

CY 2019 Proposed Budget



YESLER TERRACE PARK





SEATTLE HOUSING AUTHORITY

2019 PROPOSED BUDGET

Presented to
SEATTLE HOUSING AUTHORITY BOARD OF COMMISSIONERS

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September 18, 2018

SHA Board of Commissioners
2019 Proposed Budget

Dear Commissioners:

I am pleased to present to you the Seattle Housing Authority's (SHA) 2019 Proposed Budget. The 2019 Proposed Budget maintains service improvements and program initiatives undertaken in the 2018 Budget, and will enhance services, and make investments for the future. The budget anticipates a significant increase in revenues for 2019 based on the Bipartisan Budget Act of 2018, which increased budget ceilings for both 2018 and 2019. However, the budget is decidedly uncertain past 2019, so much of the additional 2019 revenue is focused on investments in our capital program and projects that require one-time or short-term investments. Our overall approach is to position the Agency to be able to best sustain our investments and service levels in an uncertain future.

Overview – Key Budget Numbers

The Total Expense budget proposed for 2019 equals **\$292.5 million**, compared to \$304.7 million in 2018. While the 2019 Proposed Budget is **4.0 percent, \$12.2 million, less than 2018 Adopted Budget**, this is solely because of timing of Redevelopment spending due to completion of projects and start-up of new redevelopment activities. The Redevelopment Budget drops from \$86.3 million in 2018 to \$33.4 million in 2019. SHA's principal funding source - the Moving to Work (MTW) Block Grant - is forecasted to increase by \$40 million over SHA's 2018 budget and will support increases in a number of areas of the budget. The proposed 2019 budget consists of two major parts—Operations and Capital—as follows:

\$ 208.4 M for Housing Programs, Services, and Rental Assistance—+7.5 percent over 2018:

Program operations and services are proposed to increase by 10.4 percent in 2019; rental assistance payments will increase by 5.5 percent; and grant-funded services are slightly below 2018.

\$ 84.1 M for Capital Preservation and Redevelopment— (24.2) percent below 2018:

While Redevelopment is 61.3 percent lower in 2019 than 2018, this funding is planned and reflects the net of projects completed and those beginning.

SHA's ongoing Capital and Non-Routine Expenses are increasing in 2019 by 7.3%, or \$26.4 million, including a 50 percent increase in the Public Housing Capital Grant, adding more than \$5.0 million to project funds.

And, for 2019 we have included a new category in the Capital Program of ***Opportunity Investments*** in the amount of \$24.4 million. Taken together, the non-redevelopment capital is proposed to double from 2018 to 2019.

If approved, the proposed SHA staff capacity, including capital and grant-funded positions, will total **594.2** full-time equivalents (FTEs) in 2019, **an increase of 31.6** FTEs compared to **562.5** FTEs in the 2018 Budget. Of the 31.6 new FTEs, 14.7 are ongoing positions and 16.9 are term-limited project positions with a duration of one to three years.

2019 Budget Context, Outlook, and Strategy

2019 Federal Budget: We are in a better position this year than we have been in the last several to forecast both our current year federal funds and HUD allocations for CY 2019. Three things account for this:

- (1) Congress passed and the President signed the Bipartisan Budget Act of 2018 in early February 2018 setting new higher Budget spending ceilings for both 2018 and 2019, including a 12% increase in Non-defense Discretionary Budget spending capacity for each year;
- (2) Congress enacted and the President signed the Consolidated Appropriation Act, 2018 in late March, fully activating the new higher spending ceilings in the 2018 Budget for both Non-Defense and Defense Discretionary programs; and,
- (3) Both the House and the Senate Appropriations Committees have adopted FY 2019 Appropriations bills for the Transportation and Housing and Urban Development Departments (THUD) reflecting the higher spending ceilings. The Senate and House Conference Committee is meeting as I write this letter, and we are cautiously optimistic that there might be a final HUD Budget appropriated before the start of the new fiscal year on October 1st.

Since we have a great deal more information on which to base our federal revenue projections, we have a higher level of confidence than we have had in many previous years in our forecast for 2019. This added level of confidence is important as the forecast of our 2019 MTW Block Grant funds is 26 percent higher than in our Adopted Budget for 2018. The higher 2019 spending ceilings are one major reason for this increase. The other is that HUD has recognized the high-priced housing market in Seattle and has increased SHA's per voucher funding in partial recognition of the 23% market rent increases in HUD's revised 2018 Fair Market Rents (FMR).

The next Congress will likely face another fiscal cliff in spending ceilings as the 2018-2019 spending ceiling adjustments are scheduled to revert in 2020 to the lower levels of the ongoing ten year spending plan. So we are looking at future federal budgets as uncertain, which means we need to be cautious in decisions we make today.

Economic Outlook: The regional and State economies continue to perform well and generally with low unemployment, continued job growth, increased personal income, and modest inflation. Local and state economists expect these conditions to prevail through 2019 and perhaps 2020. Given the prolonged period of economic expansion, many economists think a swing of the pendulum is overdue and expect the expansion to slow considerably, with some predicting recession as early as 2020. The effects of new tariffs on international trade is a major concern; the uncertainty of changes in long standing trade relations adds to unpredictability; and the continuing prospects of growing federal deficits as a result of corporate tax reform, increased federal spending, and the absence of reforms to entitlement programs combine as a prescription for recession. Time will tell, but for the near term there is a reasonable consensus among forecasters that the worst we will see in the next one-two years is a slowdown in selected sectors of the economy.

Strategic Approach to SHA's 2019 Budget: In preparing the annual budget we try to err on the side of being conservative, but moderately so. We have a large, ongoing set of obligations for our basic mission of providing housing to low-income people, and those obligations vary only at the margins from year to year. Accordingly, there are two important principles embedded in our approach: continuity and predictability. Continuity and predictability of service are important to our tenants, as well as to our employees. Moreover, reliability for our partners is a central mutual tenet. These principles mean massive or sudden major adverse changes in our service budget are best avoided. Consequently, we are continually balancing our immediate needs on behalf of those we serve, while working to protect against adverse shifts in the future. These thoughts are embedded in our strategic approach to the budget.

To help us guard against an adverse change in federal fiscal policy, we are relying on three intentional actions that will give us future flexibility should federal funding in 2020 or 2021 be reduced:

- (1) We are deploying a significant share of new funds in 2019 for one-time expenditures; this leads to more funds used for capital investments that are by nature one-time expenditures;
- (2) We are looking to undertake new initiatives with project positions wherever appropriate. These positions have a fixed duration of one to three years. In the 2019 budget 16.9 FTEs of the total 31.6 FTEs are project positions with 14.9 having a duration of two years or less; and,
- (3) We are investing in actions where one-time spending now will lead to lower ongoing future costs. The two-year fleet replacement project is an example of this.

SHA has also undertaken Lean training and application in several departments to focus on changes in work processes that reduce unnecessary steps and make our processes more effective and efficient. In the long term, we expect this type of activity to grow and both improve our services and conserve resources.

Focus on Initiatives in Resident Services

The proposed budget has a host of exciting initiatives that will advance SHA's 2016-2020 Strategic Plan Directions to ***Expand Housing Opportunities and Serve More Low Income People, Promote Quality Housing, and Improve Quality of Life for Those We Serve***. In this transmittal letter, I'd like to introduce several Resident Service Initiatives and invite you to read more in the Budget Book.

Housing and Health

In 2015 SHA took initial steps to pilot a strategy for how the agency can leverage its platform as a housing organization to improve the health and stability of its senior and disabled population. SHA's "Aging in Place" Initiative focused on working with partners to improve access to services and supports for maintaining healthy, fulfilling, and independent living. SHA currently partners with direct service providers and pays over \$1 million annually for its Health/Aging in Place contracts.

SHA is now developing an overarching long-term vision for health for all portfolios, including seniors, adults, families, and children throughout all of our communities. At the same time, we are actively involved in identifying strategies to leverage new Medicaid innovation funds (up to \$253 million for King County). Funding streams and projects will be fully identified by the end of 2018. Eligible projects include crisis intervention and supportive services for high needs residents, supportive employment for senior and disabled populations, and interventions for chronic diseases focused mostly on families and children.

In 2019, SHA's Health Initiative will continue to help the agency support resident access to these new as well as existing health opportunities and to better align and coordinate current services. SHA has developed a broad action plan for SHA's health and housing work that capitalizes on partnerships to improve the health and well-being of those the agency serves – this includes individuals living in SHA buildings as well as those who receive HCV subsidies. This plan will continue to inform the future allocation of resources, policy/program design, and service delivery coordination with partners. The two main resident populations targeted in 2019 to benefit from the health reforms are: Seniors/People with disabilities and Families with children.

The Health Initiative will continue to move forward with the vision of supporting SHA residents to have increased access to appropriate medical, dental, and behavioral health services to help individuals live healthy lives, build stable/thriving communities, and capitalize on opportunities for educational and economic advancement.

Housing Stability

SHA works with residents at all stages of their tenancy to ensure that they have the opportunity to live safely and securely in SHA housing. Over the years, the agency has successfully partnered with local service agencies to provide residents a range of supportive services, such as case management, counseling, and other services (including mental/behavioral health) that will assist them in maintaining stable housing and avoiding behaviors that could lead to eviction.

In 2019, SHA will expand services that promote housing stability and strengthen SHA's eviction prevention efforts so that services reach more people throughout their tenancy. SHA and service providers will work with households to prepare them to move into stable housing and maintain that housing in a manner that promotes the family's self-sufficiency.

In addition, SHA intends to train staff who have regular, direct contact with residents to recognize when a person might be in crisis or in need of support and service. Staff will also be equipped with more knowledge of housing stability resources available in the community. The agency expects to work with some existing SHA service providers to broaden their services with expert behavioral consultants/trainers that can provide valuable assistance to SHA staff and providers. We will also work with partners to take advantage of funds available under the Medicaid transformation in developing health-related, SHA-provided services to augment eviction prevention and housing stability needs.

JobLink

2019 will be the second full year of operation for JobLink 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. Close to half of JobLink enrollees in the first half of 2018 were already employed and looking for advancement; JobLink offers coaching or training for economic advancement for these enrollees. JobLink has modified and expanded the Family Self-Sufficiency incentives program to add financial incentives for post-secondary education quarters attended and for job retention that complements the updated asset building savings plan.

JobLink has had success in improving participation and results. In the first half of 2018, enrollment stood at 380, up from 357 for all of 2017, and JobLink completed 86 job placements in six months vs. 107 for all of 2017. To enroll, JobLink requires all participants to attend an orientation and to sign a one-year contract to work toward goals set with the assistance of a career coach who stays with clients throughout their participation the program.

In 2019, JobLink will work to serve more residents and develop more strategic internal and external partnerships. JobLink estimates it will serve 700-1,000 SHA residents and voucher participants in its second year. Ongoing new recruitment efforts include weekly orientations at four locations (including evening and weekend sessions), 400-500 letters per month, follow-up calls, door knocking, and career expo events. JobLink will work to refine their model with staff training, adjust job placement to match client reality and labor market opportunities, and better tailor services to meet diverse needs, including English as a second language.

Communications with Residents

Until mid-2018, SHA contracted with an outside non-profit to produce and distribute *The Voice*, a newspaper for residents in SHA housing. Unfortunately, the non-profit discontinued this service and a suitable cost-effective alternative could not be found. As a result, the Communications division will bring production of *The Voice* in-house and transition it to an electronic newsletter, which will enable more efficient production; more timely communication with residents; better accessibility via any computer, phone, or other mobile device; and the ability for residents to easily link to more timely and in-depth information and resources. In addition, the current e-newsletter for voucher participants, *Pathways*, will be combined with the new *The Voice*.

The department has added a new position—Communications Specialist—to work with staff, partners, residents, and others to produce content and send *The Voice* regularly as an e-news publication. We will also solicit feedback from partners and residents on the effectiveness of the new e-publication. In addition, the specialist will assist in efforts to meet SHA's growing need for communications support for resident services and engagement, especially in programs such as JobLink, the education partnership with Seattle Public Schools, and health-related work. The specialist will also support new methods of resident communications such as messaging via monitors in common areas at properties.

A 2018 tenant communications survey of residents, HCV tenants, partner housing and service providers, and general members of the community will inform this effort in 2019.

Several operating departments whose work affects residents living in SHA properties are sharpening their focus on communications with residents; a prime example is Asset Management's commitment, working with Property Management staff, to keep residents better informed of schedules for capital project work and to provide consistent and frequent communications whenever a building elevator is down. Housing Operations also intends to use their high performer Assistant Property Managers with exceptional customer service practices to be peer trainers with other property staff to share their tips on ensuring communications are consistently welcoming, respectful, and helpful to tenants.

Wi-Fi Access and Training on Use of the Internet

SHA's 2019 digital communication efforts will be complemented with greater internet access infrastructure at SHA communities. While this work is still in the planning stages, the intent is to introduce common area Wi-Fi in community rooms and lobbies in Low Income Public Housing high-rises and Seattle Senior Housing Program buildings. The agency hopes to be able to start one to three pilots before the end of the 2018, select an approach in early 2019, and set out a schedule for implementation. This aspect of the initiative is the responsibility of the Information Technology (IT) staff, and they are excited to have an opportunity to provide a direct benefit to residents.

The Community Services staff will complement IT's work by organizing digital access training for residents unfamiliar with basic computer and internet usage. The staff has been in touch with the City's Digital Equity Initiative and local community sources to identify available training resources and advice on access to

computers and training sites. The access training may include how to connect to the internet; how to get a free e-mail account and use e-mail; password safety and other security best practices; setting up online banking; joining MyChart with their primary care provider for making medical appointments and communicating with their doctor; and the ABC's of computer use that residents seek to learn.

Environmental Stewardship

SHA recently completed a pilot project around behavior interventions for water conservation. The findings of this pilot reinforced current research on this topic, namely that reductions in water consumption relied heavily on consistent engagement with the tenants, including door-to-door outreach, informational brochures, and upgraded water fixtures. SHA's model for tenant engagement, based on this research, was effective in reducing water and sewer costs by more than 20 percent. In 2019, SHA will expand this program to improve communications and tenant engagement for water conservation to High Point, NewHolly, Rainier Vista, Lake City Court, and Yesler communities.

Conclusion

In the 2019 Budget, we have proposed investments that we expect to be impactful and that are consistent with advancing our 2016–2020 Strategic Plan objectives. While we continue to live in uncertain and tumultuous times, we are guided in our actions by SHA's mission and values:

Mission — 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.

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.

In these times, it is more important than ever for us to elaborate on what these commitments mean. Specifically, we affirm that “respect” means that we welcome all people and treat all people as equally deserving of opportunities to live and grow in our communities and to enjoy the freedoms and democratic principles of the U.S. Constitution. We do not tolerate discrimination based on race, age, national origin, ethnicity, sexual orientation, gender identification, or religion. The creation of our annual budget is an opportunity to ensure we are acting on these values that are fundamental to the mission of the Seattle Housing Authority.

I am honored to work with a committed Board of Commissioners and lead our great staff in serving people with low incomes and our community. I look forward to our upcoming discussions of the 2019 Proposed Budget. Thank you for your thoughtful consideration.

Sincerely,



Andrew J. Lofton
Executive Director
Seattle Housing Authority

cc: Cabinet Members

SEATTLE HOUSING AUTHORITY
2019 PROPOSED BUDGET

September 17, 2018

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SEATTLE HOUSING AUTHORITY CY 2019 PROPOSED BUDGET

INTRODUCTION

The CY 2019 Proposed Budget covers all of Seattle Housing Authority's operating and capital budget sources and uses, including federal as well as local housing programs and enterprise activities for Calendar Year 2019. The Budget was prepared under the provisions and authorizations contained in the Authority's contractual agreement with the U.S. Department of Housing and Urban Development (HUD) and the Moving to Work (MTW) Program, which has been extended through 2028. The MTW program provides two critical sources of flexibility:

- MTW provides a process to waive many federal regulations and thus enables the agency to undertake experiments and innovations that would not otherwise be available, in furtherance of the three MTW statutory objectives – to streamline operations for efficiency and cost effectiveness; to enhance housing choice; and to promote self-sufficiency.
- It allows the Housing Authority to treat federal resources under Sections 8 and 9 of the 1937 Housing Act – the public housing operating subsidy and capital grant, and housing choice vouchers – as a single fund -- the MTW Block Grant -- with flexibility to use funds across federal and local housing programs serving low-income people.

The Housing Authority must use both of these tools to maximum strategic advantage to realize the purposes and the promise of the MTW demonstration and most effectively serve low-income people in the Seattle community.

OVERVIEW OF THE 2019 SHA PROPOSED BUDGET

The 2019 SHA Proposed Budget recommends total expenditures of \$292.5 million, with the Operating Budget at \$95.7 million; the Housing Assistance Payments (HAPs) at \$109.8 million; grants at \$2.9 million; the Capital Budget at \$26.4 million; Opportunity Investments (new in 2019) of \$24.4 million and the Redevelopment Budget at \$33.3 million. The total 2019 Proposed Budget of \$292.5 million is less than the total 2018 Adopted Budget by \$12.2 million or (4.0) percent.

The total **operating side** of the 2019 SHA proposed budget – operations, HAPs, and grant support – is **\$208.4 million**, represents **71 percent of the total proposed budget**, and reflects an **increase of 7.5 percent over the 2018** adopted operating budget. Program Operations and Administrative Expenses show the largest percentage increase at 10.4 percent or \$9.0 million.

The total **capital side** of the proposed budget—capital preservation, non-routine, opportunity investments, and redevelopment expenditures—is **\$84.1 million**, represents **29 percent of the total proposed budget**, and reflects a **decrease of 24.1 percent over the 2018** adopted capital budgets. Capital preservation and non-routine budgets increased due to expectations that the HUD grant will be larger than prior years. This increase offsets the pooled refinancing restatement from 2018. A pooled refinance for Othello, Desdemona, Escallonia and Wedgewood Estates will finance \$6.3 million in projects for those properties.

Opportunity Investments are new in 2019 and represent \$24.4 million in projects. The investments fully fund Lam Bow Apartments’ financing gap; initiate a two-year fleet replacement program; infuse homeWorks I, II and III with needed capital for interior and exterior repairs and safety improvements; buy-up units to create more larger bedroom units; start an endowment drive for Yesler Terrace’s community services; provide planning funds for potential redevelopment sites currently under consideration; ‘right-sizing’ of two- to three-bedroom units to house larger families instead of smaller households sizes; incentivize landlords to join or expand participation in the Housing Choice Voucher program; and maintain a fund for future development leverage from 2019 net income as projects in planning and predevelopment advance to active candidates for funding. For more information on each of these investments, please see the Capital Improvement Program section.

Redevelopment budgets decrease \$52.9 million or (61.3) percent. Construction at Yesler Terrace (YT) decreases as Red Cedar is finished in the first quarter of 2019; Hinoki’s construction will not start until mid-2019. YT infrastructure increases only \$1.1 million with planning and construction to start in late 2019 or early 2020. The NewHolly Rehabilitation project will be completed in 2018, representing a spending decrease of \$14.6 million, while West Seattle Affordable Housing LLLP spending increases \$2.5 million in 2019.

	CY 2018 Budget	CY 2019 Proposed Budget	Percent Change
Program Operations and Administrative Expenses	\$86,640,000	\$95,655,000	10.4%
Housing Assistance Payments (HAPS)	104,120,000	109,795,000	5.5%
Grant-Funded Expenses	3,063,000	2,930,000	(4.3%)
Capital & Non-Routine Expenses	24,590,000	26,380,000	7.3%
Opportunity Investments		24,380,000	
Redevelopment	86,280,000	33,350,000	(61.3%)
Total Expenses	\$304,693,000	\$292,490,000	(4.0%)

Table 1: Overview of 2019 SHA Budget

If approved, the proposed SHA staff capacity, including new grant-funded positions, will increase by 31.6 FTEs compared to 2018, with SHA’s full-time equivalent (FTE¹) level in 2019 at **594.2** compared to **562.6** in the 2018 Budget. Please see the Department Budget section of this document for a more detailed comparison of FTE changes.

Program Element	FTEs CY 2018	Proposed FTEs CY 2019	Change 2018 to 2019
Housing Operations	346.4	364.7	18.3
Housing Finance and Asset Management	31.9	37.3	5.4
Housing Choice Voucher Program	66.8	67.5	0.7
Administrative Departments ²	117.5	124.7	7.2
Total	562.6	594.2	31.6

Table 2: Overview of 2019 SHA FTEs

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 residents and participants. SHA expects to advance these priorities in 2019 as highlighted below.

- Addition of new affordable units with lease-up of 119 units at Red Cedar; closing of mixed financing for Hinoki (130 units completed in 2021); and planning for the sixth YT building.
- Receipt of 79 additional Mainstream vouchers, 15 additional Veterans Assistance Supportive Housing (VASH) vouchers, and up to 100 additional Family Unification Vouchers (FUP).
- Update SHA’s housing mix to provide more units for families:
 - ✓ Initiate a robust right-sizing program in the Scattered Sites (SS) and HOPE VI Portfolios.
 - ✓ Continue conversion of extra space in SS Portfolio units into additional bedrooms making more large-family units. Six units or 13 bedrooms will be converted in 2019.
- Seed an endowment fund for services at Yesler Terrace and begin planning for fundraising.
- Move forward with the Health Initiative, a long-term vision for health that will help the agency support resident access to new and existing health services.
- Expand services that strengthen SHA’s eviction prevention efforts in order to improve the quality of life of the individuals in need and to promote community harmony.
- Enhance employment opportunities and increase wage earnings potentials for residents via job placement and coaching/training.
- Work with residents throughout Yesler, the Parks Department, SHA’s private development partners, and community organizations to ensure a highly successful inaugural year for Yesler Terrace Park.
- Implement a pilot program to introduce Wi-Fi in community rooms.

¹ 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.

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

Sources of Funds

The chart below provides a breakdown of SHA's main funding sources. The HUD MTW Block Grant continues to be the largest single source of SHA funds; these sources total \$196.3 million or 44.4 percent of total sources while Non-MTW operating subsidy and service grants equals \$15.5 million or 3.5 percent of total sources. Non-MTW capital and redevelopment sources total \$176.7 million, 39.9 percent of total sources; mixed financing for development projects is the largest share of these funds. Rental Income at \$34.2 million generates 7.7 percent of sources while all other income for 2019 is \$19.8 million or 4.5 percent. Compared to the total uses that appear in the section that follows, sources exceed uses by \$150.1 million which will be used mainly for budgeted mixed finance redevelopment costs.

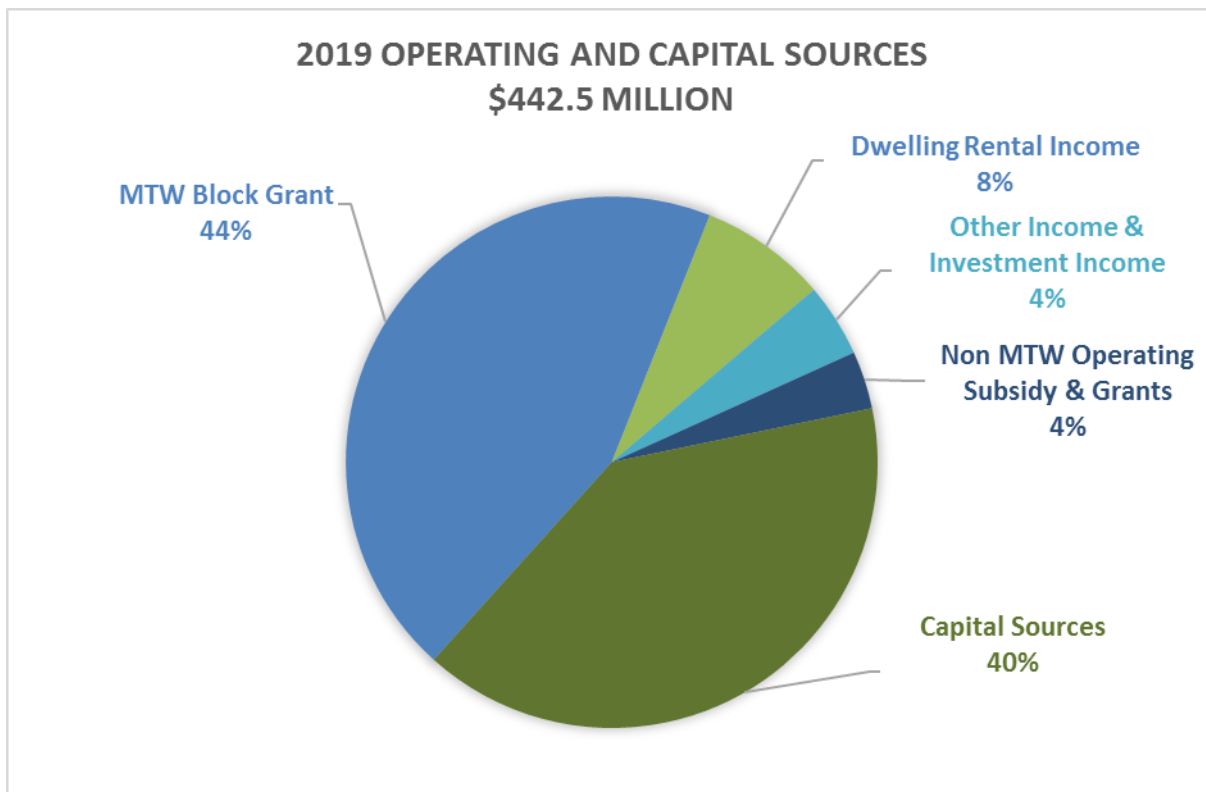


Figure 1: 2019 Operating and Capital Sources

Uses of Funds

The chart below displays a breakdown of SHA uses of funds. Housing Choice Vouchers and other Section 8 program payments have a budget of \$109.8 million and represent 38 percent of total uses. When combined, capital and redevelopment projects as well as opportunity investments total \$84.1 million or 29 percent. Low Income Public Housing, the Seattle Senior Housing Program, Local Housing, and other operating and service grant programs make up the remaining \$98.6 million or 34 percent in CY 2019.

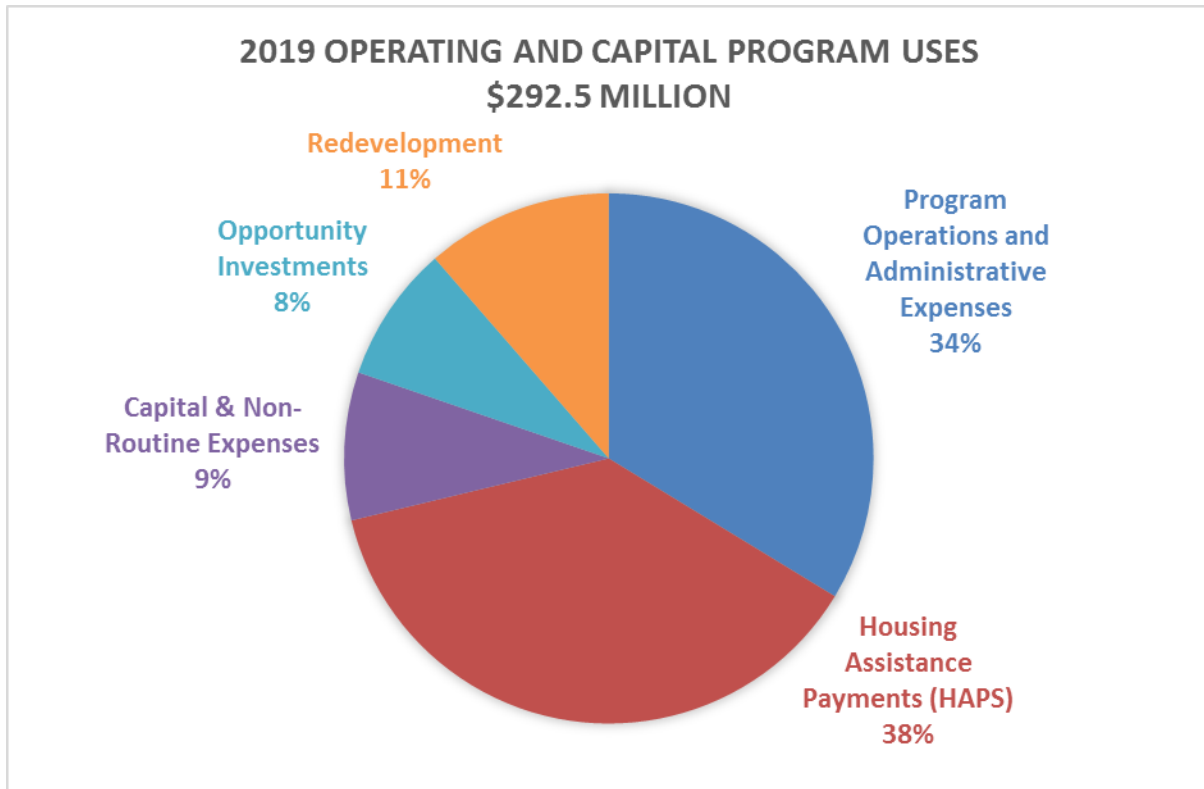


Figure 2: 2019 Operating and Capital Program Uses

HOW THE BUDGET IS PREPARED

Development of the budget begins each year in early spring with the preparation of forecasts for revenues and expenses based on projections of federal funding actions; forecasts about the economy; and estimates of cost changes for major expense items. The 2018 federal budget deal considerably increases federal spending limits for 2018 and 2019. As a result, SHA has a two-year windfall of funds with which the agency plans to make new, short-term investments which serve the goals of the Strategic Plan.

At its annual Budget Retreat held in March, the Executive Director and Cabinet review the Budget Office's initial forecast of the coming year's revenues and the cost increases the agency is likely to face. This gives the Cabinet an initial look at how the cost of continuing to perform at current service levels for residents and participants compares to estimated revenues.

A continual review of the forecast of federal revenues occurs throughout the budget process, but this year no new information that would significantly alter the forecast—either on the revenue or on the expense side—occurred to change the basis for balancing the 2019 Proposed Budget. Accordingly, the Budget Office based department budget targets on status quo budgets with supplemental budget requests for proposed new activities or extension/expansion of existing programs. In addition, due to the aforementioned increase in funding over a two-year period, departments were asked to submit proposals for short-term investments to push forward SHA's strategic goals. More information on these "opportunity" investments, as mentioned in the Overview, can be found in the Capital Improvement Program section.

The Budget Office establishes the overall criteria in selecting supplemental budget requests. Proposals addressing one or more element of the following criteria received the strongest consideration:

- The proposal significantly furthers a strategic direction or organizational cornerstone from the Strategic Plan;
- The proposal demonstrates strong promise for serving more people.
- The proposal calls for a one-time investment in a good, service, or product, which does not involve any added ongoing FTEs and is not subject to renewal.
- The proposal calls for a temporary investment—over a maximum of two years and requiring no ongoing FTEs—to complete projects with clearly delineated objectives, including but not limited to eliminating a backlog, dealing with peak workload, or other defined activity.
- The proposal includes an implementation timeline and milestones, clear measureable outcomes expected, and evaluation criteria.
- The proposal is part of planning and implementing strategic policy initiatives.
- The proposal responds to a new regulatory or legal requirement or is otherwise agreed to be mandatory;
- The proposal addresses a critical and urgent safety, security, welfare, and/or liability consideration;
- The proposal has commitments or strong prospects for leveraging grant or foundation matching sources, other government funding, or partner involvement;
- The proposal represents an innovative bold leap to further a long term goal of SHA, especially where the investment is one-time and/or contingent on private matching funds.

- The proposed investment now will create efficiencies in operations and save costs and/or improve service in the future; and
- The proposal addresses severe backlog or customer service issues due to workload spikes.

Each year in the spring, the Budget Office creates an online survey for tenants, voucher holders, people on SHA waitlists, SHA employees, and the general public to gauge their thoughts on budget priorities for the coming year. The Budget Office and Cabinet include the results of this survey in their consideration of supplemental requests from each department.

In 2019, 29 percent of the survey participants were either SHA residents or housing choice voucher holders. Twenty-two percent were SHA employees, and due to the survey being picked up by community blogs, 49 percent of survey responses were from the general public. When asked to select their top three key objectives from among the nine which underpin SHA's Strategic Directions, "Create more affordable housing" was the top priority among vouchers holders, SHA employees, and the general public. "Preserve and promote high quality housing" was the top priority among current SHA residents and the second highest priority for SHA employee. "Enhance senior and disabled living" was the second highest for current SHA residents and the general public. Voucher holders' second highest priority was "Support youth achievement."

SHA published the Moving to Work (MTW) Proposed Annual Plan for 2019 and the CY 2019 SHA Proposed Budget Summary on August 31, 2018 and posted them on www.seattlehousing.org for public review and comment. With this 2019 Proposed Budget book, the Executive presents the recommended budget to the Board of Commissioners for their review and action. The annual public hearing will be held on September 24th and written comments accepted through September 30, 2018.

A resolution to adopt the 2019 Budget is presented to the Board of Commissioners at the September 17, 2018 Board meeting. Adoption of the CY 2019 Budget, as proposed or amended, along with the 2019 MTW Annual Plan, occurs at the Board's meeting on October 15, 2018.

NAVIGATING THE BUDGET: WHAT'S IN THIS DOCUMENT?

The budget is presented in the following sections:

Responding to the Strategic Plan

In this section of the Budget Book, SHA presents the strategic directions and organizational cornerstones from the Strategic Plan for 2016 – 2020, which will guide SHA's growth and development in the coming years. In this section are highlights from department work plans relevant to each of the strategic directions. For work plan highlights which pertain to the organizational cornerstones, please see the 2019 Budget Summary.

Department Budgets

This section contains departmental information on proposed CY 2019 expenditures and on changes in staffing levels from CY 2018 to CY 2019. Budgets for each department and major sub-divisions are presented, along with highlights of their 2019 work plans. Departments and groups covered are Executive; the Office of Policy and Strategic Initiatives; Housing Finance and Asset Management; Development; Finance and Administrative Services; Information Technology; Housing Operations; Human Resources; and the Housing Choice Voucher Program. With the exception of the Leschi House limited partnership and homeWorks Phases I, II, and III limited partnerships, the department operating budgets exclude all limited partnership operating revenues and expenses, capital expenses, and unit count information. Preliminary budgets of all limited partnerships are presented in the last section of this Budget Book.

Capital Improvement Program

This section describes SHA's plans for redevelopment, rehabilitation, and asset preservation for SHA's housing portfolios and facilities. Redevelopment and rehabilitation activities continue in the Yesler Terrace neighborhood, West Seattle Affordable Housing LLLP, and Scattered Sites communities while expanding rehabilitation to Lam Bow Apartments. Also included in this section are more details about the Opportunity Investments SHA will make over a two-year period due to increased federal funding.

Grant Programs

SHA has consistently and successfully competed for grant funding from HUD, other public agencies, and private foundations to support resident services and programs. This section summarizes grants that are currently active and presents a table of grant funding expected in CY 2019.

Limited Partnerships

SHA serves in several different legal capacities depending on the housing program, and the budget reflects this complexity. For most housing resources presented in this book, SHA is the owner and manager. In 2019, SHA will serve as the General Partner and Managing Agent for sixteen limited partnerships (LPs) formed to invest in, own, and manage rental housing in mixed-income communities. SHA anticipates High Point North and Ritz Apartments LPs will be dissolved prior to the end of 2018 or early 2019, so they are not included in the limited partnership count. The LPs are formed to take advantage of federal law and IRS regulations allowing private parties to invest in affordable housing through the purchase of low-income housing in exchange for tax benefits. For SHA and other non-profit housing developers, the sale of federal low-income housing tax credits has become a principal source of

funds for redevelopment of low-income housing communities and rehabilitation of existing low-income buildings.

The partnerships have separate budgets that are approved by SHA as the General Partner and presented for final approval to the private investors who are the Limited Partners. The Limited Partnership section of the budget includes preliminary 2019 budgets for each of the sixteen tax credit partnerships that will be operational in 2019. The Hinoki LLLP will close in 2019; this building will be under development in 2019 and as a result does not have an operating budget for 2019. Additional information about Hinoki is in the Capital Improvement Program section. For accounting purposes, these entities are treated as “Component Units”. In total, the 2019 Operating Budget for the limited partnerships is \$27.4 million. Because the component units are separate legal entities, the majority of LP budgets are not included in SHA’s 2019 Proposed Budget figures, but they are presented in the Budget Book for informational purposes. Four limited partnerships are included in SHA’s Operating Budget due to their unique relationship with SHA.

Limited Partnerships in CY 2019

Alder Crest Apartments	Leschi House*
High Point South	NewHolly Phase I
Hoa Mai Gardens	Rainer Vista North East
homeWorks I*	Raven Terrace
homeWorks II*	Red Cedar
homeWorks III*	South Shore Apartments
Kebero Court	Tamarack Place
Lake City Court	West Seattle Affordable Housing LLLP

* Operating Budgets for these partnerships are included in SHA’s Operating Budget due to their unique nature of operations.

RESPONDING IN 2019 TO THE STRATEGIC PLAN

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 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 2019 Proposed Budget responds to the strategic directions and organizational cornerstones found within the Strategic Plan. In the pages that follow, we present highlights from proposed 2019 work plans pertaining to the sub-goals of these directions and cornerstones. In the cases that these highlights duplicate work plan items discussed in the relevant department section, they have been edited for brevity with bookmarks provided for ease of navigation.

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 2019 Action Agenda Items

SHA serves more people by cultivating additional resources and employing strategies that 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 2019 to ***Expand Housing Opportunities***.

- Support the [‘Buy-Up Program’](#) to create up to 20 new units of family housing annually in Seattle.
- Continue substantial [upgrade work](#) on single-family units and conversions to create more large-family units in the Scattered Sites portfolio.
- Initiate new [right-sizing](#) efforts in the Scattered Sites and NewHolly portfolios.
- Close financing for the redevelopment of the [Lam Bow Apartments](#) complex, necessitated by the fire that destroyed one building in 2016.
- Develop [financing plans](#) to fill gaps in redevelopment projects to replace existing units and add new low-income housing units.
- Finalize construction of [Red Cedar](#) affordable apartments (119 units) in the Yesler community.
- Close on mixed-financing for [Hinoki](#), the fifth new replacement housing building.

- Select non-profit partner in 2018 to develop 125 affordable housing units on the former King County [Records site](#).
- Increase the number of authorized [vouchers](#). SHA will have 79 additional Mainstream vouchers, 15 additional Veterans Assistance Supportive Housing (VASH) vouchers, and up to 100 additional Family Unification Vouchers (FUP).
- Increase the overall voucher [utilization](#) rate, including special programs, to 93 percent, serving 371 additional households in 2019 over 2018.
- Increase the number of [landlords participating](#) in the Housing Choice Voucher program.
- Implement the second phase of the [Creating Moves to Opportunity](#) (CMTO) pilot program launched in late 2017.

Promote Quality Communities – Key 2019 Action Agenda Items

SHA invests in safe, quality housing and connects participants to communities, resources, and services designed to meet their needs. Preserving and promoting high quality housing, connecting people to opportunity, and strengthening community and service are the objectives that define our work on this strategic direction. Below are highlights of SHA’s work plans for 2019 to **Promote Quality Communities**.

- Continue design, engineering, and installation of [security and lighting improvements](#) at Low Income Public Housing (LIPH), Seattle Senior Housing Program (SSHP), homeWorks, and Yesler Terrace communities.
- Rehabilitate interiors and exteriors of communities involved in the [West Seattle Affordable Housing LLLP](#).
- Continue development of a Comprehensive Modernization Plan for [Jefferson Terrace](#).
- Move the High Point management office to new space at [Upton Flats](#). Lease adjacent retail space at Upton Flats to a local coffee shop owner.
- Work with residents throughout Yesler, the Parks Department, SHA’s private development partners, and community organizations to ensure a highly successful inaugural year for [Yesler Terrace Park](#).
- Develop [capital-planning data](#) that can project a five-year capital budget for the agency.
- Seed an [endowment fund](#) for services at Yesler Terrace and begin planning for fundraising.

Improve Quality of Life – Key 2019 Action Agenda Items

SHA collaborates 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 2019 to **Improve Quality of Life**.

- Move forward with the [Health Initiative](#), a long-term vision for health to support resident access to new and existing health opportunities and to better align and coordinate current services.
- Leverage SHA resources with direct funding for [health services](#) programming identified as needed within SHA’s portfolios.

- Develop additional program design options in 2019 to analyze the potential impacts of a new subsidy program to [support low-income college students](#) in high-demand academic disciplines.
- Introduce a [Section 3 pilot program](#) to hire residents or voucher holders for 6-month trainee positions that provide opportunities to explore entry-level roles at SHA.
- Create [common area Wi-Fi](#) in community rooms to facilitate resident use of digital resources.
- Continue work to increase [youth engagement](#) in SHA's family communities via the work of a Youth Engagement Specialist, AmeriCorps volunteers, and youth-centered programming.
- Leverage results from the first two school years of the "[Home from School](#)" pilot at Bailey Gatzert Elementary School.
- Expand services that promote [housing stability](#) and strengthen SHA's eviction prevention efforts.
- Continue work to [improve attendance](#) among the SHA students attending Seattle Public Schools.
- Enhance employment [opportunities](#) and increase wage earnings potentials for residents via job placement and coaching/training. Increase college enrollment and incentivize continued attendance of young/other adults seeking educational attainment to increase their earning potential.

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 pursues its strategic directions. SHA's culture is driven by a commitment to excellence that continually strengthens these cornerstones. Proposed actions to strengthen the cornerstones are reflected in the work plans of the lead or involved department and can be found in the Departments section of the Budget Book. The seven organizational cornerstones are listed and defined below.

Engaging Service and Respectful Relationships: 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.

Staff Excellence: SHA is committed to recruiting, retaining, and developing people whose skills and dedication allow them to perform consistently 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.

Partnership and Coordinated Action: 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.

Financial Stability and Operational Efficiency: 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.

Race and Social Justice (RSJ or RSJI): SHA is committed to delivering services in a culturally competent way, free of racism and prejudice; to minimizing the impacts of poverty; and to advancing and supporting social justice. SHA strives to eliminate individual, institutional, and systemic racism in its policies and practices.

Environmental Stewardship: 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.

Innovation: 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 analyses to plan and evaluate its actions.

DEPARTMENT BUDGETS

The table below shows total operating expenditures for departments and housing assistance payments. The CY 2019 operating expenditures (excluding service grants) of \$232.1 million represent an overall increase of 8.0 percent above the 2018 budget. Direct Operating expenses, before backing out internal service fees, increased by 10.3 percent, while Housing Assistance Payments (HAPs) are expected to increase 5.4 percent over the 2018 level. The tables below summarize changes in departmental budgets and staffing levels.

SHA DEPARTMENT BUDGETS COMPARISON OF 2017-2019 OPERATIONS

Departments and/or Divisions Expenditures	CY 2017 Actual (000)	CY 2018 Adopted (000)	CY 2019 Proposed (000)	Change 2018- 2019
Executive	\$3,159	\$3,190	\$3,383	6.1%
Policy and Strategic Initiatives	1,195	1,556	1,695	8.9%
Housing Finance and Asset Management				
Asset Management (AM)	1,251	1,238	1,393	12.5%
AM Commercial Facilities & 190 Queen Anne	2,466	2,533	2,832	11.8%
Development	1,524	1,429	1,510	5.7%
Finance and Administrative	12,506	13,463	14,333	6.5%
Information Technology	3,906	4,265	5,233	22.7%
Housing Operations				
LIPH No. So., Scattered Sites, homeWorks & LIPH Admin	25,426	25,033	27,378	9.4%
Yesler, Baldwin, Ritz, and EOC	1,532	1,446	1,241	(14.2%)
Seattle Senior Housing Program	5,724	6,123	6,285	2.6%
Special Portfolio	5,296	4,214	4,213	(0.0%)
Admissions	901	976	987	1.1%
Community Services	3,860	4,246	4,799	13.0%
JobLink	609	1,947	2,173	11.6%
IPM, NH II&III, RV I, HPN Parks & COL	2,844	5,476	8,423	53.8%
Housing Operations Admin	2,082	1,858	2,472	33.0%
Impact Property Services Facilities	338	314	317	1.0%
Solid Waste and Fleet	3,255	3,436	3,804	10.7%
Impact Property Services	14,464	14,874	16,092	8.2%
Human Resources	2,219	2,607	2,843	9.1%
Housing Choice Vouchers	9,761	10,641	10,920	2.6%
DIRECT OPERATING	\$104,318	\$110,865	\$122,326	10.3%
Plus Housing Assistance Payments	\$97,660	\$104,123	\$109,794	5.4%
Less Internal Agency Fees	(23,564)	(24,235)	(26,670)	10.0%
TOTAL OPERATIONS	\$178,414	\$190,753	\$205,450	7.7%

Table 3: 2019 Department Budgets

The total proposed full-time equivalent staff positions (FTEs) for 2019 is 594.2, a 31.6 FTE increase from the 2018 adopted level. The comparison of FTEs in 2018 and 2019 by Department is presented in the table below. The change in the right hand column represents position additions, reductions, and/or

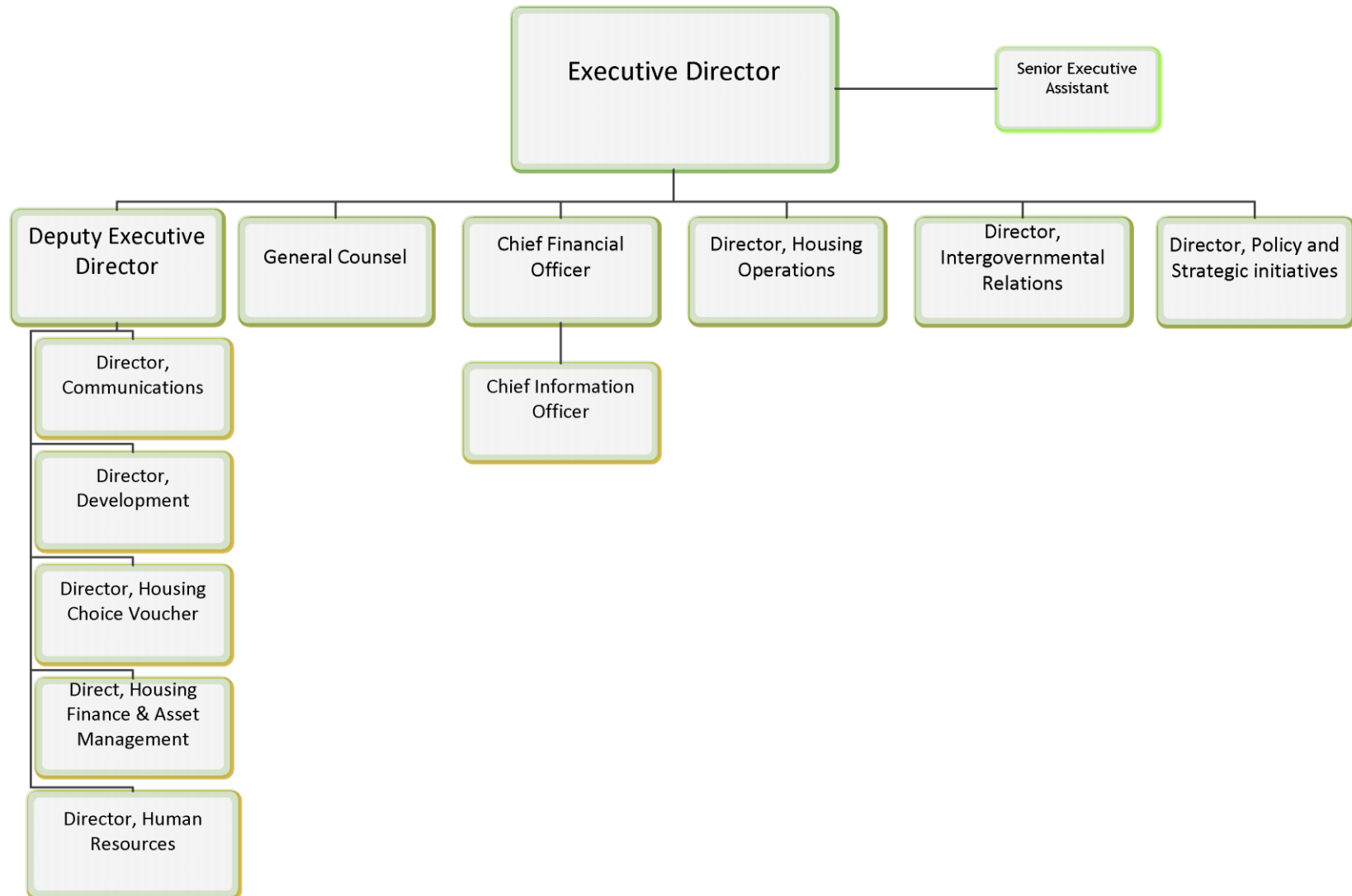
transfers from one Department to another. Please see Department write-ups that follow for more specific information on staffing changes.

Full-time Equivalent Positions	2018 Adopted	2019 Proposed	Change 2018 to 2019
Executive	16.9	17.9	1.0
Policy and Strategic Initiatives	11.5	12.5	1.0
Asset Management	18.4	20.8	2.4
Construction	13.5	16.5	3.0
Development	14.3	13.9	(0.4)
Finance & Administration	43.8	46.4	2.6
Housing Operations	346.4	364.7	18.3
Human Resources	11.0	11.0	0.0
Information Technology	20.0	23.0	3.0
Housing Choice Vouchers	66.8	67.5	0.7
TOTAL	562.6	594.2	31.6

Table 4: 2019 Department FTEs

EXECUTIVE

EXECUTIVE DEPARTMENT



Executive Budget

Executive Department Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Admin Salaries & Temp Help	\$2,311,800	\$2,454,700	\$2,682,800	9.3%
General and Administrative Expense	477,200	451,400	415,900	(7.9%)
Tenant Services	1,500	2,200	2,200	0.0%
Maintenance & Contracts	368,800	281,700	282,200	0.2%
Utilities	-	-	-	
TOTAL OPERATING	\$3,159,300	\$3,190,000	\$3,383,100	6.1%
Less Internal Agency Fees	(190,400)	(132,700)	(152,900)	15.2%
Grants, and Salaries/Benefits for Capital and Limited Partnerships	-	-	-	
TOTAL	\$2,968,900	\$3,057,300	\$3,230,200	5.7%

Table 5: Executive Department Budget and FTEs

Full-time Equivalent Positions	2018 Approved	2019 Proposed
Total FTEs	16.9	17.9

In CY 2019, the proposed operating budget for the Executive Department is \$3.38 million, an increase of 6.1 percent from 2018. Department staffing increased by 1.0 FTE with the addition of a Communications Specialist position.

The bulk of the net increase is in Admin Salaries & Temp Help due to the addition of the Communications Specialist, which is intended to alleviate impacts from the loss of the print production of The Voice, SHA's newsletter for residents. The net reduction in General and Administrative Expenses is due to the aforementioned loss of the print production of The Voice.

Department Purpose and Function

The Executive Department provides overall leadership and direction for Seattle Housing Authority under the guidance of the Board of Commissioners. The office of the Executive Director oversees the operations of the Authority; provides support to the SHA Board of Commissioners; maintains SHA's intergovernmental, community, and business relations; and provides state and national leadership on behalf of low-income housing through advocacy organizations. The department also includes the Deputy Executive Director; the Intergovernmental Relations Director; the Office of the General Counsel—SHA's legal representatives and advisors; the Communications Office which oversees SHA's public affairs, media relations, internal and external communications; and the Office of Policy and Strategic Initiatives whose budget and work plan highlights are shown separately in the department section following this one.

Work Plan Highlights

The Executive Department staff will continue to provide executive leadership to coordinate the work of the agency across departments; provide oversight and direction on strategic policy initiatives; and

advocate for the interests of low-income housing in local, regional, and national forums. The Department provides communications and legal advice and counsel to the Executive and to colleagues in other departments as needed and works closely with the Board of Commissioners to ensure their work represents shared priorities.

Director's Office

- Provide leadership on and strategic guidance for the agency's priorities such as housing stability and mobility, rent policy, economic self-sufficiency, education and health initiatives, and asset repositioning.
- Continue SHA's leadership role with national industry groups including the Council of Large Public Housing Authorities (CLPHA) and the National Association of Housing and Redevelopment Officials (NAHRO). Represent the agency on the NAHRO national housing committee and on CLPHA and NAHRO subject-specific work groups and committees.
- Continue to work with other MTW agencies nationwide to preserve the authority and flexibility of the MTW demonstration as reflected in SHA's renewed 2028 contracts with HUD. Demonstrate to HUD and Congress the effectiveness of MTW agencies in meeting statutory objectives and serving more low-income people.
- Within the framework of the Board's policy guidance, provide overall direction and leadership to the agency to ensure accomplishment of strategic goals to serve low-income people. Ensure that commitments to advance the Strategic Plan are regularly monitored and that progress against performance indicators is reviewed with the Board at least annually.
- Seed an endowment fund for services at Yesler Terrace and begin planning for fundraising. Use storytelling to begin broadening awareness of and appreciation for the positive role SHA plays in the community and in individual lives, and Yesler's success as a model mixed-income community.

Communications Department

- Bring production of The Voice in-house and transition it to an electronic newsletter, which will enable more efficient production; more timely communication with residents; better accessibility via any computer, phone, or other mobile device; and the ability for residents to easily link to more in-depth information and resources.
- The proposed Communications Specialist will work with staff, partners, residents, and others to produce content and send The Voice regularly and will assist in efforts to meet SHA's growing need for communications support for resident services and engagement, especially in programs such as JobLink, the education partnership with Seattle Public Schools, and health-related work.
- Improve internal engagement and workflows with the use of the redesigned OurHouse intranet site to better inform SHA staff of news, activities, and events.
- Reach tenants in more timely and effective ways via electronic delivery of news and information with the help of hiring of a Communications Specialist and the development of digital communication strategies. Work in partnership with the City's Digital Equity Initiative, which aims to increase the number of SHA tenants with internet skills and access.

- Assist Executive Director in providing leadership and strategic direction to create advocacy related linkages among programs, departments, stakeholders, customers, and the public to establish and meet goals necessary to achieve SHA's mission.
- Proactively develop opportunities to increase the use of participant stories to tell SHA's story.
- Support the marketing and branding of Yesler Terrace.

Legal Department

- Advise all SHA departments on a variety of legal issues including personnel and labor relations, property management, landlord-tenant, compliance with HUD regulations, Housing Choice Voucher, contracting, and real estate finance and development.
- Provide legal analyses and advice on all matters related to SHA's programs and initiatives.
- Provide representation in judicial and administrative proceedings.
- Prepare pleadings, contracts, leases, policies, and other legal documents as needed.
- Investigate resident, Housing Choice Voucher participant, and employee fraud.
- Provide advice, guidance, and training on disability and accommodation issues.

Intergovernmental Relations

- Maintain and advance relationships with partners at the federal, state and local levels. Educate, inform, and engage elected leaders and their staff on housing issues.
- Assist in resolving outstanding issues associated with the SHA's Moving to Work (MTW) contract.
- Identify and monitor legislative issues important to SHA priorities. Provide analysis of proposed state and federal legislation that affects SHA. Lead SHA advocacy efforts on priority policy issues that affect SHA.

OFFICE OF POLICY AND STRATEGIC INITIATIVES

A Division of the Executive Office

OFFICE OF POLICY AND STRATEGIC INITIATIVES



Office of Policy and Strategic Initiatives Budget

Policy and Strategic Initiatives Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Admin Salaries & Temp Help	\$1,048,500	\$1,132,200	\$1,362,700	20.4%
General and Administrative Expense	118,100	193,600	189,600	(2.1%)
Tenant Services	400	6,400	39,800	521.9%
Maintenance & Contracts	28,100	224,000	102,500	(54.2%)
Utilities	-	-	-	
TOTAL OPERATING	\$1,195,100	\$1,556,200	\$1,694,600	8.9%
Less Internal Agency Fees	(69,800)	(101,300)	(103,800)	2.5%
Grants, and Salaries/Benefits for Capital and Limited Partnerships	910,000	1,445,000	1,578,000	9.2%
TOTAL	\$2,035,300	\$2,899,900	\$3,168,800	9.3%

Table 6: OPSI Budget and FTEs

Full-time Equivalent Positions	2018 Approved	2019 Proposed
Total FTEs	11.5	12.5

In CY 2019, the proposed operating budget for the Office of Policy and Strategic Initiatives (OPSI) is \$1.69 million, an increase of 8.9 percent from 2018. The addition of a 1.0 FTE Strategic Advisor II for Health position accounts for the increase in FTEs and a portion of the increase in Admin Salaries & Temp Help, which was also increased by additional funding for Interns (Temp Help). OPSI's Tenant Services increased sharply due to added funding for SHA's Health Initiative-related activities. Contracts declined by 54 percent due to the expiration of a few short term contracts and programs, as well as better-fitting budgeted amounts to actual spending.

Department Purpose and Function

OPSI supports SHA's mission by developing collaborative solutions, empowering strategic decision-making and testing and evaluating strategies. Since the team's inception in 2015, OPSI has played a key role in:

- **Developing collaborative solutions** by partnering with a range of stakeholders including staff, residents/participants and community stakeholders to identify challenges, opportunities and solutions to issues impacting our mission.
- **Empowering strategic decision-making** by ensuring that SHA's strategic plan is a living guide for decisions and bringing best and promising practices and research to inform decision-making.
- **Testing and evaluating strategies** by serving as the evaluator for a variety of SHA policies and programs and establishing key metrics, success measures, and leading indicators.
- **Meeting the regulatory needs of HUD** and supporting SHA's role as a leader within the national MTW program.

Work Plan Highlights

Housing & Economic Self-Sufficiency

OPSI's self-sufficiency work better enables SHA to maximize investments and strategies to economically empower residents and live up to SHA's mission of increasing self-sufficiency for people with low incomes.

The 2019 key activities for this work plan in collaboration with other departments are:

JobLink Evaluation and Research Support

Continue as an embedded evaluator and researcher for the JobLink team by conducting a summative evaluation of 2019 activities and outcomes, as well as providing formative feedback and learning throughout the year. Part of the focus will include the impact of financial supports such as job placement and educational stipends.

Implementation Support and Evaluation of Plan to Engage Tenants on Economic Advancement

In 2018, OPSI partnered with staff across the agency to pilot and launch a series of communications and staff training strategies aimed at increasing and improving engagement between the agency with SHA tenants on work, education, and economic advancement. In 2019, OPSI staff will continue to assist in implementing strategies, as well as conduct a learning evaluation of the efforts.

College Housing Scholarship Program Design

In 2018, OPSI developed and analyzed the impacts of a new housing subsidy program to support low-income college students in programs for high-demand jobs. OPSI will develop and analyze the costs, impacts and advantages and disadvantages of additional program design options by Spring 2019 in preparation for the 2020 budget.

Housing Assurance Option Evaluation

The Housing Assurance Option (HAO), formerly known as Safety Net Assistance Program, will launch in the middle of 2018. HAO is a policy that provides qualifying households who move out of SHA properties an option to return within 12 months in the event of job loss or other qualifying life event that threatens their housing stability. OPSI will conduct a full evaluation of the program in 2019 to assess implementation and outcomes.

Evaluation of Strategies to Employ Tenants at SHA (in development)

OPSI is in the process of developing a project to evaluate the agency's efforts to employ SHA tenants. The project will look at positions such as the Property Management Associate Trainee and Section 3 Resident Office Trainee to better understand how these positions are used to help tenants to advance in their careers.

Housing & Youth Achievement

In partnership with Seattle Public Schools (SPS), SHA will focus on strategies to reduce absenteeism and disengagement among the approximately 5,500 students attending SPS and living in SHA-subsidized housing to improve educational outcomes for SHA students. As grant funding for this initiative will end in 2019, OPSI seeks to create a strong ongoing partnership with SPS with a focus on measures that will advance the academic success of SHA students beyond 2019.

Activities associated with this work plan include:

- Partnering with schools serving high populations of SHA students and improving alignment and reinforcement of SPS/SHA shared strategies (e.g. trauma informed care, growth mindset).
- Informing families and students of important opportunities, events, and resources.
- Reinforcing the importance of attendance through messaging campaigns and events.
- Visiting with families to strengthen relationships and inform our strategies.
- Developing and collaborating with parent leaders to identify and implement solutions that improve access to high quality education opportunities for all SHA students.
- Developing and promoting mentorship opportunities for SHA students.
- Expanding access to pre-K for SHA families, in partnership with SPS, the city of Seattle, and other providers.
- Seeking and supporting programs that address the social, mental, and emotional well-being of each student so that they are prepared to succeed academically.
- Celebrating the educational achievements and leadership of SHA families and students.
- To further align SHA's work with SPS and to improve the impacts of SHA's youth services investments the department will continue to lead efforts to evaluate a number of SHA's strategies to support youth achievement including evaluation of Catholic Community Services' Youth Tutoring Program; SPS Partnership with SHA for the 2018-2019 school year; Strategies to communicate and engage with tenants on work and education (JobLink); CSD's work under the Resident Opportunities Self Sufficiency (ROSS) Project SOAR (Students + Opportunities + Achievements = Results) grant which seeks to increase completion of college financial aid applications; and contractors to better align SHA's youth investments with SHA priorities.

Housing Equity & Internal Policy

Equity analysis and strategies are inherent in all of OPSI's work. OPSI has developed a specific body of work to analyze equity outcomes in other SHA program areas and to partner with others to develop and pilot strategies to make improvements. In 2019, OPSI will explore data trends in SHA's resident populations to identify patterns in resident demographics and how access varies across the spectrum of federal and municipal Protected Classes.

Work activities associated with this work plan include:

- Developing a tool with race and social justice-related data points to be used for ongoing fair housing/disparate impact analyses of SHA housing programs and practices.
- In partnership with Housing Choice Vouchers, analyzing the scale and scope of credit and criminal barriers to leasing a unit among HCV participants. SHA anticipates that some strategies and supports will be developed out of this research that will be implemented in late 2018 or early 2019.
- Working with SHA departments, including Housing Operations and HCV, as well as with the community to develop and present alternatives to SHA's current housing preferences, if the SHA Board and Cabinet determine there is a need to explore modification of the preferences SHA uses for making housing decisions. This work will include an impact analysis of any proposed changes.

- In collaboration with Housing Operations, analyzing SHA data of households exiting the agency's housing programs, reasons for that exit, and the charges they incur upon leaving. Recommendations may be offered on improvements to SHA's vacate process.
- Continuing to pursue the launch of a research practitioner Data Lab with the University of Washington, King County Housing Authority, and others to provide access to an integrated, up-to-date demographic dataset with local, state, and federal data. PHAs and researchers at the UW will be able to analyze and make meaning of the data to inform resource allocation and policy and programmatic decision-making. In 2019, SHA seeks to bring in additional data sources that the agency already collaborates on, including the Homeless Management Information System.
- In partnership with other SHA departments, engaging in a number of research projects that determine key factors that impact voucher holder mobility. The information obtained from these research projects will be used to offer recommendations on how to better support the mobility of SHA residents. Conducting an evaluation of the Family Access Supplement implementation to determine how this intervention impacted voucher holder mobility and success.
- Evaluating HCV's new Voucher Payment Standard (VPS) for leased shared housing that will be launched in 2018. In 2019, OPSI will assess the impacts of the new VPS, as well as other tenant communication and engagement strategies HCV is using to support leased shared housing.
- Evaluating Housing Operation's piloted interventions within the South LIPH portfolio aimed at reducing move-out charges for vacating residents. Include qualitative information gleaned from interviews with staff and residents and a quantitative analysis of move-out charges within the selected buildings.
- Promoting and providing technical assistance in conducting equity impact analysis for existing and proposed policies and programs.

Housing & Health

The work plan for health and housing represents the body of work to be performed by the new Strategic Advisor II for Health position, which will look to overhaul and enhance health-related services with a focus on realigning SHA's health-related dollars and service-provider partnerships to take best advantage of upcoming Medicaid transformation funds and in developing changes in health-related services to augment eviction prevention and housing stability aims. OPSI will develop an overarching long-term vision for health while also identifying short-term opportunities for SHA to test new strategies, refine its partnerships, and leverage new Medicaid innovation funds. Projects will include crisis intervention and supportive services for high needs residents; supportive employment for senior and disabled populations; and interventions for chronic diseases focused mostly on families and children. It is anticipated that 2019 will be a year of funding opportunities for new services that will mostly begin in 2020.

2019 Housing & health work plan:

- Continue help the agency support resident access to new as well as existing health opportunities and to better align and coordinate current services. Focus on seniors, people with disabilities, and families with children in 2019, across all portfolio types. Services to these populations will likely be available in a phased approach based on community and portfolio, with differences

between the service delivery based on portfolio. The process will focus first on opportunities that are readily available and that represent significant impact relative to the work required.

Seniors/people with disabilities:

- Begin a new Aged and Disability Services (ADS) expanded care coordination model which will allow easier and increased access for SHA residents/participants to services. This model would offer an easy screening for agency staff to refer residents to ADS, and allow ADS to support residents in their access of a variety of services. This expansion would be phased in throughout all SHA portfolios; exact timeline will depend partially on City and County funding opportunities.
- Expansion of Foundational Community Supports (Medicaid Waiver-funded intervention to support high need residents) to serve all SHA portfolios.
- Begin to develop a referral pathway to Assisted and Independent Living for seniors/disabled participants who can no longer live independently.

Families/children:

- Partner to launch new Accountable Communities of Health (ACH) Medicaid Chronic Condition projects in all SHA portfolios. Projects will be based on those identified to be funded through the Medicaid Transformation Waiver, and will focus on identified chronic conditions such as diabetes, asthma, and heart disease.

Housing Mobility

The Creating Moves to Opportunity (CMTO) research study Phase One enrollment will end in early 2019 and Phase Two enrollment will begin after an anticipated two-month pause in enrollment. CMTO work in 2019 will include:

- Using qualitative and quantitative indicators to identify what is or is not working in Phase One implementation and/or the model to inform Phase Two.
- Beginning Phase Two with multiple treatment groups to understand what interventions are most essential, cost effective, and scalable.
- Collaborate with the Housing Choice Voucher (HCV) Department. An additional project-based Housing Counselor position will be added in HCV in order to allow OPSI to meet enrollment commitments, stated timelines for voucher issuance, and to provide sufficient post move in support.

In addition to CMTO activities, OPSI is engaged in several evaluation and research activities related to housing mobility, see the Housing Policy and Programs work plan.

Housing Policy (Moving to Work and Public Policy)

Activities associated with Moving to Work and public policy are:

- Draft and submit the annual MTW plan and report, assist departments in developing new MTW activities, evaluate the effectiveness of existing MTW strategies, and identify potential areas of improvement. Provide technical assistance in responding to issues regarding SHA's MTW authority.

- Evaluate current MTW activities based on staff recommendations and agency needs to ensure effectiveness and impact on residents and tenants. Engage with SHA staff and key stakeholders to gather insight into the administrative impact MTW activities have and identify monitoring systems to ensure continuous tracking and reporting.
- Track and analyze emerging federal guidance and provide input before rules are finalized; actively participate in national governance and advocacy bodies (e.g. NAHRO); engage with federal administrators and elected officials; collaborate with Intergovernmental Relations. Provide analysis and thought partnership when issues emerge such as federal work requirements, immigration policy, Seattle landlord laws, etc.
- Facilitate the Cross-Departmental Policy Workgroup to promote communication about policies across departments, identify opportunities to align and streamline programs, and vet and bring forward proposals to improve SHA's policies.

Strategic Decision-Making

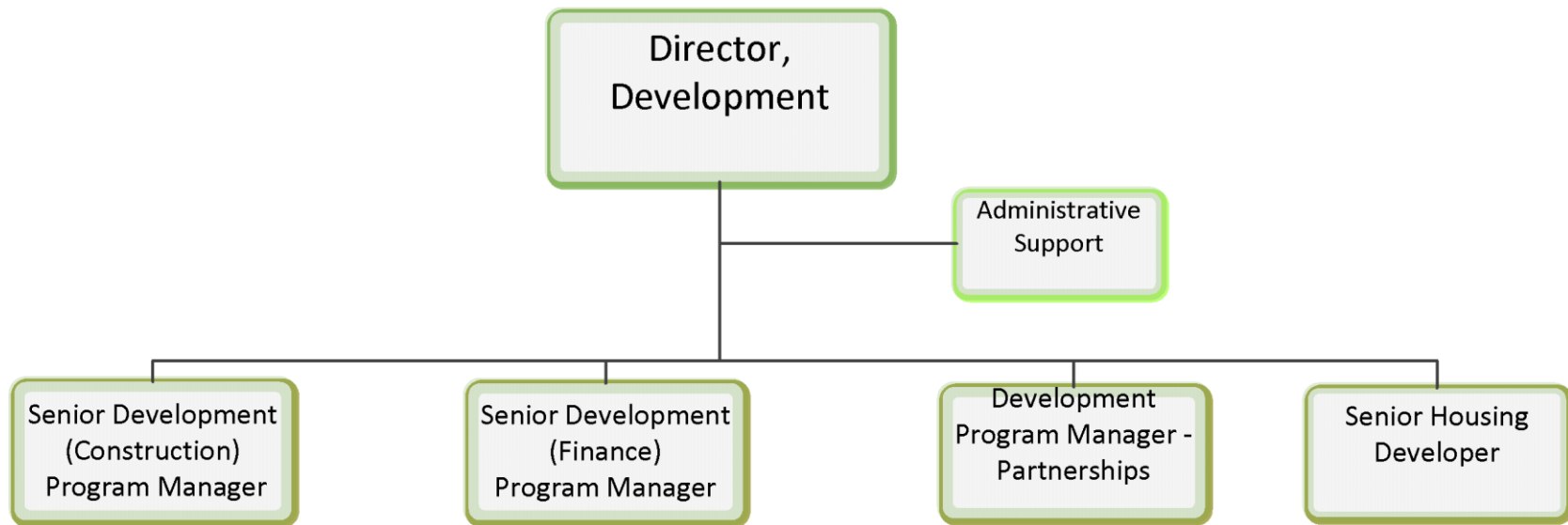
OPSI supports SHA's mission by developing collaborative solutions, empowering strategic decision-making and testing and evaluating strategies. OPSI strives to make information access more democratic and streamlined to enable access at all levels of the agency. The goal is to enable all staff to access and understand applicable data and information to better inform their work.

In 2019, OPSI will:

- Provide accessible, real-time data analysis to inform policy/programmatic decision-making and improve services for residents for issues prioritized in the department work plan or by the Executive Office.
- Leverage and partner with other agencies and researchers to build SHA's knowledge base and integrate data and analyses across sectors for research purposes and enhancement of services to residents.
- Build tools that enable SHA staff to easily make data visualizations and conduct analyses through the use of standardized, complete, comprehensive and quality data. Help develop standards for data visualizations and graphic representations. Use these data visualizations to help simplify explanations of SHA's mission and work.
- Support departments in enhancing data collection practices and expanding data to incorporate various new demographic and contact information as dictated by business demands.
- Support SHA as a whole in using the 2020 Strategic Plan to drive decision-making and monitor progress towards goals to help align resources and efforts.
- Facilitate cross-departmental policy discussions and information-sharing, both in the formal Cross-Departmental Policy Group and in OPSI's informal role as conveners across and within departments.
- Support other teams in implementing new policies and projects that have their origin in OPSI, including developing success measures, data collection plans, and fidelity monitoring; offer support to additional implementation efforts as requested.
- Bring forth data, research, emerging practices etc. – even when they run contrary to SHA beliefs – and facilitate related discussions.

DEVELOPMENT

DEVELOPMENT DEPARTMENT



Development Budget

Development Department Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Admin Salaries & Temp Help	\$1,189,600	\$1,240,500	\$1,343,300	8.3%
General and Administrative Expense	143,600	139,300	148,200	6.4%
Tenant Services	-	-	-	
Maintenance & Contracts	39,700	48,500	15,000	(69.1%)
Utilities	151,200	900	3,500	288.9%
TOTAL OPERATING	\$1,524,100	\$1,429,200	\$1,510,000	5.7%
Less Internal Agency Fees	(107,100)	(107,200)	(115,800)	8.0%
Grants, and Salaries/Benefits for Capital and Limited Partnerships	590,400	561,800	464,100	(17.4%)
TOTAL	\$2,007,400	\$1,883,800	\$1,858,300	(1.4%)

Table 7: Development Department Budget and FTEs

Full-time Equivalent Positions	2018 Approved	2019 Proposed
Total FTEs	14.3	13.9

The CY 2019 Development Department's total operating expenditures will increase by 5.7 percent and will decrease 1.4 percent when both operating and capital and grant-funding sources are considered. The capital and grant staff funding costs will decrease by 17.4 percent due to the elimination of Choice Neighborhoods Initiative 2 grant and the transferring of staff from a capital source to operations. Several projects are in progress in varied phases of planning, design, and construction.

Development funding sources include planning funds from the MTW Block Grant, Developer fee, For Sale program revenue, and a grant from The Kresge Foundation.

The Development Department proposes a decrease of 0.4 FTE from 2018 to 2019, a Senior Development Program Manager position will decrease from full time to part time employment. Non-labor expenses decreased by 11.6 percent primarily from the reduction of Professional Services required for non-Yesler Terrace studies. The Capital and Grant labor expenses represent continued activities associated with Yesler Terrace redevelopment activities but at a lower level due to the expiration of the CNI 2 grant.

Department Purpose and Function

The Development Department reports to the Deputy Executive Director. The Development Department is responsible for redevelopment that includes:

- Planning new affordable housing and redevelopment;
- Managing community processes surrounding development visions;
- Implementing development projects;
- Overseeing the sale of land to private developers and the subsequent development of market-rate or workforce housing;

- Managing and supporting neighborhood associations until property owners in the communities assume management and financial responsibility; and
- Participating in local and regional planning meetings that may involve potential new low-income and affordable housing development opportunities.

Development is accountable for advancing the Strategic Plan’s goal to increase SHA’s low-income, work force, and affordable housing. It serves the Seattle Housing Authority’s Mission by developing safe and affordable housing in thriving communities. The Department also seeks to increase the number of affordable housing units, both rental units and home ownership, through a variety of programs and partnerships. For example, revitalizing the 77-year-old low-income housing in the Yesler community with new vibrant mixed in communities connected to nearby neighborhoods and provide a variety of rental and home ownership housing choices, plus community facilities and other amenities. Another important responsibility of the Development staff is marketing properties successfully to private developers for homeownership opportunities, including affordable ownership opportunities.

Looking toward the future to identify new housing development opportunities primarily to serve people earning less than 80 percent of area median income is another responsibility of the Development department. In this role, the Department evaluates opportunities for future developments with both public and private partners, looking especially for opportunities that have minimal financial risk to SHA and hold good promise for desirable affordable housing.

Work Plan Highlights

In 2019, the Development Department will focus on the strategic goals of expanding housing opportunities and promoting quality communities through development of housing, partnerships, physical and social infrastructure of Yesler Terrace; continuing the private and non-profit development at High Point, Rainier Vista, Othello Station and other sites; as well as participating in SHA and regional planning efforts.

SHA’s organizational cornerstones are foundational to the department including:

- Engaging residents and stakeholders in planning, community activities, and providing feedback on Development’s work.
- Providing engaging work assignments and appropriate training.
- Continually seeking out and sustaining partnerships to support all elements of the work from revitalizing the Yesler Citizens Review Committee, to working with a variety of City departments on additional funding and regulatory monitoring, to new arts, farming, public safety, partnerships.
- Building environmentally positive, durable assets for SHA that serve the needs of residents, staff and community within available financial resources.
- Designing the community with social equity as a primary goal and continually challenging ourselves to understand and accomplish that goal.
- Supporting a culture of innovation with the understanding that the department is committed to the highest goal of social equity, environmental stewardship, providing transformational connections, and opportunities for low-income people that can only be achieved through partnerships and innovation.

Major Project Activities in 2019

For Sale Program (non-Yesler Terrace)

The majority of the partnership development properties outside of Yesler Terrace are under contract with private and non-profit development partners. Construction and post-closing activities will continue to be monitored at High Point, Rainier Vista, Henderson and Lake City. Othello Station Parcel B will close in September 2019. All other Othello parcels will be maintained by SHA until closings in future years.

Housing Development Projects

The redevelopment of the fire damaged Lam Bow Apartments project was delayed due to unsuitable soil conditions for design. A mixed-finance transaction is planned for 2019; rehabilitation of existing buildings is not possible due to seismic retrofit requirements. Current plans call for 80 units, 50 replacement units and 30 tax credit units, both at 60 percent of Adjusted Median Income (AMI).

Development Partnerships

The Buy Up program incentivizes developers to create more family sized (\geq 3BR) units within upcoming affordable developments in north end neighborhoods by offering capital funding and in some cases vouchers. Twelve units were committed in 2018 and an additional eight units are scheduled for commitment in 2019.

Yesler Redevelopment/Choice Neighborhood

- Work with branding consultants, and real estate brokers to position property for sale, negotiate Purchase and Sale Agreements, review designs and manage closings.
- Yesler redevelopment continues with education, health and workforce development programs and infrastructure, community facility and rental housing construction. In 2019 key activities will include:
 - ✓ Master Developer - Maintain and develop strategic partnerships with city, county, private sector partners, non-profits, labor, philanthropy and stakeholders to implement YT/CNI vision; manage overall budget, schedule, planning and communication; manage vacant land to promote active uses and neighborhood safety; manage the Yesler Terrace Owner's Association; working closely with Community Services, Housing Operations and external partners to develop a thriving mixed income community, connected with the broader neighborhood with special attention to the needs of seniors and of children.
 - ✓ Public Realm Activation
 - Nurture partnerships that activate the recently opened Yesler Terrace Park and Hillclimb.
 - Support Urban Farm, P Patch, and off-leash dog area partners activating WSDOT property.
 - Support artist in residence program mainly through the Kresge grant.

Affordable Housing Production

- Red Cedar, a 119 unit, 7 story affordable apartment building at Fir Street and 8th Avenue is under construction and scheduled for completion early 2019. The property is a mix of one to four bedroom units with offices for Property Management and social services. Eighty (80)

percent of the housing will be replacement units and twenty (20) percent will be work force affordable units available to households earning up to 60 percent of area median income (AMI).

- Hinoki, a replacement affordable housing building, located on East Yesler Way and 10th Avenue South, is in the planning and design phase with construction scheduled to start in summer of 2019.
- Close on the acquisition of the former King County Records site in 2018, select a non-profit partner and collaborate on the design, permitting, and construction phases of affordable tax credit and replacement housing units on the site located on East Yesler Way across from Bailey Gatzert Elementary School.

Market/Workforce Housing Production

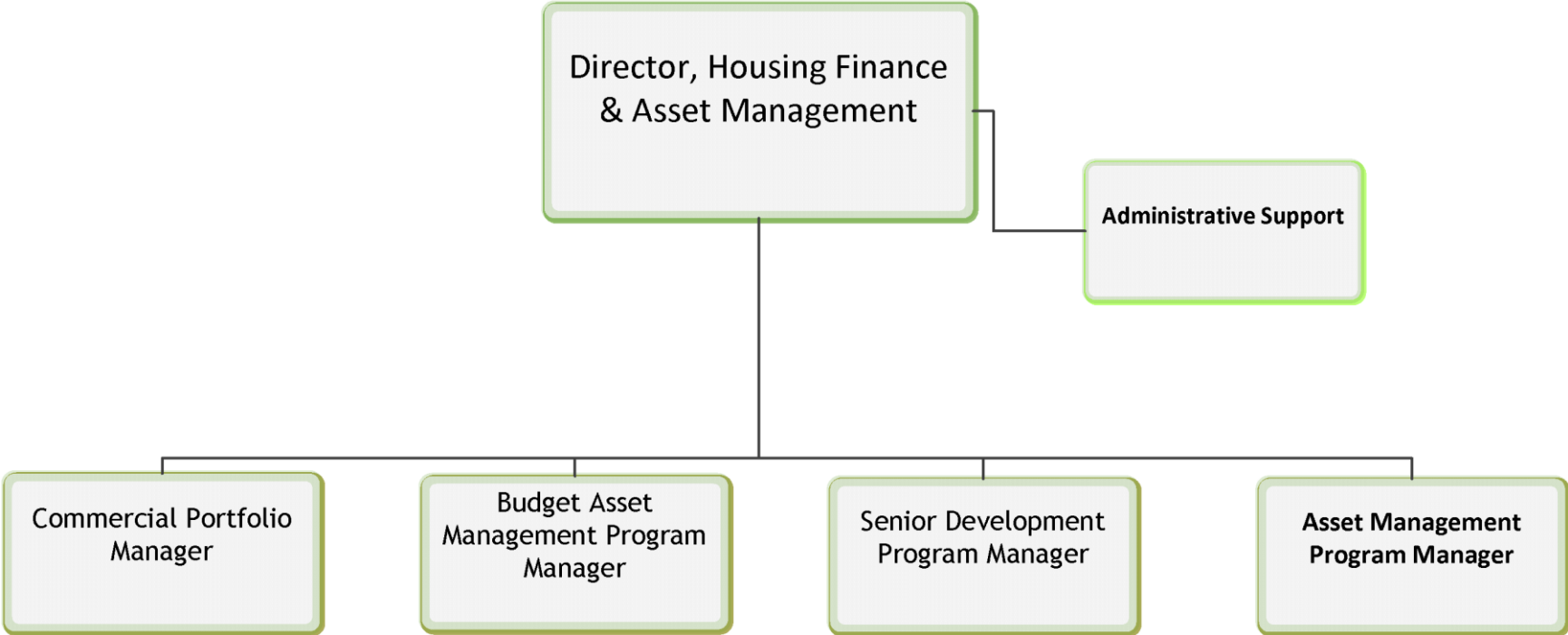
- Cypress, the second Vulcan Real Estate (VRE) market rate/workforce development located at East Yesler Way and east of Broadway Avenue, will be completed in fall of 2019. This 7-story, 27400 square foot mixed use building consists of 237 apartments and 8,000 square feet of ground floor commercial space. Twenty (20) percent of the housing will be work force affordable units available to households earning up to 80 percent of area median income.
- A third VRE market rate/workforce development with approximately 209 units, located at East Yesler Way and 10th Avenue, will be in the design and permitting phase.
- Modera First Hill, a Mill Creek Residential (MCR) 290-unit market rate/workforce housing development will be will be under construction at East Yesler Way and Boren Avenue.
- Lowe Enterprises' market rate/workforce housing development at 10th Avenue South and South Main Street will be in the design and permitting phase.

Other Activities

- Residential and commercial office development marketing; purchase and sale agreement negotiation; and design review depending on outcome of 2018 marketing efforts.
- Develop a 2-year collaborative arts and culture program focusing on community engagement and social cohesion; corridor and public space activation; and the evaluation of race and social justice impacts of community arts and culture.

HOUSING FINANCE AND ASSET MANAGEMENT

HOUSING FINANCE AND ASSET MANAGEMENT



Housing Finance and Asset Management Budget

Housing Finance & Asset Management Department Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Admin Salaries & Temp Help	\$ 967,000	\$1,065,900	\$ 1,197,400	12.3%
General and Administrative Expense	276,700	161,500	165,800	2.7%
Tenant Services	-	-	-	
Maintenance & Contracts	7,100	10,300	30,000	191.3%
Utilities	-	-	-	
TOTAL OPERATING	\$ 1,250,800	\$1,237,700	\$ 1,393,200	12.6%
Less Internal Agency Fees	(61,100)	(81,000)	(84,000)	3.7%
Grants, and Salaries/Benefits for Capital and Limited Partnerships	3,109,800	2,919,800	3,173,300	8.7%
TOTAL	\$ 4,299,500	\$4,076,500	\$4,482,500	10.0%

Table 8: Housing Finance & Asset Management Budget and FTEs

Full-time Equivalent positions	2018 Approved	2019 Proposed
Asset Management FTEs	18.4	20.8
Construction Operations FTEs	13.5	16.5
Total Asset Management & Construction Ops FTEs	31.9	37.3

The Housing Finance and Asset Management Department's total proposed expenditures are projected to increase 9.4 percent in CY 2019 when both operating, capital, and grant support are included. The bulk of the 10.2 percent rise in Admin Salaries & Temp Help, which does not include capital or grant-funded positions, results from a net 0.4 FTE increase, the addition of temporary help, and the additional reallocation of 0.25 FTE to agency funding from grant-funding due to the grant's expiration.

Maintenance & Contracts was increased in order to accommodate professional services spending that applies to multiple projects or cannot otherwise be allocated to specific property or project budgets.

Asset Management's FTEs increased by 2.4 due to the expiration of one 0.6 project-based FTE and the addition of three project-based FTEs: a Construction Project Manager, a Program Analyst, and an Assistant Construction Project Manager. All three positions are anticipated to help reduce Asset Management's backlog of projects.

Construction Operations' FTEs increased by three due to the addition of two Mechanical Maintenance (MM) Carpenters and one project-based Floor Coverer. These changes were made to better align Asset Management's workforce with anticipated needs and improved operational efficiency.

Commercial facilities and the Queen Anne Central Office, managed by Asset Management, are listed separately below.

Department Purpose and Function

The Department of Housing Finance and Asset Management ("Department") focuses on the preservation of the agency's real estate assets and maximizing the use of these assets to further the mission of the agency to create and sustain decent, safe and affordable housing that fosters stability and

self-sufficiency for people with low incomes. Working in partnership with other agency departments, the Department assists in the financing of new and existing housing; develops and implements the agency's capital program to ensure the physical and financial viability of its assets; and provides support and assistance to the Housing Operations department in their management of agency assets that furthers the agency's financial and social goals. In addition, the Department works with various investors and financial partners to make strategic recommendations regarding the assets, financial stability, resident services and other factors impacting the agency's real estate portfolio and residents.

The Department leads the Asset Management Team, an inter-agency committee that partners with the Housing Operations, Finance and Administration, Housing Choice Voucher (HCV), Policy, and Development departments, and serves as a focal point for discussions of issues and decision-making related to the agency's assets.

The Department's three main areas of strategic focus are:

- ✓ Promote quality communities through the preservation the agency's real estate assets by making strategic improvements to the capital program that focus on increased efficiency in the implementation and management of capital projects that address the capital needs of the agency's assets;
- ✓ Increase overall Department efficiency through the development of procedures and planning efforts that focus on the assessment and evaluation of current business practices; and
- ✓ Expand housing opportunities by developing a strategy to serve more people through acquisition of new real estate assets and the redevelopment of existing real estate assets in partnership with the Development and Housing Operations departments.

Work Plan Highlights

- Continue to Work with Seattle Office of Housing to Create More Workforce Housing in the City. Aim for acquisition of existing mixed income properties that align with key aims: properties that meet due diligence conditions; that are strategically located; that provide family-size units; that have good access to services, transportation, and amenities; that are mixed income, preferably with cross-subsidy opportunities; and, that are priced reasonably.
- Continue development of a Comprehensive Modernization Plan for Jefferson Terrace and identify funding to implement the plan.
- Lease retail space at Upton Flats to a local coffee shop owner to increase community interactions at High Point. Move High Point management office to new space at Upton Flats.
- Continue development of capital planning data that can project a five-year capital plan and budget for the agency. Continue to work on expanding the functionality of the Capital Budget database in terms of tracking and forecasting capital expenditures and needs of agency assets. In addition, continue to improve the collection and quality of capital needs data through the development of a Capital Needs database with Capital Needs assessments conducted both internally and by third parties.
- Reduce the current capital backlog through improvements to the management and distribution of capital projects which involves measuring staffing capacity during the capital budgeting process to ensure proposed budgets can be implemented efficiently and developing and implementing standardized project management procedures and project tracking for capital projects.

- Advance the Scattered Sites (SS) repositioning program by continuing to work with Housing Operations and Development to identify redevelopment opportunities within the portfolio. These areas identified for redevelopment will replace existing under-performing properties and create new affordable units. This effort will be funded in part by the sale of under-performing scattered site properties and properties in areas of the city where the Authority already has a large presence.
- Continue rehabilitation and/or conversion of SS units:
 - ✓ Complete substantial upgrade and rehabilitation needs on certain single-family (SF) units in the SS Portfolio in 16 homes in 2019 and complete rehabilitation of 54 SF homes by year-end. If the current schedule is sound, SHA will complete substantial rehab of the final 17 units in 2020.
 - ✓ Continue adding bedrooms to selected SS properties to create more large-family units within the portfolio. Complete six units or 13 bedrooms in 2019 and finish the conversion plan in 2020 when all 22 units will have one or more additional bedrooms.
- Initiate a multi-year strategy to serve more people via a robust right-sizing plan to transfer families currently over-housed into appropriate sized units; thus, family-sized units will become available to households with children. Provide special attention to “downsized” households to ensure the new home is a good fit.
- Close on tax credit financing for Lam Bow Apartments complex following a fire that destroyed one building in 2016. Construction will begin in fall 2019 with completion near the end of 2020. Options under consideration include rebuilding both buildings—soil conditions make rehabilitation of the second building impractical—and increasing the number of units.
- Study the feasibility of replacing existing units and adding more low-income housing units at such SHA properties as Blue Topaz, Holly Court/Red Brick and/or Jackson Park Village.
- Complete Red Cedar at Yesler Terrace in the first quarter of 2019, start lease up as soon as units are available.
- Close on financing and begin construction of Hinoki, the fifth Yesler Terrace apartment building, in spring 2019. The new building will have 76 affordable and 54 tax credit units, both at 60 percent of AMI.
- Assist the non-profit partner develop 125 affordable housing units on the former King County Records site located across from Bailey Gatzert Elementary School on East Yesler Way. The non-profit partner will complete planning and design in 2019, and start construction in 2020. The building will be 73 units at 30 percent of AMI and 52 units at 60 percent of AMI.
- Negotiate exits of multiple tax credit limited partnerships.
- Move the High Point management office to a new space at Upton Flats at High Point; lease the retail space to provide a coffee shop for the neighborhood.
- Finish rehabilitation activities at the West Seattle Affordable Housing LP. The project needed additional funds in 2018 because extensive rot and water intrusion was identified at Longfellow Creek Apartments. Rehabilitation will be completed by year-end 2019.

- Continue to actively monitor debt-coverage ratio requirements for all SHA and LP-managed properties. Work with Finance to implement actions to ensure all properties meet debt-service coverage ratios and reserve requirements. Develop corrective action plans, as necessary.
- Make needed repairs at Wedgewood Estates, NewHolly II (Othello), NewHolly III (Desdemona) and Rainier Vista I (Escallonia) financed by the Pooled Refinance, the activity is restated in 2019 due to changes and timing delays in the final financing package.

Asset Management Commercial Facilities

Asset Management Commercial Facilities	2017 Actual	2018 Adopted	2019 Proposed	% Change
TOTAL OPERATING	\$579,000	\$660,000	\$710,000	7.5%

Table 9: AM Commercial Facilities Budget

Asset Management Commercial Facilities manages twelve commercial properties across several portfolios. In some properties, the commercial tenants are service providers and others are commercial businesses. Seven properties are associated with HOPE VI communities; HOPE VI management offices and service providers are lessees at some of these properties. By year-end, Asset Management Commercial will add Upton Flats to its list of managed properties; the budget is not final and not included above. Expenses increased 7.5 percent from 2018 to 2019; most of the increase is due to transitioning Desdemona Commercial out of a limited partnership to the portfolio in 2019.

The Asset Management’s program goal is to keep all commercial spaces leased and occupied at levels that allow SHA to cover expenses; debt requirements for the buildings; and build capital reserves.

Work Plan Highlights for Asset Management Commercial

Highlights of work plans for 2019 are as follows:

- Upon lease renewal, work to standardize commercial leases lease terms to ensure the properties can cover operating expenses, debt service and maintain replacement reserves. Work with Neighborhood House and Community Services Division to ensure that the High Point Neighborhood House is operating at the highest and best use.
- Negotiate favorable antenna leases and increase the number of antenna leases to increase non-dwelling income at properties.
- Oversee and manage capital improvements work performed by Impact Property Services or Construction Operations; project budgets are available under Capital.
- Work with Community Services Division to access the services provided at the Campus of Learners and ensure the agency lessees are providing services to the NewHolly community.

190 Queen Anne Central Office

190 Queen Anne Central Office Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
TOTAL OPERATING	\$1,857,000	\$1,874,300	\$2,123,000	13.3%

Table 10: 190 Queen Anne Central Office Budget

The Central Office, located in the lower Queen Anne neighborhood, houses SHA's executive, administrative, voucher assistance, and many property management services staffs. The Housing Finance and Asset Management staff manages and administrates the offices at 190 Queen Anne.

The 190 Queen Anne Central Office budget increased 13.3 percent in 2019. SHA has been at this address for seven years as of 2019. The largest budget increase is in professional services and then rent expense. Professional services increased \$88,000 to allow for office reconfigurations, furniture, and fixtures upgrades. Rent increased \$164,000, or 8.9 percent, due to under budgeting of the 2018-rent expense and real estate tax increases, that expense is passed onto tenants. The negotiated lease included baseline expenses set in 2012; SHA pays for any increased expense on a per-square-foot basis and SHA increased leased square footage in 2017.

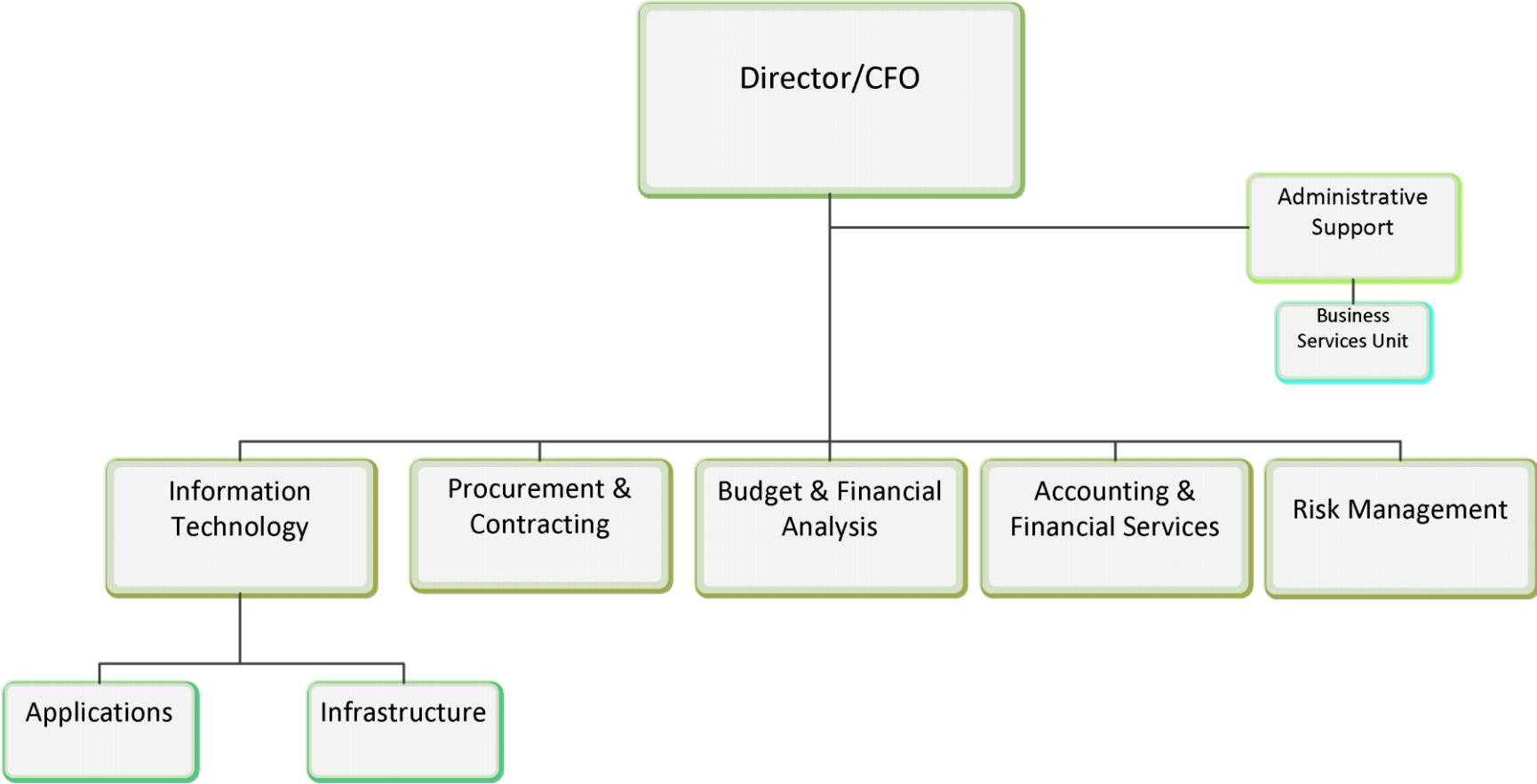
Work Plan Highlights for 190 Queen Anne:

Highlights of work plans for 2019 are as follows:

- Work with staff and the management company to ensure a clean, safe, and welcoming environment for SHA staff, visiting residents and vendors.
- Evaluate adequacy of the furniture and fixtures replacement allowance; the scope will include conference rooms, quiet rooms, and common areas.
- Work with departments to determine office space requirements.

FINANCE & ADMINISTRATION

FINANCE AND ADMINISTRATION DEPARTMENT



Finance and Administration Budget

Finance and Administration Department Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Admin Salaries & Temp Help	\$4,584,900	\$4,910,300	\$5,108,800	4.0%
General and Administrative Expense	7,821,600	8,384,700	9,056,900	8.0%
Tenant Services	-	-	-	
Maintenance & Contracts	98,600	165,000	167,000	1.2%
Utilities	600	2,700	600	(77.8%)
TOTAL OPERATING	\$12,505,700	\$13,462,700	\$14,333,300	6.5%
Less Internal Agency Fees	(541,800)	(530,100)	(556,000)	4.9%
Grants, and Salaries/Benefits for Capital and Limited Partnerships	-	-	207,600	
TOTAL	\$11,963,900	\$12,932,600	\$13,984,900	8.1%

Table 11: Finance and Administration Budget and FTEs

	2018 Approved	2019 Proposed
Full-time Equivalent Positions		
Total FTEs	43.8	46.4

The CY 2019 proposed operating budget for Finance and Administrations is 6.5 percent above the 2018 adopted operating budget and 8.1 percent when capital staffing is included. The increase in operating costs is primarily the result of converting and transferring High Point North and the Ritz Apartments from limited partnerships to SHA-owned properties, and the addition of an Accounting Technician as a project position to help the Accounts payable section. Excluding the \$646,000 impact of the addition of High Point North and the Ritz, the proposed budget for Finance and Administration is consistent with 2018 Adopted budget with slight increases resulted mainly from inflationary changes.

The increase in FTEs is due to the addition of an Accounting Clerk in Accounts Payable and two program analysts in Purchasing. The positions added are two-year project positions. The Accounting Clerk will serve as intake specialist for Inspyrus for all incoming invoices including scanning, reviewing, and routing all incoming invoices daily. The position would also assist with filing, check matching, and vendor communications. The Program Analysts will help to make process improvements and implement the new contract management system. The positions will free Senior Contract Administrators to focus on solicitation and contracting activities. The program analysts' salaries and benefits will be funded from the capital budget as they are mainly planned to support construction project contracts and process improvements.

Department Purpose and Function

The Finance and Administration Department consists of six operating groups: Accounting and Treasury Management, Budgeting and Financial Analysis, Purchasing and Contract Administration, Business Services, Risk Management, and Information Technology whose budget and work plan highlights are shown separately in the department section following this one.

The department oversees the financial stewardship of SHA. To this end, the department includes responsibilities for:

- **Financial Management:** Financial policies; accounting and reporting systems; banking relations; investments; treasury functions; overall debt management; internal controls, and annual financial statements and compliance with financial reporting requirements from investors, trustees, funders, lenders, and city, state, and federal agencies. Accounts receivable; accounts payable; payroll, and general ledger responsibilities for all funds and the agency as a whole.
- **Financial Accountability:** Annual audit reviews by the State Auditor, SHA's independent auditor, and auditor(s) for the tax credit limited partnerships, as well as periodic audits by federal and state agencies; monitoring and corrective actions as required to ensure SHA conformance with bond and contractual financial performance obligations and compliance with state and federal regulations.
- **Budgeting:** Management of SHA's budget processes and preparation of recommended annual and multi-year operating and capital budgets; reviewing Congressional funding proposals and monitoring economic trend analyses; monitoring and reporting performance of actual revenues and expenditures and program accomplishments against approved budgets and program goals; proposing budget revisions and/or corrective actions to maintain the integrity of the annual budget; and overseeing adherence by the authority and HUD to financial and funding provisions of the MTW Agreement.
- **Risk Management:** Obtaining insurance coverages for SHA and affiliates; auditing and reviewing insurance policies; processing & handling claims; recommending risk management and incident/accident reduction actions; and reviewing contracts, leases and other agreements to ensure SHA risks are appropriately addressed and controlled.
- **Procurement and Contracting:** Purchasing and contract administration for goods, services and construction contracts; administration of Section 3, Davis-Bacon, and social equity programs; development and administration of SHA procurement policies and procedures to ensure fair and competitive procurement practices and compliance with federal, state, and local laws and regulations; and, continuous process improvement to ensure procurement practices support SHA's business interest in timely and efficient contracting.
- **Information Technology:** Providing efficient and creative technology solutions to business problems; supporting the application and operating system software in use at SHA and the computers, telephones and other ancillary equipment used by agency staff; ensuring a stable, reliable and secure computer infrastructure and software to support SHA's computing needs; maintaining, upgrading and supporting existing software systems; consolidating duplicative or redundant systems; addressing the highest priority needs of the agency for new software development or introduction of new applications; and providing training resources and expertise to support the computer literacy and competence of SHA staff; and performs the records storage function for the agency (See separate budget section on Information Technology for 2019 work plan highlights).
- **Business Support Services:** Operation of the agency's central reception desk; travel policy and petty cash administration for SHA as a whole; administrative support to the accounting and budgeting groups; supply ordering and budget management; and, CFO executive support.

Work Plan Highlights

The Department plays key support roles in advancing most of SHA's Strategic Directions and Organizational Cornerstones by performing:

- ✓ Budget and financial analysis of projects and programs;
- ✓ Oversight of labor compliance requirements of Davis-Bacon by SHA contractors to ensure workers on contracts receive prevailing wages;
- ✓ Administration and reporting of contract requirements for Section 3, Apprenticeship, and social equity programs to enhance opportunities for business with SHA by Office of Minority and Women's Business Enterprises (OMWBE), small and disadvantaged firms, and Section 3 residents.
- ✓ Financial reporting that assists property managers in accounts receivable and rent delinquency collection, informs asset managers whether cash flow is sufficient to cover debt service, and tracks actual performance against budget for all operating departments and programs of the agency;
- ✓ Oversight of the Authority's creditworthiness and financial condition over the long run through administration of annual audits, preparation of a Comprehensive Annual Financial Report, maintaining a credit rating of AA through annual external reviews, and conformance with financial ratio benchmarks for sound financial conditions.
- ✓ Procurement of insurance at risk-effective rates or negotiation of contractual insurance provisions to protect SHA's liability interest;
- ✓ Provision of expert software applications development and technology infrastructure development and maintenance.

The fundamental charges of Finance and Administration are:

- To strengthen the agency's financial position and ability to respond to shifting financial conditions and needs; and,
- To ensure that SHA's assets and operations are managed in an efficient and cost effective manner.

These core objectives will guide the priorities for the Department in 2019, as it looks to make changes in its operations, policies, and programs in order to meet the challenges of a new federal fiscal and political reality where public funding for low-income housing development, operations, and maintenance is likely to become severely constrained over the decade.

SHA will focus attention on the Finance Department's own house internally; on priority areas for achieving new efficiencies and streamline operations and services to our residents and participants; on opportunities for new revenues; and, on ensuring that we maintain and, to the extent feasible, strengthen SHA's financial position and credit worthiness.

The 2019 Work Plan Highlights below address five major objectives of SHA’s Strategic Plan Directions and Cornerstones.

1) Undertake actions to serve more people through traditional and innovative ways that result in increased capacity to provide housing and housing assistance to more low income people in Seattle.

Right-size housing units in Scattered Sites and HOPE VI properties

Work with Housing Operations to:

- Finalize a program design, implementation plan as well as schedule, and final budget to transfer households who are currently over-housed in 2- and 3- bedroom units into appropriately sized units.
- Establish a standard protocol and cost range for preparing vacated units. Lease the vacated 2 and 3 bedroom units to households with children coming off waiting lists.
- Establish program metrics, including number of additional people served, average turnover cost per unit, total program cost over a three-year period and projected first year cost.

Increase the number of landlords participating in the Housing Choice Voucher program

Work with the Housing Choice Voucher (HCV) Department to:

- Define program strategies and incentives to increase the number of landlords providing rental opportunities for voucher households and increase opportunities with existing landlords.
- Inventory and assess the effectiveness and cost of landlord programs and incentives tested by other MTW agencies serving tight rental markets; implement those showing the most promise.
- Review discussions HCV has held with landlords and apartment owners regarding what would encourage them to rent to voucher holders; build common concerns or ideas into the new landlord program.
- Help set metrics for measuring the success of new elements of the landlord program and establish baseline information and data collection methods to measure success.

2) Enhance the efficiency and streamline the services of the Finance & Administration Department.

Among the targets for positive change are:

Electronic Accounts Payable Processing (AP)

- Continue to streamline and improve processing using the Inspyrus Electronic Account Payable Work Flow System. Build on the suggested improvements that resulted from the 2018 assessment. The addition of a 2-year project position will provide the capacity to:
 - ✓ Fully implement other suggestions from the processing and system assessment;
 - ✓ Continue to identify areas for process improvement and needs for user training;
 - ✓ Define metrics for AP processing performance and develop benchmarks for continual assessment;
- Complete an upgrade to the Inspyrus system with IT to achieve additional electronic processing improvements;

- ✓ Communicate regularly with users and provide tips and tricks to continuously improve system performance; and,
- ✓ Evaluate expansion of the use of the system for invoices currently processed on paper.

Yardi Upgrade and Enterprise One (E-1) Interfaces

- Under the leadership of IT, participate as a key business leader/user, in the upgrade to the Yardi 7.2 system, once converted to and stabilized with E-1 interfaces in the Yardi hosting environment. The upgrade is expected to begin in the second half of 2018 and continue into 2019.
- F&A staff will participate actively in the upgrade of Yardi as users and will develop and assess test scripts for the upgraded software functionality, test the program options, and determine the best fits for individual users.

Business Intelligence

- Actively support the Business Intelligence Program by participating in the Data Analyst Forum, Business Intelligence, and BI Steering groups. Use Enterprise Data Warehouse to analyze and report trends and to support key budget and policy decisions.
- Leverage Power BI and SQL Server Reporting Services (SRSS) to give Finance and other departments more tools with which to develop, analyze, and monitor data associated with their financial performance and work activities.
- Continue work with the Intranet Refresh and SharePoint Upgrade group to make it easier for departments to find the most updated F&A forms, policies, and procedures. Determine if SharePoint workflows can be used to streamline form approval processes.

Procurement Streamlining and Support

- Develop and provide procurement and purchasing card training to department staff on procurement and contracting solicitation processes.
- Evaluate processes for verifying contractor compliance with Davis-Bacon and social equity contracting requirements and develop efficient procedures to reduce administrative time.
- Monitor the Job Order Contracting tool for construction projects in an effort to streamline contracting for candidate construction maintenance and repair projects. Host an interdepartmental user/learning group to share experiences and suggestions, provide peer advice, and capitalize on the expertise of the firm providing SHA support in using the JOC contract.
- Continue to evaluate process improvements to increase efficiency by consistent work practices thereby reducing the time to deliver of vital services. Develop and track a dashboard of key indicators to gauge progress in reducing time to complete procurements for various types of services.
- Implement a Contract Management System to enhance the Procurement Manager's tools for assignment and tracking of contracts and assessment of bottlenecks, and to provide transparency for all users of procurement services to view the status of contracts in process.
- Host quarterly forecasting meetings with key department staff to identify projected contracting needs and forecasts of scheduling milestones and project parameters –

known/firm and desired. The long term goal is for an agency-wide procurement plan and schedule.

- Evaluate purchasing and corporate card utilization in an effort to minimize workload and maximize quarterly rebates.
- Work with Asset Management to resolve contract completion issues related to labor compliance and release of retainage by modifying upfront terms with lenders and LP partners on requirements in order to release final equity payments and pay off construction loans.

Budget Process Efficiencies and Improvements

- Continue to improve the budgeting, tracking, and reporting of capital projects funded by MTW and reserves, work with Asset Management and Housing Ops Senior Property Managers (SPM) to achieve greater clarity on authorization for these expenses and their accounting treatment will enable Housing Operations SPMs to better track their budget resources and prioritize work requests.
- Continue to develop and implement the budget software (Hubble) to improve the annual budget processes and forms, thereby eliminating time-consuming manual steps for both the Budget Office and Departments and allowing for greater electronic interaction between Departments and the Budget Office in preparing and reviewing budget proposals.

3) ***Identify and help evaluate opportunities for operations and policy changes to reduce SHA's operating costs and achieve efficiencies and/or to increase revenues and/or improve service at a savings.***

Among the targets for positive change are:

Tax Credit Partnerships Management

- Work with an interdepartmental staff team to maintain current assessments of potential long-term exit tax liabilities across SHA's portfolio of low income housing tax credit partnerships under newly enacted tax laws. Identify partnerships with capital balance issues and take actions to mitigate and minimize potential tax liabilities; determine desirable timing for exiting partnerships; and negotiate terms of exiting with partnerships.
- With Asset Management, revise SHA Guideline for Investor Proposals on Tax Credit Partnerships to update and change provisions in response to the Tax Cuts and Jobs Act of 2017.
- Track significant maintenance items so that properties can reduce current year losses through proper capitalization and utilize reserves in a manner consistent with each property's pro forma.

Property Management Efficiency and Effectiveness

- Initiate a review of policies and procedures for rent collection with Housing Operations and Asset Management with the aim of setting metrics/standards for on-time collections, for addressing past due rent, for payment plans, and for ongoing management of accounts receivable with a housing stability goal.
- Work with Housing Operations Property Management and Impact Property Services staff to review vacate charges assigned to tenants for payment and the degree of reimbursement

made by tenants in order to identify possible incentives to reduce tenant damage and abandonment of furnishings upon moving out; to review and standardize the bases for any charges and their reasonableness, and to look for settlement opportunities to settle appropriate charges prior to a tenant moving.

- Continue to update the database of former tenants owing funds across all of SHA's housing programs, so that admissions and property management staff have a resource to verify amounts owed by past tenants who, as a condition of re-entering federal housing subsidy programs must settle such outstanding debts.
- Determine if efficiency gains resulted from combining the oversight of the Scattered Sites and Special Portfolio communities and discuss with Housing Operations the longer-term plan for managing these two portfolios.

JobLink

- Work with Housing Operations and Office of Policy and Strategic Initiative (OPSI) to assess the first full year of JobLink outcomes against performance metrics and initial program goals, including assessment of cost benefit in the first year. Work with JobLink and OPSI to define possible adjustments or areas for further review, based on first year results.

Impact Property Service (IPS) Financial Structure, Fee Support Methodology

- Review updates to the current IPS financial revenue and billing structure with participation from other SHA groups. Test current fee support and compare other cost allocation methods to determine appropriate charge rates or alternative methods of funding and accountability.
- Work with IPS and Property Management to monitor quarterly tracking and reports by property of maintenance work orders by type, IPS charges, and IPS revenues in relation to budgeted levels; conduct a quarterly review among Budgets, IPS, and Housing Operations Property Management; and, document findings and budget or operational considerations for action.
- In cooperation with Asset Management, Housing Operations, and IPS, agree on and implement a new structure for budgeting and charging the MMRR (Minor Maintenance Repair and Replacement) Program.

Future Fleet Management and Financing

- Continue working with Housing Operations to implement the first of a multi-year plan modernizing SHA's fleet management program and financing. Recommendations are in the 2019 budget and include:
 - ✓ Phase in a multi-modal program by department/division/or location to assist staff in identifying alternative transportation options that would allow SHA to reduce its automobile fleet to the minimum and rely on a range of options that provide safe, reliable, convenient, and on-demand local transportation in a cost effective and more environmentally friendly manner. This effort will start in 2019 with a focus on the Central Office needs.
 - ✓ Implement a two-year plan to invest in fleet modernization, principally of vans, small trucks, specialty trucks or other vehicles suited to specific SHA business needs. The comprehensive plan includes alternative fuel options, right sizing the fleet and a fee schedule for a replacement reserve for future vehicle replacements.

- ✓ Reinststate a Fleet Replacement Fee, phased in over two years, to provide an ongoing and stable source of funding for fleet replacement, so that SHA can optimize the fleet replacement cycle.

Solid Waste Rates and Revenues

- With Housing Operations, review the financial performance of Solid Waste over 2016, 2017 and 2018 under current rates and rate structure. Identify areas of projected cost or revenue changes, including, for example, staffing structure, increased costs for insuring solid waste trucks, vehicle replacement schedule, and potential loss of revenues from external customers. With Housing Operations, determine whether modifications to the Solid Waste Rate structure/rates will be required for 2019 and, if so, work with the department on a proposal and schedule for implementation.

Scattered Site Repositioning

- Assess the progress of the Scattered Site (SS) repositioning plan for rehab of single-family homes, conversions for added bedrooms in apartment units, redevelopment of properties, and potential sale and replacement of selected SS properties.
- Review with Development, Asset Management, and Housing Operations projected options for replacement units and their financing, should there be selected disposition of SS properties; and review criteria for selecting properties for repositioning.

Voucher Programs and Initiatives

- Continue to work with the Housing Choice Voucher department to evaluate the requests from affordable housing providers for additional housing payments that are above HUD provided inflation factors.
- With HCV, establish clear standards and required information for considering any adjustments to Voucher Payment Standards (VPS), other than an inflation adjustment (OCAF), for project-based vouchers with private non-profit operators.
- Evaluate alternate methods for improving leasing success rates of SHA voucher holders with search, deposit assistance programs, providing incentives to landlords, and the potential to share the cost of renting a unit.
- Work with HCV to formalize a new landlord program to recruit new and former landlords to the voucher program and offer services and incentives that support the success of landlords and voucher households.
- With HCV and OPSI, establish a design, metrics, and schedule for tracking and assessing milestones and outcomes of implementing the 2018 Market Rate Voucher Payment Standard. Evaluate the effectiveness of 2018 changes to the Voucher Payment Standards and the impact on SHA partners by reviewing success rates, time-to-lease days, and the financial cost.
- Work with HCV as they change work processes and requirements designed to achieve two changes: (1) to reduce the time between inviting households on the waitlist to apply and the issuance of a voucher, so the household can begin shopping; and (2) to increase the percentage of those who are issued a voucher.

Risk Management, Control, and Prevention

- Continue implementing recommendations resulting from SHA's outside Insurance Program Assessment completed in 2017. For 2019 finalize a decision on a carrier for a Blanket Property Insurance structure designed to significantly enhance terms of property insurance coverage for SHA's owned property portfolios with modest premium increases compared to value.
- Continue the second year of the three year follow-on support from the outside broker in the Insurance Program Assessment with broker services on a more cost effective placement of Builder's Risk insurance on major construction projects and of insurance for SHA's Solid Waste operations.

Safety and Emergency Preparedness

- Support other Departments to enhance SHA's Business Continuity Plans in the event of a major emergency by learning about and developing procedures for managing the FEMA process to gain assistance and reimbursement of costs following a catastrophic loss or event.

4) *Strengthen Seattle Housing Authority's financial position and creditworthiness.*

Tracking SHA's Financial Position through Financial Ratios and Policies

- Continue working with other MTW agencies and HUD on meaningful measures and benchmarks for Public Housing Agencies' financial performance.
- With OPSI, continue work with the Affordable Housing Accreditation Board and other MTW agencies in review of the pilot phase of implementation of accreditation standards and potential refinement of the standards for larger or MTW agencies. 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 our rating.
- Conduct regular quarterly reviews through the Financial Policy Oversight (FPO) Committee, and annual reviews with the Board of Commissioners, of SHA's Unrestricted Cash Balances in relation to the Board's policies regarding Committed Funds and the level of Unassigned Funds or Operating Reserves.
- Perform at least an annual review with the FPO of SHA's leverage position related to debt ratios and, with FPO, consider the impact of new debt proposals on SHA's leverage position.

Financial Management

- Continue monitoring and evaluating the balance and use of Operating, Real Estate, and Taxable Lines Of Credit (LOC). If draws are needed for the Yesler development projects, work with FPO to determine prudent borrowing strategies. Maintain ongoing standby credit instruments by timely negotiation of extensions of current credit instruments as they mature.
- With Development, track land sales proceeds, deposit and account for proceeds in accordance with rules applicable in each specific situation, and ensure use of proceeds comply with any formal restrictions on their use. Ensure that all reporting and disclosure requirements of SHA's debt financing instruments are met in an accurate and timely manner.
- Actively monitor the debt coverage ratio requirements for all SHA and LP managed properties. Implement required actions to ensure that all properties, where applicable, are meeting debt service coverage ratios (DCRs) and reserve requirements. If problems exist, work with Asset

Management and Housing Operations to conduct a thorough review of the property and develop a corrective action plan.

- Develop a financial policy and procedures that define SHA’s non-federal funds and criteria for priority uses and review with FPO; this will provide clarity and consistency in guidance for use decisions, including a process for those use decisions.
- With Asset Management, develop an assessment of SHA’s “Debt Capacity” and recommend to the FPO parameters for guiding SHA short and long-term debt levels.
- Evaluate and adopt new Accounting Standards as required to conform to pronouncements of the Government Accounting Standards Board (GASB). In anticipation of required compliance with GASB 87 for reporting all leases, in 2019, compile an inventory of all SHA leases and key terms and assess the impact of the new reporting requirement on SHA’s financial statements.

Support Financing for Yesler Terrace Redevelopment

- Monitor and review use of the Collateral Reserve, Development Reserve and the Development Revolving Fund to ensure the amounts set aside are used and recorded appropriately; advise the FPO Committee if changes in funding levels become necessary.
- With Asset Management and Development, regularly review Yesler cash flow requirements and short-term financing needs and recommend to FPO the most cost effective methods of meeting cash flow needs and expected timing and sources for permanent financing.
- Set up and track new limited partnerships for Yesler Terrace or other property financings using low income housing tax credits, as needed; and work closely with Asset Management to ensure that development costs are in line with budgeted sources.
- Work with Development and Asset Management to coordinate inclusion of appropriate capital expenses as part of SHA’s HUD cash management requirements.

Development and Capital Financing

- Monitor the 2018 Pooled Refunding (Desdemona, Othello, Escallonia, and Wedgewood), and the West Seattle LLLP to ensure the rehabilitation costs are within budget and the ongoing operating costs are consistent with the pro forma; identify any issues early and recommend corrective actions.
- Assist in development and set-up of new financing projects, their cash flow needs during development and their ongoing financial monitoring. Hinoki, SHA’s next tax credit property in Yesler, will complete this work in early 2019. Other potential 2019 major project financing may be Lam Bow Apartments, a new development and mixed financing plan may be prepared in 2019; may be Jefferson Terrace rehabilitation project; and/or the best opportunity among Holly Court, Jackson Park Village, or Blue Topaz redevelopments.
- With Asset Management, continue reviewing recommended strategies for refinancing or newly financing properties to reduce debt service costs, fund capital reserves, and/or provide permanent financing and repayment of lines of credit. Review all new debt proposals with FPO in relation to projected impact on SHA’s financial leverage ratios.
- Work with Housing Operations and Asset Management staff to evaluate DCR requirements and property reserve levels then recommend feasible changes to better provide stable reserve funding for property capital replacement needs.

- Work with Asset Management and FPO to finalize a proposed Acquisition Program for discussion with the Board of Commissioners.

Cash Management Implementation and Evaluation

- Continue to improve tracking methods to meet HUD requirements for cash management and reporting via the HUD Voucher Management System. Ensure SHA is able to draw, utilize, and track all HCV MTW funding without risk of subsidy recapture.
- Assess impact of rising Housing Choice Voucher costs and the trade off with utilization of Single Fund flexibility. Develop forecasting alternatives that estimate conditions under which SHA may encounter the need to rebalance SHA's single fund uses at the point if/when total program costs could exceed available MTW single fund resources.
- Continuously monitor the 2019 HUD appropriation levels for operating, capital, and Housing Choice Vouchers subsidies and make appropriate adjustments to the budget when necessary.
- Reconcile any SHA HUD-Held Reserves with HUD's SHA Financial Analyst at least semi-annually, if not quarterly.

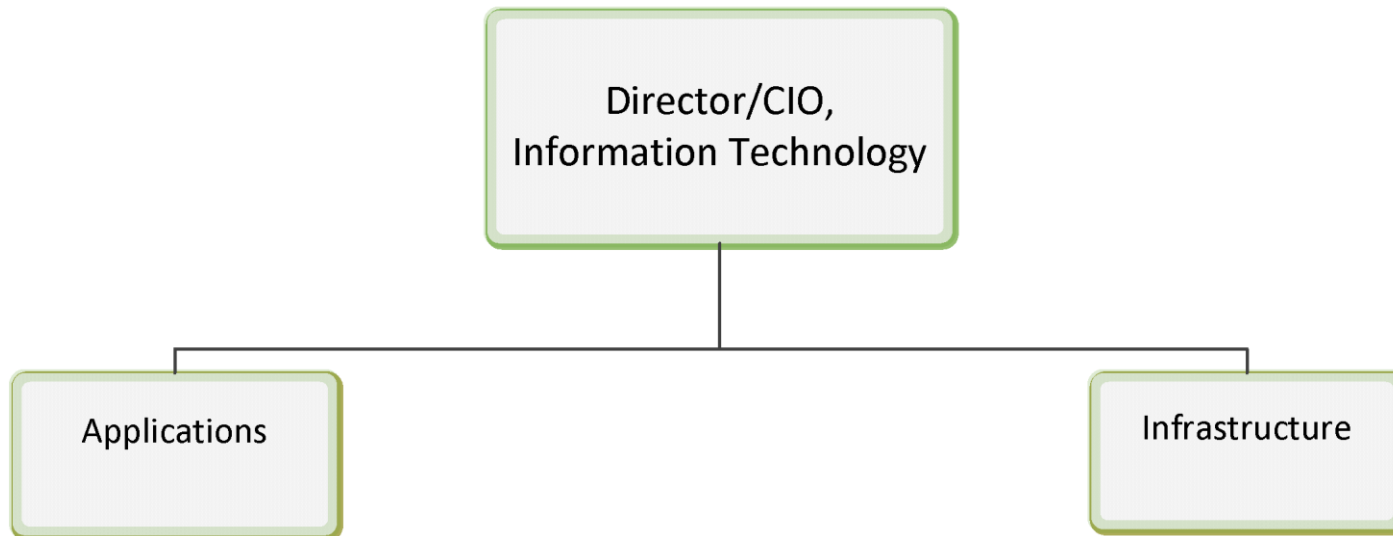
5) *Social Equity Programs*

- Participate in National Association of Minority Contractors (NAMC) meetings to facilitate growth of the MWBE participation in SHA contracting.
- Review existing Social Equity Goals with key department leaders toward formulating a proposal to review with the Section 3 Advisory Committee to determine if SHA has set appropriate percentages for participation.
- Continue to collaborate with SHA's JobLink program and SHA contractors to establish a robust list of Section 3 businesses and employees to utilize, especially focused on Section 3 qualified residents.
- Continue to improve compliance with Davis Bacon labor standards through enforcing requirements for prime contractor review of certified payroll submittals; providing training for new contractors and subs; sampling of certified payrolls for compliance; and investigation of complaints of labor standard violations.
- Continue building relationships with regional HUD, regional Department of Labor, and State Labor and Industries to coordinate labor compliance responsibilities and achieve greater efficiency among the processes and more expeditious resolution of labor standard violations and restitution to workers.

INFORMATION TECHNOLOGY

A Division of Finance and Administration

INFORMATION TECHNOLOGY



Information Technology Budget

Information Technology Department Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Admin Salaries & Temp Help	\$2,527,000	\$2,527,600	\$3,113,200	23.2%
General and Administrative Expense	1,201,100	1,382,900	1,607,400	16.2%
Tenant Services	(500)	-	150,000	
Maintenance & Contracts	178,400	354,700	362,900	2.3%
Utilities	-	-	-	
TOTAL OPERATING	\$3,906,000	\$4,265,200	\$5,233,500	22.7%
Less Internal Agency Fees	(2,300)	(2,700)	(4,200)	55.6%
Grants, and Salaries/Benefits for Capital and Limited Partnerships	-	-	-	
TOTAL	\$3,903,700	\$4,262,500	\$5,229,300	22.7%

Table 12: Information Technology Budget and FTEs

Full-time Equivalent Positions	2018 Approved	2019 Proposed
Total FTEs	20.0	23.0

In CY 2019, the Information Technology (IT) operating budget is proposed to increase by 22.7 percent to \$5.23 million. Approved supplemental add requests—which are the largest contributors to the growth of the budget—include labor, software contract, computer equipment, telecommunication, and security expenses and include expenditures for resident services in 2019.

The group will add 3.0 FTEs for 2019, one ongoing and two project-based, as described below:

- *Security Manager/Project Manager (ongoing)*: To manage Information Technology (IT) security policies, initiatives, compliance, and evaluation and to provide continual assessment of SHA’s security risks and what the agency can do to mitigate them. In addition, the position will serve as a Project Manager for IT Infrastructure projects.
- *Project Manager (project-based through 2020)*: To address peak IT workload demands with upgrades and conversions of systems and ensure ongoing access for departments to IT assistance and support for their ongoing operations and programs.
- *Network Administrator (project-based through 2020)*: To help address some of SHA’s critical information technology needs. Position focus is on helpdesk tickets and support including improved response times for reported incidents and communicating with users about the status of their request.

Increases in existing services as well as the addition of new contracts contribute to the growth in software contract expenses. As SHA becomes a more data-driven agency, staff requests for wireless-capable devices to access or transmit data efficiently have grown and with it computer equipment costs. Higher telecommunications expenses result from SHA’s data-lines upgrades throughout its portfolios in order to support new security cameras and software. The agency has also transferred digital security costs from the capital budget to the operating budget in 2019. Last but not least, the IT division will spearhead efforts to provide Wi-Fi in public housing community rooms.

In 2019, the Information Technology Department will continue to split administrative costs between the Central Services Operating Center and MTW funding.

Each year SHA's IT Steering Committee reviews proposed technology projects for infrastructure and network investments. Separate from the operating budget, these IT capital projects are proposed at \$580,000 for 2019, a 29 percent decrease from 2018 and a slight increase from the average annual project funding of \$550,000 from 2010–2015. Please note that all of the IT Capital projects proposed in the 2019 budget process have been funded; the decrease does not represent any programmatic cuts. SHA continues to invest in technological upgrades to improve process efficiency and promote cost savings. Ongoing projects include the completion of the Yardi upgrade; Phase II of the SSHP ACAM project updating data circuits and network equipment to support the security software update; and the fourth 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 for 2019 include configuration of Yardi's e-Learning tool for SHA in training staff on the upgraded Yardi system; creation of online Housing Choice Voucher forms; upgrade SHA's e-payment system to help resolve technical issues that have hampered efficient operation of the Inspyrus system; expand the agency telephone system to all SHA sites; infrastructure upgrades and maintenance; equipment upgrades; and enhancement of digital communications data collection. As security is an ongoing and critical part of day-to-day operations, funds for information security are now a part of IT's operating budget.

Department Purpose and Function

The IT division supports the mission of SHA by providing efficient and creative technological solutions to business problems. The division supports the application and operating system software in use at SHA and the computers, telephones, and other ancillary equipment used by agency staff. IT runs scheduled computer jobs to produce pay advices, invoices, vendor checks, and other documents and also oversees records storage functions for the agency. The division consists of two operating groups, Infrastructure or Network Systems and Applications Development.

Agency staff rely on IT to perform their jobs effectively and efficiently; to meet legal and regulatory requirements; to provide a consistent, secure operating environment with uninterrupted access; to ensure SHA data is secure and individual privacy protected; to provide financial and property management records; and to communicate with the public, applicants for housing, residents, landlords, vendors, contractors, as well as each other. Automated systems reduce paper storage costs and reduce the need for manual data entry, asset tracking, and other administrative work.

Working with the guidance of the IT Steering Committee which is composed of senior business department representatives, Information Technology is dedicated to ensuring stable, reliable, and secure infrastructure and software to support SHA's computing needs. IT will work to maintain, upgrade, and support existing software systems; consolidate in a cost-effective manner duplicative or redundant systems; address the highest priority needs of the agency for new software development or new applications; and provide training resources and expertise to support the computer literacy and competence of SHA staff.

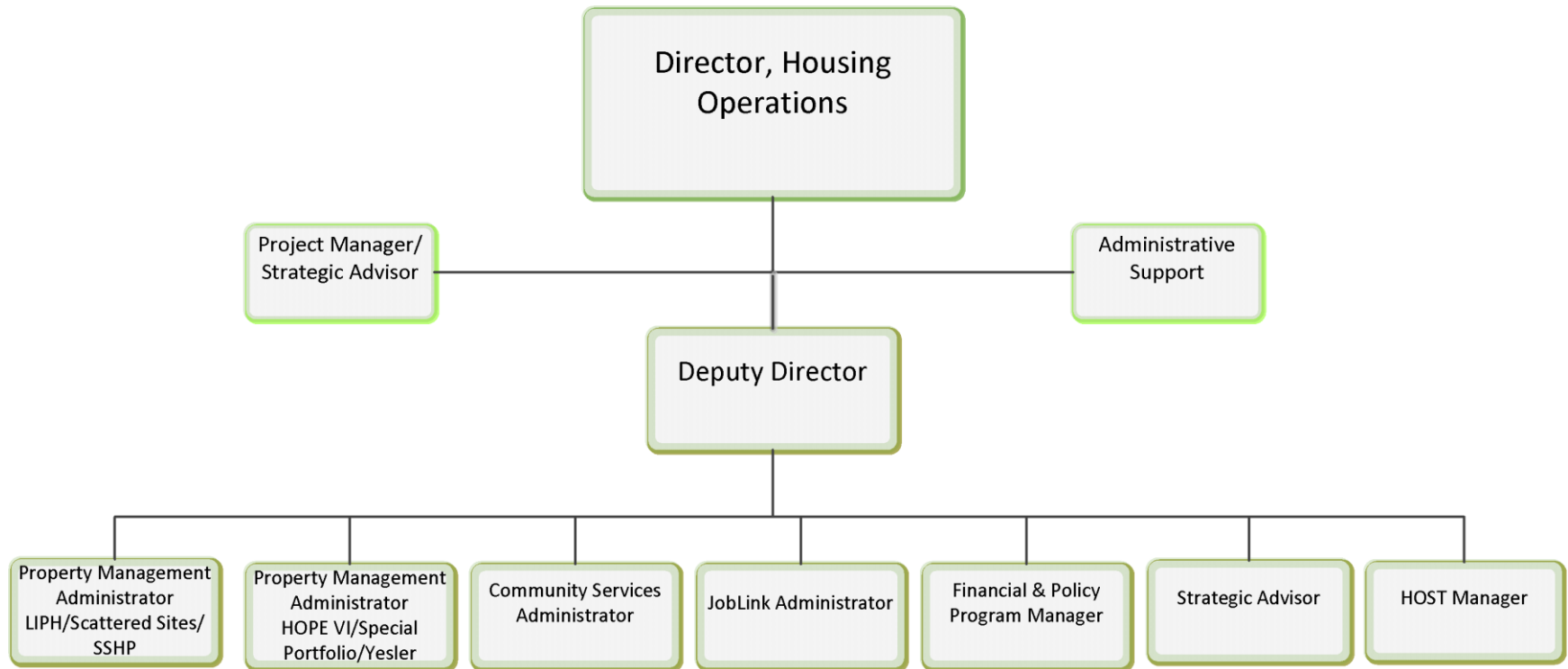
Work Plan Highlights

In 2019, IT will help advance SHA's strategic directions and organizational cornerstones in the following ways:

- Implement a pilot program to introduce Wi-Fi in community rooms. Work with Community Services on digital literacy training resources.
- Upgrade the Yardi application to Voyager 7S; investigate and implement the appropriate Yardi Portals.
- Convert Housing Choice Vouchers data from Elite into Yardi thereby consolidating all resident and voucher holder information into a single database to boost operational efficiency and improve customer service, internal data analysis, and decision-making about internal policies and procedures.
- Update digital document management policies and infrastructure with a focus on shared and/or collaborative documents and folders. Train staff on use of and best practices for these efficiency-enhancing tools.
- Continue to augment efforts to protect resident and employee personal information, develop security policies, and partner with security providers to make SHA's data and networks safer. As noted above, the division requested an ongoing FTE to oversee digital security.
- Work with departments to determine which type of wireless-capable device (tablet, laptop, or other mobile) is most suited to each user's needs in order to ensure the agency keeps maintenance and service costs to a minimum while creating operational efficiencies.
- Continue and complete implementation of additional telecommunications infrastructure to accommodate changes within Housing Operations and the need for connectivity at more locations especially as it relates to security upgrades at communities.
- Continue to develop the Enterprise Data Warehouse (EDW) as part of the Business Intelligence (BI) program. The BI group is nearing completion of the historical certification tables and will continue to work on adding views and helping SHA's analysts develop their dashboard skills into 2019. The main focus for 2019 will be to add Waitlist and Inspection data from Yardi and Elite to the EDW.

HOUSING OPERATIONS

HOUSING OPERATIONS DEPARTMENT



Housing Operations Budget

Housing Operations Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Admin Salaries & Temp Help	\$13,389,300	\$14,166,400	\$15,999,100	12.9%
General and Administrative Expense	10,745,000	9,774,100	11,014,900	12.4%
Tenant Services	2,156,800	3,138,200	3,467,600	10.5%
Maintenance & Contracts	31,871,200	31,548,200	35,356,800	12.2%
Utilities	10,874,800	11,315,300	12,345,700	9.1%
TOTAL OPERATING	\$69,037,100	\$69,942,200	\$78,184,100	11.8%
Less Internal Agency Fees	(19,488,900)	(19,720,900)	(21,999,300)	11.6%
Grants, and Salaries/Benefits for Capital and Limited Partnerships	5,199,900	5,991,200	5,989,400	(0.0%)
TOTAL	\$56,957,900	\$56,212,500	\$62,174,100	10.6%

Table 13: Housing Operations Budget and FTEs

Full-time Equivalent Positions	2018 Approved	2019 Proposed
Total FTEs	346.4	364.7

The 2019 proposed operating budget of the Housing Operations (H Ops) Department increases by 11.8 percent compared to 2018 budget. The increase primarily results from the conversion of High Point North LP and Ritz Apartments to SHA-owned properties as well as higher maintenance, repair, and utility expenses. Excluding the impact of changes due to conversion of partnerships, the remaining operating expenses increased by 9.5 percent when compared to the 2018 Adopted Budget. The major causes for the increase are described below.

Administrative salaries and benefits expenses are projected to be 12.9 percent higher than the 2018 Adopted Budget. This is due to the addition of 18.3 FTEs to the 2019 budget via the supplemental add request process. These FTEs are discussed in relevant H Ops division sections which follow this one. The department's budget includes a salary saving of \$276,000 based on prior years' history and experiences consistent with agency-wide projection of salary saving. The projected saving is offset against increases in salaries and benefits.

General Administrative Expenses are projected to increase by \$1.2 million due to the inclusion of High Point North and the Ritz tax credit projects in SHA's operating budget.

Contracts for **Tenant Services** are projected to increase by \$330,000 over 2018. The bulk of the increase is due to the new Housing Stability initiative added to the Community Services budget as part of SHA's 2019 Opportunity Investments.

The proposed budget for **maintenance** increases by \$3.8 million from 2018, of which about 33 percent is due to addition of formerly LP-owned properties, mentioned above. Impact Property Services (IPS) will increase \$1.2 million, making up about another one-third of the increase. New initiatives for IPS in 2019 include installing new smoke and carbon monoxide detectors, turning more units back to management for lease-up with changes in the Minor Maintenance Repair and Replacement (MMRR) program, and

preventative maintenance for Bayview Tower and SSHP. The remaining third is attributable to inflation factors.

Utilities are budgeted to increase by \$1.0 million from 2018; 76 percent is due to the incorporation of the two limited partnerships above with the remaining 23 percent attributable to rate increases.

Department Purpose and Function

Housing Operations is responsible for managing and maintaining SHA's housing portfolio of over 8,000 units. In 2019, this diverse portfolio will be comprised of approximately: 5,900 units of Low-Income Public Housing which includes 894 Seattle Senior Housing Program (SSHP) units; 135 SSHP tax credit and locally funded units; about 890 units in Special Portfolio locally acquired units; and approximately 770 HOPE VI tax credit units (excludes HOPE VI public housing tax credit units). The HOPE VI tax credit units are in the mixed income communities of NewHolly, Rainier Vista, High Point, and Lake City Court. In addition, the redeveloped Yesler Terrace site (including the Baldwin Apartments, Kebero Court, Raven Terrace, Hoa Mai Gardens and Red Cedar) has a total of 431 units. Baldwin, Kebero, Raven Hoa Mai started operation in 2014, 2015, 2016 and 2017 respectively. Red Cedar is expected to start leasing in early 2019.

Housing Operations is the core of SHA's housing operations, maintenance, and tenant services programs, and it plays a major role in the successful implementation of the agency's mission and strategic plan. Essential functions performed by Housing Operations include property management, maintenance and repair, and community services. These functions are carried out through the following groups: Housing Operations Central Administration and Admissions, Low Income Public Housing, Yesler Terrace, Seattle Senior Housing Program, Special Portfolio, Impact Property Services, Community Services, JobLink, and Impact Property Management.

The Department continues to be committed to implementing a work plan that supports and enhances SHA's mission to provide decent, safe, and affordable housing to low-income households. Housing Operations staff executes the overall mission by operating, managing, and maintaining SHA's housing portfolio units throughout Seattle. As part of its continuing effort, the Department will focus on initiatives to improve efficiency and workflow. The goals and values of the agency are represented in the hard work of each SHA employee, many of whom work in Housing Operations. The work plan highlights are provided in greater detail for each of the portfolios and department work groups in the sections that follow.

Housing Operations Central Administration & Admissions

Housing Operations Central Admin. And Admissions Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Housing Operations Central Administration	\$2,081,600	\$1,858,300	\$2,471,700	33.0%
Admissions	901,300	976,100	987,300	1.2%
TOTAL OPERATING	\$2,982,900	\$2,834,400	\$3,459,000	22.0%

Table 14: Housing Operations Central Admin Budget and FTEs

Full-time Equivalent Positions	2018 Approved	2019 Proposed
Housing Operations Central Administration FTEs	15.8	19.9
Admissions FTEs	9.0	8.5
Total FTEs	24.8	28.4

In 2019, the combined Housing Operations Central Administration (HOps Central) and Admissions budget will increase by 22.0 percent compared to the 2018 Adopted Budget. The largest increases for HOps Central are due to approved supplemental add requests in labor and professional services as well as intercompany fees. The group will add 2.0 FTEs for 2019—one ongoing, one project-based. The remaining 1.6 FTE increase is attributable to labor allocation adjustments between HOps Central, Admissions, and Solid Waste divisions. The added positions are described below.

- *Document Imaging (DI) Program Analyst (ongoing)*: Housing Operations proposes to transition this position from project-based to permanent in order to maintain the efficiencies attained by the DI Program. Without an analyst to maintain the system, train staff, and audit scans, SHA risks losing ground gained. In addition, there are several opportunities to improve processes via the use of the DI system as outlined in the DI section of the work plan highlights below.
- *Environmental Stewardship & Sustainability (ESS) Analyst (project-based)*: The addition of a third, project-based analyst to the ESS team will allow SHA to participate more robustly in various energy rebates offered by the City of Seattle in relation to the capital projects undertaken to improve SHA communities. Currently, ESS has identified over 400 capital projects which may be rebate-eligible. Prior to the addition of this position, the group had limited capacity to take advantage of these savings.

The supplemental add for professional services provides for tax-credit compliance consulting services; and the increase in intercompany fees is primarily due to increasing software costs distributed to each division and/or group via the Information Technology Fee for Service.

Central Administration supports the entire Housing Operations Department and working divisions including the Housing Operations Support Team (HOST). The HOST team provides support services to all of Housing Operations in the areas of Admissions, Compliance, Policy, Training, Document Imaging, Environmental Stewardship and Sustainability, Contracts Management, Fleet and Solid Waste Services.

- ✓ **Vision:** Excellence in all that we do.
- ✓ **Mission:** To set the standard for supportive, collaborative, and innovative services that are essential to the work of Housing Operations and the mission of SHA.

- ✓ **Values:** Accountability, Integrity and Respect; Kindness and Compassion; Positive Attitude; Collaboration; Continuous Improvement; Smart Work; Customer Service.

Housing Operations Central Administration & Admissions Work Plan Highlights

Admissions

The Admissions Team strives to provide every applicant the support they need to sufficiently complete their application and to approve application files so the agency may promptly fill its vacant units. In keeping with these goals and congruent with the agency's organizational cornerstones for Operational Efficiency, Race and Social Justice, Innovation, Staff Excellence, Engaging Service and Respectful Relationships, the Admissions Team will:

- Centralize the Special Portfolio and Yesler Campus waiting lists for properties with Streamlined Low Income Housing Program (SLIPH) units to increase efficiency, consistency, and compliance. SHA will request the required MTW activities and board approvals in 2018 and continue with implementation in 2019.
- Collaborate with Property Management, Compliance, Front Desk, and IT to improve waiting list compliance and customer service for approved applicants prior to leasing. Look at current data and measurements to identify the most significant inefficiencies and develop an action plan to address whatever the agency finds.
- Cross-train all Housing Counselors on the selection and scheduling process to increase the number of staff with knowledge and ability to complete these critical processing steps.

Compliance

Compliance works in partnership with Property Management and Asset Management to ensure that all federal, state, and local regulations are followed and that all SHA policy and procedure requirements are met for each of its Housing Operation programs, including public housing, tax credit, and Seattle Office of Housing units. Failure to comply with any of these requirements may have financial consequences to both SHA and its residents and may result in either the loss of low income housing or impede the agency's ability to provide more low income housing in the future. In 2019, the Compliance team will:

- Evaluate any federal, state, or local regulatory changes to determine their impact on SHA policies and procedures, and pursue revisions as needed.
- Serve as liaison between regulatory agencies and staff regarding changes in regulations/policy from oversight agencies; assist with preparation of documents for submission to regulatory agencies; review and approve reports/responses for submission to regulatory agencies.
- Analyze compliance trends to help SHA address any potential noncompliance before they become issues.
- Audit all initial and first year certifications for properties reported in the Combined Funders' Annual Reporting System (also known as the Web-Based Annual Reporting System or WBARS) by the end of 2019.
- Submit, monitor, and audit submissions to PIC (Public and Indian Housing Information Center) and EIV (Enterprise Income Verification) to ensure compliance with HUD reporting requirements; work with staff to correct discrepancies as they arise.

- Continue using the current auditing protocol to focus on critical issues for new admissions, transfers, continued occupancy, resyndication, and acquisition/rehabilitation of new tax credit properties, as well as property and staffing issues. In 2019, compliance will focus on the acquisition/rehabilitation for Lam Bow, New Holly and the West Seattle Project as well as the lease up of Red Cedar.
- Audit submissions to WBARS to ensure compliance with funder requirements and household eligibility; work with site staff to review the requirements and timelines for year-end reporting, and proactively address issues throughout the year to enable smooth year-end reporting.

Policy

The HOST Policy team, consisting of the HOST Administrator, Admissions and Compliance Manager and HOST Program Analyst, works together with the Policy and Procedure Committee, the Procedure Development Committee, and the Forms Committee to address policy and procedure issues within the Housing Operations Department. This work includes writing and revision of policy, development and revision of standard operating procedures, and the development and revision of Housing Operations forms. All of this work is completed centrally and published with the assistance of the Housing Operations trainer as necessary. In 2019, the Policy team will:

- Continue work on standard operating procedures. With the rollout of the Admissions and Continued Occupancy Policy (ACOP) many procedures are out of date or non-existent. The team has been working through these procedures in 2018 but more than 100 procedures still need to be completed.
- Respond to emergent issues as needed and work through development of policy and procedure for same. These items may include changes to funder regulations and/or new initiatives within SHA. Some examples include updates to SLIPH; criminal background screening policy and procedure; JobLink; and others.

Training and Development

In partnership with Compliance, Property Management, and the HOST Program Analyst, the trainer supports staff by providing training and resources that improve Housing Operations' performance and consistency. The trainer continuously works to understand the agency's training needs and to adapt trainings and resources to meet them. Training activities in 2019 will include:

- Develop and deliver procedural and Yardi classes based on Yardi reporting and assessments. Partner with IT and Property Management during the upgrade to 7s to ensure that sufficient training is delivered and changes are communicated to staff.
- Coordinate Fair Housing Training with the Seattle Office of Civil Rights (SOCR). This will consist of both standard and advanced fair housing curriculum for SHA property management, admissions, compliance, and IPS staff. SOCR will facilitate 3 hours of basic training and 2 hours of advanced training.
- Work with a Yardi eLearning planning and implementation committee to formalize the objectives for eLearning and strategize the development and organization of the platform. Work with supervisors to identify performance outcomes and to develop measurements within eLearning.

Document Imaging

In accordance with SHA's organizational cornerstones of Innovation, Financial Stability & Operational Efficiency, and Staff Excellence, the Document Imaging (DI) project seeks to pursue creative and impactful solutions to better equip staff in the pursuit of SHA's mission. Some of the highlights to be implemented in 2019 and beyond include:

- Utilization of OnBase document imaging electronic forms (e-forms and Unity forms) and process automation (workflow) to enable departments to securely share information. Develop and use automated processes to improve current timelines, reduce redundancy, and provide increased information security. Select examples include:
 - ✓ ADA request workflow: Eliminate the need for physical routing of forms for approval by scanning forms into OnBase and setting up electronic approval workflows thereby providing increased oversight, tracking and information security of sensitive medical information.
 - ✓ Vacate move-out workflow: Implement a workflow to help with tracking unit turnaround time between Property Management & Impact Property Services in order to close Compliance loopholes and provide more internal consistency across Housing Operations.
 - ✓ Interim review workflow: Create a workflow to automate routing and tracking of scanned interim review paperwork to eliminate challenges in efficiently routing paperwork containing personally identifiable information (PII) both securely and in a timely manner.
- Implement a Document Imaging team consisting of a DI Business Analyst and DI Specialist to support current users and allow Housing Operations to identify, test, and implement solutions designed to foster collaboration between and within departments.
- Provide staff with DI quality assurance oversight and tracking. This will allow SHA to meet the State Washington requirement for 100 percent QA review of documents prior to destruction.
- Serve as the central control point for Housing Operations for document management including tracking and control of documents archived through Iron Mountain.

Environmental Stewardship & Sustainability

The Environmental Stewardship and Sustainability (ESS) Team's mission is to enrich SHA's commitment to environmental stewardship and sustainability through coordinated action and partnership with staff, tenants, and stakeholders. The ESS Team aims to pursue its mission through the employment of annual and special goals which, for 2019, include:

Utilities Management

- Mitigate adverse environmental impacts resulting from inadequate waste management practices and excessive use of water, electricity, or natural gas utilities.
- Streamline trending analyses, while maintaining compliance with city ordinance's related to building performance benchmarking. Continue to work alongside IT and Asset Management staff to streamline accessibility of utility databases with other building information databases.
- Develop a utility data dashboard for agency staff.

Avoided Cost through Conservation Program

Avoided cost is an estimated dollar amount of the utility expenses that would have been paid had a leak or infrastructure issue not been addressed in a timely fashion.

- Identify leak or infrastructure incidences, initiate corrective work orders, and tracks avoided cost for each incident, year over year, in order to provide a business case for resource conservation activities. Continue and expand this work through the use of expanded, homegrown reporting tools in Access and Microsoft Power BI.

Threshold Billing Program

The Threshold Billing Program is a price-signal- and incentive-based water rebilling program that uses two consumption thresholds to offer tenants 1) a credit for conservative, below average, consumption, 2) no charge for normal consumption, or 3) a charge for excessive, above average, consumption patterns.

- In 2017 and 2018, an in-depth program evaluation provided insight into the program's successes and areas for improvement, and in 2019 the team anticipates the implementation of program modifications to increase overall program sustainability and impact.

Waste Reduction

Waste Reduction efforts involve a variety of tenant, staff, and operations-focused projects and programs geared toward the diversion of waste from the landfill and the reduction in waste generation rates. Examples include:

- Assist with the development and implementation of a comprehensive waste management strategy, promotion of recycling and composting, and technical assistance.
- Assists in the agency's efforts to ensure cost-effectiveness of internal waste hauling, and mitigate adverse environmental impacts resulting from non-participation among staff and residents at SHA communities.
- In 2019, the team will focus waste reduction efforts on continued improvement in technical assistance, outreach, and implementation of management best practices. In addition, ESS will continue waste audits at least ten additional SHA properties.

Pilot Project Development and Evaluation

The ESS Team is involved in a handful of capital-funded pilot projects, including a Toilet Replacement Project and Green Stormwater Infrastructure (GSI) Project. In 2019 both of these projects will undergo measurement, verification, and evaluation. In addition, with its increased staff capacity, ESS will work with Asset Management to take advantage of various energy rebates offered by the City of Seattle in relation to the capital projects undertaken to improve SHA communities. Currently, ESS has identified over 400 capital projects which may be rebate-eligible.

Contracts Management

The Contracts group provides centralized contract support to all of Housing Operations and serves as the internal liaison with the Purchasing Department. Highlights of work anticipated in 2019 include:

- Administer current ACAM software for all of SHA except Human Resources. Assist in the transition to new ACAM software.
- Continue to increase and expand the number of centralized contracts for the Housing Operations Team; always seeking to improve the way contracts are implemented and managed.
- Continue to keep all contracts within compliance in regards to terms, conditions, and dates; to ensure no lapse in contract coverage; to ensure accurate and timely payments of invoicing.

- Serve as the point of contact to use the JOC contract for maintenance and construction services. Serving as the primary coordinator in the effort to bring timely construction services to our properties as needed by IPS/IPM.

Low Income Public Housing

LIPH High-rises, Scattered Sites, homeWorks and Inspections Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
LIPH High-rises, Scattered Sites, homeWorks	\$25,306,000	\$24,919,800	\$27,252,600	9.4%
Inspections	120,000	113,200	125,400	10.8%
TOTAL OPERATING	\$25,426,000	\$25,033,000	\$27,378,000	9.4%

Table 15: Low Income Public Housing Budget and FTEs

Full-time Equivalent Positions	2018 Approved	2019 Proposed
Total FTEs	57.0	57.6

The 2019 proposed budget for Low Income Public Housing (LIPH) is nearly 9 percent or \$2.3 million higher than the 2018 Adopted Budget. The majority of this increase is due to add requests in the maintenance expense category such as smoke/carbon monoxide detector replacement (the first of three years of funding for this work); common area maintenance; solid surfaces allowance; and an appliance allowance. The latter three adds are part of a revamped Minor Maintenance Repair and Replacement program described in more detail in the Capital Improvement Program section. Utilities and intercompany service fees also contribute to the increase. The change in FTE is due to labor percentage allocation adjustments made in Scattered Sites when the staffing for this portfolio was combined with Special Portfolio (SP). Please see the SP section for more detail.

The LIPH program consists of approximately 5,900 units of low-income housing owned, maintained, or managed by SHA. The homeWorks tax credit partnerships, with 1,977 units, are included here as part of the LIPH program. The program is also managed and served by other portfolios including approximately 950 LIPH units in the HOPE VI communities; 63 LIPH units at Special Portfolio; 894 units in the Seattle Senior Housing Program (SSHP) brought into the Low Income Public Housing Program in 2011; and 160 units in Yesler Terrace (currently undergoing redevelopment). The budgets for these units are accounted for in the Limited Partnerships, NewHolly, Special Portfolio, Seattle Senior Housing Program, and Yesler Terrace sections. Low Income Public Housing serves low-income residents, with most residents at or below 30 percent of median income.

LIPH Work Plan Highlights

Highlights of work plans for 2019 are as follows:

- Continue work with Asset Management and Development on a comprehensive modernization plan for Jefferson Terrace.
- Continue to perform Scattered Sites “right-sizing” work to ensure residents are properly housed according to their household size.

- Continue coordination with Asset Management on the completion of substantial upgrade work on single-family (SF) units and conversions to create more large-family units in the Scattered Sites Portfolio.
- Continue security improvements started in 2017. Work will include new ACAM or card entry systems—where residents will use a card to access their buildings instead of a key—to improve overall building security. Installation of digital video recorders to monitor all entryway activity and additional outdoor lighting, where needed, will enhance resident safety.
- Work with the Community Services Division (CSD) and the Office Policy and Strategic Initiatives (OPSI) to incorporate the Aging in Place initiative into the broader scope of the Housing and Health initiative whose overarching objective is to increase SHA residents’ access to appropriate medical, dental, and behavioral health services.
- Evaluate the Occupancy Team pilot in which on-site property management staff no longer have to spend time on the more technical aspects of property management such as annual reviews, interim reviews, tax credit certifications, and leasing. These tasks are now handled by the offsite Occupancy Team.
- Begin planning and work on a Customer Service pilot to take advantage of the time saved by the creation of the Occupancy Team. As a large part of this work, coordinate with CSD on strengthening SHA’s eviction prevention program.
- Continue to offer “out of class” / acting assignment opportunities to staff in order to promote upward mobility and job satisfaction. Work with JobLink on training and hiring Section 3 employees for high turnover positions.
- Implement a new key procedures and practices pilot to ensure both the accessibility of keys to authorized personnel and the security of keys from theft or other unauthorized use. Leverage current security system upgrades in this work.

Seattle Senior Housing Program

Seattle Senior Housing, includes Ravenna and Leschi Tax Credits	2017 Actual	2018 Adopted	2019 Proposed	% Change
TOTAL OPERATING	\$5,723,600	\$6,122,500	\$6,284,900	2.7%

Table 16: Seattle Senior Housing Program Budget and FTEs

Full-time Equivalent Positions	2018 Approved	2019 Proposed
Total FTEs	20.5	20.5

The 2019 Proposed Budget for the Seattle Senior Housing Program (SSHP) is 2.7 percent higher than the 2018 Adopted Budget. The increase is mainly due to inflation factors and slight increases in maintenance expenses.

The SSHP community, along with the Leschi House LLLP, consists of 1,029 units serving elderly and disabled persons. The units were acquired and developed using funding from a 1981 Seattle Senior Housing bond issue. The program serves households with a maximum income of 80 percent of Area Median Income with the head of household or spouse at least 62 years old or disabled. Residents pay

affordable rent depending on their income. In 2011, 894 SSHP units were brought into the LIPH program in order to increase resources for capital rehabilitation and repairs. A portion of subsidy is used for SSHP operations, while the major share is dedicated to SSHP’s Ten Year Rehabilitation Plan. These units, along with Ravenna School and South Park, are managed by the LIPH property management team. Leschi House LLLP converted to a limited partnership in 2012 and is managed by the Yesler management team in Impact Property Management (IPM).

SSHP Work Plan Highlights

- Continue security improvements started in 2017. Work will include new ACAM or card entry systems—where residents will use a card to access their buildings instead of a key—to improve overall building security. Installation of digital video recorders to monitor all entryway activity and additional outdoor lighting, where needed, will enhance resident safety.
- Work with Asset Management to improve communications during elevator failures and to address capital priorities.
- Major rehabilitative work proposed in 2019 includes elevator upgrade work at Fort Lawton Place, Gideon-Mathews Gardens, Olmsted Manor, Ravenna School Apartments, South Park Manor, and Willis House.
- Work with the Community Services Division (CSD) and the Office Policy and Strategic Initiatives (OPSI) to incorporate the Aging in Place initiative into the broader scope of the Housing and Health initiative whose overarching objective is to increase SHA residents’ access to appropriate medical, dental, and behavioral health services.
- Review staffing assignments to better serve the senior buildings including the possible implementation of the Occupancy Team configuration.

Yesler Terrace

Yesler Terrace, Baldwin, Ritz and EOC Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Yesler Terrace	\$1,388,200	\$1,291,600	\$948,800	(26.5%)
Baldwin Apartments	76,100	90,900	103,000	13.3%
Ritz Apartments			120,000	
Epstein Opportunity Center	67,300	63,500	69,300	9.1%
TOTAL OPERATING	\$1,531,600	\$1,446,000	\$1,241,100	(14.2%)

Table 17: Yesler Terrace Budget and FTEs

Full-time Equivalent Positions	2017 Approved	2018 Proposed
Total FTEs	15.0	19.5

The 2019 proposed Yesler Terrace (old Yesler, Baldwin, Ritz and the EOC) operating budget is 14.2 percent below the 2018 Adopted Budget, mainly due to the relocation of residents and fewer online units at old Yesler Terrace. Utility, general administrative expenses and maintenance expenses are expected to be lower because of the declining number of occupied units onsite. The operating budgets for Kebero Court, Raven Terrace, Hoa Mai Gardens and Red Cedar are included in the Capital

Improvement, Grants, and Limited Partnership section of the budget book and are not reflected in the table above, however, the employees funded by the limited partnerships and working in the Yesler communities are included in the FTE counts above. Yesler properties will add 4.5 FTEs of which 2.0 FTEs are added for the newly constructed property, Red Cedar. The property will open its doors for move-in early 2019. A second property manager and an additional vacate technician positions are proposed as the number of properties at Yesler Terrace is increasing. Yesler will also add a half time office administrative position to help servicing of Yesler community rooms and Yesler relocation.

Originally, Yesler Terrace consisted of 561 Low Income Public Housing (LIPH) units built from 1941 to 1943 serving a diverse community in the neighborhood. Yesler Terrace is the city's first publicly subsidized housing development. Many of the residents are families with children, seniors, and people with disabilities. Most of the households are at or below 30 percent of area median income. SHA began redeveloping Yesler Terrace and replacing aging housing with new units. The project is multi-year and has a vision to transform Yesler Terrace into a vibrant new community within a diverse, connected, safe, and sustainable neighborhood. The first relocation started in 2012 with relocation of the YWCA program. The lease-up of Red Cedar, a 119-unit fourth new building in the Yesler Terrace redevelopment will be completed in the first quarter of 2019.

The Baldwin Apartments and the Epstein Opportunity Center (EOC) both began operations in 2014. The Baldwin Apartments has 15 replacement housing units. The EOC provides space for Head Start, Youth Tutoring, and Community Services.

Kebero Court, Raven Terrace and Hoa Mai Gardens, the first three new residential properties, are complete and are operational. The construction of replacement and tax credit units at Red Cedar is expected to be completed by the end of 2018 or early 2019. These projects are limited partnerships; as such, their budgets are not reflected in the table above.

Yesler Terrace Work Plan Highlights

Highlights of work plans for 2019 are as follows:

- Coordinate with SHA Development departments to ensure updates and changes are shared with residents, SHA staff and external stakeholders.
- Keep positive relationships with residents who are undergoing so many changes both personally and in relating to their new environment as well as new residents coming to Yesler.
- Look at different ways to manage and operate the Yesler campus as the community moves away from its current housing type to apartment buildings and a dense living environment.
- Engage in the activities of the Yesler Terrace Owners Association (YTOA), as common areas are created that will require upkeep and maintenance.
- Continue in discussions about the Yesler campus needs related to Community Services as more housing comes online and establish positive relations and support within the CNI area.

Special Portfolio Housing Program

Special Portfolio Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Operating Expenditures -- SHA-Managed	\$3,217,700	\$1,767,000	\$1,728,300	(2.19%)
Operating Expenditures -- Outside-Managed	2,078,300	2,446,500	2,485,000	1.57%
TOTAL OPERATING	\$5,296,000	\$4,213,500	\$4,213,300	(0.00%)

Table 18: Special Portfolio Budget and FTEs

	2018 Approved	2019 Proposed
Full-time Equivalent Positions		
Total FTEs	11.0	9.4

The 2019 proposed operating budget for Special Portfolio (SP)—combining SHA- and outside-managed properties—is proposed to increase a slight 1.2 percent over the 2018 Adopted Budget. Labor expenses contributed the largest share of the decrease in the SHA-managed portion of the portfolio; this is due to the recent inclusion of Scattered Sites (SS) staff and communities into a combined, geography-based SS/SP staffing model. This new distribution produces efficiencies which reduce the percentage of labor allocated to SP communities while preserving service levels. While SP-SHA’s supplemental add request for a Lead Property Manager (PM) was approved, the expense and FTE for this new position was offset by the expiration of a project-based Senior Property Manager position for the West Seattle Affordable Housing (WSAH) limited partnership. The Lead PM will oversee the completion of the WSAH rehabilitation in lieu of the SPM. For Special Portfolio outside-managed (SPOM) expenses, a decrease in staffing is offset by increases in maintenance, professional services, and utility expenses.

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

The SHA-managed section of the Special Portfolio group operates within the SHA Property Management team under the LIPH portfolio. It now has 469 units including Local Housing Program facilities, Section 8 project-based buildings, and limited partnerships at Alder Crest and South Shore Court as well as the West Seattle Affordable Housing LLLP. This unit count excludes the offline units at Lam Bow Apartments. The budget for Bayview Tower is included in the SP outside-managed budget shown above as it is now managed by an outside firm. The limited partnership budgets in this portfolio are included in the final section of the Budget Book and not in the table above.

The outside-managed section of Special Portfolio is currently administered by a Property Management Coordinator for the Impact Property Management (IPM) group, who provides oversight for contracts and coordination with the companies that manage these properties, ensuring that SHA standards are upheld and maintained. There are 485 units in this group. The portfolio serves households with various income levels, and income limits vary by property. Depending on the property, limits can be 30-, 50-, 80- or 100-percent of Area Median Income (AMI). Most of these units were acquired using debt financing and therefore must generate sufficient income to cover debt payments in addition to meeting all other operating and capital expenses.

Special Portfolio Work Plan Highlights

Highlights of work plans for 2019 are as follows:

SHA-Managed Properties

- Rehabilitate interiors and exteriors of communities involved in the West Seattle Affordable Housing LLLP (Longfellow Creek Apartments, Roxhill Court Apartments, and Wisteria Court). Additional repairs were identified due to rot and other moisture damage discovered in unusual locations at Longfellow Creek in 2018; additional financing will be secured and repairs made. The project will be completed on time in late 2019.
- Develop new approaches to Interim Reviews to improve the processes for both residents and staff. Re-evaluation will closely examine data, demographics, and potential disparate impacts of any changes to the Interim Review process.
- Work with Asset Management and Development on planning and financing for the redevelopment of the Lam Bow Apartments complex, necessitated by the fire that destroyed one building in 2016. Design options under review will involve rebuilding both apartment buildings, as seismic conditions make a rehabilitation of the 2nd building infeasible. The design options also include adding additional units to the complex.
- Transition Special Portfolio project-based voucher (PBV) units into the Streamlined Low-Income Housing Program (SLIHP). SLIHP allows SHA to apply certain public housing rules to each PBV unit, so a community with a combination of these housing types can operate under one set of rules rather than two, thereby creating operational efficiencies that benefit both staff and residents. Included as part of this work is transitioning waitlist management from SP to the Admissions group.
- Evaluate the new, combined staffing model for Scattered Sites and Special Portfolio.
- Assess properties that do not meet their required Debt Coverage Ratio (DCR) and make recommendations on corrective actions.

Outside-Managed Properties

- Continue to work with third-party private management (TPM) companies to provide quarterly financial reviews for the properties they manage.
- Work with the TPMs on the implementation of new city ordinances, as necessary.
- In concert with Asset Management, monitor major capital work at Wedgewood Estates for water intrusion and Montridge Arms elevator rehab.
- Continue to update Management Agreements with TPMs.
- Monitor the Bayview transition from SHA-managed to outside-managed to ensure residents' needs are being met. As preventative maintenance and capital work will remain SHA responsibilities, coordinate efforts in these areas with Impact Property Services and Construction Operations teams respectively.

Impact Property Services (IPS)

Impact Property Services Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Impact Property Services Operations	\$14,463,700	\$14,874,200	\$16,092,200	8.2%
Solid Waste & Fleet	3,255,100	3,436,000	3,803,900	10.7%
Housing Operations Facilities	337,600	313,800	316,600	0.9%
TOTAL OPERATING	\$18,056,400	\$18,624,000	\$20,212,700	8.5%

Table 19: Impact Property Services Budget and FTEs

Full-time Equivalent Positions	2018 Approved	2019 Proposed
IPS Operating Budget FTEs	112.0	115.2
Solid Waste & Fleet Operating FTEs	15.2	16.6
Capital Budget FTEs	3.2	9.7
Total FTEs	130.4	141.5

If approved, **Impact Property Services (IPS)** operations will have a 3.2 full-time equivalent (FTE) position increase. 2.3 FTE are added to address unit-turns associated with Minor Maintenance Repair and Replacement (MMRR) program changes, 0.2 FTE added for preventative maintenance at Bayview Tower and Senior Housing, and a 0.7 project FTE to finish the curriculum and manuals for the Specialized Maintenance and Repair Training (SMART) program. **Solid Waste and Fleet** had a net increase of 1.4 FTE to 16.6 FTE. The division reorganized staffing-assignments to better mirror actual effort, reducing Solid Waste and Fleet FTE by 0.6. The staff increase proposals are a 1.0 FTE two-year project staff to assist with Fleet replacements and multi-modal education and in 2018, a Solid Waste truck driver was added. **IPS Capital Budget** staff increased 6.5 to 9.7 FTE; 2.5 FTE will address the 2014-2018 capital backlog over two years and 4.0 staff will address the 2019 capital project list.

IPS' programmatic increases for MMRR and smoke and carbon monoxide detectors make up the majority of the budget increase. The original intent of MMRR was to provide funds for common area improvements; common area expenses are less than expected. In prior years, community expenses did not include MMRR activity, resulting in community expense underreporting; the combined budgets for maintenance and MMRR expenses were overspent. If approved, the 2019 MMRR maintenance budgets will nearly double the 2018 MMRR budget. The budget increase will more accurately reflect Housing Operations' actual expenditure expectations. SHA segregated the MMRR funds into five categories, two in operating expenses and three in capital expenses. Capital budgets for unit turn costs are flooring, hazardous abatement and boilers. SHA hopes that by creating five categories for MMRR charges it will be more clearly defined and easier to track budget against actuals, and better control costs. Common area repairs is the sixth new budget. The budgets will be allocated to communities before year-end.

New Capital initiatives for IPS include completing the projects on the 2014-2018 Capital Backlog List. This is a two-year project with 2.5 staff assigned. The 2019 Capital List has IPS assignments for 4.0 staff.

IPS advances the agency's mission by promoting quality communities and improving residents' quality of life at SHA properties and is a subset of Housing Operations; it is an internal service and enterprise fund specializing in maintenance, repair, and renovation services for SHA and other relevant entities in the affordable housing industry. Services include janitorial, landscaping, pest control, repairs and

maintenance, and hazmat operations. IPS emphasizes efficiency, quality, reliability, convenience, customer service, intra-organizational networking, and one-stop shopping with simplified procurement administration. IPS provides SHA's properties with in-house knowledge, unique skills, coordination, availability, stable service support, and accountability.

The **Solid Waste and Fleet** divisions' proposed budgets will increase 10.7 percent in 2019. The Solid Waste division added a driver mid-2018 due to increased staffing needs for illness and injuries due to the food waste container rollout and more customers at High Point. The Fleet division added a two-year project staff and a professional services contract to assist with multi-modal education, fleet acquisition, and right sizing efforts. The new fleet will be comprised of fuel-efficient vehicles that may or may not have alternative fuels, depending on the type of vehicle replacement and the technology available. Fleet will implement a replacement reserve fee charged to all vehicles based on their estimated replacement cost and useful life; continue the investment in telematics—a technology to monitor vehicle location, efficiency, safety, productivity and compliance.

The Solid Waste's business process, modeled after Seattle Public Utility's residential and multifamily methodology, encourages waste reduction. The city rate structure helped SHA align its solid waste business with SHA's organizational cornerstones of sustainability and environmental stewardship; it is easier for SHA's customers to compare SHA rates to the City rates. The Fleet team provides vehicle maintenance, replacement analyses, and monitoring of vehicle-operating expenses.

IPS has managed its **maintenance facilities** since 2014: MLK Maintenance site, South Operations Facility, and Operations Support Center. The Facilities budget will increase 0.9 percent in 2019 because Information Technologies will pay for increases in due to data line upgrades.

IPS Work Plan Highlights

Technology Improvements

- Manage and monitor telematics information related to driving results with staff. Telematics is an in-vehicle device that monitors driving, starting, stopping, idling and location. IPS is the principal user of SHA vehicles.

Maintenance and Repair

- Operationalize the expanded Right Sizing project to Serve More People, details are still under development. IPS hopes to play a large roll in this unprecedented project. Similar to prior right sizing projects, over housed families will relocate to more suitably sized units making way for larger families. The 2019 project envisions right sizing 35 to 40 households a year. Care will be taken that downsized families are moved to suitable new neighborhoods.
- Play a larger role in supporting the agency's capital needs, part of which includes building a stronger partnership with Asset Management and Construction Operations to increase internal customer service and meet the agency's capital priorities by providing resources while anticipating other urgent and emerging needs.
- Preserve the longevity of the department's assets in support of serving more people for years to come by building a unit modernization program that will fully address unit quality during turnovers.
- Complete training modules and curriculum for the Specialized Maintenance and Repair Training (SMART) program; and free up trade staff for maintenance activities. Student participants may

envision a career path; the program fosters staff retention and knowledge continuity. IPS received a NAHRO award for merit in 2018 for its SMART program.

- Expand IPS' Customer Service Feedback program where residents who recently received maintenance services complete a short survey on the quality of service. IPS will analyze survey responses and identify areas for improvement. Positive survey results are also an opportunity to build morale within IPS. IPS received a NAHRO award for merit in 2018 for its Customer Service Awareness in 2018.
- Install or repair 24/7 ventilation fans in Scattered Sites, funds are included in the 2019 capital budget. The 24/7 ventilation fans reduce mold growth in units, improve air quality, improve tenant health, and maintain current investments.
- Perform Minor Maintenance Repair and Replacement projects identified by property managers and funded via the operating and capital budgets.
- Improve ways to decrease costs to the communities. Determine uses of more durable materials that will have a longer life, such as flooring, counter tops with solid surface material, appliances with more durable structures or cost less to replace.
- Identify a scheduled service visit process or planned maintenance schedule that may present the same benefits of a sub-area maintenance team without the required number of staff, facility, support or supervision, in lieu of a second sub-area maintenance team.

Pest Control

- Build more trust with residents and increase efforts in resident education to lead to proactive and efficient inspections.
- Expand preventative-pest control maintenance and canine bed bug inspections to HOPE VI. Monitor results of move-in pest inspections for all SHA buildings.

Preventative Maintenance (PM)

- Using Power Business Intelligence, evaluate and refine analyses of maintenance and repair work orders in the Yardi system to enhance efficiencies and monitor property performance and repairs.

Solid Waste

- Analyze Solid Waste routes and ensure routes are as efficient as possible. Evaluate external customer service to fit into existing routes. Determine the fully burdened cost by customer type and geographic region; evaluate the current rate structure to ensure cost recovery for each external customer class.
- Implement changes to the routes to be responsive to workload growth, changes in staffing, improve efficiency, and evenly distribute the workload.

- The addition of a new driver will free up time for the Solid Waste Supervisor to:
 - ✓ Be more fully trained in routing software to sequence routes and develop and optimize metrics to measure driver performance.
 - ✓ Work with staff through route observations and ride-alongs to increase efficiency, document extra charges, encourage safe work practices, participate more in waste reduction efforts, and promote uniformity of service for all customers.
 - ✓ Collaborate with SHA's Safety Manager to improve our safety program.
- Collaborate with SHA's IT department to develop automated exception reports to audit billing and routing accuracy.

Fleet

- Launch the approved long-term plan for SHA's 'Future Fleet', optimize multi-modal alternatives to owning cars; adopt industry best practices on cost effectiveness, fuel efficiencies, environmental concerns, and safety.
- Assist staff to identify multi-modal transportation options that reduce staff reliance on SHA Fleet vehicles. Options should be safe, reliable, convenient and on-demand transportation alternatives that are cost effective and environmentally friendly.
- Invest the two-year funding allocation of \$5.4 million to acquire appropriate vehicles, principally vans, small trucks and specialty trucks that meet SHA's business needs. Initiate replacement reserve charges to communities to provide an ongoing and stable source of funding for fleet replacement.
- Utilize telematics equipment installed in fleet vehicles in 2018 to perform analyses of how SHA's staff use of fleet equipment. Fleet will use this data to engage stakeholders and reduce the fleet size by eliminating under-used vehicles and by promoting the use of multi-modal transportation where practical and applicable.
- Use telematics to develop a more efficient preventative maintenance program by remotely monitoring vehicle diagnostic alerts and basing service scheduling on actual vehicle usage as opposed to arbitrary time intervals.
- Develop long-term plans and strategies to comply with the updated state regulations on fleet electrification.
- Acquire, outfit and assign new vehicles in accordance with the plan that the agency adopts to update the fleet and eliminate the capital replacement deficit.
- Increase employee accountability for the condition of their vehicles by creating a vehicle database with photos to establish current vehicle condition, followed up with regular inspections of vehicles, and documentation of any new damage or excessive wear and tear to the vehicle.
- Have employees attend training and acquire modernized equipment as needed to keep up with new technologies in the vehicles.

Facility Operations

Several capital projects are proposed for 2019; access improvement to the second floor of the Operations Support Center, build a conference room and repair the roof at the South Operations Facility; and build a cover for the garbage area at the Central Maintenance Facility.

Community Services

Community Services				
Division Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
TOTAL OPERATING	\$3,858,600	\$4,245,600	\$4,799,200	13.0%

Table 20: Community Services Budget and FTEs

	2018	2019
Full-time Equivalent Positions	Approved	Proposed
Total FTEs	15.8	13.8

CSD’s budget increase is substantially due to a \$432,600 increase in Tenant Services, primarily for expanded housing stability/eviction prevention services and new digital literacy and access services. CSD’s FTEs net decreased by 2.0 due to the anticipated end of the three Resident Opportunities Self Sufficiency (ROSS) Project SOAR (Students + Opportunities + Achievements = Results) grant-funded College Navigator positions at the end of the first quarter of 2019 and the increase of the SSHP Community Builder from three-quarters to full-time.

Department Purpose & Function

The Housing Operations Community Services Division (CSD) oversees social services planning and coordination as well as community building for the housing authority. CSD is active in the area of community building and support to youth and families with students to be academically successful, including college preparation and obtaining financial aid. The division contracts out for social services with non-profits and government agencies at a value of approximately \$3.1 million annually. CSD also plays a key role in developing and maintaining external partnerships in terms of social services and plays a key role in raising funds through private and public grants.

Community Services Work Plan Highlights

Housing Stability

SHA works with residents at all stages of their tenancy to ensure that they have the opportunity to live safely and securely in SHA housing. Over the years, the agency has successfully partnered with local service providers to provide residents a range of supportive services, such as case management, counseling, and other services (including mental/behavioral health) that will assist them in maintaining stable housing and avoiding behaviors that could lead to eviction.

In 2019, SHA will expand services that promote housing stability and strengthen SHA’s eviction prevention efforts so that services reach more people throughout their tenancy. SHA and service providers will work with households to prepare them to move into stable housing and maintain that housing in a manner that promotes the family’s self-sufficiency.

In addition, SHA intends to train staff who have regular, direct contact with residents to recognize when a person might be in crisis or in need of support and service. Staff will also be equipped with more knowledge of housing stability resources available in the community. The agency expects to work with some existing SHA service providers to augment their services and with expert behavioral consultants/trainers that can provide valuable assistance to SHA staff and providers.

Health and Volunteer Initiatives

- Continue to fully implement the Volunteer Initiative for seniors, which supports residents who volunteer to lead activities to engage other residents in SSHP buildings and two elderly designated LIPH buildings (Ballard House and Westwood Heights). Popular classes have included arts and crafts, watercolor, art appreciation, as well as Tai Chi, meditation, and yoga.
- Work closely with OPSI and other relevant departments as SHA moves forward on a Health Initiative to help the agency support increased resident access to new and existing health opportunities and to better align and coordinate existing services. Decisions about health programming will focus on:
 - ✓ Accessing new service opportunities for SHA residents.
 - ✓ Partnering with agencies that bring financial resources and staff capacity to the table.
 - ✓ The changing health policy environment and new Medicaid billing mechanisms for service partners.
 - ✓ Developing plans to expand access to all SHA populations- including families with children.
 - ✓ Right-sizing contracts and services to support individuals accessing the right type and level of service at the right time.
 - ✓ Continued data integration including accessing Medicare data.
 - ✓ Partnering with organizations in new ways to allow for increased access and services.

Yesler People Initiatives

- Continue to play the lead role with People initiatives under the Choice Neighborhood Initiatives grant until its expiration at the end of the third quarter of 2019.
- Work with the Executive and Development departments on funding an ongoing set of continuing services for new, returning, and continuing Yesler Terrace residents.
- Continue to partner with Seattle University as the lead education partner with the goal to provide education supports to the youth in order for all youth to graduate from high school ready for college and/or careers.
- Work with other community partners to provide education services that are available for children 3 – 18 years-old including:
 - ✓ Early learning programs
 - ✓ After-school tutoring
 - ✓ Classroom teaching support
 - ✓ College preparation, mentoring, and scholarships
 - ✓ Summer academic enrichment programs
 - ✓ Social/emotional support for Garfield high-school students
 - ✓ Family engagement support
- Continue to support children's academic success at Yesler through the work of the Youth Education Specialist, who works with students and their families to develop and implement educational plans for at least 50 students. This work will include:
 - ✓ Connecting students to extended learning opportunities during the school year and connecting students to educational enhancement opportunities during the summer.

- ✓ Encouraging families to be informed and connected to school activities and resources.
- ✓ Creating opportunities in which families are included in decision making opportunities in matters that affect their student's education.
- ✓ Partnering with service providers to invite education programs that are relevant to the community.
- Continue to engage Yesler residents in discussions about health-related topics.
- Develop transition plans, in concert with the Health Initiative, for the Community Health Worker Program, as the contract is funded by Choice Neighborhoods Initiatives grant which will end in August 2019.

Youth Engagement

- Lead an agency-wide dialogue on how SHA plans to approach youth development and how CSD can further align its efforts to an agency-wide education initiative. Form comprehensive youth development plans by continuing to work with other departments and outside partners.
- Continue work supported by the ROSS for Education program's Project SOAR (Students + Opportunities + Achievements = Results) including funding for three College Navigators to support youth in some of SHA's low income public housing communities selected by HUD.
- Contract with youth-serving organizations that offer youth academic and enrichment programming including tutoring, afterschool enrichment, summer programming, arts, sports, and recreation. Varied programming for youth helps to allow them to succeed in school while also discovering their specific interests, skills and passions.
- Establish programmatic opportunities for youth ages 16 through 24; create and manage youth-led programs that increase the number and type of activities that connect youth to education, community, and job-readiness; and work with the College Navigators to increase networking and communication about these activities among all youth including the ROSS SOAR treatment youth population.
- Continue to identify and respond to issues of youth violence and general youth disengagement in SHA's family communities. The Youth Engagement Specialist will continue to focus outreach on disengaged youth to connect them to resources and youth programs.

Resident Councils

- Support the duly elected public housing councils as well as community members who want to hold community events to bring people together around common interests and community celebrations.
- Support the resident councils on utilizing the Resident Participant Funding for investments in training for residents (e.g. emergency preparedness), internet access for council offices, interpretation/translations, and other areas.
- Oversee the distribution of funds under the SSHP Community Building fund which supports SSHP residents in community activities like holiday events, gardening clubs, resident council sponsored initiatives, and in purchasing items for their community rooms like games, televisions and computer equipment.

Community Building

- Continue to support and grow a model of community building in the mixed income communities that is based on helping create and sustain social networks through affinity groups and neighborhoods coming together around common interests.
- Strengthen social networks across the immediate neighborhood and create opportunities to activate public spaces by hosting various events.
- Continue to support and provide technical assistance to community members for the development of grant applications and implementation of matching grants from the Department of Neighborhoods, Parks Department, SDOT, and the Department of Information Technology for community events, community improvements, and computer labs. These funding sources have been used for funding activities like Juneteenth celebrations, the extension of the Rainier Vista central park, murals, and computer labs in the high-rise buildings.

JobLink

		2018	2019	
JobLink Expenditures	2017 Actual	Adopted	Proposed	% Change
TOTAL OPERATING	\$609,432	\$1,947,251	\$2,172,773	11.6%

Table 21: JobLink Budget and FTEs

	2018	2019
Full-time Equivalent Positions	Approved	Proposed
Total FTEs	19.0	20.0

JobLink’s \$2.17 million 2019 Proposed Budget is an 11.6 percent increase over its 2018 Adopted Budget, owing to increases in Administrative Salaries for existing staff and turnover, as well as new funds for Temporary Help for the new Section 3 Pilot (described in the JobLink 2019 Work Plan Highlights section below). The increase in 1.0 FTE is for a project-based Career Coach position for Yesler Terrace, funded from Yesler land sale proceeds, and is not part of the department budget numbers shown above.

Department Purpose & Function

JobLink helps residents connect to education and employment so they can increase their economic security, skills, income, assets, and financial well-being. JobLink matches SHA residents to employment, education and resources that build pathways to full-time or part-time employment. JobLink delivers on SHA’s Strategic Direction Improve Quality of Life and the agency’s Key Objective: Economically Empower People.

JobLink’s aim is to help residents prepare and compete for 70 percent of jobs in Washington State that require some education beyond High School. JobLink is particularly focused on high demand industry sectors including: health care; professional services/administration; manufacturing and production; transportation, trade, and logistics; property management and building maintenance; information technology and retail, hospitality, food service.

Residents most likely to benefit from JobLink services are the 8,300 Working Age, Non-Disabled (WAND) individuals in public housing or housing choice voucher holders. Almost half of WAND residents are

working full or part-time. JobLink services are tailored to the needs of these residents, as well as those not currently working.

JobLink Work Plan Highlights

In 2019, JobLink will improve upon the model and practices learned in the first year, so that we can continue providing SHA residents with high quality employment, education and community resources.

- JobLink will continue to deliver on the 2018 main objectives:
 - ✓ Serve more residents (700-1,000);
 - ✓ Meet residents along the Economic Security Continuum; and
 - ✓ Create more strategic and community and employment partnerships.
- JobLink is engaging in a continuous improvement process throughout 2018 and if needed will pursue upgrades in 2019 in the following areas:
 - ✓ Creating one program with access to a single set of services for all residents;
 - ✓ Instituting proactive recruiting channels with regular feedback loops to SHA internal stakeholders;
 - ✓ Converting a traditional case management approach into a coaching model;
 - ✓ Integrating college navigation into service model;
 - ✓ Using labor market data to focus on key industry sectors for job placement;
 - ✓ Establishing financial supports for emergencies, education, employment and savings ;
 - ✓ Implementing a new client tracking database (ETO);
 - ✓ Targeting training and professional development for staff; and
 - ✓ Increasing team collaboration through the creation of a “one office environment.”
- JobLink will introduce a pilot program of Section 3 hiring among residents or voucher holders for 6-month trainee positions to provide opportunities for residents to explore entry-level roles at SHA while receiving coaching for possible permanent hiring. This program could also provide Housing Operations with a pool of possible applicants for high turnover entry-level positions.

Impact Property Management – HOPE VI Communities and Parks

Impact Property Management – HOPE VI Administration, NewHolly, Rainier Vista, High Point and Others Expenditures	2018		2019	% Change
	2017 Actual	Adopted	Proposed	
Impact Property Management	\$864,900	\$913,400	\$1,152,800	26.2%
NewHolly Phase II & III (Othello & Desdemona)	980,500	2,275,100	2,298,100	1.0%
Rainier Vista Phase I (Escallonia)		1,340,200	1,398,900	4.4%
High Point North			2,567,700	
Parks	370,600	364,000	382,800	5.2%
Campus of Learners	627,900	583,000	623,000	6.9%
TOTAL OPERATING	\$2,843,900	\$5,475,700	\$8,423,300	53.8%

Table 22: Impact Property Management Budget and FTEs

Full-time Equivalent Positions	2017	2018
	Approved	Proposed
Total FTEs	53.0	54.0

The summary above accounts for budgets for Impact Property Management (IPM) administration for the HOPE VI sites, including the Campus of Learners at NewHolly; Parks maintenance for HOPE VI communities; and tax credit properties owned by SHA.

The increase in the proposed budget for 2019 results primarily from addition of High Point North to SHA budget. In 2019, High Point North is expected to be 100% owned by SHA and is included in the 2019 proposed budget. The addition will result in an increase of \$2.6 million to IPM budget. The remaining increase is due to addition of Property Management Coordinator and Assistant Property Manager positions described below. Excluding the impact of High Point North, the total change from 2018 adopted budget is about \$380,000. The limited partnership expenses in the HOPE VI communities are carried on the partnership books presented in the back section of the budget book, but the employees funded by the limited partnerships and working in the HOPE VI communities are included in the FTE numbers above.

The HOPE VI Administrator’s office will have a Property Management Coordinator (PMC) and a half time Assistant Property Manager (APM). The PMC will support all HOPE VI and Yesler properties in providing analysis and projections as well as document imaging, upgrading Yardi, updating Impact Property Management’s SharePoint site, supporting right sizing efforts, expanding the use of data visualization tools, and providing support on the monitoring of the Real Estate Assessment Center (REAC) inspections and reports. The APM is added to help to manage the Project Based Voucher (PBV) waiting list at Yesler by processing applicants for approval and establishing an approval queue for property management. Other duties of the APM include tracking annual certifications in the Yardi system, processing interim reviews, and potentially handling PBV move-in and move out tasks.

The Impact Property Management (IPM) oversees the management of HOPE VI housing units owned by five limited partnerships, for which SHA serves as the General Partner and Managing Agent – NewHolly Phase I, Rainier Vista NE, Tamarack, Lake City Village, and High Point South. IPM also manages four former tax credit partnership properties owned and operated by SHA. High Point North began the exit process in 2018 and is expected to become 100% SHA owned by the end of 2018. In 2019, IPM-HOPE VI

will manage about 1,700 public housing, project based and tax credit units in these communities. IPM also oversees the management of approximately 650 Yesler Terrace campus housing units, including Yesler Terrace public housing, Ritz Apartments, and Baldwin Apartments. Also included in the 650 units are five tax credit limited partnerships, Leschi House, Kebero Court, Raven Terrace, Hoa Mai Gardens and Red Cedar, for which SHA serves as the General Partner and Managing Agent.

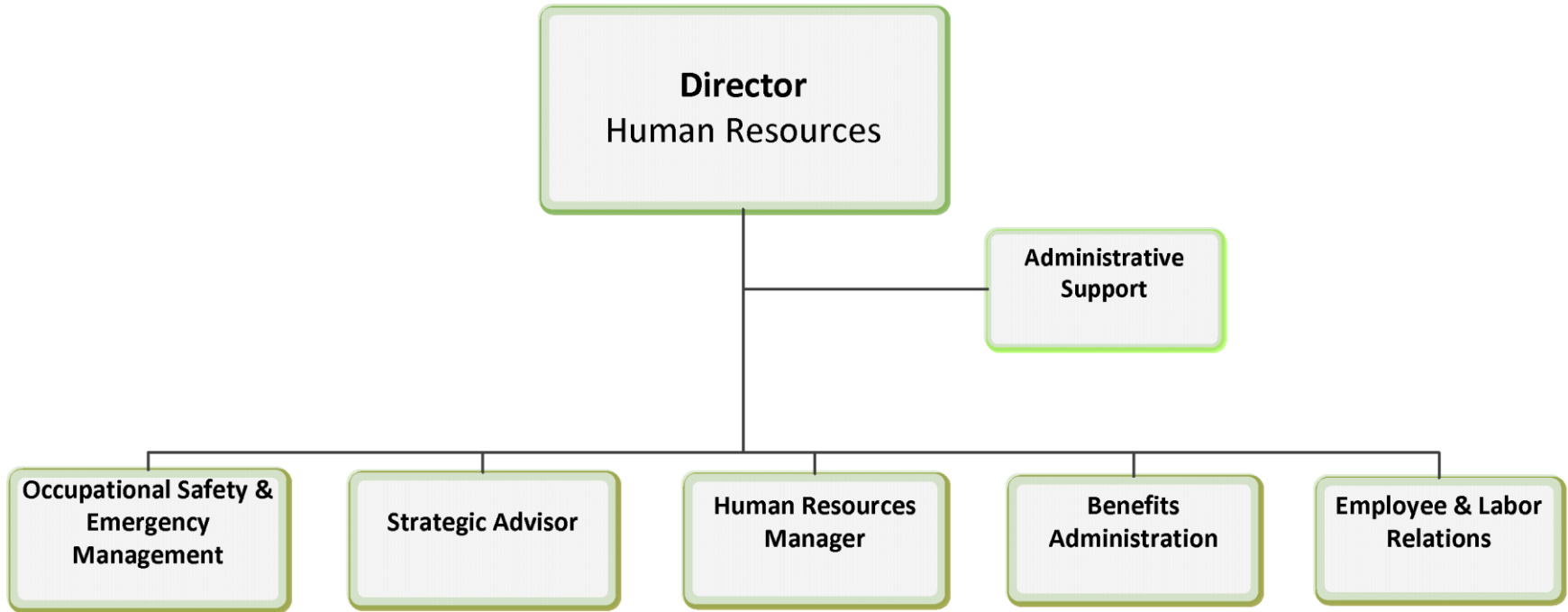
IPM also administers operation of the parks and common amenities in these communities. In addition, the NewHolly Campus of Learners and Special Portfolio outside-managed communities are also managed by IPM. Budgets for the Limited Partnerships are included in the final section of the Budget Book, and Yesler's budget appears in its own section. The budget for Special Portfolio is also separately presented.

IPM – HOPE VI Work Plan Highlights

- Complete the first year of tax credit certification for 100% of the units at New Holly Phase I and continuing the schedule of interior unit upgrades. The Resyndication project started in 2016 and completion is expected by 2018. The project was a fully occupied rehab program to upgrade the exteriors of the buildings, to include roofs, siding, porches, and windows.
- Implement Housing Operation's document imaging project at High Point, NewHolly, Rainier Vista and Yesler by the year end of 2018. 100% of tenant files will be imaged by the start of 2019.
- Continue staff training on how to efficiently use imaged tenant files, and monitor to ensure imaged files are maintained.
- Explore innovative ways to decrease costs to the limited partnerships. Determine uses of more durable materials that will have a longer life such as flooring and appliances that require less repairs and cost less to replace.
- Support IPS Solid Waste and community partners to promote participation and compliance with the organics program for the rental units in High Point, NewHolly, Rainier Vista, Lake City and Yesler.
- Continue to evaluate the billing for overages and incentive program for costs and administrative burden to the Hope VI communities for areas of refinement, to reduce costs to SHA, and address risks associated with tax credit compliance. Work with the utility billing vendor, to establish the collection process for water overages to keep accounts receivable down.
- Implement the use of Yardi's inspection and work order mobile capability and hand held devices at Rainier Vista, High Point, NewHolly and the Yesler Campus. Initial implementation work will occur in 2018 with full implementation in 2019.
- Assist in the potential buyout and transition back to SHA of multiple tax credit limited partnerships.
- Continue the partnership with IPS in the skills training for the Universal Maintenance Mechanic and Hope VI Maintenance Tech positions.

HUMAN RESOURCES

HUMAN RESOURCES DEPARTMENT



Human Resource Budget

Human Resources Department Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Admin Salaries & Temp Help	\$1,673,800	\$2,132,800	\$2,236,000	4.8%
General and Administrative Expense	378,200	357,700	487,100	36.2%
Tenant Services	-	-	-	
Maintenance & Contracts	166,900	116,800	119,500	2.3%
Utilities	-	-	-	
TOTAL OPERATING	\$2,218,900	\$2,607,300	\$2,842,600	9.0%
Less Internal Agency Fees	(122,300)	(88,400)	(73,000)	(17.4%)
Grants, and Salaries/Benefits for Capital and Limited Partnerships	-	-	-	
TOTAL	\$2,096,600	\$2,518,900	\$2,769,600	10.0%

Table 23: Human Resources Budget and FTEs

Full-time Equivalent Positions	2018 Approved	2019 Proposed
Total FTEs	11.0	11.0

For 2019, Human Resources (HR) Department's proposed operating budget increases by 9.0 percent above the 2018 Adopted Budget to \$2.84 million. The Human Resources budget holds the employee budget for all-staff and agency-level trainings, which increased by 36.2 percent for 2019 in order to provide all-staff anti-sexual harassment training, expanded anti-racism training, and data training, as well as a pilot program reintroducing a tuition reimbursement benefit.

Department Purpose and Function

Human Resources' mission is to provide comprehensive, progressive Human Resources programs to meet the needs of SHA staff, and contribute to achievement of SHA's strategic goals. Human Resources is responsible for core employment services such as recruitment and selection, job classification and compensation, performance management, employee relations, agency-wide temporary staffing, and employment records. In addition, HR oversees the race and social justice initiative, training and development, benefits administration, labor relations, safety and health, emergency management, and employee recognition.

These responsibilities entail implementation of best practices and compliance with federal, state, and local employment laws, with HUD regulations, and with court decisions regarding employment rights and responsibilities. HR supports the Strategic Plan and the Authority by assisting departments with recruitment, hiring, and on-going training and development of staff. The goal of HR is to ensure employees are working in a productive, safe, welcoming, and non-discriminatory environment.

Work Plan Highlights

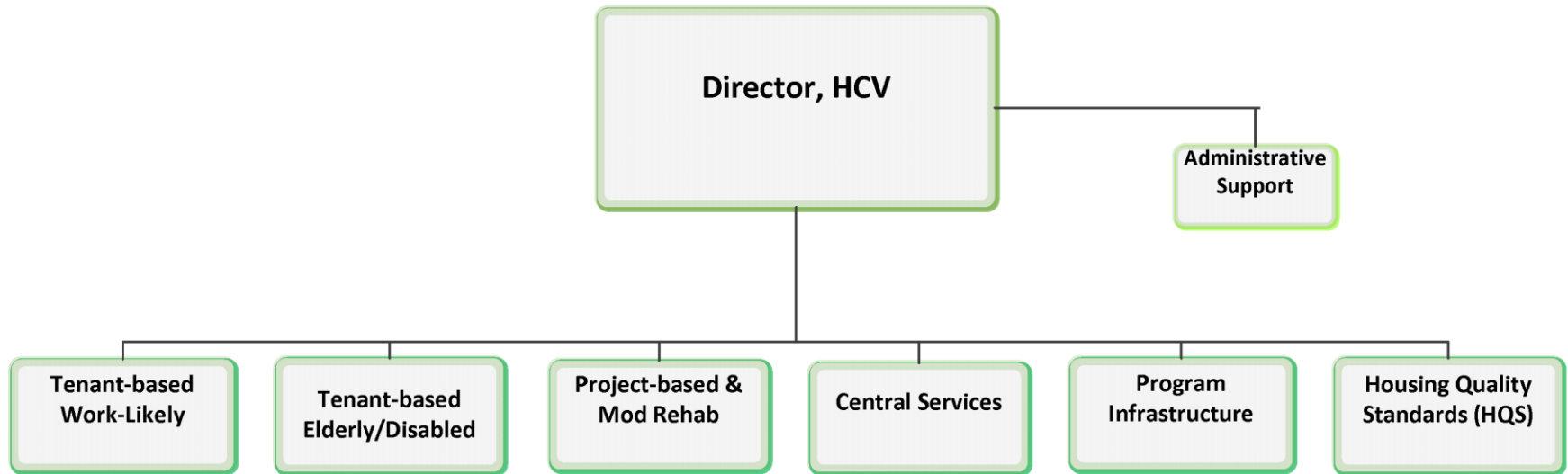
2019 work plan highlights include:

- Expand HR Recruitment/Equity Practices to ensure best practices and identify current practices that may have a disparate impact in the following areas: recruitment, selection, onboarding, performance management and retention.
- Staff-wide training in Sexual Harassment prevention and intervention, as well as expanding anti-Racism training to all managers.
- Reintroduce the Tuition-Assistance and Reimbursement Program in a pilot. The prior tuition assistance program will be restructured to account for changes in eligibility, cost, and design. This will significantly expand SHA's existing Employee Career Development Program.
- Recruitment Cycles/HR Lean Value Streaming: Examine current workflow for recruitment cycle timelines and record data for time to fill vacancy and quality of hire and the relationship between the two data points to identify areas for improvement.
- Development of an electronic onboarding for new hires and new supervisors, revision of the three month evaluation template, and increased performance evaluation completion times.
- Digitization of onboarding/recruitment materials and implementation of digital signatures to further decrease the need for print and minimize risk.
- Refinement of Leadership Development Program/Training Offerings based on assessments and defined strategies.
- Continuing to strengthen the relationship with labor unions to enhance communications, reduce grievances and partner to implement SHA's mission and goals. Working with the unions to ensure the contracts are consistent with SHA's financial capacity, and efforts to create efficiencies in operations and cost containment.
- Working with the Labor/Management committee to review current labor relations processes to ensure SHA is utilizing the most efficient process for labor management and negotiations.
- Continued updating of the Employment Section of SHA's Manual of Operations, to reflect the latest employment laws and regulations to ensure compliance and preventing litigation. Human Resources will be continuing a systematic review process that will ensure all policies are reviewed for relevancy.
- Developing programs and initiatives that will continue to provide a safe work environment for staff, lower accident rates, and comply with regulatory agencies; thereby, reducing time loss and lowering workers' compensation costs. These programs include, but not limited to, more than forty safety training topics annually, dynamic stretch program, safety committee teams, engineering controls, policies and procedures, web-based safety training, new hire safety town hall, stretch program part 2, de-escalation training, near miss program, facility safety audits, etc.
- Develop and implement processes, procedures, programs and initiatives for an agency-wide emergency management program. Efforts include focus on mitigation/preparedness, response and recovery. This includes, but not limited to, updates to policy and procedures, business continuity plan, emergency supplies, staff trainings, technological advancements, essential departmental functions / essential personnel, emergency management communications, etc.

- Working with Labor and Industries (L&I) Department on claims to return employees back to work. Continued focus on our Return to Work program to return employees back to work “light” duty. Continued processing of claims by working with Labor and Industries, Physicians, and staff personnel.
- Continue to provide training (in-house or external trainers) in more than forty different safety training classes most of which are required by Washington Industrial Safety and Health Administration (WISHA). These classes include, but not limited to, fall protection program, respiratory protection program, medical surveillance program, hearing conservation program, blood borne pathogens, hazard communication, workplace violence prevention and active shooter response, annual safety, lead awareness, confined space awareness, asbestos awareness, asbestos supervisor, competent person fall protection certification, competent person excavation/trenching certification, forklift certification, aerial lift certification, mold remediation, slip/trip/fall prevention, back injury prevention, OSHA 10, heat related illness, ergonomics, new-hire safety orientation, lockout/tag-out, etc.
- Updating the Authority’s Safety and Health Manual as needed to ensure compliance with federal and state regulations. Providing safety training, and working with the Safety Committees to address the needs of our workforce.
- Development of departmental Key Performance Indicators
- Enhancements and improvements to the Human Resources OurHouse pages will continue, with potential new functionality coming online in the coming year.
- Coordinating annual agency meetings and events, such as the All Staff Meeting, Holiday Brunch, SHA Annual Anniversary Awards Luncheon, and Charitable Giving Events.

HOUSING CHOICE VOUCHER PROGRAM

HOUSING CHOICE VOUCHER PROGRAM



Housing Choice Voucher Program Budget

HCV Department Expenditures	2017 Actual	2018 Adopted	2019 Proposed	% Change
Admin Salaries & Temp Help	\$5,277,600	\$5,407,100	\$5,715,700	5.7%
General and Administrative Expense	4,220,800	4,798,400	4,904,900	2.2%
Tenant Services	61,300	393,900	199,500	(49.4%)
Maintenance & Contracts	200,900	41,700	99,500	138.6%
Utilities	-	-	-	
TOTAL OPERATING	\$9,760,600	\$10,641,100	\$10,919,600	2.6%
Less Internal Agency Fees	(2,811,000)	(3,286,500)	(3,420,000)	4.1%
Housing Assistance Payments	97,660,000	104,123,000	109,793,900	5.5%
TOTAL	\$104,609,600	\$111,477,600	\$117,293,500	5.2%

Table 24: Housing Choice Voucher Program Budget and FTEs

	2018 Approved	2019 Proposed
Full-time Equivalent Positions		
Total FTEs	66.8	67.5

For CY 2019, the Housing Choice Voucher (HCV) Program's operating expenses will increase 2.6 percent above CY 2018 to \$10.9 million. This increase is largely attributable to the increase in Administrative Salary expenses. A new project-based Housing Counselor position for the Creating Moves to Opportunity (CMTO) program was added to the HCV department and is reflected in the FTE count and budget amounts shown above. The changes to Tenant Services and Maintenance & Contracts are the results of reallocating funds to more appropriate account labels and reducing budgeted amounts to better reflect recent actuals.

In mid-2018, SHA adopted a Market Rate VPS (MR-VPS) increase for new shoppers and rent-burdened voucher holders in market rate units, which will begin to impact the budget beginning in late 2018 with the full impact occurring by 2020. The Housing Assistance Payments (HAPs) for 2019 are anticipated to be \$109.8 million, which is \$5.7 million greater than the 2018 Adopted Budget and \$12.1 million more than the actual 2017 HAP expense. \$3.9 million of the \$5.7 million increase is attributable to the new MR-VPS increase. The remaining \$1.6 million increase is attributable to previous VPS increases applying to current vouchers, a small increase in the number of vouchers issued, and rent inflation.

Department Purpose and Function

The primary responsibility of SHA's Housing Choice Voucher (HCV) Department is to administer federal housing assistance payments serving households in the Housing Choice Voucher (HCV) and Mod-Rehab programs. The Housing Choice Voucher program provides rental assistance to more than 11,000 very low-income households. The overwhelming majority of participants in the HCV project-based, tenant-based, and the Mod-Rehab programs have incomes below 30 percent of area median income.

HCV is responsible for managing all aspects of the voucher program. These include: maintaining a waitlist; certifying applicant eligibility and issuing vouchers; determining participant income; administering utility allowances; establishing voucher payment standards; recruiting and screening

landlords; establishing reasonable rent to be charged by landlords; conducting housing quality inspections and following up to ensure corrections are made when violations occur; recertifying eligibility and income at the designated review cycle; providing housing counseling and programs to prepare participants to be successful in the rental market; administering special voucher programs for specific populations; administering contracts with project and program-based providers of vouchers; encouraging participants to understand their choices in neighborhoods; and leading advocacy efforts, often in coalitions with others, on behalf of low-income housing and support programs with federal, state, and local governments.

HCV also plays a crucial role in supporting the City of Seattle's continuum of affordable housing by providing critical operating subsidies for service-enriched units owned by non-profits. These units, supported with vouchers from SHA, provide decent, affordable housing with services to homeless or disabled individuals and families who are unlikely to be served well by SHA's public housing program.

HCV also assists SHA in meeting its commitment to replacement housing of public housing units demolished by redevelopment. It does so by providing "hard units" through non-profit developers of housing affordable to extremely low-income households comparable to the public housing units demolished by redevelopment. The Department also augments the financial viability of the Special Portfolio/Local Housing program by providing project-based subsidy in many of these units.

Work Plan Highlights

The HCV department developed a five-year plan for its activities that aligns with SHA's Strategic Plan and that will guide the 2019 work plan. The primary HCV goals in relation to the Plan are:

- Add new rental assistance vouchers: SHA applied for up to 400+ new Special Purpose vouchers (300 Mainstream, 100 Family Unification Program, and 15 Veteran Affairs Supportive Housing) and recently received notification that it will receive 79 Mainstream and 15 VASH vouchers. No information has been received yet about the FUP vouchers. Work to lease them quickly in order to reach utilization goals for 2019. (Note: The new and potential additional vouchers are not reflected in the proposed budget; however, their inclusion is expected to have minimal net impact as their additional expense is matched with additional subsidy.)
- Utilization is a key focus for the operation of the HCV program and is one of the primary measures used by HUD for determining program success. Utilization has remained steady between 90 and 91 percent throughout 2017 and 2018. For the rest of 2018 and through 2019, HCV's goal is to increase this utilization rate to 93 percent, which would serve an additional 371 households. A few of SHA's strategies for increasing the utilization rate include:
 - ✓ Continue to refine the contract terms and contract monitoring efforts for project-based partners to maintain high utilization rates at those properties.
 - ✓ Measure and evaluate special programs aimed at keeping families housed and encouraging successful leasing in quality neighborhoods (e.g. Family Access Supplement and CMTO).
 - ✓ Improve quality of information captured at participant termination in order to inform future efforts to improve participant retention.
 - ✓ Targeted Voucher Payment Standard increases for households that may be struggling to afford rent.
 - ✓ Improve methods for contacting waitlist applicants when their number is drawn to better ensure successful issuance.

- ✓ Measure and evaluate strategies for assisting with housing search to improve the probability of successful lease-up.
- Increase the number of landlords participating in the Housing Choice Voucher program. Define program strategies and incentives to increase the number of landlords providing rental opportunities for voucher households and expand the opportunities with existing landlords.
- Apply for additional vouchers made available through standard or other special voucher programs that are appropriated by Congress and for funding to support special programs in order to obtain resources which align with and support the mission of increasing and leveraging partnerships.
- Leverage results from the first two school years of the “Home from School” pilot at Bailey Gatzert Elementary School to secure outside funding for services that complement SHA’s housing for homeless families with children within the school attendance area in order to contribute to stability of the school and its families. During the first two school years of the pilot, 21 families (64 individuals) successfully leased housing in the Yesler catchment area and five families are still searching for appropriate homes.
- Assist families to enroll in enhanced services including housing location and lease up in areas of opportunity to support long term youth success. Support Creating Moves to Opportunity (CMTO) via waitlist management of eligible families as well as an additional Housing Counselor dedicated to enroll families into the study.
- Provide housing services assistance, security deposit assistance, and risk mitigation funds through an in-house model.
- Promote a culture of compliance by conducting regular file audits; monitoring exception reports; providing technical assistance; training and mentorship; and establishing procedures to improve monitoring and contract compliance of project-based voucher contracts.
- Make the customer experience easy, pleasant, and effective in addressing issues quickly so internal and external customers can move to the next step in the process or find resolution. Develop qualitative metrics to assess internal and external customer satisfaction and areas for improvement.
- Implement process and service improvements resulting from department-wide lean processes to: reduce the time from waitlist notification to voucher issuance; provide greater support assistance to voucher shoppers in leasing an affordable unit; achieve initial Housing Quality Inspections and re-inspections of units in a timely fashion; and implement monitoring procedures to ensure contract compliance by Project-Based Voucher (PBV) providers.
- Utilize Race and Social Justice Initiative Toolkit to assess 12 months of data related to HCV terminations. Ensure that all HCV staff have completed Fair Housing Training.
- Promote Staff and Leadership Development through internal/ External Trainings; promoting up; Lean leadership; encouraging best practices; knowledge and capacity building, increasing competencies; leadership development and training in order to ensure cohesion, congruency across teams, and agency engagement to reduce silos; engage in promoting SHA’s mission, values, and vision in order to fulfill the strategic direction of the department.

CAPITAL IMPROVEMENT PROGRAM

CAPITAL IMPROVEMENT PROGRAM SUMMARY

The Capital Improvement Program Summary outlines SHA’s CY 2019 plans for the following areas:

- Community redevelopment using federal grant funds and mixed financing;
- Asset preservation through modernization, renovation, and rehabilitation of our housing portfolios and operating facilities using predominantly federal grant funds plus property reserves; and
- New acquisition, development, and pre-development planning.

The tables below presents the projected sources and expenditures for CY 2018 and CY 2019. Sources reflect a net increase of 101.4 percent in capital and redevelopment funding compared to 2018. The most significant changes are as follows: closing of mixed finance transactions for Hinoki and Lam Bow Apartments, short-term funding in the form of opportunity investments to advance SHA’s strategic goals, and a 50 percent increase in Capital Grant funding over the prior year.

Summary of SHA Capital Projected Sources	CY 2018	CY 2019
Public Housing (MTW portion)	\$10,386,000	\$15,695,000
Seattle Senior Housing Program (MTW portion)	2,661,000	580,000
Special Portfolio/Local Housing Reserves	1,162,000	1,307,000
Opportunity Investments		24,375,000
homeWorks Reserves	1,768,000	1,910,000
HOPE VI Reserves	691,000	304,000
Facilities and Impact Property Services Reserves	221,000	276,000
Bond Proceeds for Pooled Refinance: Wedgewood Estates, Othello and Desdemona	7,826,000	6,303,000
Short and Long Term Financing for Hinoki		50,852,000
Short and Long Term Financing for Lam Bow Apartments		30,567,000
Tax Credit Equity to Hinoki in 2019		18,000,000
Tax Credit Equity to Lam Bow Apartments in 2019		14,330,000
Program Income contribution to Hinoki in 2019		16,169,000
Program Income contribution to Lam Bow Apartments in 2019		10,910,000
Use of Prior Year Resources - Mixed Finances	73,092,000	14,029,000
Internal financing for Predevelopment	3,500,000	2,000,000
Other MTW		1,172,000
For Sale Proceeds from Yesler Neighborhood	8,816,000	2,150,000
City, State and Federal Grants	875,000	6,420,000
TOTAL SOURCES	\$110,998,000	\$217,349,000

Table 25: Summary of SHA Capital Project Sources

Projected capital expenditures in 2019 are 24.1 percent lower than 2018. Yesler Terrace expenses will decrease due to reduced 2019 spending at Red Cedar against only modest expenses for Hinoki and Yesler Terrace Infrastructure. Offsetting the 2018 Red Cedar expense reduction are the new Opportunity Investments proposed for 2019. Other costs, which will not recur in 2019, include NewHolly’s Rehabilitation and the purchase of the former King County Records site. The West Seattle Affordable Housing limited partnership will be in its second and final year of construction. In 2018, SHA proposed a pooled refinancing to provide capital improvement funds at Desdemona, Escallonia, Othello and

Wedgewood Estates with extra funds earmarked for Montridge Arms and Market Terrace. The pooled refinancing is restated in 2019 because the 2018 transaction was significantly delayed; therefore, projects were proposed again for 2019. Other projects include Scattered Sites rehabilitation and repositioning which is in its fourth and final year. Lam Bow Apartments will be in redevelopment with a mixed finance transaction anticipated to close in 2019.

The following table compares 2018 and 2019 projected capital expenditures:

Summary of SHA Projected Capital Expenditures	CY 2018	CY 2019
Mixed Finance Redevelopments, 2019 closing dates		\$14,000,000
Yesler Terrace Prior Year Mixed Finance projects	48,448,000	1,562,000
Opportunity Investments		24,375,000
NewHolly (Phase I) Prior Year Mixed Finance project	12,860,000	
Other Projects Prior Year finances	11,784,000	12,467,000
Public Housing (MTW portion)	7,558,000	8,751,000
Seattle Senior Housing Program (MTW Portion)	3,567,000	5,366,000
King County Sites acquisition and Upton Flats improvements	8,816,000	150,000
Predevelopment funds	3,500,000	2,000,000
Other MTW Funded Capital Projects	1,793,000	3,331,000
Capital Projects for Other Housing Properties	11,668,000	10,100,000
Infrastructure at Yesler Terrace	875,000	2,000,000
Mixed Finance Redevelopments, 2019 closing dates		14,000,000
TOTAL EXPENDITURES	\$ 110,869,000	\$ 84,102,000

Table 26: Summary of SHA Projected Capital Expenditures

CHOICE NEIGHBORHOODS IMPLEMENTATION: YESLER TERRACE – REDEVELOPMENT

SHA will close out the Choice Neighborhoods Initiative (CNI) grant program with HUD in 2019. CNI transforms distressed neighborhoods into sustainable, mixed-income communities by linking affordable housing with quality schools, public transportation, good jobs, and safe streets. Seattle Housing Authority received two CNI grants totaling \$30 million that kick-started the transformation of Yesler Terrace and the surrounding neighborhood by supporting updates to infrastructure and new housing construction. Depending on fund sources and local business cycles, Yesler Terrace Redevelopment implementation may continue for up to ten more years.

In 2019, Red Cedar will complete construction, lease-up tenants and be operational; Hinoki, the fifth new apartment building, will close its mixed finance transaction; and infrastructure will begin on a private access road to extend Main Street west and turn north to South Washington Street at Yesler Terrace Park.

Hinoki

Hinoki is located on the east side of 10th Avenue South, across the street from the Yesler Community Center. Financing will close in 2019 with construction beginning in mid-2019 on an apartment building with approximately 130 units—76 replacement units and 54 tax credit units, both at 60 percent of Adjusted Median Income (AMI). Construction will continue into mid-2021, and lease-up will begin as units become available.

Hinoki Sources	Total
Construction Loan/Bonds	\$35,000,000
Tax Exempt First Mortgage	13,960,000
Program Income	15,734,000
Bridge Loan	1,892,000
Deferred Developer Fee	1,500,000
City of Seattle, Office of Housing various	3,420,000
Income from Operations	435,000
Tax Credit Equity	32,188,000
TOTAL	\$104,129,000
TOTAL PROGRAMMED SOURCES	\$65,787,000
Less Short Term Financing	\$38,342,000

Table 27: Hinoki Sources

The project uses are budgeted as follows:

Hinoki Uses	Total
Construction	\$55,500,000
Design, Engineering and permitting	5,038,000
Financing costs	5,249,000
TOTAL	\$65,787,000
2019 Expenditures	\$10,000,000

Table 28: Hinoki Uses

Red Cedar

Red Cedar is located on the north side of Fir Street and west of Broadway. Financing closed in 2017 with construction to be completed first quarter 2019; lease-up will begin as units become available.

Red Cedar Sources	Total
Construction Loan/Bonds	\$35,000,000
Tax Exempt First Mortgage	13,960,000
Program Income	15,734,000
Bridge Loan	1,892,000
Deferred Developer Fee	1,500,000
City of Seattle, Office of Housing various	3,420,000
Income from Operations	435,000
Tax Credit Equity	32,188,000
TOTAL	\$104,129,000
TOTAL PROGRAMMED SOURCES	\$65,787,000
Less Short Term Financing	\$38,342,000

Table 29: Red Cedar Sources

The project uses are budgeted as follows:

Red Cedar Uses	Total
Construction	\$55,500,000
Design, Engineering and permitting	5,038,000
Financing costs	5,249,000
TOTAL	\$65,787,000
2019 Expenditures	\$1,562,000

Table 30: Red Cedar Uses

Sixth Yesler Terrace Building

The location of Yesler Terrace's sixth apartment building is currently undetermined. Predevelopment costs are budgeted \$2 million for 2019; preliminary plans indicate that it will have up to 125 apartments.

Former Records Site at Yesler Terrace

SHA will provide the former King County Records project site to a non-profit developer in late 2018. In 2019, SHA will realign power and utilities to all buildings on the site. The non-profit developer will transform the former Records site into 125 units of low-income housing—73 units at 30 percent of AMI and 52 units at 60 percent of AMI. Power and utility alignment cost estimates are \$150,000.

Infrastructure Activity

In 2019, SHA expects costs of \$2.15 million to make improvements at Alder Street and 9th Avenue and to start extension of the Main Street infrastructure project to a private access road west of South Main Street and connecting north to South Washington Street at Yesler Terrace Park.

OTHER REDEVELOPMENT ACTIVITIES

Lam Bow Apartments

The redevelopment of Lam Bow Apartments stalled due to soil condition issues at the site. SHA intends to finalize financing in 2019. Current plans project 80 units—50 replacement units and 30 tax credit units, both at 60 percent of AMI. Construction will start in the fall of 2019 and complete in the winter of 2020 when lease-up will begin.

Lam Bow Apartments Sources	Total
Construction Loan/Bonds	\$22,070,000
Tax Exempt First Mortgage	8,500,000
Program Income	11,410,000
Deferred Developer Fee	1,060,000
City of Seattle, Office of Housing various	3,000,000
Tax Credit Equity	14,330,000
TOTAL	\$60,370,000
TOTAL PROGRAMMED SOURCES	\$38,300,000
Less Short Term Financing	\$22,070,000

Table 31: Lam Bow Rehabilitation Source

The project uses are budgeted as follows:

Lam Bow Apartments Uses	Total
Construction	\$28,740,000
Design, Engineering and permitting	4,890,000
Financing costs	4,670,000
TOTAL	\$38,300,000
2019 Expenditures	\$4,000,000

Table 32: Lam Bow Rehabilitation Uses

West Seattle Affordable Housing LLLP

Three Special Portfolio properties—Longfellow Creek Apartments, Roxhill Court Apartments, and Wisteria Court Apartments—converted to one limited partnership in late 2017. This mixed-finance project will add \$4 million to its financing in late 2018 to address significant water intrusion issues at Longfellow Creek. All three properties need exterior and interior repairs, which include siding, trim,

flashing, roofs, entry improvements, flooring, cabinets, countertops, and paint as well as trim, door, light fixtures, and tub/shower upgrades.

West Seattle Affordable Housing LLLP Sources	Total
Acquisition loan / short term financing	\$15,685,000
Tax Exempt First Mortgage	\$7,945,000
SHA Loan #3	\$4,849,000
Tax Credit Equity	\$12,770,000
TOTAL	\$41,249,000
TOTAL PROGRAMMED SOURCES	\$19,630,000
Less Short Term Financing	\$21,619,000

Table 33: West Seattle LLLP Sources

The project uses are budgeted as follows:

West Seattle Affordable Housing LLLP Uses	Total
Construction	\$13,981,000
Design, Engineering and permitting	\$2,201,000
Financing costs	\$3,448,000
TOTAL	\$19,630,000
2018 Expenditures	\$12,467,000

Table 34: West Seattle LLLP Uses

The rehabilitation will be complete in 2019. Interior improvements will be performed on nearly every unit and will require the units to be vacant for the planned construction. Additionally, tenant income qualification and certification work required for Tax Credit projects is ongoing.

OPPORTUNITY INVESTMENTS

The 2018 federal congressional “budget deal” significantly boosts federal spending limits for discretionary non-defense programs for 2018 and 2019. This increase provides a two-year windfall of funds that affords SHA the opportunity to make new, short-term investments. These investments, outlined below, align with the following strategic directions and organizational cornerstones from SHA’s Strategic Plan: create more affordable housing; diversify housing choice; preserve and promote high quality housing; strengthen community and service; and increase operational efficiency.

- Improve the financial feasibility of the Lam Bow Apartments redevelopment with the final contribution of \$7.0 million in 2019 to complete filling the funding gap of \$11.0 million. Soil conditions require additional infrastructure than originally planned, and existing bonds must be defeased as part of the project. A mixed finance transaction is planned for 2019.
- Initiate a long-term Fleet Replacement Program with a \$5.4 million capital infusion over a two-year period to right size the fleet and improve fuel efficiencies with alternative fuel vehicles, when feasible. Expenditures are budgeted at \$2.7 million for 2019 and \$2.7 million for 2020.
- Make a special capital allocation of \$3 million to the homeWorks Limited Partnerships replacement reserves for needed security upgrades, interior and exterior painting, electrical improvements, plumbing issues, site upgrades, interior upgrades, heating and cooling repairs, planning for future needs, and modest building exterior repairs. Of the \$3 million allocation, approximately \$1.59 million is budgeted in 2019 and listed in detail under the Public Housing Portfolio section while funded under Opportunity Investments.
- Initiate in 2018, and continue in 2019, a “Buy-Up Program” with a budget of \$1.6 million. In this program, SHA partners with other developers of affordable housing to substitute larger bedroom sizes, particularly units with 3 or more bedrooms, in lieu of 0-, 1-, and/or 2- bedroom units in part of their development, especially in upcoming projects in high opportunity neighborhoods. One project will have a signed Commitment Letter between SHA and Bellwether Housing by the 4th quarter this year for 15 larger bedroom units at approximately \$67,000 per unit. The project will close in late 2019.
- Increase funds for Development Planning Projects with \$1.0 million in 2019 to fund planning, feasibility studies, and concept work before projects are selected for predevelopment. Possibilities include the best opportunity among Holly Court, Jackson Park Village, or Blue Topaz redevelopments; all three of these projects are candidates for a second phase of additional studies, refined concepts, and financing assessments.
- Contribute \$1.0 million to the Yesler Terrace Service Endowment fund as a matching investment to incentivize other contributors. The endowment will support continued services in health, education, employment, or other services for residents.
- Initiate a multi-year strategy to serve more people by ‘right-sizing’ two- to three-bedroom units which could be housing families of four to six members but currently house only one or two adults. With a \$700,000 budget, this program relocates current residents to units better suited to their family size, with emphasis on placing families with children in larger units. To do so, the program aims to expand unit availability to 35 to 40 larger family units, housing approximately 76 more people per year. Substantial focus will be placed on working with the existing tenants to plan and incentivize moves to new units that will meet their needs.

- Landlord Incentive Program: Increase the number of private landlords in the HCV program and the participation of existing voucher landlords in order to expand choices for voucher participants. The program will include outreach/recruitment of landlords; a single point of contact within the HCV program for landlords; mitigation funds for damages; and expedited inspections. HCV will also explore actions undertaken by other MTW housing authorities that have been successful in attracting and keeping landlords in the program. Budget for these activities is up to \$475,000.
- Maintain Unassigned Funds for Future Development Leverage. The Unassigned Funds are projected 2019 net income and will be available to projects as the projects proceed through planning and predevelopment to become active candidates for funding.

Opportunity Investments	CY 2019 Budget
Lam Bow Apartments Redevelopment	\$7,000,000
Fleet	5,400,000
homeWorks Reserve	3,000,000
Buy-Up Program	1,600,000
Planning	1,000,000
Endowment	1,000,000
Expand Right Sizing	700,000
Incentivize Landlords	475,000
Future Development Leverage	4,200,000
TOTAL	\$24,375,000

Table 35: Opportunity Investments

PUBLIC HOUSING AND OVERALL ASSET PRESERVATION FUNDING

Total spending on asset preservation is proposed at \$26.4 million, or a 7.3 percent increase, over 2018. One new cost table is included in 2019: MTW-Funded Contingency and MTW-Eligible Community Allowances, similar to contingency funds from prior year. Public housing modernization, renovation projects, and capital planning expenditures of \$7.4 million is a 2.6 percent decrease from 2018. Capital grant funds of \$5.4 million are budgeted for the Seattle Senior Housing Program, a 50.4 percent increase over 2018. Most of Seattle Senior Housing's operating subsidy will fund exterior and elevator rehabilitation upgrades in 2019.

Contingency and MTW-Eligible Community Allowances includes Minor Maintenance Repair and Replacement (MMRR) allowances; the table is intended to improve presentation of contingencies and allowances that are available to all MTW eligible communities.

Other projects funded with MTW sources include \$1.274 million for the Special Portfolio/Local Housing program; the largest of these projects is Bayview Tower's elevator upgrade. Non-Residential Facilities Projects budget of \$305,000 will fund improved access to the second floor of the Operations Support Center; playground equipment at two parks; and a new conference room and roof repair at the South Operations Facility. Management Improvements through Technology budget of \$580,000 provides for technical and technological upgrades.

Other Capital Projects include funds from a pooled refinance (restated again in 2019 due to the timing of the planned refinancing from 2018); project reserves for Special Portfolio; Limited Partnerships and HOPE VI Capital Projects; and non-federal funds. The pooled refinance includes Desdemona, Escallonia, Othello, and Wedgewood Estates; projects at Montridge Arms and Market Terrace are funding dependent. The largest project types in the pooled refinance are building exteriors at \$2.9 million then interior upgrades at \$1.76 million. Limited Partnerships have many projects listed, the largest to upgrade elevators Beacon Tower, Capitol Park, and Ross Manor.

The 2019 proposed Capital budget was allocated to the groups and in the amounts shown below. More detailed project descriptions are in the chart at the end of this section.

Summary of Capital Projects by Housing Type and Fund Source

MTW-Funded Capital Budget for Public Housing	CY 2018 Budget	CY 2019 Budget
Bell Tower	\$65,000	
Cedarvale Village	266,000	755,500
Denise Hunt Townhomes		80,000
Denny Terrace	155,000	60,000
Holly Court	245,000	400,000
Jackson Park Village	530,000	50,000
Jefferson Terrace	145,000	15,000
Olive Ridge	138,000	6,500
Scattered Sites	1,204,000	1,938,000
Tri-Court	190,000	40,000
Westwood Heights	10,000	10,000
Key card upgrades Allowance		485,000
Allowance for Hazardous Material abatement	240,000	
Allowance for Minor Maintenance Repair and Replacement	375,000	
Allowance for unforeseen price hikes	620,000	
Contingency Capital Projects	710,000	

MTW-Funded Capital Budget for Public Housing	CY 2018 Budget	CY 2019 Budget
Allowance for Aging Unit / Unit Upgrades	300,000	
Program Administration	1,522,000	2,067,000
Indirect Service Fees	843,000	1,452,000
TOTAL	\$7,558,000	\$7,359,000

Table 36: MTW-Funded Capital Budget for Public Housing

MTW-Funded Contingency and MTW-Eligible Community Allowances	CY 2018 Budget	CY 2019 Budget
MTW-Eligible Community Allowances		537,000
Electrical Outlet Allowance		100,000
24/7 Fans Allowance		100,000
Water Intrusion Specialist Allowance		40,000
MMRR: Flooring Allowance		350,000
MMRR: Hazardous Abatement Allowance		240,000
MMRR: Boilers Allowance		25,000
TOTAL	\$1,330,000	\$1,392,000

Table 37: MTW-Funded Contingency and MTW Eligible Community Allowances

MTW-Funded Capital Projects for Senior Housing Properties	CY 2018 Budget	CY 2019 Budget
Bitter Lake Manor	\$23,000	\$38,000
Blakeley Manor	350,000	18,000
Carroll Terrace	120,000	
Columbia Place		107,000
Daybreak	64,000	20,000
Fort Lawton Place	120,000	1,840,000
Fremont Place	180,000	45,000
Gideon-Mathews Gardens		334,000
Island View	134,000	15,000
Michaelson Manor	120,000	30,000
Nelson Manor		10,000
Olmsted Manor	120,000	485,000
Phinney Terrace	470,000	20,000
Pinehurst Court		40,000
Pleasant Valley Plaza	120,000	
Primeau Place	356,000	460,000
Ravenna School Apartments	30,000	347,000
Reunion House		132,000
Schwabacher House	470,000	
South Park Manor		475,000
Sunrise Manor	350,000	
Wildwood Glen	120,000	180,000
Willis House		310,000
Air Handling Unit Allowance		200,000

MTW-Funded Capital Projects for Senior Housing Properties	CY 2018 Budget	CY 2019 Budget
Lighting Allowance		100,000
Parking Lot Allowance		40,000
Signage Allowance		20,000
Allowance for Minor Maintenance Repair and Replacement	120,000	
Allowance for targeted exterior upgrade repairs	200,000	
Indirect Service Fees	100,000	100,000
TOTAL	\$3,567,000	\$5,366,000

Table 38: MTW-Funded Capital Projects for Senior Housing Properties

MTW-Funded Capital Projects for Other Housing Properties	CY 2018 Budget	CY 2019 Budget
Special Portfolio	\$380,000	\$1,274,000
Non-residential Facilities Projects	599,000	305,000
Management Improvements through Technology	814,000	580,000
TOTAL	\$1,793,000	\$2,159,000

Table 39: MTW-Funded Capital Projects for Other Housing Properties

Other Capital Projects for Other Housing Properties	CY 2018 Budget	CY 2019 Budget
Special Portfolio	\$1,162,000	\$1,307,000
Pooled Refinancing	7,826,000	6,303,000
Limited Partnership Capital Projects	2,459,000	2,214,000
Non-residential Facilities Projects	221,000	276,000
TOTAL	\$11,668,000	\$10,100,000
TOTAL ASSET PRESERVATION PROJECTS	\$24,586,000	\$26,376,000

Table 40: Other Capital Projects for Other Housing Properties

The Allowance for Minor Maintenance Repair and Replacement (MMRR) authorization is through the operating budget and capital grant process; please see the MTW-Funded Contingency and MTW Eligible Community Allowances table above. In 2019, MMRR is a funding source for five specific unit turn cost categories: appliances and solid surface repairs in the operating budget with flooring, hazardous abatement, and boilers in the capital grant. Prior years have seen significant overspending in unit turn costs principally because MMRR costs were not reported. The 2019 MMRR budgets are nearly double 2018. Keeping costs visible and adding funding sources will help staff understand the full extent of their expenses.

Seattle Senior Housing Program

In 2011, SHA and HUD converted Seattle Senior Housing Program (SSHP) to the low-income public housing program to provide financial support via Operating Subsidy and Capital Grant allocations. HUD's 2019 Capital Grant allocation projection for SSHP is \$1.09 million. The original plan uses SHA's MTW authority to maintain the SSHP program within Public Housing and uses all but a small portion of the HUD Operating Subsidy plus the Capital Grant for SSHP units to support an annual average capital requirement of \$3.0 million in known major capital work. The original work plan pertained to building integrity, e.g. to correct water intrusion and rot, for window replacement, and to modernize or replace elevators.

In 2019, SHA will allocate \$5.4 million of the MTW Block Grant for SSHP's capital improvements.

- Elevator upgrades at six SSHP properties: Fort Lawton Place, Gideon-Mathews Gardens, Olmsted Manor, Ravenna School Apartments, South Park Manor, and Willis House.
- Building Exterior projects total \$1.5 million 2019 for Columbia Place, Fort Lawton Place, Island View, and Primeau Place.
- Roofing repairs and replacements of \$710,000 for Bitter Lake Manor, Olmsted Manor, Primeau Place, Reunion House, and Wildwood Glen.
- Planning to study building needs of \$480,000 is budgeted at Fort Lawton Place, Primeau Place, and South Park Manor.
- Heating and cooling for Pinehurst Court Apartments plus an allowance of \$200,000 for other roof top unit repairs.
- Site improvements of \$157,000 for fencing at Bitter Lake Manor, Columbia Place, Fort Lawton Place, and Fremont Place as well as parking lot striping allowance of \$40,000, mailboxes of \$29,000 at Gideon-Mathews Gardens, Nelson Manor, and Ravenna School Apartments, and garbage area improvements of \$22,000 for Reunion House and South Park Manor.
- Signage and exterior building repairs allowance of \$20,000.

Extensive exterior rehabilitation projects take about three years, from planning, design, and construction completion. Ongoing projects are Sunrise Manor funded in 2017 to be completed in 2019 and Fort Lawton Place to be funded in 2019, if approved. These projects typically include exterior siding upgrades, window replacements, intercom or security replacements, mailbox replacements, and patio repairs.

Summary of SSHP Capital Projects	CY 2018 Budget	CY 2019 Budget
Elevator rehabilitation	\$1,764,000	\$1,790,000
Exterior Improvements	369,000	2,042,000
Exterior Improvement Planning		480,000
Interior Improvements	14,000	239,000
Roof repairs or replacements		715,000
Security	1,200,000	
Minor maintenance repair and rehabilitation allowance	120,000	
Total Asset Preservation Capital Projects	\$3,467,000	\$5,266,000
Indirect Service Fee	\$100,000	\$100,000
TOTAL SSHP Capital	\$3,567,000	\$5,366,000

Table 41: Summary of SSHP Capital Projects

Capital fund allocations from HUD for Senior Housing units remain in the SSHP portfolio. SHA continues to work with and engage the SSHP Rent Policy Advisory Committee and the SSHP Joint Policy Advisory Committee to improve the program's policies and performance thereby maintaining the distinctive features of the SSHP program and identity within the Public Housing Program.

Special Portfolio

Included in this portfolio are two Section 8 New Construction buildings and communities that SHA has acquired via a variety of financing plans. The CY 2019 capital work focuses on exterior and internal improvements. Special Portfolio communities are included on the Capital Projects table in six sections, under MTW – Special Portfolio Projects, under Opportunity Investments, under Special Portfolio and Other Projects, under Non-Federal Funds, under CY 2019 Pooled Refinance Projects, and Redevelopment Projects. Excluding Opportunity Investments and Redevelopment, the total Special Portfolio capital budget will decrease to \$8.9 million from \$9.4 million in 2018. Four properties—Desdemona, Escallonia, Othello and Wedgewood Estates—will participate in a pooled refinancing that will generate \$6.3 million for capital projects. These properties have \$5.5 million in project budgets; the remainder is earmarked for Montridge Arms and Market Terrace, if the funds remain available and are not used for contingency work at the four refinanced properties. Major project categories from MTW, Reserves, and Other Non-Federal funds are summarized below:

- Interior upgrades of \$351,000 include an allowance for \$180,000 and budgets for 104th Street Townhomes, Alder Crest Apartments, Main Street Apartments, Mary Avenue Townhomes, Norman Street Townhomes, and South Shore Court.
- An elevator upgrade for \$240,000 for Lake City Commons.
- Site improvements or repairs of \$116,000 for 104th Street Townhomes, Beacon House, Main Street Apartments, Main Place II, Market Terrace, Telemark Apartments, Villa Park, and Yesler Court.
- Building exterior repairs of \$95,000 for 104th Street Townhomes, Beacon House, Fir Street Townhomes, and Market Terrace.
- Painting improvements of \$92,000 for Beacon House, Market Terrace, and Spruce Street Townhomes.
- Flooring budget of \$86,000 for Alder Crest Apartments, Main Street Apartments, Main Place II, Mary Avenue Townhomes, South Short Court, and Yesler Court.
- Electrical upgrades and improvements for Main Street Apartments, Main Place II, Market Terrace, Telemark Apartments, Westwood Heights East, and Yesler Court.

Longfellow Creek Apartments, Roxhill Court Apartments, and Wisteria Court are a limited partnership under redevelopment until 2019 as the West Seattle Affordable Housing LP. See the Other Redevelopment section, above.

Management Improvement through Technology

The proposed Information Technology capital projects budget totals \$580,000 in 2019, 29 percent less than 2018. Several projects are ongoing: completion of the Yardi upgrade; Phase II of the SSHP ACAM project updating data circuits and network equipment to support the security software update; and the fourth year of two multi-year projects: document imaging and business intelligence. New projects include: configuration of Yardi's e-Learning tool for SHA to train staff on the upgraded Yardi system; creation of online Housing Choice Voucher forms; upgrade SHA's e-payment system to help resolve technical issues that have hampered efficient operation of the Inspyrus system; expand SHA's telephone system to all SHA sites; infrastructure upgrades and maintenance; equipment upgrades; and enhancement of digital communications data collection.

Low Income Housing Tax Credit and HOPE VI Limited Partnerships

As of year-end 2018, SHA will be the owner of five tax credit properties and the general partner in sixteen tax credit limited partnerships. The 2019 capital repair, replacement, and rehabilitation plan for these limited partnership communities is approximately \$2.2 million. Project funds are replacement reserves—annual deposits defined in the partnership agreements. Individual project descriptions are in the chart at the end of this section.

Miscellaneous and Non-Routine

Non-residential Facilities has a project budget of \$305,000 to improve access to the second floor of the Operations Support Center; install a heating, ventilation, and air conditioning unit on the roof of the Center Park Community Room; replace playground equipment at two HOPE VI parks; and build a conference room and repair the roof at the South Operations Facility.

NEW ACQUISITION, DEVELOPMENT, AND PLANNING

Replacement Housing

SHA has committed to replace all demolished public housing units from redeveloped communities on a one-for-one basis, either on- or off-site. Once Red Cedar is complete in 2019, SHA will have finished more than 50 percent of its total replacement housing obligation at Yesler Terrace. Estimates for future replacement units are: Hinoki at 76 units and Lam Bow Apartments at 50 units.

Scattered Sites Reconfiguration Program

SHA will be in the third year of another Scattered Sites Repositioning project in 2018 with expected expenditures of \$1.8 million. The projects are:

- Launch a new right-sizing efforts in Scattered Sites and New Holly portfolios. This robust program is intended to right-size 35 to 40 over-housed families in 2- or 3-bedroom units into 1- and 2-bedroom units, in order to make larger bedroom units available to households with children. SHA will work carefully with downsized families to ensure the moves are positive and fit the needs of the households.
- Modernize 81 single-family homes in the Scattered Sites portfolio. Sixteen homes are included in the large bedroom conversion program below. Various levels of rehabilitation are necessary to reduce ongoing maintenance costs and improve marketability of single-family homes to our tenants.
- Renovate and convert smaller bedroom units with existing, unused space into larger bedroom units to increase the number of SHA's large family units. Permitting delays have extended the program to 2020. The multi-year project will update unit interiors, heating and ventilating systems, and address other deferred capital needs.
- SHA may sell units to fund some of the renovation and conversion activity. The replacement units will be easier for tenants and SHA to manage. Close proximity to services for residents is highly desirable and an element SHA hopes to improve with repositioning. The locations of units identified for sale is one of many criteria the agency will use.

Housing Acquisitions/Development

To increase its capacity to serve more people, SHA will review the real estate market for existing mixed-income properties which 1) meet due diligence conditions; 2) are strategically located; 3) have a unit mix that includes family-sized apartments; 4) are accessible to services, transportation, and amenities; 5) have cross-subsidy opportunities; and 6) are reasonably priced.

As approved, SHA will close on the \$7.1 million acquisition of the former King County Records site, which is in the Choice Neighborhood area, in the fourth quarter of 2018. SHA will collaborate with a non-profit partner to develop and operate approximately 125 affordable apartments with an emphasis on family-size units. SHA will realign power to the other buildings as part of the transfer to the non-profit.

SHA plans to continue to maintain and improve its current stock of housing. Yesler Terrace's redevelopment is ongoing. SHA's completed housing projects at Yesler Terrace are: Baldwin Apartments (an apartment building rehabilitation completed in 2014); Kebero Court (completed in 2015); Raven Terrace (completed in 2016); and Hoa Mai Gardens (completed in 2017). Red Cedar will be completed in

early 2019 and lease-up completed by year-end 2019. Hinoki will begin construction mid-year 2019 on 130 units, and the non-profit developer at the former King County Records site will be underway.

Predevelopment Working Capital – Pipeline Projects

SHA has properties throughout the Seattle area and is discussing future housing developments with potential partners. The budget includes planning for \$2 million in the CY 2019 Redevelopment Projects table for the sixth new Yesler Terrace Apartment Building.

SHA created a revolving fund for reimbursable predevelopment activities in 2010. The funds are for planning work on projects that are ready for predevelopment, where permanent financing will repay the predevelopment cost, and to bridge cash flow when necessary. These funds are available for anticipated mixed finance funding for work at Yesler Terrace's new apartment building, Jackson Park Village, Blue Topaz or Holly Court, or other projects determined ready for predevelopment.

Future Capital Financing

Housing authorities throughout the country face serious financial challenges to meet growing capital needs. SHA is no exception. SHA needs funds to:

- Preserve and prolong the life of the agency's existing housing stock;
- Address emergent conditions such as water intrusions and leaking roofs;
- Add new and replacement units after redevelopment;
- Respond to the funding challenges of major redevelopment activities;
- Hedge against the volatility of development projects and their funding activities such as price escalation and tariff impacts; and
- Contribute to viable mixed financings that pencil out for development and rehabilitation projects and their subsequent operations.

The high cost of housing, the construction boom, and the uncertainty that characterizes the federal budget process have increased pressures. Although the MTW general fund revenues are expected to grow by \$40.1 million, or 27 percent over 2018, this level of federal funding is not expected to continue. SHA's 2019 budget demonstrates a two-year investment plan because the federal government continues to target discretionary programs that support low-income communities, public housing capital, and community development block grants. Close attention must be paid towards the changing realities of the credit markets; the changing condition of the local housing market; the agency's overall financial capacity; and international, federal, state, and local capital funding trends, as SHA addresses financing to complete existing projects and thinks about future capital funding availability and investments.

2019 CAPITAL ACTIVITIES

SHA 2019 Capital Projects -- MTW Grant-Funded Activities

Table 42: SHA 2019 Capital Projects -- MTW Grant-Funded Activities

Low Income Public Housing Projects		
LIPH Scattered Sites	Upgrade aging units; upgrade interiors of four agency units; upgrade building exteriors for siding; clean and paint; repair marblecrete stucco, including caulking and exterior wood trim; repair trip hazards; repair decks; repair front porches; and repair gutters and downspouts. Replace flooring. Upgrade building interiors to repair flood damage. Upgrade painting for interior common areas and building exteriors. Examine water intrusion to garage. Replace roofs. Update community sites with new wooden fences; improve gate and security; remove a walkway; repair decks; reposition the garbage pad and install gravel in driveway near building. Replace windows and a garage door.	\$1,938,000
Cedarvale Village	Replace exterior siding, clean and paint; replace windows and patio doors; replace galvanized pipes with new water lines; replace entry doors; upgrade fencing to perimeter; and replace lighting.	755,000
Denise Hunt Townhomes	Upgrade exteriors.	80,000
Denny Terrace	Initiate planning for targeted upgrades to interiors and energy conservation systems.	60,000
Holly Court	Modernize elevator.	400,000
Jackson Park Village	Upgrade fencing and repair pavement throughout the property.	50,000
Jefferson Terrace	Replace smoke and carbon monoxide detectors.	15,000
Olive Ridge	Evaluate report from architect/engineering firm on building envelope and masonry condition.	7,000
Tri-Court	Replace flooring in entry way and upgrade interior and exterior lighting.	40,000
Westwood Heights	Replace water valves to units.	10,000
HomeWorks I	Initiate key card access system upgrades; paint common areas at Harvard Court; and replace ground fault circuit interrupter (GFCI) receptacles and remove and trim trees at International Terrace; and evaluate engineering report to repair environment and remediate mold at Beacon Tower. HomeWorks I expenditures of \$305,000 are included in the Opportunity Investments section below under HomeWorks Reserves of \$3 million.	

Low Income Public Housing Projects (continued)		
HomeWorks II	Initiate key card access system upgrades; install shower and shower surrounds and seal both stairwell walls at Cedarvale House; update exterior lighting to LED at Cal-Mor Circle; upgrade exterior lighting at Queen Anne Heights; and replace ceiling tiles at University West. HomeWorks II expenditures of \$341,000 are included in the Opportunity Investments section below under HomeWorks Reserves of \$3 million.	
HomeWorks III	Initiate key card access system upgrades; replace generator at Ross Manor and University House; paint interior common areas at University House; replace shower walls, doors and pans at twenty units at Barton Place; coat exterior community room walls to remove efflorescence at Barton Place; install gate with key card access to parking lot at Ross Manor; paint common areas at Barton Place and University Place; replace ceiling tiles at University House; address deck condition at West Town View; seal stairwells at Center West; repair or replace corridor heating thermostats and heaters; replace shower pans at Jackson Park House; install new digital video recorder system at Stewart Manor; replace water shut-off valves at Ross Manor; install gravel on right-of-way along street at Barton Place; and close off boiler in laundry room and improve ventilation at Center West. HomeWorks III expenditures of \$846,000 are included in the Opportunity Investments section below under HomeWorks Reserves of \$3 million.	
HomeWorks	Allowance for hazardous material abatement for all three phases. HomeWorks Allowance of \$100,000 is included in the Opportunity Investments section below under HomeWorks Reserves of \$3 million.	
Key card upgrades Allowance	Initiate design and engineering for key card access system upgrades.	485,000
Public Housing Capital Projects Subtotal		\$3,840,000
Special Portfolio Projects		
104th Street Townhomes	Upgrade kitchen and bath cabinets, mirrors and medicine cabinets in three units; repair siding and paint exterior; repair drainage; and repair asphalt paving in parking lots.	\$70,000
Bayview Tower	Modernize elevator #2.	520,000
Beacon House	Reconfigure garbage pad, replace patio concrete on southwest side; seal and stripe parking lot; and replace common area furniture.	31,000
Lake City Commons	Upgrade elevator.	200,000
Main Street Apartments	Replace kitchen and bath cabinets, countertops and mirrors in two units; repair or replace hydronic systems in two units; replace flooring; and replace two two-piece bathtubs with one-piece surrounds.	17,000

Special Portfolio Projects (continued)		
Main Place II	Install security cameras at entry, in stairwell, outside and at the elevator landing; replace hallway flooring with vinyl and rubber surface; replace unit flooring with vinyl; and replace mailboxes; replace entry intercom system.	25,000
Market Terrace	Pressure wash and paint exterior; paint all hallways; replace appliances; replace south deck; replace bathtub and surrounds; upgrade interior and exterior lighting to LED bulbs; and repair trip hazards, resurface and restripe parking lot.	60,000
Mary Avenue Townhomes	Upgrade or replace kitchen and bath cabinets, countertops and mirrors; repair or replace hydronic system in two units; replace flooring; and replace two two-piece bathtub units with one-piece surround.	56,000
Norman Street Townhomes	Update interior space of one unit and evaluate engineering report on structural and superstructure issues.	35,000
Rainier Avenue Apartment	Evaluate engineering report on site and storm drainage issues.	7,000
Spruce Street Townhomes	Paint exterior of building.	45,000
Telemark	Replace wood fence on west side of building.	6,000
Westwood Heights East	Install cameras to doors lighting common area; improve lighting in common area; and replace hot water tanks in buildings A and B.	10,000
Yesler Court	Replace appliances; upgrade current mailboxes; replace flooring in two units; and upgrade interior and exterior lighting to LED bulbs.	12,000
Interior Unit Upgrades Allowance	Upgrade unit interiors in certain Special Portfolio properties.	\$180,000
Special Portfolio Subtotal		\$1,274,000
Contingency and MTW Eligible Community Allowances		
MTW eligible communities	Contingency funds for Unforeseen Urgent and Unbudgeted (UUU) project requirements.	\$537,000
Electrical Outlet Allowance	Replace electrical outlets with GFCI receptacles.	100,000
24/7 Ventilation Fans Allowance	Continue to replace unit ventilation fans with 24/7 fans to reduce moisture in units.	100,000
Water Intrusion Specialist Allowance	Continue to investigate communities for water intrusion and other signs of wear and tear.	40,000
MMRR: Flooring	Allowance for flooring replacements performed by IPS for any eligible MTW community.	350,000
MMRR: Hazardous Abatement	Allowance for hazardous materials abatement performed by IPS for any eligible MTW community.	240,000
MMRR: Boilers	Allowance for boiler replacements performed by IPS for any eligible MTW community.	25,000
Contingency Subtotal		\$1,392,000

Non-residential Facilities Projects		
Campus of Learners	Repair parking lot.	\$20,000
Center Park Community Room	Install Heating, ventilation and air conditioning unit on roof, replace furnaces; replace kitchen cabinet; and repair wooden divider.	70,000
Central Maintenance Facility	Build a cover for the garbage area.	10,000
Epstein Opportunity Center	Paint interior common area.	5,000
Parks	Replace playground equipment at Shaffer Park at NewHolly and upgrade Central Park at Rainier Vista.	50,000
Operations Support Center	Improve access to second floor of building for future third party rental.	100,000
South Operations Facility	Build a conference room and repair roof.	50,000
Fleet	Start the first of a two-year fleet replacement program including right sizing the fleet and multi-modal education for staff. First year expenditure of \$2.7 million is including in Opportunity Investments below.	
Non-residential Facilities Subtotal		\$305,000
Administrative Costs		
Various	Asset Management administration	\$1,058,000
Various	Construction Operations administration	\$280,000
Various	Finance & Administration	521,000
Various	Yesler Terrace redevelopment administration	208,000
Administrative Subtotal		\$2,067,000
Central Services Operating Cost Allocation		\$1,452,000
Total 2019 MTW Block Grant Budget for LIPH and Local Programs		\$10,330,000
Seattle Senior Housing Program Projects		
Bitter Lake Manor	Repair roof and fence patio.	\$38,000
Blakeley Manor	Repair sidewalk and remove or trim trees.	18,000
Columbia Place	Replace floor; paint interior common areas; repair fence; and repair decks.	107,000
Daybreak	Repairs allowance.	20,000
Fort Lawton Place	Prepare plans and permits for building exterior rehabilitate; upgrade elevator; and repair fences.	1,840,000
Fremont Place	Paint interior common areas; replace fence; and replace flooring.	45,000
Gideon-Mathews Gardens	Upgrade elevator; paint interior common areas; and replace mailboxes.	334,000
Island View	Repair or replace deck rails.	15,000

Seattle Senior Housing Program Projects (continued)		
Michaelson Manor	Replace flooring.	30,000
Nelson Manor	Replace mailboxes.	10,000
Olmsted Manor	Upgrade elevator and replace roof.	485,000
Phinney Terrace	Replace flooring.	20,000
Pinehurst Court Apartments	Replace rooftop heating, ventilation and air conditioning unit.	40,000
Primeau Place	Replace roof; prepare plans and permits for rehabilitation of exterior building; repair siding as necessary; and replace gutters and downspouts.	460,000
Ravenna School Apartments	Upgrade elevator; replace window screens; replace mailboxes and replace common area lighting.	347,000
Reunion House	Replace roof, revise, and enlarge garbage station.	132,000
South Park Manor	Upgrade elevator; study, design, draw and permit for exterior upgrade; paint interior common area; and reconfigure garbage station.	475,000
Wildwood Glen	Replace roof.	180,000
Willis House	Upgrade elevator and replace flooring.	310,000
Air Handling Unit Allowance	Phase I - replace roof top air handling units.	200,000
Lighting Allowance	Upgrade exterior security lighting.	100,000
Parking Lot Allowance	Repair and restripe parking lots.	40,000
Signage Allowance	Upgrade building signage and addresses	20,000
Seattle Senior Housing Program Projects		\$5,266,000
Central Services Operating Cost Allocation		\$100,000
Total 2019 MTW Block Grant Budget for SSHP		\$5,366,000
Other MTW Funded Capital Projects	Information Technology Capital Projects for 2019 include configuration of Yardi's e-Learning tool for SHA use; creation of online Housing Choice Voucher forms; upgrade SHA's e-payment system to resolve issues; expand the telephone system to all sites; infrastructure upgrades and maintenance; equipment upgrades; and enhancement of digital communications data collection	\$580,000
Total 2019 MTW Capital Budget before Major Investments		\$16,276,000
Opportunity Investments		
Lam Bow Apartments Redevelopment	Final gap financing contribution to fund redevelopment.	7,000,000
Fleet	Full funding for a two-year expenditure plan to upgrade 126 vehicles for fuel efficiency and effectiveness. The first year of expenditure is estimated at \$2.7 million.	5,400,000
homeWorks Reserve	Contribution to cover two years of planned expenditures. The 2019 expenditures listed above are budgeted at \$1.59 million.	3,000,000
Buy-Up Program	Buy-Up/High Opportunity Neighborhood investments.	1,600,000

SHA 2019 Capital Projects – MTW Grant-Funded Activities

Opportunity Investments (continued)		
Planning	Future development planning funds available when a project is ready to proceed to architectural, design and permitting.	1,000,000
Yesler Terrace Services	Kick-start Yesler Service Endowment with a matching funds contribution.	1,000,000
Expand Right Sizing	Expand the right-sizing program at Scattered Sites and NewHolly to increase the number of large families housed in these portfolios.	700,000
Incentivize Landlords	Incentivize landlords to participate in the Housing Choice Voucher program.	475,000
Future Development Leverage	Maintain unassigned funds for future development leverage from 2019 net income as projects in planning and predevelopment become active candidates for funding.	4,200,000
Major investments to Serve More People Program Projects		\$24,375,000
Total 2019 MTW Capital Budget		\$40,651,000

SHA 2019 Capital Projects – Other Funds and Redevelopment Activities

Table 43: SHA 2019 Capital Projects – Other Funds and Redevelopment Activities

Special Portfolio and Other Projects		
Alder Crest Apartments	Replace or repair cabinets and countertops, flooring and appliances.	\$35,000
Beacon House	Prepare building and paint exterior.	35,000
Fir Street Townhomes	Replace siding and paint exterior.	45,000
Lake City Commons	Design and prepare for elevator upgrade.	40,000
Ritz Apartments	Replace flooring in three units; upgrade lighting near exits and in common areas.	12,000
South Shore Court	Replace cabinets; replace flooring; and replace appliances.	25,000
Telemark Apartments	Increase lighting in halls to a brighter, more energy efficient lighting system; and replace interior mailboxes.	30,000
Villa Park	Repair and replace playground pads; repair and replace fencing; and repair pedestrian gate.	42,000
Westwood Heights East	Replace lighting in common area; install cameras at doors; and replace hot water tanks.	12,000
Special Portfolio and Other Projects Subtotal		\$276,000
Non-Federal Funds		
Campus of Learners	Upgrade building to Americans with Disabilities Act requirements.	\$80,000
Main Street Apartments	Replace cabinets in kitchens and baths in eleven units; replace bathtub and surround in eleven units; replace fire activated sprinkler heads; replace appliances; and replace mailboxes.	92,000
Main Place II	Install security cameras at entry, stairwells, elevator landing and outside; replace hallway carpet with vinyl; replace unit flooring with vinyl; replace entry intercom system; replace appliances; upgrade interior and exterior lighting to LED bulbs; and replace elevator flooring.	57,000
Telemark Apartments	Remove juniper tams and ground cover and replace building-access entry system.	20,000
Yesler Court	Upgrade interior and exterior lighting to LED bulbs; replace appliances; repair or replace mailboxes; and replace flooring in two units.	27,000
Total Non-Federal Funds Projects Subtotal		\$276,000
CY 2019 Pooled Refinance Projects		
NewHolly II (Othello)	Reconfigure roofs, redirect down spouts and repair flashing for sixty units; replace fence; replace boilers and re-pipe; replace appliances; replace smoke and carbon monoxide detectors; repair sidewalks; install bollards and seal parking lot; replace flooring; and expand garbage station and fence.	\$858,000

SHA 2019 Capital Projects – Other Funds and Redevelopment Activities

CY 2019 Pooled Refinance Projects (continued)		
NewHolly III (Desdemona)	Upgrade unit interiors; clean siding, prepare siding for paint and paint; replace boilers and hydronic system tanks; and replace smoke and carbon monoxide detectors.	780,000
Rainier Vista I (Escallonia)	Upgrade unit interiors; replace tubs; replace hot water tanks; replace stair flooring in Snoqualmie Building; and replace appliances.	365,000
Market Terrace	If funds are available, replace decks on north side.	200,000
Montridge Arms	If funds are available, upgrade exterior.	600,000
Wedgewood Estates	Replace exterior envelope; repair and replace drainage and downspouts; upgrade electrical panels; and install bathroom fans.	3,500,000
Total CY 2019 Pooled Refinance Projects Subtotal		\$6,303,000
CY 2019 Limited Partnership and HOPE VI Capital Projects		
NewHolly I	Upgrade interiors in 12 units, including paint, casework, heaters, and plumbing fixtures; replace fencing; replace appliances; replace smoke detectors; replace playing surface; replace boilers and hot water tanks; demolish and reframe unit; and repair and repave sidewalk and parking lots.	617,000
NewHolly III (Desdemona)	Replace appliances and maintain trees.	60,000
Rainier Vista I (Escallonia)	Clean roof and vents.	25,000
Rainier Vista II (Tamarack)	Install key card access system at doors.	\$30,000
Lake City Court LP	Resurface the playground area; upgrade the key card access system; and replace flooring.	65,000
High Point North	Replace heating system; replace flooring, appliances, fences and repair sidewalks.	329,000
High Point South LP	Replace heating systems; replace flooring; replace appliances; repair sidewalk; and replace shower surrounds.	209,000
LIPH LP (homeWorks I)	Upgrade elevator #2 at Beacon Tower and Capitol Park; paint common areas on each floor of Capitol Park; replace flooring at Ballard House; seal stairwell walls at Harvard Court; and install new digital or network video recorder systems at Beacon Tower and Capitol Park.	730,000
LIPH LP (homeWorks II)	Replace roof at Lake City House; coat roof at Olympic West; reconfigure and renovate restroom at University West; paint interiors of common areas at Olympic West; continue upgrades to elevator and repave parking lot at Cal-Mor Circle.	580,000
LIPH LP (homeWorks III)	Upgrade two elevators at Ross Manor.	600,000
Total CY 2019 LP and HOPE VI Capital Projects Subtotal		\$3,245,000
Total CY 2019 Other Funds Capital Budget		\$10,100,000

SHA 2019 Capital Projects – Other Funds and Redevelopment Activities

CY 2019 Redevelopment Projects		
Hinoki	First year of construction at Yesler Terrace's fifth new apartment building.	\$10,000,000
Red Cedar	Last year of construction at Yesler Terrace's fourth new apartments building.	1,562,000
Yesler Terrace – Apartment Bldg.	Predevelopment activities include architectural, engineering, and permitting.	2,000,000
Infrastructure at Yesler	Build a private access road west of South Main Street and connecting north to South Washington Street at Yesler Terrace Park.	2,000,000
King County Records Bldg.	Modest costs associated with non-profit developer's development of the King County Records building into affordable housing units.	150,000
West Seattle Affordable Housing LP	Second year of construction and redevelopment at three communities called the West Seattle Affordable Housing LP. New building envelopes at two properties and unit upgrades for most units in all three properties.	12,467,000
Scattered Sites	Fourth year of rehabilitation and repositioning projects focusing on increasing the number of three, four and five bedroom units and rehabilitation of certain single-family units.	1,172,000
Lam Bow Apartments Redevelopment	First year of construction at Lam Bow Apartments.	4,000,000
Total CY 2019 Redevelopment Capital Expenses		\$33,351,000
Total CY 2019 Non-MTW Capital Budget		\$43,451,000
Total Overall CY 2019 Capital Expenditures		\$84,102,000

GRANT PROGRAMS

GRANT PROGRAM DESCRIPTIONS

The proposed overall budget for agency grant expenditures in 2019 is \$2.93 million. The sources are a mix of new grants and 2018 underspend that will carry over into 2019. A summary of 2019 grants and their intended uses are as follows:

Service Grant	Total Award	CY 2019 Budgeted Receipts	Grant Award Period
The Kresge Foundation	\$300,000	\$150,000	9/2018 to 8/2020
<p>The Kresge Foundation grant will continue to support arts and culture programming at Yesler Terrace. SHA will use the funds to focus on community engagement and social cohesion; corridor and public space activation; and the evaluation of race and social justice impacts of arts and culture at Yesler Terrace. The goals include: establishing a sense of belonging and ownership along with showcasing cultural and heritage pride as positive drivers of community development as the neighborhood evolves; using creative strategies to activate newly developed pathways and public spaces to shape the spirit and daily life of Yesler Terrace; and the assessment of resident participation and engagement with cross-sector partners to nurture existing and forge new relationships in defining the role of arts and culture for successful redevelopment of mixed income communities.</p>			

Service Grant	Total Award	CY 2019 Budgeted Receipts	Grant Award Period
Family Self- Sufficiency (FSS) Coordinator	\$416,277 (anticipated)	\$416,277 (anticipated)	1/2019 to 12/2019
<p>JobLink has applied for and anticipates receiving a renewed Family Self-Sufficiency (FSS) Coordinator Grant from HUD. This grant supports salary and benefit costs to operate the FSS program, which assists voucher participants in their efforts to become self- sufficient. FSS staff will provide one-on-one case management support to assist HCV and LIPH participants in their efforts to: overcome barriers that prevent them from moving forward; identify services that are available to assist them; set goals and the steps to reach those goals; and obtain employment and training services offered by local providers.</p>			

Service Grant	Total Award	CY 2019 Budgeted Receipts	Grant Award Period
ROSS Service Coordinators Program Grant	\$717,750 (anticipated)	\$239,250 (anticipated)	8/2019 to 8/2022
<p>JobLink has applied for and anticipates receiving a renewed Resident Opportunities and Self Sufficiency (ROSS) Service Coordinators grant of \$738,000 from HUD. The ROSS Grant is to support public housing residents in their effort to obtain economic and housing self-sufficiency and includes funds for administrative and training costs.</p>			

Service Grant	Total Award	CY 2019 Budgeted Receipts	Grant Award Period
Robert Wood Johnson Foundation	\$6,327 (anticipated)	\$6,327 (anticipated)	08/2018-07/2019
<p>The Seattle Housing Authority received a grant from Robert Wood Johnson Foundation through King County Public Health for participation in Data Across Sector for Health. The project will promote a culture of health through sharing data and information systems to plan, implement and evaluate multi-sector health improvements. Public Health, Seattle & King County, King County Housing Authority and the Seattle Housing Authority will partner to build an integrated data system in conjunction with the King County Accountable Community of Health shared measurement system. Lessons include the integration of health and housing, accountable care, shared measurement, electronic workflows and data training and dissemination.</p>			

Service Grant	Total Award	CY 2019 Budgeted Receipts	Grant Award Period
Gates Foundation Mobility from Poverty Pilot	\$ 2,999,817	\$1,227,354	11/2016 to 12/2019
<p>OPSI will be utilizing remaining funds from a Gates Foundation Mobility from Poverty Pilot grant. This 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).</p>			

Service Grant	Total Award	CY 2019 Budgeted Receipts	Grant Award Period
Gates Foundation Education Grant	\$650,000	\$350,666	6/2017 to 6/2019
<p>OPSI will be utilizing remaining funds from a Gates Foundation Education Grant, which supports Seattle Public Schools (SPS) and Seattle Housing Authority in the creation of a multi-year plan to improve education outcomes of low- income children and youth as a strategy to address and end the pervasive cycle of poverty. This requires accessing data; analysis; stakeholder feedback; establishing baseline metrics and goals; evaluating policies; and prioritizing action steps. The program will focus on school age (5- 19 year old) students who are served by both Seattle Housing Authority and Seattle Public Schools.</p> <p>SHA is working closely with Seattle Public Schools (SPS) to improve the educational outcomes for the approximately 5,500 school age youth who are served by both SHA and SPS. This builds on prior work funded with support from the Bill and Melinda Gates Foundation. Collaboratively, SPS and SHA will develop a clear picture of how these students are doing; provide recommendations on services, policies and systems that should be addressed and revise a longitudinal database.</p>			

Service Grant	Total Award	CY 2019 Budgeted Receipts	Grant Award Period
Chase Foundation	\$200,000	\$121,400	2017 to 2019
<p>JobLink will utilize its remaining Chase Bank Foundation Grant funds to provide education supports to SHA residents and HCV holders. These quarterly cash supports pay up to eight quarters to JobLink participants progressing through full-time training programs for in-demand occupations.</p>			

Service Grant	Total Award	CY 2019 Budgeted Receipts	Grant Award Period
Google Grant	\$224,000	\$224,000	2016 until expended
<p>SHA was awarded funding from Google to increase resident Internet access. IT will utilize remaining funds in order to bring new or improved Internet access to SHA community rooms and properties.</p>			

Service Grant	Total Award	CY 2019 Budgeted Receipts	Grant Award Period
ROSS Project Soar Grant	\$452,000	\$192,976	4/2017 to 3/2019
<p>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.</p>			

Seattle Housing Authority Grant Program CY 2019

Name	Year Awarded	Grant Award ³	2019 Proposed (with carryover) ⁴
The Kresge Foundation	2019	\$ 300,000	\$ 150,000
Family Self Sufficiency	2019	416,277*	416,277
ROSS Service Coordinators Grant	2019	717,750*	239,250
Robert Wood Johnson	2019	6,327*	6,327
Gates Foundation CMTO Grant	2017	2,999,817	1,227,354
Gates Foundation Education Grant	2017	650,000	350,666
Chase Foundation	2017	200,000	121,400
Google Grant	2016	224,000	224,000
ROSS Project SOAR Grant	2017	452,000	192,976
TOTAL		\$ 5,966,171	\$ 2,928,850

Table 44: Grant Program Funding

In addition to the new, remaining, and anticipated grants above, SHA has expiring grants and has applied for or is seeking funding from the following grant sources whose award outcome is uncertain⁴. These sources are not included in the \$2.93 million grant figure above. These sources include:

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. 2019 will potentially be the third year of this pilot. SHA has provided vouchers for the pilot; the City of Seattle has, in prior years, provided grants totaling \$200,000 to provide complementary services for enrollees in the program. SHA is in the process of seeking outside funding for the services in 2019.

2019 will mark the eighth and final 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 spring of 2019, after which a portion of Yesler land sale proceeds will fund services through 2019. SHA is currently seeking alternative, self-sustaining funding which will continue the services previously supported by the CNI grants.

³ Amounts with an * are for grants that have been applied for and/or are anticipated but not yet awarded.

⁴ Some of the amounts listed below include 2018 budgeted funds that were unspent and carried over for spending in 2019.

LIMITED PARTNERSHIP OPERATIONS

LIMITED PARTNERSHIP OPERATIONS

SHA expects to begin 2019 with sixteen tax credit partnerships that are component units, as defined by GAAP. “Component units” are legally separate organizations for which the governing officials of the primary government (SHA) are financially accountable. SHA anticipates that by the end of 2018 and early 2019 two existing limited partnerships—High Point North and the Ritz Apartments—will become 100 percent owned by SHA. The proposed budgets for these properties have been included in SHA’s budget.

SHA will be exploring early exit opportunities for multiple limited partnerships in 2019. If SHA is successful, these properties will be returned to SHA.

SHA is the general partner, developer, and managing agent for each of the tax credit limited partnerships. While each partnership has a common structure, the specific provisions of each are represented in several documents unique to each partnership. An auditor agreeable to the limited partners performs audits of and tax returns for each component unit annually.

When applicable, intercompany allocated costs will be incorporated into the final recommended budgets that will be sent to the various limited partners in the fourth quarter of 2018. In approving the 2019 SHA Budget resolution, the Board of Commissioners will approve the draft LP budgets and recognize that final budget approval rests with the limited partners. Below are the 2019 draft budgets that will be finalized in October and November of 2019 and submitted to the general partner (SHA) and the limited partners for final approval (revenue and expenses for the partnerships in yellow are included above in SHA’s operating budget).

Table 45: Limited Partnerships -- Operations Budgets

Operations of Limited Partnerships where SHA is the General Partner

Name	Alder Crest	homeWorks Phase I*	homeWorks Phase II*	High Point South	homeWorks Phase III*	South Shore	Lake City Court	Tamarack Place
First year of operations	2005	2007	2008	2008	2009	2009	2011	2010
Number of units	36	704	691	256	586	44	86	83
Rental Income	142,295	2,068,984	2,035,231	1,720,397	1,655,489	177,782	505,966	318,693
Operating Subsidy	0	2,633,107	2,740,384	18,148	2,464,634	0	230,154	239,090
HCV Subsidy	203,097	0	0	1,955,350	0	278,685	99,603	289,017
Other Income	(1,778)	309,868	314,356	57,400	191,186	2,745	17,156	20,078
TOTAL REVENUE	343,614	5,011,959	5,089,971	3,751,295	4,311,309	459,212	852,879	866,878
Administrative Expenses								
Salaries	28,668	515,378	524,620	159,808	454,958	47,549	78,369	63,609
Other Admin Costs	56,242	800,276	785,497	360,840	680,409	46,442	117,101	265,373
Utilities	53,289	981,063	1,014,280	618,487	831,365	55,702	178,536	138,953
Tenant Services	10,574	13,911	13,071	1,648	5,185	179	806	549
Maintenance & Repair								
Salaries	0	0	0	278,365	0	0	85,489	69,416
Supplies	0	11,904	14,079	113,440	9,863	0	18,835	16,495
Contracts	86,537	1,649,386	1,707,323	198,074	1,470,589	80,124	94,693	50,019
General Administrative Exp								
Property Insurance	15,300	249,609	275,699	127,180	220,412	15,941	57,766	0
Benefits, other	15,805	264,278	273,470	225,834	236,787	25,723	86,234	66,227
Financial Expenses	1,929	179,321	172,657	847,950	147,232	82,985	4,712	58,287
TOTAL OPERATING EXPENSES	268,344	4,665,126	4,780,696	2,931,626	4,056,799	354,645	722,541	728,928
NET INCOME (LOSS)	75,270	346,833	309,275	819,669	254,510	104,567	130,338	137,950

* The expenses for these partnerships are included in SHA's operating budget due to their unique nature.

Operations of Limited Partnerships where SHA is the General Partner

Name	Rainier Vista Northeast	Leschi House*	Kebero Court	Raven Terrace	Hoa Mai Gardens	NewHolly Phase I	West Seattle	Red Cedar	TOTAL 2019 LP BUDGET
First year of operations	2011	2015	2015	2015	2016	2016	2017	2019	
Number of units	118	69	103	83	111	305	204	119	3,598
Rental Income	655,608	324,956	366,813	397,914	486,625	2,031,902	739,227	959,222	14,587,104
Operating Subsidy	208,776	0	0	0	0	0	0	0	8,534,293
HCV Subsidy	533,089	415,236	948,262	540,088	1,000,000	791,950	1,025,657	0	8,080,034
Other Income	17,071	3,229	10,360	5,492	0	61,933	25,781	2,103	1,036,980
TOTAL REVENUE	1,414,544	743,421	1,325,435	943,494	1,486,625	2,885,785	1,790,665	961,325	32,238,411
Administrative Expenses									
Salaries	90,726	42,600	73,496	55,773	92,211	180,178	154,779	90,307	2,653,029
Other Admin Costs	179,003	77,382	122,860	110,917	150,022	384,833	220,027	157,867	4,515,091
Utilities	262,969	110,738	130,082	87,814	140,964	646,593	374,200	118,584	5,743,619
Tenant Services	487	1,613	1,841	2,046	2,205	3,842	0	2,000	59,957
Maintenance & Repair									
Salaries	100,264	58,704	80,462	76,043	69,391	171,754	0	60,240	1,050,128
Supplies	27,743	9,172	19,550	18,592	10,000	101,690	487	29,953	401,803
Contracts	160,022	59,091	88,208	93,171	91,940	216,341	381,505	63,689	6,490,712
General Administrative Exp									
Property Insurance	67,752	33,526	50,688	46,060	85,297	51,519	0	111,457	1,408,206
Benefits, other	95,348	53,667	83,971	70,705	86,879	181,731	84,524	84,645	1,935,828
Financial Expenses	123,689	174,456	390,701	205,791	517,517	259,918	0	6,963	3,174,108
TOTAL OPERATING EXPENSES	1,108,003	620,949	1,041,859	766,912	1,246,426	2,198,399	1,215,522	725,705	27,432,480
NET INCOME (LOSS)	306,541	122,472	283,576	176,582	240,199	687,386	575,143	235,620	4,805,931

* The expenses for these partnerships are included in SHA's operating budget due to their unique nature.

