

King County Housing Authority

# MTW Annual Plan

2013

600 Andover Park W; Tukwila, WA 98188

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## SECTION I: Introduction and FY 2013 Initiatives

### A. General Background

Since 2003, KCHA has been among a handful of select, high-performing Public Housing Authorities (PHAs) participating in the Department of Housing and Urban Development's (HUD's) Moving to Work (MTW) demonstration program. Established by Congress in 1996, the MTW demonstration provides these Public Housing Authorities with the regulatory and financial flexibility necessary to develop new approaches to addressing the housing needs of low-income residents in their region. A key feature of the demonstration is the ability of participating PHAs to combine Public Housing Operating, Capital and Section 8 funding into a single MTW block-grant and to allocate these resources outside of traditional program silos.

Given the freedom to move away from HUD's standardized programs and procedures, KCHA has implemented a variety of innovative, locally designed approaches to achieve the three statutory goals established by Congress:

- ❑ Increase housing choices for low-income families;
- ❑ Provide incentives and resources to enable families to attain economic self-sufficiency;
- ❑ Reduce costs and achieve greater cost effectiveness.

As an MTW agency, KCHA is required to submit an MTW Annual Plan to HUD prior to the beginning of each fiscal year. This is KCHA's FY 2013 MTW Annual Plan covering the fiscal year that begins January 1, 2013 and ends December 31, 2013. Following HUD's rigidly prescribed format, the Annual Plan serves as a compilation of both ongoing MTW initiatives previously approved by HUD and new initiatives proposed for implementation during the next fiscal year.

Major initiatives made possible under the MTW Demonstration Program have enabled KCHA to:

- ❖ **Strengthen the physical, operational, environmental and financial sustainability of our Public Housing and creatively finance the inventory's backlog of unmet capital needs**
- ❖ **Expand and preserve the supply of affordable housing in the region**

- ❖ Increase housing choices for low income households, including access to housing and services for disabled and chronically homeless populations
- ❖ Deconcentrate poverty and revitalize extremely low-income neighborhoods
- ❖ Begin to address the achievement gap for low income youth
- ❖ Promote economic self-sufficiency
- ❖ Streamline program operations and improve customer service
- ❖ Reduce the environmental footprint of the Housing Authority's operations

## B. KCHA's Initiatives for FY 2013

Looking forward to FY 2013 and beyond, KCHA intends to increase its focus on providing residents and program participants – especially children and young adults – with the educational and training opportunities necessary for academic and economic success. Mixing this commitment with previously implemented and ongoing MTW activities, KCHA's planned activities during the next fiscal year include:

- ❖ Expanding the number of extremely low income households KCHA serves. By the end of FY 2013 KCHA anticipates providing assistance to nearly 600 more households than at the start of the year, bringing the total number of households assisted to 14,326. The increase in households served reflects new public housing completing construction, conversions of non-subsidized units to public housing utilizing "banked" ACC authority, initial lease-up of new incremental vouchers, the over-leasing of Section 8 vouchers authorized by the Board of Commissioners and additional households assisted under new short-term or flexible rental assistance programs.
- ❖ Committing additional MTW resources to the elimination of accrued capital repair and system replacement needs in our federally subsidized housing inventory. In FY 2013 KCHA intends to invest more than \$22.5 million in public and private financing to improve quality, reduce maintenance costs and extend the life expectancy of its federally assisted housing stock.
- ❖ Continuing to develop a pipeline of new projects intended to increase the supply of housing dedicated to housing extremely low-income households. In FY 2013, KCHA

will fund pre-development activities at two sites already acquired by the Housing Authority which are anticipated to begin construction in 2014 and 2015. MTW funds may also be used to close outstanding equity gaps in the financing of these projects.

- ❖ On-going implementation of comprehensive rent reform policies, including revised recertification and utility allowance schedules and the elimination of flat rents, intended to streamline operations and provide families with incentives to attaining employment and increasing economic self-sufficiency. By the end of FY 2013 KCHA anticipates that nearly 200 higher income households will have transitioned out of Public Housing under revised rent policies, making these units available to extremely low income households currently on the waiting list.
- ❖ Continuing efforts under its Resident Opportunities Plan to support and move families along the path to economic self-sufficiency. During FY 2013, KCHA anticipates assisting 50 households under this program. In addition, KCHA has 300 Public Housing and Section 8 households enrolled in its Family Self-Sufficiency program.
- ❖ Developing new and expanded approaches to assisting KCHA youth to succeed in school through deepening partnerships with local school districts and KCHA residents. In FY 2013 KCHA will move into the next stage of implementation for its place-based initiatives in three communities and initiate classroom stability counseling on a broad scale. As part of this initiative KCHA and three local school districts have executed data sharing agreements and are developing a long-term framework for tracking educational outcomes with initial metrics focused on achieving grade level reading competency by the end of third grade. Additional program and policy options will be explored this year to support these efforts. These may include modification to KCHA's lease agreements and administrative and occupancy policies as well as possible design and implementation of a matched savings account program.
- ❖ Increasing partnerships to address the multi-faceted needs of our most vulnerable populations: disabled veterans; chronically mentally ill individuals cycling between the street, the jail system and hospital emergency rooms; youth who are homeless or transitioning out of foster care; and high-need, homeless families engaged with the child welfare system. At the end of 2012, KCHA was housing 75 formerly homeless young adults in supportive housing. In FY 2013, in support of King County's Plan to Reduce Young Adult Homelessness, KCHA intends to significantly increase

this number – providing up to 50 additional rental subsidies in combination with supportive service funding from partner agencies. FY 2013 will also mark the first full year of operation for the Passage Point Program, which reunites parents exiting the criminal justice system with their children. In support of these initiatives KCHA is developing new flexible and conditional housing program designs.

- ❖ Expanding assistance to homeless and at-risk households through a short-term rental assistance pilot. During FY 2013, in support of identified best practices to prevent and reduce homelessness, KCHA will partner with the Highline School District and their McKinney-Vento liaisons, to develop a pilot program that provides short-term rental assistance to homeless families and reduces mandated transportation costs for the school system under the McKinney-Vento Act.
- ❖ Ensuring cost effective operation of housing programs through streamlining of business processes, digitalization of client files and transition to a new software platform for core business functions. In FY 2013, KCHA will complete a review of core business processes, with a focus on enhanced customer service, more efficient use of staff resources and improved program administration and evaluation. This will be followed by the selection and the initial phases of conversion to a new housing management software system. In addition, the entire portfolio of public and affordable housing directly managed by KCHA, with approximately 3,500 resident files containing 1.25 million pages of documents, will be converted to digital files. Total annual savings from MTW-authorized modifications to KCHA's business processes and policies are projected to reach 3,200 hours by the end of 2013.
- ❖ Improving the geographic mobility of low-income households and increasing housing choice through programs and policies that reduce barriers to access to low-poverty, high opportunity neighborhoods. This initiative includes a multi-pronged approach that combines the use of multiple payment standards, mobility counseling and new property acquisitions with the project-basing of Section 8 vouchers in targeted opportunity neighborhoods. As of the end of FY 2011, a total of 18.2 percent of KCHA's Section 8 households resided in designated "opportunity zones". In FY 2013, despite the increasing geographic segregation by income levels seen regionally, KCHA will look to sustain and increase the percentage of households residing in these neighborhoods.
- ❖ An on-going reduction in the environmental impact of KCHA's programs and facilities. FY 2013 will be the third year of operation under KCHA's Resource

Management Plan. The Plan details a broad range of strategies to reduce KCHA's energy and water consumption, divert materials from the waste stream, handle hazardous waste and influence tenant behavior. This year KCHA will begin receiving "whole building" consumption data from local utility companies, enabling it to track and assess energy usage more accurately and assisting it in achieving five year goals.

- ❖ Continue exploring ways in which MTW agencies can collaborate to advance the goals of the MTW demonstration and work with HUD to simplify and streamline oversight of the program and take to scale successful innovations made possible under the demonstration.

In developing its FY 2013 MTW Annual Plan, KCHA has remained dedicated to open and clear communication with residents, the Resident Advisory Committee, community stakeholders and the public. As required under the terms of its MTW Agreement, copies of the draft Plan were made publicly available for a period of no less than 30 days. On September 24<sup>th</sup>, 2012, following public notice, a Public Hearing was held to review the MTW Plan components and receive community and resident comments and feedback. A compilation of comments received was reviewed by KCHA's Board of Commissioners prior to their approval of the draft Plan on October 15<sup>th</sup>, 2012 and, together with KCHA's responses, is incorporated into Section VIII of this document.



## SECTION II: General Housing Authority Operating Information

### A. Housing Stock Information

Since 2003, KCHA has implemented a number of initiatives designed to increase households served across the Puget Sound region. Cost savings initiatives, such as modification of HQS inspection protocols and designing Payment Standards that consider the unique rental sub-markets of the County, have allowed KCHA to expand the size of its Public Housing and Section 8 programs, as well as partner with local support service agencies to increase affordable housing resources for some of the County's most at-risk populations. As shown below, KCHA anticipates its inventory, exclusive of HCV port-ins, will reach more than 11,900 units by the end of FY 2013.

**TABLE II.A: INVENTORY BREAKDOWN for FY 2013**

(Public Housing, HCV, Other-HUD and Local programs)

Program	Inventory at MTW Program Entry:	Inventory at Beginning of Fiscal Year: Jan. 1, 2013	Anticipated FY 2013 Inventory Additions:	Anticipated FY 2013 Inventory Removals:	Inventory Projected at FY End: Dec. 31, 2013
Public Housing	3292	2006	185	0	2191
HCV: General MTW <sup>1</sup>	6024	5761	175	0	5936
HCV: Project-based MTW	0	1520	508	0	2028
HCV: Local MTW-funded <sup>2</sup>	0	275	0	0	275
Other MTW: Local Subsidy Programs	0	142	20		162
<b>TOTAL MTW UNITS</b>	<b>9,316</b>	<b>9,704</b>	<b>888</b>	<b>0</b>	<b>10,592</b>
HCV: VASH, non-MTW	0	270	50	0	320
HCV: Mainstream, non-MTW	350	350	0	0	350
HCV: Designated, non-MTW	0	100	0	0	100
HCV: Certain Develop, non-MTW	0	100	0	0	100
HCV: FUP-2009-2011, non-MTW	0	139	0	0	139
HCV: Tenant Protection, non-MTW	0	563	136	563 <sup>3</sup>	136
<b>Total non-MTW Vouchers</b>	<b>350</b>	<b>1,522</b>	<b>186</b>	<b>563</b>	<b>1,145</b>
Other HUD: Sec 8 New Constr/236	174	196	0	196	0
Other HUD: Preservation	272	41	0	0	41
Other, non-HUD: LOCAL	303	149	0	0	149
<b>Total OTHER programs</b>	<b>749</b>	<b>386</b>	<b>0</b>	<b>196</b>	<b>190</b>
<b>TOTAL Non-MTW UNITS</b>	<b>1,099</b>	<b>1,908</b>	<b>186</b>	<b>759</b>	<b>1,335</b>
<b>Total Housing Stock</b>	<b>10,415</b>	<b>11,612</b>	<b>1,074</b>	<b>759</b>	<b>11,927</b>

<sup>1</sup> Does not include 2,431 HCV port-ins administered by KCHA (data as of 8/1/12) or possible addition of vouchers awarded through competitive grants in FY 2013.

<sup>2</sup> Represents HCV units funded above HUD's established baseline through use of MTW block grant resources.

<sup>3</sup> Reflects units that will transfer to the MTW block grant during FY 2013; these are included as additions to HCV General and Project-based MTW categories above.

❑ **Description of Planned Significant Capital Expenditures:**

During FY 2013, KCHA plans to expend over \$22.5 million to complete critical capital improvements to its Public Housing communities. In addition to completing the redevelopment of the public housing at Park Lake Homes Site II under the HOPE VI program, the agency's capital plan will continue to address the substantial backlog of critical repairs across the rest of its federally subsidized housing inventory. Funding for these projects will be provided from a range of sources including Public Housing Capital and RHF funds, accumulated MTW working capital and leveraged private capital through innovative financing strategies. Although KCHA does not anticipate that any individual activity will approach HUD's 30 percent reporting threshold, major rehabilitation projects and their related expenditures, including multi-year projects continued from FY 2012, are listed below:

- **Community Facilities Project - FY 2013 Expenditures: \$1,083,944.** KCHA will complete the reconstruction and expansion of community facilities at Spiritwood Manor and Hidden Village in 2013 in order to provide critical support for education and self-sufficiency programs sited directly on resident's doorsteps. These are the last of seven federally assisted developments where community facilities built or expanded under this initiative are enabling enhanced after-school programming for kids and support for their parents. When complete KCHA will have 20 early-learning and after-school centers operating on-site at its developments. Funding is being provided through a mix of MTW working capital, capital grants and local philanthropic support.
- **Green River Homes Renovation/Reconstruction Project - FY 2013 Expenditures: \$409,000 (project closeout).** One of KCHA's oldest Public Housing developments, Green River Homes required significant reinvestment beyond the level available under current Public Housing Capital Fund levels. To finance necessary renovations, the property was leased to Green River Homes 2 LLC, a KCHA-controlled tax-credit partnership, in late 2011. KCHA assembled funding for the \$12.84 million renovation by combining federal low-income housing tax credit (LIHTC) equity with public and private debt collateralized with MTW single-fund resources. The debt will be supported by Project-based Section 8 rent subsidies and RHF funds. Major milestones include:

<u>February 2011</u>	Conditional approval by HUD for disposition via lease to a partnership controlled by KCHA
<u>November 2011</u>	Entry of tax-credit partner and lease of property to partnership
<u>December 2011</u>	Permanent financing in place
<u>February 2012</u>	Start of renovation
<u>December 2012</u>	Projected date for substantial completion of renovation and re-occupancy of property
<u>June 2013</u>	Projected date for meeting all investor and tax credit requirements

While the renovation will decrease the public housing inventory by 60 units, Section 8 vouchers provided by HUD in connection with the disposition of this site will increase the number of households served by KCHA's HCV program by 59 families. All units will receive a project-based Section 8 subsidy, assuring no net loss of affordable inventory. The transition from public housing to Section 8 subsidy will not change the demographic make-up of the community. All households were assisted according to Section 18 of the United States Housing Act of 1937 and have the right, if they have remained in good standing with the Housing Authority, to return to the site after completion of construction.

As indicated above, funding is being provided from multiple sources including private debt secured by MTW single-fund resources. The debt will be partially repaid with the RHF resulting from the disposition of Green River and the 509 units of scattered-site public housing referenced in this Plan and approved by HUD in 2012. The first 5-year increment of RHF resulting from the disposition of Green River will be included in the FFY 2013 Capital Fund Program Award and used to make the first semi-annual debt service payment occurring after the funds are available. The first increment of RHF for the 509 units is also expected to be available in the FFY 2013 Award. The last year of the second 5-year RHF increment will be funded in FFY 2022.

KCHA is using authorization provided under its MTW Agreement to utilize its capital funds to support project-based Section 8 housing at this site.

**Table 1** identifies the projected funding sources for the acquisition (lease payments) and renovation costs.

**Table 2** shows the projected debt service for the KCHA-issued bonds and the Capital Fund Program RHF Grant Amounts for both Green River and the 509 Units.

Table 1 Development Funding Sources – Green River Homes Renovation		
Source	Use	Amount
Manager Equity and Investor Tax Credit Equity	Lease Payments (Incl. Interest)	\$4,525,000
	Project Management, A&E, Legal	434,000
		<u>\$4,959,000</u>
KCHA Re-Loan of \$9.5m Bond Proceeds and \$3.0m MTW-Funded Loan plus deferred Developer fee	Renovation. A&E, Project Mgmt.	\$12,147,000
	Financing, Legal, Title	160,000
	Relocation	300,000
	Other Soft Costs	153,000
		<u>\$12,760,000</u>
Total Sources & Uses		\$17,719,000

Table 2 Debt Service and RHF Grant Awards – Green River Renovation <sup>1</sup>				
Year	Green River <sup>3</sup>	509 Units <sup>3,6</sup>	Annual Award <sup>4</sup>	Debt Service <sup>5</sup>
2012				\$250,000
2013	\$82,403	\$699,055	\$781,459	250,000
2014	82,403	699,055	781,459	1,374,999
2015	82,403	699,055	781,459	1,352,272
2016	82,403	699,055	781,459	1,329,545
2017	82,403	699,055	781,459	1,306,817
2018	82,403	699,055	781,459	1,284,090
2019	82,403	699,055	781,459	1,261,363
2020	82,403	699,055	781,459	1,238,635
2021	82,403	699,055	781,459	1,215,908
2022	82,403	699,055	781,459	1,193,181
2023				1,170,453
2024				1,147,727
2025				
Totals <sup>2</sup>	<u>\$ 824,030</u>	<u>\$6,990,550</u>	<u>\$7,814,590</u>	<u>\$14,374,990</u>
1 – RHF Per Unit Grant amounts used for FFY 2013 and subsequent years are the average of the FFY 2012 CFP.				
2 – Totals may not foot due to rounding differences.				
3 – Year is year of FFY funding and amounts are total funds awarded.				
4 – Amounts available to pay debt service; because of timing of RHF availability, all RHF may not be drawn in a particular year; any unused funds are drawn for next scheduled payment.				
5 – Payments made semi-annually, two payments of interest and one of principal; additional principal payments may be made if surplus cash is available, as permitted by bond holder.				
6 – Assumes RHF from 509 Units available starting in FFY 2013.				

- **“509” Project Upgrades – FY 2013 Expenditures: \$7,486,000.** KCHA has received authorization from HUD to convert 22 scattered-site Public Housing developments to Project-based Section 8 subsidy. Commencing in FY 2013, the sites will undergo significant capital improvements including building envelope and site infrastructure upgrades, indoor air quality mitigation and interior unit modernization. At Kirkwood Terrace (28 units - Kirkland, WA) and Vista Heights (30 units – Renton, WA), where persistent drainage failures and flooding have caused significant damage, repairs to the existing storm drainage systems began in the third quarter of FY 2012. Installation of additional catch basins and new tight-lined run-off systems in addition to foundation and crawl space drainage improvements at these two sites will continue in FY 2013. Capital improvements to this scattered-site inventory, intended to address years of deferred capital investment, will involve an estimated \$33 million in repairs over the next ten years. Absent disposition approval, KCHA estimates these repairs would require more than 37 years of capital funding allocations to ensure long-term viability.
- **Wayland Arms – Sewer, Site and Common Area Upgrades – FY 2013 Expenditures: \$1,143,830.** The initial scope of work for the Wayland Arms development (67 units – Auburn, WA) was limited to replacement of the sewer main servicing the site. However, additional engineering analysis completed in FY 2012 identified significant settlement issues in the building’s concrete slab that required expansion in the project’s scope and a year’s delay in commencing repairs. Funding for this work will be provided through KCHA’s MTW working capital and will involve replacement of a portion of the concrete slab and structural reinforcement of the slab foundation to prevent further settling and erosion as well as repair of the sewer main.
- **Unit Upgrade Project - FY 2013 Expenditures: \$3,300,000.** KCHA’s ongoing effort to significantly upgrade the interiors of its Public Housing and affordable housing inventory as apartments turn over will continue during FY 2013. Using KCHA’s in-house skilled workforce, the Housing Authority anticipates renovation of an additional 150 apartments. Renovations include installation of new flooring, cabinets and fixtures that will extend the useful life of unit interiors by 20 years. Projected savings when compared to a “whole building/outside contractor” approach are estimated at \$17,000 per unit – a total of \$2.5 million in annual savings. This project is supported in full by KCHA’s MTW block-grant

using the Single-fund Budget and Use of Funds flexibility under the MTW program.

- **Building Envelope Upgrades: FY 2013 Expenditures: \$6,856,000.** The KCHA building envelope upgrade initiative continues in FY 2013. Using MTW resources, building exterior improvements will commence at Campus Court, Gustaves Manor, Hidden Village, Northridge I, Shoreham, and Victorian Woods. A portion of the \$400,000 in scheduled envelope and site work at Nike Manor, a KCHA-owned emergency and transitional housing campus in Kent, may also be funded from MTW working capital. These building envelope upgrades address life cycle replacement issues, improve envelope performance, implement energy conservation measures and enhance the physical appearance of the developments – helping to ensure their physical and financial viability over the long-term and reducing on-going utility costs and energy consumption for both KCHA and residents.
- **Valli Kee Site-based Management Office and other Capital Projects: FY 2013 Expenditures: \$1,400,000.** Completion of the new community facility at Valli Kee will enable KCHA to convert the existing community building to a much needed site-based management office – allowing KCHA to expand on-site management services for the site’s residents. In addition, KCHA will replace deteriorated waste and domestic water lines at Ballinger Homes, Valli Kee, Eastridge House, Northridge I and II, Boulevard Manor, and Casa Juanita, complete water intrusion repairs at Park Royale and install new walkways at Island Crest. These improvements will be funded from MTW working capital.
- **Use of RHF Funding: FY 2013 Expenditures: \$617,856 for Birch Creek Apartments (formerly Springwood) and \$781,459 for Green River Homes.** In FY 2013, KCHA will use first and second increment RHF funding available from the disposition of Springwood, Park Lake Homes I and Park Lake Homes II to make debt service payments for bonds issued by KCHA and lent to Soosette Creek LLC to pay for development costs incurred in the renovation of Birch Creek (see Table 3 below). KCHA may also use RHF Funds from the disposition of Green River Homes and the 509 units to make debt service payments on the Birch Creek bonds in future years; and KCHA may use RHF funds from the disposition of Springwood, Park Lake Homes I and Park Lake Homes II to make debt service payments on the Green River bonds in future years.

Similarly, starting in 2013 KCHA will use the First Increment RHF funds as they become available from the dispositions of Green River Homes and the 509 units to make debt service payments on bonds issued by KCHA and lent to the Green River partnership. See Table 2 above included with the Green River Renovation Capital Expenditures description for projected debt service and RHF Grant awards.

KCHA plans to extend the eligible use of RHF for debt service payments for the full ten-year period otherwise allowed for the replacement of public housing. Pursuant to the amendment of Attachment D to KCHA's Restated and Amended MTW Agreement, KCHA intends to use 100 percent of the ten (10) years of RHF funding available for both Birch Creek and Green River to make debt service payments on bonds issued by KCHA to pay for a portion of the renovation costs for these properties. KCHA will utilize any remaining RHF funds in LOCCS from previous years as well as new award amounts to pay principal and interest due in FY 2013 and beyond. Note: The last payment on the bonds for Birch Creek is scheduled to be made in 2038; and the last payment on the bonds for Green River is projected to be made in 2025.

<b>Table 3</b> <b>Debt Service and RHF Grant Awards – Birch Creek Renovation <sup>1</sup></b>				
<b>Year <sup>3</sup></b>	<b>Birch Creek <sup>3</sup></b>	<b>Park Lake <sup>3,6</sup></b>	<b>Total Annual Award <sup>4</sup></b>	<b>Debt Service <sup>5</sup></b>
<b>2008-2012</b>	<b>\$2,313,329</b>	<b>\$1,934,559</b>	<b>\$4,247,888</b>	<b>\$11,611,000</b>
<b>2013</b>	<b>358,737</b>	<b>182,068</b>	<b>540,805</b>	<b>3,450,000</b>
<b>2014</b>	<b>346,419</b>	<b>259,119</b>	<b>605,538</b>	<b>3,527,000</b>
<b>2015</b>	<b>346,419</b>	<b>259,119</b>	<b>605,538</b>	<b>3,570,000</b>
<b>2016</b>	<b>346,419</b>	<b>259,119</b>	<b>605,538</b>	<b>3,660,000</b>
<b>2017</b>	<b>346,419</b>	<b>77,051</b>	<b>423,470</b>	<b>3,339,000</b>
<b>2018</b>	<b>346,419</b>	<b>77,051</b>	<b>423,470</b>	<b>3,415,000</b>
<b>2019</b>		<b>77,051</b>	<b>77,051</b>	<b>3,480,000</b>
<b>2020</b>		<b>77,051</b>	<b>77,051</b>	<b>2,227,000</b>
<b>2021</b>		<b>77,051</b>	<b>77,051</b>	<b>1,423,000</b>
<b>2022-38</b>				<b>24,049,000</b>
<b>Totals <sup>2</sup></b>	<b><u>\$4,404,161</u></b>	<b><u>\$3,279,239</u></b>	<b><u>\$7,683,400</u></b>	<b><u>\$63,751,000</u></b>

1 – RHF Per Unit Grant amounts used for FFY 2013 and subsequent years are the same as FFY 2012.

2 – Totals may not foot due to rounding differences.

3 – Year is year of FFY funding and amounts are total funds awarded.

4 – Amounts available to pay debt service; because of timing of RHF availability, all RHF may not be drawn in a particular year; any unused funds are drawn for next scheduled payment.

5 – Payments made semi-annually, two payments of interest and one of principal each year.

6 – Park Lake calculation assumes 50 more units worth of RHF available starting with FFY 2013.

❑ **New Public Housing units to be added during FY 2013: 185 units**

While there are no new properties currently in the acquisition pipeline, KCHA intends to utilize previously approved MTW authority to acquire new inventory where banked Public Housing ACC can be utilized as opportunities present themselves in the market. Competition for commercial residential real estate in the Puget Sound market is intense and success depends upon an ability to move quickly to secure an option when a property is placed on the market. Typically KCHA utilizes a corporate line of credit to initially secure suitable properties and then uses MTW program flexibility to support long-term debt financing and, when appropriate, to bring “banked” Public Housing or other single-fund subsidies on-line as described in Sections VI and VII of this Plan.

Previously acquired sites currently considered for possible addition to KCHA’s Public Housing inventory during FY 2013 include:

- ❖ **Westminster Manor**, a 60-unit development located in Shoreline, Washington. Purchased by KCHA in 2010, the site’s HUD-subsidized Section 236 contract (covering 24 units) will expire in 2013. To ensure Westminster Manor remains a viable housing resource for low-income elderly and disabled households, KCHA is considering a variety of options for replacing the current HUD contract - including the potential for adding the site to its Public Housing or Project-based Section 8 inventory.
- ❖ **Island Crest**, a 30-unit family development located on Mercer Island. This property was acquired in 2011 and is currently managed, but not funded, through KCHA’s Public Housing Department. Accessing “banked” public housing ACC or Section 8 HAP funding will strengthen the cash flow on this property and help ensure that rent burdens for existing and future tenants remain reasonable. Provision of housing affordability in this “high opportunity” area will provide low-income families with children access to high achieving schools and a solid employment base. In tandem with the addition of this site to its federally assisted housing inventory, KCHA may implement a waiting list priority for families currently living on Mercer Island in order to ensure the city’s existing low-income residents are not economically displaced from the island by rising market rents.



- ❖ **Shelcor Apartments**, an 8-unit family development located in the city of Kent, Washington. Owned by KCHA since 1985, the site was previously leased to the YWCA and operated as transitional housing for homeless families under KCHA's Local Program. A shift in programming next year at the YWCA may result in the property being turned back to KCHA. Shelcor is conveniently located near the downtown Kent business corridor, providing easy access to a large employment base, support services and transportation. Addition of the site to KCHA's Public Housing inventory will help ensure its long-term viability as a housing resource for extremely low-income households residing in southeast King County.

In addition to conversion of previously acquired sites, KCHA anticipates the completion of the **Fairwind Apartments** during the next fiscal year. Located in the heart of KCHA's newly rehabilitated Seola Gardens HOPE VI community, construction and occupancy of the Fairwind phase of the Seola Gardens' development will be completed in the fall of 2013. This public housing development includes 87 units with a mix of one, two, three, four and five bedroom apartments using a mix of flat and town-house housing typologies.

Table 4		
NEW Public Housing Units to be Added to Inventory: FY 2013		
Site	Unit Type	# Units
<b>Westminster Manor<sup>4</sup></b>	1-bedroom - Elderly	60
<b>Island Crest<sup>3</sup></b>	Family	30
<b>Shelcor Apartments</b>	Family	8
<b>Fairwind Apartments</b>	Family	87
<b>TOTAL Units to be ADDED to INVENTORY in FY 2013: 185</b>		

<sup>4</sup> Final determination of program assignment is pending – KCHA is currently considering a variety of options for ensuring these units remain affordable for low-income residents including but not limited to: use of banked PH ACC to increase the Public Housing inventory, adding the units to its Project-based program or using a mix of available subsidy resources to ensure adequate financial resources are available to support long-term viability of the developments,

❑ **Number of Public Housing units to be removed from inventory during the FY: 0 units**

KCHA anticipates that the disposition of Public Housing units under the “509 Project” (proposed in 2011) will be completed by the end of FY 2012. KCHA does not currently intend to request the removal of any additional Public Housing units in FY 2013.

❑ **New Project-based units placed under contract during the FY: 136 units**

Using authorizations provided through participation in the MTW demonstration, KCHA has developed a Section 8 Project-based program that is administered under a locally-designed Administrative Plan. The plan identifies nine policy objectives that can be furthered through the project-basing of vouchers including:

- ❖ Increase the supply of the affordable housing stock in King County through the support of new development.
- ❖ Increase the level of affordability of existing affordable housing stock.
- ❖ Preserve and revitalize existing affordable housing stock.
- ❖ Increase housing choice for “special needs” households by strengthening and expanding the continuum of supportive housing programs in King County.
- ❖ Focus on the needs of extremely low income households.
- ❖ Assist in reaching KCHA’s goal to deconcentrate poverty in the region by replacing public housing units targeted for demolition with units located in opportunity neighborhoods.
- ❖ Reduce concentrations of subsidized households, especially families with children.
- ❖ Enhance the opportunities for families to become economically self-sufficient.
- ❖ Maximize coordination of Section 8 assistance, housing development and support service resources.

KCHA anticipates adding a total of 136 Housing Choice Vouchers to its Project-based inventory during FY 2013 in conjunction with new and on-going MTW activities outlined in this MTW Plan and KCHA's locally developed Project-based administrative policies.

NEW Project-based Units to be Added to Inventory: FY 2013		
Development Name	Number of Units	Description
Burien Park	102	"Expiring use" Section 8 New Construction project. Permanent housing for 102 elderly households to be project-based under KCHA's preservation strategy: 102 1-bedroom units
The Northwood	34	"Expiring use" Section 8 New Construction project. Permanent housing for 34 elderly households to be project-based under KCHA's preservation strategy: 34 1-bedroom units
TOTAL new Project-based units in FY 2013: 136		

At the end of FY 2013, KCHA anticipates that the Authority will have 2,206<sup>5</sup> units under Project-based Section 8 HAP contracts – representing approximately 25 percent of KCHA's overall Section 8 program inventory.

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<sup>5</sup> Includes Project-based MTW, Tenant Protection and VASH voucher units.

## B. Leasing Information

KCHA continues to use its MTW flexibility to expand the number of households served, to align housing and services for hard-to-house populations and to expand geographic choices for program participants in the Housing Choice Voucher and locally designed leasing programs.

In FY 2013, KCHA anticipates it will provide housing subsidy to more than 429 households above its HUD Section 8 baseline. Of these, up to 275 households will be served through over-issuance of Housing Choice Voucher assistance to households selected from the Authority's primary waiting list. An additional 154 households – among them individuals and families who would not traditionally qualify for KCHA's standard Public Housing and Section 8 programs - will be assisted through local subsidy programs made possible as a result of KCHA's participation in the MTW program. For example, KCHA's Sponsor-based program (initiated in FY 2007) provides funding to non-profit service providers to house targeted populations including homeless youth and chronically homeless mentally ill individuals under a "housing first" model. This innovative program demonstrates the benefits of providing PHAs the freedom and flexibility to develop and implement local solutions to local housing challenges. In FY 2013, KCHA intends to expand upon the success of the Sponsor-based program, developing housing options for program graduates and will also explore flexible and short-term housing assistance programs that will allow KCHA to rapidly re-house additional households.

At the same time, KCHA will continue to project-base Section 8 in "high opportunity" areas of the region, ensuring greater access to educational opportunities and enabling working families to live in the communities in which they are employed. In FY 2011, KCHA executed a Memorandum of Understanding with A Regional Coalition for Housing (ARCH), a consortium of 15 cities in East King County that administers combined funding from these multiple jurisdictions for the development of affordable housing. The MOU commits KCHA to project-basing 80 Housing Choice Vouchers in housing being constructed or acquired by non-profit housing providers utilizing funding from ARCH. Under the agreement, a total of 50 percent of these units must be dedicated to formerly homeless households. While no new Housing Assistance Payment contracts are anticipated to be executed in 2013, several new projects may enter the development pipeline.

In addition, KCHA is seeking to consolidate its multiple HUD rental subsidy programs. Reduction in the number of different subsidy programs has been identified as a high priority goal under HUD's legislative agenda. A reduction in the number of different sets of rules properties are operated under will create administrative efficiencies across the Authority. During FY 2013, KCHA intends to convert two contract-based Section 8 complexes (136 units) to project-based Section 8 subsidies.

Table II.A (shown on page 6) provides the total number of "hard units" owned by KCHA together with the number of HCV units administered by KCHA. In contrast, the "Leasing Information" shown in this Section of the MTW Plan in Table II.B below details the total number of **actual households served** inclusive of Section 8 "port-ins" administered by KCHA. In total, by the end of 2013 KCHA anticipates serving 570 more households under its federally subsidized programs than it was at the beginning of the year.

<b>TABLE II.B: Total HOUSEHOLDS UNDER LEASE for FY 2013</b> (Public Housing, HCV, Other-HUD and Local programs)			
Program	Households at MTW Program Entry:	Projected Households at Fiscal Year Begin: January 1, 2013	Projected Households at Fiscal Year End: December 31, 2013
Public Housing: MTW	3259	1966 <sup>6</sup>	2147 <sup>5</sup>
HCV: General MTW <sup>7</sup>	6903	8705	8808
HCV: Project-based MTW	0	1234	1653
HCV: Local MTW-funded <sup>8</sup>	0	275	275
Other-MTW: Local Subsidy programs	0	124	154
<b>Total MTW Households</b>	<b>6,903</b>	<b>12,304</b>	<b>13,037</b>
HCV: VASH, non-MTW	0	214	274
HCV: Mainstream, non-MTW	350	350	350
HCV: Designated, non-MTW	0	100	100
HCV: Certain Develop, non-MTW	0	100	100
HCV: FUP-2009 -2011, non-MTW	0	139	139
HCV: Tenant Protection, non-MTW	0	163	136
<b>Total non-MTW Vouchers</b>	<b>350</b>	<b>1066</b>	<b>1099</b>
Other HUD: Sec 8 New Constr / 236	174	196	0
Other HUD: Preservation	271	41	41
Other, non-HUD : LOCAL	303	149	149
<b>Total OTHER programs</b>	<b>748</b>	<b>386</b>	<b>190</b>
<b>Total Households Served</b>	<b>11,260</b>	<b>13,756</b>	<b>14,326</b>

<sup>6</sup> Assumes 98 percent occupancy

<sup>7</sup> Includes a total of 2,431 HCV port-ins that are anticipated at the beginning of FY 2013 - this number is expected to remain steady through FYE 2013.

<sup>8</sup> Voucher units funded above KCHA's HUD authorized baseline using MTW block grant resources.

## ❑ Description of potential difficulties in leasing units

KCHA staff works proactively to hold unit turnover time in its Public Housing inventory to an absolute minimum. With adjustment for approved off-line units and those undergoing modernization, KCHA maintains an overall occupancy rate above 98 percent. In addition, as FY 2013 approaches, with the exception of vouchers awarded within the last six months, KCHA's Section 8 Housing Choice Voucher program lease-up rate remains above 100 percent. KCHA intends to maintain this high level of operational excellence in 2013.

At the same time, KCHA will continue to target assistance to "hard-to-house" households and maintain its commitment to developing programs that eliminate barriers to housing access for chronically homeless and mentally-ill households - increasing housing choice for this high need population. Key initiatives underway include vouchers targeted through the VASH and FUP programs. Historically, lease-up of these units tends to lag that of other programs due to delays in VA and service provider referrals, difficulties in securing landlord approvals, and the need to ensure that appropriate services are in place to provide support to assisted households. While every effort will be made to meet established lease-up benchmarks for KCHA's assisted inventory, the continued targeting of assistance to highly vulnerable households who require intensive assistance in securing landlord approvals may impact leasing outcomes.

Once housed, careful coordination with regional service systems helps ensure the long-term success of these households in retaining their housing assistance. During FY 2013, KCHA will work in close collaboration with community partners to support housing stability. As part of this commitment KCHA has recently signed a Memorandum of Understanding with the Veterans Administration to "embed" VA caseworkers in KCHA's Section 8 offices, ensuring close day-to-day coordination between the two systems. A similar arrangement is in place with the region's YWCA, which provides case support to many of the Section 8 program's disabled clients.

## C. Waiting List Information

### ❑ Description of anticipated changes in waiting lists (site-based; community-wide; HCV; merged)

KCHA operates separate waiting lists for its Public Housing, Section 8 and Project-based programs. Generally, applications for the **Section 8 Housing Choice Voucher program** are accepted during specified periods only. At the end of a designated application period, the waiting list is closed and KCHA enters a limited number of applicants (typically 2,500) on the Section 8 waiting list through random “lottery” number assignment. From the pool of 2,500, eligible applicants meeting local preference criteria are selected for program participation according to their assigned lottery number. In addition to the lottery process for its general voucher pool, separate waiting lists for vouchers targeted by HUD to priority populations are maintained in conjunction with KCHA agency partners. Applicants for these special program vouchers (such as those available under the VASH and Mainstream programs) may apply year-round.

KCHA’s **Public Housing program** currently operates under a Site-based, Regional and Set-aside waiting list system as well as a set of local preferences. Applicants may choose to apply for up to two (2) Site-based, or two (2) Regional waiting lists. Combined use of Site, Regional and Set-aside waiting lists provides KCHA maximum flexibility in matching client needs and preferences to unit type, location and available resources. Site-based waiting lists allow applicants to choose specific developments in which they wish to reside. The Regional waiting lists allow applicants to access a greater number of units for which they can be selected for residency - providing applicants who may have an urgent need for assistance faster entry into KCHA’s housing programs. At the same time, Set-aside waiting lists allow KCHA to collaborate with regional service systems to ensure a continuum of support for families moving along a path toward self-sufficiency. Under this approach every third vacancy in KCHA’s Public Housing family developments is prioritized for formerly homeless families graduating from the Sound Families transitional housing system. In addition, a specific site-based waiting list is in place for Pacific Court, KCHA’s only Public Housing development with intensive on-site supportive services designed to provide chronically homeless, disabled households with permanent housing. During FY 2013, the Housing Authority will continue to monitor the current waiting list system. Changes (such as modified preferences and priorities, etc.) may be implemented during the year to improve efficiency, increase program access, expand housing choice and address the needs of low-income households in the region. In

particular, during FY 2013, KCHA may apply a residency preference to its Island Crest development that provides homeless low-income households living on Mercer Island with priority access to Public Housing units on the Island as they become available.

Excluding units in KCHA's transitional and supportive service programs, the **Project-based Section 8** waiting lists operate in similar fashion to the Public Housing waiting lists and are administered by KCHA's Central Applications Center. Applicants can apply through Site-based or Regional waiting lists. During FY 2010, KCHA modified program administration to allow direct referrals by the managers of housing in which Project-based units are sited when KCHA is unable to locate a suitable applicant to fill a vacancy in a timely manner. As noted, additional changes in waiting list preferences and priorities may be implemented during FY 2013 to further streamline program administration, expand housing choice, address regional needs and improve cost efficiency.

KCHA does not currently plan to implement major modifications of the existing waiting list systems for its Public Housing, HCV or Project-based programs. However, changes may be identified and become necessary as KCHA moves forward with the planned replacement of its property management software system. Minor modifications currently being reviewed by KCHA for possible implementation in 2013 include revisions to the definition of "Elderly Households" to include households whose head and/or spouse is age 55 or over - simplifying waiting list management by eliminating the need to separately track eligibility of "near-elderly" (those between age 55 and 62) households. Changes in demographics relating to the split between elderly and non-elderly households on the waiting list (participating in KCHA's programs) would likely result from implementation of this proposal. A second possible modification would clarify the definition of "Family" to require that an eligible household include either an elderly or disabled household member or a minor child. In addition, during FY 2013, KCHA may consider merging waiting lists between all or a portion of its subsidized programs in order to generate savings through increased staff specialization and streamlined program administration.

❑ **Description of anticipated changes in the number of families on the waiting list(s) and/or opening closing of the waiting lists**

KCHA continues to see an increase in the number of households actively seeking housing assistance through its Public Housing program. Currently more than 13,000 households are listed as applicants on KCHA's **Public Housing and Project-based** waiting



lists. With demand for affordable housing continuing to out-pace supply, rapidly rising rents and the slow economic recovery in the region, it is anticipated the number of households seeking assistance through KCHA's affordable housing programs will continue to escalate. As a result, KCHA intends to continue to provide open access to its Public Housing and Project-based Section 8 waiting lists. However, during FY 2013, in addition to any changes resulting from ongoing process reviews, KCHA may undertake efforts to purge the waiting list – requiring applicants to indicate their continued interest in housing services. Such action may result in a reduction in the number of applicants reported at the end of the fiscal year.

The **Section 8 Housing Choice Voucher (HCV)** waiting list last opened in May 2011 following extensive community outreach to publicize the process. During the two-week opening – its first since May 2007 – KCHA received over 25,000 applications. Significant increases in minority and non-English speaking households, large families and those reporting no income were reported. The volume of applications received reflects the impact of both on-going reductions in federal, state and local programs to assist low-income households, rising rents and stagnant employment levels. The reduced income levels of new applicants entering the program will place an increased strain on KCHA's Section 8 budget as the Authority's HCV subsidy levels under its funding agreement with HUD are not re-benchmarked annually to reflect actual program costs.

A review of current voucher turnover rates and internal commitments for HCV resources indicates that applicants on the current Section 8 waiting list will not be fully served until at least 2014. As a result, KCHA does not anticipate re-opening the Section 8 waiting list during FY 2013.

### **SECTION III: Non-MTW Related Housing Authority Information**

*KCHA elects not to include this OPTIONAL section. Additional information regarding KCHA's non-HUD funded housing inventory and local programs can be found at [www.kcha.org](http://www.kcha.org).*

## SECTION IV: Long-Term MTW Plan

As a participant in the MTW demonstration program, KCHA is using the single-fund and regulatory flexibility provided by this initiative to support the Authority's overarching strategic goal of addressing affordable housing needs in the Puget Sound region. Approaches will evolve as regional priorities, demographics and housing markets shift. Two key strengths of the MTW concept are that it enables the Authority to reshape the use of federal resources as necessary to respond to changing circumstances in the region and that it enables KCHA to engage in multi-year financial planning in executing long-term strategic initiatives.

Basic strategic initiatives for the Authority include the following:

- ❖ **Strategy 1:** Continue to strengthen the physical, operational, financial and environmental sustainability of the portfolio of over 8,000 affordable housing units that KCHA owns or controls.
- ❖ **Strategy 2:** Expand the number of units in the region affordable to households earning below 30 percent of Area Median Income (AMI) through development and preservation of housing and through expanded rental subsidy programs.
- ❖ **Strategy 3:** Provide expanded geographic choice for low-income households, including disabled and elderly households with mobility impairments - providing KCHA's clients the opportunity to live in neighborhoods with high achieving schools, ready access to quality services, mass transit and employment.
- ❖ **Strategy 4:** Close coordination with the region's public and behavioral healthcare and human services systems to help end homelessness through the development of an adequate supply of supportive housing for chronically homeless and special needs populations.
- ❖ **Strategy 5:** On-going "place-centered" revitalization of King County's low-income neighborhoods, involving both a focus on housing and on the wide array of other physical improvements, services and partnerships that create strong, healthy communities.
- ❖ **Strategy 6:** Working with King County, regional transit agencies and suburban cities to support sustainable regional development through the integration of new affordable housing into regional growth corridors aligned with mass transit.

- ❖ **Strategy 7:** Expand partnerships with Public Health, Head Start programs, school districts, after-school providers, community colleges, the philanthropic community and (most importantly) our residents to eliminate the achievement gap for low-income households we serve and significantly improve educational and life outcomes for youth.
- ❖ **Strategy 8:** Promote economic self-sufficiency for subsidized households by addressing barriers to employment and providing incentive and access to training and education programs with the intent of enabling movement, where appropriate, to market-rate housing.
- ❖ **Strategy 9:** Continue to develop institutional capacity and efficiencies at the Housing Authority to ensure efficient, effective use of Federal resources. Continue to expand KCHA's non-federally subsidized programs to both address the region's need for additional workforce housing and to support and ensure the financial sustainability of Authority initiatives.

## SECTION V: Proposed FY 2013 MTW Activities – HUD Approval Requested

Table V.1, shown below, summarizes planned new initiatives proposed by the Housing Authority for implementation during FY 2013. In accordance with HUD’s prescribed MTW Plan format, details regarding each of the activities summarized below are provided immediately following this table.

**TABLE V.1: Proposed Activities Table**

Activity #	Activity Name
1	Passage Point Conditional Housing Program
2	Flexible Rental Assistance Program
3	Short-term Rental Assistance Program

### PROPOSED FY 2013 MTW Activities

#### Activity #1: Passage Point Conditional Housing Program

**a. Description of MTW Activity:**

Passage Point is a unique supportive housing program targeting a prisoner re-entry population. All applicants must be parents seeking to reunify with their

children post-incarceration and in need of supportive services to stabilize and move forward with their lives.

At Passage Point, KCHA provides project-based assistance to 46 units (40 one-bedroom and six two-bedroom units) and the YWCA provides property management and supportive services. Given that the property is located outside the region's urban core and offers mostly one-bedroom units, it is anticipated that most successful residents will eventually move to larger subsidized units in the region's urban area.

The YWCA conducts outreach directly in prisons and correctional facilities to engage participants and refer them to Passage Point. Once housed at Passage Point, supportive services are available on-site to help residents rebuild their lives and successfully reunify with their children. Residents who have successfully completed the service program and regain custody of their children may submit a graduation packet for KCHA's Public Housing program. Similar to the Sound Families program, these households will be given priority placement on the waitlist. In contrast to the typical transitional housing program, which have strict 24-month occupancy limits, participants in the Passage Point Conditional Housing program may remain in place until they have completed the service program and can demonstrate they can succeed in independent housing. Thus, if a household requires an extended period of service participation to successfully graduate, that flexibility is granted under the Conditional Housing program. It is expected that all families will be engaged in services for at least one year prior to becoming eligible for a graduation unit. The YWCA is currently seeking funds to continue to provide services to graduates for one year after exiting Passage Point. This will help further ensure the long-term stability of these vulnerable families.

**b. Relationship to MTW Statutory Objective:**

This initiative increases housing choice and promotes self-sufficiency by providing housing access and services for households who would not traditionally meet eligibility and suitability requirements for the Public Housing program.

**c. Anticipated Impacts:**

KCHA expects increasing housing choice in this manner will provide greater opportunity for participants who would otherwise exit the prison system into homelessness. Preventing homelessness and providing a support system that successfully allows children to reunite with their families shortens the time children spend in out-of-home placement and strengthens parent-child connections.

**d. Metrics, Baselines & Benchmarks:**

Metric Description	Baseline	Benchmark
# of households attaining goals and transferring from Passage Point.	0 households	7 per year
# of households re-uniting with their children.	0 households	10 per year

**e. Data Collection:**

KCHA's internal tenant database and service provider/DSHS information will be used to track this activity.

**f. Authorization Cited:**

Transitional/Conditional Housing Program (Attachment C, Item B.4); Local Preference and Admission and Continued Occupancy Policies and Procedures (Attachment C, Item C.2); Public Housing and Section 8 Transfer Policies (Attachment D, Item C.3)

**g. Agency Required Documentation:**

None required

## **Activity #2: Flexible Rental Assistance Program**

### **a. Description of MTW Activity:**

KCHA is interested in expanding its ability to provide assistance to underserved homeless individuals, especially chronically homeless single adults and homeless youth who cannot access Section 8 or Public Housing programs and require permanent supportive housing in order to maintain stability and recovery. The Housing Authority seeks to implement a new initiative that would pair intensive, evidence-based supportive service programs implemented by social service providers with flexible rental assistance that could be made available to clients to provide non-time-limited deep rental subsidy, security deposits, and move-in costs. Each service provider would conduct outreach, screen in, and refer clients to the program according to their service program's eligibility criteria. The provider would assist the client in housing search and begin providing services immediately on engagement. Once housed, intensive, community-based services would continue to be provided to the client to promote recovery and independence and to maintain housing stability. KCHA's current sponsor-based program contracts, which provide only rental assistance in master-leased units could be modified, where appropriate, to become a Flexible Rental Assistance program. Although the program remains in development, current program design envisions participants who meet program requirements and are subsequently determined ready to graduate from the intensive, community-based support services program may transition to other housing options provided by KCHA. In addition, KCHA's current hardship policy (adopted as part of its MTW Rent Reform initiative) would be available to residents as applicable in order to address unusual cases of hardship.

### **b. Relationship to MTW Statutory Objective:**

This initiative will serve to increase housing choice by providing assistance to underserved households who would not typically meet KCHA's Public Housing or Section 8 eligibility and suitability requirements.



**c. Anticipated Impacts:**

Implementation of this pilot program will allow KCHA to increase the number of households served.

**d. Metrics, Baselines & Benchmarks:**

Metric Description	Baseline	Benchmark
# of households assisted under the pilot	0	Year 1: 10

**e. Data Collection:**

Data regarding households assisted under the program will be collected in collaboration with partner agencies via monthly reports. Additional data will be collected from the County's Homeless Management Information System (HMIS).

**f. Authorization Cited:**

MTW Use of Funds (Attachment D, Item A); Local Preference and Admission and Continued Occupancy Policies and Procedures (Attachment C, Item C.2)

**g. Agency Required Documentation:**

None required

### **Activity #3: Short-Term Rental Assistance Program**

**a. Description of MTW Activity:**

Nationally, the success of Rapid Rehousing (RRH) programs in stabilizing and quickly rehousing homeless families has been widely noted. Providing small amounts of rental assistance to homeless families has led to success in enabling significant numbers of families to be successfully rehoused without a subsequent

return to homelessness. KCHA is interested in testing this model locally to see if a similar program could expand the number of homeless families we assist by providing short-term rental assistance coupled with targeted assistance and support services.

KCHA plans to design and implement one or more pilot programs in partnership with local school districts that would pair short-term rental assistance with housing stability and employment connection services for families experiencing homelessness or about to become homeless. Homelessness impacts the ability of children to learn, contributing to performance inequalities for low income youth, and costs school districts significant expenditures to comply with homeless student transportation costs under the requirements of the McKinney-Vento Act. In the 2010/2011 school year, school districts in King County spent \$2.6 million on transportation costs for homeless students.

KCHA will enter into contracts with local service providers to administer rental assistance for up to twelve months combined with supportive services as needed to stabilize families referred by school district McKinney–Vento coordinators. Providers would be given flexibility to determine what type and amount of funds were needed for their clients. Assistance provided could be used to cover a number of client needs including one or more of the following: rent, move-in assistance, security deposits and application fees, rent arrears, and utility assistance payments. Although the program remains in development, KCHA’s current hardship policy (adopted as part of its MTW Rent Reform initiative) would be available to residents as applicable in order to address unusual cases of hardship. Providers would be held accountable for housing retention outcomes for their clients who receive this assistance.

**b. Relationship to MTW Statutory Objective:**

This objective increases housing choice by providing the short-term financial assistance and support services needed to stabilize households in crisis.

**c. Anticipated Impacts:**

This activity will allow KCHA to assist a greater number of homeless households and result in increased housing stability among participants.

**d. Metrics, Baselines & Benchmarks:**

Metric Description	Baseline	Benchmark
# of additional households assisted	0	20
# of households who retain housing 12 months after rental assistance ends	0	16 (80% of households retain housing)
\$ saved through reduced transportation of homeless children back to "home" school	0	TBD

**e. Data Collection:**

KCHA's contracted service partner and participating school districts will track information regarding the number of households served and the amount and type of assistance provided. The agency, together with King County's HMIS system, will track and report on the success of the households in maintaining housing stability.

**f. Authorization Cited:**

MTW Use of Funds (Attachment D, Item A); Local Preference and Admission and Continued Occupancy Policies and Procedures (Attachment C, Item C.2)

**g. Agency Required Documentation:**

None required

## SECTION VI: Ongoing MTW Activities – HUD Approval Previously Granted

KCHA has utilized the flexibilities of the MTW program since 2003 to significantly reshape its federally subsidized housing programs. Through strategic planning and multi-year budgeting KCHA has successfully created innovative and sustainable solutions that meet the specific housing needs and markets of the Puget Sound region. Specific activities implemented by KCHA are summarized in **Table VI** below. This table illustrates the breadth of KCHA's use of MTW program flexibilities to design and test alternate approaches that strengthen program delivery, increase housing choice and move our residents along the path toward economic self-sufficiency. During FY 2013 these previously implemented activities are subject to modification as a result of KCHA's ongoing review of program effectiveness, regulatory changes (such as regulatory changes that would result from passage of AHSSIA legislation) and continuing analysis of the impact of MTW initiatives on KCHA clients and the communities we serve. Mid-course alterations of policies and programs may be undertaken during the fiscal year in order to ensure activities remain on track to attain targeted results.

**Table VI: On-going MTW Activities**

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2013 Activity
08-1	Acquire and/or develop new Public Housing - Increase inventory through use of "banked" PH ACC	Use banked PH ACC to turn-on Public Housing subsidy in units owned or acquired by KCHA	Increase housing choices	2008	Implemented - 94 units added to inventory by FYE 2012. Additional sites under consideration.	KCHA will continue to seek program expansion under this initiative and will make MTW financial resources available to purchase, develop and/or preserve suitable units as opportunities are identified during FY 2013. In particular, during FY 2013, will use MTW resources to begin developing 3.7 acres adjacent to its Vantage Glen site in Renton into 77 units of federally subsidized housing for elderly/disabled households.
04-2	Develop a local Project-based Section 8 program	Develop a local Project-based program that streamlines contract and program management. Detail of specific areas of policy modification using MTW authority are bulleted below:	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented - individual policy / program changes are noted below:	Possible FY 2013 modification of PBS8 program to further streamline administration and increase tenant choice
	(a): Waitlist Management	Allow the project sponsor to manage the waiting list rather than the Housing Authority; Allow KCHA to solicit applications directly from service providers (2005).	Reduce costs and achieve greater cost effectiveness	2004	Implemented	

(b): Rent Reasonableness	Allows KCHA to determine Rent Reasonableness for units using same process as Tenant-based program - does not require 3rd party appraisals	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
(c): Site Assignment	Allow priority assignment of PBS8 subsidy to (1) units located in low-poverty census tracts, including those with poverty rates below 20% (15% for families with children and off-site HOPE VI replacement units); (2) a limited number of demonstration projects not qualifying under standard policy in order to serve an important public purpose.	Increase housing choice	2004	Implemented	Assignment of PBS8 subsidy (up to 80 units) to ARCH (A Regional Coalition for Housing) for allocation to developers in low-poverty census tracts in the North and East areas of King County anticipated FY 2013
(d): Occupancy standards	Allow participants in wrong-sized units to remain in place and pay higher rent under limited circumstances	Increase housing choice	2005	Implemented	
(e): Payment Standards	(1) Assign HCV Payment Standards to the program, but allows modification with Exec. Director approval where appropriate/necessary; (2) Allow KCHA to cap rent at the Payment Standard (rather than the Tax Credit Rent) for LIHTC units (2005)	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
(f): Program Cap	Allow KCHA to exceed the 25% cap on the number of units per development that can be project-based for transitional, supportive or elderly housing programs and/or sites with fewer than 20 units. Also removes cap when used to re-develop former PH sites (2008)	Increase housing choice	2004	Implemented	
(g): PBS8 Subsidy Allocation	Allow KCHA to (1) allocate PBS8 subsidy non-competitively to KCHA controlled units and transitional housing; (2) use a local procurement process for project-basing Section 8; (3) assign subsidy to projects financed through a conduit financing program with a minimum contract term of 20 yrs. (2005)	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented	
(h): Inspections	Modify HQS inspection rules to allow (1) owners/agents to conduct their own construction /rehab inspections; (2) the management entity to complete initial inspections and (3) implements inspection sampling at annual review. Also allows KCHA to inspect units at contract execution rather than at the proposal date (2009)	Reduce costs and achieve greater cost effectiveness Increase housing choices;	2004	Implemented	
(i): Exit Vouchers	Replace requirement to provide an exit voucher with priority access to KCHA's Public Housing program	Reduce costs and achieve greater cost effectiveness	2004	Implemented	

	(j): Eligible unit types	Modify the types of housing accepted under a PBS8 contract to include: (1) shared housing; (2) cooperative housing; (3) transitional housing and (4) hi-rise buildings. (5) manufactured homes, Excludes Rehab category of units from eligibility	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(k): HAP Contract	Allow KCHA to modify the HAP contract to ensure consistency with MTW changes	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(l) Operating rules	Allows PBS8 subsidy to conform to operating rules of other government subsidy program when used in mixed finance setting or when subsidy has been assigned in connection with the redevelopment of a former PH site (added 2008)	Reduce costs and achieve greater cost effectiveness	2005	Implemented.	
	(m) Tenant Selection Preferences	Expand use of Public Housing preferences to all PBS8 programs - in lieu of HCV preferences	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(n) Homeless Households	Modifies the definition of Homeless households to include overcrowded households entering transitional housing to align with entry criteria for non-profit operated transitional housing.	Increase housing choice	2004	Implemented	
	(o): Existing Housing definition	Expands definition of Existing housing to allows assignment of PBS8 subsidy to units that could meet HQS within 180 days	Increase housing choices;	2009	Implemented	
	(p): Tenant Selection	Allow direct owner referral to vacant PBS8 units when a unit remains unfilled after 30 days.	Reduce costs and achieve greater cost effectiveness	2010	Implemented	
	(q): HCV Budget Authority	Waive the 20% cap on the amount of HCV budget authority that can be project-based - allowing KCHA to determine the size of its PBS8 program	Increase housing choices	2010	Implemented	
04-03	Public Housing Site-based and Regional waiting lists	Implement a streamlined waiting list system for Public Housing that combines Site-based, Regional and Set-aside waiting lists; streamlines implementation rules	Increase housing choices;	2004	Implemented - possible modification in future plan years	Possible modification to further streamline administration
05-04	Modified rules for determining and applying Payment Standards	Develop local rules for developing and assignment of Payment Standards to increase affordability in high opportunity neighborhoods and ensure the best use of limited financial resources	Reduce costs and achieve greater cost effectiveness; Increase housing choices	2005	Implemented	Possible modification to further streamline administration and increase mobility under review and may be implemented in FY 2013
	(a): Application of Payment Standard decreases	Delays application of any decrease in the KCHA approved Payment Standard until the next Annual Review date	Reduce costs and achieve greater cost effectiveness	2005	Implemented	

	(b): Payment Standard exceptions	Allows KCHA to approve exceptions to established Payment Standards for amounts up to 120% of FMR for HCV program (and above 120% for Reasonable Accommodation) without the need to obtain prior HUD approval	Increase housing choices;	2007	Implemented - but over-written in 2008 by item (c) below	
	(c): Locally determined Payment Standards	Decouples Payment Standards from Fair Market Rents entirely, allowing the HA to establish standards that fit local and neighborhood conditions without HUD approval	Increase housing choices;	2008	Implemented	
04-05	Modified HQS Inspection Protocols	Implement locally determined protocols relating to the HQS inspection process that reduce program administration and increase cost effectiveness. Specific changes are noted below:	Reduce costs and achieve greater cost effectiveness	2004	Implemented	Modification to further streamline administration is currently under review and may be implemented in FY 2013. For example, KCHA may modify PH program HQS protocols and/or may consider implementation of a modified schedule of inspections and/ or implement a system of risk-based inspections for PH, PBS8 and Section 8 program units - including implementation of a biennial (or other) inspection schedule for all or a portion of its inventory. In addition, KCHA may implement HUD's Homeless Prevention and Rapid Re-housing inspection protocols for housing offered through partner-based programs in lieu of standard HQS requirements.
	(a) Minor Fails	Allows KCHA to release HAP with minor fail at initial inspection and owner agreement to repair within 30 days (expanded in 2007 to include all inspection types). Eliminates the need to re-inspect units that have failed the HQS inspection as a result of minor deficiencies only.	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(b) Annual Inspection schedule	Increase efficiency of operation through reduction in repeated visits to the same property annually; Annual inspections completed within 8-20 months of initial inspection and annually thereafter to allow inspections to be grouped (clustered) according to location/property	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(c) Inspection of KCHA-owned units	Allows KCHA staff, rather than a 3rd party entity, to complete HQS inspection of KCHA-owned properties.	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
07-6	Sponsor-based Housing program	Uses MTW Block Grant resources to fund a Local Sponsor-based program - provides housing funds to service provider who sub-leases to targeted households in conjunction with wrap-around support services	Increase housing choices	2007	Implemented	Continued program expansion to address the needs of the local community as feasible. Program may be modified in FY 2013 to simplify administration and access for targeted households.

04-7	Streamline PH and S8 Forms, Processes and Data Processing	Develop and implement program, policy and procedural changes that reduce or remove non-value added activity from the business process. Specific changes implemented include:	Reduce costs and achieve greater cost effectiveness	2004	Implemented	This is an ongoing initiative. Additional modifications during FY 2013 are anticipated. to further streamline processing of applicant and tenant data and administration of HCV, PBS8 and PH programs. Among the changes proposed during FY 2013 is the modification of HUD's standard "Elderly" definition to include persons age 55 or older. (per Attachment C, item B.3)
	(a) State Agency payments to Landlords	Excludes payments made to a landlord by a state agency (DSHS) on behalf of a tenant from income and rent calculation under the Section 8 program	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(b) \$0 HAP clients	Allows Section 8 participants for whom \$0 HAP is paid to self-certify their annual income	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(c) Resident Service Stipends	Allow residents to retain earnings from Resident Service stipends up to \$500 without inclusion in rent calculation	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(d) Asset income	Streamline verification of assets by changing definition to include only assets valued above \$50,000; Income of assets below threshold is excluded from income calculation; Tenant is allowed to self-certify when assets are valued below \$50,000.	Reduce costs and achieve greater cost effectiveness;	2008	Implemented	
	(e) HCV move-out notice	Require participants to provide notice to move by the 20th of the month in order to have the paperwork processed that month	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(f) DSHS childcare pass through	Allow Section 8 program participants to self-certify \$50 or less received as pass through from DSHS childcare subsidy	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(g) Household membership	Allows applicants to self-certify membership in the household at the time of admission	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(h) Tenant selection preferences - Section 8	Simplify process for determining placement on the waiting list by allowing Section 8 applicants with income below 75% of 30% of AMI allowed to self-certify housing preference	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2004	Implemented	
	(i) Tenant selection preferences - Public Housing	Provides PH applicants with income below 30% of AMI a preference of "economically displaced" without the need to provide additional documentation. PBS8 applicants provided preferences to mirror PH (2009)	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2004	Implemented	May further streamline by eliminating requirement to calculate imputed asset income and disposal costs



	(j) SSN verification	Modified SSN verification/documentation - required verification of SSN for household members 18 and older - rather than the regulatory requirement of age 6	Reduce costs and achieve greater cost effectiveness	2004	Implemented - however, PIC reporting currently limits cost savings of this initiative	
	(k) Verification expiration	Extends the term over which verifications are valid to an outside limit of 180 days	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(l) HQS Inspections	Modified HQS procedures to allow streamlined processing of inspection data	Reduce costs and achieve greater cost effectiveness	2010	Implemented	
	(m) Interim Reviews	Implemented streamlined procedures for completing Interim rent adjustments resulting from wholesale reductions in state entitlement program	Reduce costs and achieve greater cost effectiveness	2011	Implemented	
07-8	Remove Cap on Voucher Distribution	Allow KCHA to maintain utilization above 100% during year without impact on funding; current allocation formulas require avg utilization at or below 100%	Increase housing choices	2007	Implemented	Possible modification to further increase housing choice may be implemented in FY 2013
04-9	Rent Reasonableness modifications	Implement revised policies that reduce program costs while ensuring integrity of approved rents and appropriate HAP calculations	Reduce costs and achieve greater cost effectiveness	2004	Implemented	Possible modification to further streamline administration may be implemented in FY 2013
	(a) Frequency of RR reviews	Allows KCHA to complete Rent Reasonableness determinations only when a Section 8 Landlord has asked for an increase in the contract rent	Reduce costs and achieve greater cost effectiveness	2004	Implemented	Possible modification to further streamline administration may be implemented in FY 2013
	(b) KCHA-owned sites	Allow KCHA staff to perform Rent Reasonableness inspections of KCHA-owned properties	Reduce costs and achieve greater cost effectiveness	2004	Implemented	Possible modification to further streamline administration may be implemented in FY 2013
08-10	Easy Rent Policy for Elderly and Disabled Households living on a Fixed Income	Streamline income, rent and recertification policies for elderly and disabled households.	Reduce costs and achieve greater cost effectiveness	2008	Implemented	Policy changes may be implemented including, but not limited to, changes relating to application of KCHA's Hardship policy and interim and annual review process as a result on ongoing implementation monitoring (see #08-11 below for additional detail). Additional changes may be implemented in order to align EASY Rent program rules with WIN Rent policies.
	(a) Frequency of reviews	Moves clients to reviews every 3 years with automatic annual application of SS COLA increases; Implements hardship policy to address unique circumstances; Re-define causes for interim recert (2010)	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(b) % of Income to Rent	Rent set at 28.3% of AMI rather than 30%; adjusted to 28% (2010)	Reduce costs and achieve greater cost effectiveness	2008	Implemented	

	(c) Deduction bands for medical expenses	Breaks medical expenses into bands with \$2,500 each - no deduction for amounts below \$2,500 - lower amount of band provided as deduction for amounts above \$2,500; deduction capped at \$10,000	Reduce costs and achieve greater cost effectiveness Encourage employment and economic self-sufficiency;	2008	Implemented	
	(d) Income Exclusions	Exclude earned (employment) income of non-head/spouse under the age of 21;	Reduce costs and achieve greater cost effectiveness Encourage employment and economic self-sufficiency;	2010	Implemented	
	(e) Income disregards	Eliminates HUD requirements relating to income disregards	Reduce costs and achieve greater cost effectiveness Encourage employment and economic self-sufficiency;	2010	Implemented	
	(f) Flat Rents	Eliminates HUD requirements relating to Flat Rents for PH developments	Reduce costs and achieve greater cost effectiveness Encourage employment and economic self-sufficiency;	2010	Implemented	
08-11	Develop Revised Rent Policies for Work-able and Working Households	Develop a revised rent policy for working and work-able households that encourages self-sufficiency and income progression and increases positive graduation from subsidized housing while increasing administrative efficiency and cost effectiveness	Encourage employment and economic self-sufficiency; Reduce costs and achieve greater cost effectiveness;	2008	Implemented - 2010	Continued monitoring may result in changes including <b>but not limited to:</b> (1) require an interim review when tenant income rises above an established maximum; (2) hardship policy application and qualification (3) denial of rent reductions resulting from client caused reductions in income (4) revised rent calculations for Mixed Family households that would result in a flat fee of \$50-\$100 per person for households members who are not citizens or eligible U.S. residents in order to equalize treatment between programs.
	(a) Frequency of reviews	Moves clients to reviews every 2 years; Implements hardship policy to address unique circumstances; Implements hardship policy to address unique circumstances; Limits Interims to 2 in a Recertification cycle; re-define causes triggering an interim	Encourage employment and economic self-sufficiency; Reduce costs and achieve greater cost effectiveness; Encourage employment and economic self-sufficiency;	2008	Implemented - 2010	
	(b) % of Income to Rent	Rent set according to Income Bands - creates sliding scale that allows income to grow without impacting rent	Encourage employment and economic self-sufficiency; Reduce costs and achieve greater cost effectiveness; Encourage employment and economic self-sufficiency;	2008	Implemented - 2010	
	(c) Deduction bands for medical expenses	Breaks childcare expenses into bands with \$2,500 each - no deduction for amounts below \$2,500 - lower amount of band provided as deduction for amounts above \$2,500 - deduction capped at \$10,000	Encourage employment and economic self-sufficiency; Reduce costs and achieve greater cost effectiveness; Encourage employment and economic self-sufficiency;	2008	Implemented - 2010	
	(d) Income Exclusions	Exclude earned (employment) income of non-head/spouse under the age of 21;	Encourage employment and economic self-sufficiency;	2008	Implemented - 2010	
	(e) Income disregards	Eliminates HUD requirements relating to income disregards	Reduce costs and achieve greater cost effectiveness	2008	Implemented - 2010	

	(f) Flat Rents	Eliminates HUD requirements relating to FLAT Rents for PH developments	Encourage employment and economic self-sufficiency;	2008	Implemented - 2010	
05-12	Increase the Rent Cap	Moves the Section 8 program rent cap to 40% of Gross Rent, up from the 40% of adjusted rent standard	Increase Housing Choice	2005	Implemented	Possible modification to increase mobility may be implemented in FY 2013
04-13	ESCO development	Use of MTW program and single fund flexibility to develop and operate our own ESCO	Reduce costs and achieve greater cost effectiveness	2004	Implemented	May consider contract term extension in FY 2013
07-14	MTW-Enhanced Transfer Policy	Increase Housing Choice for residents by developing a policy that allows transfers between KCHA subsidized programs. Established policy for encouraging under/over housed residents to transfer when an appropriate sized unit becomes available (2009) and allows expedited access to UFAS rated units (2010)	Increase housing choice; Reduce costs and achieve greater cost effectiveness	2007	Implemented	Possible modification to further streamline administration and increase mobility under review and may be implemented in FY 2013
08-15	Combined Program Management	Streamline program administration through a series of policy changes that ease operations of units converted from PH to PBS8 subsidy or those located in sites supported mixed funding streams.	Reduce costs and achieve greater cost effectiveness	2008	Implemented	Possible modification to further streamline administration and increase tenant choice
	(a) Childcare Unit	Establishes specific policies relating to designated childcare units at Greenbridge.	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(b) Lease term	Modify lease term for PH units at Tax Credit Sites - Current regs conflict with Tax Credit renewal terms which required lease to be no more than 1 year.	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(c) Eligibility	Additional changes to accommodate combined program approach in relation to NIA development: eligibility for 2 bdrm units; income cap at 50%; Tenant selection	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
04-16	Occupancy requirements of Section 8 households	Allows tenants to remain in occupancy when family size exceeds standards by 1 member	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2004	Implemented	Possible modification to further streamline administration may be implemented in FY 2013
08-17	Eligibility	Allow modified eligibility requirements in order to streamline waitlist management and focus KCHA resources on those greatest in need	Reduce costs and achieve greater cost effectiveness	2008	Implemented	Possible modification to further streamline administration may be implemented in FY 2013. In particular, KCHA may implement a modified definition of "Family" that requires an eligible household to include either an elderly or disabled family member or a minor child.

	(a) PH program eligibility	Allow Public Housing program to restrict eligibility of single person households who do not otherwise qualify as elderly, near-elderly, disabled, or displaced - unless assigned to targeted program				
	(b) Section 8 eligibility	Section 8 programs - Restrict eligibility of single person households who are neither elderly or disabled or near-elderly - similar to PH	Reduce costs and achieve greater cost effectiveness	2009	Implemented	
07-18	Resident Opportunity Plan (ROP)	Develop a local FSS-like program pilot that empowers residents to increase income and successfully graduate from housing subsidy	Give incentives that assist in obtaining employment and becoming economically self-sufficient	2007	Implemented	Possible program expansion to new markets in FY 2013
07-19	Section 8 Applicant Eligibility	Increase program efficiency by removing eligibility for those currently on a Federal Subsidy program	Reduce costs and achieve greater cost effectiveness	2007	Implemented	Possible modification to further streamline administration may be implemented in FY 2013
08-21	Utility Allowances - PH - S8	Develop alternate protocols for establishing and applying Utility Allowances for PH, PBS8 and S8 households	Reduce costs and achieve greater cost effectiveness	2010	Implemented	Continue to review / monitor and modify in conjunction with WIN and EASY Rent policy modifications
11-1	Transfer of Public Housing units to Project-based Subsidy	Preserve long-term viability of 509 units of Public Housing with disposition to KCHA controlled entity. Allows HA to leverage \$ to accelerate capital repairs, and increase tenant mobility through transfer to project-based funding of all 509 units	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2011	Implemented	HUD disposition approved in early 2012. KCHA is currently working with HUD to finalize requirements relating to project-based subsidy assignment. Tenant relocation currently underway.
12-1	Inter-Agency Domestic Violence Transfer Program	Allows residents who are victims of domestic violence to move to another MTW agency jurisdiction with relocation assistance and link to DV support services	Increase housing choice	2012	In progress	Execution of partnership agreement between other MTW PHAs in the Western Region in order to facilitate resident moves for Victims of Domestic Violence to safe, secure housing in times of crisis currently pending.
12-2	Promoting Mobility: Family Choice Initiative	Provides opportunity for residents to make informed choices about where they will live. Creates incentive for residents to move to high-opportunity neighborhoods to increase educational and employment opportunities	Increase housing choice; Encourage employment and economic self-sufficiency;	2012	In progress	Program development and implementation will continue during FY 2013. In addition to policy modifications designed to encourage residents to move to high opportunity neighborhoods, KCHA intends to develop policies targeted toward increasing classroom stability (such as those designed to limit mid school-year moves by participants ) in order to provide greater opportunity for children to attain educational goals.
12-4	Supplemental Support for the Highline Community Healthy Homes Project	Provides supplemental financial support to low-income families not otherwise qualified for the Healthy Homes project - but who require assistance to avoid loss of affordable housing	Increase housing choice	2012	Implemented	Possible modification to further streamline administration may be implemented in FY 2013

12-5	Use of MTW Block-Grant funds to support Local, Non-traditional MTW Activities	Allows KCHA to use funds for activities outside of Section 8 and 9 of the Housing Act - in accordance with terms of the MTW Agreement and pursuant to guidance of PIH Notice 2011-45	Increase housing choice; Encourage employment and economic self-sufficiency;	2012	Pending	Final HUD approval of Technical Amendment to FY 2012 Plan pending
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## Approved MTW Activities Scheduled for Possible Implementation

Allow double subsidy between programs (PBS8/PH/S8) in limited circumstances to allow transition to new program	Increase landlord participation, reduce impact on PH program when tenants transfer	Increase housing choice	2008	Under review for possible implementation	
Definition of Live-in Attendant	Consider changes that redefine who is considered a "Live-in Attendant"	Reduce costs and achieve greater cost effectiveness	2009	Following initial review item placed on hold for future consideration.	
FSS Program modifications	Explore possible changes to increase incentives for resident participation, income growth and decrease costs of program management	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2008	Temporarily placed on hold - will consider following implementation of Rent Policy changes for PH, S8 HCV and PBS8 residents	
Income Eligibility - maximum income limits	Consider policy that would cap the income residents may have and still be eligible for KCHA programs	Increase housing choice	2008	May be considered in future years if WIN Rent policy changes do not sufficiently address need.	
PBS8 Local program: Contract term	Consider possible changes to lengthen the allowable term of the Section 8 Project-based contract	Increase housing choice	2009	On hold. May be brought forward if need warrants	
Performance Standards	Develop locally relevant performance standards and benchmarks to evaluate the MTW Program	Reduce costs and achieve greater cost effectiveness	2008	In progress but delayed however will be impacted by pending PHAS reporting requirements - MTW Agencies currently reviewing potential for alternate reporting tool	
Supportive Housing for high-need homeless families	Develop demonstration program for up to 20 households in Project-based FUP-like environment	Increase housing choice and encourage economic self-sufficiency	2010	Deferred. Program partners opted for tenant-based model in current FY. May be brought forward in future program year.	
Limit number of moves for a Section 8 participant	Increase family stability and reduce program administration by limiting the number of times a HCV participant can move to once per year	Reduce costs and achieve greater cost effectiveness; increase economic self-sufficiency	2010	Deferred for consideration in a future year if need arises	
Implement a Maximum Asset Threshold for program eligibility	Limit the value of assets that can be held by a family in order to obtain (or retain) program eligibility	Increase housing choice	2010	On hold pending outcome analysis of Rent Reform policies adopted in FY 2010	

	Incentive Payments to Section 8 participants to leave the program	Offer incentive to families receiving less than \$100 per month in HAP to voluntarily withdraw from the program	Increase housing choice	2010	On hold pending outcome analysis of Rent Reform policies adopted in FY 2010
11-2	Redesign of the Sound Families program	Develop alternative to Sound Families program - combining HCV with DCFS service \$ to continue support of at risk homeless households in "FUP-like" model.	Increase housing choice	2011	Limitation in Federal requirements for use of DSHS/DCFS funds has delayed implementation. May be brought forward in FY 2013.

## MTW Activities Completed

	Block Grant non-mainstream vouchers	Expand KCHA's MTW Block Grant to include all non-Mainstream program vouchers	Reduce costs and achieve greater cost effectiveness	2006	Completed
	Develop a local PH Asset Mgmt Funding model	Streamlines current HUD requirements to track budget expenses and income down to the AMP level	Reduce costs and achieve greater cost effectiveness	2007	Completed
	Resident Satisfaction Survey	Develop internal Satisfaction Survey in lieu of requirement to comply with RASS portion of HUD's PHAS system	Reduce costs and achieve greater cost effectiveness	2010	KCHA internal survey process is in place. However, KCHA has temporary exemption from HUD's RASS reporting requirements Will determine need for use as a RASS substitute upon publication of revised PHAS rule.
	ROSS Grant Homeownership	Financial Assistance funded through MTW reserves, Modified rules to meet local circumstances: eligibility to allow use for PH residents with an HCV; minimum income requirement; min savings prior to entry, not limited to first time homebuyers, etc	Increase housing choice;	2004	Complete - program exceeded goal to assist 30 households over 3-year term

## Previously Approved and Implemented MTW Activities (Required use of Single Fund Budget Only)

	Client Assistance program	Pilot program - utilizes MTW reserves to provide emergency financial assistance to qualified residents	Reduce costs and achieve greater cost effectiveness	2008	Implemented
	Use MTW Reserves to fund Resident Incentives	Develop policies to encourage lease compliance - fund using MTW single-block-grant authority and accumulated reserves	Reduce costs and achieve greater cost effectiveness	2010	Initiated in FY 2010 with policy to allow payment of \$200 to encourage over-housed residents to accept first unit offer. Will consider other incentive payments as warranted in future years.

## SECTION VII: Sources and Uses of Funding

### A. Sources and Uses of MTW Funds

As an MTW Block Grant agency, KCHA combines all Public Housing Operation, Capital and Section 8 resources into a single fund with full funding flexibility. The tables below detail KCHA's anticipated sources and uses of funds for the fiscal year beginning January 1, 2013 and ending December 31, 2013. It should be noted that revenue and expense levels shown are preliminary estimates as actual budgeted amounts cannot be precisely established until HUD funding levels for the year have been finalized and KCHA's FY 2013 budget adopted by the Board of Commissioners. KCHA anticipates a shortfall in revenue necessary to carry out planned program activities and is planning, to the extent available, to utilize MTW working capital (including committed reserves) to cover projected deficits between sources and uses of funds during FY 2013.

Sources of MTW funds	Planned Amount
HCV block grant	\$ 98,624,000
Public Housing subsidy	\$ 8,528,000
Public Housing rental income	\$ 4,000,000
Public Housing non-rental income	\$ 102,000
Public Housing Capital Fund	\$ 400,000
Interest income	\$ 70,000
Transfers from Committed Reserves	\$ 2,006,000
Transfers from General Reserves	\$ 81,000
<b>Total</b>	<b>\$ 113,811,000</b>

Uses of MTW funds	Planned Amount
HCV Housing Assistance Payments & Admin	\$ 87,067,000
Supportive Housing program	\$ 1,041,000
Short-term Rental Housing Assistance pilot program	\$ 250,000
Agency-managed housing operations	\$ 6,176,000
Resident service activities	\$ 2,712,000
Utilities	\$ 1,831,000
Debt repayment	\$ 302,000
Rehabilitation of Public Housing units	\$ 10,500,000
General development costs	\$ 500,000
Subsidy for mixed-finance developments	\$ 1,757,000
MTW program administration	\$ 710,000
New computer software system	\$ 965,000

**Total \$ 113,811,000**



## B. Sources and Uses of State and Local Funds

Sources of State/Local funds	Planned Amount
Washington State Dept. of Commerce	\$ 2,449,000
Puget Sound Energy	\$ 1,100,000

**Total** \$ 3,549,000

Uses of State/Local funds	Planned Amount
Home Repair & Weatherization	\$ 3,549,000

**Total** \$ 3,549,000

## C. Sources and Uses of Central Office Cost Center Funds

Sources of COCC funds	Planned Amount
Fees charged for management of housing units	\$ 3,883,000
Construction management fees	\$ 900,000
Fees charged to Section 8 program	\$ 2,695,000
Fees to PH AMPS for regional maintenance support	\$ 2,398,000
Cash transfers from locally-owned properties	\$ 2,300,000
Other sources of revenue	\$ 492,000

**Total** \$ 12,668,000

Uses of COCC funds	Planned Amount
Salaries & Benefits	\$ 9,761,000
Supplies & Equipment	\$ 554,000
Prof Services & Admin Contracts	\$ 554,000
Transportation	\$ 42,000
Travel & Training	\$ 220,000
Communications	\$ 158,000
Other Administrative Expenses	\$ 537,000
Occupancy Expenses	\$ 352,000
Other Expenses – Debt Service	\$ 367,000
Purchase of Fixed Assets	\$ 100,000
<b>Total</b>	<b>\$ 12,645,000</b>

#### **D. Changes in Cost Allocations from 1937 Act Regulations**

To date, changes from 1937 Act Regulations have not been implemented. Although no changes are currently planned, KCHA reserves the right to implement changes to current cost allocations should any be identified as necessary during FY 2013.

A description of KCHA's Local Asset Management Plan, as proposed and adopted under its FY 2008 MTW Annual Plan is attached as Appendix E to this Plan.

#### **E. Uses of Single Fund Flexibility**

KCHA has utilized the funding flexibility of the MTW Block Grant to cross traditional funding silos in supporting a number of the MTW activities outlined in this and prior

Annual Plans and Reports. The following is a listing of major activities where single-fund budget authority has assisted KCHA in the development of innovative programs:

- ❖ KCHA's Sponsor-based program utilizes Single-fund budget and Use of Funds authority to break down barriers to housing access for chronically homeless, mentally ill households and homeless youth who typically could not be successfully housed through traditional subsidized housing programs. Implemented in 2007, the program ensures nearly 150 at-risk households access to safe, secure housing with wrap-around supportive services designed to break the cycle of homelessness. Ongoing supportive funding commitments are leveraged through multi-year housing subsidy contracts with participating service providers. KCHA has committed \$2.579 million in MTW working capital to support this initiative during FY 2013-2015.
- ❖ KCHA's Resident Opportunity Plan (ROP). Approved for implementation by the Board of Commissioners in 2009, this five-year demonstration program links participants with resources to assist them in achieving economic self-sufficiency. Financial support provided through KCHA's Single-fund budget will assist up to 100 households to gain the tools needed to move up and out of subsidized housing.
- ❖ Redevelopment and/or modernization of distressed Public Housing. To date, Single-fund flexibility has enabled KCHA to take proactive steps to preserve more than 1,000 units of public housing for extremely low-income households over the long-term. KCHA has designated \$7.415 million in MTW working capital reserves to support this initiative in FY 2013.
- ❖ RHF funds available through KCHA's Single-fund budget are supporting a portion of the debt incurred to rehabilitate the Birch Creek (formerly Springwood) Apartments. RHF funds available as a result of the disposition of Green River Homes (approved in FY 2011) and from the disposition of the "509" units (approved in FY 2012) will be used to partially finance substantial rehabilitation of Green River Homes.
- ❖ Acquisition and preservation of affordable housing throughout the Puget Sound region. The Authority continues to seek opportunities to acquire additional housing, generally in proximity to existing KCHA properties, leveraging existing housing management capacity. In FY 2012, the Authority continued to work with HUD to transition Kirkland Place, a 9-unit development in Kirkland WA, to Public Housing. Two additional developments, Westminster Manor (60 units in Shoreline) and Island

Crest (30 units on Mercer Island) have been acquired by the Authority and are under consideration for conversion to KCHA's Public Housing program. As Westminster Manor was already under a Use Agreement related to its Section 8 Project-based funding status, MTW Working Capital was invested in the project in FY 2012. Island Crest, currently financed with a short-term line of credit, may likewise have its debt replaced by MTW funds, pending appropriate documentation. All of these properties are in "Opportunity Areas" with highly regarded school districts and strong employment markets. The flexibility provided through the MTW Block Grant – and the ability to provide flexible short and long-term financial assistance to affordable housing development - are key elements of KCHA's strategy for expanding supply and increasing housing choice.

During FY 2013, as new opportunities arise, KCHA will continue to utilize its single-fund flexibility and Use of Funds authorization to support programs and activities that address the varied housing and service needs of the region's low-income residents. A partial listing of activities anticipated during the coming fiscal year includes:

- ❖ Building on existing partnerships with the Kent, Highline and Bellevue School Districts KCHA will continue to expand its place-based educational initiatives. These efforts, developed in close coordination with local schools, parents and service providers, are designed to improve academic performance, encourage parental engagement and ultimately increase high school graduation rates for the 2,200 children living in federally assisted housing units in the three targeted neighborhoods. As part of this approach, KCHA has developed data sharing agreements with each of the three school districts and is supporting an array of programs intended to bring all children to age appropriate reading levels by the end of third grade.
- ❖ During FY 2013, KCHA will continue to analyze the impact of mobility and housing choice upon educational outcomes for its Public Housing and Section 8 households. As detailed in this and prior MTW Plans, KCHA intends to utilize its single-fund budget to support activities that impact life outcomes for participant households. Activities KCHA intends to undertake in FY 2013 include:
  - ❑ Increased mobility in the HCV program: Both national data and KCHA surveys indicate that many Section 8 residents choose to reside initially in neighborhoods where poverty remains concentrated and their

subsequent moves appear unrelated to either better educational support for their children or household job opportunities. To assist residents in making informed choices about where to live KCHA will utilize MTW resources to provide mobility counseling and incentives that encourage residents to consider moves to low-poverty neighborhoods where access to jobs, transportation and high performing schools provide a foundation for economic self-sufficiency and to assist relocating households in successfully integrating into their new communities and successfully navigating new school systems. Based upon assessments of national mobility initiatives, this post-move support will be critical to the success of the initiative.

- ❑ Promoting classroom stability: While households receiving Section 8 subsidies tend to be more geographically stable than households with similar incomes who do not receive subsidies and who are, in consequence, significantly rent burdened, a substantial number of Section 8 households still move, some with a fair amount of frequency, while they are participating in the program. KCHA data indicates that over 750 school-aged children housed under the Section 8 program last year moved during the school year. Research indicates that children who change classrooms during the school year tend to lag significantly behind their peers in academic achievement and that classroom mobility is also disruptive for fellow students and teachers. KCHA will work with local school districts this year to pilot counseling and policy initiatives that can increase educational stability and support student achievement.
- ❑ Reducing student homelessness: School districts in King County are reporting sharp increases in the number of homeless students in their classrooms. Collectively these school districts spent \$2.6 million last year to transport homeless students to their original classrooms. Based upon recent national findings regarding the success of rapid rehousing interventions in ending homelessness (or the possibility of homelessness) quickly for significant numbers of at-risk households, KCHA is exploring a pilot program in partnership with local school districts to provide short-term case management and rental assistance to households identified by district McKinney-Vento liaisons.

- ❑ Advancing families toward economic self-sufficiency through the provision of support service and program incentives leading to positive transition from Public Housing or Section 8 subsidy into private market rentals or homeownership. During FY 2013, KCHA's Resident Opportunity program is anticipated to provide assistance to 50 households – providing educational and employment services and case management in order to help families increase income, reduce debt and graduate out of subsidized housing. Results of the ROP program's Year Two evaluation report, scheduled for completion in October 2012, will be included in KCHA's FY 2012 MTW Report.
- ❑ Ensuring continued and expanded access to affordable, safe and secure housing for Public Housing and Section 8 households who have become victims of domestic violence. In FY 2012, KCHA finalized an Inter-agency Domestic Violence Transfer Agreement. This agreement, a collaboration of partner MTW agencies and designated DV advocates in five states, provides eligible households who are victims of domestic violence with the opportunity to move to the jurisdiction of another MTW PHA when such a move is considered necessary to ensure the safety of the household. Single-fund budget resources will support relocation expenses of current KCHA participants who move to a partner agency's jurisdiction under the program.
- ❖ In FY 2013, KCHA will continue to move forward with the planned replacement of its core Public Housing and Section 8 software. MTW Authorities have unique and evolving software needs. As a result, systems must be flexible enough to allow for significant changes in rent calculations, inspections and other management and monitoring processes beyond those required in the non-MTW workplace. Once supporting software has been reconfigured, it may require numerous additional changes as initiatives unfold. KCHA's current software is nine years old and the vendor has very limited capacity to make major changes for a single client. Replacement of the Authority's property management software is estimated to cost \$2.5 million. This funding has been committed by the Authority's Board of Commissioners from MTW working capital reserves to support this multi-year project. The Authority anticipates a "go live" date during FY 2014.

- ❖ With the redevelopment of a significant portion of its Public Housing portfolio, KCHA has removed 1,139 Public Housing units. One-for-one replacement of these deeply subsidized “hard” units is taking place through the use of project-based Section 8 rental subsidies. However, the Authority projects it will have nearly 950 units of unused ACC capacity available in FY 2013. The Authority continues to explore the acquisition of additional replacement sites where these public housing subsidies could be reactivated. In many cases, as detailed in its 2012 MTW Plan, where Public Housing ACC is insufficient to support the debt service necessary to fully finance acquisitions or development, KCHA may combine multiple subsidy programs to support necessary financing in order to expand the availability of housing for extremely low income households.

#### F. MTW Working Capital Reserves

Based on current projections regarding expenditures of MTW Working Capital and projected funding for FY 2013, KCHA anticipates its MTW Working Capital to reflect the following balances on December 31, 2013:

MTW Working Capital Reserves: Projected balances at FYE 2013		
Cash on Hand FYE 2013		\$ 10,724,931
Less: Routine liabilities due within one year	\$ 700,000	
<b>Net MTW Working Capital - FYE 2013</b>		<b>\$10,024,931</b>
Committed Uses of MTW Working Capital		
Section 8 HAP Contingency (one month's HAP or approximately 6% of Contract Authority)	\$ 5,973,173	
Capital Funds obligated, not paid in 2013	1,226,557	
Sponsor Based Contracts Obligated	1,552,618	
Housing Management Software Costs Obligated	1,535,000	
New Housing Development	2,000,000	
<b>Total Planned Uses of MTW Working Capital</b>		<b>\$ 12,287,348</b>
<b>Net Unobligated MTW Working Capital - FYE 2013</b>		<b>(\$ 2,262,417)</b>

Because the participation of landlords is a critical factor in the success of any Section 8 program, KCHA guarantees payment of monthly HAP subsidy on the 1<sup>st</sup> of each month – regardless of the prior receipt of HUD funding for this purpose. As detailed above, KCHA has designated a portion of its MTW Working Capital as a Section 8 HAP Contingency – a set-aside available for use in the event of a delay in HUD’s transfer of funds to the Authority. Resolution 5406, approved by KCHA’s Board of Commissioners in October 2012, commits nearly \$6.0 million so that funds are available to meet its financial obligations to Section 8 landlords and ensure the success of KCHA’s Section 8 program.

In addition to the ability to use single-fund budget flexibility to cover short-term obligations, one of the most important elements of the MTW demonstration program is that it frees participating housing authorities from having to restrict their budgetary planning to single year cycles of revenues and expenditures. This enables multi-year financial planning and strategic budgeting to achieve long-term growth and complex operational goals. It also provides an incentive for the implementation of operational efficiencies and policy innovations that increase operating stability and enable the reallocation of resources to fund multi-year initiatives that support the core mission.

KCHA has been successful in implementing program and policy initiatives that have enabled reinvestment in core priorities. These re-investments, intended to be implemented over a multi-year period, support the MTW long-term strategic priorities outlined in Section IV of this Report as noted below:

- ❖ KCHA is utilizing MTW resources to accelerate capital repairs to its affordable housing inventory in order to preserve existing housing and address a substantial backlog of critical repairs (Strategy 1). These improvements also improve the energy efficiency of KCHA’s housing and reduce long-term operating costs. A total of \$11.3 million in MTW working capital is earmarked for this purpose in FY 2013 – including \$3.79 million in contract obligations entered into during FY 2012 and an additional \$7.512 million committed by resolution of the KCHA’s Board of Commissioners for this purpose through Resolution 5403, dated September 2012.
- ❖ KCHA is utilizing its MTW working capital to fund the over issuance of Section 8 vouchers in order to increase the supply of affordable housing for the region’s growing number of extremely low income households (Strategy 2). KCHA’s Board of Commissioners has authorized the issuance of 275 vouchers above KCHA’s HUD base-line. A number of these vouchers are being project-based through multi-year HAP agreements in partnership with local government capital funding awards to



assist in underwriting housing production in low poverty areas of the region (Strategy 3).

- ❖ KCHA is also utilizing MTW resources to purchase existing Class B multifamily properties and develop new sites that are adjacent to existing public housing complexes or in low poverty neighborhoods. Use of MTW reserves to fund new purchases and property development eliminates the need to finance these acquisitions and enables KCHA to activate replacement public housing subsidies, expanding the supply of extremely low-income units in the region (Strategy 2). MTW funds are also being used to purchase existing expiring use federally subsidized properties, preserving these valuable “hard unit” resources.
- ❖ KCHA has designed a local “sponsor-based” leased housing program to enable service providers to successfully lease housing for “hard-to-house” populations such as chronically homeless mentally ill individuals and homeless youth who are otherwise ineligible to receive a Housing Choice Voucher (Strategy 4). These “housing first” programs leverage significant local service funding to provide wrap-around services. In order to secure long term commitments of service dollars, it was necessary for KCHA to enter into multi-year funding commitments with its non-profit partners. On August 8, 2012, KCHA’s Board of Commissioners adopted Resolution 5396 – authorizing the commitment of \$2.58 million of its MTW working capital to ensure funds are available to support the ongoing operation of its Sponsor-based program.
- ❖ To reduce financing expenses across a number of programs serving low-income households KCHA is utilizing MTW resources to restructure existing debt by retiring or replacing high interest loans (Strategy 7). Among its allowable use of MTW resources, KCHA may borrow funds, including from its internal resources to acquire, develop, and rehabilitate housing for low-income households. KCHA may enter into such loans in order to:
  - ❑ Replace existing debt on KCHA owned/controlled properties to improve their financial viability over the long term and ensure the inventory remains affordable to low and extremely-low income households.
  - ❑ Provide credit enhancement on debt undertaken to renovate the 509 scattered-site public housing units approved for disposition in FY 2012 and/or provide capital funds to support necessary renovations.

- ❑ Defease or redeem existing debt (or portions of such debt) on KCHA's workforce housing in order to make some or all of the units more affordable to low-income residents.
- ❖ KCHA may draw unexpended CFP funds or use MTW working capital to create a debt service reserve for the Birch Creek and Green River redevelopments. The amount of the RHF designated by HUD has, to date, been less than underwriting projections. KCHA could use either funding source to pay outstanding debt for these properties as payments become due (Strategy 1).
- ❖ KCHA may create operating or replacement reserves for local program developments serving eligible households. Due to low rental income these developments cannot be otherwise self-sustaining. Use of MTW resources for this purpose enables KCHA to proceed with the repositioning of a portion of its inventory to ensure long term viability (Strategy 1).
- ❖ KCHA is expanding and modernizing its on-site community facilities to bolster programs designed to increase academic and life success for youth living in our subsidized housing and economic self-sufficiency for their parents (Strategy 6 & 7). These community centers serve as the foundation for family self-sufficiency by providing KCHA's low-income residents with on-site access to a multitude of community services. MTW reserves are being utilized in conjunction with other monies to fund these projects.
- ❖ Unlike many other housing authorities, KCHA is self-developing two Hope VI projects. These large scale developments in King County's poorest neighborhood have required significant public and private investment above and beyond funding available either through the HUD Hope VI grant or equity contributions leveraged through the Low Income Housing Tax Credit program. Sales proceeds from finished and unfinished lots on these sites to homebuilders will eventually provide a significant portion of the overall project funding. KCHA is utilizing MTW reserves to bridge these sale proceeds through direct KCHA loans into the projects and collateral for third party debt and will be partially repaid as lot sales progress. (Strategy 5).

Prudent management of working capital reserves allows KCHA to support its mission critical long-term objectives while maintaining access to capital markets and backstopping operational exigencies. For example, the steep pro-rate in the Public Housing operating subsidy in FY 2012 - a situation that could potentially arise again in FY 2013 - might have devastated KCHA's Public Housing program and its ongoing initiatives

had it not been for the availability of MTW working capital reserves to supplement shortfalls. KCHA also relies on significant short-term borrowing to bridge lot sale proceeds that are intended to repay infrastructure expenditures on its major development sites. Significant reserves, as in any business, are critical for continued access to these instruments.

## SECTION VIII: Administrative Information

### A. Required Resolution, Forms and Certifications

☐ **Comments received regarding MTW Annual Plan Components**

✓ Please see Page 58

☐ **Board Resolution approving the FY 2013 Annual Plan**

✓ Please see Pages 59-60

☐ **PHA Certification of Compliance with MTW Plan requirements**

✓ Please see Pages 61-62

☐ **Other HUD Information Required by HUD – Attached as Appendices and submitted as a separate .pdf file**

- ✓ **Appendix A:** Audit Report in compliance with OMB Circular A-133
- ✓ **Appendix B:** Disclosure of Lobbying Activities (HUD SF-LLL)
- ✓ **Appendix C:** Drug-Free Housing Certification (HUD 50070)
- ✓ **Appendix D:** Certification of Payments to Influence Federal Transactions (HUD 50071)
- ✓ **Appendix E:** Description of KCHA's Local Asset Management Plan
- ✓ **Appendix F:** Replacement Housing Factor (RHF) Plan

### B. Description of any Planned or Ongoing Agency Evaluations of the MTW Demonstration

KCHA carefully tracks outcomes and impacts of activities made possible through participation in the MTW demonstration to ensure that initiatives continue to meet intended targets and identify areas where mid-course corrections may be warranted. Data regarding outcomes and program progress is reported in the MTW Annual Report submitted in March of each fiscal year. KCHA remains in discussions with HUD and other MTW agencies regarding the use of outside contractors to conduct a more extensive evaluation of the MTW demonstration program and on how successful MTW innovations can be brought to scale across the industry.

## FY 2013 MTW Annual Plan

### PUBLIC COMMENTS

Name	Group/Agency	Comment Received	KCHA Response
David Madison	RAC – South (Section 8 resident)	Voiced how impressed he was with the 3 proposed new initiatives and how they targeted current issues.	Expressed thanks for support of programs KCHA proposes to address critical housing needs of the region.
Cindy Ference	RAC – North (PH Resident)	Provided opposing view of KCHA's proposed change to existing EASY and WIN rent policies that would not provide an interim review to reduce rent when a household has experienced a loss of income as the result of their own action or inaction.	Provided clarification relating to the proposed change – including the process that would be followed prior to implementation of any revision to the current rent policy and how the current Hardship Policy would be modified to allow KCHA to address mitigating circumstances.
Tom Berry	DSHS	Thanked KCHA for the opportunity to comment on the Plan – which “spells out a very impressive array of past and present initiatives”. Particularly impressed with the Passage Point Conditional Housing program proposal for FY 2013. Suggested additional cross-collaboration between DSHS and KCHA to further advance the goal of encouraging employment and economic self-sufficiency.	Thank you for your response. KCHA appreciates the offer to assist in expanding efforts to assist in moving households toward economic self-sufficiency and looks forward finding new ways to partner effectively with DSHS.

**THE HOUSING AUTHORITY OF THE COUNTY OF KING**  
**RESOLUTION NO. 5405**  
**APPROVING KCHA'S MOVING TO WORK ANNUAL PLAN**  
**FOR FISCAL YEAR 2013**

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**WHEREAS**, the King County Housing Authority (KCHA) entered the Department of Housing and Urban Development's (HUD) Moving to Work Demonstration Program (MTW) under a 2003 MTW Agreement with HUD; and

**WHEREAS**, as intended by Congress, the MTW Agreement authorizes KCHA to design and test new ways of providing housing assistance and needed services to low-income households; and

**WHEREAS**, in 2009 KCHA and HUD executed a Restated and Amended MTW Agreement (Restated Agreement), extending KCHA's participation in the MTW Demonstration through 2018 while preserving program flexibility to develop and manage housing programs and services in a manner that responds to the unique needs and circumstances of the Puget Sound region; and

**WHEREAS**, the Restated MTW Agreement requires the Authority to develop an MTW Annual Plan (the Plan) that identifies anticipated MTW program resources and expenditures, while outlining ongoing MTW activities and detailing new initiatives that KCHA intends to pursue during the coming fiscal year; and

**WHEREAS**, staff has developed the required MTW Annual Plan covering Fiscal Year 2013 (January 1, 2013 through December 31, 2013) in a manner that is responsive to and complies with the Restated MTW Agreement requirements; and

**WHEREAS**, in developing the FY 2013 MTW Annual Plan, KCHA provided opportunity for public and resident input regarding the Plan components, including coordination with the KCHA Resident Advisory Council and community stakeholders and including a Public Hearing held on September 24<sup>th</sup>, 2012; and

**WHEREAS**, the Plan envisions a number of significant changes in the operational policies and programs which are consistent with the goals of the MTW Demonstration and KCHA's mission; and


**WHEREAS**, a Board Resolution approving the Plan and certifying that the Plan complies with MTW Plan requirements must be included when it is submitted to HUD.

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

1. The Board of Commissioners hereby approves the MTW Plan attached to this resolution and the accompanying memorandum ("Fiscal Year 2013 Annual Plan") for implementation and submission to HUD.
2. The Board of Commissioners certifies that the Public Hearing requirements have been met and authorizes the Chair of the Board to execute the attached HUD Certification of Compliance with MTW Plan Requirements and Related Regulations.

**ADOPTED AT A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING  
THIS 15<sup>th</sup> DAY OF OCTOBER 2012.**

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

  
**Nancy Holland-Young, Chair**  
Board of Commissioners

  
**STEPHEN NORMAN**  
Secretary



**Annual Moving to Work Plan  
Certifications of Compliance**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

**Certifications of Compliance with Regulations  
Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning January 1, 2013, hereinafter referred to as "the Plan", of which this document is apart and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.



11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

King County Housing Authority  
PHA Name

WA002  
PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Nancy Holland-Yang  
Name of Authorized Official

Board Chair  
Title

Nancy Holland-Yang  
Signature

10/15/2012  
Date

# KING COUNTY HOUSING AUTHORITY FY 2013 MTW ANNUAL PLAN APPENDICES

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- ❑ **Appendix E:** Description of KCHA's Asset Management Plan
- ❑ **Appendix F:** Replacement Housing Factor (RHF) Plan

***Note:** Copies of the Appendices above can be located on KCHA's website – [www.kcha.org](http://www.kcha.org)*

**Washington State Auditor's Office**  
**Financial Statements and Federal Single Audit Report**

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**Housing Authority of the County of King  
(King County Housing Authority)**

Audit Period  
January 1, 2010 through December 31, 2010

**Report No. 1006520**

Issue Date  
**September 30, 2011**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

September 30, 2011

Board of Commissioners  
King County Housing Authority  
Tukwila, Washington

***Report on Financial Statements and Federal Single Audit***

Please find attached our report on the King County Housing Authority's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Housing Authority's financial condition.

Sincerely,

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

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# **Federal Summary**

## **King County Housing Authority January 1, 2010 through December 31, 2010**

The results of our audit of the King County Housing Authority are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

### ***FINANCIAL STATEMENTS***

An unqualified opinion was issued on the financial statements of the business-type activities and the aggregate discretely presented component units.

#### **Internal Control Over Financial Reporting:**

- ***Significant Deficiencies:*** We identified deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- ***Material Weaknesses:*** We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Housing Authority.

### ***FEDERAL AWARDS***

#### **Internal Control Over Major Programs:**

- ***Significant Deficiencies:*** We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- ***Material Weaknesses:*** We identified no deficiencies that we consider to be material weaknesses.

We issued an unqualified opinion on the Housing Authority's compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

***Identification of Major Programs:***

The following were major programs during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
14.042	Move to Work Operating Subsidy (Shown on SEFA as 14.OPS)
81.042	ARRA - Weatherization Assistance for Low Income (Recovery Act)
81.042	Weatherization Assistance for Low Income
14.871	Housing Choice Vouchers (Shown on SEFA as 14.HCV)
14.872	Public Housing Capital Fund (Shown on SEFA as 14.CFP)
14.884	ARRA - Public Housing Capital Fund Competitive Cluster (Recovery Act)
14.885	ARRA - Public Housing Capital Fund Stimulus Formula Cluster (Recovery Act)

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$3,000,000.

The Housing Authority qualified as a low-risk auditee under OMB Circular A-133.

# Schedule of Audit Findings and Responses

## King County Housing Authority January 1, 2010 through December 31, 2010

1. **Other auditors reported that related entities of the Housing Authority do not have adequate internal controls over accounting.**

### Background

Housing Authority management, taxpayers, bondholders, creditors, banks, the state Legislature, and state and federal agencies rely on the information in financial statements and reports to make decisions. It is the responsibility of Housing Authority management to design and follow effective internal controls to provide reasonable assurance regarding the reliability of financial reporting.

*Government Auditing Standards*, prescribed by the Comptroller General of the United States, require the auditor to communicate internal control deficiencies, as defined below in the Applicable Laws and Regulations section, as a finding. Auditing guidance also allows the auditor to report significant deficiencies identified by other auditors. Therefore, these findings have been included in our report.

### Description of Condition

#### Tax Credit Partnerships

Housing authorities create tax credit partnerships as separate limited liability partnerships or limited liability companies to obtain private funding for low-income housing projects. The Housing Authority is the general (or managing) partner and the investor is the limited partner. The King County Housing Authority had 23 such partnerships in 2010. Because they have a significant operational or financial relationship with the Housing Authority, they are included in its financial reporting. As private companies, the partnerships are audited by auditors other than those at the State Auditor's Office. The audited financial statements are combined and presented in the Housing Authority's financial statements.

The other auditors identified significant deficiencies in internal controls for 11 of the 23 Tax Credit Partnerships, as follows:

#### *Sixth Place Apartments Limited Liability Partnership:*

Not all construction costs incurred were recorded, resulting in work in progress, contractor's payable, and retention being understated by \$789,521

#### *Salmon Creek Housing Limited Liability Partnership:*

Depreciation expense was not recorded, resulting in depreciation expense and accumulated depreciation being understated by \$1,000,871.



*Soosette Creek Limited Liability Company:*

- Retained earnings did not include the total amount of prior year losses, resulting in retained earnings being understated by \$486,728.
- Depreciation expense was recorded for more than a reasonable amount, resulting in depreciation expense and accumulated depreciation being overstated by \$1,934,123.

*Seola Crossing Limited Liability Partnership:*

Depreciation expense was not recorded in accordance with the depreciable lives stated in the financial statements, resulting in depreciation expense and accumulated depreciation being overstated by \$278,908.

*Colonial Gardens Limited Partnership:*

Depreciation expense was not recorded, resulting in depreciation expense and accumulated depreciation being understated by \$169,441.

*Woodridge Park Liability Partnership:*

Transfer of property to KCHA was not recorded, resulting in fixed assets, and non-recourse debt being overstated, and gain on transfer at fair market value being understated by \$471,160.

*Seatac Limited Partnership:*

- Additions to fixed assets were not capitalized, resulting in fixed assets being understated and net loss being overstated by \$121,412.
- Involuntary conversions of fixed assets and the gain on the involuntary conversion from the fire that occurred were not recorded, resulting in fixed assets being understated and net loss being overstated by \$653,082.

*Cones Limited Partnership:*

Excessive depreciation expense was taken on fixed assets, resulting in depreciation expense and accumulated depreciation being understated by \$93,112.

*Nia Apartments Limited Liability Company:*

Depreciation expense was not recorded accurately, resulting in depreciation expense and accumulated depreciation being understated by \$682,895.

*Eastbridge Apartments Limited Liability Company:*

- Depreciation expense was not recorded, resulting in depreciation expense and accumulated depreciation being understated by \$759,867.
- ASC 835 (FAS 62) assets on bonds were not capitalized, resulting in fixed assets being understated and interest expense being overstated by \$281,175.

*Egis Housing Limited Partnership:*

Additions to building were not capitalized, resulting in fixed assets being understated and net loss being overstated by \$216,740.

## **Effect of Condition**

The tax credit partnerships corrected all of the errors listed above in their accounting records and financial statements.

## **Recommendation**

The other auditors recommended the tax credit partnerships take the following actions, which include improvements to their internal controls over financial reporting:

- Record all the costs incurred for construction projects
- Record depreciation and amortization expense in accordance with the methods listed in their notes to the financial statements
- Record all prior year's net loss into retained earnings
- Record the transfer of property made to the King County Housing Authority
- Capitalize material additions to fixed assets
- Record involuntary conversions when they occur
- Record the interest incurred on bonds during the construction period to fixed assets.

## **Housing Authority's Response**

*The King County Housing Authority strenuously disagrees with the SAO in its classification of these SAS 115 letters as a finding. Our disagreement is based on the following issues:*

- 1) *The outside auditors clearly state in their correspondence to the management of the limited partnerships "this communication is intended solely for the information and use of management, the Partnership, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties." This language exists for a very explicit reason: to allow private auditors to convey issues to management in an educational manner. While it is common for the SAO to rely on the work of component unit private auditors for attestation purposes, it is not commonplace to include such management letters as a finding for the primary government. Indeed, the wording above makes it*

*clear that the private auditors are not expecting or allowing others to rely on their management letter.*

- 2) The management letters are discussing deficiencies that do not even rise to the level of a "material weakness". Instead, they are categorized as a "significant deficiency" which is "less severe than a material weakness". It is inconsistent for the SAO to report these lower-level management letter items as findings, the SAO's most serious reporting level.*
- 3) Notwithstanding the above, we disagree with the private auditor's assertion that the issues they identified even rise to the level of being a significant deficiency. It has been the strategy of the partnerships to have the CPA firm suggest final closing entries rather than having the management companies make them, as the CPA firm has the necessary technical background. Indeed, this procedure is part of the internal control process, not a deficiency.*
- 4) Although such management letters existed during the 2009 audit, the SAO chose to not include such letters in their 2009 report, and they gave no indication they had any issues with the letters. It was only after the time had passed for KCHA to make the objection listed in (3) above to the private auditor that the SAO changed their position on the management letters. This is inherently unfair.*

### **Auditor's Remarks**

The Washington State Auditor's Office performs its audits in accordance with *Government Audit Standards*, issued by the Comptroller General of the United States. As stated below, these standards require us to include information about significant deficiencies in internal control that were noted during the audits of the Housing Authority and its related entities. We reaffirm our finding.

### **Applicable Laws and Regulations**

*Government Auditing Standards*, July 2007 Revision – Section 5.11, states that auditors should report significant deficiencies and material weaknesses in internal control.

Statement on Auditing Standards No. 115, issued by the Auditing Standards Board of the American Institute of Certified Public Accountants, defines material weakness and significant deficiency as follows:

a. Material weakness:

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

b. Significant deficiency:

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material

weakness, yet important enough to merit attention by those charged with governance.

State law (RCW 43.09.200) states:

The state auditor shall formulate, prescribe, and install a system of accounting and reporting for all local governments, which shall be uniform for every public institution, and every public office, and every public account of the same class.

The system shall exhibit true accounts and detailed statements of funds collected, received, and expended for account of the public for any purpose whatever, and by all public officers, employees, or other persons.

The accounts shall show the receipt, use, and disposition of all public property, and the income, if any, derived therefore; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction; all statements and reports made or required to be made, for the internal administration of the office to which they pertain; and all reports published or required to be published, for the information of the people regarding any and all details of the financial administration of public affairs.

*Budgeting, Accounting and Reporting System (BARS) Manual, Part 3, Accounting, Chapter 1, Accounting Principles and General Procedures, Section B, Internal Control, states in part:*

Internal control is a management process for keeping an entity on course in achieving its business objectives, as adopted by the governing body. This management control system should ensure that resources are guarded against waste, loss and misuse; that reliable data is obtained, maintained, and fairly disclosed in financial statement and other reports; and resource use is consistent with laws, regulations and policies.

Each entity is responsible for establishing and maintaining an effective system of internal control throughout their government.

# **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with *Government Auditing Standards***

**King County Housing Authority  
January 1, 2010 through December 31, 2010**

Board of Commissioners  
King County Housing Authority  
Tukwila, Washington

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the King County Housing Authority, King County, Washington, as of and for the year ended December 31, 2010, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated September 20, 2011. During the year ended December 31, 2010, the Housing Authority implemented Governmental Accounting Standards Board *Statement No. 53 - Accounting and Financial Reporting for Derivative Instruments*.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the tax credit partnerships identified in Note 10, as described in our report on the Authority's financial statements. Those financial statements were not audited in accordance with *Governmental Auditing Standards*.

## ***INTERNAL CONTROL OVER FINANCIAL REPORTING***

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Housing Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies

in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Audit Findings and Responses as Finding 1 that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of the Housing Authority's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Housing Authority's response to the finding identified in our audit is described in the accompanying Schedule of Audit Findings and Responses. We did not audit the Housing Authority's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of management, the Board of Commissioners, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, appearing to read "Brian Sonntag", with a stylized, flowing script.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

September 20, 2011

# **Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133**

**King County Housing Authority  
January 1, 2010 through December 31, 2010**

Board of Commissioners  
King County Housing Authority  
Tukwila, Washington

## ***COMPLIANCE***

We have audited the compliance of the King County Housing Authority, King County, Washington, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The Housing Authority's major federal programs are identified in the Federal Summary. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

## **INTERNAL CONTROL OVER COMPLIANCE**

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of management, the Board of Commissioners, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

September 20, 2011



# **Independent Auditor's Report on Financial Statements**

## **King County Housing Authority January 1, 2010 through December 31, 2010**

Board of Commissioners  
King County Housing Authority  
Tukwila, Washington

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the King County Housing Authority, King County, Washington, as of and for the year ended December 31, 2010, which collectively comprise the Housing Authority's basic financial statements as listed on page 14. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the tax credit partnerships identified in Note 10 were not audited in accordance with *Governmental Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the King County Housing Authority, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, during the year ended December 31, 2010, the Housing Authority implemented Governmental Accounting Standards Board *Statement No. 53 - Accounting and Financial Reporting for Derivative Instruments*.

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 15 through 21 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Financial Data Schedule and HUD forms AMCC are supplemental information required by HUD. These schedules are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Balance Sheet, Statement of Revenues and Expenses, and the financial statements for The Pooled Housing Refunding Revenue Bonds, Series 1998A are also presented for purposes of additional analysis. These statements are not a required part of the basic financial statements. Such supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Property Listing is not a required part of the basic financial statements but is supplementary information presented for purposes of additional analysis. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in black ink, appearing to read "Brian Sonntag", with a stylized flourish at the end.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

September 20, 2011

# **Financial Section**

## **King County Housing Authority January 1, 2010 through December 31, 2010**

### ***REQUIRED SUPPLEMENTAL INFORMATION***

Management's Discussion and Analysis – 2010

### ***BASIC FINANCIAL STATEMENTS***

Balance Sheet – 2010

Statement of Revenues, Expenses and Changes in Net Assets – 2010

Statement of Cash Flows – 2010

Notes to Financial Statements – 2010

### ***SUPPLEMENTAL INFORMATION***

Schedule of Expenditures of Federal Awards – 2010

Notes to the Schedule of Expenditures of Federal Awards – 2010

Federal Data Schedule (FDS) Balance Sheet – 2010

Federal Data Schedule (FDS) Statement of Revenues and Expenses – 2010

Property Listing – 2010

Pooled Housing Refunding Revenue Bonds, Series 1998A – A Proprietary Fund of the  
Housing Authority of King County – Balance Sheet – 2010

Pooled Housing Refunding Revenue Bonds, Series 1998A – A Proprietary Fund of the  
Housing Authority of King County – Statement of Revenues, Expenses and Changes  
in Net Assets – 2010

Pooled Housing Refunding Revenue Bonds, Series 1998A – A Proprietary Fund of the  
Housing Authority of King County – Statement of Cash Flows – 2010

Pooled Housing Refunding Revenue Bonds, Series 1998A – Notes to the Financial  
Statements – 2010

Actual Modernization Cost Certificate – WA19P002501-03

Actual Modernization Cost Certificate – WA19P002502-03

Actual Modernization Cost Certificate – WA19P002501-04

## **HOUSING AUTHORITY OF THE COUNTY OF KING**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This first section of the annual financial report presents a discussion and analysis of King County Housing Authority's (KCHA) financial performance during the year ended December 31, 2010. It should be read in conjunction with the Authority's financial statements, which immediately follow this section.

KCHA administers a broad range of federally and locally financed housing programs serving an area of over 2,134 square miles, covering all of King County outside of the cities of Seattle and Renton. The King County Housing Authority owns or manages 8,389 units of housing and provides rental subsidies to over 7,900 additional households. The majority of KCHA's program participants have incomes below 20% of area median income. KCHA's inventory includes 2,539 units of public housing in King County and in the city of Olympia, which lies outside of King County. In addition, KCHA manages two public housing sites with 80 units via contract in the City of Sedro-Woolley.

The financial performance discussed in the following analyses does not include tax credit partnerships. The tax credit partnerships, with 19 sites and 2,103 units, are owned by separate limited partnerships/corporations with the Authority acting as general partner/managing member. The tax credit properties are fee managed by outside private property management firms with the exception of Harrison House, Valley Park, Birch Creek, and Egis, which are managed by KCHA's Housing Management department. Because of the different corporate structure of the partnerships, their operations are not carried directly on the books of the Authority but are listed as component units on the Balance Sheet and Statement of Revenues, Expenses and Changes in Net Assets and are detailed in Note 10. With those exceptions, neither these units, nor their financial data, are included in the analysis and financial reports that follow.

#### **2010 FINANCIAL HIGHLIGHTS**

- The Authority continues to be a Moving to Work (MTW) Public Housing agency, allowing for certain financial flexibilities and empowering the Authority to waive certain sections of Section 8 and 9 of the Housing Act of 1937.
- Total assets of the Authority exceeded total liabilities at December 31, 2010 by \$381.1 million.
- Total change in net assets for 2010 was \$34 million and includes \$17.8 million in capital grant contributions.
- MTW reserves continued to serve the low and very-low income populace through an array of innovative programs and the purchase of additional affordable housing.
- Operating expenses were \$148.1 million and include \$74.8 million in housing assistance payments made to landlords, or 51% of operating expenses.
- Rental property at the Greenbridge HOPE VI redevelopment site is fully operational with project completions and occupancy at Seola Crossing, Eastbridge, Nia, and Salmon Creek. A new public housing project funded by an American Recovery and Reinvestment Act (ARRA) grant, Sixth Place Apartments, has been added to the Greenbridge site while the ongoing rehabilitation of Seola Gardens (formerly Park Lake Site II) continues.
- Significant capital projects involving ADA compliance and weatherization were undertaken and aided by funding through 18 ARRA grants.

## **AUTHORITY-WIDE FINANCIAL STATEMENTS**

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into columnar format, presenting totals by category for the entire Authority.

These statements include a *Balance Sheet*. The balance sheet reports all financial and capital resources for the Authority. The balance sheet is presented in the format where assets equal liabilities plus “net assets”, formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as “current” (generally, those assets convertible into cash within one year), and “non-current”.

The balance sheet presents information about the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net assets are reported in three broad categories:

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of net assets consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets: This component of net assets consists of restricted assets when constraints are placed on the asset by external forces such as creditors (e.g. debt covenants), grantors, contributors, laws, regulations, etc., net of any offsetting, associated liabilities. Restrictions on assets imposed voluntarily by KCHA do not result in restricted net assets.

Unrestricted Net Assets: This component of net assets consists of net assets that do not meet the definition of “Net Assets Invested in Capital Assets, Net of related Debt”, or “Restricted Net Assets”.

The Authority-wide financial statements also include a *Statement of Revenues, Expenses and Changes in Net Assets* (similar to an income statement). This statement includes operating revenues, such as rental income, operating expenses such as administrative, utilities, and maintenance, and non-operating revenue and expenses, such as grant revenue, investment income and interest expense. The focus of the Statement of Revenues, Expenses and Changes in Net Assets is the “Change in Net Assets” which is similar to Net Income or Loss.

Finally, a *Statement of Cash Flows* is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, capital and related financing activities, and investing activities.

## **FINANCIAL ANALYSIS OF THE AUTHORITY**

### **Condensed Balance Sheet:**

Table A-1 presents the Authority’s *Condensed Balance Sheet* for 2010 and 2009. The purpose of the statement is to provide a snapshot of the financial condition of the Authority at a certain point in time. Presented are the assets, liabilities, and net assets of the Authority at the end of the year. Supplementary information is provided in the accompanying notes that further explain and support the data presented in table A-1.

Current and other assets, excluding capital assets, for the year ended December 31, 2010 total \$437.5 million and are comprised of \$132.1 million in cash, cash equivalents, and investments and \$305.4 million in accounts, notes and financing lease receivables. The \$22.4 million increase from the prior year is due to a \$9.7 million increase in cash, cash equivalents, and investments and a \$12.7 million increase in accounts, notes, and financing leases receivable. The increase in accounts receivable was mainly attributable to the increase in grant receivables related to Birch Creek, Sixth Place Apartments, and Seola Gardens capital projects.

Capital assets for the year ended December 31, 2010 are \$280.4 million. Included in this category are land and improvements, buildings and improvements, personal property, and construction-in-progress. The \$26.2 million net increase in capital assets from 2009 is primarily attributable to a \$15.8 million increase in construction-in-progress related to the Greenbridge project and ARRA funded capital projects. Another \$10.2 million of assets were added with the purchase of Westminster, Park Royal, and the Central Office Annex. Additionally, the Authority reacquired the Woodridge Park property from the Tax Credit Partnership by assuming the property's outstanding debt. More detailed information about the Authority's capital assets is presented in the notes to the financial statements.

Total liabilities, excluding the non-current portion of long-term debt, totaled \$83.3 million at December 31, 2010, an increase of \$28.9 million from 2009. This increase is due primarily to the reclassification from long-term to current of lines of credit related to Birch Creek and the Greenbridge project.

Total net assets increased by \$33.7 million during 2010. Net assets represent the Authority's equity, a portion of which is restricted for certain uses. The \$22 million increase in unrestricted net assets resulted primarily from an \$8 million increase in unrestricted cash and investments, a \$26 million increase in capital assets, and a \$15 million increase in long-term debt mainly attributable to continuing construction in relation to Greenbridge and Seola Gardens.

**Table A-1, Condensed Balance Sheet <sup>(1)</sup>**

	2010	2009
<b>Assets:</b>		
Current and other assets	\$ 437,531,903	\$ 415,107,526
Capital assets	280,405,014	254,222,252
Total Assets	<u><b>\$ 717,936,917</b></u>	<u><b>\$ 669,329,778</b></u>
<b>Liabilities:</b>		
Current and other liabilities	\$ 83,320,039	\$ 54,457,448
Long-term debt, net of current	253,428,366	263,027,769
Total Liabilities	<u>336,748,405</u>	<u>317,485,217</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	(34,439,403)	101,367,860
Restricted	15,671,646	22,453,022
Unrestricted	399,956,270	228,023,679
Total Net Assets	<u>381,188,513</u>	<u>351,844,561</u>
<b>Liabilities and Net Assets</b>	<u><b>\$ 717,936,918</b></u>	<u><b>\$ 669,329,778</b></u>

(1) Component units are not included.

**Condensed Statement of Revenues, Expenses, and Changes in Net Assets:**

The purpose of the “Condensed Statement of Revenues, Expenses and Changes in Net Assets” is to present the revenues earned by the Authority (both operating and non-operating) and the expenses incurred (operating and non-operating), and any other revenues, expenses, gains and losses received or spent by the Authority. Table A-2 represents the Authority’s Condensed Statement of Revenues, Expenses, and Changes in Net Assets for 2010 and 2009:

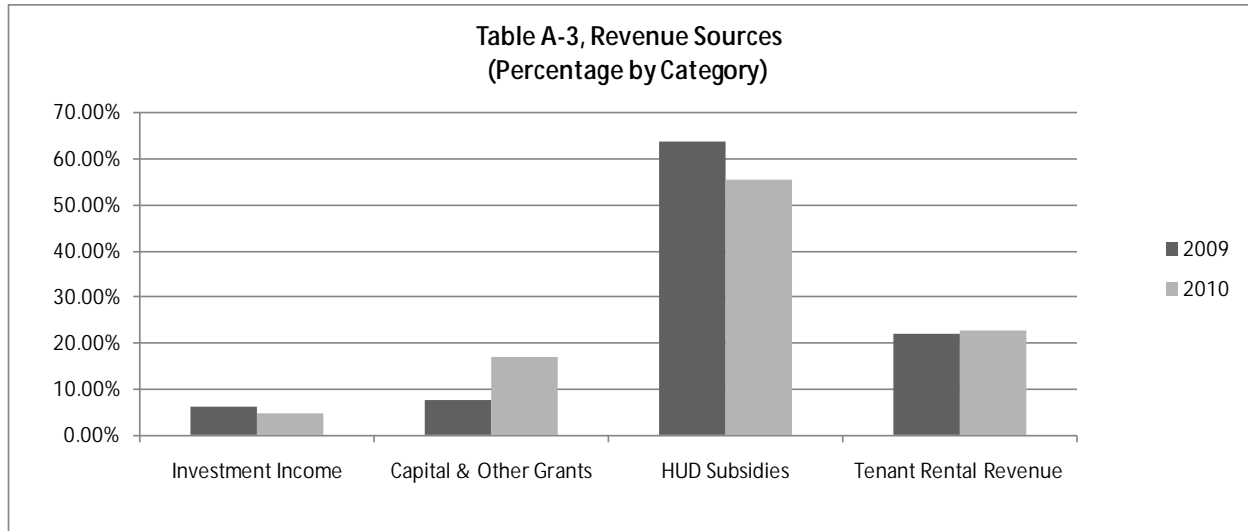
**Table A-2, Condensed Statement of Revenues, Expense, and Changes in Net Assets <sup>(1)</sup>**

	<b>2010</b>	<b>2009</b>
Operating Revenues	\$ 45,790,338	\$ 39,851,358
Nonoperating revenues	130,087,204	121,125,914
Total Revenues	175,877,542	160,977,272
Operating expenses	148,155,839	132,448,348
Nonoperating expenses	11,811,143	12,034,639
Total Expenses	159,966,981	144,482,987
Excess or deficiency before contributions	15,910,560	16,494,285
Capital grant contributions	17,856,451	18,317,852
Change in Net Assets	33,767,011	34,812,137
Beginning Net Assets	351,844,561	317,032,423
Accounting Adjustment <sup>(2)</sup>	\$ (4,423,059)	\$ -
Ending Net Assets	\$ 381,188,513	\$ 351,844,561

**(1) Component units are not included.**

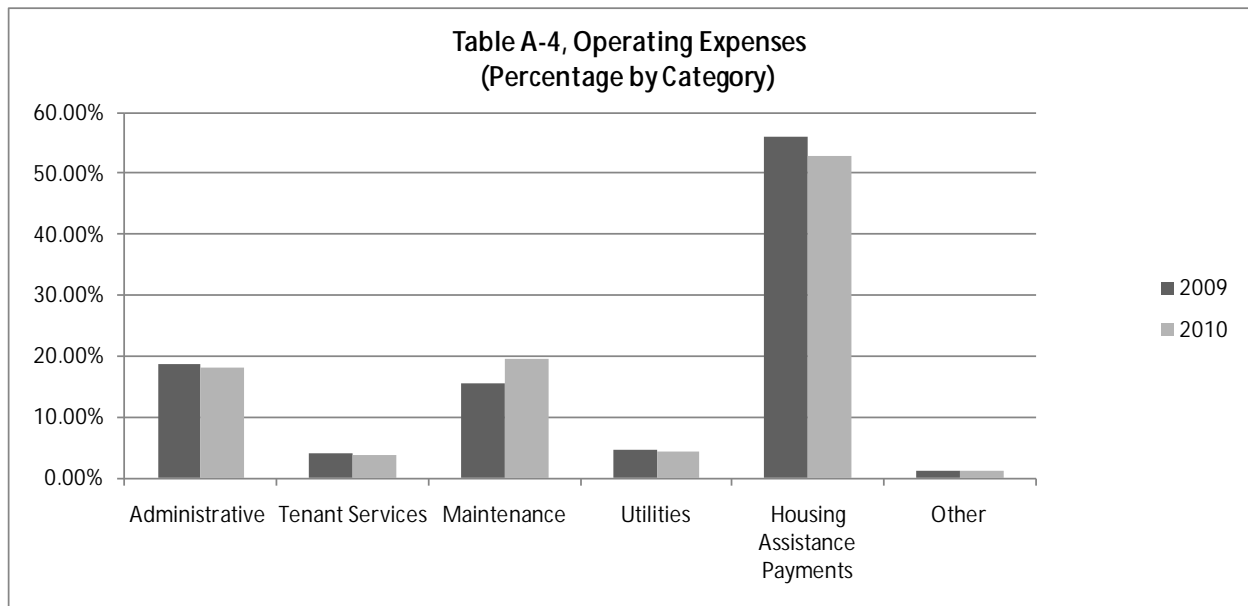
**(2) Restatement of Beginning Net Assets to reflect implementation of GASB 53. See Footnote 2.**

Revenues are classified as operating, non-operating or capital grant contributions. Table A-3 shows the sources of revenues for 2010 and 2009 as a percentage of all revenues. The overall contribution for each revenue type remained relatively constant from 2009 to 2010. The steady decline in investment interest rates has continued to make the Authority more reliant on HUD subsidies while ARRA funds result in a slight increase in capital grant revenue.



Operating expenses are amounts paid for providing housing services to the Authority's tenants and administering the various programs. Total operating expenses for 2010 were \$141.4 million (excluding depreciation), a \$15.6 million increase compared to 2009. The increase is primarily the result of a \$4.8 million increase in HUD housing assistance payments as well as a \$2.4 million increase in administrative expense.

Table A-4 demonstrates that the mix of operating expenses as a percentage of total expenses has remained relatively static from 2009 to 2010.





### **CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION**

During 2010, net capital assets increased by \$26.2 million. An increase of \$36.3 million, driven primarily by capital construction costs and ARRA-funded rehabilitation projects, was offset by \$11.4 million of net capital asset disposals. Major capital asset disposals included \$6.8 million of public housing units at Park Lake II that were demolished as part of the HOPE VI redevelopment project. Information about the Authority's capital assets is further presented in the financial statements Note 6 – Capital Assets.

**Table A-5, Capital Assets, net of Accumulated Depreciation**

	<b>2010</b>	<b>2009</b>
Land - Non Depreciable	\$57,667,372	\$57,056,844
Land Improvements	22,718,300	20,870,992
Land	80,385,672	77,927,836
Buildings and Improvements	211,255,668	207,567,675
Furniture, Equipment & Machinery	3,112,164	3,142,077
Construction in Progress	<u>98,982,338</u>	<u>76,086,359</u>
	393,735,843	364,723,947
 Total accumulated depreciation	 <u>(113,330,829)</u>	 <u>(110,501,695)</u>
 <b>Net Capital Assets</b>	 <b><u>\$280,405,014</u></b>	 <b><u>\$254,222,252</u></b>

### **LONG TERM DEBT & OTHER NONCURRENT LIABILITIES**

The Authority has issued various forms of debt for the purpose of acquiring and rehabilitating projects located throughout King County. At year-end, the Authority had \$253 million in net long-term bonds and notes outstanding (as shown in table A-6) which represents a \$9.3 million decrease over the prior year-end balance. Included in the other noncurrent liabilities category are payments in lieu of taxes, deferred revenues, and the fair value of interest rate swaps. For more information on the Authority's long-term debt, please see Note 7.

**Table A-6, Long Term Debt & Other Noncurrent Liabilities**

	<b>2010</b>	<b>2009</b>
Long-term, net of current portion	\$253,428,366	\$262,590,938
Other noncurrent liabilities	<u>6,485,772</u>	<u>3,476,130</u>
<b>Total long-term debt &amp; other noncurrent liabilities</b>	<b><u>\$259,914,138</u></b>	<b><u>\$266,067,067</u></b>

## **ECONOMIC FACTORS AFFECTING THE AUTHORITY'S FUTURE**

The Authority receives the bulk of its operational funding from the federal Department of Housing and Urban Development which, like all federal agencies, continues to experience budget constraints. Although KCHA's Moving to Work authority gives it substantial financial flexibility, future funding depends upon Congressional appropriations.

An additional source of revenue for the Authority in 2010 was funds distributed by the American Recovery and Reinvestment Act. The Authority was a prime recipient of 18 Capital Fund Recovery Grants. These grants have enabled the Authority to engage in projects related to weatherization upgrades and the upgrading of select public housing units to Americans with Disabilities Act compliance.

The current recession, the worst in several decades, has continued to severely impact the ability of the Authority to gain access to funding sources for many of its rehabilitation projects. The tight credit market, along with the difficulty of getting Low Income Housing Tax Credit program equity partners, is a challenge that continues to require creative strategies.

The Authority continues to plan to convert the ownership structure on certain public housing complexes from Authority-owned to ownership by partnerships under the Low Income Housing Tax program. The financing generated through federal income tax credits that flows to the project in the form of partnership equity contributions helps fund the redevelopment and major renovation activities.

## **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Housing Authority's finances and to demonstrate KCHA's accountability for its resources. Any questions about this report, or requests for additional information, should be directed to the Director of Finance of the King County Housing Authority.

HOUSING AUTHORITY OF THE COUNTY OF KING  
BALANCE SHEET  
As of December 31, 2010

	<u>AUTHORITY</u>	<u>COMPONENT UNITS</u>
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 75,344,861	\$ 6,192,883
Restricted cash and cash equivalents	2,121,615	12,636,511
Receivables, net	17,776,746	242,346
Investments	41,030,236	-
Restricted investments	7,863,563	1,829,300
Other current assets	826,665	345,258
Total Current Assets	<u>144,963,686</u>	<u>21,246,298</u>
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	\$ 5,686,467	\$ -
Land, buildings and equipment, net	280,405,014	390,917,429
Noncurrent receivables	284,106,070	-
Other noncurrent assets	2,775,680	4,021,491
Total Noncurrent Assets	<u>572,973,231</u>	<u>394,938,920</u>
TOTAL ASSETS	<u>\$ 717,936,917</u>	<u>\$ 416,185,218</u>
LIABILITIES and NET ASSETS:		
CURRENT LIABILITIES:		
Current portion of long term debt	\$ 61,416,050	\$ 1,144,866
Other current liabilities	15,418,216	10,931,498
Total Current Liabilities	<u>76,834,266</u>	<u>12,076,364</u>
LONG-TERM LIABILITIES:		
Long-term debt, net of current	253,428,366	306,457,509
Interest Rate Swaps - Fair Value	5,436,935	403,295
Other noncurrent liabilities	1,048,837	6,687,630
Total Long-Term Liabilities	<u>259,914,138</u>	<u>313,548,434</u>
TOTAL LIABILITIES	<u>336,748,404</u>	<u>325,624,798</u>
NET ASSETS:		
Invested in capital assets, net of related debt	(34,439,403)	83,315,054
Restricted net assets	15,671,646	12,636,511
Unrestricted net assets	399,956,270	(5,391,145)
TOTAL NET ASSETS	<u>381,188,513</u>	<u>90,560,420</u>
TOTAL LIABILITIES and NET ASSETS	<u>\$ 717,936,917</u>	<u>\$ 416,185,218</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE COUNTY OF KING  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
For the 12 Month Period Ended December 31, 2010

	AUTHORITY	COMPONENT UNITS
OPERATING REVENUES		
Tenant revenue	\$ 35,355,618	\$ 23,616,577
Other revenue	10,434,720	998,427
Total Operating Revenues	45,790,338	24,615,004
OPERATING EXPENSES		
Administrative	25,657,975	6,244,600
Tenant services	5,351,961	-
Maintenance	27,782,413	3,035,283
Utilities	6,156,982	2,909,586
Housing assistance payments	74,835,937	-
Depreciation	6,674,218	12,045,050
Other expenses	1,696,354	1,610,844
Total Operating Expenses	148,155,839	25,845,363
Operating Income (Loss)	(102,365,501)	(1,230,359)
NONOPERATING REVENUE (EXPENSE)		
HUD subsidies and grant revenue	110,828,961	-
Other government grants	13,128,631	-
Investment income	9,304,227	126,690
Interest expense	(11,811,143)	(8,641,157)
Net gain (loss) on disposal of capital assets	(3,174,615)	-
Net Nonoperating Revenues (Expenses)	118,276,061	(8,514,467)
INCOME (LOSS) before contributions	15,910,560	(9,744,826)
Capital grant contributions	17,856,451	
Partner contributions (disbursements)		15,164,707
CHANGE IN NET ASSETS	\$ 33,767,011	\$ 5,419,881
Total Net Assets -- beginning	351,844,561	85,140,539
Deduct: Prior Period Adjustment	(4,423,059)	
Total Net Assets -- ending	\$ 381,188,513	\$ 90,560,420

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE COUNTY OF KING  
STATEMENT OF CASH FLOWS  
For the 12 Month Period Ended December 31, 2010

	AUTHORITY
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from tenants	\$ 32,179,128
Payments to employees	(18,924,734)
Payments to suppliers of goods and services	(41,016,993)
Payments to landlords	(69,195,196)
Payments received from (made to) other housing authorities	(4,102,786)
Other receipts (payments)	1,574,115
Net cash provided by (used in) operating activities	<u>(99,486,465)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Receipts from HUD	107,884,456
Receipts from other governments	13,179,212
Net cash provided by noncapital financing activities	<u>121,063,668</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grant contributions	17,856,451
Purchase of capital assets	(59,052,269)
Proceeds from issuance of capital debt	51,883,358
Principal payments on capital debt	(35,923,182)
Interest paid on capital debt	(11,412,135)
Other receipts (payments)	1,903,693
Net cash used in capital and related financing activities	<u>(34,744,084)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net sale (purchase) of investments	(22,505,053)
Investment in notes and financing leases	(1,156,046) a)
Payments received on notes and financing leases	20,865,010
Investment income -- notes and financing leases	5,220,649
Investment income -- other	1,424,768
Other receipts (payments)	(3,576,327)
Net cash provided by investing activities	<u>273,001</u>
Net Increase in Cash and Cash Equivalents	(12,893,880)
Cash and cash equivalents -- beginning of the year	96,046,824
Cash and cash equivalents -- end of the year	<u>\$ 83,152,944</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(102,365,501)
Adjustment to reconcile operating income to net cash:	
Depreciation expense	6,674,218
Change in assets and liabilities:	
Receivables and other assets	(2,451,445)
Accounts and other payables	(1,343,738)
Net cash provided by (used in) operating activities	<u>\$ (99,486,465)</u>

Non-cash transactions that would have been reported in the capital and investing sections if the transactions had involved a cash exchange.

- a) Excludes \$25.7 million of notes and financing leases received in exchange for capital assets -- \$8 million from Salmon Creek, \$8.6 million for Eastbridge, \$5.1 million from Zephyr, and \$3.9 million for Sixth Place Apts.

The accompanying notes are an integral part of these financial statements

**HOUSING AUTHORITY OF THE COUNTY OF KING**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010**

The following notes are an integral part of the financial statements of the Housing Authority of the County of King.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

*a) THE AUTHORITY*

The Housing Authority of the County of King (the "Authority") was created in 1939 as a municipal corporation under the provisions of the State Housing Authorities Law (RCW 35.82) and the Housing Cooperation Law (RCW 35.83) in response to the Federal Housing Act of 1937. The Act created the United States Housing Authority, empowering it to make loans and annual contributions to local public housing agencies to assist in the development, acquisition and administration of low rent projects. The programs authorized under the Act, as amended, are now administered by the Department of Housing and Urban Development (HUD). The Authority is not a component unit of King County.

The Authority operates in all of King County, except within the cities of Seattle and Renton, and in the city of Olympia. The Authority also serves as the management agent for the Housing Authority of the City of Sedro-Woolley in Skagit County. King County covers 2,134 square miles, and with more than 1.9 million people it ranks as the most populous county in Washington State, and the 14th most populous county in the nation. The County is the financial, economic and industrial center of the entire Pacific Northwest region. The Authority's jurisdiction encompasses an area of over 2,100 square miles and a population estimated at 1.7 million representing almost 30% of the state's total population. The Authority has its central office in Tukwila. A five-member Board of Commissioners appointed for five-year terms by the Metropolitan-King County Council governs the Authority. The Authority's commissioners serve without pay.

The Authority has been granted a broad range of powers to provide housing assistance to low-income households. The nationally recognized definition of a low-income family is a household earning less than 80 percent of the area's median income, adjusted for family size. The Authority administers federally and locally financed housing programs that serve a variety of housing needs including the following:

**FEDERALLY ASSISTED HOUSING PROGRAMS**

*Low Rent Public Housing* –The Authority owns, operates or maintains 56 housing projects consisting of 2,539 units of public housing of which 1,097 units are for the low-income elderly and disabled. The properties were acquired through bonds and notes guaranteed by HUD and through grants from HUD. Revenues consist of rents and other fees collected from tenants and an operating subsidy received from HUD. Typically residents pay 30% of their adjusted income in rents. Two thirds of public housing residents earn less than 20% of the area median income, with almost 80% having some form of entitlement payment as their main source of income. The Authority's subsidy is received under an Annual Contributions Contract to offset the cost of operating the units. HUD also provides funds to maintain and improve the public housing projects under the Capital Fund Program. Historically, all additions to land, structures and equipment of public housing are accomplished through these capital grant funds.

*Tenant Based Housing Choice Vouchers*—The Authority provides rental assistance payments to approximately 7,947 households who live in private rental housing. Funded by HUD pursuant to Section 8 of the U.S. Housing Act, this program allows participating families and individuals to choose their own housing with the use of a housing voucher. Generally the participant pays no more than 30% of income towards rent and the Authority pays the remainder. The Authority targets this program to the elderly, disabled households and families that are homeless or at the risk of homelessness. Program participants average 15% of area median income.

*Project Based Section 8 Housing* - The Authority owns seven developments with 446 units subsidized under the Section 8 program. Under this program, subsidies attach to qualifying housing units rather than to qualifying individuals or families. The Authority built three of these projects comprising 174 units under the Section 8 New Construction program. The Authority purchased the other four projects comprising 272 units under the Preservation Program to prevent loss of affordability upon their sale by private owners.

#### UNASSISTED LOCALLY FINANCED HOUSING PROGRAMS

*Tax-Exempt Bond Financed* - The Authority owns 18 apartment complexes totaling 2,722 units through the issuance of tax-exempt bonds. These properties receive no operating subsidy from the Federal government or any other State or local source. The Authority acquired the properties in order to place selected housing developments within the public domain so that rents could be maintained as low as possible over time. Typically these units have a broad mix of residents with the majority having income below 80% of area median. Of the eighteen complexes, Cascadian, Fairwood, and Woodbridge Park were formerly owned by Tax Credit Partnerships. Westminster was a new purchase by the Authority in 2010.

*Homeownership* - The Authority owns four mobile home parks located in South King County comprising 430 manufactured home sites. Under this program, the residents own their manufactured homes and pay rent to the Authority for the land on which the home sits.

*Tax Credit* - In 1994, the Authority began partnering with limited partnerships and limited liability corporations (hereafter referred to as “partnerships”) to acquire and develop additional affordable housing (see Note 7). The Authority is general partner/managing member (hereafter referred to as “general partner”) in 18 partnerships representing 26 housing complexes comprising 2,103 units. During 2010, Woodridge Park was acquired by the Authority from the Tax Credit Partnership and was folded into the bond-financed portfolio.

*Miscellaneous Local Programs* - The Authority has an inventory of 13 different housing developments comprising 149 units of housing. The units are generally leased to non-profit service providers for the benefit of the economically disadvantaged, developmentally disabled, transitional, homeless and other groups who have traditionally experienced barriers in finding housing.

#### OTHER PROGRAMS

*Housing Repair and Weatherization.* - The Authority receives federal and state money to provide housing rehabilitation loans and weatherization grants to low-income homeowners and renters. The Authority has been administering these types of programs since 1975. In 2010, the Authority assisted 1,303 homes with structural upgrades, air quality improvements and energy efficiencies.

*Human Service Programs* -- The Authority serves a wide variety of people with special needs such as the elderly, the physically and developmentally disabled, the homeless and the mentally ill. The Authority provides resident focused programs in its developments by working in partnership with nearly 20 different agencies that provide human services programs including job/education training and self-sufficiency programs. For example, Head Start classrooms operate at two sites, Boys and Girls Club programs operate at six sites, and three career/computer centers are located in the Authority’s developments. Counseling, educational, recreational, nutrition and transportation services are provided by community-based organizations like the YWCA, Senior Services, and Hopelink. These contracted services are partially funded using federal grants, which the Authority receives in a competitive process for periods of one to three years.

## DEVELOPMENT

*HOPE VI Redevelopment Projects* – The Authority was awarded a \$35 million HOPE VI grant in November 2001 to revitalize Park Lake Homes Site I public housing development in the unincorporated King County neighborhood of White Center. The project, named Greenbridge to symbolize the vision and character of the new community, provides quality rental housing and homeownership opportunities for a diverse mixture of residents and newcomers. This quality new housing includes a range of housing types to suit seniors, adults with disabilities, large families, low- to moderate-income renters, and first-time and other homebuyers. The housing includes 180 public housing units, 120 project based Section 8 units, 148 work-force units, and 457 for-sale-lots. All of the rental housing is fully operational, which was accomplished through project completions and occupancy of Seola Crossing family housing, Nia elderly and younger disabled housing, and Salmon Creek and Eastbridge family housing.

An additional 24-unit family public housing project, Sixth Place Apartments has been added to the redevelopment site, although it is not part of the HOPE VI Redevelopment Project. This project, funded with an ARRA Capital Fund Recovery Competition Grant, will complete construction and be occupied in the summer of 2011.

The Authority was awarded a \$20 million HOPE VI grant in September 2008 to revitalize Park Lake Homes Site II public housing development in the unincorporated King County neighborhood of White Center, four blocks south of the Greenbridge HOPE VI site. The redevelopment has been named Seola Gardens. Continuing the quality housing initiative of Greenbridge, Seola Gardens will provide the same mix of housing opportunities. For rental households, the redevelopment includes 112 public housing units, 10 project based Section 8 units, and 55 HUD Section 202 elderly units. There will be an additional 110 lots available to provide homeownership opportunities. The first rental housing phase, 25 units of family housing in the Zephyr Apartments project, will complete construction and be occupied in the summer of 2011. The second rental housing phase, Providence Joseph House Apartments, comprises 65 units of senior and younger disabled housing. It begins construction in May 2011 for an expected rent-up in the last quarter of 2012. The last rental phase, the Fairwind Apartments 87 units of family housing will begin construction in the spring of 2012 for occupancy in the second half of 2013.

### *b) BASIS OF ACCOUNTING*

Accounting records are maintained according to the proprietary fund model that is similar to private business enterprises. The Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. As allowed by GASB reporting standards, the Authority has elected not to apply FASB Statements and Interpretations, APB opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989.

### *c) ACCOUNTS ORGANIZED BY FUNDS*

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Each fund is, with limited exceptions, an independent fund and is restricted by contract or regulation from assisting or being assisted financially by any other fund. A list of developments is provided in Appendix A. The Authority administers the Housing Authority of the City of Sedro-Woolley. Its financial statements are audited separately and are not combined with the Authority's statements.



*d) USE OF ESTIMATES*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

*e) COMPONENT UNITS*

The Authority serves as general partner in several partnerships (see Note 7). These partnerships constitute component units of the Authority as defined by GASB Statement 14 because they are separate legal entities and subject to the Authority's will and financial accountability. As the general partner/managing member, the Authority has issued bonds and other debt instruments to finance the purchase and renovation of rental housing on behalf of the partnerships. The Authority also oversees the day-to-day operation of these properties.

For Federal tax purposes, all of the partnerships have a calendar year-end. Each partnership is audited separately. Copies of the audited statements can be obtained by contacting the Authority.

*f) REVENUES AND EXPENSES*

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are tenant revenues. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The basis for recognition of revenues and expenses is the accrual basis of accounting. Revenues are recorded when earned. Expenses are recorded when incurred. Revenue from operating subsidies and grants is classified as non-operating revenue. Revenue from capital grants is classified as capital grant contributions.

*g) CASH, CASH EQUIVALENTS AND INVESTMENTS*

Cash consists of Federal Depository Insurance Corporation (FDIC) insurable deposits with original maturities of less than three months. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Investments include deposits with original maturities exceeding three months, and securities and other assets held by trustees. Most assets held by trustees are restricted for specific uses including capital additions and improvements and debt service. Restricted accounts at December 31, 2010 include the following:

	RESTRICTED		
	Cash & Cash Equivalents	Investments	Total
Capital improvements	\$ 2,814,976	\$ 2,071,701	\$ 4,886,677
Debt service	387,182	5,791,863	6,179,045
Tenant security deposits	1,084,928		1,084,928
Other	3,520,997	-	3,520,997
	<u>\$ 7,808,083</u>	<u>\$ 7,863,563</u>	<u>\$ 15,671,646</u>

*h) RECEIVABLES*

Receivables consist primarily of rents due from tenants, cost reimbursements due from grantors, and loans and accrued interest due from the tax credit properties. Annually, tenant receivables are analyzed and the allowance for doubtful accounts adjusted. Other receivable allowances are established for uncertain collectibles. No allowances existed at December 31 other than the allowance for tenant accounts receivable.

*i) INVENTORIES*

Inventory consists of supplies purchased primarily for use in maintenance of the rental units. The perpetual method is used to account for inventory. As such, purchases are recorded into the inventory account and, as items are used, the inventory account is reduced and the expense account is charged. Periodically throughout the year, physical counts are taken of all supplies on hand and the inventory records are adjusted. The weighted average method is used to value the inventory.

*j) CAPITAL ASSETS*

Capital assets are recorded at historical cost in the land, structures, and equipment accounts and at appraised fair market value at date of receipt if contributed. The Authority defines capital assets as tangible items with an initial individual cost of at least \$5,000 if the item is equipment and \$100,000 if the item is real property or a capital improvement. Capital assets are depreciated using the straight-line method with depreciation commencing in the acquisition year and ceasing in the disposal year. Capital project costs clearly associated with the acquisition, development, and construction of a real estate project, including indirect costs and interest, are capitalized as a cost of that project. See Note 4 for the capital asset components and balances at December 31, 2010 and activity.

Depreciable lives for the capital asset categories follow:

Land	no depreciation
Buildings and land improvements	12-60 years
Personal property	3-10 years
Construction-in-progress	no depreciation

Maintenance and repairs are charged to expense when incurred. Management reviews land, structures, and equipment for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If there is an indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. Preparation of estimated expected future cash flows is inherently subjective and is based on management's best estimate of assumptions concerning expected future conditions.

*k) TAX LIABILITY*

The Authority is by law exempt from all federal, state, and local taxes and assessments. Several developments make a Payment in Lieu of Taxes (PILOT) based on contracts with local jurisdictions.

*l) COMPENSATED ABSENCES*

It is the Authority's policy to pay 100% of accumulated annual leave when an employee terminates employment from the Authority. As such, the value of annual leave earned but not used at year-end is accrued. Sick leave does not vest and is only paid to those separating from the Authority as retirees as defined by the state pension system. Because the amount of such payments is difficult to estimate, an accrual is made only when the actual payment amount is known.

*m) INTERFUND ACCOUNTS*

The Authority maintains a master paying and receiving account. All cash receipts and disbursements flow through this master account, except for disbursements to landlords under the Section 8 Voucher program, which flows through a separate checking account (Section 8 Fund). Interfund payables and receivables (due to/from relationships) are created and used to account for ownership of the funds.

*n) DERIVATIVE FINANCIAL INSTRUMENTS*

The fair value of interest rate swap agreements (See Note 6) is determined by dealer quote. These values represent the estimated amount the Authority would receive or pay to terminate the agreements taking into consideration current interest rates.

*o) COMMITMENTS*

The Authority has entered into various long-term contracts for the development of the Greenbridge and other housing projects. As of December 31, 2010, the Authority was obligated under these contracts to purchase approximately \$37 million of goods and services.

*p) ACCOUNTING SOFTWARE*

During 2010, the Authority converted to a new accounting software system created by UNIT4 (formerly Agresso.) As part of the conversion process, a new chart of accounts was created.

**NOTE 2-ACCOUNTING CHANGES**

In accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, derivative instruments are required to be reported in the financial statements of state and local governments for reporting periods no later than the fiscal year beginning after June 15, 2009. For the Authority, 2010 was the initial period for GASB 53 reporting.

The implementation of GASB Statement No. 53 requires the Fair Market Value of the derivative instruments to be reported on the Balance Sheet. The recording of the Fair Market Value of the derivatives at 12/31/2009 resulted in a Prior Period Adjustment on the Statement of Revenues, Expenses, and Changes in Net Assets. For details of this Prior Period Adjustment, please see Note 3.

Changes in Fair Market Value of the derivatives would be reported on either the Balance Sheet (deferred inflows/outflows) or the Statement of Revenues, Expenses, and Changes in Net Assets depending on the effectiveness of the derivative. For this determination, derivative effectiveness is tested at the end of each year. For more information on the Authority's derivative instruments, please see Note 9.

### NOTE 3-PRIOR PERIOD ADJUSTMENT

As a result of implementing GASB Statement No. 53, the Authority reported a Prior Period Adjustment in order to record the Fair Market Value of derivative instruments at 12/31/2009. The values were as follows:

Bank of America, Overlake Demand Bond Swap	-\$1,835,754
Wachovia, 2005 Bond Pool A	-\$1,365,515
Bank of America, 2005 Bond Pool B	-\$ 613,142
Bank of America, 2005 Bond Pool C	<u>-\$ 608,648</u>
	-\$4,423,059

It was the judgment of the Authority that the adjustment did not possess the materiality warranted to make restating the 2009 Annual Financial Statements practical.

### NOTE 4 - CASH DEPOSITS AND INVESTMENTS

The Authority is restricted in its cash deposits and investments to those allowed by RCW 35.82.070(6). In general, deposits must be made with qualified financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

#### Insurance and Collateralization

Deposits that are in excess of the \$250,000 insured amount must be continuously and fully (100%) secured. Collateral, comprised of identifiable U.S. Government securities as prescribed by HUD, are pledged or set aside to secure these deposits. The Public Deposit Protection Act in effect in the State of Washington set up a multiple financial institution collateral pool to insure public deposits. This protection is in the form of securities pledged as collateral to the Public Deposit Protection Commission (PDPC) by all qualified depositories. In 1994, the Authority received a waiver from HUD that enabled it to make deposits in excess of \$250,000 in a qualified public depository because HUD determined that there were "adequate safeguards against the loss of Public Housing Authority funds."

#### Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the maximum maturity of an investment to not greater than three years. Exceptions may be made for collateralization of repurchase agreements using investments not exceeding 30 years and for the investment of reserve funds, which can be invested up to 30 years if matched to an anticipated future cash flow.

#### Credit Risk

The Department of Housing and Urban Development (HUD), Washington State law, and the Authority's investment policy all limit the instruments in which the Authority may invest. Not all Authority funds have the same restrictions. Following are some of the instruments in which any Authority funds, including Federal funds, may be invested:

- 1) Direct obligations of the Federal government backed by the full faith and credit of the United States
  - a) U.S. Treasury Bills.
  - b) U.S. Treasury Notes and Bonds.
- 2) Obligations of Federal government agencies, such as:
  - a) Government National Mortgage Association (GNMA) mortgage-backed securities.
  - b) GNMA participation securities.
  - c) Maritime Administration Bonds.
  - d) Small Business Administration Bonds.

- 3) Securities of Government Sponsored Agencies, such as:
  - a) Federal Home Loan Mortgage Corporation (FHLMC) notes and bonds.
  - b) Federal National Mortgage Association (FNMA) notes and bonds.
  - c) Federal Home Loan Bank (FHLB) notes and bonds.
  - d) Federal Farm Credit Bank (FFCB) notes and bonds.
  - e) Student Loan Marketing Association (SLMA) notes and bonds.
- 4) Demand and savings accounts.
- 5) Money Market Deposit accounts.
- 6) Certain mutual funds.

In addition to the above, non-federal funds and federal funds subject to the Authority's Moving To Work Agreement with HUD may be invested in the following which are allowed by the State of Washington:

- 7) Banker's acceptances purchased on the secondary market.
- 8) Commercial paper.
- 9) Bonds of the State of Washington or any local government of the State of Washington that have one of the three highest credit ratings of a nationally recognized rating agency.
- 10) General obligation bonds of a state other than the State of Washington and general obligation bonds of a local government of a state other than the State of Washington that have one of the three highest credit ratings of a nationally recognized rating agency.
- 11) Utility revenues bonds or warrants of any city or town in the State of Washington.
- 12) Bonds or warrants of a local improvement district that is within the protection of the local improvement guaranty fund law.

### **Concentration of Credit Risk**

The Authority diversifies its investments by security type and institution. The investment policy states: "With the exception of U.S. Treasury securities, investment agreements for trustee held funds, and authorized pools, no more than 15% of the Authority's total investment portfolio will be invested in a single security type or with a single financial institution. There is no custodial credit risk for cash and investments.

### *Other Information:*

The Authority has established arrangements with US Bank for safekeeping of investments.

### **Valuation and Classification**

Cash equivalents include deposits and investments that are readily convertible to cash. Instruments with an original maturity date of over 3 months are classified as investments. Cash and investments held for the future payment of long-term liabilities are classified as non-current assets. Cash and investments legally or contractually restricted as to use are classified as restricted.

Cash equivalents include an investment in a Local Government Investment Pool (the Pool). The Pool is not registered with the Securities and Exchange Commission (SEC), but adheres to SEC Rule 2(a)(7) of the Investment Company Act of 1940 that requires portfolio diversification, divestiture considerations and action if the market value of the portfolio deviates more than .5 percent from the amortized costs. Government pools that adhere to the SEC rule can report their investments at amortized costs if the remaining maturities of the debt securities are 90 days or less. As of December 31, 2010, the pool had an average days-to-maturity of 55 days and therefore is reported at cost. Government securities are reported at fair value.

A summary of cash and investments at December 31, 2010 follows:

	UNRESTRICTED	RESTRICTED	TOTAL
<b>CASH and CASH EQUIVALENTS:</b>			
Cash on hand	\$ 7,300	\$ -	\$ 7,300
Depository accounts	15,987,630	1,955,185	17,942,815
Washington State Investment Pool	59,349,931	4,312,805	63,662,736
U.S. Treasury money market	-	387,182	387,182
Other money market	-	1,152,911	1,152,911
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 75,344,861</b>	<b>\$ 7,808,083</b>	<b>\$ 83,152,944</b>
<b>INVESTMENTS:</b>			
FNMA, FHLB, FFCB, and FHLMC bonds	\$ 41,030,236	\$ -	\$ 41,030,236
U.S. Treasury money market	-	2,976,890	2,976,890
Repurchase agreement	-	973,898	973,898
JP Morgan Chase Investment Agreement, 6.92%, 7/1/2024	-	686,696	686,696
<b>Private Debt Obligations:</b>			
Westdeutsche Landesbank Gironzentrale, 5.42%, 7/1/2028	-	2,209,431	2,209,431
Bank of America 6.1% 7/1/2028	-	1,016,648	1,016,648
<b>TOTAL INVESTMENTS</b>	<b>\$ 41,030,236</b>	<b>\$ 7,863,563</b>	<b>\$ 48,893,799</b>
<b>TOTAL</b>	<b>\$ 116,375,097</b>	<b>\$ 15,671,646</b>	<b>\$ 132,046,743</b>

*Credit Ratings: The Washington State Pool is unrated. All other investments are rated AAA.*

## NOTE 5—NOTE AND FINANCING LEASE RECEIVABLES

The notes and financing leases held by the Authority are primarily the result of the Authority's transactions with the tax credit partnerships. At December 31, 2010, all of the financing leases and developer fee notes, and \$186.7 million of the other notes were receivable from tax credit partnerships. The notes are received for fees earned by the Authority from developing the rental properties and for funds advanced to the partnerships to purchase and rehabilitate the properties. The notes earn interest at varying rates up 8.5% per annum. The Authority acquires financing leases when it purchases or develops rental properties then transfers substantially all of the risks and benefits of ownership to the partnerships under financing lease. See Note 7 - Tax Credit Partnerships, for further discussion of the Authority's financial relationship with the partnerships.

A summary of the notes and direct financing leases receivable at December 31, 2010 follows.

	Beginning Balance	Additions	Payments	Ending Balance	Current Portion
Developer fee notes	\$ 12,626,715	\$ 1,226,906	\$ (1,681,752)	\$ 12,171,869	\$ 8,492,822
Other notes	164,773,631	21,999,833	(48,178)	186,725,286	241,557
Total Notes	177,400,346	23,226,739	(1,729,930)	198,897,155	8,734,379
Financing Leases, net	101,722,405	3,605,000	(19,135,080)	86,192,325	1,014,838
<b>Notes &amp; Financing Leases Receivable</b>	<b>\$ 279,122,751</b>	<b>\$ 26,831,739</b>	<b>\$ (20,865,010)</b>	<b>\$ 285,089,480</b>	<b>\$ 9,749,217</b>

The construction of the Zephyr Apartments, Eastbridge Apartments, and Sixth Place Apartments under a Low Income Housing Tax Credit transaction resulted in an \$8.7 million addition to the other notes receivable. Continued redevelopment of the Springwood Apartments by Soosette Creek LLC under a Low Income Housing Tax Credit transaction resulted in an increase in other note receivables (a Line of Credit) of \$11.1 million in 2010. See Note 7 for further information on the tax credit properties.

The maturity schedule for notes receivable follow:

<b><i>FISCAL YEAR</i></b>	<b><i>PRINCIPAL</i></b>	<b><i>INTEREST **</i></b>	<b><i>TOTAL</i></b>
2011	\$ 8,734,379	\$ 1,587,859	\$ 10,322,238
2012	112,301,435	1,667,434	113,968,869
2013	1,837,064	1,456,214	3,293,278
2014	1,558,378	1,573,314	3,131,692
2015	313,411	1,567,171	1,880,582
2016-2019	2,676,199	6,215,409	8,891,608
2020-2024	3,888,271	7,603,058	11,491,328
2025-2029	10,475,077	6,953,959	17,429,036
2030-2034	5,855,979	5,314,542	11,170,522
2035-2039	16,626,170	4,587,965	21,214,135
2040-2044	18,876,488	3,318,792	22,195,280
2045-2049	1,534,770	149,995	1,684,766
2050-2054	2,244,631	60,328	2,304,959
2055-2059	11,974,900	481,146	12,456,046
NOTE RECEIVABLE BALANCE	<u>\$ 198,897,155</u>	<u>\$ 42,537,185</u>	<u>\$ 241,434,338</u>

\*\* On amortizing notes.

The maturity schedule for financing leases receivable follows:

<b><i>FISCAL YEAR</i></b>	<b><i>PRINCIPAL</i></b>	<b><i>INTEREST **</i></b>	<b><i>TOTAL</i></b>
2011	\$ 1,014,838	\$ 2,369,208	\$ 3,384,046
2012	23,237,045	2,310,468	25,547,513
2013	1,134,414	2,247,868	3,382,282
2014	4,801,959	2,180,076	6,982,035
2015	1,274,692	1,913,424	3,188,116
2016-2019	5,894,015	6,840,781	12,734,795
2020-2024	9,595,911	6,295,067	15,890,979
2025-2029	27,279,565	3,210,622	30,490,187
2030-2034	3,214,426	840,670	4,055,096
2035-2039	1,229,245	391,990	1,621,235
2040-2044	7,157,661	83,909	7,241,570
2045-2049	131,053	31,663	162,716
2050-2054	227,500	15,801	243,301
FINANCING LEASE RECEIVABLE	<u>\$ 86,192,325</u>	<u>\$ 28,731,545</u>	<u>\$ 114,923,870</u>

\*\* Unearned interest.

## NOTE 6 – CAPITAL ASSETS

The components and activity of land, structures and equipment follow.

	Beginning Balances	Additions	Disposals	Adjustments	Ending Balances
NONDEPRECIABLE:					
Land	\$ 52,527,831	\$ 5,190,583	\$ (51,042)		\$ 57,667,372
Land Improvements	4,529,013				4,529,013
Construction-in-progress					
Greenbridge Project	66,726,311	30,216,238	(25,679,311)	4,118,058	75,381,296
Other	9,360,048	14,983,994	(743,000)		23,601,042
Total Nondepreciable	<u>133,143,203</u>	<u>50,396,518</u>	<u>(26,479,056)</u>	<u>4,118,058</u>	<u>161,178,723</u>
DEPRECIABLE:					
Land Improvements	20,870,993	-	(2,681,706)		18,189,287
Buildings	207,567,675	7,797,181	(4,109,188)		211,255,668
Equipment	3,142,076	862,187	(892,099)		3,112,164
Total Depreciable	<u>231,580,744</u>	<u>8,659,368</u>	<u>(7,682,993)</u>	<u>-</u>	<u>232,557,119</u>
TOTAL CAPITAL ASSETS:	364,723,947	59,055,886	(34,162,049)	4,118,058	393,735,842
Accumulated depreciation	<u>(110,501,695)</u>	<u>(6,558,869)</u>	<u>3,729,736</u>	<u>-</u>	<u>(113,330,828)</u>
NET CAPITAL ASSETS	<u>\$ 254,222,252</u>	<u>\$ 52,497,017</u>	<u>\$ (30,432,313)</u>	<u>\$ 4,118,058</u>	<u>\$ 280,405,014</u>

Capital asset activity resulted primarily from transactions associated with the Greenbridge redevelopment project and the purchases of Park Royal, Westminster, and the Central Office Annex. Additionally, Woodridge Park was reacquired from the Tax Credit Partnership by assuming the property's outstanding debt. . Other major capital asset activities were capital projects funded by the American Recovery and Reinvestment Act of 2009.

Of the \$59 million of additions to the capital assets, approximately \$30.2 million was attributable to the Greenbridge project construction in process while another \$7.6 million of construction in process was a result of capital projects funded by ARRA. Other capital asset additions include \$2.7 million for the purchase of Westminster, \$2.3 million for the acquisition of Woodridge Park, and \$3.5 and \$1.7 million for the purchase of the Central Office Annex and Park Royal, respectively.

Of the \$34.1 million net capital asset dispositions, approximately \$6.7 million represents the disposal of public housing assets at Park Lake Site II. Approximately \$8 million of disposals from the Greenbridge construction in process represented capital assets sold to the Salmon Creek Apartments LLC, \$8.6 to Eastbridge, \$5.1 million to Zephyr, and \$3.9 million to Sixth Place Apartments.

Beginning in 2010, Land Improvements not subject to depreciation will be presented separately on its own line. This amount was included with Land in prior periods. The variance between the prior period's ending balance for Land and 2010's beginning balance for Land is the balance of non-depreciable Land Improvements.



## NOTE 7 - LONG TERM DEBT OBLIGATIONS

The Authority has issued various forms of debt for the purpose of acquiring and rehabilitating projects located throughout King County. The debt is secured by revenue pledges and deeds of trust on property and equipment. Compliance with all indentures has been met. During the year, lines of credit were refinanced to take advantage of lower interest rates. The components of outstanding debt at December 31, 2010 and the activity are stated below.

	Beginning Balance	Additions	Retirements/ Payments	Ending Balance	Current Portion
Revenue Bonds	\$ 143,146,588	\$ -	\$ (6,034,097)	\$ 137,112,491	\$ 4,445,402
Demand Bonds	88,810,000	-	\$ (1,090,000)	87,720,000	1,543,104
Mortgage Notes	2,632,890	165,994	\$ (74,806)	2,724,078	96,321
Financing Lease	2,270,764	-	\$ (223,224)	2,047,540	252,581
Lines of Credit	55,574,978	34,314,740	\$ (13,038,975)	76,850,743	55,069,824
Notes Payable	6,449,020	1,950,000	\$ (9,457)	8,389,563	8,819
	<u>\$ 298,884,240</u>	<u>\$ 36,430,734</u>	<u>\$ (20,470,559)</u>	<u>\$ 314,844,416</u>	<u>\$ 61,416,050</u>

Details of each issuance of long-term obligations follow:

	Fiscal Year Issued	Amount Issued	Interest Rates	Fiscal Year Maturity	Amount Outstanding	Current Portion
<b>Revenue Bonds:</b>						
<i>Tax Credit:</i>						
Cascadian	1994	\$ 8,385,000	4.00-6.50%	2025	\$ 5,840,000	\$ 260,000
Fairwood	1995	5,260,000	3.80-5.60%	2026	3,682,104	160,000
Rural Housing	1997	2,230,000	4.50-5.75%	2028	1,707,009	60,000
Laurelwood	1997	2,500,000	4.40-6.00%	2028	1,864,464	65,000
Heritage Park	1998	4,950,000	4.15-5.60%	2030	3,865,015	120,000
Windsor Heights	1998	10,650,000	4.00-5.40%	2029	8,075,548	280,000
Alpine Ridge	1999	2,875,000	4.25-6.40%	2031	2,380,423	60,000
Colonial Gardens	1999	4,950,000	3.75-6.20%	2031	4,090,000	-
Somerset	1999	3,605,000	4.80-6.80%	2014	3,605,000	-
Somerset (Kv)	1999	2,535,000	4.80-6.80%	2031	2,099,355	55,000
Eastwood Square	2001	4,000,000	5.35-5.45%	2041	3,680,000	50,000
Somerset	2001	3,895,000	5.00%	2033	3,360,000	80,000
Southwood Square	2001	5,000,000	2.25-6.00%	2032	4,171,514	105,000
Greenbridge - Nia	2006	3,000,000	5.41-5.87%	2037	2,970,000	30,000
Seola Crossing 1	2006	1,650,000	6.38%	2047	1,632,761	6,157
Seola Crossing 2	2006	5,050,000	6.38%	2047	4,997,239	18,843
Egis	2007	8,000,000	4.00%	2027	6,995,000	280,000
Soosette Creek	2008	37,500,000	0.00-0.65%	2058	36,295,000	1,630,000
Total tax credit		<u>\$ 116,035,000</u>			<u>\$ 101,310,432</u>	<u>\$ 3,260,000</u>
<i>Other:</i>						
Northlake House	1980	\$ 1,170,000	8.00%	2012	\$ 18,160	\$ 18,160
Condos	1991	325,000	5.25-7.35%	2010	-	-
Spiritwood / Newport	1992	5,705,000	3.50-6.50%	2013	(0)	-
Woodridge Park	1995	4,860,000	4.50-6.35%	2026	3,408,008	145,000
1998 Pool	1998	32,955,000	4.35-5.65%	2029	24,406,987	870,000
Central Office Building	2000	2,000,000	4.35-5.32%	2016	848,903	152,241
Meadows	2005	1,570,989	4.61%	2010	(0)	-
Greenbridge - Eastbridge Apts.	2008	7,120,000	5.65%	2029	7,120,000	-
Total other		<u>\$ 55,705,989</u>			<u>\$ 35,802,059</u>	<u>\$ 1,185,401</u>
Total revenue bonds		<u>\$ 171,740,989</u>			<u>\$ 137,112,491</u>	<u>\$ 4,445,402</u>

Details of each issuance of long-term obligations follow– continued:

	Fiscal Year Issued	Amount Issued	Interest Rates	Fiscal Year Maturity	Amount Outstanding	Current Portion
<b><u>Demand Bonds:</u></b>						
<i>Tax Credit:</i>						
Overlake	2000	\$ 23,725,000	0.28-2.61%	2043	\$ 23,485,000	\$ 85,000
Total tax credit		<u>\$ 23,725,000</u>			<u>\$ 23,485,000</u>	<u>\$ 85,000</u>
<i>Other:</i>						
Landmark	2002	\$ 18,500,000	0.28-2.56%	2043	\$ 17,950,000	\$ 470,000
2005 Pool	2005	46,290,000	0.33%	2035	42,035,000	943,104
Salmon Creek	2008	4,250,000	1.10-2.61%	2048	4,250,000	45,000
Total other		<u>\$ 69,040,000</u>			<u>\$ 64,235,000</u>	<u>\$ 1,458,104</u>
Total demand bonds		<u><u>\$ 92,765,000</u></u>			<u><u>\$ 87,720,000</u></u>	<u><u>\$ 1,543,104</u></u>
<b><u>Mortgage Notes:</u></b>						
<i>Tax Credit:</i>						
Rural Housing	1998	\$ 1,350,949	7.25%	2033	\$ 1,153,765	\$ 24,265
Total tax credit		<u>\$ 1,350,949</u>			<u>\$ 1,153,765</u>	<u>\$ 24,265</u>
<i>Other:</i>						
Parkway - 2	1995	1,568,000	9.25%	2035	\$ 1,439,342	16,371
Westminster	2010	165,994	7.00%	2013	\$ 130,971	55,685
Total other		<u>\$ 1,733,994</u>			<u>\$ 1,570,313</u>	<u>\$ 72,056</u>
Total mortgage notes		<u><u>\$ 3,084,943</u></u>			<u><u>\$ 2,724,078</u></u>	<u><u>\$ 96,321</u></u>
<b><u>Financing Lease:</u></b>						
ESCO	2005	\$ 3,900,000	3.90%	2018	\$ 2,047,540	\$ 252,581
Total financing leases		<u>\$ 3,900,000</u>			<u>\$ 2,047,540</u>	<u>\$ 252,581</u>
<b><u>Lines of Credit:</u></b>						
<i>Tax Credit:</i>						
Soosette Creek	2008	\$ 27,500,000	1.40%	2011	\$ 10,925,112	\$ 10,925,112
Zephyr	2009	4,500,000	1.28%	2012	2,846,264	-
Soosette Creek	2010	12,500,000	1.38%	2011	\$ 12,500,000	12,500,000
Total tax credit		<u>\$ 44,500,000</u>			<u>\$ 26,271,376</u>	<u>\$ 23,425,112</u>
<i>Other:</i>						
Burien Park	2010	1,214,764	1.55%	2013	1,109,113	425,311
Greenbridge - LOC	2010	\$ 18,000,000	1.01%	2011	\$ 10,934,845	\$ 10,934,845
Greenbridge - Nia	2010	15,000,000	1.02 % - 1.5 %	2011	5,403,550	5,403,550
Meadows	2010	2,800,000	2%	2011	2,705,783	2,705,783
Seola Gardens	2010	20,000,000	1.38% -1.51%	2013	8,676,025	-
Sixth Place Apts	2010	5,500,000	1.37% - 1.68%	2011	3,307,167	3,307,167
Bank of America Line of Credit:	2010	10,000,000	1.26%	2012	9,574,828	
Pacific Court					687,700	-
Westminster					2,577,129	-
Central Office Annex					6,310,000	-
Key Bank Line of Credit:	2010	9,250,000	2.04%	2011	8,868,056	8,868,056
Wonderland Estates					5,618,056	5,618,056
Pacific Court					1,000,000	1,000,000
Newporter Apts					500,000	500,000
Park Royal					1,750,000	1,750,000
Total		<u>\$ 81,764,764</u>			<u>\$ 50,579,367</u>	<u>\$ 31,644,712</u>
Total lines of credit		<u><u>\$ 126,264,764</u></u>			<u><u>\$ 76,850,743</u></u>	<u><u>\$ 55,069,824</u></u>

Details of each issuance of long-term obligations follow– continued:

	Fiscal Year Issued	Amount Issued	Interest Rates	Fiscal Year Maturity	Amount Outstanding	Current Portion
<b>Notes Payable:</b>						
<i>Tax Credit:</i>						
Somerset - Bellevue	2000	\$ 700,000	1.00%	2030	\$ 700,000	\$ -
Somerset	2000	400,000	1.00%	2032	368,951	3,246
Eastwood Square	2001	600,000	6.95%	2041	563,612	5,573
Overlake - 2, 3	2001	1,456,000	3.42%	2042	750,000	-
Overlake - 4	2001	1,500,000	1.00%	2050	1,500,000	-
Overlake - 5	2001	500,000	1.00%	2050	500,000	-
Southwood Square	2001	380,000	1.00%	2053	380,000	-
Greenbridge - Nia	2007	328,000	0.00%	2022	328,000	-
Seola Crossing II	2007	250,000	6.38%	2058	250,000	-
Soosette Creek	2010	1,950,000	0.65%	2060	1,949,000	-
<i>Total tax credit</i>		<u>\$ 8,064,000</u>			<u>\$ 7,289,563</u>	<u>\$ 8,819</u>
<i>Other:</i>						
Hidden Village - Bellevue	1992	\$ 200,000	5.00%	2042	\$ 200,000	\$ -
Spiritwood - Bellevue	1992	400,000	5.00%	2042	400,000	-
Spiritwood - State	1992	207,843	5.00%	2043	207,843	-
Hidden Village - State	1992	292,157	5.00%	2044	292,157	-
<i>Total other</i>		<u>\$ 1,100,000</u>			<u>\$ 1,100,000</u>	<u>\$ -</u>
Total notes payable		<u>\$ 9,164,000</u>			<u>\$ 8,389,563</u>	<u>\$ 8,819</u>
TOTAL LONG-TERM OBLIGATIONS		<u>\$ 406,919,696</u>			<u>\$ 314,844,416</u>	<u>\$ 61,416,050</u>

The schedule of principal payments follows:

Debt Service - Principal	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2011	\$ 4,445,401	\$ 1,543,104	\$ 96,321	\$ 252,581	\$ 55,069,824	\$ 8,819	\$ 61,416,050
2012	4,765,504	1,122,216	103,746	262,608	\$ 21,780,919	25,701	28,060,695
2013	5,079,214	1,178,392	63,298	273,034	\$ -	19,026	6,612,965
2014	10,333,398	1,231,728	51,725	283,874	\$ -	25,768	11,926,493
2015	5,628,546	1,297,324	56,067	295,144	\$ -	24,209	7,301,291
2016-2019	25,695,000	6,024,286	275,606	680,299	-	292,193	32,967,384
2020 -2024	27,995,000	10,082,999	497,574	-	-	773,944	39,349,517
2025-2029	31,939,136	12,889,331	712,076	-	-	548,038	46,088,581
2030-2034	8,826,292	16,490,876	807,101	-	-	719,816	26,844,085
2035-2039	9,060,000	7,414,742	60,564	-	-	476,773	17,012,078
2040-2044	2,385,000	27,625,000	-	-	-	1,067,331	31,077,331
2045-2049	960,000	820,000	-	-	-	38,949	1,818,949
2050-2054	-	-	-	-	-	2,169,998	2,169,998
2055-2059	-	-	-	-	-	250,000	250,000
2060-2064	-	-	-	-	-	1,949,000	1,949,000
Total	<u>\$ 137,112,492</u>	<u>\$ 87,719,999</u>	<u>\$ 2,724,078</u>	<u>\$ 2,047,540</u>	<u>\$ 76,850,743</u>	<u>\$ 8,389,563</u>	<u>\$ 314,844,416</u>

The schedule of interest payments follows:

<b>Debt Service - Interest</b>	<b>Revenue Bonds</b>	<b>Demand Bonds</b>	<b>Mortgage Notes</b>	<b>Financing Lease</b>	<b>Lines of Credit</b>	<b>Notes</b>	<b>Total</b>
2011	\$ 9,140,421	\$ 1,337,274	\$ 222,710	\$ 75,365	\$ -	\$ 61,917	\$ 10,837,687
2012	7,304,577	1,336,086	215,286	65,337	-	83,552	9,004,837
2013	6,955,112	1,334,836	208,401	54,911	-	90,227	8,643,487
2014	6,754,609	1,333,524	204,217	44,071	-	96,829	8,433,250
2015	6,283,649	1,332,149	199,875	32,801	-	98,388	7,946,862
2016-2019	22,245,377	5,314,219	748,164	30,161	-	377,977	28,715,898
2020 -2024	20,151,891	6,605,365	782,138	-	-	436,783	27,976,176
2025-2029	11,906,599	6,554,237	534,083	-	-	427,221	19,422,141
2030-2034	5,052,501	6,490,358	199,148	-	-	416,527	12,158,534
2035-2039	2,387,318	5,800,847	89,457	-	-	226,020	8,503,641
2040-2044	699,066	4,473,215	-	-	-	96,195	5,268,476
2045-2049	85,220	37,402	-	-	-	65,097	187,719
2050-2054	-	-	-	-	-	60,485	60,485
2055-2059	-	-	-	-	-	44,768	44,768
2060-2064	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 98,966,339</b>	<b>\$ 41,949,513</b>	<b>\$ 3,403,479</b>	<b>\$ 302,646</b>	<b>\$ -</b>	<b>\$ 2,581,986</b>	<b>\$ 147,203,962</b>

The schedule of debt service payments follows:

<b>Debt Service - Total</b>	<b>Revenue Bonds</b>	<b>Demand Bonds</b>	<b>Mortgage Notes</b>	<b>Financing Lease</b>	<b>Lines of Credit</b>	<b>Notes</b>	<b>Total</b>
2011	\$ 13,585,822	\$ 2,880,378	\$ 319,031	\$ 327,945	\$ 55,069,824	\$ 70,736	\$ 72,253,737
2012	12,070,081	2,458,303	319,032	327,945	21,780,919	109,253	37,065,533
2013	12,034,326	2,513,229	271,699	327,945	-	109,253	15,256,452
2014	17,088,007	2,565,252	255,942	327,945	-	122,597	20,359,743
2015	11,912,196	2,629,473	255,942	327,945	-	122,597	15,248,153
2016-2019	47,940,377	11,338,505	1,023,770	710,459	-	670,171	61,683,281
2020 -2024	48,146,891	16,688,364	1,279,712	-	-	1,210,727	67,325,693
2025-2029	43,845,736	19,443,568	1,246,159	-	-	975,259	65,510,722
2030-2034	13,878,793	22,981,235	1,006,249	-	-	1,136,343	39,002,619
2035-2039	11,447,318	13,215,588	150,021	-	-	702,792	25,515,719
2040-2044	3,084,066	32,098,215	-	-	-	1,163,525	36,345,806
2045-2049	1,045,220	857,402	-	-	-	104,046	2,006,668
2050-2054	-	-	-	-	-	2,230,483	2,230,483
2055-2059	-	-	-	-	-	294,768	294,768
2060-2064	-	-	-	-	-	1,949,000	1,949,000
<b>Total</b>	<b>\$ 236,078,831</b>	<b>\$ 129,669,512</b>	<b>\$ 6,127,557</b>	<b>\$ 2,350,186</b>	<b>\$ 76,850,743</b>	<b>\$ 9,022,549</b>	<b>\$ 462,048,378</b>

## NOTE 8-DEMAND BONDS

The Authority had \$87.8 million in outstanding variable rate demand bonds on three projects and one 8-project bond pool. The Landmark Apartments (Landmark) had \$18 million, the Village at Overlake Station (Overlake) had \$23.5 million, Salmon Creek Apartments had \$4.3 million and the 2005 bond pool (comprised of the Carriage House, Cottonwood, Newporter, Timberwood, Cove East, Woodside East, Aspen Ridge and Bellepark East projects) had \$42 million outstanding, respectively, at December 31, 2010. The bonds for each have the following common characteristics:

- Credit enhancements have been obtained for each of the bond issuances. For Overlake the credit enhancement is in the form of a Letter of Credit (LOC) and is equal to the outstanding bond balance plus one interest payment, priced at .20% of the facility. For the 2005 Pool, the credit enhancement is in the form of a direct pay credit enhancement agreement issued by the Federal Home Loan Mortgage Corporation priced at .30% of the facility.
- The credit enhancements are intended to not only provide security to bondholders, but also to pay periodic interest payments for which the Authority regularly reimburses the credit enhancement providers.
- The Banc of America Securities LLC acts as remarketing agent, reselling at market rates any bonds sold by bondholders. It has committed to repurchasing bonds for its own portfolio if the bonds cannot be resold on the open market.
- Interest rates are recalculated weekly, based on the rate at which bonds can be remarketed.
- The bonds are subject to an annual remarketing fee of .05% of the outstanding amount of the bonds or \$5,000 whichever is greater.
- Underlying source of repayment for the bonds is the revenues produced by the respective properties.
- In conjunction with the sale of these bonds, the Authority entered into interest rate swap agreements as a cash flow hedge to reduce the volatility related to variable rate interest debt.
- Bonds are convertible to fixed rate at the Authority's option.

The Landmark bond matures in 2042. At December 31, 2010 the variable rate on the bonds was 0.40%. The Landmark 2002 variable rate demand note bonds have a year-end principal balance of \$17,950,000, after a December 1, 2010 principal payment of \$225,000. An Irrevocable Letter of Credit, issued by Bank of America, was extended from an expiration of July 10, 2009 to July 10, 2011. The LOC guarantees payment of the variable rate bonds. There is currently no swap agreement in place.

The Overlake bonds mature in 2040. At December 31, 2010 the variable rates on the bonds was 0.42%. The Letter of Credit was extended in 2010 for an additional two years and supports the variable rate bonds only. Under the swap contract terms, the Authority pays a fixed rate of 4.11% and receives a variable rate equal to 70% of the 1 Month USD-LIBOR-BBA on the declining notional amount. As of December 31, 2010, the notional amount was \$22,515,000 and the fair market value of the swap contract was (\$1,648,537).

Salmon Creek Apartments bond matures in 2047. At December 31, 2010 the variable rate on the bond was 0.40%. The Salmon Creek variable rate demand bond had a year-end principle balance of \$4,250,000. This bond has a swap agreement in place, but not held by the Authority. The interest the Authority pays through the swap agreement is 3.9%.

The 2005 bond pool bonds mature in 2035. At December 31, 2010 the variable rate on the bonds was 0.40%. The credit enhancement agreement is for a fixed term of 15 years and, upon maturity of the credit facility, the Authority will either refinance the bond issue or obtain another credit enhancement. The Authority has entered into three swap contracts with respect to the bonds. Under the swap contract terms, the Authority pays a fixed rate of 3.9%; 3.5%; and 3.6% and receives a variable rate equal to the weekly weighted average of SIFMA resets for the respective period on the applicable notional amounts. As of December 31, 2010, the notional amounts were \$22,773,000, \$9,985,495, and \$9,109,000 respectively and the aggregate fair market value of the swaps was (\$3,788,398).

## NOTE 9- DERIVATIVE INSTRUMENTS

### a) *Summary of Derivative Instruments*

At December 31, 2010, the Authority had the following derivative instruments outstanding:

	Changes in Fair Value		Fair Value at December 31, 2010		Notional
	Classification	Amount	Classification	Amount	
<b>Governmental Activities</b>					
Investment derivatives:					
Pay-fixed interest rate swaps					
B of A, Overlake Swap	Investment Income	\$ 187,217	Investment	\$ (1,648,537)	\$ 22,515,000
Wachovia, 2005 Pool A	Investment Income	(839,768)	Investment	(2,205,283)	\$ 22,773,000
B of A, 2005 Pool B	Investment Income	(164,623)	Investment	(777,764)	\$ 9,109,000
B of A, 2005 Pool C	Investment Income	(196,703)	Investment	(805,351)	\$ 9,985,496
		<u>\$ (1,013,876)</u>		<u>\$ (5,436,935)</u>	

1. Fair Value of derivatives is recorded in "Interest Rate Swaps - Fair Value" in Balance Sheet
2. Changes in Fair Value of derivatives are recorded in "Interest Income" in Statement of Revenues, Expenses, and Changes in Net Assets

### b) *Investment Derivative Risks*

- The credit ratings of the swap counterparties are as follows: Bank of America, N.A. (A+/Aa3/A+) and Wells Fargo Bank, N.A. (AA-/Aa2/AA)
- The potential loss if the counterparties fail to fulfill their obligations is \$9,507,112.
- The swap providers' obligations under the swap are supported by contractual obligations of Bank of America, N.A. and Wells Fargo Bank, N.A, as successor in interest to Wachovia Bank, N.A.
- Significant concentration of credit risk exists with Bank of America as it holds three of the four swap contracts.

## NOTE 10 -TAX CREDIT PROPERTIES

### *Low Income Housing Tax Credit (LIHTC)*

The tax credit program is the result of Federal legislation, which allows investors certain tax incentives for investing in low-income housing. Investors also are allowed to deduct any losses passed through to them from the partnerships. Under terms of the tax code, the buildings must continue to serve the targeted population for 15 years. The Authority has the option to purchase them at the expiration of this compliance period.

The Authority currently is a general partner in the following tax credit partnerships: Laurelwood (Federal Way), the Rural Preservation projects (Enumclaw and North Bend), Windsor Heights (Sea Tac), Heritage Park (Bothell), Colonial Gardens (Shoreline), Alpine Ridge (Bothell), Somerset Gardens (Bellevue), Overlake Station (Redmond), Southwood Square (Kent), Arbor Heights (White Center), Harrison House (Kent) and Green River (aka Valley Park ) (Auburn), Seola Crossing (White Center), Egis (scattered sites), Soosette Creek (Kent), Eastbridge (Seattle), Sixth Place (White Center), and Zephyr (Seattle).

Typically, at the time of closing, the Authority will earn a developer's fee for its role in bringing the project to fruition. Developer fees are paid primarily from available cash flows and development proceeds. Under the various partnership agreements, any outstanding developer fees are generally required to be paid within 10 to 15 years of the project's placed-in-service date and may accrue interest on unpaid balances. Certain tax credit projects also incur a management fee and sometimes a construction management fee owed to the general partner. These incurred fees and interest are reflected in the Authority's operating income and totaled \$1,226,095 in 2010.

The financing for the tax credit partnerships was structured as direct financing leases from the Authority to the partnerships. Upon issuance of the bonds, the Authority purchases the projects. The Authority retains ownership of the buildings, and leases them to the partnerships under terms of a long term financing lease, which is treated as a sale for tax purposes. Payments from the partnerships are sufficient to pay the outstanding bonds, but the Authority remains contingently liable for their payment. The debt interest expense and an offsetting amount of interest income are reflected on the Authority's books and total \$2,180,448 for the year.

Although the bonds are the primary source of funds for the purchase of the developments, other funding is usually required. Lines of credit, both taxable and non-taxable, are secured by the Authority to pay some of the acquisition costs and most of the rehabilitation costs. These lines are retired primarily using proceeds from the sale of Low Income Housing Tax Credits to the limited partners usually within two to three years of the partnership's inception. The Authority also may receive grant funds or other loans to assist in purchasing the properties and in preserving affordability within the projects. Because of limitations posed by the Internal Revenue Service, all such funds are lent to the partnerships. These advances are accounted for as part of the financing lease if the proceeds are used for purchasing the property and are accounted for as notes receivable from the partnerships if the proceeds are used for rehabilitating the property. A summary of the Authority's long-term debt is reflected in Note 7. A summary of notes receivable and investments in direct financing leases with the partnerships is reflected in Note 5.

On October 7, 2010 the Tax Credit Partnership of Woodridge Park was dissolved. Financial data for these partnerships is not reflected in the component units column on the 2010 financial statements. Assets and liabilities of these partnerships were transferred to the Authority and are reflected on its general ledger.

Summarized partnership information for the year ended December 31, 2010 is as follows:

Partnership Name	Alpine Ridge	Colonial Gardens	Cones	Eastbridge	Egis	Green River Homes	Greenbridge Foundation
Fiscal Year Acquired / Sold	1999	1999	2003	2010	2007	2004	2007
<b>ASSETS, LIABILITIES AND NET ASSETS:</b>							
<b>ASSETS</b>							
Cash and investments	\$ 524,927	\$ 890,049	\$ 640,481	\$ 361,451	\$ 1,284,839	\$ 524,356	\$ 414,528
Receivables and other	57,925	92,540	11,840	267,212	862,656	62,316	199,333
Capital assets, net	3,030,213	5,287,215	9,075,220	22,808,523	65,875,548	7,565,345	9,294,671
Total Assets	<u>\$ 3,613,065</u>	<u>\$ 6,269,804</u>	<u>\$ 9,727,541</u>	<u>\$ 23,437,186</u>	<u>\$ 68,023,043</u>	<u>\$ 8,152,017</u>	<u>\$ 9,908,532</u>
<b>LIABILITIES</b>							
Current liabilities	\$ 83,857	\$ 166,729	\$ 822,479	\$ 1,160,059	\$ 219,712	\$ 58,203	\$ 41,413
Long-term liabilities	2,765,650	4,541,395	4,610,810	23,291,319	51,019,332	4,907,140	10,925,000
NET ASSETS	763,558	1,561,680	4,294,252	(1,014,192)	16,783,999	3,186,674	(1,057,881)
Total Liabilities & Net Assets	<u>\$ 3,613,065</u>	<u>\$ 6,269,804</u>	<u>\$ 9,727,541</u>	<u>\$ 23,437,186</u>	<u>\$ 68,023,043</u>	<u>\$ 8,152,017</u>	<u>\$ 9,908,532</u>
<b>REVENUE, EXPENSES AND CHANGE IN NET ASSETS:</b>							
OPERATING REVENUES	\$ 483,520	\$ 854,133	\$ 837,109	\$ 603,167	\$ 2,324,980	\$ 595,274	\$ 247,645
<b>OPERATING EXPENSES</b>							
Administrative	35,074	118,151	202,228	183,799	1,081,885	192,604	60,467
Operating and maintenance	288,307	362,071	317,404	215,247	680,162	186,920	111,401
Depreciation	96,513	169,441	274,658	759,867	1,817,162	344,484	256,309
Total Operating Expense	419,894	649,663	794,290	1,158,913	3,579,209	724,008	428,177
Total Operating Income	63,626	204,470	42,819	(555,746)	(1,254,229)	(128,734)	(180,532)
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Grant Revenue	-	-	-	-	-	-	-
Investment income	12,228	17,557	2,093	14	-	-	599
Interest expense	(152,395)	(248,785)	(184,104)	(423,560)	(814,270)	(182,485)	(110,767)
Gain (loss) on disposal of assets	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	(140,167)	(231,228)	(182,011)	(423,546)	(814,270)	(182,485)	(110,168)
Total Net Income (Loss)	(76,541)	(26,758)	(139,192)	(979,292)	(2,068,499)	(311,219)	(290,700)
Contributions (distributions)	-	-	(5,796)	(34,900)	-	-	-
CHANGE IN NET ASSETS	(76,541)	(26,758)	(144,988)	(1,014,192)	(2,068,499)	(311,219)	(290,700)
Beginning Net Assets	840,099	1,588,438	4,439,240	-	18,852,498	3,497,893	(767,184)
Adjustment for accounting change							
Restated Beginning Net Assets	840,099	1,588,438	4,439,240	-	18,852,498	3,497,893	(767,184)
Total Ending Net Assets	<u>\$ 763,558</u>	<u>\$ 1,561,680</u>	<u>\$ 4,294,252</u>	<u>\$ (1,014,192)</u>	<u>\$ 16,783,999</u>	<u>\$ 3,186,674</u>	<u>\$ (1,057,881)</u>



Continued - Summarized partnership information for the year ended December 31, 2010:

Partnership Name	Harrison House Apts. 2004	Heritage Park 1999	Kona Village 1999	Laurelwood Gardens 1997	Nia 2008	Overlake TOD Housing 2000	Rural Housing 1997
Fiscal Year Acquired / Sold							
<b>ASSETS, LIABILITIES AND NET ASSETS:</b>							
<b>ASSETS</b>							
Cash and investments	\$ 570,216	\$ 846,288	\$ 1,700,086	\$ 986,547	\$ 369,352	\$ 2,410,575	\$ 657,674
Receivables and other	128,582	110,832	152,936	57,243	272,282	280,854	100,769
Capital assets, net	7,147,286	5,577,490	14,239,964	3,453,460	18,897,698	32,247,247	3,980,485
Total Assets	<u>\$ 7,846,084</u>	<u>\$ 6,534,610</u>	<u>\$ 16,092,986</u>	<u>\$ 4,497,250</u>	<u>\$ 19,539,332</u>	<u>\$ 34,938,676</u>	<u>\$ 4,738,928</u>
<b>LIABILITIES</b>							
Current liabilities	\$ 73,972	\$ 156,176	\$ 234,108	\$ 62,293	\$ 24,156	\$ 275,499	\$ 129,874
Long-term liabilities	6,090,767	4,579,893	12,591,942	3,053,690	8,244,292	28,500,472	3,675,239
NET ASSETS	1,681,345	1,798,541	3,266,936	1,381,267	11,270,884	6,162,705	933,815
Total Liabilities & Net Assets	<u>\$ 7,846,084</u>	<u>\$ 6,534,610</u>	<u>\$ 16,092,986</u>	<u>\$ 4,497,250</u>	<u>\$ 19,539,332</u>	<u>\$ 34,938,676</u>	<u>\$ 4,738,928</u>
<b>REVENUE, EXPENSES AND CHANGE IN NET ASSETS:</b>							
OPERATING REVENUES	\$ 647,704	\$ 832,543	\$ 1,769,070	\$ 849,300	\$ 612,863	\$ 3,302,778	\$ 819,897
<b>OPERATING EXPENSES</b>							
Administrative	207,830	166,179	317,714	174,830	206,211	569,638	289,777
Operating and maintenance	189,351	292,588	534,358	390,026	187,536	757,585	245,608
Depreciation	322,104	183,828	413,721	185,076	793,622	1,109,892	216,557
Total Operating Expense	719,285	642,595	1,265,793	749,932	1,187,369	2,437,115	751,942
Total Operating Income	(71,581)	189,948	503,277	99,368	(574,506)	865,663	67,955
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Grant Revenue	-	-	-	-	-	-	-
Investment income	-	999	15,615	-	59	5,442	7,274
Interest expense	(236,950)	(218,780)	(679,609)	(149,354)	(326,054)	(1,256,306)	(132,308)
Gain (loss) on disposal of assets	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	(236,950)	(217,781)	(663,994)	(149,354)	(325,995)	(1,250,864)	(125,034)
Total Net Income (Loss)	(308,531)	(27,833)	(160,717)	(49,986)	(900,501)	(385,201)	(57,079)
Contributions (distributions)	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	(308,531)	(27,833)	(160,717)	(49,986)	(900,501)	(385,201)	(57,079)
Beginning Net Assets	1,989,876	1,826,374	3,427,653	1,431,253	12,171,385	6,547,906	990,894
Adjustment for accounting change							
Restated Beginning Net Assets	1,989,876	1,826,374	3,427,653	1,431,253	12,171,385	6,547,906	990,894
Total Ending Net Assets	<u>\$ 1,681,345</u>	<u>\$ 1,798,541</u>	<u>\$ 3,266,936</u>	<u>\$ 1,381,267</u>	<u>\$ 11,270,884</u>	<u>\$ 6,162,705</u>	<u>\$ 933,815</u>

Continued - Summarized partnership information for the year ended December 31, 2010:

Partnership Name Fiscal Year Acquired / Sold	Salmon Creek 2009	Seatac 1998	Seola Crossing 2007	Sixth Place 2010	South- wood Square 2001	Soosette Creek 2008	Zephyr 2010	GRAND TOTAL
<b>ASSETS, LIABILITIES AND NET ASSETS:</b>								
<b>ASSETS</b>								
Cash and investments	\$ 536,468	\$ 2,801,439	\$ 930,363	\$ -	\$ 1,024,667	\$ 2,581,282	\$ 603,106	\$ 20,658,694
Receivables and other	256,327	176,201	443,690	-	91,642	983,915	-	4,609,095
Capital assets, net	21,112,049	14,405,807	36,479,941	4,694,323	7,299,040	93,336,153	5,109,751	390,917,429
Total Assets	<u>\$ 21,904,844</u>	<u>\$ 17,383,447</u>	<u>\$37,853,994</u>	<u>\$ 4,694,323</u>	<u>\$ 8,415,349</u>	<u>\$ 96,901,350</u>	<u>\$ 5,712,857</u>	<u>\$ 416,185,218</u>
<b>LIABILITIES</b>								
Current liabilities	\$ 435,874	\$ 906,623	\$ 81,073	\$ 1,387,156	\$ 135,615	\$ 4,328,026	\$ 10,095	\$ 10,792,992
Long-term liabilities	8,082,848	10,832,835	19,189,798	3,307,167	5,916,660	93,002,695	5,702,662	314,831,606
NET ASSETS	13,386,122	5,643,989	18,583,123	-	2,363,074	(429,371)	100	90,560,620
Total Liabilities & Net Assets	<u>\$ 21,904,844</u>	<u>\$ 17,383,447</u>	<u>\$37,853,994</u>	<u>\$ 4,694,323</u>	<u>\$ 8,415,349</u>	<u>\$ 96,901,350</u>	<u>\$ 5,712,857</u>	<u>\$ 416,185,218</u>
<b>REVENUE, EXPENSES AND CHANGE IN NET ASSETS:</b>								
OPERATING REVENUES	\$ 774,085	\$ 2,680,800	\$ 1,715,156	\$ -	\$ 1,022,311	\$ 3,642,669	\$ 100	\$ 24,615,104
<b>OPERATING EXPENSES</b>								
Administrative	213,996	548,015	274,762	-	220,189	1,181,151	-	6,244,500
Operating and maintenance	400,175	959,067	663,058	-	310,764	464,085	-	7,555,713
Depreciation	645,021	450,754	1,302,019	-	218,817	2,485,205	-	12,045,050
Total Operating Expense	1,259,192	1,957,836	2,239,839	-	749,770	4,130,441	-	25,845,263
Total Operating Income	(485,107)	722,964	(524,683)	-	272,541	(487,772)	100	(1,230,159)
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Grant Revenue	-	-	-	-	-	-	-	-
Investment income	42	45,202	491	-	18,707	368	-	126,690
Interest expense	(395,448)	(472,208)	(932,161)	-	(308,093)	(1,417,520)	-	(8,641,157)
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	(395,406)	(427,006)	(931,670)	-	(289,386)	(1,417,152)	-	(8,514,467)
Total Net Income (Loss)	(880,513)	295,958	(1,456,353)	-	(16,845)	(1,904,924)	100	(9,744,626)
Contributions (distributions)	15,211,373	-	-	-	(5,970)	-	-	15,164,707
CHANGE IN NET ASSETS	14,330,860	295,958	(1,456,353)	-	(22,815)	(1,904,924)	100	5,420,081
Beginning Net Assets	(944,738)	5,348,031	20,039,476	-	2,385,889	1,475,553	-	85,140,539
Adjustment for accounting change								-
Restated Beginning Net Assets	(944,738)	5,348,031	20,039,476	-	2,385,889	1,475,553	-	85,140,539
Total Ending Net Assets	<u>\$ 13,386,122</u>	<u>\$ 5,643,989</u>	<u>\$18,583,123</u>	<u>\$ -</u>	<u>\$ 2,363,074</u>	<u>\$ (429,371)</u>	<u>\$ 100</u>	<u>\$ 90,560,620</u>

## NOTE 11 – SUPPLEMENTAL FINANCIAL INFORMATION

Following are details of selected financial statement line items.

### ***Other Revenue:***

Portability administrative fee from other authorities	\$	1,653,935	
Developer fees		1,226,095	
Unit Upgrade		4,934,324	
Other		2,620,366	\$ 10,434,720

### ***Net Gain (Loss) on Disposal of Capital Assets:***

Demolition of Park Lake II Public Housing		(3,188,535)	
Other	\$	13,920	\$ (3,174,615)

### ***Current Receivables:***

Grants: HUD, Section 8 program	\$	44,823	
Grants: HUD, other programs		3,551,251	
Sixth Place ARRA Receivable		3,307,167	
Grants: Other		642,085	
Notes and financing leases		9,749,217	
Interest: Notes and financing lease		1,036,940	
Tenants		241,829	
Other		2,510,600	\$ 21,083,913

### ***Other Current Assets:***

Prepaid insurance and other	\$	587,306	
Materials & mobile home inventory		239,359	\$ 826,665

### ***Noncurrent Receivables:***

Notes and financing leases	\$	275,344,083	
Noncurrent interest		8,761,987	\$ 284,106,070

### ***Other Noncurrent Assets:***

Investment in tax credit properties and other	\$	625,572	
Unamortized bond issuance costs		2,150,108	\$ 2,775,680

### ***Other Current Liabilities:***

Accounts payable	\$	4,757,003	
Contract retention		1,809,185	
Interest payable		2,362,831	
Accrued compensated absences		2,050,113	
Tenant security deposits		1,356,155	
Accrued wages and benefits		1,231,518	
Family Self Sufficiency escrow		625,752	
Prepaid revenue and other		1,225,660	\$ 15,418,216

### ***Other Noncurrent Liabilities:***

Deferred revenue	\$	748,749	
Noncurrent interest		300,088	\$ 1,048,837

## NOTE 12 - PENSION PLAN

Substantially all the Authority's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov). The following disclosures are made pursuant to GASB Statements No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

### Public Employees' Retirement System (PERS) Plans 1, 2, and 3

#### Plan Description

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. (AFC is the monthly average of the 24 consecutive highest-paid service credit months.) The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased 3 percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of living allowance is granted at age 66 based upon years of service times the COLA amount (based on the consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military, if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65.
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions. Effective July 22, 2007, said refund (adjusted as needed for specified legal reductions) is increased from 100 percent to 200 percent of the accumulated contributions if the member's death occurs in the uniformed service to the United States while participating in *Operation Enduring Freedom* or *Persian Gulf*, *Operation Iraqi Freedom*.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. The defined benefit portion provides a monthly benefit that is 1 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit and Plan 3 provides the same cost-of-living allowance as Plan 2.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Director of the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

**There are 1,189 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:**

Retirees and Beneficiaries Receiving Benefits	74,857
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	28,074
Active Plan Members Vested	105,339
Active Plan Members Non-vested	53,896
<b>Total</b>	<b>262,166</b>

## Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Director of the Department of Retirement Systems sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 percent to 15 percent; two of the options are graduated rates dependent on the employee's age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2010, are as follows:

	<b><i>PERS Plan 1</i></b>	<b><i>PERS Plan 2</i></b>	<b><i>PERS Plan 3</i></b>
Employer*	5.31% **	5.31% **	5.31% ***
Employee	6.00% ****	3.90% ****	*****

\* The employer rates include the employer administrative expense fee currently set at 0.16%.

\*\* The employer rate for state elected officials is 7.89% for Plan 1 and 5.31% for Plan 2 and Plan 3.

\*\*\* Plan 3 defined benefit portion only.

\*\*\*\* The employee rate for state elected officials is 7.50% for Plan 1 and 3.90% for Plan 2.

\*\*\*\*\* Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both the Authority and the employees made the required contributions. The Authority's required contributions for the years ended December 31 were as follows:

	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
2010	\$ 57,696	\$ 606,184	\$ 161,340
2009	\$ 67,343	\$ 707,921	\$ 141,312
2008	\$ 66,324	\$ 662,006	\$ 109,401

## NOTE 13 - CONDUIT DEBT OBLIGATIONS

The Authority has issued debt instruments for the purpose of providing capital financing for specific non-governmental corporations that are not part of the Authority's financial reporting entity. In general, the Authority issues such conduit debt, but the Authority is not responsible for the payment of the original debt. That debt is secured solely by payments received by the Authority from the various non-governmental corporations, and by the Deeds of Trust to the underlying properties. Owners of the debt have no recourse to any other revenues of the Authority.

Non-governmental Corporation	Project Description	Date of Issue	Balance 12/31/2010
Baptist Rest Home Association	Refinancing of an existing 82 unit building known as Fred Lind Manor, located in Seattle, WA	May 1, 1997	\$3,650,000
Auburn North Associates Limited Partnership	Purchase of land and construction of a 296-unit complex for elderly or disabled, low-income persons in Auburn Washington, known as Auburn Court Apartments.	December 1, 1997	\$11,445,000
Manufactured Housing Community Preservationists	Acquisition and rehabilitation of a 93-unit mobile home park in the city of Redmond, Washington, known as Avon Villa Mobile Home Park.	December 2, 1997	\$2,400,000*
Seaview Apartments Limited Partnership	Acquisition and rehabilitation of a 72-unit multifamily development in Des Moines, Washington.	December 1, 1998	\$2,060,000
St. Andrews Housing Group	Acquisition of a 59-unit apartment complex located on Mercer Island, Washington, known as Ellsworth House.	October 20, 1999	\$2,689,213
Vashon Island Community Care	Construction of a 40-unit assisted living and 30-bed skilled nursing facility on Vashon Island to be known as Vashon Community Care Center.	September 1, 2001	\$6,565,000
Evergreen Court Associates Ltd	Acquisition and rehabilitation of 111-unit Washington Court assisted living in Bellevue to be rehabilitated into a 82-unit complex known as Evergreen Court	September 7, 2001	\$6,124,478
Angle Lake Apartments	Construction of an 80-unit independent living, senior housing facility located in SeaTac.	November 14, 2002	\$5,500,000*
Radcliffe Place, LLC	Construction of a 135 unit senior housing facility located in Kent know as Radcliffe Place Senior Apartments	December 22, 2004	\$9,827,222
Wild Garden Housing LLC-DASH	Refinancing of three affordable housing projects owned by DASH that comprise a total of 136 apartment units in Bellevue known as Glendale, Wildwood Court and Garden Grove.	August 1, 2005	\$7,120,736
Summerfield	Acquisition of an existing 52 unit affordable apartment complex in the City of Bellevue known as Summerfield Apartments	September 1, 2005	\$3,250,000
Eernisse Apartments	Construction of a 26 unit affordable rental townhouse project on Vashon Island known as Eernisse Apartments.	December 20, 2005	\$1,615,950
Young Women's Association of Seattle, King and Snohomish County (YWCA)	Acquisition, rehabilitation, or construction of housing for persons of low income to be located on multiple sites within King County, Snohomish County, and the City of Seattle	June 27, 2007	\$15,040,000
280 Clark Limited Partnership	To finance or refinance a portion of the costs of acquiring, constructing and rehabilitating the 280 Clark Apartments to provide housing for low-income persons in King County	November 1, 2007	\$4,500,000*
Young Women's Association of Seattle, King and Snohomish County (YWCA)	Construction of 98 rental dwelling units as part of the YWCA Family Village in Issaquah	December 23, 2009	\$14,450,000

\*Original Issue Amount



## NOTE 14 – CONSTRUCTION COMMITMENTS

At December 31, 2010 the Authority had the following contractual obligations on construction projects:

Ballinger	\$ 61,609
Boulevard Manor	1,587,072
Briarwood	1,017,083
Casa Juanita	199,080
Cascade Homes	3,964,171
Eastbridge	948,758
Eastridge	98,595
Evergreen Court	25,246
Forest Glen/Avondale	989,002
Juanita Trace	48,281
Lakehouse	8,935
Merlino	581,806
Northridge I & II	374,802
Notch	8,269
Pacific Court	138,745
Seola Gardens	3,197,160
Southridge House	659,067
Valli Kee	7,876
Wellswood	6,484
<b>Total</b>	<b>\$ 13,922,041</b>

## NOTE 15 - RISK MANAGEMENT

The Authority is exposed to perils commonly associated with the ownership and rental of real property. Perils including bodily injury to individuals; property damage by fire and forces of nature; loss of assets from theft and employee dishonesty; and liability for public officials' and employees' conduct are handled through a combination of purchased commercial insurance, voluntary self-insurance, participation in a risk-sharing pool or group, and contractual risk transfer via indemnification agreements.

For Public Housing, the Authority secures third-party liability insurance primarily through the Housing Authority Risk Retention Pool (HAARP), a public entity risk-sharing pool. The General Liability limit, including Washington Stop-Gap or Employer's Liability, is \$2,000,000 per occurrence on an occurrence basis with a \$1,000 deductible. Contractor's Pollution Liability limit is \$1,000,000 on a claims-made basis with a \$10,000 per claim self-insured retention provided through Colony Insurance Company. Automobile Liability insurance is \$5,000,000 in total limits provided through a combination of Philadelphia Insurance Company with \$1,000,000 liability limit and excess liability of \$4,000,000 provided by Princeton Excess and Specialty. Property insurance including Rental Income coverage through HARRP has a standard limit of \$3,000,000 replacement cost basis, with higher limits available upon request. Property deductible is \$50,000 per loss. The Authority has secured Fidelity coverage through HARRP for \$100,000 per occurrence for all employees, and \$500,000 for employees with greater exposure.

Bond Financed Projects are covered for property insurance through HARRP. The general liability is covered through the Housing Authority Risk Retention Group (HARRG) with \$2,000,000 per occurrence limit. Additionally, liability sub-limits are provided for fire damage liability and athletic sports liability, at \$50,000 and \$250,000, respectively. Excess Liability limit of \$3,000,000 is provided by Lexington Insurance Company.

Tax Credit Partnership properties are covered for general liability with total limits of \$5,000,000 per occurrence basis provided by Great American Specialty Insurance (\$1,000,000 each occurrence, \$2,000,000 general aggregate, per designated location) on the primary level, and \$4,000,000 aggregate limit excess of the primary, with a \$10,000 self-insured retention. Lexington Landmark provides property insurance for buildings and Contents values on replacement cost basis, with Business Income including Extra Expense covered according to reported values, all subject to a \$10,000 deductible, except as respects Flood at noted locations, for a deductible of \$250,000 which are covered under National Flood Insurance Policies, subject to \$1,000 deductibles.

Excess Liability limit of \$10,000,000 is provided over all of the above liability coverages, except the Contractors Pollution, which brings total liability coverage to a limit of \$15,000,000. This coverage is with Lexington Insurance Company.

Public Officials Errors and Omissions and Employment Practices Liability is provided on all properties with a \$5,000,000 limit with a \$75,000 Self-Insured Retention with Illinois Union Insurance Company.

No closed claims are known to have exceeded the applicable limits of insurance secured from any of the mentioned providers.

#### **NOTE 16 – SUBSEQUENT EVENTS**

In February of 2011, the Authority received approval for disposition of 60 public housing units at Green River Homes via a negotiated sale for \$4.5 million. The Authority had requested this disposition in order to transfer the source of funds for these units from public housing subsidy to Section 8 project-based funds.

**HOUSING AUTHORITY OF THE COUNTY OF KING  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended December 31, 2010

GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	OTHER ID NUMBER	PASS THROUGH ENTITY	CURRENT YEAR EXPENDITURES	DEBT LIABILITY BALANCE
<b><u>DIRECT ASSISTANCE</u></b>					
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
RURAL RENTAL HOUSING LOANS:					
RAINIER I	10.415	LOAN			415,355
RAINIER II	10.415	LOAN			576,883
SI VIEW	10.415	LOAN			161,527
<b>TOTAL - U.S. DEPARTMENT OF AGRICULTURE</b>				-	<b>1,153,765</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</b>					
SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES:					
MAINSTREAM	14.181			2,439,232	
SECTION 8 NEW CONSTRUCTION:					
BURIEN PARK	14.182	WA19-8023-007		639,282	-
NORTHLAKE HOUSE	14.182	WA19-0049-002		271,288	-
NORTHWOOD	14.182	WA19-8023-006		252,371	-
MULTIFAMILY HOUSING SERVICE COORDINATOR:					
SENIOR HOUSING (2002)	14.191	WA19HS00003		-	-
SENIOR HOUSING (2004)	14.191	WA19HS02005		48,415	-
SECTION 8 HAP PROGRAM SPECIAL ALLOCATIONS:					
HIDDEN VILLAGE	14.195	WA19M000184		408,999	-
PARKWAY	14.195	WA19M000203		354,872	1,421,663
SECTION 8 HAP PROGRAM ADDITIONAL SUPPORT:					
WESTMINSTER MANOR	14.317	WA19M000148		33,956	75,286
ECONOMIC DEVELOPMENT INITIATIVE:					
HUD TRANSPORTATION GRANT EDI	14.251	B09SPWA0286		787,179	-
SECTION 8 MODERATE REHABILITATION:					
TITUSVILLE	14.856	S0023K		84,396	-
REVITALIZATION SEVERLY DISTRESSED PUBLIC HOUSING:					
HOPE VI	14.866	WA19URD0021101		112,689	-
HOPE VI	14.866	WA19URD0021108		3,144,025	-
RESIDENT OPPORTUNITY AND SELF SUFFICIENCY:					
AUBURN COMPUTER CENTERS	14.870	WA002RNN041A005		3,052	-
SOMALI/SOMALI BANTU PROGRAM	14.870	WA002REF014A007		113,222	-
GREENBRIDGE COMPUTER CENTER	14.870	WA002RNN009A006		62,178	-
SPRINGWOOD CDC	14.870	WA002REF015A006		29,364	-
KENT EXPANDED COMPUTER CENTER	14.870	WA002RNN002A007		77,243	-
FSS PROJECT COORDINATOR-2009	14.870	WA002RFS196A008		20,477	-
FSS PROJECT COORDINATOR-2010	14.870	WA002RFS196A009		38,884	-
HOUSING CHOICE VOUCHERS:					
SECTION 8 HOUSING CHOICE VOUCHERS	14.871			3,145,510	-
VETERAN'S AFFAIRS SUPPORTIVE HOUSING	14.VSH			920,561	-
MOVING TO WORK DEMONSTRATION PROGRAM:					
SECTION 8 HOUSING CHOICE VOUCHERS	14.HCV			90,819,291	-
OPERATING SUBSIDY	14.OPS			7,889,630	-
CAPITAL FUND PROGRAM					
CFP-2006	14.CFP	WA19P002501-06		1,263,469	-
CFP-2006	14.CFP	WA19P002502-06		236,740	-
CFP-2009	14.CFP	WA19P002501-09		3,816,358	-
CFP-2010	14.CFP	WA19P002501-10		2,963,643	-
RHF-2009	14.CFP	WA19R002501-09		204,868	-
RHF-2010	14.CFP	WA19R002501-10		643,932	-
PUBLIC HOUSING CAPITAL FUND COMPETITIVE (RECOVERY ACT FUNDED):					
Ballinger	14.884	WA00200010109E		271,033	-
Briarwood	14.884	WA00200015209R		1,080,484	-
Northridge II	14.884	WA00200015309E		228,662	-
Forest Glen	14.884	WA00200020109R		591,701	-
College Place	14.884	WA00200020309E		137,547	-
Juanita Trace I	14.884	WA00200020709E		81,804	-
Casa Juanita	14.884	WA00200025109E		180,374	-
Greenbridge Phase V	14.884	WA00200034109F		588,789	-
Boulevard Manor	14.884	WA00200035009R		57,371	-
Yardley Arms	14.884	WA00200035209E		273,609	-
Riverton Terrace	14.884	WA00200035409E		303,430	-
Valli Kee	14.884	WA00200040109E		316,003	-
Cascade Homes	14.884	WA00200040309E		157,145	-
Eastridge House	14.884	WA00200045109E		91,805	-
Kings Court	14.884	WA00200050509E		82,306	-
Wayland Arms	14.884	WA00200055009E		188,739	-
Southridge	14.884	WA00200055209E		280,017	-
PUBLIC HOUSING CAPITAL FUND FORMULA (RECOVERY ACT FUNDED):					
ARRA-2009	14.885	WA19S002501-09		3,816,623	-
HEALTHY HOMES DEMONSTRATION GRANT (RECOVERY ACT FUNDED):					
HEALTHY HOMES GRANT	14.908	WALHH018608		357,756	-
<b>TOTAL - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</b>				<b>129,910,324</b>	<b>1,496,948</b>

**U.S. DEPARTMENT OF HOMELAND SECURITY**

## ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM - FIRE PREVENTION AND SAFETY

FIRE PREVENTION - SAFE-T-ELEMENT	97.044	EMW-2009-FP-00435		378,294	
<b>TOTAL - U.S. DEPARTMENT OF AGRICULTURE</b>				<b>378,294</b>	<b>-</b>

**SUBTOTAL DIRECT ASSISTANCE**

<b>130,288,618</b>	<b>2,650,713</b>
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**PASS-THROUGH ASSISTANCE****U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

## COMMUNITY DEVELOPMENT BLOCK GRANT/ENTITLEMENT GRANT:

BELLEVUE HOUSING REPAIR (2008)	14.218	CDBG-218	1	-	-
BELLEVUE HOUSING REPAIR (2009)	14.218	CDBG-229	1	74,530	-
BELLEVUE HOUSING REPAIR (2010)	14.218	CDBG-242	1	148,070	-
KING COUNTY HOUSING REPAIR (2003)	14.218	C03461	2	22,734	-
KINGS COURT COMM. FACILITY REHAB. (2009)	14.218	D37817 D	2	1,348	-

## COMMUNITY DEVELOPMENT BLOCK GRANT ARRA ENTITLEMENT (Recovery Act Funded):

BELLEVUE HOUSING REPAIR (2009) ARRA Funded	14.253	CDBG-R	1	75,037	-
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**TOTAL - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

<b>321,718</b>	<b>-</b>
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**U.S. DEPARTMENT OF ENERGY**

## WEATHERIZATION ASSISTANCE FOR LOW INCOME PERSONS:

2009	81.042	F09-43103-413 DOE	3	22,878	
2009 ARRA Funded	81.042	F09-431AR-413 DOE	3	2,756,418	
2010	81.042	F10-43104-413 BPA	3	65,342	

**TOTAL - U.S. DEPARTMENT OF ENERGY**

<b>2,844,638</b>	<b>-</b>
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**U.S. DEPARTMENT OF HUMAN AND HEALTH SERVICES**

## LOW-INCOME HOME ENERGY ASSISTANCE:

2009	93.568	F09-43101-413 HHS	3	1,950,452	-
2010	93.568	F11-43101-413	3	86,024	-

**TOTAL U.S. DEPARTMENT OF HUMAN AND HEALTH SERVICES**

<b>2,036,476</b>	<b>-</b>
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**AMERICORPS**

AMERICORPS - (2008-2009)	94.006	ESD K501	4	-	-
AMERICORPS - (2009-2010)	94.006	ESD K983	4	32,634	-
AMERICORPS - (2010-2011)	94.006	ESD K1394	4	25,168	-

**TOTAL - AMERICORPS**

<b>57,801</b>	<b>-</b>
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**SUBTOTAL PASS-THROUGH ASSISTANCE**

<b>5,260,633</b>	<b>-</b>
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**TOTAL ASSISTANCE**

<b>135,549,251</b>	<b>2,650,713</b>
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**Pass Through Entity:**

1	City of Bellevue, WA	3	Washington State Department of Commerce
2	King County, Washington	4	Washington State Employment Security Department

**NOTE 1 - BASIS OF ACCOUNTING**

The Schedule of Financial Assistance is prepared on the same basis of accounting as the King County Housing Authority's financial statements. (See Note 1 in the Notes to the Financial Statements.)

**NOTE 2 - PROGRAM COSTS**

The amounts shown as current year expenditures represent only the federal portion of the program costs. Entire program costs, including The Authority's portion, may be more than shown.

HOUSING AUTHORITY OF THE COUNTY OF KING  
Federal Data Schedule (FDS)  
Balance Sheet  
As of December 31, 2010

		Supportive Housing for Persons with Disabilities	Section 8 - New Construction	Multifamily Housing Service coordinators	Section 8 - Special Allocation	Section 8 - HAP Program Additional Support	Section 8 - Moderate Rehabilitation	Hope VI
		14.181	14.182	14.191	14.195	14.317	14.856	14.866
111	Cash:	\$ -	\$ 299,581	\$ -	\$ 131,904	\$ -	\$ 54,764	\$ -
112	Cash - unrestricted	-	-	-	-	-	-	-
113	Cash - restricted - modernization and development	-	814,816	-	2,061,737	-	-	-
114	Cash - other restricted	-	35,662	-	35,952	-	-	-
115	Cash - tenant security deposits	-	-	-	-	-	-	-
116	Cash - restricted for payment of current liability	-	-	-	-	-	-	-
117	Total cash	-	1,150,059	-	2,229,593	-	54,764	-
118	Accounts and notes receivables:	-	-	-	-	-	-	-
119	AR - PHA projects	-	-	-	-	-	-	-
120	AR - HUD other projects	-	-	26,034	-	-	-	13,677
121	Accounts receivable - other government	-	-	-	4,731	-	-	-
122	Accounts receivable - miscellaneous	-	-	-	(0)	-	-	-
123	Accounts receivable- tenants	-	0	-	28,532	-	-	-
124	Allowance for doubtful accounts - tenants	-	-	-	(3,000)	-	-	-
125	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
126	Notes and mortgages receivable- current	-	-	-	-	-	-	-
127	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
130	Total receivables, net of allowances	-	0	26,034	30,263	-	-	13,677
131	Current investments:	-	-	-	-	-	-	-
132	Investments - unrestricted	-	-	-	-	-	-	-
133	Investments - restricted	-	-	-	351,979	-	-	-
134	Prepaid expenses and other assets	629	14,116	-	8,865	-	34	-
135	Inventories	-	-	-	-	-	-	-
136	Interprogram - due from	-	-	-	-	-	-	-
137	TOTAL CURRENT ASSETS	629	1,164,176	26,034	2,620,700	-	54,798	13,677
138	NONCURRENT ASSETS:	-	-	-	-	-	-	-
139	Fixed assets:	-	-	-	-	-	-	-
140	Land	-	935,327	-	1,535,732	-	-	-
141	Buildings	-	9,757,795	-	4,238,362	-	-	-
142	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-
143	Furniture, equipment & machinery - administration	-	15,088	-	-	-	-	-
144	Leasehold improvements	-	923,428	-	44,000	-	-	-
145	Accumulated depreciation	-	(4,662,746)	-	(3,712,627)	-	-	-
146	Work in progress	-	1,720	-	(0)	-	-	35,190,353
147	Net fixed assets	-	6,970,613	-	2,105,467	-	-	35,190,353
148	Other non-current assets:	-	-	-	-	-	-	-
149	Notes and mortgages receivable - non-current	-	(0)	-	76,043	-	-	-
150	Other assets	-	-	-	2,181,510	-	-	35,190,353
151	TOTAL NONCURRENT ASSETS	-	6,970,613	-	2,181,510	-	-	35,190,353
152	TOTAL ASSETS	\$ 629	\$ 8,134,789	\$ 26,034	\$ 4,802,210	\$ -	\$ 54,798	\$ 35,204,029
153	LIABILITIES AND EQUITY:	-	-	-	-	-	-	-
154	LIABILITIES:	-	-	-	-	-	-	-
155	Current liabilities:	-	-	-	-	-	-	-
156	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
157	Accounts payable < 90 days	33	18,163	276	23,741	-	33	-
158	Accounts payable > 90 days past due	-	-	-	-	-	-	-
159	Accrued wage/payroll taxes payable	2,258	29,447	1,188	22,169	-	170	-
160	Accrued compensated absences	3,835	29,920	-	20,092	-	207	-
161	Accrued contingency liability	-	-	-	-	-	-	-
162	Accrued interest payable	-	1,701	-	70,469	-	-	-
163	Accounts Payable - HUD PHA Programs	-	-	-	-	-	1,483	-
164	Accounts Payable - PHA projects	-	-	-	-	-	-	-
165	Accounts payable - other government	-	-	-	-	-	-	-
166	Tenant security deposits	-	35,648	-	34,657	-	-	-
167	Deferred revenue	-	-	-	-	-	0	-
168	Current portion of L-T debt - capital projects	-	443,471	-	108,939	-	-	-
169	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-
170	Other current liabilities	-	-	-	-	-	-	-
171	Accrued liabilities - other	-	-	-	-	-	-	-
172	Interprogram - due to	-	-	-	-	-	-	-
173	Loan Liability - current	-	-	-	-	-	-	-
174	TOTAL CURRENT LIABILITIES	6,126	558,351	1,464	280,067	-	1,894	-
175	Noncurrent liabilities:	-	-	-	-	-	-	-
176	Long-term debt, net of current - capital projects	-	683,802	-	4,362,863	-	-	-
177	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
178	Non-current liabilities- other	-	3,342	-	9,756	-	-	-
179	Accrued compensated absences - non-current	-	-	-	-	-	-	-
180	Loan Liability - non-current	-	-	-	-	-	-	-
181	FASB 5 liabilities	-	-	-	-	-	-	-
182	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-
183	TOTAL NONCURRENT LIABILITIES	-	687,144	-	4,372,619	-	-	-
184	TOTAL LIABILITIES	6,126	1,245,495	1,464	4,652,686	-	1,894	-
185	EQUITY:	-	-	-	-	-	-	-
186	Invested in capital assets, net of related debt	-	5,843,339	-	(2,366,335)	-	-	35,190,353
187	Restricted net assets	-	814,830	-	2,415,011	-	-	-
188	Unrestricted net assets	(5,497)	231,124	24,571	100,848	-	52,904	13,677
189	TOTAL EQUITY	(5,497)	6,889,294	24,571	149,523	-	52,904	35,204,029
190	TOTAL LIABILITIES AND EQUITY	\$ 629	\$ 8,134,789	\$ 26,035	\$ 4,802,210	\$ -	\$ 54,798	\$ 35,204,029

		Resident Opportunity and Self-Sufficiency	Section 8 Housing Choice Vouchers	Moving-To-Work Demonstration Program	Competitive Capital Fund Stimulus Grant	Formula Capital Fund Stimulus Grant	Veteran's Affairs Supportive Housing	Disaster Housing Assistance Program
		14.870	14.871	14.881	14.884	14.885	14.VSH	97.109
111	<b>Cash:</b>							
112	Cash - unrestricted	\$ -	\$ 2,711,492	\$ 16,010,725	\$ -	\$ -	\$ -	\$ -
113	Cash - restricted - modernization and development	-	-	-	-	-	-	-
114	Cash - other restricted	-	625,752	-	-	-	-	-
115	Cash - tenant security deposits	-	-	-	-	-	-	-
116	Cash - restricted for payment of current liability	-	-	-	-	-	-	-
117	Total cash	-	3,337,244	16,010,725	-	-	-	-
118	<b>Accounts and notes receivable:</b>							
119	AR - PHA projects	-	67,696	-	-	-	-	-
120	AR - HUD other projects	79,853	24,507	(0)	2,715,397	(0)	8,451	3,447
121	Accounts receivable - other government	-	-	-	-	-	-	-
122	Accounts receivable - miscellaneous	-	-	136,451	-	-	-	-
123	Accounts receivable- tenants	-	-	-	-	-	-	-
124	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	-
125	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
126	Notes and mortgages receivable- current	-	-	-	-	-	-	-
127	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
130	Total receivables, net of allowances	79,853	92,203	136,451	2,715,397	(0)	8,451	3,447
131	<b>Current investments:</b>							
132	Investments - unrestricted	-	-	35,982,881	-	-	-	-
133	Investments - restricted	-	-	-	-	-	-	-
134	Prepaid expenses and other assets	-	7,533	17,738	-	-	-	-
135	Inventories	-	-	-	-	-	-	-
136	Interprogram - due from	-	-	-	-	-	-	-
137	TOTAL CURRENT ASSETS	79,853	3,436,981	52,147,795	2,715,397	(0)	8,451	3,447
138	<b>NONCURRENT ASSETS:</b>							
139	<b>Fixed assets:</b>							
140	Land	-	710,375	-	-	-	-	-
141	Buildings	-	1,527,609	-	-	-	-	-
142	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-
143	Furniture, equipment & machinery - administration	-	225,881	-	-	-	-	-
144	Leasehold improvements	-	-	-	-	-	-	-
145	Accumulated depreciation	-	(324,667)	-	-	-	-	-
146	Work in progress	-	-	5,000	-	-	-	-
147	Net fixed assets	-	2,139,197	5,000	-	-	-	-
148	<b>Other non-current assets:</b>							
149	Notes and mortgages receivable - non-current	-	-	15,000,000	-	-	-	-
150	Other assets	-	-	-	-	-	-	-
151	TOTAL NONCURRENT ASSETS	-	2,139,197	15,000,000	-	-	-	-
152	TOTAL ASSETS	\$ 79,853	\$ 5,576,178	\$ 67,152,795	\$ 2,715,397	\$ (0)	\$ 8,451	\$ 3,447
153	<b>LIABILITIES AND EQUITY:</b>							
154	<b>LIABILITIES:</b>							
155	<b>Current liabilities:</b>							
156	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
157	Accounts payable < 90 days	-	59,948	169,727	-	-	-	-
158	Accounts payable > 90 days past due	-	-	-	-	-	-	-
159	Accrued wage/payroll taxes payable	-	195,582	86,215	-	-	-	-
160	Accrued compensated absences	-	277,755	118,671	-	-	-	-
161	Accrued contingency liability	-	-	-	-	-	-	-
162	Accrued interest payable	-	-	-	-	-	-	-
163	Accounts Payable - HUD PHA Programs	-	8,507	-	-	-	-	-
164	Accounts Payable - PHA projects	-	-	-	-	-	-	-
165	Accounts payable - other government	-	-	-	-	-	-	-
166	Tenant security deposits	-	-	-	-	-	-	-
167	Deferred revenue	-	0	(0)	-	-	(0)	-
168	Current portion of L-T debt - capital projects	-	-	48,131,563	-	-	-	-
169	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-
170	Other current liabilities	-	625,752	-	-	-	-	-
171	Accrued liabilities - other	-	-	77,600	-	-	-	-
172	Interprogram - due to	-	-	-	2,715,397	-	-	-
173	Loan Liability - current	-	-	-	-	-	-	-
174	TOTAL CURRENT LIABILITIES	-	1,167,545	48,583,776	2,715,397	-	(0)	-
175	<b>Noncurrent liabilities:</b>							
176	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-
177	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
178	Non-current liabilities- other	-	-	-	-	-	-	-
179	Accrued compensated absences - non-current	-	-	-	-	-	-	-
180	Loan Liability - non-current	-	-	-	-	-	-	-
181	FASB 5 liabilities	-	-	-	-	-	-	-
182	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-
183	TOTAL NONCURRENT LIABILITIES	-	-	-	-	-	-	-
184	TOTAL LIABILITIES	-	1,167,545	48,583,776	2,715,397	-	(0)	-
185	<b>EQUITY:</b>							
186	Invested in capital assets, net of related debt	-	2,139,197	(48,126,563)	-	-	-	-
187	Restricted net assets	-	625,752	-	-	-	-	-
188	Unrestricted net assets	79,853	1,643,683	66,695,583	-	-	8,451	3,447
189	TOTAL EQUITY	79,853	4,408,633	18,569,020	-	-	8,451	3,447
190	TOTAL LIABILITIES AND EQUITY	\$ 79,853	\$ 5,576,178	\$ 67,152,795	\$ 2,715,397	\$ -	\$ 8,451	\$ 3,447

HOUSING AUTHORITY OF THE COUNTY OF KING  
Federal Data Schedule (FDS)  
Balance Sheet  
As of December 31, 2010

		State/Local Programs	Business Activities	Americorp	Other Federal Programs	Other Federal Programs	COCC	AMP 101
				94,006	14,251	14,908		
111	Cash:	\$ 288,528	\$ 13,543,359	\$ (0)	\$ -	\$ -	\$ 27,809,252	\$ 262,684
112	Cash - unrestricted	-	-	-	-	-	-	-
113	Cash - restricted - modernization and development	-	-	-	-	-	-	-
114	Cash - other restricted	-	12,408,298	-	-	-	556,340	-
115	Cash - tenant security deposits	-	1,009,036	-	-	-	4,278	22,061
116	Cash - restricted for payment of current liability	-	-	-	-	-	-	-
117	Total cash	288,528	26,960,692	(0)	-	-	28,369,870	284,745
118	Accounts and notes receivables:							
119	AR - PHA projects	-	-	-	-	-	-	-
120	AR - HUD other projects	-	(0)	-	-	48,013	-	7,964
121	Accounts receivable - other government	585,893	24,462	27,000	-	-	-	-
122	Accounts receivable - miscellaneous	-	12,786,895	-	-	-	27,555	-
123	Accounts receivable- tenants	-	134,080	-	-	-	(0)	300
124	Allowance for doubtful accounts - tenants	-	(3,000)	-	-	-	-	(623)
125	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
126	Notes and mortgages receivable- current	-	-	-	-	-	-	-
127	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
130	Total receivables, net of allowances	585,893	12,942,437	27,000	-	48,013	27,554	7,641
131	Current investments:							
132	Investments - unrestricted	-	-	-	-	-	5,047,355	-
133	Investments - restricted	-	7,828,446	-	-	-	-	-
134	Prepaid expenses and other assets	10,492	302,524	167	-	-	52,304	10,139
135	Inventories	-	182,980	-	-	-	55,949	-
136	Interprogram - due from	-	-	-	-	-	-	180,041
137	TOTAL CURRENT ASSETS	884,913	48,217,080	27,167	-	48,013	33,553,033	482,566
138	NONCURRENT ASSETS:							
139	Fixed assets:							
140	Land	-	38,081,573	-	-	-	4,346,094	1,960,510
141	Buildings	-	96,976,672	-	-	-	6,276,278	7,865,821
142	Furniture, equipment & machinery - dwellings	-	35,400	-	-	-	-	-
143	Furniture, equipment & machinery - administration	15,260	229,043	-	-	-	1,707,644	138,992
144	Leasehold improvements	-	8,363,094	-	-	-	34,438	2,029,068
145	Accumulated depreciation	(15,260)	(46,199,411)	-	-	-	(2,686,662)	(4,923,856)
146	Work in progress	-	40,925,101	-	2,435,000	-	1,781,996	303,197
147	Net fixed assets	-	138,411,472	-	2,435,000	-	11,459,787	7,373,732
148	Other non-current assets:							
149	Notes and mortgages receivable - non-current	209,641	186,017,021	-	-	-	2,800,000	-
150	Other assets	-	6,925,100	-	-	-	1,286,277	-
151	TOTAL NONCURRENT ASSETS	209,641	331,353,593	-	2,435,000	-	15,546,064	7,373,732
152	TOTAL ASSETS	\$ 1,094,554	\$ 379,570,673	\$ 27,167	\$ 2,435,000	\$ 48,013	\$ 49,099,096	\$ 7,856,298
153	LIABILITIES AND EQUITY:							
154	LIABILITIES:							
155	Current liabilities:							
156	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
157	Accounts payable < 90 days	45,039	2,692,052	450	-	-	278,264	119,828
158	Accounts payable > 90 days past due	-	-	-	-	-	-	-
159	Accrued wage/payroll taxes payable	18,740	93,028	1,239	-	-	472,368	21,338
160	Accrued compensated absences	-	125,559	-	-	-	970,339	14,739
161	Accrued contingency liability	-	-	-	-	-	-	-
162	Accrued interest payable	-	2,105,870	-	-	-	-	-
163	Accounts Payable - HUD PHA Programs	-	440	-	-	-	-	-
164	Accounts Payable - PHA projects	-	-	-	-	-	-	-
165	Accounts payable - other government	-	-	-	-	-	-	-
166	Tenant security deposits	-	1,050,507	-	-	-	3,911	22,061
167	Deferred revenue	-	865,145	-	-	-	(0)	-
168	Current portion of L-T debt - capital projects	-	8,701,853	-	-	-	90,477	18,340
169	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-
170	Other current liabilities	8,898	1,247,578	-	-	-	80,312	11,868
171	Accrued liabilities - other	-	193,503	-	-	-	48,618	-
172	Interprogram - due to	-	-	-	-	-	-	-
173	Loan Liability - current	-	-	-	-	-	-	-
174	TOTAL CURRENT LIABILITIES	72,676	17,075,535	1,689	-	-	1,944,288	208,174
175	Noncurrent liabilities:							
176	Long-term debt, net of current - capital projects	-	208,201,393	-	-	-	6,688,385	130,211
177	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
178	Non-current liabilities- other	-	25,967,090	-	-	-	413,614	7,080
179	Accrued compensated absences - non-current	-	-	-	-	-	-	-
180	Loan Liability - non-current	-	-	-	-	-	-	-
181	FASB 5 liabilities	-	-	-	-	-	-	-
182	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-
183	TOTAL NONCURRENT LIABILITIES	-	234,168,484	-	-	-	7,101,998	137,291
184	TOTAL LIABILITIES	72,676	251,244,019	1,689	-	-	9,046,286	345,465
185	EQUITY:							
186	Invested in capital assets, net of related debt	-	(78,491,774)	-	2,435,000	-	4,680,926	7,225,182
187	Restricted net assets	-	20,195,273	-	-	-	556,707	(0)
188	Unrestricted net assets	1,021,878	186,623,155	25,478	-	48,013	34,815,177	285,652
189	TOTAL EQUITY	1,021,878	128,326,654	25,478	2,435,000	48,013	40,052,810	7,510,833
190	TOTAL LIABILITIES AND EQUITY	\$ 1,094,554	\$ 379,570,673	\$ 27,167	\$ 2,435,000	\$ 48,013	\$ 49,099,096	\$ 7,856,298

HOUSING AUTHORITY OF THE COUNTY OF KING  
Federal Data Schedule (FDS)  
Balance Sheet  
As of December 31, 2010

		AMP 105	AMP 150	AMP 152	AMP 153	AMP 201	AMP 203	AMP 206
111	<b>Cash:</b>							
112	Cash - unrestricted	\$ -	\$ 9,316	\$ 174	\$ 182,197	\$ 5,812	\$ 256,075	\$ 135,399
113	Cash - restricted - modernization and development	-	-	-	-	-	-	-
114	Cash - other restricted	-	-	-	-	-	-	-
115	Cash - tenant security deposits	-	-	10,367	11,775	10,378	21,550	9,330
100	Cash - restricted for payment of current liability	-	-	-	-	-	-	-
	Total cash	-	9,316	10,541	193,972	16,190	277,625	144,729
121	<b>Accounts and notes receivables:</b>							
122	AR - PHA projects	-	-	-	-	-	-	-
124	AR - HUD other projects	-	-	49,490	13,003	21,093	16,217	17,767
125	Accounts receivable - other government	-	-	-	-	-	-	-
126	Accounts receivable - miscellaneous	-	-	-	-	-	(0)	-
126	Accounts receivable - tenants	-	-	5,561	(0)	237	29,654	(0)
126	Allowance for doubtful accounts - tenants	-	-	(312)	(1,783)	(1,099)	(3,651)	(1,535)
127	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
128	Notes and mortgages receivable - current	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
120	Total receivables, net of allowances	-	-	54,738	11,219	20,231	42,220	16,232
131	<b>Current investments:</b>							
132	Investments - unrestricted	-	-	-	-	-	-	-
142	Investments - restricted	-	-	-	-	-	-	-
143	Prepaid expenses and other assets	-	5	9,744	11,732	5,471	10,313	4,825
144	Inventories	-	-	-	125	-	-	-
150	Interprogram - due from	-	-	560,066	58,568	503,016	79,424	-
	TOTAL CURRENT ASSETS	-	9,321	635,089	275,616	544,907	409,581	165,787
161	<b>NONCURRENT ASSETS:</b>							
162	<b>Fixed assets:</b>							
163	Land	-	-	-	-	-	-	-
164	Buildings	-	-	246,728	224,064	285,906	1,740,113	404,865
165	Furniture, equipment & machinery - dwellings	-	-	4,065,943	5,856,503	3,495,676	4,961,837	3,013,698
166	Furniture, equipment & machinery - administration	-	-	-	-	-	-	-
167	Leasehold improvements	-	-	49,354	32,976	6,467	75,175	61,450
168	Accumulated depreciation	-	-	143,913	149,697	755,969	2,786,585	395,582
169	Work in progress	-	-	(2,805,763)	(2,391,548)	(2,529,756)	(5,408,451)	(3,071,725)
160	Net fixed assets	-	-	3,249,548	197,571	662,836	1,908,019	87,160
171	<b>Other non-current assets:</b>							
174	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-
180	Other assets	-	-	-	-	-	-	-
190	TOTAL NONCURRENT ASSETS	-	-	4,949,724	4,069,263	2,677,098	6,063,279	891,029
	TOTAL ASSETS	\$ -	\$ 9,321	\$ 5,584,812	\$ 4,344,880	\$ 3,222,005	\$ 6,472,861	\$ 1,056,817
311	<b>LIABILITIES AND EQUITY:</b>							
312	<b>LIABILITIES:</b>							
321	<b>Current liabilities:</b>							
322	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
323	Accounts payable < 90 days	-	4	240,096	46,750	309,092	40,386	18,489
324	Accounts payable > 90 days past due	-	-	-	-	-	-	-
325	Accrued wage/payroll taxes payable	-	98	16,478	21,165	13,369	23,543	8,913
326	Accrued compensated absences	-	44	15,828	17,461	18,485	33,949	12,684
327	Accrued contingency liability	-	-	-	-	-	-	-
328	Accrued interest payable	-	-	-	-	-	-	-
329	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
330	Accounts Payable - PHA projects	-	-	-	-	-	-	-
331	Accounts payable - other government	-	-	-	-	-	-	-
332	Tenant security deposits	-	-	10,367	11,775	10,378	21,550	9,330
333	Deferred revenue	-	-	-	-	-	0	-
334	Current portion of L-T debt - capital projects	-	-	9,850	9,573	9,068	21,748	8,284
335	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-
336	Other current liabilities	-	-	142,960	5,575	24,979	6,305	-
337	Accrued liabilities - other	-	-	-	-	-	-	-
338	Interprogram - due to	-	-	-	-	-	-	-
339	Loan Liability - current	-	-	-	-	-	-	-
310	TOTAL CURRENT LIABILITIES	-	146	435,579	112,298	385,370	147,481	57,699
341	<b>Noncurrent liabilities:</b>							
342	Long-term debt, net of current - capital projects	-	-	70,016	68,007	64,440	154,520	58,866
343	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
344	Non-current liabilities- other	-	34,585	5,569	2,123	2,663	5,292	23
345	Accrued compensated absences - non-current	-	-	-	-	-	-	-
346	Loan Liability - non-current	-	-	-	-	-	-	-
347	FASB 5 liabilities	-	-	-	-	-	-	-
348	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	-	34,585	75,584	70,129	67,103	159,812	58,889
300	TOTAL LIABILITIES	-	34,731	511,164	182,428	452,473	307,293	116,588
508	<b>EQUITY:</b>							
511	Invested in capital assets, net of related debt	-	-	4,869,858	3,991,684	2,603,591	5,887,011	823,880
512	Restricted net assets	-	-	(0)	-	-	-	-
513	Unrestricted net assets	-	(25,410)	203,791	170,768	165,942	278,557	116,349
513	TOTAL EQUITY	-	(25,410)	5,073,649	4,162,452	2,769,532	6,165,568	940,228
600	TOTAL LIABILITIES AND EQUITY	\$ -	\$ 9,321	\$ 5,584,812	\$ 4,344,880	\$ 3,222,005	\$ 6,472,861	\$ 1,056,817



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		AMP 207	AMP 251	AMP 301	AMP 302	AMP 340	AMP 341	AMP 343
111	<b>Cash:</b>							
112	Cash - unrestricted	\$ 248,301	\$ 89,237	\$ 3,513	\$ 503,670	\$ 144,418	\$ 8,769	\$ 196,874
113	Cash - restricted - modernization and development	-	-	-	-	-	-	-
114	Cash - other restricted	-	-	-	-	-	-	-
115	Cash - tenant security deposits	15,118	6,142	-	-	-	-	-
120	Cash - restricted for payment of current liability	-	-	-	-	-	-	-
	Total cash	263,419	95,379	3,513	503,670	144,418	8,769	196,874
121	<b>Accounts and notes receivables:</b>							
122	AR - PHA projects	-	-	-	-	-	-	-
124	AR - HUD other projects	21,470	20,488	-	30,656	0	-	-
125	Accounts receivable - other government	-	-	-	-	-	-	-
126	Accounts receivable - miscellaneous	-	-	(0)	-	25,000	-	45,000
126	Accounts receivable- tenants	0	2,139	(0)	4,089	-	-	-
126	Allowance for doubtful accounts - tenants	(1,395)	(359)	(528)	(1,716)	-	-	-
127	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
128	Notes and mortgages receivable- current	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-
129	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
120	Total receivables, net of allowances	20,075	22,268	(528)	33,029	25,000	-	45,000
131	<b>Current investments:</b>							
132	Investments - unrestricted	-	-	-	-	-	-	-
142	Investments - restricted	-	-	-	-	0	-	-
143	Prepaid expenses and other assets	7,271	5,517	-	0	4,070	-	22
144	Inventories	-	-	-	-	-	-	-
150	Interprogram - due from	15,592	44,782	-	-	-	-	-
	TOTAL CURRENT ASSETS	306,356	167,945	2,985	536,699	173,487	8,769	241,896
161	<b>NONCURRENT ASSETS:</b>							
162	<b>Fixed assets:</b>							
163	Land	816,743	62,146	-	-	-	-	-
163	Buildings	3,912,641	3,169,505	-	-	-	-	-
164	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-
165	Furniture, equipment & machinery - administration	91,639	-	-	-	-	-	-
166	Leasehold improvements	999,743	583,879	-	-	-	-	-
167	Accumulated depreciation	(4,636,605)	(1,710,924)	-	-	-	-	-
160	Work in progress	113,147	152,876	-	-	448	-	-
	Net fixed assets	1,297,308	2,257,482	-	-	448	-	-
171	<b>Other non-current assets:</b>							
174	Notes and mortgages receivable - non-current	-	-	-	-	16,035,154	8,673,132	8,076,843
180	Other assets	-	-	-	-	200	-	-
190	TOTAL NONCURRENT ASSETS	1,297,308	2,257,482	-	-	16,035,802	8,673,132	8,076,843
	TOTAL ASSETS	\$ 1,603,666	\$ 2,425,427	\$ 2,985	\$ 536,699	\$ 16,209,289	\$ 8,681,900	\$ 8,318,739
311	<b>LIABILITIES AND EQUITY:</b>							
312	<b>LIABILITIES:</b>							
313	<b>Current liabilities:</b>							
321	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
322	Accounts payable < 90 days	61,338	27,213	-	21,754	8,262	316	7,918
323	Accounts payable > 90 days past due	-	-	-	-	-	-	-
324	Accrued wage/payroll taxes payable	13,125	11,193	-	710	1,611	104	719
325	Accrued compensated absences	21,839	13,674	-	1,991	3,098	-	723
326	Accrued contingency liability	-	-	-	-	-	-	-
327	Accrued interest payable	-	-	-	-	-	-	84,745
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-
341	Tenant security deposits	15,118	6,142	600	-	-	-	-
342	Deferred revenue	-	-	-	-	424	-	-
343	Current portion of L-T debt - capital projects	14,523	16,064	-	34,982	25,000	-	45,000
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-
345	Other current liabilities	2,635	4,566	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-	-	-
347	Interprogram - due to	-	-	-	-	-	-	-
348	Loan Liability - current	-	-	-	-	-	-	-
310	TOTAL CURRENT LIABILITIES	128,577	78,852	600	59,437	38,394	420	139,105
351	<b>Noncurrent liabilities:</b>							
352	Long-term debt, net of current - capital projects	103,240	114,164	-	248,620	6,855,000	7,120,000	4,205,000
353	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
354	Non-current liabilities- other	2,160	3,189	100	-	-	-	-
355	Accrued compensated absences - non-current	-	-	-	-	-	-	-
356	Loan Liability - non-current	-	-	-	-	-	-	-
357	FASB 5 liabilities	-	-	-	-	-	-	-
358	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	105,400	117,353	100	248,620	6,855,000	7,120,000	4,205,000
300	TOTAL LIABILITIES	233,977	196,204	700	308,057	6,893,394	7,120,420	4,344,105
508	<b>EQUITY:</b>							
511	Invested in capital assets, net of related debt	1,179,545	2,127,254	-	(283,602)	(6,879,552)	(7,120,000)	(4,250,000)
512	Restricted net assets	1	-	-	-	0	-	-
513	Unrestricted net assets	190,143	101,969	2,285	512,244	16,195,447	8,681,481	8,224,633
600	TOTAL LIABILITIES AND EQUITY	\$ 1,603,666	\$ 2,425,427	\$ 2,985	\$ 536,699	\$ 16,209,289	\$ 8,681,900	\$ 8,318,739

HOUSING AUTHORITY OF THE COUNTY OF KING  
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		AMP 344	AMP 345	AMP 350	AMP 352	AMP 354	AMP 355	AMP 401
111	<b>Cash:</b>							
112	Cash - unrestricted	\$ 0	\$ -	\$ 71,984	\$ 38,554	\$ 471,087	\$ 61,569	\$ 79,794
113	Cash - restricted - modernization and development	-	-	-	-	-	-	-
114	Cash - other restricted	-	-	-	-	-	-	-
115	Cash - tenant security deposits	-	-	5,365	5,200	14,875	-	21,795
116	Cash - restricted for payment of current liability	-	-	-	-	-	-	-
117	Total cash	0	-	77,349	43,754	485,962	61,569	101,589
118	<b>Accounts and notes receivables:</b>							
119	AR - PHA projects	-	-	-	-	-	-	-
120	AR - HUD other projects	-	-	75,524	10,733	37,641	-	281,492
121	Accounts receivable - other government	-	-	-	-	-	-	-
122	Accounts receivable - miscellaneous	-	-	-	-	106,035	99,803	(0)
123	Accounts receivable- tenants	-	-	0	0	44,593	-	18,659
124	Allowance for doubtful accounts - tenants	-	-	(2,907)	(940)	(979)	-	(4,521)
125	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
126	Notes and mortgages receivable- current	-	3,307,167	-	-	-	-	-
127	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
130	Total receivables, net of allowances	-	3,307,167	72,617	9,794	187,289	99,803	295,630
131	<b>Current investments:</b>							
132	Investments - unrestricted	-	-	-	-	-	-	-
133	Investments - restricted	-	-	-	-	423	-	-
134	Prepaid expenses and other assets	-	-	5,325	5,024	7,960	652	12,772
135	Inventories	-	-	-	-	-	-	2,037
136	Interprogram - due from	-	588,789	1,125	83,371	97,105	-	115,169
137	TOTAL CURRENT ASSETS	0	3,895,956	156,416	141,942	778,740	162,025	527,197
138	<b>NONCURRENT ASSETS:</b>							
139	<b>Fixed assets:</b>							
140	Land	-	-	72,003	227,040	973,765	-	540,599
141	Buildings	-	-	2,455,077	4,127,589	7,505,585	-	5,691,535
142	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-
143	Furniture, equipment & machinery - administration	-	-	30,642	-	39,801	-	107,484
144	Leasehold improvements	-	-	60,123	160,031	421,300	-	1,865,782
145	Accumulated depreciation	-	-	(1,608,264)	(1,800,889)	(2,359,590)	-	(4,251,827)
146	Work in progress	-	-	172,072	165,297	441,527	-	3,843,786
147	Net fixed assets	-	-	1,181,653	2,879,068	7,022,388	-	7,797,360
148	<b>Other non-current assets:</b>							
149	Notes and mortgages receivable - non-current	3,921,075	-	-	-	48,208,723	6,853,492	-
150	Other assets	-	-	-	-	-	-	-
151	TOTAL NONCURRENT ASSETS	3,921,075	-	1,181,653	2,879,068	55,231,112	6,853,492	7,797,360
152	TOTAL ASSETS	\$ 3,921,075	\$ 3,895,956	\$ 1,338,068	\$ 3,021,010	\$ 56,009,851	\$ 7,015,517	\$ 8,324,558
153	<b>LIABILITIES AND EQUITY:</b>							
154	<b>LIABILITIES:</b>							
155	<b>Current liabilities:</b>							
156	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
157	Accounts payable < 90 days	-	-	9,082	44,110	70,512	1,394	95,536
158	Accounts payable > 90 days past due	-	-	-	-	-	-	-
159	Accrued wage/payroll taxes payable	-	-	9,201	9,619	23,026	1,043	27,493
160	Accrued compensated absences	-	-	9,996	10,339	110,166	1,991	22,198
161	Accrued contingency liability	-	-	-	-	-	-	-
162	Accrued interest payable	-	-	-	-	30,242	69,803	-
163	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
164	Accounts Payable - PHA projects	-	-	-	-	-	-	-
165	Accounts payable - other government	-	-	-	-	-	-	-
166	Tenant security deposits	-	-	5,365	5,200	14,875	-	21,795
167	Deferred revenue	-	-	-	-	(0)	-	(0)
168	Current portion of L-T debt - capital projects	-	3,307,167	4,925	4,673	294,245	30,000	4,926
169	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-
170	Other current liabilities	-	-	2,690	6,815	7,858	-	160,279
171	Accrued liabilities - other	-	-	-	-	853	-	-
172	Interprogram - due to	-	-	-	-	-	-	-
173	Loan Liability - current	-	-	-	-	-	-	-
174	TOTAL CURRENT LIABILITIES	-	3,307,167	41,259	80,754	551,777	104,232	332,227
175	<b>Noncurrent liabilities:</b>							
176	Long-term debt, net of current - capital projects	2,846,264	-	35,008	33,225	7,503,931	3,268,000	35,007
177	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
178	Non-current liabilities- other	-	-	1,764	36,165	45,373	-	157,439
179	Accrued compensated absences - non-current	-	-	-	-	-	-	-
180	Loan Liability - non-current	-	-	-	-	-	-	-
181	FASB 5 liabilities	-	-	-	-	-	-	-
182	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-
183	TOTAL NONCURRENT LIABILITIES	2,846,264	-	36,772	69,390	7,549,304	3,268,000	192,446
184	TOTAL LIABILITIES	2,846,264	3,307,167	78,031	150,144	8,101,081	3,372,232	524,674
185	<b>EQUITY:</b>							
186	Invested in capital assets, net of related debt	(2,846,264)	(3,307,167)	1,141,720	2,841,171	(775,788)	(3,298,000)	7,757,427
187	Restricted net assets	-	-	-	-	423	-	0
188	Unrestricted net assets	3,921,075	3,895,956	118,317	29,695	48,684,135	6,941,285	42,458
189	TOTAL EQUITY	1,074,811	588,789	1,260,037	2,870,866	47,908,770	3,643,285	7,799,885
190	TOTAL LIABILITIES AND EQUITY	\$ 3,921,075	\$ 3,895,956	\$ 1,338,068	\$ 3,021,010	\$ 56,009,851	\$ 7,015,517	\$ 8,324,558

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		AMP 402	AMP 403	AMP 404	AMP 408	AMP 450	AMP 451	AMP 502
111	<b>Cash:</b>							
112	Cash - unrestricted	\$ 30,697	\$ 309,808	\$ 57,954	\$ 92,614	\$ 9,274	\$ 52,764	\$ 205,309
113	Cash - restricted - modernization and development	-	-	-	-	-	-	-
114	Cash - other restricted	-	-	-	-	-	-	-
115	Cash - tenant security deposits	-	17,025	5,700	4,000	-	3,550	9,450
116	Cash - restricted for payment of current liability	-	-	-	-	-	-	-
117	Total cash	30,697	326,833	63,654	96,614	9,274	56,314	214,759
118	<b>Accounts and notes receivables:</b>							
119	AR - PHA projects	-	-	-	-	-	-	-
120	AR - HUD other projects	-	14,154	164	0	-	2	2,758
121	Accounts receivable - other government	-	-	-	-	-	-	-
122	Accounts receivable - miscellaneous	-	-	(0)	-	-	-	-
123	Accounts receivable - tenants	-	(0)	9,241	(0)	-	275	2,456
124	Allowance for doubtful accounts - tenants	-	(634)	(1,945)	(272)	-	(73)	(56)
125	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
126	Notes and mortgages receivable - current	-	-	-	-	-	-	-
127	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
130	Total receivables, net of allowances	-	13,520	7,460	(272)	-	203	5,159
131	<b>Current investments:</b>							
132	Investments - unrestricted	-	-	-	-	-	-	-
133	Investments - restricted	-	-	-	-	-	-	-
134	Prepaid expenses and other assets	0	11,515	17,625	2,269	4	3,374	1,119
135	Inventories	-	0	-	-	-	-	-
136	Interprogram - due from	-	84,865	-	-	-	35,278	-
137	TOTAL CURRENT ASSETS	30,698	436,733	88,739	98,612	9,278	95,169	221,036
138	<b>NONCURRENT ASSETS:</b>							
139	<b>Fixed assets:</b>							
140	Land	-	1,961,029	70,795	1,616,552	-	64,197	17,177
141	Buildings	3,070,388	6,325,152	3,207,835	1,389,548	-	1,561,652	2,529,087
142	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-
143	Furniture, equipment & machinery - administration	-	55,349	-	-	-	-	50,547
144	Leasehold improvements	-	491,987	242,308	90,551	-	76,234	681,497
145	Accumulated depreciation	(474,515)	(3,169,718)	(1,673,750)	(551,594)	-	(930,214)	(1,807,060)
146	Work in progress	-	2,544,161	29,910	14,715	-	78,610	720,138
147	Net fixed assets	2,595,874	8,207,960	1,877,097	2,559,774	-	850,479	2,191,386
148	<b>Other non-current assets:</b>							
149	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-
150	Other assets	-	-	-	-	-	-	-
151	TOTAL NONCURRENT ASSETS	2,595,874	8,207,960	1,877,097	2,559,774	-	850,479	2,191,386
152	TOTAL ASSETS	\$ 2,626,571	\$ 8,644,693	\$ 1,965,836	\$ 2,658,385	\$ 9,278	\$ 945,648	\$ 2,412,422
153	<b>LIABILITIES AND EQUITY:</b>							
154	<b>LIABILITIES:</b>							
155	<b>Current liabilities:</b>							
156	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
157	Accounts payable < 90 days	4,395	114,448	7,301	7,065	4	22,534	19,942
158	Accounts payable > 90 days past due	-	-	-	-	-	-	-
159	Accrued wage/payroll taxes payable	465	18,740	4,168	7,123	87	9,378	15,166
160	Accrued compensated absences	83	22,893	4,315	10,779	39	10,375	15,841
161	Accrued contingency liability	-	-	-	-	-	-	-
162	Accrued interest payable	-	-	-	-	-	-	-
163	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
164	Accounts Payable - PHA projects	-	-	-	-	-	-	-
165	Accounts payable - other government	-	-	-	-	-	-	-
166	Tenant security deposits	-	17,025	5,700	4,000	-	3,550	9,450
167	Deferred revenue	-	-	-	-	-	-	-
168	Current portion of L-T debt - capital projects	-	19,170	4,673	4,142	-	2,854	9,573
169	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-
170	Other current liabilities	-	6,035	-	-	-	2,475	-
171	Accrued liabilities - other	-	-	-	-	-	-	-
172	Interprogram - due to	-	-	-	-	-	-	-
173	Loan Liability - current	-	-	-	-	-	-	-
174	TOTAL CURRENT LIABILITIES	4,944	198,312	26,156	33,109	130	51,167	69,972
175	<b>Noncurrent liabilities:</b>							
176	Long-term debt, net of current - capital projects	-	136,239	33,225	29,433	-	20,291	68,007
177	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
178	Non-current liabilities- other	-	3,391	1,928	3,512	67,660	1,372	6,013
179	Accrued compensated absences - non-current	-	-	-	-	-	-	-
180	Loan Liability - non-current	-	-	-	-	-	-	-
181	FASB 5 liabilities	-	-	-	-	-	-	-
182	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-
183	TOTAL NONCURRENT LIABILITIES	-	139,630	35,152	32,945	67,660	21,663	74,020
184	TOTAL LIABILITIES	4,944	337,942	61,308	66,054	67,790	72,830	143,991
185	<b>EQUITY:</b>							
186	Invested in capital assets, net of related debt	2,595,874	8,052,550	1,839,200	2,526,199	-	827,334	2,113,806
187	Restricted net assets	-	-	-	-	-	-	-
188	Unrestricted net assets	25,754	254,201	65,328	66,133	(58,512)	45,486	154,623
189	TOTAL EQUITY	2,621,627	8,306,751	1,904,528	2,592,331	(58,512)	872,819	2,268,430
190	TOTAL LIABILITIES AND EQUITY	\$ 2,626,571	\$ 8,644,693	\$ 1,965,836	\$ 2,658,385	\$ 9,278	\$ 945,648	\$ 2,412,422

HOUSING AUTHORITY OF THE COUNTY OF KING  
Federal Data Schedule (FDS)  
Balance Sheet  
As of December 31, 2010

		AMP 503	AMP 504	AMP 505	AMP 550	AMP 551	AMP 552	AMP 553
111	<b>Cash:</b>							
112	Cash - unrestricted	\$ 188,364	\$ 174,354	\$ 194,988	\$ 76,105	\$ 9,029	\$ 24,835	\$ 9,424
113	Cash - restricted - modernization and development	-	-	-	-	-	-	-
114	Cash - other restricted	-	-	-	-	-	-	-
115	Cash - tenant security deposits	8,400	7,975	10,025	5,075	-	5,676	-
116	Cash - restricted for payment of current liability	-	-	-	-	-	-	-
117	Total cash	196,764	182,329	205,013	81,180	9,029	30,511	9,424
118	<b>Accounts and notes receivables:</b>							
119	AR - PHA projects	-	-	-	-	-	-	-
120	AR - HUD other projects	11,006	9,183	25,701	1,652	-	1,178	-
121	Accounts receivable - other government	-	-	-	-	-	-	-
122	Accounts receivable - miscellaneous	-	-	-	(0)	-	-	-
123	Accounts receivable - tenants	2,694	774	(0)	(0)	-	0	-
124	Allowance for doubtful accounts - tenants	(12)	(451)	(1,155)	(279)	-	(139)	-
125	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
126	Notes and mortgages receivable - current	-	-	-	-	-	-	-
127	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
130	Total receivables, net of allowances	13,688	9,506	24,546	1,374	-	1,039	-
131	<b>Current investments:</b>							
132	Investments - unrestricted	-	-	-	-	-	-	-
133	Investments - restricted	-	-	-	-	-	-	-
134	Prepaid expenses and other assets	4,173	13,175	5,306	4,876	5	6,888	-
135	Inventories	-	-	-	-	-	-	-
136	Interprogram - due from	-	-	39,641	71,426	-	157,139	-
137	TOTAL CURRENT ASSETS	214,625	205,010	274,506	158,855	9,034	195,577	9,424
138	<b>NONCURRENT ASSETS:</b>							
139	<b>Fixed assets:</b>							
140	Land	113,808	154,682	369,033	70,350	-	66,167	-
141	Buildings	3,969,900	3,359,161	3,888,756	2,231,398	-	4,824,664	-
142	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-
143	Furniture, equipment & machinery - administration	50,589	45,015	48,369	-	-	-	-
144	Leasehold improvements	322,380	276,581	545,532	127,940	-	146,656	-
145	Accumulated depreciation	(1,647,730)	(1,617,558)	(2,910,378)	(1,413,549)	-	(2,034,193)	-
146	Work in progress	147,716	191,754	538,356	663,368	-	2,416,958	-
147	Net fixed assets	2,956,662	2,409,635	2,479,667	1,679,508	-	5,420,252	-
148	<b>Other non-current assets:</b>							
149	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-
150	Other assets	-	-	-	-	-	-	-
151	TOTAL NONCURRENT ASSETS	2,956,662	2,409,635	2,479,667	1,679,508	-	5,420,252	-
152	TOTAL ASSETS	\$ 3,171,287	\$ 2,614,646	\$ 2,754,173	\$ 1,838,362	\$ 9,034	\$ 5,615,829	\$ 9,424
153	<b>LIABILITIES AND EQUITY:</b>							
154	<b>LIABILITIES:</b>							
155	<b>Current liabilities:</b>							
156	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
157	Accounts payable < 90 days	33,856	25,891	34,686	28,239	4	48,833	-
158	Accounts payable > 90 days past due	-	-	-	-	-	-	-
159	Accrued wage/payroll taxes payable	8,102	10,681	11,865	9,512	98	10,977	-
160	Accrued compensated absences	7,775	12,758	62,227	12,029	44	35,375	-
161	Accrued contingency liability	-	-	-	-	-	-	-
162	Accrued interest payable	-	-	-	-	-	-	-
163	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
164	Accounts Payable - PHA projects	-	-	-	-	-	-	-
165	Accounts payable - other government	-	-	-	-	-	-	-
166	Tenant security deposits	8,400	7,975	10,025	5,075	-	5,676	-
167	Deferred revenue	-	-	(0)	-	-	-	-
168	Current portion of L-T debt - capital projects	8,033	8,285	12,982	5,961	-	5,708	-
169	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-
170	Other current liabilities	-	-	3,385	6,529	-	106,531	-
171	Accrued liabilities - other	-	-	-	-	-	-	-
172	Interprogram - due to	-	-	-	-	-	-	-
173	Loan Liability - current	-	-	-	-	-	-	-
174	TOTAL CURRENT LIABILITIES	66,166	65,590	135,171	67,344	146	213,099	-
175	<b>Noncurrent liabilities:</b>							
176	Long-term debt, net of current - capital projects	57,082	58,865	92,315	42,366	-	40,583	-
177	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
178	Non-current liabilities- other	3,015	4,500	4,518	26,506	40,596	318	133,237
179	Accrued compensated absences - non-current	-	-	-	-	-	-	-
180	Loan Liability - non-current	-	-	-	-	-	-	-
181	FASB 5 liabilities	-	-	-	-	-	-	-
182	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-
183	TOTAL NONCURRENT LIABILITIES	60,097	63,365	96,833	68,872	40,596	40,901	133,237
184	TOTAL LIABILITIES	126,262	128,955	232,004	136,216	40,742	254,000	133,237
185	<b>EQUITY:</b>							
186	Invested in capital assets, net of related debt	2,891,548	2,342,485	2,374,369	1,631,181	-	5,373,961	-
187	Restricted net assets	-	-	-	-	-	(0)	-
188	Unrestricted net assets	153,477	143,207	147,800	70,965	(31,708)	(121,322)	(123,813)
189	TOTAL EQUITY	3,045,025	2,485,691	2,522,169	1,702,147	(31,708)	5,361,829	(123,813)
190	TOTAL LIABILITIES AND EQUITY	\$ 3,171,287	\$ 2,614,646	\$ 2,754,173	\$ 1,838,362	\$ 9,034	\$ 5,615,829	\$ 9,424

HOUSING AUTHORITY OF THE COUNTY OF KING  
Federal Data Schedule (FDS)  
Balance Sheet  
As of December 31, 2010

		Subtotal	Elimination	Total Authority
	<b>Cash:</b>			
111	Cash - unrestricted	\$ 65,054,549		\$ 65,054,549
112	Cash - restricted - modernization and development	-		-
113	Cash - other restricted	16,466,944		16,466,944
114	Cash - tenant security deposits	1,315,760		1,315,760
115	Cash - restricted for payment of current liability	-		-
100	Total cash	82,837,252		82,837,252
	<b>Accounts and notes receivables:</b>			
121	AR - PHA projects	67,696		67,696
122	AR - HUD other projects	3,588,714		3,588,714
124	Accounts receivable - other government	642,085		642,085
125	Accounts receivable - miscellaneous	13,226,739		13,226,739
126	Accounts receivable - tenants	283,284		283,284
126	Allowance for doubtful accounts - tenants	(33,366)		(33,366)
126	Allowance for doubtful accounts - other	-		-
127	Notes and mortgages receivable - current	3,307,167		3,307,167
128	Fraud recovery	-		-
128	Allowance for doubtful accounts - fraud	-		-
129	Accrued interest receivable	-		-
120	Total receivables, net of allowances	21,082,319		21,082,319
	<b>Current investments:</b>			
131	Investments - unrestricted	41,030,236		41,030,236
132	Investments - restricted	8,180,848		8,180,848
142	Prepaid expenses and other assets	585,573		585,573
143	Inventories	241,092		241,092
144	Interprogram - due from	2,715,397	(2,715,397)	(0)
150	TOTAL CURRENT ASSETS	156,672,717	(2,715,397)	153,957,320
	<b>NONCURRENT ASSETS:</b>			
	<b>Fixed assets:</b>			
161	Land	57,667,372		57,667,372
162	Buildings	211,255,668		211,255,668
163	Furniture, equipment & machinery - dwellings	35,400		35,400
164	Furniture, equipment & machinery - administration	3,076,763		3,076,763
165	Leasehold improvements	22,718,299		22,718,299
166	Accumulated depreciation	(113,330,828)		(113,330,828)
167	Work in progress	98,982,339		98,982,339
160	Net fixed assets	280,405,014		280,405,014
	<b>Other non-current assets:</b>			
171	Notes and mortgages receivable - non-current	280,795,081		280,795,081
174	Other assets	23,287,620	(20,508,118)	2,779,502
180	TOTAL NONCURRENT ASSETS	584,487,715	(20,508,118)	563,979,597
190	TOTAL ASSETS	\$ 741,160,435	\$ (23,223,515)	\$ 717,936,920
	<b>LIABILITIES AND EQUITY:</b>			
	<b>LIABILITIES:</b>			
	<b>Current liabilities:</b>			
311	Bank overdraft	\$ -		-
312	Accounts payable < 90 days	4,757,003		4,757,003
313	Accounts payable > 90 days past due	-		-
321	Accrued wage/payroll taxes payable	1,231,518		1,231,518
322	Accrued compensated absences	2,050,113		2,050,113
324	Accrued contingency liability	-		-
325	Accrued interest payable	2,362,831		2,362,831
331	Accounts Payable - HUD PHA Programs	10,430		10,430
332	Accounts Payable - PHA projects	-		-
333	Accounts payable - other government	-		-
341	Tenant security deposits	1,356,155		1,356,155
342	Deferred revenue	865,569		865,569
343	Current portion of L-T debt - capital projects	61,416,050		61,416,050
344	Current portion of L-T debt - operating borrowings	-		-
345	Other current liabilities	2,464,024		2,464,024
346	Accrued liabilities - other	320,575		320,575
347	Interprogram - due to	2,715,397	(2,715,397)	(0)
348	Loan Liability - current	-		-
310	TOTAL CURRENT LIABILITIES	79,549,663	(2,715,397)	76,834,266
	<b>Noncurrent liabilities:</b>			
351	Long-term debt, net of current - capital projects	253,428,366		253,428,366
352	Long-term debt, net of current - operating borrowings	-		-
353	Non-current liabilities - other	26,993,891	(20,508,118)	6,485,773
354	Accrued compensated absences - non-current	-		-
355	Loan Liability - non-current	-		-
356	FASB 5 liabilities	-		-
357	Accrued pension and OPEB liabilities	-		-
350	TOTAL NONCURRENT LIABILITIES	280,422,257	(20,508,118)	259,914,139
300	TOTAL LIABILITIES	359,971,920	(23,223,515)	336,748,405
	<b>EQUITY:</b>			
508	Invested in capital assets, net of related debt	(34,439,403)	-	(34,439,403)
511	Restricted net assets	24,607,997	-	24,607,997
512	Unrestricted net assets	391,019,921		391,019,921
513	TOTAL EQUITY	381,188,515	-	381,188,515
600	TOTAL LIABILITIES AND EQUITY	\$ 741,160,435	\$ (23,223,515)	\$ 717,936,920

HOUSING AUTHORITY OF THE COUNTY OF KING  
Financial Data Schedule (FDS)  
Statement of Revenues and Expenses  
For the 12 Month Period Ending December 31, 2010

	Capital Fund Program	Section 8 Housing Choice Voucher	Low Rent Public Housing	Supportive Housing for Persons with Disabilities	Section 8 - New Construction	Multifamily Housing Service coordinators	Section 8 - Special Allocation	Section 8 - HAP Program Additional Support	Section 8 - Moderate Rehabilitation
	14.CFP	14.HCV	14.OPS	14.181	14.182	14.191	14.195	14.317	14.456
REVENUE:									
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ 398,155	\$ -	\$ 519,828	\$ -	\$ -
70400	Tenant revenue - other	-	-	1,950	10,214	-	16,966	-	-
70500	Total tenant revenue	-	-	1,950	408,369	-	536,794	-	-
70600	HUD PHA Operating Grants	3,548,831	90,819,291	7,889,630	2,439,232	1,162,941	48,415	763,671	33,956
70610	Capital Grants	5,580,179	-	-	-	-	-	-	84,396
70710	Management Fee	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-	-
70740	Frontline Service Fee	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-
70760	Total Fee Revenue	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	44,779	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-	-	-
71200	Mortgage Interest Income	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-
71400	Final Recovery	-	-	-	-	-	-	-	-
71500	Other Revenue	-	-	872	4,444	-	3,921	-	0
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-	143
72000	Investment income - restricted	-	-	116	1,658	-	20,916	-	-
70000	TOTAL REVENUE	9,129,010	90,819,291	7,889,630	2,442,169	1,577,402	48,415	1,370,280	33,956
EXPENSES:									
Administrative									
91100	Administrative salaries	-	-	41,131	100,296	-	180,177	-	2,238
91200	Auditing fees	-	-	965	643	-	414	-	46
91300	Management fees	-	-	50,652	76,750	-	65,154	-	2,160
91310	Book-keeping Fee	-	-	31,658	10,713	-	7,520	-	24
91400	Advertising and Marketing	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	-	-	14,324	139,765	12,241	95,701	-	775
91600	Office Expenses	-	-	5,066	7,802	515	6,410	-	285
91700	Legal expense	-	-	152	4,664	-	447	-	8
91800	Travel	-	-	927	8,959	2,224	9,846	-	50
91810	Allocated Overhead	-	-	-	-	-	-	-	-
91900	Other	-	-	15,474	35,527	248	14,938	-	489
91000	Total Operating - Administrative	-	-	160,349	385,118	15,228	350,606	-	6,075
92000	Asset Management Fee	-	-	-	-	-	-	-	-
Tenant services									
92100	Tenant services - salaries	-	-	-	102,589	36,999	-	-	-
92200	Relocation costs	-	-	-	-	-	5,982	-	-
92300	Employee benefits	-	-	-	-	-	-	-	-
92400	Tenant services - other	-	-	262	7,564	395	14,441	-	14
92500	Total Tenant Services	-	-	262	110,152	37,394	20,423	-	14
Utilities									
93100	Water	-	-	56	35,932	-	39,732	-	3
93200	Electricity	-	-	239	35,828	-	19,555	-	16
93300	Gas	-	-	37	6,619	-	-	-	2
93400	Fuel	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-
93600	Sewer	-	-	14	24,975	-	49,589	-	1
93700	Employee benefits	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	53	25,533	-	34,639	-	3
93000	Total Utilities	-	-	398	128,887	-	143,515	-	25
Ordinary maintenance & operation									
94100	Ordinary maintenance and operations - labor	-	-	-	170,797	-	131,295	-	-
94200	Ordinary maintenance and operations - material and other	-	-	1	278,093	-	186,242	-	0
94300	Ordinary maintenance and operations - contracts	-	-	-	39,559	-	128,739	-	-
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-
94000	Total Maintenance	-	-	1	488,449	-	446,276	-	0
Protective services									
95100	Protective services - labor	-	-	-	-	-	-	-	-
95200	Other contract costs	-	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-
95500	Employee benefits	-	-	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-	-	-
General expenses									
96110	Property Insurance	-	-	76	9,275	-	6,110	-	4
96120	Liability Insurance	-	-	229	6,360	-	4,922	-	12
96130	Workmen's compensation	-	-	-	-	-	-	-	-
96140	All other insurance	-	-	-	-	-	6,981	-	-
96100	Total Insurance Premiums	-	-	305	15,635	-	18,014	-	16
96200	Other General Expenses	-	-	-	-	-	1,308	-	-
96210	Compensated Absences	-	-	4,639	6,595	-	-	-	245
96300	Payments in lieu of taxes	-	-	-	828	-	-	-	-
96400	Bad debt - tenant rents	-	-	-	-	-	-	-	-
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	0	-	36	-	-
96000	Total Other General Expenses	-	-	4,944	23,058	-	19,387	-	261
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	276,207	-	-
96720	Interest on notes payable (short and long term)	-	-	-	24,995	-	11,911	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-
96700	Interest expense and amortization cost	-	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	-	-	165,954	1,160,660	52,622	1,298,295	-	6,375
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	9,129,010	90,819,291	7,889,630	2,276,216	416,742	(4,207)	101,984	33,956	78,163
97100	Extraordinary maintenance	-	-	-	964	-	2,500	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	2,101,384	-	-	-	-	69,877
97350	HAP Portability In	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	305,633	-	185,350	-	-
97500	Fraild losses	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	-	-	2,267,338	1,467,256	52,622	1,456,146	-	76,252
OTHER FINANCING SOURCES (USES)									
10010	Operating transfers in	-	-	-	4,119	5,801	-	-	-
10020	Operating transfers out	(9,129,010)	(90,819,291)	(7,889,630)	-	-	-	(33,956)	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-	-	-
10091	Inter-project excess cash transfer in	-	-	-	-	-	-	-	-
10092	Inter-project excess cash transfer out	-	-	-	-	-	-	-	-
10093	Transfers between programs and projects in	-	-	-	-	-	-	-	-
10094	Transfers between programs and projects out	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES	(9,129,010)	(90,819,291)	(7,889,630)	-	4,119	5,801	(33,956)	-
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ 174,832	\$ 114,264	\$ 1,594	\$ (85,866)	\$ -	\$ 8,286
MEMO ACCT INFORMATION									
11020	Required annual debt principal payments	-	-	-	512,503	-	-	-	-
11030	Beginning of year equity	-	-	-	(180,329)	6,775,029	22,977	235,389	44,618
11040	Prior period adjustments, equity transfers	-	-	-	-	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-	-
11190	Unit Months Available	-	-	4,200	2,088	-	1,212	-	180
11210	Number of unit months leased	-	-	4,200	2,077	-	921	-	180
11270	Excess cash	-	-	-	-	-	-	-	-
11610	Land Purchases	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-	-	-
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-	-	-
13510	CFPP debt service payments	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING  
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For the 12 Month Period Ending December 31, 2010

	Hope VI	Resident Opportunity and Self-Sufficiency	Section 8 Housing Choice Vouchers	Moving-To-Work Demonstration Program	Competitive Capital Fund Stimulus Grant	Formula Capital Fund Stimulus Grant	Veteran's Affairs Supportive Housing	Disaster Housing Assistance Program	State/Local Programs
	14.866	14.870	14.871	14.881	14.884	14.885	14.VSH	97.109	
REVENUE:									
70300 Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400 Tenant revenue - other	-	-	(0)	113,345	-	-	-	-	-
70500 Total tenant revenue	-	-	(0)	113,345	-	-	-	-	-
70600 HUD PHA Operating Grants	3,256,714	344,420	3,145,510	(0)	714,450	372,853	920,561	-	0
70610 Capital Grants	-	-	-	-	4,196,369	3,443,770	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-
70730 Book-keeping Fee	-	-	-	-	-	-	-	-	-
70740 Frontline Service Fee	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	(0)	429,023	-	-	-	-	-
70800 Total Fee Revenue	-	-	(0)	429,023	-	-	-	-	-
70900 Other Government Grants	-	-	108,459	-	-	-	-	-	8,068,432
71100 Investment Income - unrestricted	-	-	-	(0)	-	-	-	-	-
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-	-
71300 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-	-	-	-
71500 Other Revenue	-	-	25,733	2	-	-	-	-	187
71600 Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-	-	-
72000 Investment income - restricted	-	-	4,768	476,026	-	-	-	-	-
70000 TOTAL REVENUE	3,256,714	344,420	3,264,471	1,018,395	4,910,819	3,816,623	920,561	-	8,068,619
EXPENSES:									
Administrative									
91100 Administrative salaries	70	-	1,911,152	1,318,322	1,270	176	-	-	856,127
91200 Auditing fees	-	-	(0)	25,136	-	-	-	-	819
91300 Management fees	-	-	26,664	1,200,784	434,829	372,677	9,012	2,820	-
91310 Book-keeping Fee	-	-	16,665	912,158	-	-	5,633	1,763	-
91400 Advertising and Marketing	-	-	-	-	-	-	-	-	-
91500 Employee benefit contributions - administrative	30,519	16,435	742,982	528,973	23,024	0	-	-	258,925
91600 Office Expenses	3,140	-	15,613	159,684	608	-	-	-	60,749
91700 Legal expense	-	-	9,188	7,811	-	-	-	-	3,640
91800 Travel	1,144	-	3,998	35,263	460	-	-	-	42,556
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-
91900 Other	4,048	-	490,191	710,739	9,114	-	2,476	-	152,030
91000 Total Operating - Administrative	38,920	16,435	3,216,453	4,898,889	469,304	372,853	17,121	4,583	1,374,845
92000 Asset Management Fee	-	-	-	-	-	-	-	-	-
Tenant services									
92100 Tenant services - salaries	102,657	42,926	172,720	167,528	60,042	-	-	-	-
92200 Relocation costs	33,496	-	2,605	-	39,289	-	-	-	-
92300 Employee benefits	-	-	-	-	-	-	-	-	-
92400 Tenant services - other	3,840	285,099	150,799	1,588,596	12,548	-	-	-	22
92500 Total Tenant Services	139,993	327,984	326,124	1,756,124	111,879	-	-	-	22
Utilities									
93100 Water	-	-	717	1,452	-	-	-	-	-
93200 Electricity	-	-	9,396	6,207	-	-	-	-	-
93300 Gas	-	-	864	971	-	-	-	-	-
93400 Fuel	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-
93600 Sewer	-	-	373	351	-	-	-	-	-
93700 Employee benefits	-	-	-	-	-	-	-	-	-
93800 Other utilities expense	-	-	1,341	1,368	-	-	-	-	-
93900 Total Utilities	-	-	12,690	10,349	-	-	-	-	-
Ordinary maintenance & operation									
94100 Ordinary maintenance and operations - labor	-	-	6,582	-	77,428	-	-	-	3,454
94200 Ordinary maintenance and operations - material and other	90	-	2,349	23	54,013	-	-	-	5,359,496
94300 Ordinary maintenance and operations - contracts	3,497	-	65,516	-	1,827	-	-	-	60,440
94500 Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-
94000 Total Maintenance	3,587	-	74,448	23	133,267	-	-	-	6,033,300
Protective services									
95100 Protective services - labor	-	-	-	-	-	-	-	-	-
95200 Other contract costs	-	-	-	-	-	-	-	-	-
95300 Protective services - other	-	-	-	-	-	-	-	-	-
95500 Employee benefits	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-	-
General expenses									
96110 Property Insurance	-	-	0	1,975	-	-	-	-	42
96120 Liability Insurance	0	-	7,357	3,559	-	-	-	-	7,533
96130 Workmen's compensation	-	-	-	-	-	-	-	-	-
96140 All other insurance	-	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	0	-	7,357	5,534	-	-	-	-	7,575
96200 Other General Expenses	-	-	-	-	-	-	-	-	-
96210 Compensated Absences	-	-	147,836	202,728	-	-	-	-	-
96300 Payments in lieu of taxes	-	-	-	-	-	-	-	-	-
96400 Bad debt - tenant rents	-	-	-	-	-	-	-	-	-
96500 Bad debt - mortgages	-	-	-	-	-	-	-	-	-
96600 Bad debt - other	-	-	-	-	-	-	-	-	-
96800 Severance expense	-	-	232	2,868	-	-	-	-	1,018
96000 Total Other General Expenses	0	-	155,425	211,130	-	-	-	-	8,594
96710 Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-
96720 Interest on notes payable (short and long term)	-	-	-	-	-	-	-	-	-
96730 Amortization of bond issue costs	-	-	-	-	-	-	-	-	-
96750 Interest expense and amortization cost	-	-	-	-	-	-	-	-	-
96900 TOTAL OPERATING EXPENSES	182,501	344,420	3,785,140	6,876,516	714,450	372,853	17,121	4,583	7,416,761
EXCESS OPERATING REVENUE									
97000 OVER OPERATING EXPENSES	3,074,213	-	(500,670)	(5,858,121)	4,196,369	3,443,770	903,441	(4,585)	651,858
97100 Extraordinary maintenance	-	-	-	-	-	-	-	-	-
97200 Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-
97300 Housing assistance payments	-	-	2,008,162	69,943,017	-	-	700,493	13,004	-
97350 HAP Portability In	-	-	-	-	-	-	-	-	-
97400 Depreciation expense	-	-	74,500	-	-	-	-	-	-
97500 Fraud losses	-	-	-	-	-	-	-	-	-
97600 Dwelling units rent expense	-	-	-	-	-	-	-	-	-
90000 TOTAL EXPENSES	182,501	344,420	5,867,802	76,819,532	714,450	372,853	717,614	17,587	7,416,761
OTHER FINANCING SOURCES (USES)									
10010 Operating transfers in	185	-	5,666	113,314,475	-	-	2,476	-	11,815
10020 Operating transfers out	-	-	(5,839)	(67,989,210)	-	-	-	-	(536,340)
10030 Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-
10040 Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-
10070 Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-
10080 Special items, net gain/loss	-	-	-	-	-	-	-	-	-
10091 Inter-project excess cash transfer in	-	-	-	-	-	-	-	-	-
10092 Inter-project excess cash transfer out	-	-	-	-	-	-	-	-	-
10093 Transfers between programs and projects in	-	-	-	-	-	-	-	-	-
10094 Transfers between programs and projects out	-	-	-	-	-	-	-	-	-
10100 TOTAL OTHER FINANCING SOURCES	185	-	(173)	45,325,266	-	-	2,476	-	(524,526)
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ 3,074,398	\$ 0	\$ (2,583,505)	\$ (30,475,872)	\$ 4,196,369	\$ 3,443,770	\$ 205,424	\$ (17,587)	\$ 127,332
MEMO ACCT INFORMATION									
11020 Required annual debt principal payments	-	-	-	-	-	-	-	-	48,465
11030 Beginning of year equity	32,129,631	79,853	6,992,138	49,044,892	-	-	(196,973)	21,033	894,546
11040 Prior period adjustments, equity transfers	-	-	-	-	(4,196,369)	(3,443,770)	-	-	-
11170 Administrative Fee Equity	-	\$	3,782,880	-	-	-	-	-	-
11180 Housing Assistance Fee Equity	-	\$	625,752	-	-	-	-	-	-
11190 Unit Months Available	-	-	3,632	85,860	-	-	1,596	-	-
11210 Number of unit months leased	-	-	2,868	85,842	-	-	1,097	-	-
11270 Excess cash	-	-	-	-	-	-	-	-	-
11610 Land Purchases	-	-	-	-	-	-	-	-	-
11620 Building Purchases	-	-	-	-	-	-	-	-	-
11630 Furniture and Equipment - dwelling purchases	-	-	-	-	-	-	-	-	-
11640 Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-	-
11650 Leasehold improvements purchases	-	-	-	-	-	-	-	-	-
11660 Infrastructure purchases	-	-	-	-	-	-	-	-	-
13510 CFFP debt service payments	-	-	-	-	-	-	-	-	-
13901 Replacement housing factor funds	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING  
Financial Data Schedule (FDS)  
Statement of Revenues and Expenses  
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					COCC		AMP 101		AMP 105		
	Americorp	Other Federal Programs	Other Federal Programs	Business Activities							
	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program			
94.006 14.251 14.908 Total											
PHI											
REVENUE:											
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ 27,799,097	\$ -	\$ -	\$ 506,651	\$ -	\$ -	\$ -
70400	Tenant revenue - other	-	-	-	786,998	-	-	-	10,923	-	-
70500	Total tenant revenue	-	-	-	28,586,095	-	-	517,574	-	-	-
70600	HUD PHA Operating Grants	-	787,179	357,756	0	-	-	-	(0)	-	-
70610	Capital Grants	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	0	4,600,823	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	1,167,975	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	1,680,456	-	-	-	-	-
70740	Frontline Service Fee	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	0	5,078,167	-	-	-	-	-
70760	Total Fee Revenue	-	-	-	-	12,527,421	-	-	-	-	-
70800	Other Government Grants	57,801	-	-	1,298,725	-	-	1,750,000	-	-	-
71100	Investment Income - unrestricted	-	-	-	5,447,633	279,251	-	-	-	-	-
71200	Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	826,843	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	0	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-	-	-	-	-
71500	Other Revenue	21,500	-	-	1,993,796	219,822	-	13,754	-	-	-
71600	Gain (loss) on the sale of capital assets	-	-	-	4,908	4,979	-	-	-	-	-
72000	Investment income - restricted	-	-	-	375,136	154,210	-	766	-	-	-
70000	TOTAL REVENUE	79,301	787,179	357,756	38,533,137	13,185,682	-	2,282,094	(0)	-	-
EXPENSES:											
Administrative											
91100	Administrative salaries	-	-	59,274	1,521,148	5,072,042	-	91,003	-	-	-
91200	Auditing fees	-	-	-	27,986	20,524	-	1,896	-	-	-
91300	Management fees	-	-	-	1,121,375	-	-	71,157	0	-	-
91310	Book-keeping Fee	-	-	-	467,631	7,989	-	12,229	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	19,375	-	18,867	1,195,590	1,868,859	-	94,688	83	-	-
91600	Office Expenses	2,064	-	1,215	133,335	258,222	(0)	7,056	0	-	-
91700	Legal expense	-	-	-	102,993	88,760	-	3,879	-	-	-
91800	Travel	6,522	-	6,998	20,570	197,470	-	6,896	-	-	-
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-	-
91900	Other	59,135	-	20,804	719,974	687,536	(0)	55,821	-	-	-
91000	Total Operating - Administrative	87,096	-	107,157	5,310,601	8,201,401	(0)	344,623	83	-	-
92000	Asset Management Fee	-	-	-	830,415	-	-	16,800	-	-	-
Tenant services											
92100	Tenant services - salaries	60,818	-	-	167,902	-	-	29,252	0	-	-
92200	Relocation costs	-	-	-	14,316	2,092	-	937	5,000	-	-
92300	Employee benefits	-	-	-	-	-	-	-	-	-	-
92400	Tenant services - other	-	-	-	665,840	6,991	-	45,001	3,096	-	-
92500	Total Tenant Services	60,818	-	-	848,059	9,083	-	75,190	8,096	-	-
Utilities											
93100	Water	-	-	-	903,300	2,863	-	72,339	-	-	-
93200	Electricity	-	-	-	397,438	49,934	-	13,169	-	-	-
93300	Gas	-	-	-	34,591	-	-	-	-	-	-
93400	Fuel	-	-	-	5,403	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	-	1,288,159	2,470	-	59,878	-	-	-
93700	Employee benefits	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	737,560	12,863	-	43,171	-	-	-
93900	Total Utilities	-	-	-	3,366,452	68,131	-	188,557	-	-	-
Ordinary maintenance & operation											
94100	Ordinary maintenance and operations - labor	-	-	-	1,664,550	1,306,868	-	127,747	-	-	-
94200	Ordinary maintenance and operations - material and other	-	-	196,103	7,663,560	935,601	-	38,945	16,499	-	-
94300	Ordinary maintenance and operations - contracts	-	-	54,496	1,458,367	1,989,045	-	17,084	-	-	-
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-	-
94000	Total Maintenance	-	-	250,999	10,786,477	4,231,514	-	183,776	16,499	-	-
Protective services											
95100	Protective services - labor	-	-	-	-	-	-	-	-	-	-
95200	Other contract costs	-	-	-	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-	-	-
95500	Employee benefits	-	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-	-	-	-	-
General expenses											
96110	Property Insurance	-	-	-	139,085	12,252	-	6,198	-	-	-
96120	Liability Insurance	23	-	0	73,357	27,021	-	5,727	-	-	-
96130	Workmen's compensation	-	-	-	-	-	-	-	-	-	-
96140	All other insurance	-	-	-	0	-	-	-	-	-	-
96100	Total Insurance Premiums	23	-	0	212,443	39,273	-	11,925	-	-	-
96200	Other General Expenses	-	-	-	1,061,915	119,648	-	-	-	-	-
96210	Compensated Absences	-	-	-	185,853	365,576	-	5,516	-	-	-
96300	Payments in lieu of taxes	-	-	-	21,912	-	-	-	-	-	-
96400	Bad debt - tenant rents	-	-	-	-	-	-	-	-	-	-
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	1,018	47,107	-	63	-	-	-
96000	Total Other General Expenses	23	-	0	1,483,138	571,605	-	17,504	-	-	-
Interest on mortgage (or bonds) payable											
96710	Interest on mortgage (or bonds) payable	-	-	-	6,998,398	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	3,185,210	21,464	-	32,408	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96700	Interest expense and amortization cost	-	-	-	-	-	-	-	-	-	-
96000	TOTAL OPERATING EXPENSES	147,937	-	357,756	32,808,748	13,103,196	(0)	858,857	24,677	-	-
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES											
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	(68,636)	787,179	-	5,724,388	82,486	0	1,423,237	(24,677)	-	-
Extraordinary maintenance											
97100	Extraordinary maintenance	-	-	-	8,329	90	-	3,100	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	5,687	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-	-
97350	HAP Portability In	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	3,220,171	217,916	-	274,095	-	-	-
97500	Fraud losses	-	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	147,937	-	357,756	36,042,935	13,321,202	(0)	1,136,051	24,677	-	-
OTHER FINANCING SOURCES (USES)											
10010	Operating transfers in	94,134	-	-	70,761,478	4,159,604	558,052	1,166,998	31,944	-	-
10020	Operating transfers out	-	-	-	(27,006,171)	(4,252,320)	-	-	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10091	Inter-project excess cash transfer in	-	-	-	-	-	-	-	-	-	-
10092	Inter-project excess cash transfer out	-	-	-	-	-	-	-	-	-	-
10093	Transfers between programs and projects in	-	-	-	-	-	-	-	-	-	-
10094	Transfers between programs and projects out	-	-	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES	94,134	-	-	43,755,307	(92,716)	558,052	1,166,998	31,944	-	-
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES											
		\$ 25,408	\$ 787,179	\$ (0)	\$ 46,245,508	\$ (228,236)	\$ 558,052	\$ 2,313,041	\$ 7,266	\$ -	\$ -
MEMO ACCT INFORMATION											
11020	Required annual debt principal payments	-	-	-	34,672,138	107,527	-	2,452,830	-	-	-
11030	Beginning of year equity	(21)	1,647,821	48,013	86,504,205	39,722,994	-	4,959,485	376	-	-
11040	Prior period adjustments, equity transfers	-	-	-	(4,423,059)	-	-	-	230,665	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	-	-	-	32,664	-	-	1,666	-	-	-
11210	Number of unit months leased	-	-	-	32,010	-	-	1,626	-	-	-
11270	Excess cash	-	-	-	-	-	-	-	-	-	-
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	\$	848,800	-	-	237,931	-	-	-
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	558,052	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-	-	-	-	-
13901	Refinance housing factor funds	-	-	-	848,800	-	-	-	-	-	-



HOUSING AUTHORITY OF THE COUNTY OF KING  
Financial Data Schedule (FDS)  
Statement of Revenues and Expenses  
For the 12 Month Period Ending December 31, 2010

	AMP 150		AMP 152		AMP 153		AMP 201		AMP 203	
	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
	PH		PH		PH		PH		PH	
REVENUE:										
70300 Net tenant rental revenue	\$ -	\$ -	\$ 314,085	\$ -	\$ 309,262	\$ -	\$ 214,382	\$ -	\$ 387,150	\$ -
70400 Tenant revenue - other	-	-	11,540	-	7,231	-	7,381	-	9,892	-
70500 Total tenant revenue	-	-	325,625	-	316,493	-	221,763	-	397,042	-
70600 HUD PHIA Operating Grants	-	-	-	0	-	(0)	-	(0)	-	0
70610 Capital Grants	-	-	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	-
70730 Book keeping Fee	-	-	-	-	-	-	-	-	-	-
70740 Frontline Service Fee	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-
70760 Total Fee Revenue	-	-	-	-	-	-	-	-	-	-
70800 Other Government Grants	13,389	-	-	-	-	-	-	-	-	-
71100 Investment Income - unrestricted	122,264	-	-	-	-	-	-	-	-	-
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-
71300 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-	-	-	-	-
71500 Other Revenue	-	-	2,812	-	2,731	-	1,789	-	3,266	-
71600 Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-	-	-	-
72000 Investment income - restricted	-	-	1,208	-	1,724	-	804	-	1,083	-
70000 TOTAL REVENUE	135,652	-	329,645	0	320,947	(0)	224,357	(0)	401,390	0
EXPENSES:										
Administrative										
91100 Administrative salaries	2,212	-	80,365	768	71,402	(0)	49,207	2,843	94,676	350
91200 Auditing fees	-	-	1,896	-	1,925	-	1,134	-	1,821	-
91300 Management fees	-	-	70,309	6,024	70,094	(0)	43,208	-	73,889	(0)
91310 Book keeping Fee	6,237	-	12,283	-	12,359	-	7,580	-	12,270	-
91400 Advertising and Marketing	-	-	-	-	-	-	-	-	-	-
91500 Employee benefit contributions - administrative	456	-	72,029	1,224	79,129	599	56,877	712	102,021	1,004
91600 Office Expenses	467	-	8,094	36	9,116	0	3,882	-	10,496	(0)
91700 Legal expense	109	-	2,485	-	1,698	-	399	-	1,787	-
91800 Travel	340	-	3,458	-	6,459	-	5,759	-	10,654	-
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-	-
91900 Other	4,131	-	27,486	154	20,400	-	9,375	-	17,445	-
91900 Total Operating - Administrative	13,972	-	275,406	8,206	272,582	599	177,421	3,555	325,199	1,354
92000 Asset Management Fee	8,440	-	16,809	-	16,809	-	10,210	-	16,440	-
Tenant services										
92100 Tenant services - salaries	1,892	-	46,150	-	77,812	0	19,906	-	21,393	-
92200 Relocation costs	883	-	1,410	3,090	2,196	5,100	5,667	-	8,218	2,916
92300 Employee benefits	-	-	-	-	-	-	-	-	-	-
92400 Tenant services - other	56	-	5,010	3,096	6,959	3,096	4,407	-	11,082	0
92500 Total Tenant Services	2,831	-	52,571	6,186	86,967	8,196	29,980	-	40,693	2,916
Utilities										
93100 Water	-	-	25,865	-	53,720	-	37,925	-	67,502	-
93200 Electricity	-	-	22,671	-	22,467	-	10,739	-	13,330	-
93300 Gas	-	-	-	-	6,388	-	-	-	-	-
93400 Fuel	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-
93600 Sewer	-	-	49,451	-	35,305	-	35,941	-	58,745	-
93700 Employee benefits	-	-	-	-	-	-	-	-	-	-
93800 Other utilities expense	-	-	16,077	-	19,458	-	31,021	-	49,408	-
93900 Total Utilities	-	-	114,034	-	137,339	-	115,626	-	189,045	-
Ordinary maintenance & operation										
94100 Ordinary maintenance and operations - labor	715	-	74,490	1,106	79,753	-	76,987	-	146,512	12,887
94200 Ordinary maintenance and operations - material and other	-	-	26,545	229,812	68,161	178,958	24,346	131,862	66,099	194,229
94300 Ordinary maintenance and operations - contracts	-	-	45,536	-	34,069	-	5,193	-	17,308	43
94500 Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-	-
94000 Total Maintenance	715	-	156,571	230,918	181,983	178,958	106,425	131,862	229,920	207,159
Protective services										
95100 Protective services - labor	-	-	-	-	-	-	-	-	-	-
95200 Other contract costs	-	-	-	-	-	-	-	-	-	-
95300 Protective services - other	-	-	-	-	-	-	-	-	-	-
95500 Employee benefits	-	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-	-	-
General expenses										
96110 Property Insurance	-	-	5,723	-	8,374	-	2,787	-	5,355	-
96120 Liability Insurance	0	-	4,825	-	4,294	-	3,146	-	4,961	-
96130 Workmen's compensation	-	-	-	-	-	-	-	-	-	-
96140 All other insurance	-	-	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	0	-	10,548	-	12,669	-	5,934	-	10,316	-
96200 Other General Expenses	-	-	-	-	-	-	-	-	-	-
96210 Compensated Absences	234	-	3,767	92	9,452	-	3,771	341	12,419	42
96300 Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
96400 Bad debt - tenant rents	-	-	-	-	-	-	-	-	-	-
96500 Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-
96600 Bad debt - other	-	-	-	-	-	-	-	-	-	-
96800 Severance expense	-	-	64	-	157	-	2,648	-	64	-
96000 Total Other General Expenses	234	-	14,379	92	22,278	-	12,352	341	22,799	42
96710 Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-	-
96720 Interest on notes payable (short and long term)	1,491	-	4,075	-	3,968	-	3,753	-	9,008	-
96730 Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96700 Interest expense and amortization cost	-	-	-	-	-	-	-	-	-	-
96900 TOTAL OPERATING EXPENSES	27,643	-	631,816	245,402	721,017	187,752	455,757	135,759	832,963	211,471
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ 135,706	\$ -	\$ (273,720)	\$ 629,757	\$ (519,234)	\$ 32,716	\$ (136,394)	\$ 4,262	\$ (64,324)	\$ 291,262
MEMO ACCT INFORMATION										
11020 Required annual debt principal payments	-	-	8,700	-	8,471	-	8,013	-	19,232	-
11030 Beginning of year equity	(161,116)	-	3,745,955	-	4,451,562	12,789	2,369,967	-	4,987,515	844,419
11040 Prior period adjustments, equity transfers	-	-	-	971,656	-	184,619	-	531,696	-	106,696
11170 Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180 Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-	-
11190 Unit Months Available	840	-	1,672	-	1,641	-	1,019	-	1,642	-
11210 Number of unit months leased	834	-	1,652	-	1,584	-	1,008	-	1,641	-
11270 Excess cash	-	-	-	-	-	-	-	-	-	-
11610 Land Purchases	-	-	-	-	-	-	-	-	-	-
11620 Building Purchases	-	-	1,601,413	-	217,336	-	535,959	-	397,958	-
11630 Furniture and Equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-
11640 Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-
11650 Leasehold improvements purchases	-	-	-	-	-	-	-	-	-	-
11660 Infrastructure purchases	-	-	-	-	-	-	-	-	-	-
13510 CFFP debt service payments	-	-	-	-	-	-	-	-	-	-
13901 Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING  
Financial Data Schedule (FDS)  
Statement of Revenues and Expenses  
For the 12 Month Period Ending December 31, 2010

	AMP 206		AMP 207		AMP 251		AMP 301		AMP 302	
	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
	PH		PH		PH		PH		PH	
REVENUE:										
70300 Net tenant rental revenue	\$ 164,957	\$ -	\$ 266,726	\$ -	\$ 202,717	\$ -	\$ -	\$ -	\$ -	\$ -
70400 Tenant revenue - other	6,064	-	(0)	-	3,487	-	-	-	50	-
70500 Total tenant revenue	171,021	-	266,726	-	206,204	-	-	-	50	-
70600 HUD PHA Operating Grants	-	-	-	-	0	-	(0)	-	-	-
70610 Capital Grants	-	-	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	-
70730 Book-keeping Fee	-	-	-	-	-	-	-	-	-	-
70740 Frontline Service Fee	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-
70800 Total Fee Revenue	-	-	-	-	-	-	-	-	-	-
70800 Other Government Grants	-	-	-	-	-	-	-	-	-	-
71100 Investment Income - unrestricted	-	-	-	-	-	-	-	-	-	-
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-
71300 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-	-	-	-	-
71500 Other Revenue	1,738	-	93,049	-	2,616	-	15,906	-	35	-
71600 Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-	-	(3,188,535)	-
72000 Investment income - restricted	775	-	1,468	-	1,052	-	-	-	1,230	-
70000 TOTAL REVENUE	173,535	-	361,242	0	209,871	(0)	15,906	-	(3,187,230)	-
EXPENSES:										
Administrative										
91100 Administrative salaries	36,738	-	56,168	-	48,303	451	-	-	(2,392)	-
91200 Auditing fees	776	-	1,254	-	1,090	-	-	-	1,212	-
91300 Management fees	28,991	-	47,988	-	38,655	30,118	-	-	305	-
91310 Book-keeping Fee	5,063	-	8,428	-	6,750	-	-	-	693	-
91400 Advertising and Marketing	-	-	-	-	-	-	-	-	-	-
91500 Employee benefit contributions - administrative	37,619	-	73,813	46	43,032	236	-	-	9,477	-
91600 Office Expenses	3,876	-	4,672	(0)	2,421	180	-	-	3,172	-
91700 Legal expense	790	-	939	-	107	-	-	-	211	-
91800 Travel	2,551	-	6,231	-	3,672	-	-	-	711	-
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-	-
91900 Other	8,142	-	10,102	-	11,122	290	-	-	30,263	-
91000 Total Operating - Administrative	124,546	-	209,994	46	155,152	31,274	-	-	43,652	-
92000 Asset Management Fee	6,840	-	11,280	-	9,600	-	-	-	-	-
Tenant services										
92100 Tenant services - salaries	9,719	-	16,901	(0)	15,696	0	-	-	12,213	-
92200 Relocation costs	-	-	990	1,200	960	8,000	-	-	-	-
92300 Employee benefits	-	-	-	-	-	-	-	-	-	-
92400 Tenant services - other	2,188	-	2,059	(0)	2,959	0	-	-	233,191	30,656
92500 Total Tenant Services	11,907	-	19,951	1,200	19,616	8,000	-	-	245,404	30,656
Utilities										
93100 Water	22,167	-	45,648	-	28,737	-	2,358	-	23,597	-
93200 Electricity	5,053	-	6,492	-	35,299	-	3,341	-	523	-
93300 Gas	-	-	438	-	20,752	-	-	-	467	-
93400 Fuel	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-
93600 Sewer	25,379	-	42,413	-	35,449	-	-	-	7,907	-
93700 Employee benefits	-	-	-	-	-	-	-	-	-	-
93800 Other utilities expense	19,513	-	33,458	-	7,385	-	-	-	23	-
93000 Total Utilities	72,112	-	128,450	-	127,622	-	5,699	-	32,517	-
Ordinary maintenance & operation										
94100 Ordinary maintenance and operations - labor	65,008	-	117,182	-	50,544	-	163	-	1,572	-
94200 Ordinary maintenance and operations - material and other	16,701	109,717	33,035	174,281	13,273	76,265	-	-	140	-
94300 Ordinary maintenance and operations - contracts	7,303	434	2,678	1,381	10,945	-	-	-	1	-
94500 Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-	-
94000 Total Maintenance	89,012	110,171	152,895	175,662	74,761	76,265	163	-	1,713	-
Protective services										
95100 Protective services - labor	-	-	-	-	-	-	-	-	-	-
95200 Other contract costs	-	-	-	-	-	-	-	-	-	-
95300 Protective services - other	-	-	-	-	-	-	-	-	-	-
95500 Employee benefits	-	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-	-	-
General expenses										
96110 Property Insurance	3,195	-	4,246	-	2,938	-	-	-	1,980	-
96120 Liability Insurance	1,454	-	2,859	-	2,848	-	-	-	(0)	-
96130 Workmen's compensation	-	-	-	-	-	-	-	-	-	-
96140 All other insurance	-	-	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	4,649	-	7,105	-	5,786	-	-	-	1,979	-
96200 Other General Expenses	-	-	-	-	-	-	-	-	-	-
96210 Compensated Absences	7,994	-	8,871	-	10,256	54	-	-	12,705	-
96300 Payments in lieu of taxes	2,544	-	-	-	-	-	-	-	-	-
96400 Bad debt - tenant rents	-	-	-	-	-	-	-	-	-	-
96500 Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-
96600 Bad debt - other	-	-	-	-	-	-	-	-	-	-
96800 Severance expense	1,229	-	3,186	-	1,290	-	-	-	2,392	-
96000 Total Other General Expenses	16,415	-	19,162	-	17,332	54	-	-	17,077	-
96710 Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-	-
96720 Interest on notes payable (short and long term)	3,432	-	6,005	-	6,649	-	-	-	14,477	-
96730 Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96750 Interest expense and amortization cost	-	-	-	-	-	-	-	-	-	-
96000 TOTAL OPERATING EXPENSES	324,264	110,171	547,336	176,908	410,733	115,593	5,861	-	354,840	30,656
EXCESS (DEFICIENCY) OF OVER OPERATING REVENUE	(150,729)	(110,171)	(186,094)	(176,908)	(200,861)	(115,593)	10,045	-	(3,542,069)	(30,656)
Extraordinary maintenance										
97100 Extraordinary maintenance	-	-	19,498	-	-	-	-	-	-	-
97200 Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-
97300 Housing assistance payments	-	-	-	-	-	-	-	-	-	-
97350 HAP Portability-In	-	-	-	-	-	-	-	-	-	-
97400 Depreciation expense	67,953	-	20,025	-	93,436	-	-	-	29,191	-
97500 Fraud losses	-	-	-	-	-	-	-	-	-	-
97800 Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-
90000 TOTAL EXPENSES	392,217	110,171	586,859	176,908	504,169	115,593	5,861	-	384,031	30,656
OTHER FINANCING SOURCES (USES)										
10010 Operating transfers in	158,836	182,217	334,598	193,210	216,743	125,840	350	-	425,358	30,656
10020 Operating transfers out	(129,023)	-	(343,991)	-	(186,465)	-	(6,826)	-	-	-
10030 Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-
10040 Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-
10070 Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10080 Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10091 Inter-project excess cash transfer in	-	-	-	-	-	-	-	-	-	-
10092 Inter-project excess cash transfer out	-	-	-	-	-	-	-	-	-	-
10093 Transfers between programs and projects in	-	-	-	-	-	-	-	-	-	-
10094 Transfers between programs and projects out	-	-	-	-	-	-	-	-	-	-
10100 TOTAL OTHER FINANCING SOURCES	29,813	182,217	(9,393)	193,210	30,278	125,840	(6,476)	-	425,358	30,656
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ (188,860)	\$ 72,046	\$ (235,010)	\$ 16,302	\$ (264,019)	\$ 10,247	\$ 3,569	\$ -	\$ (3,145,903)	\$ -
MEMO ACCT INFORMATION										
11020 Required annual debt principal payments	7,326	-	12,821	-	141,05	-	-	-	30,907	-
11030 Beginning of year equity	1,057,051	-	1,480,490	41,455	2,254,656	77,833	(1,284)	-	3,251,994	122,552
11040 Prior period adjustments, equity transfers	-	-	-	66,451	-	150,505	-	-	-	-
11170 Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180 Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-	-
11190 Unit Months Available	684	-	1,121	-	944	-	-	-	-	-
11210 Number of unit months leased	679	-	1,107	-	911	-	-	-	-	-
11220 Excess cash	-	-	-	-	-	-	-	-	-	-
11410 Land Purchases	-	-	-	-	-	-	-	-	-	-
11620 Building Purchases	-	72,046	-	82,753	-	160,752	-	-	-	-
11630 Furniture and Equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-
11640 Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-
11650 Leasehold improvements purchases	-	-	-	-	-	-	-	-	-	-
11660 Infrastructure purchases	-	-	-	-	-	-	-	-	-	-
13510 CFFP debt service payments	-	-	-	-	-	-	-	-	-	-
13901 Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING  
Financial Data Schedule (FDS)  
Statement of Revenues and Expenses  
For the 12 Month Period Ending December 31, 2010

	AMP 340		AMP 341		AMP 343		AMP 344		AMP 345	
	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
REVENUE:	PH									
70300 Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400 Tenant revenue - other	300	-	-	-	-	-	-	-	-	-
70500 Total tenant revenue	300	-	-	-	-	-	-	-	-	-
70600 HUD PHIA Operating Grants	-	-	-	-	-	-	-	-	-	-
70610 Capital Grants	-	-	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-	-	-
70720 Asset Management Fee	7,725	-	-	-	-	-	-	-	-	-
70730 Book-keeping Fee	-	-	-	-	-	-	-	-	-	-
70740 Frontline Service Fee	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-
70800 Total Fee Revenue	7,725	-	-	-	-	-	-	-	-	-
70900 Other Government Grants	-	-	-	-	-	-	-	-	-	-
71100 Investment Income - unrestricted	865,488	-	82,576	-	380,993	-	1,785	-	-	-
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-
71300 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-	-	-	-	-
71500 Other Revenue	0	-	-	-	-	-	-	-	-	-
71600 Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-	-	-	-
72000 Investment Income - restricted	52	-	292	-	256	-	-	-	-	-
70000 TOTAL REVENUE	873,565	-	82,867	-	381,249	-	1,785	-	-	-
EXPENSES:										
Administrative										
91100 Administrative salaries	910	-	-	-	0	-	-	-	-	-
91200 Auditing fees	-	-	-	-	-	-	-	-	-	-
91300 Management fees	1,045	-	-	-	1,917	-	-	-	-	-
91310 Book-keeping Fee	16,935	-	8,100	-	7,920	-	-	-	-	-
91400 Advertising and Marketing	-	-	-	-	-	-	-	-	-	-
91500 Employee benefit contributions - administrative	7,038	-	-	-	3,677	-	-	-	-	-
91600 Office Expenses	1,063	-	659	-	920	-	-	-	-	-
91700 Legal expense	-	-	-	-	-	-	-	-	-	-
91800 Travel	1,145	-	362	-	387	-	-	-	-	-
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-	-
91900 Other	25,211	-	940	-	88,913	-	-	-	-	-
91900 Total Operating - Administrative	53,367	-	10,061	-	103,733	-	-	-	-	-
92000 Asset Management Fee	22,440	-	10,000	-	10,560	-	-	-	-	-
Tenant services										
92100 Tenant services - salaries	22,685	-	-	-	11,312	-	-	-	-	-
92200 Relocation costs	1,175	-	1,745	-	450	-	-	-	-	-
92300 Employee benefits	-	-	-	-	-	-	-	-	-	-
92400 Tenant services - other	36,856	-	2,400	-	10,578	-	-	-	-	-
92500 Total Tenant Services	60,716	-	4,145	-	22,340	-	-	-	-	-
Utilities										
93100 Water	-	-	-	-	-	-	-	-	-	-
93200 Electricity	-	-	-	-	-	-	-	-	-	-
93300 Gas	-	-	-	-	-	-	-	-	-	-
93400 Fuel	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-
93600 Sewer	-	-	-	-	-	-	-	-	-	-
93700 Employee benefits	-	-	-	-	-	-	-	-	-	-
93800 Other utility expense	-	-	-	-	-	-	-	-	-	-
93000 Total Utilities	-	-	-	-	-	-	-	-	-	-
Ordinary maintenance & operation										
94100 Ordinary maintenance and operations - labor	-	-	-	-	-	-	-	-	-	-
94200 Ordinary maintenance and operations - material and other	-	-	-	-	-	-	-	-	-	-
94300 Ordinary maintenance and operations - contracts	303	-	-	-	198	-	-	-	-	-
94500 Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-	-
94000 Total Maintenance	303	-	-	-	198	-	-	-	-	-
Protective services										
95100 Protective services - labor	-	-	-	-	-	-	-	-	-	-
95200 Other contract costs	-	-	-	-	-	-	-	-	-	-
95300 Protective services - other	-	-	-	-	-	-	-	-	-	-
95500 Employee benefits	-	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-	-	-
General expenses										
96110 Property Insurance	-	-	-	-	-	-	-	-	-	-
96120 Liability Insurance	0	-	42	-	88	-	-	-	-	-
96130 Workmen's compensation	-	-	-	-	-	-	-	-	-	-
96140 All other insurance	-	-	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	0	-	42	-	88	-	-	-	-	-
96200 Other General Expenses	-	-	-	-	-	-	-	-	-	-
96210 Compensated Absences	948	-	-	-	1,626	-	-	-	-	-
96300 Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
96400 Bad debt - tenant rents	-	-	-	-	-	-	-	-	-	-
96500 Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-
96600 Bad debt - other	-	-	-	-	-	-	-	-	-	-
96800 Severance expense	-	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	948	-	42	-	1,714	-	-	-	-	-
96710 Interest on mortgage (or bonds) payable	424,256	-	-	-	169,490	-	-	-	-	-
96720 Interest on notes payable (short and long term)	-	-	-	-	-	-	-	-	-	-
96730 Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96700 Interest expense and amortization cost	-	-	-	-	-	-	-	-	-	-
96000 TOTAL OPERATING EXPENSES	562,031	-	25,048	-	308,037	-	-	-	-	-
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	311,534	-	57,819	-	73,211	-	1,785	-	-	-
Extraordinary maintenance										
97100 Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-
97200 Housing assistance payments	-	-	-	-	-	-	-	-	-	-
97350 HAP Portability-In	-	-	-	-	-	-	-	-	-	-
97400 Depreciation expense	-	-	-	-	-	-	-	-	-	-
97500 Fraud losses	-	-	-	-	-	-	-	-	-	-
97600 Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-
90000 TOTAL EXPENSES	562,031	-	25,048	-	308,037	-	-	-	-	-
OTHER FINANCING SOURCES (USES)										
10010 Operating transfers in	327,865	-	2,542,954	-	21,403,601	-	1,074,969	-	-	-
10020 Operating transfers out	(234,903)	-	(1,039,464)	-	(17,501,292)	-	(1,943)	-	-	-
10030 Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-
10040 Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-
10070 Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10080 Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10091 Inter-project excess cash transfer in	-	-	-	-	-	-	-	-	-	-
10092 Inter-project excess cash transfer out	-	-	-	-	-	-	-	-	-	-
10093 Transfers between programs and projects in	-	-	-	-	-	-	-	-	-	-
10094 Transfers between programs and projects out	-	-	-	-	-	-	-	-	-	-
10100 TOTAL OTHER FINANCING SOURCES	92,962	-	1,503,490	-	3,902,309	-	1,073,026	-	-	-
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ 404,496	\$ -	\$ 1,561,309	\$ -	\$ 3,975,521	\$ -	\$ 1,074,811	\$ -	\$ -	\$ -
MEMO ACCT INFORMATION										
11020 Required annual debt principal payments	45,000	-	-	-	-	-	-	-	-	-
11030 Beginning of year equity	8,911,399	-	171	-	(887)	-	-	-	-	-
11040 Prior period adjustments, equity transfers	-	-	-	-	-	-	-	-	-	588,789
11170 Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180 Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-	-
11190 Unit Months Available	924	-	119	-	600	-	-	-	-	-
11210 Number of unit months leased	908	-	119	-	594	-	-	-	-	-
11270 Excess cash	-	-	-	-	-	-	-	-	-	-
11610 Land Purchases	-	-	-	-	-	-	-	-	-	-
11620 Building Purchases	-	-	-	-	-	-	-	-	-	588,789
11630 Furniture and Equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-
11640 Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-
11650 Leasehold improvements purchases	-	-	-	-	-	-	-	-	-	-
11660 Infrastructure purchases	-	-	-	-	-	-	-	-	-	-
13510 CFFP debt service payments	-	-	-	-	-	-	-	-	-	-
13901 Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING  
Financial Data Schedule (FDS)  
Statement of Revenues and Expenses  
For the 12 Month Period Ending December 31, 2010

	AMP 350		AMP 352		AMP 354		AMP 355		AMP 401	
	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
	PH		PH		PH		PH		PH	
REVENUE:										
70300 Net tenant rental revenue	\$ 153,167	\$ -	\$ 141,919	\$ -	\$ 332,612	\$ -	\$ -	\$ -	\$ 696,145	\$ -
70400 Tenant revenue - other	3,675	-	5,206	-	28,203	-	-	-	11,131	-
70500 Total tenant revenue	156,842	-	147,125	-	360,814	-	-	-	617,276	-
70600 HUD PHA Operating Grants	-	(0)	-	0	-	(0)	-	-	-	0
70610 Capital Grants	-	-	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	-
70730 Book-keeping Fee	-	-	-	-	-	-	-	-	-	-
70740 Frontline Service Fee	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-
70760 Total Fee Revenue	-	-	-	-	-	-	-	-	-	-
70800 Other Government Grants	-	-	-	-	1,777,651	-	-	-	-	-
71100 Investment Income - unrestricted	-	-	110,253	-	151,212	-	312,536	-	-	-
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-
71300 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-	-	-	-	-
71500 Other Revenue	1,059	-	778	-	574	-	10,000	-	1,652	-
71600 Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-	-	-	-
72000 Investment income - restricted	446	-	825	-	657	-	41	-	778	-
73000 TOTAL REVENUE	158,347	(0)	259,081	0	2,290,908	(0)	322,577	-	619,707	0
EXPENSES:										
Administrative										
91100 Administrative salaries	33,917	451	34,666	-	60,030	496	(0)	-	78,830	1,440
91200 Auditing fees	925	-	896	-	1,448	-	-	-	1,911	-
91300 Management fees	34,661	30,118	32,170	(0)	52,012	33,129	458	-	205,699	-
91310 Book-keeping Fee	6,053	-	11,018	-	15,653	-	7,290	-	13,103	-
91400 Advertising and Marketing	-	-	-	-	-	-	-	-	-	-
91500 Employee benefit contributions - administrative	36,810	196	36,526	58	104,426	307	3,538	-	120,967	1,358
91600 Office Expenses	3,624	180	3,463	-	8,252	198	0	-	10,235	0
91700 Legal expense	5,336	-	934	-	10,347	-	-	-	7,442	-
91800 Travel	4,594	-	4,345	-	10,228	-	130	-	10,216	-
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-	-
91900 Other	18,380	290	23,412	-	65,455	378	6,655	-	19,300	45
91000 Total Operating - Administrative	144,329	31,235	147,409	58	327,851	34,508	18,071	-	467,603	2,843
92000 Asset Management Fee	8,400	-	15,340	-	21,600	-	9,720	-	17,400	-
Tenant services										
92100 Tenant services - salaries	18,738	-	19,927	0	127,745	(0)	14,165	-	29,982	(0)
92200 Relocation costs	-	4,000	1,980	2,000	(0)	1,000	2,820	-	2,300	-
92300 Employee benefits	-	-	-	-	-	-	-	-	-	-
92400 Tenant services - other	3,483	165	3,494	(0)	14,459	500	1,792	-	54,009	-
92500 Total Tenant Services	22,221	4,165	25,401	2,000	142,204	1,500	18,777	-	86,290	(0)
Utilities										
93100 Water	18,320	-	18,687	-	35,740	-	-	-	84,576	-
93200 Electricity	9,986	-	17,224	-	7,142	-	-	-	7,884	-
93300 Gas	194	-	6,315	-	78	-	-	-	35,291	-
93400 Fuel	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-
93600 Sewer	30,366	-	6,018	-	23,126	-	-	-	95,473	-
93700 Employee benefits	-	-	-	-	-	-	-	-	-	-
93800 Other utilities expense	5,875	-	8,465	-	47,493	-	-	-	20,639	-
93900 Total Utilities	64,742	-	56,709	-	113,579	-	-	-	243,863	-
Ordinary maintenance & operation										
94100 Ordinary maintenance and operations - labor	52,835	-	55,929	24,550	59,047	-	-	-	194,474	-
94200 Ordinary maintenance and operations - material and other	25,706	320,379	15,289	176,029	72,658	289,220	-	-	48,208	84,443
94300 Ordinary maintenance and operations - contracts	14,776	-	7,780	-	80,656	-	-	-	34,769	-
94500 Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-	-
94900 Total Maintenance	93,318	320,379	78,997	300,579	212,361	289,220	-	-	277,451	84,443
Protective services										
95100 Protective services - labor	-	-	-	-	-	-	-	-	-	-
95200 Other contract costs	-	-	-	-	-	-	-	-	-	-
95300 Protective services - other	-	-	-	-	-	-	-	-	-	-
95500 Employee benefits	-	-	-	-	-	-	-	-	-	-
95900 Total Protective Services	-	-	-	-	-	-	-	-	-	-
General expenses										
96110 Property Insurance	3,017	-	3,229	-	5,502	-	-	-	7,870	-
96120 Liability Insurance	2,287	-	(0)	-	(0)	-	40	-	5,851	-
96130 Workmen's compensation	-	-	-	-	-	-	-	-	-	-
96140 All other insurance	-	-	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	5,304	-	3,228	-	5,502	-	40	-	13,721	-
96200 Other General Expenses	-	-	-	-	-	-	-	-	-	-
96210 Compensated Absences	3,762	54	2,529	-	21,082	60	1,418	-	4,463	152
96300 Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
96400 Bad debt - tenant rents	-	-	-	-	-	-	-	-	-	-
96500 Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-
96600 Bad debt - other	-	-	-	-	-	-	-	-	-	-
96800 Severance expense	1,010	-	963	-	48	-	-	-	179	-
96900 Total Other General Expenses	10,076	54	6,721	-	28,632	60	1,458	-	18,363	152
96710 Interest on mortgage (or bonds) payable	-	-	-	-	375,572	139,605	-	-	-	-
96720 Interest on notes payable (short and long term)	2,038	-	3,378	-	40,723	-	-	-	7,937	-
96730 Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96700 Interest expense and amortization cost	-	-	-	-	-	-	-	-	-	-
96900 TOTAL OPERATING EXPENSES	345,124	355,833	333,855	202,638	886,950	700,860	187,630	-	1,118,906	87,438
EXCESS OPERATING REVENUE										
97000 OVER OPERATING EXPENSES	(186,777)	(355,833)	(74,775)	(202,638)	1,403,958	(700,860)	134,947	-	(499,199)	(87,438)
97100 Extraordinary maintenance	-	-	-	-	-	-	-	-	14,000	-
97200 Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-
97300 Housing assistance payments	-	-	-	-	-	-	-	-	-	-
97350 HAP Portability-In	-	-	-	-	-	-	-	-	-	-
97400 Depreciation expense	51,312	-	116,314	-	274,979	-	-	-	214,608	-
97500 Fraud losses	-	-	-	-	-	-	-	-	-	-
97800 Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-
99000 TOTAL EXPENSES	396,436	355,833	450,170	202,638	1,161,930	700,860	187,630	-	1,347,513	87,438
OTHER FINANCING SOURCES (USES)										
10010 Operating transfers in	302,080	370,091	197,157	178,267	1,652,424	1,107,833	3,298,314	-	2,507,212	1,368,268
10020 Operating transfers out	(85,532)	-	(241,965)	-	(3,037,043)	-	(29,490)	-	(2,169,122)	-
10030 Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-
10040 Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-
10070 Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10080 Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10091 Inter-project excess cash transfer in	-	-	-	-	-	-	-	-	-	-
10092 Inter-project excess cash transfer out	-	-	-	-	-	-	-	-	-	-
10093 Transfers between programs and projects in	-	-	-	-	-	-	-	-	-	-
10094 Transfers between programs and projects out	-	-	-	-	-	-	-	-	-	-
10100 TOTAL OTHER FINANCING SOURCES	216,548	370,091	(44,808)	178,267	(1,384,619)	1,107,833	3,268,824	-	338,090	1,368,268
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ (21,541)	\$ 14,258	\$ (235,897)	\$ (24,971)	\$ (255,640)	\$ 406,974	\$ 3,403,771	\$ -	\$ (389,716)	\$ 1,280,830
MEMO ACCT INFORMATION										
11020 Required annual debt principal payments	4,350	-	4,121	-	2,097,592	-	30,000	-	4,350	-
11030 Beginning of year equity	1,094,362	121,632	2,966,428	545	47,556,702	993	239,513	-	4,327,400	454,759
11040 Prior period adjustments, equity transfers	-	51,326	-	164,161	-	199,741	-	-	-	2,126,612
11170 Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180 Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-	-
11190 Unit Months Available	824	-	1,508	-	2,137	-	480	-	1,716	-
11210 Number of unit months leased	793	-	1,465	-	2,079	-	473	-	1,673	-
11270 Excess cash	-	-	-	-	-	-	-	-	-	-
11610 Land Purchases	-	-	-	-	-	-	-	-	-	-
11620 Building Purchases	-	65,584	-	139,790	-	-	-	-	3,407,442	-
11630 Furniture and Equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-
11640 Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-
11650 Leasehold improvements purchases	-	-	-	-	-	-	-	-	-	-
11660 Infrastructure purchases	-	-	-	-	-	-	-	-	-	-
13510 CFPF debt service payments	-	-	-	-	-	696,721	-	-	-	-
13901 Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING  
Financial Data Schedule (FDS)  
Statement of Revenues and Expenses  
For the 12 Month Period Ending December 31, 2010

	AMP 402		AMP 403		AMP 404		AMP 408		AMP 450	
	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
	PH		PH		PH		PH		PH	
REVENUE:										
70300 Net tenant rental revenue	\$ -	\$ -	\$ 397,178	\$ -	\$ 97,995	\$ -	\$ 136,740	\$ -	\$ -	\$ -
70400 Tenant revenue - other	-	-	19,138	-	8,483	-	434	-	-	-
70500 Total tenant revenue	-	-	416,316	-	106,478	-	137,173	-	-	-
70600 HUD PHA Operating Grants	-	-	-	0	-	-	-	-	-	-
70610 Capital Grants	-	-	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	-
70730 Book-keeping Fee	-	-	-	-	-	-	-	-	-	-
70740 Frontline Service Fee	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-
70800 Total Fee Revenue	-	-	-	-	-	-	-	-	-	-
70900 Other Government Grants	-	-	-	-	-	-	-	-	-	-
71100 Investment Income - unrestricted	-	-	-	-	-	-	-	-	112,563	-
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-
71300 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-	-	-	-	-
71500 Other Revenue	-	-	1,959	-	471	-	-	-	-	-
71600 Gain (loss) on the sale of capital assets	-	-	4,034	-	-	-	-	-	-	-
72000 Investment Income - restricted	-	-	1,619	-	528	-	593	-	-	-
70000 TOTAL REVENUE	-	-	423,927	0	107,477	-	137,767	-	112,563	-
EXPENSES:										
Administrative										
91100 Administrative salaries	5,395	-	60,507	893	19,346	3,338	54,509	3,246	2,485	-
91200 Auditing fees	-	-	1,582	-	419	-	358	-	-	-
91300 Management fees	-	-	58,842	-	15,204	211,827	14,174	-	-	-
91310 Book-keeping Fee	-	-	10,275	-	2,883	-	2,475	-	5,400	-
91400 Advertising and Marketing	-	-	-	-	-	-	-	-	-	-
91500 Employee benefit contributions - administrative	1,225	-	93,697	782	19,373	1,262	25,354	974	534	-
91600 Office Expenses	-	-	9,360	(0)	1,136	1,266	966	-	225	-
91700 Legal expense	-	-	356	-	682	-	38	-	96	-
91800 Travel	-	-	8,058	-	2,084	-	1,941	-	523	-
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-	-
91900 Other	-	-	16,249	45	3,907	2,036	3,182	-	4,523	-
91000 Total Operating - Administrative	6,620	-	256,925	1,719	65,034	219,729	102,996	4,220	13,878	-
92000 Asset Management Fee	-	-	14,160	-	3,600	-	3,360	-	7,320	-
Tenant services										
92100 Tenant services - salaries	-	-	22,042	(0)	3,564	-	6,234	-	1,943	-
92200 Relocation costs	-	-	-	3,000	-	-	-	-	-	-
92300 Employee benefits	-	-	-	-	-	-	-	-	-	-
92400 Tenant services - other	11	-	49,833	(0)	278	-	395	-	457	-
92500 Total Tenant Services	11	-	71,875	3,000	3,842	-	6,629	-	2,400	-
Utilities										
93100 Water	39,997	-	33,067	-	26,632	-	11,099	-	-	-
93200 Electricity	7,210	-	20,063	-	3,750	-	717	-	-	-
93300 Gas	(0)	-	-	-	-	-	843	-	-	-
93400 Fuel	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-
93600 Sewer	637	-	68,897	-	16,119	-	16,448	-	-	-
93700 Employee benefits	-	-	-	-	-	-	-	-	-	-
93800 Other utility expense	-	-	30,298	-	14,862	-	3,579	-	-	-
93000 Total Utilities	47,843	-	153,326	-	61,364	-	32,685	-	-	-
Ordinary maintenance & operation										
94100 Ordinary maintenance and operations - labor	532	-	135,411	-	33,374	-	30,773	-	-	-
94200 Ordinary maintenance and operations - material and other	958	-	26,014	40,011	8,533	-	7,747	-	-	-
94300 Ordinary maintenance and operations - contracts	28,418	-	13,236	-	2,015	-	2,959	-	-	-
94500 Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-	-
94000 Total Maintenance	29,908	-	174,661	40,011	43,922	-	41,479	-	-	-
Protective services										
95100 Protective services - labor	-	-	-	-	-	-	-	-	-	-
95200 Other contract costs	-	-	-	-	-	-	-	-	-	-
95300 Protective services - other	-	-	-	-	-	-	-	-	-	-
95500 Employee benefits	-	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-	-	-
General expenses										
96100 Property Insurance	1,553	-	8,095	-	5,329	-	1,542	-	-	-
96120 Liability Insurance	(0)	-	4,204	-	743	-	438	-	0	-
96130 Workmen's compensation	-	-	-	-	-	-	-	-	-	-
96140 All other insurance	-	-	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	1,552	-	12,300	-	6,072	-	1,980	-	0	-
96200 Other General Expenses	-	-	-	-	-	-	-	-	-	-
96210 Compensated Absences	826	-	17,866	107	2,539	401	667	390	547	-
96300 Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
96400 Bad debt - tenant rents	-	-	-	-	-	-	-	-	-	-
96500 Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-
96600 Bad debt - other	-	-	-	-	-	-	-	-	-	-
96800 Severance expense	-	-	146	-	37	-	34	-	-	-
96000 Total Other General Expenses	2,378	-	30,312	107	8,648	401	2,681	390	547	-
96710 Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-	-
96720 Interest on notes payable (short and long term)	-	-	7,936	-	1,930	-	1,716	-	2,809	-
96730 Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96700 Interest expense and amortization cost	-	-	-	-	-	-	-	-	-	-
96000 TOTAL OPERATING EXPENSES	86,760	-	710,195	44,837	188,340	220,130	191,546	4,610	26,955	-
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	(86,760)	-	(286,268)	(44,837)	(80,863)	(220,130)	(53,780)	(4,610)	85,608	-
97100 Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-
97200 Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-
97300 Housing assistance payments	-	-	-	-	-	-	-	-	-	-
97350 HAP Portability-In	-	-	-	-	-	-	-	-	-	-
97400 Depreciation expense	111,651	-	186,164	-	79,509	-	53,822	-	-	-
97500 Fraud losses	-	-	-	-	-	-	-	-	-	-
97600 Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-
97000 TOTAL EXPENSES	198,410	-	896,359	44,837	267,849	220,130	245,368	4,610	26,955	-
OTHER FINANCING SOURCES (USES)										
10010 Operating transfers in	148,773	-	321,602	362,849	85,513	224,442	99,690	18,199	44,684	-
10020 Operating transfers out	-	-	(125,206)	-	(96,973)	-	(133,161)	-	-	-
10030 Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-
10040 Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-
10070 Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10080 Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10091 Inter-project excess cash transfer in	-	-	-	-	-	-	-	-	-	-
10092 Inter-project excess cash transfer out	-	-	-	-	-	-	-	-	-	-
10093 Transfers between programs and projects in	-	-	-	-	-	-	-	-	-	-
10094 Transfers between programs and projects out	-	-	-	-	-	-	-	-	-	-
10100 TOTAL OTHER FINANCING SOURCES	148,773	-	196,396	362,849	(11,460)	224,442	(73,471)	18,199	44,684	-
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ (49,637)	\$ -	\$ (276,036)	\$ 318,012	\$ (171,833)	\$ 4,313	\$ (181,072)	\$ 13,589	\$ 130,292	\$ -
MEMO ACCT INFORMATION										
11020 Required annual debt principal payments	-	-	16,942	-	4,121	-	3,663	-	-	-
11030 Beginning of year equity	2,671,265	-	6,641,861	1,490,387	1,946,632	125,416	2,739,814	-	(188,804)	-
11040 Prior period adjustments, equity transfers	-	-	-	132,527	-	-	-	-	-	-
11170 Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180 Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-	-
11190 Unit Months Available	-	-	1,402	-	360	-	324	-	728	-
11210 Number of unit months leased	-	-	1,367	-	358	-	324	-	725	-
11270 Excess cash	-	-	-	-	-	-	-	-	-	-
11610 Land Purchases	-	-	-	-	-	-	-	-	-	-
11620 Building Purchases	-	-	450,539	-	-	-	13,589	-	-	-
11630 Furniture and Equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-
11640 Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-
11650 Leasehold improvements purchases	-	-	-	-	-	-	-	-	-	-
11660 Infrastructure purchases	-	-	-	-	-	-	-	-	-	-
13510 CFFP debt service payments	-	-	-	-	-	-	-	-	-	-
13901 Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING  
Financial Data Schedule (FDS)  
Statement of Revenues and Expenses  
For the 12 Month Period Ending December 31, 2010

	AMP 451		AMP 502		AMP 503		AMP 504		AMP 505	
	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
	PH		PH		PH		PH		PH	
REVENUE:										
7000 Net tenant rental revenue	\$ 76,248	\$ -	\$ 241,837	\$ -	\$ 217,919	\$ -	\$ 198,930	\$ -	\$ 230,635	\$ -
7040 Tenant revenue - other	2,958	-	4,895	-	7,413	-	3,820	-	666	-
7050 Total tenant revenue	79,206	-	246,731	-	225,333	-	202,750	-	231,301	-
7060 HUD PHA Operating Grants	-	(0)	-	-	-	-	-	-	-	(0)
70610 Capital Grants	-	-	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	-
70730 Book-keeping Fee	-	-	-	-	-	-	-	-	-	-
70740 Frontline Service Fee	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-
70760 Total Fee Revenue	-	-	-	-	-	-	-	-	-	-
70800 Other Government Grants	-	-	-	-	-	-	-	-	1,348	-
71100 Investment Income - unrestricted	-	-	-	-	-	-	-	-	-	-
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-
71300 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-	-	-	-	-
71500 Other Revenue	1,303	-	1,709	-	644	-	536	-	1,067	-
71600 Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-	-	-	-
72000 Investment income - restricted	509	-	1,093	-	911	-	854	-	1,004	-
70000 TOTAL REVENUE	81,017	(0)	249,533	-	226,888	-	204,140	-	234,719	(0)
EXPENSES:										
Administrative										
91100 Administrative salaries	29,231	-	30,447	1,362	31,956	239	29,263	1,632	74,604	1,667
91200 Auditing fees	552	-	791	-	672	-	672	-	866	-
91300 Management fees	19,413	(0)	30,409	90,855	25,040	-	25,298	-	33,270	99,890
91310 Book-keeping Fee	3,390	-	5,310	-	4,373	-	4,418	-	5,558	-
91400 Advertising and Marketing	-	-	-	-	-	-	-	-	-	-
91500 Employee benefit contributions - administrative	32,117	44	55,738	336	36,409	89	43,075	671	48,174	726
91600 Office Expenses	1,821	(0)	4,977	543	2,877	-	4,135	-	3,188	597
91700 Legal-expense	152	-	477	-	951	-	648	-	47,459	-
91800 Travel	3,361	-	3,622	-	5,461	-	1,555	-	2,998	-
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-	-
91900 Other	6,430	-	8,457	974	9,127	-	7,948	45	15,010	1,071
91000 Total Operating - Administrative	96,466	44	140,229	94,069	116,865	328	117,030	2,348	231,127	103,951
92000 Asset Management Fee	4,800	-	7,200	-	6,000	-	6,000	-	7,560	-
Tenant services										
92100 Tenant services - salaries	11,628	0	21,514	-	20,464	-	21,161	-	14,354	0
92200 Relocation costs	1,023	3,000	375	-	-	-	-	-	790	1,200
92300 Employee benefits	-	-	-	-	-	-	-	-	-	-
92400 Tenant services - other	3,395	(0)	35,439	-	40,903	-	75,681	-	6,352	0
92500 Total Tenant Services	15,446	3,000	57,329	-	61,368	-	96,843	-	21,496	1,200
Utilities										
93100 Water	7,880	-	14,786	-	18,398	-	19,545	-	15,024	-
93200 Electricity	14,356	-	6,086	-	2,225	-	7,127	-	6,501	-
93300 Gas	-	-	13,569	-	25,866	-	33,372	-	175	-
93400 Fuel	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-
93600 Sewer	7,487	-	24,523	-	26,230	-	26,658	-	12,290	-
93700 Employee benefits	-	-	-	-	-	-	-	-	-	-
93800 Other utilities expense	6,702	-	20,761	-	15,450	-	14,394	-	18,213	-
93000 Total Utilities	36,405	-	79,526	-	88,269	-	101,095	-	52,204	-
Ordinary maintenance & operations										
94100 Ordinary maintenance and operations - labor	47,630	-	83,186	-	55,404	5,980	61,014	-	64,878	-
94200 Ordinary maintenance and operations - material and other	10,770	76,592	16,709	-	59,351	-	4,963	-	9,176	113,638
94300 Ordinary maintenance and operations - contracts	5,063	-	11,802	-	3,402	-	2,440	-	2,814	-
94400 Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-	-
94000 Total Maintenance	63,462	76,592	111,697	-	118,157	5,980	68,417	-	76,869	113,638
Protective services										
95100 Protective services - labor	-	-	-	-	-	-	-	-	-	-
95200 Other contract costs	-	-	-	-	-	-	-	-	-	-
95300 Protective services - other	-	-	-	-	-	-	-	-	-	-
95500 Employee benefits	-	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-	-	-
General expenses										
96110 Property Insurance	1,954	-	-	-	1,969	-	8,227	-	2,642	-
96120 Liability Insurance	1,325	-	1,300	-	1,991	-	2,638	-	2,085	-
96130 Workmen's compensation	-	-	-	-	-	-	-	-	-	-
96140 All other insurance	-	-	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	3,280	-	1,300	-	3,960	-	10,865	-	4,727	-
96200 Other General Expenses	-	-	-	-	-	-	-	-	-	-
96210 Compensated Absences	2,180	-	15,440	163	11,446	29	9,238	196	11,449	200
96300 Payments in lieu of taxes	-	-	476	-	5,380	-	5,300	-	-	-
96400 Bad debt - tenant rents	-	-	-	-	-	-	-	-	-	-
96500 Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-
96600 Bad debt - other	-	-	-	-	-	-	-	-	-	-
96800 Severance expense	18	-	73	-	61	-	61	-	908	-
96000 Total Other General Expenses	5,477	-	17,289	163	20,847	29	25,463	196	17,083	200
96710 Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-	-
96720 Interest on notes payable (short and long term)	1,180	-	3,968	-	3,324	-	3,432	-	5,362	-
96730 Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96700 Interest expense and amortization cost	-	-	-	-	-	-	-	-	-	-
96000 TOTAL OPERATING EXPENSES	223,236	79,636	417,337	94,232	414,831	6,337	418,259	2,544	411,701	218,988
EXCESS OPERATING REVENUE										
97000	(142,219)	(79,636)	(167,704)	(94,232)	(187,943)	(6,337)	(214,119)	(2,544)	(176,982)	(218,988)
97100 Extraordinary maintenance	-	-	2,455	-	-	-	-	-	-	-
97200 Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-
97300 Housing assistance payments	-	-	-	-	-	-	-	-	-	-
97350 HAP Portability In	-	-	-	-	-	-	-	-	-	-
97400 Depreciation expense	37,988	-	87,199	-	131,148	-	100,658	-	80,212	-
97500 Fraud losses	-	-	-	-	-	-	-	-	-	-
97600 Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-
98000 TOTAL EXPENSES	361,225	79,636	506,891	94,232	545,979	6,337	518,017	2,544	491,913	218,988
OTHER FINANCING SOURCES (USIS)										
10010 Operating transfers in	145,248	79,683	179,508	329,514	200,902	141,489	222,301	149,249	212,168	234,879
10020 Operating transfers out	(87,024)	-	(160,869)	-	(122,712)	-	(109,857)	-	(184,006)	-
10030 Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-
10040 Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-
10070 Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10080 Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10091 Inter-project excess cash transfer in	-	-	-	-	-	-	-	-	-	-
10092 Inter-project excess cash transfer out	-	-	-	-	-	-	-	-	-	-
10093 Transfers between programs and projects in	-	-	-	-	-	-	-	-	-	-
10094 Transfers between programs and projects out	-	-	-	-	-	-	-	-	-	-
10100 TOTAL OTHER FINANCING SOURCES	58,224	79,683	18,639	329,514	78,190	141,489	112,444	149,249	28,162	234,879
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ (121,984)	\$ 48	\$ (238,719)	\$ 235,282	\$ (240,901)	\$ 135,151	\$ (202,333)	\$ 146,706	\$ (229,032)	\$ 15,891
MEMO ACCT INFORMATION										
11020 Required annual debt principal payments	2,518	-	8,471	-	7,097	-	7,326	-	11,447	-
11030 Beginning of year equity	916,194	628	2,271,867	-	3,150,774	-	2,541,319	-	2,668,663	171
11040 Prior period adjustments, equity transfers	-	77,934	-	-	-	-	-	-	-	66,475
11170 Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180 Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-	-
11190 Unit Months Available	473	-	708	-	600	-	588	-	755	-
11210 Number of unit months leased	453	-	705	-	598	-	594	-	742	-
11270 Excess cash	-	-	-	-	-	-	-	-	-	-
11610 Land Purchases	-	-	-	-	-	-	-	-	-	-
11620 Building Purchases	-	77,982	-	235,282	-	135,151	-	146,706	-	82,366
11630 Furniture and Equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-
11640 Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-
11650 Leasehold improvements purchases	-	-	-	-	-	-	-	-	-	-
11660 Infrastructure purchases	-	-	-	-	-	-	-	-	-	-
13510 CFFP debt service payments	-	-	-	-	-	-	-	-	-	-
13901 Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING  
Financial Data Schedule (FDS)  
Statement of Revenues and Expenses  
For the 12 Month Period Ending December 31, 2010

	AMP 550		AMP 551		AMP 552		AMP 553	
	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
	PH		PH		PH		PH	
REVENUE:								
70300 Net tenant rental revenue	\$ 140,768	\$ -	\$ -	\$ -	\$ 189,179	\$ -	\$ -	\$ -
70400 Tenant revenue - other	3,270	-	-	-	2,831	-	-	-
70500 Total tenant revenue	144,039	-	-	-	192,010	-	-	-
70600 HUD PHA Operating Grants	-	0	-	-	-	(0)	-	-
70610 Capital Grants	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-
70730 Book-keeping Fee	-	-	-	-	-	-	-	-
70740 Frontline Service Fee	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-
70760 Total Fee Revenue	-	-	-	-	-	-	-	-
70800 Other Government Grants	8,048	-	-	-	-	-	-	-
71100 Investment Income - unrestricted	64,365	-	122,109	-	-	-	131,503	-
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-
71300 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-	-	-
71500 Other Revenue	1,136	-	-	-	14,074	-	-	-
71600 Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-	-
72000 Investment income - restricted	13,335	-	-	-	351	-	-	-
70000 TOTAL REVENUE	230,923	0	122,109	-	206,437	(0)	131,503	-
EXPENSES:								
Administrative								
91100 Administrative salaries	44,017	415	0	-	46,003	6,842	0	-
91200 Auditing fees	896	-	-	-	1,090	-	-	-
91300 Management fees	21,753	10,932	-	-	165,035	-	-	-
91310 Book-keeping Fee	8,858	-	6,300	-	6,743	-	6,300	-
91400 Advertising and Marketing	-	-	-	-	-	-	-	-
91500 Employee benefit contributions - administrative	50,200	0	283	-	44,229	2,578	-	-
91600 Office Expenses	2,623	(0)	143	-	4,360	0	832	-
91700 Legal expense	-	-	109	-	103	-	-	-
91800 Travel	2,735	-	340	-	3,367	-	403	-
91810 Allocated Overhead	-	-	-	-	-	-	-	-
91900 Other	14,816	-	5,581	-	24,067	57	188	-
91900 Total Operating - Administrative	146,092	11,347	12,754	-	286,057	9,476	7,223	-
92000 Asset Management Fee	12,240	-	8,400	-	9,600	-	8,400	-
Tenant services								
92100 Tenant services - salaries	28,734	0	1,353	-	37,680	0	-	-
92200 Reimburse costs	-	1,000	360	-	-	3,000	-	-
92300 Employee benefits	-	-	-	-	-	-	-	-
92400 Tenant services - other	4,349	(0)	750	-	2,320	0	139	-
92500 Total Tenant Services	33,083	1,000	2,463	-	40,000	3,000	139	-
Utilities								
93100 Water	7,541	-	-	-	11,357	-	-	-
93200 Electricity	14,058	-	-	-	58,235	-	-	-
93300 Gas	24,428	-	-	-	18,729	-	-	-
93400 Fuel	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-
93600 Sewer	15,009	-	-	-	17,375	-	-	-
93700 Employee benefits	-	-	-	-	-	-	-	-
93800 Other utilities expense	11,423	-	-	-	6,789	-	-	-
93000 Total Utilities	72,457	-	-	-	112,485	-	-	-
Ordinary maintenance & operation								
94100 Ordinary maintenance and operations - labor	58,836	-	-	-	69,589	-	-	-
94200 Ordinary maintenance and operations - material and other	16,182	102,451	-	-	11,250	157,062	-	-
94300 Ordinary maintenance and operations - contracts	15,349	-	-	-	7,370	-	-	-
94500 Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-
94000 Total Maintenance	90,367	102,451	-	-	88,210	157,062	-	-
Protective services								
95100 Protective services - labor	-	-	-	-	-	-	-	-
95200 Other contract costs	-	-	-	-	-	-	-	-
95300 Protective services - other	-	-	-	-	-	-	-	-
95500 Employee benefits	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-
General expenses								
96110 Property Insurance	3,397	-	-	-	4,146	-	-	-
96120 Liability Insurance	0	-	0	-	2,951	-	0	-
96130 Workmen's compensation	-	-	-	-	-	-	-	-
96140 All other insurance	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	3,397	-	0	-	7,098	-	0	-
96200 Other General Expenses	-	-	-	-	-	-	-	-
96210 Compensated Absences	5,383	50	773	-	1,133	821	-	-
96300 Payments in lieu of taxes	5,544	-	-	-	-	-	-	-
96400 Bad debt - tenant rents	-	-	-	-	-	-	-	-
96500 Bad debt - mortgages	-	-	-	-	-	-	-	-
96600 Bad debt - other	-	-	-	-	-	-	-	-
96800 Severance expense	62	-	-	-	1,153	-	-	-
96000 Total Other General Expenses	14,406	50	773	-	9,383	821	0	-
96710 Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-
96720 Interest on notes payable (short and long term)	3,461	-	1,685	-	2,339	-	5,532	-
96730 Amortization of bond issue costs	-	-	-	-	-	-	-	-
96700 Interest expense and amortization cost	-	-	-	-	-	-	-	-
96000 TOTAL OPERATING/EXPENSES	372,103	114,849	26,077	-	557,095	170,360	21,794	-
EXCESS OPERATING REVENUE OVER OPERATING/EXPENSES	(141,180)	(114,849)	96,033	-	(350,658)	(170,360)	109,708	-
97100 Extraordinary maintenance	-	-	-	-	-	-	-	-
97200 Casualty losses - non-capitalized	-	-	-	-	-	-	-	-
97300 Housing assistance payments	-	-	-	-	-	-	-	-
97350 HAP Portability-In	-	-	-	-	-	-	-	-
97400 Depreciation expense	50,586	-	-	-	133,311	-	-	-
97500 Fraud losses	-	-	-	-	-	-	-	-
97800 Dwelling units rent expense	-	-	-	-	-	-	-	-
90000 TOTAL EXPENSES	422,689	114,849	26,077	-	690,406	170,360	21,794	-
OTHER FINANCING SOURCES (USES)								
10010 Operating transfers in	295,968	146,058	40,440	-	2,056,802	701,930	47,544	-
10020 Operating transfers out	(1,592,339)	-	-	-	(1,916,868)	-	-	-
10030 Operating transfers from/to primary government	-	-	-	-	-	-	-	-
10040 Operating transfers from/to component unit	-	-	-	-	-	-	-	-
10070 Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-
10080 Special items, net gain/loss	-	-	-	-	-	-	-	-
10091 Inter-project excess cash transfer in	-	-	-	-	-	-	-	-
10092 Inter-project excess cash transfer out	-	-	-	-	-	-	-	-
10093 Transfers between programs and projects in	-	-	-	-	-	-	-	-
10094 Transfers between programs and projects out	-	-	-	-	-	-	-	-
10100 TOTAL OTHER FINANCING SOURCES	(1,296,371)	146,058	40,440	-	139,934	701,930	47,544	-
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ (1,488,137)	\$ 31,209	\$ 136,473	\$ -	\$ (344,035)	\$ 531,570	\$ 157,252	\$ -
MEMO ACCT INFORMATION								
11020 Required annual debt principal payments	5,266	-	-	-	5,037	-	-	-
11030 Beginning of year equity	2,555,099	335,633	(168,181)	-	3,437,933	14,419	(281,066)	-
11040 Prior period adjustments, equity transfers	-	286,343	-	-	-	1,721,941	-	-
11170 Administrative Fee Equity	-	-	-	-	-	-	-	-
11180 Housing Assistance Fee Equity	-	-	-	-	-	-	-	-
11190 Unit Months Available	1,205	-	838	-	940	-	834	-
11210 Number of unit months leased	1,178	-	830	-	900	-	827	-
11270 Excess cash	-	-	-	-	-	-	-	-
11610 Land Purchases	-	-	-	-	-	-	-	-
11620 Building Purchases	-	299,552	-	-	2,253,512	-	-	-
11630 Furniture and Equipment - dwelling purchases	-	-	-	-	-	-	-	-
11640 Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-
11650 Leasehold improvements purchases	-	-	-	-	-	-	-	-
11660 Infrastructure purchases	-	-	-	-	-	-	-	-
13510 CFPF debt service payments	-	-	-	-	-	-	-	-
13901 Replacement housing factor funds	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING  
Financial Data Schedule (FDS)  
Statement of Revenues and Expenses  
For the 12 Month Period Ending December 31, 2010

	SUB TOTAL	Elimination	TOTAL AUTHORITY	Component Units
<b>REVENUE:</b>				
70300 Net tenant rental revenue	\$ 34,244,283		\$ 34,244,283	\$ 23,841,110
70400 Tenant revenue - other	\$ 1,088,462		\$ 1,088,462	437,276
70500 Total tenant revenue	\$ 35,332,745	-	\$ 35,332,745	24,278,386
70600 HUD PHA Operating Grants	116,690,006		116,690,006	-
70610 Capital Grants	13,220,318		13,220,318	-
70710 Management Fee	4,690,823	(4,119,100)	481,723	-
70720 Asset Management Fee	1,175,700	(1,158,375)	17,325	-
70730 Book-keeping Fee	1,680,456	(1,673,399)	7,058	-
70740 Frontline Service Fee	-	-	-	-
70750 Other Fees	5,507,190	-	5,507,190	-
70760 Total Fee Revenue	12,964,169	(6,950,873)	6,013,296	-
70800 Other Government Grants	13,128,631	-	13,128,631	-
71100 Investment Income - unrestricted	8,184,531	-	8,184,531	126,690
71200 Mortgage Interest Income	-	-	-	-
71300 Proceeds from disposition of assets held for sale	826,843	-	826,843	-
71310 Cost of Sale of Assets	0	0	-	-
71400 Fraud Recovery	-	-	-	-
71500 Other Revenue	2,444,931	-	2,444,931	157,857
71600 Gain (loss) on the sale of capital assets	(3,174,615)	-	(3,174,615)	179,061
72000 Investment income - restricted	1,067,308	-	1,067,308	-
70000 TOTAL REVENUE	200,684,866	(6,950,873)	193,733,993	24,741,694
<b>EXPENSES:</b>				
<i>Administrative</i>				
91100 Administrative salaries	12,223,724		12,223,724	3,453,788
91200 Auditing fees	102,613		102,613	-
91300 Management fees	5,056,762	(4,119,100)	937,664	1,347,484
91310 Book-keeping Fee	1,704,082	(1,673,399)	30,683	99,766
91400 Advertising and Marketing	-	-	-	109,552
91500 Employee benefit contributions - administrative	6,312,172	-	6,312,172	-
91600 Office Expenses	775,817	-	775,817	1,184,599
91700 Legal expense	305,390	-	305,390	3,318
91800 Travel	451,613	-	451,613	-
91810 Allocated Overhead	-	-	-	-
91900 Other	3,485,061	-	3,485,061	46,093
91000 Total Operating - Administrative	30,417,235	(5,792,498)	24,624,737	6,244,600
92000 Asset Management Fee	1,158,375	(1,158,375)	-	-
<i>Tenant services</i>				
92100 Tenant services - salaries	1,599,741		1,599,741	-
92200 Relocation costs	175,565	-	175,565	-
92300 Employee benefits	-	-	-	-
92400 Tenant services - other	3,437,265	-	3,437,265	-
92500 Total Tenant Services	5,212,571	-	5,212,571	-
<i>Utilities</i>				
93100 Water	1,726,563		1,726,563	916,865
93200 Electricity	834,242		834,242	394,567
93300 Gas	229,888		229,888	105,564
93400 Fuel	5,403		5,403	2,280
93500 Labor	-		-	-
93600 Sewer	2,103,056		2,103,056	889,686
93700 Employee benefits	-		-	-
93800 Other utilities expense	1,257,829		1,257,829	600,623
93000 Total Utilities	6,156,982	-	6,156,982	2,900,566
<i>Ordinary maintenance &amp; operation</i>				
94100 Ordinary maintenance and operations - labor	5,149,081		5,149,081	163,252
94200 Ordinary maintenance and operations - material and other	17,777,607		17,777,607	2,872,031
94300 Ordinary maintenance and operations - contracts	4,766,808		4,766,808	-
94500 Employee benefit contributions - ordinary maintenance	-		-	-
94000 Total Maintenance	27,713,496	-	27,713,496	3,035,283
<i>Protective services</i>				
95100 Protective services - labor	-		-	-
95200 Other contract costs	-		-	-
95300 Protective services - other	-		-	-
95500 Employee benefits	-		-	-
95000 Total Protective Services	-	-	-	-
<i>General expenses</i>				
96110 Property Insurance	268,088		268,088	615,913
96120 Liability Insurance	186,472		186,472	-
96130 Workmen's compensation	-		-	-
96140 All other insurance	6,981		6,981	-
96100 Total Insurance Premiums	461,541	-	461,541	615,913
96200 Other General Expenses	1,182,871		1,182,871	994,931
96210 Compensated Absences	1,108,922		1,108,922	-
96300 Payments in lieu of taxes	41,984		41,984	-
96400 Bad debt - tenant rents	-		-	-
96500 Bad debt - mortgages	-		-	-
96600 Bad debt - other	-		-	-
96800 Severance expense	68,146		68,146	-
96000 Total Other General Expenses	2,862,564	-	2,862,564	994,931
96710 Interest on mortgage (or bonds) payable	8,383,527		8,383,527	-
96720 Interest on notes payable (short and long term)	3,427,615		3,427,615	492,650
96730 Amortization of bond issue costs	-		-	-
96700 Interest expense and amortization cost	-		-	8,148,507
96900 TOTAL OPERATING EXPENSES	85,333,266	(6,950,873)	78,382,393	22,441,470
<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>				
97000	115,351,600	-	115,351,600	2,300,434
97100 Extraordinary maintenance	68,744		68,744	-
97200 Casualty losses - non-capitalized	5,687		5,687	-
97300 Housing assistance payments	74,835,937		74,835,937	-
97350 HAP Portability-In	-		-	-
97400 Depreciation expense	6,674,218		6,674,218	12,045,050
97500 Fraud losses	-		-	-
97800 Dwelling units rent expense	-		-	-
90000 TOTAL EXPENSES	166,917,853	(6,950,873)	159,966,979	34,486,520
<b>OTHER FINANCING SOURCES (USES)</b>				
10010 Operating transfers in	238,948,899	(238,948,899)	(0)	-
10020 Operating transfers out	(238,948,898)	238,948,898	0	-
10030 Operating transfers from/to primary government	-	-	-	-
10040 Operating transfers from/to component unit	-	-	-	-
10070 Extraordinary items, net gain/loss	-	-	-	-
10080 Special items, net gain/loss	-	-	-	-
10091 Inter-project excess cash transfer in	-	-	-	-
10092 Inter-project excess cash transfer out	-	-	-	-
10093 Transfers between programs and projects in	-	-	-	-
10094 Transfers between programs and projects out	-	-	-	-
10000 TOTAL OTHER FINANCING SOURCES	(0)	(1)	(2)	-
<b>EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES</b>				
	\$ 33,767,014	\$ (1)	\$ 33,767,013	\$ (9,744,826)
<b>MEMO ACCT INFORMATION</b>				
11020 Required annual debt principal payments	40,160,429		40,160,429	-
11030 Beginning of year equity	351,844,559		351,844,559	85,140,539
11040 Prior period adjustments, equity transfers	(4,423,059)	-	(4,423,059)	15,164,707
11170 Administrative Fee Equity	3,782,880		3,782,880	\$ -
11180 Housing Assistance Fee Equity	625,752		625,752	\$ -
11190 Unit Months Available	160,724		160,724	25,296
11210 Number of unit months leased	157,942		157,942	24,731
11270 Excess cash	\$ -		\$ -	-
11610 Land Purchases	-		-	-
11620 Building Purchases	12,055,545		12,055,545	\$ -
11630 Furniture and Equipment - dwelling purchases	-		-	-
11640 Furniture and equipment - administrative purchases	558,052		558,052	-
11650 Leasehold improvements purchases	-		-	-
11660 Infrastructure purchases	-		-	-
13510 CFFP debt service payments	606,721		606,721	-
13901 Replacement housing factor funds	848,800		848,800	-



**HOUSING AUTHORITY OF THE COUNTY OF KING**

Appendix A  
Fiscal Year 2010  
**PROPERTY LISTING**

<i>Development Name</i>		<i>Year Built/ Acquired</i>	<i>Number of Units</i>	<i>Development Name</i>		<i>Year Built/ Acquired</i>	<i>Number of Units</i>
<b>Federally Assisted Housing:</b>				<b>Unassisted Locally Financed Housing:</b>			
<b>Low Rent Public Housing:</b>				<b>Tax-Exempt Bond Program:</b>			
	1. Green River Homes	1958	60	1. Carriage House	1991	236	
	2. Cascade Apartments	1968	108	2. Cottonwood	1991	75	
	3. Valli Kee Homes	1968	114	3. Newporter	1991	120	
	4. Wayland Arms	1968	67	4. Cove East	1992	190	
	5. Ballinger Homes	1969	110	5. Parkwood	1992	90	
	6. Boulevard Manor	1969	70	6. Timberwood	1992	240	
	7. Northridge House I	1969	70	7. Walnut Park	1992	140	
a)	8. Paramount House	1969	70	8. Woodland North	1992	105	
	9. Riverton Terrace	1969	30	9. Aurburn Square	1993	160	
a)	10. Riverton Terrace Sr	1969	30	10. Woodside East	1993	244	
	11. Avondale Manor	1970	20	11. Aspen Ridge	1996	88	
	12. Briarwood	1970	70	12. Landmark Apartments	2001	191	
a)	13. Brittany Park	1970	43	13. Bellepark East	2001	118	
	14. Casa Juanita	1970	80	14. Meadows at Lea Hill	2006	90	
	15. Forest Glen	1970	40	15. Cascadian	1994	198	
a)	16. Mardis Gras	1970	61	16. Woodbridge Park	1995	201	
	17. Southridge House	1970	80	17. Fairwood	1995	176	
	18. Yardley Arms	1970	67	18. Westminster	2010	60	
	19. Burndale Homes	1971	50				2,722
	20. Firwood Circle	1971	50	<b>Home Ownership Program:</b>			
a)	21. Munro Manor	1971	60	1. Vantage Glen	1985	164	
a)	22. Plaza Seventeen	1971	70	2. Rainier View	1989	31	
	23. Eastridge House	1972	40	3. Tall Cedars	1993	126	
	24. The Lake House	1972	70	4. Wonderland Estates	2008	109	
a)	25. Casa Madrona	1973	70				430
	26. Northridge House II	1975	70	<b>Miscellaneous Local Programs:</b>			
	27. Eastside Terrace	1980	50	1. Campus Green	1981	15	
	28. Pickering Court	1980	30	2. Echo Cove	1981	4	
	29. Cedarwood	1981	25	3. Harbor Villa	1981	5	
	30. College Place	1981	51	4. Slater Park	1981	5	
	31. Evergreen Court	1981	30	5. Brookside	1983	16	
	32. Forest Grove	1981	25	6. Shadrack	1984	9	
	33. Glenview Heights	1981	10	7. Shelcor	1985	8	
a)	34. Kings Court	1981	30	8. Nike	1990	31	
	35. Gustaves Manor	1982	35	9. Anita Vista	1991	14	
	36. Juanita Court	1982	30	10. Federal Way Duplexes	1992	4	
	37. Greenleaf	1983	27	11. Avondale House	1992	16	
	38. Juanita Trace	1983	39	12. Sunnydale	1992	16	
	39. Kirkwood Terrace	1983	28	13. Vet's Housing	1997	6	
	40. Wellwood	1983	30				149
	41. Campus Court	1991	13	<b>Memo: Tax Credit Developments:</b>			
	42. Victorian Woods	1993	15	1. Laurelwood Gardens	1997	91	
	43. Federal Way Homes	1993	3	2. Rainier View I	1997	48	
	44. Bellevue 8	1994	8	3. Rainier View II	1997	36	
	45. Shoreham	1995	18	4. Si View	1997	20	
	46. Vista Heights	1995	30	5. Windsor Heights	1998	326	
	47. Youngs Lake	1997	28	6. Heritage Park	1999	77	
b)	48. Seola Crossing I	2007	40	7. Colonial Gardens	1999	72	
	49. Seola Crossing II	2007	37	8. Alpine Ridge	1999	42	
c)	50. Nia Apartments	2008	40	9. Somerset Village	1999	198	
	51. Pacific Court	2008	32	10. Overlake Station	2000	308	
d)	52. Salmon Creek Public Housing	2009	50	11. Southwood Square	2001	104	
	53. Pepper Tree	2009	30	12. Arbor Heights	2002	97	
e)	54. Eastbridge	2010	13	13. Harrison House	2004	94	
	55. Park Royal	2010	23	14. Valley Park	2004	60	
	56. Sixth Place	2011	24	15. Seola Crossing I	2007	42	
	57. Zephyr	2011	25	16. Seola Crossing II	2007	68	
			2,539	17. Nia	2008	42	
f) <b>Tenant Based Housing Choice Vouchers:</b>			7,947	18. Birch Creek Apartments	2009	262	
				19. Salmon Creek	2009	38	
				20. Eastbridge	2010	78	
							2,103
<b>Section 8 New Construction:</b>							
	1. Northlake House	1981	38				
	2. The Northwood	1983	34	<b>Summary</b>			
	3. Burien Park	1983	102				
			174	Total housing units owned or managed by the Authority			
<b>Preservation of Affordable Housing:</b>							
	1. Spiritwood Manor	1992	130				
	2. Newport	1992	23	Tenant based housing choice voucher			
	3. Hidden Village	1992	78				
	4. Parkway Apartments	1995	41				
			272	Households served			

- a) Public housing properties sold to the Egis LP in May 2007 under the tax credit program.  
b) Public housing units owned by the Seola Crossing LLC under the tax credit program.  
c) Public housing units owned by the Nia LLC under the tax credit program.  
d) Public housing units owned by the Salmon Creek LLC under the tax credit program.  
e) Public housing units owned by the Eastbridge Apartments LLC under the tax credit program.  
f) Excludes tenants transferring, or "porting in", to the Authority from other jurisdictions.

POOLED HOUSING REFUNDING REVENUE BONDS, SERIES 1998A  
A PROPRIETARY FUND OF THE HOUSING AUTHORITY OF THE COUNTY OF KING  
BALANCE SHEET  
As of December 31, 2010

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 5,810,539
Restricted cash and cash equivalents	3,316,710
Receivables, net	80,165
Restricted investments	985,123
Other current assets	269,319
Total Current Assets	<u>10,461,856</u>

NONCURRENT ASSETS:

Restricted Investments	2,269,307
Land, buildings and equipment, net	20,813,341
Noncurrent Receivables	3,823
Other noncurrent assets	713,794
Total Noncurrent Assets	<u>23,800,264</u>

TOTAL ASSETS	<u><u>\$ 34,262,120</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 117,800
Tenants' security deposits	346,200
Accrued interest payable	661,181
Other current liabilities	60,528
Current portion of long-term debt	870,000
Total Current Liabilities	<u>2,055,709</u>

LONG-TERM LIABILITIES:

Long Term Debt	24,029,144
Other noncurrent liabilities	28,463
Total Long-Term Liabilities	<u>24,057,607</u>
TOTAL LIABILITIES	26,113,316

NET ASSETS:

Invested in capital assets	(3,333,603)
Restricted	8,514,417
Unrestricted	2,967,989
TOTAL NET ASSETS	<u>8,148,804</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 34,262,120</u></u>

The accompanying notes are an integral part of these financial statements

POOLED HOUSING REFUNDING REVENUE BONDS, SERIES 1998A  
A PROPRIETARY FUND OF THE HOUSING AUTHORITY OF THE COUNTY OF KING  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
For the Twelve Months Ended December 31, 2010

OPERATING REVENUES

Rent	\$ 6,953,859
Other	210,188
Total Operating Revenues	<u>7,164,047</u>

OPERATING EXPENSES

Administrative	445,101
Payroll	632,120
Operating and maintenance	2,439,714
Utilities	1,072,097
Insurance	74,176
Depreciation	559,089
Amortization	39,502
Collection losses	35,569
Property management	55,986
Bookkeeping Fees	73,620
Asset Management	108,480
Other Expenses	1,610
Total Operating Expenses	<u>5,537,064</u>

Operating Income (Loss) 1,626,983

NONOPERATING REVENUE (EXPENSE)

HUD contributions	408,999
Grant revenue	44,779
Investment income	127,836
Other nonoperating revenue	17,042
Interest expense	(1,385,331)
Net Nonoperating Revenue (Expense)	<u>(786,676)</u>

INCOME (LOSS) before transfers 840,307

Transfer of funds to agency (150,000)

CHANGE IN NET ASSETS \$ 690,307

Total Net Assets -- beginning 7,458,497

Total Net Assets -- ending \$ 8,148,804

POOLED HOUSING REFUNDING REVENUE BONDS, SERIES 1998A  
A PROPRIETARY FUND OF THE HOUSING AUTHORITY OF THE COUNTY OF KING  
STATEMENT OF CASH FLOWS  
For the Twelve Months Ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants	\$ 7,353,779
Receipts from homeowners	270,433
Payments to employees	(656,495)
Payments to suppliers of goods and services	(4,100,978)
Other receipts (payments)	(238,086)
Net cash provided by operating activities	<u>2,628,653</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Operating subsidies from HUD	408,999
Grant revenue	53,915
Transfer of funds to agency	(150,000)
Net cash provided by noncapital financing activities	<u>312,914</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal payments on capital debt	(773,137)
Interest paid on capital debt	(1,406,662)
Other Receipts (Payments)	21,053
Net cash used in capital and related financing activities	<u>(2,158,746)</u>

CASH FLOW FROM INVESTING ACTIVITIES:

Net withdrawals (deposits) to reserves	(5,485)
Net (purchase) sale of investments	-
Investment income	118,608
Net cash provided by (used in) investing activities	<u>113,124</u>

Net increase (decrease) in cash and cash equivalents 895,945

Cash and cash equivalents -- beginning 8,187,653

Cash and cash equivalents -- ending \$ 9,083,597

Reconciliation of operating income (loss) to net cash

provided (used) by operating activities:	
Operating income (loss)	1,626,983
Adjustments to reconcile net income to net cash provided	
by (used in) operating activities:	
Depreciation	559,089
Amortization	39,502
Change in assets and liabilities:	
(Increase) decrease in receivables and other current assets	521,051
Inventories and other	(151,987)
Increase (decrease) in accounts payable and accrued liabilities	(18,409)
Other Current Liabilities	52,423
Net cash provided by (used in) operating activities	<u>\$ 2,628,653</u>

The accompanying notes are an integral part of these financial statements

**HOUSING AUTHORITY OF THE COUNTY OF KING**  
**Pooled Housing Refunding Revenue Bonds, Series 1998A**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010**

The following notes are an integral part of the financial statements of the Housing Authority of the County of King, Pooled Housing Refunding Revenue Bonds, Series 1998A.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*d) GENERAL*

The Pooled Housing Refunding Revenue Bonds, Series 1998A (the Fund) were issued in September 1998, by the Housing Authority of the County of King (the Authority) to refinance five multifamily housing projects comprised of 573 units and three mobile home parks comprised of 321 spaces. The projects are Walnut Park Apartments (140 units), Auburn Square Apartments (160 units), Woodland North Apartments (105 units), Parkwood Apartments (90 units), Hidden Village Apartments (78 units), Vantage Glen Mobile Home Park (164 spaces), Rainier View Mobile Home Park (31 spaces) and Tall Cedars Mobile Home Park (126 spaces). The eight projects (the Projects) are owned by the Authority and are located throughout King County, Washington. These financial statements represent only the accounts of the Fund and are not intended to present fairly the financial position, results of operations and cash flows of the Authority taken as a whole.

*e) BASIS OF ACCOUNTING*

Accounting records are maintained according to the proprietary fund model that is similar to private business enterprises. The Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. As allowed by GASB reporting standards, the Authority has elected not to apply FASB Statements and Interpretations, APB opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989.

*f) USE OF ESTIMATES*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

*g) REVENUES AND EXPENSES*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are tenant revenues. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The basis for recognition of revenues and expenses is the accrual basis of accounting. Revenues are recorded when earned. Expenses are recorded when incurred. Revenue from operating subsidies and grants is classified as non-operating revenue.

*h) CASH, CASH EQUIVALENTS AND INVESTMENTS*

Cash consists of Federal Depository Insurance Corporation (FDIC) insurable deposits with original maturities of less than three months. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Investments include deposits with original maturities exceeding three months, and securities and other assets held by trustees. Most assets held by trustees are restricted for specific uses including capital additions and improvements and debt service.

*f) RECEIVABLES*

Receivables consist primarily of rents due from tenants. Annually, tenant receivables are analyzed and the allowance for doubtful accounts are appropriately adjusted. No allowances existed at June 30 other than the allowance for tenant accounts receivable.

*g) CAPITAL ASSETS*

Capital assets are recorded at historical cost in the land, structures, and equipment accounts and at appraised fair market value at date of receipt if contributed. The Authority defines capital assets as tangible items with an initial individual cost of at least \$5,000 if the item is equipment and \$100,000 if the item is real property or a capital improvement. Capital assets are depreciated using the straight-line method with depreciation commencing in the acquisition year and ceasing in the disposal year. Capital project costs clearly associated with the acquisition, development, and construction of a real estate project, including indirect costs and interest, are capitalized as a cost of that project. See Note 4 for the capital asset components and balances at December 31, 2010 and activity.

Depreciable lives for the capital asset categories follow:

Land	no depreciation
Buildings and land improvements	22-60 years
Personal property	3-10 years
Construction-in-progress	no depreciation

Maintenance and repairs are charged to expense when incurred. Management reviews land, structures, and equipment for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If there is an indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. Preparation of estimated expected future cash flows is inherently subjective and is based on management's best estimate of assumptions concerning expected future conditions.

*h) TAX LIABILITY*

The Authority is by law exempt from all federal, state, and local taxes and assessments. Several developments make a Payment in Lieu of Taxes (PILOT) based on contracts with local jurisdictions.

i) *COMPENSATED ABSENCES*

It is the Authority's policy to pay 100% of accumulated annual leave when an employee terminates employment from the Authority. As such, the value of annual leave earned but not used at year-end is accrued. Sick leave does not vest and is only paid to those separating from the Authority as retirees as defined by the state pension system. Because the amount of such payments is difficult to estimate, an accrual is made only when the actual payment amount is known.

j) *ECONOMIC CONCENTRATIONS*

The Projects are located in King County, Washington. Changes in the economic or other conditions in that geographical area or the demand for housing could affect future operations.

## **NOTE 2 – INVENTORIES**

Inventory consists of supplies purchased primarily for use in maintenance of the rental units. The perpetual method is used to account for inventory. As such, purchases are recorded into the inventory account and, as items are used, the inventory account is reduced and the expense account is charged. Periodically throughout the year, physical counts are taken of all supplies on hand and the inventory records are adjusted. The weighted average method is used to value the inventory.

The mobile home inventory represents homes held for sale to eligible senior citizens under the Home Ownership Program. The seniors purchase the homes and lease the underlying land from the Authority. The buyers are obligated to sell the mobile home back to the Authority for the original purchase price net of adjustments for improvements or deterioration.

## **NOTE 3 - CASH DEPOSITS AND INVESTMENTS**

The Authority is restricted in its cash deposits and investments to those allowed by RCW 35.82.070(6). In general, deposits must be made with qualified financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

### **Insurance and Collateralization**

Deposits that are in excess of the \$250,000 insured amount must be continuously and fully (100%) secured. Collateral, comprised of identifiable U.S. Government securities as prescribed by HUD, are pledged or set aside to secure these deposits. The Public Deposit Protection Act in effect in the State of Washington set up a multiple financial institution collateral pool to insure public deposits. This protection is in the form of securities pledged as collateral to the Public Deposit Protection Commission (PDPC) by all qualified depositories. In 1994, the Authority received a waiver from HUD that enabled it to make deposits in excess of \$250,000 in a qualified public depository because HUD determined that there were "adequate safeguards against the loss of Public Housing Authority funds."

### **Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the maximum maturity of an investment to not greater than three years. Exceptions may be made for collateralization of repurchase agreements using investments not exceeding 30 years and for the investment of reserve funds, which can be invested up to 30 years if matched to an anticipated future cash flow.

**Credit Risk**

The Department of Housing and Urban Development (HUD), Washington State law, and the Authority's investment policy all limit the instruments in which the Authority may invest. Not all Authority funds have the same restrictions. Following are some of the instruments in which any Authority funds, including Federal funds, may be invested:

- 1) Direct obligations of the Federal government backed by the full faith and credit of the United States
  - a) U.S. Treasury Bills.
  - b) U.S. Treasury Notes and Bonds.
- 2) Obligations of Federal government agencies, such as:
  - a) Government National Mortgage Association (GNMA) mortgage-backed securities.
  - b) GNMA participation securities.
  - c) Maritime Administration Bonds.
  - d) Small Business Administration Bonds.
- 3) Securities of Government Sponsored Agencies, such as:
  - a) Federal Home Loan Mortgage Corporation (FHLMC) notes and bonds.
  - b) Federal National Mortgage Association (FNMA) notes and bonds.
  - c) Federal Home Loan Bank (FHLB) notes and bonds.
  - d) Federal Farm Credit Bank (FFCB) notes and bonds.
  - e) Student Loan Marketing Association (SLMA) notes and bonds.
- 4) Demand and savings accounts.
- 5) Money Market Deposit accounts.
- 6) Certain mutual funds.

In addition to the above, non-federal funds and federal funds may be invested in the following which are allowed by the State of Washington:

- 13) Banker's acceptances purchased on the secondary market.
- 14) Commercial paper.
- 15) Bonds of the State of Washington or any local government of the State of Washington that have one of the three highest credit ratings of a nationally recognized rating agency.
- 16) General obligation bonds of a state other than the State of Washington and general obligation bonds of a local government of a state other than the State of Washington that have one of the three highest credit ratings of a nationally recognized rating agency.
- 17) Utility revenues bonds or warrants of any city of town in the State of Washington.
- 18) Bonds or warrants of a local improvement district that is within the protection of the local improvement guaranty fund law.

**Concentration of Credit Risk**

The Authority diversifies its investments by security type and institution. The investment policy states: "With the exception of U.S. Treasury securities, investment agreements for trustee held funds, and authorized pools, no more than 15% of the Authority's total investment portfolio will be invested in a single security type or with a single financial institution.

*Other Information:*

The Authority has established arrangements with US Bank for safekeeping of investments.

**Valuation and Classification**

Cash equivalents include deposits and investments that are readily convertible to cash. Instruments with an original maturity date of over 3 months are classified as investments. Cash and investments held for the future



payment of long-term liabilities are classified as non-current assets. Cash and investments legally or contractually restricted as to use are classified as restricted.

Cash equivalents include an investment in a Local Government Investment Pool (the Pool). The Pool is not registered with the Securities and Exchange Commission (SEC), but adheres to SEC Rule 2(a)(7) of the Investment Company Act of 1940 that requires portfolio diversification, divestiture considerations and action if the market value of the portfolio deviates more than .5 percent from the amortized costs. Government pools that adhere to the SEC rule can report their investments at amortized costs if the remaining maturities of the debt securities are 90 days or less. As of December 31, 2010, the pool had an average days-to-maturity of 55 days and therefore is reported at cost. Government securities are reported at fair value.

A summary of cash and investments at December 31, 2010 follows.

	UNRESTRICTED	RESTRICTED	TOTAL
<b>CASH and CASH EQUIVALENTS:</b>			
Cash on hand	\$ 1,450	\$ -	\$ 1,450
Depository accounts	5,809,089	301,196	6,110,285
Washington State Investment Pool	-	2,993,053	2,993,053
Other money market	-	22,461	22,461
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 5,810,539</b>	<b>\$ 3,316,710</b>	<b>\$ 9,127,249</b>
<b>INVESTMENTS:</b>			
U.S. Treasury money market	-	28,351	28,351
<b><i>Private Debt Obligations:</i></b>			
Westdeutsche Landesbank Gironzentrale, 5.42%, 7/1/2028	-	2,209,431	2,209,431
Bank of America 6.1% 7/1/2028	-	1,016,648	1,016,648
<b>TOTAL INVESTMENTS</b>	<b>\$ -</b>	<b>\$ 3,254,430</b>	<b>\$ 3,254,430</b>
<b>TOTAL</b>	<b>\$ 5,810,539</b>	<b>\$ 6,571,140</b>	<b>\$ 12,381,678</b>

*Credit Ratings: The Washington State Pool is unrated. All other investments are rated AAA.*

## NOTE 4 – CAPITAL ASSETS

The components and activity of land, structures and equipment follow.

	Beginning Balances	Additions	Disposals / Adjustments	Ending Balances
NONDEPRECIABLE:				
Land	\$ 6,299,523	\$ -	\$ -	\$ 6,299,523
Total Nondepreciable	6,299,523			6,299,523
DEPRECIABLE:				
Land Improvements	362,874	-	-	362,874
Buildings and improvements	24,957,006	-	-	24,957,006
Equipment	53,362	-	-	53,362
Total Depreciable	25,373,242			25,373,242
TOTAL CAPITAL ASSETS:	31,672,765	-	-	31,672,765
Accumulated depreciation	(10,300,335)	(559,089)	-	(10,859,424)
NET CAPITAL ASSETS	\$ 21,372,430	\$ (559,089)	\$ -	\$ 20,813,341

## NOTE 5 – LONG TERM DEBT OBLIGATIONS

The components of outstanding debt at December 31, 2010 and the activity are stated below.

	Beginning Balance	Additions	Retirements/ Payments	Ending Balance	Current Portion
Notes	\$ 492,157	\$ -	\$ -	\$ 492,157	\$ -
Series 1998A Bonds	25,180,124	-	(773,137)	24,406,987	870,000
	\$ 25,672,281	\$ -	\$ (773,137)	\$ 24,899,144	\$ 870,000

### Notes

Deferred loans were obtained from the State of Washington and the City of Bellevue to acquire Hidden Village Apartments. The amount due the State of Washington is \$292,157 and is repayable commencing in the year 2024 for a twenty-year term. Interest will not accrue until the year 2024 and the rate thereafter will be 5%. The amount due the City of Bellevue is \$200,000 payable commencing in the year 2012 for a thirty-year term with interest at the rate of 5% commencing as of that date.

### Series 1998A Bonds

In September 1998, the Authority issued its Pooled Housing Refunding Revenue Bonds, Series 1998A with principal amounts totaling \$32,955,000. The Authority is required to make, and has made, all payments required under the trust indenture. The bonds mature in varying amounts through July 1, 2028 and have stated interest rates that vary from 3.85% to 5.25% per annum. The bonds were issued at a discount of \$480,155. The discount is amortized as interest expense over the life of the debt. The unamortized balance is reported as a reduction to the outstanding bonds payable. The amortized discount charged to interest expense for the period totaled \$3,986. The bonds are secured with a deed of trust on the Projects' rental property, equipment and net operating income. Remaining debt service payments are due as follows:

<u>Year</u>	<u>Principal</u>		<u>Interest</u>
2011	870,000	2	1,312,505
2012	910,000	3	1,268,065
2013	965,000	4	1,221,479
2014	1,010,000	5	1,171,740
2015	1,120,000	6	1,062,540
2016-2020	6,280,000	7	4,687,047
2021-2025	8,210,000	12	2,820,432
2026-2028	6,000,000	17	568,312
TOTAL	\$ 25,365,000		\$ 14,112,120
Unamortized original issue discount	(40,993)		
Unamortized deferred defeasance	(917,019)		
BALANCE OF OUTSTANDING DEBT	<u>\$ 24,406,988</u>		
Due in one year or less	\$ 870,000		
Due in over one year	\$ 23,536,988		

The bond proceeds paid the cost of refunding all of the Authority's outstanding revenue bonds that had been previously issued to acquire the Projects. The purpose of the advanced refunding was to consolidate the issues, reduce the overall interest rate, allow for a longer maturity and permit cross collateralization of the Projects.

#### Deferred Defeasance

GASB Statement No. 23 states that in an advanced refunding of debt, the difference between the reacquisition price of the new debt and the net carrying amount of the old debt be deferred and amortized as a component of interest expense, a non-cash transaction, in a systematic and rational manner over the original remaining life of the old debt or the new debt whichever is shorter. The advanced refunding resulted in a deferred defeasance loss of \$1,827,791 in September 1998. The deferred defeasance loss of \$917,019 at December 31, 2010 is reported on the balance sheet as a reduction from the new debt liability. Amortization of deferred defeasance for the period was \$47,992 and is included with interest expense. The current deferred defeasance balance is amortized as follows:

<u>Fiscal Year</u>	<u>Amortization</u>
2011	50,658
2012	54,217
2013	58,165
2014	61,926
2015	66,195
2016-2020	402,093
2021-2023	223,765
	<u>\$ 917,019</u>

## NOTE 6 - PENSION PLANS

Substantially all the Authority's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov). The following disclosures are made pursuant to GASB Statements No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

### Public Employees' Retirement System (PERS) Plans 1, 2, and 3

#### Plan Description

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. (AFC is the monthly average of the 24 consecutive highest-paid service credit months.) The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased 3 percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of living allowance is granted at age 66 based upon years of service times the COLA amount (based on the consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military, if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65.
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions. Effective July 22, 2007, said refund (adjusted as needed for specified legal reductions) is increased from 100 percent to 200 percent of the accumulated contributions if the member's death occurs in the uniformed service to the United States while participating in *Operation Enduring Freedom* or *Persian Gulf*, *Operation Iraqi Freedom*.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. The defined benefit portion provides a monthly benefit that is 1 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit and Plan 3 provides the same cost-of-living allowance as Plan 2.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Director of the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

**There are 1,189 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:**

Retirees and Beneficiaries Receiving Benefits	74,857
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	28,074
Active Plan Members Vested	105,339
Active Plan Members Non-vested	53,896
<b>Total</b>	<b>262,166</b>

### **Funding Policy**

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Director of the Department of Retirement Systems sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 percent to 15 percent; two of the options are graduated rates dependent on the employee's age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2010, are as follows:

	<b><i>PERS Plan 1</i></b>	<b><i>PERS Plan 2</i></b>	<b><i>PERS Plan 3</i></b>
Employer*	5.31%**	5.31%**	5.31%***
Employee	6.00%****	3.90%****	*****

\* The employer rates include the employer administrative expense fee currently set at 0.16%.

\*\* The employer rate for state elected officials is 7.89% for Plan 1 and 5.31% for Plan 2 and Plan 3.

\*\*\* Plan 3 defined benefit portion only.

\*\*\*\* The employee rate for state elected officials is 7.50% for Plan 1 and 3.90% for Plan 2.

\*\*\*\*\* Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both the Authority and the employees made the required contributions. The Authority's required contributions for the years ended December 31 were as follows:

	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
2010	\$ 57,696	\$ 606,184	\$ 161,340
2009	\$ 67,343	\$ 707,921	\$ 141,312
2008	\$ 66,324	\$ 662,006	\$ 109,401

## **NOTE 7 - RISK MANAGEMENT**

The Authority is exposed to perils commonly associated with the ownership and rental of real property. Perils including bodily injury to individuals; property damage by fire and forces of nature; loss of assets from theft and employee dishonesty; and liability for public officials' and employees' conduct are handled through a combination of purchased commercial insurance, voluntary self-insurance, participation in a risk-sharing pool or group, and contractual risk transfer via indemnification agreements.

For Public Housing, the Authority secures third-party liability insurance primarily through the Housing Authority Risk Retention Pool (HAARP), a public entity risk-sharing pool. The General Liability limit, including Washington Stop-Gap or Employer's Liability, is \$2,000,000 per occurrence on an occurrence basis with a \$1,000 deductible. Contractor's Pollution Liability limit is \$1,000,000 on a claims-made basis with a \$10,000 per claim self-insured retention provided through Colony Insurance Company. Automobile Liability insurance is \$5,000,000 in total limits provided through a combination of Philadelphia Insurance Company with \$1,000,000 liability limit and excess liability of \$4,000,000 provided by Princeton Excess and Specialty. Property insurance including Rental Income coverage through HARRP has a standard limit of \$3,000,000 replacement cost basis, with higher limits available upon request. Property deductible is \$50,000 per loss. The Authority has secured Fidelity coverage through HARRP for \$100,000 per occurrence for all employees, and \$500,000 for employees with greater exposure.

Bond Financed Projects are covered for property insurance through HARRP. The general liability is covered through the Housing Authority Risk Retention Group (HARRG) with \$2,000,000 per occurrence limit. Additionally, liability sub-limits are provided for fire damage liability and athletic sports liability, at \$50,000 and \$250,000, respectively. Excess Liability limit of \$3,000,000 is provided by Lexington Insurance Company.

Tax Credit Partnership properties are covered for general liability with total limits of \$5,000,000 per occurrence basis provided by Great American Specialty Insurance (\$1,000,000 each occurrence, \$2,000,000 general aggregate, per designated location) on the primary level, and \$4,000,000 aggregate limit excess of the primary, with a \$10,000 self-insured retention. Lexington Landmark provides property insurance for buildings and Contents values on replacement cost basis, with Business Income including Extra Expense covered according to reported values, all subject to a \$10,000 deductible, except as respects Flood at noted locations, for a deductible of \$250,000 which are covered under National Flood Insurance Policies, subject to \$1,000 deductibles.

Excess Liability limit of \$10,000,000 is provided over all of the above liability coverages, except the Contractors Pollution, which brings total liability coverage to a limit of \$15,000,000. This coverage is with Lexington Insurance Company.

Public Officials Errors and Omissions and Employment Practices Liability is provided on all properties with a \$5,000,000 limit with a \$75,000 Self-Insured Retention with Illinois Union Insurance Company.

No closed claims are known to have exceeded the applicable limits of insurance secured from any of the mentioned providers.

## **NOTE 8 – SUBSEQUENT EVENTS**

There have been no material events subsequent to December 31, 2010 to report.



# Actual Modernization Cost Certificate

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 12/31/2011)

Comprehensive Improvement Assistance Program (CIAP)  
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:

King County Housing Authority

Modernization Project Number:

WA19P002501-03

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 5,533,626.00
B. Funds Disbursed	\$ 5,533,626.00
C. Funds Expended (Actual Modernization Cost)	\$ 5,533,626.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X

8/5/09

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

Date:

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

form HUD-53001 (10/96)  
ref Handbooks 7485.1 & 3

# Actual Modernization Cost Certificate

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 12/31/2011)

Comprehensive Improvement Assistance Program (CIAP)  
Comprehensive Grant Program (CGP)

**Public reporting burden** for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

**Do not send this form to the above address.**

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:

Modernization Project Number:

King County Housing Authority

WA19P002502-03

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 1,102,828.00
B. Funds Disbursed	\$ 1,102,828.00
C. Funds Expended (Actual Modernization Cost)	\$ 1,102,828.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X

8/20/09

For HUD Use Only

**The Cost Certificate is approved for audit:**

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

Date:

X

**The audited costs agree with the costs shown above:**

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

form HUD-53001 (10/96)  
ref Handbooks 7485.1 & 3

# Actual Modernization Cost Certificate

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 12/31/2011)

Comprehensive Improvement Assistance Program (CIAP)  
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:

King County Housing Authority

Modernization Project Number:

WA19P002501-04

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 6,379,738.00
B. Funds Disbursed	\$ 6,379,738.00
C. Funds Expended (Actual Modernization Cost)	\$ 6,379,738.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X

8/5/09

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

Date:

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

form HUD-53001 (10/96)  
ref Handbooks 7485.1 & 3



## **ABOUT THE STATE AUDITOR'S OFFICE**

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The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

Our mission is to work with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

**State Auditor**  
**Chief of Staff**  
**Deputy Chief of Staff**  
**Chief Policy Advisor**  
**Director of Audit**  
**Director of Performance Audit**  
**Director of Special Investigations**  
**Director for Legal Affairs**  
**Director of Quality Assurance**  
**Local Government Liaison**  
**Communications Director**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

**Brian Sonntag, CGFM**  
**Ted Rutt**  
**Doug Cochran**  
**Jerry Pugnetti**  
**Chuck Pfeil, CPA**  
**Larisa Benson**  
**Jim Brittain, CPA**  
**Jan Jutte, CPA, CGFM**  
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**Mike Murphy**  
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# Corrective Action Plan for Findings Reported Under OMB Circular A-133

## **KING COUNTY HOUSING AUTHORITY KING January 1, 2010 through December 31, 2010**

This schedule presents the corrective action planned by the auditee for findings reported in this report in accordance with OMB Circular A-133. The information in this schedule is the representation of the King County Housing Authority. The State Auditor's Office has reviewed the information as presented by the Authority.

<b>Finding ref number: 1</b>	<b>Finding caption:</b> Other auditors reported that related entities of the Housing Authority do not have adequate internal controls over accounting.
<b>Name, address, and telephone of auditee contact person:</b> Craig Violante, Finance Director 600 Andover Park W. Tukwila, WA 98188 206-574-1274	
<b>Corrective action the auditee plans to take in response to the finding:</b> (If the auditee does not concur with the finding, the auditee must list the reasons for non-concurrence).  <i>KCHA will retain a different CPA firm skilled in tax credit partnerships to make all necessary technical correcting entries prior to the entrance of the CPA firm that will be performing the audit.</i>	
<b>Anticipated date to complete the corrective action:</b> December 2011	

# DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

(See reverse for public burden disclosure.)

Approved by OMB

0348-0046

<b>1. Type of Federal Action:</b> <input checked="checked" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		<b>2. Status of Federal Action:</b> <input checked="checked" type="checkbox"/> na a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		<b>3. Report Type:</b> <input checked="checked" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____	
<b>4. Name and Address of Reporting Entity:</b> <input checked="checked" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:  Congressional District, if known: 4c			<b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b>  Congressional District, if known:		
<b>6. Federal Department/Agency:</b> U.S. Department of Housing and Urban Development			<b>7. Federal Program Name/Description:</b> MTW Annual Plan CFDA Number, if applicable: _____		
<b>8. Federal Action Number, if known:</b>			<b>9. Award Amount, if known:</b> \$		
<b>10. a. Name and Address of Lobbying Registrant</b> (if individual, last name, first name, MI): n/a			<b>b. Individuals Performing Services (including address if different from No. 10a)</b> (last name, first name, MI): n/a		
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature: _____ Print Name: Stephen J. Norman Title: Executive Director Telephone No.: 206-574-1100 Date: 10-12-2012		
<b>Federal Use Only:</b>					Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

# Certification for a Drug-Free Workplace

U.S. Department of Housing  
and Urban Development

Applicant Name

King County Housing Authority

Program/Activity Receiving Federal Grant Funding

MTW Activities - Capital Fund - Public Housing - Section 8 Housing Choice Vouchers - Section 8 Project-based programs

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

**2. Sites for Work Performance.** The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here ☐ if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.  
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Stephen J. Norman

Signature

X

Title

Executive Director

Date

10-12-2012

# Certification of Payments to Influence Federal Transactions

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

Applicant Name

King County Housing Authority

Program/Activity Receiving Federal Grant Funding

MTW Program Activities - Public Housing Capital Fund - Public Housing - Section 8 Housing Choice Vouchers - Section 8  
Project-based programs

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.  
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Title

Stephen J. Norman

Executive Director

Signature

Date (mm/dd/yyyy)

10-12-2012



## APPENDIX E

### Description of 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 has implemented a Local Asset Management Plan that considers the following:

- ❑ KCHA will develop its own local funding model for Public Housing and Section 8 using its block grant authority. Under its current agreement, KCHA can treat these funds and CFP dollars fungibly. In contrast to 990.280 regulations, which require transfers between projects 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. KCHA will maintain a budgeting and accounting system that gives each property sufficient funds to support annual operations, including allowable fees. Actual revenues will include those provided by HUD and allocated by KCHA based on annual property-based budgets. As envisioned, all block grants will be deposited into a single general ledger fund. This will have multiple benefits.
- KCHA gets to decide subsidy amounts for each public housing project. It's estimated that HUD's new funding model has up to a 40% error rate for individual sites. This means some properties get too much, some too little. Although funds can be transferred between sites, it's simpler to determine the proper subsidy amount at the start of the fiscal year rather than when shortfalls develop.
- KCHA will establish a restricted public housing operating reserve equivalent to two months' expenses. KCHA will estimate subsidies and allow sites to use them in their budgets. If the estimate exceeds the actual subsidy, the difference will come from the operating reserve. Properties may be asked to replenish this central reserve in the following year by reducing expenses, or KCHA may choose to make the funding permanent by reducing the unrestricted block grant reserve.
- Using this approach will improve budgeting. Within a reasonable limit, properties will know what they have to spend each year, allowing them autonomy to spend excess on "wish list" items and carefully watch their budgets. The private sector doesn't wait until well into its fiscal year to know how much revenue is available to support its sites.
- Reporting site-based results is an important component of property management and KCHA will continue accounting for each site separately; however, KCHA, as owner of the properties will determine how much revenue will be included as each project's subsidy. All subsidies will be properly accounted for under the MTW rubric.

- Allowable fees to the central office cost center (COCC) will be reflected on the property reports, as required. The MTW ledger won't pay fees directly to the COCC. As allowable under the asset management model, however, any subsidy needed to pay legacy costs, such as pension or terminal leave payments and excess energy savings from the Authority's ESCO, may be transferred from the MTW ledger or the projects to the COCC.
- Actual Section 8 amounts needed for housing assistance payments and administrative costs will be allotted to the Housing Choice Voucher program, including sufficient funds to pay asset management 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.

Block grant ledger expenses, other than transfers out to sites and Section 8, will be those that support MTW initiatives, such as the South County Pilot or resident self-sufficiency programs. Isolating these funds and activities will help KCHA's Board of Commissioners and its management keeps track of available funding for incremental initiatives and enhances KCHA's ability to compare current to pre-MTW historical results with other housing authorities that do not have this designation.

In lieu of multiple submissions of Operating Subsidy for individual Asset Management Projects, KCHA may submit a single subsidy request using a weighted average project expense level (WAPEL) with aggregated utility and add-on amounts.

## Replacement Housing Factor (RHF) Plan

King County Housing Authority received its first increment of Replacement Housing Factor funds from HUD's Federal Fiscal Year (FFY) 2004 appropriation and expects to continue to receive RHF through FFY 2023. KCHA combines the RHF received into the MTW Block Grant and is using authorization provided under its MTW Agreement to provide affordable housing rather than solely build public housing units. KCHA desires to extend the eligible use of RHF for debt service payments for the full ten-year period otherwise allowed for the replacement of public housing. KCHA will ensure that the requisite number of affordable housing units required under the "Proportionality Test" will be developed.

RHF Grants for FFY 2004 to FFY 2011:

FFY Grant Year	<u>1st Increment</u>		<u>2nd Increment</u>		Total
	Award	Grant Number	Award	Grant Number	
2004	\$28,791	WA19R002501-04	\$0		\$28,791
2005	\$32,484	WA19R002501-05	\$0		\$32,484
2006	\$375,571	WA19R002501-06	\$0		\$375,571
2007	\$309,997	WA19R002501-07	\$0		\$309,997
2008	\$327,255	WA19R002501-08	\$0		\$327,255
2009	\$1,003,946	WA19R002501-09	\$24,727	WA19R002502-09	\$1,028,673
2010	\$1,004,181	WA19R002501-10	\$24,481	WA19R002502-10	\$1,028,662
2011	\$543,479	WA19R002501-11	\$279,452	WA19R002502-11	\$822,931
			<u>\$328,660</u>		<u>\$3,954,364</u>

All of the RHF shown above is being used to leverage other federal and local sources to substantially renovate and recapitalize 262 units of housing at Springwood Apartments in Kent, Washington. Springwood, renamed Birch Creek Apartments, is a former public housing site. RHF from future grant years will continue the leverage. The RHF results from the disposition of units at Springwood and KCHA's two Hope VI sites: Park Lake Homes I and II.

RHF expected to be available starting with the FFY 2013 appropriation will be used similarly to substantially renovate and recapitalize 59 units of housing at Green River Homes in Auburn, Washington. Green River is also a former public housing site. The RHF from the disposition of Green River, plus the RHF from the proposed disposition of another 509 public housing (if and when approved by HUD) are the leveraging sources. Unless otherwise noted herein, KCHA may combine Replacement Housing Factor (RHF) funds into the MTW Block Grant, accumulate the RHF grants, and be eligible for the second increment of RHF funds in order to build financial resources to develop affordable housing units.

In doing so, KCHA extends the useful life of these valuable affordable housing resources for another 50 years. The housing serves low- and very low-income households in South King County.

Projections of RHF and debt service for Birch Creek and Green River start on the next page.

### Springwood Apartments (renamed Birch Creek Apartments)

The RHF shown in the table below is one of the sources used to pay for the renovation. It services debt on a portion of \$37.5 million worth of tax-exempt financing used to pay for the \$54 million in construction costs. KCHA issued the bonds and lent the proceeds to Soosette Creek LLC. KCHA controls the tax credit partnership. This renovation was started in 2008 and completed in 2010.

In FY 2012 KCHA will use First and Second Increment RHF funds available from the disposition of Springwood and Park Lake Homes I to make debt service payments, both principal and interest. When making payments, the first source is RHF funds remaining in LOCCS from previous years. The second source is any new award amount. If there is a shortfall, KCHA will look to its unrestricted sources.

The RHF grant awards for 2012 – 2022 are estimated. The last payment on the bonds for Springwood is scheduled to be made in 2038.

FFY	Springwood <sup>a</sup>	Springwood <sup>b</sup>	Park Lake I <sup>c</sup>	Park Lake I <sup>d</sup>	Park Lake II <sup>e</sup>	Total	Debt Service
2004	\$28,791					\$28,791	\$0
2005	\$32,484					\$32,484	\$0
2006	\$26,938		\$348,633			\$375,571	\$0
2007	\$28,247		\$281,750			\$309,997	\$0
2008	\$29,819		\$297,436			\$327,255	\$302,000
2009	\$24,727	\$686,175	\$317,771			\$1,028,673	\$2,373,000
2010	\$24,481	\$679,348	\$324,833			\$1,028,662	\$2,254,000
2011	\$19,585	\$543,479	\$259,867			\$822,931	\$3,303,000
2012	\$13,514	\$562,479	\$269,209			\$662,789	\$3,379,000
2013	\$13,514	\$562,497	\$269,209	\$191,614	\$139,474	\$993,877	\$3,450,000
2014		\$562,497	\$269,209	\$191,614	\$139,474	\$980,363	\$3,527,000
2015		\$562,497	\$269,209	\$191,614	\$139,474	\$980,363	\$3,570,000
2016		\$562,497		\$191,614	\$139,474	\$711,154	\$3,660,000
2017		\$562,497		\$191,614	\$139,474	\$711,154	\$3,339,000
2018		\$562,497		\$191,614	\$139,474	\$711,154	\$3,415,000
2019				\$191,614	\$139,474	\$331,088	\$3,480,000
2020				\$191,614	\$139,474	\$331,088	\$2,227,000
2021				\$191,614	\$139,474	\$331,088	\$1,423,000
2022				\$191,614	\$139,474	\$331,088	\$1,423,000
2023-2038						\$0	\$22,626,000

#### Notes

☐ 5-Year Increment

Springwood Apts. <sup>a</sup>	WA002034	WA002000402	RHF resulted from disposition and demolition of 12 units. A Family Center was built on the site of the former housing units. KCHA continued to accumulate this stream of RHF in its MTW Block Grant for to use in the financing of the much needed renovation of Springwood.
Springwood Apts. <sup>b</sup>	WA002034	WA002000402	In 2007 HUD approved the disposition of the remaining 324 units. After two years of construction (and the removal of 62 units) 262 low-income households now called the like-new units at Birch Creek Apartments home.
Park Lake Homes I <sup>c</sup>	WA002004	WA002000301	RHF resulted from the disposition and demolition of 170 units.
Park Lake Homes I <sup>d</sup>	WA002004	WA002000301	RHF projected to result from disposition and demolition of 121 units.
Park Lake Homes II <sup>e</sup>	WA002005	WA002000302	RHF projected to result from disposition and demolition of 86 units.

## Green River Homes

The RHF shown in the table below is one of the sources which will be used to pay for the renovation. It will service debt on a portion of \$9.5 million worth of tax-exempt financing used to pay for the \$10.5 million in construction costs. KCHA issued the bonds and lent the proceeds to Green River Homes 2 LLC. KCHA controls the tax credit partnership. The renovation will start in early 2012 and be completed around the end of the year.

KCHA will use First and Second Increment RHF funds as they become available from the disposition of Green River Homes and the disposition of the 509 Units (when such disposition is approved and completed) to make debt service payments.

The first 5-year increment of RHF resulting from the disposition of Green River is expected to be included in the FFY 2013 Capital Fund Program Award and used to make the next semi-annual debt service payment. The first increment of RHF for the 509 Units is expected to be available in the FFY 2013 or 2014 Award. The last year of the second 5-year increments will be funded in FFY 2022 or 2023.

When making payments, the first source is RHF funds remaining in LOCCS from previous years. The second source is any new award amount. If there is a shortfall, KCHA will look to its unrestricted sources.

The RHF grant awards for 2012 – 2022 are estimated. The last payment on the bonds for Green River is projected to be made in FY 2025 (using any FFY 2024 grant funds remaining in LOCCS).

FFY	Green River Homes <sup>a</sup>	509 Units <sup>b</sup>	Total	Debt Service
2012				\$47,500
2013	\$71,366		\$71,366	\$71,250
2014	\$71,366	\$603,249	\$674,816	\$958,636
2015	\$71,366	\$603,249	\$674,816	\$950,000
2016	\$71,366	\$603,249	\$674,816	\$941,364
2017	\$71,366	\$603,249	\$674,816	\$967,273
2018	\$71,366	\$603,249	\$674,816	\$954,318
2019	\$71,366	\$603,249	\$674,816	\$941,364
2020	\$71,366	\$603,249	\$674,816	\$950,000
2021	\$71,366	\$603,249	\$674,816	\$932,727
2022	\$71,366	\$603,249	\$674,816	\$915,455
2023		\$603,249	\$603,249	\$898,182
2024				\$880,909

### Notes

☐ 5-Year Increment

Green River Homes <sup>a</sup>	WA002003	WA002000502	RHF is projected to result from the disposition of 60 units. HUD conditionally approved the disposition in February 2011. The disposition occurred on November 28, 2011.
509 <sup>b</sup>	In January 2011, KCHA applied to HUD to approve the disposition of 509 public housing units in 22 developments. HUD is expected to approve the disposition in early 2012. KCHA anticipates removing all units from the PIC by the end of FFY 2013.		

## Financing Structure

Two of KCHA's oldest communities, both Springwood Apartments (prior to the 2008-2010 renovation) and Green River Homes today require significant, near term capital investment in the infrastructure and building systems. This capital could not be provided by the Public Housing Capital Fund.

The basic elements of the financing structures used for both properties are the same. The structures leverage renovation funds by combining federal low income housing tax credit (LIHTC) equity with private and/or public debt. The debt is supported by Section 8 rent subsidies and Replacement Housing Factor (RHF) funds under MTW authority.

To accomplish this, the properties are removed from the public housing inventory and transferred to an entity (eg, tax credit partnership) which can take advantage of the LIHTC program. Section 8 subsidies are project-based to keep rents affordable. The net cash flow from operations and the 10 years of RHF resulting from the disposition is used to repay a portion of the private debt. If RHF funds and the net cash flow from operations are insufficient or unavailable for repayment, other KCHA general revenues will be used to service debt.

The main difference is that the repayment of debt for Birch Creek is guaranteed by King County government, whereas repayment of the debt for Green River is collateralized by MTW single-fund resources.

In future years, if more advantageous financially, KCHA may use the "Springwood RHF" to service Green River Bonds and "Green River RHF" to service Springwood Bonds.