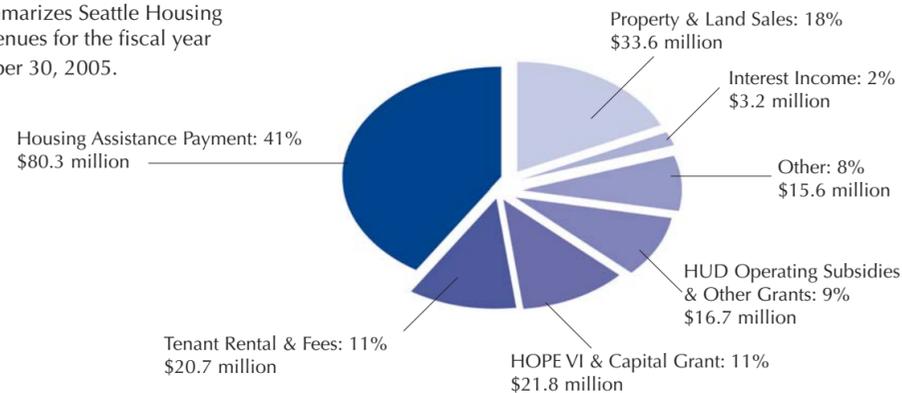


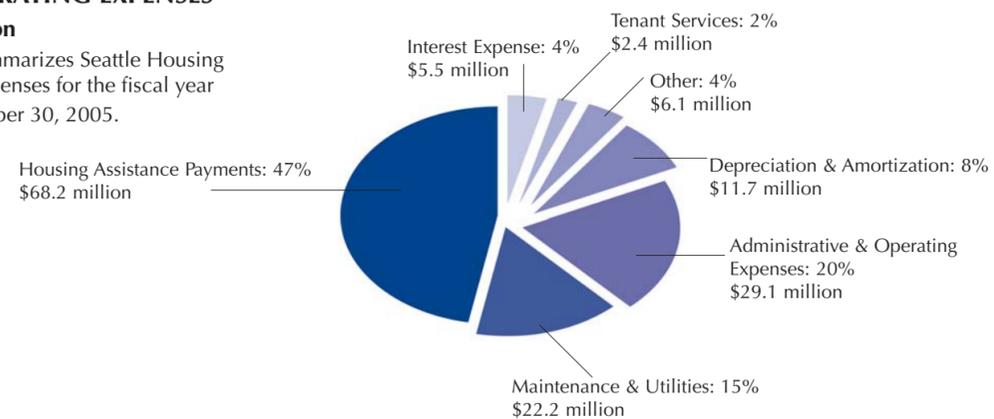
TOTAL REVENUES & CONTRIBUTIONS
\$191.9 million

This graph summarizes Seattle Housing Authority's revenues for the fiscal year ended September 30, 2005.



TOTAL OPERATING EXPENSES
\$145.2 million

This graph summarizes Seattle Housing Authority's expenses for the fiscal year ended September 30, 2005.



PEOPLE SERVED in 2005

SHA housed 11,861 households this year, including people with Housing Choice Vouchers.

The number of people served by SHA slightly decreased from 12,027 households in 2004 due to attrition in Housing Choice Voucher participants and the sale of Market House.

Even so, SHA is currently serving 12 percent more households than in 1998 and expects the overall number of households served to continue to increase.

SHA's public housing program saw a net increase of 140 households due to the leasing in the third phase of the NewHolly redevelopment.

11,074 households were on one or more waiting lists for housing assistance at the end of the year.



For more information about the Seattle Housing Authority, please visit us online at www.seattlehousing.org or contact Seattle Housing Authority's Communications Office at 206-615-3522.

2005 REDEVELOPMENT highlights

NewHolly and Othello Station
 The last rental housing units in the final phase of NewHolly, called Othello Station, were completed.

This included the Othello Building, which houses two floors of apartments, some commercial space, and a clinic operated by International District Health Services.

The first homes for sale by Othello Station builders were sold within minutes of coming on the market.

Rainier Vista
 Public housing residents moved into 125 new rental units at Rainier Vista. Four private builders purchased lots to offer homes for sale.

Providence Health System opened 78 units of senior housing at Gamelin House. The first floor of the building houses Providence's Elderplace, a program of health care and services for older adults.

Genesee Housing, a project of Housing Resources Group and AIDS Housing, began construction. It will have 50 one- and two-bedroom apartments for people with disabilities, and space for retail businesses.

Neighborhood House's Rainier Vista Center opened, offering Head Start, a computer lab and meeting space.



High Point
 Many long-term High Point families moved into the first available rental units in the redeveloped community. Building lots were sold to private homebuilders and construction on the homes for sale began.

High Point received the Built Green™ Seattle Award for its sustainable features in the first phase of the redevelopment project and was featured at the 2005 Life in the Urban Landscape Conference, Gothenburg, Sweden.

Other Development Activities
 homeWorks, SHA's high-rise revitalization project, achieved several milestones. A program manager was hired, a design consultant was contracted for all three phases of the project, and a general contractor was selected for the first phase.

SHA sold 64 Scattered-Sites units and, so far, has purchased 40 two-, three- and four-bedroom units to replace those sold. Nine one-bedroom units were also purchased.

The rehabilitation of the Ritz Apartments, 31 units of workforce housing in the Central Area, was completed.



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OUR MISSION
The mission of the Seattle Housing Authority is to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and increase self-sufficiency for people with low incomes.

ACCOMPLISHING OUR GOALS, recommitting to our mission

This was a year of significant progress in construction for Seattle Housing Authority, with new housing completed at all three of our redeveloped communities. At NewHolly, we celebrated the completion of rental housing in Phase III, as homes for sale by Polygon Northwest and Bennett-Sherman LLC began selling briskly.

The first phase of construction at Rainier Vista was completed, and families moved from the last of the housing on the east side of Martin Luther King, Jr. Way to the newly completed town homes and apartments on the west side.

At High Point, the innovative natural drainage system took shape and a new pond graced the landscape. Much of the rental housing was completed, including 35 exceptional "Breathe Easy" homes designed to create a healthy environment for children with respiratory disorders such as asthma.

Along with the challenges brought on by this intense construction schedule, Seattle Housing Authority also addressed the difficulty of ongoing decreases in housing subsidies from the federal government.

The Housing Choice Voucher program was the focus of much of this attention.

Federal program changes unpinned HUD subsidies from the actual cost of Section 8 vouchers, leaving the program significantly underfunded at SHA and other housing authorities.

In response, Seattle Housing began to examine its own existing policies for ways to stretch the available subsidy. A four-month-long program of public input and consultation with stakeholders yielded policy changes that allow SHA to continue to serve about the same number of people, though sometimes in less spacious quarters.

Working with employees and stakeholders, SHA spent several months in Fiscal 2005 developing a new five-year strategic plan with the theme of "Remaining committed in times of change." Clearly we will continue to experience significant changes as we seek to become more entrepreneurial and somewhat less dependent on federal subsidy. With the support of the community I am confident that we will continue to serve our residents and support their dreams of stable housing and increased self-sufficiency.

Tom Tierney
 SHA Executive Director

STATEMENT OF REVENUES, Expenses & Changes in Fund Net Assets

Year ended September 30, 2005

	Public Housing & HOPE VI Funds	Section 8 Fund	Local & Senior Housing Funds	Non-Major & Operating Funds	Primary Government Total
REVENUES AND CONTRIBUTIONS					
Tenant rentals and sales	\$ 9,838,143	—	10,434,724	424,774	20,697,641
Housing assistance payment subsidies	—	80,263,996	—	—	80,263,996
Intergovernmental (1)	15,076,877	—	—	1,591,971	16,668,848
Interest income	197,593	223,642	1,239,904	1,529,559	3,190,698
Capital contributions (2)	21,816,252	—	—	—	21,816,252
Other	16,422,440	5,479	388,944	32,424,022	49,240,885
Total revenues and contributions	\$ 63,351,305	80,493,117	12,063,572	35,970,326	191,878,320
EXPENSES					
Administration	\$ 16,193,810	5,820,967	3,072,905	4,065,115	29,152,797
Tenant services	1,915,491	1,813	7,934	511,274	2,436,512
Utility services	3,616,649	—	899,996	405,717	4,922,362
Maintenance	11,541,082	866,648	2,434,855	2,439,138	17,281,723
Housing assistance payments	—	68,212,519	—	—	68,212,519
Interest expense	4,947	—	4,066,582	1,439,453	5,510,982
Change in fair value of investments	4,011	3,353	709,832	1,567	718,763
Disposition of assets	—	—	1,046,191	886,300	1,932,491
Depreciation and amortization	7,742,488	253,603	2,429,210	1,230,721	11,656,022
Other	1,664,204	177,807	731,601	839,487	3,413,099
Total expenses	\$ 42,682,682	75,336,710	15,399,106	11,818,772	145,237,270
Net income (loss) before transfers	\$ 20,668,623	5,156,407	(3,335,534)	24,151,554	46,641,050
Transfers	\$ 22,347,540	(3,825,000)	19,381	(18,541,921)	—
Change in net assets	43,016,163	1,331,407	(3,316,153)	5,609,633	46,641,050
Total net assets at beginning of year	\$ 182,251,225	7,176,219	61,607,317	32,103,276	283,138,037
Total net assets at end of year	\$ 225,267,388	8,507,626	58,291,164	37,712,909	329,779,087

Notes
 (1) Intergovernmental includes subsidies and grants from HUD.
 (2) Contributions includes capital project subsidy and HOPE VI grant funds from HUD.

STATEMENT OF NET ASSETS

As of September 30, 2005

	Public Housing & HOPE VI Funds	Section 8 Fund	Local & Senior Housing Funds	Non-Major & Operating Funds	Primary Government Total
ASSETS					
Cash equivalents and investments	\$ 9,467,819	8,642,420	4,045,748	4,311,081	26,467,068
Accounts receivable	15,074,899	1,719,782	1,370,663	10,075,562	28,240,906
Inventory and prepaid items	269,537	38,770	121,290	128,668	558,265
Restricted investments	1,301,699	—	23,174,850	1,156,572	25,633,121
Deferred charges	—	—	1,401,379	1,005,439	2,406,818
Other	845	—	466,494	5,079,060	5,546,399
Capital assets, net of depreciation	164,324,845	976,955	112,064,530	36,760,570	314,126,900
Notes receivable	65,590,853	—	222,295	13,956,224	79,769,372
Total assets	\$ 256,030,497	11,377,927	142,867,249	72,473,176	482,748,849
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable	\$ 16,664,992	2,463,081	4,358,895	8,998,288	32,485,256
Accrued liabilities	1,789,692	234,772	878,963	1,276,305	4,179,732
Short-term borrowings	2,247,476	—	6,158,898	8,664,933	17,071,307
Security deposits	1,050,412	—	351,707	48,986	1,451,105
Deferred revenue	1,460,000	—	5,217	671,104	2,136,321
Long-term debt	7,166,650	—	72,748,571	14,606,769	94,521,990
Accrued compensated absences	383,887	172,448	73,834	493,882	1,124,051
Total liabilities	\$ 30,763,109	2,870,301	84,576,085	34,760,267	152,969,762
Net assets					
Investment in capital assets, net of related debt (3)	\$ 154,910,718	976,955	54,004,756	13,488,868	223,381,297
Restricted for debt service and other purposes	—	—	24,523,628	1,518,391	26,042,019
Unrestricted (4)	70,356,670	7,530,671	(20,237,220)	22,705,650	80,355,771
Total net assets	\$ 225,267,388	8,507,626	58,291,164	37,712,909	329,779,087
Total liabilities and net assets	\$ 256,030,497	11,377,927	142,867,249	72,473,176	482,748,849

Notes
 (3) Equity in land, structures and equipment less outstanding debt.
 (4) Unrestricted includes non-cash equity.

2005 HOUSING CHOICE VOUCHER & COMMUNITY MANAGEMENT highlights

PorchLight Insider
 PorchLight Insider, an e-mail newsletter for service providers who help to find housing for low-income residents, began publication this year.

Community Services
 Two grants totaling nearly \$270,000 provided services to help residents move toward self-sufficiency. These grants helped to fund the Family Self Sufficiency program and SHA's homeownership counseling program.

Housing Choice Vouchers
 More than 140 new households were invited to complete the application process for a Housing Choice Voucher. In spite of a closed waiting list, new policies helped to spread existing subsidy further.

Seven staff members work in SHA's family communities and high-rises as community builders to assist residents in participating more fully in their communities.

The Job Connection
 SHA's employment services program placed 150 residents in jobs with an average hourly wage of \$10.33. Eighty-one percent of these positions were full-time and 63 percent included benefits.



Please visit the About Us section on www.seattlehousing.org to view the Comprehensive Annual Financial Report.

2005 Board of Commissioners	2005 Senior Staff		
Bettylou Valentine, <i>Chair</i>	Tom Tierney <i>Executive Director</i>	Don Ashlock <i>Housing Operations Director</i>	Charles Hayashi <i>Human Resources Director</i>
David Bley, <i>Vice Chair</i>	Andrew Lofton <i>Deputy Executive Director, Finance and Administration</i>	Ellen Callahan <i>Executive Assistant</i>	Lisa Cipollone-Wolters <i>Director of Housing Advocacy and Rental Assistance Programs</i>
Marie Cook	Al Levine <i>Deputy Executive Director, Development</i>	James Fearn <i>General Counsel</i>	Dick Woo <i>Finance Director</i>
Judith G. Fay		Virginia Felton <i>Communications Director</i>	
Katie Hong			
Jennifer Potter			
Al Winston, Jr.			