

SHA 2021 CARRY-ON BUDGET






SEATTLE HOUSING AUTHORITY

2021 CARRY-ON BUDGET

Presented to
SEATTLE HOUSING AUTHORITY BOARD OF COMMISSIONERS

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SEATTLE HOUSING AUTHORITY
2021 CARRY-ON BUDGET

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SEATTLE HOUSING AUTHORITY CY 2021 CARRY-ON BUDGET

INTRODUCTION

The Calendar Year (CY) 2021 Carry-On Budget contains all of Seattle Housing Authority's Operating and Capital Budget sources and uses, including federal as well as local housing programs and enterprise activities for CY 2021. The Budget was prepared under the provisions and authorizations contained in the Authority's contractual agreement with the U.S. Department of Housing and Urban Development (HUD) and the Moving to Work (MTW) Program, which has been extended through 2028. The MTW program provides two critical sources of flexibility:

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

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

A DIFFERENT BUDGET APPROACH THIS YEAR

SHA's annual budget process traditionally begins in March of the current year for the ensuing year's budget. This year, the work of the Budget Office to prepare for the yearly Cabinet Budget Planning Retreat was turned on its head as cases of the COVID-19 virus spread nationwide and public health officials and the Centers for Disease Control (CDC) issued warning and advice about the global pandemic actions for individuals to protect themselves.

At the same time, in mid-March, the Governor began to announce the closure of schools, bars and restaurants, and entertainment and recreational facilities, leading ultimately to the Governor's March 23, 2020 order to “Stay Home, Stay Healthy”, which went into effect April 4, 2020. With exceptions only for essential businesses, activities, and workers, the Governor's order required all citizens to stay at home; banned all gatherings for social, spiritual, and recreational activities; and closed all businesses that were not designated as essential.

SHA was designated as an essential service under the Governor's Stay Home order. All SHA departments, leaders, and staff turned their energies to planning, coordinating, and implementing how work and operations would need to change to respond to COVID-19's challenges and uncertainties—for our residents, voucher participants, and our employees.

For the Budget Office, this meant that the budget process as we knew it would need to change, and change radically, since its most intensive period for all of the departments runs from mid-to-late March through June, followed by hearings on their submittals with the Budget Office in July. The Budget Office reasoned that there simply would not be capacity in the spring and summer in the departments to follow the normal budget process and timeline, given the scope and intensity of COVID-19 related responsibilities. Included at the end of this section is a timeline of SHA's COVID-19 Decisions and Events

(Exhibit 1) to illustrate many of the key activities that required the time and attention of staff throughout SHA from March 2020 through August 2020.

In late March, the Cabinet endorsed the Budget Office recommendation that the 2021 budgeting process proceed in two stages:

- Preparation and adoption of a 2021 SHA Carry-On Budget with no or minimal participation by SHA Departments; and,
- Creation of a process for the latter part of 2020 that would engage departments in defining priority changes to the Carry-On Budget to create the 2021 SHA “Adjusted” Budget for adoption at the end of the year or the beginning of 1st quarter 2021.

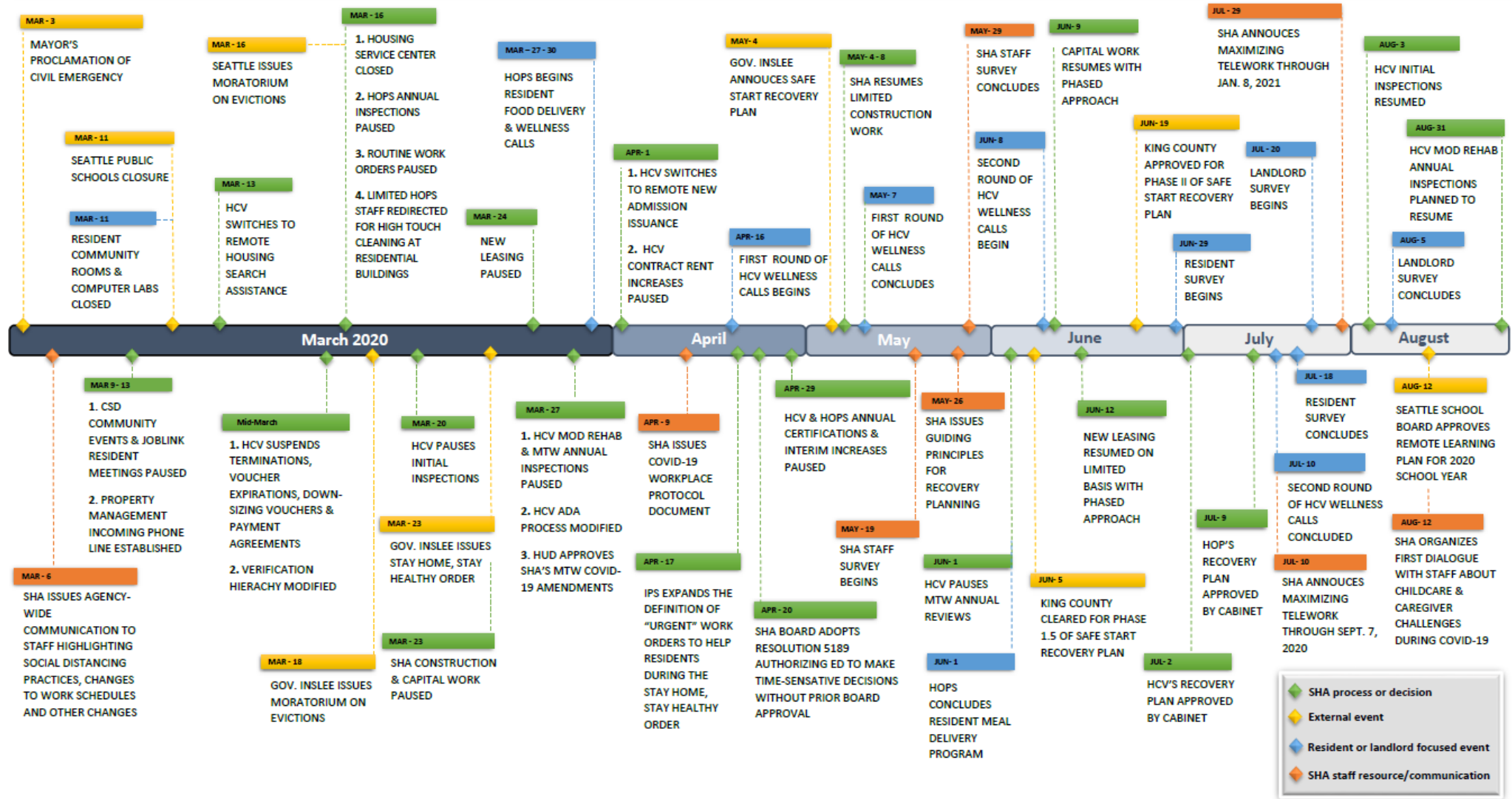
This document represents the culmination of the first stage of SHA’s 2021 budgeting process – the 2021 Carry-On Budget. The Budget Office adapted the federal government’s “Continuing Resolution” procedure, whereby the authorized expenditure levels for the current year are simply carried forward as the basis for the next year’s budget and subsequently replaced by an updated or adjusted budget for the new year. The Budget Office then tailored the concept as made sense for each of SHA’s five major budgets – the Operating Budget; Capital Budget; Information Technology (IT) Capital Budget; Development Budget; and the Tax Credit Properties’ Budgets. In all cases, the aim was to keep the process as simple and non-disruptive of department staff time as possible. The results in the Carry-On Budget can be characterized as follows:

- *Department Operating Expense budgets were rolled over from 2020 to 2021, so all expense accounts are the same as they were for 2020.*
- *With few exceptions, all FTE’s authorized in the 2020 Revised Budget for departments were maintained in 2021.*
- *Operating Budget Revenues for 2021 reflect current assumptions and forecasts for major revenue sources.*
- *The Capital Budget for 2021 largely represents the carry-over of 2020 projects that were delayed as a consequence of COVID-19 impacts, plus the top tier of 2021 projects that were identified as the starting platform for 2021.*
- *The IT Capital Budget for 2021 was focused on the continuation, from 2020, of the conversion of Housing Choice Voucher tenant information from Elite to the Yardi system and infrastructure hardware replacement projects scheduled for 2021.*
- *The 2021 Development Budget reflects the nature of these projects as one-time, multi-year projects and displays the overall sources and uses of the mixed financings, stage of each project, and the estimated project expenditures for 2021.*
- *The Tax Credit Properties’ Budgets were prepared in the same fashion as the SHA Operating Budget with updated revenues and 2020 expense rolled over to 2021.*

The Operating Budgets for both SHA and the Tax Credit properties in the 2021 Carry-On Budget do not reflect changes in work plans and priorities for next year. Those will be formulated in SHA’s ongoing planning for recovery from the COVID-19 pandemic and changes that will be made in SHA’s operations going forward, and in work the Cabinet and departments will undertake in planning programmatic and administrative priorities for the 2021 SHA Adjusted Budget, consistent with SHA’s Strategic Plan. The Budget Office will also update forecasts of key revenues and expenditure accounts at that time and expect to propose the 2021 SHA Adjusted Budget to the Board of Commissioners for their action late in the 4th quarter of 2020.

COVID-19 DECISIONS AND EVENTS TIMELINE

COVID-19 Events & Key Decisions



For illustrative purposes only. Not all inclusive. Details of events, decisions, and dates may differ.

Seattle Housing Authority

Updated August 27, 2020

OVERVIEW OF THE 2021 SHA CARRY-ON BUDGET

The 2021 Seattle Housing Authority (SHA) Carry-On Budget has total expenditures of **\$405.7 million**, with the Program Operations and Administrative Budget at \$104.4 million; Housing Assistance Payments (HAP) at \$137.4 million; grants at \$1.3 million; the Capital Budget at \$21.3 million; Opportunity Investments at \$15.1 million; and the Redevelopment Budget at \$126.1 million. The total 2021 Carry-On Budget is greater than the total 2020 Adopted Budget by \$79.6 million or 24.4 percent; the Development budget accounts for \$65.9 million or 82.7 percent of the overall budget increase.

The total **Operating Budget** of the 2021 SHA Carry-On Budget— includes program operations and administration of all SHA departments, Housing Assistance Payments (HAPs), and grant support—is **\$243.1 million**, which represents **60** percent of the total Budget, and reflects an increase of **5.5** percent over 2020. As discussed in the previous section - A Different Approach to the Budget this Year -we prepared the 2021 Carry-On Budget for Operating Expenses as comparable to a federal budget Continuing Resolution. As such, you will see that most expenditures have been held constant with levels approved for 2020. We do expect in the last quarter of the year to recommend changes to the Carry-On Budget to incorporate both technical adjustments to selected expenditures and programmatic and fiscal changes that will be adopted as the 2021 Adjusted Budget.

The total Carry-On **Capital Program** - Asset Preservation, Non-Routine Expense, Opportunity Investments, and Redevelopment Expenditures—is **\$162.6 million** or **40** percent of the total budget and reflects an increase of **70.0** percent over 2020. The largest share of the Capital Program in 2021 is Redevelopment Expenditures at \$126.1 million, more than double the 2020 development budget, due to the number of major development projects that will be occurring at the same time.

The Asset Preservation element of the Capital Program, with Non-Routine capital expenditures, is proposed at **\$21.3 million**, which is **5.3** percent more than 2020. The highest priorities in the Asset Preservation program in 2021 include: rehabilitation at Jefferson Terrace; roof replacement and repairs at various properties; fire prevention with replacement of fire panels; and exterior repair and replacement projects. The 5.3 percent increase in the Asset Preservation and Non-Routine budgets is due principally to increases in bond funded projects, mostly in Special Portfolio properties.

Opportunity Investment projects total \$15.1 million in 2021, the same level as 2020. Opportunity Investments began in 2019 because of the incremental funding increase in the 2018 – 2019 Congressional Bipartisan Budget Act. There are a number of candidates that could be funded through the 2021 Opportunity Investments, including additional gap financing for the Jefferson Terrace Rehabilitation project and pipeline activities for future preservation; development projects such as Jackson Park Village, Blue Topaz, Holly Court and Red Brick; and COVID Recovery IT projects. While preparing the *2021 Adjusted Budget* we will assess the options and cost estimates of Opportunity Investments. Because our funds are flexible across capital and operating uses, we will weigh the Operating Budget with the Capital Program needs, capacities, and priorities in coming to final recommended changes for the *2021 Adjusted Budget*. Accordingly, the funding level may change for the Opportunity Investment, as an element of the Capital Program.

The **Redevelopment Budget** for 2021 totals \$126.1 million, an increase of \$65.9 million or 109.2 percent over 2020. Yesler construction activities continue in 2021 as construction at Hinoki will be in full swing and Sawara will begin construction after a mixed finance close at mid-year. The final SHA Yesler building will be in design and predevelopment throughout 2021. In 2021, two other major projects will be underway: redevelopment of the Lam Bow Apartments and the rehabilitation of Jefferson Terrace. These two projects represent a combined increase of \$12.4 million in projected expenditures in 2021.

	CY 2020 Revised Budget	CY 2021 Carry-On Budget	Percent Change
Program Operations and Admin. Expenses	\$ 104,503,000	\$ 104,388,000	(0.1)%
Housing Assistance Payments (HAP)	124,015,000	137,417,000	10.8 %
Grant-Funded Expenses	1,947,000	1,337,600	(31.3)%
Subtotal: Operating Budget	\$230,465,000	\$243,142,600	5.5 %
Capital Asset & Non-Routine Expenses	20,210,000	21,310,000	5.4 %
Opportunity Investments	15,100,000	15,100,000	0.0 %
Redevelopment	60,290,000	126,142,000	109.2 %
Subtotal: Capital Program	95,600,000	162,552,000	70.0 %
Total Expenses	\$326,065,000	\$405,694,600	24.4 %

Table 1: Overview of 2021 SHA Budget

Total proposed SHA staffing in the 2021 Carry-On Budget for both the Operations and Capital Programs Budgets is 610.1 Full-Time Equivalent positions or FTEs, a negligible change from 2020. Please see the Department Budget section of this document for more detail on FTE changes.

Program Element	FTE's CY 2020	Carry-On FTE's CY 2021	Change 2020 to 2021
Housing Operations	376.1	378.1	2.0
Housing Finance and Asset Management	39.3	40.3	1.0
Housing Choice Voucher Program	69.0	67.0	(2.0)
Administrative Departments ¹	125.6	124.7	(0.9)
Total	609.9	610.1	0.2

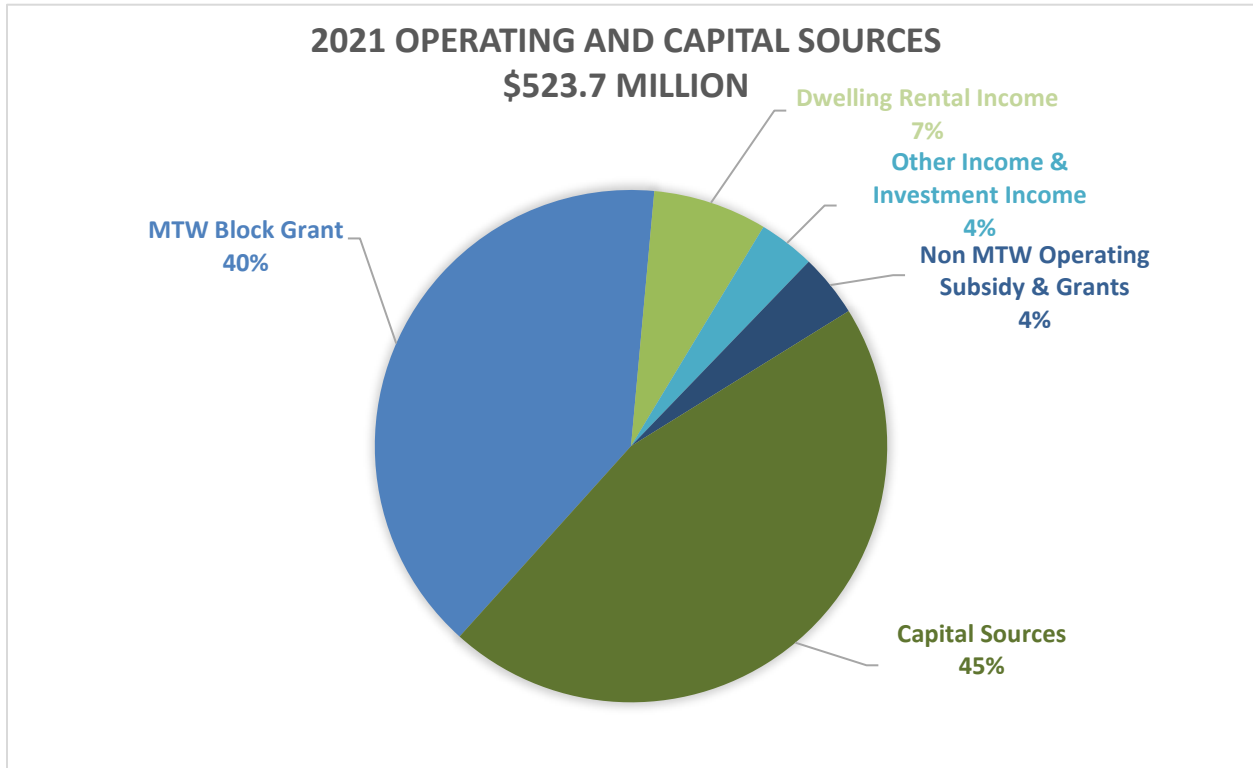
Table 2: Overview of 2021 SHA FTEs

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

Sources of Funds

The chart below provides a breakdown of SHA's main funding sources. Non-MTW capital and redevelopment sources total \$238.3 million, or 45 percent of total sources, making it the largest single source of SHA funds. The HUD MTW Block Grant totals \$208.4 million, or 40% of total sources, while non-MTW operating subsidy and service grants create \$20.7 million, or 4% of total sources. Rental income generates \$37.7 million (7%) of sources, while all other income for 2021 is \$18.6 million, (4%). Compared to the total uses that appear in the section that follows, sources exceed uses by \$117.8 million in 2021 and will be used for budgeted multi-year finance redevelopment costs.

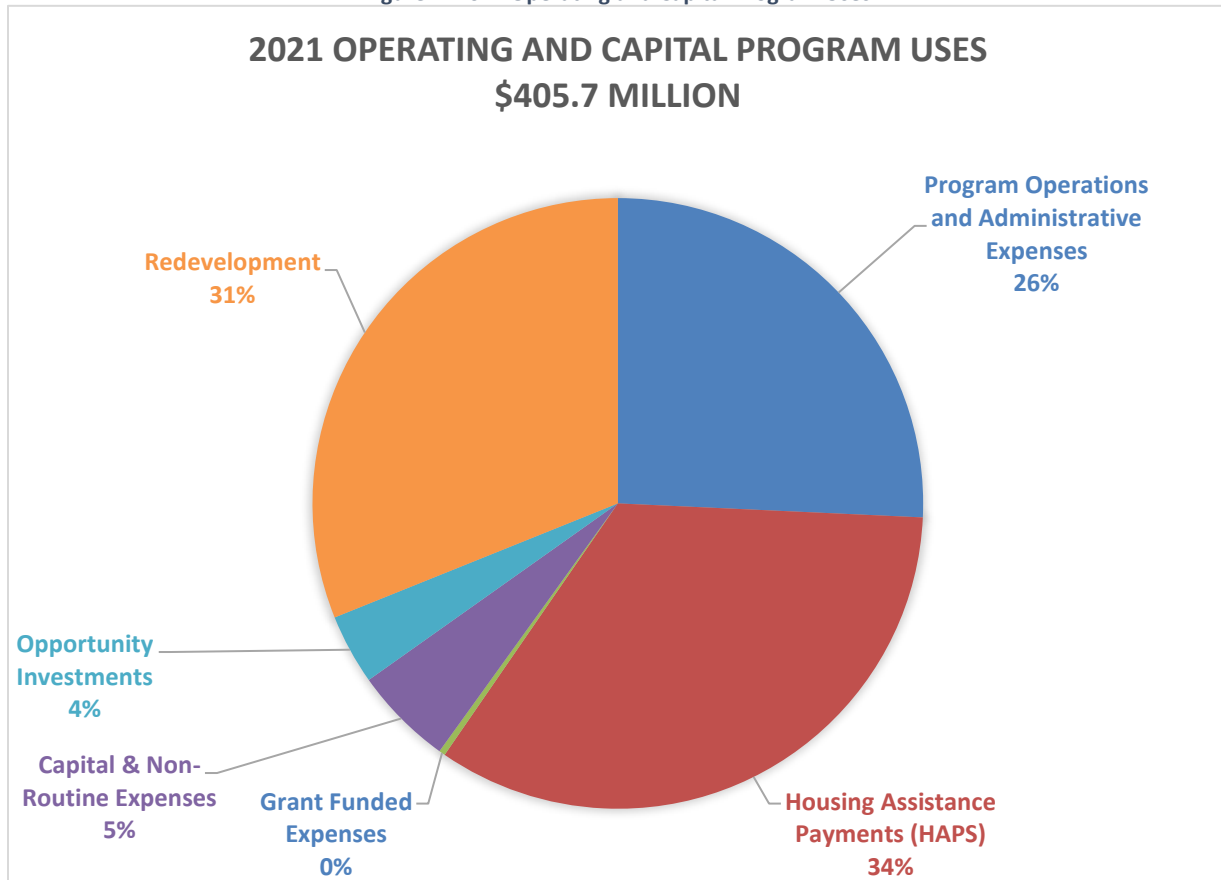
Figure 1: 2021 Operating and Capital Sources



Uses of Funds

The chart below displays SHA uses of funds by major category. Housing Assistance Payments are SHA's largest program expenditure at \$137.4 million, or 34% percent of total uses. Capital, redevelopment projects, and Opportunity Investments total \$162.5 million or 40% percent. Program Operations and Administrative budget for Low Income Public Housing, the Seattle Senior Housing Program, Local Housing, and other operating and service grant programs totals \$105.7 million, or 26% percent of uses.

Figure 2: 2021 Operating and Capital Program Uses



RESPONDING TO THE STRATEGIC PLAN

In 2016, SHA adopted its current Strategic Plan that defines SHA's Strategic Directions and key Organizational Cornerstones. The plan affirms SHA's mission and values, maintains core commitments, and maps the agency's course to make a positive difference in the lives of families and individuals with low income, neighborhoods where SHA participants live, and the larger Seattle community. The plan outlines 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.

STRATEGIC DIRECTIONS

SHA's Strategic Directions are "big picture" outcomes that are expected to be the focus of the agency. Key objectives are measurable actions that guide policies and investment in pursuit of Strategic Directions.

Expand Housing Opportunities

SHA serves more people by cultivating additional resources and employing strategies that have the biggest impact on increasing Seattle's affordable housing choices. Key objectives related to this strategic direction are:

- Create more affordable housing by prioritizing strategies and leveraging resources to enable increased rental assistance and housing units for more people in need of affordable housing.
- Advance affordable housing policy through championing public policies that will increase the viability, availability, and accessibility of affordable housing for people with low incomes.
- Diversify housing choice by expanding available housing choices, demonstrating alternative housing models, and preserving and increasing access to neighborhoods throughout Seattle that would otherwise be out of reach for people with low incomes.

Promote Quality Communities

SHA invests in safe, quality, affordable housing; connects participants to communities, resources, and services designed to meet their needs; and provides safe, inviting, and accessible communities. Key objectives related to this strategic direction are:

- Preserving and promoting high quality housing by providing safe, accessible, sustainable, and attractive living environments that contribute to the quality of Seattle neighborhoods through preservation and redevelopment of SHA's housing stock.

- Connecting people to opportunity by investing in communities through partnerships so that neighborhoods where participants live support access to opportunities such as good jobs, parks, transit, arts, high-performing schools, and healthy living.
- Strengthening community and service by facilitating effective and supportive relationships and respectful interactions among participants, staff, partner organizations, and neighbors so that people feel valued, proud, and connected to the community they live in.

Improve Quality of Life

SHA collaborates with communities to use housing as a platform to improve quality of life by enhancing health, supporting education and skill development, and other services to help people reach their full potential. Key objectives related to this strategic direction are:

- Enhancing senior and disabled living by connecting senior and disabled participants to the services they need and facilitate access to other housing choices along a continuum of care as appropriate.
- Economically empowering people by assisting participants in benefiting from education and employment to increase their economic security, skills, income, assets, and financial well-being.
- Supporting youth achievement by promoting access to high-quality learning opportunities for young children, youth, and young adults that increase educational performance, college and career readiness, and encourage lifelong well-being.

ORGANIZATIONAL CORNERSTONES

SHA's Organizational Cornerstones reflect SHA's values in action. These qualities help form the foundation of how SHA advances its mission and pursues its Strategic Directions. SHA's culture is driven by a commitment to excellence that continually strengthens these cornerstones. The seven Organizational Cornerstones are listed and defined below.

Engaging Service and Respectful Relationships: SHA is committed to providing consistently high-quality service and respectful interactions. SHA honors and assists participants and communities through service and engagement that recognize their unique needs and strengths.

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

Partnership and Coordinated Action: SHA engages in partnerships and leverages resources to extend services and housing beyond core housing programs. SHA aligns partners, programs, and service delivery to broaden and accelerate progress on strategic directions.

Financial Stability and Operational Efficiency: SHA manages its resources to maximize the impact and cost-effectiveness of its operations as well as the value and longevity of its assets. SHA focuses on strengthening its financial condition, streamlining service-delivery, and being good stewards of the public trust to best serve people now and into the future.

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

Environmental Stewardship: SHA incorporates environmental stewardship into daily practices and long-term decision-making to allow for more cost-effective investments; inventive approaches to complex sustainability challenges; healthier working and living environments for staff and participants; and broader impact within the community.

Innovation: SHA actively pursues creative, innovative, and impactful solutions to expand organizational capacity, improve service, and meet participant and community needs. SHA continually uses high-quality information and effective analyses to plan and evaluate its actions.

DEPARTMENT BUDGETS

The table below shows total operating expenditures for departments as well as projected housing assistance payments. The CY 2021 operating expenditures (excluding service grants) of \$270.0 million represent an overall increase of 5.1 percent from 2020. Direct Operating expenses, before backing out internal service fees, are flat; and Housing Assistance Payments (HAPs) are expected to increase 10.8 percent over the 2020 level. Most departments will have the same or very nearly the same budget in 2021 as they did in 2020. Notable changes in 2021 budget as compared to 2020 are explained in the department sections following this table.

SHA DEPARTMENT BUDGETS COMPARISON OF 2019 – 2021 OPERATIONS

	CY 2019 Actual (000)	CY 2020 Revised ² (000)	CY 2021 Carry-On (000)	CY 2020 to CY 2021 % Change
Departments and/or Divisions Expenditures				
Executive	\$3,220	\$3,533	\$3,533	0.0 %
Policy and Strategic Initiatives	1,131	1,791	1,756	(2.0)%
Development	1,485	1,778	1,757	(1.1)%
Housing Finance and Asset Management				
Asset Management (AM)	1,245	1,130	1,130	0.0 %
AM Commercial Facilities	792	760	836	10.0 %
190 Queen Anne	2,023	1,985	1,985	0.0 %
Finance and Administrative	14,310	16,918	16,918	0.0 %
Information Technology	5,018	5,517	5,517	0.0 %
Housing Operations				
Housing Operations Admin, Admissions & Inspections	3,788	4,037	4,105	1.7 %
LIPH No. So., Scattered Sites, homeWorks & LIPH Admin	25,892	28,550	28,468	(0.3) %
Yesler, Baldwin, Ritz, and EOC	1,315	830	648	(21.9)%
Seattle Senior Housing Program	6,302	6,528	6,528	0.0 %
Special Portfolio	5,210	6,940	6,954	0.2 %
Impact Property Services Operations	16,222	16,352	16,352	0.0 %
Impact Property Services Facilities	326	356	356	0.0 %
Solid Waste and Fleet	3,993	4,141	4,141	0.0 %
Community Services	4,287	5,528	5,528	0.0 %
JobLink	1,937	2,301	2,301	0.0 %
IPM, NH II & III, RV I, HPN, Parks & Campus of Learners	9,609	8,781	8,781	0.0 %
Human Resources	2,356	3,074	3,137	2.0 %
Housing Choice Vouchers	11,083	11,979	11,887	(0.8)%
DIRECT OPERATING	\$121,544	\$132,808	\$132,618	(0.1)%
Plus Housing Assistance Payments	\$114,786	\$124,015	\$137,417	10.8 %
Less Internal Agency Fees	(26,581)	(28,304)	(28,235)	(0.2)%
TOTAL OPERATIONS	\$209,749	\$228,519	\$241,800	5.8%

Table 3: 2021 Department Budgets

As noted previously, the Carry-On full-time equivalent staff positions (FTEs) for 2021 is 610.1, a 0.2 FTE increase from 2020. The comparison of FTEs in 2020 and 2021 by Department is presented in the table below. The change in the righthand column represents position additions, reductions, and/or transfers

² To provide a better comparison from 2020 to 2021, CY 2020 Revised is the 2020 Adopted Budget plus Northgate Apartments.

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

Full-time Equivalent Positions	2020 Adopted	2021 Carry-On	Change
Executive	17.9	17.9	-
Policy and Strategic Initiatives	11.0	10.0	(1.0)
Asset Management	19.8	19.8	-
Asset Management Commercial	2.0	3.0	1.0
Construction	17.5	17.5	-
Development	14.3	13.7	(0.6)
Finance and Administration	46.9	46.9	-
Housing Operations	376.1	378.1	2.0
Human Resources	12.0	12.8	0.8
Information Technology	23.5	23.5	-
Housing Choice Vouchers	69.0	67.0	(2.0)
TOTAL	609.9	610.1	0.2

Table 4: 2021 Department FTEs

EXECUTIVE BUDGET

	2019 Actual	2020 Adopted	2021 Carry-On	% Change
Executive Department Expenditures				
Admin Salaries & Temp Help	\$2,747,100	\$2,805,300	\$2,805,300	0.0 %
General and Administrative Expense	383,500	454,700	454,700	0.0 %
Tenant Services	1,600	2,300	2,300	0.0 %
Maintenance & Contracts	88,400	270,800	270,800	0.0 %
Utilities	-	-	-	
TOTAL OPERATING	\$3,220,600	\$3,533,100	\$3,533,100	0.0 %
Less Internal Agency Fees	(151,700)	(184,600)	(184,600)	0.0 %
Salaries & Benefits in Grants, Capital, and Limited Partnerships	-	-	-	
TOTAL	\$3,068,900	\$3,348,500	\$3,348,500	0.0 %

Table 5: Executive Department Budget and FTEs

	2020 Approved	2021 Carry-On
Full-time Equivalent Positions		
Total FTEs	17.9	17.9

Department Purpose and Function

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

OFFICE OF POLICY AND STRATEGIC INITIATIVES BUDGET

Policy and Strategic Initiatives Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
Admin Salaries & Temp Help	\$987,400	\$1,377,700	\$1,343,000	(2.5)%
General and Administrative Expense	132,400	198,900	198,900	0.0 %
Tenant Services	900	24,000	24,000	0.0 %
Maintenance & Contracts	10,100	190,000	190,000	0.0 %
Utilities	-	-	-	
TOTAL OPERATING	\$1,130,800	\$1,790,600	\$1,755,900	(1.9)%
Less Internal Agency Fees	(103,800)	(99,000)	(99,000)	0.0 %
Salaries & Benefits in Grants, Capital, and Limited Partnerships	201,800	109,200	-	(100.0)%
TOTAL	\$3,119,100	\$1,800,800	\$1,656,900	(8.0)%

Table 6: OPSI Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Total FTEs	11.0	10.0

The 2021 Carry-On operating budget for the Office of Policy and Strategic Initiatives (OPSI) was slightly reduced to reflect the planned expiration at year end 2020 of a CMTO grant supported position.

Department Purpose and Function

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

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

DEVELOPMENT BUDGET

Development Department Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
Admin Salaries & Temp Help	\$1,324,800	\$1,580,300	\$1,559,900	(1.3)%
General and Administrative Expense	137,900	169,400	169,400	0.0 %
Tenant Services	-	-	-	-
Maintenance & Contracts	21,300	20,100	20,100	0.0 %
Utilities	500	8,000	8,000	0.0 %
TOTAL OPERATING	\$1,484,500	\$1,777,800	\$1,757,400	(1.1)%
Less Internal Agency Fees	(109,900)	(133,000)	(133,000)	0.0 %
Salaries & Benefits in Grants, Capital, and Limited Partnerships	590,400	451,600	401,300	(11.1)%
TOTAL	\$1,965,000	\$2,096,400	\$2,025,700	(3.4)%

Table 7: Development Department Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Total FTEs	14.3	13.7

Total operating expenditures for Development Department of this Carry-On Budget will decrease by 1.3 percent in CY 2021 and when both operating and capital sources are considered, the overall decrease is 3.4 percent due to planned position elimination and the completion of The Kresge Foundation grant.

The 0.6 FTE Development Department decrease includes 0.3 FTE for a Senior Development Program Manager position due to retirement and 0.3 FTE for the Coordinator III position managing The Kresge Foundation grant program to be completed in January 2021.

Department Purpose and Function

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

- ✓ Planning new affordable housing and redevelopment;
- ✓ Managing community processes surrounding development visions;
- ✓ Implementing development projects;
- ✓ Overseeing the sale of land to private developers and the subsequent development of market-rate or workforce housing;
- ✓ Managing and supporting neighborhood associations until property owners in the communities assume management and financial responsibility; and
- ✓ Participating in local and regional planning meetings that may involve potential new low-income and affordable housing development opportunities.

Development is accountable for advancing the Strategic Plan goal of increasing SHA's low-income, work force, and affordable housing. It serves the Seattle Housing Authority's Mission by developing safe and affordable housing in thriving communities. The Department also seeks to increase the number of affordable housing units, both rental units and home ownership, through a variety of programs and partnerships. For example, revitalizing the 78-year-old low-income housing in the Yesler community with new vibrant mixed in communities connected to nearby neighborhoods and providing a variety of rental and home ownership housing choices, plus community facilities and other amenities. Another important responsibility of the Development staff is marketing properties successfully to private developers for homeownership opportunities, including affordable ownership opportunities.

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

HOUSING FINANCE AND ASSET MANAGEMENT BUDGET

Housing Finance & Asset Management Department Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
Admin Salaries & Temp Help	\$1,104,100	\$934,700	\$934,700	0.0 %
General and Administrative Expense	112,800	164,200	164,200	0.0 %
Tenant Services	-	-	-	
Maintenance & Contracts	28,600	30,800	30,800	0.0 %
Utilities	-	-	-	
TOTAL OPERATING	\$1,245,500	\$1,129,700	\$1,129,700	0.0 %
Less Internal Agency Fees	(84,000)	(68,000)	(68,000)	0.0 %
Salaries & Benefits in Grants, Capital, and Limited Partnerships	1,161,400	1,061,700	1,061,700	0.0 %
TOTAL	\$2,322,900	\$2,123,400	\$2,123,400	0.0 %

Table 8: Housing Finance & Asset Management Budget and FTEs

	2020 Approved	2021 Carry-On
Full-time Equivalent positions		
Asset Management FTEs	19.8	19.8
Construction Operations FTEs	17.5	17.5
Total Asset Management & Construction Ops FTEs	37.3	37.3

Department Purpose and Function

The Department of Housing Finance and Asset Management (“Department”) focuses on the preservation of the agency’s real estate assets and maximizing the use of these assets to further the mission of the agency to create and sustain decent, safe, and affordable housing that fosters stability and self-sufficiency for people with low incomes. Working in partnership with other agency departments, the Department assists in the financing of new and existing housing; develops and implements the agency’s capital program to ensure the physical and financial viability of its assets; and provides support and assistance to the Housing Operations department in their management of agency assets that furthers the agency’s financial and social goals. In addition, the Department works with various investors and financial partners to make strategic recommendations regarding the assets, financial stability, resident services, and other factors impacting the agency’s real estate portfolio and residents.

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

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

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

Asset Management Commercial Facilities

Asset Management Commercial Facilities	2019 Actual	2020 Adopted	2021 Carry-On	% Change
Admin Salaries & Temp Help	\$253,500	\$239,900	\$316,900	32.1 %
General and Administrative Expense	109,700	98,500	98,500	0.0 %
Tenant Services	-	-	-	
Maintenance & Contracts	295,200	272,200	272,200	0.0 %
Utilities	133,300	148,800	148,800	0.0 %
TOTAL OPERATING	\$791,700	\$759,400	\$836,400	10.1 %
Less Internal Agency Fees	(161,600)	(179,200)	(179,200)	0.0 %
Salaries & Benefits in Grants, Capital, and Limited Partnerships	-	-	-	
TOTAL	\$630,100	\$580,200	\$657,200	13.3 %

Table 9: AM Commercial Facilities Budget

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Total Asset Management Commercial FTEs	2.0	3.0

The 2021 Carry-On operating budget for Asset Management Commercial Facilities was increased to reflect a 2020 mid-year addition of a 1.0 FTE position that will replace a condo association contract for external management that had been budgeted within Housing Operations.

Asset Management Commercial Facilities manages thirteen commercial properties across several portfolios. Commercial tenants include service providers and commercial businesses; some SHA departments are tenants as well. Seven properties are associated with HOPE VI communities; HOPE VI management offices and service providers are lessees at some of these properties.

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

190 Queen Anne Central Office

190 Queen Anne Central Office Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
TOTAL OPERATING	\$2,023,206	\$1,984,563	\$1,984,563	0.0 %

Table 10: 190 Queen Anne Central Office Budget

The Central Office, located in the lower Queen Anne neighborhood, houses SHA's executive, administrative, voucher assistance, and many property management services staffs. The Housing Finance and Asset Management staff manages and administrates the offices at 190 Queen Anne. SHA has been at this address since 2012.

FINANCE AND ADMINISTRATION BUDGET

Finance and Administrative Services Department Expenditures	2019 Actual	2020 Revised	2021 Carry-On	% Change
Admin Salaries & Temp Help	\$5,012,600	\$5,444,100	\$5,444,100	0.0 %
General and Administrative Expense	9,157,900	11,240,500	11,240,500	0.0 %
Tenant Services	3,500	-	-	
Maintenance & Contracts	135,900	233,500	233,500	0.0 %
Utilities	-	-	-	
TOTAL OPERATING	\$14,309,900	\$16,918,200	\$16,918,200	0.0 %
Less Internal Agency Fees	(810,500)	(517,300)	(517,300)	0.0 %
Salaries & Benefits in Grants, Capital, and Limited Partnerships	93,900	211,900	211,900	0.0 %
TOTAL	\$13,593,300	\$16,612,700	\$16,612,700	0.0 %

Table 11: Finance and Administration Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Total FTEs	46.9	46.9

The 2021 Carry-On Budget for Finance and Administration (F&A) is the same as the 2020 Revised Budget. F&A's budget includes debt service payments and insurance premium coverages for the newly acquired properties. Northgate Apartments was added to SHA's portfolio in late 2019, and the 2020 Adopted Budget did not include Northgate. The 2020 Revised Budget shown above includes the revision made to add Northgate Apartments.

Department Purpose and Function

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

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

- ✓ **Financial Management:** Financial policies; accounting and reporting systems; banking relations; investments; treasury functions; overall debt management; internal controls, and annual financial statements and compliance with financial reporting requirements from investors, trustees, funders, lenders, and city, state, and federal agencies. Accounts receivable; accounts payable; payroll, and general ledger responsibilities for all funds and the agency as a whole.
- ✓ **Financial Accountability:** Annual audit reviews by the State Auditor, SHA's independent auditor, and auditor(s) for the tax credit limited partnerships, as well as periodic audits by federal and state agencies; monitoring and corrective actions as required to ensure SHA conformance with bond and contractual financial performance obligations and compliance with state and federal regulations.

- ✓ **Budgeting:** Management of SHA’s budget processes and preparation of recommended annual and multi-year operating and capital budgets; reviewing Congressional funding proposals and monitoring economic trend analyses; monitoring and reporting performance of actual revenues and expenditures and program accomplishments against approved budgets and program goals; proposing budget revisions and/or corrective actions to maintain the integrity of the annual budget; and overseeing adherence by the authority and HUD to financial and funding provisions of the MTW Agreement.
- ✓ **Risk Management:** Obtaining insurance coverages for SHA and affiliates; auditing and reviewing insurance policies; processing and handling claims; recommending risk management and incident/accident reduction actions; and reviewing contracts, leases and other agreements to ensure SHA risks are appropriately addressed and controlled.
- ✓ **Procurement and Contracting:** Purchasing and contract administration for goods, services and construction contracts; administration of Section 3, Davis-Bacon, and social equity programs; development and administration of SHA procurement policies and procedures to ensure fair and competitive procurement practices and compliance with federal, state, and local laws and regulations; and continuous process improvement to ensure procurement practices support SHA’s business interest in timely and efficient contracting.
- ✓ **Information Technology:** Providing efficient and creative technology solutions to business problems; supporting the application and operating system software in use at SHA and the computers, telephones and other ancillary equipment used by agency staff; ensuring a stable, reliable and secure computer infrastructure and software to support SHA’s computing needs; maintaining, upgrading and supporting existing software systems; consolidating duplicative or redundant systems; addressing the highest priority needs of the agency for new software development or introduction of new applications; and providing training resources and expertise to support the computer literacy and competence of SHA staff; and performs the records storage function for the agency. (See separate budget section on Information Technology for 2020 work plan highlights.)
- ✓ **Business Support Services:** Operation of the agency’s central reception desk; travel policy and petty cash administration for SHA as a whole; administrative support to the accounting and budgeting groups; supply ordering and budget management; and CFO executive support.

The fundamental charges of Finance and Administration are:

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

These core objectives will guide the priorities for the Department in 2021, as it looks to make changes in its operations, policies, and programs in order to meet the challenges of a new federal fiscal and political reality where public funding for low-income housing development, operations, and maintenance is likely to become severely constrained over the decade.

INFORMATION TECHNOLOGY BUDGET

Information Technology Department Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
Admin Salaries & Temp Help	\$3,069,300	\$3,241,000	\$3,241,000	0.0 %
General and Administrative Expense	1,657,900	1,909,800	1,909,800	0.0 %
Tenant Services	-	-	-	
Maintenance & Contracts	290,500	366,100	366,100	0.0 %
Utilities	-	-	-	
TOTAL OPERATING	\$5,017,700	\$5,516,900	\$5,516,900	0.0 %
Less Internal Agency Fees	(3,500)	-	-	
Salaries & Benefits in Grants, Capital, and Limited Partnerships	-	-	-	
TOTAL	\$5,014,200	\$5,516,900	\$5,516,900	0.0 %

Table 12: Information Technology Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Total FTEs	23.5	23.5

In 2021, the Information Technology Department will continue to split administrative costs between the Central Services Operating Center and MTW funding.

SHA continues to invest in technological upgrades to improve process efficiency and promote cost savings, setting aside a portion of its MTW Block Grant each year to do so. IT Capital Projects in 2021 total \$570,000, an 18.5 percent increase from 2020, but a level that more nearly reflects the annual funding we have been providing for IT capital over the last 5-10 years. This money will be spent on infrastructure upgrades and the Elite to Yardi conversion project. The IT Department also expects to spend the first half of 2021 working on a number of IT projects related to SHA's COVID-19 recovery plan; the 2020-2021 IT COVID Recovery Plan will included in the *2021 Adjusted Budget*.

Department Purpose and Function

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

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

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

HOUSING OPERATIONS BUDGET

Housing Operations Expenditures	2019 Actual	2020 Revised	2021 Carry-on	% Change
Admin Salaries & Temp Help	\$16,470,500	\$18,521,800	\$18,586,500	0.4 %
General and Administrative Expense	11,855,400	11,841,500	11,832,500	(0.1)%
Tenant Services	2,955,800	3,681,600	3,681,600	0.0 %
Maintenance & Contracts	35,408,800	36,853,300	36,765,100	(0.2)%
Utilities	12,190,900	13,444,900	13,295,200	(1.1)%
TOTAL OPERATING	\$78,881,400	\$84,343,100	\$84,160,900	(0.2)%
Less Internal Agency Fees	(21,651,500)	(23,085,000)	(23,015,200)	(0.3)%
Salaries & Benefits in Grants, Capital, and Limited Partnerships	5,278,200	6,322,200	6,109,300	(3.4) %
TOTAL	\$62,508,100	\$67,580,300	\$67,255,000	(0.5)%

Table 13: Housing Operations Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Total FTEs	376.1	378.1

The 2021 Housing Operations (HOps) Department Carry-On Budget of \$84.2 million for 2021 and it reflects a decrease of 0.2 percent over the 2020 Revised Budget. The change results from the redevelopment efforts at Yesler Terrace and Lam Bow Apartments. Residents at both properties moved out and the units are handed over to Development. The last phase of residents at Yesler Terrace in the old apartments moved out in April and the units will be redeveloped. The residents at Lam Bow Apartments also moved out and the building was demolished. Operating expenses for those units are excluded from the 2021 Carry-On Budget. SHA acquired Northgate Apartments in late 2020, too late to be included in the 2020 Adopted Budget. The Northgate Apartments property generates enough revenue to cover these expenses.

Department Purpose and Function

Housing Operations manages and maintains a diverse portfolio of over 8,530 units comprised of approximately: 5,800 units of Low Income Public Housing, which includes 894 Seattle Senior Housing Program (SSHP) units; 135 SSHP tax credit and locally funded units; about 1,400 units (excludes 63 public housing units) in Special Portfolio locally acquired units; and approximately 740 HOPE VI tax credit units (excludes HOPE VI public housing tax credit units). The HOPE VI tax credit units are in the mixed income communities of NewHolly, Rainier Vista, High Point, and Lake City Court. In addition, the redeveloped Yesler Terrace site (including the Baldwin Apartments, Ritz Apartments, Kebero Court, Raven Terrace, Hoa Mai Gardens, and Red Cedar) has a total of 530 units. The new properties at Yesler started operation in 2014 and old Yesler units were transferred for demolition and redevelopment in 2020.

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

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

Housing Operations Central Administration, Admissions, & Inspections

Housing Operations Central Admin. And Admissions Expenditures	2019 Actual	2020 Revised	2021 Carry-On	% Change
Housing Operations Central Admin.	\$2,713,000	\$2,778,000	\$2,846,000	2.4 %
Admissions	959,000	1,020,000	1,020,000	0.0 %
Inspections	117,000	239,000	239,000	0.0 %
TOTAL OPERATING	\$3,789,000	\$4,037,000	\$4,105,000	1.7 %

Table 14: Housing Operations Central Admin Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Housing Operations Central Administration FTEs	20.9	21.4
Admissions FTEs	8.5	8.5
Inspections FTEs	2.0	2.0
Total FTEs	31.4	31.9

The combined Housing Operations Central Administration (HOps Central), Admissions, and Inspections 2021 Carry-On Budget is proposed to be \$4.1 million for 2021, an increase of 1.7% from 2020. The group will add a 0.5 project-based FTE for 2021 which will expire in 2022. This position supports the recovery planning efforts related to COVID-19, assists with the tax credit certification process mapping for Lean process improvement, and coordinates the writing of and updates to the documentation for Housing Operations policies and procedures.

About Housing Operations Central Administration

Central Administration supports the entire Housing Operations Department and working divisions. In late 2018, Central Admin restructured its support team into functional groups. In its old incarnation, the Housing Operations Support Team (HOST) was charged with oversight of such diverse functions as admissions and environmental stewardship centralized under one administrator. Now, four new teams organized by functional categories form the core of HOST: the Housing Programs team; the

Environmental Stewardship and Sustainability (ESS) team; the Strategy and Evaluation team; and the Finance and Business Infrastructure team.

The Administrator for the Housing Programs and Occupancy team oversees Admissions, Compliance, Policy, Training, and the Occupancy Team. Groups under the leadership of the Administrator for the Environmental Stewardship and Sustainability team are Contract Management, Environmental Stewardship, Inspections, Solid Waste and Fleet, and maintenance and capital improvement support. The Finance and Business Infrastructure team leads efforts in the areas of finance and budget, infrastructure project and program management, as well as data and performance improvement. The Strategy and Evaluation team focuses its efforts in the areas of program analysis and design, research and evaluation, process improvement, and strategic development and management.

Low Income Public Housing

LIPH High-rises, Scattered Sites, homeWorks and LIPH Admin Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
LIPH High-rises, Scattered Sites, homeWorks, and LIPH Admin	\$25,891,600	\$28,550,100	\$28,468,200	(0.3)%
TOTAL OPERATING	\$25,891,600	\$28,550,100	\$28,468,200	(0.3)%

Table 15: Low Income Public Housing Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Total FTEs	56.1	55.1

For 2021, the Low Income Public Housing (LIPH) group proposes a total Carry-On Budget of \$28.47 million, for a variance of less than one percent from 2020, due to the transfer of 1.0 FTE Assistant Property Manager from LIPH to the Special Portfolio group.

About LIPH

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

Seattle Senior Housing Program

Seattle Senior Housing, includes Ravenna and Leschi Tax Credits	2019 Actual	2020 Adopted	2021 Carry-On	% Change
TOTAL OPERATING	\$6,302,000	\$6,527,700	\$6,527,700	0.0 %

Table 16: Seattle Senior Housing Program Budget and FTEs

	2020 Approved	2021 Carry-On
Full-time Equivalent Positions		
Total FTEs	20.5	20.5

About SSHP

The SSHP community, along with the Leschi House LLLP, consists of 1,029 units serving elderly and disabled persons. The units were acquired and developed using funding from a 1981 Seattle Senior Housing bond issue. The program serves households with a maximum income of 80 percent of Area Median Income (AMI) with the head of household or spouse at least 62 years old or disabled. Residents pay affordable rent depending on their income. In 2011, 894 SSHP units were brought into the LIPH program in order to increase resources for capital rehabilitation and repairs. A portion of subsidy is used for SSHP operations, while the major share is dedicated to SSHP's Ten Year Rehabilitation Plan. These units, along with Ravenna School Apartments and South Park Manor, are managed by the LIPH property management team. Leschi House LLLP converted to a limited partnership in 2012 and is managed by the Yesler management team in Impact Property Management (IPM).

Yesler Terrace

Yesler Terrace, Baldwin, Ritz and EOC Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
Yesler Terrace	\$1,041,900	\$514,900	\$332,200	(35.5)%
Baldwin Apartments	88,300	109,800	109,800	0.0 %
Ritz Apartments	107,500	134,200	134,200	0.0 %
Epstein Opportunity Center	77,400	71,300	71,300	0.0 %
TOTAL OPERATING	\$1,315,100	\$830,200	\$647,500	(22.0)%

Table 17: Yesler Terrace Budget and FTEs

	2020 Approved	2021 Carry-on
Full-time Equivalent Positions		
Total FTEs	19.5	18.5

The 2021 carry -on budget at Yesler Terrace (old Yesler, Baldwin, Ritz, and the EOC) is 22.01 percent below the 2020 Adopted Budget. The decrease is mainly due to the relocation of residents from old Yesler Terrace. The units are transferred to development for demolition and redevelopment. The operating budgets for Kebero Court, Raven Terrace, Hoa Mai Gardens, and Red Cedar are included in the Capital Improvement, Grants, and Limited Partnership sections of the budget book and are not reflected in the table above. Hinoki partnership is expected to start operation early 2022 and leasing activity is expected to start in the fourth quarter of 2021. Staff will transition to Hinoki and Yesler campus projects

to operate with 1.0 fewer FTE due to the removal of old Yesler Terrace units from operations. Yesler will continue reviewing staffing needs as the new properties under construction are completed and start operation.

About Yesler Terrace

Originally, Yesler Terrace consisted of 561 Low Income Public Housing (LIPH) units built from 1941 to 1943 serving a diverse community in the neighborhood. Yesler Terrace is the city's first publicly subsidized housing development. Many of the residents are families with children, seniors, and people with disabilities. Most of the households are at or below 30 percent of area median income. SHA began redeveloping Yesler Terrace and replacing aging housing with new units. The project is multi-year and has a vision to transform Yesler Terrace into a vibrant new community within a diverse, connected, safe, and sustainable neighborhood. The first relocation started in 2012 with relocation of the YWCA program. The construction of replacement and tax credit units at Hinoki is expected to be completed by 2022.

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

Kebero Court, Raven Terrace, Hoa Mai Gardens, and Red Cedar, the first four new residential properties, are complete and are operational. These projects are limited partnerships; as such, their budgets are not reflected in the table above.

Special Portfolio Housing Program

Special Portfolio	2019 Actual	2020 Revised	2021 Carry-On	% Change
Operating Expenditures -- SHA-Managed	\$2,232,300	\$2,258,800	\$2,166,100	(4.1)%
Operating Expenditures -- Outside-Managed	1,984,400	2,190,800	2,297,400	4.9 %
Operating Expenditures -- New Acquisitions (Outside-Managed)	953,600	1,812,600	1,812,600	0.0 %
Operating Expenditures -- Northgate Apts (Outside-Managed)	40,100	677,800	677,800	0.0 %
TOTAL OPERATING	\$5,210,400	\$6,940,000	\$6,953,900	0.2%

Table 18: Special Portfolio Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Total FTEs	11.4	13.4

Special Portfolio (SP) proposes a Carry-On Budget of \$6.9 million for 2021, an increase of 0.2 percent over the 2020 Revised Budget. This includes a 2.0 increase in FTE, from 11.4 in 2020 to 13.4 in 2021. Expense reductions are seen for the SHA-managed group of properties as all residents were moved out of Lam Bow Apartments and the building was fully demolished in 2020. The site is under redevelopment. An assistant property manager was added to assist with this portfolio. For the outside-managed group of properties, the increase in expenses is due to the addition of a property manager to assist the senior property manager in managing this growing portfolio. In addition, SHA purchased Northgate Apartments and added them to Special Portfolio in December 2019, after the 2020 Adopted Budget was completed.

About Special Portfolio

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

The SHA-managed group operates within the SHA Property Management team under the supervision of the Administrator of the LIPH portfolio. In 2021, it will carry 539 units which includes 100 units at Bayview and excludes all Lam Bow Apartments units as the remaining building have been demolished for redevelopment. The mix of units within this group includes Local Housing Program facilities, Section 8 project-based buildings, and limited partnerships at Alder Crest and South Shore Court as well as the West Seattle Affordable Housing LLLP. The limited partnership budgets in this portfolio are included in the final section of the Budget Book and not in the table above.

In late 2018, oversight of the outside-managed group was transferred to the LIPH Administrator with day-to-day operations managed by a Senior Property Manager, like the LIPH staffing structure. The four newly acquired properties added 542 units to this group, bringing the total unit count to 927. The portfolio serves households with various income levels, and income limits vary by property. Depending on the property, limits can be 30, 50, 80, or 100 percent of Area Median Income (AMI). Most of these units were acquired using debt financing and therefore must generate sufficient income to cover debt payments in addition to meeting all other operating and capital expenses.

Impact Property Management – HOPE VI Communities and Parks

Impact Property Management – HOPE VI Administration, NewHolly and Others Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
Impact Property Management	\$1,206,700	\$906,900	\$906,900	0.0 %
NewHolly Phase II & III (Othello & Desdemona)	2,465,000	2,413,200	2,413,200	0.0 %
Rainier Vista Phase I (Escallonia)	1,414,000	1,430,400	1,430,400	0.0 %
High Point North	3,485,400	2,978,200	2,978,200	0.0 %
Parks	372,800	397,600	397,600	0.0 %
Campus of Learners	664,800	655,000	655,000	0.0 %
TOTAL OPERATING	\$9,608,700	\$8,781,100	\$8,781,100	0.0 %

Table 19: Impact Property Management Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-on
Total FTEs	55.5	57.0

The summary above accounts for budgets for Impact Property Management (IPM) administration for the HOPE VI sites, including the Campus of Learners at NewHolly, Parks maintenance for HOPE VI communities, and tax credit properties owned by SHA. The 2021 Carry-On Budget is similar to the 2020 Adopted Budget. The increase in FTEs in the 2021 Carry-On Budget is to include 1.0 FTE at New Holly Phase I planned to support unit upgrades. This position has been funded from the reserve. The 2021 FTE count adjusts the count excluded in the 2020 budget. The remaining 0.50 FTE increase is to correct a counting error in the 2020 budget. The salaries and benefits for both positions were accounted for in the 2020 budget and will not impact the Carry-On Budget.

About Impact Property Management

Impact Property Management (IPM) oversees the management of HOPE VI housing units owned by five limited partnerships, for which SHA serves as the General Partner and Managing Agent—NewHolly Phase I, Rainier Vista NE, Tamarack, Lake City Village, and High Point South. IPM also manages four former tax credit partnership properties owned and operated by SHA. In 2021, IPM-HOPE VI will manage about 1,700 public housing, project based and tax credit units in these communities. IPM also oversees the management of approximately 530 Yesler Terrace campus housing units, including Yesler Terrace public housing, Ritz Apartments, and Baldwin Apartments. Also included in the 500 units are five tax credit limited partnerships, Leschi House, Kebero Court, Raven Terrace, Hoa Mai Gardens, and Red Cedar, for which SHA serves as the General Partner and Managing Agent.

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

Impact Property Services

Impact Property Services Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
Impact Property Services Operations	\$16,222,200	\$16,351,600	\$16,351,600	0.0 %
Solid Waste & Fleet	3,993,400	4,141,200	4,141,200	0.0 %
Housing Operations Facilities	325,800	356,000	356,000	0.0 %
TOTAL OPERATING	\$20,541,400	\$20,848,800	\$20,848,800	0.0 %

Table 20: Impact Property Services Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
IPS Operating Budget FTEs	115.5	115.5
Solid Waste & Fleet Operating FTEs	17.6	17.6
IPS Capital Budget FTEs	12.7	12.7
Total FTEs	145.8	145.8

About IPS

IPS advances the agency’s mission by promoting quality communities and improving residents’ quality of life at SHA properties and is a subset of Housing Operations; it is an internal service and enterprise fund specializing in maintenance, repair, and renovation services for SHA and other relevant entities in the affordable housing industry. Services include janitorial, landscaping, pest control, repairs and maintenance, and hazmat operations. IPS emphasizes efficiency, quality, reliability, convenience, customer service, intra-organizational networking, and one-stop shopping with simplified procurement administration. IPS provides SHA’s properties with in-house knowledge, unique skills, coordination, availability, stable service support, and accountability.

IPS has managed its maintenance facilities since 2014: MLK Maintenance site, South Operations Facility, and Operations Support Center.

Community Services Division

Community Services Division Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
TOTAL OPERATING	\$4,287,200	\$5,527,600	\$5,527,600	0.00 %

Table 21: Community Services Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Total FTEs	16.0	16.0

About Community Services

Housing Operations’ Community Services Division oversees social services planning and coordination as well as community building for the housing authority. CSD is active in community building and support to youth and families with students to be academically successful. The division contracts out approximately \$3.3 million annually for social services from non-profits and government agencies. CSD also plays a key role in developing and maintaining external partnerships in terms of social services and plays a key role in raising funds through private and public grants.

JobLink

JobLink Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
TOTAL OPERATING	\$1,936,800	\$2,300,900	\$2,300,900	0.00 %

Table 22: JobLink Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Total FTEs	19.9	19.9

About JobLink

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

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

Residents most likely to benefit from JobLink services are the 8,300 Working Age, Non-Disabled (WAND) individuals in public housing or housing choice voucher holders. Almost half of WAND residents are working full or part-time. JobLink services are tailored to the needs of these residents, as well as those not currently working.

HUMAN RESOURCES BUDGET

Human Resources Department Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
Admin Salaries & Temp Help	\$1,854,900	\$2,541,500	\$2,604,700	2.5 %
General and Administrative Expense	385,000	406,400	406,400	0.0 %
Tenant Services	-	-	-	
Maintenance & Contracts	116,500	125,700	125,700	0.0 %
Utilities	-	-	-	
TOTAL OPERATING	\$2,356,400	\$3,073,600	\$3,136,800	2.1 %
Less Internal Agency Fees	(89,000)	(105,100)	(105,100)	0.0 %
Salaries & Benefits in Grants, Capital, and Limited Partnerships	-	-	-	
TOTAL	\$2,267,400	\$2,968,500	\$3,031,700	2.1 %

Table 23: Human Resources Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Total FTEs	12.0	12.8

The 2021 proposed operating budget for Human Resources was slightly increased to reflect a 2020 mid-year addition of a 0.8 FTE position to support increased department demands for Human Resources' services.

Department Purpose and Function

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

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

HOUSING CHOICE VOUCHER PROGRAM BUDGET

HCV Department Expenditures	2019 Actual	2020 Adopted	2021 Carry-On	% Change
Admin Salaries & Temp Help	\$5,793,200	\$6,241,800	\$6,149,000	(1.5)%
General and Administrative Expense	4,836,500	5,477,500	5,477,500	0.0 %
Tenant Services	336,200	109,300	109,300	0.0 %
Maintenance & Contracts	116,900	150,900	150,900	0.0 %
Utilities	-	-	-	
TOTAL OPERATING	\$11,082,800	\$11,979,500	\$11,886,700	(0.8)%
Less Internal Agency Fees	(3,292,300)	(3,927,300)	(3,927,300)	0.0 %
Salaries & Benefits in Grants, Capital, and Limited Partnerships	-	-	-	
Housing Assistance Payments	114,785,500	124,015,900	137,417,000	10.8 %
TOTAL	\$122,576,000	\$132,068,100	\$145,376,400	10.1 %

Table 24: Housing Choice Voucher Program Budget and FTEs

Full-time Equivalent Positions	2020 Approved	2021 Carry-On
Total FTEs	69.00	67.00

The 2021 Carry-On operating budget for the Housing Choice Voucher Program was slightly reduced to reflect the planned expiration at year end 2020 of two partially CMTO grant-funded positions supporting CMTO grant activities.

The Housing Assistance Payments (HAPs) budget was adjusted for the 2021 Carry-On Budget in accordance with updated HAP projections. The \$137.4M 2021 Carry-On HAPs budget has two major components, Moving to Work Voucher HAPs, \$119.5M, and Special Purpose Voucher HAPs, \$17.9M.

More than half of the of the \$13.4M (or 10.8%) increase from the 2020 Adopted HAPs budget to 2021's Carry-On HAPs budget, is in the Special Purpose Voucher program, which is fully reimbursed at-cost by additional funding from HUD. The increase is due to HCV having been awarded additional Special Purpose Vouchers, HCV and housing partners' increased utilization of Special Purpose Vouchers, and increased housing assistance payments per voucher. The remainder of the \$13.4M total increase, \$6.3M, is in the Moving to Work program, and is due to increased housing assistance per voucher (largely due to COVID-related household income losses, among other factors) and projected new admissions in excess of attritions, resulting in higher utilization of Moving to Work vouchers.

Department Purpose and Function

The primary responsibility of SHA's Housing Choice Voucher (HCV) Department is to administer federal housing assistance payments serving households in the HCV and Mod-Rehab programs. The Housing Choice Voucher program provides rental assistance to more than 10,750 very low-income households. The overwhelming majority of participants in the HCV project-based, tenant-based, and the Mod-Rehab programs have incomes below 30 percent of Area Median Income.

HCV is responsible for managing all aspects of the voucher program; these include maintaining a waitlist; certifying applicant eligibility and issuing vouchers; determining participant income; administering utility allowances; establishing voucher payment standards (VPS); recruiting and screening landlords; establishing reasonable rent to be charged by landlords; conducting housing quality inspections and following up to ensure corrections are made when violations occur; recertifying eligibility and income at the designated review cycle; providing housing counseling and programs to prepare participants to be successful in the rental market; administering special voucher programs for specific populations; administering contracts with project and program-based providers of vouchers; encouraging participants to understand their choices in neighborhoods; and leading advocacy efforts, often in coalitions with others, on behalf of low-income housing and support programs with federal, state, and local governments.

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

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

CAPITAL IMPROVEMENT PROGRAM

CAPITAL IMPROVEMENT PROGRAM SUMMARY

Capital Improvements represent projects that have a beginning, middle and end. Similarly, their funding has a beginning, middle and end. The funding process is not impacted by residential rental income losses due to the COVID-19 pandemic.

In 2020 and 2021, and for the duration of the COVID-19 pandemic, the Capital Improvements project flow is subject to state COVID-19 restrictions and the agency's multi-step process and three-phase plan to analyze whether a project will proceed. Each week, managers determine the overall resident COVID-19 risk levels by project as low, medium, or high. SHA's Low COVID-19 Health Risk Criteria is exterior work with at least six feet of physical distance from residents that can be easily maintained; Medium Risk is exterior work that disrupts or limits resident access to the outside; interior work in common spaces that lasts less than three weeks; or is interior work in common spaces that are not heavily trafficked; and High Risk projects are inside the resident's unit, in heavily used common spaces greater than three weeks duration, that requires resident relocation or any work in senior buildings or other high risk buildings. When deciding whether to proceed with projects, SHA also considers if there are significant resident health and safety risks of delaying projects, such as replacing smoke detectors.

The capital funds are specifically determined each year either by HUD or by lenders on specific projects. COVID-19 has significantly impacted the timing of capital project completions and HUD has accordingly extended capital fund obligation dates. The 2021 project list has many of the same projects as the 2020 project list due to delays in the 2020 projects list and the Carry-On Budget procedures in place for 2021. Departments were not requested to submit new project requests, like how they were not asked to submit new operating budget requests. While the capital improvements budget is based on secured funding and is the exception to the Carry-On Budget of 2021, Cabinet determined to ease the burden on staff and determined most projects would be rolled forward to 2021 and the normal needs assessments and property visits would not be completed for the Carry-On Budget. The Development and Redevelopment budgets are true exceptions to the 2021 Carry-On Budget.

The Capital Improvement Program increased substantially in 2021 due to increases in Pooled Refinance funds (\$3.2 million) and Redevelopment funds (\$126.1 million). SHA has secured, or is in the final steps of securing, funding for four projects. Four projects will be a heavy lift for staff. A typical year would have one or two redevelopments, not four.

The following sections outline SHA's CY 2021 plans for the following areas:

- Community redevelopments funded with mixed financing: federal grants, bond proceeds, tax credit partnerships with private investors, SHA equity, and land sale proceeds;
- New acquisition, development, and pre-development planning; and
- Asset preservation through modernization, renovation, and rehabilitation of our housing portfolios and operating facilities using predominantly federal grant funds plus property reserves.

CHOICE NEIGHBORHOODS IMPLEMENTATION: YESLER REDEVELOPMENT

The Yesler neighborhood transformation began in 2011 with the help of federal funding in the form of two Choice Neighborhoods Initiative (CNI) grants from HUD totaling \$30 million. SHA was awarded a third \$4 million CNI grant in 2020. The CNI grants help stakeholders—public housing authorities and their residents, municipalities, local schools and businesses, nonprofit and private developers—to create and implement a plan to transform distressed neighborhoods into sustainable, mixed-income communities by linking affordable housing with quality schools, public transportation, good jobs, and safe streets. SHA has nearly expended the two original grant funds. All units have been demolished to make room for redevelopment. The third grant will be used solely for replacement housing in the neighborhood.

SHA has committed to replace all demolished public housing units from redeveloped communities on a one-for-one basis, either on- or off-site. SHA will complete its replacement housing obligation when Juniper is completed. Hinoki adds 82 units, Sawara adds 65 units, the final building adds 24 units, and the Records Site adds 92 units.

SHA supports apartment building redevelopment through bond proceeds, land sale proceeds, tax credits, and capital contributions. Infrastructure projects such as intersection reconfiguring and private access roads are essentially complete by year-end 2020. No new projects are planned, only final payments to contractors will be due. The site will be ready for more SHA replacement residential buildings.

Hinoki

Hinoki is located on the east side of 10th Avenue South, across the street from the Yesler Community Center. Financing closed in mid-2020 and construction began immediately following on an apartment building with 136 units—82 replacement units at 60 percent of Adjusted Median Income (AMI), and 54 tax credit units at 60 and 80 percent of the AMI. The building will have 40 one-bedrooms, 77 two-bedrooms, 14 three-bedrooms, and 2 four-bedrooms. Construction will be completed first quarter 2022, and lease-up will begin as units become available.

Hinoki Sources	Total
Construction Loan/Bonds	\$ 42,756,000
Tax Exempt First Mortgage	23,332,000
Program Income	25,521,000
Bridge Loan	8,525,000
Deferred Developer Fee	3,441,000
Income from Operations	499,000
Tax Credit Equity	32,965,000
TOTAL	\$137,039,000
TOTAL PROGRAMMED SOURCES	\$85,758,000
Less Short-Term Financing	\$51,281,000

The project uses are budgeted as follows:

Hinoki Uses	Total
Construction	\$66,791,000
Design, Engineering and Permitting	5,153,000
Financing Costs	13,814,000
TOTAL	\$85,758,000
2021 Expenditures	\$48,664,000

Sawara

Yesler's sixth apartment building, Sawara, is located on the corner of Yesler Way and Eighth Ave, at 101 Eighth Avenue. Plans include a mid-year 2021 mixed finance closing subject to any COVID-19 delays. Construction will begin immediately following the closing on 114 units-65 replacement units and 49 tax credit units, all at 60 percent AMI. The building will have one-bedrooms, two-bedrooms, three-bedrooms and four-bedroom units. Lease-up will begin as units become available.

Sawara Sources	Total
Construction Loan/Bonds	\$36,910,000
Tax Exempt First Mortgage	14,920,000
Bridge Loan	7,905,000
Deferred Developer Fee	1,950,000
Income from Operations	511,000
Tax Credit Equity	27,075,000
TOTAL	\$113,005,000
TOTAL PROGRAMMED SOURCES	\$68,190,000
Less Short-Term Financing	\$33,511,000

The project uses are budgeted as follows:

Sawara Uses	Total
Construction	\$53,907,000
Design, Engineering and Permitting	4,867,000
Financing Costs	9,416,000
TOTAL	\$68,190,000
2021 Expenditures	\$39,000,000

Juniper, Seventh Yesler Building

Predevelopment costs are budgeted at \$2 million for Juniper, the seventh new apartment building. The unit count is currently proposed at 95 total units: 24 replacement and 71 tax credit units between 60 and 80 percent AMI. The building will be a mix of one-, two- and three-bedroom units.

Former Records Site at Yesler Terrace

SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY (SCIDPDA) AND COMMUNITY ROOTS HOUSING (CRH) WILL DEVELOP, OWN, AND MANAGE 156 UNITS OF AFFORDABLE HOUSING ON THE FORMER KING COUNTY RECORDS SITE AND CALL IT YESLER FAMILY HOUSING. SHA IS PROVIDING THE LAND AND A \$4 MILLION LOAN. THE BUILDING IS INTENDED TO SERVE WORKING FAMILIES WITH TWO TO FOUR-BEDROOM UNITS AND A CHILDCARE CENTER WILL BE ON SITE. OF THE 158 UNITS, 92 UNITS ARE RESERVED FOR YESLER TERRACE REPLACEMENT AND FOR FAMILIES EARNING 30 PERCENT OF THE AMI OR LESS AND THE REMAINING UNITS ARE RESERVED FOR FAMILIES EARNING AT 60 TO 80 PERCENT OF THE AMI. OTHER REDEVELOPMENT ACTIVITIES

Jefferson Terrace

Jefferson Terrace rehabilitation is still in predevelopment. It is subject to COVID-19 restrictions. Several financing plans are under consideration at present; the option presented here includes plans for all priority needs which include replacing domestic water pipes and horizontal waste pipes in units, upgrades to the building entry, community room and office connections and converting unused office space to additional residential units; repairs to exterior walls and balconies, replacing flooring in units and interior lights with LED, and replacing kitchen cabinets and countertops. Rehabilitation financing will be finalized in 2021. SHA budgeted \$12 million for infrastructure and rehabilitation in 2020 and the 2021 Asset Preservation and Development Carry-On Budget proposals includes additional funding of \$4.4 million and \$4.0 million, respectively toward the funding gap. Presented below is the current status of the financing plan for all three tiers of priority needs; priority 1 and 2 needs are an estimated \$27 million.

Jefferson Terrace Sources	Total
Committed MTW funds	\$12,000,000
MTW Capital	673,000
Homewise Funds	550,000
Financing Gap	29,950,000
TOTAL	\$43,173,000
TOTAL PROGRAMMED SOURCES	\$43,173,000

The project uses are budgeted as follows:

Jefferson Terrace Uses	Total
Construction	\$40,160,000
Design, Engineering and permitting	1,827,000
Financing costs	1,186,000
TOTAL	\$43,173,000
2021 Expenditures	\$7,000,000

Lam Bow Apartments

Current plans are subject to COVID-19 restrictions and the project will consist of 82 units: 51 replacement units, 30 tax credit units at 60 percent of AMI, and one common area unit. Construction will start in the first quarter of 2021 and finish mid-2022 when lease-up will begin. The project plans started with a discussion of rehabilitation and redevelopment; the current plan is redevelopment without rehabilitation.

Lam Bow Apartments Sources	Total
Construction Loan/Bonds	\$21,696,000
Tax Exempt First Mortgage	12,170,000
Bridge Loan	2,554,000
Program Income	8,819,000
Deferred Developer Fee	2,200,000
City of Seattle, Office of Housing various	3,500,000
Program Income	180,000
Tax Credit Equity	16,575,000
TOTAL	\$67,694,000
TOTAL PROGRAMMED SOURCES	\$44,337,000
Less Short-Term Financing	\$23,357,000

The project uses are budgeted as follows:

Lam Bow Apartments Uses	Total
Construction	\$34,378,000
Design, Engineering and Permitting	3,213,000
Financing Costs	6,746,000
TOTAL	\$44,337,000
2021 Expenditures	\$25,078,000

OPPORTUNITY INVESTMENTS

SHA began making Opportunity Investments in 2019 because of the incremental funding increase occasioned by the 2018 – 2019 Congressional Bipartisan Budget Act. The 2021 Carry-On Budget includes the same level of funding as in 2020 -- **\$15.1 million**. These investments are traditionally aligned with the needs and opportunities presented by the Strategic Directions and Organizational Cornerstones from SHA’s Strategic Plan: create more affordable housing, diversify housing choice, and preserve and promote high quality housing. There are many candidates for Opportunity Investment funds. When preparing the 2021 Adjusted Budget we will access options and cost estimates proposes for Opportunity Investments. Funds can flow between capital and operating activities due to MTW flexibility. Priorities and needs for the Operating and Capital Budgets will be weighed in coming to final recommendations. The funding level for Opportunity Investments may change in the final 2021 Adjusted Budget. Three potential candidates for funding are:

- Increase SHA’s equity investment in the Jefferson Terrace rehabilitation toward current financing gap. Jefferson Terrace is the last of SHA’s 23 high-rise buildings to undergo significant refurbishment.
- Continue to support 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.

- Implement modifications and enhancements to SHA’s information technology environment to address needs revealed by impacts of the COVID-19 virus and changes in operation and workplace policies and protocols.

Opportunity Investments	CY 2021 Budget
Projects and a final funding total will be included in the <i>2021 Adjusted Budget</i>	
TOTAL	\$15,100,000

Table 25: Opportunity Investments

NEW ACQUISITION, DEVELOPMENT, AND PLANNING

Housing Acquisitions

Efforts to serve more people include affordable housing preservation and housing choice diversification. SHA’s Board of Commissioners passed resolutions in 2019 approving and implementing a two-year Acquisitions Program. To be eligible for consideration, the potential acquisitions must satisfy several criteria, including:

- 1) SHA will serve more low-income households,
- 2) The acquisitions will maintain the agency’s financial strength,
- 3) The acquisitions will preserve affordable units,
- 4) The acquisitions increase SHA’s presence in opportunity neighborhoods
- 5) The acquisitions increase the number of large family units to SHA’s inventory. Acquisitions add units to SHA’s inventory at a lower cost than new development.

By yearend 2019, SHA completed acquisition of 477 units, including Northgate View, nearly reaching the goal of 500 new units. Northgate View has a long-term vision of preservation and redevelopment, not merely preservation. At this time additional properties are not being actively pursued, but opportunities that arise are evaluated.

Predevelopment Working Capital – Pipeline Projects

In prior years SHA set aside funds for the “Future Building Development and Redevelopment” 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, and Blue Topaz.

Future Capital Financing

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

- Preserve and prolong the life of existing housing stock.
- Address emergent conditions such as water intrusions and leaking roofs.
- Add new and replacement units associated with redevelopment.

- Respond to funding challenges of major redevelopment activities.
- Hedge against cost volatility in development projects and market stresses such as price escalation and tariff impacts; and
- Contribute to viable mixed financings that pencil out for development and rehabilitation projects and their future operations.

The high cost of housing, the construction boom, COVID-19, social unrest, and the uncertainty that characterizes the federal budget process have increased pressures. While SHA expects modest increases year over year in MTW general fund revenues, SHA cannot necessarily expect this level of federal funding to continue. Close attention must be paid towards the changing realities of the credit markets, the changing condition of the local housing market, the agency's overall financial capacity and debt management practices, and international, federal, state, and local capital funding trends as SHA addresses financing to complete existing projects and considers future capital funding availability and investments.

CAPITAL FUND ASSET PRESERVATION PROGRAM

Asset Preservation is funded with the MTW Capital Grant, property reserves, incentive rebate financing and pooled refinancing. Total spending on asset preservation is budgeted at \$21.3 million, or 5.4 percent more than 2020. Public housing modernization, renovation projects, and capital planning expenditures of \$13.2 million is 10.4 percent higher than 2020. Capital grant funds of \$415,000 are budgeted for the Seattle Senior Housing Program, a 75.9 percent decrease over 2020. Most of Seattle Senior Housing's prior year operating subsidies and some LIPH MTW Capital Grant funded elevator rehabilitation upgrades, exterior improvement planning, and interior repairs that were multi-year projects. The 2021 Asset Preservation budget is proportional to Senior Housing Program funding receipts in 2021.

Contingency and MTW-Eligible Community Allowances include funds for unplanned projects partially due to changes in the usual planning process. COVID-19 has restricted staffing presence in the buildings and more emergency and lifesaving projects need funding. Energy updates are planned for various locations to be partially funded by Office of Housing.

Other projects funded with MTW sources include \$19,000 for capital work in the Special Portfolio/Local Housing program. The Management Improvements through Technology budget of \$570,000 covers expenses for the Information Technology Capital program.

Other Capital Projects include funds from a pooled refinancing, non-federal funds, and project reserves. The 2021 pooled refinance projects are window replacements, roof replacements, exterior repairs, interior upgrades, and appliance replacements. The 2021 pooled refinancing covers many portfolios and properties.

cattered Sites Repositioning Program

In 2021, SHA will continue work on several programs that align the strategic plan goals of serving more people and preserving high quality housing. Only modest amounts have been budgeted for 2021, \$200,000, because a backlog of funding is available from prior year. COVID-19 has slowed down resident vacancies and contractor availabilities. Descriptions of projects ongoing or new for 2021 are included below.

- Continue right-sizing work in 2021 as appropriate vacancies become available.
- Continue work on both the conversion and rehabilitation programs as homes become available for work via vacancies. The former program involves the conversion of unused space into

bedrooms to increase the number of SHA's large family units. The latter modernizes single-family homes to reduce ongoing maintenance costs and improve marketability of single-family homes to our tenants.

- Continue steps to reposition approximately 228 units of Scattered Sites to help ensure the longer-term sustainability of these units. Pending HUD approval of a Section 18 Conversion application expected in late 2020, 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.

Management Improvement through Technology

The 2021 Information Technology Capital Projects budget totals \$570,000. While this is an 18.5 percent increase over 2020, it represents about the average annual funding for IT capital projects over the past 5-10 years. The 2021 Carry-On Budget funds will be spent on infrastructure upgrades and scheduled replacements, the Elite to Yardi conversion project, and other projects as needed. Infrastructure upgrades include replacing failed and end-of-life servers, printers, and network equipment; and purchasing and installing up-to-date network infrastructure. The Elite to Yardi conversion project will streamline SHA business processes by centralizing applicant, resident, and participant data for both Housing Operating and Housing Choice Vouchers in one software system, Yardi Voyager. The IT Department will also spend the first half of 2021 working on IT projects in support of SHA's changing business needs due to COVID-19 and SHA's COVID-19 recovery plan. The plans and budget for the 2020-2021 IT COVID-19 Recovery Plan will be included in the 2021 Adjusted Budget.

Low Income Housing Tax Credit and HOPE VI Limited Partnerships

As of year-end 2021, SHA will be the owner of six tax credit properties and the general partner in eighteen tax credit limited partnerships. The 2021 capital repair, replacement, and rehabilitation plan for these limited partnership communities is approximately \$1.5 million. These projects are funded through the properties' replacement reserves—annual deposits defined in each partnership agreements. Individual project descriptions are in the 2021 Capital Activities section.

Miscellaneous and Non-Routine

In 2021, non-residential facilities have a project budget of \$428,000 to improve and upgrade several non-residential buildings. At the Campus of Learners' Family Building upgrade the HVAC system, repair or replace flooring and replace three water tanks. Upgrade the doors to the Youth Center. Upgrade to the fire panel at the condominium. Repair, reseal and restripe the parking lot at the Campus of Learners. At Tamarack Commercial replace floors, water tanks and smoke detectors. At Lee Apartments replace the roof and at Yesler Terrace Community Center install an electric vehicle (EV) charging station.

2021 CAPITAL ACTIVITIES

SHA 2021 Capital Projects—MTW Grant-Funded Activities

Table 26: SHA 2021 Capital Projects—MTW Grant-Funded Activities

Low Income Public Housing Projects		
LIPH Scattered Sites	Add 3 bedrooms to 2 units in a 4 plex building. Exterior building paint, siding repairs, and window replacements. Roof repairs and replacements. Repair exterior siding and paint buildings. Sidewalk repairs.	\$1,164,000
Bell Tower	Seal stairwells and leaking façade. Replace interior thermostats.	85,000
Denny Terrace	Paint interior common area. Upgrade interior and exterior lighting.	110,000
Jefferson Terrace Redevelopment	Support upgrades to rehabilitation program in Mixed Finance project.	4,400,000
Olive Ridge	Upgrade interior and exterior lighting.	35,000
Tri-Court	Paint interior common area.	50,000
homeWorks I	Paint interior common area at Ballard House and Beacon Tower; replace flooring in office, upgrade fire panel and alarms, and replace sprinkler heads at Beacon Tower; upgrade fire panel and alarms at Capitol Park; replace flooring in common areas and upgrade fire panel and alarms at Green Lake Plaza; paint interior common area paint, complete remaining floors repairs, and upgrade fire panel and alarms at Harvard Court; paint interior common area and replace sprinkler heads at International Terrace; paint interior common area and replace roof at Lictonwood; and create an allowance for lighting upgrades with the Office of Housing for Beacon Tower, Harvard Court, Ballard House and International Terrace.	1,783,000
homeWorks II	Paint interior common area at Cal-Mor Circle; replace roof-top air handler, sprinkler heads, and 5 heat pump units at Center Park; paint interior common area at Lake City House; upgrade fire panel and alarms and replace sprinkler heads at Olympic West and Queen Anne Heights; paint interior common area, upgrade fire panel and alarms, replace roof-top air handler and sprinkler heads, repair exterior building signage and upgrade lighting at University West.	759,000
homeWorks III	Upgrade fire panel and alarms at Center West; upgrade interior and exterior lighting at Jackson Park House; replace common area flooring, replace sprinkler heads and water lines at Ross Manor; upgrade fire panel and alarms at Stewart Manor; paint interior common area and upgrade fire panel and alarms at University House; upgrade fire panel and alarms and repair exterior building signage and upgrade lighting at West Town View.	826,000
Public Housing Capital Projects Subtotal		\$9,212,000

Seattle Senior Housing Program Projects

Bitter Lake Manor	Paint Interior common area.	\$ 30,000
Gideon-Mathews Gardens	Replace flooring in common areas.	35,000
Island View	Paint interior common area.	20,000
Michaelson Manor	Paint interior common area.	20,000
Nelson Manor	Paint interior common area.	20,000
Olmsted Manor	Upgrade fire panel and alarms.	5,000
Pleasant Valley Plaza	Replace flooring in common areas.	35,000
Primeau Place	Upgrade fire panel and alarms.	5,000
Ravenna School Apartments	Paint interior common area; install building air handler in attic; and upgrade interior and exterior lighting.	93,000
Schwabacher House	Install roof top air handler.	22,000
Sunrise Manor	Paint interior common area.	30,000
Seattle Senior Housing Program Projects		\$315,000
Central Services Operating Cost Allocation		100,000
Total 2021 MTW Block Grant Budget for SSHP		\$415,000

Special Portfolio Projects

Lake City Commons	Upgrade interior and exterior lighting.	\$19,000
Special Portfolio Projects		\$19,000

MTW Eligible Community Allowances

MTW Properties	Contingency for unplanned cost variances	\$734,000
MTW Properties	Energy upgrades to various locations to support Office of Housing projects.	120,000
Community Allowances Subtotal		\$854,000

Administrative Costs

Various	Asset Management administration	\$1,539,000
Various	Construction Operations administration	\$412,000
Various	Development administration	474,000
Various	Finance & Administration	235,000
Administrative Subtotal		\$2,660,000
Central Services Operating Cost Allocation		\$1,364,000

Total 2021 MTW Block Grant Budget for LIPH and Local Programs**\$14,524,000**

<p>Information Technology Capital</p>	<p>The Elite to Yardi conversion will streamline SHA's business processes by centralizing applicant, resident and participant data for both Housing Operations and Housing Choice Voucher systems into one software system. Infrastructure upgrades will include replacing failed and end-of-life servers, printers, and network equipment.</p>	<p>\$570,000</p>
<p>Total 2021 MTW Capital Budget</p>		<p>\$15,094,000</p>

SHA 2021 Capital Projects—Other Funds for Asset Preservation

Table 27: SHA 2021 Capital Projects—Other Funds for Asset Preservation

Special Portfolio Reserves

Alder Crest Apartments	Replace flooring.	\$8,000
Main Street Apartments	Paint building exterior.	9,000
Special Portfolio Projects		\$17,000

Incentive Rebate for Conservation Funds

Barton Place	Install Electric Vehicle Charging Station.	\$39,000
Denny Terrace	Install Electric Vehicle Charging Station.	39,000
Green Lake Plaza	Install EV Charging Station: One DCFC & two level 2 chargers.	55,000
High Point Phase II (South)	Install Electric Vehicle Charging Station at High Point Community Center.	39,000
Jefferson Terrace	Install EV Charging Station: One DCFC & two level 2 chargers.	55,000
Lam Bow Apartments	Install Electric Vehicle Charging Station.	39,000
Longfellow Creek Apartments	Install Electric Vehicle Charging Station.	39,000
NewHolly Phase III	Install Electric Vehicle Charging Station at New Holly Gathering Hall.	66,000
Rainier Vista NE (RV 3)	Install Electric Vehicle Charging Station at Rainier Vista Community Center.	39,000
Westwood Heights	Install EV Charging Station: One DCFC & two level 2 chargers.	66,000
Yesler Terrace Community Center	Install Electric Vehicle Charging Station.	39,000
Total Incentive Rebate Subtotal		\$515,000

Non-Federal Funds

Campus of Learners	Upgrade HVAC at Family Building, repair or replace floor, repair parking lot, seal and strip, and replace three water tanks in the Family Building. Change and upgrade entry doors to the Youth Center.	\$275,000
Center Park Community Building	Upgrade ACAM system.	20,000
Tamarack Commercial Space	Replace flooring, replace hot water tanks, and replace smoke detectors in the commercial unit.	64,000
Lee Apartments	Replace roof at Lee Apartments	50,000
Total Non-Federal Funds Projects Subtotal		\$409,000

2021 Capital Projects – Other Funds for Asset Preservation

CY 2021 Pooled Refinance Projects

Baldwin Apartments	Paint interior common area.	\$20,000
Bayview Tower	Replace common area flooring, replace plumbing valve to prevent water leaks, upgrade interior and exterior lighting.	190,000
Delridge Triplexes	Replace roof with asphalt shingle.	33,000
Fir Street Townhomes	Upgrade building envelope, replace exterior windows, and repair or replace roof.	154,000
Golden Sunset Apartments	Install generator, target exterior repairs, paint and seal, replace failing windows, replace bathroom fans and install GCFI electrical outlets.	265,000
High Point Phase I (North)	Replace heating system, phase 2, replace appliances, replace mailboxes, repair fencing, upgrade interior and exterior lighting and allow for floor replacement.	666,000
Lake City Commons	Target exterior repairs and paint.	40,000
Main Street Place	Replace appliances, upgrade interior and exterior lighting.	41,000
Market Terrace	Modernize elevator.	334,000
Martin Luther King Jr Apartments	Target exterior repairs and paint, repair or replace flooring.	150,000
Martin Luther King Jr Way 5	Upgrade units when vacant, repair stucco exterior of building.	26,000
Montridge Arms	Repair and replace exterior cladding, decks and windows, coat decks with elastomeric material.	650,000
Norman Street Townhomes	Replace roof, paint building exterior, replace garage door, repair exterior walls, upgrade units when vacant.	165,000
Rainier Avenue Apartments	Replace roof.	70,000
Ritz Apartments	Replace windows.	60,000
Spring Lake Apartments	Repair and replace decks.	150,000
Spruce Street Townhomes	Repair and replace roof, paint building exterior, repair parking lots and stripe, paint building exterior, replace mailbox.	157,000
Telemark Apartments	Upgrade bathroom fans.	20,000
Villa Park	Repair and replace leaking water pipes.	15,000
Weller Street Apartments	Replace all window trim, repair damaged siding, replace all sealing caulk, replace edge flashing on all roofs, replace posts to entry canopies, repair interior windows after replaced, repair concrete flatwork, repair plumbing, replace unit fans, repair or replace exterior trim and sealants, repair sidewalks, upgrade electrical outlets to GFCI.	465,000
Westwood Heights East	Repair or replace flooring.	56,000
Yesler Court	Repair or replace flooring.	10,000
Total CY 2021 Pooled Refinance Projects Subtotal		\$3,737,000

CY 2021 Limited Partnership and HOPE VI Capital Projects: Replacement Reserves

High Point South LP	Repair and replace fencing	\$48,000
New Holly I	Upgrade unit interiors, repair and replace flooring, repair parking lots and walkways.	131,000
New Holly II	Replace hydronic system pipes, upgrade unit interiors, replace appliances and repair or replace flooring.	225,000
New Holly III	Replace domestic water piping, upgrade unit interiors, replace boilers and hydronic systems in row houses, replace boilers, paint building exteriors, replace appliances, replace smoke and CO detectors, repair or replace flooring.	935,000
Rainier Vista I	Replace smoke and CO detectors.	22,000
LP homeWorks I	Replace and repair parking lot	40,000
LP homeWorks II	Paint interior common area at Center Park; upgrade interior and exterior lighting at University West.	65,000
LP homeWorks III	Upgrade interior and exterior lighting at Ross Manor.	35,000
Leschi House	Replace hot water tanks in original building.	7,000
West Seattle Affordable Housing	Repair parking lots and relocate garbage station.	30,000
Total CY 2021 LP and HOPE VI Capital Projects Subtotal		\$1,538,000

Total CY 2021 Other Funds Capital Budget **\$6,216,000**

Total CY 2021 Asset Preservation Program Capital Budget **\$21,310,000**

CY 2021 Opportunity Investments

The final funding level and projects for Opportunity Investment will be presented in the <i>2021 Adjusted Budget</i> .	\$15,100,000
Total CY 2021 Opportunity Investments subtotal	\$15,100,000

Total CY 2021 Asset Preservation Program and Opportunity Investments Capital Budget **\$36,410,000**

CY 2021 Redevelopment Projects

Hinoki	A full year of construction for Yesler's fifth new apartment building.	\$ 48,664,000
Sawara	Mixed-finance transaction close mid-year and construction starting immediately following.	39,000,000
Juniper	Predevelopment activities for the seventh Yesler apartment building include architectural, engineering, and permitting.	2,000,000
Yesler Terrace Former Records Site	Construction loan financing for Yesler Family Housing.	4,000,000
Jefferson Terrace	A half year of construction for LIPH property Jefferson Terrace.	7,000,000
Lam Bow Apartments	Nine months of construction for Lam Bow Apartments Redevelopment.	25,078,000
Infrastructure	Yesler Terrace infrastructure finished in first quarter 2021.	400,000
Total CY 2021 Redevelopment Capital Expenses		\$126,142,000

Total CY 2021 Capital Budget \$132,358,000

Total Overall CY 2021 Capital Expenditures \$162,552,000

GRANT PROGRAMS

GRANT PROGRAMS

The overall budget for agency grant expenditures in 2021 is \$1.3 million. The sources are a mix of new grants and 2020 underspend that will carry over into 2021. Grant summaries are provided below:

Seattle Housing Authority Grant Program CY 2021

Name	Total Award ³	Grant Period	2021 Expenditures (with any carryover) ⁴
Family Self Sufficiency	414,000*	2021	414,000
ROSS Service Coordinators Grant	738,000	2019-2022	246,000
SPACE/Seattle Community Investments	150,000	N/A	100,000
Gates Foundation CMTO Grant	3,939,817	2016-2021	577,600
TOTAL	\$5,241,817		\$1,337,600

Table 28: Grant Program Funding

In addition to the remaining and anticipated grants above, SHA has expiring grants and has applied for or is seeking funding from grant sources whose award outcome is uncertain or does not pass directly through SHA. These sources are not included in the \$1.3 million grant expenditure figure above.

³ Awards totals with * are anticipated awards.

⁴ Some of the amounts listed below include 2020 budgeted funds that were unspent and carried over for spending in 2020.

LIMITED PARTNERSHIP OPERATIONS

LIMITED PARTNERSHIP OPERATIONS

SHA expects to begin 2021 with eighteen tax credit partnerships that are component units, as defined by GAAP. "Component units" are legally separate entities for which the governing officials of the primary government (SHA) are financially accountable.

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

In approving the 2021 SHA Budget resolution, the Board of Commissioners will approve the draft partnership budgets and recognize that final budget approval rests with the limited partners. Below are the 2021 draft budgets that will be finalized in October and November of 2020 and will be submitted to the LP members for approval.

Hinoki and Lam Bow partnerships will remain in development throughout 2021 and are not included in the draft budget shown below. SHA started the exit process for Alder Crest in 2020, and the partnership is expected to dissolve in 2021 after the exit process is completed.

Table 29: Limited Partnerships -- Operations Budgets

Operations of Limited Partnerships where SHA is the General Partner

Name	Alder Crest	homeWorks Phase I	homeWorks Phase II	High Point South	homeWorks Phase III	South Shore	Lake City Court	Tamarack Place
First year of operations	2005	2007	2008	2008	2009	2009	2011	2010
Number of units	36	704	691	256	586	44	86	83
Rental Income	114,621	1,924,599	1,901,075	1,641,897	1,521,029	160,565	450,398	289,007
Operating Subsidy	-	3,042,994	3,109,193	113,838	2,848,262	-	299,967	303,094
HCV Subsidy	205,388	-	-	2,074,003	-	281,306	118,760	319,952
Other Income	(3,207)	265,253	315,606	49,670	181,691	3,203	16,415	20,014
TOTAL REVENUE	316,802	5,232,846	5,325,874	3,879,408	4,550,983	445,074	885,540	932,067
Administrative Expenses								
Salaries	40,856	534,386	543,037	166,820	471,486	48,521	81,802	69,466
Other Admin Costs	55,194	892,287	877,534	580,858	759,236	44,340	123,234	283,397
Utility Expense	58,254	994,374	1,049,778	621,242	891,231	54,996	172,357	149,951
Tenant Service	10,859	15,807	14,687	1,693	6,436	184	828	563
Maintenance & Repair								
Maintenance Salaries	-	-	-	288,964	-	-	89,232	74,137
Supplies	-	12,167	14,387	117,774	10,079	-	19,568	17,157
Contracts	86,727	1,688,208	1,745,636	225,104	1,515,739	81,335	89,638	50,904
General Administrative Exp								
Property Insurance	16,295	272,832	292,746	125,116	230,254	16,977	57,935	-
Benefits, Other	14,189	283,581	293,230	250,592	253,989	27,442	92,535	72,326
Financial Expenses	1,928	167,668	163,534	833,011	139,892	82,985	4,521	58,154
TOTAL OPERATING EXPENSES	284,302	4,861,310	4,994,569	3,211,174	4,278,342	356,780	731,650	776,055
NET INCOME (LOSS)	32,500	371,536	331,305	668,234	272,641	88,294	153,889	156,012

Operations of Limited Partnerships where SHA is the General Partner

Name	Rainier Vista Northeast	Leschi House	Kebero Court	Raven Terrace	Hoa Mai Gardens	NewHolly Phase I	West Seattle	Red Cedar	TOTAL 2021 LP BUDGET
First year of operations	2011	2015	2015	2015	2016	2016	2017	2019	
Number of units	118	69	103	83	111	305	204	119	3,598
Rental Income	559,601	247,662	378,668	404,306	692,840	2,078,227	1,113,445	678,985	14,156,924
Operating Subsidy	369,737	-	-	-	-	-	35,000	-	10,122,085
HCV Subsidy	501,138	512,547	967,697	562,689	893,490	726,651	933,858	1,112,262	9,209,741
Other Income	16,902	3,641	13,678	10,356	922	27,296	32,746	19,992	974,179
TOTAL REVENUE	1,447,378	763,850	1,360,043	977,351	1,587,252	2,832,174	2,115,049	1,811,239	34,462,928
Administrative Expenses									
Salaries	94,697	41,649	88,603	74,233	114,375	143,907	234,480	115,279	2,863,597
Other Admin Costs	195,906	85,413	138,917	124,608	158,671	383,971	223,655	161,675	5,088,896
Utility Expense	261,902	119,355	135,012	90,415	183,614	832,590	386,093	182,647	6,183,811
Tenant Service	364	1,500	1,851	1,051	2,000	3,946	-	2,000	63,769
Maintenance & Repair									
Maintenance Salaries	107,405	62,120	96,638	93,591	84,612	190,789	-	66,401	1,153,889
Supplies	28,859	9,442	19,807	16,510	11,010	105,597	4,787	31,196	418,340
Contracts	164,943	56,420	88,784	79,792	74,764	223,991	387,403	71,286	6,630,674
General Administrative Exp									
Property Insurance	68,745	35,891	53,349	46,541	90,511	208,531	100,000	97,825	1,713,548
Benefits, Other	103,306	51,695	101,507	92,793	90,998	174,355	93,068	98,824	2,094,430
Financial Expenses	121,297	176,110	378,468	205,392	516,445	259,918	301,078	633,828	4,044,229
TOTAL OPERATING EXPENSES	1,147,424	639,595	1,102,936	824,926	1,327,000	2,527,595	1,730,564	1,460,961	30,255,183
NET INCOME (LOSS)	299,954	124,255	257,107	152,425	260,252	304,579	384,484	350,278	4,207,745