

SUSTAINING VALUABLE HOUSING *into the future*



We have taken on new challenges this year, with the start of major rehabilitation of the high-rise buildings that serve our smaller households. A new program, homeWorks, is renewing infrastructures in 22 out of 28 of our high-rise buildings. Water delivery systems, ventilation and building exteriors are being upgraded and refurbished.

It is our commitment to make sure that the quality of our buildings is continually upgraded, and that these apartments remain available to people far into the future.

homeWorks is one example of our commitment to maintaining housing over the long term. When we look at Green Lake Plaza now, we don't just see a handsome high-rise containing 130 apartments. We see 130 apartments available for at least another 40 years, supplying 5,200 unit-years of housing. Without homeWorks, those 130 apartments might have been habitable for ten more years – just 1,300 unit-years of housing.

We are applying this sustainability concept to all our housing, constantly asking what needs to be done to make each community, building and unit serve as long and as well as possible. When we look at a community we ask both, “How many housing units are there?” and also, “How long will these units be there for the people who need them?” With the major redevelopment of our family communities well underway, we are beginning to think about Yesler Terrace in these terms.

Yesler Terrace now provides about 560 apartments. Built originally in 1939, it is our oldest community, one of the first public housing communities built in the country. Without redevelopment, we can expect it to last another 10 or 15 years, providing at most about 9,750 unit-years of useful life.

With the help and support of the community, we hope to replace those units with new, healthful housing that will last another 60 years, providing 39,000 unit-years of housing, at least four times the capacity.

As well as changes in our housing stock, this year also brought changes to our Board of Commissioners. We bid farewell to Judith Fay, who served as a Commissioner for 10 years. We will honor her by naming a new park at High Point after her, an on-going reminder of the contributions she made to that community where she lived and served for 30 years. We also welcomed Sybil Bailey to the Board in September. Sybil lives at Denny Terrace, and will serve as a resident Commissioner to replace Judith Fay.

We are moving steadily forward with our strategic vision to remain committed to our mission in times of change. We appreciate the support of the Seattle community in these efforts, and will continue to earn your support through our service to residents and the larger community.

Tom Tierney

Tom Tierney
Executive Director

PEOPLE SERVED in 2006

At year end (September 30, 2006), Seattle Housing was providing housing assistance to 13,581 households in total, through all its various housing programs. More than 83 percent of these households qualify as extremely low-income, with incomes less than 30 percent of Area Median Income.

Of the 25,769 people served, 8,034 (31 percent) were children, nearly 4,600 (18 percent) were seniors, and 4,680 (18 percent) were non-elderly people with disabilities.

Seattle Housing Authority waiting lists contained 12,284 households as of September 30, 2006. This represents an 11 percent increase from the 11,074 on lists at the beginning of the year. This increase is due to the opening of the Section 8 waiting list in May 2006.

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.



Seattle Housing, Neighborhood House, Starbucks, Safeco, City Year and other community partners and volunteers joined forces to complete the centrally-located Rainier Vista Park.

2006 *in review*

Housing Operations

SHA's crisis intervention program prevented all evictions of residents referred to them. The case management program prevented 94 percent of evictions of residents referred. Technology centers at High Point, Rainier Vista, Westwood Heights, Yesler Terrace and Center Park served 600 participants.

Revitalization and Redevelopment Efforts

At Rainier Vista, The Genesee was completed early in 2006 by Housing Resources Group in partnership with AIDS Housing. It provides 50 apartments for low-income residents, including 22 units for people with disabilities.



High Point's pond serves as a neighborhood amenity and works as part of the natural drainage system.

Rental housing in High Point Phase I was completed and occupied.

This includes 200 units of public housing, 144 units of workforce housing and 75 units of housing for low-income seniors.

One notable addition at High Point is a 36-unit apartment building named in honor of Sgt. Jose Calugas, Sr., a World War II hero of Filipino heritage who earned the U.S. Congressional Medal of Honor.

In mid-September, the “Green Living Expo” brought over 8,000 people to High Point to experience the possibilities of sustainable development.

Builders completed and sold approximately 350 homes -- 50 at Rainier Vista, 200 at High Point and 102 at NewHolly.

The Job Connection made 172 job placements, 77 of which were full-time and 68 percent of which included benefits. The average hourly wage for these positions was \$11.70.

The average vacancy rate among public housing properties was 2.5 percent. Staff responded to 98.7 percent of emergency work orders within 24 hours and 95.4 percent of regular work order requests within 30 days. SHA collected 97.4 percent of public housing rent due.

Former Mayor Norman B. Rice convened a Citizen Review Committee in September to guide community conversations about the redevelopment of Yesler Terrace, SHA's oldest public housing community.

Seattle Housing was named as a partner with Nitze-Stagen and Opus to develop low-income housing as part of a mixed-use development near Qwest Field.

Housing Choice Vouchers

Seattle Housing opened the Housing Choice Voucher waiting list in May and selected 4,000 applicants by lottery.

SHA contributed to local efforts to end homelessness by making 455 rental vouchers available for distribution to clients of 12 non-profit housing partners.

Hurricane Katrina Response

SHA worked with a regional coalition to house evacuees from the Gulf Coast. SHA made its own housing available and identified private landlords willing to provide housing. SHA assisted 119 evacuees.



An SHA staff member (left) orients a Hurricane Katrina evacuee to Seattle neighborhoods.

SUSTAINING VALUABLE HOUSING *into the future*



homeWorks renews Seattle Housing's high-rises

homeWorks is Seattle Housing's five-year program that is renovating 22 public housing high-rises. It is improving the quality of this housing as it renovates building systems and common areas.

This major construction project is taking a resident-centered approach to its work. It initiated an intensive resident-focused communications program to deal with the hardships and inconveniences of occupied rehabilitation work.

With W.G. Clark Construction as the general contractor, SHA completed work in three of the eight buildings in Phase I – Cedarvale Village, Green Lake Plaza and Olive Ridge. Major work was also begun on Beacon Tower and International Terrace.

Photos: At right, Green Lake Plaza before and after renovations. Above, high-rise residents celebrate their renovated high-rise.

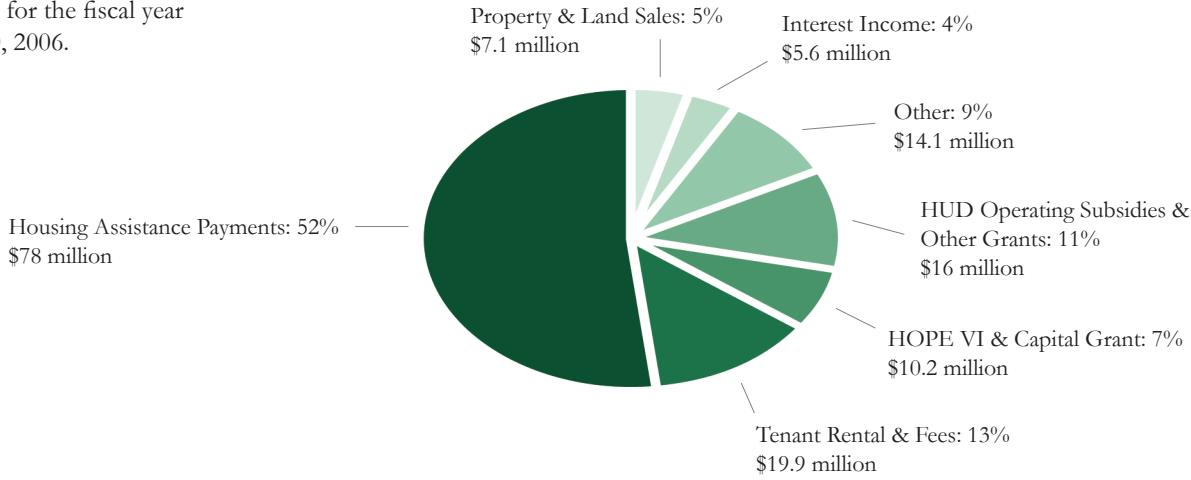


Seattle Housing Authority
2006 *in review*

TOTAL REVENUES & CONTRIBUTIONS

\$150.9 million

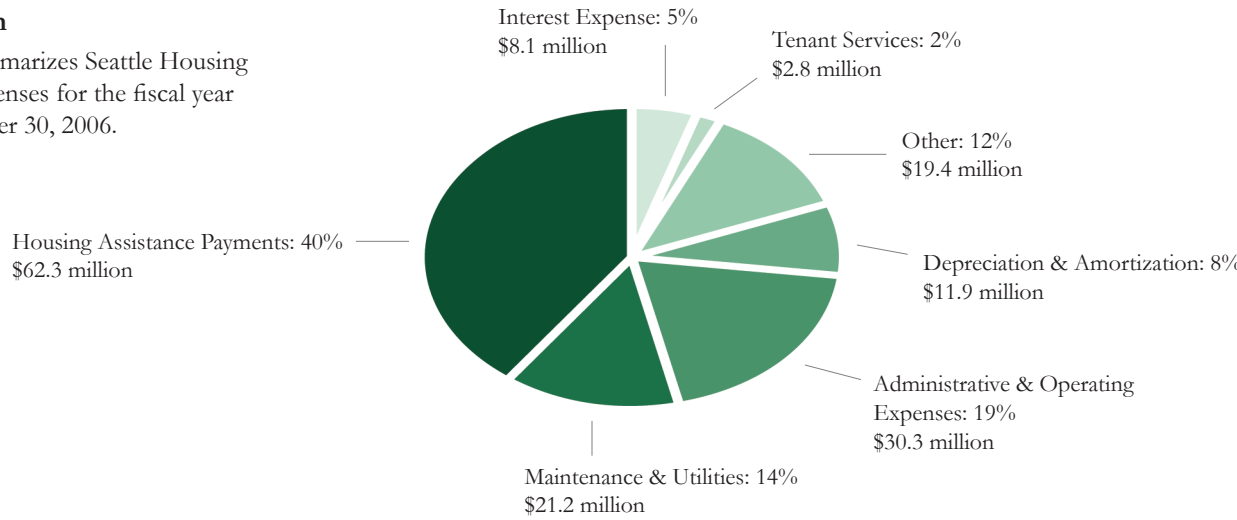
This graph summarizes Seattle Housing Authority's revenues for the fiscal year ended September 30, 2006.



TOTAL OPERATING EXPENSES

\$156.0 million

This graph summarizes Seattle Housing Authority's expenses for the fiscal year ended September 30, 2006.



2006 Board of Commissioners and Senior Staff

Board of Commissioners

Bettylou Valentine, *Chair*
David Bley, *Vice Chair*
Marie Cook
Sybil Bailey
Katie Hong
Jennifer Potter
Al Winston, Jr.

Commissioner and Staff listings are as of September 30, 2006.

Senior Staff

Tom Tierney <i>Executive Director</i>	Don Ashlock <i>Housing Operations Director</i>	Virginia Felton <i>Communications Director</i>
Andrew Lofton <i>Deputy Executive Director, Finance and Administration</i>	Ellen Callahan <i>Executive Assistant</i>	Linda Hall <i>Director of Development</i>
Al Levine <i>Deputy Executive Director, Development</i>	Lisa Cipollone-Wolters <i>Director of Housing Advocacy and Rental Asst. Programs</i>	Charles Hayashi <i>Human Resources Director</i>
	James Fearn <i>General Counsel</i>	Ann-Marie Lindboe <i>Director of Asset Management</i>
		Dick Woo <i>Finance Director</i>

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.

STATEMENT OF REVENUES, Expenses & Changes in Fund Net Assets

Year ended September 30, 2006

	Public Housing & HOPE VI Funds	Section 8 Fund	Local Housing Funds	Other Funds	Primary Government Total
REVENUES & CONTRIBUTIONS					
Tenant rentals and sales	\$ 8,708,911	—	6,416,530	4,763,466	19,888,907
Housing assistance payment subsidies	—	77,907,735	—	—	77,907,735
Intergovernmental (1)	14,049,374	—	96,686	1,892,268	16,038,328
Interest income	1,974,543	606,204	1,438,638	1,606,111	5,625,496
Capital contributions (2)	10,218,082	—	—	—	10,218,082
Other	9,634,551	6,653	310,592	11,280,269	21,232,065
Total revenues and contributions	\$ 44,585,461	78,520,592	8,262,446	19,542,114	150,910,613
EXPENSES					
Administration	\$ 13,213,943	6,591,511	1,156,572	9,286,784	30,248,810
Tenant services	1,546,455	8,896	10,822	1,184,412	2,750,585
Utility services	3,390,271	—	542,835	894,002	4,827,108
Maintenance	11,222,168	186,980	1,256,781	3,722,610	16,388,539
Housing assistance payments	—	62,296,993	—	—	62,296,993
Interest expense	1,302,485	7,938	4,279,130	2,259,849	7,849,402
Change in fair value of investments	861	(502)	274,630	(1,472)	273,517
Disposition of assets	10,495,098	—	—	2,931,544	13,426,642
Depreciation and amortization	7,445,618	313,438	1,683,699	2,486,428	11,929,183
Other	4,423,879	468,553	516,731	622,622	6,031,825
Total expenses	\$ 53,040,778	69,873,807	9,721,200	23,386,819	156,022,604
Net income (loss) before transfers	\$ (8,455,317)	8,646,785	(1,458,754)	(3,844,705)	(5,111,991)
Transfers	\$ (41,986,795)	(248,650)	1,019,436	41,216,009	—
Change in net assets	(50,442,112)	8,398,135	(439,318)	37,371,304	(5,111,991)
Total net assets at beginning of year	\$ 225,267,388	8,507,626	11,751,075	84,252,998	329,779,087
Total net assets at end of year	\$ 174,825,276	16,905,761	11,311,757	121,624,302	324,667,096

Notes

(1) Intergovernmental includes subsidies and grants from HUD.

(2) Contributions includes capital project subsidy and HOPE VI grant funds from HUD.

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

Sgt. Jose Calugas, Sr. Apartments opened at High Point in April 2006.



STATEMENT OF NET ASSETS

As of September 30, 2006

	Public Housing & HOPE VI Funds	Section 8 Fund	Local Housing Funds	Other Funds	Primary Government Total
ASSETS					
Cash equivalents and investments	\$ 13,985,743	8,798,806	2,675,525	3,759,886	29,219,960
Accounts receivable	8,427,263	10,444,011	643,110	14,260,225	33,774,609
Inventory and prepaid items	276,733	45,474	114,902	171,396	608,505
Restricted investments	2,463,744	—	22,574,646	1,402,995	26,441,385
Deferred charges	39,424	—	1,345,773	1,076,654	2,461,851
Other	—	—	—	13,616,797	13,616,797
Capital assets, net of depreciation	144,180,355	908,136	70,848,072	88,625,003	304,561,566
Notes receivable	64,413,627	—	432,610	54,590,094	119,436,331
Total assets	\$ 233,786,889	20,196,427	98,634,638	177,503,050	530,121,004
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable	\$ 11,478,005	2,875,031	4,464,635	23,917,997	42,735,668
Accrued liabilities	1,072,385	116,529	794,046	870,661	2,853,621
Short-term borrowings	13,030,618	—	7,663,088	10,461,082	31,154,788
Security deposits	1,021,165	—	285,974	124,902	4,432,041
Deferred revenue	1,876,422	—	1,954,850	1,891,011	5,722,283
Long-term debt	29,696,650	—	72,139,355	17,391,342	119,227,347
Accrued compensated absences	786,368	299,106	20,933	1,221,753	2,328,160
Total liabilities	\$ 58,961,613	3,290,666	87,322,881	55,878,748	205,453,908
Net assets					
Investment in capital assets, net of related debt (3)	\$ 101,453,087	908,136	11,459,450	60,772,579	174,593,252
Restricted for debt service and other purposes	—	—	3,726,055	1,722,095	5,448,150
Unrestricted (4)	73,372,189	15,997,625	(3,873,748)	59,129,628	144,625,694
Total net assets	\$ 174,825,276	16,905,761	11,311,757	121,624,302	324,667,096
Total liabilities and net assets	\$ 233,786,889	20,196,427	98,634,638	177,503,050	530,121,004

Notes

(3) Equity in land, structures and equipment less outstanding debt.

(4) Unrestricted includes non-cash equity.

AWARDS RECEIVED in 2006

Seattle Housing formed Seattle Community Investments, a community development entity, and received an allocation of \$20 million in New Market Tax Credits in May.

Othello Station, Phase III, was recognized by Pacific Coast Builders Conference with a Gold Nugget Grand Award for Best Affordable Project.

High Point received the AIA “Show You’re Green” Award and the Pacific Northwest Regional Council of Carpenters Apprenticeship Opportunity Award.

SHA was awarded its ninth Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.