



## SEATTLE HOUSING AUTHORITY 2012 ANNUAL REPORT

**T**ransition marked the year 2012 at the Seattle Housing Authority. The Seattle City Council unanimously passed major legislation affecting the future of Yesler Terrace and Mayor Mike McGinn signed it into law in September. This legislation paves the way for a wholesale redevelopment of the 30-acre Yesler Terrace site, which remains home to some of the oldest continuously-occupied public housing units in the nation. Safeguards for residents were put into place with the legislation. Major staff transitions added to both stress and excitement as the agency turned toward the future. Tom Tierney retired after eight years as Executive Director, and passed the leadership of the agency to Andrew Lofton, who formerly held the position of Deputy Executive Director. In February, all of Seattle Housing's rental properties became free of tobacco smoke, as the new policy prohibiting smoking went into effect. This policy change was preceded by meetings with residents across the city, and it received the support of nearly 75 percent of smokers and non-smokers combined.

An office move in early March brought personnel from three locations across Seattle to a new work site at 190 Queen Anne Avenue North. The entire Housing Choice Voucher staff transferred from the PorchLight Building in Ballard. That building was then closed and sold. Property management staff moved from the Housing Service Center in north Seattle. Now most of the agency's administrative staff members—225 in all—are located in the same building.



**Top:** View of Yesler Terrace from the Columbia Tower

**Above:** Visualization - Yesler in 20 years

**Below:** Headquarters, 190 Queen Anne Ave. N





## Careful Yesler Terrace planning transitions to action as City approves plans

*"The new Yesler Terrace will be a vibrant, healthy and sustainable neighborhood where people from all income levels, races and cultural backgrounds can live, work, and play together for years to come."*  
- Andrew Lofton

Cheers erupted in City Council chambers on September 4 after all hands were raised to pass Yesler Terrace legislation into law. After a long planning process involving residents and other stakeholders, Councilmembers spent three months considering the redevelopment process. They were convinced by hours of testimony and careful documentation that the needs of current residents would be met. Executive Director Andrew Lofton assured the City that the new Yesler Terrace would be a vibrant, healthy and sustainable neighborhood where people from all income levels, races and cultural backgrounds could live, work and play together for years to come.

The collaboration between the City of Seattle and the Seattle Housing Authority included discussion in four Council Briefings, seven Special Committee meetings and two public hearings.

The approved legislation lays the foundation for a new mixed-income urban neighborhood and provides specific guarantees to current residents of Yesler Terrace:

- All current residents will receive relocation counseling in their own languages, and the costs of any moves—on-site or off-site—will be paid.
- All 561 units will be replaced within the immediate neighborhood.
- At least 1,100 new units of housing for low- and modest-wage workers will be built.
- All current residents have the right to return to new units at Yesler Terrace.
- Community services will increase access to educational and economic opportunities for low-income people throughout the neighborhood, along with health care, good nutrition, and other essential services.

In December of 2012, Yesler Terrace implementation moved forward again with the award of a grant from HUD's Choice Neighborhoods program, bringing total HUD funding to \$30 million. Funding will help pay for replacement housing, neighborhood improvements and supportive services for residents. JP Morgan Chase then led the way in corporate giving with a \$650,000 grant to fund the pedestrian hill climb connection between Yesler Terrace and Little Saigon.



## All residential properties now smoke-free

Seattle Housing Authority's new no-smoking policy went into effect in April after a two year process involving meetings with residents across all properties and careful consideration by the Board of Commissioners. The initiative to go smoke-free was driven primarily by social justice principles, to protect the right to clean air for everyone living and working in Seattle Housing Authority buildings.

The agency was assisted in the process by a \$150,000 two-year grant from Public Health | Seattle & King County. The grant allowed for the hiring of dedicated staff who worked closely with residents to understand their issues and assist them in adjusting to the change. Smoking cessation support was a key ingredient of the assistance.



## Office move consolidates services

A fleet of moving trucks showed up at the Housing Authority's Central Office building on a Friday in early March. By Monday morning the agency was open for business in its new headquarters at 190 Queen Anne Ave. North. On the ground floor, an airy new Housing Service Center (pictured above) features meeting rooms, a play area, and computer terminals where clients can search for jobs and housing. With the move into leased space, the agency increased its cash position by selling both the PorchLight building in Ballard and the former Central Office building on Sixth Avenue.

## Tom Tierney retires after eight year tenure

In August, Tom Tierney stepped down as Executive Director, turning over leadership of the agency to Andrew Lofton, who had been Deputy Executive Director during that period. Tierney was subsequently recognized by the Housing Finance Commission with a "Friend of Housing" award for his contributions to affordable housing.

Faced with diminishing federal resources, he led the agency through the challenges of recession while continuing to increase the number of low-income households served every year. During his tenure, the number of households the agency served grew by more than 2,000.



### KEY PERFORMANCE INDICATORS

|                                                                                                  |        |
|--------------------------------------------------------------------------------------------------|--------|
| Number of households served                                                                      | 16,378 |
| Number of people served                                                                          | 29,000 |
| Occupancy rate for public housing                                                                | 99%    |
| New special purpose vouchers                                                                     | 394    |
| Residents (smokers and non-smokers) who approve of the agency's new smoke-free housing policies. | 74%    |



**Seattle Housing Authority's mission 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.**

## Financial Statements for the year ending December 31, 2012

### ASSETS

|                                     | Seattle Housing Authority | Tax credit partnerships |
|-------------------------------------|---------------------------|-------------------------|
| <b>Assets</b>                       |                           |                         |
| Cash equivalents and investments    | \$ 61,226,443             | \$ 18,973,401           |
| Accounts receivable                 | 30,233,389                | 1,052,200               |
| Inventory and prepaid items         | 556,957                   | 813,708                 |
| Restricted investments              | 11,639,419                | 899,621                 |
| Deferred charges                    | 931,801                   | 4,890,041               |
| Other assets                        | 12,199,784                | 35,244                  |
| Capital assets, net of depreciation | 291,056,484               | 347,139,397             |
| Notes receivable, net of allowance  | 213,028,152               | —                       |
| <b>Total assets</b>                 | <b>\$620,872,429</b>      | <b>\$373,803,612</b>    |

### LIABILITIES AND NET POSITION

|                                                  | Seattle Housing Authority | Tax credit partnerships |
|--------------------------------------------------|---------------------------|-------------------------|
| <b>Liabilities</b>                               |                           |                         |
| Accounts payable                                 | \$ 5,215,874              | \$ 35,692,647           |
| Accrued liabilities                              | 4,405,085                 | 7,150,208               |
| Short-term borrowings                            | 12,827,698                | 983,897                 |
| Security deposits                                | 1,631,995                 | 1,225,639               |
| Unearned revenue                                 | 45,569,609                | 107,977                 |
| Long-term debt                                   | 126,693,618               | 274,274,465             |
| Accrued compensated absences                     | 2,781,902                 | —                       |
| <b>Total liabilities</b>                         | <b>\$199,125,781</b>      | <b>\$319,434,833</b>    |
| <b>Net assets</b>                                |                           |                         |
| Investment in capital assets net of related debt | \$ 199,273,982            | \$ 71,134,874           |
| Restricted for debt service and other purposes   | 9,406,113                 | 14,578,357              |
| Unrestricted                                     | 213,066,553               | (31,344,452)            |
| <b>Total net assets</b>                          | <b>\$421,746,648</b>      | <b>\$ 54,368,779</b>    |
| <b>Total liabilities and net position</b>        | <b>\$620,872,429</b>      | <b>\$373,803,612</b>    |

### REVENUES, EXPENSES AND CHANGE IN NET POSITION

|                                         | Seattle Housing Authority | Tax credit partnerships |
|-----------------------------------------|---------------------------|-------------------------|
| <b>Revenues &amp; contributions</b>     |                           |                         |
| Tenant rentals and sales                | \$ 20,690,177             | \$ 22,973,639           |
| Housing assistance payment subsidies    | 105,422,182               | —                       |
| Operating subsidies and grants          | 19,522,792                | —                       |
| Interest income                         | 1,397,221                 | 62,265                  |
| Capital contributions                   | 13,249,971                | 5,242,868               |
| Other revenues                          | 18,081,083                | 1,166,388               |
| <b>Total revenues and contributions</b> | <b>\$178,363,426</b>      | <b>\$ 29,445,160</b>    |
| <b>Expenses</b>                         |                           |                         |
| Housing operations and administration   | \$ 41,664,544             | \$ 8,516,233            |
| Tenant services                         | 3,602,554                 | —                       |
| Utility services                        | 5,393,684                 | 3,000,934               |
| Maintenance                             | 15,081,988                | 5,327,065               |
| Housing assistance payments             | 79,478,249                | —                       |
| Interest expense                        | 5,721,825                 | 7,281,627               |
| Change in fair value of investments     | 74,966                    | (57,396)                |
| Disposition of assets                   | 12,343,242                | —                       |
| Depreciation and amortization           | 10,327,767                | 11,981,958              |
| Other                                   | 2,782,101                 | 3,001,647               |
| <b>Total expenses</b>                   | <b>\$176,470,950</b>      | <b>39,052,068</b>       |
| Change in net position                  | \$ 1,892,476              | \$ (9,606,908)          |
| <b>Total net position at year end</b>   | <b>\$421,746,648</b>      | <b>\$ 54,368,779</b>    |

*The agency's current ratio that measures liquidity increased in 2012 from 1.52 percent to 1.73 percent, primarily due to reclassifying \$4.2 million of capital assets at High Point and Rainier Vista to the held-for-sale category, and an increase of \$5.1 million in cash and cash equivalents. Also, \$5.5 million from the sale of the PorchLight building is being held in restricted investments to pay off the related bonds in 2013.*

### BOARD OF COMMISSIONERS

Nora Gibson, Chair  
John Littel, Vice Chair  
Juan Martinez Kollin Min  
Doug Morrison Heyward Watson

### Seattle Housing Authority

190 Queen Anne Avenue North  
PO Box 19028  
Seattle, WA 98109-1028

[www.seattlehousing.org](http://www.seattlehousing.org)

### LEADERSHIP

Tom Tierney, Executive Director  
(retired August 31)  
Andrew J. Lofton, Executive Director  
(as of September 1)  
Al Levine, Deputy Executive Director  
Michelle Ackermann, Communications Dir.  
(hired July 2012)  
Dean Barnes, Human Resources Dir.  
Rod Brandon, Housing Operations Dir.

Virginia Felton, Dir. Communications &  
Strategic Planning (retired July 31)  
James Fearn, General Counsel  
John Forsyth, Community Services Admn.  
Ann-Marie Lindboe, Dir., Housing Finance &  
Asset Management  
Stephanie Van Dyke, Development Dir.  
Lisa Wolters, Dir. Rental Asst. Programs &  
Advocacy  
Shelly Yapp, Chief Financial Officer