will see a decrease in their tenant portions of the rent.

The last time KCHA raised Section 8 Payment Standards was in December 2014 and rents have increased a lot in King County since then. Jeb said we are recommending increasing Section 8 Payment Standards even though HUD is not giving us more money to pay for the rent increases we have been experiencing in King County.

TerryLynn Stewart said the Board wants to know what RAC members think about these Payment Standards changes (almost all are increases). If approved, KCHA will be paying for the portions not covered by HUD funds out of Reserves. Because HUD is not paying us more even if we increase Payment Standards, and because of the rapid rise of local rents, KCHA cannot continue paying indefinitely for these higher subsidy amounts while keeping the same number of Section 8 participants unless something else changes.

TerryLynn Stewart clarified for RAC members in Public Housing that increasing Section 8 Payment Standards will not affect the amount a participant in Public Housing pays for rent.

Jeb Best said Section 8 is committed to not kicking any families off of Section 8 because KCHA is spending more money on rent subsidies. Section 8 might have to slow the rate at which it pulls new applicants off of the waiting list and might recommend in the future to tighten up some of the rents for some of the bedroom sizes in some of the tiers. Because HUD isn't funding this change in Payment Standards and because of the volatility of the local rental market, the KCHA Board plans to look at Section 8 Payment Standards again next year.

Discussion about High-Opportunity Areas

RAC members questioned whether moving Section 8 families to higher income areas is the best idea. For example, children from lower cost areas of the county who transfer to schools in more expensive neighborhoods will likely not feel comfortable in their new schools and might be picked on or might drop out. Maybe funding other programs or finding other ways to assist low income families would be more effective than subsidizing their rents at a higher amount so they can move to "high-opportunity" neighborhoods.

In order to be successful, maybe families coming from lower market-rent areas of King County or from other countries (such as immigrants and refugees) that move to higher income parts of King County need more than a sufficient rent subsidy. They would also benefit from guidance, advice and mentoring to help family members assimilate to the new culture, especially children put into new schools.

On the other hand, just being around and observing the culture in higher income neighborhoods can have a good influence on family members who moved from lower income neighborhoods. Also, schools in Bellevue and in other high-rent cities tend to be better academically and have lower drop-out rates.

Andrew said the purpose of the revised Section 8 Payment Standards is to allow families to use their Section 8 voucher to move to a more expensive part of King County if the family wants to, but KCHA will not require anyone to move. The reason some tiers have lower Payment Standards than others is the market rents in those areas are lower; KCHA does not provide lower subsidies in lower rent areas of King County in order to encourage Section 8 families to move out of those areas. Jeb said the reason we are proposing raising Payment Standards is so people on the Housing Choice Voucher Program (this is the formal name of the Section 8 program) will retain Choice. If our Payment Standards do not meet at least the middle range of market rents in more expensive areas, which they currently do not, people on Section 8 will not be able to choose to live in parts of King County where rental rates are higher than KCHA's Payment Standards will subsidize.

Discussion With Consultant

RAC members spoke with Teresa Moore, a consultant who works for Moore Ink. She is hired by KCHA to collect input from RAC members about the RAC, particularly related to communication issues.

Only RAC members participated in this portion of the meeting, including Cindy Ference who called in from an off-site location.