



CALENDAR YEAR 2020 SHA PROPOSED ANNUAL BUDGET: SUMMARY

August 30, 2019

TABLE OF CONTENTS

OVERVIEW OF THE 2020 SHA PROPOSED BUDGET	1
Major Initiatives	2
Yesler 2020.....	2
Lam Bow Rebuilding and Expansion	3
For Sale Properties (non-Yesler).....	3
New Acquisitions Program.....	3
Resident Services.....	4
RESPONDING IN 2020 TO STRATEGIC DIRECTIONS	7
Expand Housing Opportunities – Key 2020 Action Agenda Items.....	7
Promote Quality Communities – Key 2020 Action Agenda Items.....	9
Improve Quality of Life – Key 2020 Action Agenda Items	10
STRENGTHENING ORGANIZATIONAL CORNERSTONES IN 2020	12
Engaging Service and Respectful Relationships – Key 2020 Action Agenda Items	12
Staff Excellence – Key 2020 Action Agenda Items.....	12
Partnership and Coordinated Action – Key 2020 Action Agenda Items	13
Financial Stability and Operational Efficiency – Key 2020 Action Agenda Items	13
Race and Social Justice – Key 2020 Action Agenda Items.....	14
Environmental Stewardship – Key 2020 Action Agenda Items.....	15
Innovation – Key 2020 Action Agenda Items	15
CONSOLIDATED BUDGET	17
Overview	17
Program Operations and Administrative Expenses.....	18
Housing Assistance Payments.....	20
Grant-Funded Expenses.....	20
Capital and Non-Routine Expenses	21
Opportunity Investments.....	23
Redevelopment Projects.....	23
Moving to Work (MTW) – SHA’s General Fund Block Grant	25
Low-Income Housing Tax Credit (LIHTC) Program	27
CY 2020 Capital and Non-Routine Budget	29
Redevelopment Grants and Mixed-Financing	30
2020 Capital Projects Listing	30
Attachment 1 – 2020 Capital Activities	31

TABLE OF FIGURES

TABLE 1: PROPOSED BUDGET	17
TABLE 2: STAFFING LEVELS	17
TABLE 3: MTW GENERAL FUND	25
TABLE 4: LOW INCOME HOUSING SHA TAX CREDIT	27
TABLE 5: LOW INCOME HOUSING TAX CREDIT PARTNERSHIPS.....	28
TABLE 6: CAPITAL AND NON-ROUTINE SOURCE AND USES.....	29
TABLE 7: MTW CAPITAL EXPENSES.....	31
TABLE 8: NON-MTW CAPITAL EXPENSES	34

OVERVIEW OF THE 2020 SHA PROPOSED BUDGET

The 2020 Seattle Housing Authority (SHA) Proposed Budget recommends total expenses of **\$322.9 million**, with the Operating Budget at **\$101.3 million**; Housing Assistance Payments (HAP) at **\$124.0 million**; grants at **\$1.9 million**; the Capital Budget at **\$20.2 million**; Opportunity Investments at **\$15.1 million**; and the Redevelopment Budget at **\$60.3 million**. The total 2020 Proposed Budget is greater than the total 2019 Adopted Budget by **\$30.4 million** or **10.4 percent**.

The total **operating side** of the 2020 SHA Proposed Budget — operations, HAPs, and grant support — is **\$ 227.3 million**, which represents **70.4 percent of the total Proposed Budget**, and reflects an **increase of 9.1 percent over 2019**.

The total proposed **Capital Program**—Capital Preservation, Non-Routine, Opportunity Investments, and Redevelopment Expenditures—is **\$95.6 million** or **29.6 percent of the total Proposed Budget** and reflects an increase of **13.7 percent over 2019**. The highest priorities in the Capital Preservation program in 2020 are the rehabilitation of Jefferson Terrace; the replacement of elevators, with the majority of buildings with one elevator will be funded for replacement or rehab; roof replacement/repair; and painting projects. Capital and Non-Routine budgets are set to decrease overall due to expectations that the U.S. Department of Housing and Urban Development (HUD) capital grant, as well as transfers from other Moving to Work (MTW) sources, will be smaller than prior years.

Opportunity Investment projects total \$15.1 million in 2020. Opportunity Investments were started in 2019 as a result of the incremental funding increase occasioned by the 2018-2019 Congressional Bipartisan Budget Act. SHA expects to be able to make additional investments in the 2020 Budget, though at a lower level than 2019. The 2020 investments include the following projects:

- Improve the financial feasibility of the Jefferson Terrace rehabilitation project with an investment of \$8.0 million. In combination with capital grant funding of \$4.0 million, this \$12.0 million project contribution is expected to close the funding gap for this important major rehab project. Jefferson Terrace is the last of SHA’s 23 high-rise buildings to undergo significant refurbishment.
- Add \$4.1 million to the “Future Building Fund” to undertake planning, concept design, site studies, and financial feasibility assessments for future preservation and development projects. Among these potential planning projects are Holly Court/Red Brick properties, Jackson Park Village, Blue Topaz, HomeWorks Unit Upgrades, and Section 18 Scattered Site Repositioning.
- Fulfill SHA’s commitment of \$2.0 million to fund Yesler infrastructure construction of an access road connecting 10th Avenue South to South Washington Street as well as roadway improvements east of 9th Avenue and Alder Street.
- Provide \$1.0 million of transitional bridge funding for continuation of Yesler services until the Yesler Services Endowment is established and generating sufficient interest to maintain health, education, employment, and community services for SHA’s Yesler residents. Choice Neighborhood funds, which previously supported the services, were exhausted in 2019. SHA anticipates bridge funding for three to four years will be required to maintain approximately \$400,000 a year in services. The transition funds from MTW resources will begin supporting continuity of services in the 2020 budget.

The **Redevelopment Budget** for 2020 totals \$60.3 million, an increase of \$26.9 million or 80.8 percent over 2019. Yesler construction activities increase in 2020 as Hinoki will begin construction in late 2019 or early 2020 with Sawara and Juniper, SHA’s next two Yesler redevelopment projects, in design and predevelopment throughout 2020. Yesler infrastructure work in 2020 decreased \$2.0 million over 2019;

other infrastructure expense budgets are in Opportunity Investments. In 2020, two other major projects will be underway: rebuilding and expanding the Lam Bow Apartments and the rehabilitation of Jefferson Terrace. These two projects represent a combined increase of \$15.7 million in development in 2020.

The proposed SHA staff, including capital and grant-funded positions, will total **609.91** full-time equivalents (FTEs) in 2020, **an increase of 15.74** FTEs compared to **594.17** FTEs in the 2019 Budget. Please see the Consolidated Budget section of this document for more detail.

Under the Strategic Plan, SHA's highest priorities are to expand affordable housing opportunities and choices; promote quality communities, which includes housing stock maintenance and updates; and improve quality of life for individuals and families who reside in SHA housing or receive rental assistance through vouchers. SHA plans to advance these priorities in 2020 as highlighted in the paragraphs below and described more fully in the next section of this Summary.

Major Initiatives

SHA's 2020 budget proposal continues the momentum of Yesler Redevelopment and SHA's multi-year commitment to implement program initiatives which use the best data and practices to design offerings that can make a difference in the lives of SHA residents and participants. Featured below are a few of these initiatives, following an update on Yesler Redevelopment progress expected in 2020.

Yesler 2020

Yesler Redevelopment continues with resident relocation, education, health, and workforce development programs as well as infrastructure, community facility, and rental housing construction. Here is what to expect in 2020 for housing and public infrastructure development:

- Initiate construction of Hinoki -- expected to begin in late 2019/early 2020 and be completed in late 2021.
- Complete predevelopment and prepare for closing on the financing package for Sawara in late 2020; commence with construction of the 24-month project in early 2021.
- Perform abatement and demolish existing Yesler buildings in Blocks 7 and 8, adjacent to Alder Street and 9th Avenue. All Yesler demolition for SHA replacement residential buildings will be completed in 2020.
- Expect predevelopment costs on Juniper, Yesler's seventh new apartment building, in 2020.

Inviting Connections

Together with residents, surrounding neighbors and businesses, city officials, key partners, and Seattle citizens, SHA shaped a vision for Yesler that goes beyond a plan for new buildings. Yesler is transforming into a model, mixed-income community where people support each other, the academic and social success of children and youth, economic advancement for working adults, improved health for seniors and people of all ages, and the development of networks that cultivate social cohesion and community connections. More than halfway complete, the residential buildings, parks, pedestrian thoroughways, public art and other community spaces provide intentional settings for small and large gatherings. A host of partnerships bring Yesler to life with programs and activities where residents come together to learn, exercise, prepare meals, share parenting, celebrate and exchange a diversity of cultural traditions. Yesler is being reborn as a vibrant community where neighbor means residents and non-residents alike, and everyone is invited to make a Yesler connection.

Lam Bow Rebuilding and Expansion

Construction of the new, single 80-unit Lam Bow Apartment building will begin in early 2020. The 4-story wood-framed building will be a mix of 1, 2, and 3 bedroom affordable housing units with a central courtyard and 80 off-street parking stalls. The 18-month construction project, scheduled for completion in the third quarter of 2021, will replace two buildings located on the property, a 21-unit building damaged by fire and demolished in 2016, and a second existing 30-unit occupied building. Due to code requirements, SHA elected to build a single new replacement building, as rehabilitation of the remaining existing building was not cost effective. This new, single building design will beneficially add 29 apartment units to the original property unit count.

For Sale Properties (non-Yesler)

The majority of the development properties outside of Yesler are under contract with private or non-profit development partners. The final private sector buildings at Rainier Vista and High Point are under construction with completion expected in 2021. The four sites on the corner of Othello and Martin Luther King Jr Way South are under contract by three separate groups as part of the Othello Station development. Two sites are under contract with HomeSight, one site closes in late 2019 with plans to construct affordable for-sale units, and plans for the second site call for 195 market and affordable rental units and commercial space that is scheduled to close once funding is secured in late 2021. The third and fourth Othello sites are under contract with Spectrum Development Solutions and Washington Charter School Development. Spectrum will close in late 2019 and will construct a mixed-use building with the Odessa Brown Children's Clinic and 176 market and affordable rental units. Washington Charter School Development anticipates closing in early 2020 to construct a new charter high school.

New Acquisitions Program

In late 2018, the Board approved resolutions approving and implementing a new two-year Acquisitions Program to serve more people and help achieve SHA's strategic objectives to expand housing opportunities by creating more affordable housing, as well as diversifying housing choice, and to promote quality communities by preserving and promoting high quality housing.

The goals over the two years are to acquire approximately 500 units of which 50% will serve households at or below 30% AMI with the remaining units serving households above 30% AMI. Thus far, SHA has purchased four communities which meet a combination of the below criteria, adding 329 units to its inventory, with 260 units serving extremely low-income households and 69 units serving low-income household at 60-80 percent of AMI.

Acquisition Criteria

- 1) Will the acquisition allow SHA to serve more low-income households?
- 2) Does the acquisition maintain the financial strength of the agency?
- 3) Will the acquisition preserve affordable units?
- 4) Does the acquisition increase SHA's inventory of units in opportunity neighborhoods?
- 5) Does the acquisition add large family units to SHA's inventory?
- 6) Does the acquisition add units to SHA's inventory at a lower cost than new development?

Currently, SHA is considering two additional properties with approximately 170 units, all of which would serve low-income households under 80 percent AMI.

Resident Services

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 collaborated with local service providers to deliver residents a range of supportive services, such as case management, counseling, and mental and behavioral health services, that will assist them in maintaining stable housing and avoiding behaviors that could lead to eviction. These partnerships will continue. SHA can already point to successes in eviction prevention; having reduced the number of evictions from less than one percent of households in SHA owned and managed properties in 2017 to less than one-half of one percent in 2018.

In 2019 and 2020, SHA will substantially increase efforts to examine policies and procedures, and will implement changes that promote housing stability in order to build on SHA's success in eviction prevention efforts. SHA is investigating changes to be more alert to early warning signs, reductions or caps in legal fees and vacate fees, and possible changes in debt policies, including assessing the elimination of the use of external debt collection agencies and potential debt forgiveness policies.

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 and trainers that can provide valuable assistance to SHA staff and providers.

JobLink

2020 will be the third 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, including those already employed and looking for advancement.

In the first half of 2019, enrollment stood at 92 percent of JobLink's total capacity (731 enrollments out of 760 available), and JobLink is on track to hit its target of 250 job placements in 2019. Its Section 3 Pathways trainee pilot, which hires JobLink enrollees into trainee SHA property maintenance and administration positions, has helped SHA develop a pipeline of candidates for its highest-turnover, entry-level Housing Operations positions. The program has already been successful for both participants and SHA, as several trainees who completed the program were subsequently employed by SHA or by outside employers.

In 2020, JobLink estimates the program will serve 700 to 1,000 SHA residents and voucher participants. JobLink will build from lessons learned managing large caseloads (80 clients per Career Coach) to refine services and support to residents. JobLink will focus on particular residents groups in need of extra attention, including foster youth, older adults (55+), and men. JobLink will utilize grant funding in order to provide a new tuition support option for its enrollees, and the Section 3 Pathways trainee pilot will expand to provide more trainee positions in Housing Operations as well as new trainees in Housing Choice Vouchers (HCV) for positions in customer service.

Health Services

Following successful processes and pilots in recent years, SHA will leverage on-going external funding for valuable health and housing stability services. In 2020, SHA will be using its health services pilot funding

to leverage City and other investments to create dedicated staffing to respond to SHA referrals for seniors and adults with disabilities in HCV, Scattered Sites, and other SHA portfolios with limited services. Based on a successful pilot in 2019, the staffing would triage and connect residents to the right services, providing at least 80 participants access to critical health and stability services with a value of \$0.5 - \$1.0 million annually. The funding may also help to leverage other services, such as to help launch a second phase of intensive housing case management services ultimately funded through Medicaid's Foundational Community Supports.

In addition, SHA plans to partner with King County Housing Authority (KCHA) as beneficiaries of a Housing Outreach Partners pilot sponsored by the King County Department of Community and Human Services (DCHS). The Housing Outreach Partners pilot intends to demonstrate a switch in the model of behavioral healthcare so that treatment can come to the person, instead of the person having to travel to the treatment. This initial test of a model of outreach to individuals will serve unstably housed individuals in SHA and KCHA buildings. DCHS will select behavioral health agency partners to launch behavioral health and medical outreach teams for the Housing Outreach Partner pilot.

These teams will engage SHA and KCHA's residents to provide limited acute response to residents and assertive outreach, engagement, stabilization, and linkage to care for residents. The objective of the pilot is to decrease the number of residents who have need for behavioral health and/or healthcare, who are either not in treatment or enrolled but not in regular contact. Enrollment in these services may improve housing stability, functioning, and quality of life for individuals served; decrease disruptive building problems; and reduce lost occupancy that sometimes results from challenging behaviors.

Creating Moves to Opportunity

SHA -- in collaboration with KCHA and leading academics and researchers from Opportunity Insights at Harvard University, Massachusetts Institute of Technology's Abdul Latif Jameel Poverty Action Lab (JPAL), Johns Hopkins University, and MDRC -- continues implementation of the Creating Moves to Opportunity (CMTO) pilot during 2020. CMTO is a two-phase project to develop and test strategies to increase geographic choice and access to opportunity areas for low-income families with children participating in the Housing Choice Voucher program. Families assigned to the CMTO services group have access to a number of services including in-person opportunity area education, marketability coaching, housing search assistance, unit tours, and expedited leasing.

Early results from Phase I of CMTO, which enrolled 238 families, provided promising new evidence on how public housing authorities can support families' housing choice, and make a real impact on children's long-term educational and economic outcomes. Phase I results indicated that 54 percent of families who received a housing voucher coupled with CMTO services chose to move to high opportunity neighborhoods in Seattle and King County compared to 14 percent of families receiving a housing voucher and standard services. The Phase I CMTO results are generating national interest on how affordable housing policies and programs can best serve families' long-term success.

In the second half of 2019, SHA launched Phase II of CMTO, which will run through the end of 2020 with the goal of enrolling 300 additional families. Phase II will use Phase I results to refine the support interventions that have the greatest impact in helping families successfully move to areas of higher opportunity. Phase II will use multiple treatment groupings of enrolled families to understand which interventions are most essential, cost effective, and scalable. CMTO is designed to increase access while maintaining autonomy and choice for families. SHA and third party evaluators of CMTO are tracking and analyzing a variety of information to understand its equity impacts.

Youth Education and Development

Since 2010, SHA has been deepening its commitment to youth development and educational excellence, with the development, cultivation, and expansion of youth and education-focused partnerships. SHA's increased commitment is backed by investments in partnerships and internal positions that align our goals, programming, and interventions. In 2020, SHA is adding the Youth Engagement Specialist role to Yesler and High Point and scaling its work to focus on the social and emotional learning needs of adolescents, which in turn supports families, communities, and schools. There are nearly 800 adolescents living in SHA's garden communities; they act as role models for siblings and neighbors. By providing and promoting pro-social behaviors, youth become successful students and leaders. Young adults, up to age 24, will also benefit from supports to develop leadership experience and employment skills.

Agency-wide learning has benefitted SHA's education goals as well. The Education Engagement Specialist role is being expanded in 2020; the original pilot model at Yesler will remain but will evolve at Rainier Vista, NewHolly, High Point, and Jackson Park to deliver case management supports and specialized programming to high school students, recent graduates, and teens working towards their High School Equivalency Certificate or General Education Development (GED). This deeper focus on high school graduation as well as college and career readiness is supported by two AmeriCorps volunteers thereby allowing the Education Engagement Specialists to spread their support across wide geographic regions.

SHA's investment in Education and Youth Development staffing is complemented by a continued deep partnership with Seattle Public Schools and numerous contracted providers. These aligned resources echo the Seattle Public Schools' strategy of multi-tiered systems of support that hinge upon providing a spectrum of universal, high-quality supports, and targeted intensive interventions. Equipped with data, staffing, programming, and partnerships that span the region, the Education and Youth Development Manager will lead the implementation of this strategy.

Read more about plans for these and other SHA services and activities in "Responding in 2020 to Strategic Directions" in the section that follows.

RESPONDING IN 2020 TO STRATEGIC DIRECTIONS

In 2016, Seattle Housing Authority (SHA) adopted a new five-year Strategic Plan for 2016 – 2020, which defines SHA’s Strategic Directions and key Organizational Cornerstones. The plan affirms SHA’s mission and values, maintains core commitments, and maps the agency’s course for these five years to make a positive difference in the lives of low-income individuals and families, neighborhoods where SHA participants live, and the larger Seattle community. 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 2020 Proposed Budget responds to the last year of the 2016 – 2020 Strategic Directions and Organizational Cornerstones. In the pages that follow are highlights of proposed 2020 work plans pertaining to the key objectives of the Plan’s Strategic Directions and Organizational Cornerstones.

Strategic Directions

Seattle Housing Authority’s (SHA) three 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 2020 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 2020 to ***Expand Housing Opportunities***.

Create More Affordable Housing

- 1) Continue SHA’s acquisition program by obtaining additional housing units. Complete the conversion of the multi-family voucher contracts at three acquired properties to tenant protection vouchers. Refinance the three acquired properties to a permanent financing structure.
- 2) Complete 35 to 45 units in the second year of the right-sizing initiative. This involves relocation of residents whose housing is no longer appropriate for their family size (e.g. two people in a three-bedroom home) and the work to update and turnover the newly vacant unit for a larger family to occupy.
- 3) Construction of the new 80-unit Lam Bow Apartment building will begin in early 2020, with completion scheduled for Q3 2021. The new building will replace a 21-unit building damaged by major fire and demolished in 2016 and a second existing 30-unit occupied building. When completed, the new building will add 29 additional units to the original property unit count.

-
-
- 4) Jackson Park Village Redevelopment will proceed with design to riparian corridor, an environmentally sensitive area, upon U.S. Army Corps of Engineers restriction approval and permitting of a larger unit building to replace existing aging housing and serve more people.
 - 5) Yesler's Hinoki will be under construction in 2020; Sawara will be in predevelopment. Construction of Hinoki will continue with scheduled completion of 139 affordable housing units in late 2021. Design and permitting of Sawara, a 110 affordable housing unit building, will continue in 2020 with a projected construction start of early 2021. Seattle Chinatown International District Preservation and Development Authority (SCIDpda) and Capitol Hill Housing (CHH) will develop, own and manage 192 units of affordable housing on the King County Records site. Design and permitting will continue into mid-2020, with construction starting by the end of 2020.
 - 6) Add new rental assistance vouchers: SHA anticipates applying for new Special Purpose Vouchers (Mainstream and Veteran Affairs Supportive Housing) in late 2019. If awarded to SHA, the Housing Choice Voucher (HCV) Department will work to issue and lease the vouchers quickly in order to increase special purpose utilization in 2020. (Note: These potential additional vouchers are not reflected in the proposed budget; however, their inclusion will be added during the 2020 budget year once awards are made.)

Diversify Housing Choice

- 7) Construction of the final private sector buildings at Rainier Vista and High Point are in progress with expected completion in 2021. The Othello Station development is under contract to three groups, two affordable for-sale development sites are scheduled to close in late 2019, a charter school/mixed use building is expected to close in 2020, and a rental housing and commercial development is expected to close in late 2021.
- 8) Expand existing housing search assistance for new and current HCV participants by collaborating with the Seattle Metropolitan Chamber of Commerce's Housing Connector, a program that will work with private landlords to pool unit referrals specifically for households experiencing homelessness. As an incentive, the Housing Connector offers various financial assistance such as a rent guarantee and a mitigation fund.

Advance Affordable Housing Policy

- 9) Partner with the City of Seattle Multifamily Property Tax Exemption (MFTE) program, which provides a tax exemption to new buildings that set aside 20-25% of units as income and rent restricted. Before MFTE buildings are open, the City of Seattle Office of Housing will notify SHA's Housing Choice Voucher (HCV) program to connect with property management, conduct a pre-inspection of the building, and alert eligible voucher shoppers of the available units. HCV will continue to implement and evaluate this policy and make housing opportunities available to HCV participants.
- 10) Actively participate in collective activities to shape federal low income and affordable housing policy through the MTW Collaborative; the Council of Large Public Housing Authorities (CLPHA); and the National Association of Housing and Redevelopment Officials (NAHRO). These efforts focus on federal resources available for developing and operating affordable housing; regulations affecting operations of low-income housing and eligibility for housing and rental programs; and, promotion of innovative programs to expand housing opportunity and economic self-sufficiency.
- 11) Participate in local activities with the City of Seattle, King County, King County Housing Authority (KCHA), non-profit housing providers, and service providers in ongoing efforts to streamline

housing assistance for homeless individuals and families; to adopt evidence-based priorities for policies and services to effectively address the housing and support needs of homeless people; and, to ensure a cohesive, collaborative, and complementary approach to serving the homeless throughout the county.

Promote Quality Communities – Key 2020 Action Agenda Items

SHA invests in safe, quality housing and connects participants to communities, resources, and services that are designed to meet their needs. Preserving and promoting high quality housing, connecting people to opportunity, and strengthening community and service are the objectives that define SHA's work on this Strategic Direction. Below are highlights of SHA's work plans for 2020 to ***Promote Quality Communities***.

Preserve and Promote High Quality Housing

- 1) Install and maintain water and energy conservation improvements – from led lighting to heat pumps to low flow toilets; new lighting, and security features for safety; and 24/7 fans for improved air quality, health, and cost effectiveness.
- 2) Perform unit upgrades in older units with new appliances, cabinetry, flooring, bathroom fixtures, and painting, as needed, to improve the quality of living in SHA units. Extend the life of SHA's housing assets and their safety through replacement of roofs, modernization of elevators, and replacement of fire panels.
- 3) Begin steps to reposition approximately 250 units of Scattered Sites to help ensure the longer-term sustainability of these units. Pending HUD approval of a Section 18 Conversion application, units will convert to project-based vouchers, which provides a higher level of funding per unit than public housing. The units would still operate under public housing rules and involve very little change for current residents.
- 4) Develop Real Estate Assessment Center (REAC) strategies tailored to help ensure properties receive passing REAC scores and that units are healthy and safe. Continue to spread and develop best practices across portfolios through staff training and knowledge sharing. Develop a long-term strategy for evaluating housing quality in partnership with HCV and the broader agency strategic planning process.
- 5) Support the conversion of Mod Rehab vouchers to Rental Assistance Demonstrate (RAD) vouchers for 492 units across six properties through early 2020. SHA will continue to support remaining RAD-eligible properties should they choose to pursue conversion.
- 6) Continue work on rehabilitation projects and evaluate assets for innovative financing. Close the financing of Jefferson Terrace and commence work on a major rehabilitation of SHA's largest building, with 299 units.
- 7) Execute Yesler Infrastructure projects, which includes new street improvements on Alder Street and 9th Avenue; hill stabilization; and an access drive between 10th Avenue South and South Washington Street. Abate and demolish the remaining old Yesler units near 9th Avenue and Alder Street in Blocks 7 and 8. Completion of these planned infrastructure activities will conclude SHA's infrastructure construction for Yesler's Redevelopment.

Connect People to Opportunity

- 8) Plan for the centralization of the property transfer waiting lists currently under site-based management. The centralization of these lists will increase efficiency, consistency, transparency, and compliance. Discussions, decisions, and planning began in 2019 with implementation in 2020.
- 9) Partner with the County Department of Community and Health Services (DCHS) in a pilot program to bring behavioral and medical staff teams to provide limited acute response to residents and assertive outreach, engagement, stabilization, and linkage to ongoing care for residents. Staff training in recognizing behavioral health issues and in services and providers available in the community will strengthen the benefits of this pilot.

Strengthen Community and Service

- 10) Apply a consistent commercial lease structure, guidelines, and leasing procedures for management of SHA's commercial space in its housing communities. Evaluate existing and new software to manage the agency's commercial portfolio efficiently. Implement Yardi inspection for all commercial units to determine the condition of commercial assets and reinforce good housekeeping by tenants.
- 11) Develop alternative strategies to support residents who struggle to be successful in housing. Create a plan to reach out to the residents and learn more about the obstacles preventing them from meeting lease requirements and collaboration with partners to minimize these hurdles and turn future residency into a positive experience.

Improve Quality of Life – Key 2020 Action Agenda Items

SHA works with community partners to use housing as a platform to improve quality of life by enhancing access to health services and healthy living; supporting education and skill development; and providing 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 2020 to ***Improve Quality of Life***.

Enhance Senior and Disabled Living

- 1) Implement recommendations from the Community Builder Refresh study, including a pilot program for the creation of resident and property management advisory committees, establishing welcome committees, disseminating Mental Health First Aid training, and incorporating multi-lingual communication tools. Support resident councils in holding training for residents and improving council offices.
- 2) Continue the Volunteer Initiative with additional AmeriCorps volunteers. This initiative supports residents who volunteer to lead activities to engage residents in the Seattle Senior Housing Program (SSHP) buildings and in two elderly-designated public housing buildings. Such activities include arts and crafts and wellness activities aimed at improving senior physical and mental health.
- 3) Explore and implement services to address the physical, behavioral, and mental health needs of residents. Special emphasis will be on residents in Low Income Public Housing (LIPH) buildings. Prioritize efforts to utilize resources resulting from the Medicaid Waiver, which will complement existing services for mental health, service coordination, hoarding and pest remediation.

-
-
- 4) Grow and support our model of community building in mixed income communities to help create sustainable social networks based on common interests. This includes engaging senior aged residents, as well as strengthening relationships with homeowners, related associations, and co-located service providers. Support families with children to stimulate parent-focused wellness programming and leadership development.

Economically Empower People

- 5) Expand JobLink’s Section 3 Pathways trainee pilot, which hires JobLink participants into temporary trainee-level property management positions. Work to find solutions to key program challenges, such as managing client enrollment, maximizing the time Career Coaches spend with clients, and acquiring more resources and partnerships. Work with HCV to introduce the Pathway trainees pilot to include residents training in customer service positions.
- 6) With grant funds, introduce a new tuition assistance pilot program for needy low income residents attending community college in majors leading to high demand jobs.
- 7) Assess the JobLink program to determine best practices, areas that need improvement, and recommendations for program modification. Support the partnership with the Economic Opportunities team to improve HCV participant access to the educational, employment, and training opportunities through the JobLink program.
- 8) Assist with 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.

Support Youth Achievement

- 9) Implement programming, partnerships, and case management to maintain youth engagement in mixed income communities and support high school graduation with additional Education Engagement Specialist positions and additional AmeriCorps volunteers. Connect youth to education services such as preschool, kindergarten readiness programming, individual tutoring, career and college exploration, mentorship, and academic coaching.
- 10) Support Creating Moves to Opportunity through its second phase with additional vouchers and waitlist management for eligible families with children, which offers services to help families find a home in a community that fits their needs and provides greater resources and educational opportunities for their children. At the conclusion of the pilot, determine best practices to employ throughout the Housing Choice Voucher program.
- 11) Provide voucher assistance to homeless families with children attending Bailey Gatzert Elementary School, with goals to reduce disruption to education for children in homeless families and to bring greater stability and continuity to the learning environment at Bailey Gatzert. SHA leadership will continue conversations with Seattle Public School staff and Catholic Community Services, the services provider, about the best methods to continue support for families at Bailey Gatzert.

STRENGTHENING ORGANIZATIONAL CORNERSTONES IN 2020

Seattle Housing Authority's (SHA) 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.

Engaging Service and Respectful Relationships – Key 2020 Action Agenda Items

SHA is committed to providing consistently high-quality service and respectful interactions. SHA honors and assists participants and communities through service and engagement that recognize their unique needs and strengths. Below are highlights of SHA's work plans for 2020 to create and foster **Engaging Service and Respectful Relationships**:

- 1) Collaborate between the Low Income Public Housing (LIPH) Admissions and Occupancy Team, Compliance, Housing Services Center Front Desk, and Information Technology (IT) to improve unit offers, leasing, orientation, waiting list compliance, and customer service for approved applicants. Review the current waiting list structure, process handoff, and measurements to identify the largest areas of inefficiencies. Develop a plan of action to address inefficiencies and run a pilot program to test and measure the action items.
- 2) Continue training for property management staff in behavioral health to enhance staff abilities to spot behaviors that may indicate the individual is experiencing extreme stress or a crisis, to gain skills in talking to the individual in a helpful manner, and to know community partners and resources available to assist.
- 3) Move toward making all Housing Choice Voucher (HCV) participant- and landlord- forms available online by the department conversion to Yardi in 2020, in order to improve processing time and boost customer satisfaction by having forms conveniently available, immediately filed, and expeditiously handled.
- 4) Evaluate outside-managed properties to align, standardize, and improve practices and operating procedures to meet SHA standards. Areas for review include rent collection, lease enforcement, inspections, application and leasing procedures, waitlist management, annual re-certifications, and maintenance work.
- 5) Increase participant access to HCV services through shifting Housing Counselors concentration to support housing search and tenant stability. This change will help achieve the goals of serving more people and maintaining utilization, achieving parity for HCV participants, and increasing SHA program alignment. HCV will refine the process of realigning housing counselors over the next year.

Staff Excellence – Key 2020 Action Agenda Items

SHA is committed to recruiting, retaining, and developing people whose skills and dedication enable them to consistently perform at the top of their field. SHA trains and invests in a well-equipped workforce to support the agency's day-to-day operation in pursuit of its mission. Below are highlights of SHA's work plans for 2020 to foster **Staff Excellence**:

- 1) Hire an additional compliance position in HCV, in part to support the large number of new landlords who must acclimate to HCV program requirements and procedures that are unique for landlords of voucher households. SHA will have fewer compliance issues to the extent it can effectively support landlords to be successful.

-
-
- 2) Develop SHA's next five-year 2021 - 2025 Strategic Plan. Work with the Board to assess Strategic Plan progress, determine the scale and scope of the plan and process, consider key performance indicators and targets, and adopt the next Strategic Plan. Engage with stakeholders, with particular attention to under-represented voices, as part of the process.
 - 3) Elevate SHA's capacity to innovate and maximize policy and program effectiveness by strengthening the foundations of data and analytics and by providing analysis of specific policies and programs, such as SHA's utilization of Moving to Work (MTW) to address administrative efficiency, decision making, and cross-departmental policy discussions and information sharing.
 - 4) Utilize Superior Maintenance and Repair Training (SMART) to assist residents with unit preventative maintenance, as well as resident upkeep of SHA units. Utilize SMART to elevate skill levels, heighten awareness, and educate on building systems and SHA procedures of one-site property management personnel. Create manuals and training videos for Building Systems and Property Management components. Conduct outreach with customer surveys and use The Sound, SHA's interactive internal reporting database, for continuous communication between Impact Property Services (IPS) and other departments.

Partnership and Coordinated Action – Key 2020 Action Agenda Items

SHA engages in partnerships and leverages resources to extend services and housing beyond core housing programs. SHA aligns partners, programs, and service delivery to broaden and accelerate progress on strategic directions. Below are highlights of SHA's work plans for 2020 to maximize

Partnership and Coordinated Action:

- 1) Work with Seattle City Light to determine the best solution towards achieving true automatic and comprehensive enrollment of households for the City of Seattle's Utility Discount Program for income-qualified residential households, which offers eligible customers discounts on Seattle City Light and Seattle Public Utilities bills.
- 2) Offer career development opportunities for residents and voucher holders through partnerships between SHA's JobLink, Seattle Colleges District, SM Diversity, Aegis Living, Kaiser Permanente, Home Depot, and other reputable companies. JobLink works with young adults accessing credentials and college degrees, adults in their 30s and 40s pursuing career changes, and older adults (55+) seeking more stable incomes.
- 3) Stabilize living situations for households on the 2017 HCV Tenant-Based Voucher waitlist that may be at risk of becoming homeless while waiting to receive a voucher. Vulnerable SHA waitlist households receive case management and rental assistance with the assistance from City of Seattle Human Services Department's Seattle Rental Housing Assistance Program.
- 4) Strengthen the relationship with labor unions to enhance communications, reduce grievances and partner to implement SHA's mission and goals. Work with the unions to ensure contracts are consistent with SHA's financial capacity and efforts to create efficiencies in operations and cost containment.

Financial Stability and Operational Efficiency – Key 2020 Action Agenda Items

SHA manages its resources to maximize the impact and cost-effectiveness of its operations as well as the value and longevity of its assets. SHA focuses on strengthening its financial condition, streamlining

service-delivery, and being good stewards of the public trust. Highlights below show SHA 2020 work plans for **Financial Stability** and **Operational Efficiency and Service**.

- 1) Administer and improve the implementation of the Capital Improvements Program by reducing the capital projects backlog. Evaluate changes to existing capital budgets database, or evaluate the use of other software in the agency to improve project management tracking and capital planning. Utilize Community Capital Needs Assessment data to develop a five-year forecast of future needs for major repairs and capital investments.
- 2) Manage SHA's finances and financial decisions to maintain and enhance SHA's credit worthiness and financial stability through disciplined adherence to financial practices and metrics that are recognized as best practices. Formalize SHA debt management policies to ensure measures of leverage are prudent and reviewed regularly.
- 3) Collaborate among HCV, the Budget Office, and the Policy Office to forecast 3-5 years out on MTW voucher utilization and costs and identify issues and implications; identify and quantify alternatives for policy and management actions to contain/reduce costs.
- 4) Strive to maintain a high level of voucher utilization and continue to serve more participants in 2020 by applying for additional special purpose vouchers. SHA maintains authorization to provide rental assistance to a maximum of 11,410 households. Utilization currently stands at 94.1 percent, translating to 10,742 households.
- 5) Work to set-up new financing projects, their cash flow needs during development and their ongoing financial monitoring. Hinoki, SHA's next tax credit property in Yesler, is expected to be under construction in 2020. Other 2020 major project financing planned will be Jefferson Terrace rehabilitation project; and Lam Bow, a new redevelopment and mixed financing project.
- 6) Plan the schedule and decisions for the scope and steps in integrating the new Multi-Family Project-Based properties into SHA via conversion to Tenant Protection Vouchers and then to Project-Based vouchers. Consider the capital funding needs for rehab at some properties and projections of financing options for that work.

Race and Social Justice – Key 2020 Action Agenda Items

SHA is committed to delivering services in a culturally competent way, free of racism and prejudice; to minimize the impacts of poverty; and to advance and support social justice. SHA strives to eliminate individual, institutional, and systemic racism in its policies and practices. Below are highlights of SHA's work plans for 2020 to advance **Race and Social Justice (RSJ)**:

- 1) Expand Human Resources 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. Complementing these efforts will be staff-wide training in harassment prevention and intervention, as well as expanding anti-racism training to all managers.
- 2) Review and evaluate current admissions waitlist reinstatement policies and procedures for RSJ and disparate impacts as well as barriers to entry and administrative efficiencies.
- 3) Continue to develop and implement SHA's Race and Social Justice Initiative (RSJI). Provide and refine RSJI foundation training for new SHA employees, post-Foundation RSJI training, the integration of race and social justice into other training and providing support in the use of SHA's Race and Social Justice Toolkit.

-
-
- 4) Further the Digital Communications Initiative in four key areas:
- Data collection of email addresses and mobile phone number to enable electronic and text exchange of information;
 - Digital equity to assist tenants without internet access in getting the skills, equipment and service they need;
 - Developing an effective and affordable capacity for electronic translation of survey instruments in the principal languages of residents; and,
 - Communications protocols to communicate quickly and effectively with tenants in a disaster.

Environmental Stewardship – Key 2020 Action Agenda Items

SHA incorporates environmental stewardship into daily practices and long-term decision-making to allow for more cost-effective investments, inventive approaches to complex sustainability challenges, healthier working and living environments for staff and participants, and broader impact within the community. Below are highlights of SHA’s work plans for 2020 to promote ***Environmental Stewardship***:

- 1) Focus waste reduction efforts on continued improvement in technical assistance, outreach, and implementation of management best practices. In addition, Environmental Stewardship and Sustainability (ESS) will continue waste audits in at least 10 additional SHA properties.
- 2) Continue ESS’ Green Fleet Strategy to replace aging vehicles with potential cost savings transportation alternatives such as public transit, car2go, and Uber. ESS will continue to enroll more SHA staff to the multi-modal program in 2020.
- 3) Develop long-term strategies to electrify the fleet using a combination of SHA owned and public charging infrastructure. Install up to three electric vehicle-charging stations as SHA adds more electric vehicles to the fleet inventory.
- 4) Promote resource conservation strategies through the Capital Improvements Program by coordinating with the Sustainability Team to integrate alternative energy incentives and environmental sustainability into the capital program. Leverage funds through the City of Seattle Office of Housing to support environmental stewardship initiatives of the agency and capital program.

Innovation – Key 2020 Action Agenda Items

SHA actively pursues creative, inventive, and impactful solutions to expand organizational capacity, improve service, and meet participant and community needs. SHA continually uses high-quality information and effective analysis to plan and evaluate its actions. Below are important tools that have greatly expanded SHA’s capacity for innovation, followed by a few highlights of SHA’s work plans for 2020 in pursuit of ***Innovation***:

- 1) Enhance SHA’s ability to advance affordable housing policy, and preserve and improve policies that affect the people SHA serves. Work will focus on protecting and promoting SHA’s MTW status and flexibilities; tracking and analyzing policy changes; engaging in national industry groups; collaborating with Intergovernmental Relations to influence and understand state and local legislation; and collaborating with the City of Seattle to complete the Consolidated Annual Plan Evaluation Report.

-
-
- 2) Ensure a smooth conversion of HCV's compliance, accounting, and participant record management from Elite to Yardi in 2020, which will put all of SHA's resident and Housing Choice Voucher participant data and management inside a single software suite for maximum efficiency and greater consistency in data and reporting.
 - 3) Work to gain greater understanding of conditions affecting the leasing success of HCV participants through various research programs, including: Creating Moves to Opportunity, the Urban Institute's Keeping Families Together Initiative, University of Washington's research into tenant damages, small area Fair Market Rents, and participant mobility.
 - 4) Evaluate preventative maintenance program and add newly installed energy efficient capital items to preserve SHA assets and enroll new properties into Preventative Maintenance Program. Educate IPS trade technicians on newly installed, modern system technology in SHA buildings.

CONSOLIDATED BUDGET

The following summary presents the proposed operating and capital budgets for Calendar Year (CY) 2020 in comparison to 2019 for all housing programs and business activities. It also describes changes in staffing levels from the CY 2019 budget to CY 2020.

CY 2020 Proposed Budget

Table 1: Proposed Budget

	CY 2019 Budget	CY 2020 Proposed Budget	Percent Change
Program Operations and Administrative Expenses	\$95,655,000	101,345,000	5.9%
Housing Assistance Payments (HAP)	109,795,000	124,015,000	13.0%
Grant-Funded Expenses	2,930,000	1,947,000	(33.5%)
Capital & Non-Routine Expenses	26,380,000	20,210,000	(23.3%)
Opportunity Investments	24,380,000	15,100,000	(38.0%)
Redevelopment	33,350,000	60,290,000	80.8%
Total Expenses	\$292,490,000	\$322,907,000	10.4%

Table 2: Staffing Levels

Program Element	FTE's CY 2019	Proposed FTE's CY 2020	Change 2019 to 2020
Housing Operations	364.69	376.05	11.36
Housing Finance and Asset Management	37.30	39.30	2.00
Housing Choice Voucher Program	67.50	69.00	1.50
Administrative Departments ¹	124.68	125.56	0.88
Total	594.17	609.91	15.74

Overview

The proposed CY 2020 combined operating and capital budget totals **\$ 322.9 million** and is \$30.4 million or 10.4 percent higher than the 2019 Adopted Budget. This year-to-year increase is predominantly the result of predevelopment activities, which will increase by \$26.9 million due to several redevelopment construction activities projected in 2020. The remaining changes are described below.

Program Operations and Administrative Expenses increases by \$5.7 million or by 5.9 percent over 2019. Housing Assistance Payments increases by \$14.2 million, a 13.0 percent rise over 2019. Grant-funded expenses decreased by \$0.97 million from 2019. Capital and Non-Routine Expenses decrease \$6.2 million or 23.3 percent; Opportunity Investments total \$15.1 million, down 38.0 percent from last year; and redevelopment activities increased \$26.9 million or 80.8 percent. For more detail on each of these Table 1 line items, please see the corresponding sections below.

¹ "Administrative Departments" are Human Resources, Finance and Administration, Information Technology, Development, Executive, and the Office of Policy and Strategic Initiatives.

Proposed full-time equivalent (FTE²) regular positions increased by 15.74 FTEs over 2019 to 609.91 FTEs. This staffing change consists of project positions intended to address capital backlog, 2020 capital projects, and ongoing positions to provide added services to the communities; maintenance staff for unit-turns; and preventative maintenance and administrative help on the maintenance training program. Some of the positions proposed to be added in 2020 will work for Limited Partnerships, or on redevelopment projects that will be funded out of the budgets for those projects.

Program Operations and Administrative Expenses

In 2020, SHA's Program and Administrative expenses are proposed to increase by a net of 5.9 percent over the 2019 Adopted Budget. This increase primarily results from new acquisitions, additional staffing positions added and inflation. The major reasons for the increase are as described below.

Program and Administrative salaries and benefits budget is about 9.7 percent higher than the 2019 Adopted Budget. The following highlights a few of the positions added in 2020.

- Two new **Education Engagement Specialist** positions address post-secondary needs of youth between 15 to 24 years old with individual case management (50 youth each), community and residential based programming, secondary-school partnerships, and post-secondary support.
- A new **Youth Engagement Specialist** will serve High Point and Yesler. The programming created by the specialist promotes pro-social behaviors, employability, leadership, and civic engagement among SHA's youth.
- The new Housing Choice Voucher **Senior Compliance Auditor** will focus on recent policy changes, coverage in auditing areas, and training. The addition will help to lower the risk of audit findings and result in a better-trained staff.
- The addition of a **Human Resource (HR) Assistant III** position increases HR's capacity as the agency grows to nearly 600 FTEs in a challenging labor environment. The position will assist with both administrative support, recruitment activities, and onboarding in order to maintain customer service levels.
- The Budget Office will add a full time regular **Budget Analyst** in 2020 due to retirement of the existing temporary budget analyst. The former temporary position has been supporting the office especially during peak budget season and the funding used to be budgeted in temporary labor cost.
- In addition to adding positions for operational activities, project positions will be added or reassigned to support the Jefferson Terrace rehab project as it progresses. Along with a Construction Project Manager and Assistant Project Manager, a **Resident Communications Liaison** will serve as the main communication link between residents and staff about all major events, issues, and complaints associated with the rehab project.

General Administrative Expenses decrease by about \$131,000 or 1.5 percent. The largest decreases are in interest expenses which fell by \$130,000 or 4.1% mainly due to Lam Bow's transition into a mixed finance redevelopment project and repayment of Tamarack's Commercial unit loan.

² 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.

Operating Expenses & Operating Equipment increase by \$379,000 or 5.1 percent. Increases include:

- Software costs (\$362,000 or 29.9 percent due to ongoing support and licensing costs for new items such as a contract management system, an e-learning platform as well as software for ACAM, security, and document imaging);
- Telecom expenses (\$258,000 or 31.4 percent due to hardware upgrades necessary to support the new ACAM systems and community Wi-Fi);
- Sundry (\$73,000 or 37.8 percent) due to right-sizing expenses moved to operating from capital; and,
- Across the board expenses due to the acquisition of four new properties in 2019 and the return of Bayview to SHA management. (Note: the four newly acquired properties each are projected to have positive net income, as revenues exceed projected expenses.)

Decreases in line items such as training, transfer of funding for neighborhood association dues for High Point properties to the properties, audit fees, and computer hardware (net decrease of approximately (\$429,000) or 12.2 percent) offset a portion of increases in this category.

Tenant Services decrease by \$42,000, or 1.1 percent, from 2019. However, this includes the shifting of \$218,000 of Yesler-focused services in to the Yesler Services Endowment Bridge Funding budget; without that shift, Tenant Services would show a 4.52 percent increase. New 2020 Tenant Services spending includes additional AmeriCorps positions to serve Low Income Public Housing (LIPH) and Seattle Senior Housing Program (SSHP) residents and increased translation services for Housing Choice Voucher (HCV) participants and applicants.

The proposed budget for **Building Repair and Maintenance** has a net increase of approximately \$572,000 or 2.8 percent, compared to the 2019 budget. Contributing to the increase are the addition of four new properties in 2019, the return of Bayview to SHA management, addition of a driver for solid waste division, and the transfer of Scattered Sites right-sizing costs from Opportunity Investments to the operating budget. The increases in Building Repair and Maintenance due to the above reason are offset by decreases in repair and maintenance budget at Yesler terrace due to demolition of old Yesler Terrace units.

Professional and Service Contracts expenses increase by \$198,000 or 6.9 percent, largely driven by professional service contracts with an increase of \$214,000 or 20.2 percent. Decreases in legal and miscellaneous contracts partially offset this increase. Included in the new requests are contracts for:

- Risk management best practices with a focus on earthquake and cybersecurity incidents;
- The Fleet Management division added budget for telematics service for monitoring GPS equipment installed on SHA fleet. The telematics service will help the agency to maximize efficiency of fleet utilization and timely project service requirements
- A survey platform with translation capacity;
- Sentiment measurement and analysis to improve customer experience in the Housing Service Center; and
- Services to support pilot phases in new health and housing stability related projects.

Utilities increase by about \$835,000, or 7.8 percent, over 2019 levels. The increases in utilities primarily due to acquisition of properties in 2019 and projected increases in utility rates. Decreases due to the demolition of old Yesler buildings and the Lam Bow redevelopment offset increases caused by inflation, new acquisitions, and higher anticipated usage due to the rehabilitation work at Jefferson Terrace.

Housing Assistance Payments

In mid/late-2018, SHA adopted a Market Rate Voucher Payment Standard (MR-VPS) increase for new shoppers and rent-burdened voucher holders in market rate units. In combination with the substantial efforts of the HCV staff to increase voucher utilization to serve more people needing rental assistance, the increase in the MR-VPS helped achieve the goals of increasing utilization to 93 percent by year-end 2018, and utilization has continued to outpace expectations. SHA is now serving 10,693 households through our voucher program, the highest number ever served by SHA.

This really good news did, however, come with the fact that the program spending also outpaced the budget for Housing Assistance Payments (HAPs). The projected HAPs for 2020 are anticipated to be \$124.0 million, which is \$14.2 million greater than the 2019 Adopted Budget and \$21.8 million more than the actual 2018 HAP expense. A little more than half of the increase is attributable to new admissions and the rest due to increases among existing voucher holders.

Projections for 2020 expect an overall average utilization rate across all types of vouchers for the year of 95 percent. However, Moving to Work (MTW) voucher utilization is estimated to approach or exceed 100 percent in late 2020. With the substantial cost increases and the near-capacity utilization for MTW vouchers, SHA has confined issuance of MTW vouchers in 2020 to pre-existing commitments – to the CMTD demonstration and research program; to City of Seattle Housing Levy commitments; to replacement voucher commitments in SHA redevelopments; and to “Home from School” serving homeless families with elementary age children to live in the Gatzert catchment area.

Utilization among special purpose vouchers may be impacted by planned applications to U.S. Department of Housing and Urban Development (HUD) for additional Mainstream and Veteran Affairs Supportive Housing (VASH) vouchers, as new awards increase the voucher count immediately while issuance and leasing lag behind some months. SHA has not yet applied for these vouchers and they are not reflected in the proposed HAP budget. Once new Mainstream and VASH vouchers are awarded in 2020 they will be added to the budget and they will bring their own funding with them. As these special purpose vouchers will add to our existing authorized level, we will focus our utilization efforts to ensure their maximum use. We are in discussions with non-profit housing providers serving homeless persons and the City of Seattle for use of these vouchers in Levy units as ways to utilize the new vouchers.

Grant-Funded Expenses

The proposed overall budget for agency grant expenditures in 2020 is \$1.95 million. The sources are a mix of new grants and 2019 funds that will carry over into 2020. A summary of 2020 grants and their intended uses are as follows:

- JobLink will utilize \$90,000 of 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.
- JobLink will use \$246,000 of its three year **ROSS Service Coordinators Grant** to support public housing residents in their effort to obtain economic and housing self-sufficiency. This grant will offset the salaries and benefits of JobLink service coordinators who will serve families in portfolios across SHA.
- JobLink will use up to \$150,000 of a **SPACE/Seattle Community Investments Grant** to provide direct benefits to JobLink enrollees in the form of community college tuition reimbursements or similar supports.

-
- JobLink applied to renew and anticipates receiving the **Family Self-Sufficiency Grant** from HUD. This grant, anticipated at a similar level to 2019 (\$414,000), will be used to offset salary and benefit costs of JobLink’s service coordinators who assist voucher participants in their efforts to become self-sufficient.
 - Office of Policy and Strategic Initiatives (OPSI) will utilize \$600,000 in remaining funds from a **Gates Foundation** grant that carries over from 2019, as well as an additional \$503,366 of a \$639,849 expansion of the same grant. The Gates Foundation funds will support the final phases of Creating Moves to Opportunity, a pilot in partnership with the King County Housing Authority. The pilot seeks to test the effectiveness of different interventions in encouraging voucher families with children to seek housing in neighborhoods with attributes that research has shown to have long-term positive impacts for kids (otherwise known as opportunity neighborhoods).
 - SHA will utilize the remaining \$100,000 of a two-year, \$300,000 grant from **The Kresge Foundation** to support arts and culture programming at Yesler. The grant’s focus has been 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.

The Community Services Division (CSD) does not have any secured 2020 grant awards at this time. However, CSD intends to apply for funding from the following grant sources whose award outcome is uncertain. These sources are not included in the \$1.95 million grant total above. These sources include:

- College Spark: \$50,000/year over 3 years; \$150,000 total, for youth services.
- Kresge: \$125,000/year over 3 years; \$375,000 total, for youth services.
- City of Seattle Levy: \$33,333/year over 3 years; \$100,000 total, for youth services. Seattle Public Schools would likely be the grant lead.
- City of Seattle Department of Neighborhoods: \$3,000 total, for adult/family services.
- Substance Abuse and Mental Health Services Administration (SAMHSA): Amount to be determined, for health services.

Finally, in 2020 residents in LIPH high-rises and SSHP will benefit from King County’s Department of Community and Health \$2.0 million grant to community health agencies to provide local behavioral and medical professionals working as a team to provide short-term crisis response to residents in stress and crisis positions. In addition, they will actively support these individuals in enrolling in services and program to get longer-term treatment.

Capital and Non-Routine Expenses

SHA’s Annual Capital and Non-Routine Expenditures will decrease by 23.3 percent from 2019 to \$20.2 million in 2020. The reduction results from a decrease of \$1.0 million in MTW capital grant and reduced spending as projects conclude in the final year of Pooled Refinanced Projects. Most housing portfolio project budgets decreased in 2020 compared to 2019. The portfolios that saw increases are LIPH at \$4.5 million or 62.0 percent, Special Portfolio reserves at \$336,000 or 121.7 percent, and non-residential facilities projects of \$248,000 or 89.9 percent. Incentive Rebate projects are new in 2020 and focus on resource conservation projects. The other portfolio budgets decreased in 2020: Special Portfolio MTW decreased \$1.08 million or 84.7 percent; Contingency funds decreased 37.1 percent or \$517,000; Seattle Senior Housing decreased 67.9 percent or \$3.6 million; the Pooled Refinancing decreased 92.4 percent or \$5.8 million; and Limited Partnership Capital projects decreased 14.3 percent or \$464,000. Although the IT budget is smaller than 2019 on the capital side, its 2020 budget requests were fully funded. All capital project budgets described by property on Attachment 1 – 2020 Capital Projects.

The **Public Housing Portfolio** capital projects budget of \$7.98 million increased by 107.7 percent over the 2019 budget. The largest increase is to Jefferson Terrace for a contribution to the major rehabilitation project planned for 2020 (see also Opportunity Investments). Similar to the prior year, the project descriptions for all three homeWorks Limited Partnerships are listed here for capital grant and the 2019 Opportunity Investment funding even though the Opportunity Investment funding was approved in 2019 and is not included on the 2020 Attachment. Projects of \$100,000 or more proposed in for LIPH areas follows:

- (1) Contribute \$4.0 to Jefferson Terrace’s financing package for rehabilitation of the 299 unit high-rise.
- (2) Elevator upgrades or replacements \$1,640,000 at high-rise buildings with 2 elevators: Cal-Mor Circle, International Terrace, and Westwood Heights, and a single elevator Scattered Sites location;
- (3) Exterior, Building and Site improvements of \$946,000 for Bell Tower, several Scattered Sites locations and Westwood Heights. Projects include window repairs or replacements at Bell Tower and Westwood Heights, energy efficiency retrofits and upgrades, exterior deck repairs or replacements, building envelopment repairs, exterior painting, parking lot, and driveway repairs and gutter and downspout replacements at Scattered Sites properties.
- (4) Life and Safety improvements of \$668,000 to upgrade fire alarm panel and alarms at Ballard House, Cal-Mor Circle, International Terrace, Lake City House, and Westwood Heights;
- (5) Roofing contracts of \$658,000 for Scattered Sites;
- (6) Painting contracts of \$531,000 for Green Lake Plaza, Holly Court, Olive Ridge, Olympic West, Queen Anne Heights, Scattered Sites, University West, and Westwood Heights;
- (7) Interior rehabilitations or repairs of \$480,000 for Holly Court, Lake City House, Scattered Sites, and an allowance for homeWorks I;
- (8) Bathroom and Laundry Room improvements of \$100,000 for Cal-Mor Circle;

Contingency and MTW Eligible Community Allowances decreased \$517,000 or 37.1 percent over prior’s budget of \$1.4 million to \$875,000. These budgets fund unplanned cost variances and parking lot improvements. Parking lot improvement plans are identify for Jackson Park, Cedarvale Village, Nelson Manor, Gideon-Mathews Gardens, Island View, Westwood Heights, Wildwood Glen, Bitter Lake Manor, Holly Court, Blakeley Manor, and Jefferson Terrace as likely locations.

The **Seattle Senior Housing Program (SSHP)** 2020 budget of \$1.6 million is a decrease of \$3.6 million over the 2019 budget. SHA committed to a 10-Year Capital Rehabilitation Plan for SSHP in 2011. SSHP had significant capital needs and few Capital Sources. Thanks to the cooperation of the SSHP Rent Advisory Committee, the Seattle City Council, and HUD, SSHP transitioned into the Public Housing program in the fall of 2011 and received its first federal funds in 2013. The original plan authorized SHA’s MTW authority to maintain the SSHP program and buildings at an annual average capital requirement of \$3.0 million in known major capital work. Until this year, SHA funded more each year than the \$3.0 intended and as a result completed many of the projects in the ten year plan ahead of schedule.

The 2020 work plan primarily addresses remaining modernization or replacement elevators, planning for repairs and various site improvements.

The 2020 budget includes the following:

- (1) Elevator replacements or repairs of \$940,000 at Island View, Nelson Manor, and Wildwood Glen;

-
-
- (2) Planning projects total \$300,000 for Primeau Place to investigate exterior upgrades and signage and South Park Manor to identify short term targeted repairs;
 - (3) Site improvements total \$138,000 for air handling units at Blakeley Manor and Phinney Terrace, lighting upgrades at Gideon-Mathews Gardens, canopy roof repair at Ravenna School Apartments, and sidewalk repairs at Wildwood Glen, fence and garbage station repairs at Primeau Place;
 - (4) Common area repairs of \$111,000 are proposed for floor replacements at Blakeley Manor, Phinney Terrace, Pinehurst Court, Primeau Place, and South Park;
 - (5) Install rain gardens and cisterns at Ravenna School Apartments, \$40,000;
 - (6) Position an electric vehicle charging station at Carroll Terrace, \$39,000;
 - (7) Improve interior flooring totaling \$27,000 at Olmsted Manor, and Sunrise Manor; and
 - (8) Replace intercoms at Columbia Place, Island View, and Wildwood Glen, \$26,000.

Major exterior rehabilitations take up to three years for planning, design, and construction. Major rehabilitation underway for **SSHP** are Sunrise Manor (funded in 2017 with planned construction in 2019 and 2020) and Fort Lawton Place (funded in 2019 with planned construction in 2019 and 2020). Rehabilitation projects include new exterior siding, window and exterior door replacement, balcony repairs, and roof replacement at Sunrise Manor only.

The total **Special Portfolio** Capital Budget from all sources decreased from \$7.8 million in 2019 to \$1.3 million in 2020, as most of Pooled Refinancing projects were completed in 2019 and account for the drop in 2020.

Information Technology (IT) Capital Projects are proposed at \$481,000 for 2020, a 17.1 percent decrease from 2019. Despite the decrease, all IT Capital Projects proposed during the 2020 budget process have been funded. The decrease above 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 III of the SSHP Access Control and Alarm Monitoring (ACAM) project updating data circuits and network equipment to support the security software update; the expansion of the document-imaging project to HCV; infrastructure upgrades and maintenance; and equipment upgrades. New projects for 2020 include the creation of a lease-tracking database to comply with the latest changes to the governmental accounting standards; creation of online forms for Housing Operations; a pilot for keyless entry; systems to help measure customer service and track housing stability efforts; major software upgrades; and a system to help current and potential residents and participants navigate SHA's Housing Service Center.

Opportunity Investments

As described previously in this document, these investments take advantage of the increases in federal spending limits for discretionary non-defense programs recently approved by Congress and allows SHA to make new, short-term investments that align with objectives in the agency's Strategic Plan. For more information about these investments, see the *Overview* section near the beginning of the Summary.

Redevelopment Projects

The redevelopment projects increase \$26.9 million from 2019 to 2020.

Yesler projects are \$23.5 million more than 2019. Construction at Hinoki located at 110 10th Avenue South will be fully underway with completion anticipated in the fourth quarter of 2021. Design and permitting will be underway in 2020 for Sawara, SHA's sixth new Yesler building at 8th Avenue and Yesler

Way, with construction to start early 2021. Yesler Infrastructure work is expected to reach completion in 2020.

Activities include infrastructure completion at 9th Avenue and Alder Street; completion of the Block 6 access drive and hill stabilization project between 10th Avenue South and South Washington Street; abatement and demolition of the remaining old Yesler units near 9th Avenue and Alder Street; construction and completion of the Block 7 access drive and utilities between Alder Street and Yesler Way.

Other affordable and market-rate housing projects at Yesler include design and permitting of the former King County records site continuing into mid-2020 with construction starting by the end of the year; the completion of workforce housing at Modera First Hill in early 2020; construction at Site 5.4 of Lowe Enterprises Phase I project with Site 5.5 Phase II starting in mid-2020; and the start of construction of Vulcan's third Yesler building in early 2020 at Site 4.1.

West Seattle Affordable Housing LP's spending in 2020 is estimated at \$637,000, approximately \$11.8 million less than 2019. Expect construction completion in first quarter 2020.

Lam Bow Apartments suffered from major fire damage in late 2016, which required one building to be demolished. The demolition of the remaining building and construction of a new 80-unit apartment building will begin in second quarter of 2020 with completion anticipated in the third quarter of 2021.

Jefferson Terrace rehabilitation financing is expected to close third quarter 2020 and construction to be completed first quarter 2022, the last of 23 SHA high-rise buildings to be refurbished. The 2020 Proposed Budget includes a total of \$12.0 million as an SHA equity investment in the project.

Scattered Sites rehabilitation and repositioning work will continue through 2020. The project is a mix of rehabilitating single-family houses and converting twenty-two properties to larger family units by increasing the number of bedrooms. Permitting delays and unit vacancy issues have created delays. This is a spending reduction from 2019 to 2020 of \$1.1 million.

For a full list of 2020 proposed Capital Budget and redevelopment allocations, please see Attachment 1 to this Budget Summary.

Moving to Work (MTW) – SHA’s General Fund Block Grant

The MTW Block Grant is SHA’s largest source of revenues and MTW expenditures make-up about 86 percent of SHA’s overall Operating Budget. The following programs make up the bulk of Seattle Housing Authority’s (SHA) Operating Budget: Moving to Work (MTW) Program operations (Public Housing, Housing Choice Vouchers, and Seattle Senior Housing Program), Community Services, JobLink, the Special Portfolio Program, and SHA Owned Tax Credit properties.

The table below shows the 2020 proposed revenues and expenditures from SHA’s MTW Block Grant. Previous and later sections of this 2020 SHA Proposed Budget Summary have discussed most of these uses, including Low Income Public Housing, Seattle Senior Housing Program, Housing Choice Vouchers, Public Housing Capital and Opportunity Investments, so this information will not be repeated here. This section will provide an overview of the MTW General Fund, address MTW Direct Services to Communities, and will highlight Transfers from MTW to other programs and services.

Moving to Work (MTW) – General Fund

Table 3: MTW General Fund

	Proposed CY 2020 Budget
MTW Revenues	\$ 216,502,000
MTW Program Expenditures	
Low Income Public Housing	29,936,000
Seattle Senior Housing Program	6,128,000
MTW Direct Services to Communities	9,741,000
Housing Choice Vouchers	124,974,000
Total Operating Expenditures	\$ 170,779,000
Public Housing Capital/MTW Non-Routine Expense	14,738,000
Opportunity Investments	15,100,000
Total Operating and Capital	\$ 200,617,000
MTW Block Grant Transfers to Other Programs	13,563,000
MTW Total Expenditures	\$ 214,180,000
Net Contribution to Reserves	\$ 2,322,000

The MTW projected 2020 revenues of \$216.5 million shown in the table above includes SHA’s best estimates of the amount of federal MTW funds due in CY 2020 at a total of \$196.5 million for Housing Choice Vouchers (HCV), Low Income Public Housing (LIPH) and Seattle Senior Housing Program (SSHP) Operations, and Public Housing Capital programs. These three sources comprise the MTW Block Grant. Dwelling rental income is over \$ 17.5 million and represents over 8 percent of MTW General Fund resources.

MTW Direct Services to Communities

Direct Services to Communities refers to a category of costs and services in Seattle’s Local Asset Management Plan (LAMP) that are direct-property services shared among communities and programs. Direct services are accounted for in the MTW General Fund and not allocated to individual properties. This category includes, but is not limited to, portions of the Housing Operations Director’s Office, the LIPH Program Administrator’s Office (the Admissions and Occupancy Team, for example), the Office of Policy and Strategic Initiatives, , and Information Technology direct and project costs for SHA’s tenant information systems.

MTW Transfers to Other Programs

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

There are multiple benefits to the funding flexibility represented by the single-fund authority:

- It enables the agency to align available resources most directly with aims of the Strategic Plan;
- It can add stability to programs and the lives of residents by moderating impacts of differential funding swings between housing programs;
- It provides capacity to target resources to pilot programs or demonstrations to test alternative ways of delivering service for both efficiencies and efficacies;
- It is a source of gap funding to enable the agency to undertake development projects or preserve existing assets;
- It permits tailoring supportive services to maximize use of local expert partners and expand support to residents and voucher households;
- It allows the Authority to augment program resources to both broaden and deepen the availability and impact of services;
- It enables the agency to be more nimble and timely in meeting external schedules to take advantage of an opportunity that might otherwise be missed; and,
- The existence of single fund flexibility encourages a culture of innovation, critical thinking, data analyses, and evaluation to test ideas and assess their impacts.

For 2020, SHA will transfer MTW Block Grant funds of \$13.6 million to address local community needs, representing close to 6.3 percent of the projected MTW block grant resources. The vast majority of transfers are for services to public housing residents or voucher participants, such as education, health, career coaching and job placements, youth development and academic support services, and wellness programs to enable elderly residents to remain independent, and Wi-Fi in community rooms and common areas in low-income communities.

Low-Income Housing Tax Credit (LIHTC) Program

The Low-Income Housing Tax Credit program is the principal source of funds for development of new low-income housing units and for major rehabilitation of existing units. Tax credits and tax benefits to investors are exchanged for equity investment by private firms or syndications in partnership agreements with housing authorities (or other low-income housing developers) in low-income housing development projects as part of a mixed finance package.

SHA has participated successfully in more than twenty LIHTC partnerships over the past nearly two decades. The partnerships are “LPs” – limited partnerships and in all SHA’s cases we have been the developer, general partner, and managing agent for the limited partnership. While the limited partners remain in the partnership, they are the owners of the low-income housing; they may exit the partnership generally at the end of fifteen years, when all tax credits have been earned. The partnership agreements provide methods for the housing authority to assume the property and the debt on the property, when the limited partners exit and the partnership is dissolved.

In our experience to date, SHA has exited six partnerships and seamlessly reassumed ownership and continuing responsibility to ensure compliance with all tax credit rules and regulations through the compliance period. Below we discuss the SHA Tax Credit properties and Limited Partnership Tax Credit Properties.

Low Income Housing – SHA Tax Credits

The SHA Tax Credit properties represented in the following table were formerly Limited Partnership and consist of 912 units of which 548 or 60 percent are Public Housing units serving residents with income at 30 percent or below of AMI. The remaining 364 units or 40 percent are affordable tax credit units serving residents with a maximum of 60 percent AMI. Over the past four years, a net six communities have exited Tax Credit Limited Partnerships and returned to SHA ownership. Many of these properties are grouped together for financing purposes in order to fund capital improvements and generate sufficient income to cover debt payments and meet debt coverage ratio requirements and contribute to replacement reserves.

Table 4: Low Income Housing SHA Tax Credit

	Proposed CY 2020
Revenue	8,513,000
Expenditures	8,054,000
Net Income	459,000

Low Income Housing Tax Credit Limited Partnerships

By the end of 2019, SHA will close on a new Tax Credit Limited Partnership, Hinoki which is scheduled to close in the fourth quarter of 2019. Hinoki will be under construction in 2020. In total, excluding Hinoki, SHA will manage sixteen Tax Credit partnership properties in 2020. There will be 3,598 units in the Tax Credit partnerships, 68 percent of which are low-income public housing units affordable to households with incomes below 30 percent of AMI. Residents of Tax Credit units live in units not supported by subsidy and typically have incomes between 50 and 60 percent of the AMI.

Table 5: Low Income Housing Tax Credit Partnerships

	Proposed CY 2020
Revenue	34,551,000
Expenditures	30,173,058
Funds for Principal Payments, Reserves, and Other Obligations	4,378,000

The MTW Block Grant subsidy for the public housing units in tax credit partnerships is \$9.2 million of which \$8.4 million is for the three homeWorks high-rise partnerships and \$800,000 is for the HOPE VI and West Seattle Affordable Housing Limited Partnerships. Total limited partnership activity is shown in the table above. Hinoki Limited Partnership will be under construction in 2020 and is not included in the above table.

The homeWorks high-rise partnership budgets are included above and shown in the MTW General Fund Budget. The budgets for the partnerships reflected in Table 6 are preliminary and subject to approval by each limited partnership.

CY 2020 Capital and Non-Routine Budget

The table below presents the proposed sources and uses of funds for the 2020 Capital and Non-Routine Budget.

Table 6: Capital and Non-Routine Source and Uses

Sources	Proposed CY 2020	Uses	Proposed CY 2020
MTW Capital and RHF Block Grant	14,639,000	Low Income Public Housing Asset Preservation	\$12,796,000
Other MTW	788,000	Seattle Senior Housing Program Asset Preservation	1,721,000
Opportunity Investments	15,100,000	IT Capital Projects	481,000
Special Portfolio Reserves and Other Sources	612,000	Opportunity Investments	15,100,000
Limited Partnership Replacement Reserves	2,781,000	Special Portfolio Asset Preservation	807,000
Incentive Rebates for Conservation	381,000	Limited Partnership Asset Preservation	2,781,000
Bond Proceeds for Pooled Refinance: Wedgewood Estates, Othello, Desdemona and other properties	482,000	Incentive Rebate Projects	381,000
Mixed Finance Sources for Lam Bow Apartments	47,113,000	Asset Preservation at Wedgewood Estates, Othello, Desdemona and other properties	482,000
Mixed Finance Sources for Jefferson Terrace	65,665,000	Lam Bow Apartments Development	12,848,000
Prior Year Mixed Financing Projects	34,630,000	Jefferson Terrace Development	6,834,000
For Sale Proceeds from Yesler Neighborhood	700,000	Prior Year Mixed Finance transactions	34,630,000
Internal financing for Predevelopment	5,200,000	Jackson Park Village	700,000
Other MTW	73,000	Predevelopment projects: Sawara and Juniper	5,200,000
Non-Federal Sources	524,000	Scattered Sites rehabilitation and reposition	73,000
		Misc. Non-routine	757,000
Total Sources	\$188,688,000	Total Uses	\$95,591,000

NOTES:

Capital sources include MTW funds, bond proceeds, and tax credit equity, pooled refinancing proceeds, for sale proceeds, SHA replacement reserves, and local and state grant funds. The most significant sources in 2020 relate to the proposed mixed-finance transaction for Lam Bow Apartments and Jefferson Terrace.

SHA's MTW Block Grant funds the following properties or activities: Public Housing, Seattle Senior Housing, Management Improvements for IT, certain Special Portfolio properties and Capital Contingency funds. Capital activities include major repair, refurbishment, and critical needs to preserve SHA's low-

income public housing portfolios and properties. Low Income Asset Preservation of \$9.2 million, shown in the following table, includes capital budgets for housing units of \$4.4 million; cost contingency and allowances for all MTW eligible communities of \$900,000; and administrative staff, benefits and associated costs of \$2.6 million.

Redevelopment Grants and Mixed-Financing

Yesler has many activities planned for 2020. Hinoki will close its mixed finance transaction in the fourth quarter of 2019 and be in the middle of its construction cycle in 2020 with expectations for completion at year-end 2021. Sawara and Juniper will be in predevelopment. Sawara will secure its financing in the first quarter of 2021 and begin construction shortly thereafter. Juniper's schedule estimates financing in 2022. Hinoki is the fifth new Yesler apartment building, Sawara is the sixth and Juniper is the seventh.

Infrastructure improvements planned at Yesler for 2020 include an access road between 10th Avenue South and South Washington Street to create buildable lots on Block 6; street improvements along 9th Avenue and Alder Street; abatement and demolition of remaining old Yesler units near 9th Avenue and Alder Street and a private access road between Alder Street and Yesler Way. Construction is ongoing and expected to be completed third quarter 2020.

Lam Bow Apartments is expecting to close on its mixed finance transaction second quarter 2020. Construction will begin shortly thereafter and take approximately eighteen months.

2020 Capital Projects Listing

Attachment 1 following this page presents a list and brief descriptions of capital projects and development activities proposed for 2020.

Attachment 1 – 2020 Capital Activities

SHA 2020 Capital Projects - MTW Grant-Funded Activities

Table 7: MTW Capital Expenses

Low Income Public Housing Projects

LIPH Scattered Sites	Paint and repair building exteriors; repair and/or replace building siding; repair/replace exterior decks; replace gutters and downspouts; replace/repair building envelope, exterior siding and window. Upgrade lighting, paint, and replace windows on building exteriors. Conduct structural repairs. Upgrade elevator. Conduct HomeWise energy efficiency retrofits and upgrades. Upgrade 4 unit interiors and replace cabinets. Repair and/or replace roofs. Repair driveways, parking lot and sidewalks.	\$1,924,000
Bell Tower	Replace unit thermostats and window hardware.	45,000
Jefferson Terrace Redevelopment	Mixed Finance project funding for Jefferson Terrace upgrades funded from MTW Capital Grant to complete the funding gap.	4,000,000
Holly Court	Paint stairwells in Buildings 3 and 6; replace carpet in Building 6; replace Buildings 3 and 6 mailboxes.	60,000
Olive Ridge	Paint interior common areas.	40,000
Tri-Court	Create turnaround for ADA parking.	35,000
Westwood Heights	Upgrade both elevator cars; upgrade fire panel and alarms; update common area heaters; replace windows; exterior sealing of leaking facade.	1,286,000
HomeWorks I	Upgrade fire panel and alarms at Ballard House; paint interior common areas and replace ceiling tiles at Green Lake Plaza; upgrade elevator and upgrade fire plan and alarms at International Terrace and an allowance for interior upgrade to up to 8 units at International Terrace and Lictonwood. HomeWorks I expenditures of \$678,000 are included in the 2019 budget of \$3 million in Opportunity Investments for HomeWorks.	117,000
HomeWorks II	Repair and replace drain line at Olympic West; upgrade fire panel and alarms at Cal-Mor Circle and Lake City House; replace or repair elevator at Cal-Mor Circle; upgrade unit interiors at Lake City House; remove ceiling tiles and paint ceilings at Olympic West; wall preparation and paint interior stairwell at Queen Anne Heights; seal exterior of University West; and repair showers at Cal-Mor Circle. HomeWorks II expenditures of \$532,000 are included in the 2019 budget of \$3 million in Opportunity Investments for HomeWorks.	439,000
HomeWorks III	Replace generator at University House.	30,000
Public Housing Capital Projects Subtotal		7,976,000

Seattle Senior Housing Program Projects

Blakeley Manor	Replace common area flooring and 2 air handling units.	\$65,000
Carroll Terrace	Install EV Charging Station.	39,000
Columbia Place	Intercom replacement funds.	8,000
Gideon-Mathews Gardens	Upgrade lighting.	20,000
Island View	Upgrade elevator and replace intercom.	319,000

2020 Capital Projects: MTW Grant-Funded Activities

Nelson Manor	Upgrade elevator.	330,000
Olmsted Manor	Replace flooring.	15,000
Phinney Terrace	Replace flooring in community room and replace air-handling unit.	45,000
Pinehurst Court	Replace flooring on 1st floor.	18,000
Primeau Place	Upgrade exterior in accordance with consultant investigative study and design. Replace flooring in laundry room. Replace concrete and conduct repairs at garbage station. Repair fence.	166,000
Ravenna School Apartments	Install rain gardens and cisterns to reduce sewer overflow through RainWise storm water incentive program. Replace/repair canopy roof.	60,000
South Park Manor	Replace flooring, including gypcrete. Plan short-term targeted repairs.	200,000
Sunrise Manor	Replace flooring and repair parking lot.	24,000
Wildwood Glen	Upgrade elevator, replace intercom and repair sidewalk.	312,000
Seattle Senior Housing Program Projects		\$1,621,000
Central Services Operating Cost Allocation		\$100,000
Total 2020 MTW Block Grant Budget for SSHP		\$1,721,000

Special Portfolio Projects

Bayview Tower	Upgrade fire panel and alarms; replace water supply lines.	\$55,000
Main Street Apartments	Upgrade unit interiors, replace exterior windows and replace sprinkler heads.	40,000
Main Street Place	Replace appliance, flooring, window trims and kitchen countertops. Paint building exterior. Address bathroom shower and tub surrounds. Address hot water tanks.	50,000
Montridge Arms	Repair and/or replace bathroom and kitchen countertops. Address security camera system.	18,000
Norman Street Townhomes	Repair drainage.	10,000
Yesler Court	Power wash and touch-up paint on exterior. Paint building interior.	22,000
Special Portfolio Subtotal		\$195,000

Non-residential Facilities Projects

Central Maintenance Facility	Install EV Charging Stations.	\$66,000
Lee and Willow Apartments	Replace roof.	30,000
Operations Support Center	Install EV Charging Stations.	66,000
South Operations Facility	Install EV Charging Stations; upgrade and repair fences; upgrade security cameras and alarms.	71,000
Non-residential Facilities Subtotal		\$233,000

MTW Eligible Community Allowances

MTW Properties	Contingency for unplanned cost variances	\$715,000
----------------	--	-----------

2020 Capital Projects: MTW Grant-Funded Activities

MTW Properties	Parking Lot improvements at Jackson Park, Cedarvale, Nelson Manor, Gideon-Mathews Gardens, Island View, Westwood Heights, Wildwood Glen, Bitter Lake Manor, Holly Court, Blakeley Manor, and Jefferson Terrace.	160,000
Community Allowances Subtotal		\$875,000

Administrative Costs

Various	Asset Management administration	\$1,494,000
Various	Construction Operations administration	\$400,000
Various	Development administration	467,000
Various	Finance & Administration	220,000
Administrative Subtotal		\$2,581,000
Central Services Operating Cost Allocation		\$1,364,000

Total 2020 MTW Block Grant Budget for LIPH and Local Programs \$14,945,000

Information Technology Capital	New projects for 2020 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 Shoretel telephone system to all SHA sites; infrastructure upgrades and maintenance; equipment upgrades; and enhancement of digital communications data collection.	\$481,000
---------------------------------------	---	------------------

Total 2020 MTW Capital Budget before Major Investments \$15,426,000

Opportunity Investments

Jefferson Terrace Redevelopment	Improve the financial feasibility of Jefferson Terrace's redevelopment funded by a contribution from other MTW funds.	\$8,000,000
Pipeline Projects	Replenish and add to the Future Building Fund to maintain options for future preservation and development projects.	4,100,000
Yesler Terrace Infrastructure	Fulfill SHA's commitment of funds; infrastructure costs for Block 6, private access drive project. The road will improve the access to Block 6 and marketability of the parcels.	2,000,000
Yesler Community Services	Provide transitional funding to Community Services and JobLink to establish an endowment.	1,000,000
Opportunity Investment Subtotal		\$15,100,000

Total 2020 MTW Capital Budget \$30,526,000

SHA 2020 Capital Projects – Other Funds and Redevelopment Activities

Table 8: Non-MTW Capital Expenses

Special Portfolio and Other Projects

Baldwin Apartments	Replace lighting and roof hatch.	15,000
Bayview Tower	Exterior sealing.	100,000
Beacon House	Landscape revision, removal of bamboo over back patio.	10,000
Epstein Opportunity Center	Replace/ upgrade exterior and unit lighting.	37,000
Main Street Place	Replace appliances, countertops, flooring, window trims; bathroom shower and tub surrounds; hot water tanks; paint exterior.	108,000
Market Terrace	Replace countertops and appliances; install security cameras, move entry intercom systems and lock or replace entry door.	60,000
Montridge Arms	Repair/replace bathroom and kitchen countertops. Security camera system. Install rain gardens and cisterns to reduce sewer overflow occurrences as part of RainWise green storm-water incentive program.	22,000
Ritz Apartments	Replace cabinets in 5 units. Upgrade interiors in 3 units. Install shut-off plumbing valves. Replace roof and windows.	163,000
Spring Lake Apartments	Tree removal.	12,000
Telemark Apartments	Replace 10 appliances; replace roof and skylight.	85,000
Special Portfolio and Other Projects Subtotal		\$612,000

Incentive Rebate for Conservation Funds

Ballard House	Install rain gardens and cisterns to reduce sewer overflow occurrences as part of RainWise green storm-water incentive program.	24,000
Bell Tower	Install 1.1 gallons per flush low flow toilet replacement and use 20% less water than previous low flow toilets.	150,000
Montridge Arms	Install rain gardens and cisterns to reduce sewer overflow occurrences.	38,000
South Park Manor	Install rain gardens and cisterns to reduce sewer overflow occurrences.	19,000
West Seattle Affordable Housing LP	Replace attic insulation.	150,000
Total Incentive Rebate Subtotal		\$381,000

Non-Federal Funds

Center Park Community Building	Upgrade elevator; Replace gutters and downspouts; replace site aluminum with fittings; replace 5 air-handling units.	285,000
Main Street Apartments	Upgrade interiors of units; replace fire sprinkler heads; repair siding and paint; replace windows and make associated repairs.	221,000
Yesler Court	Exterior power wash and paint touch-up, paint interior common areas.	18,000
Total Non-Federal Funds Projects Subtotal		\$524,000

CY 2020 Pooled Refinance Projects

NewHolly Phase II	Plumbing and appliance replacement.	315,000
NewHolly Phase III	Exterior prep and paint, boiler replacement.	167,000
Total CY 2020 Pooled Refinance Projects Subtotal		\$482,000

CY 2020 Limited Partnership and HOPE VI Capital Projects

High Point North	Replace Baxi-Luna Heating system; paint exterior; clean roof and gutter; replace ACAM at Calugas building as part of Phase III ACAM project.	880,000
High Point South LP	Clean roofs and gutters.	100,000
New Holly I	Replace appliances and boiler; upgrade unit interiors.	500,000
Kebero Court LP	Install elastomeric coating on garage and storage room floors; install synthetic surfaces at 4 daycares; perform landscaping work; upgrade 4 door openers at common area entrances.	140,000
Rainier Vista III	Replace fire alarm panels, interior and exterior lighting. Paint and prep exterior.	120,000
Rainier Vista II (Tamarack)	Appliance allowance.	30,000
LIPH LP (homeWorks I)	Replace generator at Beacon Tower; replace single glazed window units on first floor common areas in Green Lake Plaza; Clean up effervescence and seal bricks in Harvard Court; install gate near trash enclosure in Lictonwood.	290,000
LIPH LP (homeWorks II)	Install security cameras in parking lot at Cal-Mor Circle. Seal decking above garage at Center Park.	36,000
LIPH LP (homeWorks III)	Upgrade fire panel and alarms; paint stairwells; repair dumpster location at Barton Place. Replace generator, replace or remove failing wall at Center West. Upgrade fire panel and alarms at Ross Manor. Replace air-handling unit and seal exterior brick at University House. Clean up effervescence and seal brick in both stairwells and replace generator at West Town View.	660,000
West Seattle Affordable Housing	Remove tree at Longfellow Creek Apartments. Rehab attic insulation at Wisteria Court.	25,000
Total CY 2020 LP and HOPE VI Capital Projects Subtotal		\$2,781,000

Total CY 2020 Other Funds Capital Budget \$4,780,000

CY 2020 Redevelopment Projects

Hinoki	A full year of construction for Yesler's fifth new apartment building.	33,993,000
Sawara	Predevelopment activities for the sixth Yesler apartment building include architectural, engineering, and permitting.	3,200,000

2020 Capital Projects: Non-MTW Grant-funded Activities

Juniper	Predevelopment activities for the seventh Yesler apartment building include architectural, engineering, and permitting.	2,000,000
Jefferson Terrace	A half year of construction for LIPH property Jefferson Terrace.	6,834,000
Jackson Park Village	Architectural and engineering work to resolve soil issue and proceed with permit drawing to redevelop community in the future.	700,000
Lam Bow Apartments	A full year of construction for Lam Bow Apartments Redevelopment.	12,848,000
West Seattle Affordable Housing LLLP	Third year of construction and redevelopment of three communities; new building envelopes at two properties and unit upgrades for most units in all three properties	637,000
Scattered Sites Rehabilitation	Final 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.	73,000
Total CY 2020 Redevelopment Capital Expenses		\$60,285,000

Total CY 2020 Non-MTW Capital Budget \$65,065,000

Total Overall CY 2020 Capital Expenditures \$95,591,000
