



**SPECIAL
HYBRID MEETING OF
THE BOARD OF COMMISSIONERS**

**Monday, December 9, 2024
3:00 pm**

Webinar Meeting:

<https://kcha-org.zoom.us/j/89098690917>

Webinar ID: 890 9869 0917

Phone: (253) 215-8782



SPECIAL HYBRID MEETING OF THE BOARD OF COMMISSIONERS AGENDA

Monday, December 9, 2024 - 3:00 p.m.

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

- I. Call to Order**
- II. Roll Call**
- III. Public Comment**
- IV. Approval of Minutes 1**
 - A. Board Meeting Minutes – November 18, 2024
- V. Approval of Agenda**
- VI. Consent Agenda 2**
 - A. Voucher Certification Reports for October 2024
- VII. Resolutions for Discussion**
 - A. Resolution No. 5783 – Authorizing Approval of the 3**
Comprehensive Operating and Capital Budgets for Calendar
Year Beginning January 1, 2025
 - B. Resolution No. 5784 – Authorizing Higher Payment Standards 4**
for the Housing Choice Voucher Program

VIII. Briefings & Reports

A. Third Quarter 2024 Executive Dashboard	5
B. Third Quarter 2024 Financial Report	6
C. Affirmative Action	7

IX. President/CEO Report

X. Commissioner Comments

XI. Adjournment

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

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

Monday, November 18, 2024

I. CALL TO ORDER

The monthly meeting of the King County Housing Authority Board of Commissioners was held as a hybrid meeting on Monday, November 18, 2024. There being a quorum, the hybrid meeting was called to order by Chair Barnes at 3:00 p.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair) (via Zoom), Commissioner Richard Jackson (via Zoom), Commissioner Tina Keys (via Zoom) and Commissioner Jerry Lee (via Zoom)

Excused: Commissioner Regina Elmi

III. PUBLIC COMMENT

Cindy Ference gave public comment.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – October 21, 2024

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved the October 21, 2024, meeting minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved the November 18, 2024, hybrid Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Reports for September 2024

B. **Resolution 5777** – Acquisition of Investor Interests in Green River Homes 2 LLC

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved the November 18, 2024, hybrid Board of Commissioners' meeting consent agenda.

VII. RESOLUTIONS FOR DISCUSSION

A. **Resolution No. 5778** – Approving KCHA's Moving to Work Annual Plan for Fiscal Year 2025

Grace Wood, MTW Program Manager summarized the Annual Plan that she had brought forward in detail last month.

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved Resolution 5778.

B. Resolution No. 5779 – Appointment of Auditing Officers for the Purpose of Certifying Obligations of the Authority in Accordance with RCW 42.24

Saeed Hajarizadeh, Executive Vice President of Administration brought forth this resolution to update with correct names and titles.

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved Resolution 5779.

C. Resolution No. 5780 – Resolution Authorizing Investment of Housing Authority of the County of King Monies in the Local Government Investment Pool

Saeed Hajarizadeh, Executive Vice President of Administration brought forth this resolution to update with correct names and titles.

On motion by Commissioner Jerry Lee, and seconded by Commissioner Richard Jackson, the Board unanimously approved Resolution 5780.

D. Resolution No. 5781 – Issaquah Site Property Disposition

Daniel Landes, VP of Development gave a summary of this resolution.

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved Resolution 5781.

E. Resolution No. 5782 – Authorizing Changes to the Public Housing Admission and Continued Occupancy Policy (ACOP) Relating to Waiting List and Application Administration

Anneliese Gryta, Executive Vice President of Housing Operations/Chief Operating Officer explained what these changes mean.

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved Resolution 5782.

VIII. BRIEFINGS & REPORTS

A. Safety and Security Report

Anneliese Gryta, Executive Vice President of Housing Operations/Chief Operating Officer and Ponha Lim, Vice President of Safety and Security gave an update for Safety and Security.

- KCHA Safety and Security Personnel
- Safety and Security Data and Trends
- 2024 Initiatives - Update

B. Third Quarter 2024 Write-Off Report

Penny Bradley, Assistant VP of Property Management – Administration, gave a summary of the report.

IX. PRESIDENT/CEO REPORT

Robin Walls, President/CEO gave news updates.

- Results of the election and transition are top of mind. Whomever the president will nominate as the HUD Secretary has yet to be named.
- Cabinet appointments are waiting Senate confirmation hearing.
- Funding is received via continuing Resolution and this has an expiration date of December 21, 2024. There has been a bipartisan agreement to extend the continuing resolution to past the inauguration. One is March and one is September. September marks the end of the fiscal year and March would be a half year. There are pros and cons for both.
- Anticipating items that are important for the incoming administration could be focusing on deregulation. Deregulation might have a focus on increasing housing supply.
- Would like to reflect on the week of the election. Attended the World Urban Forum in Cairo, Egypt along with 20,000 other attendees, represented nations all over the world. Focus was sustainability and housing development. One of the takeaways was a deep appreciation at the conference of an election that was open, that isn't always what happens in other countries. Thoughtful that we have a path forward, KCHA is a non-partisan organization and will work with either administration.

X. EXECUTIVE SESSION

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

3:55pm – Board meeting was suspended.

4:55pm – Board meeting was re-convened.

XI. KCHA IN THE NEWS

None.

XII. COMMISSIONER COMMENTS

None.

XIII. ADJOURNMENT

Chair Barnes adjourned the meeting at 5:00 p.m.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

ROBIN WALLS
Secretary

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King County Housing Authority

To: Board of Commissioners

From: Mary Osier, Accounting Manager

Date: December 2, 2024

Re: **VOUCHER CERTIFICATION FOR OCTOBER 2024**

I, Mary Osier, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims represented by the vouchers listed below were just obligations of the Housing Authority of the County of King, and that I am authorized to authenticate and certify said claims.

**Mary
Osier**

Digitally signed by Mary Osier
DN: OU=Accounting Manager, O=King
County Housing Authority, CN=Mary
Osier, E=maryo@kcha.org
Reason: I am the author of this document
Location: your signing location here
Date: 2024.12.02 10:46:37
Font Reader Version: 9.7.0

Mary Osier
Accounting Manager
December 2, 2024

Bank Wires / ACH Withdrawals	10,904,333.22
	<i>Subtotal</i> <u>10,904,333.22</u>
Accounts Payable Vouchers	
Key Bank Checks - #353786-354245	11,737,548.90
Tenant Accounting Checks - #12271-12309	18,861.87
	<i>Subtotal</i> <u>11,756,410.77</u>
Payroll Vouchers	
Checks - #93993-94015	33,131.37
Direct Deposit	2,774,611.86
	<i>Subtotal</i> <u>2,807,743.23</u>
Section 8 Program Vouchers	
Checks - #651839-652403	819,519.81
ACH - #623099-625715	22,987,700.71
	<i>Subtotal</i> <u>23,807,220.52</u>
Purchase Card / ACH Withdrawal	555,196.27
	<i>Subtotal</i> <u>555,196.27</u>
	GRAND TOTAL \$ 49,830,904.01

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

FROM: Wen Xu, Director of Asset Management

I, Wen Xu, do hereby certify under penalty of perjury that the claims represented by the wire transactions below were just, due, and unpaid obligations against the Housing Authority, and that I, and my designees, are authorized to authenticate and certify said claims.

Wen Xu

Date

Property	Wired to Operating Account for Obligations of Property			Notes:
	Date	Wire Transaction	Claim	
Bellepark	10/02/2024	16,446.00	AP & Payroll	
FAIRWOOD	10/02/2024	1,870.00	AP & Payroll	
Hampton Greens	10/02/2024	41,891.35	AP & Payroll	
Kendall Ridge	10/02/2024	38,477.59	AP & Payroll	
Landmark	10/02/2024	18,252.78	AP & Payroll	
Riverstone	10/02/2024	49,793.83	AP & Payroll	
SALMON CREEK	10/02/2024	9,221.07	Monthly Bank fees	
SALMON CREEK	10/02/2024	6,997.13	Monthly Bank fees	
SALMON CREEK	10/02/2024	1,865.80	Monthly Bank fees	
SALMON CREEK	10/02/2024	1,065.16	Monthly Bank fees	
Woodside East	10/02/2024	19,170.31	AP & Payroll	
Newporter	10/03/2024	989.95	AP	
ALPINE RIDGE	10/03/2024	4,521.53	AP	
ARBOR HEIGHTS	10/03/2024	6,260.38	AP	
Aspen Ridge	10/03/2024	13,186.16	AP	
Auburn Square	10/03/2024	13,565.81	AP	
Carriage House	10/03/2024	35,277.37	AP	
Carrington	10/03/2024	4,321.83	AP	
CASCADIAN	10/03/2024	12,413.12	AP	
Colonial Gardens	10/03/2024	19,231.04	AP	
FAIRWOOD	10/03/2024	56,247.65	AP	
HERITAGE PARK	10/03/2024	7,328.88	AP	
HOUSING AUTHORITY OF	10/03/2024	23,204.30	AP	
LAURELWOOD	10/03/2024	6,587.44	AP	
Meadows	10/03/2024	9,919.14	AP	
OVERLAKE	10/03/2024	25,439.10	AP	
Parkwood	10/03/2024	2,656.17	AP	
Pinewood Village	10/03/2024	3,699.36	AP	

Plum Court	10/03/2024	11,481.24	AP
RAINIER VIEW I	10/03/2024	27,338.44	AP
RAINIER VIEW II	10/03/2024	17,784.40	AP
Salish	10/03/2024	44,261.09	AP
Sandpiper East	10/03/2024	5,067.58	AP
SI VIEW	10/03/2024	11,798.32	AP
SOUTHWOOD SQUARE	10/03/2024	2,656.82	AP
Tall Cedars	10/03/2024	20,929.37	AP
Timberwood	10/03/2024	3,805.61	AP
Vashon Terrace	10/03/2024	6,210.00	AP
Walnut Park	10/03/2024	43,566.26	AP
WINDSOR HEIGHTS	10/03/2024	30,524.63	AP
Woodridge Park	10/03/2024	29,282.39	AP
Argyle	10/09/2024	52,984.17	AP & Payroll
Ballinger Commons	10/09/2024	245,511.63	AP & Payroll
Bellepark	10/09/2024	16,508.49	AP
Emerson	10/09/2024	179,501.19	AP & Payroll
GILMAN SQUARE	10/09/2024	74,384.92	AP & Payroll
Hampton Greens	10/09/2024	52,632.71	AP
Kendall Ridge	10/09/2024	18,412.36	AP
Landmark	10/09/2024	44,151.87	AP
Meadowbrook	10/09/2024	65,354.48	AP & Payroll
Riverstone	10/09/2024	114,782.29	AP
Surrey Downs	10/09/2024	84,736.52	AP & Payroll
Villages at South Station	10/09/2024	69,575.46	AP & Payroll
Newporter	10/10/2024	21,118.42	AP & Payroll
ALPINE RIDGE	10/10/2024	8,651.05	AP & Payroll
ARBOR HEIGHTS	10/10/2024	11,017.95	AP & Payroll
Aspen Ridge	10/10/2024	15,862.23	AP & Payroll
Auburn Square	10/10/2024	22,616.83	AP & Payroll
Carriage House	10/10/2024	35,417.63	AP & Payroll
Carrington	10/10/2024	14,299.18	AP & Payroll
CASCADIAN	10/10/2024	36,650.72	AP & Payroll
Colonial Gardens	10/10/2024	42,091.12	AP & Payroll
Corinthian	10/10/2024	128,801.00	AP & Payroll
Cottonwood	10/10/2024	21,452.72	AP & Payroll
Cove East	10/10/2024	29,749.25	AP & Payroll
FAIRWOOD	10/10/2024	35,757.92	AP & Payroll
HERITAGE PARK	10/10/2024	37,665.49	AP & Payroll
Juanita View	10/10/2024	33,985.67	AP & Payroll

LAURELWOOD	10/10/2024	22,465.85	AP & Payroll
Meadows	10/10/2024	12,299.47	AP & Payroll
NIA	10/10/2024	49,536.67	AP & Payroll
OVERLAKE	10/10/2024	57,542.51	AP & Payroll
Parkwood	10/10/2024	17,669.62	AP & Payroll
Pinewood Village	10/10/2024	44,000.62	AP & Payroll
Plum Court	10/10/2024	33,261.12	AP & Payroll
RAINIER VIEW I	10/10/2024	2,599.48	AP & Payroll
RAINIER VIEW II	10/10/2024	949.76	AP & Payroll
Salish	10/10/2024	32,105.78	AP & Payroll
SALMON CREEK	10/10/2024	27,567.93	AP & Payroll
Sandpiper East	10/10/2024	67,234.39	AP & Payroll
SEOLA CROSSING LLC	10/10/2024	71,410.63	AP & Payroll
SEOLA CROSSING LLC	10/10/2024	59,631.38	AP & Payroll
SI VIEW	10/10/2024	746.62	AP & Payroll
SOUTHWOOD SQUARE	10/10/2024	17,184.96	AP & Payroll
Sterling Ridge	10/10/2024	47,359.56	AP & Payroll
Tall Cedars	10/10/2024	8,773.35	AP & Payroll
Timberwood	10/10/2024	26,134.64	AP & Payroll
Vashon Terrace	10/10/2024	657.57	AP & Payroll
Walnut Park	10/10/2024	46,403.14	AP & Payroll
WINDSOR HEIGHTS	10/10/2024	77,826.17	AP & Payroll
Woodridge Park	10/10/2024	52,320.96	AP & Payroll
OVERLAKE	10/11/2024	123,081.00	AP
Bellepark	10/16/2024	20,367.11	AP & Payroll
Hampton Greens	10/16/2024	42,729.24	AP & Payroll
Kendall Ridge	10/16/2024	59,370.66	AP & Payroll
Landmark	10/16/2024	26,787.04	AP & Payroll
Riverstone	10/16/2024	32,371.63	AP & Payroll
Woodside East	10/16/2024	18,090.46	AP & Payroll
Newporter	10/17/2024	5,668.28	AP
ALPINE RIDGE	10/17/2024	9,536.94	AP
ARBOR HEIGHTS	10/17/2024	11,471.64	AP
Aspen Ridge	10/17/2024	1,261.21	AP
Auburn Square	10/17/2024	16,921.62	AP
Carriage House	10/17/2024	16,372.99	AP
Carrington	10/17/2024	460.00	AP
CASCADIAN	10/17/2024	7,187.41	AP
Colonial Gardens	10/17/2024	36,070.40	AP
FAIRWOOD	10/17/2024	15,226.59	AP

LAURELWOOD	10/17/2024	6,102.26	AP
Meadows	10/17/2024	8,898.18	AP
OVERLAKE	10/17/2024	41,539.94	AP
Parkwood	10/17/2024	19,274.01	AP
Pinewood Village	10/17/2024	5,541.51	AP
Plum Court	10/17/2024	31,425.52	AP
RAINIER VIEW I	10/17/2024	79,878.21	AP
RAINIER VIEW II	10/17/2024	58,871.16	AP
Salish	10/17/2024	23,289.65	AP
Sandpiper East	10/17/2024	10,550.98	AP
SI VIEW	10/17/2024	3,169.81	AP
SOUTHWOOD SQUARE	10/17/2024	8,103.12	AP
Sterling Ridge	10/17/2024	31,738.96	AP
Tall Cedars	10/17/2024	16,711.24	AP
Timberwood	10/17/2024	35,100.09	AP
Walnut Park	10/17/2024	3,576.14	AP
WINDSOR HEIGHTS	10/17/2024	15,554.69	AP
Woodridge Park	10/17/2024	10,241.50	AP
Argyle	10/23/2024	47,499.97	AP & Payroll
Ballinger Commons	10/23/2024	196,071.16	AP & Payroll
Bellepark	10/23/2024	18,923.52	AP
Emerson	10/23/2024	40,407.07	AP & Payroll
GILMAN SQUARE	10/23/2024	99,307.96	AP & Payroll
Hampton Greens	10/23/2024	45,681.14	AP
Kendall Ridge	10/23/2024	33,193.67	AP
Landmark	10/23/2024	16,831.79	AP
Meadowbrook	10/23/2024	39,750.85	AP & Payroll
Riverstone	10/23/2024	52,414.49	AP
Surrey Downs	10/23/2024	82,577.86	AP & Payroll
Villages at South Station	10/23/2024	64,711.50	AP & Payroll
Newporter	10/24/2024	14,625.73	AP & Payroll
ALPINE RIDGE	10/24/2024	5,073.03	AP & Payroll
ARBOR HEIGHTS	10/24/2024	22,682.30	AP & Payroll
Aspen Ridge	10/24/2024	19,612.00	AP & Payroll
Auburn Square	10/24/2024	42,134.98	AP & Payroll
Carriage House	10/24/2024	27,137.20	AP & Payroll
Carrington	10/24/2024	14,644.98	AP & Payroll
CASCADIAN	10/24/2024	49,704.22	AP & Payroll
Colonial Gardens	10/24/2024	48,737.27	AP & Payroll
Cottonwood	10/24/2024	16,312.23	AP & Payroll

Cove East	10/24/2024	79,298.14	AP & Payroll
FAIRWOOD	10/24/2024	23,282.10	AP & Payroll
HERITAGE PARK	10/24/2024	18,560.54	AP & Payroll
Juanita View	10/24/2024	10,561.88	AP & Payroll
LAURELWOOD	10/24/2024	16,278.94	AP & Payroll
Meadows	10/24/2024	16,328.96	AP & Payroll
NIA	10/24/2024	28,967.02	AP & Payroll
OVERLAKE	10/24/2024	44,836.75	AP & Payroll
Parkwood	10/24/2024	15,821.92	AP & Payroll
Pinewood Village	10/24/2024	93,839.73	AP & Payroll
Plum Court	10/24/2024	20,816.01	AP & Payroll
Salish	10/24/2024	29,566.55	AP & Payroll
SALMON CREEK	10/24/2024	28,667.52	AP & Payroll
Sandpiper East	10/24/2024	42,141.41	AP & Payroll
SEOLA CROSSING LLC	10/24/2024	46,834.33	AP & Payroll
SEOLA CROSSING LLC	10/24/2024	25,523.16	AP & Payroll
SOUTHWOOD SQUARE	10/24/2024	10,579.61	AP & Payroll
Sterling Ridge	10/24/2024	29,273.05	AP & Payroll
Tall Cedars	10/24/2024	1,577.68	AP & Payroll
Timberwood	10/24/2024	38,706.01	AP & Payroll
Walnut Park	10/24/2024	22,829.20	AP & Payroll
WINDSOR HEIGHTS	10/24/2024	36,433.01	AP & Payroll
Woodridge Park	10/24/2024	24,278.68	AP & Payroll
Bellepark	10/30/2024	14,099.83	AP & Payroll
Hampton Greens	10/30/2024	47,671.48	AP & Payroll
Kendall Ridge	10/30/2024	29,071.36	AP & Payroll
Landmark	10/30/2024	19,203.50	AP & Payroll
Riverstone	10/30/2024	45,064.26	AP & Payroll
Woodside East	10/30/2024	19,546.40	AP & Payroll
Newporter	10/31/2024	12,731.34	AP & Management fee & OCR
ALPINE RIDGE	10/31/2024	5,112.18	AP & Management fee & OCR
ARBOR HEIGHTS	10/31/2024	5,142.17	AP & Management fee & OCR
Aspen Ridge	10/31/2024	1,586.20	AP & Management fee & OCR
Auburn Square	10/31/2024	17,718.00	AP & Management fee & OCR
Carriage House	10/31/2024	17,040.24	AP & Management fee & OCR
Carrington	10/31/2024	17,835.76	AP & Management fee & OCR
CASCADIAN	10/31/2024	131,850.78	AP & Management fee & OCR
Colonial Gardens	10/31/2024	4,280.86	AP & Management fee & OCR
FAIRWOOD	10/31/2024	17,183.29	AP & Management fee & OCR
HERITAGE PARK	10/31/2024	6,251.28	AP & Management fee & OCR

LAURELWOOD	10/31/2024	36,356.75	AP & Management fee & OCR	
Meadows	10/31/2024	20,633.30	AP & Management fee & OCR	
OVERLAKE	10/31/2024	35,298.72	AP & Management fee & OCR	
Parkwood	10/31/2024	11,446.03	AP & Management fee & OCR	
Pinewood Village	10/31/2024	20,722.42	AP & Management fee & OCR	
Plum Court	10/31/2024	27,537.69	AP & Management fee & OCR	
Salish	10/31/2024	11,058.63	AP & Management fee & OCR	
Sandpiper East	10/31/2024	31,369.51	AP & Management fee & OCR	
SOUTHWOOD SQUARE	10/31/2024	16,398.34	AP & Management fee & OCR	
Sterling Ridge	10/31/2024	24,588.31	AP & Management fee & OCR	
Timberwood	10/31/2024	23,669.40	AP & Management fee & OCR	
Walnut Park	10/31/2024	11,521.25	AP & Management fee & OCR	
WINDSOR HEIGHTS	10/31/2024	76,285.36	AP & Management fee & OCR	
Woodridge Park	10/31/2024	19,141.58	AP & Management fee & OCR	
Total	202 Wires	\$ 6,326,956.38		

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King County Housing Authority

Memo

TO: Board of Commissioners

FROM: Saeed Hajarizadeh, EVP of Administrative Services
Wendy Teh, VP of Finance

DATE December 9, 2024

RE: Resolution No. 5783: 2025 Operating & Capital Budgets

Enclosed for your consideration are the Comprehensive Operating and Capital Budgets for the year 2025 (Exhibits A and B, respectively). The proposed budget addresses the regional demand for increased affordable housing, ensures the adequate upkeep of existing housing, and supports essential services for residents, all while preparing the agency for future challenges. This budget allocates substantial resources to preserve affordability and enhance housing quality for current program participants, in addition to broadening housing opportunities throughout its various programs.

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

Revenue projections are grounded in cautious estimates concerning the ultimate congressional allocations of the HUD budget and the inflation rate applicable to the Housing Choice Voucher program.

The budget for the federal government's fiscal year, spanning from October 1, 2024, to September 30, 2025, remains uncertain at this time. Given the heightened political activity within the current federal administration, it is probable that Congress will enact a Continuing Resolution to maintain existing funding until the new Congress assumes office on January 3rd.

We expect to maintain level funding until at least March 2025, and likely throughout the remainder of the calendar year. It is our assessment that our primary Federal programs, namely Section 8 and Public Housing, possess sufficient reserves to sustain operations at least until the conclusion of 2025. These programs represent approximately fifty percent of our annual budget.



The latter portion of our yearly budget consists of properties and programs financed locally. The non-Federal Workforce Housing Portfolio is expected to remain fully leased in 2025, presenting a favorable financial forecast. Additionally, other initiatives and projects of KCHA will persist and be fully funded until the year's conclusion.

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

- Expand and preserve the supply of affordable housing
- Promote economic opportunities and self-reliance
- Strengthen the internal infrastructure of KCHA to support the mission
- Organizational planning that puts equity and inclusion at the forefront
- Help the region address homelessness

EXECUTIVE SUMMARY

The Comprehensive Budget is a combination of two distinct budgets:

- Operating Budget
- Capital Budget

Selected highlights from the Comprehensive Budget include:

- We are planning to spend \$289.2 million toward the Housing Choice Voucher (HCV) program Housing Assistance Payments (HAP) compared to \$270.4 million in 2024, supporting nearly 13,000 families funded by KCHA and another 2,000 “ports-in” to KCHA’s service area.
- Capital Budget Selected Highlights

Recurring Construction Budget	2024	2025
Large Projects in Subsidized Housing	11,126,376	8,737,792
Large Projects in Other Properties	2,427,367	4,815,154
Unit Upgrades Program	5,794,591	5,683,963
Smaller Projects in Subsidized Housing	2,729,575	2,180,345
Smaller Projects in Workforce Housing	30,103,247	26,074,698
Total KCHA Construction Budget	52,181,157	47,491,952
Pre-Development Budget		
Issaquah Trailhead	2,000,000	1,897,879
Skyway Resource Center	3,223,112	500,000
Total Pre-Development Budget	5,223,112	2,397,879
TOTAL	57,404,269	49,889,831

- A funding commitment of \$20.8 million dedicated to a variety of program and resident resources such as homeless housing, education, youth and senior services, student housing, workforce development, leasing assistance, subsidy retention, economic mobility and research projects.

Digital Equity/Home Ownership	\$446,570
Research & Evaluation	522,150
RA & Urgent Relocation	550,400
HCV Subsidy Retention	786,983
Health Services	1,067,975
Workforce Development	1,767,358
Social Impact Administration	2,078,605
Homeless Initiatives	2,785,488
Educational Initiatives	3,544,920
General Support of Residents	7,307,184
	\$20,857,633



Operating Budget Summary

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

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

The 2025 budget is compared with 2024 with differences shown in amount and percent. Major differences are explained following the table.

Line #	Operations and Capital				Development	
	2025 Proposed Budget	2024 Adopted Budget	Dollar Change	Percent Change		
	Beginning Balance, Unrestricted Cash	176,040,017			(23,190,383)	
	Revenues					
1	Tenant Revenue	176,440,584	162,882,788	13,557,796	8.3%	-
2	Operating Fund Subsidy from HUD	13,220,333	12,987,245	233,088	1.8%	-
3	Section 8 Subsidy from HUD	280,574,451	278,133,301	2,441,151	0.9%	-
4	Other Operating Revenue	85,419,424	83,232,886	2,186,539	2.6%	44,445
	Total Operating Revenues	555,654,792	537,236,219	18,418,573	3.4%	44,445
	Expenses					
5	Salaries & Benefits	(96,872,646)	(87,939,292)	(8,933,354)	10.2%	(1,069,756)
6	Routine Maintenance, Utilities, Taxes & Insurance	(53,703,740)	(47,492,775)	(6,210,965)	13.1%	(165,000)
7	Other Social Service Support Expenses & HAP	(314,669,630)	(293,127,219)	(21,542,411)	7.3%	-
8	Administrative Support Expenses	(43,805,003)	(39,022,066)	(4,782,937)	12.3%	(378,252)
	Total Operating Expenses	(509,051,018)	(467,581,352)	(41,469,667)	8.9%	(1,613,008)
	Net Operating Income	46,603,774	69,654,867	(23,051,093)	-33.1%	(1,568,563)
9	Non-operating Revenue	33,159,505	26,819,347	6,340,158	23.6%	17,888,633
10	Non-operating Expenses	(34,307,582)	(33,915,235)	(392,348)	1.2%	(7,572,194)
	Net Income	45,455,696	62,558,979	(17,103,283)	-27.3%	8,747,877
	Other Sources/(Uses) of Cash					
11	Capital Projects and Acquisitions	(52,603,565)	(57,406,694)	4,803,129	-8.4%	(62,976,686)
12	Changes in Designated Cash	(3,568,796)	2,304,142	(5,872,938)	-254.9%	(271,137)
13	Changes in Restricted Cash	(444,981)	(10,170)	(434,811)	4275.4%	(1,502,673)
14	Changes in Receivables	2,308,653	(181,873)	2,490,526	-1369.4%	(25,199,982)
15	Changes in Other Assets	81,748	81,748	-	0.0%	-
16	Changes in Debt	(19,871,807)	(20,117,332)	245,526	-1.2%	61,619,235
17	Changes in Other Liabilities	(1,991,797)	(1,467,721)	(524,076)	35.7%	571,570
18	Changes in Equity	-	-	-	n/a	-
	Total Other Sources/(Uses) of Cash	(76,090,545)	(76,797,901)	707,355	-0.9%	(27,759,673)
	Transfer In from (Out to) Other Funds					
19	Transfers In from Other Funds	40,673,442	42,687,432	(2,013,991)	-4.7%	721,929
20	Transfers Out to Other Funds	(40,886,080)	(43,400,209)	2,514,130	-5.8%	-
	Net Transfer In/(Out)	(212,638)	(712,777)	500,139	-70.2%	721,929
	Net Change in Unrestricted Cash	(30,847,487)	(14,951,698)	(15,895,789)	106.3%	(18,289,867)
	Ending Balance, Unrestricted Cash	145,192,530				(41,480,250)
	Beginning Balance, Designated Cash					
	Changes in Designated Cash	3,568,796				271,137
	Ending Balance, Designated Cash	109,833,097				271,137
	Beginning Balance, Restricted Cash					
	Changes in Restricted Cash	444,981				1,502,673
	Ending Balance, Restricted Cash	36,188,619				38,187,613

OPERATING BUDGETS

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

- Federally Funded Properties and Programs
- Local Properties and Programs

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

Federally Funded Properties and Programs

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

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

The following table is a summary of 2025 Sources and Uses of Federal Properties and Programs:



**2025 Budgeted Sources and Uses
Federal Programs and Properties
(excludes non-KCHA-managed component units)**

<i>Beginning Balance, Unrestricted Cash</i>	43,175,546
<i>Revenues</i>	
Tenant Revenue	17,072,429
Subsidy from HUD	293,314,441
Other Operating Revenue	48,493,614
Total Operating Revenues	358,880,484
<i>Expenses</i>	
Salaries & Benefits	(36,387,889)
Routine Maintenance, Utilities, Taxes & Insurance	(15,827,760)
Other Social Service Support Expenses & HAP	(303,027,547)
Administrative Support Expenses	(18,023,877)
Total Operating Expenses	(373,267,073)
Net Operating Income	(14,386,589)
<i>Other Sources/(Uses) of Cash</i>	
Net Non-Operating Income (Expense)	14,285,730
Capital Projects and Acquisitions	(14,814,362)
Net Transfers In From (Out to) Other Funds	(1,160,461)
Other Sources/(Uses)	(2,428,614)
Total Other Sources/(Uses) of Cash	(4,117,706)
Net Change in Unrestricted Cash	(18,504,295)
<i>Ending Balance, Unrestricted Cash</i>	24,671,251

The decline in unrestricted cash is mainly due to the planned use of MTW reserves in 2025.

Programs that fall within the Federal funding sphere include:

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

Housing Choice Vouchers

Given the amount of anticipated funding and reserves, we plan to spend \$245 million on Housing Assistance Payments in 2025 compared to \$237 million in 2024.

HUD Contract Level 2024 – 11,997 Vouchers
Estimated Families served in 2025 – 13,007

Out of this revenue stream, KCHA subsidizes the rent of program participants by making monthly payments directly to landlords, and it pays for the costs of administering the program.

More families are provided with housing assistance, safer circumstances, and prevention of homelessness.

Public Housing

Low Income Public Housing is a national subsidized housing program serving people at 30% of Area Median Income and below. It operates on a combination of tenant revenue and Operating Fund Subsidy provided by HUD. In 2025, KCHA is eligible, based on HUD's funding formula, to receive \$13.2 million of Operating Fund Subsidy. We anticipate receiving 90% of eligible funding due to congressional underfunding. Of this amount \$4.6 million will be used for debt repayment and other costs associated with the Energy Performance Contract. The remaining funds will be used to partially offset the gap between the costs of operating the properties and the rents received from tenants. The deficit will be funded with transfers from the MTW program.

Local Properties and Programs

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

Properties and programs that are considered Local include:

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



The following table summarizes the 2024 budget for Local Properties and Programs:

**2025 Budgeted Sources and Uses
Local Programs and Properties
(excludes non-KCHA-managed component units)**

<i>Beginning Balance, Unrestricted Cash</i>	132,864,471
<i>Revenues</i>	
Tenant Revenue	159,368,155
Subsidy from HUD	480,343
Other Operating Revenue	36,925,810
Total Operating Revenues	196,774,308
<i>Expenses</i>	
Salaries & Benefits	(60,484,757)
Routine Maintenance, Utilities, Taxes & Insurance	(37,875,980)
Other Social Service Support Expenses & HAP	(11,642,083)
Administrative Support Expenses	(25,781,126)
Total Operating Expenses	(135,783,946)
Net Operating Income	60,990,363
<i>Other Sources/(Uses) of Cash</i>	
Net Non-Operating Income (Expense)	(15,433,808)
Capital Projects and Acquisitions	(37,789,203)
Net Transfers In From (Out to) Other Funds	947,823
Other Sources/(Uses)	(21,058,367)
Total Other Sources/(Uses) of Cash	(73,333,555)
Net Change in Unrestricted Cash	(12,343,192)
<i>Ending Balance, Unrestricted Cash</i>	<u><u>120,521,279</u></u>

Asset-Managed Workforce Housing

The Workforce Housing portfolio included in the budget reflects properties owned outright by KCHA or in partnership with tax credit investors, as well as the mobile home park portfolio. KCHA currently has 53 separate properties in this portfolio, with 8,091 units. These properties are managed by outside fee-based property management companies. All properties have some form of debt outstanding, and the servicing of this debt comes from the cash flow of each of the properties. In addition, each property makes monthly contributions to replacement reserve accounts, self-funds capital repair and rehabilitation projects, and pays management fees to the Central Office Cost Center (COCC).

Mobile Home Parks

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

Project-based Section 8 Properties

There are currently 1,229 units in this portfolio, including properties owned in partnership with tax credit investors but managed and controlled by KCHA. With a few exceptions, they operate similarly to public housing but with a different form of subsidy. 1,213 of these units carry Project-Based Section 8 contracts. Some of the most significant properties in this group are:

- MKCRF properties-509 units
- Birch Creek-262 units
- Spiritwood Manor-104 units
- Hidden Village-78 units

Non-Federally-Subsidized Properties

There are 128 units in this portfolio, spread over 10 separate locations. These properties receive no direct subsidies, and serve a variety of tenants, including elderly, disabled and transitional.



Weatherization and Housing Repair program

This program provides energy conservation improvements to low income residents of King County living in single-family residences, mobile homes, and multifamily housing. It also provides repairs to single-family homes through the City of Bellevue's Housing Repair program. The 2025 budget includes construction activity of \$8.9 million to weatherize or repair approximately 480 to 500 housing units and is funded through six separate federal, state and local grants and contracts. KCHA manages the biggest weatherization program in Washington State.



KING COUNTY HOUSING AUTHORITY
2025 Budget (Cash Basis)
(excludes non-KCHA-managed component units)

EXHIBIT A

Line #	Operations and Capital				Development	
	2025 Proposed Budget	2024 Adopted Budget	Dollar Change	Percent Change		
	176,040,017				(23,190,383)	
	Beginning Balance, Unrestricted Cash					
	Revenues					
1	Tenant Revenue	176,440,584	162,882,788	13,557,796	8.3%	-
2	Operating Fund Subsidy from HUD	13,220,333	12,987,245	233,088	1.8%	-
3	Section 8 Subsidy from HUD	280,574,451	278,133,301	2,441,151	0.9%	-
4	Other Operating Revenue	85,419,424	83,232,886	2,186,539	2.6%	44,445
	Total Operating Revenues	555,654,792	537,236,219	18,418,573	3.4%	44,445
	Expenses					
5	Salaries & Benefits	(96,872,646)	(87,939,292)	(8,933,354)	10.2%	(1,069,756)
6	Routine Maintenance, Utilities, Taxes & Insurance	(53,703,740)	(47,492,775)	(6,210,965)	13.1%	(165,000)
7	Other Social Service Support Expenses & HAP	(314,669,630)	(293,127,219)	(21,542,411)	7.3%	-
8	Administrative Support Expenses	(43,805,003)	(39,022,066)	(4,782,937)	12.3%	(378,252)
	Total Operating Expenses	(509,051,018)	(467,581,352)	(41,469,667)	8.9%	(1,613,008)
	Net Operating Income	46,603,774	69,654,867	(23,051,093)	-33.1%	(1,568,563)
9	Non-operating Revenue	33,159,505	26,819,347	6,340,158	23.6%	17,888,633
10	Non-operating Expenses	(34,307,582)	(33,915,235)	(392,348)	1.2%	(7,572,194)
	Net Income	45,455,696	62,558,979	(17,103,283)	-27.3%	8,747,877
	Other Sources/(Uses) of Cash					
11	Capital Projects and Acquisitions	(52,603,565)	(57,406,694)	4,803,129	-8.4%	(62,976,686)
12	Changes in Designated Cash	(3,568,796)	2,304,142	(5,872,938)	-254.9%	(271,137)
13	Changes in Restricted Cash	(444,981)	(10,170)	(434,811)	4275.4%	(1,502,673)
14	Changes in Receivables	2,308,653	(181,873)	2,490,526	-1369.4%	(25,199,982)
15	Changes in Other Assets	81,748	81,748	-	0.0%	-
16	Changes in Debt	(19,871,807)	(20,117,332)	245,526	-1.2%	61,619,235
17	Changes in Other Liabilities	(1,991,797)	(1,467,721)	(524,076)	35.7%	571,570
18	Changes in Equity	-	-	-	n/a	-
	Total Other Sources/(Uses) of Cash	(76,090,545)	(76,797,901)	707,355	-0.9%	(27,759,673)
	Transfer In from (Out to) Other Funds					
19	Transfers In from Other Funds	40,673,442	42,687,432	(2,013,991)	-4.7%	721,929
20	Transfers Out to Other Funds	(40,886,080)	(43,400,209)	2,514,130	-5.8%	-
	Net Transfer In/(Out)	(212,638)	(712,777)	500,139	-70.2%	721,929
	Net Change in Unrestricted Cash	(30,847,487)	(14,951,698)	(15,895,789)	106.3%	(18,289,867)
	Ending Balance, Unrestricted Cash	145,192,530				(41,480,250)

**2025 Capital Budget
By Responsible Department**

EXHIBIT B

CONSTRUCTION ACTIVITIES

Managed by the Capital Construction Department

Public Housing Properties	\$8,737,792	
MKCRF Properties	0	
Other Properties	1,757,395	
Central Office Projects	2,063,225	
Placeholder for Pre-Construction Design Work	<u>994,534</u>	
		13,552,947

Managed by the Housing Management Department

Unit Upgrade Program	5,683,963	
Other Projects	<u>2,180,345</u>	
		7,864,308

Managed by the Asset Management Department

Projects at Workforce Housing Properties	22,977,698	
Projects at Mobile Home Properties and Other	<u>3,097,000</u>	
		26,074,698

DEVELOPMENT/ACQUISITION ACTIVITIES

Managed by the Development Department

Acquisition Placeholder	60,000,000	
Hope VI Properties	4,337,710	
Pre-development Activities-Issaquah Trailhead	1,897,879	
Pre-development Activities-Other	<u>700,000</u>	
		66,935,589

OTHER ACTIVITIES

Technology Expenditures	847,709	
Safety & Security	250,000	
Vehicles & Other	<u>55,000</u>	
		1,152,709

TOTAL BUDGETED CAPITAL EXPENDITURES

\$115,580,251



King County
Housing
Authority

2025 KCHA Budget Presentation

Wendy Teh
Vice President of Finance

December 9, 2024



Acknowledgements

- 🏠 Shannon Nicholas – Planning Manager
- 🏠 Samy Ma – Senior Financial Analyst
- 🏠 Tesh Assefa – Reporting Manager
- 🏠 Alfred Dulay – Accounting Manager
- 🏠 Bayisa Tadesse – Interim Accounting Manager

Guiding Principles

- 🏠 Expand and preserve the supply of affordable housing
- 🏠 Promote economic opportunity and self-reliance
- 🏠 Strengthen the internal infrastructure of KCHA to support the mission
- 🏠 Organizational planning that puts equity and inclusion at the forefront
- 🏠 Help the region address homelessness





Our Core Operations

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



Budget Highlights



Budget Assumptions

- 🏠 Strong Balance Sheet
- 🏠 Conservative Revenue Assumptions
 - Assumed prorates:
 - 99.5% in Housing Choice Voucher (HCV) program
 - 90.0% in Public Housing Subsidy
 - 2.5% RFIF inflation factor in HCV program
- 🏠 Significant Property Rehabilitation
- 🏠 Technology improvements – Yardi, DayForce, M365
- 🏠 Emphasis on improving Safety & Security for staff and residents
- 🏠 Learning & Development for Existing/New Staff



Sources & Uses of Cash Summary

	<u>Federal</u>	<u>Local</u>	<u>Combined</u>
Operating Income/Expenses			
Operating Revenue	358,880,484	196,774,308	555,654,792
Operating Expenses	(373,267,073)	(135,783,946)	(509,051,018)
Net Operating Income	(14,386,589)	60,990,363	46,603,774
Other Sources/(Uses) of Cash			
Net Non-Operating Income/(Expense)	14,285,730	(15,433,808)	(1,148,077)
Capital Projects & Acquisitions	(14,814,362)	(37,789,203)	(52,603,565)
Net Transfers In/(Out)	(2,428,614)	(21,058,367)	(23,486,981)
Other Sources/(Uses) of Cash	(1,160,461)	947,823	(212,638)
Net Increase/(Decrease) Unrestricted Cash	<u>(18,504,295)</u>	<u>(12,343,192)</u>	<u>(30,847,487)</u>

Cash Balances at end of 2025

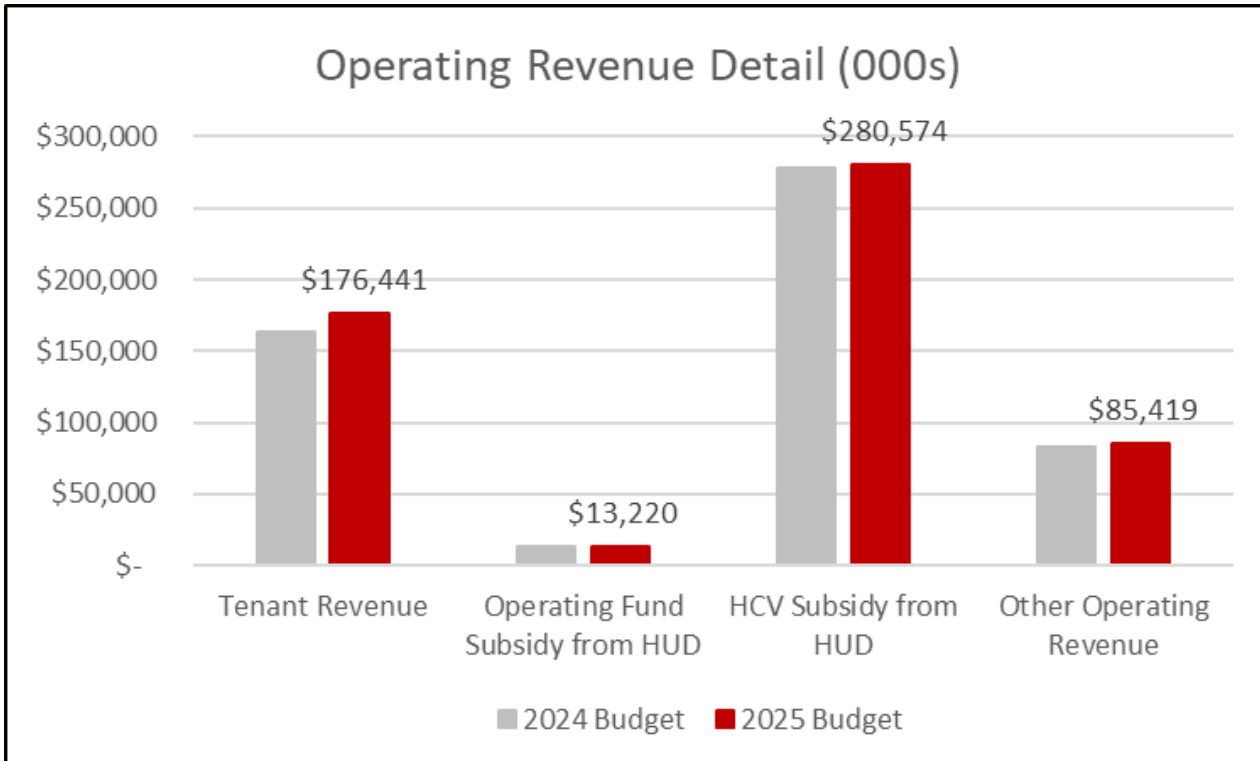
	<u>Federal</u>	<u>Local</u>	<u>Combined</u>
Unrestricted Cash			
Beginning Balance	43,175,546	132,864,471	176,040,017
Changes in Unrestricted Cash	(18,504,295)	(12,343,192)	(30,847,487)
Ending Balance	<u>24,671,251</u>	<u>120,521,279</u>	<u>145,192,530</u>
Designated Cash			
Beginning Balance	8,662,718	97,601,583	106,264,301
Changes in Designated Cash	300,803	3,267,993	3,568,796
Ending Balance	<u>8,963,521</u>	<u>100,869,576</u>	<u>109,833,097</u>
Restricted Cash			
Beginning Balance	8,061,268	27,682,370	35,743,637
Changes in Restricted Cash	(157,173)	602,154	444,981
Ending Balance	<u>7,904,095</u>	<u>28,284,524</u>	<u>36,188,619</u>

Operating Revenue by Category

Operating Revenue	2024 Budget	2025 Budget	\$ Change	% Change
Tenant Revenue	162,882,788	176,440,584	13,557,796	8.3%
Operating Fund Subsidy from HUD*	12,987,245	13,220,333	233,088	1.8%
HCV Subsidy from HUD*	278,133,301	280,574,451	2,441,151	0.9%
Other Operating Revenue	83,232,886	85,419,424	2,186,539	2.6%
Total Operating Revenues	537,236,219	555,654,792	18,418,573	3.4%

* Estimates of uncertain HUD funding levels

Operating Revenue



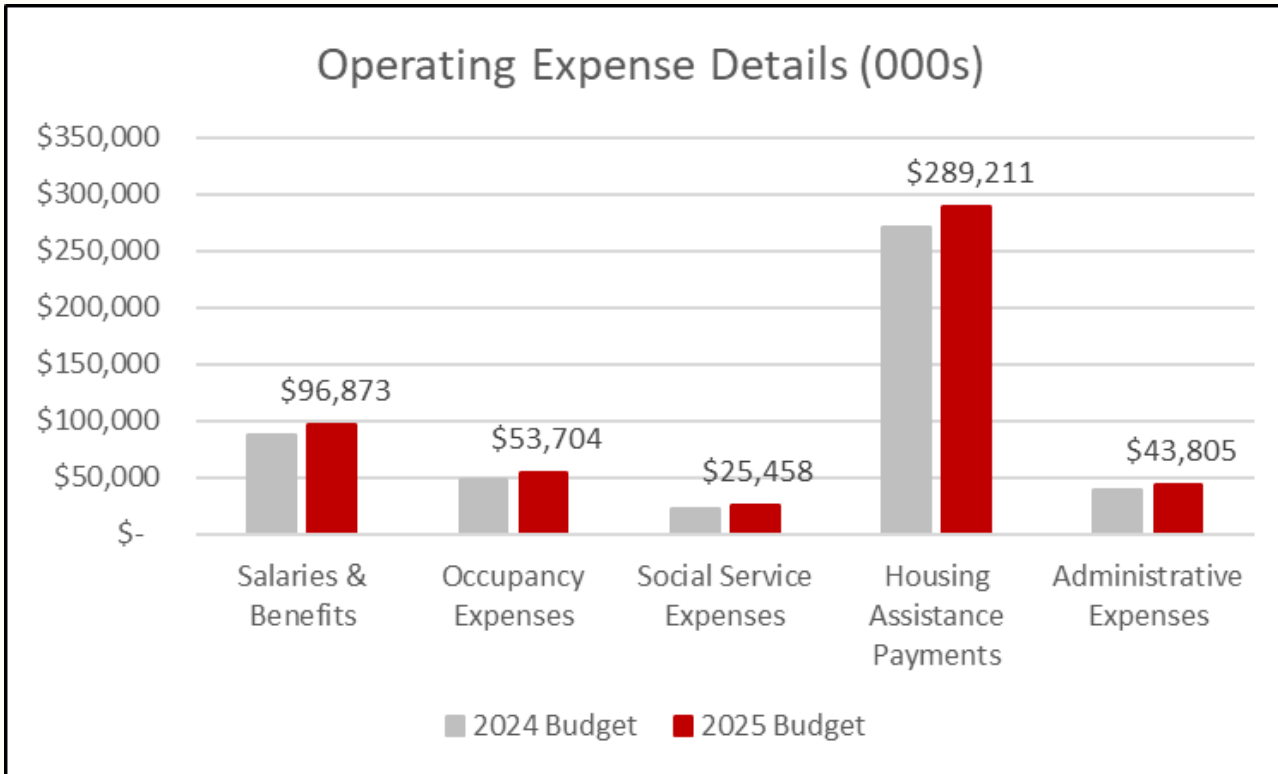
- 🏠 HCV Subsidy is our largest source of federal income and is based on yet to be determined HUD funding levels
- 🏠 Operating Subsidy is also an estimate based unknown HUD funding levels.
- 🏠 Tenant revenue from both our federal public housing properties and local workforce housing properties is expected to increase 8.3% over the 2024 budget

Operating Expenses by Category

Operating Expenses	2024 Budget	2025 Budget	\$ Change	% Change
Salaries & Benefits	87,939,292	96,872,646	8,933,354	10.2%
Occupancy Expenses	47,492,775	53,703,740	6,210,965	13.1%
Social Service Expenses	22,684,233	25,458,278	2,774,045	12.2%
Housing Assistance Payments*	270,442,986	289,211,352	18,768,366	6.9%
Administrative Support Expenses	39,022,066	43,805,003	4,782,937	12.3%
Total Operating Expenses	467,581,352	509,051,018	41,469,667	8.9%

*Includes Ports In/Out and FSS expenses

Operating Expenses



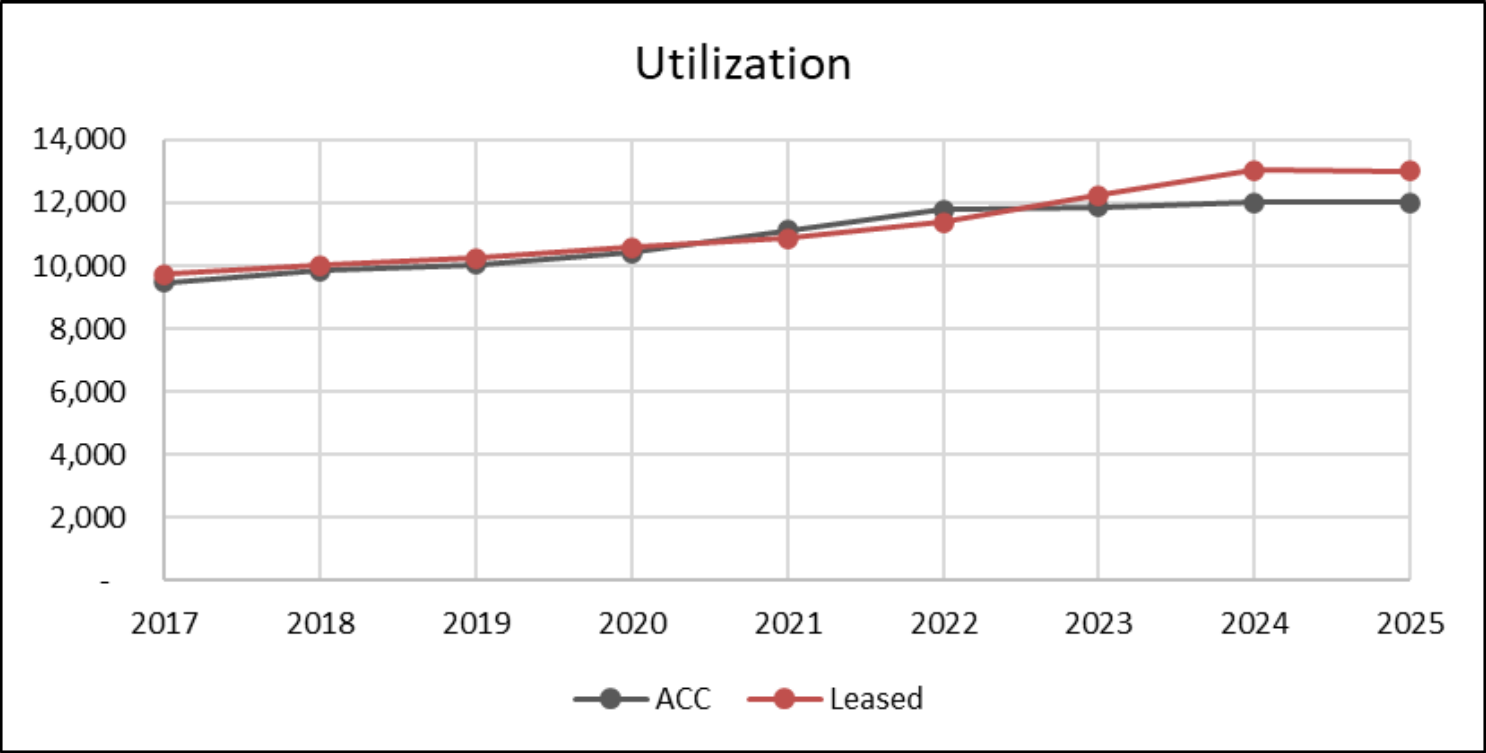
- 🏠 Housing Assistance Payments to our landlords in the HCV program makes up almost 60% of operating expenses and will be approximately \$289M in 2025.
- 🏠 19% of operating expenses is due to staff salaries and benefits

Housing Choice Voucher Program

- 🏠 Focus on supporting housing stability
- 🏠 Program changes to help tenants get quality housing choices
- 🏠 Continued efforts to support the homeless population
- 🏠 Emphasis on leasing up Special Purpose Vouchers



Voucher Utilization



🏠 ACC = Annual Contributions Contract

🏠 Leased = Number of participants receiving rental assistance

Budget by Voucher Type

Voucher Type	Over/(Under)			Avg Util %	Avg PUC \$	HAP Cost \$
	ACC	Budget	Leased			
Block Grant	8,499	9,961	1,462	117.2%	1,582.91	189,208,697
Special Purpose Vouchers						
VASH	1,250	922	(328)	73.8%	1,248.47	13,815,121
Mainstream	887	891	4	100.4%	1,551.95	16,582,841
EHV	650	634	(16)	97.5%	1,722.29	13,100,431
FUP	388	315	(73)	81.2%	1,882.11	7,117,391
FYI	123	82	(41)	66.7%	1,712.58	1,687,940
CDP/NED	200	202	2	101.0%	1,442.26	3,496,031
TOTAL	11,997	13,007	1,010	108.4%	1,591.80	245,008,452

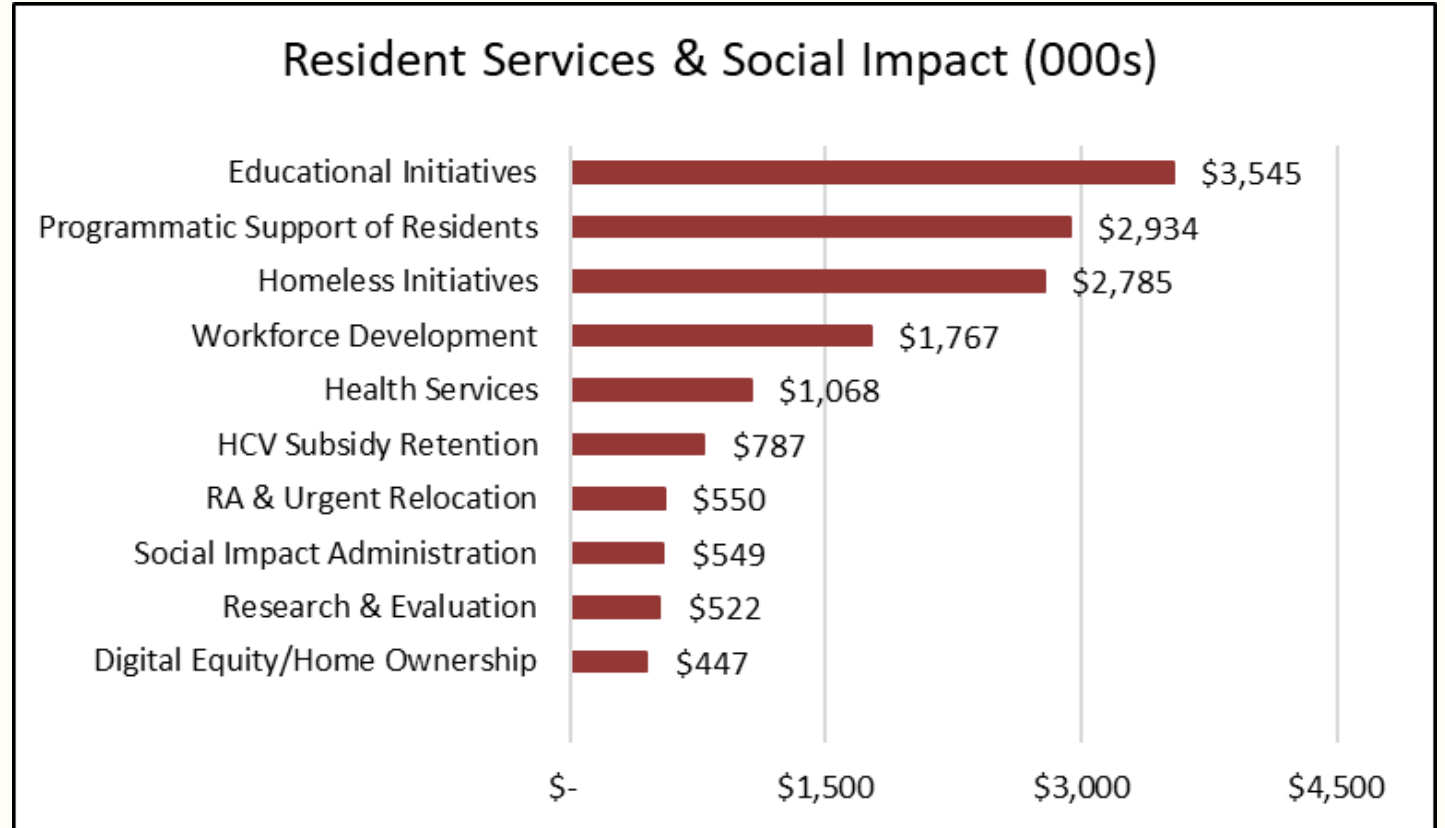
Subsidized Housing

- 🏠 Public Housing program consists of 39 properties with 2,453 units
- 🏠 Properties are divided into four regions: East, North, Southeast and Southwest
- 🏠 Total capital work is expected to be \$14.1M including \$9.8M in large projects and \$3.0M for 75 unit upgrades
- 🏠 Staff of 198 FTEs manage this large and geographically vast portfolio of properties



Support for Housing Stability

- 🏠 A total of \$15 million is earmarked for Housing Stability in the 2025 budget
- 🏠 Includes two Housing Navigators in the Resident Services department to focus on helping participants secure housing



Maintaining Our Housing Inventory

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



Recurring Construction Budget	2024	2025
Large Projects in Subsidized Housing	11,126,376	8,737,792
Large Projects in Other Properties	2,427,367	4,815,154
Unit Upgrades Program	5,794,591	5,683,963
Smaller Projects in Subsidized Housing	2,729,575	2,180,345
Projects in Workforce Housing	30,103,247	26,074,698
Total KCHA Construction Budget	52,181,157	47,491,952
Pre-Development Budget		
Issaquah Trailhead	2,000,000	1,897,879
Other Projects	3,223,112	500,000
Total Pre-Development Budget	5,223,112	2,397,879
TOTAL	57,404,269	49,889,831

Expanding our Housing Inventory

- 🏠 Workforce housing added in 2024
 - Henry House, 54 units
 - Sterling Ridge, 116 units
- 🏠 Workforce housing added for 2025 using debt to fund acquisition
 - Brier Woods, 136 units
- 🏠 Kirkland Heights development
 - 96 new units added to property
- 🏠 Special Purpose Vouchers



Major Technology Investments



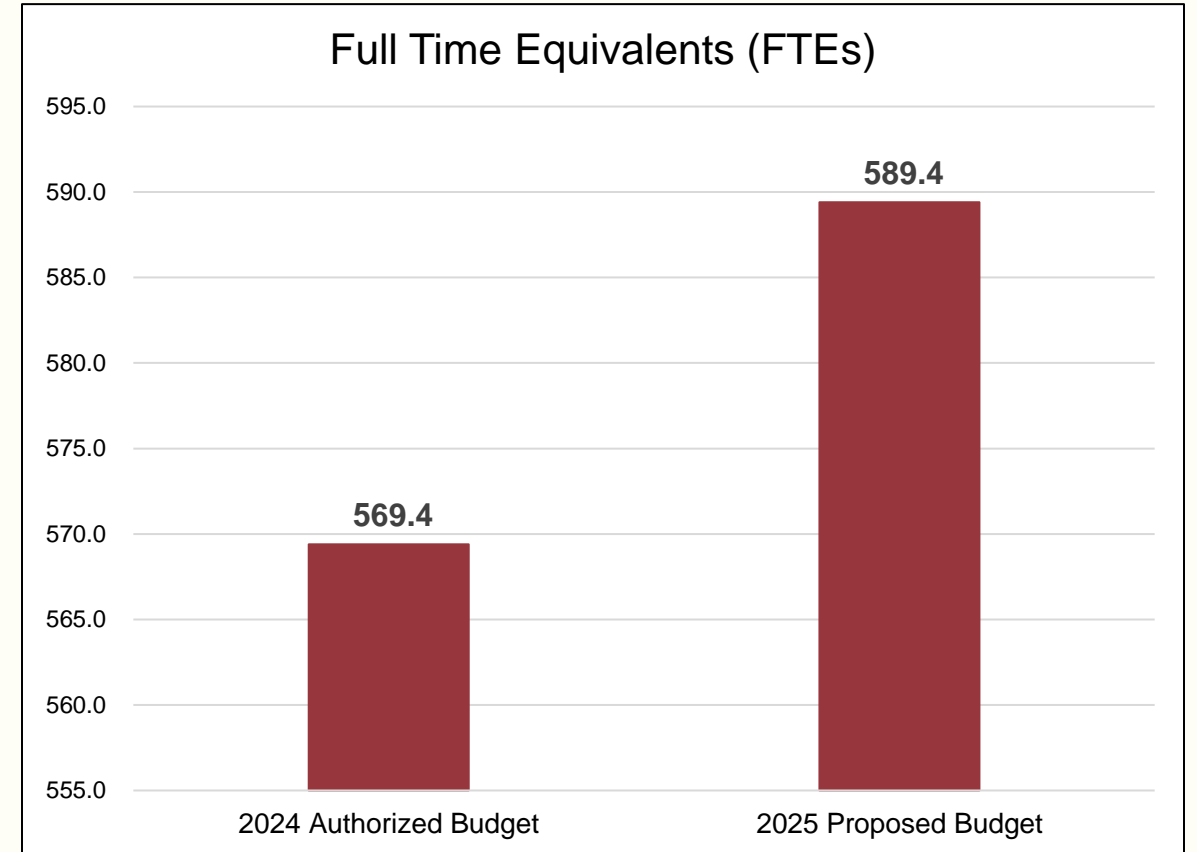


Workforce Planning

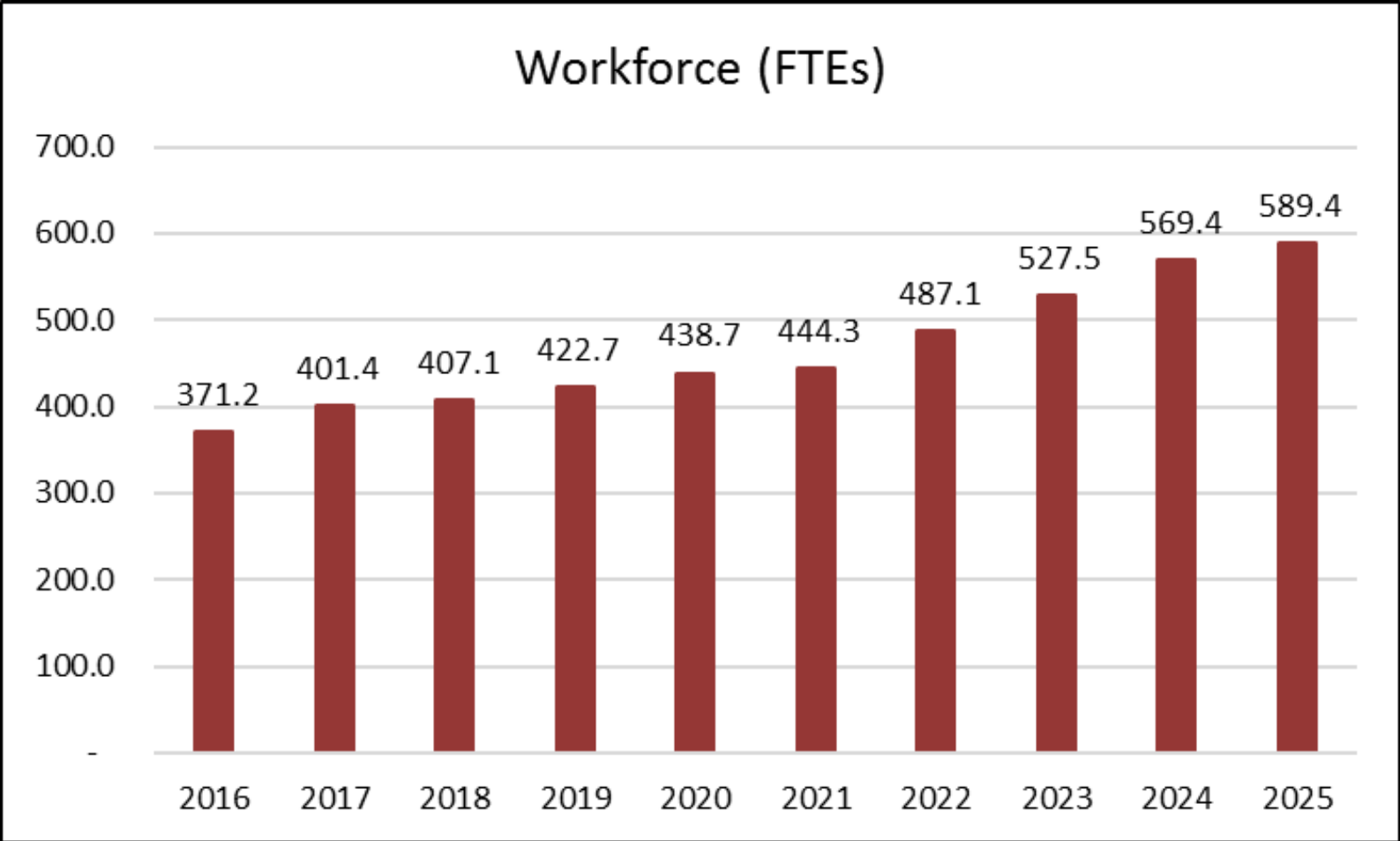


KCHA Workforce

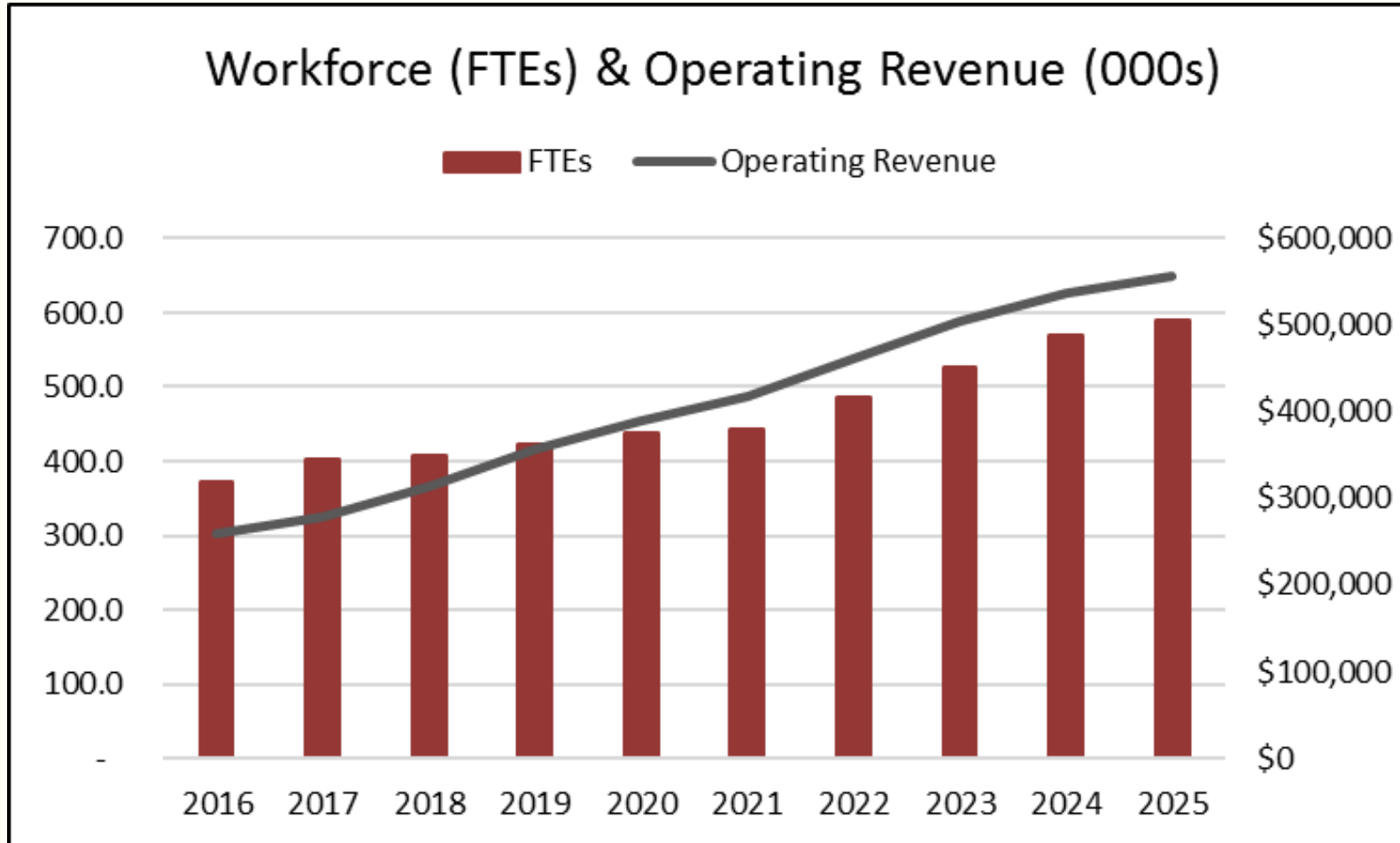
- Addition of 20.0 FTEs over 2024 budget
- New staff to support:
 - Resident Services
 - Human Resources
 - Asset Management
 - Weatherization
 - Development
- Transfers between departments to better align staff



KCHA's Workforce is steadily rising...

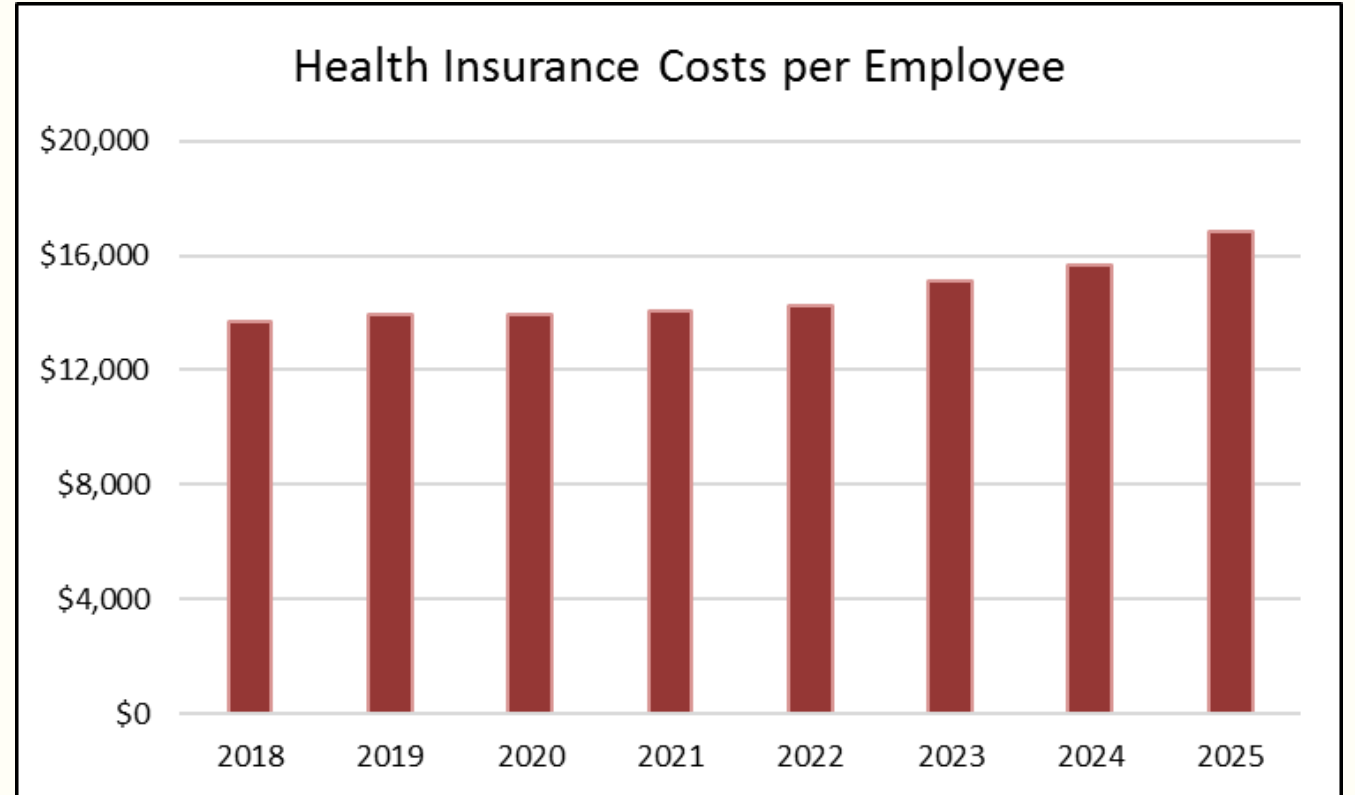


...but it is needed to support our growing Operations



Comprehensive Benefits

- 🏠 Total cost of COLA and Merit increases in the 2025 budget is \$3.8 million. (COLA for 2024 was 4.2%¹)
- 🏠 The PERS employer contribution remains the same as 2024 at 10.39% totaling \$6.0 million
- 🏠 Fixed benefits including medical, dental, vision and life insurance is budgeted at \$16,810 per employee totaling \$10.5 million



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

Investing in Our Workforce

- 🏠 Learning & Development – LIFT Academy, DayForce & Yardi Training
- 🏠 Focus on EDIB values – Inclusive Leadership, Beyond Diversity, Empowering Action Workshop
- 🏠 Employee Association
- 🏠 Wellness activities





King County
Housing
Authority

Thank you



THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5783

AUTHORIZING APPROVAL OF THE COMPREHENSIVE OPERATING AND CAPITAL BUDGETS FOR CALENDAR YEAR BEGINNING JANUARY 1, 2025

WHEREAS, the Executive Director has submitted Comprehensive Operating and Capital Budget for the Calendar Year beginning January 1, 2025 (Calendar Year 2025); and

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

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

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

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

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

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

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

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

SECTION 1: The following expenditures are hereby authorized for the Calendar Year beginning January 1, 2025:

	<u>Expenses</u>	<u>Capital</u>	<u>Total</u>
Federal Programs	\$377,028,092	\$14,814,362	\$391,842,454
Local Programs	166,330,509	37,789,203	204,119,712
Development Activities	9,185,202	62,976,686	72,161,887
Total 2025 Expenditures	<u>\$552,543,802</u>	<u>\$115,580,251</u>	<u>\$668,124,053</u>

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

ADOPTED AT A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 9th DAY OF DECEMBER, 2024.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

ROBIN WALLS
Secretary-Treasurer

KING COUNTY HOUSING AUTHORITY
2025 Budget (Cash Basis)
(excludes non-KCHA-managed component units)

EXHIBIT A

			Operations and Capital		Dollar Change	Percent Change	Development
	Federal Programs	Local Programs	2025 Proposed Budget	2024 Adopted Budget			
Beginning Balance, Unrestricted Cash	43,173,676	134,547,079	177,720,755				(23,190,383)
Revenues							
Tenant Revenue	17,072,429	159,368,155	176,440,584	162,882,788	13,557,796	8.3%	-
Operating Fund Subsidy from HUD	13,209,990	10,343	13,220,333	12,987,245	233,088	1.8%	-
Section 8 Subsidy from HUD	280,104,451	470,000	280,574,451	278,133,301	2,441,151	0.9%	-
Other Operating Revenue	48,493,614	36,925,810	85,419,424	83,232,886	2,186,539	2.6%	44,445
Total Operating Revenues	358,880,484	196,774,308	555,654,792	537,236,219	18,418,573	3.4%	44,445
Expenses							
Salaries & Benefits	(36,387,889)	(60,484,757)	(96,872,646)	(87,939,292)	(8,933,354)	10.2%	(1,069,756)
Routine Maintenance, Utilities, Taxes & Insurance	(15,827,760)	(37,875,980)	(53,703,740)	(47,492,775)	(6,210,965)	13.1%	(165,000)
Other Social Service Support Expenses & HAP	(303,027,547)	(11,642,083)	(314,669,630)	(293,127,219)	(21,542,411)	7.3%	-
Administrative Support Expenses	(18,023,877)	(25,781,126)	(43,805,003)	(39,022,066)	(4,782,937)	12.3%	(378,252)
Total Operating Expenses	(373,267,073)	(135,783,946)	(509,051,018)	(467,581,352)	(41,469,667)	8.9%	(1,613,008)
Net Operating Income	(14,386,589)	60,990,363	46,603,774	69,654,867	(23,051,093)	-33.1%	(1,568,563)
Non-operating Revenue	18,046,749	15,112,756	33,159,505	26,819,347	6,340,158	23.6%	17,888,633
Non-operating Expenses	(3,761,019)	(30,546,563)	(34,307,582)	(33,915,235)	(392,348)	1.2%	(7,572,194)
Net Income	(100,859)	45,556,555	45,455,696	62,558,979	(17,103,283)	-27.3%	8,747,877
Other Sources/(Uses) of Cash							
Capital Projects and Acquisitions	(14,814,362)	(37,789,203)	(52,603,565)	(57,406,694)	4,803,129	-8.4%	(62,976,686)
Changes in Designated Cash	(300,803)	(3,267,993)	(3,568,796)	2,304,142	(5,872,938)	-254.9%	(271,137)
Changes in Restricted Cash	157,173	(602,154)	(444,981)	(10,170)	(434,811)	4275.4%	(1,502,673)
Changes in Receivables	1,219,555	1,089,098	2,308,653	(181,873)	2,490,526	-1369.4%	(25,199,982)
Changes in Other Assets	-	81,748	81,748	81,748	-	0.0%	-
Changes in Debt	(385,000)	(19,486,807)	(19,871,807)	(20,117,332)	245,526	-1.2%	61,619,235
Changes in Other Liabilities	(3,119,538)	1,127,741	(1,991,797)	(1,467,721)	(524,076)	35.7%	571,570
Changes in Equity	-	-	-	-	-	n/a	-
Total Other Sources/(Uses) of Cash	(17,242,976)	(58,847,570)	(76,090,545)	(76,797,901)	707,355	-0.9%	(27,759,673)
Transfer In from (Out to) Other Funds							
Transfers In from Other Funds	15,265,050	25,408,392	40,673,442	42,687,432	(2,013,991)	-4.7%	721,929
Transfers Out to Other Funds	(16,425,511)	(24,460,569)	(40,886,080)	(43,400,209)	2,514,130	-5.8%	-
Net Transfer In/(Out)	(1,160,461)	947,823	(212,638)	(712,777)	500,139	-70.2%	721,929
Net Change in Unrestricted Cash	(18,504,295)	(12,343,192)	(30,847,487)	(14,951,698)	(15,895,789)	106.3%	(18,289,867)
Ending Balance, Unrestricted Cash	24,669,381	122,203,887	146,873,268				(41,480,250)
Beginning Balance, Designated Cash							
Changes in Designated Cash	300,803	3,267,993	3,568,796				271,137
Ending Balance, Designated Cash	8,963,521	100,869,576	109,833,097				271,137
Beginning Balance, Restricted Cash							
Changes in Restricted Cash	(157,173)	602,154	444,981				1,502,673
Ending Balance, Restricted Cash	7,904,095	30,455,724	38,359,819				36,684,940
							1,502,673
							38,187,613

2025 Capital Budget
By Responsible Department

EXHIBIT B

CONSTRUCTION ACTIVITIES

Managed by the Capital Construction Department

Public Housing Properties	\$8,737,792	
MKCRF Properties	0	
Other Properties	1,757,395	
Central Office Projects	2,063,225	
Placeholder for Pre-Construction Design Work	994,534	
	<hr/>	13,552,947

Managed by the Housing Management Department

Unit Upgrade Program	5,683,963	
Other Projects	2,180,345	
	<hr/>	7,864,308

Managed by the Asset Management Department

Projects at Workforce Housing Properties	22,977,698	
Projects at Mobile Home Properties and Other	3,097,000	
	<hr/>	26,074,698

DEVELOPMENT/ACQUISITION ACTIVITIES

Managed by the Development Department

Acquisition Placeholder	60,000,000	
Hope VI Properties	4,337,710	
Pre-development Activities-Issaquah Trailhead	1,897,879	
Pre-development Activities-Other	700,000	
	<hr/>	66,935,589

OTHER ACTIVITIES

Technology Expenditures	847,709	
Safety & Security	250,000	
Vehicles & Other	55,000	
	<hr/>	1,152,709

TOTAL BUDGETED CAPITAL EXPENDITURES

\$115,580,251

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**King County
Housing
Authority**

To: Board of Commissioners

From: Pam Taylor, Senior Vice President of HCV

Date: December 9, 2024

Re: **Resolution No. 5784** Authorizing Higher Payment Standards for the Housing Choice Voucher Program

As the Senior Vice President of the HCV department, it is my commitment to ensure that our voucher holders have access to affordable housing options in the community. This continues to be a challenging task, especially considering the rising housing costs and the limited funding available for our programs.

We analyzed the data over the past year and considered the impact of the previous increases. The conclusion we came to is that our payment standards for some areas in our jurisdiction are not keeping up with the growing rate of rental costs in the market.

After much deliberation, we have decided that a 2% increase to our payment standards would allow the agency to respond to the immediate need of our clients, while preventing our change from leading the market. KCHA will be conducting an analysis of the distribution of its zip code and tier assignments to consider other factors that impact our payment standards and will be including this in our 2025 mid-year payment standards review.

We collaborated with our front-line staff which confirmed our recommendation that our current payment standards are not effective in some areas in our jurisdiction, and that further analysis on the layout of our tier system is needed. In the end, we were proud of our commitment to responsible stewardship of the program and to the needs of our clients.

Background

Traditionally, housing authorities have a single payment standard set by HUD, based on 40 percent of units being affordable with a voucher (referred to as the 40th percentile). KCHA implemented multi-tiered standards in 2016, setting different payment standards for different regions of the county (see Exhibit 1), and began conducting biannual reviews of payment standards in 2018. Social Impact research & evaluation staff conducts the analysis in support of HCV decision-making; reviews occur at the middle (June) and end (December) of each year. The purpose of the reviews is to check the effectiveness of existing payment standards and ensure that they are not lagging the market to such a degree that voucher holders cannot lease up throughout the remainder of the year.

KCHA Payment Standard Tiers

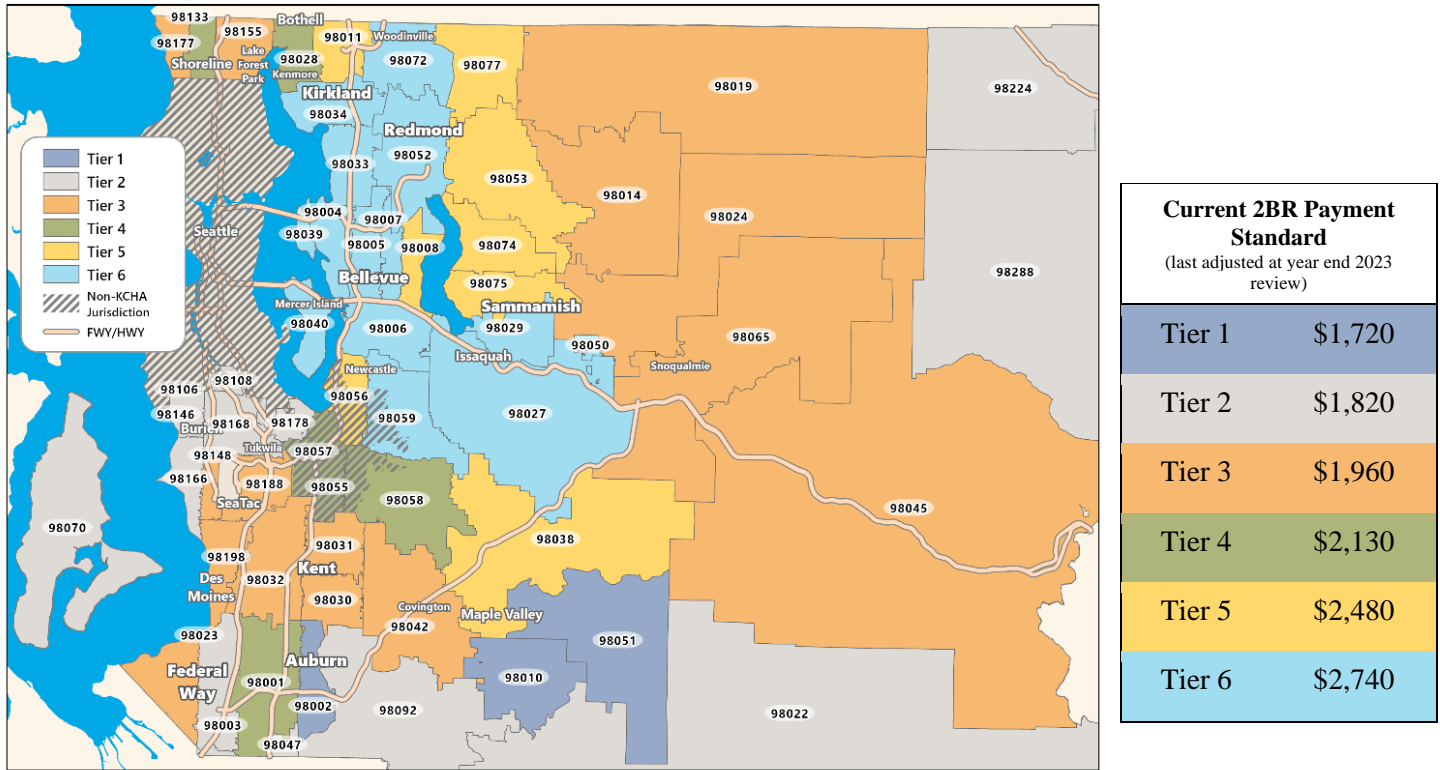


Exhibit 1

Meeting Our Goals

We have four data-driven goals in mind when determining our payment standard amounts, in addition to trying to meet the 40th percentile of affordable units:

- 1) Support shopping success: if we don't set our payment standards at the right amount, families will struggle to find a place that they can afford.
- 2) Limiting shelter burden: if our payment standards are too low, families end up paying more costs out of pocket and will become shelter burdened.
- 3) Increasing geographic choice: we want families to find a unit in any area of the county they want to live in, not just the most affordable areas.
- 4) Ensure cost containment: by having lower payment standards in more affordable areas, we ensure that the agency is not overspending on housing costs.

Shopping Success

In our last review there was significant variability with the success of voucher holders for the months of September 2022 through January 2023. Since that period, we have seen a decline in our success at both 120 and 240 days. Most notably, our current success rate for the June 2023 households is the lowest since March 2022 (45%). While payment standards are only one factor in one's ability to secure housing, conversations with our staff have revealed that searches in more affordable tiers have been more difficult due the payment standards not being as competitive as the higher, more expensive tiers.

Limiting Rent Burden

In our last annual review, we unfortunately had started to see a sharp rise in the number of households considered “rent burdened”, up from 8.6% to 10.4%. Rent burden is defined as a household paying more than 40% of their income on housing. A KCHA household only becomes rent burdened if they are in a unit that is more expensive than what our payment standard will cover (*plus the household’s share of rent*). The percentage of households that are rent burdened has remained steady over the last year at 10.5% of all voucher households leased in units where the number of bedrooms is within the voucher occupancy standards.

Increasing Geographic Choice

Many households live in South King County, which is primarily lower-cost Tiers 2 and 3. However, over the past two years, the portions of households living in these tiers has dropped, and more families are leasing up in lower poverty, higher opportunity neighborhoods than ever before. Almost 1 in 5 KCHA households now live in Tier 6, which encompasses most of the Eastside. Even with the migration of households to higher tiers, it is imperative that KCHA maintains competitive payment standards in its lower tiers for households who desire to live there.

Market Rents and Changes Over Time

In addition to measuring progress on HCV’s four goals, the Social Impact team tracks market rents and compares current voucher rent levels against payment standards. Although the median rent for HCV households is below the current payment standard for virtually all bedroom sizes and tiers, looking at households that moved within the last six months can be a more accurate depiction of the rental market than overall HCV rents.

Recommended Payment Standard Adjustments

Staff is recommending an increase in payment standard amounts in all Tiers for all bedroom sizes. This recommendation will ensure that new households will be more successful in leasing units, current households will face lower shelter burdens, and geographic mobility will be maintained should they decide to move.

KCHA will again conduct a payment standards analysis beginning in April 2025, with any potential adjustments effective July 1st, 2025.

KCHA will continue to monitor rental costs, shelter burden, and shopping success trends over the next six months in advance of our mid-year review. KCHA is proposing to implement new payment standards for new households on January 1st, and then on a rolling basis at existing households’ next interim or annual reexamination.

Approval of Resolution 5784 is recommended.

APPENDIX A: 2025 Multi-Tiered Payment Standards

Proposed Payment Standards Amounts Effective January 1, 2025

	Studios	1 BR	2 BR	3 BR	4 BR
Tier 1	\$1,610	\$1,610	\$2,020	\$2,640	\$3,440
Tier 2	\$1,620	\$1,620	\$2,030	\$2,650	\$3,460
Tier 3	\$1,640	\$1,640	\$2,070	\$2,690	\$3,510
Tier 4	\$1,700	\$1,700	\$2,180	\$2,830	\$3,710
Tier 5	\$2,070	\$2,070	\$2,530	\$3,300	\$4,310
Tier 6	\$2,240	\$2,240	\$2,800	\$3,650	\$4,760



Increasing HCV Participant Success

Going Beyond
Payment
Standards



Introductory Notes

This presentation contains analysis and financial projections related to several policy and operational choices on the table for 2025 which are designed to better serve participants in the KCHA Housing Choice Voucher Program.

As Congress has not finalized the U.S. federal budget for 2025, the options presented here are for discussion. Once KCHA is clear on the federal budget and financial picture for 2025, we will return with final recommendations to the Board of Commissioners.



Comprehensive Approach

We are addressing the critical question:

"How can we significantly reduce search time for voucher holders?"

Our approach aims not only to meet the immediate need for faster searches but also to implement operational improvements to enhance efficiencies.

Today's discussion will cover:

- Policy changes that we hypothesize will make significant impact on search time.
- Program adjustments to improve operational efficiencies.
- Potential budgetary impacts and timeline.

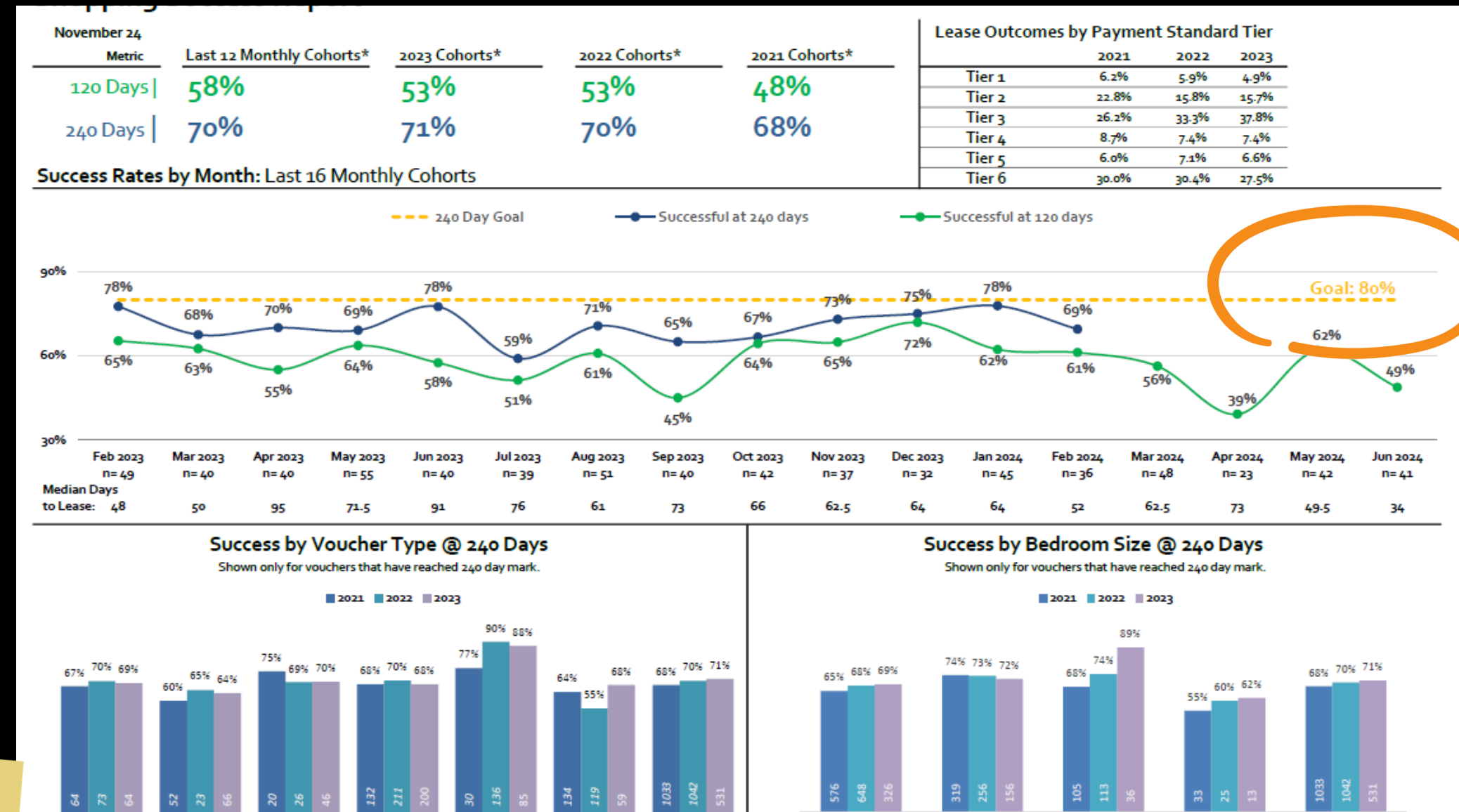


Housing Search Report

This report reflects KCHA's current method for measuring shopping search time, which is the length of time it takes for a voucher holder to be housed.

KCHA's historical goal has been to achieve an 80% success rate within 120 to 240 days. But we believe we can do better.

The report shows the significant range in search times across different voucher types. A deeper dive is crucial for shortening search time.



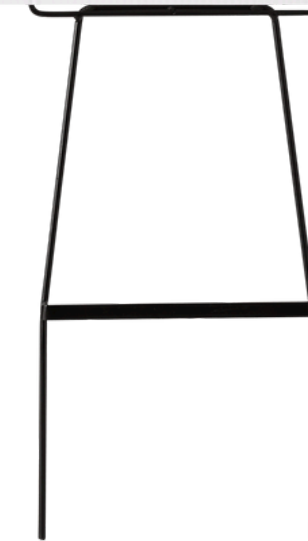
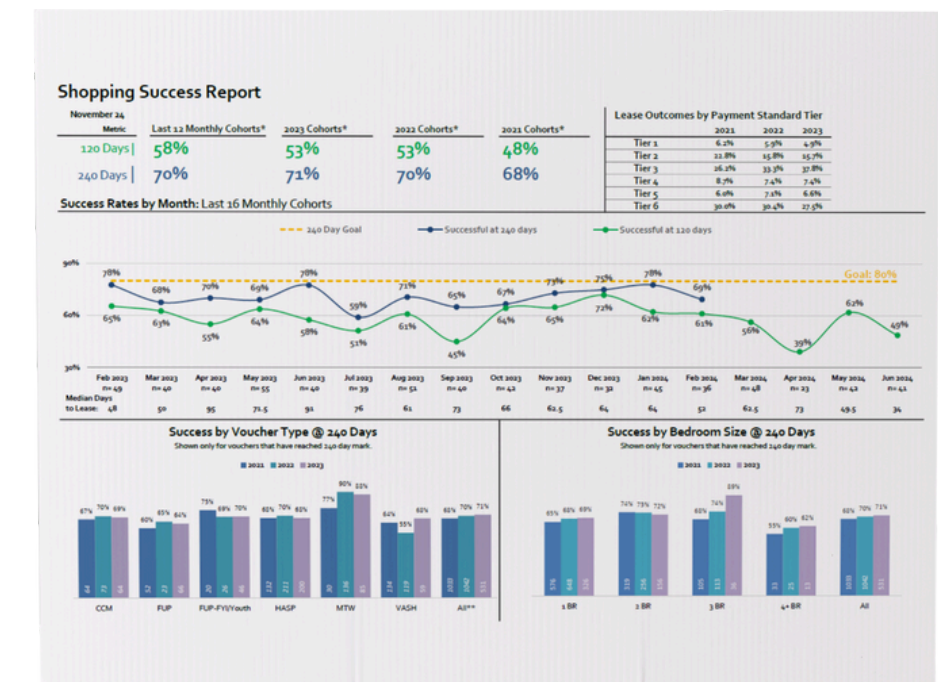
The national success rate is only 55%



Current Search Time

Finding a unit can be a lengthy process, often taking families up to eight months. This extended search time can lead to great stress, especially for vulnerable families who may already be facing challenges.

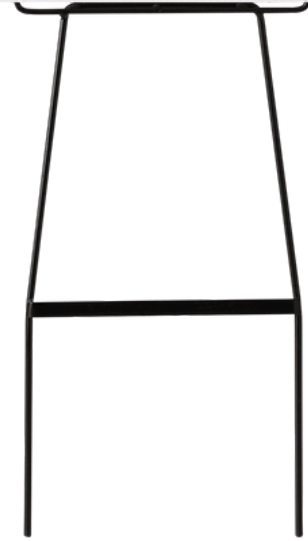
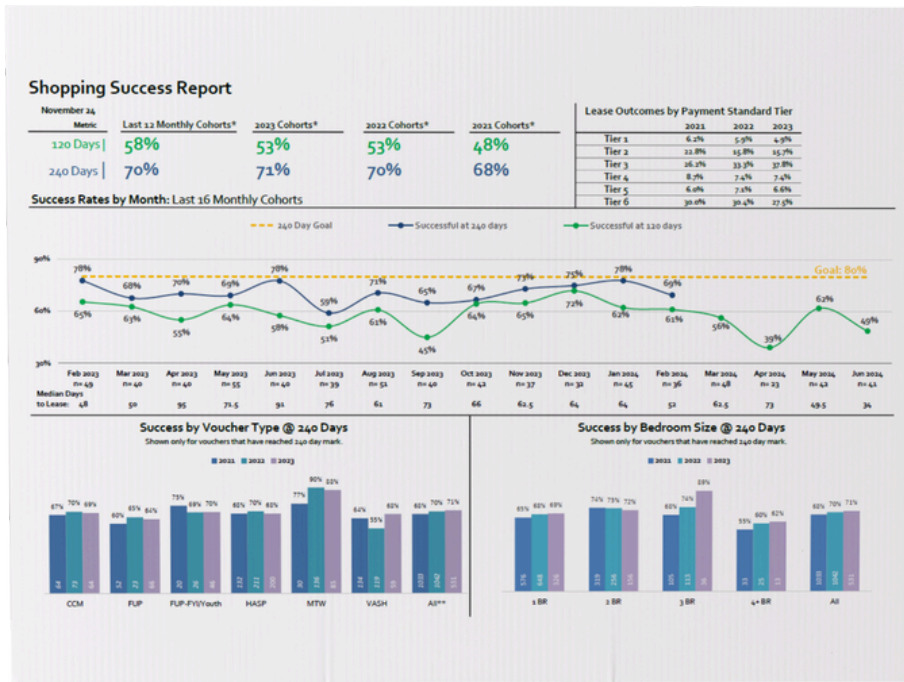
240 Days



Our goal is to shorten search time

Our aim in 2025 is to reduce the average search time by 60 days, through a targeted approach including: increasing security deposits, making operational changes, and adjusting bedroom sizes and payment standards.

180 Days





Security Deposits

Security Deposits Facts



We have seen security deposits significantly increase over time. Landlords are frequently charging a minimum equal to one month's rent.



Clients facing financial or credit challenges may be required to provide larger deposits. A large percentage of our SPV voucher holders fall into this category.



Housing Navigators & partnering agencies reported that the current amounts are insufficient to meet the rising costs. The total costs to lease clients are approximately \$9K.

Security Deposit Assistance

Current Support

2024 Actuals

KCHA has used its MTW Authority to provide security deposit assistance within the program, but has never increased the amounts of that assistance. The red column shows the average security deposit amounts for 2024 by bedroom size. But since the point of implementation, security deposits have increased by nearly 40%.

Anecdotal evidence suggests that an increase would assist with a faster lease up.

# Of Bedrooms	Deposit Amounts	Deposit Amounts
Studio/1 Bedrooms	\$500	\$924
2 Bedrooms	\$750	\$1,241
3 Bedrooms	\$1,000	\$1,303
4 Bedrooms	\$1,250	\$2,342
5 Bedrooms	\$1,500	\$2,358

Security Deposit Proposed Update

Proposed 2025 deposit amounts strike a balance between affordability and meaningful assistance.

These recommendations are designed to fall below the 2024 average amounts, exceed the current deposit assistance levels, provide support and reduce the overall financial burden on families.

	Current Support	2024 Actuals	2025 Proposed Update
	# Of Bedrooms	Deposit Amounts	Deposit Amounts
	Studio/1 Bedrooms	\$500	\$924
	2 Bedrooms	\$750	\$1,241
	3 Bedrooms	\$1,000	\$1,303
	4 Bedrooms	\$1,250	\$2,342
	5 Bedrooms	\$1,500	\$2,358
			\$900
			\$1,100
			\$1,300
			\$1,800
			\$2,150

Budgetary Impact of Proposal

2025 Proposed Update

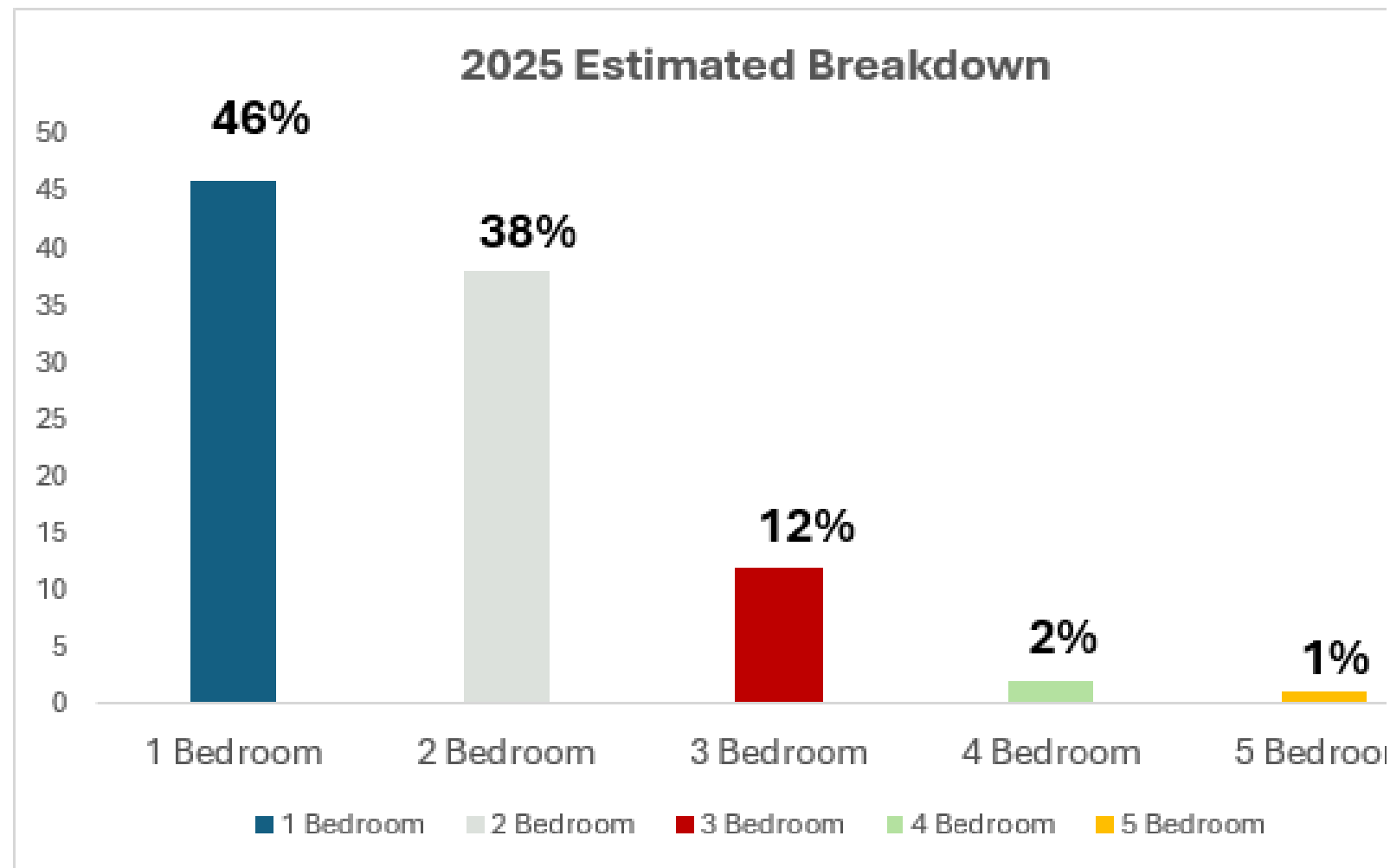
# Of Bedrooms	Deposit Amounts
Studio/1 Bedrooms	\$900
2 Bedrooms	\$1,100
3 Bedrooms	\$1,300
4 Bedrooms	\$1,800
5 Bedrooms	\$2,150

\$276,594

Based on 2025 projections, the estimated cost difference is expected to be approximately \$276,594. This amount is the anticipated difference when comparing the current amounts, and using the forecasted number of searchers for 2025.

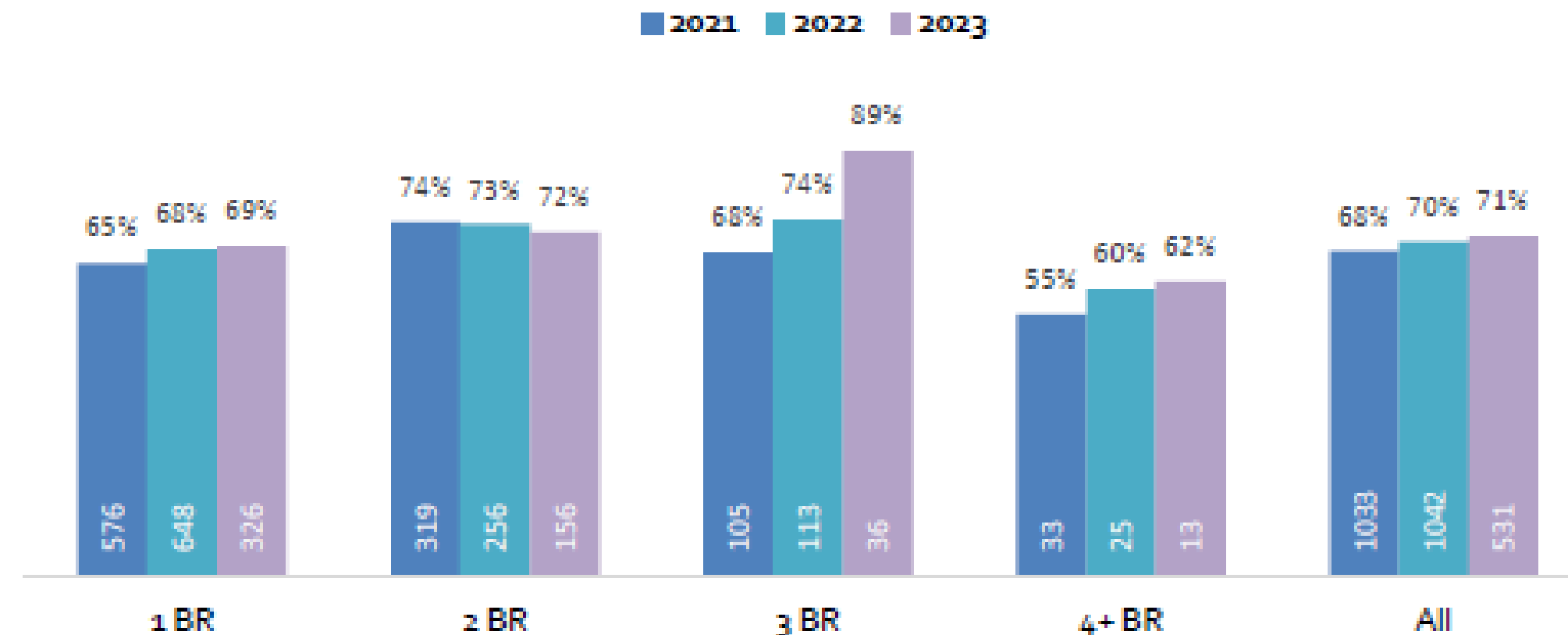
2025 Estimated Bedroom Sizes

This is the 2025 estimated breakdown of bedroom sizes based on 2024 searchers. The majority of the households are in 1-3 bedroom units.



Success by Bedroom Size @ 240 Days

Shown only for vouchers that have reached 240 day mark.

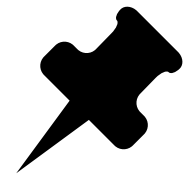




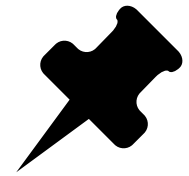
Occupancy Standards

What are Occupancy Standards?

Occupancy Standards determine the number of bedrooms a family qualifies for based on the number of persons in the household.



There are no set HUD standards.



Each Housing Authority can set their own occupancy standards based on local needs and considerations.



Occupancy standards must comply with Fair Housing laws and cannot unfairly discriminate against families with children.



KCHA's Current Family Unit Size

Children are be allotted one (1) bedroom for every two children living in the household **regardless of age or sex.**



Voucher
Housing Choice Voucher Program

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

OMB No. 2577-0169
(exp. 9/30/2012)

Public Reporting Burden for this collection of information is estimated to average 0.05 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. 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. Assurances of confidentiality are not provided under this collection. This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The information is used to authorize a family to look for an eligible unit and specifies the size of the unit. The information also sets forth the family's obligations under the Housing Choice Voucher Program.

Privacy Act Statement. The Department of Housing and Urban Development (HUD) is authorized to collect the information required on this form by Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). Collection of family members' names is mandatory. The information is used to authorize a family to look for an eligible unit and specifies the size of the unit. The information also sets forth the family's obligations under the Housing Choice Voucher Program. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide any of the information may result in delay or rejection of family voucher issuance.

Please read **entire** document before completing form
Fill in all blanks below. Type or print clearly.

		Voucher Number
1. Insert unit size in number of bedrooms. (This is the number of bedrooms for which the Family qualifies, and is used in determining the amount of assistance to be paid on behalf of the Family to the owner.)	1. Unit Size	
2. Date Voucher Issued (mm/dd/yyyy) Insert actual date the Voucher is issued to the Family.	2. Issuance Date (mm/dd/yyyy)	
3. Date Voucher Expires (mm/dd/yyyy) Insert date sixty days after date Voucher is issued. (See Section 6 of this form.)	3. Expiration Date (mm/dd/yyyy)	
4. Date Extension Expires (if applicable)(mm/dd/yyyy) (See Section 6. of this form)	4. Date Extension Expires (mm/dd/yyyy)	
5. Name of Family Representative	6. Signature of Family Representative	Date Signed (mm/dd/yyyy)

2 Bedroom

Comparison PHA Policies for Family Unit Size

Boston Housing Authority

The BHA shall inform the Applicant/Participant that s/he may elect to have a Child share a bedroom with another Child of the opposite sex, in order to be eligible for a smaller Voucher Unit Size.

Tampa Housing Authority

Children five and under will be required to share a bedroom regardless of sex of the children.



St. Louis Housing Authority

Separate bedrooms should be allocated for persons of the opposite sex (other than adults who have a spousal relationship and children under the age of three).

Proposed Change

Voucher
Housing Choice Voucher Program

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

OMB No. 2577-0169
(exp. 9/30/2012)

Public Reporting Burden for this collection of information is estimated to average 0.05 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. 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. Assurances of confidentiality are not provided under this collection. This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The information is used to authorize a family to look for an eligible unit and specifies the size of the unit. The information also sets forth the family's obligations under the Housing Choice Voucher Program.

Privacy Act Statement. The Department of Housing and Urban Development (HUD) is authorized to collect the information required on this form by Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). Collection of family members' names is mandatory. The information is used to authorize a family to look for an eligible unit and specifies the size of the unit. The information also sets forth the family's obligations under the Housing Choice Voucher Program. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide any of the information may result in delay or rejection of family voucher issuance.

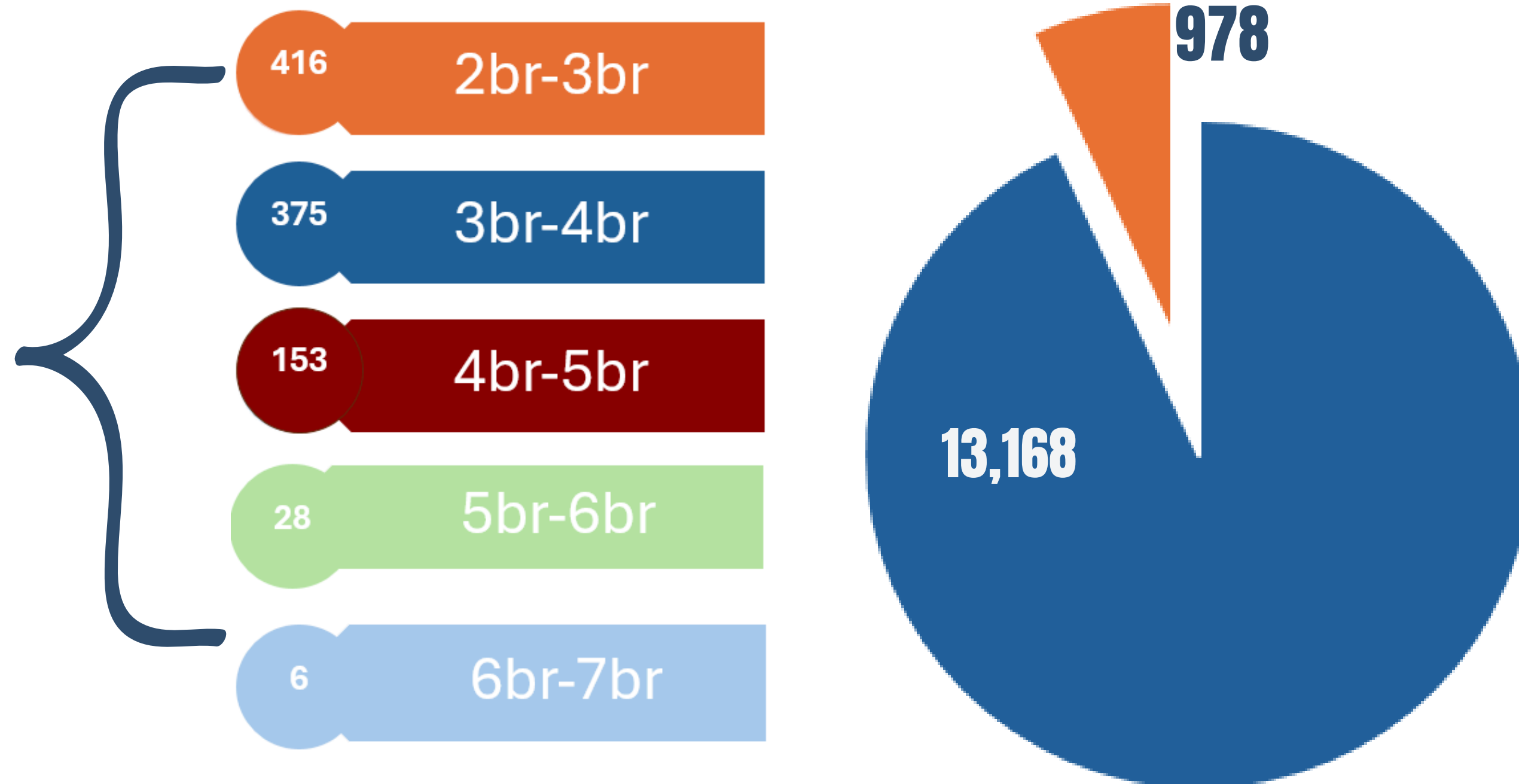
Please read entire document before completing form Fill in all blanks below. Type or print clearly.		Voucher Number
1. Insert unit size in number of bedrooms. (This is the number of bedrooms for which the Family qualifies, and is used in determining the amount of assistance to be paid on behalf of the Family to the owner.)	Unit Size	3 Bedroom
2. Date Voucher Issued (mm/dd/yyyy) Insert actual date the Voucher is issued to the Family.	Issue Date (mm/dd/yyyy)	
3. Date Voucher Expires (mm/dd/yyyy) Insert date sixty days after date Voucher is issued. (See Section 6 of this form.)	3. Expiration Date (mm/dd/yyyy)	
4. Date Extension Expires (if applicable)(mm/dd/yyyy) (See Section 6. of this form)	4. Date Extension Expires (mm/dd/yyyy)	
5. Name of Family Representative	6. Signature of Family Representative	Date Signed (mm/dd/yyyy)

Children of the opposite sex, with the exception of those **under the age of six (6)**, shall not be required to share a bedroom.



How many will be helped?




Based on projections for 2025, approximately 978 families are expected to qualify for larger housing units. The breakdown of bedroom requirements shows the majority of these families will be eligible for a 3, 4, or 5-bedroom units.



**The larger units are mainly single family homes.*

Financial Impact of Changes

Phase In	2025	2026	2027	2028
Estimated Annual Cost Increase	\$1,373,372	\$4,252,372	\$5,716,805	\$5,984,758
Estimated Total Households	418	472	180	30

-  The chart presents a breakdown of estimated incremental costs over the next 4 years, if it is determined to be in the best interests of all to proceed.
-  If approved, KCHA proposes to implement at different touch points: annual recertifications, moves, and initial issuances.
-  Please note that the projections include current searchers and projected new issuances.



Payment Standards

What are Payment Standards?

Standards
2024

the highest amount we will pay
on current market rental rates for the

ZIP CODES & PAYMENT STANDARD

Look for your zip code below to determine the tier for your home type. Then, look at the bottom table for your home type in that tier to find the amount KCHA will pay for your rent and utilities each month.

Tier	ZIP Code	Tier	ZIP Code	Tier	ZIP Code
4	98027	6	98052	6	98108*
1	98028	4	98053	5	98126*
2	98029	6	98055*	4	98133*
6	98030	3	98056*	5	98146*
6	98031	3	98057*	4	98148
6	98032	3	98058*	4	98155
6	98033	6	98059*	6	98166
5	98034	6	98065	3	98168
1	98038	5	98070	2	98177*
5	98039	6	98072	6	98178*
3	98040	6	98074	5	98188
3	98042	3	98075	5	98198
2	98045	3	98077*	5	98224
3	98047*	2	98092*	2	98288
3	98051	1	98106*	2	98354*

*These ZIP codes partially include non-KCHA jurisdictions and may be either outside King County or within Seattle or Renton city limits.

HOUSING CHOICE VOUCHER MULTI-TIERED PAYMENT STANDARDS

	Studios	1 BR	2 BR	3 BR	4 BR
Tier 1	\$1,570	\$1,650	\$1,980	\$2,580	\$3,370
Tier 2	\$1,580	\$1,660	\$1,990	\$2,590	\$3,390
Tier 3	\$1,600	\$1,680	\$2,020	\$2,630	\$3,440
Tier 4	\$1,660	\$1,740	\$2,130	\$2,770	\$3,630
Tier 5	\$2,020	\$2,120	\$2,480	\$3,230	\$4,220
Tier 6	\$2,190	\$2,300	\$2,740	\$3,570	\$4,660

The maximum amount a Housing Authority can pay on behalf of a family.

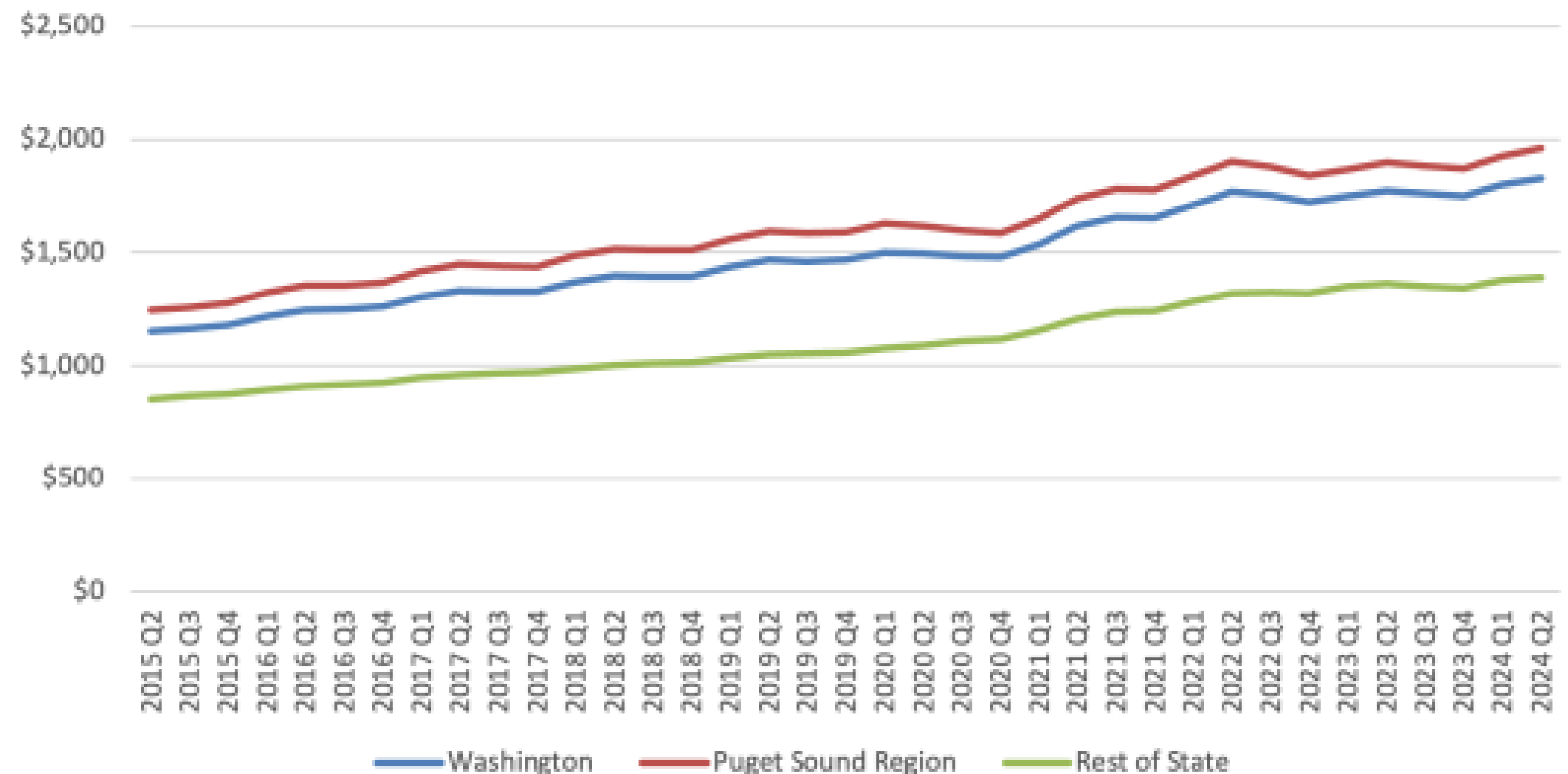
HUD has allowed KCHA to set its Payment Standards due to its Moving to Work status. They are usually based on HUD's Fair Market Rents.

KCHA assigns Payment Standards to each zip code due to the various rents in the county. These standards enable voucher holders to live anywhere in King County.

How is the Market?



A recent University of Washington report states that rents increased by 3% in King County over the last year. This figure is based on data from CoStar and includes units within the City of Seattle.



How is the Market?



“The apartment market is getting more competitive in many markets around the nation. In Seattle and Tacoma, the market has tightened as lease renewal rates have jumped even with more new apartments coming online.”

Anthony Bolante | PSBJ

By Joanne Drilling and Jon Silver – Puget Sound Business Journal

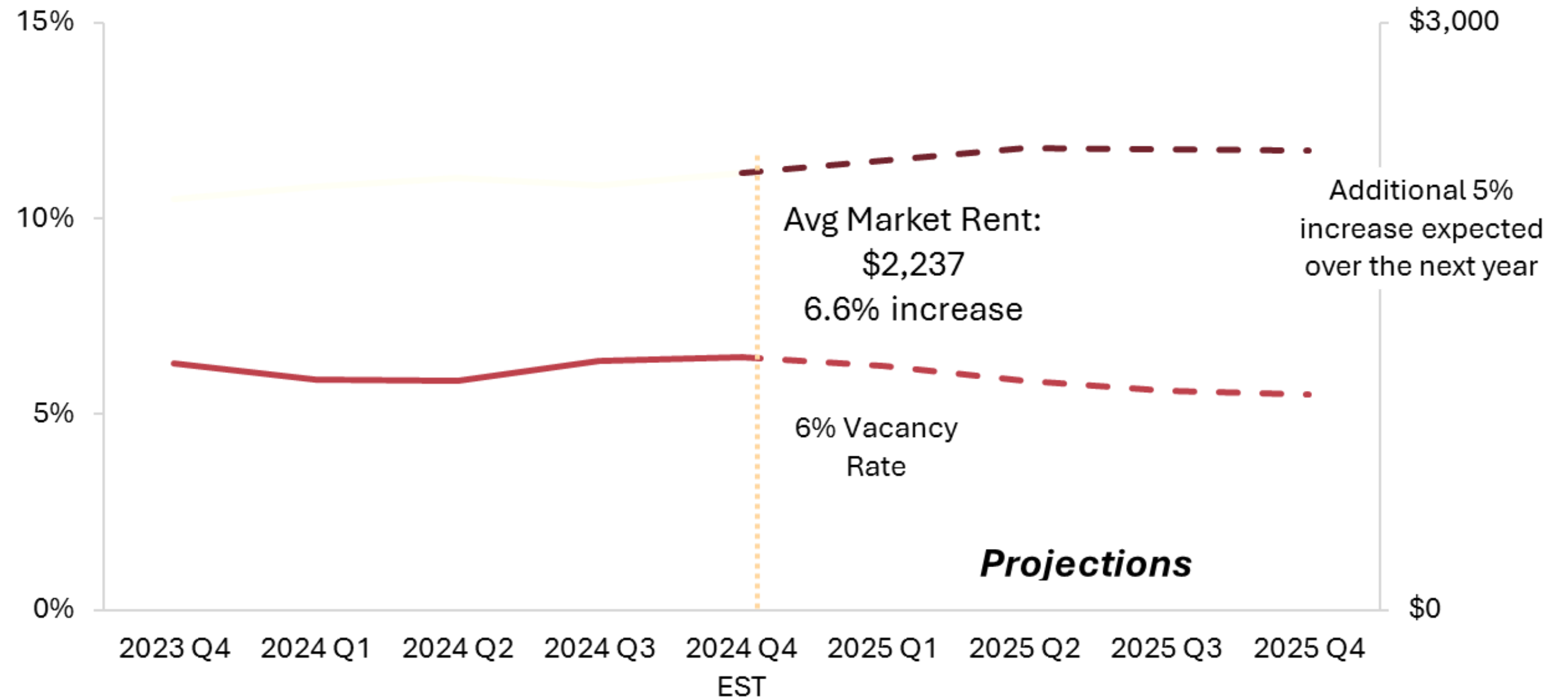
Oct 10, 2024

Further Market Analysis

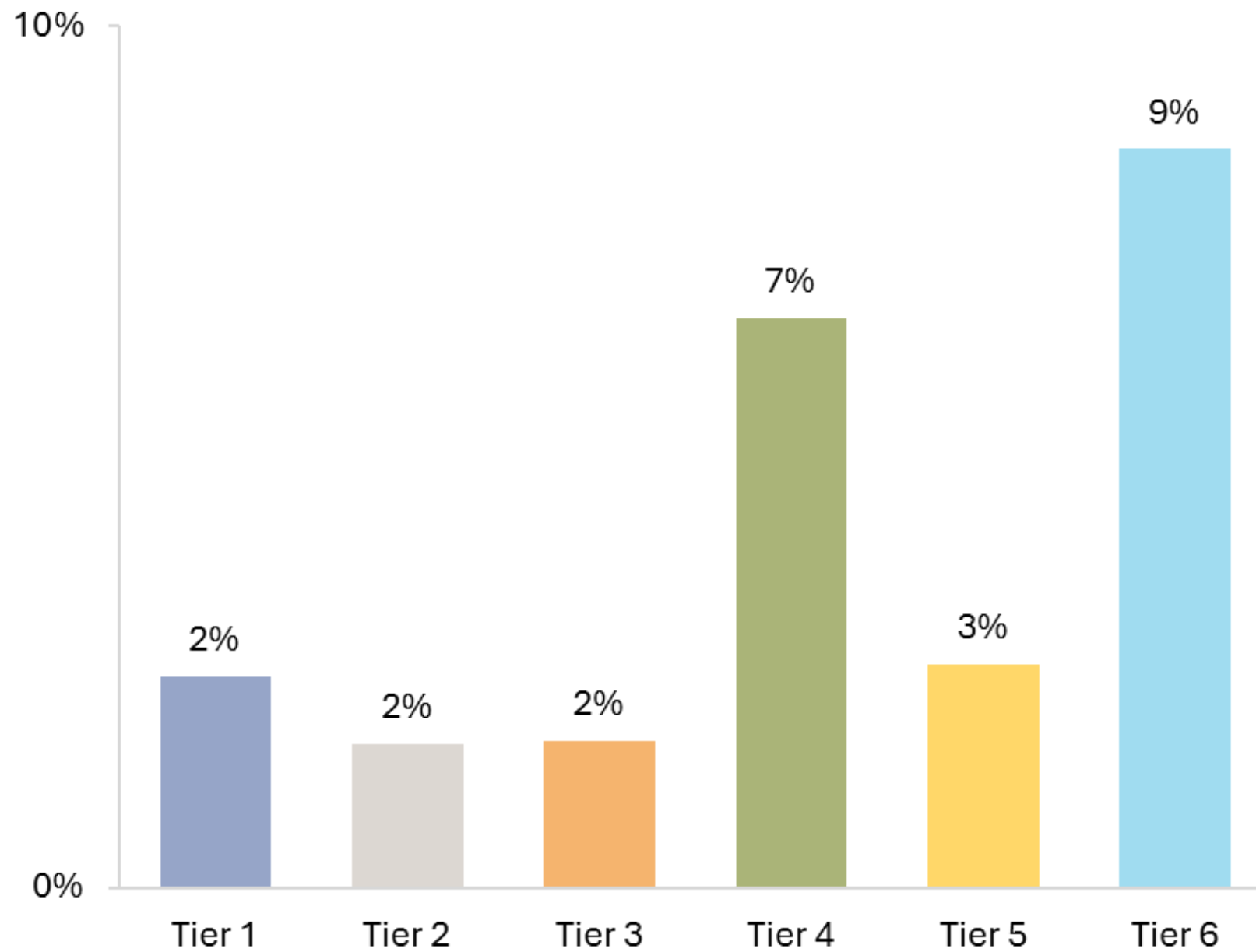
Rents have increased 7% in the last year and are expected to continue to increase. According to data from CoStar on apartment buildings in KCHA's jurisdiction.

Vacancy rates are expected to stay level at 5-6%.

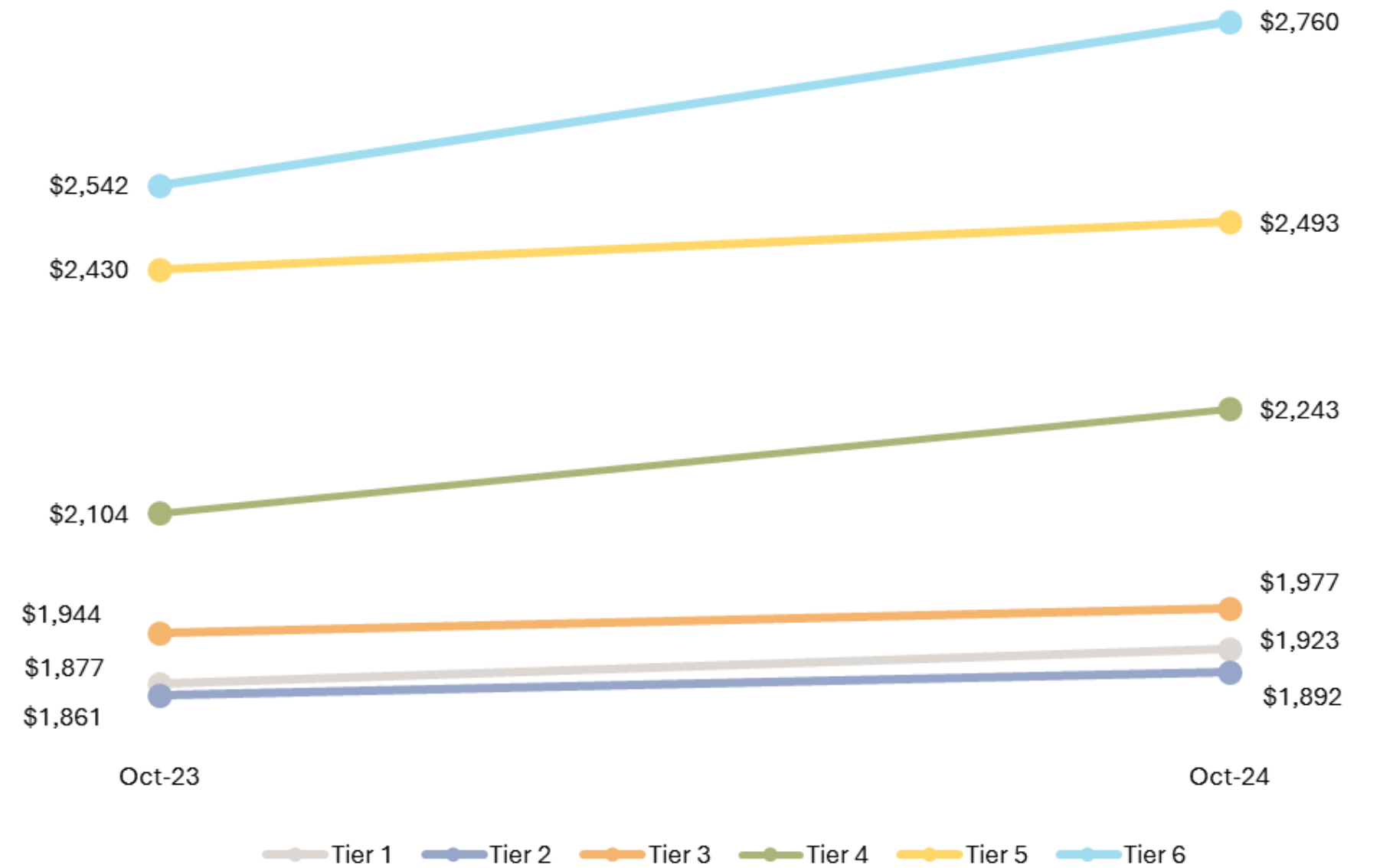
Rent and Vacancy Rates in KCHA Jurisdiction: 2023 – 2025



2BR: One year % change in 40th by Tier



2BR: One year change in 40th Percentile by Tier



Rent for 2 bedrooms by Tier have generally increased around 2% with some higher increases in Tiers 4 & 6. But, most voucher holders are in Tiers 1-3.

KCHA Proposes a 2% Increase Across All Tiers

Current Annual HAP: \$197.8M	Proposal increase in HAP with 3% rent increases: Year 1	Proposal increase in HAP with 3% rent increases: Year 2	Proposal increase in HAP with 3% rent increases: Year 3
Difference from current base HAP	\$2.9M	\$5.3M	\$6.1M
Difference from all on 2024 PS with 3% rent increases	\$0.9M	\$1.7M	\$1.9M

Running total-each year includes the previous year's increase in HAP

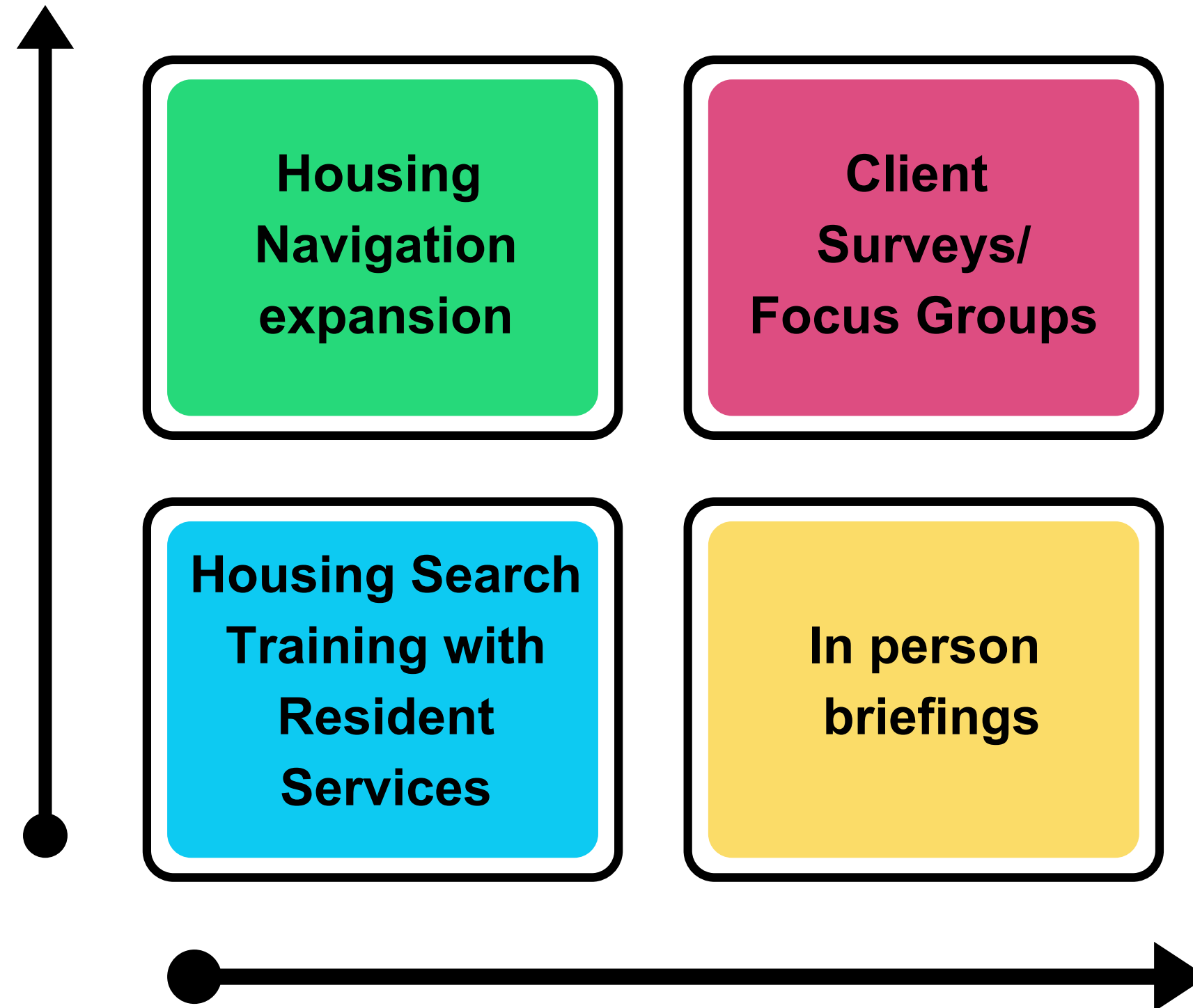
KCHA proposes a 2% Increase across all Tiers to address the market, while prudently containing costs.

	0BR	1BR	2BR	3BR	4BR
Tier 1	\$1,610 ₄₀	\$1,690 ₄₀	\$2,020 ₄₀	\$2,640 ₆₀	\$3,440 ₇₀
Tier 2	\$1,620 ₄₀	\$1,700 ₄₀	\$2,030 ₄₀	\$2,650 ₆₀	\$3,460 ₇₀
Tier 3	\$1,640 ₄₀	\$1,720 ₄₀	\$2,070 ₅₀	\$2,690 ₆₀	\$3,510 ₇₀
Tier 4	\$1,700 ₄₀	\$1,780 ₄₀	\$2,180 ₅₀	\$2,830 ₆₀	\$3,710 ₈₀
Tier 5	\$2,070 ₅₀	\$2,170 ₅₀	\$2,530 ₅₀	\$3,300 ₇₀	\$4,310 ₉₀
Tier 6	\$2,240 ₅₀	\$2,350 ₅₀	\$2,800 ₆₀	\$3,650 ₈₀	\$4,760 ₁₀₀



Additional Strategies to Shorten Housing Search

Additional Strategies





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THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION No. 5784

**AUTHORIZING HIGHER PAYMENT STANDARDS FOR THE
HOUSING CHOICE VOUCHER PROGRAM**

WHEREAS, the Housing Choice Voucher payment standards are the maximum subsidy levels used to calculate the housing assistance a household will receive under the Housing Choice Voucher program; and

WHEREAS, the Housing Authority's Board of Commissioners authorized implementation of a multi-tiered payment standard system with five tiers by passing Resolution No. 5531 dated the 16th of February 2016; and

WHEREAS, the Housing Authority has committed to reviewing the multi-tiered payment standards system and the configuration of ZIP codes therein at least once a year; and

WHEREAS, the Housing Authority last made adjustments to the grouping of ZIP codes in August 2022 and last increased payment standards in December 2023; and

WHEREAS, it has been determined that an additional increase in payment standards is necessary to keep pace with regional rental market trends and limit shelter burden; and

WHEREAS, the Housing Authority has sufficient resources to fund higher payment standards in 2025; and,

WHEREAS, increased payment standard amounts will Affirmatively Further Fair Housing objectives in the Seattle Metropolitan region;

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

The Payment Standards for the Housing Authority's Housing Choice Voucher program are hereby adjusted in accordance with the proposed recommendations, set forth at the December 9th Board of Commissioners meeting and attached hereto, and effective January 1, 2025.

ADOPTED AT A SPECIAL MEETING OF THE BOARD OF THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 9th DAY OF DECEMBER, 2024.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

Robin Walls
President/CEO and Secretary-Treasurer

Proposed Payment Standards Amounts Effective January 1, 2025

	Studios	1 BR	2 BR	3 BR	4 BR
Tier 1	\$1,610	\$1,690	\$2,020	\$2,640	\$3,440
Tier 2	\$1,620	\$1,700	\$2,030	\$2,650	\$3,460
Tier 3	\$1,640	\$1,720	\$2,070	\$2,690	\$3,510
Tier 4	\$1,700	\$1,780	\$2,180	\$2,830	\$3,710
Tier 5	\$2,070	\$2,170	\$2,530	\$3,300	\$4,310
Tier 6	\$2,240	\$2,350	\$2,800	\$3,650	\$4,760

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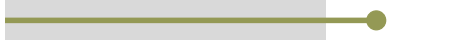

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Households Served




point in time as of September 2024¹

24,330

Finance

	Budgeted	Actual	Actual to Budget	
Revenue year-to-date	\$401,840,605	\$430,865,786	107.2%	
Expenditure year-to-date	\$349,124,657	\$337,154,696	96.6%	
LGIP Rate Investments	4.52%	5.23%	+ 0.71%	
Non-LGIP Investments	4.52%	3.17%	-1.35%	

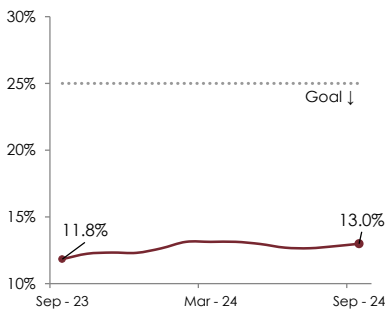
Housing Management

	Scope	Target	Sep '24	
Public Housing Occupancy ²	3,766 units	98.0%	98.0%	
Local Programs Occupancy	8,916 units	96.5%	98.7%	
Total Units Online ³	12,711 units	11,105	12,711	

Housing Choice Voucher Program Operations

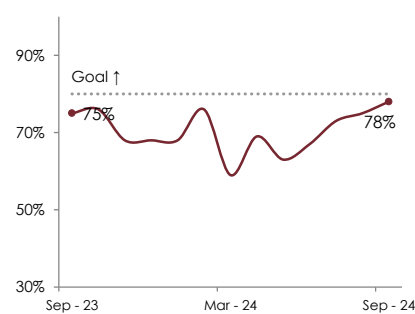
Shelter Burden

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



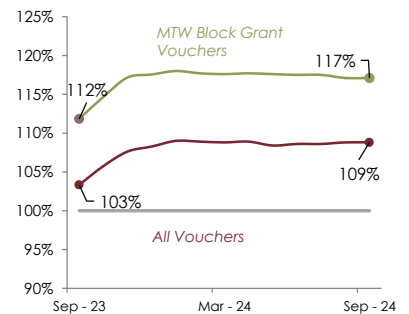
Shopping Success⁴

Lease-up within 240 days after voucher issuance, by cohort.



Utilization Rate⁵

Percentage of HUD ACC leased by month.



Focus Areas

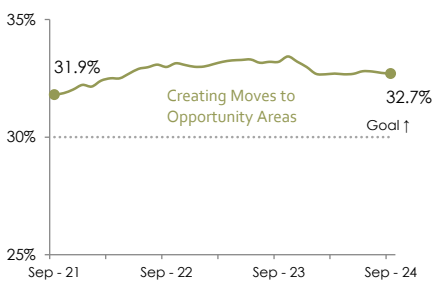
Inclusion Now Training

Percentage of staff who have completed Inclusion Now (I).



Opportunity Area Access

Percentage of households with children living in high opportunity areas.



Notes

- 1) Includes households in federally subsidized programs, workforce housing, and local programs.
- 2) Excludes 49 units in portfolio where turnover is not tracked monthly.
- 3) 11,105 represents the agency's acquisition stretch goal by the end of 2020.
- 4) Represents success of latest cohort to reach 240 days after voucher issuance.
- 5) Does not include Emergency Housing Vouchers.

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King County Housing Authority

Memo

TO: Board of Commissioners

FROM: Wendy Teh, Vice President of Finance

DATE: December 9, 2024

RE: 2024 Third Quarter Financial Report

Executive Summary

Third-quarter 2024 financial results for KCHA, excluding development activities, far outpace budget projections. Operating income is approximately \$8.3 million more than budget with both tenant revenue and block grant revenue exceeding expectations. Operating expenses are 96% of the budget and approximately \$12.5 million less than anticipated. The key drivers include reduced salaries and benefits due to unfilled positions as well as lower spending on maintenance, weatherization projects and administrative costs. As a result, net income is higher than budget by \$20.8 million.

Financial Highlights

For Federal Programs and Properties, which include Moving to Work (MTW), Housing Choice Vouchers (HCV) and Public Housing (PH), operating revenue was \$5.7 million above the budget. Tenant revenue as well as federal subsidies for both HCV and PH were higher than anticipated. Operating expenses were slightly under budget at 99% of the budgeted total. These combined to result in additional net income of \$7.1 million. Other highlights include:

- Seasonal and periodic maintenance projects were below target but expected to increase as the year progresses.
- Capital construction projects were below target mainly due to Burndale Home Office and Envelope project having a late start due to environmental review issues. While the Munro Manor roof and Briarwood Fire Monitoring System Upgrade projects started in the 3rd quarter, the Westminster roof project was postponed to 2025. Salaries and benefits were below target due to unfilled positions.

The Local Programs and Properties had operating revenue that was \$2.6 million above budget. Combined with lower than expected expenditures, net income was \$13.6 million more than budget. The biggest driver of the increased revenue was higher than anticipated tenant revenue while for expenses, unfilled positions resulted in less salaries and benefits. Other notable highlights include:

- Lower spending and grant reimbursements on weatherization projects.
- Various maintenance contract projects were below target, but expected to increase as the year progresses.
- Due to project delays, capital projects are below target.

For Development activities, operating revenue was less than budgeted due to lot sales at Greenbridge occurring earlier than anticipated at the end of 2023. Other budget items, including equity transfers to Seola Gardens and Kirkland Heights developer fee and subordinate loans did not occur as anticipated in the first half of 2024 but are expected to take place later in the year. Other highlights include:

- Interest expense on the Kirkland Heights bonds was higher than anticipated in the budget.
- Subordinate debt yet to be advanced for development of Kirkland Heights Apartment project.

Financial Statements

The Financial Statements below are included to provide detailed financial information for all activities as well as any corresponding notes needed for further explanation.

Income Statements show operating and non-operating income, expenses and net gain or loss. These have been broken out into four separate reports to show differences between KCHA programs and activities. Each individual report highlights the following programs:

1. Combined Operations – Federal and Local Programs, excluding Development activity
2. Federal Programs & Properties – Includes all federal programs such as Housing Choice Vouchers, Public Housing, Capital Fund Program, and several other Federal grants to house and assist families towards self-reliance or improved living circumstances.
3. Local Programs & Properties – Includes properties and programs owned by KCHA and managed either by KCHA Property Management or Asset Management via third party management companies. This category is sometimes referred to as Workforce Housing.
4. Development Activity – Includes all activities handled by our Development department. Most of the financial activities of this department are below-the-line, construction-related and as such are tracked in the balance sheet as “work-in-process” and do not impact net operating income.

The Balance Sheets, which show assets, liabilities and equity, provide a snapshot of KCHA's finances, and are divided into Combined Operations and Development Activity.

Finally, a detailed summary of MTW Uses and Sources is included. One of the most important features of being an MTW agency is the financial flexibility to use funds where they are needed most depending on local housing needs. The charts show where we are able to use funding streams in a variety of ways to support KCHA goals and initiatives.

**Income Statement with Cash Adjustments
Combined Operations (excl development activity)
For the Period Ended September 30, 2024**

	2024 YTD Actual	2024 YTD Budget	% of YTD Budget	
Operating Revenues				
1 Tenant Revenue	\$127,390,372	\$121,660,685	105%	
2 Operating Subsidy from HUD-HCV	211,076,584	208,184,312	101%	
3 Operating Subsidy from HUD-PH	11,747,705	9,740,434	121%	(1)
4 Port-In Income	30,061,637	28,975,574	104%	
5 Other Operating Income	29,828,216	33,279,600	90%	(2)
6 Total Operating Income	<u>410,104,514</u>	<u>401,840,605</u>	102.1%	
Operating Expenses				
7 Salaries	45,352,784	50,053,122	91%	(3)
8 Benefits	14,564,304	16,569,623	88%	(3)
9 Occupancy Expenses	31,686,942	35,763,970	89%	(4)
10 Maintenance Projects	0	0	NM	
11 HAP Expense-KCHA	174,448,987	171,419,897	102%	
12 HAP Expense-Ports In	30,482,395	28,975,574	105%	
13 Other Social Service Expenses	13,738,783	16,893,544	81%	(2)
14 Administrative Expenses	26,349,436	29,448,926	89%	(5)
15 Total Operating Costs	<u>336,623,631</u>	<u>349,124,657</u>	96%	
16 Net Operating Income	<u>73,480,883</u>	<u>52,715,948</u>	139%	
Non-Operating Revenues				
17 Non-Operating income	19,885,474	22,062,207	90%	(6)
18 Total Non-Operating Income	<u>19,885,474</u>	<u>22,062,207</u>	90%	
Non-Operating Expenses				
19 Interest Payments	27,449,457	25,109,229	109%	
20 Non-Operating Expenses	2,849,177	1,488,313	191%	(7)
21 Total Non-Operating Expenses	<u>30,298,633</u>	<u>26,597,543</u>	114%	
22 Net Non-Operating Income (Loss)	<u>(10,413,159)</u>	<u>(4,535,336)</u>	230%	
23 Net Income(Loss)	<u>63,067,723</u>	<u>48,180,613</u>	131%	
Adjustments to Cash - Sources (Uses)				
24 Principal Payments	(17,019,891)	(16,225,871)	105%	
25 Capital Expenditures	(27,294,131)	(46,747,092)	58%	(8)
26 Acquisitions/LIHTC Return to KCHA	(9,950,000)	0	NM	(9)
27 Change (to)/from Designated Cash	(4,183,280)	1,712,907	NM	(10)
28 Change (to)/from Restricted Cash	(5,447,981)	(626,957)	869%	(11)
29 Transfers In/(Out)	(177,721)	(617,304)	29%	(12)
30 Other Changes in Debt	9,950,000	0	NM	(9)
31 Others Sources/(Uses of Cash)	13,148,259	(2,915,212)	NM	(13)
32 Total Adjustments to Cash	<u>(40,974,744)</u>	<u>(65,419,528)</u>	63%	
33 Net Change in Unrestricted Cash	<u>\$22,092,979</u>	<u>(\$17,238,916)</u>	NM	
34 Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	151,298,098			
35 Ending Cash Balance-Unrestricted/Held by Mgmt Agent	173,391,077			

Footnotes:

- 1) Operating subsidy received through the third quarter exceeded target due to higher than expected prorate. The budget assumed a prorate of 92 percent while actual funding was at 98.8 percent.
- 2) Mainly due to lower spending and grant reimbursements on weatherization projects.
- 3) Salaries and benefit were below target due to unfilled positions.
- 4) Seasonal and periodic maintenance projects were below target, but expected to increase.
- 5) Various categories were under target: professional services, admin contracts, and computer equipment.
- 6) Due to delay in capital projects, draws from CFP grant were below target.
- 7) MKCRF capital reimbursement exceeded target. The Juanita Trace roof repair and Eastridge fire monitoring system upgrade projects were budgeted in 2023. However, actual work continued through the 1st half of this year. Also, due to mitigation services for Cascadian fire loss. Unbudgeted.
- 8) Due to project delays capital projects are below target. While the Sandpiper site maintenance and construction project was moved to next year, the Cascadian roof project is expected to be completed in the 4th quarter. Also, the Rainier View expansion project started late due to city permit issues and expected to be completed in Spring of 2025.
- 9) Due to acquisition Henry House for \$9.5 million with proceeds of line-of-credit. \$60 million was budgeted for new housing acquisitions through debt financing in the development fund group.
- 10) Deposits to replacement reserves were higher than budgeted. Also, the budgeted draw from Sandpiper property improvement reserve has yet to occur.
- 11) Mainly due unbudgeted deposits to debt service reserves.
- 12) The Birch Creek debt payment was budgeted to be made using MTW transfer, but management decision was made to use CFP grant instead.
- 13) Mainly due to decrease in grant, account receivable, and internal loan receivable, increase in deferred liabilities offset by decrease accounts payable and deferred revenue.

**Income Statement with Cash Adjustments
Federal Programs and Properties
For the Period Ended September 30, 2024**

	2024 YTD Actual	2024 YTD Budget	% of YTD Budget	
Operating Revenues				
5 Tenant Revenue	11,374,013	10,848,301	105%	
6 Operating Subsidy from HUD-HCV	210,739,831	207,818,910	101%	
7 Operating Subsidy from HUD-PH	11,747,705	9,740,434	121%	(1)
8 Port-In Income	30,061,637	28,975,574	104%	
9 Other Operating Income	5,356,016	6,205,108	86%	(2)
Total Operating Income	<u>269,279,202</u>	<u>263,588,327</u>	102%	
Operating Expenses				
10 Salaries	16,843,886	18,998,525	89%	(3)
11 Benefits	5,892,860	6,966,962	85%	(3)
12 Occupancy Expenses	8,449,759	10,454,655	81%	(4)
13 Maintenance Projects	-	-	NM	
14 HAP Expense-KCHA	174,448,987	171,419,897	102%	
15 HAP Expense-Ports In	30,482,395	28,975,574	105%	
16 Other Social Service Expenses	8,246,734	8,222,075	100%	
17 Administrative Expenses	11,675,769	12,420,782	94%	(5)
Total Operating Costs	<u>256,040,390</u>	<u>257,458,470</u>	99%	
Net Operating Income	<u>13,238,812</u>	<u>6,129,857</u>	216%	
Non-Operating Revenues				
21 Non-Operating income	6,196,727	8,943,335	69%	(6)
Total Non-Operating Income	<u>6,196,727</u>	<u>8,943,335</u>	69%	
Non-Operating Expenses				
19 Interest Payments	3,441,486	2,978,181	116%	(7)
22 Non-Operating Expenses	630,330	0	NM	(8)
Total Non-Operating Expenses	<u>4,071,816</u>	<u>2,978,181</u>	137%	
Net Non-Operating Income (Loss)	2,124,911	5,965,154	36%	
Net Income(Loss)	<u>15,363,723</u>	<u>12,095,011</u>	127%	
Adjustments to Cash - Sources (Uses)				
18 Principal Payments	(13,776)	(235,000)	6%	(9)
23 Capital Expenditures	(8,720,272)	(13,158,218)	66%	(10)
30 Acquisitions/LIHTC Return to KCHA	0	0	NM	
24 Change in Designated Cash	810,388	529,855	153%	(11)
25 Change in Restricted Cash	(458,154)	(23,417)	1,956%	(12)
26 Transfers In/Out	(487,276)	(1,516,667)	32%	(13)
31 Other Changes in Debt	0	0	NM	
27 Others Sources/(Uses of Cash)	6,510,867	(1,059,472)	NM	(14)
Non Operating Net Sources (Uses) of Cash	<u>(2,358,222)</u>	<u>(15,462,919)</u>	15%	
Net Change in Unrestricted Cash	<u>\$ 13,005,501</u>	<u>\$ (3,367,908)</u>	NM	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	31,119,704			
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	44,125,205			

Footnotes:

- 1) Operating subsidy received through the third quarter exceeded target due to higher than expected prorate. The budget assumed a prorate of 92 percent while actual funding was at 98.8 percent.
- 2) Due to budgeting error, management fee income for MTW funded projects was budgeted in Federal fund group instead of COCC, which is in Local fundgroup. Also, the budgeted EHV Housing Stability grants have yet to be received.
- 3) Salaries and benefit were below target due to unfilled positions.
- 4) Seasonal and periodic maintenance projects were below target but expected to increase.
- 5) Various categories were under target: professional services, admin contracts, and computer equipment.
- 6) Due to delay in capital projects, draws from CFP grant were below target. See note 8.
- 7) Salmon Creek interest on notes payable. Unbudgeted.
- 8) Due to technical entry to write-off of accrued interest on Federal Home Loan Bank forgivable Loan. Unbudgeted.
- 9) The budgeted bond principal payment for Greenbridge tax credit projects expected to occur in the 4th quarter
- 10) Capital construction projects were below target mainly due to Burndale Home Office and Envelope project having a late start due to environmental review issues. While the Munro Manor roof and Briarwood Fire Monitoring System Upgrade projects started in the 3rd quarter, the Westminster roof project was postponed to 2025.
- 11) As the Yardi project progresses, release from technology reserve exceeded target.
- 12) Mainly due to unbudgeted deposits to debt service reserves.
- 13) The budgeted transfer from MTW to support Birch Creek debt service payment didn't occur as management decision was made to use CFP funds.
- 14) Mainly due to decrease in grant, account receivable, and internal loan receivable, increase in deferred liabilities offset by decrease accounts payable and deferred revenue.

**Income Statement with Cash Adjustments
Local Programs and Properties
For the Period Ended September 30, 2024**

	2024 YTD Actual	2024 YTD Budget	% of YTD Budget	
Operating Revenues				
5 Tenant Revenue	116,016,358	110,812,384	105%	
6 Operating Subsidy from HUD-HCV	336,753	365,403	92%	
7 Operating Subsidy from HUD-PH	-	-	NM	
8 Port-In Income	-	-	NM	
9 Other Operating Income	24,472,200	27,074,492	90%	(1)
Total Operating Income	<u>140,825,311</u>	<u>138,252,279</u>	102%	
Operating Expenses				
10 Salaries	28,508,898	31,054,597	92%	(2)
11 Benefits	8,671,443	9,602,661	90%	(2)
12 Occupancy Expenses	23,237,183	25,309,316	92%	
13 Maintenance Projects	-	-	NM	
14 HAP Expense-KCHA	-	-	NM	
15 HAP Expense-Ports In	-	-	NM	
16 Other Social Service Expenses	5,492,049	8,671,469	63%	(1)
17 Administrative Expenses	14,673,667	17,028,145	86%	(3)
Total Operating Costs	<u>80,583,241</u>	<u>91,666,187</u>	88%	
Net Operating Income	<u>60,242,071</u>	<u>46,586,091</u>	129%	
Non-Operating Revenues				
21 Non-Operating income	13,688,747	13,118,872	104%	
Total Non-Operating Income	<u>13,688,747</u>	<u>13,118,872</u>	104%	
Non-Operating Expenses				
19 Interest Payments	24,007,970	22,131,048	108%	
22 Non-Operating Expenses	2,218,847	1,488,313	149%	(4)
Total Non-Operating Expenses	<u>26,226,817</u>	<u>23,619,361</u>	111%	
Net Non-Operating Income (Loss)	<u>(12,538,071)</u>	<u>(10,500,490)</u>	119%	
Net Income(Loss)	<u>47,704,000</u>	<u>36,085,601</u>	132%	
Adjustments to Cash - Sources (Uses)				
18 Principal Payments	(17,006,115)	(15,990,871)	106%	(5)
23 Capital Expenditures	(18,573,859)	(33,588,873)	55%	(6)
40 Acquisitions/LIHTC Return to KCHA	(9,950,000)	-	NM	(7)
24 Change in Designated Cash	(4,993,668)	1,183,051	NM	(8)
25 Change in Restricted Cash	(4,989,827)	(603,539)	827%	(9)
26 Transfers In/Out	309,555	899,363	34%	(10)
41 Other Changes in Debt	9,950,000	-	NM	(7)
27 Others Sources/(Uses of Cash)	6,637,391	(1,855,740)	NM	(11)
Non Operating Net Sources (Uses) of Cash	<u>(38,616,523)</u>	<u>(49,956,609)</u>	77%	
Net Change in Unrestricted Cash	<u>9,087,478</u>	<u>(13,871,007)</u>	NM	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	120,178,395			
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	129,265,872			

Footnotes:

- 1) Mainly due to lower spending and grant reimbursements on weatherization projects.
- 2) Salaries and benefit were below target due to unfilled positions.
- 3) Various categories were under target: professional services, admin contracts, and computer equipment.
- 4) MKCRF capital reimbursement exceeded target. The Juanita Trace roof repair and Eastridge fire monitoring system upgrade projects were budgeted in 2023. However, actual work continued through the 1st half of this year. Also, due to mitigation services for Cascadian fire loss. Unbudgeted.
- 5) Mainly due to Birch Creek and Spiritwood lease principal payment totaling \$3.5 million from the proceeds of net cash flow distribution. Unbudgeted.
- 6) Due to project delays capital projects are below target. While the Sandpiper site maintenance and construction project was moved to next year, the Cascadian roof project is expected to be completed in the 4th quarter. Also, the Rainier View expansion project started late due to city permit issues and expected to be completed in Spring of 2025.
- 7) Due to acquisition Henry House for \$9.5 million with proceeds of line-of-credit. \$60 million was budgeted for new housing acquisitions through debt financing in the development fund group.
- 8) Deposits to replacement reserves were higher than budgeted. Also, the budgeted draw from Sandpiper property improvement reserve has yet to occur.
- 9) Mainly due unbudgeted deposits to debt service reserves.
- 10) The Birch Creek debt payment was budgeted to be made using MTW transfer, but management decision was made to use CFP grant instead.
- 11) Mainly due to increase in accrued interest payable and payroll liabilities, decrease in prepaid insurance offset by decreases in accounts payable.

**Income Statement with Cash Adjustments
Development Activity
For the Period Ended September 30, 2024**

	2024 TYD Actual	2024 YTD Budget	% of YTD Budget	
Operating Revenues				
1 Operating Revenue	144,835	927,549	16%	(1)
2 Total Operating Income	144,835	927,549	16%	
Operating Expenses				
3 Operating Expenses	462,055	676,777	68%	(2)
4 Total Operating Costs	462,055	676,777	68%	
Net Operating Income (Loss)	(317,220)	250,772	NM	
Non-Operating Revenues				
5 Non-Operating income	9,817,300	11,642,442	84%	(3)
Non-Operating Expenses				
6 Non-Operating Expenses	0	0	NM	
7 Interest Payments	4,668,793	2,192,038	213%	(4)
Total Non-Operating Expenses	4,668,793	2,192,038	213%	
Net Non-Operating Income (Loss)	5,148,507	9,450,404	54%	
Net Income(Loss)	4,831,287	9,701,176	50%	
Adjustments to Cash - Sources (Uses)				
8 Change in Debt	-	47,522,691	0%	(5)
9 Capital Expenditures	(2,178,445)	(2,289,964.40)	95%	
10 Acquisitions/LIHTC Return to KCHA	-	(45,036,000)	0%	(5)
12 Change in Restricted Cash	(1,323,159)	(879,837)	150%	(6)
13 Transfers In/Out	189,095	617,329	31%	(7)
15 Others Sources/(Uses of Cash)	(13,855,952)	(16,680,697)	83%	(8)
Non Operating Net Sources (Uses) of Cash	(17,168,461)	(17,077,463)	101%	
Net Change in Unrestricted Cash	(12,337,174)	(7,376,287)	167%	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	(11,793,606)			
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	(24,130,780)			

Footnotes:

- 1) The current year budgeted home and lot sales occurred earlier than anticipated in the 4th quarter of 2023.
- 2) Professional and legal services fees related to the new housing acquisitions expected to occur in the 4th quarter.
- 3) The budgeted Kirkland Heights developer fee income has yet to be received.
- 4) Interest on Kirkland Heights bonds was higher than anticipated in the budget.
- 5) \$60 million was budgeted for new housing acquisitions through debt financing. The acquisition of Henry House for \$9.9 million occurred in the 2nd quarter and reported in the Local properties fund group.
- 6) Due to rising interest rate, interest income earned on Program Income reserves exceeded target.
- 7) The budgeted equity transfer to support the Seola Gardens operations has yet to occur.
- 8) Mainly due to subordinate debt yet to be advanced for development of Kirkland Heights Apartment project.

**King County Housing Authority
Statement of Financial Position
Combined Operations (excluding development activity)
As of September 30, 2024**

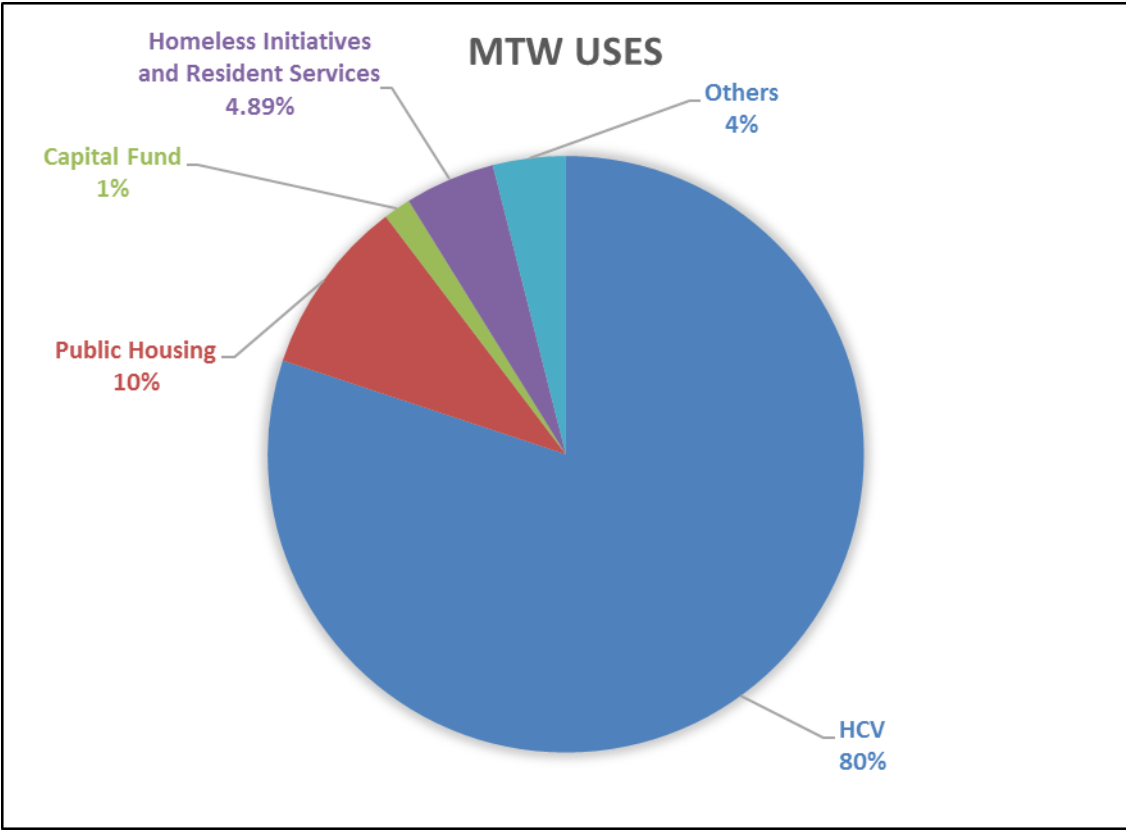
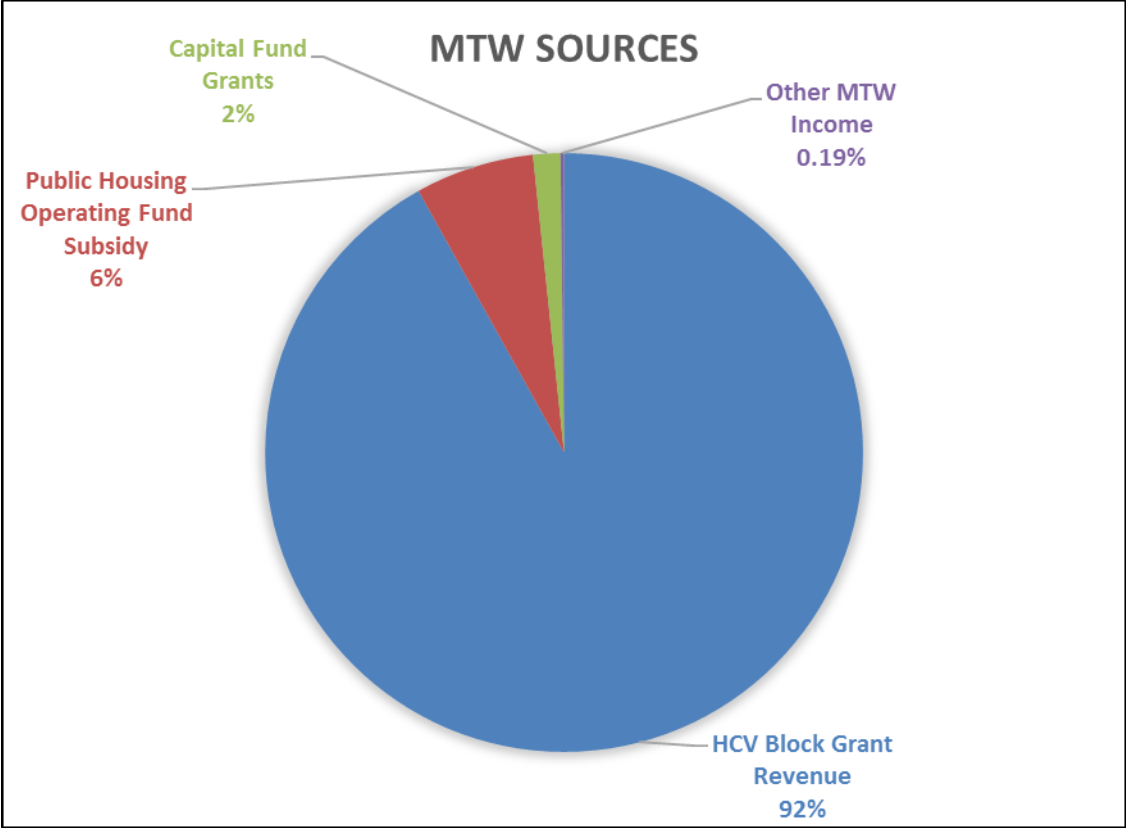
	2024 Actual
Cash-Unrestricted	\$134,998,469
Cash-Held by Management Agent	38,392,608
Cash-Designated	116,638,612
Cash-Restricted	35,365,438
Total Cash	<u>325,395,127</u>
Other Current Assets	23,705,514
Long-term Assets	1,951,264,939
Total Other Assets	<u>1,974,970,454</u>
Total Assets	<u><u>\$2,300,365,581</u></u>
Current Liabilities	72,391,720
Long-Term Liabilities	1,241,409,526
Total Liabilities	<u>1,313,801,247</u>
Equity	986,564,334
Total Liabilities and Equity	<u><u>\$2,300,365,581</u></u>

**King County Housing Authority
Statement of Financial Position
Development Activity
As of September 30, 2024**

	2024 Actual
Cash-Unrestricted	(\$24,130,780)
Cash-Held by Management Agent	0
Cash-Designated	0
Cash-Restricted	36,463,372
Total Cash	12,332,592
Other Current Assets	19,339,167
Long-term Assets	249,090,264
Total Other Assetts	268,429,430
Total Assets	\$280,762,022
Current Liabilities	\$1,937,217
Long-Term Liabilities	182,870,122
Total Liabilities	184,807,339
Equity	95,954,683
Total Liabilities and Equity	\$280,762,022

MTW Sources & Uses

	<u>Actual</u>
<u>MTW SOURCES</u>	
HCV Block Grant Revenue	\$ 168,001,144
Public Housing Operating Fund Subsidy	11,747,705
Capital Fund Grants	2,692,245
Other MTW Income	347,452
Total MTW Sources	<u>182,788,545</u>
<u>MTW USES</u>	
HCV	
Funding of HAP Payments to Landlords	(134,752,823)
Funding of Section 8 Administrative Costs	(10,193,056)
Public Housing	
Transfers to PH AMPs Based on Need	(5,601,245)
Public Housing Operating Expenses	(11,747,705)
Capital Fund	
Capital Fund Grants	(2,692,245)
Homeless Initiatives and Resident Services	
Homeless Initiatives	(1,025,387)
Resident Services	(7,831,869)
Others	
MTW Admin Support Costs	(270,960)
Construction Activity & Management Fees	(5,830,198)
Birch Creek debt payments	-
Misc. Other Uses	(1,032,654)
Total MTW Uses	<u>\$ (180,978,142)</u>
Variance	1,810,403
Reconciling Items	
Cash - Beginning	7,084,524
Balance Sheet changes	16,445,773
Cash - Ending	(7,550,845)



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**King County
Housing
Authority**

Memo

TO: Board of Commissioners
FROM: Tonya Harlan, EVP of People & Culture/CPO
DATE December 9, 2024
RE: KCHA 2024 Affirmative Action Executive Summary

Tonya Harlan, EVP of People & Culture, will review highlights from KCHA's 2024 Affirmative Action Executive Summary for the period of June 2023 - June 2024.

KCHA contracts with Affirmity to annually evaluate workforce data and develop Affirmative Action Plan goals in compliance with the Office of Federal Contract Compliance Programs (OFCCP). The plan supports KCHA in developing recruitment and training activities to advance qualified minorities, women, persons with disabilities, and covered veterans.



King County
Housing
Authority

KCHA 2024 AAP Executive Summary

Tonya Harlan, SPHR, SHRM-SCP

EVP People & Culture/CPO

December 9, 2024



What is an Affirmative Action Plan (AAP)?

- Annual analysis required by federal employers to increase representation of historically underrepresented groups.
- Subject to oversight by the Office of Federal Contract Compliance Programs (OFCCP)
- Ensure employers provide equal employment opportunities regardless of gender, race, disability, or veteran status.
- Reporting is used to set workplan goals, implement outreach efforts and monitor progress
- Includes:
 - Applicant and employee information collected voluntarily during hiring process
 - Promotions
 - Transfers
 - Terminations
 - Compensation



KCHA Staffing Snapshot (AAP): July 1, 2023 to June 30, 2024

514 Employees

Hired 94, of which:

- 59% Female
- 51% Non-white

Promotions 29, of which:

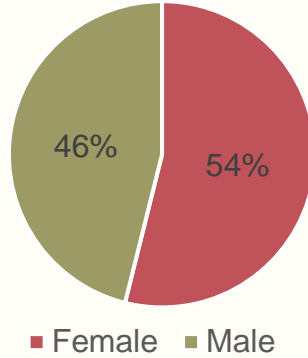
- 62% Female
- 52% Non-white

Separations 63, of which

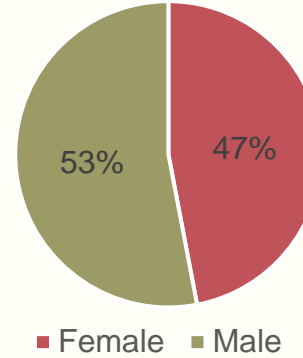
- 33 left for reasons other than retirement or temporary position
- 17 Female/14 Male
- 13 White/ 20 Non-white

KCHA AAP: Employee Representation Snapshot

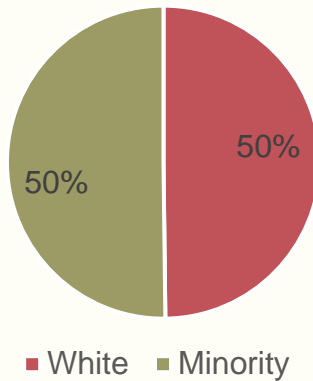
KCHA June 2024 GENDER
(514 Employees)



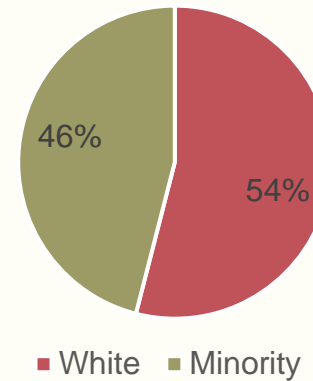
King County 2020 Census GENDER



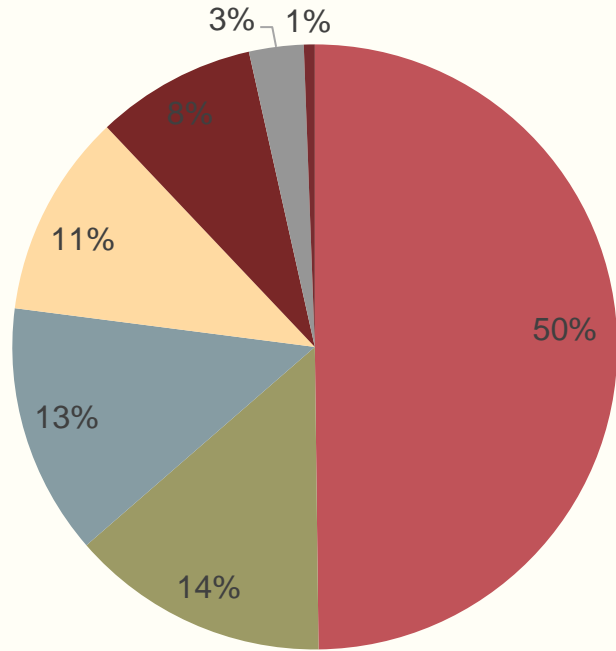
KCHA RACE



King County RACE

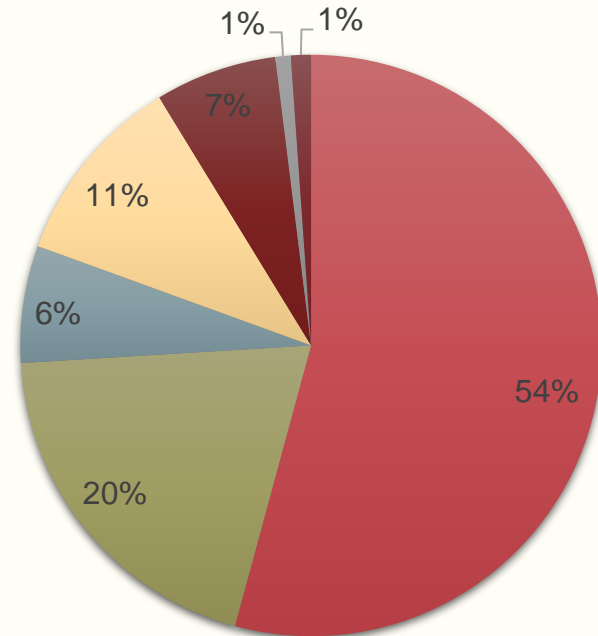


KCHA Workforce 6/2024: Race & Ethnicity



- White
- Asian
- Black
- Hispanic
- Two or More
- Pacific Islander
- Native American

King County 2020 Census: Race & Ethnicity



- White
- Asian
- Black
- Hispanic
- Two or More
- Pacific Islander
- Native American

KCHA AAP: Job Group Summary

Summary Analysis

Analysis Data as of 06/30/2024

KING COUNTY HOUSING AUTHORITY

Job Group	Total Employees	Class	Employees		Availability	Placement Goal Set?	Exact Binomial
			#	%	%		
1.1 - OFFICIALS AND MANAGERS EXEC/SR	22	Female	11	50.00	42.88		0.8138
		Minority	9	40.91	30.82		0.8933
1.2 - OFFICIALS AND MANAGERS FIRST/MID	72	Female	47	65.28	49.85		0.9971
		Minority	32	44.44	38.55		0.8742
2 - PROFESSIONALS	64	Female	36	56.25	57.96		0.8748
		Minority	29	45.31	37.88		0.9111
3 - TECHNICIANS	11	Female	4	36.36	43.68		0.8643
		Minority	5	45.45	44.49		0.6462
5 - PARAPROFESSIONALS	74	Female	42	56.76	56.87		0.5369
		Minority	36	48.65	42.09		0.8956
6 - OFFICE-CLERICAL	156	Female	127	81.41	77.62		0.8928
		Minority	88	56.41	39.08		1.0000
7 - SKILLED CRAFT	65	Female	0	0.00	6.89	Yes	0.0193
		Minority	27	41.54	37.96		0.7664
7A - SKILLED CRAFT - UNION	6	Female	0	0.00	2.85		0.8405
		Minority	1	16.67	29.62		0.8569
8 - SERVICE/MAINTENANCE	43	Female	10	23.26	13.37		0.9768
		Minority	31	72.09	56.71		0.9873
8A - SERVICE/MAINTENANCE - UNION	1	Female	0	0.00	16.61		0.8339
		Minority	0	0.00	54.01		0.9197

AAP Placement Goals(41 C.F.R. 60-2.15(b))

What is a Placement Goal?

- Placement Goals are set for minorities and females when utilization is less than reasonably expected as compared to availability
- Goal Placement Rate equals the Total Availability for the affected class per job group
 - *Total Availability is an aggregation of external individuals with requisite skills and internal employees who can move between jobs*
- **What a Placement Goal is NOT!**
- Unlawful preferential treatment and quota
- Set-asides or a device to achieve proportional representation of equal results
- Requirement that any jobs be filled by a person of a particular gender, race, or ethnicity

KCHA AAP: 2024/25 Placement Goals

- Skilled Craft –0% or No Female Site Based and Regional Maintenance
 - Benchmark 6.69% or 4.5 Staff
(Available Internal Feeder Pool -10 Female Landscapers)

- Disabled – 0.78% or 4 Employee's Self-Identified As Having a Disability
 - Benchmark is 7% or 36 Staff

- Veterans –2.53% or 13 Staff Self-Identified
 - Benchmark is 5.2% or 27 Staff

KCHA EEO & EDIB Efforts



TARGETED
RECRUITMENT



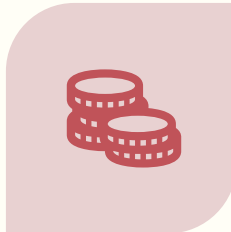
COMPENSATION
POLICIES AND
MARKET STUDY



COMPETITIVE
INTERNAL
PROMOTION
PROCESS



INTERIM & STRETCH
ASSIGNMENTS



PAY EQUITY
COMMITTEE



SPECIAL HYBRID MEETING OF THE BOARD OF COMMISSIONERS AGENDA

Monday, December 9, 2024 - 3:00 p.m.

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

- I. Call to Order**
- II. Roll Call**
- III. Public Comment**
- IV. Approval of Minutes 1**
 - A. Board Meeting Minutes – November 18, 2024
- V. Approval of Agenda**
- VI. Consent Agenda 2**
 - A. Voucher Certification Reports for October 2024
- VII. Resolutions for Discussion**
 - A. Resolution No. 5783 – Authorizing Approval of the 3**
Comprehensive Operating and Capital Budgets for Calendar
Year Beginning January 1, 2025
 - B. Resolution No. 5784 – Authorizing Higher Payment Standards 4**
for the Housing Choice Voucher Program

VIII. Briefings & Reports

A. Third Quarter 2024 Executive Dashboard	5
B. Third Quarter 2024 Financial Report	6
C. Affirmative Action	7

IX. President/CEO Report

X. Commissioner Comments

XI. Adjournment

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

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

Monday, November 18, 2024

I. CALL TO ORDER

The monthly meeting of the King County Housing Authority Board of Commissioners was held as a hybrid meeting on Monday, November 18, 2024. There being a quorum, the hybrid meeting was called to order by Chair Barnes at 3:00 p.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair) (via Zoom), Commissioner Richard Jackson (via Zoom), Commissioner Tina Keys (via Zoom) and Commissioner Jerry Lee (via Zoom)

Excused: Commissioner Regina Elmi

III. PUBLIC COMMENT

Cindy Ference gave public comment.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – October 21, 2024

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved the October 21, 2024, meeting minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved the November 18, 2024, hybrid Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Reports for September 2024

B. **Resolution 5777** – Acquisition of Investor Interests in Green River Homes 2 LLC

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved the November 18, 2024, hybrid Board of Commissioners' meeting consent agenda.

VII. RESOLUTIONS FOR DISCUSSION

A. **Resolution No. 5778** – Approving KCHA's Moving to Work Annual Plan for Fiscal Year 2025

Grace Wood, MTW Program Manager summarized the Annual Plan that she had brought forward in detail last month.

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved Resolution 5778.

B. Resolution No. 5779 – Appointment of Auditing Officers for the Purpose of Certifying Obligations of the Authority in Accordance with RCW 42.24

Saeed Hajarizadeh, Executive Vice President of Administration brought forth this resolution to update with correct names and titles.

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved Resolution 5779.

C. Resolution No. 5780 – Resolution Authorizing Investment of Housing Authority of the County of King Monies in the Local Government Investment Pool

Saeed Hajarizadeh, Executive Vice President of Administration brought forth this resolution to update with correct names and titles.

On motion by Commissioner Jerry Lee, and seconded by Commissioner Richard Jackson, the Board unanimously approved Resolution 5780.

D. Resolution No. 5781 – Issaquah Site Property Disposition

Daniel Landes, VP of Development gave a summary of this resolution.

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved Resolution 5781.

E. Resolution No. 5782 – Authorizing Changes to the Public Housing Admission and Continued Occupancy Policy (ACOP) Relating to Waiting List and Application Administration

Anneliese Gryta, Executive Vice President of Housing Operations/Chief Operating Officer explained what these changes mean.

On motion by Commissioner Richard Jackson, and seconded by Commissioner Jerry Lee, the Board unanimously approved Resolution 5782.

VIII. BRIEFINGS & REPORTS

A. Safety and Security Report

Anneliese Gryta, Executive Vice President of Housing Operations/Chief Operating Officer and Ponha Lim, Vice President of Safety and Security gave an update for Safety and Security.

- KCHA Safety and Security Personnel
- Safety and Security Data and Trends
- 2024 Initiatives - Update

B. Third Quarter 2024 Write-Off Report

Penny Bradley, Assistant VP of Property Management – Administration, gave a summary of the report.

IX. PRESIDENT/CEO REPORT

Robin Walls, President/CEO gave news updates.

- Results of the election and transition are top of mind. Whomever the president will nominate as the HUD Secretary has yet to be named.
- Cabinet appointments are waiting Senate confirmation hearing.
- Funding is received via continuing Resolution and this has an expiration date of December 21, 2024. There has been a bipartisan agreement to extend the continuing resolution to past the inauguration. One is March and one is September. September marks the end of the fiscal year and March would be a half year. There are pros and cons for both.
- Anticipating items that are important for the incoming administration could be focusing on deregulation. Deregulation might have a focus on increasing housing supply.
- Would like to reflect on the week of the election. Attended the World Urban Forum in Cairo, Egypt along with 20,000 other attendees, represented nations all over the world. Focus was sustainability and housing development. One of the takeaways was a deep appreciation at the conference of an election that was open, that isn't always what happens in other countries. Thoughtful that we have a path forward, KCHA is a non-partisan organization and will work with either administration.

X. EXECUTIVE SESSION

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

3:55pm – Board meeting was suspended.

4:55pm – Board meeting was re-convened.

XI. KCHA IN THE NEWS

None.

XII. COMMISSIONER COMMENTS

None.

XIII. ADJOURNMENT

Chair Barnes adjourned the meeting at 5:00 p.m.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

ROBIN WALLS
Secretary

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King County Housing Authority

To: Board of Commissioners

From: Mary Osier, Accounting Manager

Date: December 2, 2024

Re: **VOUCHER CERTIFICATION FOR OCTOBER 2024**

I, Mary Osier, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims represented by the vouchers listed below were just obligations of the Housing Authority of the County of King, and that I am authorized to authenticate and certify said claims.

**Mary
Osier**

Digitally signed by Mary Osier
DN: OU=Accounting Manager, O=King
County Housing Authority, CN=Mary
Osier, E=maryo@kcha.org
Reason: I am the author of this document
Location: your signing location here
Date: 2024.12.02 10:46:37
Font Reader Version: 9.7.0

Mary Osier
Accounting Manager
December 2, 2024

Bank Wires / ACH Withdrawals	10,904,333.22
	<i>Subtotal</i> <u>10,904,333.22</u>
Accounts Payable Vouchers	
Key Bank Checks - #353786-354245	11,737,548.90
Tenant Accounting Checks - #12271-12309	18,861.87
	<i>Subtotal</i> <u>11,756,410.77</u>
Payroll Vouchers	
Checks - #93993-94015	33,131.37
Direct Deposit	2,774,611.86
	<i>Subtotal</i> <u>2,807,743.23</u>
Section 8 Program Vouchers	
Checks - #651839-652403	819,519.81
ACH - #623099-625715	22,987,700.71
	<i>Subtotal</i> <u>23,807,220.52</u>
Purchase Card / ACH Withdrawal	555,196.27
	<i>Subtotal</i> <u>555,196.27</u>
	GRAND TOTAL \$ 49,830,904.01

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

FROM: Wen Xu, Director of Asset Management

I, Wen Xu, do hereby certify under penalty of perjury that the claims represented by the wire transactions below were just, due, and unpaid obligations against the Housing Authority, and that I, and my designees, are authorized to authenticate and certify said claims.

Wen Xu

Date

Property	Wired to Operating Account for Obligations of Property			Notes:
	Date	Wire Transaction	Claim	
Bellepark	10/02/2024	16,446.00	AP & Payroll	
FAIRWOOD	10/02/2024	1,870.00	AP & Payroll	
Hampton Greens	10/02/2024	41,891.35	AP & Payroll	
Kendall Ridge	10/02/2024	38,477.59	AP & Payroll	
Landmark	10/02/2024	18,252.78	AP & Payroll	
Riverstone	10/02/2024	49,793.83	AP & Payroll	
SALMON CREEK	10/02/2024	9,221.07	Monthly Bank fees	
SALMON CREEK	10/02/2024	6,997.13	Monthly Bank fees	
SALMON CREEK	10/02/2024	1,865.80	Monthly Bank fees	
SALMON CREEK	10/02/2024	1,065.16	Monthly Bank fees	
Woodside East	10/02/2024	19,170.31	AP & Payroll	
Newporter	10/03/2024	989.95	AP	
ALPINE RIDGE	10/03/2024	4,521.53	AP	
ARBOR HEIGHTS	10/03/2024	6,260.38	AP	
Aspen Ridge	10/03/2024	13,186.16	AP	
Auburn Square	10/03/2024	13,565.81	AP	
Carriage House	10/03/2024	35,277.37	AP	
Carrington	10/03/2024	4,321.83	AP	
CASCADIAN	10/03/2024	12,413.12	AP	
Colonial Gardens	10/03/2024	19,231.04	AP	
FAIRWOOD	10/03/2024	56,247.65	AP	
HERITAGE PARK	10/03/2024	7,328.88	AP	
HOUSING AUTHORITY OF	10/03/2024	23,204.30	AP	
LAURELWOOD	10/03/2024	6,587.44	AP	
Meadows	10/03/2024	9,919.14	AP	
OVERLAKE	10/03/2024	25,439.10	AP	
Parkwood	10/03/2024	2,656.17	AP	
Pinewood Village	10/03/2024	3,699.36	AP	

Plum Court	10/03/2024	11,481.24	AP
RAINIER VIEW I	10/03/2024	27,338.44	AP
RAINIER VIEW II	10/03/2024	17,784.40	AP
Salish	10/03/2024	44,261.09	AP
Sandpiper East	10/03/2024	5,067.58	AP
SI VIEW	10/03/2024	11,798.32	AP
SOUTHWOOD SQUARE	10/03/2024	2,656.82	AP
Tall Cedars	10/03/2024	20,929.37	AP
Timberwood	10/03/2024	3,805.61	AP
Vashon Terrace	10/03/2024	6,210.00	AP
Walnut Park	10/03/2024	43,566.26	AP
WINDSOR HEIGHTS	10/03/2024	30,524.63	AP
Woodridge Park	10/03/2024	29,282.39	AP
Argyle	10/09/2024	52,984.17	AP & Payroll
Ballinger Commons	10/09/2024	245,511.63	AP & Payroll
Bellepark	10/09/2024	16,508.49	AP
Emerson	10/09/2024	179,501.19	AP & Payroll
GILMAN SQUARE	10/09/2024	74,384.92	AP & Payroll
Hampton Greens	10/09/2024	52,632.71	AP
Kendall Ridge	10/09/2024	18,412.36	AP
Landmark	10/09/2024	44,151.87	AP
Meadowbrook	10/09/2024	65,354.48	AP & Payroll
Riverstone	10/09/2024	114,782.29	AP
Surrey Downs	10/09/2024	84,736.52	AP & Payroll
Villages at South Station	10/09/2024	69,575.46	AP & Payroll
Newporter	10/10/2024	21,118.42	AP & Payroll
ALPINE RIDGE	10/10/2024	8,651.05	AP & Payroll
ARBOR HEIGHTS	10/10/2024	11,017.95	AP & Payroll
Aspen Ridge	10/10/2024	15,862.23	AP & Payroll
Auburn Square	10/10/2024	22,616.83	AP & Payroll
Carriage House	10/10/2024	35,417.63	AP & Payroll
Carrington	10/10/2024	14,299.18	AP & Payroll
CASCADIAN	10/10/2024	36,650.72	AP & Payroll
Colonial Gardens	10/10/2024	42,091.12	AP & Payroll
Corinthian	10/10/2024	128,801.00	AP & Payroll
Cottonwood	10/10/2024	21,452.72	AP & Payroll
Cove East	10/10/2024	29,749.25	AP & Payroll
FAIRWOOD	10/10/2024	35,757.92	AP & Payroll
HERITAGE PARK	10/10/2024	37,665.49	AP & Payroll
Juanita View	10/10/2024	33,985.67	AP & Payroll

LAURELWOOD	10/10/2024	22,465.85	AP & Payroll
Meadows	10/10/2024	12,299.47	AP & Payroll
NIA	10/10/2024	49,536.67	AP & Payroll
OVERLAKE	10/10/2024	57,542.51	AP & Payroll
Parkwood	10/10/2024	17,669.62	AP & Payroll
Pinewood Village	10/10/2024	44,000.62	AP & Payroll
Plum Court	10/10/2024	33,261.12	AP & Payroll
RAINIER VIEW I	10/10/2024	2,599.48	AP & Payroll
RAINIER VIEW II	10/10/2024	949.76	AP & Payroll
Salish	10/10/2024	32,105.78	AP & Payroll
SALMON CREEK	10/10/2024	27,567.93	AP & Payroll
Sandpiper East	10/10/2024	67,234.39	AP & Payroll
SEOLA CROSSING LLC	10/10/2024	71,410.63	AP & Payroll
SEOLA CROSSING LLC	10/10/2024	59,631.38	AP & Payroll
SI VIEW	10/10/2024	746.62	AP & Payroll
SOUTHWOOD SQUARE	10/10/2024	17,184.96	AP & Payroll
Sterling Ridge	10/10/2024	47,359.56	AP & Payroll
Tall Cedars	10/10/2024	8,773.35	AP & Payroll
Timberwood	10/10/2024	26,134.64	AP & Payroll
Vashon Terrace	10/10/2024	657.57	AP & Payroll
Walnut Park	10/10/2024	46,403.14	AP & Payroll
WINDSOR HEIGHTS	10/10/2024	77,826.17	AP & Payroll
Woodridge Park	10/10/2024	52,320.96	AP & Payroll
OVERLAKE	10/11/2024	123,081.00	AP
Bellepark	10/16/2024	20,367.11	AP & Payroll
Hampton Greens	10/16/2024	42,729.24	AP & Payroll
Kendall Ridge	10/16/2024	59,370.66	AP & Payroll
Landmark	10/16/2024	26,787.04	AP & Payroll
Riverstone	10/16/2024	32,371.63	AP & Payroll
Woodside East	10/16/2024	18,090.46	AP & Payroll
Newporter	10/17/2024	5,668.28	AP
ALPINE RIDGE	10/17/2024	9,536.94	AP
ARBOR HEIGHTS	10/17/2024	11,471.64	AP
Aspen Ridge	10/17/2024	1,261.21	AP
Auburn Square	10/17/2024	16,921.62	AP
Carriage House	10/17/2024	16,372.99	AP
Carrington	10/17/2024	460.00	AP
CASCADIAN	10/17/2024	7,187.41	AP
Colonial Gardens	10/17/2024	36,070.40	AP
FAIRWOOD	10/17/2024	15,226.59	AP

LAURELWOOD	10/17/2024	6,102.26	AP
Meadows	10/17/2024	8,898.18	AP
OVERLAKE	10/17/2024	41,539.94	AP
Parkwood	10/17/2024	19,274.01	AP
Pinewood Village	10/17/2024	5,541.51	AP
Plum Court	10/17/2024	31,425.52	AP
RAINIER VIEW I	10/17/2024	79,878.21	AP
RAINIER VIEW II	10/17/2024	58,871.16	AP
Salish	10/17/2024	23,289.65	AP
Sandpiper East	10/17/2024	10,550.98	AP
SI VIEW	10/17/2024	3,169.81	AP
SOUTHWOOD SQUARE	10/17/2024	8,103.12	AP
Sterling Ridge	10/17/2024	31,738.96	AP
Tall Cedars	10/17/2024	16,711.24	AP
Timberwood	10/17/2024	35,100.09	AP
Walnut Park	10/17/2024	3,576.14	AP
WINDSOR HEIGHTS	10/17/2024	15,554.69	AP
Woodridge Park	10/17/2024	10,241.50	AP
Argyle	10/23/2024	47,499.97	AP & Payroll
Ballinger Commons	10/23/2024	196,071.16	AP & Payroll
Bellepark	10/23/2024	18,923.52	AP
Emerson	10/23/2024	40,407.07	AP & Payroll
GILMAN SQUARE	10/23/2024	99,307.96	AP & Payroll
Hampton Greens	10/23/2024	45,681.14	AP
Kendall Ridge	10/23/2024	33,193.67	AP
Landmark	10/23/2024	16,831.79	AP
Meadowbrook	10/23/2024	39,750.85	AP & Payroll
Riverstone	10/23/2024	52,414.49	AP
Surrey Downs	10/23/2024	82,577.86	AP & Payroll
Villages at South Station	10/23/2024	64,711.50	AP & Payroll
Newporter	10/24/2024	14,625.73	AP & Payroll
ALPINE RIDGE	10/24/2024	5,073.03	AP & Payroll
ARBOR HEIGHTS	10/24/2024	22,682.30	AP & Payroll
Aspen Ridge	10/24/2024	19,612.00	AP & Payroll
Auburn Square	10/24/2024	42,134.98	AP & Payroll
Carriage House	10/24/2024	27,137.20	AP & Payroll
Carrington	10/24/2024	14,644.98	AP & Payroll
CASCADIAN	10/24/2024	49,704.22	AP & Payroll
Colonial Gardens	10/24/2024	48,737.27	AP & Payroll
Cottonwood	10/24/2024	16,312.23	AP & Payroll

Cove East	10/24/2024	79,298.14	AP & Payroll
FAIRWOOD	10/24/2024	23,282.10	AP & Payroll
HERITAGE PARK	10/24/2024	18,560.54	AP & Payroll
Juanita View	10/24/2024	10,561.88	AP & Payroll
LAURELWOOD	10/24/2024	16,278.94	AP & Payroll
Meadows	10/24/2024	16,328.96	AP & Payroll
NIA	10/24/2024	28,967.02	AP & Payroll
OVERLAKE	10/24/2024	44,836.75	AP & Payroll
Parkwood	10/24/2024	15,821.92	AP & Payroll
Pinewood Village	10/24/2024	93,839.73	AP & Payroll
Plum Court	10/24/2024	20,816.01	AP & Payroll
Salish	10/24/2024	29,566.55	AP & Payroll
SALMON CREEK	10/24/2024	28,667.52	AP & Payroll
Sandpiper East	10/24/2024	42,141.41	AP & Payroll
SEOLA CROSSING LLC	10/24/2024	46,834.33	AP & Payroll
SEOLA CROSSING LLC	10/24/2024	25,523.16	AP & Payroll
SOUTHWOOD SQUARE	10/24/2024	10,579.61	AP & Payroll
Sterling Ridge	10/24/2024	29,273.05	AP & Payroll
Tall Cedars	10/24/2024	1,577.68	AP & Payroll
Timberwood	10/24/2024	38,706.01	AP & Payroll
Walnut Park	10/24/2024	22,829.20	AP & Payroll
WINDSOR HEIGHTS	10/24/2024	36,433.01	AP & Payroll
Woodridge Park	10/24/2024	24,278.68	AP & Payroll
Bellepark	10/30/2024	14,099.83	AP & Payroll
Hampton Greens	10/30/2024	47,671.48	AP & Payroll
Kendall Ridge	10/30/2024	29,071.36	AP & Payroll
Landmark	10/30/2024	19,203.50	AP & Payroll
Riverstone	10/30/2024	45,064.26	AP & Payroll
Woodside East	10/30/2024	19,546.40	AP & Payroll
Newporter	10/31/2024	12,731.34	AP & Management fee & OCR
ALPINE RIDGE	10/31/2024	5,112.18	AP & Management fee & OCR
ARBOR HEIGHTS	10/31/2024	5,142.17	AP & Management fee & OCR
Aspen Ridge	10/31/2024	1,586.20	AP & Management fee & OCR
Auburn Square	10/31/2024	17,718.00	AP & Management fee & OCR
Carriage House	10/31/2024	17,040.24	AP & Management fee & OCR
Carrington	10/31/2024	17,835.76	AP & Management fee & OCR
CASCADIAN	10/31/2024	131,850.78	AP & Management fee & OCR
Colonial Gardens	10/31/2024	4,280.86	AP & Management fee & OCR
FAIRWOOD	10/31/2024	17,183.29	AP & Management fee & OCR
HERITAGE PARK	10/31/2024	6,251.28	AP & Management fee & OCR

LAURELWOOD	10/31/2024	36,356.75	AP & Management fee & OCR	
Meadows	10/31/2024	20,633.30	AP & Management fee & OCR	
OVERLAKE	10/31/2024	35,298.72	AP & Management fee & OCR	
Parkwood	10/31/2024	11,446.03	AP & Management fee & OCR	
Pinewood Village	10/31/2024	20,722.42	AP & Management fee & OCR	
Plum Court	10/31/2024	27,537.69	AP & Management fee & OCR	
Salish	10/31/2024	11,058.63	AP & Management fee & OCR	
Sandpiper East	10/31/2024	31,369.51	AP & Management fee & OCR	
SOUTHWOOD SQUARE	10/31/2024	16,398.34	AP & Management fee & OCR	
Sterling Ridge	10/31/2024	24,588.31	AP & Management fee & OCR	
Timberwood	10/31/2024	23,669.40	AP & Management fee & OCR	
Walnut Park	10/31/2024	11,521.25	AP & Management fee & OCR	
WINDSOR HEIGHTS	10/31/2024	76,285.36	AP & Management fee & OCR	
Woodridge Park	10/31/2024	19,141.58	AP & Management fee & OCR	
Total	202 Wires	\$ 6,326,956.38		

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King County Housing Authority

Memo

TO: Board of Commissioners

FROM: Saeed Hajarizadeh, EVP of Administrative Services
Wendy Teh, VP of Finance

DATE December 9, 2024

RE: Resolution No. 5783: 2025 Operating & Capital Budgets

Enclosed for your consideration are the Comprehensive Operating and Capital Budgets for the year 2025 (Exhibits A and B, respectively). The proposed budget addresses the regional demand for increased affordable housing, ensures the adequate upkeep of existing housing, and supports essential services for residents, all while preparing the agency for future challenges. This budget allocates substantial resources to preserve affordability and enhance housing quality for current program participants, in addition to broadening housing opportunities throughout its various programs.

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

Revenue projections are grounded in cautious estimates concerning the ultimate congressional allocations of the HUD budget and the inflation rate applicable to the Housing Choice Voucher program.

The budget for the federal government's fiscal year, spanning from October 1, 2024, to September 30, 2025, remains uncertain at this time. Given the heightened political activity within the current federal administration, it is probable that Congress will enact a Continuing Resolution to maintain existing funding until the new Congress assumes office on January 3rd.

We expect to maintain level funding until at least March 2025, and likely throughout the remainder of the calendar year. It is our assessment that our primary Federal programs, namely Section 8 and Public Housing, possess sufficient reserves to sustain operations at least until the conclusion of 2025. These programs represent approximately fifty percent of our annual budget.



The latter portion of our yearly budget consists of properties and programs financed locally. The non-Federal Workforce Housing Portfolio is expected to remain fully leased in 2025, presenting a favorable financial forecast. Additionally, other initiatives and projects of KCHA will persist and be fully funded until the year's conclusion.

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

- Expand and preserve the supply of affordable housing
- Promote economic opportunities and self-reliance
- Strengthen the internal infrastructure of KCHA to support the mission
- Organizational planning that puts equity and inclusion at the forefront
- Help the region address homelessness

EXECUTIVE SUMMARY

The Comprehensive Budget is a combination of two distinct budgets:

- Operating Budget
- Capital Budget

Selected highlights from the Comprehensive Budget include:

- We are planning to spend \$289.2 million toward the Housing Choice Voucher (HCV) program Housing Assistance Payments (HAP) compared to \$270.4 million in 2024, supporting nearly 13,000 families funded by KCHA and another 2,000 “ports-in” to KCHA’s service area.
- Capital Budget Selected Highlights

Recurring Construction Budget	2024	2025
Large Projects in Subsidized Housing	11,126,376	8,737,792
Large Projects in Other Properties	2,427,367	4,815,154
Unit Upgrades Program	5,794,591	5,683,963
Smaller Projects in Subsidized Housing	2,729,575	2,180,345
Smaller Projects in Workforce Housing	30,103,247	26,074,698
Total KCHA Construction Budget	52,181,157	47,491,952
Pre-Development Budget		
Issaquah Trailhead	2,000,000	1,897,879
Skyway Resource Center	3,223,112	500,000
Total Pre-Development Budget	5,223,112	2,397,879
TOTAL	57,404,269	49,889,831

- A funding commitment of \$20.8 million dedicated to a variety of program and resident resources such as homeless housing, education, youth and senior services, student housing, workforce development, leasing assistance, subsidy retention, economic mobility and research projects.

Digital Equity/Home Ownership	\$446,570
Research & Evaluation	522,150
RA & Urgent Relocation	550,400
HCV Subsidy Retention	786,983
Health Services	1,067,975
Workforce Development	1,767,358
Social Impact Administration	2,078,605
Homeless Initiatives	2,785,488
Educational Initiatives	3,544,920
General Support of Residents	7,307,184
	\$20,857,633



Operating Budget Summary

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

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

The 2025 budget is compared with 2024 with differences shown in amount and percent. Major differences are explained following the table.

Line #	Operations and Capital				Development	
	2025 Proposed Budget	2024 Adopted Budget	Dollar Change	Percent Change		
	Beginning Balance, Unrestricted Cash	176,040,017			(23,190,383)	
	Revenues					
1	Tenant Revenue	176,440,584	162,882,788	13,557,796	8.3%	-
2	Operating Fund Subsidy from HUD	13,220,333	12,987,245	233,088	1.8%	-
3	Section 8 Subsidy from HUD	280,574,451	278,133,301	2,441,151	0.9%	-
4	Other Operating Revenue	85,419,424	83,232,886	2,186,539	2.6%	44,445
	Total Operating Revenues	555,654,792	537,236,219	18,418,573	3.4%	44,445
	Expenses					
5	Salaries & Benefits	(96,872,646)	(87,939,292)	(8,933,354)	10.2%	(1,069,756)
6	Routine Maintenance, Utilities, Taxes & Insurance	(53,703,740)	(47,492,775)	(6,210,965)	13.1%	(165,000)
7	Other Social Service Support Expenses & HAP	(314,669,630)	(293,127,219)	(21,542,411)	7.3%	-
8	Administrative Support Expenses	(43,805,003)	(39,022,066)	(4,782,937)	12.3%	(378,252)
	Total Operating Expenses	(509,051,018)	(467,581,352)	(41,469,667)	8.9%	(1,613,008)
	Net Operating Income	46,603,774	69,654,867	(23,051,093)	-33.1%	(1,568,563)
9	Non-operating Revenue	33,159,505	26,819,347	6,340,158	23.6%	17,888,633
10	Non-operating Expenses	(34,307,582)	(33,915,235)	(392,348)	1.2%	(7,572,194)
	Net Income	45,455,696	62,558,979	(17,103,283)	-27.3%	8,747,877
	Other Sources/(Uses) of Cash					
11	Capital Projects and Acquisitions	(52,603,565)	(57,406,694)	4,803,129	-8.4%	(62,976,686)
12	Changes in Designated Cash	(3,568,796)	2,304,142	(5,872,938)	-254.9%	(271,137)
13	Changes in Restricted Cash	(444,981)	(10,170)	(434,811)	4275.4%	(1,502,673)
14	Changes in Receivables	2,308,653	(181,873)	2,490,526	-1369.4%	(25,199,982)
15	Changes in Other Assets	81,748	81,748	-	0.0%	-
16	Changes in Debt	(19,871,807)	(20,117,332)	245,526	-1.2%	61,619,235
17	Changes in Other Liabilities	(1,991,797)	(1,467,721)	(524,076)	35.7%	571,570
18	Changes in Equity	-	-	-	n/a	-
	Total Other Sources/(Uses) of Cash	(76,090,545)	(76,797,901)	707,355	-0.9%	(27,759,673)
	Transfer In from (Out to) Other Funds					
19	Transfers In from Other Funds	40,673,442	42,687,432	(2,013,991)	-4.7%	721,929
20	Transfers Out to Other Funds	(40,886,080)	(43,400,209)	2,514,130	-5.8%	-
	Net Transfer In/(Out)	(212,638)	(712,777)	500,139	-70.2%	721,929
	Net Change in Unrestricted Cash	(30,847,487)	(14,951,698)	(15,895,789)	106.3%	(18,289,867)
	Ending Balance, Unrestricted Cash	145,192,530				(41,480,250)
	Beginning Balance, Designated Cash					
	Changes in Designated Cash	3,568,796				271,137
	Ending Balance, Designated Cash	109,833,097				271,137
	Beginning Balance, Restricted Cash					
	Changes in Restricted Cash	444,981				1,502,673
	Ending Balance, Restricted Cash	36,188,619				38,187,613

OPERATING BUDGETS

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

- Federally Funded Properties and Programs
- Local Properties and Programs

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

Federally Funded Properties and Programs

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

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

The following table is a summary of 2025 Sources and Uses of Federal Properties and Programs:



**2025 Budgeted Sources and Uses
Federal Programs and Properties
(excludes non-KCHA-managed component units)**

<i>Beginning Balance, Unrestricted Cash</i>	43,175,546
<i>Revenues</i>	
Tenant Revenue	17,072,429
Subsidy from HUD	293,314,441
Other Operating Revenue	48,493,614
Total Operating Revenues	358,880,484
<i>Expenses</i>	
Salaries & Benefits	(36,387,889)
Routine Maintenance, Utilities, Taxes & Insurance	(15,827,760)
Other Social Service Support Expenses & HAP	(303,027,547)
Administrative Support Expenses	(18,023,877)
Total Operating Expenses	(373,267,073)
Net Operating Income	(14,386,589)
<i>Other Sources/(Uses) of Cash</i>	
Net Non-Operating Income (Expense)	14,285,730
Capital Projects and Acquisitions	(14,814,362)
Net Transfers In From (Out to) Other Funds	(1,160,461)
Other Sources/(Uses)	(2,428,614)
Total Other Sources/(Uses) of Cash	(4,117,706)
Net Change in Unrestricted Cash	(18,504,295)
<i>Ending Balance, Unrestricted Cash</i>	24,671,251

The decline in unrestricted cash is mainly due to the planned use of MTW reserves in 2025.

Programs that fall within the Federal funding sphere include:

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

Housing Choice Vouchers

Given the amount of anticipated funding and reserves, we plan to spend \$245 million on Housing Assistance Payments in 2025 compared to \$237 million in 2024.

HUD Contract Level 2024 – 11,997 Vouchers
Estimated Families served in 2025 – 13,007

Out of this revenue stream, KCHA subsidizes the rent of program participants by making monthly payments directly to landlords, and it pays for the costs of administering the program.

More families are provided with housing assistance, safer circumstances, and prevention of homelessness.

Public Housing

Low Income Public Housing is a national subsidized housing program serving people at 30% of Area Median Income and below. It operates on a combination of tenant revenue and Operating Fund Subsidy provided by HUD. In 2025, KCHA is eligible, based on HUD's funding formula, to receive \$13.2 million of Operating Fund Subsidy. We anticipate receiving 90% of eligible funding due to congressional underfunding. Of this amount \$4.6 million will be used for debt repayment and other costs associated with the Energy Performance Contract. The remaining funds will be used to partially offset the gap between the costs of operating the properties and the rents received from tenants. The deficit will be funded with transfers from the MTW program.

Local Properties and Programs

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

Properties and programs that are considered Local include:

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



The following table summarizes the 2024 budget for Local Properties and Programs:

**2025 Budgeted Sources and Uses
Local Programs and Properties
(excludes non-KCHA-managed component units)**

<i>Beginning Balance, Unrestricted Cash</i>	132,864,471
<i>Revenues</i>	
Tenant Revenue	159,368,155
Subsidy from HUD	480,343
Other Operating Revenue	36,925,810
Total Operating Revenues	196,774,308
<i>Expenses</i>	
Salaries & Benefits	(60,484,757)
Routine Maintenance, Utilities, Taxes & Insurance	(37,875,980)
Other Social Service Support Expenses & HAP	(11,642,083)
Administrative Support Expenses	(25,781,126)
Total Operating Expenses	(135,783,946)
Net Operating Income	60,990,363
<i>Other Sources/(Uses) of Cash</i>	
Net Non-Operating Income (Expense)	(15,433,808)
Capital Projects and Acquisitions	(37,789,203)
Net Transfers In From (Out to) Other Funds	947,823
Other Sources/(Uses)	(21,058,367)
Total Other Sources/(Uses) of Cash	(73,333,555)
Net Change in Unrestricted Cash	(12,343,192)
<i>Ending Balance, Unrestricted Cash</i>	<u><u>120,521,279</u></u>

Asset-Managed Workforce Housing

The Workforce Housing portfolio included in the budget reflects properties owned outright by KCHA or in partnership with tax credit investors, as well as the mobile home park portfolio. KCHA currently has 53 separate properties in this portfolio, with 8,091 units. These properties are managed by outside fee-based property management companies. All properties have some form of debt outstanding, and the servicing of this debt comes from the cash flow of each of the properties. In addition, each property makes monthly contributions to replacement reserve accounts, self-funds capital repair and rehabilitation projects, and pays management fees to the Central Office Cost Center (COCC).

Mobile Home Parks

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

Project-based Section 8 Properties

There are currently 1,229 units in this portfolio, including properties owned in partnership with tax credit investors but managed and controlled by KCHA. With a few exceptions, they operate similarly to public housing but with a different form of subsidy. 1,213 of these units carry Project-Based Section 8 contracts. Some of the most significant properties in this group are:

- MKCRF properties-509 units
- Birch Creek-262 units
- Spiritwood Manor-104 units
- Hidden Village-78 units

Non-Federally-Subsidized Properties

There are 128 units in this portfolio, spread over 10 separate locations. These properties receive no direct subsidies, and serve a variety of tenants, including elderly, disabled and transitional.



Weatherization and Housing Repair program

This program provides energy conservation improvements to low income residents of King County living in single-family residences, mobile homes, and multifamily housing. It also provides repairs to single-family homes through the City of Bellevue's Housing Repair program. The 2025 budget includes construction activity of \$8.9 million to weatherize or repair approximately 480 to 500 housing units and is funded through six separate federal, state and local grants and contracts. KCHA manages the biggest weatherization program in Washington State.



KING COUNTY HOUSING AUTHORITY
2025 Budget (Cash Basis)
(excludes non-KCHA-managed component units)

EXHIBIT A

Line #	Operations and Capital				Development	
	2025 Proposed Budget	2024 Adopted Budget	Dollar Change	Percent Change		
	176,040,017				(23,190,383)	
	Beginning Balance, Unrestricted Cash					
	Revenues					
1	Tenant Revenue	176,440,584	162,882,788	13,557,796	8.3%	-
2	Operating Fund Subsidy from HUD	13,220,333	12,987,245	233,088	1.8%	-
3	Section 8 Subsidy from HUD	280,574,451	278,133,301	2,441,151	0.9%	-
4	Other Operating Revenue	85,419,424	83,232,886	2,186,539	2.6%	44,445
	Total Operating Revenues	555,654,792	537,236,219	18,418,573	3.4%	44,445
	Expenses					
5	Salaries & Benefits	(96,872,646)	(87,939,292)	(8,933,354)	10.2%	(1,069,756)
6	Routine Maintenance, Utilities, Taxes & Insurance	(53,703,740)	(47,492,775)	(6,210,965)	13.1%	(165,000)
7	Other Social Service Support Expenses & HAP	(314,669,630)	(293,127,219)	(21,542,411)	7.3%	-
8	Administrative Support Expenses	(43,805,003)	(39,022,066)	(4,782,937)	12.3%	(378,252)
	Total Operating Expenses	(509,051,018)	(467,581,352)	(41,469,667)	8.9%	(1,613,008)
	Net Operating Income	46,603,774	69,654,867	(23,051,093)	-33.1%	(1,568,563)
9	Non-operating Revenue	33,159,505	26,819,347	6,340,158	23.6%	17,888,633
10	Non-operating Expenses	(34,307,582)	(33,915,235)	(392,348)	1.2%	(7,572,194)
	Net Income	45,455,696	62,558,979	(17,103,283)	-27.3%	8,747,877
	Other Sources/(Uses) of Cash					
11	Capital Projects and Acquisitions	(52,603,565)	(57,406,694)	4,803,129	-8.4%	(62,976,686)
12	Changes in Designated Cash	(3,568,796)	2,304,142	(5,872,938)	-254.9%	(271,137)
13	Changes in Restricted Cash	(444,981)	(10,170)	(434,811)	4275.4%	(1,502,673)
14	Changes in Receivables	2,308,653	(181,873)	2,490,526	-1369.4%	(25,199,982)
15	Changes in Other Assets	81,748	81,748	-	0.0%	-
16	Changes in Debt	(19,871,807)	(20,117,332)	245,526	-1.2%	61,619,235
17	Changes in Other Liabilities	(1,991,797)	(1,467,721)	(524,076)	35.7%	571,570
18	Changes in Equity	-	-	-	n/a	-
	Total Other Sources/(Uses) of Cash	(76,090,545)	(76,797,901)	707,355	-0.9%	(27,759,673)
	Transfer In from (Out to) Other Funds					
19	Transfers In from Other Funds	40,673,442	42,687,432	(2,013,991)	-4.7%	721,929
20	Transfers Out to Other Funds	(40,886,080)	(43,400,209)	2,514,130	-5.8%	-
	Net Transfer In/(Out)	(212,638)	(712,777)	500,139	-70.2%	721,929
	Net Change in Unrestricted Cash	(30,847,487)	(14,951,698)	(15,895,789)	106.3%	(18,289,867)
	Ending Balance, Unrestricted Cash	145,192,530				(41,480,250)

**2025 Capital Budget
By Responsible Department**

EXHIBIT B

CONSTRUCTION ACTIVITIES

Managed by the Capital Construction Department

Public Housing Properties	\$8,737,792	
MKCRF Properties	0	
Other Properties	1,757,395	
Central Office Projects	2,063,225	
Placeholder for Pre-Construction Design Work	994,534	
		13,552,947

Managed by the Housing Management Department

Unit Upgrade Program	5,683,963	
Other Projects	2,180,345	
		7,864,308

Managed by the Asset Management Department

Projects at Workforce Housing Properties	22,977,698	
Projects at Mobile Home Properties and Other	3,097,000	
		26,074,698

DEVELOPMENT/ACQUISITION ACTIVITIES

Managed by the Development Department

Acquisition Placeholder	60,000,000	
Hope VI Properties	4,337,710	
Pre-development Activities-Issaquah Trailhead	1,897,879	
Pre-development Activities-Other	700,000	
		66,935,589

OTHER ACTIVITIES

Technology Expenditures	847,709	
Safety & Security	250,000	
Vehicles & Other	55,000	
		1,152,709

TOTAL BUDGETED CAPITAL EXPENDITURES

\$115,580,251



King County
Housing
Authority

2025 KCHA Budget Presentation

Wendy Teh
Vice President of Finance

December 9, 2024



Acknowledgements

- 🏠 Shannon Nicholas – Planning Manager
- 🏠 Samy Ma – Senior Financial Analyst
- 🏠 Tesh Assefa – Reporting Manager
- 🏠 Alfred Dulay – Accounting Manager
- 🏠 Bayisa Tadesse – Interim Accounting Manager

Guiding Principles

- 🏠 Expand and preserve the supply of affordable housing
- 🏠 Promote economic opportunity and self-reliance
- 🏠 Strengthen the internal infrastructure of KCHA to support the mission
- 🏠 Organizational planning that puts equity and inclusion at the forefront
- 🏠 Help the region address homelessness





Our Core Operations

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



Budget Highlights



Budget Assumptions

- 🏠 Strong Balance Sheet
- 🏠 Conservative Revenue Assumptions
 - Assumed prorates:
 - 99.5% in Housing Choice Voucher (HCV) program
 - 90.0% in Public Housing Subsidy
 - 2.5% RFIF inflation factor in HCV program
- 🏠 Significant Property Rehabilitation
- 🏠 Technology improvements – Yardi, DayForce, M365
- 🏠 Emphasis on improving Safety & Security for staff and residents
- 🏠 Learning & Development for Existing/New Staff



Sources & Uses of Cash Summary

	<u>Federal</u>	<u>Local</u>	<u>Combined</u>
Operating Income/Expenses			
Operating Revenue	358,880,484	196,774,308	555,654,792
Operating Expenses	(373,267,073)	(135,783,946)	(509,051,018)
Net Operating Income	(14,386,589)	60,990,363	46,603,774
Other Sources/(Uses) of Cash			
Net Non-Operating Income/(Expense)	14,285,730	(15,433,808)	(1,148,077)
Capital Projects & Acquisitions	(14,814,362)	(37,789,203)	(52,603,565)
Net Transfers In/(Out)	(2,428,614)	(21,058,367)	(23,486,981)
Other Sources/(Uses) of Cash	(1,160,461)	947,823	(212,638)
Net Increase/(Decrease) Unrestricted Cash	<u>(18,504,295)</u>	<u>(12,343,192)</u>	<u>(30,847,487)</u>

Cash Balances at end of 2025

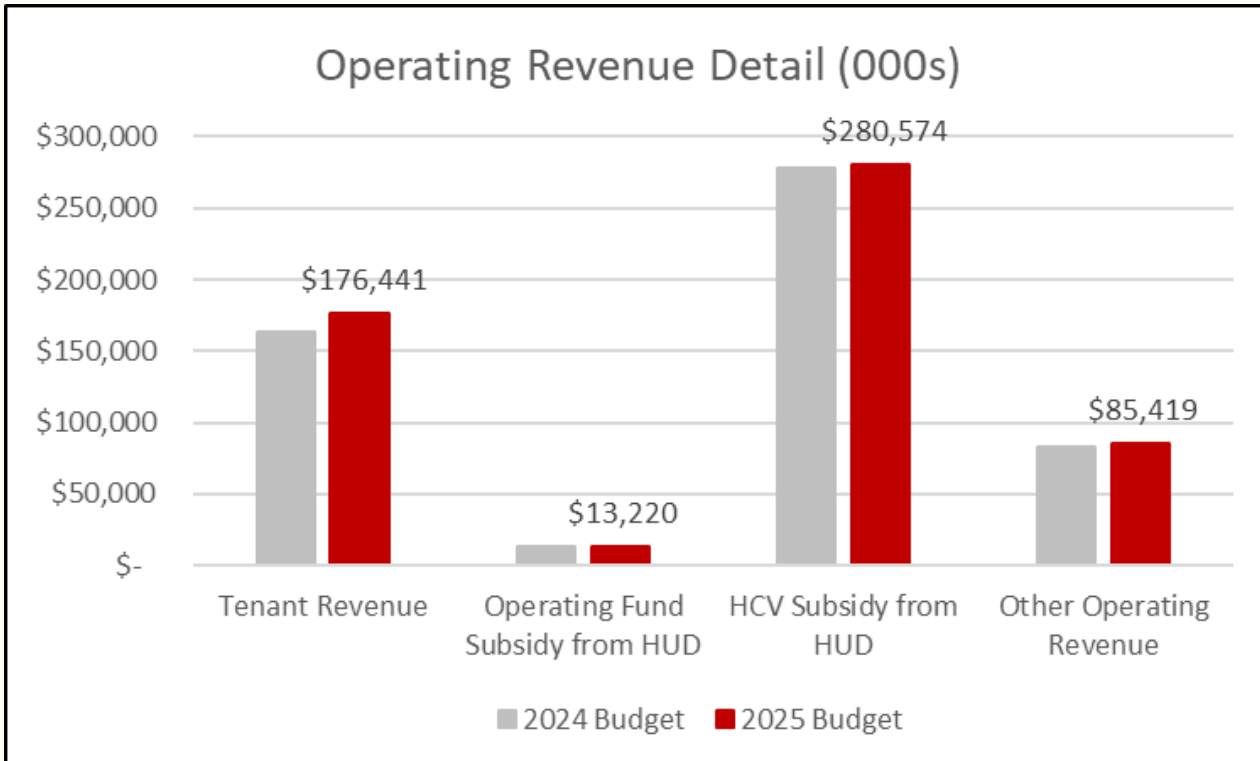
	<u>Federal</u>	<u>Local</u>	<u>Combined</u>
Unrestricted Cash			
Beginning Balance	43,175,546	132,864,471	176,040,017
Changes in Unrestricted Cash	(18,504,295)	(12,343,192)	(30,847,487)
Ending Balance	<u>24,671,251</u>	<u>120,521,279</u>	<u>145,192,530</u>
Designated Cash			
Beginning Balance	8,662,718	97,601,583	106,264,301
Changes in Designated Cash	300,803	3,267,993	3,568,796
Ending Balance	<u>8,963,521</u>	<u>100,869,576</u>	<u>109,833,097</u>
Restricted Cash			
Beginning Balance	8,061,268	27,682,370	35,743,637
Changes in Restricted Cash	(157,173)	602,154	444,981
Ending Balance	<u>7,904,095</u>	<u>28,284,524</u>	<u>36,188,619</u>

Operating Revenue by Category

Operating Revenue	2024 Budget	2025 Budget	\$ Change	% Change
Tenant Revenue	162,882,788	176,440,584	13,557,796	8.3%
Operating Fund Subsidy from HUD*	12,987,245	13,220,333	233,088	1.8%
HCV Subsidy from HUD*	278,133,301	280,574,451	2,441,151	0.9%
Other Operating Revenue	83,232,886	85,419,424	2,186,539	2.6%
Total Operating Revenues	537,236,219	555,654,792	18,418,573	3.4%

* Estimates of uncertain HUD funding levels

Operating Revenue



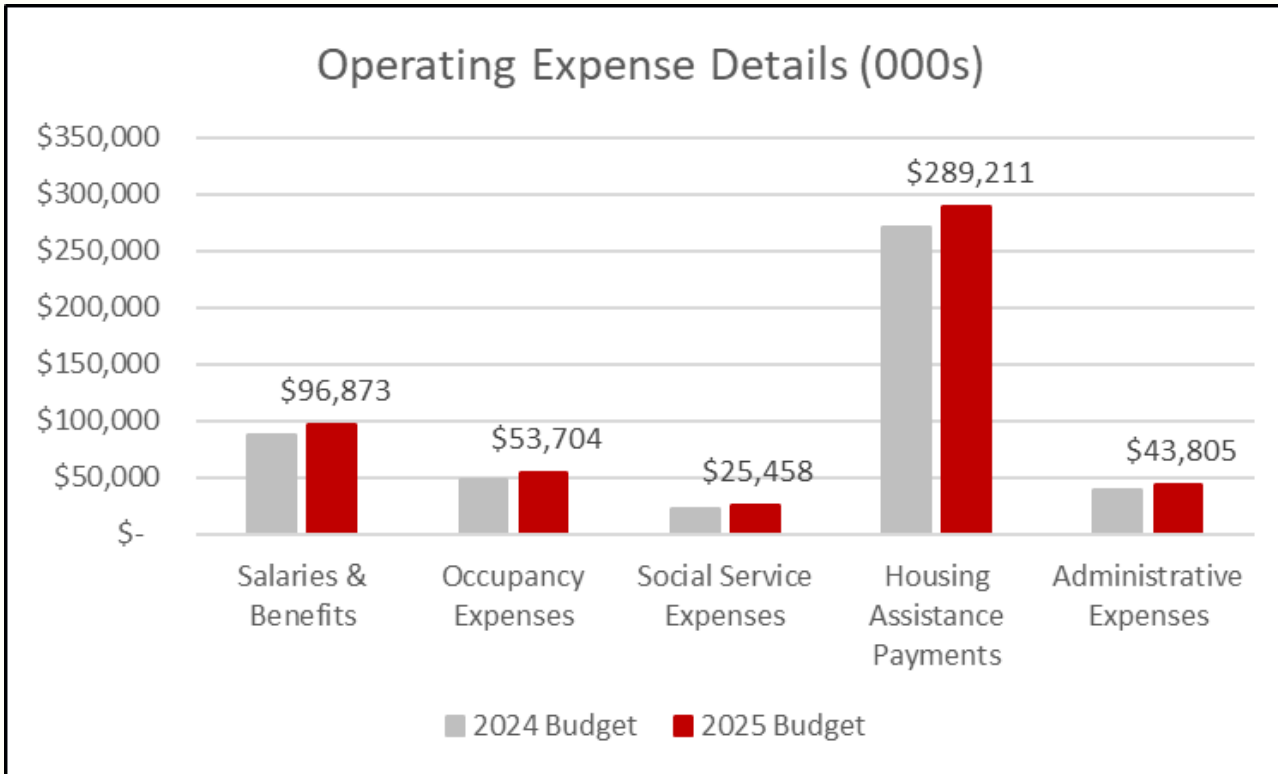
- 🏠 HCV Subsidy is our largest source of federal income and is based on yet to be determined HUD funding levels
- 🏠 Operating Subsidy is also an estimate based unknown HUD funding levels.
- 🏠 Tenant revenue from both our federal public housing properties and local workforce housing properties is expected to increase 8.3% over the 2024 budget

Operating Expenses by Category

Operating Expenses	2024 Budget	2025 Budget	\$ Change	% Change
Salaries & Benefits	87,939,292	96,872,646	8,933,354	10.2%
Occupancy Expenses	47,492,775	53,703,740	6,210,965	13.1%
Social Service Expenses	22,684,233	25,458,278	2,774,045	12.2%
Housing Assistance Payments*	270,442,986	289,211,352	18,768,366	6.9%
Administrative Support Expenses	39,022,066	43,805,003	4,782,937	12.3%
Total Operating Expenses	467,581,352	509,051,018	41,469,667	8.9%

*Includes Ports In/Out and FSS expenses

Operating Expenses



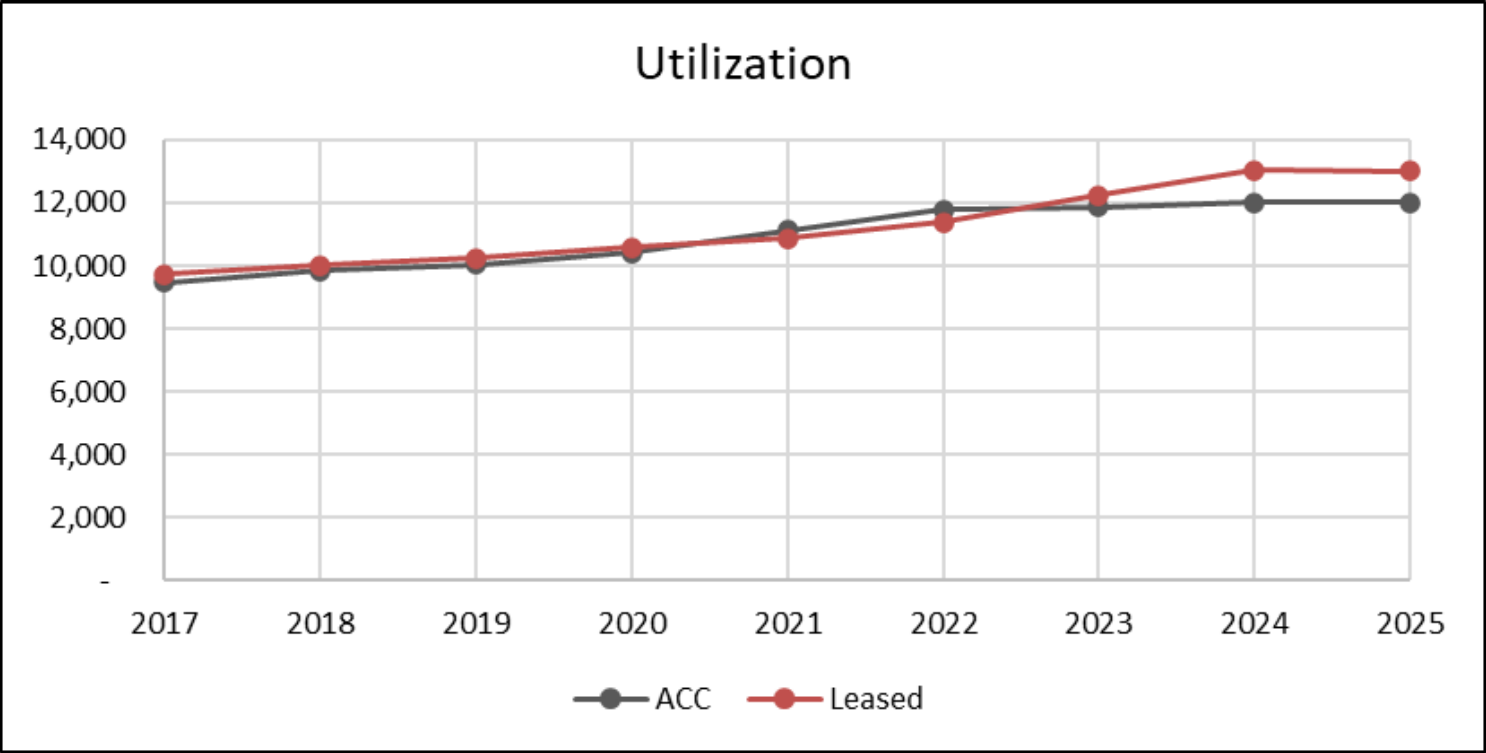
- 🏠 Housing Assistance Payments to our landlords in the HCV program makes up almost 60% of operating expenses and will be approximately \$289M in 2025.
- 🏠 19% of operating expenses is due to staff salaries and benefits

Housing Choice Voucher Program

- 🏠 Focus on supporting housing stability
- 🏠 Program changes to help tenants get quality housing choices
- 🏠 Continued efforts to support the homeless population
- 🏠 Emphasis on leasing up Special Purpose Vouchers



Voucher Utilization



🏠 ACC = Annual Contributions Contract

🏠 Leased = Number of participants receiving rental assistance

Budget by Voucher Type

Voucher Type	Over/(Under)			Avg Util %	Avg PUC \$	HAP Cost \$
	ACC	Budget	Leased			
Block Grant	8,499	9,961	1,462	117.2%	1,582.91	189,208,697
Special Purpose Vouchers						
VASH	1,250	922	(328)	73.8%	1,248.47	13,815,121
Mainstream	887	891	4	100.4%	1,551.95	16,582,841
EHV	650	634	(16)	97.5%	1,722.29	13,100,431
FUP	388	315	(73)	81.2%	1,882.11	7,117,391
FYI	123	82	(41)	66.7%	1,712.58	1,687,940
CDP/NED	200	202	2	101.0%	1,442.26	3,496,031
TOTAL	11,997	13,007	1,010	108.4%	1,591.80	245,008,452

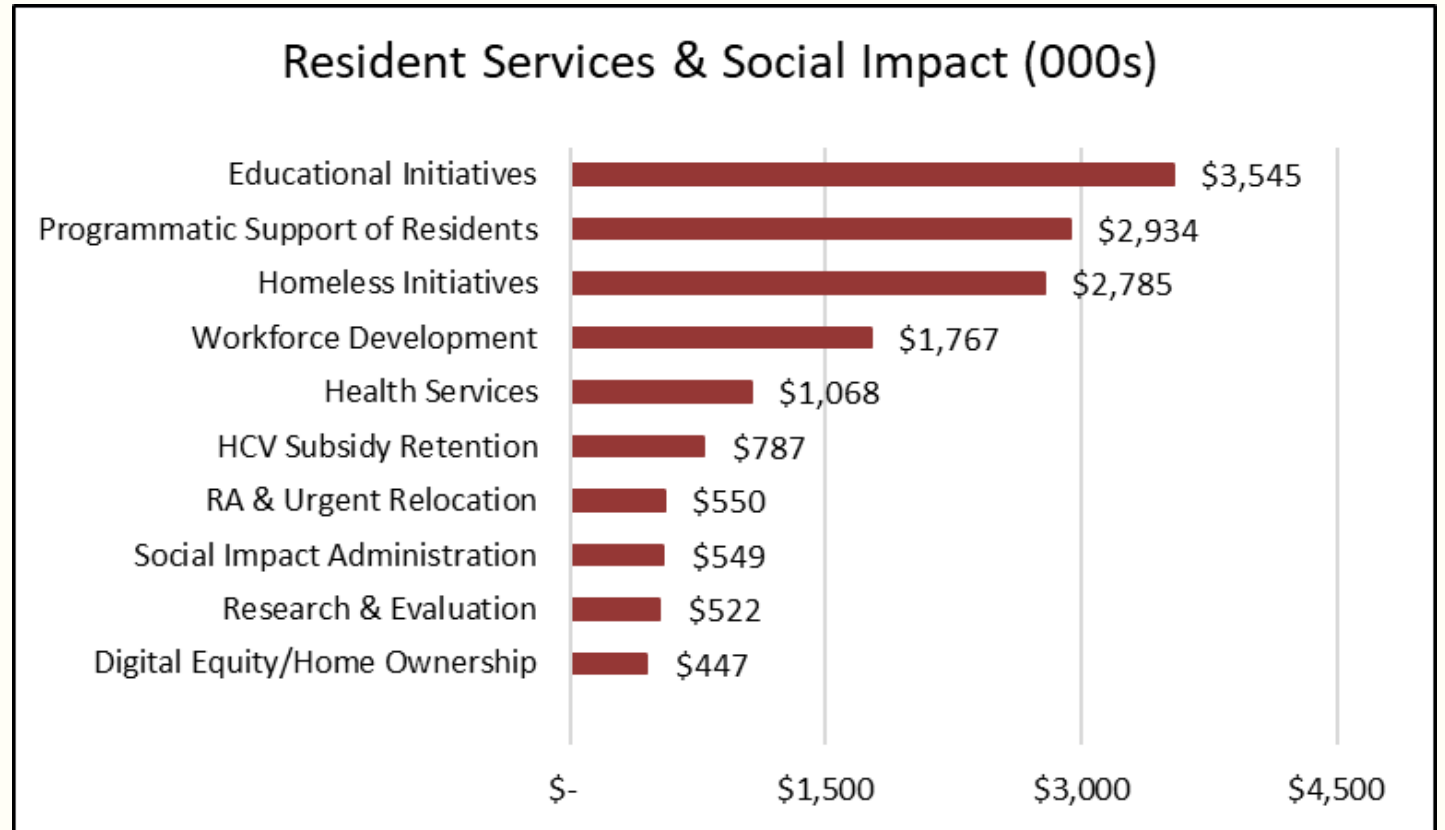
Subsidized Housing

- 🏠 Public Housing program consists of 39 properties with 2,453 units
- 🏠 Properties are divided into four regions: East, North, Southeast and Southwest
- 🏠 Total capital work is expected to be \$14.1M including \$9.8M in large projects and \$3.0M for 75 unit upgrades
- 🏠 Staff of 198 FTEs manage this large and geographically vast portfolio of properties



Support for Housing Stability

- 🏠 A total of \$15 million is earmarked for Housing Stability in the 2025 budget
- 🏠 Includes two Housing Navigators in the Resident Services department to focus on helping participants secure housing



Maintaining Our Housing Inventory

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



Recurring Construction Budget	2024	2025
Large Projects in Subsidized Housing	11,126,376	8,737,792
Large Projects in Other Properties	2,427,367	4,815,154
Unit Upgrades Program	5,794,591	5,683,963
Smaller Projects in Subsidized Housing	2,729,575	2,180,345
Projects in Workforce Housing	30,103,247	26,074,698
Total KCHA Construction Budget	52,181,157	47,491,952
Pre-Development Budget		
Issaquah Trailhead	2,000,000	1,897,879
Other Projects	3,223,112	500,000
Total Pre-Development Budget	5,223,112	2,397,879
TOTAL	57,404,269	49,889,831

Expanding our Housing Inventory

- 🏠 Workforce housing added in 2024
 - Henry House, 54 units
 - Sterling Ridge, 116 units
- 🏠 Workforce housing added for 2025 using debt to fund acquisition
 - Brier Woods, 136 units
- 🏠 Kirkland Heights development
 - 96 new units added to property
- 🏠 Special Purpose Vouchers



Major Technology Investments



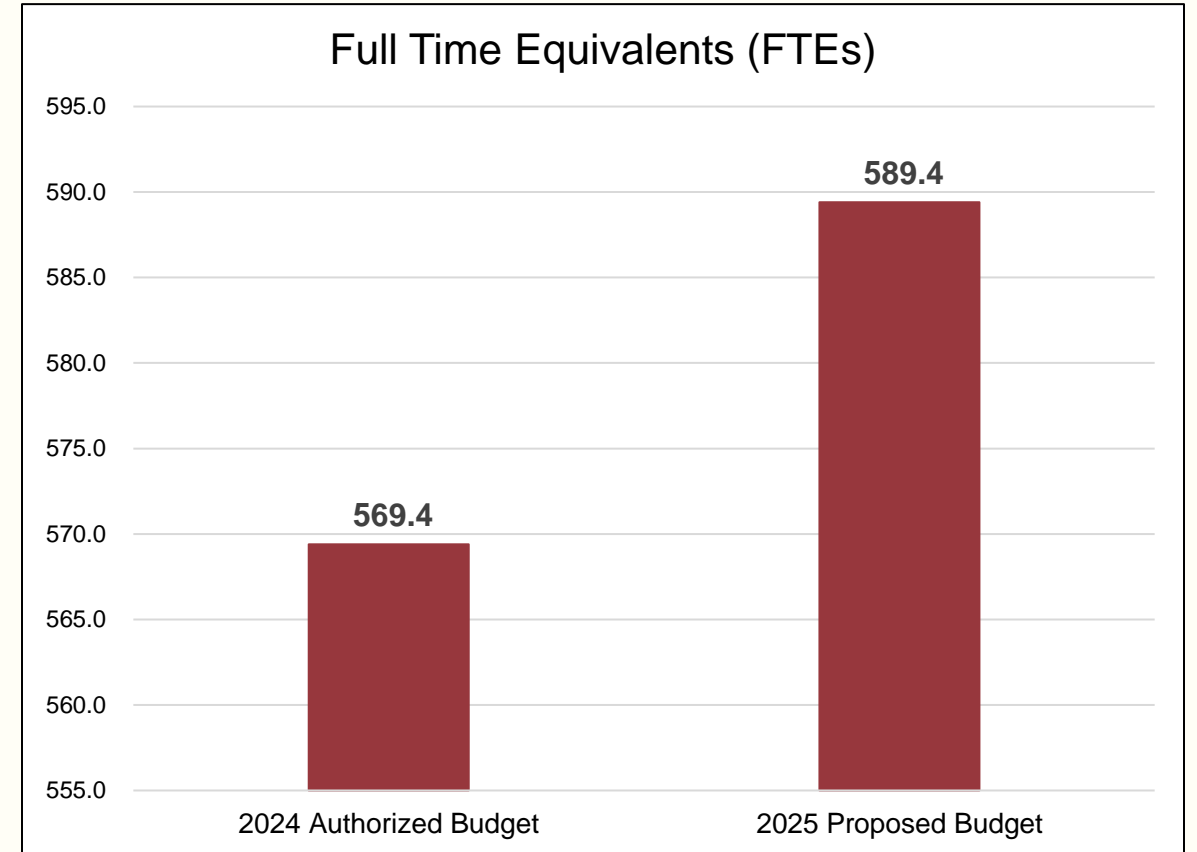


Workforce Planning

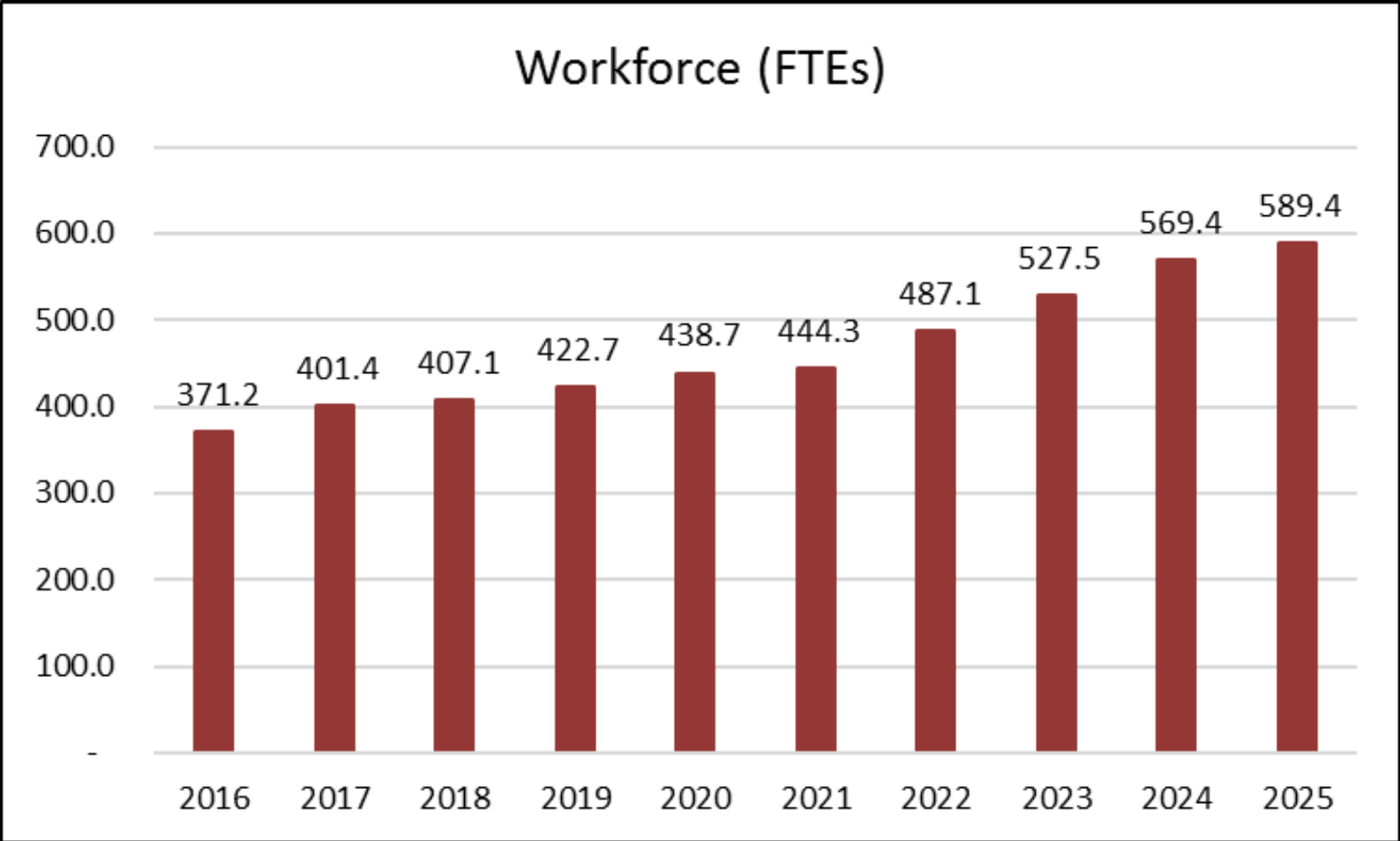


KCHA Workforce

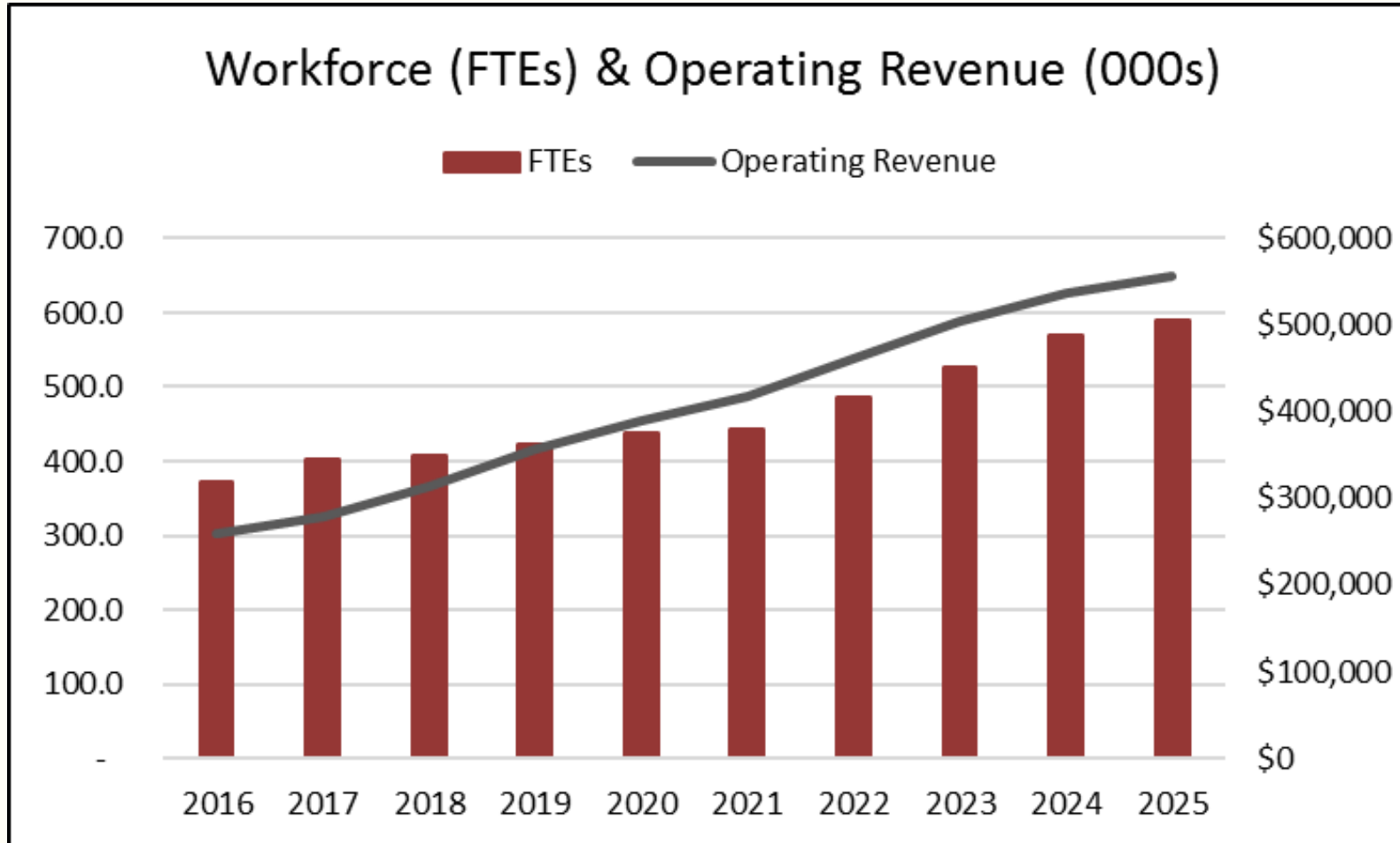
- Addition of 20.0 FTEs over 2024 budget
- New staff to support:
 - Resident Services
 - Human Resources
 - Asset Management
 - Weatherization
 - Development
- Transfers between departments to better align staff



KCHA's Workforce is steadily rising...

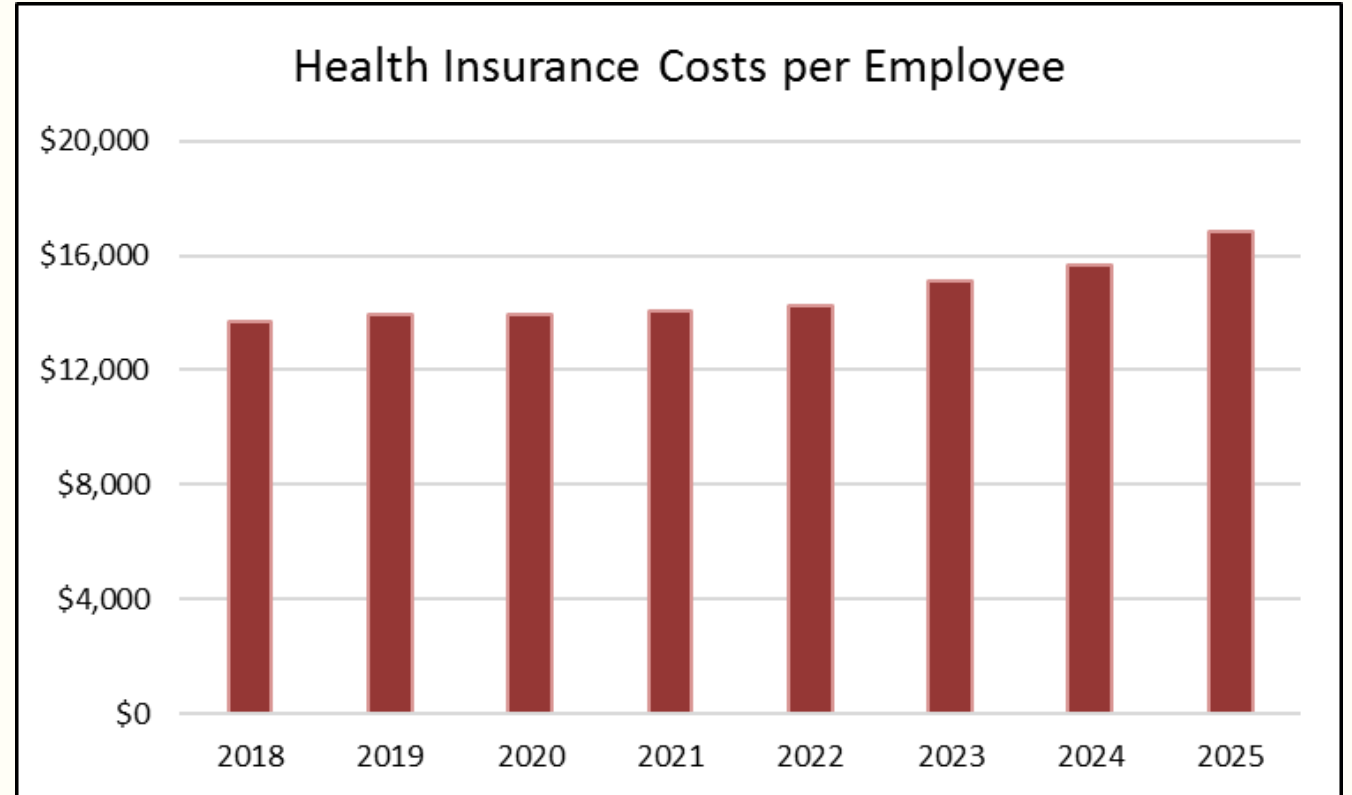


...but it is needed to support our growing Operations



Comprehensive Benefits

- 🏠 Total cost of COLA and Merit increases in the 2025 budget is \$3.8 million. (COLA for 2024 was 4.2%¹)
- 🏠 The PERS employer contribution remains the same as 2024 at 10.39% totaling \$6.0 million
- 🏠 Fixed benefits including medical, dental, vision and life insurance is budgeted at \$16,810 per employee totaling \$10.5 million



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

Investing in Our Workforce

- 🏠 Learning & Development – LIFT Academy, DayForce & Yardi Training
- 🏠 Focus on EDIB values – Inclusive Leadership, Beyond Diversity, Empowering Action Workshop
- 🏠 Employee Association
- 🏠 Wellness activities





King County
Housing
Authority

Thank you



THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5783

AUTHORIZING APPROVAL OF THE COMPREHENSIVE OPERATING AND CAPITAL BUDGETS FOR CALENDAR YEAR BEGINNING JANUARY 1, 2025

WHEREAS, the Executive Director has submitted Comprehensive Operating and Capital Budget for the Calendar Year beginning January 1, 2025 (Calendar Year 2025); and

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

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

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

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

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

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

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

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

SECTION 1: The following expenditures are hereby authorized for the Calendar Year beginning January 1, 2025:

	<u>Expenses</u>	<u>Capital</u>	<u>Total</u>
Federal Programs	\$377,028,092	\$14,814,362	\$391,842,454
Local Programs	166,330,509	37,789,203	204,119,712
Development Activities	9,185,202	62,976,686	72,161,887
Total 2025 Expenditures	<u>\$552,543,802</u>	<u>\$115,580,251</u>	<u>\$668,124,053</u>

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

ADOPTED AT A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 9th DAY OF DECEMBER, 2024.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

ROBIN WALLS
Secretary-Treasurer

KING COUNTY HOUSING AUTHORITY
2025 Budget (Cash Basis)
(excludes non-KCHA-managed component units)

EXHIBIT A

			Operations and Capital		Dollar Change	Percent Change	Development
	Federal Programs	Local Programs	2025 Proposed Budget	2024 Adopted Budget			
Beginning Balance, Unrestricted Cash	43,173,676	134,547,079	177,720,755				(23,190,383)
Revenues							
Tenant Revenue	17,072,429	159,368,155	176,440,584	162,882,788	13,557,796	8.3%	-
Operating Fund Subsidy from HUD	13,209,990	10,343	13,220,333	12,987,245	233,088	1.8%	-
Section 8 Subsidy from HUD	280,104,451	470,000	280,574,451	278,133,301	2,441,151	0.9%	-
Other Operating Revenue	48,493,614	36,925,810	85,419,424	83,232,886	2,186,539	2.6%	44,445
Total Operating Revenues	358,880,484	196,774,308	555,654,792	537,236,219	18,418,573	3.4%	44,445
Expenses							
Salaries & Benefits	(36,387,889)	(60,484,757)	(96,872,646)	(87,939,292)	(8,933,354)	10.2%	(1,069,756)
Routine Maintenance, Utilities, Taxes & Insurance	(15,827,760)	(37,875,980)	(53,703,740)	(47,492,775)	(6,210,965)	13.1%	(165,000)
Other Social Service Support Expenses & HAP	(303,027,547)	(11,642,083)	(314,669,630)	(293,127,219)	(21,542,411)	7.3%	-
Administrative Support Expenses	(18,023,877)	(25,781,126)	(43,805,003)	(39,022,066)	(4,782,937)	12.3%	(378,252)
Total Operating Expenses	(373,267,073)	(135,783,946)	(509,051,018)	(467,581,352)	(41,469,667)	8.9%	(1,613,008)
Net Operating Income	(14,386,589)	60,990,363	46,603,774	69,654,867	(23,051,093)	-33.1%	(1,568,563)
Non-operating Revenue	18,046,749	15,112,756	33,159,505	26,819,347	6,340,158	23.6%	17,888,633
Non-operating Expenses	(3,761,019)	(30,546,563)	(34,307,582)	(33,915,235)	(392,348)	1.2%	(7,572,194)
Net Income	(100,859)	45,556,555	45,455,696	62,558,979	(17,103,283)	-27.3%	8,747,877
Other Sources/(Uses) of Cash							
Capital Projects and Acquisitions	(14,814,362)	(37,789,203)	(52,603,565)	(57,406,694)	4,803,129	-8.4%	(62,976,686)
Changes in Designated Cash	(300,803)	(3,267,993)	(3,568,796)	2,304,142	(5,872,938)	-254.9%	(271,137)
Changes in Restricted Cash	157,173	(602,154)	(444,981)	(10,170)	(434,811)	4275.4%	(1,502,673)
Changes in Receivables	1,219,555	1,089,098	2,308,653	(181,873)	2,490,526	-1369.4%	(25,199,982)
Changes in Other Assets	-	81,748	81,748	81,748	-	0.0%	-
Changes in Debt	(385,000)	(19,486,807)	(19,871,807)	(20,117,332)	245,526	-1.2%	61,619,235
Changes in Other Liabilities	(3,119,538)	1,127,741	(1,991,797)	(1,467,721)	(524,076)	35.7%	571,570
Changes in Equity	-	-	-	-	-	n/a	-
Total Other Sources/(Uses) of Cash	(17,242,976)	(58,847,570)	(76,090,545)	(76,797,901)	707,355	-0.9%	(27,759,673)
Transfer In from (Out to) Other Funds							
Transfers In from Other Funds	15,265,050	25,408,392	40,673,442	42,687,432	(2,013,991)	-4.7%	721,929
Transfers Out to Other Funds	(16,425,511)	(24,460,569)	(40,886,080)	(43,400,209)	2,514,130	-5.8%	-
Net Transfer In/(Out)	(1,160,461)	947,823	(212,638)	(712,777)	500,139	-70.2%	721,929
Net Change in Unrestricted Cash	(18,504,295)	(12,343,192)	(30,847,487)	(14,951,698)	(15,895,789)	106.3%	(18,289,867)
Ending Balance, Unrestricted Cash	24,669,381	122,203,887	146,873,268				(41,480,250)
Beginning Balance, Designated Cash							
Changes in Designated Cash	300,803	3,267,993	3,568,796				271,137
Ending Balance, Designated Cash	8,963,521	100,869,576	109,833,097				271,137
Beginning Balance, Restricted Cash							
Changes in Restricted Cash	(157,173)	602,154	444,981				1,502,673
Ending Balance, Restricted Cash	7,904,095	30,455,724	38,359,819				36,684,940
							1,502,673
							38,187,613

2025 Capital Budget
By Responsible Department

EXHIBIT B

CONSTRUCTION ACTIVITIES

Managed by the Capital Construction Department

Public Housing Properties	\$8,737,792	
MKCRF Properties	0	
Other Properties	1,757,395	
Central Office Projects	2,063,225	
Placeholder for Pre-Construction Design Work	994,534	
	<hr/>	13,552,947

Managed by the Housing Management Department

Unit Upgrade Program	5,683,963	
Other Projects	2,180,345	
	<hr/>	7,864,308

Managed by the Asset Management Department

Projects at Workforce Housing Properties	22,977,698	
Projects at Mobile Home Properties and Other	3,097,000	
	<hr/>	26,074,698

DEVELOPMENT/ACQUISITION ACTIVITIES

Managed by the Development Department

Acquisition Placeholder	60,000,000	
Hope VI Properties	4,337,710	
Pre-development Activities-Issaquah Trailhead	1,897,879	
Pre-development Activities-Other	700,000	
	<hr/>	66,935,589

OTHER ACTIVITIES

Technology Expenditures	847,709	
Safety & Security	250,000	
Vehicles & Other	55,000	
	<hr/>	1,152,709

TOTAL BUDGETED CAPITAL EXPENDITURES

\$115,580,251

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**King County
Housing
Authority**

To: Board of Commissioners

From: Pam Taylor, Senior Vice President of HCV

Date: December 9, 2024

Re: **Resolution No. 5784** Authorizing Higher Payment Standards for the Housing Choice Voucher Program

As the Senior Vice President of the HCV department, it is my commitment to ensure that our voucher holders have access to affordable housing options in the community. This continues to be a challenging task, especially considering the rising housing costs and the limited funding available for our programs.

We analyzed the data over the past year and considered the impact of the previous increases. The conclusion we came to is that our payment standards for some areas in our jurisdiction are not keeping up with the growing rate of rental costs in the market.

After much deliberation, we have decided that a 2% increase to our payment standards would allow the agency to respond to the immediate need of our clients, while preventing our change from leading the market. KCHA will be conducting an analysis of the distribution of its zip code and tier assignments to consider other factors that impact our payment standards and will be including this in our 2025 mid-year payment standards review.

We collaborated with our front-line staff which confirmed our recommendation that our current payment standards are not effective in some areas in our jurisdiction, and that further analysis on the layout of our tier system is needed. In the end, we were proud of our commitment to responsible stewardship of the program and to the needs of our clients.

Background

Traditionally, housing authorities have a single payment standard set by HUD, based on 40 percent of units being affordable with a voucher (referred to as the 40th percentile). KCHA implemented multi-tiered standards in 2016, setting different payment standards for different regions of the county (see Exhibit 1), and began conducting biannual reviews of payment standards in 2018. Social Impact research & evaluation staff conducts the analysis in support of HCV decision-making; reviews occur at the middle (June) and end (December) of each year. The purpose of the reviews is to check the effectiveness of existing payment standards and ensure that they are not lagging the market to such a degree that voucher holders cannot lease up throughout the remainder of the year.

KCHA Payment Standard Tiers

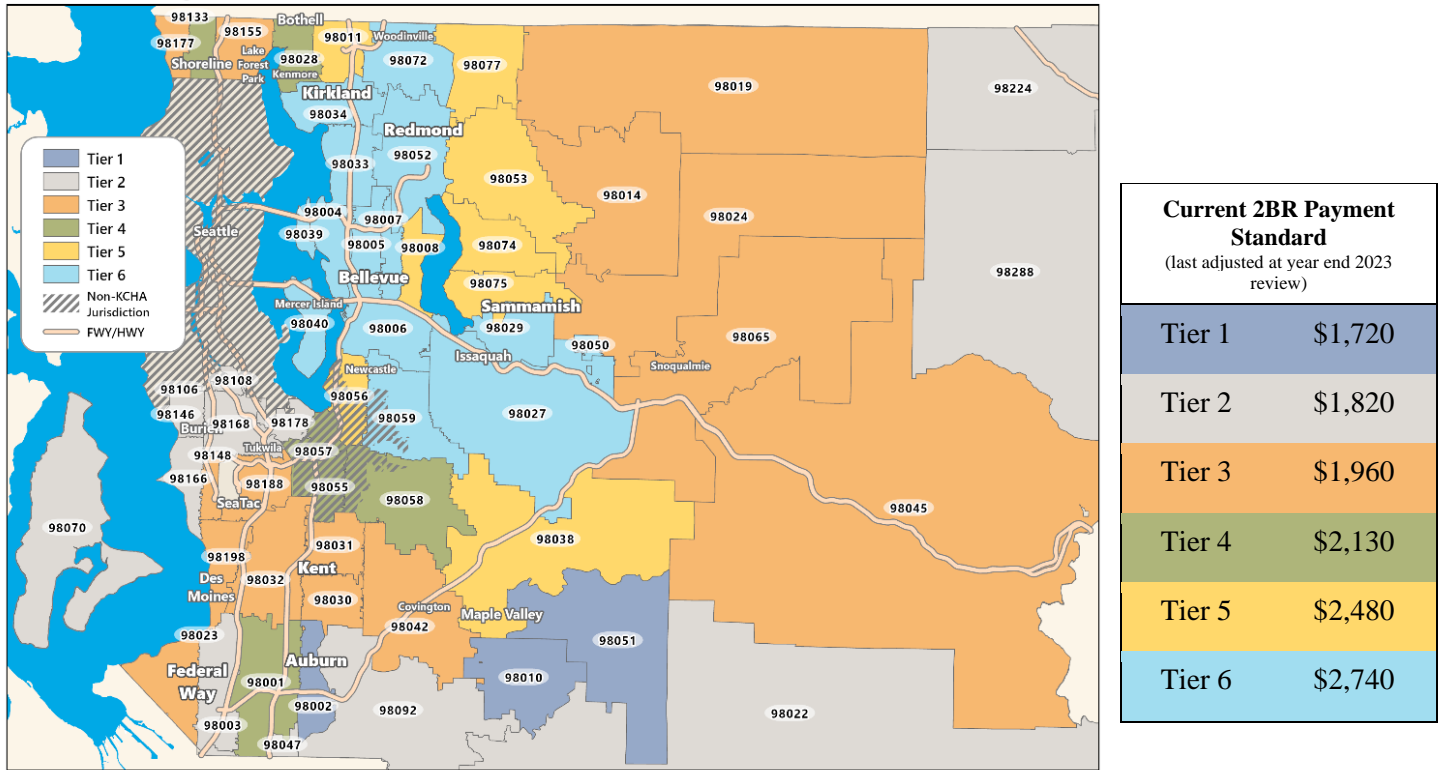


Exhibit 1

Meeting Our Goals

We have four data-driven goals in mind when determining our payment standard amounts, in addition to trying to meet the 40th percentile of affordable units:

- 1) Support shopping success: if we don't set our payment standards at the right amount, families will struggle to find a place that they can afford.
- 2) Limiting shelter burden: if our payment standards are too low, families end up paying more costs out of pocket and will become shelter burdened.
- 3) Increasing geographic choice: we want families to find a unit in any area of the county they want to live in, not just the most affordable areas.
- 4) Ensure cost containment: by having lower payment standards in more affordable areas, we ensure that the agency is not overspending on housing costs.

Shopping Success

In our last review there was significant variability with the success of voucher holders for the months of September 2022 through January 2023. Since that period, we have seen a decline in our success at both 120 and 240 days. Most notably, our current success rate for the June 2023 households is the lowest since March 2022 (45%). While payment standards are only one factor in one's ability to secure housing, conversations with our staff have revealed that searches in more affordable tiers have been more difficult due the payment standards not being as competitive as the higher, more expensive tiers.

Limiting Rent Burden

In our last annual review, we unfortunately had started to see a sharp rise in the number of households considered “rent burdened”, up from 8.6% to 10.4%. Rent burden is defined as a household paying more than 40% of their income on housing. A KCHA household only becomes rent burdened if they are in a unit that is more expensive than what our payment standard will cover (*plus the household’s share of rent*). The percentage of households that are rent burdened has remained steady over the last year at 10.5% of all voucher households leased in units where the number of bedrooms is within the voucher occupancy standards.

Increasing Geographic Choice

Many households live in South King County, which is primarily lower-cost Tiers 2 and 3. However, over the past two years, the portions of households living in these tiers has dropped, and more families are leasing up in lower poverty, higher opportunity neighborhoods than ever before. Almost 1 in 5 KCHA households now live in Tier 6, which encompasses most of the Eastside. Even with the migration of households to higher tiers, it is imperative that KCHA maintains competitive payment standards in its lower tiers for households who desire to live there.

Market Rents and Changes Over Time

In addition to measuring progress on HCV’s four goals, the Social Impact team tracks market rents and compares current voucher rent levels against payment standards. Although the median rent for HCV households is below the current payment standard for virtually all bedroom sizes and tiers, looking at households that moved within the last six months can be a more accurate depiction of the rental market than overall HCV rents.

Recommended Payment Standard Adjustments

Staff is recommending an increase in payment standard amounts in all Tiers for all bedroom sizes. This recommendation will ensure that new households will be more successful in leasing units, current households will face lower shelter burdens, and geographic mobility will be maintained should they decide to move.

KCHA will again conduct a payment standards analysis beginning in April 2025, with any potential adjustments effective July 1st, 2025.

KCHA will continue to monitor rental costs, shelter burden, and shopping success trends over the next six months in advance of our mid-year review. KCHA is proposing to implement new payment standards for new households on January 1st, and then on a rolling basis at existing households’ next interim or annual reexamination.

Approval of Resolution 5784 is recommended.

APPENDIX A: 2025 Multi-Tiered Payment Standards

Proposed Payment Standards Amounts Effective January 1, 2025

	Studios	1 BR	2 BR	3 BR	4 BR
Tier 1	\$1,610	\$1,610	\$2,020	\$2,640	\$3,440
Tier 2	\$1,620	\$1,620	\$2,030	\$2,650	\$3,460
Tier 3	\$1,640	\$1,640	\$2,070	\$2,690	\$3,510
Tier 4	\$1,700	\$1,700	\$2,180	\$2,830	\$3,710
Tier 5	\$2,070	\$2,070	\$2,530	\$3,300	\$4,310
Tier 6	\$2,240	\$2,240	\$2,800	\$3,650	\$4,760

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION No. 5784

**AUTHORIZING HIGHER PAYMENT STANDARDS FOR THE
HOUSING CHOICE VOUCHER PROGRAM**

WHEREAS, the Housing Choice Voucher payment standards are the maximum subsidy levels used to calculate the housing assistance a household will receive under the Housing Choice Voucher program; and

WHEREAS, the Housing Authority's Board of Commissioners authorized implementation of a multi-tiered payment standard system with five tiers by passing Resolution No. 5531 dated the 16th of February 2016; and

WHEREAS, the Housing Authority has committed to reviewing the multi-tiered payment standards system and the configuration of ZIP codes therein at least once a year; and

WHEREAS, the Housing Authority last made adjustments to the grouping of ZIP codes in August 2022 and last increased payment standards in December 2023; and

WHEREAS, it has been determined that an additional increase in payment standards is necessary to keep pace with regional rental market trends and limit shelter burden; and

WHEREAS, the Housing Authority has sufficient resources to fund higher payment standards in 2025; and,

WHEREAS, increased payment standard amounts will Affirmatively Further Fair Housing objectives in the Seattle Metropolitan region;

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

The Payment Standards for the Housing Authority's Housing Choice Voucher program are hereby adjusted in accordance with the proposed recommendations, set forth at the December 9th Board of Commissioners meeting and attached hereto, and effective January 1, 2025.

ADOPTED AT A SPECIAL MEETING OF THE BOARD OF THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 9th DAY OF DECEMBER, 2024.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

Robin Walls
President/CEO and Secretary-Treasurer

Proposed Payment Standards Amounts Effective January 1, 2025

	Studios	1 BR	2 BR	3 BR	4 BR
Tier 1	\$1,610	\$1,690	\$2,020	\$2,640	\$3,440
Tier 2	\$1,620	\$1,700	\$2,030	\$2,650	\$3,460
Tier 3	\$1,640	\$1,720	\$2,070	\$2,690	\$3,510
Tier 4	\$1,700	\$1,780	\$2,180	\$2,830	\$3,710
Tier 5	\$2,070	\$2,170	\$2,530	\$3,300	\$4,310
Tier 6	\$2,240	\$2,350	\$2,800	\$3,650	\$4,760

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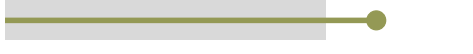

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Households Served




point in time as of September 2024¹

24,330

Finance

	Budgeted	Actual	Actual to Budget	
Revenue year-to-date	\$401,840,605	\$430,865,786	107.2%	
Expenditure year-to-date	\$349,124,657	\$337,154,696	96.6%	
LGIP Rate Investments	4.52%	5.23%	+ 0.71%	
Non-LGIP Investments	4.52%	3.17%	-1.35%	

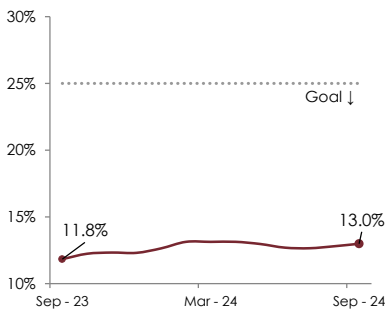
Housing Management

	Scope	Target	Sep '24	
Public Housing Occupancy ²	3,766 units	98.0%	98.0%	
Local Programs Occupancy	8,916 units	96.5%	98.7%	
Total Units Online ³	12,711 units	11,105	12,711	

Housing Choice Voucher Program Operations

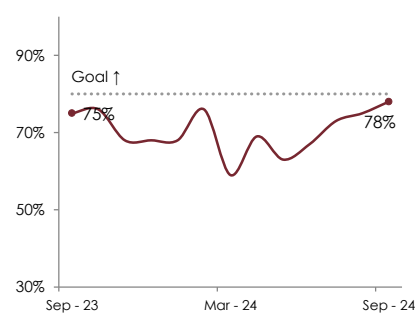
Shelter Burden

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



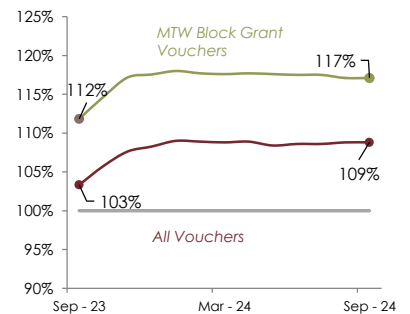
Shopping Success⁴

Lease-up within 240 days after voucher issuance, by cohort.



Utilization Rate⁵

Percentage of HUD ACC leased by month.



Focus Areas

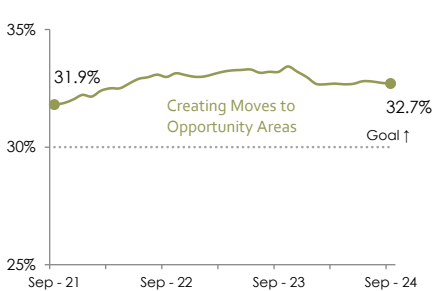
Inclusion Now Training

Percentage of staff who have completed Inclusion Now (I).



Opportunity Area Access

Percentage of households with children living in high opportunity areas.



Notes

- 1) Includes households in federally subsidized programs, workforce housing, and local programs.
- 2) Excludes 49 units in portfolio where turnover is not tracked monthly.
- 3) 11,105 represents the agency's acquisition stretch goal by the end of 2020.
- 4) Represents success of latest cohort to reach 240 days after voucher issuance.
- 5) Does not include Emergency Housing Vouchers.

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King County Housing Authority

Memo

TO: Board of Commissioners

FROM: Wendy Teh, Vice President of Finance

DATE: December 9, 2024

RE: 2024 Third Quarter Financial Report

Executive Summary

Third-quarter 2024 financial results for KCHA, excluding development activities, far outpace budget projections. Operating income is approximately \$8.3 million more than budget with both tenant revenue and block grant revenue exceeding expectations. Operating expenses are 96% of the budget and approximately \$12.5 million less than anticipated. The key drivers include reduced salaries and benefits due to unfilled positions as well as lower spending on maintenance, weatherization projects and administrative costs. As a result, net income is higher than budget by \$20.8 million.

Financial Highlights

For Federal Programs and Properties, which include Moving to Work (MTW), Housing Choice Vouchers (HCV) and Public Housing (PH), operating revenue was \$5.7 million above the budget. Tenant revenue as well as federal subsidies for both HCV and PH were higher than anticipated. Operating expenses were slightly under budget at 99% of the budgeted total. These combined to result in additional net income of \$7.1 million. Other highlights include:

- Seasonal and periodic maintenance projects were below target but expected to increase as the year progresses.
- Capital construction projects were below target mainly due to Burndale Home Office and Envelope project having a late start due to environmental review issues. While the Munro Manor roof and Briarwood Fire Monitoring System Upgrade projects started in the 3rd quarter, the Westminster roof project was postponed to 2025. Salaries and benefits were below target due to unfilled positions.

The Local Programs and Properties had operating revenue that was \$2.6 million above budget. Combined with lower than expected expenditures, net income was \$13.6 million more than budget. The biggest driver of the increased revenue was higher than anticipated tenant revenue while for expenses, unfilled positions resulted in less salaries and benefits. Other notable highlights include:

- Lower spending and grant reimbursements on weatherization projects.
- Various maintenance contract projects were below target, but expected to increase as the year progresses.
- Due to project delays, capital projects are below target.

For Development activities, operating revenue was less than budgeted due to lot sales at Greenbridge occurring earlier than anticipated at the end of 2023. Other budget items, including equity transfers to Seola Gardens and Kirkland Heights developer fee and subordinate loans did not occur as anticipated in the first half of 2024 but are expected to take place later in the year. Other highlights include:

- Interest expense on the Kirkland Heights bonds was higher than anticipated in the budget.
- Subordinate debt yet to be advanced for development of Kirkland Heights Apartment project.

Financial Statements

The Financial Statements below are included to provide detailed financial information for all activities as well as any corresponding notes needed for further explanation.

Income Statements show operating and non-operating income, expenses and net gain or loss. These have been broken out into four separate reports to show differences between KCHA programs and activities. Each individual report highlights the following programs:

1. Combined Operations – Federal and Local Programs, excluding Development activity
2. Federal Programs & Properties – Includes all federal programs such as Housing Choice Vouchers, Public Housing, Capital Fund Program, and several other Federal grants to house and assist families towards self-reliance or improved living circumstances.
3. Local Programs & Properties – Includes properties and programs owned by KCHA and managed either by KCHA Property Management or Asset Management via third party management companies. This category is sometimes referred to as Workforce Housing.
4. Development Activity – Includes all activities handled by our Development department. Most of the financial activities of this department are below-the-line, construction-related and as such are tracked in the balance sheet as “work-in-process” and do not impact net operating income.

The Balance Sheets, which show assets, liabilities and equity, provide a snapshot of KCHA's finances, and are divided into Combined Operations and Development Activity.

Finally, a detailed summary of MTW Uses and Sources is included. One of the most important features of being an MTW agency is the financial flexibility to use funds where they are needed most depending on local housing needs. The charts show where we are able to use funding streams in a variety of ways to support KCHA goals and initiatives.

**Income Statement with Cash Adjustments
Combined Operations (excl development activity)
For the Period Ended September 30, 2024**

	2024 YTD Actual	2024 YTD Budget	% of YTD Budget	
Operating Revenues				
1 Tenant Revenue	\$127,390,372	\$121,660,685	105%	
2 Operating Subsidy from HUD-HCV	211,076,584	208,184,312	101%	
3 Operating Subsidy from HUD-PH	11,747,705	9,740,434	121%	(1)
4 Port-In Income	30,061,637	28,975,574	104%	
5 Other Operating Income	29,828,216	33,279,600	90%	(2)
6 Total Operating Income	<u>410,104,514</u>	<u>401,840,605</u>	102.1%	
Operating Expenses				
7 Salaries	45,352,784	50,053,122	91%	(3)
8 Benefits	14,564,304	16,569,623	88%	(3)
9 Occupancy Expenses	31,686,942	35,763,970	89%	(4)
10 Maintenance Projects	0	0	NM	
11 HAP Expense-KCHA	174,448,987	171,419,897	102%	
12 HAP Expense-Ports In	30,482,395	28,975,574	105%	
13 Other Social Service Expenses	13,738,783	16,893,544	81%	(2)
14 Administrative Expenses	26,349,436	29,448,926	89%	(5)
15 Total Operating Costs	<u>336,623,631</u>	<u>349,124,657</u>	96%	
16 Net Operating Income	<u>73,480,883</u>	<u>52,715,948</u>	139%	
Non-Operating Revenues				
17 Non-Operating income	19,885,474	22,062,207	90%	(6)
18 Total Non-Operating Income	<u>19,885,474</u>	<u>22,062,207</u>	90%	
Non-Operating Expenses				
19 Interest Payments	27,449,457	25,109,229	109%	
20 Non-Operating Expenses	2,849,177	1,488,313	191%	(7)
21 Total Non-Operating Expenses	<u>30,298,633</u>	<u>26,597,543</u>	114%	
22 Net Non-Operating Income (Loss)	<u>(10,413,159)</u>	<u>(4,535,336)</u>	230%	
23 Net Income(Loss)	<u>63,067,723</u>	<u>48,180,613</u>	131%	
Adjustments to Cash - Sources (Uses)				
24 Principal Payments	(17,019,891)	(16,225,871)	105%	
25 Capital Expenditures	(27,294,131)	(46,747,092)	58%	(8)
26 Acquisitions/LIHTC Return to KCHA	(9,950,000)	0	NM	(9)
27 Change (to)/from Designated Cash	(4,183,280)	1,712,907	NM	(10)
28 Change (to)/from Restricted Cash	(5,447,981)	(626,957)	869%	(11)
29 Transfers In/(Out)	(177,721)	(617,304)	29%	(12)
30 Other Changes in Debt	9,950,000	0	NM	(9)
31 Others Sources/(Uses of Cash)	13,148,259	(2,915,212)	NM	(13)
32 Total Adjustments to Cash	<u>(40,974,744)</u>	<u>(65,419,528)</u>	63%	
33 Net Change in Unrestricted Cash	<u>\$22,092,979</u>	<u>(\$17,238,916)</u>	NM	
34 Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	151,298,098			
35 Ending Cash Balance-Unrestricted/Held by Mgmt Agent	173,391,077			

Footnotes:

- 1) Operating subsidy received through the third quarter exceeded target due to higher than expected prorate. The budget assumed a prorate of 92 percent while actual funding was at 98.8 percent.
- 2) Mainly due to lower spending and grant reimbursements on weatherization projects.
- 3) Salaries and benefit were below target due to unfilled positions.
- 4) Seasonal and periodic maintenance projects were below target, but expected to increase.
- 5) Various categories were under target: professional services, admin contracts, and computer equipment.
- 6) Due to delay in capital projects, draws from CFP grant were below target.
- 7) MKCRF capital reimbursement exceeded target. The Juanita Trace roof repair and Eastridge fire monitoring system upgrade projects were budgeted in 2023. However, actual work continued through the 1st half of this year. Also, due to mitigation services for Cascadian fire loss. Unbudgeted.
- 8) Due to project delays capital projects are below target. While the Sandpiper site maintenance and construction project was moved to next year, the Cascadian roof project is expected to be completed in the 4th quarter. Also, the Rainier View expansion project started late due to city permit issues and expected to be completed in Spring of 2025.
- 9) Due to acquisition Henry House for \$9.5 million with proceeds of line-of-credit. \$60 million was budgeted for new housing acquisitions through debt financing in the development fund group.
- 10) Deposits to replacement reserves were higher than budgeted. Also, the budgeted draw from Sandpiper property improvement reserve has yet to occur.
- 11) Mainly due unbudgeted deposits to debt service reserves.
- 12) The Birch Creek debt payment was budgeted to be made using MTW transfer, but management decision was made to use CFP grant instead.
- 13) Mainly due to decrease in grant, account receivable, and internal loan receivable, increase in deferred liabilities offset by decrease accounts payable and deferred revenue.

**Income Statement with Cash Adjustments
Federal Programs and Properties
For the Period Ended September 30, 2024**

	2024 YTD Actual	2024 YTD Budget	% of YTD Budget	
Operating Revenues				
5 Tenant Revenue	11,374,013	10,848,301	105%	
6 Operating Subsidy from HUD-HCV	210,739,831	207,818,910	101%	
7 Operating Subsidy from HUD-PH	11,747,705	9,740,434	121%	(1)
8 Port-In Income	30,061,637	28,975,574	104%	
9 Other Operating Income	5,356,016	6,205,108	86%	(2)
Total Operating Income	<u>269,279,202</u>	<u>263,588,327</u>	102%	
Operating Expenses				
10 Salaries	16,843,886	18,998,525	89%	(3)
11 Benefits	5,892,860	6,966,962	85%	(3)
12 Occupancy Expenses	8,449,759	10,454,655	81%	(4)
13 Maintenance Projects	-	-	NM	
14 HAP Expense-KCHA	174,448,987	171,419,897	102%	
15 HAP Expense-Ports In	30,482,395	28,975,574	105%	
16 Other Social Service Expenses	8,246,734	8,222,075	100%	
17 Administrative Expenses	11,675,769	12,420,782	94%	(5)
Total Operating Costs	<u>256,040,390</u>	<u>257,458,470</u>	99%	
Net Operating Income	<u>13,238,812</u>	<u>6,129,857</u>	216%	
Non-Operating Revenues				
21 Non-Operating income	6,196,727	8,943,335	69%	(6)
Total Non-Operating Income	<u>6,196,727</u>	<u>8,943,335</u>	69%	
Non-Operating Expenses				
19 Interest Payments	3,441,486	2,978,181	116%	(7)
22 Non-Operating Expenses	630,330	0	NM	(8)
Total Non-Operating Expenses	<u>4,071,816</u>	<u>2,978,181</u>	137%	
Net Non-Operating Income (Loss)	2,124,911	5,965,154	36%	
Net Income(Loss)	<u>15,363,723</u>	<u>12,095,011</u>	127%	
Adjustments to Cash - Sources (Uses)				
18 Principal Payments	(13,776)	(235,000)	6%	(9)
23 Capital Expenditures	(8,720,272)	(13,158,218)	66%	(10)
30 Acquisitions/LIHTC Return to KCHA	0	0	NM	
24 Change in Designated Cash	810,388	529,855	153%	(11)
25 Change in Restricted Cash	(458,154)	(23,417)	1,956%	(12)
26 Transfers In/Out	(487,276)	(1,516,667)	32%	(13)
31 Other Changes in Debt	0	0	NM	
27 Others Sources/(Uses of Cash)	6,510,867	(1,059,472)	NM	(14)
Non Operating Net Sources (Uses) of Cash	<u>(2,358,222)</u>	<u>(15,462,919)</u>	15%	
Net Change in Unrestricted Cash	<u>\$ 13,005,501</u>	<u>\$ (3,367,908)</u>	NM	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	31,119,704			
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	44,125,205			

Footnotes:

- 1) Operating subsidy received through the third quarter exceeded target due to higher than expected prorate. The budget assumed a prorate of 92 percent while actual funding was at 98.8 percent.
- 2) Due to budgeting error, management fee income for MTW funded projects was budgeted in Federal fund group instead of COCC, which is in Local fundgroup. Also, the budgeted EHV Housing Stability grants have yet to be received.
- 3) Salaries and benefit were below target due to unfilled positions.
- 4) Seasonal and periodic maintenance projects were below target but expected to increase.
- 5) Various categories were under target: professional services, admin contracts, and computer equipment.
- 6) Due to delay in capital projects, draws from CFP grant were below target. See note 8.
- 7) Salmon Creek interest on notes payable. Unbudgeted.
- 8) Due to technical entry to write-off of accrued interest on Federal Home Loan Bank forgivable Loan. Unbudgeted.
- 9) The budgeted bond principal payment for Greenbridge tax credit projects expected to occur in the 4th quarter
- 10) Capital construction projects were below target mainly due to Burndale Home Office and Envelope project having a late start due to environmental review issues. While the Munro Manor roof and Briarwood Fire Monitoring System Upgrade projects started in the 3rd quarter, the Westminster roof project was postponed to 2025.
- 11) As the Yardi project progresses, release from technology reserve exceeded target.
- 12) Mainly due to unbudgeted deposits to debt service reserves.
- 13) The budgeted transfer from MTW to support Birch Creek debt service payment didn't occur as management decision was made to use CFP funds.
- 14) Mainly due to decrease in grant, account receivable, and internal loan receivable, increase in deferred liabilities offset by decrease accounts payable and deferred revenue.

**Income Statement with Cash Adjustments
Local Programs and Properties
For the Period Ended September 30, 2024**

	2024 YTD Actual	2024 YTD Budget	% of YTD Budget	
Operating Revenues				
5 Tenant Revenue	116,016,358	110,812,384	105%	
6 Operating Subsidy from HUD-HCV	336,753	365,403	92%	
7 Operating Subsidy from HUD-PH	-	-	NM	
8 Port-In Income	-	-	NM	
9 Other Operating Income	24,472,200	27,074,492	90%	(1)
Total Operating Income	<u>140,825,311</u>	<u>138,252,279</u>	102%	
Operating Expenses				
10 Salaries	28,508,898	31,054,597	92%	(2)
11 Benefits	8,671,443	9,602,661	90%	(2)
12 Occupancy Expenses	23,237,183	25,309,316	92%	
13 Maintenance Projects	-	-	NM	
14 HAP Expense-KCHA	-	-	NM	
15 HAP Expense-Ports In	-	-	NM	
16 Other Social Service Expenses	5,492,049	8,671,469	63%	(1)
17 Administrative Expenses	14,673,667	17,028,145	86%	(3)
Total Operating Costs	<u>80,583,241</u>	<u>91,666,187</u>	88%	
Net Operating Income	<u>60,242,071</u>	<u>46,586,091</u>	129%	
Non-Operating Revenues				
21 Non-Operating income	13,688,747	13,118,872	104%	
Total Non-Operating Income	<u>13,688,747</u>	<u>13,118,872</u>	104%	
Non-Operating Expenses				
19 Interest Payments	24,007,970	22,131,048	108%	
22 Non-Operating Expenses	2,218,847	1,488,313	149%	(4)
Total Non-Operating Expenses	<u>26,226,817</u>	<u>23,619,361</u>	111%	
Net Non-Operating Income (Loss)	<u>(12,538,071)</u>	<u>(10,500,490)</u>	119%	
Net Income(Loss)	<u>47,704,000</u>	<u>36,085,601</u>	132%	
Adjustments to Cash - Sources (Uses)				
18 Principal Payments	(17,006,115)	(15,990,871)	106%	(5)
23 Capital Expenditures	(18,573,859)	(33,588,873)	55%	(6)
40 Acquisitions/LIHTC Return to KCHA	(9,950,000)	-	NM	(7)
24 Change in Designated Cash	(4,993,668)	1,183,051	NM	(8)
25 Change in Restricted Cash	(4,989,827)	(603,539)	827%	(9)
26 Transfers In/Out	309,555	899,363	34%	(10)
41 Other Changes in Debt	9,950,000	-	NM	(7)
27 Others Sources/(Uses of Cash)	6,637,391	(1,855,740)	NM	(11)
Non Operating Net Sources (Uses) of Cash	<u>(38,616,523)</u>	<u>(49,956,609)</u>	77%	
Net Change in Unrestricted Cash	<u>9,087,478</u>	<u>(13,871,007)</u>	NM	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	120,178,395			
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	129,265,872			

Footnotes:

- 1) Mainly due to lower spending and grant reimbursements on weatherization projects.
- 2) Salaries and benefit were below target due to unfilled positions.
- 3) Various categories were under target: professional services, admin contracts, and computer equipment.
- 4) MKCRF capital reimbursement exceeded target. The Juanita Trace roof repair and Eastridge fire monitoring system upgrade projects were budgeted in 2023. However, actual work continued through the 1st half of this year. Also, due to mitigation services for Cascadian fire loss. Unbudgeted.
- 5) Mainly due to Birch Creek and Spiritwood lease principal payment totaling \$3.5 million from the proceeds of net cash flow distribution. Unbudgeted.
- 6) Due to project delays capital projects are below target. While the Sandpiper site maintenance and construction project was moved to next year, the Cascadian roof project is expected to be completed in the 4th quarter. Also, the Rainier View expansion project started late due to city permit issues and expected to be completed in Spring of 2025.
- 7) Due to acquisition Henry House for \$9.5 million with proceeds of line-of-credit. \$60 million was budgeted for new housing acquisitions through debt financing in the development fund group.
- 8) Deposits to replacement reserves were higher than budgeted. Also, the budgeted draw from Sandpiper property improvement reserve has yet to occur.
- 9) Mainly due unbudgeted deposits to debt service reserves.
- 10) The Birch Creek debt payment was budgeted to be made using MTW transfer, but management decision was made to use CFP grant instead.
- 11) Mainly due to increase in accrued interest payable and payroll liabilities, decrease in prepaid insurance offset by decreases in accounts payable.

**Income Statement with Cash Adjustments
Development Activity
For the Period Ended September 30, 2024**

	2024 TYD Actual	2024 YTD Budget	% of YTD Budget	
Operating Revenues				
1 Operating Revenue	144,835	927,549	16%	(1)
2 Total Operating Income	144,835	927,549	16%	
Operating Expenses				
3 Operating Expenses	462,055	676,777	68%	(2)
4 Total Operating Costs	462,055	676,777	68%	
Net Operating Income (Loss)	(317,220)	250,772	NM	
Non-Operating Revenues				
5 Non-Operating income	9,817,300	11,642,442	84%	(3)
Non-Operating Expenses				
6 Non-Operating Expenses	0	0	NM	
7 Interest Payments	4,668,793	2,192,038	213%	(4)
Total Non-Operating Expenses	4,668,793	2,192,038	213%	
Net Non-Operating Income (Loss)	5,148,507	9,450,404	54%	
Net Income(Loss)	4,831,287	9,701,176	50%	
Adjustments to Cash - Sources (Uses)				
8 Change in Debt	-	47,522,691	0%	(5)
9 Capital Expenditures	(2,178,445)	(2,289,964.40)	95%	
10 Acquisitions/LIHTC Return to KCHA	-	(45,036,000)	0%	(5)
12 Change in Restricted Cash	(1,323,159)	(879,837)	150%	(6)
13 Transfers In/Out	189,095	617,329	31%	(7)
15 Others Sources/(Uses of Cash)	(13,855,952)	(16,680,697)	83%	(8)
Non Operating Net Sources (Uses) of Cash	(17,168,461)	(17,077,463)	101%	
Net Change in Unrestricted Cash	(12,337,174)	(7,376,287)	167%	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	(11,793,606)			
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	(24,130,780)			

Footnotes:

- 1) The current year budgeted home and lot sales occurred earlier than anticipated in the 4th quarter of 2023.
- 2) Professional and legal services fees related to the new housing acquisitions expected to occur in the 4th quarter.
- 3) The budgeted Kirkland Heights developer fee income has yet to be received.
- 4) Interest on Kirkland Heights bonds was higher than anticipated in the budget.
- 5) \$60 million was budgeted for new housing acquisitions through debt financing. The acquisition of Henry House for \$9.9 million occurred in the 2nd quarter and reported in the Local properties fund group.
- 6) Due to rising interest rate, interest income earned on Program Income reserves exceeded target.
- 7) The budgeted equity transfer to support the Seola Gardens operations has yet to occur.
- 8) Mainly due to subordinate debt yet to be advanced for development of Kirkland Heights Apartment project.

King County Housing Authority
Statement of Financial Position
Combined Operations (excluding development activity)
As of September 30, 2024

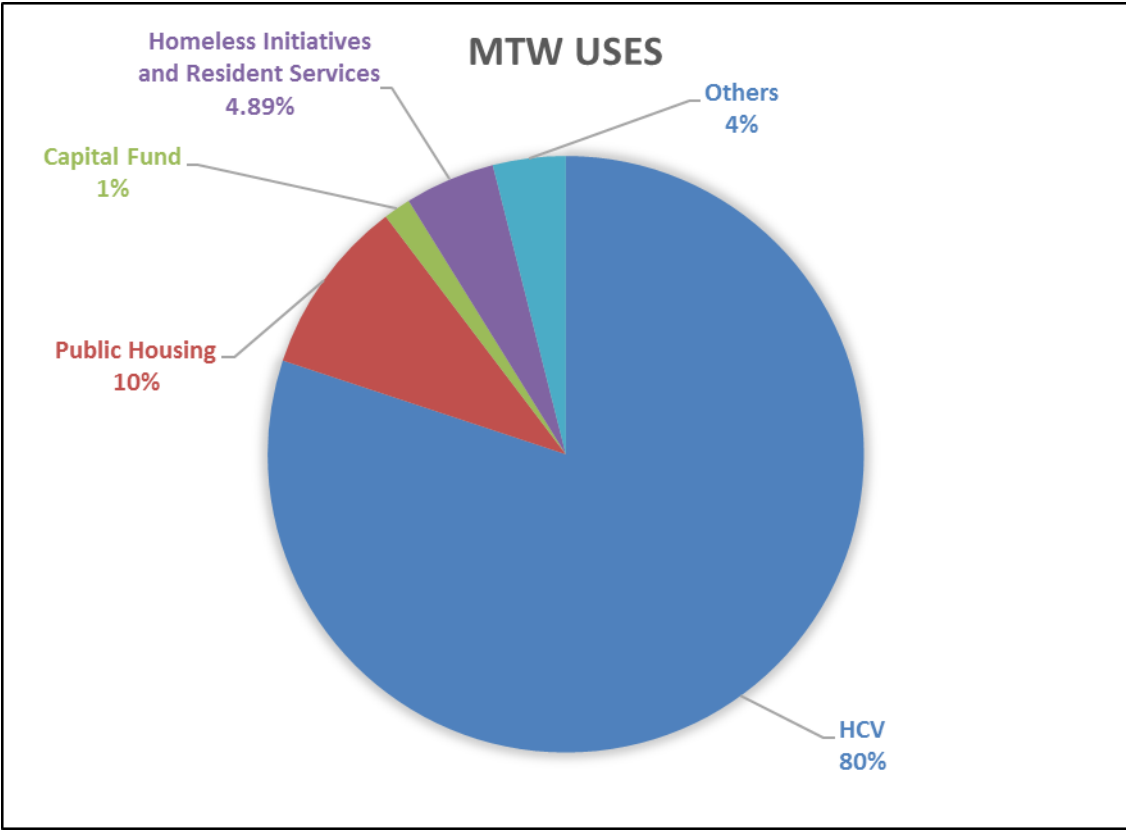
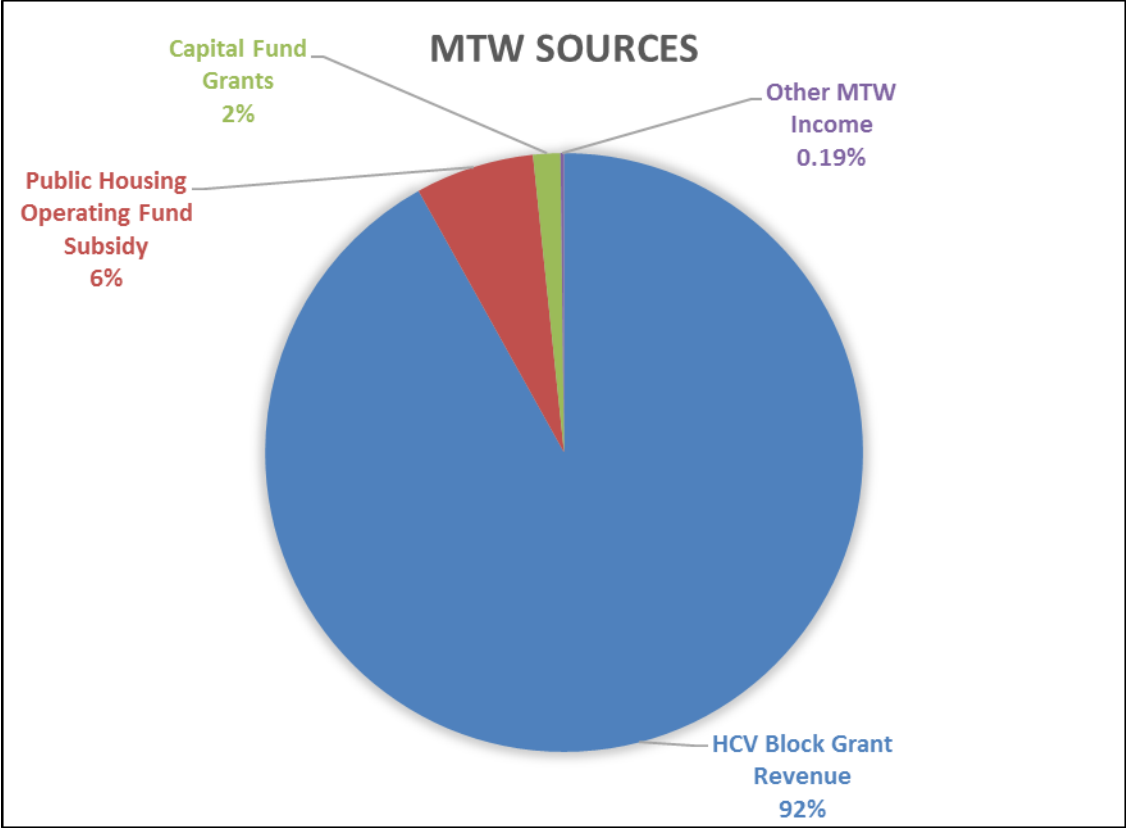
	2024
	Actual
Cash-Unrestricted	\$134,998,469
Cash-Held by Management Agent	38,392,608
Cash-Designated	116,638,612
Cash-Restricted	35,365,438
Total Cash	<u>325,395,127</u>
Other Current Assets	23,705,514
Long-term Assets	1,951,264,939
Total Other Assets	<u>1,974,970,454</u>
Total Assets	<u><u>\$2,300,365,581</u></u>
Current Liabilities	72,391,720
Long-Term Liabilities	1,241,409,526
Total Liabilities	<u>1,313,801,247</u>
Equity	986,564,334
Total Liabilities and Equity	<u><u>\$2,300,365,581</u></u>

**King County Housing Authority
Statement of Financial Position
Development Activity
As of September 30, 2024**

	2024 Actual
Cash-Unrestricted	(\$24,130,780)
Cash-Held by Management Agent	0
Cash-Designated	0
Cash-Restricted	36,463,372
Total Cash	12,332,592
Other Current Assets	19,339,167
Long-term Assets	249,090,264
Total Other Assetts	268,429,430
Total Assets	\$280,762,022
Current Liabilities	\$1,937,217
Long-Term Liabilities	182,870,122
Total Liabilities	184,807,339
Equity	95,954,683
Total Liabilities and Equity	\$280,762,022

MTW Sources & Uses

	<u>Actual</u>
<u>MTW SOURCES</u>	
HCV Block Grant Revenue	\$ 168,001,144
Public Housing Operating Fund Subsidy	11,747,705
Capital Fund Grants	2,692,245
Other MTW Income	347,452
Total MTW Sources	<u>182,788,545</u>
<u>MTW USES</u>	
HCV	
Funding of HAP Payments to Landlords	(134,752,823)
Funding of Section 8 Administrative Costs	(10,193,056)
Public Housing	
Transfers to PH AMPs Based on Need	(5,601,245)
Public Housing Operating Expenses	(11,747,705)
Capital Fund	
Capital Fund Grants	(2,692,245)
Homeless Initiatives and Resident Services	
Homeless Initiatives	(1,025,387)
Resident Services	(7,831,869)
Others	
MTW Admin Support Costs	(270,960)
Construction Activity & Management Fees	(5,830,198)
Birch Creek debt payments	-
Misc. Other Uses	(1,032,654)
Total MTW Uses	<u>\$ (180,978,142)</u>
Variance	1,810,403
Reconciling Items	
Cash - Beginning	7,084,524
Balance Sheet changes	16,445,773
Cash - Ending	(7,550,845)



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King County Housing Authority

Memo

TO: Board of Commissioners

FROM: Tonya Harlan, EVP of People & Culture/CPO

DATE: December 9, 2024

RE: KCHA 2024 Affirmative Action Executive Summary

Tonya Harlan, EVP of People & Culture, will review highlights from KCHA's 2024 Affirmative Action Executive Summary for the period of June 2023 - June 2024.

KCHA contracts with Affirmity to annually evaluate workforce data and develop Affirmative Action Plan goals in compliance with the Office of Federal Contract Compliance Programs (OFCCP). The plan supports KCHA in developing recruitment and training activities to advance qualified minorities, women, persons with disabilities, and covered veterans.



King County
Housing
Authority

KCHA 2024 AAP Executive Summary

Tonya Harlan, SPHR, SHRM-SCP

EVP People & Culture/CPO

December 9, 2024



What is an Affirmative Action Plan (AAP)?

- Annual analysis required by federal employers to increase representation of historically underrepresented groups.
- Subject to oversight by the Office of Federal Contract Compliance Programs (OFCCP)
- Ensure employers provide equal employment opportunities regardless of gender, race, disability, or veteran status.
- Reporting is used to set workplan goals, implement outreach efforts and monitor progress
- Includes:
 - Applicant and employee information collected voluntarily during hiring process
 - Promotions
 - Transfers
 - Terminations
 - Compensation



KCHA Staffing Snapshot (AAP): July 1, 2023 to June 30, 2024

514 Employees

Hired 94, of which:

- 59% Female
- 51% Non-white

Promotions 29, of which:

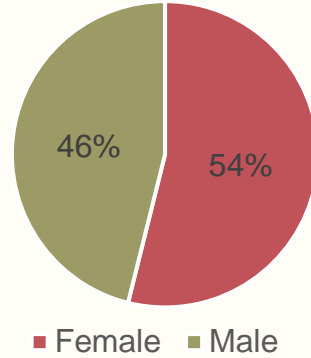
- 62% Female
- 52% Non-white

Separations 63, of which

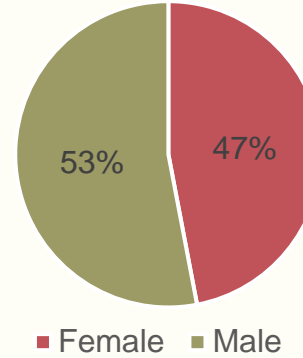
- 33 left for reasons other than retirement or temporary position
- 17 Female/14 Male
- 13 White/ 20 Non-white

KCHA AAP: Employee Representation Snapshot

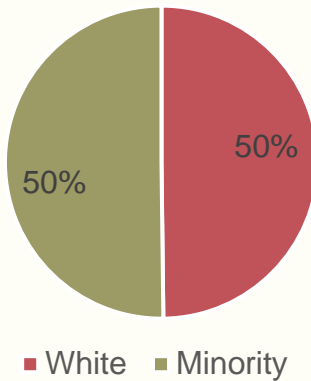
KCHA June 2024 GENDER
(514 Employees)



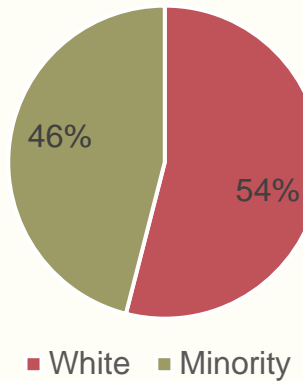
King County 2020 Census GENDER



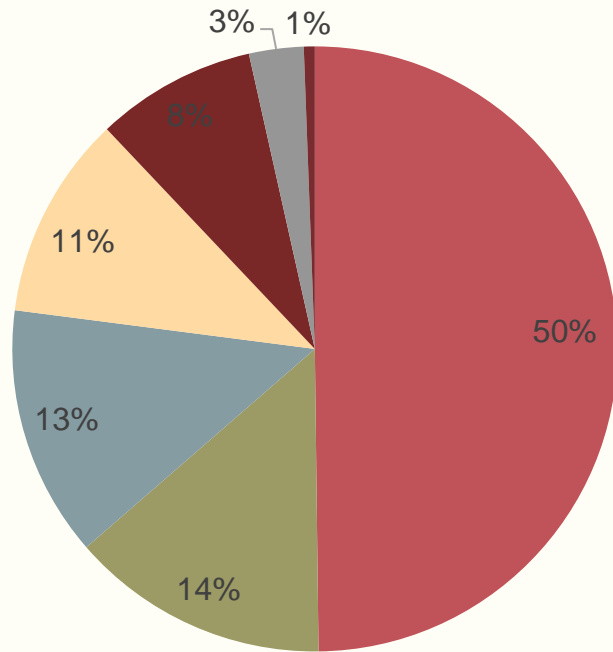
KCHA RACE



King County RACE

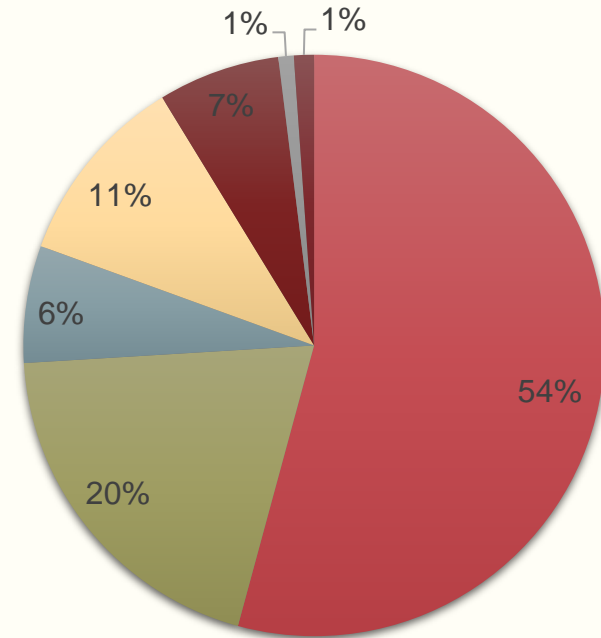


KCHA Workforce 6/2024: Race & Ethnicity



- White
- Asian
- Black
- Hispanic
- Two or More
- Pacific Islander
- Native American

King County 2020 Census: Race & Ethnicity



- White
- Asian
- Black
- Hispanic
- Two or More
- Pacific Islander
- Native American

KCHA AAP: Job Group Summary

Summary Analysis

Analysis Data as of 06/30/2024

KING COUNTY HOUSING AUTHORITY

Job Group	Total Employees	Class	Employees		Availability %	Placement Goal Set?	Exact Binomial
			#	%			
1.1 - OFFICIALS AND MANAGERS EXEC/SR	22	Female	11	50.00	42.88		0.8138
		Minority	9	40.91			30.82
1.2 - OFFICIALS AND MANAGERS FIRST/MID	72	Female	47	65.28	49.85		0.9971
		Minority	32	44.44			38.55
2 - PROFESSIONALS	64	Female	36	56.25	57.96		0.8748
		Minority	29	45.31			37.88
3 - TECHNICIANS	11	Female	4	36.36	43.68		0.8643
		Minority	5	45.45			44.49
5 - PARAPROFESSIONALS	74	Female	42	56.76	56.87		0.5369
		Minority	36	48.65			42.09
6 - OFFICE-CLERICAL	156	Female	127	81.41	77.62		0.8928
		Minority	88	56.41			39.08
7 - SKILLED CRAFT	65	Female	0	0.00	6.89	Yes	0.0193
		Minority	27	41.54			37.96
7A - SKILLED CRAFT - UNION	6	Female	0	0.00	2.85		0.8405
		Minority	1	16.67			29.62
8 - SERVICE/MAINTENANCE	43	Female	10	23.26	13.37		0.9768
		Minority	31	72.09			56.71
8A - SERVICE/MAINTENANCE - UNION	1	Female	0	0.00	16.61		0.8339
		Minority	0	0.00			54.01

AAP Placement Goals(41 C.F.R. 60-2.15(b))

What is a Placement Goal?

- Placement Goals are set for minorities and females when utilization is less than reasonably expected as compared to availability
- Goal Placement Rate equals the Total Availability for the affected class per job group
 - *Total Availability is an aggregation of external individuals with requisite skills and internal employees who can move between jobs*
- **What a Placement Goal is NOT!**
- Unlawful preferential treatment and quota
- Set-asides or a device to achieve proportional representation of equal results
- Requirement that any jobs be filled by a person of a particular gender, race, or ethnicity

KCHA AAP: 2024/25 Placement Goals

- Skilled Craft –0% or No Female Site Based and Regional Maintenance
 - Benchmark 6.69% or 4.5 Staff
(Available Internal Feeder Pool -10 Female Landscapers)

- Disabled – 0.78% or 4 Employee's Self-Identified As Having a Disability
 - Benchmark is 7% or 36 Staff

- Veterans –2.53% or 13 Staff Self-Identified
 - Benchmark is 5.2% or 27 Staff

KCHA EEO & EDIB Efforts



TARGETED
RECRUITMENT



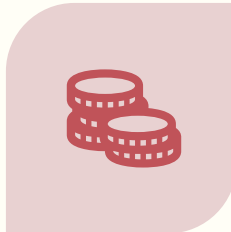
COMPENSATION
POLICIES AND
MARKET STUDY



COMPETITIVE
INTERNAL
PROMOTION
PROCESS



INTERIM & STRETCH
ASSIGNMENTS



PAY EQUITY
COMMITTEE