



CALENDAR YEAR 2018
SHA PROPOSED ANNUAL BUDGET:
SUMMARY

August 31, 2017

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OVERVIEW OF THE 2018 SHA PROPOSED BUDGET

The 2018 SHA Proposed Budget recommends total expenses of **\$304.7 million**, with the Operating Budget at **\$86.6 million**; the Housing Assistance Payments (HAPs) at **\$104.1 million**; grants at **\$3.1 million**; the Capital Budget at **\$24.6 million**; and the Redevelopment Budget at **\$86.3 million**. The total 2018 Proposed Budget of **\$304.7 million** is greater than the total 2017 Adopted Budget by **\$36.3 million** or **13.5 percent**.

The total **operating side** of the 2018 SHA proposed budget – operations, HAPs, and grant support – is **\$193.8 million**, represents **64 percent of the total proposed budget**, and reflects an **increase of 5.8 percent over the 2017** adopted operating budget. Grant-supported activities show the largest percentage increase at over 50 percent and \$1.1 million. This reflects SHA’s continuing success in securing both public and private grants to support program services and test innovations.

The total **capital side** of the proposed budget – capital, non-routine, and redevelopment expenditures – is **\$110.9 million**, represents **36 percent of the total proposed budget**, and reflects an **increase of 30.3 percent over the 2017** adopted capital side budgets. This 30 percent increase applies independently to both the capital/non-routine and the redevelopment budgets. The redevelopment increases total \$25.7 million, with three areas accounting for the bulk of the increase: Yesler Terrace construction activities with an increase of nearly \$6 million; rehabilitation of properties under the proposed new West Seattle Affordable Housing LP at a projected total of \$10 million; and other projects at \$3.5 million.

Capital and Non-Routine budgets increased due to a pooled refinancing for Othello, Desdemona, Escallonia and Wedgewood Estates that will finance over \$7.8 million in projects for these properties and others. While the overall capital program benefitted from new financings, funding of the MTW Capital Grant estimated for 2018 is less than the 2017 funding.

If approved, the proposed SHA staff capacity, including new grant-funded positions, will be virtually flat compared to 2017, with SHA’s full-time equivalent (FTE) level in 2018 at **562.5** compared to **562.3** in the 2017 Budget. Please see the Consolidated Budget section of this document for more detail.

SHA’s highest priorities under the Strategic Plan are expanding affordable housing opportunities and choices; promoting quality communities, including maintaining and updating our housing stock; and, improving quality of life for individuals and families residing in SHA housing or receiving rental assistance through vouchers. While some of our efforts will be constrained by the uncertainty around federal appropriations, SHA expects to advance these priorities in 2018, as highlighted in the paragraphs below and described more fully in the next section of this Summary.

Capacity to Serve More People

At the heart of the SHA Strategic Plan is the mandate to serve more low income people in need of housing. In 2018, here are the diverse ways we anticipate increasing our capacity to serve more people and enhance the mix of housing SHA provides to meet housing need by different size households and low income groups:

- **Add new affordable hard housing units** – In 2017, we have begun the lease up of the new 111-unit Hoa Mai Gardens building in Yesler Terrace, including 70 units of subsidized housing for those with extremely low incomes at or below 30 percent of Area Median Income (AMI) and 41 tax credit units serving those up to 60 percent of AMI. In 2018, we expect to lease the last 20 units of Hoa Mai during the 1st quarter of 2018.

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- **Include private developers in Yesler Terrace in adding affordable units** – In 2018, Vulcan Real Estate will complete its first market rate apartment building in Yester Terrace – Batik – which will include 40 units renting to low income people at 80 percent of AMI; these units are expected to be leased up by Spring of 2018. While these units will not be owned or managed by SHA, the affordable units incorporated in the Batik project are part of the total affordable units in the Yesler Redevelopment under the Cooperative Agreement between SHA and the City of Seattle.
 - **Add new project-based rental assistance vouchers** – We anticipate 110 new Project Based vouchers associated with two new extremely low-income housing projects being developed under the City Levy. The first of these is expected to come on line in the 1st quarter of 2018 and the other in the 4th quarter of 2018. These vouchers generally serve one- to two-person households.
 - **Complete leasing new VASH vouchers** -- We also expect to receive additional Veterans Assistance Supportive Housing (VASH) in 2017 and estimate that 19 of those units will lease up in 2018.
 - **Increase utilization of existing voucher authority** – To the extent that more vouchers are issued and more voucher holders successfully lease a unit, the more low-income people the rental assistance program can serve. SHA is projecting an increase in voucher utilization to an overall average of 92.9%. As a result, we estimate SHA may house an average of 296 additional households in 2018 over 2017.
 - **Change SHA’s housing mix to provide more units for large families** -- Both the City and SHA have seen a decline in the portion of families with children living in the City and part of the reason is the scarcity of affordable housing available to larger families. SHA has undertaken two program initiatives to help address this.
 - First, we are repositioning SHA’s Scattered Site portfolio for families at or below 30 percent AMI by identifying units with space to convert to additional bedrooms. In 2017, we expect to complete seven unit conversions from 3 to 4 bedrooms. Over 2018 and 2019, we project completing conversion of 15 additional units with added bedrooms.
 - We will continue “right-sizing” units by facilitating moves of families whose children have grown and left SHA housing to smaller SHA units, so that the larger family units can be made available to today’s families with children. We expect in 2018 to right-size 12 units in the Scattered Site portfolio.

Introduction of Major Initiatives

While resources are constrained by the uncertainty of stable federal funding, SHA’s 2018 budget proposal continues the momentum of Yesler Redevelopment and SHA’s multi-year commitment to implement program initiatives that use the best data and practices to design offerings that can make a difference in the lives of our residents and participants. Two of these initiatives are briefly featured below, following an update on Yesler Redevelopment.

Yesler 2018

Yesler redevelopment is well underway with resident relocation, education, health and workforce development programs, and infrastructure, community facility and rental housing construction. Here’s what’s coming up in 2018 for housing and public infrastructure development:

SHA's Housing development activities in 2018 will include: SHA's Red Cedar 119-unit building, scheduled for completion in early 2019; completion of the Main St. infrastructure project; design of SHA's next replacement building in Yesler for start of construction in 2019; and design and permitting by the non-profit developer selected in 2017 to construct and manage affordable housing on the King County Records site.

Private developers' construction of market rate and work force housing is proceeding apace: Vulcan is scheduled to complete its second apartment building in late 2018; Mill Creek Residential will start construction on the south side of East Yesler Way in first quarter 2018; and Vulcan and Lowe will be in design and permitting phases during 2018 for their respective sites in Block 4 and Block 5.

In 2018, SHA will complete lease up of the last 20 units in Hoa Mai Gardens and Vulcan will lease up the 196 units in its first building – Batik – during the 1st quarter. In addition in 2018, construction of Yesler Terrace Park is scheduled to be completed by the Parks Department; the extension of the pedestrian path in Block 2 and S. Main Street infrastructure project will be done; and the E. Fir St. pocket park will be in progress.

A Rejuvenated Economic Advancement Program is Launched

Over the past three years, SHA and several partner organizations undertook the WorkForce Opportunities System (WOS) pilot program, with funding support from the Chase Foundation. Alongside the operation of the pilot program, SHA's Policy Office undertook significant research to both help guide and evaluate the pilot in order to design changes to SHA's economic opportunities program and relations with partners. This work relied on data from existing research to identify best and most successful practices and qualitative data from program participants and staff to discern how effective different aspects of the pilot were. This led to the development of a concept proposal developed by an interdepartmental expert staff team to improve the effectiveness of SHA's support of residents and voucher participants in advancing their economic well-being.

2018 will be the first full-year of operation for the Economic Advancement (EA) program with its primary mission to support SHA residents and participants on their journey toward self-sufficiency while being sure to meet them "where they are" on the Economic Security Continuum (see page 5). The program estimates it will serve 700-1,000 SHA residents and voucher participants in its first year.

- The program adopts a coaching philosophy to provide continuity of service with a single coach working with each participant through all the steps toward their goals.
- It will take an active role in the job market with staff specialists serving as "employment brokers" in high demand industries and working with employers in shaping jobs to provide opportunities for SHA clients.
- It will continue the successful partnership with Seattle College in supporting post-secondary education and English as a second language.
- It will modify and expand the Family Self-Sufficiency incentives program to add financial incentives for post-secondary education quarters attended and for job retention, as well as improve the asset building savings plan.

Improving Outcomes for Kids -- Family Access Supplement

Beginning in 2017, SHA introduced two voucher supplement programs designed around improving outcomes for children of SHA voucher holders. The first program -- **Home from School (HfS)** -- is designed to support homeless and unstably housed families with school-age children attending Bailey

Gatzert Elementary School. The program offers the parents of homeless children at Bailey Gatzert a voucher for rental assistance in leasing an apartment or home in the Bailey Gatzert catchment area and provides services to support their housing search and help stabilize them in a new home. The HfS vouchers provide a Family Access Supplement to the standard voucher payment standard to help the homeless family lease an affordable unit. The supplement varies by bedroom size of the unit and can vary based on the individual family's circumstances. This pilot program will enter its 2nd year with the start of the 2017-18 school year and it has two principal objectives: (1) to enable a homeless family with children to move into stable housing in the Bailey Gatzert school attendance area and get the support they need to find and successfully lease a unit; and, (2) to add stability and continuity to Bailey Gatzert's teaching program by reducing student absences and turnover.

The second program is the **Family Access Supplement for Opportunity Areas (FAS)** designed to provide more buying power for families with minor children to be able use their voucher to move into high opportunity areas. The FAS may also be made available to families already leasing in designated opportunity areas as a hardship resource to prevent them from having to move out of the area. Research shows that children from low-income families who live in high opportunity areas do better in schools and earn more as adults.

The FAS provides additional rental assistance to increase the ability of voucher families with children to lease units in designated opportunity neighborhoods by supplementing the voucher payment standard to better align with actual market rents in these neighborhoods. Higher rental costs create a substantial barrier for households who want to rent in these neighborhoods, which historically have been inaccessible to most voucher holders.

Please read more about plans for these and other SHA services and activities in "Responding in 2018 to Strategic Directions" in the section that follows.

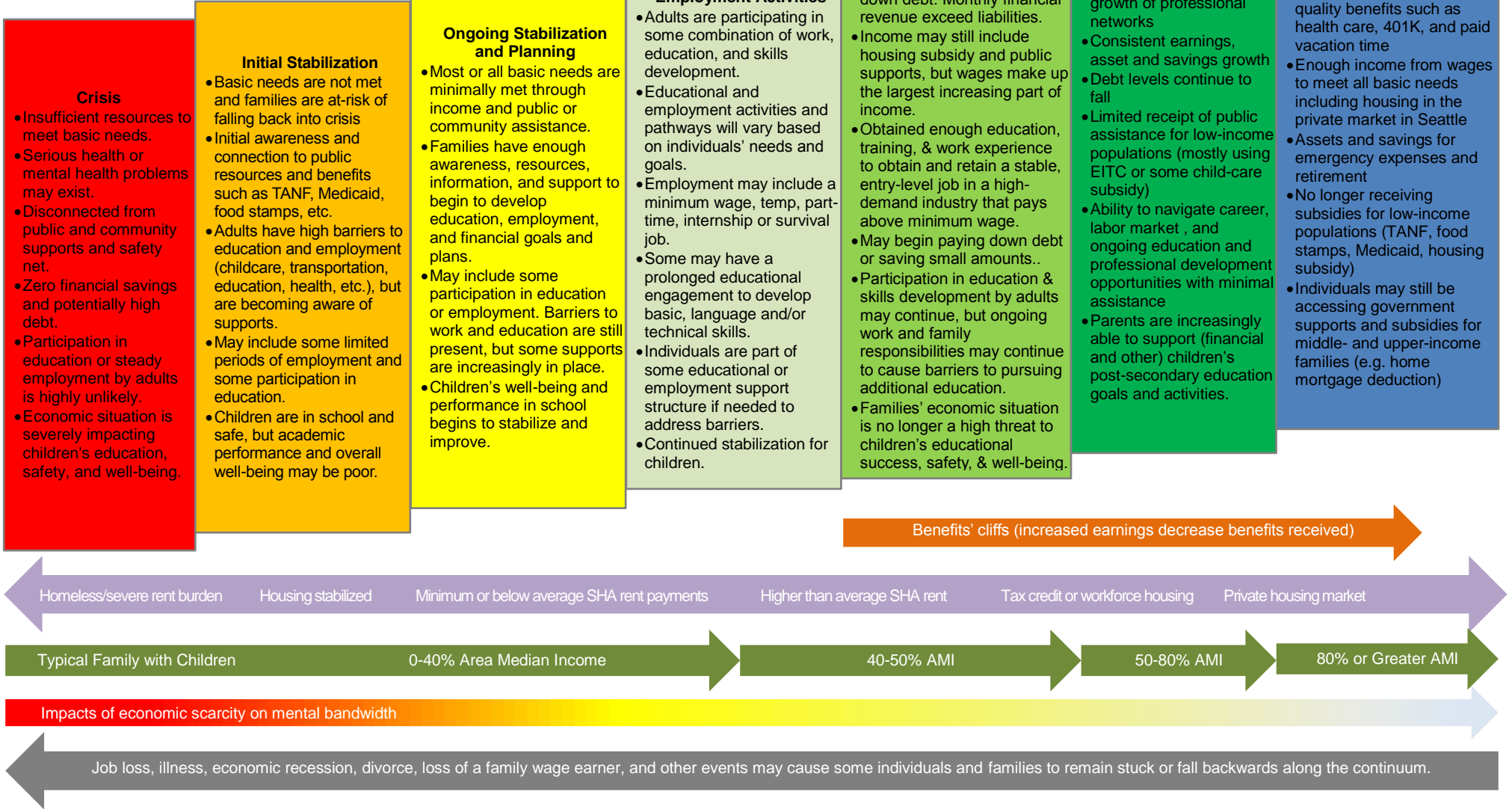
Economic Security Continuum

Created by the Office of Policy and Strategic Initiatives, January 2016

Though each step below is presented as a discrete phase, there is also likely a continuum or series of phases within each step. The amount of time individuals and families spend in any given step and whether they make progress depends on the personal, institutional, and systemic barriers present and what policies, resources, and strategies are in place to address those challenges.

Employment and earnings outcomes of workforce programs typically place people here with some high-quality programs placing people farther along the continuum.

Most workforce investments are for those who are near work or college ready.



RESPONDING IN 2018 TO STRATEGIC DIRECTIONS

In 2016, SHA adopted a new five-year Strategic Plan for 2016 – 2020, which defines SHA’s strategic directions and key organizational cornerstones. The plan affirms SHA’s mission and values, maintains core commitments, and maps the agency’s course for the five years to make a positive difference in the larger Seattle community, in the neighborhoods where SHA participants live, and in low-income peoples’ lives. The plan sets out three strategic directions and seven organizational cornerstones on which the housing authority will maintain its focus to prioritize activities, investments, and strategies that best equip SHA to advance its mission and values:

Our Mission – Every day, we work 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.

Our Values – As stewards of the public trust, we pursue our mission and responsibilities in a spirit of service, teamwork, and respect. We embrace the values of excellence, collaboration, innovation, and appreciation.

The 2018 proposed budget responds to the Strategic Directions and Organizational Cornerstones. In the pages that follow, we present highlights of proposed 2018 work plans pertaining to the sub-goals of the Plan’s Strategic Directions and Organizational Cornerstones.

Strategic Directions

SHA’s strategic directions are “big picture” outcomes that are expected to be the focus of the agency over the five years from 2016 to 2020. Key objectives are measurable actions that guide policies and investment in pursuit of strategic directions.

Expand Housing Opportunities – Key 2018 Action Agenda Items

SHA serves more people by cultivating additional resources and employing strategies which have the biggest impact on increasing Seattle’s affordable housing choices. Specific objectives related to this strategic direction include creating more affordable housing, advancing affordable housing policy, and diversifying housing choice. Below are highlights of SHA’s work plans for 2018 to advance **Expanding Housing Opportunities**.

- 1) Complete substantial upgrade work on single-family (SF) units in the Scattered Site Portfolio in 14 homes in 2017 and address rehabilitation of up to 24 additional SF homes in 2018. If the current plans continue, SHA will complete substantial rehab of all 82 SF units at the end of 2019.
- 2) Complete conversions in selected Scattered Sites properties to create more large-family units within the portfolio. In 2018, SHA estimates that this will provide an additional 20 -25 large-family units by more effective use of existing space.
- 3) Finance, design, and begin construction in 2018 to redevelop the Lam Bow Apartments complex following a fire that destroyed one building in 2016. The redevelopment is to be completed in early 2020. Design options under consideration include expanding the number of units as well as replacing the destroyed units and rehabilitating units in the remaining building.
- 4) Manage the construction of Red Cedar affordable apartments (119 units) in the Yesler community, scheduled for completion early 2019. The property will have a mix of one to four bedrooms and will house the Property Management and social service offices.

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- 5) Implement planning and design of a replacement housing building, to be located on East Yesler Way and 10th Avenue South, with construction scheduled to start in 2019.
 - 6) Collaborate with a non-profit partner on the design and permitting phase of affordable housing units on the King County Records site located on East Yesler Way and 13th Avenue.
 - 7) Increase our overall voucher utilization to 92.9%. This increase combined with additional voucher authority will allow the agency to serve nearly 400 additional households on average compared to 2016.
 - 8) Continue planned reviews of SHA's MTW activities to make best use of MTW flexibility. 2018 focus areas include waiting lists, preferences, admissions, inspections, portability, and project-based vouchers.
 - 9) Track and analyze emerging federal guidance on housing policy and financing, providing input before rules are finalized; actively participate in national governance and advocacy bodies to ensure SHA's voice is heard.
 - 10) Continue to provide support and guidance as Seattle Seniors Housing Program (SSHP) rent and occupancy changes are implemented. Begin to evaluate the policy changes in 2018.
 - 11) Analyze data trends to assess the extent to which access to SHA's housing and support service programs vary across the spectrum of key demographic groups.
 - 12) Implement the Creating Moves to Opportunity (CMTO) pilot program launched in late 2017. CMTO is a grant-funded national research demonstration designed to encourage voucher participant families with children to relocate to opportunity neighborhoods.
 - 13) Partner with the City of Seattle, King County Housing Authority, and service providers to pilot and evaluate a Moving On strategy to house roughly 50 formerly homeless (graduates from permanent supportive housing) in public housing and SHA-owned project-based units.
 - 14) Provide housing services assistance, security deposit assistance, and risk mitigation funds to support success of voucher holders in renting an affordable unit in the private sector.
 - 15) Assist families in accessing the newly established Family Voucher Payment Supplement to support leasing success for families with children seeking to live in high opportunity neighborhoods.

Promote Quality Communities -- Key 2018 Action Agenda Items

SHA invests in safe, quality housing and connects participants to communities, resources, and services that are designed to meet their needs. Preserving and promoting high quality housing, connecting people to opportunity, and strengthening community and service are the objectives which define our work on this strategic direction. Below are highlights of SHA's work plans for 2018 to advance **Promoting Quality Communities**.

- 1) Continue security improvements in ten SSHP buildings, twenty-nine Low Income Public Housing (LIPH) communities, two Special Portfolio locations, one Homeownership Opportunities for People Everywhere (HOPE VI) community, and various properties in Scattered Sites (see the Capital Budget table for specific buildings). Work includes new entry systems, which update building access from keys to cards, as well as modern security cameras and additional outdoor lighting where needed.

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- 2) Prepare comprehensive property assessments and determine specific actions needed to address water intrusion and to secure funding to perform the needed work at Wedgewood Estates and Montridge Arms.
 - 3) Modernize elevators, or begin design work for elevators, in eleven buildings: four in LIPH, six in SSHP, and one in Special Portfolio. (See Capital Budget table for specific buildings).
 - 4) Rehabilitate interiors and exteriors of communities involved in the West Seattle Affordable Housing LP (Longfellow Creek Apartments, Roxhill Court Apartments, and Wisteria Court). This work will be financed in the fall of 2017 and be completed in late 2019.
 - 5) Expand the Preventive Maintenance program to extend assets' useful lives by including more properties thereby increasing SHA's building participation to 100%.
 - 6) Coordinate with partners constructing the Neighborhood Park, pedestrian path, and Fir Street pocket park and complete Main Street infrastructure project at Yesler Terrace.
 - 7) Develop and pilot a strategy to assist targeted populations (e.g. Housing Choice Voucher (HCV) waiting list, HCV participants, work-able adults, young adults) to take advantage of options to mitigate their criminal history in order to alleviate housing and employment barriers.
 - 8) Implement support and evaluations for credit repair and credit-building strategies with the goal of reducing lease-up barriers for voucher holders.
 - 9) Work to more fully implement the Yesler Community Building Network plan to promote community and social networks across the diverse residents of this new mixed income community, as the first private building in the heart of Yesler is occupied in 2018.
 - 10) Support the duly elected public housing councils and community members in their efforts to hold community events which bring people together around common interests and community celebrations.
 - 11) Support the LIPH resident councils in training for residents (e.g. emergency preparedness), internet access for council offices, interpretation/translations, and other areas that the councils decide are important to them.
 - 12) Support SSHP residents in community activities like holiday events, gardening clubs, and resident council sponsored initiatives.
 - 13) In partnership with the Public Health Department, analyze the impact of redevelopment on health outcomes for Yesler residents via examination of annual resident health surveys, Harborview medical data, and Medicaid data.

Improve Quality of Life – Key 2018 Action Agenda Items

SHA partners with communities to use housing as a platform to improve quality of life by enhancing health, supporting education and skill development, and other services to help people reach their full potential. Specific objectives under this strategic direction include enhancing senior and disabled living, economically empowering people through education and employment, and supporting youth achievement and academic success. Below are highlights of SHA's work plans for 2018 to ***Improve Quality of Life***.

- 1) Analyze the healthcare needs of elderly and disabled residents and determine a deployment system for the SHA Care Network, a coordinated services plan developed in 2017 with key service providers (City of Seattle, Full Life Care, NeighborCare Health, and Seattle University). Key elements of the network include:

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- a) Expanding the in-community nursing services from six LIPH/SSHP buildings to nine buildings with the addition of two nurses to support seniors in their medical needs as they age in place; and
 - b) Assessing the wellness programming in our senior buildings which includes targeted foot care and vitals checks as well as a number of health-related programs such as exercise, socializing, workshops on managing chronic disease, and social/emotional supports.
- 2) Fully implement the initiative begun in 2017 which encourages and supports residents to volunteer in elderly-designated SHA buildings to lead classes involving the arts and crafts, wellness activities like Tai Chi, and organization of book clubs.
 - 3) Continue to build on health and housing data integration work with Public Health – Seattle and King County, which provides accessible, up-to-date information on SHA resident health needs through other administrative datasets like Medicaid.
 - 4) Via the newly formed Economic Advancement (EA) program, implement the first year of integrated employment and educational services with an updated delivery model. Under the new model, SHA will:
 - a) Provide one-on-one coaching to assist HCV and LIPH participants in their efforts to advance their economic position: assess barriers that prevent them from moving forward; identify services that are available to assist them; set goals and outline the steps to reach those goals; and obtain education, training services, and employment offered by local providers;
 - b) Pay special attention to meet residents or participants where they are and build success for individuals. Focus on known employment barriers, including English language skills, affordable accessible childcare, and mental health support;
 - c) Actively develop resident employment opportunities in growth industries with career advancement opportunities by working directly with employers to create referral relations and opportunities to help build career ladders; and
 - d) Implement and evaluate a revised incentive program that, in addition to providing escrow savings to build assets, would also include financial incentives for educational attainment and job retention.

The EA Program projects it will work with 700–1,000 SHA residents and participants annually and is planning from the outset to establish clear metrics to define performance expectations for future evaluation.

- 5) Continue to identify and constructively address issues of youth violence and general youth disengagement in our family communities. Significant work began in 2017, and 2018 will begin to show more specific results from three College Navigators’ work with community partners to:
 - a) Support youth in low income public housing communities to get into college and stay in college;
 - b) Organize events to assist students in completing financial aid requests;
 - c) Help students find the right type of on-going supportive programs to meet their needs and interests; and
 - d) Conduct regular in-person and phone contacts with a smaller group of youth to help them identify strengths and goals; develop plans to reach those goals; and take action steps to accomplish the identified goals.

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- 6) In mid-2017, SHA employed a Youth Engagement Specialist and Americorps volunteers to support the Rainier Vista and NewHolly communities in constructive activities for youth. In 2018, they will:
 - a) Work directly with youth and families to re-engage middle school- to high school-aged youth who are not actively engaging in school, work, or other services;
 - b) Work directly with youth and their families when behaviors of youth result in lease-enforcement issues; and
 - c) Contract with a number of youth-serving organizations that offer youth academic and enrichment programming including tutoring, afterschool enrichment, summer programming, arts, sports, and recreation.
 - 7) Partner with Seattle University to provide education support to children 3 – 18 years-old in the Yesler community with the aim that all youth graduate from high school ready for college and/or careers. These services, supported by several partners, include:
 - a) Early learning programs
 - b) After-school tutoring
 - c) Classroom teaching support
 - d) College preparation, mentoring, and scholarships
 - e) Summer academic enrichment programs
 - f) Social/emotional support for Garfield high-school students
 - g) Family engagement support
 - 8) Work with Yesler school-aged youth and their families to develop and implement educational plans to support the children’s academic success. Plans will include current academic progress, areas for improvement, and commitments to specific goals.
 - 9) Implement, in partnership with Seattle Public School (SPS), a sustainable attendance initiative designed to eliminate the gap between school attendance by SHA youth and other SPS students, which will support the academic success of SHA youth.
 - 10) Start a 2nd school year of the “Home from School” pilot at Bailey Gatzert Elementary School to secure housing for homeless families with children within the school attendance area in order to contribute to stability of Bailey Gatzert in its teaching program and to stability of families by providing with a home and available supportive services. During the 1st school year of the pilot, twelve families successfully leased housing in the catchment area, two families are in the process of leasing up, and two are still searching for appropriate homes.

Organizational Cornerstones

SHA's organizational cornerstones reflect SHA's values in action. These qualities help form the foundation of how SHA advances its mission and pursue its strategic directions. SHA's culture is driven by a commitment to excellence that continually strengthens these cornerstones.

Engaging Service and Respectful Relationships – Key 2018 Action Agenda Items

SHA is committed to providing consistently high-quality service and respectful interactions. SHA honors and assists participants and communities through service and engagement that recognize their unique needs and strengths. Below are highlights of SHA's work plans for 2018 to create and foster **Engaging Service and Respectful Relationships**:

- 1) Examine the current waiting list structure, policies, and procedures and define measures to improve compliance, reduce processing time, and enhance customer service in Admissions.
- 2) Expand Impact Property Services' (IPS) Customer Service Feedback program where residents who recently received maintenance services complete a short survey on the quality of service; analyze survey responses and identify areas for improvement.
- 3) Develop qualitative metrics to assess internal and external customer satisfaction of voucher holders and voucher applicants. Particular attention will be made to improving the time it takes to address customer issues and bring them to positive resolution.
- 4) Deploy Assistant Property Managers to optimize technical skills versus relationship skills of staff to enhance the efficiency of completing accurate and timely paperwork and customer service to both SSHP and LIPH residents.
- 5) Continue implementing content, technology, and design improvements – including integration of online forms and other functionality – to increase efficiency and improve customer service to residents, voucher participants, those on housing waitlist, and other SHA community and business partners, as well as the general public.

Staff Excellence – Key 2018 Action Agenda Items

SHA is committed to recruiting, retaining, and developing people whose skills and dedication allow them to consistently perform at the top of their field. SHA trains and invests in a well-equipped workforce to support the agency's day-to-day operation in pursuit of its mission. Below are highlights of SHA's work plans for 2018 to foster **Staff Excellence**:

- 1) Expand the Specialized Maintenance and Repair Training (SMART) program to staff in other Housing Operations divisions. In this program, skilled trades staff conduct training in plumbing and electrical work to provide staff with new skills and knowledge for their career development opportunities, thereby fostering staff retention and continuity of knowledge.
- 2) Expand the IPS Customer Service Program to train Property Assistants to properly perform small-job property maintenance tasks, such as how to change a faceplate, in order to provide staff with value-added skills, reduce IPS maintenance costs to communities, and increase timely response to minor maintenance tasks for residents.
- 3) Work with managers and directors to develop improved career paths for employees based on individual and team goals to bolster staff engagement, foster stronger skill sets among staff, and promote stronger internal competition for advancement opportunities.

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- 4) Foster practices in analyzing issues, conducting research, and developing programs and policies that rely on sound data, on review of research, on understanding diverse perspectives, and on existing and emerging best practices. Staff exposure to and training in skills for these practices will enhance SHA's ability to most effectively use our resources and conduct our services to residents.
 - 5) Encourage training and involvement of staff in lean principles and practices to improve the efficiency and effectiveness of administrative processes and procedures by relying on staff expertise to define barriers to timely actions; to identify activities/tasks that don't add value and waste time; and to design changes to the work flow to reduce waste.

Partnership and Coordinated Action – Key 2018 Action Agenda Items

SHA engages in partnerships and leverages resources to extend services and housing beyond core housing programs. SHA aligns partners, programs, and service delivery to broaden and accelerate progress on strategic directions. Below are highlights of SHA's work plans for 2018 to maximize **Partnership and Coordinated Action:**

- 1) Continue to strengthen the relationship with labor unions to enhance communications, reduce grievances, and implement SHA's mission and goals. Work with the unions to ensure the collective bargaining contracts are consistent with SHA's financial capacity in an effort to create efficiencies in operations and cost containment.
- 2) Launch the grant-funded "Data Lab" in partnership with the University of Washington, King County Housing Authority (KCHA), and other partners, providing access to integrated, up-to-date datasets with local, state and federal data which SHA and partners can use to inform resource allocation, policy, and programmatic decision-making.
- 3) Maintain and develop new strategic partnerships with City, County, private sector partners, non-profits, labor, philanthropy and stakeholders to continue redevelopment of Yesler Terrace consistent with the Guiding Principles and the Choice Neighborhoods Initiative vision.
- 4) Manage the Yesler Terrace Owner's Association, working closely with other owners and community partners and residents to develop a thriving, diverse and mixed income community and to connect with the neighboring communities; work together to foster a focus on social interaction and networking in the community and special attention to the needs of seniors and of children.
- 5) Develop and launch partnerships that activate Yesler Terrace Park and Hillclimb; support Urban Farm, P Patch, and off leash dog area; and support the artist in residence program.

Financial Stability and Operational Efficiency – Key 2018 Action Agenda Items

SHA manages its resources to maximize the impact and cost-effectiveness of its operations as well as the value and longevity of its assets. SHA focuses on strengthening its financial condition, streamlining service-delivery, and being good stewards of the public trust to best serve people now and into the future. Highlights below of SHA work plans for 2018 are sequentially presented for **Financial Stability** followed by **Operational Efficiency and Service**.

Financial Stability Action Agenda for 2018

- 1) Continue to participate with Standard and Poor's in their annual review of SHA's Credit Rating and maximize the opportunities to maintain or improve SHA's AA- rating and remain one of the top five highest rated Public Housing Authorities.
- 2) Ensure that SHA properties meet required Debt Coverage Ratios on borrowings and that the agency complies fully with Post Disclosure Requirements on all outstanding bonds, in order to enhance SHA's creditworthiness in the eyes of lenders and investors.
- 3) Conduct quarterly reviews with the Financial Policy Oversight (FPO) Committee, and annual reviews with the Board of Commissioners, of SHA's Unrestricted Cash Balances for Board adoption of Committed Funds and assurance that Operating Reserves are at least one-month of expenses and not more than six months, per Board policy.
- 4) Comply with HUD's Cash Management Policies via monthly expenditure reports to HUD of Housing Choice Voucher (HCV) funds for Housing Assistance Payments (HAPs) and HCV, and non-HCV purposes.
- 5) Continue to improve tracking methods and monthly expenditure reporting to comply with HUD's cash-management policies for HCV funds. Optimize the use of HCV funds for SHA low-income housing purposes and minimize any unused HCV cash to be held by HUD.
- 6) At least annually, review Yesler Redevelopment long-term financial projections and update financial model with current market, expenditure, and sources data. Review with FPO any recommended changes in the timing or sequence of redevelopment activities to align with revised financial projections.
- 7) Regularly review Yesler Redevelopment cash flow requirements and short-term financing needs and options. Recommend to FPO Committee preferred financing options and projected timing and source of repayment of interim financing.
- 8) Perform current projections of potential long-term exit tax liabilities across SHA's portfolio of low income housing tax credit partnerships. Identify actions to minimize potential tax liabilities; determine desirable timing for exits; and negotiate exit terms with partnerships. In 2018, negotiate terms and schedules for a comprehensive exit plan for the three homeWorks phases.

Operational Efficiencies and Services Action Agenda for 2018

- 1) Develop a comprehensive long-term plan for SHA's "Future Fleet Requirements, Management, and Financing" which optimizes use of multi-modal alternatives to owning cars; adopts industry best practices on cost effectiveness and safety; and ensures a viable, sustainable financing plan. The intent is to prepare a proposal for the 2019 Budget.
- 2) Apply lean principles to streamline the Procurement Contracting Processes with the aims of:
 - a) Reducing time required to secure outside goods, services, and contractors;
 - b) Distinguishing roles and responsibilities of project managers and contract administrators;
 - c) Providing appropriate and needed training for all parties in their responsibilities;
 - d) Employing all contracting methods to best meet SHA business needs;
 - e) Securing quality contractors using competitive methods;

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- f) Achieving reasonable prices for SHA’s contracting needs, consistent with budgeted funds; and
 - g) Meeting social equity goals for contracting by Minority and Women Owned Businesses and Section 3 firms and individuals.
- 3) Implement process and service improvements in HCV resulting from department-wide lean processes that will:
 - a) Reduce the time from inviting someone from the waitlist to issuing a voucher;
 - b) Provide greater support assistance to voucher shoppers in leasing an affordable unit;
 - c) Achieve initial Housing Quality Inspections and any re-inspections of units in a timely fashion; and
 - d) Implement monitoring procedures to ensure contract compliance by Project-Based Voucher (PBV) providers, including high utilization performance.
 - 4) Convert the Yardi tenant and property management software from in-house SHA management to off-site hosting by Yardi during 2018, immediately followed by an upgrade to version 7. Reactivate the Yardi Requirements Business Team to help IT ensure the transition addresses all SHA’s business requirements.
 - 5) Evaluate the West Seattle Sub-Area Maintenance Pilot, where a maintenance team is located in a sub-area of the City and serves SHA housing communities in that geographic area across portfolios:
 - a) Analyze work order volumes to most efficiently support a dedicated staff team and quantify the reduction in travel-time and the benefits accruing;
 - b) Identify both the pros and cons of the Sub-Area approach to maintenance management and measures to mitigate disadvantages; and
 - c) Based on the evaluation, design and implement at least one additional Maintenance Sub-Area Program in 2018, including the necessary structure and support for the sub-area approach from off-site central maintenance management.

Race and Social Justice (RSJ or RSJI) – Key 2018 Action Agenda Items

SHA is committed to delivering services in a culturally competent way, free of racism and prejudice; to minimize the impacts of poverty; and to advance and support social justice. SHA strives to eliminate individual, institutional, and systemic racism in its policies and practices. Below are highlights of SHA’s work plans for 2018 to advance ***Race and Social Justice***:

- 1) Utilize Race and Social Justice Initiative Toolkit to assess twelve months of data related to voucher holder terminations.
- 2) Promote greater staff awareness of RSJ and poverty impacts, with follow-up steps to help improve interactions with our residents and voucher participants and strengthen operating policies and practices. Refine Culture of Poverty foundational training to relate to SHA’s housing applicants and residents/participants for staff.
- 3) Participate in the National Association of Minority Contractors (NAMC) meetings to build relationships and increase WMBE participation in SHA contracting.
- 4) Evaluate SHA’s existing Social Equity goals, in collaboration with the Section 3 Advisory Committee, to determine if SHA has set appropriate percentages for participation in SHA’s contracts.

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- 5) Continue collaboration with SHA's Economic Advancement group and SHA contractors to establish a robust referral list of Section 3 businesses and employees.
 - 6) Continue to improve compliance with Davis Bacon labor standards through enforcement: require prime contractor's review certified payroll submittals; sample test certified payrolls for compliance; and investigate labor standard violation complaints.
 - 7) Continue building relationships with HUD, Department of Labor, and State Labor and Industries to coordinate labor compliance responsibilities, achieve greater process efficiency, and expedite resolution of labor standard violations and restitution to workers.

Environmental Stewardship – Key 2018 Action Agenda Items

SHA incorporates environmental stewardship into daily practices and long-term decision-making to allow for more cost-effective investments, inventive approaches to complex sustainability challenges, healthier working and living environments for staff and participants, and broader impact within the community. Below are highlights of SHA's work plans for 2018 to promote ***Environmental Stewardship***:

- 1) Maintain SHA's vehicle fleet in compliance with state and local safety and environmental standards, focus fleet replacements on fuel efficiency, and seek to reduce SHA's dependence on fossil fuels within the fleet.
- 2) Reduce waste and divert tonnage from the garbage waste stream: identify opportunities for waste reduction with targeted outreach and education programs; expand compliance with SHA's organics program in SHA communities; and identify increases or decreases in tonnage.
- 3) Evaluate the Water Smart program from 2017 to implement stronger, more cost-effective and successful policies for 2018. Water Smart is a price-signal- and incentive-based water conservation program that uses two consumption thresholds to offer tenants credit for conservation.
- 4) Measure, verify and evaluate the two pilot conservation programs.
 - a) The Toilet Replacement program at Lake City House, Pleasant Valley Plaza and Fremont Place will install toilets that use 0.8 gallons per flush, installed by a contractor, to reduce toilet water consumption by half.
 - b) The Green Stormwater Infrastructure Project is a City-sponsored program to install cisterns and/or rain gardens, at Phinney Terrace and Olmsted Manor, to capture roof water run-off and implement a natural process to slow, clean or reuse polluted water runoff from impervious surfaces.
- 5) Test staff usage of multi-modal transportation (bicycles, public transportation, shared car and ride services, etc.) as an alternative to using SHA fleet cars. Focus the pilot project on a small group of frequent travelers and report results and recommended actions for the 2019 budget process.

Innovation – Key 2018 Action Agenda Items

SHA actively pursues creative, innovative, and impactful solutions to expand organizational capacity, improve service, and meet participant and community needs. SHA continually uses high-quality information and effective analysis to plan and evaluate its actions. Below are highlights of SHA's work plans for 2018 in pursuit of ***Innovation***:

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- 1) Implement the use of Yardi mobile applications for inspections and for maintenance work orders at Rainier Vista, High Point, NewHolly, and the Yesler Campus to increase the efficiency of these activities and improve the timeliness of customer service.
 - 2) Explore sharing SHA’s Mobile Maintenance and Mobile Inspections programs to other Housing Authorities using Yardi property management software.
 - 3) Maximize the Universal Maintenance Mechanic staff to perform the majority of vacate work, mirroring the private sector. The expanded skill set promotes effective and efficient teams of Universal Maintenance Mechanics and Maintenance Technicians performing vacant unit turnovers.
 - 4) Analyze Solid Waste routes, ensure routes are as efficient as possible, and determine the fully burdened cost by customer type. Evaluate external customer service to fit into existing routes. Evaluate the current rate structure to ensure cost recovery for each customer class.
 - 5) Build tools and training to enable SHA staff to conduct analyses through the use of standardized, complete, comprehensive and quality data with user-friendly visualizations. Help develop standards for graphic representations (i.e. graphs, maps, and infographics). Use these visualizations to help simplify explanations of SHA’s work so that it resonates with staff, residents, policy-makers, and the general public.
 - 6) Using SHA’s MTW authority, implement proposed changes to the Family Self-Sufficiency (FSS) Incentives Program. The changes include adding incentives for post-secondary education quarters attended and for job retention. These updates result from extensive research on the most effective incentives to achieve the desired ends.
 - 7) Transition from a case management model for economic opportunity services to a career coaching model, such that the coach meets the client where they are and remains with the individual throughout their economic advancement through education or training and job development and retention. Research shows that self-sufficiency program participants are less likely to “fall through the cracks” if transitions between education/training and job placement contain multiple “touch points” through a single mentor/coach.
 - 8) Create relationships with potential employers in high-demand sectors via employer brokers rather than job placement specialists. By engaging directly with employers, brokers are able to breakdown unintentional barriers that often prevent self-sufficiency program participants from achieving lasting employment.

CONSOLIDATED BUDGET

The following summary presents the proposed operating and capital budgets for Calendar Year (CY) 2018 in comparison to 2017 for all housing programs and business activities. It also describes changes in staffing levels from the CY 2017 budget to CY 2018.

CY 2018 Proposed Budget

	CY 2017 Budget	CY 2018 Proposed Budget	Percent Change
Program Operations and Administrative Expenses	\$81,050,000	\$86,640,000	6.9%
Housing Assistance Payments (HAPS)	100,180,000	104,120,000	3.9%
Grant-Funded Expenses	2,010,000	3,063,000	52.4%
Capital & Non-Routine Expenses	18,880,000	24,590,000	30.2%
Redevelopment	66,240,000	86,280,000	30.3%
Total Expenses	\$268,360,000	\$304,693,000	13.5%

Table 1: Proposed Budget

Program Element	FTE's CY 2017	Proposed FTE's CY 2018	Change 2017 to 2018
Housing Operations	339.00	346.38	7.38
Housing Finance and Asset Management	36.30	31.90	(4.40) ¹
Housing Choice Voucher Program	66.80	66.80	0.00
Administrative Departments ²	120.18	117.45	(2.73)
Total	562.28	562.53	0.25

Table 2: Staffing Levels

Overview

The proposed CY 2018 combined operating and capital budget totals **\$304.7 million** and is \$36.3 million above the 2017 Adopted Budget. This year-to-year increase occurred across all categories but is predominantly the result of higher Capital/Non-Routine Expenses and Redevelopment activities. Housing Assistance Payments increase by \$3.9 million, a 3.9 percent increase over 2017. Core operating expenses increased by \$5.6 million or by 6.9 percent over 2017, and Grant-Funded expenses increased by \$1.05 million over 2017. Capital and Non-Routine Expenses increased \$5.7 million or 30.2 percent over the prior year. Redevelopment activity in 2018 increases by \$20.0 million, a 30.3 percent increase over 2017.

2018 proposed full-time equivalent (FTE³) regular positions shows an increase of 0.25 FTE from 2017 to a proposed total of 562.53 FTEs, but the true increase is 5.25 FTE once the footnoted technical adjustment

¹ This reduction corrects for 5 temporary construction workers originally classified as project staff FTE's in the 2017 Adopted Budget Book. Without the reclassification for the temporary workers, the FTE count for Housing Finance and Asset Management increased by 0.60 FTE from 2017 to 2018.

² "Administrative Departments" are Human Resources, Finance and Administration, Information Technology, Development, Executive, and the Office of Policy and Strategic Initiatives (OPSI).

is taken into account. The modest staffing change is mainly due to an increase in Community Services and Economic Advancement personnel which is offset in part by the net change in project positions. Outside of these areas, SHA's staffing level shows little overall change in recognition of the uncertainty of federal funding in the coming years.

Program Operations and Administrative Expenses

In 2018, SHA's Operating and Administrative expenses are proposed to increase by a net of 6.9 percent over the 2017 Adopted Budget. This increase partly results from an expectation to convert Escallonia and Desdemona partnerships from limited partnerships to SHA tax credit properties. The addition of these two properties will result in an additional \$3.1 million in operating and administrative expenses. However, three West Seattle properties (Longfellow Creek Apartments, Wisteria Court, and Roxhill Court Apartments) will convert from SHA ownership to a limited partnership, thereby reducing the impact of these exits by approximately \$1.1 million. Excluding the impact of changes due to conversion of partnerships, the remaining core operations and administrative expenses are proposed to increase by 4.4 percent above the 2017 level. The major causes for the increase are as described below.

Administrative salaries and benefits budget is about 3.7 percent higher than the 2017 Adopted Budget. While the bulk of the change is due to cost of living increases, reductions in some departments offset increases in others. Based on prior years' history and experiences, agency-wide salary saving of \$479,000 is projected across SHA departments. The projected saving is offset against other increases in salaries and benefits. Highlights of changes in administrative salaries and benefits are as follows:

- Asset Management added two mid-year 2017 project positions -- a Resident Services Liaison for the West Seattle LP to enhance communications between the Construction Project Manager and residents during the rehabilitation of occupied buildings and a Program Manager for Special Projects to assist with strategic planning, acquisition, and disposition of various properties.
- Finance & Administration will add one full-time Senior Contract Administrator as a two-year project position to address the growing demand for contract work and increase in complexity of capital and development related contracts.
- Community Services took a reduction of 14 positions in a mid-year 2017 transfer to the Economic Advancement (EA) group and added three grant-funded Youth College Navigators.
- EA added three new positions in addition to the 14 transferred from CSD and one transferred from the Office of Policy and Strategic Initiatives (OPSI).
- An additional grant-funded CMTO position was added to the Housing Choice Voucher department. The related FTE increase was offset by the expiration of a one-year project position supporting the Housing Service Center.

General Administrative Expenses are projected to increase by \$944,000, of which \$454,000 is due to the inclusion of Desdemona and Escallonia as well as the exclusion of the West Seattle partnership. In 2018, insurance premiums are budgeted to increase by about 6.5 percent due to a higher sum insured related to a higher value of properties and industry perceived risks in fleet management.

Contracts for **Tenant Services** are projected to increase by \$489,000 or 16.0 percent over 2017. The bulk of the change is due to an increase in the Community Services (CSD) budget of \$273,000 and the addition of tenant service contracts for the newly-formed Economic Advancement (EA) group in the

³ FTEs include all SHA full-time employees and part-time employees who receive benefits. It does not include Intern positions, On-call Back Up Resident Managers, and temporary part-time or partial year employees who do not receive benefits. Project employees who are hired for the duration of a specific activity or project are included in the FTE total.

amount of \$198,000. New and renewed contracts for CSD in 2018 include Aging in Place programming, youth programming, case management in garden communities, the Breathe Easy program, and the Yesler sewing initiative. EA contracts include services for mental health support, childcare and college navigation.

The proposed budget for **building repair and maintenance** increased 2.2 percent, while Impact Property Services (IPS) will remain at just over its 2017 budget. This is reflective of inflation plus additional budget for contracts related to fire alarm testing.

Utilities are budgeted to increase by \$879,000 (9.8 percent) or higher from 2017. The incorporation of Desdemona and Escallonia back into SHA's operating budget contributes approximately \$452,000 of this increase. The remaining \$427,000 is due to rate hikes offset by a decrease in the surcharge payable to Seattle Public Utilities (SPU) for an obligation for underground utility installation at New Holly HOPE VI properties. In 2017, SHA paid off SPU early which will reduce SHA's expense in 2018 by \$145,000. Savings from this early payment will help SHA to offset utility budget increases due to rate hikes.

Housing Assistance Payments (HAP)

Beginning in August of 2014, Seattle Housing Authority began taking a series of steps to make SHA voucher holders more competitive in the Seattle rental market while still trying to maximize the number of people served. The first step was to increase the voucher payment standard (VPS). During this period, the voucher payment standard increased 42% on average for voucher holders leasing in the private market. In the spring of 2016, SHA created alternate payment standards for project-based vouchers and affordable housing units. The affordable housing units are those that are typically funded through tax credits or run by local non-profits. Given the amount of change in the past few years and the uncertain funding picture, SHA is not proposing a VPS increase in the 2018 Budget. The stable VPS structure will provide SHA with an opportunity to more closely analyze the effectiveness of the various changes it has made over the past three years. This analysis in combination with local market data on private market rents and vacancy rates, new HUD Fair Market Rents (FMRs), and budgetary constraints will provide the decision-making framework for any future changes in the Voucher Payment Standard.

While there is currently no plan in place to further increase the VPS, SHA is planning to provide families with children an additional VPS supplement. The access supplement will come in two different forms, Home from School (HfS) and the Family Access Supplement (FAS). The Home from School supplement is designed specifically to assist unstably housed or homeless families in leasing housing in the Bailey Gatzert school catchment area. The second supplement, FAS, is designed to allow families to access areas designated as opportunity neighborhoods. The FAS is associated with the Creating Moves to Opportunity (CMTO) initiative.

For 2018, the full impact of the prior VPS increases is beginning to be felt. The housing assistance payments (HAP) for 2018 are anticipated to be \$104.1 million, which is \$3.9 million higher than 2017 adopted budget and \$15.6 million more than the actual 2016 HAP expense. As a result of the uncertainty in the federal appropriations process and related funding concerns, SHA did not mail out MTW voucher applications from March to the middle of August. This will impact voucher utilization through all of 2018. Projections for 2018 show an overall average utilization rate – leased voucher divided by authorized vouchers – of 92.9%.

Grant-Funded Expenses

The proposed overall budget for agency grant expenditures in 2018 is \$3.1 million. A summary of 2018 grants and their intended uses are as follows:

SHA will be utilizing funds from two **Gates Foundation** grants in 2018. The first of these supports SHA's Education Initiative in partnership with Seattle Public Schools (SPS). Improving attendance is the focus for the 2017-2018 school year, as a substantial gap exists between SHA student and overall SPS student attendance and chronic absenteeism. Research and evidence demonstrate that focusing intervention efforts on student attendance is a proven strategy to improve educational outcomes, especially in low-income student populations.

The second Gates Foundation grant provides multi-year funding supporting the Creating Moves to Opportunity (CMTO) initiative, a pilot program in partnership with the King County Housing Authority (KCHA), which seeks to test the effectiveness of different interventions in encouraging voucher families with children to seek housing in neighborhoods with attributes that research has shown to have long-term positive impacts for kids (otherwise known as opportunity neighborhoods).

SHA is also the recipient of three grants from HUD to support its residents and participants on their journey toward self-sufficiency. In late 2016, SHA was awarded funding through the **Resident Opportunities and Self Sufficiency (ROSS) for Education** program's Project SOAR (Students + Opportunities + Achievements = Results) to create new pathways of support for young people to increase high school completion and post-secondary achievement. Through the grant, the Community Services Division (CSD) has hired three ROSS Youth College Navigators to work as a team and individually to support youth in some of our low-income public housing communities.

Also in late 2016, SHA received a **ROSS Service Coordinators grant** to support public housing residents in their effort to obtain economic and housing self-sufficiency. This grant will be administered by the Economic Advancement (EA) group to offset the salaries and benefits of service coordinators who will serve families at portfolios across SHA.

In conjunction with the ROSS Service Coordinators grant, EA will utilize funds from HUD's **Family Self-Sufficiency (FSS) Coordinator** grant to offset salary and benefit costs of coordinators who assist voucher participants in their efforts to become self-sufficient.

In the fall of 2016, SHA began a pilot for the "Home from School" program at Bailey Gatzert Elementary School to secure housing within the school's catchment area and provide supportive services for homeless families with children enrolled there. 2018 will be the second year of this pilot. Initial funding in 2016 and 2017 came from two **City of Seattle** grants totaling \$200,000. SHA is in the process of seeking additional funds for 2018 from the City through their current Request for Proposal (RFP) for homeless services.

2018 will mark the seventh and next-to-last year of HUD's **Choice Neighborhood Initiative (CNI)** grant which SHA received for Yesler Terrace's redevelopment. In addition to being eligible for use in construction activities, the funds from this grant pay for resident supportive services and programs such as youth tutoring; parent-child home visit; college preparation and academic services for middle school and high school students; summer academic enrichment programs; and help for families and students in development of educational plans for their future goals. Through the grant, SHA will continue our cradle-to-college education initiative in the Yesler neighborhood until at least the summer of 2019. SHA is currently seeking alternative, self-sustaining funding which will continue the services previously supported by the CNI grants.

The Kresge Foundation grant will culminate in July 2018 with three years of support for the art programs and the contract artists to implement the Yesler Terrace Arts Master Plan. The grant integrated three elements of the Plan which included: community engagement allowing residents to actively participate; Artist Works Program, expressing environmental stewardship with art to be exhibited along the Green Loop, a park-like neighborhood walkway; and Art and Economics Program, nurturing an artisans collective of artfully crafted objects of beauty, utility, and value.

Capital and Non-Routine Expenses

SHA's annual capital and non-routine expenditures will increase 30.2 percent. Most housing portfolio budgets approximate status quo from 2017 to 2018, with the exception of Special Portfolio and Other Projects due to the refinancing mentioned above.

The **Public Housing Portfolio** capital projects budget of \$3.9 million, is flat compared to 2017, and emphasizes interior and unit upgrades of \$1.0 million at Cedarvale Village, Denny Terrace, Holly Court, Jackson Park Village, Jefferson Terrace, Scattered Sites, and Tri-Court. Exterior upgrades are budgeted at \$724,000 for repairs, painting, and window replacements at Cedarvale Village, Jefferson Terrace, Olive Ridge, and Scattered Sites. A minor elevator upgrade of \$150,000 for Holly Court is budgeted. Roof repair or replacements of \$439,000 are planned at Cedarvale Village, Jackson Park Village, and certain Scattered Sites and allowances for minor maintenance repair and replacement for \$375,000.

The **Seattle Senior Housing Program (SSHP)** 2018 budget of \$3.6 million is a decrease of \$323,000 over the 2017 budget. SHA committed to a 10-Year Capital Rehabilitation Plan for SSHP in 2011. SSHP had significant capital needs, and thanks to the cooperation of the SSHP Rent Advisory Committee, the Seattle City Council, and HUD, SSHP transitioned into the Public Housing program in the fall of 2011 and began receiving federal funds in 2013. The original plan uses SHA's MTW authority to maintain the SSHP program within Public Housing to support an annual average capital requirement of \$3.0 million in known major capital work. This work primarily pertains to the integrity of the building envelopes, e.g. to correct water intrusion and rot, for window replacement, and to modernize or replace elevators.

SSHP is budgeted for \$1.8 million in elevator replacements or repairs at: Blakeley Manor, Island View, Phinney Terrace, Primeau Place, Schwabacher House, and Sunrise Manor. Security upgrades are budgeted at \$1.2 million for 2018 to install digital video recorders and key card access devices at Carroll Terrace, Fort Lawton Place, Fremont Place, Island View, Michaelson Manor, Olmsted Manor, Phinney Terrace, Pleasant Valley Plaza, Schwabacher House, and Wildwood Glen. The exterior repair budget totals \$300,000 for Daybreak, Fremont Place and Primeau Place, with \$120,000 for minor maintenance repair and replacement.

When undertaking the major rehabilitation of exteriors, it takes three years for planning, design, and construction. Major rehabilitation underway for **SSHP** are Michaelson Manor rehabilitation (funded in 2015 and to be completed in 2017), Carroll Terrace (funded in 2016), and Sunrise Manor (funded in 2017). Rehab projects typically include exterior siding, window replacement, intercom replacement, mailbox replacement, and patio repairs.

The total **Special Portfolio** capital budget, along with SHA tax credit properties, will increase to \$9.4 million, an increase of \$7.4 million over the 2017 budget. A pooled refinancing on debt held by Desdemona, Escallonia, Othello, and Wedgewood Estates supports this increase. The proceeds will fund projects totaling \$7.8 million; Desdemona, Escallonia, Othello and Wedgewood Estates have \$4.7 million in projects; the distribution and use of the remaining \$3.1 million is under development. The four properties will see some or all of the following capital improvements: security, building envelope repairs, roof and gutter replacements, and unit upgrades.

Other Special Portfolio property projects include external and internal repairs. External repairs include upgrades such as siding, painting, and lighting upgrades for Greenwood Apartments, Main Street Place, Montridge Arms, Norman Street Townhomes, and Westwood Heights East. Roof repair or replacement is expected at Fir Street Townhomes. Internal repairs include: elevator repairs or replacement at Bayview Tower and Montridge Arms; unit upgrades in kitchens, baths, and 24/7 fan installations at Delridge Triplexes, Fir Street Townhomes, Main Street Apartments, Market Terrace, Mary Avenue Townhomes, and Stone Avenue Townhomes. Repair parking areas at Alder Crest Apartments,

Greenwood Apartments, Mary Avenue Townhomes, and Montridge Arms. A minor maintenance repair and replacement allowance of \$100,000 is also included.

In 2018, SHA proposes \$554,000 for **Fleet** to replace twenty-three trades/maintenance vans that are beyond their useful life. This is the fourth year that the MTW block grant will contribute to fleet modernization with \$245,000 funded in 2015, \$236,000 funded in 2016, and \$446,000 funded in 2017. During 2018, the Housing Operations Department, in collaboration with the Budget Office, will complete a multi-modal pilot study to evaluate the use of shared resources from public transportation to car sharing services. If the results are positive, the multi-modal model will reduce the number of fleet vehicles needed and mitigate future investments in replacement, maintenance, and operations.

Information Technology (IT) capital projects are proposed at \$814,000 for 2018, a 15.8% decrease from 2017 but still a substantial increase from the average annual project funding of \$550,000 from 2010--2015. SHA continues to invest in technological upgrades to improve process efficiency and promote cost savings. Ongoing projects include the deployment of a contract management system to streamline the procurement process and the third year of two multi-year projects: document imaging and business intelligence, both of which contribute to SHA's operational efficiency and data-driven standards. New projects include major upgrades to enterprise-level software applications and infrastructure; moving the Yardi Property Management software and data into the cloud then upgrading to the latest application version; deployment of budgeting software agency-wide to both streamline the annual budgeting process and help departments keep a closer eye on their expenditures; an intranet redesign to ensure SHA staff have access to the most up-to-date information on communities, policies and procedures, and professional development opportunities; professional services for the Capital Needs Assessment and Utilities Management databases to streamline reporting and planning; and updates to information security software, hardware, and training. As security is an ongoing and critical part of day-to-day operations, incorporating future requests for information security funding into IT's operating budget is currently under consideration.

Redevelopment Projects

Redevelopment expenses will increase \$20.0 million or 30.3 percent over the 2017 budget due to work planned for Seattle Housing's new West Seattle Affordable Housing project; the purchase of King County's Records building; predevelopment for SHA's next Yesler Terrace apartment building; predevelopment for Lam Bow Apartments; the Scattered Sites rehabilitation and repositioning projects; and the High Point Management office improvements at Upton Flats.

SHA plans to close on the **West Seattle Affordable Housing LP** in 2017; the project includes three Special Portfolio properties: Longfellow Creek Apartments, Roxhill Court Apartments, and Wisteria Court. The financing proceeds will be used for exterior and interior needs primarily at Wisteria Court and Roxhill Court Apartments. All three properties will have full unit upgrades in most units.

Yesler Terrace projects have a net increase of nearly \$6 million. SHA is negotiating the purchase of King County's Records building near Yesler Terrace for an estimated at \$7.1 million. SHA will provide the site to a non-profit developer who will build low-income housing. Predevelopment planning will start in 2018 for the next apartment building at Yesler Terrace; architectural and engineering services, along with feasibility and environmental studies, will begin soon. The project will create a building similar to Red Cedar, with up to 125 units. The nearby neighborhood will include a pocket park and a pedestrian pathway on East Yesler Way.

Lam Bow Apartments suffered from fire damage in late 2016; management is looking at up to three options for redevelopment which include replacing the fire-damaged units and rehabilitating existing units, increasing the number of units replaced, or a full redevelopment of the site.

Scattered Sites rehabilitation and repositioning, predevelopment planning and tenant improvements increase in 2018, as well. Scattered Sites rehabilitation and repositioning are Seattle Housing’s projects to rehabilitate certain single-family homes and increase the number of large bedroom units.

The **High Point Management Office** will move to Upton Flats in 2018. SHA will purchase a portion of the building and make tenant improvements in 2018 that will include office space and space for community services.

For a full list of 2018 proposed Capital Budget and Redevelopment allocations, please see Attachment 1 to this Budget summary.

Estimated Revenues and Expenditures – Routine Operations and Services

The following programs make up the bulk of SHA’s operating budget: Moving To new Ways (MTW) Program operations (Public Housing, Housing Choice Vouchers, and Seattle Senior Housing Program), Community Services, Economic Advancement, and the Special Portfolio Program. Revenue and expenses for these programs are summarized below. The expenditure budgets for these programs total about 83 percent of SHA’s overall operating budget. The remaining operating budgets cover expenses in a number of smaller programs.

Moving To new Ways (MTW) – General Fund

	Proposed CY 2018 Budget⁴
MTW Revenues	\$174,726,000
MTW Program Expenditures	
Low Income Public Housing	28,035,000
Seattle Senior Housing Program	5,794,000
MTW Direct Services to Communities	7,353,000
Housing Choice Vouchers	103,228,000
Total Operating Expenditures	\$144,410,000
Public Housing Capital/MTW Non-Routine Expense	11,939,000
Total Operating and Capital	\$156,349,000
MTW Block Grant Transfers to Other Programs	17,150,000
MTW Total Expenditures	\$173,499,000
Net Contribution to Reserves	\$1,227,000

Table 3: MTW General Fund

The MTW projected 2018 revenues of \$174.7 million shown in the table above includes SHA’s best estimates of the amount of federal MTW funds due in CY 2018 at a total of \$156.1 million for Housing Choice Vouchers (HCV), Low Income Public Housing (LIPH) and Seattle Senior Housing Program (SSHP) Operations, and Public Housing Capital programs. These three sources comprise the MTW Block Grant. Dwelling rental income at \$16.4 million represents 9 percent of MTW General Fund resources. In total, MTW General Fund revenues for existing programs are projected to decrease by \$1.4 million or just under 1 percent compared to the CY 2017 budget. This is mainly the result of a lower estimate of funding for the capital grant and applying a lower proration factor of 94% and a 2.6% percent renewal inflation factor to the HCV MTW Block Grant funding amount. Partially offsetting the capital and HCV funding reductions is a higher estimate of funding for the LIPH Operating grant.

Low Income Public Housing and Seattle Senior Housing Program

The Low Income Public Housing program accounts for the operations of over 5,000 units, excluding SSHP housing units. The two largest revenue sources for this program come from the MTW Block Grant and tenant rent. The homeWorks tax credit partnerships serve public housing residents almost exclusively, and these three partnerships are included as part of the Low Income Public Housing program.

⁴ HUD and SHA categorize and present some revenue and expense accounts differently. Therefore, the totals and categories in this table differ from those in the MTW Plan.

The Seattle Senior Housing Program is a part of the Low Income Housing Program and accounts for the operation of nearly 900 public housing units for the elderly and people with disabilities. The portfolio, developed in the early to mid-1980s using City of Seattle Housing Levy funds, was intended to be self-supporting, with all on-going operating and capital costs paid for by rent revenues. While SSHP remains largely self-supporting for annual operations, Public Housing Operating subsidy and Public Housing Capital Grant funds now support the portfolio's capital requirements.

MTW Direct Services to Communities

Direct Services to Communities refers to a category of costs and services in Seattle's Local Asset Management Plan (LAMP) that are direct-property services shared among communities and programs. The direct services are accounted for in the MTW General Fund and not allocated to individual properties. This category includes, but is not limited to, portions of the Housing Operations Director's Office; the LIPH Program Administrator's Office; the Office of Policy and Strategic Initiatives; Impact Property Management services for certain housing related costs; and IT direct and project costs for SHA's tenant information systems.

Housing Choice Voucher Program

For the vast majority of 2018, the MTW HCV program anticipates having authorization to provide housing to 9,776 households through issuing Housing Choice Vouchers. This includes the 34 RAD 2 vouchers effective February of 2017 that will be eligible to convert to MTW vouchers in February of 2018. It is anticipated that in 2018 average MTW Voucher utilization, which is calculated by dividing leased vouchers by authorized vouchers, will increase to 92.5%. In 2018, SHA will continue two initiatives to bring stability to families and encourage them to move to designated high opportunity areas.

By the end of 2018 SHA anticipates that 3,682 vouchers will be "project-based," that is, the funding will stay with a particular organization operating the housing. The remaining 6,094 vouchers will be "tenant-based", that is, the participants use the voucher to rent any eligible apartment or house they choose in the private market. Tenant-based households have typically paid approximately 30-40 percent of their income for rent and utilities, and the voucher pays the difference between their payment and the actual rent. Project-based and Provider-based households are limited to paying 30 percent of their income for rent and utilities.

Transfers to Other Programs

Under SHA's MTW Agreement, the MTW Block Grant funds are treated as a single fund, giving the agency the flexibility to address pressing local housing needs and funding gaps in housing programs and opportunities serving low-income people. For SHA, use of single fund flexibility augments community services and supportive services to tenants; development of new low-income housing; capital preservation to extend the life and use of existing low-income housing; support of locally developed housing programs and portfolios; debt retirement to free funds for operating and capital needs to support low income housing programs and capital needs; alternative rent assistance programs designed to meet local needs; and partnership with other affordable housing developers and providers and non-profit agencies providing supportive services to low-income residents and voucher participants.

For 2018, SHA will transfer MTW Block Grant funds of \$17.2 million to address local community needs, representing close to 11 percent of the projected MTW block grant resources. The vast majority of transfers to other funds and uses are for services to public housing residents or voucher participants, such as, community and economic advancement supportive services (see description of activities provided below) to extremely low-income residents and participants, public housing subsidy for public

housing units in tax credit partnerships, and planning and predevelopment for repositioning existing or developing new low-income housing. Block Grant funds help support the operations or capital needs of SHA's local housing programs or housing community amenities and such MTW activities as creating new ways to house the homeless population and providing economic advancement opportunities for residents and voucher participants.

Community Services

The Community Service division plans, develops, seeks partnerships for, and oversees the provision of referrals, service coordination, and direct service to SHA's low-income residents and voucher participants. Services focus on health and mental health case management, advocacy services, and on youth tutoring, recreation, and educational opportunities. Community Services also operates SHA's Community Builder Program to involve residents in the life and betterment of their community, including resident involvement in development activities that affect them. Interpretation services are integral to the effectiveness of these programs. Community Services is largely funded from a planned 2018 transfer of \$4.2M of MTW funds and augments its resources with public, private, and foundation grants.

Economic Advancement

Previously, SHA offered multiple programs in support of adult education and employment, each with different eligibility, service delivery, and financial support components. After much research and consideration, the Economic Advancement program became formalized as a new group within the Housing Operations department in mid-2017, integrating these services into a unified program offering seamless support to residents and participants on their journey toward economic self-sufficiency. The "north star" of this new program is post-secondary education for all and, at minimum, part-time employment, while meeting program participants "where they are" on the Economic Security Spectrum (see page 5). Recognizing that some participants can get "lost in the woods" due to poor transitions between the education/training and employment stages, the group has transitioned away from a case management model and instead uses a career coaching model as well as in-house employer brokers to ensure that participants have a single point of contact on whom they can rely during their time in the program. Community Services staff whose work focuses on education, employment, and self-sufficiency/stability were transferred to the EA group. This program is supported by MTW funds as well as public, private, and foundation grants and has a budget of \$2.3 million for 2018.

The EA group now administers the **Family Self-Sufficiency (FSS) Incentives** program. Research has shown that education, employment, and savings are the three primary pillars to helping households become more economically secure and stable. The updated FSS Incentives program would align around these pillars as follows: Education Supports – Quarterly cash support payments for up to eight quarters of schooling for participants progressing through full-time training programs for in-demand occupations; Employment Supports – Cash support payments to participants who retain full-time employment for a predetermined period of time; and Asset Building Supports – Monthly escrow deposits for participants who retain new, full-time employment for at least five months (capped at \$5,000 or 25 months). In previous years, only the Asset Building support was included in this program.

Contributions to Reserves

Contributions to reserves are for capital replacement reserves in homeWorks properties and in bond financed properties.

Other Major Programs

Special Portfolio

The Special Portfolio group manages about 670 units of local housing facilities and Section 8 project-based buildings. This program serves households with a range of incomes from 30 percent of area median income to market rate, with the vast majority of the units serving households under 50 percent of the area median income. Most of these units were acquired using debt financing, so the properties need to generate sufficient income to cover debt payment, meet debt coverage ratios, and contribute to replacement reserves, in addition to meeting all other operating and capital expenses. Many of these properties were intended as replacement housing for redeveloped garden communities during the HOPE VI program and have land covenants that dedicate them to low-income housing use for 40 years. SHA refinanced many of the properties in the portfolio in late 2013 and early 2014 to fund capital improvements and to decrease debt payments. As mentioned earlier in the Summary, three properties have been removed from the 2018 operating budget as closing on a limited partnership involving Longfellow Creek Apartments, Roxhill Court Apartments, and Wisteria Court (200 units total) is scheduled for late 2017. In addition, construction work will begin at Lam Bow Apartments which lost an entire building (21 units) to fire in late 2016.

In 2017, this portfolio was divided into SHA-managed and outside-managed groups in an effort to improve management oversight of outside-managed properties and operational efficiency overall.

	Proposed CY 2018
Revenue	\$9,135,000
Expenditures	4,785,000
Net Operating Income	\$4,350,000
Interest and Principal	2,617,000
Required and Other Reserves	365,000
Total Other Expenses	\$2,982,000
Projected Surplus before Transfers	\$1,368,000

Table 4: Special Portfolio

Close attention is paid to ensuring that properties in the Special Portfolio are funded to meet their debt obligations, to make their reserve requirement contributions, and to address critical non-routine capital needs that arise in the course of the year.

Low Income Housing Tax Credit Limited Partnerships

By the end of 2017, SHA plans to have exited two existing limited partnerships and close on a new tax credit limited partnership. In June of 2017, majority ownership of the Escallonia LP was transferred from the limited partner to SHA. SHA anticipates that Escallonia will be 100% SHA by the end of 2017. SHA is in negotiations with the limited partner in the Desdemona LP to exit the partnership and make the property 100% SHA owned. SHA is optimistic that the negotiations and the transfer of ownership will be completed in the fall of 2017. A new partnership, the West Seattle Affordable Housing LP, is scheduled to close in the fall of 2017. In total, SHA will manage seventeen tax credit partnership properties in 2018. There will be about 3,853 units in the tax credit partnerships, 69 percent of which are public housing units affordable to households with incomes below 30 percent of area median income. Residents of tax credit units without subsidy typically have incomes between 50 and 60 percent of the area median income.

	Proposed CY 2018
Revenue	34,067,000
Expenditures	28,619,000
Funds for Principal Payments, Reserves, and Other Obligations	5,448,000

Table 5: Low Income Housing Tax Credit Partnerships

The MTW Block Grant subsidy for the public housing units in tax credit partnerships is \$7.1 million for the three homeWorks high-rise partnerships and \$1.2 million for the HOPE VI limited partnerships. Total limited partnership activity is shown in the table above. The above table includes the new West Seattle Affordable Housing LP and excludes both the Desdemona and Escallonia LPs. The Red Cedar limited partnership, also known as 888 E Fir LLLP, will be under construction in 2018 and is not included in the above table.

The homeWorks high-rise partnership budgets are included above and are shown in the MTW General Fund Budget. The budgets for the partnerships reflected in Table 5 are preliminary and subject to approval by each limited partnership.

CY 2018 Capital and Non-Routine Budget

The table below presents the proposed sources and uses of funds for the 2018 Capital and Non-Routine Budget.

Sources	Proposed CY 2018	Uses	Proposed CY 2018
MTW Capital and RHF Block Grant	\$ 10,386,000	Low Income Public Housing Asset Preservation	\$ 7,558,000
Other MTW	2,661,000	Seattle Senior Housing Program Asset Preservation	3,567,000
		IT Capital Projects	814,000
Special Portfolio Reserves and Other Sources	1,162,000	Special Portfolio Asset Preservation	1,542,000
Limited Partnership Replacement Reserves	2,459,000	Limited Partnership Asset Preservation	2,459,000
Bond Proceeds for Pooled Refinance: Wedgewood Estates, Othello and Desdemona	7,826,000	Asset Preservation at Wedgewood Estates, Othello, Desdemona and other properties	7,826,000
Prior Year Mixed Financing Projects	73,092,000	Red Cedar Development	48,448,000
		New Holly (Phase I)	12,860,000
		West Seattle Affordable Housing LP	10,000,000
		Scattered Sites rehabilitation and reposition	1,784,000
Internal financing for Predevelopment	3,500,000	Predevelopment projects	3,500,000
For Sale Proceeds from Yesler Neighborhood	8,816,000	King County Records site acquisition	7,100,000
		High Point Management Office tenant improvements at Upton Flats	1,716,000
City, State and Federal Grants	875,000	Infrastructure at Yesler	875,000
Other Reserves	221,000	Misc. Non-routine	820,000
Total Sources	\$110,998,000	Total Uses	\$110,869,000

Table 6: Capital and Non-Routine Sources and Uses

NOTES:

Capital sources include MTW funds, bond proceeds, tax credit equity, pooled refinancing proceeds, for sale proceeds, SHA replacement reserves, and local and state grant funds. The most significant sources in 2018 relate to the prior year's mixed-finance projects for construction at Red Cedar, New Holly (Phase I), and West Seattle Affordable Housing LP.

SHA's MTW Block Grant funds the following properties: Public Housing, Seattle Senior Housing, Management Improvements for IT, and certain Special Portfolio properties. Capital activities include major repair, refurbishment, and critical needs to preserve SHA's low-income public housing portfolios and properties. Low-Income Asset Preservation of \$7.6 million includes: capital budgets for LIPH of \$3.9 million; cost contingency funds of \$1.3 million; and administrative staff, benefits and associated costs of \$1.5 million.

Redevelopment Grants and Mixed-Financing

Yesler Terrace has many activities planned for 2018. Red Cedar will be in construction until the first quarter of 2019; it will have 119 apartment units in a mix of 1, 2, 3, and 4-bedroom units.

Predevelopment planning will begin for the fifth new Yesler Terrace apartment building; it is expected to have a similar size and financing package as Red Cedar. King County is in negotiations to sell the King County Records site that is within Yesler's Choice Neighborhood; Seattle Housing will negotiate with a non-profit housing developer to construct low-income housing units on that site.

Modest infrastructure improvements planned at Yesler Terrace for 2018 are pedestrian safety paths to Bailey Gatzert Elementary and paths on East Yesler Way. The area near the sixth Apartment building will also have a pocket park when all of construction is completed.

Predevelopment planning will start in 2018 for Lam Bow Apartments and tenant improvements for the High Point Management Office will be complete mid-2018 at Seattle Housing's Commercial Condo, Upton Flats.

2018 Capital Projects Listing

Attachment 1 following this page presents a list and brief descriptions of capital projects and development activities proposed for 2018.

Attachment 1 – 2018 Capital Activities

SHA 2018 Capital Projects - MTW Grant-Funded Activities

Low Income Public Housing Projects

LIPH Scattered Sites	Upgrade four occupied units; upgrade units at vacate; replace windows and repair exteriors; repair beam and structure; phase three of targeted exterior repairs; painting; repair or replace siding and rot; repair retaining wall; paint exterior; replace roof; repair exterior sewer line; replace windows; replace flooring; repair exterior rot; remove bamboo; upgrade electrical panels; repair retaining wall and trip hazards; replace intercom; install insulation; improve attic ventilation; replace common area flooring with rubber tiles; investigate crawl space structure; replace exterior flooring; repair and paint trim; and repair roof flashing.	\$1,204,000
Bell Tower	Install key card access system at office and key box system; improve garage security with lighting; install new network video recorder systems; relocate fire extinguishers to hallways; remodel; paint and replace floor in laundry room; hire consultant to analyze drains behind closets; and replace floor in office.	65,000
Cedarvale Village	Replace roofs in a two-phase project; target exterior envelope and unit rehabilitation to be completed as part of a comprehensive modernization plan; and upgrade playground equipment.	266,000
Denny Terrace	Install second entry door and install key card access system upgrade landscape; and upgrade LED lightbulbs in units.	155,000
Holly Court	Perform minor elevator upgrade in buildings 3 and 6; replace galvanized pipes to improve water quality and pressure; replace three handle shower valves; install network video recording system; and patch or repair parking lot.	245,000
Jackson Park Village	Replace roofs; target interior unit rehabilitation as part of a comprehensive modernization plan; start planning targeted exterior upgrades; and replace playground equipment.	530,000
Jefferson Terrace	Install shower inserts; prune or remove trees; install additional security cameras in laundry room; install network video recorder systems; and install security key card access system.	145,000
Olive Ridge	Start phase 2 of exterior insulation finishing system cladding; clean or remove dirt from siding; install new network video recording system; and prune or remove trees.	138,000
Tri-Court	Upgrade to Uniform Federal Accessibility Standards; install security key card access system to doors; and replace common area floor.	190,000
Westwood Heights	Install network video recording system.	10,000
Unit Upgrade Allowance	Perform targeted interior unit rehabilitation as part of a comprehensive modernization plan in selected buildings.	300,000

MMRR Allowance	Perform minor maintenance repair and replacements.	375,000
HazMat Allowance	Perform hazardous abatement.	240,000
Public Housing Capital Projects Subtotal		\$3,863,000
Special Portfolio Projects		
Beacon House	Replace common area flooring.	\$10,000
Delridge Triplexes	Start phase 2 to upgrade kitchen and bath cabinets, countertops, mirrors, and medicine cabinets.	30,000
Fir Street Townhomes	Replace roof.	35,000
Main Street Apartments	Replace west and north end windows.	4,000
Mary Avenue Townhomes	Perform targeted interior repairs and energy upgrades; repair or replace parking lot; and install 24/7 fans.	39,000
Montridge Arms	Upgrade elevator and replace wood siding between concrete with fiber cement siding.	162,000
MMRR Allowance	Perform minor maintenance repair and replacements.	100,000
Special Portfolio Subtotal		\$380,000
Contingency		
LIPH and SSHP Portfolio wide	A contingency for Unforeseen Urgent and Unbudgeted (UUU) project requirements.	\$620,000
Contingency Subtotal		\$620,000
Contingent Capital Projects		
Various Portfolios	Projects set aside if funds become available: roof repair, if necessary; security access badges at homeWorks and LIPH; fan replacements at Scattered Sites; and unit turnover for families over housed or under housed.	\$710,000
Contingent Capital Projects Subtotal		\$710,000
Non-residential Facilities Projects		
Central Maintenance Facility	Replace back-up generator for emergency preparedness.	\$25,000
Lee Apartments	Repair exterior siding.	20,000
Fleet	Start 10-year replacement plan for vehicles, trucks and vans.	554,000
Non-residential Facilities Subtotal		\$599,000
Administrative Costs		
Various	Asset Management administration.	\$764,000

Various	Construction administration.	255,000
Various	Yesler Terrace redevelopment administration.	503,000
Administrative Subtotal		\$1,522,000
Central Services Operating Cost Allocation		\$843,000
Total 2018 MTW Block Grant Budget for LIPH and Local Programs		\$8,537,000
Seattle Senior Housing Program Projects		
Bitter Lake Manor	Repair Parking lot.	\$23,000
Blakeley Manor	Upgrade elevator.	350,000
Carroll Terrace	Install key card access system at doors	120,000
Daybreak	Replace exterior siding on the chimney and damaged external trim; replace failed windows; repair rear yard fencing on three sides; paint interior rooms; replace interior flooring on all floors except kitchen areas; and replace hot water heater.	64,000
Fort Lawton Place	Install key card access system at doors.	120,000
Fremont Place	Install key card access system at doors; repair decks; and exterior siding.	180,000
Island View	Install key card access system at doors; and repair exhaust system in elevator machine room.	134,000
Michaelson Manor	Install key card access system at doors.	120,000
Olmsted Manor	Install key card access system at doors.	120,000
Phinney Terrace	Upgrade elevator and install key card access system at doors.	470,000
Pleasant Valley Plaza	Install key card access system at doors.	120,000
Primeau Place	Upgrade elevator and replace fence with chain-link.	356,000
Ravenna School Apartments	Repair decks.	30,000
Schwabacher House	Upgrade elevator and install key card access system at doors.	470,000
Sunrise Manor	Upgrade elevator.	350,000
Wildwood Glen	Install key card access system at doors.	120,000
Allowance	Perform targeted exterior upgrade repairs.	200,000
MMRR Allowance	Perform minor maintenance repair and replacements.	120,000
Seattle Senior Housing Program Projects		\$3,467,000
Central Services Operating Cost Allocation		\$100,000
Total 2018 MTW Block Grant Budget for SSHP		\$3,567,000

**Other MTW Funded
Capital Projects**

Information Technology Capital Projects for 2018 include deployment of a contract management system to streamline the procurement process; document imaging, and business intelligence; moving Yardi Property Management software and data into the cloud then upgrading to the latest application version; deployment of budgeting software agency-wide to both streamline the annual budgeting process; intranet redesign to ensure staff has access to up-to-date information; and updates to security software, hardware, and training.

\$814,000

Total 2018 MTW Capital Budget \$12,918,000

[Table 7: MTW Capital Expenses](#)

SHA 2018 Capital Projects – Other Funds and Redevelopment Activities

Special Portfolio and Other Projects

Alder Crest Apartments	Fix gate at rear of parking lot.	\$30,000
Bayview Tower	Upgrade elevators.	550,000
Desdemona (NewHolly III)	Repair and replace heating system; targeted exterior repairs to include doors; building envelope; roofs and trim trees; interior unit upgrades to include appliances; cabinets; and flooring.	835,000
Escallonia LP	Replace key card access security system; replace flooring; repair sidewalks; replace appliances; and hot water tanks; repair gutters and downspouts on 2nd and 3rd floors.	119,000
Fir Street Townhomes	Replace two-piece bathtubs with one-piece surround in all seven units.	6,000
Greenwood Apartments	Paint exterior siding and repair parking lot.	25,000
Main Street Apartments	Replace windows on West and North end and install fans to improve ventilation in laundry room.	19,000
Main Street Place	Improve exterior maintenance and replace North end windows.	40,000
Market Terrace	Replace floor at unit turnover in up to 8 units; replace bath fans with 24/7 fans; and replace community room floors.	53,000
Montridge Arms	Repave back parking lot; move and upgrade current mailboxes to improve security; replace main lobby floor; and replace wood siding between concrete with fiber cement siding.	61,000
Norman Street Townhomes	Paint exterior.	30,000
Othello (NewHolly II)	Repair and replace hydronic heating system; targeted repairs and replacements of roofs; repair parking lot and walkway; repair or replace exterior doors trim trees; replace appliances; and interior flooring.	1,031,000
Stone Avenue Townhomes	Trim large trees around property and install 24/7 fans in all units.	5,000
Villa Park	Improve parking area lighting.	5,000
Wedgewood Estates	Replace roofs; install exterior and interior lighting; upgrade electrical; repair exterior walkways and parking lot; upgrade interiors to include appliances; flooring; windows; kitchen cabinets; and bathrooms.	3,010,000
Westwood Heights East	Replace cabinets; appliances; floor coverings; and upgrade lighting in four units; upgrade exterior lighting and garage area lighting; paint interior hallways in buildings A and B; paint common areas; and add new property signage.	88,000
Yesler Court	Repair ceiling in garage from vehicle damage from entry and exit.	5,000

Other	Projects not yet identified for the remainder of the Pooled Refinance funds.	3,076,000
Special Portfolio and Other Projects Subtotal		\$8,988,000

CY 2018 Facilities Projects

Campus of Learners	Replace playground equipment; replace commercial grade ovens; install wall and doors.	\$71,000
Center Park Community Building	Replace windows with double pane; replace five boilers; install heating ventilation air conditioning system; and install or improve exterior lighting and cameras.	150,000
Facility Projects Subtotal		\$221,000

CY 2018 Limited Partnership and HOPE VI Capital Projects

NewHolly (Phase I)	Replace fence; replace cabinets, plumbing fixtures, heating units, appliances, flooring and repaint in twelve units; repair or replace playground equipment; demolish and reframe unit; trim trees; repair walkways; repair parking lots; and repair exterior structure.	\$479,000
Ritz Apartments LP	Replace cabinetry and carpet in five units; coat roof; and replace hot water tank.	32,000
High Point North LP	Replace flooring; replace carpet on upper floor; replace appliances; and repair sidewalks.	110,000
High Point South LP	Replace flooring and appliances.	70,000
LIPH LP (homeWorks I)	Upgrade elevator #1 at Capitol Park; replace roof at Ballard House; replace windowsills in common area with solid surface material at Capitol Park; replace all hallway lighting at Lictonwood; and upgrade security systems at seven buildings.	765,000
LIPH LP (homeWorks II)	Replace elevator lift gear at Center Park; install shower and surrounds at Cal-Mor Circle; repair exposed rebar at patios and exterior walls at Center Park; repair parking lots; seal exterior brick; upgrade security systems at seven buildings; and upgrade parking garage lighting to LED bulbs at Center Park.	660,000
LIPH LP (homeWorks III)	Replace roof at Jackson Park House; install second door and key card access system to alley entrance at Ross Manor; upgrade security at seven buildings; replace emergency lighting fixtures at West Town View; and install security camera at Ross Manor.	343,000
Total CY 2018 LP and HOPE VI Capital Projects Subtotal		\$2,459,000

Total CY 2018 Other Funds Capital Budget **\$11,668,000**

CY 2018 Redevelopment Projects

Red Cedar	Second year of construction to build a 119-unit development at Yesler Terrace.	\$48,448,000
NewHolly (Phase I)	Third and final year of exterior rehabilitation project: replace roofs, gutters; and windows.	12,860,000
West Seattle Affordable Housing LP	First year of construction and redevelopment at the three communities, new building envelopes at Wisteria and Roxhill and all three properties will receive full unit upgrades in most units.	10,000,000

King County Records Bldg.	Acquire site and prepare for non-profit low-income housing developer.	7,100,000
Yesler Terrace – Apartment Bldg.	Predevelopment activities: architectural, engineering, feasibility and environmental studies	2,000,000
Lam Bow Predevelopment	Predevelopment activities include architectural, engineering, and permitting.	1,500,000
Scattered Sites	Third year of rehabilitation and repositioning projects focusing on single-family homes and increasing the number of four and five bedroom units.	1,784,000
High Point Management Tenant Improvements at Upton Flats	Building out tenant improvements for the High Point Management Office.	1,716,000
Infrastructure at Yesler	Improve pedestrian safety and school walking route and improvement pedestrian walkway connecting amenities.	875,000
Total CY 2018 Redevelopment Capital Expenses		\$86,283,000
Total CY 2018 Non-MTW Capital Budget		\$97,951,000
Total Overall CY 2018 Capital Expenditures		\$110,869,000

Table 8: Non-MTW Capital Expenses