



# **MOVING TO WORK ANNUAL PLAN**

FY 2024

August 25, 2023



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# SECTION I

## INTRODUCTION

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### A. OVERVIEW OF SHORT-TERM MTW GOALS AND OBJECTIVES

In recent years, Moving to Work flexibilities have allowed King County Housing Authority (KCHA) to pivot to address the emerging health and safety needs of our residents, design new programs to address the region's dual housing and homelessness crises, and make investments in critical operational and programmatic areas. After 20 years in the MTW program, KCHA remains committed to continually expanding both the reach and effectiveness of our programs through innovation and evaluation. In 2024, KCHA will continue to leverage MTW flexibility to:

### PROMOTE ECONOMIC INDEPENDENCE AND SELF-SUFFICIENCY

KCHA's subsidized housing programs start with providing families a safe and stable place to call home. But they do not end there. Advancing economic opportunity and disrupting intergenerational poverty is a core focus for the agency. In 2024, KCHA will make further investments to advance this goal through new programming, policy change, and evaluation.

#### Advancing Economic Opportunity

The Family Self Sufficiency (FSS) program offers a significant opportunity for working households to focus on economic independence goals while banking income gains in an escrow account. The program does not work for every household, however. In recognition of the opportunity to provide workforce development supports to a broader population, KCHA will use our single-fund flexibility to create an Economic Independence Pathways Program. The program will provide coaching and mentorship for up to two years with an aim of supporting residents' pursuit of economic independence through training and education. In addition, 2024 will see KCHA launch the Young Adult Prosperity Program (YAPP) to provide self-sufficiency support for youth participating in the Family Unification Program (FUP) and Foster Youth to Independence (FYI) voucher programs — further promoting economic mobility and preventing additional experiences of homelessness. The agency also has proposed a broader policy initiative to exclude income earned through participation in career advancement and training opportunities.

#### Wealth-Building Pathways

Homeownership is one of the most effective ways families can create wealth for themselves and future generations. In 2024, KCHA will be working with nonprofit, lending, and governmental partners to create stronger connections between participants of subsidized housing programs and affordable homeownership opportunities. In addition, KCHA is proposing a wide-ranging MTW Activity to leverage our single-fund and MTW flexibilities to create avenues for existing residents of our affordable housing programs to purchase homes.

### **Continuous Evaluation**

In 2024, KCHA will launch an evaluation of the agency's WIN Rent program to study how the rent tiers and associated policy changes since the policy's launch in 2010 have supported income growth and other outcomes for families that are able to work. The evaluation also will allow us to identify opportunities to improve the program.

### **INCREASE THE NUMBER OF EXTREMELY LOW-INCOME HOUSEHOLDS WE SERVE**

A sufficient supply of affordable housing is an essential underlying determinant of social justice and key to our region's strategies to combat related issues of poverty, housing instability, public health, community displacement, and homelessness. KCHA continues to pursue every available opportunity to expand our housing assistance for low-income households through applications for new special purpose vouchers, property acquisitions and new development, the activation of banked public housing subsidies, project-basing voucher rental assistance to help increase the supply of Permanent Supportive Housing (PSH), over-leasing of our Housing Choice Voucher (HCV) program, and the use of innovative subsidy programs to house and support diverse populations.

In 2024, KCHA will continue to pursue full lease-up of all special purpose vouchers through partnerships with our governmental and community-based partners. KCHA will leverage funds newly allocated by the State Legislature for housing navigation and housing stability to support the lease-up of the agency's 123 Foster Youth to Independence (FYI) vouchers. The agency also continues to leverage the Collaborative Case Management (CCM) partnership with the King County Veterans Program to find novel ways to fully deploy the agency's 1,250 HUD-VASH vouchers. We also plan to activate banked public housing subsidies at Illahee Apartments (Bellevue) in 2024.

### **SUPPORT RESIDENT HEALTH, STABILITY, AND WELL-BEING**

KCHA is strengthening our capacity to strategically engage residents to provide ideas, advice, and feedback about health-related programming. In 2024, we will wrap up a Resident Health Needs Assessment and establish a health and wellness advisory council for ongoing resident engagement and feedback. Already-identified health issues that can significantly impact the ability to retain housing include: (1) mental/behavioral health, (2) hoarding and high clutter, and (3) aging in place. KCHA's work is laying the foundation for multi-tiered strategies to address these emerging priorities through internal cross-departmental process mapping, tools and training for staff, and contracts with external partners. We also have entered into strategic partnerships with other housing authorities, local governments, community-based service providers, and city, county, and state coalitions to leverage resources and build momentum for regional approaches to address the interconnected outcomes of housing stability, health, and wellness.

## **ADVANCE RACIAL EQUITY AND SOCIAL JUSTICE ACROSS KING COUNTY**

The effects of historical and institutional racism continue to be evidenced in housing outcomes that demonstrate disproportionate rates of homelessness, displacement, and neighborhood access. KCHA's Office of Equity, Diversity, Inclusion and Belonging (EDIB) is developing an agency-wide strategy aimed at embedding EDIB principles into every aspect of KCHA's work while acknowledging a range of intersectional identities and placing an emphasis on racial equity. Following an inclusive planning process that included feedback from the agency's board, staff, residents, and community partners, KCHA is identifying shared definitions of key EDIB terms. This work builds on input provided from previous KCHA efforts, including contributions by KCHA's Race, Equity, Diversity and Inclusion (REDI) committee.

Additional ongoing agency-wide efforts include staff training, the development of organizational equity goals, equitable procurement practices that involve open and accessible processes and information, the adoption of a racial equity assessment tool, and increased collaboration with residents and people with lived experience in program design.

## **ADVANCE ENVIRONMENTAL SUSTAINABILITY THROUGHOUT OUR OPERATIONS**

KCHA recognizes climate change as a global problem that demands action at a local level. We are committed to being a leader among housing authorities in how we continually work to reduce the agency's dependency on fossil fuels and consumption of resources. KCHA is working to implement the 2022–2026 Sustainability Action Plan, which guides the agency's investments and approach in four key areas: greenhouse gas reduction; climate change preparedness; sustainable property operations and management; and healthy, resilient, and equitable communities.

As the impacts of the changing climate on the region become more apparent and urgent, we will develop a framework in 2024 to determine and prioritize climate change resiliency at KCHA communities and establish an approach to integrating sustainability review early in the design process for property upgrades and new developments. KCHA is also taking advantage of new financing opportunities to add extensive rooftop solar to Kirkland Heights as part of a large rehabilitation and expansion project. In 2024, we will continue to work with residents and staff to save water and energy, reduce solid and hazardous waste, and purchase products made with recycled materials and fewer hazardous chemicals.

## **LEVERAGE PARTNERSHIPS TO ADDRESS THE NEEDS OF INDIVIDUALS AND FAMILIES EXPERIENCING HOMELESSNESS**

King County continues to experience a significant homelessness crisis that demands action and sustained collaboration from a variety of actors. In the most recent King County Point-in-Time Count conducted in 2022, 13,368 people lacked housing, an increase of 1,617 over a two-year



period.<sup>1</sup> Homelessness continues to disproportionately impact BIPOC communities, with Black/African American and American Indian/Alaskan Native individuals significantly overrepresented in the homeless system. KCHA has a long history of supporting regional efforts to address homelessness through innovative programming and a significant special purpose voucher program. In 2022, over 60% of the households entering KCHA's federally subsidized programs reported they were experiencing homelessness prior to receiving our housing assistance.

In 2024, KCHA will work with our partners to deploy multiple strategies to address homelessness, including:

#### **Innovative Partnerships**

In 2024, KCHA will work in partnership with multiple service partners and funders to increase access to HUD-VASH vouchers through the Collaborative Case Management program, expand our support to students experiencing homelessness who are pursuing higher education at Highline College, and integrate sustained support services to house families involved in the child welfare system and youth exiting foster care.

#### **Housing Navigation and Stability Supports**

Through the use of grant funding from HUD and local sources, KCHA will build on lessons learned through the Emergency Housing Voucher (EHV) program to expand housing navigation services to participants using special purpose vouchers both through in-house and contracted housing navigators. This approach is designed to support successful lease-up in King County's highly competitive rental market. KCHA also will continue deploy local and federal resources to ensure critical time intervention (CTI) resources are available to leased EHV participants to support housing stability.

#### **Project-Basing Assistance**

In partnership with King County, the Continuum of Care, and other public funders, KCHA will continue to seek out opportunities to use project-based voucher assistance to help fund the pipeline of new Permanent Supportive Housing (PSH) developments in suburban King County. KCHA is anticipating that 153 new PSH units supported by project-based vouchers will be completed and ready for occupancy in 2024.

#### **Adding Incremental Vouchers to our Portfolio**

In August 2022, KCHA applied for a new allocation of 75 FYI competitive vouchers, and we plan to pursue every opportunity to apply for new special purpose vouchers that HUD plans to make available during 2024.

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<sup>1</sup> 2022 Point in Time Count. King County Regional Homelessness Authority. [www.kcrha.org/wp-content/uploads/2022/06/PIT-2022-Infograph-v7.pdf](https://www.kcrha.org/wp-content/uploads/2022/06/PIT-2022-Infograph-v7.pdf)

## **DEEPEN PARTNERSHIPS WITH LOCAL SCHOOL DISTRICTS TO IMPROVE EDUCATIONAL OUTCOMES**

KCHA's federally subsidized housing provides a home for over 15,470 children every year. Their academic success is an integral element of our core mission to prevent multi-generational cycles of poverty and promote economic mobility. KCHA prioritizes students' educational success through partnerships with education stakeholders in King County, including school districts, out-of-school time and early learning providers, and parents. KCHA will also continue to partner with local schools, Highline College, and regional partners to provide critical housing assistance resources to individuals and families experiencing homelessness.

### **Out-of-School Time (OST) Programs**

In 2024, KCHA will continue to partner with our network of out-of-school time providers to ensure school-aged children living in KCHA-owned properties have access to critical after-school and summer learning programs aimed to help students make up lost academic and social and emotional learning over the course of the pandemic. Linking providers to other specialized nonprofit entities, school districts, and their respective resources continues to be a central focus. Our Education Team also will explore co-creating a youth leadership and development program at KCHA sites. The program would be the first time KCHA has co-created a youth development program and implemented a unified program across the entire portfolio.

### **Neighborhood Early Learning Connectors**

KCHA continues to work with residents to implement, expand, and refine the innovative Neighborhood Early Learning Connectors (NELC) program model. Launched in 2021, NELC supports healthy child development so that young children entering kindergarten are prepared to thrive. The NELC staff are comprised of residents of KCHA's housing programs who reflect the culture and linguistic makeup of the communities they serve.

## **ADAPT OPERATIONS, POLICIES, AND PROCEDURES TO SUPPORT PROGRAM ADMINISTRATION**

KCHA continually pursues opportunities to streamline and adapt our operations, policies, and procedures to meet resident needs, ease administrative burdens, and remove barriers to efficiently administer federal housing assistance. In recent years, KCHA has used MTW flexibility to pilot new self-certification of Housing Quality Standards (HQS) for distinct classes of properties as a means of to increase program efficiencies and ensure households can move into housing faster. The agency will make these self-certification flexibilities permanent in 2024. KCHA also has increased non-contact options available to residents by expanding the use of online rent payments and document signing, and by implementing an online submission form for requests for tenancy approvals. KCHA will also transition to a new software platform in 2024 that will offer significant opportunities to advance digital engagement between program staff and residents.

## **INVEST IN THE ELIMINATION OF ACCRUED CAPITAL REPAIR AND SYSTEM**

## REPLACEMENT NEEDS IN OUR FEDERALLY SUBSIDIZED HOUSING INVENTORY

In 2024, KCHA will continue our recapitalization efforts and invest \$17.2 million in MTW working capital to upgrade our federal housing stock. These investments improve housing quality, reduce maintenance costs and energy consumption, and extend the life expectancy of our housing stock, enabling us to better fulfill our mission over the long term.

### B. OVERVIEW OF LONG-TERM MTW GOALS AND OBJECTIVES

Through participation in the MTW program, KCHA is able to address a wide range of affordable housing needs in the region. We use the regulatory flexibility available through MTW to support these overarching strategic goals:

- **STRATEGY 1:** Continue to strengthen the physical, operational, financial, and environmental sustainability of our portfolio of more than 12,481 affordable housing units.
- **STRATEGY 2:** Increase the supply of housing in the region that is affordable to extremely low-income households — those earning below 30% of Area Median Income (AMI) — through developing new housing, preserving existing housing, and expanding the size and reach of our rental subsidy programs.
- **STRATEGY 3:** Advance racial equity and social justice within KCHA and in King County through the implementation and ongoing evaluation of KCHA's EDIB strategy.
- **STRATEGY 4:** Affirmatively further the policies and purposes of the Fair Housing Act, and provide greater geographic choice for low-income households — including residents with disabilities, elderly residents with mobility impairments, and families with children — so that more of our residents have the opportunity to live in neighborhoods with high-performing schools and convenient access to support services, transit, health services, and employment.
- **STRATEGY 5:** Coordinate closely with the behavioral health care and homeless systems to increase the supply of supportive housing for people who have been chronically homeless or have special needs, with the goal of significantly decreasing homelessness throughout King County.
- **STRATEGY 6:** Engage in the revitalization of King County's low-income neighborhoods, with a focus on housing and other services, amenities, institutions, and partnerships that empower strong, healthy communities and prevent displacement of existing community members.
- **STRATEGY 7:** Work with King County government, regional transit agencies, and suburban cities to support sustainable and equitable regional development by integrating new — and preserving existing — affordable housing in regional growth corridors aligned with mass transit investments.

- **STRATEGY 8:** Expand and deepen partnerships with our residents, local school districts, Head Start programs, after-school program providers, public health departments, community colleges, and the philanthropic community with the goal of improving educational and life outcomes for the children and families we serve.
- **STRATEGY 9:** Promote greater economic independence for families and individuals living in subsidized housing by addressing barriers to employment and facilitating access to training and education programs, with the goal of enabling moves to market-rate housing — including homeownership — at the appropriate time.
- **STRATEGY 10:** Continue to develop institutional capacities and operational efficiencies to make the most effective use of limited federal resources, and provide extraordinary service to our residents, communities, and partners.
- **STRATEGY 11:** Continue to reduce KCHA's environmental footprint through energy and water conservation, renewable energy generation, waste stream diversion, green procurement policies, waste reduction, and fleet management practices.
- **STRATEGY 12:** Develop our capacity as a learning organization that uses data, research, and evaluation to assess housing access, outcomes, and equity, and to drive decisions that shape policies and programs.

# SECTION II

## GENERAL HOUSING AUTHORITY OPERATING INFORMATION

### A. HOUSING STOCK INFORMATION

#### i. Planned New Public Housing Units

AMP Name and Number	Bedroom Size						Total Units	Population Type	Section 504 Accessible Units (Mobility)	Section 504 Units (Hearing / Vision)
	0/1	2	3	4	5	6+				
Illahee Apartments <sup>2</sup>	22	14	0	0	0	0	36	TBD	TBD	TBD
Future Acquisition and Conversion of Existing Housing to Public Housing								TBD	TBD	TBD
Total Public Housing Units to be Added <sup>3</sup>							36			

#### ii. Planned Public Housing Units to be Removed

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
N/A	0	N/A

<sup>2</sup> Illahee Apartments was included in previous KCHA MTW plans but has not yet converted to Public Housing. KCHA is continuing to work toward transitioning this property to Public Housing with an anticipated date of activating ACC in or around 2024.

<sup>3</sup> Additional properties yet to be identified or acquired by KCHA may convert to Public Housing in 2024 should KCHA deem such opportunities appropriate. Additionally, some housing units might be designated MTW Neighborhood Services units in 2024 should an opportunity arise to partner with a local service provider or assign units to other eligible MTW purposes upon approval from the HUD field office.

### iii. Planned New Project-based Vouchers

Property Name	Anticipated Number of New Vouchers to be Project-based	RAD?	Description of Project
KCHA's Campus Green, Echo Cove, Harbor Villa, & Slater Park	29	No	Increase KCHA's level of existing affordable housing stock by converting 29 Public Housing units to Project-based at four KCHA-owned sites.
Bridge Housing's Spring District	8	No	Awarded project-based vouchers (PBVs) through the 2022 King County Combined Funders NOFO. AHAP contract anticipated in Q4 2024 with anticipated project completion in Q2 2026.
Plymouth Housing's Kenmore	100	No	Awarded PBVs in partnership with the City of Kenmore RFP in 2022. AHAP contract anticipated in Q1 2024 with anticipated project completion in Q2 2025.
Mercy Housing Angle Lake	8	No	Awarded PBVs through the 2022 King County Combined Funders NOFO RFP. AHAP contract anticipated in Q3 2023 with anticipated project completion in Q2 2025.
Muckleshoot Housing Authority PSH	50	No	Awarded PBVs through the 2022 King County Combined Funders NOFO RFP. AHAP contract anticipated in Q4 2023 with anticipated project completion in Q1 2025.
King County Combined Funders NOFO	160	No	PBVs made available through the 2023 Combined Funders NOFO for supportive housing projects serving people exiting homelessness.
<b>Planned Total Vouchers to be Newly Project-based</b>	195 <sup>4</sup>		

### iv. Planned Existing Project-based Vouchers

See Appendix B for a list of KCHA's existing project-based voucher contracts.

### v. Planned Other Changes to MTW Housing Stock Anticipated During the Year

While no additional modifications to KCHA's housing stock are anticipated at the time of this plan's drafting, KCHA will continue to use every tool available to expand our reach as additional opportunities arise throughout the plan year, including but not limited to the designation of units as MTW Neighborhood Services Units, the use of banked ACC or MTW working capital to support

<sup>4</sup> The total of 195 planned total vouchers to be newly project-based does not include the 160 made available through the 2023 Combined Funders NOFO process.

development and acquisition activities, the use of new Special Purpose and Project-Based Vouchers, and sponsor-based housing.

**vi. General Description of All Planned Capital Fund Expenditures During the Plan Year**

In 2024, KCHA will spend approximately \$17.2 million to complete capital improvements critical to maintaining our federally subsidized properties. Overall, these investments improve housing quality, reduce maintenance costs and energy consumption, and extend the life expectancy of our housing stock, enabling us to better fulfill our mission over the long term. Expenditures include:

- **UNIT UPGRADES AND SPECIAL PROJECTS (\$4.5 MILLION)**

KCHA's ongoing efforts to significantly upgrade the interiors of our affordable housing inventory as units turn over will continue in 2024. KCHA's in-house, skilled workforce will perform the renovations, which include the installation of new flooring, cabinets, and fixtures to extend by 20 years the useful life of up to 135 additional units.

- **BUILDING ENVELOPE AND COMPONENTS UPGRADES (\$6 MILLION)**

The building envelope upgrade at Westminster Manor (Shoreline) including new siding, windows, exterior doors, and roofing was scheduled to be completed in 2023 but is being rescheduled to 2024. The same is true for the food bank building at Burndale Homes (Auburn), where the planned improvements include siding, doors, windows, and roof, along with new tenant improvements necessary to convert the space from its former use to a property management office. The 2024 capital program also includes the replacement of the roof at Munro Manor (Burien) and a full envelope replacement at Peppertree (Shoreline), which began in 2023.

- **SYSTEMS (HEATING, SEWER, ELEVATOR) IMPROVEMENTS (\$4 MILLION)**

The recently replaced heating and related plumbing system at Casa Madrona (Olympia) will be balanced in order to improve the performance and efficiency of the two interacting systems. At Plaza Seventeen (Auburn), the hydronic heating system's plumbing and heating components will be replaced. Fire monitoring systems will be replaced at Briarwood (Shoreline), Harrison House (Kent), and Newport Apartments (Bellevue). The passive ventilation system in the attics of Cascade Homes (Kent) will be upgraded and a second elevator will be installed at Vantage Point (Renton).

- **SITE IMPROVEMENTS (\$500,000)**

At Park Royal (Bothell), site improvements will include: removing buckled and failing parking and walking surfaces; addressing a long-standing water intrusion issue above both

buildings; grinding and overlaying the parking areas; providing new barriers to prevent cars going off parking area slopes; and new striping and wheel stops.

- **SECURITY IMPROVEMENTS (\$1.2 MILLION)**

New fencing will be installed to enhance site security at Birch Creek (Kent), Mardi Gras (Kent), and Valli Kee (Kent).

- **“509 PORTFOLIO” IMPROVEMENTS (\$345,000)**

Planned site improvements at Juanita Court (Kirkland), one of the projects in the portfolio of 509 Public Housing units converted to project-based Section 8 in 2013, will include lengthening the life of the hardscapes by repairing failing asphalt and extruded curbs in the main drive aisles and parking lots.

- **OTHER IMPROVEMENTS (\$735,000)**

A new electric transformer and related interior electric panels are needed at the 600 Administration Building (Tukwila) to increase capacity for future electric needs (such as electric vehicle charging stations for KCHA fleet vehicles). Improvements also will be made to the building’s entrance to provide weather coverings, and the public bathrooms will be refurbished.



## B. LEASING INFORMATION

### i. Planned Number of Households Served<sup>5</sup>

#### SUMMARY

MTW Households to be Served through:	Planned Number of Households to be Served	Planned Number of Unit Months Occupied/ Leased
MTW Public Housing Units Leased	2,440	29,280
MTW Housing Choice Vouchers (HCV) Utilized <sup>6</sup>	8,710	104,520
Local, Non-traditional: Tenant-based	120	1,440
Local, Non-traditional: Property-based	0	0
Local, Non-traditional: Homeownership	0	0
Planned Total Households Served	11,270	135,240

#### LOCAL, NON-TRADITIONAL PROGRAMS

Local, Non-traditional Category	MTW Activity Name/Number	Planned Number of Households to be Served	Planned Number of Unit Months Occupied/ Leased
Tenant-based	2007-6: Develop a Sponsor-based Housing Program	60	720
Tenant-based	2013-2: Flexible Rental Assistance	60	720
Tenant-based	2014-1: Stepped-down Assistance for Homeless Youth <sup>7</sup>	0	0
<b>Planned Total Households Served</b>		<b>120</b>	<b>1,440</b>

<sup>5</sup> In prior years, KCHA's planned number of households served included special purpose vouchers that were funded outside of the agency's MTW Block Grant. This table includes only KCHA's MTW Block Grant vouchers.

<sup>6</sup> In 2024, KCHA also plans to administer housing assistance to an additional 3,100 households that have ported-in to our jurisdiction and an additional 3,598 households using other non-MTW special purpose vouchers, including 794 Emergency Housing Vouchers.

<sup>7</sup> KCHA and the service provider for this activity ended the program in 2023. KCHA is maintaining the activity while attempting to find another service provider.

## ii. Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
MTW Public Housing	No leasing issues are anticipated for this program in 2024.
MTW Housing Choice Voucher (HCV)	King County continues to experience population growth, low vacancy rates, and rising rents. The resulting competition among renters for a limited supply of affordable units creates leasing challenges for those utilizing tenant-based vouchers and individuals with barriers to housing stability. Rents have risen following the end of the state's pandemic moratorium on rent increases. To address these challenges, KCHA will continue to deploy a variety of interventions, including: executing contracts with nonprofits to provide housing search services; maintaining two new housing navigators at KCHA through use of grant funding; a ZIP code-based payment standard system that tracks changes in market rents closely and adjusts payment standards on a semi-annual basis; landlord outreach and retention efforts; expedited inspection processes including self-certification of newly constructed and KCHA-owned properties; security deposit assistance; and flexible client assistance funds aimed to mitigate financial leasing barriers for people accessing special purpose vouchers.
Local, Non-traditional	Successfully leasing an apartment and maintaining housing stability in a tight rental market is a challenge for low-income families. This remains especially true for those with complex physical and behavioral health needs. Our program partners that administer sponsor-based and short-term rental assistance are finding it increasingly difficult to recruit and retain landlords willing to maintain affordable, accessible rents for these specialized programs. The COVID-19 pandemic and its associated economic impacts have significantly heightened these challenges. KCHA and program partners continue to work together to develop new strategies to support housing access and stability for populations served through these and other special purpose voucher programs.

## C. WAITING LIST INFORMATION

### i. Waiting List Information Anticipated

Waiting List Name	Description	Number of Households on Waiting List	Waiting List Open, Partially Open, or Closed	Are There Plans to Open the Wait List During 2024?
<b>Housing Choice Voucher</b>	Community-wide	1,350	Partially open (accepting targeted voucher referrals only)	No
<b>Public Housing</b>	Regional	8,923	Open	N/A
<b>Public Housing</b>	Site-based	9,376	Open	N/A
<b>Project-based</b>	Regional	6,358	Open	N/A
<b>Public Housing – Conditional Housing</b>	Program-specific	21	Open	N/A

### ii. Planned Changes to Waiting List in the Plan Year

- As noted in Activity 2004-3, KCHA may implement new site-based waiting lists for properties where there is a community-identified need to serve a priority population. For instance, to address high levels of students experiencing homelessness in the area, KCHA will partner with the Bellevue School District and local community organizations to provide families experiencing homelessness access to subsidized housing within the school district. KCHA also will explore the possibility of replicating this strategy to other parts of King County.
- As also noted in Activity 2004-3, KCHA in 2024 plans to change the structure of the existing site-based waiting lists for our subsidized housing program. Currently, residents are able to select up to two regional waiting lists and up to two site-based waiting lists. To create greater choice for applicants, KCHA is exploring and may implement a change in 2024 to allow housing applicants to select as many sites or regional waiting lists as they desire. This change will allow greater opportunities for families to identify and select housing opportunities in communities of their choice based on their desired neighborhood and site amenities. KCHA also is considering grouping sites by cities or other aspects as an alternative to regional or site-specific waiting lists.
- In 2024, KCHA also may create a waiting list policy that allows priority access to a tenant-based Housing Choice Voucher for youth participating in the standard FYI or FUP youth voucher program who have reached the maximum term allowed for the subsidy type.

KCHA anticipates a voucher would be made available when a household has participated in self-sufficiency programming and when the loss of a housing subsidy would put the household at risk of experiencing homelessness.

# SECTION III

## PROPOSED MTW ACTIVITIES

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This section includes two new proposed MTW activities:

- ACTIVITY 2024-1: Employment Sponsorship Program
- ACTIVITY 2024-2: Local Homeownership Program

## PROPOSED MTW ACTIVITY 2024-1: Employment Sponsorship Program

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### A. ACTIVITY DESCRIPTION

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#### i. Description

In 2024, KCHA proposes to work with residents, staff, and workforce development service providers to design an employment sponsorship program that will provide opportunities for participants in KCHA's housing programs to engage in job training programs or introductory positions that support a transition to permanent career opportunities. Employment sponsorship activities may include an internship, a time-limited employment opportunity, or other workforce development training program. Any wages, stipend, or other payments earned through the program would not impact a household's income calculation for a set period of time. This program would broaden an existing exclusion for income received due to participation in HUD-funded training programs to include those paid for by KCHA or another provider.

KCHA plans to be the initial sponsor of employment and internship opportunities in the first year of the program, but will work with other workforce development partners and local employers to identify opportunities to advance access to other employment programs that increase self-sufficiency.

#### ii. Achieving a Statutory Objective

In 2022, the median annual income of residents of KCHA's federally subsidized housing programs was \$13,266. Households with a member able to work had a median income from wage earnings of approximately \$32,591. Yet high housing costs in King County mean that households need annual incomes of about \$84,000 to afford a one-bedroom rental unit, and \$98,000 to afford a two-bedroom rental unit.<sup>8</sup> There is a significant opportunity to create greater access to employment and career training programs that increase long-term earnings for residents of subsidized housing. The Employment Sponsorship Program will promote self-sufficiency among residents by providing unique opportunities to gain on-the-job skills and a foothold in permanent positions that pay living wages.

#### iii. Implementation Schedule

KCHA expects to begin implementing this program and any associated policy changes in Q3 or Q4 2024.

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<sup>8</sup> Out of Reach Report. 2023. National Low Income Housing Coalition. [www.nlihc.org/oor/state/wa](http://www.nlihc.org/oor/state/wa)

## B. ACTIVITY METRICS INFORMATION

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### i - iv. Standard HUD Metrics

SS #5: Households Assisted by Services that Increase Self Sufficiency

Unit of Measurement	Baseline	Benchmark
Number of households receiving services aimed to increase self-sufficiency (increase).	Households receiving self-sufficiency services prior to implementation of the activity (number). This number may be zero.	Expected number of households receiving self-sufficiency services after implementation of the activity (number).
12	0	10

SS #8: Households Transitioned to Self Sufficiency

Unit of Measurement	Baseline	Benchmark
Number of households transitioned to self-sufficiency (increase) (maintain housing). (The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.)	Households transitioned to self-sufficiency prior to implementation of the activity. This number may be zero.	Expected households transitioned to self-sufficiency after implementation of the activity (number).
For purposes of this activity, self-sufficiency is defined as completing the employment sponsorship activity.	0	10

- v. KCHA will track resident engagement and outcomes using program administrative data, data from HUD Form 50058, and additional qualitative data collected from program participants.

## C. COST IMPLICATIONS

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- i. KCHA expects costs for this program of about \$50,000 annually.

## D. NEED/JUSTIFICATION:

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- i. Applicable MTW Authorization(s): MTW Agreement, Attachment C, E. (Authorizations related to Family Self Sufficiency Programming); and Attachment C, B.1 (Single Fund Budget with Full Flexibility).

## E. RENT REFORM/TERM LIMIT INFORMATION

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This activity does not fall under HUD's definition of a "rent reform activity" per HUD Form 50900, Attachment B of KCHA's Moving to Work Agreement.

## PROPOSED MTW ACTIVITY 2024-2:

### Local Homeownership Program

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#### A. ACTIVITY DESCRIPTION

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##### i. Description

KCHA is requesting authorization to design a local Housing Choice Voucher Homeownership Program that would create new opportunities for existing households in KCHA's affordable housing programs to use MTW funding toward the payment of a monthly mortgage.

The high cost of housing and limited development of lower-cost housing typologies in KCHA's jurisdiction, combined with the level of subsidy needed to make a home affordable, is largely incongruous with HUD's traditional Housing Choice Voucher Homeownership Program. Yet the agency is committed to finding ways to support wealth-building opportunities for low-income households in King County. Stark racial inequities persist in King County's homeownership rates, where white households are twice as likely as a Black/African American household to own their own home. This current reality — the result of intentional policies that historically excluded many people of color from homeownership — precludes long-term and generational wealth building opportunities for communities of color. As more than half of the households in KCHA's subsidized housing programs are headed by people of color — and nearly 70% of those earning between 50% and 80% of AMI — there is a significant opportunity to work creatively and collaboratively with regional partners to create homeownership opportunities for KCHA's participants in a way that also advances racial justice. As such, KCHA in 2024 is proposing to design a local homeownership program that would leverage MTW flexibilities and funding to make homeownership a reality for low-income families.

The changes that KCHA is proposing to make to the traditional homeownership program include, but are not limited to:

- Alternative eligibility requirements, including those related to minimum household income, sustained employment, removal of first time homebuyer requirements, and additional modifications reasonably related to the ability to purchase a home.
- Lowering or eliminating the minimum homeowner contribution requirement.
- An alternative homeownership payment standard that differs from KCHA's multi-tiered HCV payment standards, and/or the establishment of a standard monthly homeownership subsidy amount.



- Waiving or extending the 10- and 15-year time limitation on subsidy assistance.

KCHA also is requesting authorization to pair these program modifications and the ongoing homeownership voucher subsidy with a partner organization that is developing affordable homeownership housing options. Tying the voucher subsidy to a new affordable development will provide greater opportunities to provide wealth-building pathways for low-income families, and at lower income levels than typical nonprofit homeownership developments.

**ii. Achieving a Statutory Objective: *Increasing Housing Choice***

This local homeownership voucher program will increase housing choice for low-income families participating in KCHA’s subsidized housing programs and self-sufficiency initiatives by making homeownership a possibility and a goal that they can work toward.

**iii. Implementation Schedule**

KCHA expects to begin this program in Q4 2024.

**B. ACTIVITY METRICS INFORMATION**

**i - v. Standard HUD Metrics**

HCV #6: Increase in Homeownership Opportunities

Unit of Measurement	Baseline	Benchmark
Number of households that purchased a home as a result of the activity (increase).	Number of households that purchased a home prior to implementation of the activity (number). This number may be zero.	Expected number of households that purchased a home after implementation of the activity (number).
	0	5

**C. COST IMPLICATIONS**

- i.** While the program still is being designed, KCHA expects that the ongoing subsidy provided to households may be higher, on average, than those paid on behalf of the broader tenant-based HCV program. KCHA acknowledges that a higher subsidy is an important element to this program that supports families in building equity and increasing their assets in a way that is not available while renting.

**D. NEED/JUSTIFICATION:**

- i.** Applicable MTW Authorization(s): MTW Agreement, Attachment C, D.8 (Authorization Related to Section 8 housing Choice Vouchers Only – Homeownership Program)

**E. RENT REFORM/TERM LIMIT INFORMATION**

### *Impact analysis*

Since KCHA does not currently have a homeownership program associated with its federally-subsidized housing programs, there will be no impact to existing households. KCHA expects that households participating in this initiative will spend between 28.3% and 40% of their income on their principal mortgage payment, interest, property taxes, insurance, and other allowed expenses. In other words, they will spend a similar amount of their income in the Local Homeownership Program as they would if they continued to rent a unit under the traditional voucher program. As part of this initiative, KCHA will work closely with down payment assistance providers, homeownership counseling organizations, and lenders to ensure that participating households are in a position to make their monthly payments and are not burdened by excessive housing costs. KCHA will track housing cost burdens for participating households on at least a biannual basis.

### *Hardship case criteria*

Participants in KCHA's Local Homeownership Program would have access to KCHA's Hardship Policy, attached as Appendix G, which provides for hardship reviews due to extraordinary costs of living, requests for additional deductions, interim reviews, and to address significant reductions in fixed income sources.

### *Description of Annual Reevaluation*

Once launched, KCHA will conduct quantitative and qualitative analysis of the program to understand resident experiences and identify opportunities to improve the program. Annual reevaluations to be discussed in KCHA's Annual Report will include analysis of housing cost burdens, demographics of participating households, and barriers to securing an affordable home.

### *Transition Period*

KCHA plans to launch the Local Homeownership Program in the Q4 2024. Since this is a new activity with no current participants, there is no formal transition period.

# SECTION IV

## APPROVED MTW ACTIVITIES

### A. IMPLEMENTED ACTIVITIES

The following table provides an overview of KCHA's implemented activities, the statutory objectives they aim to meet, and the page number in which more detail can be found.

Year-Activity #	MTW Activity	Statutory Objective	Page
2022-1 & 2019-1	Acquire and Develop New Affordable Housing	Housing Choice	28
2018-1	Encouraging the Successful Lease-up of the Housing Choice Voucher Program	Housing Choice	29
2016-2	Conversion of Former Opt-out Developments to Public Housing	Cost-effectiveness	30
2015-2	Reporting on the Use of Net Proceeds from Disposition Activities	Cost-effectiveness	31
2014-1	Stepped-down Assistance for Homeless Youth	Self-sufficiency	32
2014-2	Revised Definition of "Family"	Housing Choice	32
2013-1	Passage Point Re-entry Housing Program	Housing Choice	33
2013-2	Flexible Rental Assistance	Housing Choice	34
2009-1	Project-based Section 8 Local Program Contract Term	Housing Choice	35
2008-1	Acquire New Public Housing	Housing Choice	36
2008-3	FSS Program Modifications	Self-sufficiency	37
2008-10 & 2008-11	EASY and WIN Rent Policies	Cost-effectiveness	38
2008-21	Public Housing and Housing Choice Voucher Utility Allowances	Cost-effectiveness	39
2007-6	Develop a Sponsor-based Housing Program	Housing Choice	41
2007-14	Enhanced Transfer Policy	Cost-effectiveness	42
2005-4	Payment Standard Changes	Housing Choice	43
2004-2	Local Project-based Section 8 Program	Cost-effectiveness	44
2004-3	Develop Site-based Waiting Lists	Housing Choice	46
2004-5	Modified Housing Quality Standards (HQS) Inspection Protocols	Cost-effectiveness	47
2004-7	Streamlining Public Housing and Housing Choice Voucher Forms and Data Processing	Cost-effectiveness	49
2004-9	Rent Reasonableness Modifications	Cost-effectiveness	51
2004-12	Energy Performance Contracting	Cost-effectiveness	51
2004-16	Housing Choice Voucher Occupancy Requirements	Cost-effectiveness	52

## **ACTIVITY 2019-1 & 2022-1: Acquire and Develop New Affordable Housing**

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MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2019

IMPLEMENTED: 2019

**CHALLENGE:** This activity seeks to address a common barrier to affordable housing development. While traditional third-party debt can support a significant portion of total development or acquisition costs, it generally is not sufficient to finance the full cost of a property's acquisition or new development. MTW funds for development, acquisition, financing, or renovation costs can mitigate this financing gap in whole or in part, in accordance with PIH Notice 2011-45.

**SOLUTION:** To expand agency and regional efforts, KCHA re-proposed and was granted approval to modify Activity 2019-1, in order to allow MTW funds to be used to support the development or acquisition of non-federally subsidized affordable housing, including properties owned or controlled by KCHA (already approved by HUD) and those owned or operated by nonprofit entities. Properties supported by this effort may include, but are not limited to, properties also leveraging Low Income Housing Tax Credits (LIHTC) and other federal, state, and local funding sources. Funding provided under this activity may be structured as a loan (or internal loan when supporting a KCHA-owned property), an equity contribution to a development, or a recoverable grant.

As stated in the agency's approved 2022 MTW Annual Plan, KCHA may continue to use MTW funds to support local nonprofits in the acquisition, rehabilitation, or development of small- to medium-sized properties in King County, and will continue to leverage previously authorized flexibility under this activity to support KCHA's Trailhead development, a non-federally subsidized 168-unit family complex in Issaquah, and similar ventures.

**PROPOSED CHANGES TO ACTIVITY:** No major modifications are anticipated and no additional authorizations are needed at this time.

**CHANGES TO METRICS:** There are no changes to this activity's metrics.

## **ACTIVITY 2018-1: Encouraging the Successful Lease-up of the Housing Choice Voucher Program**

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MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2018

IMPLEMENTED: 2018

**CHALLENGE:** King County's low vacancy rate, coupled with the large in-migration of an affluent and skilled workforce, make it difficult for KCHA's voucher holders to compete on the private market. The shopping success rate after eight months of searching hovers around 66% — an achievement in this market, but lower than our agency stretch goal of 80%.

**SOLUTION:** KCHA is working to preserve and increase the number of housing options available by continuing efforts to streamline our Housing Quality Standards (HQS) protocol even further by allowing landlords to inspect and self-certify that the unit passes HUD's standards. The program's three pilot phases have been implemented, including: (1) allowing self-certifications for newly constructed, not-previously-occupied units issued a Certificate of Occupancy or Temporary Certificate of Occupancy; allowing KCHA-owned properties built after 1978 to self-certify; and allowing non-KCHA affiliated LIHTC properties to self-certify. These efficiencies are enabling faster lease-up times and cause less disruption for landlords while ensuring program compliance.

In addition to strategies to improve landlord recruitment and retention, KCHA will continue to invest in strategies to aid voucher holders in leasing a unit in the geographic location of their choice. Examples of previously implemented activities include: providing access to a security deposit assistance fund; use of multi-tiered, ZIP-code based payment standards; and continuing to focus on the customer experience.

**PROPOSED CHANGES TO ACTIVITY:** KCHA has completed the two-phase Creating Moves to Opportunity (CMTO) demonstration program, which tested strategies to assist families with young children in accessing high-opportunity neighborhoods. In 2024, building on learnings from CMTO and the recent use of in-house navigators to support HUD-VASH participants, KCHA may make housing search services a standard feature of broader HCV operations. In addition, following the implementation of the three-phase self-certification pilot, KCHA will make permanent the self-certification options for certain types of buildings, including newly constructed buildings, KCHA-owned sites built after 1978, and non-KCHA affiliated LIHTC properties.<sup>9</sup>

**CHANGES TO METRICS:** There are no changes to this activity's metrics.

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<sup>9</sup> For additional detail, see Activity 2004-5.

## **ACTIVITY 2016-2: Conversion of Former Opt-out Developments to Public Housing**

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MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2016

IMPLEMENTED: 2016

**CHALLENGE:** The process to convert a property's subsidy model from project-based Section 8 to Public Housing is slow, burdensome, and administratively complex. Under current federal guidelines, units convert only when the original resident moves out with a voucher. This transition is gradual, and at properties that house seniors or residents with disabilities, turnover of units tends to be particularly low. At the same time, two sets of rules — project-based Section 8 and Public Housing — simultaneously govern the management of the development, adding to the administrative complexity of providing housing assistance.

**SOLUTION:** This policy allows KCHA to convert entire Project-based Section 8 opt-out properties to Public Housing at once, while preserving the rights of existing tenants.

This activity builds on KCHA's previously approved initiative (2008-1) to expand housing through the use of banked Public Housing ACC units. KCHA can convert former project-based "opt-out" sites to Public Housing through the development process outlined in 24 CFR 905, rather than through the typical gradual transition. As a result, this policy greatly streamlines operations and increases administrative efficiency. With transition to Public Housing subsidy, current enhanced voucher participants retain protections against future rent increases in much the same manner previously provided. As Public Housing residents, these households pay an affordable rent (based on policies outlined in KCHA's Public Housing Admissions and Continued Occupancy Policy) and thus remain protected from a private owner's decision to increase the contract rent. At the same time, KCHA's MTW-enhanced Transfer Policy ensures that former enhanced voucher recipients retain the same (if not greater) opportunity for mobility by providing access to transfer to other subsidized units within KCHA's housing portfolio or through use of a general Housing Choice Voucher should future need arise.

KCHA works with affected residents of selected former opt-out properties, providing ample notification and information (including the right to move using a general voucher for current enhanced voucher participants) in order to ensure the development's seamless transition to the Public Housing program.

**PROPOSED CHANGES TO ACTIVITY:** No major modifications are anticipated and no additional authorizations are needed at this time.

**CHANGES TO METRICS:** There are no changes to this activity's metrics.

## **ACTIVITY 2015-2: Reporting on the Use of Net Proceeds from Disposition Activities**

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MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2015

IMPLEMENTED: 2015

**CHALLENGE:** The reporting process for the use of net proceeds from KCHA's disposition activities is duplicative and burdensome. The reporting protocol for the MTW program aligns with the Section 18 disposition code reporting requirements, allowing for an opportunity to simplify this process.

**SOLUTION:** KCHA reports on the use of net proceeds from disposition activities in the annual MTW report. This streamlining activity allows us to realize time-savings and administrative efficiencies while continuing to adhere to the guidelines outlined in 24 CFR 941 Subpart F of Section 18 demolition and disposition code.

We use our net proceeds from disposition in some of the following ways, all of which are accepted uses under Section 18(a)(5):

- Repair or rehabilitation of existing ACC units.
- Development and/or acquisition of new ACC units.
- Provision of social services for residents.
- Implementation of a preventative and routine maintenance strategy for specific single-family scattered-site ACC units.
- Modernization of a portion of a residential building in our inventory to develop a recreation room, laundry room, or day-care facility for residents.
- Leveraging of proceeds in order to partner with a private entity for the purpose of developing mixed-finance Public Housing under 24 CFR 905.604.

We report on the uses of the proceeds, including administrative and overhead costs, in MTW reports.

**PROPOSED CHANGES TO ACTIVITY:** No major modifications are anticipated and no additional authorizations are needed at this time.

**CHANGES TO METRICS:** There are no changes to this activity's metrics.

## **ACTIVITY 2014-1: Stepped-down Assistance for Homeless Youth**

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MTW STATUTORY OBJECTIVE: Increase Self-sufficiency

APPROVAL: 2014

IMPLEMENTED: 2014

CHALLENGE: On the last day of May 2023, 1,416 youth and young adult households (defined as under age 25) were receiving services from the homeless response system in King County.<sup>10</sup> Local service providers have identified the need for a short-term, gradually diminishing rental subsidy structure to meet the unique needs of these youth.

SOLUTION: KCHA has implemented a flexible “stepped-down” rental assistance model in partnership with local youth service providers. Our provider partners find that a short-term rental subsidy, paired with supportive services, is the most effective way to serve youth experiencing homelessness as a majority of them do not require extended tenure in a supportive housing environment. By providing limited-term rental assistance and promoting graduation to independent living, more youth can be served effectively through this program model. KCHA is partnering with Valley Cities Counseling and Consultation (VCCC) to operate the Coming Up Program (CUP). This program offers independent housing opportunities to young adults (ages 18 to 25) who are transitioning out of homelessness. With support from the provider, the youth move into housing in the private rental market, sign a lease, and work with a resource specialist who prepares them to take over the lease after a period of being stabilized in housing.

PROPOSED CHANGES TO ACTIVITY: In 2023, KCHA and VCCC ended this program. KCHA is maintaining the activity in the event that another youth-serving agency is interested and able to partner with us on this innovative model.

CHANGES TO METRICS: There are no changes to this activity’s metrics.

## **ACTIVITY 2014-2: Revised Definition of “Family”**

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MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2014

IMPLEMENTED: 2014

CHALLENGE: On the last day of May 2023, 1,780 families with children were receiving services from the homeless response system in King County.<sup>11</sup> Thousands more elders and people with

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<sup>10</sup> King County Regional Homelessness Authority, Households Served dashboard, accessed August 24, 2023. [www.kcrha.org/households-served](http://www.kcrha.org/households-served)

<sup>11</sup> King County Regional Homelessness Authority, Households Served dashboard, accessed August 24, 2023. [www.kcrha.org/households-served](http://www.kcrha.org/households-served)



disabilities, many with severe rent burdens, are experiencing homelessness and often on our waiting lists.

**SOLUTION:** This policy directs KCHA's limited resources to populations facing the greatest need: elderly and near-elderly households; people with disabilities; families with children, and head of households designated as emancipated minors (aged 16 and above) pursuant to Washington State regulations. We modified the eligibility standards outlined in the Public Housing Admissions and Continued Occupancy Policy (ACOP) and HCV Administrative Plans to limit eligible households to those that include at least one elderly member, person with a disability, or a minor/dependent child. The current policy affects only admissions and does not affect the eligibility of households currently receiving assistance. Exceptions will be made for participants in programs that target specialized populations, such as survivors of domestic violence or individuals experiencing chronic homelessness.

**PROPOSED CHANGES TO ACTIVITY:** No major modifications are anticipated and no additional authorizations are needed at this time.

**CHANGES TO METRICS:** There are no changes to this activity's metrics.

### **ACTIVITY 2013-1: Passage Point Re-Entry Housing Program**

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MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2013

IMPLEMENTED: 2013

**CHALLENGE:** Between July 2020 and June 2021, 1,253 individuals in King County returned to the community after a period of incarceration.<sup>12</sup> Nationally, more than half of all inmates are parents who will face barriers to securing housing and employment upon release due to their criminal record or lack of traditional job skills.<sup>13</sup> Without a home or employment, many of these parents are unable to reunite with their children.

**SOLUTION:** Passage Point is a unique supportive housing program in Maple Valley that serves parents trying to reunify with their children following a period of incarceration. KCHA provides 46 project-based Section 8 vouchers while the YWCA Seattle | King | Snohomish provides property management and supportive services. The YWCA identifies eligible individuals through outreach to prisons and correctional facilities and through relationships with the local public child welfare agency. In contrast to typical transitional housing programs that have strict 24-month occupancy

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<sup>12</sup> Washington State Department of Corrections. Number of Prison Releases by County of Release. [www.doc.wa.gov/docs/publications/reports/200-RE001.pdf](http://www.doc.wa.gov/docs/publications/reports/200-RE001.pdf)

<sup>13</sup> Glaze, L E and Maruschak, M M (2008). Parents in Prison and Their Minor Children. [www.bjs.gov/index.cfm?ty=pbdetail&iid=823](http://www.bjs.gov/index.cfm?ty=pbdetail&iid=823)

limits, Passage Point residents may remain in place until they have completed the reunification process, are stabilized in employment, and are able to succeed in a less service-intensive environment. Passage Point residents who complete the program and regain custody of their children may apply to KCHA's Public Housing program and receive priority placement on the waiting list.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

## **ACTIVITY 2013-2: Flexible Rental Assistance**

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MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2013

IMPLEMENTED: 2013

CHALLENGE: The one-size-fits-all approach of traditional federal housing programs does not provide the flexibility needed to quickly and effectively meet the needs of low-income individuals facing distinct housing crises. In many of these cases, time-limited, short-term rental assistance paired with responsive, individualized case management can help a family or individual out of a crisis situation and into stable housing.

SOLUTION: This activity, developed with local service providers and cross-sector partners, offers tailored flexible housing assistance programs to families and individuals experiencing homelessness. KCHA provides flexible financial and rental assistance, which could include time-limited rental subsidy, security deposits, rent arrears, and funds to cover move-in costs, while our partners provide individualized support services.

KCHA currently administers two distinct flexible rental assistance programs:

- Student and Family Stability Initiative (SFSI): SFSI pairs short-term rental assistance with housing stability and employment navigation services for families experiencing or on the verge of homelessness. School-based McKinney-Vento liaisons identify and connect these families with community-based service providers while caseworkers have the flexibility to determine the most effective approach to quickly stabilize participants in housing.
- While in School Housing Program (WISH): In the 2019 MTW Plan, KCHA proposed and received approval for the application of the flexible housing assistance model to a new population — college students experiencing homelessness or housing instability. This tenant-based, time-limited subsidy, developed in partnership with Highline College,

provides up to 54 months of housing support while leveraging existing, on-campus services that support students beyond their housing needs. This program was launched in 2020.

**PROPOSED CHANGES TO ACTIVITY:** In 2023, KCHA expanded the While-in-School Housing (WISH) program to serve a total of 50 Highline College students experiencing homelessness. KCHA also is exploring the feasibility of expanding WISH voucher assistance to students at Green River College. At time of 2024 MTW Plan submittal, no decisions had been made to expand WISH to Green River College, but we may yet expand the program in 2024. During 2024, KCHA will continue to iterate on the short-term housing assistance model as a means to ensure that households served have the best chance for long-term housing stability after rent assistance ends. KCHA also is adopting contract changes that will allow our contracted provider to more appropriately meet the complex challenges families are experiencing with being able to access and maintain housing stability.

**CHANGES TO METRICS:** In addition to the competitive rental market, the ongoing impacts stemming from the COVID-19 pandemic continues to present challenges to finding, securing, and maintaining housing units for SFSI families supported through short-term rental assistance. As such, KCHA is adjusting downward the benchmarks for this activity.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC #5: Number of households able to move to a better unit	0 households	60 households
Increase housing choices	HC #7: Number of households receiving services aimed to increase housing choice	0 households	70 households

### **ACTIVITY 2009-1: Project-based Section 8 Local Program Contract Term**

MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2009

IMPLEMENTED: 2009

**CHALLENGE:** Prior to 2009, our nonprofit development partners faced difficulties securing private financing for the development and acquisition of affordable housing projects where short-term rental assistance commitments provided the cash flow. Measured against banking and private equity underwriting standards, the maximum Housing Assistance Payments (HAP) contract term allowed by HUD is too short and hinders the underwriting of debt on affordable housing projects.

**SOLUTION:** This activity extends the allowable term for Project-based Section 8 contracts up to 30 years for the initial HAP term and a 30-year cumulative maximum contract renewal term, not to

exceed 60 years total. The longer term assists our partners in underwriting and leveraging private financing for development and acquisition projects. At the same time, the longer-term commitment from KCHA signals to lenders and underwriters that proposed projects have sufficient cash flow to take on the debt necessary to develop or acquire affordable housing units.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

### **ACTIVITY 2008-1: Acquire New Public Housing**

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MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2008

IMPLEMENTED: 2008

CHALLENGE: In King County, nearly 70% of extremely low-income renter households are severely rent burdened.<sup>14</sup> For this group, there are only 27 available affordable units for every 100 households.<sup>15</sup> In the context of these challenges, KCHA's Public Housing waiting lists continue to grow to over 20,000 households. Given the gap between the availability of affordable housing and the number of low-income renters, KCHA must continue to increase the inventory of units that are affordable to extremely low-income households.

SOLUTION: KCHA's Public Housing Annual Contributions Contract (ACC) is currently below the Faircloth limit in the number of allowable units. These "banked" Public Housing subsidies allow us to add to the affordable housing supply in the region by acquiring new units. This approach is challenging, however, because Public Housing units cannot support debt. We continue our innovative use of MTW working capital, with a particular focus on the creation or preservation of units in high-opportunity neighborhoods.<sup>16</sup> We further simplify the acquisition and addition of units to our Public Housing inventory by collaborating with the local HUD field office to streamline the information needed to add these units to the PIH Information Center (PIC) system and obtain operating and capital subsidies. We also use a process for self-certification of neighborhood suitability standards and Faircloth limits, necessitating the flexibility granted in Attachment D, Section D of our MTW Agreement.<sup>17</sup>

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<sup>14</sup> U.S. Census Bureau. American Community Survey (ACS), One-Year Public Use Microdata Sample (PUMS). 2007-2020. [www.census.gov/programs-surveys/acs/data/pums.html](https://www.census.gov/programs-surveys/acs/data/pums.html).

<sup>15</sup> US Census Bureau, ACS 2019 1-year estimate, as reported by the King County Regional Affordable Housing Dashboard. [www.kingcounty.gov/depts/community-human-services/housing/affordable-housing-committee/data.aspx](https://www.kingcounty.gov/depts/community-human-services/housing/affordable-housing-committee/data.aspx)

<sup>16</sup> Neighborhood opportunity designations are from the Puget Sound Regional Council and Kirwan Institute's Opportunity Mapping index. [www.psrc.org/opportunity-mapping](https://www.psrc.org/opportunity-mapping)

<sup>17</sup> Some Public Housing units might be designated MTW Neighborhood Services units in 2022 upon approval from the HUD field office.

KCHA continues to look for strategic opportunities to acquire existing private-market properties and turn on banked public housing ACC, both of which may occur within a plan year. For ACC units that we own or acquire, and that meet the definition of physically obsolete, Section 18 will remain a valuable tool in rehabilitation efforts. Combined with this approach through the plan year, KCHA will provide HUD with the respective property's date of construction completion rather than the DOFA date so that while determining the capital fund subsidy in accordance with CFR 905.400(d)(1)(iii), HUD can calculate the age of the project for estimated accrual need.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

### **ACTIVITY 2008-3: FSS Program Modifications**

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MTW STATUTORY OBJECTIVE: Increase Self-sufficiency

APPROVAL: 2008

IMPLEMENTED: 2018

CHALLENGE: Nationally, only 25% of low-income households that qualify for housing assistance receive it.<sup>18</sup> To serve more households with limited resources, subsidized households need to be supported in their efforts to achieve economic independence and cycle out of the program. HUD's standard Family Self-Sufficiency (FSS) program may not provide the full range of services and incentives necessary to support greater self-sufficiency among participants.

SOLUTION: KCHA is implementing modifications to the FSS program that could increase incentives for resident participation, education and training outcomes, and income growth. With KCHA's rent policy, the new Contract of Participation (COP) length can potentially decrease the number of families served. Through MTW flexibility, the COP will begin on the first day of the following month that is signed and will be in effect for five years, with possible extensions for up to two years. In order to serve even more families, FSS families that are actively seeking employment at contract end date — and are ready to move to market-rate housing or homeownership — will be deemed as successful participants and can graduate from the program. We also continue to explore the manner and rate at which participants accumulate and access escrow funds as part of a broader workforce development strategic planning process.

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<sup>18</sup> Worst Case Housing Needs 2019: Report to Congress, page viii. [www.huduser.gov/portal/sites/default/files/pdf/Worst-Case-Housing-Needs.pdf](http://www.huduser.gov/portal/sites/default/files/pdf/Worst-Case-Housing-Needs.pdf)

PROPOSED CHANGES TO ACTIVITY: No additional major modifications are anticipated and no additional authorizations are needed at this time. If any actions necessitate additional waiver flexibility in 2024, KCHA will seek approval.

CHANGES TO METRICS: There are no changes to this activity's metrics.

### **ACTIVITY 2008-10 and 2008-11: EASY and WIN Rent Policies**

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MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2008

IMPLEMENTED: 2008

CHALLENGE: The administration of rental subsidies under existing HUD rules can be complex and confusing to the residents we serve. Significant staff time was being spent complying with federal requirements that do not promote better outcomes for residents, safeguard program integrity, or save taxpayer money. The rules regarding medical deductions, annual reviews and recertifications, and income calculations were cumbersome and often hard to understand. In addition, many households headed by seniors and people with disabilities live on fixed incomes that change only when there is a Cost of Living Adjustment (COLA), making annual reviews superfluous. For working households, HUD's rent rules include complicated earned-income disregards that serve as disincentives to income progression and employment advancement.

SOLUTION: KCHA has instituted two rent reform policies. The first, EASY Rent, simplifies rent calculations and recertifications for households headed by a senior or person with a disability who derive 90% of their income from a fixed source (such as Social Security, Supplemental Security Income [SSI] or pension benefits), and are enrolled in our Public Housing, Housing Choice Voucher, or project-based Section 8 programs. Rents are calculated at 28% of adjusted income (with deductions for medical- and disability-related expenses) in \$2,500 bands, and a cap is put on deductions at \$10,000. EASY Rent streamlines KCHA operations and simplifies the burden placed on residents by reducing recertification reviews to a three-year cycle and placing rent adjustments based on COLA increases in Social Security and SSI payments on an annual cycle.

The second policy, WIN Rent, was implemented in FY 2010 to encourage increased economic self-sufficiency among households where individuals are able to work. WIN Rent is calculated based on a series of income bands and the tenant's share of the rent is calculated at 28.3% of the lower end of each income band. This tiered system — in contrast to existing rent protocols — does not punish increases in earnings, as the tenant's rent does not change until household income increases to the next band level. Additionally, recertifications are conducted biennially instead of annually, allowing households to retain all increases in earnings during that time period without an accompanying increase to the tenant's share of rent. The WIN Rent structure also eliminates flat

rents, income disregards, and deductions (other than childcare for eligible households), and excludes the employment income of household members under age 21. Households with little or no income are given a six-month reprieve during which they are able to pay a lower rent or, in some cases, receive a credit payment. Following this period, a WIN Rent household pays a minimum monthly rent of \$25 regardless of income calculation.

In addition to changes to the recertification cycle, we also have streamlined processing and reviews. For example, we limit the number of tenant-requested reviews to reduce rent to two occurrences in a two-year period in the WIN Rent program. We estimate that these policy and operational modifications have reduced the relevant administrative workloads in the Public Housing and HCV programs by 20%.

#### PROPOSED CHANGES TO ACTIVITY:

- In 2024, KCHA will explore and may implement a policy allowing the Executive Director discretion to waive annual COLA adjustments for households in KCHA's EASY Rent program. Households would instead wait until their next full recertification for the COLA to take effect.
- KCHA continues to assess the impact of HUD's final regulations implementing HOTMA Sections 102 and 104 on the agency's existing policies. While we undertake additional analysis, KCHA in 2024 will continue to leverage our MTW authority and previously approved activities to maintain existing policies related to recertifications, interim reexaminations, and asset limitations.

CHANGES TO METRICS: There are no changes to this activity's metrics.

### **ACTIVITY 2008-21: Public Housing and Housing Choice Voucher Utility Allowances**

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MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2008

IMPLEMENTED: 2010

CHALLENGE: KCHA was spending an estimated \$20,000 or more annually in staff time to administer utility allowances under HUD's one-size-fits-all national guidelines. HUD's national approach failed to capture average consumption levels in the Puget Sound area.

SOLUTION: This activity simplifies the HUD rules on Public Housing and HCV Utility Allowances by applying a single methodology that reflects local consumption patterns and costs. Before this policy change, allowances were calculated for individual units and households using different rules under the various HUD programs. Additionally, HUD required an immediate update of the allowances with each cumulative 10% rate increase by utility companies. Now, KCHA provides

allowance adjustments annually when the Consumer Price Index produces a cumulative change of more than 10% rather than every time an adjustment is made to the utility equation. We worked with data from a Seattle City Light study completed in late 2009 to identify key factors in household energy use and develop average consumption levels for various types of units in the Puget Sound region. We used this information to create a new utility schedule that considers multiple factors: type of unit (single vs. multi-family); size of unit; high-rise vs. low-rise units; and the utility provider. We modified allowances for units where the resident pays water and/or sewer charges. KCHA's Hardship Policy, adopted in July 2010, also allows KCHA to respond to unique household or property circumstances, and documented cases of financial hardship.

In 2020, through our COVID-19 emergency declaration, we implemented changes to simplify utility allowance reporting and requirements.

#### PROPOSED CHANGES TO ACTIVITY:

- As sustainable construction methods, building orientation, and natural features increasingly enable more energy efficient housing, the difference between the amount that a household may spend on utilities in a newer property relative to an older property is widening. In the case of Section 8 Project-Based Voucher contracts, relying on KCHA's streamlined utility allowances (referred to as Energy Assistance Supplement or EAS) can result in less subsidy paid to the owner over the life of the contract. Recognizing the importance of advancing sustainable development principles and the need for adequate operating revenue at supportive housing sites, KCHA in 2024 will explore and may implement a policy allowing for alternative utility allowances. In analyzing and implementing this policy, KCHA would establish criteria for energy modeling reports or other tools used to determine the alternative EAS, limit eligibility to certain types of properties, and establish criteria regarding periodic updates to models and approved allowances.
- In 2024, KCHA will continue to explore making changes to the content, structure, and scope of our utility allowances to ensure they are meeting the needs of subsidized households. If KCHA pursues such changes in addition to those related to project-based vouchers, we will ensure that the proper public process is followed.

CHANGES TO METRICS: There are no changes to this activity's metrics.



## ACTIVITY 2007-6: Develop a Sponsor-based Housing Program

MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2007

IMPLEMENTED: 2007

CHALLENGE: According to the King County Regional Homelessness Authority's most recent Point-in-Time Count in March 2022, 13,368 people in the county lacked housing,<sup>19</sup> and about 28.6% of them were experiencing chronic homelessness.<sup>20</sup>

SOLUTION: KCHA provides housing funds directly to our behavioral health care and nonprofit partners. These providers use the funds to secure rental units that are leased to program participants. These programs operate under the "Housing First" model of supportive housing, which couples low-barrier placement in permanent, scattered-site housing with intensive, individualized services that help residents maintain long-term housing stability. Recipients of these type of supports are referred through the mental health system, street outreach teams, and King County's Coordinated Entry for All system. Once a resident is stabilized and ready for a more independent living environment, KCHA offers a move-on strategy through a tenant-based non-elderly disability voucher.

PROPOSED CHANGES TO ACTIVITY: As associated program partners continue to experience financial, staffing, and service capacity challenges, KCHA remains engaged with the partners to discern if program modifications are necessary to achieve program objectives through 2024.

CHANGES TO METRICS: In light of the challenges mentioned above, we are adjusting the targeted benchmark downward while continuing to work with our partners to find additional ways to support family success through the securing and safeguarding of quality housing opportunities throughout King County.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark
Increase housing choices	HC #1: Number of new units made available for households at or below 80% AMI	0 units	60 units
Increase housing choices	HC #5: Number of households able to move to a better unit	0 households	60 households

<sup>19</sup> 2022 Point in Time Count. King County Regional Homelessness Authority. [www.kcrha.org/wp-content/uploads/2022/06/PIT-2022-Infograph-v7.pdf](http://www.kcrha.org/wp-content/uploads/2022/06/PIT-2022-Infograph-v7.pdf)

<sup>20</sup> King County Regional Homelessness Authority, Households Served dashboard, accessed August 5, 2022. [www.kcrha.org/households-served](http://www.kcrha.org/households-served)

Increase self-sufficiency	SS #5: Number of households receiving services aimed to increase self-sufficiency	0 households	60 households
Increase self-sufficiency	SS #8: Number of households transitioned to self-sufficiency <sup>21</sup>	0 households	45 households

## ACTIVITY 2007-14: Enhanced Transfer Policy

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2007

IMPLEMENTED: 2007

**CHALLENGE:** HUD rules restrict a resident from moving from Public Housing to HCV, or from HCV to Public Housing. This hampers KCHA's ability to meet the needs of our residents. For example, project-based Section 8 residents may need to move if their physical abilities change and they no longer can access an upper-story, walk-up apartment. A Public Housing property may have an accessible unit available. Under traditional HUD regulations, this resident would not be able to move into this available unit.

**SOLUTION:** KCHA's policy allows a resident to transfer among KCHA's various subsidized programs and expedites access to Uniform Federal Accessibility Standards (UFAS)-rated units for mobility-impaired households. In addition to mobility needs, a household might grow in size and require a larger unit with more bedrooms. The enhanced transfer policy allows a household to move to a larger unit when one becomes available in either program. In 2009, KCHA took this one step further by actively encouraging over-housed or under-housed residents to transfer when an appropriately sized unit becomes available through incentive payments. The flexibility provided through this policy allows us to swiftly meet the needs of our residents by housing them in a unit that suits their situation best and enables KCHA to provide the most efficient fit of family to unit size, regardless of which federal subsidy is being received.

**PROPOSED CHANGES TO ACTIVITY:** No major modifications are anticipated and no additional authorizations are needed at this time.

**CHANGES TO METRICS:** There are no changes to this activity's metrics.

<sup>21</sup> Self-sufficiency for this activity is defined as securing and maintaining housing.

## ACTIVITY 2005-4: Payment Standard Changes

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MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2005

IMPLEMENTED: 2005

CHALLENGE: In 2022, 30% of all KCHA's federally subsidized households with children lived in high-opportunity neighborhoods — an increase of six percentage points since 2016. These neighborhoods offer benefits to their residents, including improved educational opportunities, increased access to public transportation, and greater economic opportunities.<sup>22</sup>

When market rents exceed allowable subsidy levels provided under HUD's traditional payment standard methodology, participating HCV households must pay the overage directly out of pocket. Therefore, the failure of the payment standards to reflect escalating housing costs directly increases the amount paid by HCV participants and can also hamper the ability of some households to secure new housing, particularly those households coming directly from homelessness with extremely limited incomes. KCHA's multi-tiered approach to setting payment standards based on location has expanded geographic choice for families.

SOLUTION: This initiative develops local criteria for the determination and assignment of payment standards to better match local rental markets, with the goals of increasing affordability in high-opportunity neighborhoods and ensuring the best use of limited financial resources. We develop our payment standards through a biannual analysis of local submarket conditions, trends, and projections. This approach means that we can provide subsidy levels sufficient for families to afford the rents in high-opportunity areas of the county and not have to pay market-leading rents in less expensive neighborhoods. Our biannual monitoring ensures we are positioned to act quickly amid changing market conditions. As a result, our residents are less likely to be displaced by rising rents and have greater geographic choice.

In 2007, we expanded this initiative and allowed approval of payment standards of up to 120% of Fair Market Rent (FMR) without HUD approval. In early 2008, we decoupled the payment standards from HUD's FMR calculations entirely so that we could be responsive to the range of rents in Puget Sound's submarkets. Current payment standards for two-bedroom apartments range from 70% to 112% of the regional HUD FMR.

In 2016, KCHA implemented a five-tiered payment standard system based on ZIP codes. We arrived at a five-tiered approach by analyzing recent tenant lease-up records, consulting local real estate

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<sup>22</sup> High-opportunity areas in this case align with those identified as part of the Creating Moves to Opportunity (CMTO) project. To identify high-opportunity neighborhoods, CMTO researchers used the Opportunity Atlas which provides the rates of "upward income mobility for children growing up in low-income families" across census tracts. See: [www.opportunityatlas.org](http://www.opportunityatlas.org)

data, holding forums with residents and staff, reviewing small area FMR payment standard systems implemented by other housing authorities, and assessing the financial implications of various approaches. In designing the new system, we sought to have enough tiers to account for submarket variations but not so many that the new system became burdensome and confusing for staff and residents. Early outcomes demonstrate a promising increase in lease-up rates in high-opportunity neighborhoods within the top two tiers. In 2018, we added an additional tier and instituted the practice of conducting a second market analysis and potential payment standard adjustment to account for the rapidly changing rental submarkets.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

### **ACTIVITY 2004-2: Local Project-based Section 8 Program**

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MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2004

IMPLEMENTED: 2004

CHALLENGE: Current project-basing regulations are cumbersome and present multiple obstacles to serving high-need households, partnering effectively and efficiently with nonprofit developers, and promoting housing options in high-opportunity areas and throughout suburban King County.

SOLUTION: The ability to streamline the Project-based Section 8 program is an important factor in addressing the distribution of affordable housing in King County and coordinating effectively with local initiatives. KCHA places Project-based Section 8 subsidies in high-opportunity areas of the county in order to increase access to these neighborhoods for low-income households.<sup>23</sup> We also partner with nonprofit community service providers to create housing targeted to special-needs populations, opening new housing opportunities for people experiencing chronic homelessness, people who are mentally ill, and people with disabilities, as well as young adults and families experiencing homelessness who traditionally are not served through our mainstream Public Housing and Housing Choice Voucher programs. Additionally, we coordinate with county government and suburban jurisdictions to underwrite a pipeline of new affordable housing developed by local nonprofit housing providers. MTW flexibility granted by this activity has helped us implement the following policies.

CREATE HOUSING TARGETED TO SPECIAL-NEEDS POPULATIONS BY:

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<sup>23</sup> Neighborhood opportunity designations are from the Puget Sound Regional Council and Kirwan Institute's Opportunity Mapping index. [www.psrc.org/opportunity-mapping](http://www.psrc.org/opportunity-mapping)

- Assigning Project-based Section 8 (PBS8) subsidy to a limited number of demonstration projects not qualifying under standard policy in order to serve important public purposes. (FY 2004)
- Modifying eligibility and selection policies as needed to align with entry criteria for nonprofit-operated housing programs. (FY 2004)
- Project-basing Family Unification Program vouchers for youth engaged with the child welfare system. (FY 2019)

#### SUPPORT A PIPELINE OF NEW AFFORDABLE HOUSING BY:

- Prioritizing assignment of PBS8 assistance to units located in high-opportunity census tracts, including those with poverty rates lower than 20%. (FY 2004)
- Waiving the 25% cap on the number of units that can be project-based on a single site. (FY 2004)
- Allocating PBS8 subsidy non-competitively to KCHA-controlled sites or other jurisdictions, and using an existing local government procurement process for project-basing Section 8 assistance. (FY 2004)
- Allowing owners and agents to conduct their own construction and/or rehab inspections, and having the management entity complete the initial inspection rather than KCHA, with inspection sampling at annual review. (FY 2004)
- Modifying eligible unit and housing types to include shared housing, cooperative housing, transitional housing, and high-rise buildings. (FY 2004)
- Allowing PBS8 rules to defer to Public Housing rules when used in conjunction with a mixed finance approach to housing preservation or when assigned to a redeveloped former Public Housing property. (FY 2008)
- Partnering with local municipalities to develop a local competitive process that pairs project-based assistance with local zoning incentives. (FY 2016)
- Allowing KCHA to enter into a HAP contract for any type of unit that does not qualify as existing housing and is under construction or has been recently constructed, regardless of whether an AHAP has been executed. (FY 2019)

#### IMPROVE PROGRAM ADMINISTRATION BY:

- Allowing project sponsors to manage project waiting lists as determined by KCHA. (FY 2004)
- Using KCHA's standard HCV process for determining Rent Reasonableness for units in lieu of requiring third-party appraisals. (FY 2004)
- Allowing participants in "wrong-sized" units to remain in place, if needed, and pay the higher rent. (FY 2004)
- Assigning standard HCV payment standards to PBS8 units, allowing modification with approval of KCHA where deemed appropriate. (FY 2004)

- Offering moves to Public Housing in lieu of an HCV exit voucher (FY 2004) or allow offer of a tenant-based voucher for a limited period as determined by KCHA in conjunction with internal Public Housing disposition activity. (FY 2012)
- Allowing KCHA to modify the HAP contract. (FY 2004)
- Using Public Housing preferences for PBS8 units in place of HCV preferences. (FY 2008)
- Allowing KCHA to inspect units at contract execution rather than contract proposal. (FY 2009)
- Modifying the definition of “existing housing” to include housing that could meet Housing Quality Standards within 180 days. (FY 2009)
- Allowing direct owner or provider referrals to a PBS8 vacancy when the unit has remained vacant for more than 30 days. (FY 2010)
- Waiving the 20% cap on the amount of HCV budget authority that can be project-based, allowing KCHA to determine the size of our PBS8 program. (FY 2010)

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity’s metrics.

### **ACTIVITY 2004-3: Develop Site-based Waiting Lists**

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MTW STATUTORY OBJECTIVE: Increase Housing Choice

APPROVAL: 2004

IMPLEMENTED: 2004

CHALLENGE: Under traditional HUD waiting list guidelines, an individual can wait more than two-and-a-half years for a Public Housing unit. This wait is too long. Once a unit becomes available, it might not meet the family’s needs or preferences, such as proximity to a child’s school or access to local service providers.

SOLUTION: Under this initiative, we have implemented a streamlined waitlist system for our Public Housing program that provides applicants additional options for choosing the location where they want to live. In addition to offering site-based waiting lists, we also maintain regional waiting lists and have established a Conditional Housing waiting list to accommodate the needs of households ready to transition from the region’s network of transitional housing and KCHA’s targeted housing programs that assist households experiencing or at risk of homelessness to move toward self-sufficiency. In general, applicants are selected for occupancy using a rotation between the site-based, regional, and transitional housing applicant pools, based on an equal ratio. Units are not held vacant if a particular waiting list is lacking an eligible applicant. Instead, a qualified applicant is pulled from the next waiting list in the rotation.

PROPOSED CHANGES TO ACTIVITY: Changes to this activity include:

- As described in previous MTW Plans, KCHA is considering implementing new site-based waiting lists for properties where there is a community-identified need to serve a priority population. For instance, to address high levels of students experiencing homelessness in the area, KCHA plans to partner with the Bellevue School District and local community organizations to provide families experiencing homelessness access to subsidized housing at particular properties within the school district. KCHA may apply this strategy to other areas of King County as well.
- As discussed in Section II of this plan, KCHA in 2024 plans to change the structure of the existing site-based waiting lists for our subsidized housing program. Currently, residents are able to select up to two regional waiting lists and up to two site-based waiting lists. To create greater choice for applicants, KCHA is exploring and may implement a change in 2024 allowing applicants to select as many sites or regional waiting lists as they desire. This change will allow greater opportunities for families to identify and select housing opportunities in communities of their choice, based on their desired neighborhood and site amenities. KCHA also is considering grouping sites by cities or other characteristics, as an alternative to regional or site-specific waiting lists.

CHANGES TO METRICS: There are no changes to this activity's metrics.

### **ACTIVITY 2004-5: Modified Housing Quality Standards (HQS) Inspection Protocols**

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MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2004

IMPLEMENTED: 2004

CHALLENGE: HUD's HQS inspection protocols often require multiple trips to the same neighborhood, the use of third-party inspectors, and blanket treatment of diverse housing types, adding an estimated \$100,000 or more to annual administrative costs. Follow-up inspections for minor "fail" items impose additional burdens on landlords, who in turn may resist renting to families with Housing Choice Vouchers.

SOLUTION: Through a series of HCV program modifications, we have streamlined the HQS inspection process to simplify program administration, improve stakeholder satisfaction, and reduce administrative costs. Specific policy changes include: (1) allowing the release of HAP payments when a unit fails an HQS inspection due to minor deficiencies (applies to both annual and initial move-in inspections); (2) geographically clustering inspections to reduce repeat trips to the same neighborhood or building by accepting annual inspections completed eight to 20

months after initial inspection, allowing us to align inspection of multiple units in the same geographic location; and (3) self-inspecting KCHA-owned units rather than requiring inspection by a third party. KCHA also piloted a risk-based inspection model that places well-maintained, multi-family apartment complexes on a biennial inspection schedule. After closely monitoring the outcomes from the risk-based inspection pilot, KCHA decided to expand the program and move all units in multi-family apartment complexes to a biennial inspection schedule.

We also are streamlining our protocol even further by allowing landlords to inspect and self-certify that the unit passes HUD's standards. The program takes a phased-in approach and starts with newly constructed, not-previously-occupied units issued a Certificate of Occupancy or Temporary Certificate of Occupancy. The second phase extends the pilot to KCHA-owned properties built after 1978, and the third phase to non-KCHA affiliated LIHTC properties. To ensure that these units meet KCHA's high inspection standards, quality control audits will be performed on no fewer than 20% of the self-certified units every 90 days of the two-year pilot. These efficiencies will enable faster lease-up times and cause less disruption for landlords while ensuring program compliance. In early 2020, in response to the COVID-19 pandemic, KCHA implemented a catastrophe response plan that extended self-certified inspections to all landlords who qualify and delayed biennial inspections.

#### PROPOSED CHANGES TO ACTIVITY:

- Following the successful implementation of the three phase self-certification pilot program, KCHA in 2024 will make permanent the self-certification options for certain types of buildings, including newly constructed buildings, KCHA-owned sites built after 1978, and non-KCHA affiliated properties financed under the LIHTC program. In addition, KCHA will explore and may implement a policy to inspect single-family homes on a biannual basis.
- KCHA will be requesting a one-year delay of the NSPIRE standards in accordance with forthcoming HUD implementation guidance. No additional HUD authorizations are required at this time. These modifications are based on the authorization granted in KCHA's MTW Restated and Amended Agreement: Attachment C, Item D.5.

CHANGES TO METRICS: There are no changes to this activity's metrics.



## **ACTIVITY 2004-7: Streamlining Public Housing and Housing Choice Voucher Forms and Data Processing**

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MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2004

IMPLEMENTED: 2004

CHALLENGE: Duplicative recertifications, complex income calculations, and strict timing rules cause unnecessary and regular intrusions into the lives of the residents we serve. These processes often require KCHA to expend our limited resources on work that does not support program goals.

SOLUTION: After analyzing our business processes, forms, and verification requirements, we have eliminated or replaced those with little or no value. Through the use of lean engineering techniques, KCHA continues to review office workflow and identify ways that tasks can be accomplished more efficiently and intrude less into the lives of program participants, while still assuring program integrity and quality control. Under this initiative, we have made a number of changes to our business practices and processes for verifying and calculating tenant income and rent.

### CHANGES TO BUSINESS PROCESSES:

- Modify HCV policy to require notice to move prior to the 20<sup>th</sup> of the month in order to have paperwork processed during the month. (FY 2004)
- Allow applicant households to self-certify membership in the family at the time of admission. (FY 2004)
- Modify HQS inspection requirements for units converted to project-based subsidy from another KCHA subsidy, and allow the most recent inspection completed within the prior 12 months to substitute for the initial HQS inspection required before entering the HAP contract. (FY 2012)
- Modify standard PBS8 requirements to allow the most recent recertification (within last 12 months) to substitute for the full recertification when tenant's unit is converted to a PBS8 subsidy. (FY 2012)
- Allow Public Housing and HCV applicant households to qualify for a preference when household income is below 30% of AML. (FY 2004)
- Streamline procedures for processing interim rent changes resulting from wholesale reductions in state entitlement programs. (FY 2011)
- Modify the HQS inspection process to allow streamlined processing of inspection data. (FY 2010)
- Establish a local release form that replaces HUD Form 9886 — clearly defining verifications that could be obtained and extending authorization for use to 40 months. (FY 2014)

### CHANGES TO VERIFICATION AND INCOME CALCULATION PROCESSES:

- Exclude state Department of Social and Health Services (DSHS) payments made to a landlord on behalf of a tenant from the income and rent calculation under the HCV program. (FY 2004)
- Allow HCV residents to self-certify income of \$50 or less received as a pass-through DSHS childcare subsidy. (FY 2004)
- Extend to 180 days the term over which verifications are considered valid. (FY 2008)
- Modify the definition of "income" to exclude income from assets with a value less than \$50,000 and income from Resident Service Stipends less than \$500 per month. (FY 2008)
- Apply any change in Payment Standard at the time of the resident's next annual review or update, and for entering households, on the effective date. (FY 2004)
- Allow HCV residents who are at \$0 HAP to self-certify income at the time of review. (FY 2004)

#### PROPOSED CHANGES TO ACTIVITY:

- As KCHA transitions to a new housing management software platform in late 2024, KCHA will continue to explore and may implement further streamlining policies that take advantage the new software functionality and reduce administrative burdens. No further authorizations are needed at this time. Any changes are justified using the authorization granted in KCHA's MTW Restated and Amended Agreement: Attachment C, Item D.5.
- KCHA also is exploring the adoption of a streamlined practice for verifying income from self-employment. It can be extremely time-consuming and burdensome for agency staff to calculate net income from resident businesses with significant write-offs and expenses. KCHA will explore ways to reduce the administrative burden while still ensuring equity for self-employed households.
- KCHA continues to assess the impact of HUD's final regulations implementing HOTMA Sections 102 and 104 on the agency's existing policies. While the agency continues to undertake additional analysis, KCHA in 2024 will continue to leverage our MTW authority and previously approved activities to maintain existing policies relating to recertifications, interim reexaminations, and asset limitations.

CHANGES TO METRICS: There are no changes to this activity's metrics.

## **ACTIVITY 2004-9: Rent Reasonableness Modifications**

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MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2004

IMPLEMENTED: 2004

CHALLENGE: Under current HUD regulations, a housing authority must perform an annual Rent Reasonableness review for each voucher holder. If a property owner is not requesting a rent increase, however, the rent does not fall out of federal guidelines and does not necessitate a review.

SOLUTION: KCHA now performs Rent Reasonableness determinations only when a landlord requests an increase in rent. Under standard HUD regulations, a Rent Reasonableness review is required annually in conjunction with each recertification completed under the program. After reviewing this policy, we found that if an owner had not requested a rent increase, it was unlikely the current rent fell outside of established guidelines. In response to this analysis, KCHA eliminated an annual review of rent levels. In bypassing this burdensome process, we intrude less in the lives of residents and can redirect our resources to more pressing needs. Additionally, KCHA performs Rent Reasonableness inspections at our own properties rather than contracting with a third party, allowing us to save additional resources. We also continue to consider a modification to the Rent Reasonableness review that would exclude any properties that are financed in whole or in part by local or federal programs, including tax credit properties.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

## **ACTIVITY 2004-12: Energy Performance Contracting**

---

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2004

IMPLEMENTED: 2004

CHALLENGE: KCHA could recapture up to \$3 million in energy savings per year if provided the upfront investment necessary to make efficiency upgrades to our aging housing stock.

SOLUTION: KCHA employs energy conservation measures and improvements through the use of Energy Performance Contracts (EPCs) — a financing tool that allows housing authorities to make needed energy upgrades without having to self-fund the upfront necessary capital expenses. The energy services partner identifies these improvements through an investment-grade energy audit

that is then used to underwrite loans to pay for the measures. Project expenses, including debt service, are then paid for out of the energy savings while KCHA and our residents receive the long-term savings and benefits. Upgrades may include: installation of energy-efficient light fixtures, solar panels, and low-flow faucets, toilets, and showerheads; upgraded appliances and plumbing; and improved irrigation and HVAC systems.

In 2016, we extended the existing EPC for an additional eight years and implemented a new 20-year EPC with Johnson Controls for both incremental and existing Public Housing properties to make needed capital improvements.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activities metrics.

### **ACTIVITY 2004-16: Housing Choice Voucher Occupancy Requirements**

---

MTW STATUTORY OBJECTIVE: Increase Cost-effectiveness

APPROVAL: 2004

IMPLEMENTED: 2004

CHALLENGE: More than 20% of tenant-based voucher households move two or more times while receiving subsidy. Moves can be beneficial for the household if they lead to gains in neighborhood or housing quality, but moves also can be burdensome because they incur the costs of finding a new unit through application fees and other moving expenses. KCHA also incurs additional costs in staff time through processing moves and working with families to locate a new unit.

SOLUTION: Households may continue to live in their current unit when their family size exceeds the standard occupancy requirements by just one member. Under standard guidelines, a seven-person household living in a three-bedroom unit would be considered overcrowded and thus be required to move to a larger unit. Under this modified policy, the family may remain voluntarily in its current unit, avoiding the costs and disruption of moving. This initiative reduces the number of processed annual moves, increases housing choice among these families, and reduces our administrative and HAP expenses.

PROPOSED CHANGES TO ACTIVITY: No major modifications are anticipated and no additional authorizations are needed at this time.

CHANGES TO METRICS: There are no changes to this activity's metrics.

## **B. Not Yet Implemented Activities**

Activities listed in this section are approved but have not yet been implemented.

### **ACTIVITY 2015-1: Flat Subsidy for Local, Non-traditional Housing Programs**

---

APPROVAL: 2015

This activity provides a flat, per-unit subsidy in lieu of a monthly Housing Assistance Payment (HAP) and allows the service provider to dictate the terms of the tenancy (such as length of stay and the tenant portion of rent). The funding would be block-granted based on the number of units authorized under contract and occupied in each program. This flexibility would allow KCHA to better support a “Housing First” approach that places high-risk homeless populations in supportive housing programs tailored to nimbly meet an individual’s needs.

### **ACTIVITY 2010-1: Supportive Housing for High-need Homeless Families**

---

APPROVAL: 2010

This activity is a demonstration program for up to 20 households in a project-based Family Unification Program (FUP)-like environment. The demonstration program currently is deferred, as our program partners opted for a tenant-based model. It might return in a future program year.

### **ACTIVITY 2010-9: Limit Number of Moves for an HCV Participant**

---

APPROVAL: 2010

This policy aims to increase family and student classroom stability and reduce program administrative costs by limiting the number of times an HCV participant can move per year or over a set time. Reducing household and classroom relocations during the school year is currently being addressed through a counseling pilot. This activity is currently deferred for consideration in a future year, if the need arises.

### **ACTIVITY 2010-11: Incentive Payments to HCV Participants to Leave the Program**

---

APPROVAL: 2010

KCHA may offer incentive payments to families receiving less than \$100 per month in HAP to voluntarily withdraw from the program. This activity is not currently needed in our program model but may be considered in a future fiscal year.

### **ACTIVITY 2008-5: Allow Limited Double Subsidy between Programs (Project-based Section 8/Public Housing/Housing Choice Vouchers)**

---

APPROVAL: 2008

This policy change facilitates program transfers in limited circumstances, increases landlord participation and reduces the impact on the Public Housing program when tenants transfer. Following the initial review, this activity was tabled for future consideration.

### **C. Activities on Hold**

None

### **D. Closed-Out Activities**

Activities listed in this section are closed out, meaning they never have been implemented, that we do not plan to implement them in the future, or that they are completed or obsolete.

#### **ACTIVITY 2016-1: Budget-based Rent Model**

---

APPROVAL: 2016

CLOSEOUT YEAR: 2018

This activity would have allowed KCHA to adopt a budget-based approach to calculating the contract rent at our Project-based Section 8 developments. Traditionally, HUD requires Public Housing Authorities to set rent in accordance with Rent Reasonableness statutes. These statutes require that a property's costs reflect the average costs of a comparable building in the same geographic region at a particular point in time. However, a property's needs and purpose can change over time. This set of rules does not take into consideration variations in costs, which might include added operational expenses, necessary upgrades, and increased debt service to pay for renovations. This budget-based rent model would have allowed KCHA to create an appropriate annual budget for each property from which a reasonable, cost-conscious rent level would derive.

This policy is no longer under consideration.

#### **ACTIVITY 2013-3: Short-term Rental Assistance Program**

---

APPROVAL: 2013

CLOSEOUT YEAR: 2015

In partnership with the Highline School District, KCHA implemented a program called the Student and Family Stability Initiative (SFSI), a Rapid Re-housing demonstration program. Using this evidence-based approach, our program paired short-term rental assistance with housing stability and employment connection services for families experiencing or on the verge of homelessness.

This activity is ongoing but has been combined with Activity 2013-2: Flexible Rental Assistance, as the program models are similar and enlist the same MTW flexibilities.

### **ACTIVITY 2012-2: Community Choice Program**

---

APPROVAL: 2012

CLOSEOUT YEAR: 2016

This initiative was designed to encourage and enable HCV households with young children to relocate to areas of the county with higher achieving school districts and other community benefits. Through collaboration with local nonprofits and landlords, the Community Choice Program offered one-on-one counseling to households in deciding where to live, helped households secure housing in their community of choice, and provided ongoing support once a family moved to a new neighborhood. Lessons learned from this pilot informed Creating Moves to Opportunity, KCHA's recently completed research partnership that sought to expand geographic choice.

### **ACTIVITY 2012-4: Supplemental Support for the Highline Community Healthy Homes Project**

---

APPROVAL: 2012

CLOSEOUT YEAR: 2012

This project provided supplemental financial support to low-income families not otherwise qualified for the Healthy Homes project but that required assistance to avoid loss of affordable housing. This activity is completed. An evaluation of the program by Breyse *et al* was included in KCHA's 2013 Annual MTW Report.

### **ACTIVITY 2011-1: Transfer of Public Housing Units to Project-based Subsidy**

---

APPROVAL: 2011

CLOSEOUT YEAR: 2012

By transferring Public Housing units to Project-based subsidy, KCHA preserved the long-term viability of 509 units of Public Housing. By disposing these units to a KCHA-controlled entity, we were able to leverage funds to accelerate capital repairs and increase tenant mobility through the provision of tenant-based voucher options to existing Public Housing residents. This activity is completed.

### **ACTIVITY 2011-2: Redesign the Sound Families Program**

---

APPROVAL: 2011

CLOSEOUT YEAR: 2014

KCHA developed an alternative model to the Sound Families program that combines HCV funds with state Department of Health and Human Services funds. The goal was to continue the support of at-risk, homeless households in a FUP-like model after the completion of the Sound Families demonstration. This activity is completed and the services have been incorporated into our existing conditional housing program.

### **ACTIVITY 2010-2: Resident Satisfaction Survey**

---

APPROVAL: 2010

CLOSEOUT YEAR: 2010

KCHA developed our own resident survey in lieu of the requirement to comply with the Resident Assessment Subsystem portion of HUD's Public Housing Assessment System (PHAS). The Resident Assessment Subsystem is no longer included in PHAS so this activity is obsolete. KCHA nevertheless continues to survey residents on a regular basis.

### **ACTIVITY 2010-10: Implement a Maximum Asset Threshold for Program Eligibility**

---

APPROVAL: 2010

CLOSEOUT YEAR: 2016

This activity would limit the value of assets that can be held by a family in order to obtain (or retain) program eligibility. This policy is no longer under consideration.

### **ACTIVITY 2009-2: Definition of Live-in Attendant**

---

APPROVAL: 2009

CLOSEOUT YEAR: 2014

In 2009, KCHA considered a policy change that would have redefined who is considered a "Live-in Attendant." This policy is no longer under consideration.

### **ACTIVITY 2008-4: Combined Program Management**

---

APPROVAL: 2008

CLOSEOUT YEAR: 2009

This activity streamlined program administration through a series of policy changes that ease operations of units converted from Public Housing to Project-based Section 8 subsidy or those located in sites supported by mixed funding streams. This policy change is completed.

### **ACTIVITY 2008-6: Performance Standards**

---



APPROVAL: 2008

CLOSEOUT YEAR: 2014

In 2008, KCHA investigated the idea of developing performance standards and benchmarks to evaluate the MTW program. We worked with other MTW agencies in the development of the performance standards. This activity is closed out as KCHA continues to collaborate with other MTW agencies on industry metrics and standards.

### **ACTIVITY 2008-17: Income Eligibility and Maximum Income Limits**

---

APPROVAL: 2008

CLOSEOUT YEAR: 2016

This policy would cap the income that residents may have and also still be eligible for KCHA programs. KCHA is no longer considering this activity.

### **ACTIVITY 2007-4: Housing Choice Voucher Applicant Eligibility**

---

APPROVAL: 2007

CLOSEOUT YEAR: 2007

This activity increased program efficiency by removing eligibility for those currently on a federal subsidy program.

### **ACTIVITY 2007-8: Remove Cap on Voucher Utilization**

---

APPROVAL: 2007

CLOSEOUT YEAR: 2014

This initiative allowed us to award HCV assistance to more households than permissible under the HUD-established baseline. Our savings from a multi-tiered payment standard system, operational efficiencies, and other policy changes have been critical in helping us respond to the growing housing needs of the region's extremely low-income households. Despite ongoing uncertainties around federal funding levels, we intend to continue to use MTW program flexibility to support housing voucher issuance levels above HUD's established baseline. This activity is no longer active as agencies are now permitted to lease above their ACC limit.

### **ACTIVITY 2007-9: Develop a Local Asset Management Funding Model**

---

APPROVAL: 2007

CLOSEOUT YEAR: 2007

This activity streamlined current HUD requirements to track budget expenses and income down to the Asset Management Project level. This activity is completed.

### **ACTIVITY 2007-18: Resident Opportunity Plan (ROP)**

---

APPROVAL: 2007

CLOSEOUT YEAR: 2015

An expanded and locally designed version of FSS, ROP's mission was to advance families toward self-sufficiency through the provision of case management, supportive services, and program incentives, with the goal of positive transition from Public Housing or HCV into private-market rental housing or homeownership. KCHA implemented this five-year pilot in collaboration with community partners, including Bellevue College and the YWCA. These partners provided education and employment-focused case management, such as individualized career planning, a focus on wage progression, and asset-building assistance. In lieu of a standard FSS escrow account, each household received a monthly deposit into a savings account, which continued throughout program participation. Deposits to the household savings account were made available to residents upon graduation from Public Housing or HCV subsidy. After reviewing the mixed outcomes from the multi-year evaluation, KCHA decided to close out the program and re-evaluate the best way to assist families in achieving economic independence.

### **ACTIVITY 2006-1: Block Grant Non-mainstream Vouchers**

---

APPROVAL: 2006

CLOSEOUT YEAR: 2006

This policy change expanded KCHA's MTW Block Grant by including all non-mainstream program vouchers. This activity is completed.

### **ACTIVITY 2005-18: Modified Rent Cap for Housing Choice Voucher Participants**

---

APPROVAL: 2005

CLOSEOUT YEAR: 2005

This modification allowed a tenant's portion of rent to be capped at up to 40% of gross income upon initial lease-up rather than 40% of adjusted income. *Note: KCHA may implement a rent cap modification in the future to increase housing choice.*

### **ACTIVITY 2004-8: Resident Opportunities and Self-Sufficiency (ROSS) Grant Homeownership**

---

APPROVAL: 2004

CLOSEOUT YEAR: 2006

This grant funded financial assistance through MTW reserves with rules modified to fit local circumstances, modified eligibility to include Public Housing residents with HCV, required minimum income and minimum savings prior to entry, and expanded eligibility to include more than first-time homebuyers. This activity is completed.

# SECTION V

## PLANNED APPLICATION OF MTW FUNDS

### A. PLANNED APPLICATION OF MTW FUNDS

#### i. Estimated Sources of MTW Funds

FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	\$9,618,476
70600	HUD PHA Operating Grants	\$230,948,616
70610	Capital Grants	\$6,600,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$0
71100+72000	Interest Income	\$180,896
71600	Gain or Loss on Sale of Capital Assets	\$0
71200+71300+71310+71400+71500	Other Income	\$67,893,141
70000	<b>Total Revenue</b>	<b>\$315,241,130</b>

#### ii. Estimated Application of MTW Funds

FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$18,889,043
91300+91310+92000	Management Fee Expense	\$7,848,262
91810	Allocated Overhead	\$0
92500 (92100+92200+92300+92400)	Total Tenant Services	\$12,720,541
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$4,011,513
93500+93700	Labor	\$0
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$7,490,352
95000 (95100+95200+95300+95500)	Total Protective Services	\$0
96100 (96110+96120+96130+96140)	Total Insurance Premiums	\$615,954
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$0
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	\$0
97100+97200	Total Extraordinary Maintenance	\$4,000,000
97300+97350	Housing Assistance Payments + HAP Portability-in	\$244,322,522
97400	Depreciation Expense	\$8,919,679
97500+97600+97700+97800	All Other Expenses	\$19,437,750
90000	<b>Total Expenses</b>	<b>\$328,255,616</b>

### **iii. Description of Planned Application of MTW Funding Flexibility**

KCHA seeks to make efficient, effective, and creative use of our single-fund flexibility while adhering to the statutory requirements of the MTW program. The agency's ability to blend funding sources gives us the freedom to implement new approaches to program delivery in response to the varied and challenging housing needs of low-income households in the Puget Sound region. In 2024, KCHA will continue to use MTW funds to invest in programs that expand our programs' reach and effectiveness, while offering new services that support social impact areas.

- **KCHA'S HOMELESS HOUSING INITIATIVES**

These initiatives address the varied and diverse needs of the most vulnerable populations experiencing homelessness: those living with behavioral health issues; individuals with criminal justice involvement; young adults experiencing homelessness; youth recently transitioned out of foster care; families involved with the child welfare system; students experiencing homelessness and their families; and veterans experiencing homelessness. The traditional housing subsidy programs have failed to reach many of these households and lack the supportive services necessary to meet their complex needs. In 2024, KCHA will continue to focus on leveraging partnerships with local government and community-based organizations to further advance regional solutions to the ongoing homelessness crisis in King County.

- **FUNDING FOR HOUSING STABILITY SERVICES**

This funding provides emergency financial assistance to qualified residents to maintain stable and secure housing, including limited rental assistance to avoid eviction, security deposits, and utility support. In the case of KCHA's Housing Stability Fund, a designated agency partner disburses funds to third parties on behalf of program participants and screens for eligibility according to the program's guidelines. If the post-pandemic rental market holds steady at pandemic rental rates, KCHA also may provide ongoing housing stability service funding, which can be critical in helping families maintain their housing.

- **EDUCATIONAL INITIATIVES**

KCHA continues to actively partner with local education stakeholders to improve outcomes for the more than 15,000 children who live in our federally funded housing each year. In 2024, KCHA will continue to partner with our network of out-of-school time providers to ensure school-aged children living in KCHA-owned properties have access to critical after-school and summer learning programming aimed to help make up lost academic and social and emotional learning over the course of the pandemic. Linking providers to other nonprofits and school districts and their resources will be a central focus in 2024. Additionally we will continue operating innovative programs such as the Neighborhood Early Learning Connectors (NELC) and explore co-creating a youth leadership and development program at KCHA sites.

- ACQUISITION AND PRESERVATION OF AFFORDABLE HOUSING

We continue to use MTW resources to preserve affordable housing at risk of market-rate redevelopment, and create additional affordable housing opportunities in partnership with the state and local jurisdictions. We will continue to look for opportunities to purchase small- to medium-sized apartment complexes and turn on banked ACC, providing new housing choices for extremely low-income households across the region. KCHA's partnerships with the region's major technology companies has enabled the acquisition and preservation of over 2,000 units of non-subsidized housing over the past several years, and we plan to expand these efforts, if feasible and when opportunities arise.

- INCREASE ACCESS TO HEALTH CARE THROUGH PARTNERSHIPS AND COLLABORATIVE PLANNING

KCHA increasingly is partnering with local healthcare delivery systems to support residents in accessing the services they need to maintain housing stability and a high quality of life. In 2024, KCHA will invest in partnerships to support healthy aging in place, address hoarding and high clutter, and provide on-site behavioral health interventions and referrals. We also will continue to leverage the supportive housing Medicaid benefit — Foundational Community Supports — to provide housing search assistance to special purpose voucher holders.

- LONG-TERM VIABILITY OF OUR GROWING INVENTORY PORTFOLIO

KCHA uses our single-fund flexibility to reduce outstanding financial liabilities and to assure the long-term physical viability of our inventory. Single-fund flexibility allows us to make loans, often in conjunction with LIHTC financing, to recapitalize properties in our federally subsidized inventory. MTW working capital also provides an essential backstop for outside debt, addressing risk concerns of lenders, enhancing our credit worthiness (currently rated as AA by S&P Global), and enabling our continued access to private capital markets.

- REMOVAL OF THE CAP ON VOUCHER UTILIZATION

This flexibility enables us to utilize savings achieved through MTW initiatives to over-lease and provide HCV assistance to more households than permissible under our HUD-established baseline. Our cost-containment from operational efficiencies and policy changes has been critical in helping us respond to the growing housing needs of the region's extremely low-income households. Despite uncertainties around future federal funding levels, we continue to use MTW program flexibility to support housing voucher issuance at 300 households above HUD baseline levels.

- SUPPORTING ROBUST AND EFFICIENT OPERATIONS

KCHA's single-fund flexibility ensures that the agency can invest in robust staffing, safety and security measures, and software systems that assure the agency has the resources to deliver quality customer service and ensure resident health and safety. KCHA is transitioning to a new housing management software platform and will utilize single-fund budget flexibility to assist with the conversion of our core housing management software platform.

- **YOUNG ADULT PROSPERITY PROGRAM (YAPP)**

Working with the Washington State Department of Children, Youth Families (DCYF) and local youth-centered provider partners, KCHA administers youth vouchers through our Foster Youth to Independence (FYI) and Family Unification Program (FUP) allocations. While youth may participate in KCHA's Family Self-Sufficiency (FSS) program, the traditional program model is not tailored or designed to support young adults exiting foster care. As such, KCHA is developing the Young Adult Prosperity Program (YAPP), which will give eligible young adults the ability to extend their voucher for up to two years beyond the current limit of three years. YAPP services will be available only while young adults are actively receiving housing assistance through KCHA. YAPP participation will allow young adults to build life skills and economic independence to help ensure a pathway to long-term housing stability. Program services will be coordinated with community agencies that serve youth in foster care and may incorporate incentives, which may come in the form of monthly guaranteed income and/or be incentive-based with an annual cap. Similar to the Family Self-Sufficiency (FSS) program, once housing assistance ends or expires, self-sufficiency services offered through YAPP would also end. In addition to single-fund flexibility, KCHA also may seek grant funding to help augment use of our own single-fund budget flexibility.

- **ECONOMIC MOBILITY PROGRAMMING**

In 2024, KCHA plans to use our single-fund budget flexibility to invest in a new economic independence pathways program. The program's core aim is to coach and mentor families to create economic independence pathways by seeking employment, training, and/or education. Additionally, participants will receive financial capability services to help them set goals and prepare for income changes. Program participants will be eligible for financial incentives, which may come in the form of a regular monthly payment, or be based on reaching certain goals. Incentives will be capped annually. The program will initially serve between 100 and 150 participants. Cost-implications for fiscal year 2024 are estimated at between \$392,000 and \$738,000.

**iv. Planned Application of PHA Unspent Operating Fund and HCV Funding**

<b>Original Funding Source</b>	<b>Beginning of FY – Unspent Balances</b>	<b>Planned Application of PHA Unspent Funds during FY</b>
HCV HAP	\$38,017,387	\$38,017,387
HCV Admin Fee	\$0	\$0
PH Operating Subsidy	\$5,758,043	\$0
<b>Total:</b>	<b>\$43,775,431</b>	<b>\$38,017,387</b>

KCHA's unspent HCV HAP funds will be used to support a variety of initiatives, such as the rehabilitation of Public Housing properties and to support initiatives for people experiencing homelessness. KCHA has no plans to spend the unspent Public Housing Operating Subsidy funds, as the agency is required by HUD to retain a prudent level of operating reserves.



## B. LOCAL ASSET MANAGEMENT PLAN

Is the MTW PHA allocating costs within statute?	No
Is the MTW PHA implementing a local asset management plan (LAMP)?	Yes
Has the MTW PHA provided a LAMP in the appendix?	Yes

In FY 2008, as detailed in the MTW Annual Plan for that year and adopted by our Board of Commissioners under Resolution No. 5116, KCHA developed and implemented our own local funding model for the Public Housing and HCV programs using our MTW block grant authority. Under our current agreement, KCHA's Public Housing Operating, Capital, and HCV funds are considered fungible and may be used interchangeably. In contrast to 990.280 regulations, which require transfers between projects only after all project expenses are met, KCHA's model allows budget-based funding at the start of the fiscal year from a central ledger, not other projects. We maintain a budgeting and accounting system that gives each property sufficient funds to support annual operations, including allowable fees. Actual revenues include those provided by HUD and allocated by KCHA based on annual property-based budgets. As envisioned, all block grants are deposited into a single general ledger fund.

KCHA is not making changes to the LAMP in 2024.

# SECTION VI

## ADMINISTRATIVE

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### **A. BOARD OF COMMISSIONERS RESOLUTION AND CERTIFICATIONS OF COMPLIANCE**

Attached as Appendix A.

### **B. PUBLIC PROCESS**

Public comment is planned to begin on August 25 and conclude on September 29.

KCHA will hold an In-Person Public Hearing to review and receive comments on Tuesday September 12, 2023 at 4PM at the Seola Gardens Community Center, located at 11215 5th Ave., SW Seattle, WA 98146.

KCHA will also hold a virtual Public Hearing to solicit public comments on Wednesday, September 13, 2023 at 6:00PM. Information on connecting to the virtual Public Hearing can be found at [www.kcha.org](http://www.kcha.org).

### **C. PLANNED AND ONGOING EVALUATIONS**

KCHA shares evaluation findings and reports in our MTW Reports.

### **D. LOBBYING DISCLOSURES**

Attached as Appendix D.

# **APPENDIX A**

## **BOARD OF COMMISSIONERS RESOLUTION AND CERTIFICATIONS OF COMPLIANCE**

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*Associated and signed documentation will be included in the final 2024 MTW Plan, prior to submission to the U.S. Department of Housing and Urban Development.*

## **APPENDIX B**

### **PLANNED EXISTING PROJECT-BASED VOUCHERS**

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# Project-based Voucher Contracts

Property Name	Number of Project-based Vouchers	Status as of End of 2022	Population Served	RAD?
30Bellevue	23	Leased	Mainstream/NED	No
30Bellevue	8	Leased	Low Income Families	No
Alpine Ridge	27	Leased	Low Income Families	No
Andrew's Glen	30	Leased	Low Income Families; Homeless Veterans	No
Appian Way	3	Leased	Homeless Families	No
Athene	8	Leased	Low Income Seniors	No
August Wilson Place	8	Leased	Homeless Veterans	No
August Wilson Place	8	Leased	Homeless Families	No
Avondale Manor	20	Leased	Low Income Families, Elderly, or Disabled	No
Avondale Park	43	Leased	Homeless Families	No
Bellepark East	12	Leased	Low Income Families	No
Bellevue House # 1	1	Leased	Homeless Families	No
Bellevue House # 2	1	Leased	Homeless Families	No
Bellevue House # 3	1	Leased	Homeless Families	No
Bellevue House # 4	1	Leased	Homeless Families	No
Bellevue House # 5	1	Leased	Homeless Families	No
Bellevue House # 6	1	Leased	Homeless Families	No
Bellevue House # 7	1	Leased	Homeless Families	No
Bellevue House # 8	1	Leased	Homeless Families	No
Bellevue Manor	66	Leased	Low Income Seniors/Disabled	No
Birch Creek	262	Leased	Low Income Families	No
Burien Heights	15	Leased	Homeless Young Adults	No
Campus Court I	12	Leased	Low Income Families, Elderly, or Disabled	No
Campus Court II (House)	1	Leased	Low Income Families, Elderly, or Disabled	No
Carriage House	8	Leased	Homeless Veterans	No
Cedarwood	25	Leased	Low Income Families, Elderly, or Disabled	No
Chalet	4	Leased	Homeless Families	No
Chalet	5	Leased	Low Income Families	No
City Park Townhomes	11	Leased	Homeless Families	No
Compass Housing Renton	58	Leased	Homeless Veterans	No

### Project-based Voucher Contracts

Copper Lantern	4	Leased	Homeless Individuals	No
Copper Lantern	7	Leased	Low Income Families	No
Cove East Apartments	16	Leased	Homeless Veterans	No
Creston Point	3	Leased	Homeless Families	No
Eastbridge	31	Leased	Low Income Families	No
Eastridge House	40	Leased	Low Income Seniors/Disabled	No
Eernisse	13	Leased	Low Income Families	No
Enumclaw Fourplex	5	Leased	Homeless Families	No
Evergreen Court	30	Leased	Low Income Families	No
Evergreen Court Apartments	15	Leased	Low Income Seniors	No
Family Village	10	Leased	Homeless Families	No
Family Village	26	Leased	Low Income Families	No
Federal Way House #1	1	Leased	Low Income Families, Elderly, or Disabled	No
Federal Way House #2	1	Leased	Low Income Families, Elderly, or Disabled	No
Federal Way House #3	1	Leased	Low Income Families, Elderly, or Disabled	No
Forest Grove	25	Leased	Low Income Families, Elderly, or Disabled	No
Foster Commons	1	Leased	Homeless Families	No
Francis Village	3	Leased	Low Income Families	No
Francis Village	10	Leased	Homeless Young Families	No
Francis Village	10	Leased	Homeless Veterans	No
Gilman Square	25	Leased	Low Income Families	No
Glenview Heights	10	Leased	Low Income Seniors/Disabled	No
Green Leaf	27	Leased	Low Income Families, Elderly, or Disabled	No
Green River Homes	59	Leased	Low Income Families, Elderly, or Disabled	No
Harrison House	48	Leased	Low Income Seniors	No
Heritage Park	15	Leased	Homeless Families	No
Heritage Park	36	Leased	Low Income Families	No
Hidden Village	78	Leased	Low Income Families, Elderly, or Disabled	No
Highland Village	8	Leased	Low Income Families	No
Houser Terrace	25	Leased	Homeless Veterans	No
Independence Bridge	24	Leased	Homeless Young Adults	No
Inland Empire Group Home	1	Leased	Disabled Individuals	No

### Project-based Voucher Contracts

Inland Empire Group Home	1	Leased	Disabled Individuals	No
Inland Empire Group Home	1	Leased	Disabled Individuals	No
Inland Empire Group Home	1	Leased	Disabled Individuals	No
Inland Empire Group Home	1	Leased	Disabled Individuals	No
Inland Empire Group Home	1	Leased	Disabled Individuals	No
Inland Empire Group Home	1	Leased	Disabled Individuals	No
Inland Empire Group Home	1	Leased	Disabled Individuals	No
Johnson Hill	8	Leased	Low Income Families	No
Joseph House	10	Leased	Low Income Seniors	No
Juanita Court	30	Leased	Low Income Families, Elderly, or Disabled	No
Juanita Trace I & II	39	Leased	Low Income Families, Elderly, or Disabled	No
Kensington Square	6	Leased	Homeless Families	No
Kings Court	30	Leased	Low Income Families	No
Kirkland Avenue Townhomes	2	Leased	Homeless Veterans	No
Kirkwood Terrace	28	Leased	Low Income Families, Elderly, or Disabled	No
Landmark Apartments	28	Leased	Low Income Families	No
Laurelwood Gardens	8	Leased	Low Income Families	No
Lauren Heights	5	Leased	Homeless Families	No
Linden Highlands	1	Leased	Homeless Families	No
New Arcadia	5	Leased	Homeless Young Adults	No
Newport	23	Leased	Low Income Families, Elderly, or Disabled	No
Newporter Apartments	22	Leased	Low Income Families	No
NIA Apartments	42	Leased	Low Income Seniors	No
Northwood Square	24	Leased	Low Income Families, Elderly, or Disabled	No
Parkview Group Home	1	Leased	Disabled Individuals	No
Parkview Group Home	1	Leased	Disabled Individuals	No
Parkview Group Home	1	Leased	Disabled Individuals	No
Parkview Group Home	1	Leased	Disabled Individuals	No
Passage Point	46	Leased	Homeless Families/Re-entry	No
Patricia Harris Manor	41	Leased	Low Income Seniors/Disabled	No
Petter Court	4	Leased	Homeless Families	No

### Project-based Voucher Contracts

Phoenix Rising	24	Leased	Homeless Young Adults	No
Pickering Court	30	Leased	Low Income Families, Elderly, or Disabled	No
Plum Court	10	Leased	Low Income Families	No
Plymouth Crossing	87	Leased	Low Income Individuals; Mainstream/NED	No
Providence John Gabriel House	43	Leased	Low Income Seniors	No
Renton Commons	12	Leased	Homeless Families	No
Renton Commons	14	Leased	Homeless Veterans	No
Riverton Terrace I	30	Leased	Low Income Families	No
Ronald Commons	8	Leased	Homeless Veterans	No
Rose Crest	10	Leased	Homeless Families	No
Rose Crest	8	Leased	Homeless Families	No
Salmon Creek	9	Leased	Low Income Families	No
Seola Crossing I & II	63	Leased	Low Income Families	No
Shoreham	18	Leased	Low Income Families, Elderly, or Disabled	No
Shoreline Veteran's Center	25	Leased	Homeless Veterans	No
Somerset Gardens	8	Leased	Low Income Families	No
Sophia's Home - Bellepark East	1	Leased	Homeless Individuals	No
Sophia's Home - Timberwood	2	Leased	Homeless Individuals	No
Sophia's Home - Woodside East	4	Leased	Homeless Individuals	No
Southwood Square	104	Leased	Low Income Families	No
Spiritwood Manor	128	Leased	Low Income Families, Elderly, or Disabled	No
Summerfield Apartments	13	Leased	Low Income Families	No
Summerwood	25	Leased	Low Income Families	No
The Willows	15	Leased	Homeless Families	No
Timberwood	20	Leased	Low Income Families	No
Timberwood Apartments	18	Leased	Homeless Veterans	No
Unity Village of White Center	6	Leased	Homeless Families	No
Valley Park East & West	12	Leased	Homeless Families	No
Valley Park East & West	16	Leased	Low Income Families	No



### Project-based Voucher Contracts

Valley Park East & West	2	Leased	Disabled Individuals	No
Vashon Terrace	16	Leased	Low Income Seniors/Disabled	No
Velocity Apartments	8	Leased	Homeless Families	No
Velocity Apartments	8	Leased	Homeless Veterans	No
Victorian Woods	15	Leased	Low Income Families, Elderly, or Disabled	No
Villa Capri	5	Leased	Homeless Families	No
Villa Esperanza	23	Leased	Homeless Families	No
Village at Overlake Station	8	Leased	Disabled Individuals	No
Village at Overlake Station	12	Leased	Low Income Families	No
Villages at South Station	20	Leased	Homeless Veterans	No
Vista Heights	30	Leased	Low Income Families, Elderly, or Disabled	No
Wellswood	30	Leased	Low Income Families, Elderly, or Disabled	No
William J. Wood Veterans House	44	Leased	Homeless Veterans	No
Woodcreek Lane	20	Leased	Low Income Families, Elderly, or Disabled	No
Woodland North	10	Leased	Homeless Veterans	No
Woodland North	5	Leased	Low Income Families	No
Woodside East	23	Leased	Low Income Families	No
Young's Lake	28	Leased	Low Income Families	No
Juanita View	51	Leased	Low Income Families	No
Kent PSH	36	Leased	Homeless Veterans	No
Kent PSH	44	Leased	Mainstream/NED	No
Kirkland Heights	106	Leased	Low Income	No
Esterra Park	8	Leased	Homeless Families	No
Island Center Homes	8	Issued through AHAP	Mainstream/NED	No
Shoreline Permanent Supportive Housing	80	Issued through AHAP	Homeless Veterans; Mainstream/NED; Low Income	No
DESC Burien	95	Issued through AHAP	Mainstream/NED; Homeless Veterans	No
Totem Lake	8	Issued through AHAP	FUP	No
Sunset Gardens	38	Issued through AHAP	Homeless Veterans	No
<b>Total Units</b>	<b>3,001</b>			
<b>Issued through AHAP</b>	<b>229</b>			

## **APPENDIX C**

### **KCHA'S LOCAL ASSET MANAGEMENT PLAN**

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## KCHA'S LOCAL ASSET MANAGEMENT PLAN

As detailed in KCHA's FY 2008 MTW Annual Plan and adopted by the Board of Commissioners under Resolution No. 5116, KCHA implemented a Local Asset Management Plan (LAMP). Much has changed since the LAMP was originally adopted. Therefore, a revised LAMP is being adopted.

### *Definitions*

**HCV Block Grant** is the term used to describe Housing Choice Voucher program revenue for Housing Assistance Payments (HAP) and Administrative fees for the ACC vouchers that are considered as part of the MTW program.

**MTW Block Grant** is the term used to describe the revenue sources of the Public Housing Operating Fund Subsidy (OpSub), the Capital Fund Program (CFP), and the HCV Block grant which are all considered to be fungible and can be used for any allowed purpose in Section 8 or 9 of the 1937 Act.

The **MTW Fund** is a self-balancing set of accounts that will be the focal point for most MTW financial activity and will account for program inflows and outflows.

An **AMP** is an Asset Management Property and is a term used by HUD to describe a grouping of Public Housing Properties.

### *Overview*

KCHA will use its own local funding model for the Public Housing (PH) and Housing Choice Voucher (HCV) programs. As allowed under the current MTW contract, KCHA will use funds from the Public Housing Operating Fund Subsidy, the Capital Fund Program, and the HCV Block interchangeably as part of its MTW Block Grant.

The MTW Fund will be the accounting vehicle to track MTW activity.

- Inflows will consist of revenue from the HCV Block Grant and OpSub revenue intended to support resident services which will be recorded in the MTW fund along with other sources such as interest income. CFP grant revenue will be recorded directly on the books of each AMP as funds are drawn.
- Outflows will occur in multiple ways:
  - Certain expenses will be charged directly to the MTW fund, such as resident service costs, administrative costs, and other expenses directly related to MTW program activity.
  - Transfers will be made to and from Public Housing AMPs in support of operations. This is explained further below under Public Housing Program Considerations.
  - Transfers will be made to the HCV fund to pay for the costs of HCV Block Grant HAP costs and related administrative expenses.
  - Transfers will be made to Public Housing AMPs and other eligible properties to pay for rehabilitation projects, along with amounts to support related management fees
  - Loans will be made, both internally and externally, in support of eligible program purposes. Once the loans are made, the funds are considered as expended.

### ***Public Housing Program Considerations***

In contrast to regulations found in 990.280 which allows transfers between projects only after all project expenses are met, KCHA's model allows budget-based funding at the start of the fiscal year from the MTW Block Grant. KCHA will maintain a budgeting and accounting system that gives each property sufficient funds to support annual operations, including fees that have been determined to be reasonable under the LAMP. Actual revenues will include those provided by HUD and those allocated by KCHA from the MTW fund based on annual property-based budgets.

- KCHA will record OpSub revenue directly to each AMP. As the OpSub formula results in some AMPs being over-funded and others under-funded, transfers will be made to and from the MTW fund to insure adequate budget-based funding.
- CFP grant revenue will be recorded directly on the books of each AMP as funds are drawn.
- Resident services costs will be accounted for in a centralized fund that is a sub-fund of the MTW fund and not assigned to individual programs or AMPs. The portion of the Operating Fund Subsidy that is specifically intended to support Resident Services will be allocated directly to this sub-fund and not to the AMP.
- KCHA will maintain a public housing operating reserve equivalent of at least two months' expenses, but will not be less than any amounts required by HUD.
- KCHA may establish Replacement Reserves for Public Housing Properties.
- KCHA will provide accounting for each site AMP; however, KCHA, as owner of the properties will determine how much revenue will be included as each project's federal support.
- Central Office Cost Center (COCC) fees will be charged to each AMP at the amounts detailed below. However, in all cases, if federal funding is insufficient to support such fee levels, lower amounts may be substituted.
  - Property Management fees shall be set at the HUD-published 80<sup>th</sup> percentile Administrative Costs in FHA Housing by Field Office for the Seattle area.
  - Bookkeeping fees shall be set at the rate of \$7.50 PUM (as authorized under original Asset Management guidelines, and inflated annually from the 2006 baseline of 203.8, using the Bureau of Labor Statistics CPI-W for the Seattle-Tacoma-Bellevue area, as published for June for each year. The fee of \$7.50 has been in effect since 2006, and per HUD guidance (Federal Register, Volume 71, number 172, page 52712, section IX), "if a PHA considers the fees in this notice to be inadequate to address their individual circumstances, a PHA may use data that reflects the conditions of the local or national market". As KCHA considers a fee set in 2006 and never increased to be inadequate, it will use the index listed above as the basis for adjusting to local conditions.
  - Asset Management fees shall be set at the rate of \$10.00 PUM (as authorized under original Asset Management guidelines, and inflated annually from the 2006 baseline of 203.8, using the Bureau of Labor Statistics CPI-W for the Seattle-Tacoma-Bellevue area, as published for June for each year. The fee of \$10.00 has been in effect since 2006, and per HUD guidance (Federal Register, Volume 71, number 172, page 52712, section IX), "if a PHA considers the fees in this notice to be inadequate to address their individual circumstances, a PHA may use data that reflects the conditions of the local or national market". As KCHA considers a fee set in 2006 and never increased to be adequate, it will use the index listed above as the basis for adjusting to local conditions.

### ***Housing Choice Voucher Program Considerations***

- Amounts needed for Housing Assistance Payments (HAP) and program administrative costs will be transferred to the Housing Choice Voucher program fund, including sufficient funds to pay all management and bookkeeping fees. Block grant reserves and their interest earnings will not be commingled with Section 8 operations, enhancing budget transparency. Section 8 program managers will become more responsible for their budgets in the same manner as public housing site managers.
- HCV block grant revenue may be used to support other voucher types that are not part of the MTW program, such as FUP, NED or VASH vouchers. This will be done via an internal transfer.
- Central Office Cost Center (COCC) fees will be charged to each property at the amounts detailed below. However, in all cases, if federal funding is insufficient to support such fee levels, lower amounts may be substituted.
  - Management fees will be set at the HUD authorized amount of \$12.00 PUM or 20% of the Administrative Fee whichever is greater. KCHA is defining the Administrative Fee amount as the Column B rate for the Authority for each calendar year.
  - Bookkeeping fees shall be set at the rate of \$7.50 PUM (as authorized under original Asset Management guidelines, and inflated annually from the 2006 baseline of 203.8, using the Bureau of Labor Statistics CPI-W for the Seattle-Tacoma-Bellevue area, as published for June for each year. The fee of \$7.50 has been in effect since 2006, and per HUD guidance (Federal Register, Volume 71, number 172, page 52712, section IX), “if a PHA considers the fees in this notice to be inadequate to address their individual circumstances, a PHA may use data that reflects the conditions of the local or national market”. As KCHA considers a fee set in 2006 and never increased to be inadequate, it will use the index listed above as the basis for adjusting to local conditions.

## **APPENDIX D**

### **DISCLOSURE OF LOBBYING ACTIVITIES**

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*Associated and signed documentation will be included in the final 2024 MTW Plan, prior to submission to the U.S. Department of Housing and Urban Development.*

# **APPENDIX E**

## DESIGNATION PLAN

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## Designation Plan Status as of 7/31/2023

Project #	Project	Units	Occupied	%Target	Target	#Elderly	%Elderly	Pre-Imp.	Status	Action
<b>NORTH MIXED POPULATION</b>										
150TC	Paramount House	70	70	0.78	55	58	82	-12	3	No restrictions on younger households
151	Northridge I	70	69	0.78	55	54	77	-7	-1	Freeze admission of younger households
152	Briarwood	70	69	0.78	55	62	88	-2	7	No restrictions on younger households
153	Northridge II	70	69	0.78	55	60	85	-2	5	No restrictions on younger households
154	The Lake House	70	70	0.78	55	60	85	-5	5	No restrictions on younger households
156	Westminster Manor	60	60	0.78	47	53	88	-	6	No restrictions on younger households
191	Northwood	34	34	0.78	27	32	94	-	5	No restrictions on younger households
251	Casa Juanita	80	77	0.78	63	66	82	4	3	No restrictions on younger households
290	Northlake House	38	37	0.78	30	33	86	-	3	No restrictions on younger households
<b>EASTSIDE MIXED POPULATION</b>										
250	Forest Glen	40	40	0.78	32	39	97	-2	7	No restrictions on younger households
487TC	Vantage Point	77	77	0.78	61	67	87		6	No restrictions on younger households
<b>SOUTHEAST MIXED POPULATION</b>										
550	Wayland Arms	67	65	0.78	53	53	79	2	0	Monitor for next vacancy
552	Southridge House	80	80	0.78	63	69	86	14	6	No restrictions on younger households
551TC	Plaza 17	70	69	0.78	55	59	84	7	4	No restrictions on younger households
553TC	Casa Madrona	70	68	0.78	55	54	77	6	-1	Freeze admission of younger households
554TC	Gustaves Manor	35	35	0.78	28	27	77	6	-1	Freeze admission of younger households
<b>SOUTHWEST MIXED POPULATION</b>										
350	Boulevard Manor	70	70	0.78	55	62	88	-11	7	No restrictions on younger households
353	Yardley Arms	67	66	0.78	53	53	79	-9	0	Monitor for next vacancy
390	Burien Park	102	101	0.78	80	91	89	-	11	No restrictions on younger households
342TC	Nia	82	77	0.78	64	72	87	0	8	No restrictions on younger households
352TC	Munro Manor	60	60	0.78	47	50	83	-5	3	No restrictions on younger households
354TC	Brittany Park	43	41	0.78	34	35	81	-8	1	No restrictions on younger households
358TC	Riverton Terrace EGIS	30	30	0.78	24	25	83	-3	1	No restrictions on younger households
450TC	Mardi Gras	61	61	0.78	48	51	83	10	3	No restrictions on younger households
<b>HOPA</b>										
451	Eastridge House	40	40	0.9	36	35	87	-	-1	Freeze admission of younger households
466	Patricia Harris	41	40	0.9	37	40	97	6	3	No restrictions on younger households
465TC	Bellevue Manor	66	64	0.9	60	61	92	5	1	No restrictions on younger households
<b>SEDRO WOOLLEY</b>										
155	Hillview	60	59		-	46	76	-	-	



## **APPENDIX F**

### **UNIT UPGRADE COMPLETION REPORT**

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*Unit upgrade reports will be included in the final 2024 MTW Plan, prior to submission to the U.S. Department of Housing and Urban Development.*

## **APPENDIX G**

### Hardship Policies

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# KING COUNTY HOUSING AUTHORITY

## HARDSHIP POLICY

The **Hardship Policy** is designed to allow KCHA flexibility to address unique, unforeseeable circumstances that may occur and to protect families in crisis. In order to be considered for a hardship rent, the household must apply for all benefits for which it may be eligible. Zero income households will be required to report income changes on a quarterly basis, until income is restored to the household.

### **Hardship Criteria.**

The following categories for Hardship will apply to all KCHA housing programs participants:

1. **Extraordinary Cost of Living:** A household may apply for a hardship review when they experience an extraordinary cost of living that exceeds 50% of the household's monthly income. Costs of living are limited to gross rent plus monthly out-of-pocket cost for medical and child care expenses. Gross Rent is defined as actual monthly rent paid plus the assigned energy assistance supplement, or minimum rent (if applicable).
2. **Waiver of Minimum Rent / Extension of Energy Assistance Reimbursement beyond six (6) months:** The household would need to demonstrate that: (1) the loss of additional energy assistance would put the household at risk of losing their housing; (2) their continued lack of income has not been through the fault of the household and (3) the household has applied for, but been unsuccessful in connecting to available financial resources for which they might be eligible. NOTE: The household has been denied assistance (TANF, etc.) due to non-compliance with program requirements would not be considered a hardship under this category.
3. **Additional Interim Review:** A WIN Rent household that has previously requested the maximum number of interim reviews to decrease their rent, but experiences an additional unforeseen decrease in income may request a hardship review. To be eligible for relief (1) the family's decrease in income could not have been due to the action or inaction of a member of the household; and (2) if the interim review was not applied, the family's shelter burden would exceed 50% of monthly income. No hardship will be granted if KCHA determines the family could (but is not) accessing an available alternate income source.
4. **Deduction for Medical or Child Care Expenses above the \$10,000 Cap:** A household eligible to receive a reduction from gross income for medical or child care related expenses may request a hardship review to request a reduction of gross income above the \$10,000 cap. In order to be eligible for relief under this criterion, the family must document that (1) the claimed expense is not reimbursable from an outside source; and (2) annualized costs for rent and out-of-pocket medical and/or child care expenses, for which they are eligible, would exceed 50% of gross income. In the case of child care expenses, the amount of child care assistance paid is reasonable in relation to amounts charged for similar care available in close proximity to the household's current child care provider.
5. **Mandatory reductions to fixed income in excess of \$500:** Households who experience a reduction in a "fixed" source of income (GAU, Disability Lifeline, SSI, Social Security and Government or Private Pensions) may be eligible for a reduction in rent when KCHA determines the loss of income was out of the control of the recipient. In such cases, KCHA will: (1) conduct an interim review for reductions to a fixed income source in an amount greater than \$500 per year. (Rather than the standard \$2,000 threshold required under KCHA's Interim Review policy). (2) coordinate with state and/or federal agencies as possible to document the income change, streamline the review process and recalculate rent in order to limit the impact upon the participating household.

**Applying for Consideration:** To be considered for relief under the Hardship Policy, complete the attached form and submit it to your Sr. Housing Specialist (Section 8) or KCHA Property Management Office (Public Housing). The paper will be forwarded to the Hardship Committee for review. While most decisions are made in less time, the Hardship Committee will make every effort to render and inform you of a decision within thirty (30) calendar days.

**Appeals:** Families, who disagree with the Hardship review decision, may appeal the determination through the Housing Authority's existing Grievance process.



## HARDSHIP REVIEW REQUEST FORM

Head of Household:		
Address:		
Telephone:		Client Number:

I am requesting a hardship review for the following reason (please check appropriate box):

☐ Extraordinary Cost of Living

*(When combined monthly expenses including Rent, KCHA Energy Assistance Supplement and unreimbursed medical and/or child care expenses exceed 50% of income.)*

☐ Waiver of Minimum Rent /Extension of Energy Assistance Reimbursement beyond six (6) months

☐ Deduction for Medical Expenses above \$10,000 cap

☐ Deduction for Child Care Expenses above \$10,000 cap

☐ Additional Interim Review

☐ Decrease in fixed income source in excess of \$500 (fixed income sources include: GAU, Disability Lifeline, SSI, Social Security and Government or Private Pensions)

Please describe why you need this hardship consideration (use the back of this page if necessary):

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Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**For KCHA Use ONLY**, Additional Information:

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**IMPORTANT INSTRUCTIONS FOR FIELD STAFF:** Attach current and prior Rent Calculation Sheet (413PH/808 Section8) forms and submit COMPLETED Hardship Review request form to Hardship Review Committee Chair at Central Office.

# Admission and Continued Occupancy Policy

# ACOP

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GOVERNING ADMISSION TO AND CONTINUED OCCUPANCY OF THE PUBLIC HOUSING  
PROJECTS OPERATED BY THE HOUSING AUTHORITY OF THE COUNTY OF KING,  
WASHINGTON

## J. HARDSHIP POLICY

Households notified of a rent increase will be informed, in writing, of their ability to seek a waiver based on financial hardship through the Housing Authority's established **Hardship Policy**. The policy is designed to allow KCHA flexibility to address unique, unforeseeable circumstances that may occur and to protect families in crisis. In order to receive a hardship rent, the household must apply for all benefits for which it may be eligible. Zero income households will be required to submit monthly budgets (KCHA Form #409) to their Property Manager, until income is restored to the household.

1. **Hardship Criteria.** The following categories for Hardship will apply to all program participants under KCHA's EASY Rent and WIN Rent programs:
  - a. **Extraordinary Cost of Living:** A household may apply for a hardship review when they experience an extraordinary cost of living that exceeds 50% of the household's monthly income. Examples of when a family might meet this criterion include:
    - ☐ Any household whose combined **gross rent** plus monthly out-of-pocket medical or childcare expenses exceeds 50% of household monthly income. Gross Rent is defined as actual monthly rent paid plus the assigned energy assistance supplement, or, minimum rent (if applicable). Only unreimbursed medical expenses incurred for the care of an elderly and/or disabled household member will be considered in determining extraordinary costs. Childcare expenses will only be allowed when the expense meets eligibility thresholds for all other WIN Rent households as defined by the Housing Authority and when the amount is not reimbursed from another source.
  - b. **Waiver of \$25 Minimum Rent / Extension of Energy Assistance Reimbursement beyond six (6) months:** A household may apply for an extension of its energy assistance reimbursement (credit rent) beyond the initial six month cap. To be eligible for hardship relief, the household would need to demonstrate that: (1) the loss of additional energy assistance would put the household at risk of losing their housing; and (2) their continued lack of income has not been through the fault of the household (3) the household has applied for but been unsuccessful in connecting to available financial resources for which they might be eligible.
    - ☐ Exception: Residents with exempt or excluded income and those who have been denied assistance (TANF, etc.) due to non-compliance with program requirements would not be considered to have a hardship meeting this category.
  - c. **Additional Interim Review:** A WIN Rent household that has previously requested the maximum number of interim reviews to decrease their rent, but experiences an additional unforeseen decrease in income may request a hardship review. To be eligible for relief (1) the family's decrease in income could not have been due to

the action or inaction of a member of the household; and (2) if the interim review was not applied, the family's shelter burden would exceed 50% of monthly income. No hardship will be granted if KCHA determines the family could (but is not) accessing an available alternate income source.

- d. **Deduction for Medical or Childcare Expenses above the \$10,000 Cap:** A household eligible to receive a reduction from gross income for medical or childcare related expenses may request a hardship review to request a reduction of gross income above the \$10,000 cap. In order to be eligible for relief under this criterion, the family must document that (1) the claimed expense is not reimbursable from an outside source; and (2) annualized costs for rent and out-of-pocket medical and/or childcare expenses would exceed 50% of gross income. In the case of childcare expenses, the amount of childcare assistance paid is reasonable in relation to amounts charged for similar care available in close proximity to the household's current childcare provider.
  - e. **Mandatory Reductions to Fixed Income in excess of \$500.** Households who experience a reduction in a "fixed" source of income (GAU, SSI, and Social Security) may be eligible for a reduction in rent when KCHA determines the loss of income was out of the control of the recipient. In such cases, KCHA will:
    - ☐ Conduct an interim review for reductions to a fixed income source in an amount greater than \$500 per year. [Rather than the standard \$2,000 threshold required under KCHA's Interim Review policy].
    - ☐ Coordinate with state and/or federal agencies as possible to document the income change and streamline the interim review process using its existing tenant database to re-calculate rent "in mass" in order to limit the impact upon the participating household. Under such circumstances, a modified interim review policy will be utilized to allow KCHA to adjust rent based ONLY upon the revised income reported by the state and/or federal agency. Additional income and deduction amounts for the household will be carried over from the previous Recertification completed for the household. Any errors in rent resulting from the use of data supplied directly from the state and/or federal agency will be considered caused by KCHA action and will be corrected as outlined in Section 10 of this ACOP. Such reviews will not count against a WIN Rent household's limit of 2 interim reviews during the 2-year Recertification cycle.
2. **Hardship Committee.** A KCHA appointed Hardship Committee will be responsible for review of all Hardship Requests. The Committee shall be comprised of KCHA staff, including the Director of Housing Initiatives, the Senior Programs Manager, and an additional Resident Services Department staff person. Once a hardship review request has been submitted, the Committee will examine each family's circumstances on a case-by-case basis. The Committee has a choice of remedies it can recommend (including permanent, family-specific rent caps) as deemed appropriate, to reduce a qualifying household's rent burden.

## Admission and Continued Occupancy Policy (ACOP)

- a. **Remedies Available under the Hardship Policy:** The Hardship Committee has a number of determinations that can be made under the policy including:
  - No hardship exists;
  - Rent should be set at a permanent, family specific cap;
  - The energy assistance reimbursement (credit rent) should be extended for a specific period of time;
  - The rent increase should be phased in over a specific period of time;
  - The \$100 per month rent increase cap should be extended for up to one year – resulting in a two year maximum (Available only to families in occupancy when the Easy Rent and WIN Rent programs were implemented);
  - The \$100 per month rent increase cap should be phased out over a specific period of time – not to exceed three years for Easy Rent households and two years for WIN Rent households; (Available only to families in occupancy when the Easy Rent and WIN Rent programs were implemented);
  - Approval of an additional interim review for a family that has previously exhausted the established limit of 2 interim reviews per every 2-year cycle for WIN Rent households. In order to be considered for relief, the household must first meet the criteria for an interim review established above.
  - Approval of a Medical or Childcare Expense reduction from gross income in an amount above the \$10,000 maximum. Relief may be granted for a specific period of time, or indefinitely, as determined by the Committee. However, no relief will be granted without documentation of extraordinary circumstances beyond the control of the household.
  - Authorize completion of an interim rent recalculation for reductions in income below established thresholds. [**Note:** Available only to households affected by a reduction in a “fixed” source of income through no fault of their own.]
  - Appropriate combination of above listed options.
3. **Appeals:** Families, who disagree with the recommendation of the Hardship Committee and/or final approval of the Director of Housing Management or Director of Resident Services, as applicable, may appeal the determination through the Housing Authority’s existing Grievance Procedure.



**King County Housing Authority**

# Section 8 Administrative Plan

S8 Voucher Program

This is the latest version as of: 8/16/2023

### **Hardship Policy:**

Households notified of a rent increase will be informed, in writing, of their ability to seek a waiver based on financial hardship through the Housing Authority's established **Hardship Policy**. The policy is designed to allow KCHA flexibility to address unique, unforeseeable circumstances that may occur and to protect families in crisis. In order to receive a hardship rent, the household must apply for all benefits for which it may be eligible. Zero income Household will be required to report income changes on a quarterly basis, until income is restored to the household.

- a. **Hardship Criteria.** The following categories for Hardship will apply to all program participants under KCHA's EASY Rent and WIN Rent programs:
- b. **Extraordinary Cost of Living:** A household may apply for a hardship review when they experience an extraordinary cost of living that exceeds 50% of the household's monthly income. Examples of when a family might meet this criterion include:
  - Any household whose combined **gross rent** plus monthly out-of-pocket medical or childcare expenses exceeds 50% of household monthly income. Gross Rent is defined as actual monthly rent paid plus the assigned energy assistance supplement, or, minimum rent (if applicable). Only unreimbursed medical expenses incurred for the care of an elderly and/or disabled household member will be considered in determining extraordinary costs. Childcare expenses will only be allowed when the expense meets eligibility thresholds for all other WIN Rent households as defined by the Housing Authority and when the amount is not reimbursed from another source.
- c. **Waiver of \$25 Minimum Rent / Extension of Energy Assistance Reimbursement beyond six (6) months:** A household may apply for an extension of its energy assistance reimbursement (credit rent) beyond the initial six month cap. To be eligible for hardship relief, the household would need to demonstrate that: (1) the loss of additional energy assistance would put the household at risk of losing their housing; (2) their continued lack of income has not been through the fault of the household, and (3) the household has applied for, but been unsuccessful in connecting to available financial resources for which they might be eligible.
  - Exception: Residents with exempt or excluded income and those who have been denied assistance (TANF, etc.) due to non-compliance with program requirements would not be considered to have a hardship meeting this category.
- d. **Additional Interim Review:** A WIN Rent household that has previously requested the maximum number of interim reviews to decrease their rent, but experiences an additional unforeseen decrease in income may request a hardship review. To be eligible for relief (1) the family's decrease in income could not have been due to the action or inaction of a member of the household; and (2) if the interim review was not applied, the family's shelter burden would exceed 50% of monthly income. No hardship will be granted if KCHA determines the family could (but is not) accessing an available alternate income source.

- e. **Deduction for Medical or Childcare Expenses above the \$10,000 Cap:** A household eligible to receive a reduction from gross income for medical or childcare related expenses may request a hardship review to request a reduction of gross income above the \$10,000 cap. In order to be eligible for relief under this criterion, the family must document that (1) the claimed expense is not reimbursable from an outside source; and (2) annualized costs for rent and out-of-pocket medical and/or childcare expenses would exceed 50% of gross income. In the case of childcare expenses, the amount of childcare assistance paid is reasonable in relation to amounts charged for similar care available in close proximity to the household's current childcare provider.
- f. **Mandatory Reductions to Fixed Income in excess of \$500.** Households who experience a reduction in a "fixed" source of income (GAU, Disability Lifeline, SSI, Social Security, TANF, and Government of Private Pensions) may be eligible for a reduction in rent when KCHA determines the loss of income was out of the control of the recipient. In such cases, KCHA will:
- Conduct an interim review for reduction to a fixed income source in an amount greater than \$500 per year. (Rather than the standard \$2,000 threshold required under KCHA's Interim Review policy.)
  - Coordinate with state and/or federal agencies as soon as possible to document the income changes and streamline the interim review process using its existing tenant database to recalculate rent "in mass" in order to limit the impact upon the participating household. Under such circumstances, a modified interim review policy will be utilized to allow the HA to adjust rent based ONLY upon the revised income reported by the state and/or federal agency. Additional income and deduction amounts for the household will be carried over from the previous Recertification completed for the household. Any errors in rent resulting from use of data supplied directly from the state and/or federal agency will be considered caused by HA action and will be corrected as outlined in [Section 10](#) of this plan.
- g. **Hardship Committee.** A KCHA appointed Hardship Committee will be responsible for review of all Hardship Requests. The Committee shall be comprised of KCHA staff, including the Director of Housing Initiatives, the Senior Programs Manager, and an additional Resident Services Department staff person. Once a hardship review request has been submitted, the Committee will examine each family's circumstances on a case-by-case basis. The Committee has a choice of remedies it can recommend (including permanent, family-specific rent caps) as deemed appropriate, to reduce a qualifying household's rent burden.
- h. **Remedies Available under the Hardship Policy:** The Hardship Committee has a number of determinations that can be made under the policy including:

- No hardship exists;
  - Rent should be set at a permanent, family specific cap;
  - The energy assistance reimbursement (credit rent) should be extended for a specific period of time;
  - The rent increase should be phased in over a specific period of time;
  - The \$100 per month rent increase cap should be extended for up to one year – resulting in a two year maximum (Available only to families in occupancy when the EASY Rent and WIN Rent programs were implemented);
  - The \$100 per month rent increase cap should be phased out over a specific period of time – not to exceed three years for Easy Rent households and two years for WIN Rent households; (Available only to families in occupancy when the EASY Rent and WIN Rent programs were implemented);
  - Approval of an additional interim review for a family that has previously exhausted the established limit of 2 interim reviews per every 2-year cycle for WIN Rent households. In order to be considered for relief, the household must first meet the criteria for an interim review established above.
  - Approval of a Medical or Childcare Expense reduction from gross income in an amount above the \$10,000 maximum. Relief may be granted for a specific period of time, or indefinitely, as determined by the Committee. However, no relief will be granted without documentation of extraordinary circumstances beyond the control of the household.
  - Authorize completion of an interim rent recalculation for reductions in income below established thresholds. (NOTE: Available only to households affected by a reduction in a “fixed” source of income through no fault of their own.)
  - Appropriate combination of above listed options.
- i. **Appeals:** Families, who disagree with the recommendation of the Hardship Committee and/or final approval of the Director of Housing Management or Director of Resident Services, as applicable, may appeal the determination through the Housing Authority’s existing Informal Review process.

# Project-based Section 8 Administrative Plan

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King County Housing Authority

## **Hardship Policy:**

Households notified of a rent increase will be informed, in writing, of their ability to seek a waiver based on financial hardship through the Housing Authority's established Hardship Policy. The policy is designed to allow KCHA flexibility to address unique, unforeseeable circumstances that may occur and to protect families in crisis. In order to receive a hardship rent, the household must apply for all benefits for which it may be eligible. Zero income households will be required to report income changes on a quarterly basis, until income is restored to the household.

i. **Hardship Criteria.** The following categories for Hardship will apply to all program participants under KCHA's EASY Rent and WIN Rent programs:

- **Extraordinary Cost of Living:** A household may apply for a hardship review when they experience an extraordinary cost of living that exceeds 50% of the household's monthly income. Examples of when a family might meet this criterion include:
  - Any household whose combined gross rent plus monthly out-of-pocket medical or childcare expenses exceeds 50% of household monthly income. Gross Rent is defined as actual monthly rent paid plus the assigned energy assistance supplement, or, minimum rent (if applicable). Only unreimbursed medical expenses incurred for the care of an elderly and/or disabled household member will be considered in determining extraordinary costs. Childcare expenses will only be allowed when the expense meets eligibility thresholds for all other WIN Rent households as defined by the Housing Authority and when the amount is not reimbursed from another source.
- **Waiver of Minimum Rent / Extension of Energy Assistance Reimbursement beyond six (6) months:** A household may apply for an extension of its energy assistance reimbursement (credit rent) beyond the initial six month cap. To be eligible for hardship relief, the household would need to demonstrate that: (1) the loss of additional energy assistance would put the household at risk of losing their housing; (2) their continued lack of income has not been through the fault of the household, and (3) the household has applied for, but been unsuccessful in connecting to available financial resources for which they might be eligible.
  - **Exception:** Residents with exempt or excluded income and those who have been denied assistance (TANF, etc.) due to non-compliance with program requirements would not be considered to have a hardship meeting this category.
- **Additional Interim Review:** A WIN Rent household that has previously requested the maximum number of interim reviews to decrease their rent, but experiences an additional unforeseen decrease in income may request a hardship review. To

be eligible for relief (1) the family's decrease in income could not have been due to the action or inaction of a member of the household; and (2) if the interim review was not applied, the family's shelter burden would exceed 50% of monthly income. No hardship will be granted if KCHA determines the family could (but is not) accessing an available alternate income source.

- **Deduction for Medical or Childcare Expenses above the \$10,000 Cap:** A household eligible to receive a reduction from gross income for medical or childcare related expenses may request a hardship review to request a reduction of gross income above the \$10,000 cap. In order to be eligible for relief under this criterion, the family must document that (1) the claimed expense is not reimbursable from an outside source; and (2) annualized costs for rent and out-of-pocket medical and/or childcare expenses would exceed 50% of gross income. In the case of childcare expenses, the amount of childcare assistance paid is reasonable in relation to amounts charged for similar care available in close proximity to the household's current childcare provider.
  - **Mandatory Reductions to Fixed Income in excess of \$500.** Households who experience a reduction in a "fixed" source of income (GAU, Disability Lifeline, SSI, Social Security, TANF, and Government of Private Pensions) may be eligible for a reduction in rent when KCHA determines the loss of income was out of the control of the recipient. In such cases, KCHA will:
    - Conduct an interim review for reduction to a fixed income source in an amount greater than \$500 per year. (Rather than the standard \$2,000 threshold required under KCHA's Interim Review policy.)
    - Coordinate with state and/or federal agencies as soon as possible to document the income changes and streamline the interim review process using its existing tenant database to recalculate rent "in mass" in order to limit the impact upon the participating household. Under such circumstances, a modified interim review policy will be utilized to allow the HA to adjust rent based ONLY upon the revised income reported by the state and/or federal agency. Additional income and deduction amounts for the household will be carried over from the previous Recertification completed for the household. Any errors in rent resulting from use of data supplied directly from the state and/or federal agency will be considered caused by HA action and will be corrected as outlined in Section 10 of this plan.
- ii. **Hardship Committee.** A KCHA appointed Hardship Committee will be responsible for review of all Hardship Requests. The Committee shall be comprised of KCHA staff, including the Director of Housing Initiatives, the Senior Programs Manager, and an additional Resident Services Department staff person. Once a hardship review request has been submitted, the Committee will examine each family's circumstances on a case-by-case basis. The Committee has a choice of remedies it

can recommend (including permanent, family-specific rent caps) as deemed appropriate, to reduce a qualifying household's rent burden.

- **Remedies Available under the Hardship Policy:** The Hardship Committee has a number of determinations that can be made under the policy including:
  - No hardship exists;
  - Rent should be set at a permanent, family specific cap;
  - The energy assistance reimbursement (credit rent) should be extended for a specific period of time;
  - The rent increase should be phased in over a specific period of time;
  - The \$100 per month rent increase cap should be extended for up to one year – resulting in a two year maximum (Available only to families in occupancy when the EASY Rent and WIN Rent programs were implemented);
  - The \$100 per month rent increase cap should be phased out over a specific period of time – not to exceed three years for EASY Rent Households and two years for WIN Rent households; (Available only to families in occupancy when the EASY Rent and WIN Rent programs were implemented);
  - Approval of an additional interim review for a family that has previously exhausted the established limit of 2 interim reviews per every 2-year cycle for WIN Rent households. In order to be considered for relief, the household must first meet the criteria for an interim review established above;
  - Approval of a Medical or Childcare Expense reduction from gross income in an amount above the \$10,000 maximum. Relief may be granted for a specific period of time, or indefinitely, as determined by the Committee. However, no relief will be granted without documentation of extraordinary circumstances beyond the control of the household;
  - Authorize completion of an interim rent recalculation for reductions in income below established thresholds. (NOTE: Available only to households affected by a reduction in a “fixed” source of income through no fault of their own.)
  - Appropriate combination of above listed options.
- ii. **Appeals:** Families, who disagree with the recommendation of the Hardship Committee and/or final approval of the Director of Housing Management or Director of Resident Services, as applicable, may appeal the determination through the Housing Authority's existing Informal Review process.