



# Seattle Housing Authority 2023 Adopted Budget






**SEATTLE HOUSING AUTHORITY**

**2023 ADOPTED BUDGET**

Presented to  
SEATTLE HOUSING AUTHORITY BOARD OF COMMISSIONERS

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**SEATTLE HOUSING AUTHORITY**

**2023 ADOPTED BUDGET**

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## INTRODUCTION

The 2023 Adopted Budget contains all of Seattle Housing Authority's (SHA) Operating and Capital Budget sources and uses, including federal as well as local housing programs and enterprise activities for 2023. 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, 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 advantage to realize the purposes and the promise of the MTW demonstration and to effectively serve low-income people in the Seattle community.

## HOW THE BUDGET IS PREPARED

The Budget Office begins developing the budget each year in early spring by preparing forecasts for revenues and expenses based on projections of federal funding actions; forecasts about the economy; and estimates of cost changes for major expense items.

At a March annual Budget Retreat, the Executive Director and Cabinet review the Budget Office's initial forecast of the coming year's revenues and the cost increases to see how the cost of performing at current service levels for residents and participants compares to estimated revenues. The Budget Office then evaluates whether programs and positions scheduled to expire should be left to do so or be continued temporarily or permanently. Mid-year budget revisions are also considered. This process results in an adjusted "status quo" budget for each Department.

The Budget Office then solicits "add requests," both for operating funds as well as opportunity investment funds, or supplemental budget amounts for proposed new or expanded programs and positions, from the departments. The Budget Office evaluates these requests according to long-established criteria and contemporary agency priorities. The Executive Director and Deputy Executive Director review the Budget Office's add request recommendations, providing input and requesting additional information. SHA's Cabinet review the final Budget Office recommendations, and departments are given the opportunity to appeal any rejections.

Once approved department add requests are incorporated into the budget, the Budget Office then works to calculate and include internal fees for intercompany and external rent, Information Technology fees, and Finance and Accounting overhead fees.

In parallel with the Operating Budget, the Budget Office works with other Departments on three other components of the annual Budget: Capital Preservation; Information Technology Capital Projects and the Development Budget. The Budget Office establishes any MTW revenues for each of these elements and coordinates with the Departments on levels of non-MTW revenues. For development projects, the Budget Office reviews sources and uses and projected expenditures for the coming year. The Budget Office plays the overall role of balancing the total budget and negotiates fund proposals on these three elements of the Budget for inclusion in the annual budget with the Operating budget.

SHA publishes the Moving to Work (MTW) Proposed Annual Plan for 2023 and the 2023 Proposed Budget Summary at the end of summer 2022. They are available online at [www.seattlehousing.org](http://www.seattlehousing.org) for public review and are open for comment until September 30, 2022. A public hearing is held in mid-September as part of the public comment process. The Executive Director will present this 2023 Proposed Budget Book to the Board of Commissioners following conclusion of the public comment period.



## OVERVIEW OF THE 2023 SHA ADOPTED BUDGET

The 2023 Seattle Housing Authority (SHA) Adopted Budget recommends total expenses of **\$416.4 million**, with the Operating Budget at **\$124.3 million**; Housing Assistance Payments (HAP) at **\$157.8 million**; Grants at **\$2.9 million**; the Capital Budget at **\$24.8 million**; Opportunity Investments at **\$20.1 million**; and the Redevelopment Budget at **\$86.5 million**. The total 2023 Adopted Budget is greater than the total 2022 Adopted Budget by **\$31.4 million** or **8.2%**.

The total **Operating Budget** of the 2023 SHA Adopted Budget — Operations, HAPs, and Grant support — is **\$285.1 million**, which represents **68% of the total Adopted Budget** and reflects a **6.8% increase over 2022**.

The total adopted **Capital Program**—Capital Preservation, Non-Routine, Opportunity Investments, and Redevelopment Expenditures—is **\$131.4 million** or **32% of the total Adopted Budget** and reflects an increase of **11.3% compared to 2022**.

Capital Preservation and Non-Routine budgets are adopted to increase by 10.2% over the 2022 funded level. The highest priorities in the Capital Preservation program in 2023 are elevator replacement and repairs; interior upgrades; heating and ventilation improvements; roofing replacements and repairs; and electrical system improvements.

Opportunity Investments (OI) total \$20.1 million in the adopted 2023 Budget; this represents an increase of \$0.56 million over the 2022 OI projects. Opportunity Investments were started in 2019 with the incremental funding increase included in the 2018-2019 Congressional Bipartisan Budget Act. Since then, SHA has generally maintained OI projects at \$15 to \$20 million annually, except for 2021, when only one OI project (Jefferson Terrace Rehab at \$8.5 million) was funded, and the remainder of the funds was devoted to program set-asides addressing COVID-19 impacts and service needs for residents and voucher households. For 2023, SHA provides funding for eleven OI Projects; see the summary included on pages 11 through 16.

The Redevelopment Budget for 2023 totals \$86.5 million, an increase of \$10.4 million or 13.7% more than 2022 due to changes in construction phases from financing to completion of each project under development. Yesler construction activities will decrease in 2023 with one fewer project in redevelopment. Sawara will be in the second year of construction in 2023 and Juniper will begin construction in mid-2023. Yesler redevelopment expenditures are projected to be \$4.8 million less in 2022. Two other major projects are underway in 2023: Jefferson Terrace and Lam Bow Apartments which is scheduled for completion in late 2023. These two projects represent the \$16.7 million increase in redevelopment in 2023. Jackson Park Village will be in the planning and design phase in 2023.

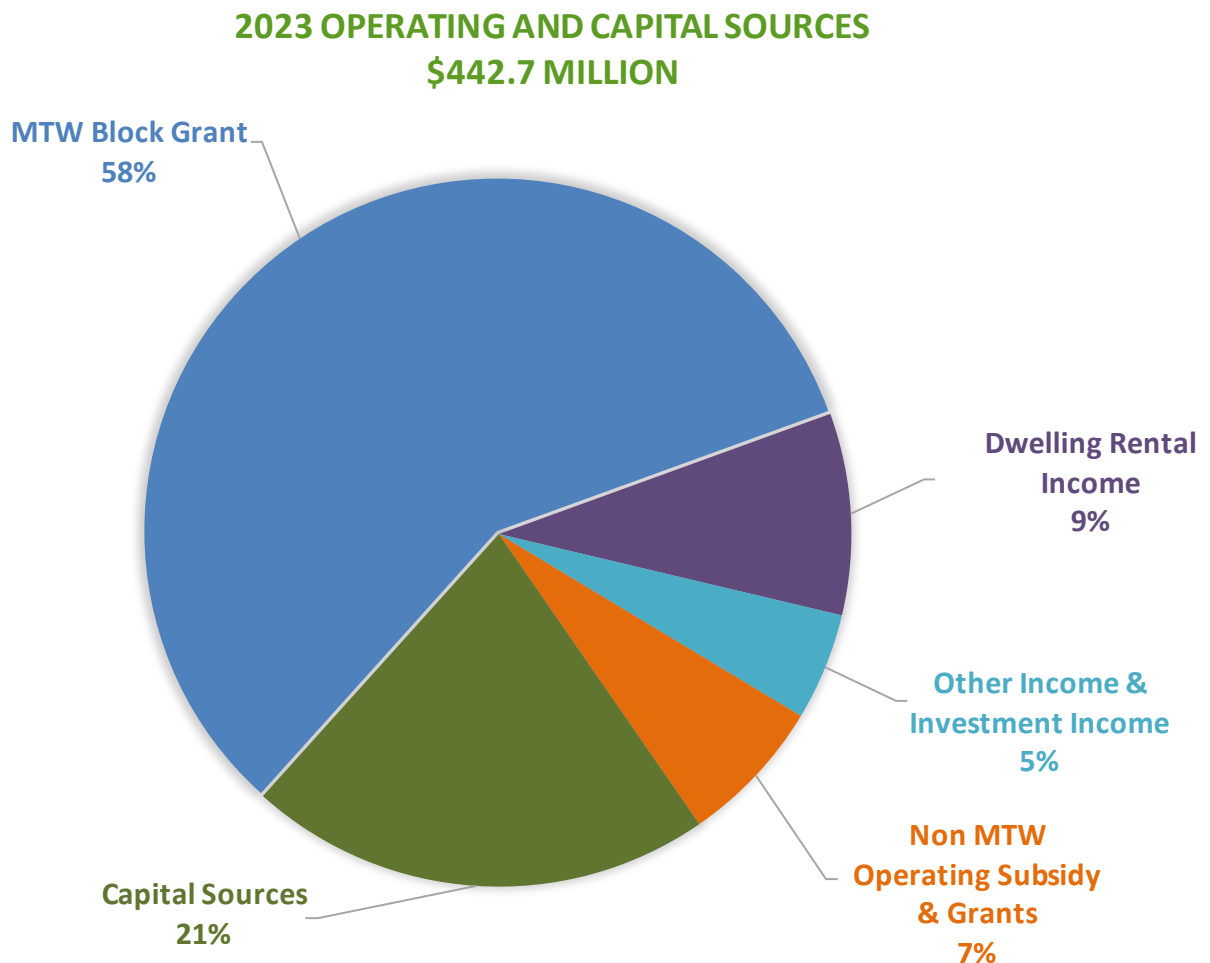
The adopted SHA staff level, including operating and capital positions, will total 696.0 full-time equivalents (FTEs) in 2023, an increase of 39.4 FTEs compared to FTEs in the 2022 Budget. The 2023 Opportunity Investment Programs include 35.5 Project FTE's that are temporary positions for the life of the project. Please see the Consolidated Budget section of this document for more detail.

SHA's highest priorities are expanding affordable housing opportunities and choices, promoting quality communities (including housing stock maintenance and updates) and improving quality of life for the individuals and families SHA serves. SHA plans to advance these priorities as highlighted in the adopted 2023 budget.

## SOURCES OF FUNDS

The chart below represents SHA's main funding sources. The HUD MTW Block Grant continues to be SHA's single largest source of funds, it totals \$255.8 million, or 58% of total sources. Non-MTW capital and redevelopment sources total \$94.3 million, or slightly more than 21% of sources while Non-MTW operating subsidy and service grants provide \$29.9 million, or 7% of total sources. Rental income is another major source of funding at \$40.9 million and 9% of sources and all other income and investments is the remaining category, providing \$21.8 million or 5%.

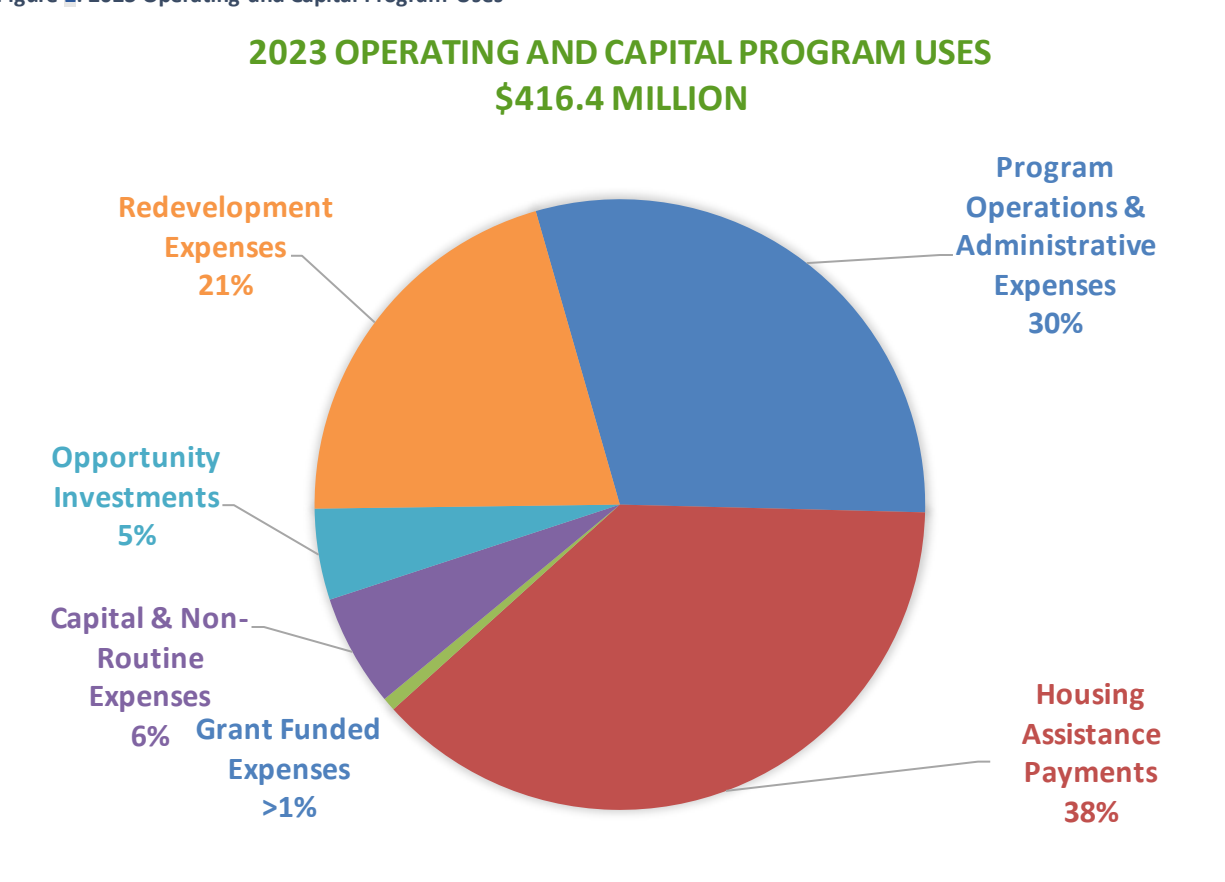
Figure 1: 2023 Operating and Capital Program Sources



## USES OF FUNDS

The chart below displays SHA uses of funds by major category. SHA's largest program expenditure at \$157.8 million, or 38% of total uses is the Housing Assistance Payments. When combined, redevelopment projects, capital, and Opportunity Investments provide \$131.4 million or nearly one third of total uses. Program Operations and Administrative budget for Low Income Public Housing, the Seattle Senior Housing Program, Local Housing, Rental Assistance, and other operating and service grant programs total \$127.2 million, and represents the remaining uses.

Figure 2: 2023 Operating and Capital Program Uses



## NAVIGATING THE BUDGET: WHAT'S IN THIS DOCUMENT?

The budget is presented in the following sections:

### **2023 Highlights**

In this first section of the Budget Book, Seattle Housing Authority (SHA) presents its Multi-Year Initiatives, Opportunity Investments approved to begin in 2023, and Services to SHA Tenants supported by 2023 projects and positions. SHA's highest priorities include expanding affordable housing opportunities and choices, promoting quality communities (including housing stock maintenance and updates) and improving quality of life for the individuals and families SHA serves.

### **Department Budgets**

This section contains departmental information on adopted 2023 expenditures and on changes in staffing levels from 2022 to 2023. Budgets for each department and major sub-divisions are presented, along with highlights of their 2023 work plans. Departments and groups which comprise SHA are Executive; the Office of Policy and Strategic Initiatives; Development; Housing Finance and Asset Management; Finance and Administrative Services; Information Technology; Housing Operations; Human Resources; and the Housing Choice Voucher Program. The department operating budgets exclude all limited partnership operating revenues, expenses, and unit count information, except for the Leschi House and Jefferson Terrace Limited Partnerships. The homeWorks I, II, and III groups are also listed in the operating budget for Low Income Public Housing. They are no longer listed as Limited Partnerships because they are expected to exit the partnerships in 2022. Preliminary budgets of all limited partnerships are presented in the last section of this Budget Book.

### **Grant Programs**

SHA has consistently and successfully competed for grant funding from HUD, other public agencies, and private foundations to support resident services and programs. This section summarizes grants that are currently active and presents a table of grant-funded expenditures expected in 2023.

### **Capital Program**

This section describes SHA's plans for asset preservation for SHA's housing portfolios and facilities, redevelopment, and rehabilitation projects. In 2023, redevelopment and rehabilitation activities continue in the Yesler neighborhood and Lam Bow and expands to Jefferson Terrace. This section also summarizes the Opportunity Investments SHA will make in 2023.

### **Limited Partnerships**

The Low-Income Housing Tax Credit program is the principal source of funds for development of new low-income housing units and for major rehabilitation of existing units. Tax credit benefits to investors are exchanged for equity investment by private firms or syndications in partnership agreements with housing authorities. Limited Partnerships are formed to take advantage of federal law and Internal Revenue Service (IRS) regulations allowing the private parties to invest in affordable housing through the purchase of low-income housing in exchange for tax benefits. In all SHA's cases, SHA has been the developer, general partner, and managing agent for the limited partnership.

In 2023, SHA will serve as the General Partner and Managing Agent for seventeen Limited Partnerships (LPs) formed to invest in, own, and manage rental housing in mixed-income communities. Fourteen of these LP's are already in operations while two communities will be under construction and one additional community is expected to close in 2023.

# 2023 BUDGET HIGHLIGHTS

## MULTI-YEAR INITIATIVES UPDATED

SHA's 2023 budget proposal continues the momentum of Yesler Redevelopment and SHA's multi-year commitment to serve more people through affordable housing development and preservation, and by implementing program initiatives based on the best data and practices to make a difference in the lives of SHA residents and participants. Following an update on Yesler Redevelopment progress expected in 2023, several capital and program initiatives are featured below.

### Yesler Redevelopment

Yesler Redevelopment continues in 2023 with resident services focused on education, health, and workforce development programs, as well as construction of affordable housing serving low-income residents plus mixed-income rental units developed by the private sector. Here is what to expect in 2023 for housing development:

- ❖ *Sawara*: Yesler's sixth new apartment building will have 114-units consisting of 50 replacement units and 64 tax credit units at 60% AMI, including 1, 2, 3 and 4-bedroom apartments. Building construction started in late 2021 and will continue to Fall/Winter 2024. Sawara is participating in the Seattle City Light Exemplary Building Program which explores new technologies and practices to enhance energy efficiency of the building. Building features will include ultra-efficient hot water heat pump systems that reduce CO2 emissions and improved air filtration systems.
- ❖ *Juniper*: The seventh and final new apartment building is planned to start construction in Q2 of 2023. The 93-unit building will consist of 39 replacement units and 54 units all at 60% AMI. The proposed unit mix includes 1, 2, 3 and 4-bedroom units.
- ❖ *Market Rate Housing with Affordable Units*:
  - Other Yesler private partner developments under construction in 2023 include:
    - ✓ Su Development - one of two high-rise buildings along Yesler Way and S. Washington Street when completed will create 350 units to include a mix of market rate and 80% AMI units;
    - ✓ Vulcan Real Estate – Wayfarer, a 262-unit project consisting of a mix of market rate and 80% AMI units located on Yesler Way and Boren Avenue;
    - ✓ Vulcan Real Estate – Cascara, one of two buildings at Broadway Avenue and Alder Street, a 345-unit project with market rate and 80% AMI units; and
    - ✓ Mack Real Estate Group on S. Washington Street, a 200-unit project with a mix of market rate and 80% AMI units.
- ❖ Non-residential projects:
  - Yesler private partner Office/Medical/Commercial development under construction in 2023 include:
    - ✓ Northwest Kidney Center - a 37,570 SF dialysis center on Block 7 north at Alder Street.

## Yesler Services Legacy

The Choice Neighborhood Grant from HUD provided seed funding for the redevelopment of Yesler, included funding for the provision of services to Yesler residents during the grant period, and provided incentives for SHA to commit to sustaining health, employment, education, and other services after the grant period ended. During the grant period, SHA provided an average annual budget for services of \$400,000 to \$600,000. SHA has been committed to sustain approximately this service level into the future by dedicating an initial corpus of funds that, when invested, could sustain a comparable funding stream to support the service needs of low-income residents of Yesler, as they might change over time.

In 2021, the Board of Commissioners approved a resolution to dedicate approximately \$15 million from Yesler land sales proceeds to provide the corpus to sustain Yesler services. The Resolution also outlined a process for selection of an entity that could be entrusted with the responsibility of fulfilling SHA's commitment to establish a sustainable funding source for Yesler services at an ongoing annual level of \$400,000 to \$600,000 a year. SHA Administration conducted a solicitation that produced potential partners to perform as steward of the funds and administrator of the initial phase of services. SHA and legal counsel are currently engaged in negotiations to establish the legal structure and terms of relationships for creating the *Yesler Services Legacy*. We expect to bring a final proposal to the Board of Commissioners in the first half of 2023.

## Lam Bow Rebuilding and Expansion

Construction of the new 82-unit Lam Bow Apartment building began in mid-2021. The 4-story wood-framed building will be a mix of 1, 2, and 3-bedroom affordable housing units. The 18-month construction project, delayed by a concrete strike, is scheduled for completion in Q3 of 2023. This new, single-building design will add 31 apartment units to the original property unit count.

## Jefferson Terrace

The rehabilitation of the Jefferson Terrace high-rise is a two-year project with upgrades planned for unit interiors, common areas, and infrastructure. Financing is projected to close in late Summer of 2022. The rehabilitation will upgrade the 6<sup>th</sup> floor entry by making the front desk area more accessible and approachable and improve management visibility of the lobby and front entry. The laundry room, which is currently located on the 1<sup>st</sup> floor, will be moved to the 6<sup>th</sup> floor to improve accessibility. The community room will be upgraded with new flooring, acoustic enhancements, new furniture, TVs, and improved lighting. The computer room will be upgraded, and new equipment will be installed.

The rehabilitation project scope includes replacement of sewer and domestic plumbing, mechanical and HVAC repairs and replacement, a new roof, repairs to exterior walls, and new energy recovery ventilation system. In the units, the project upgrades include replacement of toilets and sinks in bathrooms and sinks and appliances in the kitchen. In February of 2021, the project scope of work was expanded to include the necessary work of radiator pipe replacement, window replacement, and unit flooring asbestos abatement.

## Emergency Housing Vouchers

The Seattle Housing Authority was awarded 498 Emergency Housing Vouchers (EHV) in 2021 following President Biden's signing of the American Rescue Plan. Those eligible for these tenant-based vouchers are individuals or families who are (1) homeless; (2) at risk of becoming homeless; (3) fleeing domestic or date violence, sexual assault, stalking or human trafficking.

HUD requires local Housing Authorities with authorized EHV's to enter an agreement with the local Continuum of Care homeless coordinating agency to assist qualified families and individuals through a direct referral program to the local Housing Authority for issuance of vouchers. The program also provides the Housing Authority with funds to assist the clients with their housing search and moving costs and provides incentives to landlords to lease to EHV clients. Finally, the EHV's may be issued and reissued from program inception in July 2021 until September 30, 2023, after which no returned vouchers may be reissued. All funding for the EHV program for its life (estimated to be nine years to 2030) has been appropriated and no additional appropriations are expected; thus, annual renewal of EHV's will continue as long as the already appropriated funds are available.

SHA staff are in the process of issuing Emergency Housing vouchers and providing landlord supports in addition to housing search/move-in supports for EHV holders. SHA expects to fully utilize all EHV vouchers by year end 2022. This program is an opportunity to serve a group of people that struggles to find long term housing and allows SHA to coordinate with our partners to get a better understanding of the landscape of homelessness in Seattle.

## **2023 OPPORTUNITY INVESTMENTS**

Opportunity Investments (OI) generally arise out of innovative ideas presented by staff or suggested by residents in the Budget Survey for consideration during the budget process. They often reflect existing objectives, like serving more people, advancing race and social justice, or addressing priorities raised by residents. OI's might also provide resources to fill a gap in financing a one-time activity, or investments to modernize SHA equipment or facilities. Additionally, SHA uses OI's to pilot or demonstrate programs. In some cases, Opportunity Investments reflect concrete plans, and in other cases, they are concepts for which funds are set aside, as further design and definition are needed before they are ready to implement. Below are the eleven Opportunity Investments funded in SHA's 2023 Adopted Budget.

### **Tracking & Improving the Physical Condition of SHA Properties – Contribute \$4.1M (5 FTE)**

Asset Management proposes that SHA undergo an intensive process to improve exterior building conditions in the Low Income Public Housing (LIPH) and Scattered Sites portfolios and eliminate lead-based paint, an important safety improvement for residents. This project represents an inter-departmental effort, bringing Asset Management and Housing Operations together to improve SHA building quality. Maintenance and coordination staff will be hired for the duration of the project, which is scheduled to take five years to complete. Along with continuous work to address urgent repairs and lead-based paint abatement, the first year will be spent finalizing improvement plans, developing tracking systems, and securing consultants to ensure the work is in line with federal Housing and Urban Development (HUD) regulations and inspection requirements. Over the course of the five-year timeline, tracking systems will be maintained, and HUD requirements will be met or exceeded.

### **Public Housing Rehabilitation and Financial Stability – Contribute \$1M (1 FTE)**

Over the course of three years, SHA plans to conduct an evaluation to identify options for increasing long-term financial stability for the LIPH Highrise communities, addressing capital and operating needs, as well as environmental sustainability. This proposal is an opportunity to analyze the long-term viability of the LIPH Highrise portfolio. By fully understanding and assessing the risks and benefits of pursuing different HUD programs, SHA could leverage additional financial resources towards both the properties and the agency. The assessment and prioritization of the building's capital needs will be a pillar of this research. The results of the research and engagement with internal and external stakeholders will be compiled into a proposal to develop a menu of feasible financing options for each property within LIPH. To administer this work, SHA will hire an Asset Manager, bring on consultants, and fund feasibility assessments.

### **Security Consultant and Security Plan Implementation – Contribute \$1.95M**

The 2023 Resident Budget Survey showed that SHA residents are concerned with the increased security issues that have been rising across the city since the start of the COVID pandemic. In response, SHA will increase funding of private security by 2.5 times to enhance resident safety. At the same time, SHA will continue discussions with the City to reestablish community police team support of residential properties. Additionally, a consultant with expertise in law enforcement and community policing will be brought on to plan and implement strategies to enhance safety in our communities. This investment covers three years of security and consultant services through year end 2025. Further needs will be identified and addressed with the help of the consultant.



### **Pathway to Permanent Supportive Housing – Contribute \$200,000**

Some of our residents require a higher level of care than SHA can provide, especially given the effects of the COVID pandemic. SHA will hire a consultant to identify options for creating a pathway to permanent supportive housing, where they can receive the higher level of care they need and remain stably housed.

### **Youth and Education Coordinators in Family Communities – Contribute \$2.4M (5 FTE)**

Residents indicated in the Budget Survey that youth and children services should be emphasized in the 2023 budget. Given resident interest and the growing youth populations in the family communities, SHA proposes piloting a new staffing structure that will increase staff presence in Yesler, High Point, Rainier Vista, and New Holly. Each of these communities will have one Youth- and one Education-Engagement Coordinator, each reporting to central Youth- and Education-Specialists. As a team they will work to encourage school attendance and graduation into post-secondary education, as well as participation in safe, healthy activities outside of school. This represents an expansion of an existing body of work, however instead of each staff person working individually within their communities, this change will allow for more coordination among communities. The Youth- and Education-Specialists will design programming while coordinators implement within the communities. SHA will evaluate the success of this expansion to ensure the investment has a positive impact in our communities.

### **Housing For Returning Citizens – Contribute \$3.2M**

SHA proposes an investment in the development and implementation of a five-year pilot program to annually serve up to 30 households of citizens returning to their communities after incarceration. A landscape review of housing resources available to returning citizens showed that housing options are in short supply, frequently short term, and highly targeted to specific needs. The pilot will help prevent homelessness for a highly vulnerable population while they seek long term housing stability by providing bridge housing and case management. This pilot aligns with SHA's organizational cornerstone of Race and Social Justice and will help determine how we can better serve returning citizens to prevent homelessness.

### **Rent Payment Reporting for Tenant Credit Scores – Contribute \$540,000 (1 FTE)**

Many SHA residents are credit invisible. Good credit increases access to business loans, car loans, insurance products, and non-subsidized housing, but the only way to build credit is to have credit. As a large landlord for households with low incomes and little or no credit, SHA has the unique opportunity to report rental payments to credit bureaus, which will result in a reduction in credit invisibility and increased credit scores for tenants regularly meeting their rent obligations. Over three years, this pilot will serve 100 individuals in SHA owned/managed housing to build credit.

### **IT Training and Mentorship Intern Program – Contribute \$530,000**

The Information Technology department, in cooperation with Human Resources and JobLink, will administer a three-year internship program with mentorship and training opportunities especially for BIPOC and low-income students without college-level training in IT. In line with SHA's equity values, this program will create a pipeline of diverse talent for future IT job opportunities and facilitate learning and job-training for people who are underrepresented in the IT industry.

## COVID Deferred Maintenance– Contribute \$3.4M (10 FTE)

Working in tandem with the Tracking and Improving SHA Property Conditions OI above, this body of work will focus on performing in-unit maintenance that was postponed due to the COVID pandemic, as well as maintenance needs that went unreported over the past two years. The 2023 Resident Budget Survey indicated that residents are interested in improvements to unit interiors, and this investment represents one part of SHA’s commitment to respond to resident needs. Maintenance staff will be hired to work solely on in-unit maintenance to catch up on the backlog and identify and remedy unreported maintenance issues. This work was started in the garden communities of the HOPE VI portfolio, and the staffing model proved to be highly efficient. Because they are not being pulled away for other tasks, staff were able to double the average rate of productivity. SHA will continue to use this model to move through the COVID maintenance backlog quickly, finishing work in 2025.

## Buy Up Program - Contribute \$2.5M

In 2019, SHA began approaching non-profit housing developers with the notion to pay them with non-federal funds, the cost differential for SHA to convert existing developments’ overrepresented studio and 1-bedroom units into 2 and 3-bedroom units. The program has been successful and cost-effective at achieving greater bedroom size diversification in low-income housing that provides more families with subsidized housing options. SHA has previously put \$3.5 million towards these partnerships with affordable housing developers to convert existing smaller units using non-federal dollars. The \$2.5 million is designed to fund unit conversion in another one or two buildings.

## Digital Equity Evaluation – Contribute \$200,000

In 2022, SHA was awarded grants totaling \$5.4 million from the Washington State Broadband Office to hire Digital Navigators (13.5 FTE), purchase and distribute laptops and other computing devices to residents. The grant period will end mid-year 2023, and SHA will conduct an evaluation of the work completed to assess the strengths and areas for improvement in our work. The results of this evaluation will help determine future strategies for advancing digital equity among our residents.

Table 1: 2023 Term-Limited Opportunity Investment Staffing Levels

<b>Program Element</b>	<b>Adopted FTE’s CY 2023</b>
Housing Operations	32.5
Housing Finance and Asset Management	2.0
Administrative Departments <sup>1</sup>	1.0
<b>Total</b>	<b>35.5</b>

<sup>1</sup> “Administrative Departments” are Human Resources, Finance and Administration, Information Technology, Development, Executive, and the Office of Policy and Strategic Initiatives.

## SERVICES HIGHLIGHTS— RESIDENTS AND/OR VOUCHER-HOLDERS

A critical priority for SHA is improving the quality of life for people we serve. Below are highlighted key elements and new investments of tenant services in the following areas: Housing Quality, Housing Stability, Economic Opportunity, Health Services, Race & Social Justice Equity, and Capital Projects. Since many of these new investments serve more than one of these categories, initiatives that serve multiple purposes have been cross-referenced and listed under the last bullet of each of the five categories.

### Housing Quality

- ❖ COVID Deferred Maintenance (OI) - \$3,458,436 – IPS will hire maintenance mechanics, solid waste laborers, and maintenance technicians to address the backlog in routine, in-unit, and in common area maintenance due to COVID-19's 15-month pause in performing non-emergency maintenance. The estimated number of backlogs is over 17,000 work orders and the maintenance mechanics will work on this backlog in both low-income public housing and HOPE VI buildings.
- ❖ Higher Capacity for Housing Inspections Team - \$101,500 – As more units are opening for lease-up and as SHA returns to annual inspection of units after initial COVID precautions, SHA will expand the inspections team. With more capacity, the team can more quickly and effectively ensure all units meet quality standards.
- ❖ Maintenance Manager - \$170,000 – Building on the success of this position in improving housing conditions in the family communities, SHA is making an ongoing investment in community and building maintenance by converting this position to ongoing. The Maintenance Manager has coordinated garbage removal and managed the return to in-unit maintenance and repairs after initial COVID precautions.
- ❖ Also Supporting Housing Quality:
  - Public Housing Rehabilitation and Financial Stability (OI)
  - Private Security and Security Consultant (OI)
  - Tracking and Improving the Physical Condition of SHA Properties (OI)

### Housing Stability

- ❖ Pathway to Permanent Supportive Housing (OI) - \$200,000 – In an effort to support tenants who need a higher level of care, SHA will explore ways to create a pathway from typical subsidized housing to supportive housing. In this way, tenants who pose a threat to themselves or others can receive the higher level of care they need without gaps in housing.
- ❖ Third Party Mediation - \$150,000 – SHA will continue to work with a mediation agency to mediate issues that threaten resident housing stability, including non-payment of rent and other lease violations, and helping to resolve issues between neighbors or between residents and staff. The agency also provides SHA staff trainings to improve skills in negotiation, conflict resolution, and de-escalation.
- ❖ Vouchers for Former Foster Youth – SHA applied for 75 more vouchers for former foster youth (FUP/FYI vouchers) that offer this vulnerable group of people housing for three years while they transition to longer term housing. Per HUD regulations, the voucher can be extended to five years if

the voucher holder gets involved with Family Self-Sufficiency programs, which are administered through SHA's JobLink program.

- ❖ Also Supporting Housing Stability:
  - Housing for Returning Citizens (OI)
  - Mixed Family Rent Simplification
  - Clutter Coordinator
  - Behavioral Health Services for Adults and Youth

## Economic Opportunity

- ❖ IT Internship and Mentorship Program (OI) - \$530,000 – The above-mentioned OI will help the agency to achieve its goal of diversity at all levels. The program will present training opportunities and a pathway to entry-level work in IT, especially for BIPOC and low-income students without college-level training in IT.
- ❖ Rent Reporting for Tenant Credit Scores (OI) - \$542,000 – SHA will pilot a program in which rental payments will be reported to credit bureaus, which will result in a reduction in credit invisibility and increases in credit scores. Over three years, this pilot will serve 100 individuals in SHA owned/managed housing to build credit. Higher credit scores open doors to better jobs, small business loans, home ownership, and other important economic opportunities.
- ❖ Ongoing Digital Equity Staff - \$61,600 – Digital equity is a growing area of interest for grantors. SHA will convert a temporary position to an ongoing staff role to further our commitment to digital equity by seeking out further grant funding to continue this work. In 2022, SHA was awarded grants totaling \$5.4 million to purchase and distribute computing equipment to households, sign residents up for the federal Affordable Connectivity Plan, and build digital literacy skills through resident trainings. This complements work to include Wi-Fi access in family community buildings funded by the 2022 BIPOC Equity Opportunity Investment project.
- ❖ Also Supporting Economic Opportunities:
  - Career Coach Supervisor for JobLink - \$66,375
  - Client Engagement Coordinator - \$65,625

## Health Services

- ❖ Culturally Competent Behavioral Health Outreach - \$961,531 – SHA is continuing to invest in resident health and safety, working with community partners to offer residents de-escalation, crisis support, and case management referrals. In 2023 we will continue offering on-site office hours begun in 2022 to serve residents in selected LIPH communities. SHA works with two partners, including Sound and Southeast Youth and Family Services, the latter of which offers Black residents with culturally competent services.
- ❖ Case Management Services - \$300,000 – SHA will continue an interlocal agreement with City of Seattle Human Services Division and the Aging and Disability Services group for case management in the LIPH and SSHP communities. These funds provide three to four office hours per week in each building served and allows our residents to access publicly funded health and social services.
- ❖ Clutter Coordinator - \$116,750 – The Clutter Coordinator was extended for another year to work in tandem with the hoarding contract set to expire at year end 2023. Residents have been supported in keeping their premises clean and in compliance with their lease. The Clutter Support Coordinator is trauma-informed trained and coordinates with service provider partners, non-profit agencies, city

services, and SHA to assist residents with needs related to high clutter and hoarding. The Clutter Coordinator serves as the primary coach to support tenants with the mental, emotional, and physical preparation for high clutter treatment.

- ❖ Also supporting Health Services:
  - COVID Clinic Interpretation and Translation Services - \$5,000
  - Pathway to Permanent Supportive Housing (OI) - \$200,000

## Race and Social Justice Equity

- ❖ Housing for Returning Citizens (OI) - \$3,235,000 – To support housing stability, SHA will use its MTW authority to create a pilot program that will supply vouchers and case management services to prevent homelessness for citizens returning to their communities after incarceration. These vouchers will subsidize bridge housing for formerly incarcerated people, a population known to be disproportionately BIPOC men.
- ❖ Mixed Family Rent Simplification - \$191,200 – Currently federal guidelines designate a lower voucher subsidy for families with mixed citizenship status. SHA will change its MTW plan to provide more housing subsidy to these households, so they receive the same level of subsidy as non-mixed status families.
- ❖ SHA Affinity Groups - \$16,500 – SHA staff have been engaging in anti-racist work through Affinity groups, in which staff can build relationships to create a safe and welcoming work environment for staff of color, as well as learn to better serve our diverse population of residents. In 2023, SHA will fund Affinity Groups to expand their work. Groups can use the funds for speakers, attending conferences, purchasing learning materials, and team building activities and events.
- ❖ Also Supporting Race and Social Justice Initiatives:
  - Digital Equity Strategic Advisor - \$61,600
  - Youth and Education Coordinators - \$2,400,000 (OI)
  - IT Intern and Mentorship Program - \$530,000 (OI)

## Capital Projects Serving Residents

- ❖ SHA will continue to support residents by maintaining and upgrading buildings through capital projects. The top investments will include:
  - Elevator Replacements and Repairs
  - Building Interior Upgrades
  - Heating and Ventilation Improvements
  - Roofing Replacements and Repairs
  - Electrical System Improvements

## CONSOLIDATED BUDGET

The following summary presents the adopted operating and capital budgets for Calendar Year (CY) 2023 in comparison to 2022 for all housing programs and business activities. It also describes changes in staffing levels from the 2022 Adopted Budget to the adopted 2023 Budget.

### CY 2023 ADOPTED BUDGET

Table 2: 2023 Adopted Budget

	CY 2022 Adopted Budget	CY 2023 Adopted Budget	Percent Change
Program Operations and Administrative Expenses	115,628,000	124,299,000	7.5 %
Housing Assistance Payments (HAP)	149,954,000	157,814,000	5.2 %
Grant-Funded Expenses	1,339,000	2,948,000	120.2 %
Capital & Non-Routine Expenses	22,474,000	24,775,000	10.2 %
Opportunity Investments	19,542,000	20,108,000	2.9 %
Redevelopment	76,064,000	86,475,000	13.7 %
<b>Total Expenses</b>	<b>385,001,000</b>	<b>416,419,000</b>	<b>8.2 %</b>

Table 3: 2023 Operating Staffing Levels

Program Element	Adopted FTE's CY 2022	Adopted FTE's CY 2023	2022 to 2023 FTE Change
Housing Operations	401.5	430.0	28.5
Housing Finance and Asset Management	40.9	41.9	1.0
Housing Choice Voucher Program	78.0	85.5	7.5
Administrative Departments <sup>2</sup>	136.2	138.6	2.4
<b>Total</b>	<b>656.6</b>	<b>696.0</b>	<b>39.4</b>

### Overview

The adopted 2023 combined operating and capital budget totals **\$416.4 million** and is **\$31.4 million** or **8.2%** higher than the 2022 Adopted Budget. This year-to-year increase is predominantly the result of increased redevelopment activity and COVID recovery and pandemic-induced changes, such as greater onsite property management presence, private security needs, maintenance and repair backlogs, higher utility costs, capital catch-up from in-building projects being deferred during COVID.

Program Operations and Administrative Expenses increase by 8.7 million or by 7.5% over 2022. Housing Assistance Payments increases by 7.9 million, a 5.2% increase over 2022. Grant-funded Expenses experienced the greatest year-to-year increase of 1.6 million or 120% for the remainder of the Washington State Broadband Office (WSBO) digital equity grant term. Capital and Non-Routine Expenses

<sup>2</sup> "Administrative Departments" are Human Resources, Finance and Administration, Information Technology, Development, Executive, and the Office of Policy and Strategic Initiatives.

increased by 2.3 million or 10.2%, Opportunity Investments increased by 0.6 million or 2.9% and Redevelopment by 10.4 million or 13.7% over 2022. For more detail on each of these Table 2 line items, please see the corresponding sections below.

Adopted 2023 full-time equivalent (FTE) regular positions is a 39.4 increase to 696 from 656.6 in 2022. Housing Operations added 28.5 net FTE, many of which were added for COVID deferred maintenance and other IPS maintenance. Central Housing operations, Inspections, and JobLink also added FTE. Housing Choice Vouchers added a net of 7.5 FTE from 2022 to 2023. Only 0.5 FTE were added during the 2023 budget process, a customer service specialist, while the remaining 7 were added mid-year 2022 for the EHV program. Housing Finance and Asset Management increased by 1.0 FTE of a Project Construction Project Manager. These FTE additions will assist SHA to match increased workloads for departments and fulfill established goals.

## PROGRAM OPERATIONS AND ADMINISTRATIVE EXPENSES

SHA's Program and Administrative expenses include all operating salaries and benefits; administrative costs; operating expenses and equipment; tenant services; building maintenance, professional and service contracts; and utilities. In 2023, these expenses collectively are set to increase by a net of \$8.7 million or 7.5% over the 2022 Adopted Budget. This increase primarily results from additional onsite property management and maintenance staffing positions, added housing choice voucher personnel, and inflation on current expenses. Some of the increases are offset by expiring program adds from prior years.

### Housing Assistance Payments

The adopted 2023 Housing Assistance Payments (HAPs) budget is \$157.9 million and encompasses two major components: Moving to Work Voucher (MTW) HAPs, at \$130.9 million, and Special Purpose Voucher (SPV) HAPs, at \$27.0 million. The adopted 2023 MTW HAPs budget include all SHA's MTW vouchers with a total budgeted cost at \$130.9 million. Within the adopted 2023 SPV HAPs budget are several SPV programs: Veterans Affairs Supportive Housing at \$5.0 million, Family Unification Program at \$5.4 million, Mainstream at \$3.4 million, Rental Assistance Demonstration at \$4.5 million, Moderate Rehabilitation at \$1.4 million, as well as the temporary Emergency Housing Vouchers (EHV) at \$7.1 million. The 2023 forecast does not include additional Special Purpose Vouchers applied for in 2022, or any allocation of new MTW HCV vouchers authorized by HUD in 2022.

In 2023, SHA will have 10,352 authorized MTW vouchers (including 92 Golden Sunset Apartments conversion vouchers, 99 Bayview Tower conversion vouchers, 50 Weller Apartments conversion vouchers, 117 M L King Jr. Apartments conversion vouchers, and 14 Chateau conversion vouchers) and 2,085 authorized Special Purpose vouchers (including 498 temporary Emergency Housing Vouchers). The adopted 2023 HAP budget anticipates MTW full-year utilization to remain elevated at nearly 9,938 vouchers, or 96%, and SPV full-year utilization at 1,929 vouchers, or 92.5%. This SPV utilization rate includes the Emergency Housing vouchers, which is planning to achieve up to 95% utilization by year end 2023. Excluding the new Emergency Housing vouchers, SPV utilization is anticipated at 1,518, or 91.8%. Combined, MTW and SPV utilization is anticipated to be 96.0%, and 1.0% increase from 2022.

The adopted 2023 \$157.9 million HAP budget is a \$7.9 million increase from the adopted 2022 Budget of \$150.0 million; the MTW HAP Budget increased by \$7.5 million, from \$123.4 million in 2022 to \$130.9 million in 2023. The SPV HAP Budget increased by \$0.4 million, from \$26.6 million in 2022 to \$27.0 million in 2023. This increase is net of a \$3.3M decrease across several SPV programs to better align the program's budget with recent year's actuals. Additionally, there are increases in budget from \$3.6M to

\$7.1M for EHV and \$0.2M for VASH (Veterans Affairs Supportive Housing). In summary, of the total projected \$7.9 million increase in HAPs, \$7.5 million is due to the projected increase in MTW HAP expenses, and \$0.4M is due to projected net increases in SPV HAP expenses.



## DEPARTMENT BUDGETS

The table below shows adopted 2023 operating expenditures for all departments and projected housing assistance payments. The adopted 2023 operating expenditures (excluding service grants) of \$282.1 million represent an overall increase of 6.2% from 2022. Direct Operating expenses, before backing out internal service fees, increase 9.0% and Housing Assistance Payments (HAPs) increase 5.2% from 2022. All departments will have inflationary increases, and many have supplemental budget adds for new activities. Notable changes in the adopted 2023 budget from 2022 are explained in the department sections following this table.

### SHA DEPARTMENT OPERATING BUDGET COMPARISONS OF 2021 – 2023

Departments and/or Divisions Expenditures	CY 2021 Actual (000)	CY 2022 Adopted (000)	CY 2023 Adopted (000)	CY 2022 to CY 2023 % Change
Executive	\$3,494	\$3,849	\$4,180	8.6 %
Policy and Strategic Initiatives	\$1,349	\$1,942	\$2,319	19.4 %
Development	\$1,712	\$1,953	\$2,060	5.5 %
<i>Housing Finance and Asset Mgmt.</i>				
Asset Management	\$1,256	\$1,356	\$1,485	9.5 %
AM Commercial Facilities	\$782	\$921	\$1,025	11.3 %
190 Queen Anne	\$2,075	\$2,085	\$679	(67.4)%
Finance and Administrative	\$15,956	\$17,099	\$16,900	(1.2)%
Information Technology	\$5,361	\$6,797	\$7,598	11.8 %
<b>Housing Operations Subtotal</b>	<b>87,237</b>	<b>\$90,357</b>	<b>\$100,967</b>	<b>11.7%</b>
Housing Ops Admin & Support	\$4,791	\$4,916	\$5,260	7.0 %
LIPH No. & So., LIPH Admin, Scattered Sites, & homeWorks	\$26,760	\$26,769	\$30,091	12.4 %
Yesler, Baldwin, Ritz, and EOC	\$558	\$373	\$438	17.4 %
Seattle Senior Housing Program	\$7,496	\$6,722	\$7,095	5.5 %
Special Portfolio	\$7,290	\$7,823	\$9,662	23.5 %
Impact Property Services Operations	\$18,327	\$17,818	\$20,538	15.3 %
Impact Property Services Facilities	\$348	\$364	\$394	8.2 %
Solid Waste and Fleet	\$4,414	\$4,607	\$4,969	7.9 %
Community Services	\$5,618	\$8,123	\$8,755	7.8 %
JobLink	\$2,411	\$3,103	\$3,156	1.7 %
IPM, NH II & III, RV I, HPN, Parks & Campus of Learners	\$9,222	\$9,739	\$10,609	8.9 %
Human Resources	\$2,780	\$3,810	\$4,525	18.8 %
Housing Choice Vouchers	\$12,090	\$13,926	\$15,368	10.4 %
<b>DIRECT OPERATING</b>	<b>\$134,090</b>	<b>\$144,093</b>	<b>\$157,106</b>	<b>9.0 %</b>
<b>Plus Housing Assistance Payments</b>	\$132,794	\$149,954	\$157,814	5.2 %
Less Internal Agency Fees	(30,347)	(28,465)	(32,807)	15.3 %
<b>TOTAL OPERATIONS</b>	<b>\$236,537</b>	<b>\$265,582</b>	<b>\$282,113</b>	<b>6.2 %</b>

Table 4: 2023 Department Budgets

A comparison of FTEs in 2022 and 2023 by Department is presented in the table below. The change in the right-hand column represents position additions, reductions, and/or transfers from one Department to another. Please see department sections that follow for more specific information on staffing changes.

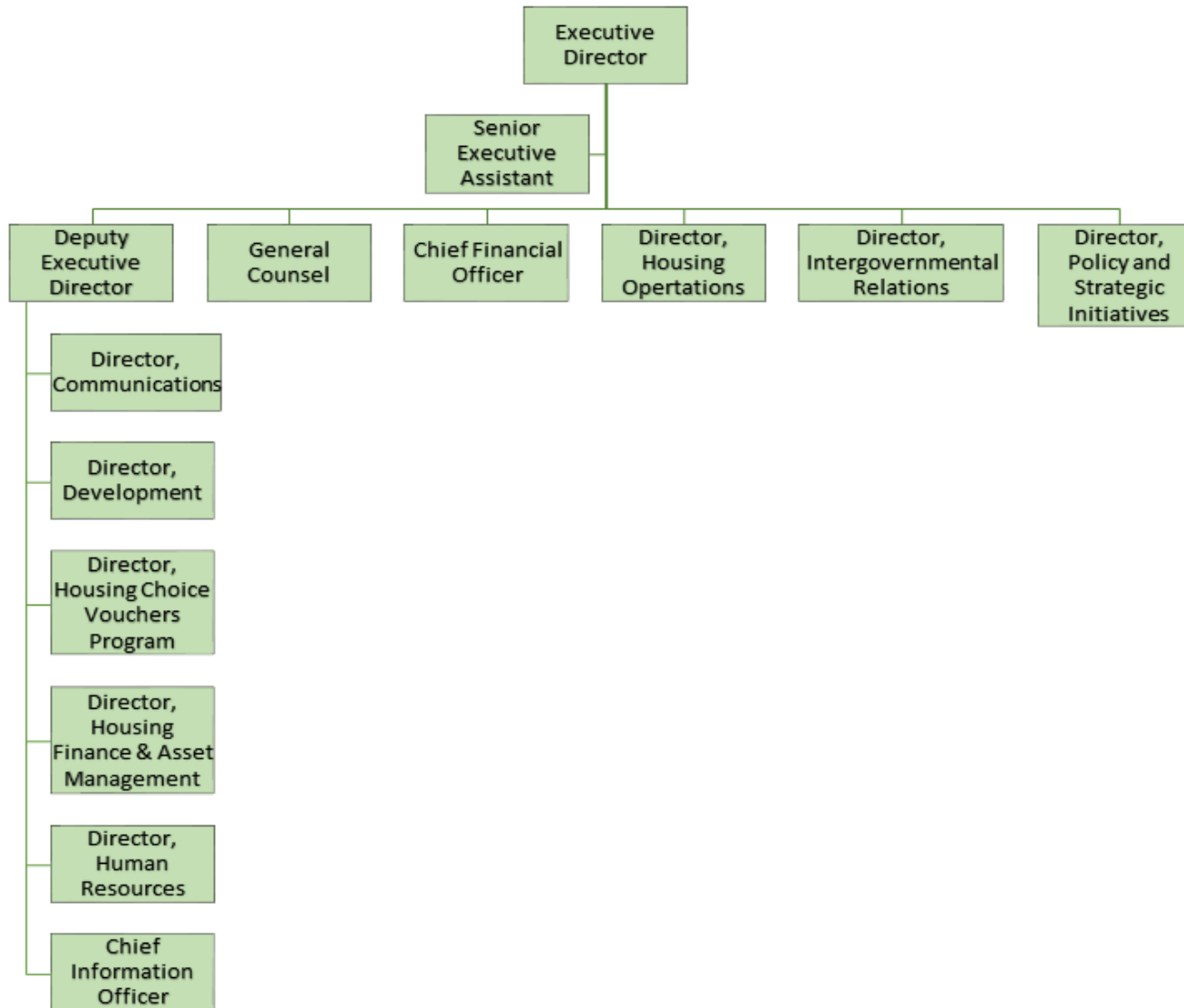
**Table 5: 2023 Department Operating FTEs<sup>3</sup>**

<b>Full-time Equivalent Positions</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>	<b>Change</b>
Executive	18.4	18.0	(0.4)
Policy and Strategic Initiatives	10.0	9.0	(1.0)
Asset Management	20.8	20.8	0.0
Asset Management Commercial	2.6	2.6	0.0
Construction	17.5	18.5	1.0
Development	13.6	13.6	0.0
Finance and Administration	49.4	51.9	2.5
Housing Operations	401.5	430.0	28.5
Human Resources	16.8	17.6	0.8
Information Technology	28.0	28.5	0.5
Housing Choice Vouchers	78.0	85.5	7.5
<b>TOTAL</b>	<b>656.6</b>	<b>696.0</b>	<b>39.4</b>

<sup>3</sup> Term-limited FTE related to Opportunity Investments are shown in Table 1.

# EXECUTIVE

## EXECUTIVE DEPARTMENT



## Executive Budget

<b>Executive Department Expenditures</b>	<b>2021 Actual</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>	<b>2022/2023 % Change</b>
Admin Salaries & Temp Help	\$ 3,038,100	\$ 3,040,900	\$ 3,333,700	9.6 %
General & Admin Expense	352,500	531,300	568,900	7.1 %
Tenant Services	600	2,300	2,400	3.5 %
Maintenance & Contracts	96,200	274,000	274,800	0.3 %
Utilities	-	-	-	-
<b>TOTAL OPERATING</b>	<b>\$ 3,487,400</b>	<b>\$ 3,848,500</b>	<b>\$ 4,179,800</b>	<b>8.6 %</b>
Salaries & Benefits in Grants, Capital, Limited Partnerships, and Opportunity Investments	-	-	-	-
<b>TOTAL</b>	<b>\$ 3,487,400</b>	<b>\$ 3,848,500</b>	<b>\$ 4,179,800</b>	<b>8.6 %</b>

Table 6: Executive Department Budget and FTEs

<b>Full-time Equivalent Positions</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>
Total FTEs	18.4	18.0

The adopted 2023 operating budget for the Executive Department is \$4.18 million, an increase of 8.6% from 2022. In 2023, Executive also has 0.4 fewer FTE along with a staff member increasing hours, totaling 18.0 FTE, compared to 18.4 FTE in 2022.

The Executive Department's adopted 2023 budget is substantially status quo with inflation increases, as well as approved additional funding requests which include the addition of an Intergovernmental Relations intern and increased travel budget. Salaries and benefits for Executive's staff were adjusted per the agency-wide labor expense adjustment.

## Department Purpose and Function

The Executive Department staff will continue to provide executive leadership to coordinate the work of the agency across departments, provide oversight and direction on strategic policy initiatives, and advocate for the interests of low-income housing in local, regional, and national forums. The department provides communications, legal advice, and counsel to the Executive Director and colleagues in other departments and works closely with the Board of Commissioners to ensure their work represents shared priorities.

The Communications Department works to ensure that the Seattle Housing Authority's tenants, partners, constituents, stakeholders, commissioners, and employees are kept informed about and have opportunities to participate in the activities, strategies, and policies of the agency. The department leads special agency-wide initiatives including SHA's Digital Initiative to address digital equity, improve SHA services and provide for emergency and other timely communication with tenants, and the Friendly Forms Project to ensure that all SHA communications are respectful and provide clear, complete information for tenants and other recipients. The Communications Department supports other departments on projects, issues management and communications, and manages centralized communications such as the website, regular newsletters, annual reports, press releases, media engagement and social media.

Intergovernmental Relations manages issues and concerns for all intergovernmental relations on legislative, budgetary, and constituent issues with Federal, State, and local governments, including issues with multi-million dollar impacts on SHA revenues and operations.

The Legal Department partners with the Board of Commissioners, Executive Department Directors, and leadership across the Agency to provide advice, counsel, and guidance regarding legal obligations, strategic planning, and risk avoidance. The Legal Department also provides the Agency representation in litigation or administrative hearings and conducts investigations, when necessary, into allegations of misconduct or fraud by employees or residents/program participants. The Legal Department also receives, reviews, and processes requests for disability accommodation by residents and program participants. Finally, the Legal Department receives, reviews, and processes all Public Records requests.

### *Department Work Plan Highlights*

The Executive Department's 2023 work plan highlights include:

#### ❖ **Executive Director's Office**

- **Provide leadership on and strategic guidance** for the agency's priorities such as racial equity, tenant stability, economic self-sufficiency, rent policy, and asset repositioning.
- **Continue SHA's leadership role with national industry groups** including the Council of Large Public Housing Authorities (CLPHA) and the National Association of Housing and Redevelopment Officials (NAHRO). Represent the agency on the NAHRO national housing committee and on CLPHA and NAHRO subject-specific work groups and committees.
- **Continue to work with other MTW agencies nationwide** to preserve the authority and flexibility of the MTW demonstration as reflected in our renewed 2028 contracts with HUD. Demonstrate to HUD and Congress the effectiveness of MTW agencies in meeting statutory objectives and serving more low-income people.
- **Work closely with the Board to develop the agency's next strategic plan.** Ensure that the Board is equipped to carry out a strategic planning process using anti-racist and intersectionality frameworks that influence stakeholder engagement and identification of strategic directions, key objectives, and cornerstones for the agency.
- **Provide leadership in serving more people** through development, acquisition and Special Purpose Voucher award and issuance.

#### ❖ **Communications Department**

- **Collaborate with the Community Services Division** to continue work with the Washington State Broadband Office, City of Seattle, King County and other partners on funding and programs to increase internet access, devices, skills training, and technical support for tenants. Through CLPHA, support efforts to expand federal funding for free internet, devices, and support, and have internet categorized as an essential utility, for public housing residents and voucher participants.
- **Identify six to eight SHA buildings** with high populations of Black, Indigenous and People of Color to receive adequate high-speed internet service in their units, working with a vendor and Internet Service Provider (ISP) to install and maintain necessary equipment and service. Pair service with free devices and digital skills training.
- **Following revisions of selected standard communications and forms,** modify the process as needed and complete revision of the remainder of existing standard SHA communications

and forms. Educate staff on continued use of criteria in the creation of communications and forms in the future.

- **Make improvements to the SHA website** to go beyond required Americans with Disabilities Act (ADA) minimums to make content more easily accessible to people with disabilities. Improve prominence of tools for language translation

#### ❖ Intergovernmental Relations

- **Assist Executive Director in providing leadership, strategic direction, and outreach** to create advocacy and strategic external partnership opportunities, to establish and meet goals necessary to achieve SHA's mission and serve our clients with a focus on Race and Social Justice (RSJ).
- **Identify and monitor legislative issues important to SHA priorities.** Provide analysis of proposed state and federal legislation that affects SHA. Lead SHA advocacy efforts on priority policy issues that affect SHA. Educate, inform, and engage elected leaders and their staff on housing issues.
- **Maintain and advance relationships with partners at the federal, state, and local levels.** Educate, inform, and engage elected leaders and their staff on housing issues.
- **Position SHA with philanthropy, non-profits, and government for regional efforts** to address homelessness and use of federal COVID relief funds such as American Rescue Act.
- **Provide leadership and strategic direction** for engagement with HUD leadership and elected officials to influence policies affecting SHA and the people we serve. Develop and maintain solid relationship with key HUD and congressional personnel to facilitate opportunities to educate them on the actual or likely impacts of their actions. Actively participate industry associations for the same purpose, including joining the MTW Collaborative Board and chairing a committee.

#### ❖ Legal Department

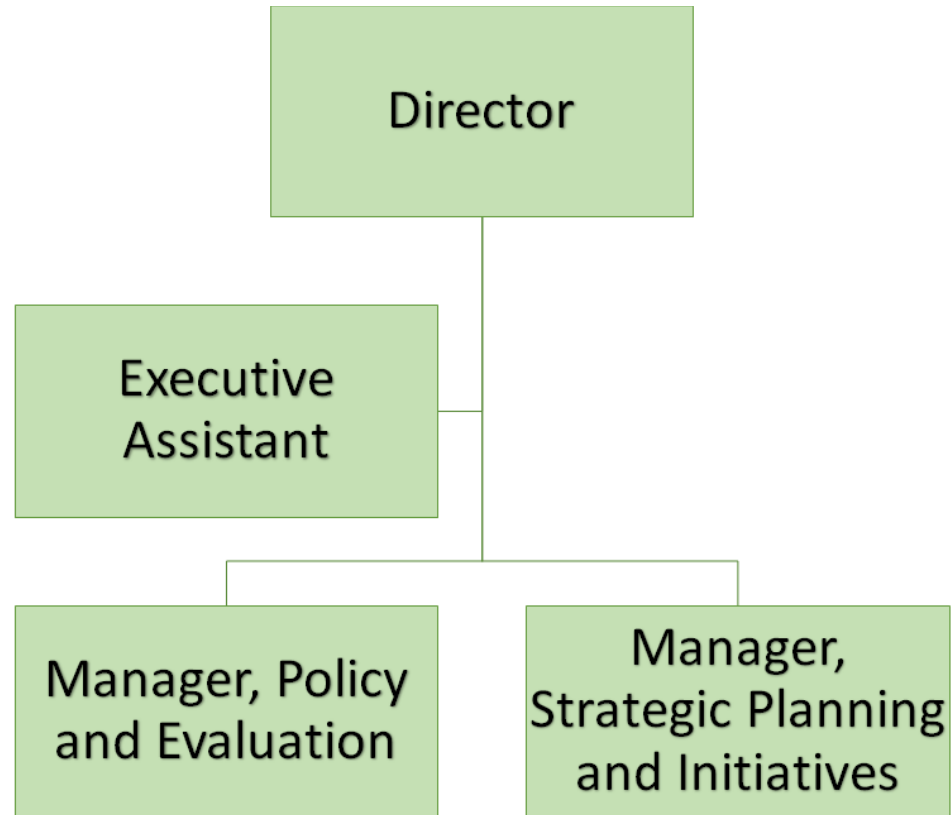
- **Advise all SHA departments on a wide spectrum of legal issues** including governance, public municipality obligations, personnel/labor relations, disability accommodations under federal and state law, landlord-tenant laws, compliance with HUD regulations (including Housing Choice Voucher program), purchasing and contracting, and the management, financing, and development of SHA's real estate, facilities, and projects.
- **Provide representation** in judicial and administrative proceedings or inquiries, including unlawful detainer actions and other types of lease enforcement actions. To this end, draft and file pleadings, briefs, motions, responses and replies, and answers to administrative investigations or inquiries as well as make arguments and present cases to judicial and hearing officers.
- **Receive and process all requests for disability accommodation** from residents and program participants and arrange for reasonable and necessary accommodations or modifications, when required. Create processes and advise/train staff on disability and accommodation compliance under federal and state law.
- **Receive, review, and investigate reports of misconduct and fraud** involving SHA employees, residents, or program participants. To that end, build and maintain successful professional relationships with local and federal enforcement agencies.
- **Review, receive, and process** all requests for SHA's public records.

# **OFFICE OF POLICY AND STRATEGIC INITIATIVES**

**A Division of the Executive Office**



## OFFICE OF POLICY AND STRATEGIC INITIATIVES



## Office of Policy and Strategic Initiatives (OPSI) Budget

Policy and Strategic Initiatives	2021	2022	2023	2022/2023
Expenditures	Actual	Adopted	Adopted	% Change
Admin Salaries & Temp Help	\$1,223,900	\$1,423,400	\$1,422,500	(0.1)%
General & Admin. Expense	117,000	216,700	161,200	(25.6)%
Tenant Services	100	24,700	27,300	10.7 %
Maintenance & Contracts	7,700	277,000	708,100	155.6 %
Utilities	-	-	-	-
<b>TOTAL OPERATING</b>	<b>\$1,348,500</b>	<b>\$1,941,900</b>	<b>\$2,319,200</b>	<b>19.4 %</b>
Salaries & Benefits in Grants, Capital, and Limited Partnerships	\$101,100	-	-	-
<b>TOTAL</b>	<b>\$1,449,600</b>	<b>\$1,941,900</b>	<b>\$2,319,200</b>	<b>19.4 %</b>

Table 7: OPSI Budget and FTEs

Operating Full-time Equivalent Positions	2022 Adopted	2023 Adopted
Total FTEs	10.0	9.0

The adopted 2023 operating budget for the Office of Policy and Strategic Initiatives (OPSI) is \$2.1 million, an increase of 9.1% from 2022. After transferring a Strategic Advisor FTE to the Housing Choice Voucher department, Policy has 9 FTE for 2023 compared to 10 in 2022.

The Office of Policy and Strategic Initiative's adopted 2023 Maintenance and Contracts budget shows an increase due to inflation, aging in place planning, as well as two approved additional funding requests for contracts that support the development of a new Strategic Plan in 2023 and creates a one-year special customer service research program to engage with residents and administer a survey.

### 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 members to identify challenges, opportunities, and solutions to issues impacting SHA's 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.

### *Department Work Plan Highlights*

OPSI has identified the following priorities as part of their 2023 work plan highlights, all of which will be done in collaboration with partnering departments:

- ❖ **Protect & Promote MTW Status:**
  - Assertively protect and promote SHA’s MTW status and flexibilities.
  - Create a broad MTW rebranding movement and story to demonstrate to decision makers.
  - Track and organize analysis and action to shape emerging regulations and policies when appropriate.
  - Actively participate in national industry groups and advocacy bodies to ensure SHA’s voice is represented.
  - Take next steps toward a homeownership pilot that creates opportunities for people with low incomes who are impacted by the racial wealth gap and displaced by or are high-risk of gentrification in Seattle.
  
- ❖ **Equitable Housing Access:**
  - Inform policy decisions and opportunities to improve race and social justice and equitable access to our housing resources.
  - Establish partnerships and research affordable homeownership opportunities for low-income households in the broader community impacted by the wealth equity gap and gentrification of central Seattle.
  - Begin development of term-limited program to provide interim or bridge housing for returning citizens.
  - Develop and evaluate debt forgiveness, repayment agreements, and lease enforcement policies as needed.
  - Develop new term-limited program for rent expense reporting to help residents build credit.
  - Identify demographic groups who do not live in or get on waitlist for certain SHA portfolios/housing types and conduct related qualitative work to understand why (determine readiness to act first).
  - Update opportunity maps, evaluate and analyze the Family Access Supplement with the possibility of a small area fair market rent (SAFMR) analysis.
  
- ❖ **Research, Evaluation & Policy Development**
  - Continue to create high quality, actionable information/data and recommendations to inform and facilitate agency decisions and actions.
  - Establish new standards for key demographic data & develop implementation plan.
  - Conduct assessments of selected housing stability investments, likely focusing on behavioral health programs and the provisions of mediation services.
  - Conduct a resident/participant survey as appropriate to supplement other recent and ongoing feedback methods.
  - Begin establishing a service contracts performance management system that will lead to better data for future program evaluations.

### ❖ Strategic Planning & Decision Making

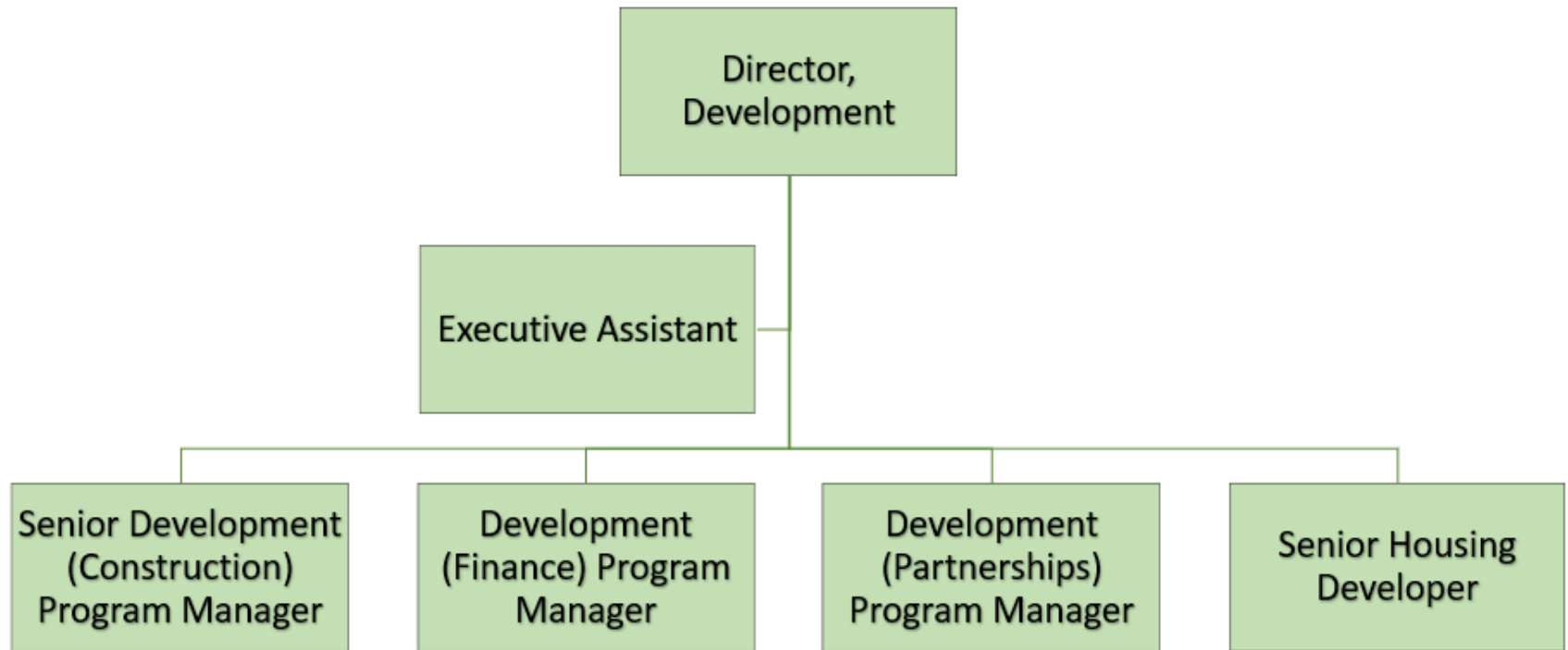
- Steward a strategic planning process that results in a plan that helps the agency further its mission and exemplify SHA values. The planning process will consist of a phased timeline that focuses on information gathering, engagement with a variety of stakeholders and development of a plan document.
- Engage key stakeholders (e.g., residents, staff, community partners, applicants, etc.) to inform the strategic plan, with special attention voices that are typically under-represented. Letting stakeholder groups know how feedback was used will be a priority.
- Work with Finance and Administration to connect the strategic plan to the budget and department work plans.
- Integrate antiracism and multimodal engagement processes for various stakeholders.
- Manage and work with a consultant to develop communication strategies.
- Complete relevant analyses to review internal and external threats/opportunities.
- Facilitate structured processes that lead to a Board-adopted plan that has buy-in from stakeholders.
- Develop and inform measurements and outcomes to track progress.

### ❖ Ongoing or recurring essential central services:

- Communicate agency-wide data, including data definitions and reporting/analysis, and the management of data sharing agreement (DSA) approvals and policy.
- Centralized reporting and coordination of national, state, and organizational multi-departmental policies.
- Establish and maintain external research partnerships toward both long-term systems change that provide actionable results for SHA and partners.
- Continue Cross-Departmental Policy Workgroup to maintain relationships with departments throughout SHA.
- Continue MTW management:
  - ✓ Produce Annual Plan, Report, and compliance reporting
  - ✓ Facilitate staff understanding and use of MTW flexibilities including MTW proposals
  - ✓ Manage relationship with HUD
  - ✓ Participate in MTW Collaborative efforts, responses to HUD actions, advise the Intergovernmental Relations Department on legislative impacts on MTW
- Begin work on special projects continuing or emerging in 2023:
  - ✓ Annual demographic report
  - ✓ City Comprehensive Plan collaboration
  - ✓ Leadership's data equity & literacy
  - ✓ Update selected MTW metrics to remove prior HUD-required metrics that don't match

# DEVELOPMENT

## DEVELOPMENT



## Development Budget

Development Department Expenditures	2021 Actual	2022 Adopted	2023 Adopted	2022/2023 % Change
Admin Salaries & Temp Help	\$1,552,700	\$1,732,800	\$1,881,300	8.6 %
General & Admin. Expense	160,200	200,000	166,000	(17.0)%
Tenant Services	-	-	-	-
Maintenance & Contracts	0	20,600	13,000	(36.6)%
Utilities			-	
<b>TOTAL OPERATING</b>	<b>\$1,712,900</b>	<b>\$1,953,300</b>	<b>\$2,060,400</b>	<b>5.5 %</b>
Salaries & Benefits in Grants, Capital, and Limited Partnerships	302,600	222,900	282,200	26.6%
<b>TOTAL</b>	<b>\$2,015,500</b>	<b>\$2,176,200</b>	<b>\$2,342,600</b>	<b>14.2%</b>

Table 8: Development Department Budget and FTEs

Full-time Equivalent Positions	2022 Adopted	2023 Adopted
Total FTEs	13.6	13.6

The adopted 2023 operating budget for Development is \$2.1 million, a 5.5% increase from 2022.

The Development Department 2023 FTE remains the same from 2022. This includes the second and final year of a 0.6 FTE Strategic Advisor I who will provide support to the ongoing arts activities, strategic partnerships, and community engagement for development activities which will continue to be vital in the late stages of the Yesler Redevelopment and the early stages of Jackson Park Village, Northgate Commons, and potentially Holly Court redevelopment.

## 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;
- ✓ Estimating cost of all aspects of development projects; identifying and modeling financing sources and costs; and managing projects within adopted budgets;
- ✓ 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 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 80-year-old low-income housing in the Yesler community with a new vibrant mixed income and mixed-use community connected to nearby neighborhoods and providing a variety of rental 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.

Another responsibility of the department is looking toward the future to identify new housing development opportunities primarily to serve people earning less than 80% of Area Median Income (AMI). 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.

### *Department Work Plan Highlights*

Yesler redevelopment is beyond the halfway mark in producing affordable housing and the market rate development is extremely active. Other people-centered and community-centered programs around resident relocation, education, health, workforce development, and partnership development are continuing. Partnerships with developers, owners, residents, and other stakeholders are extremely active within Yesler. In 2023, key activities will include:

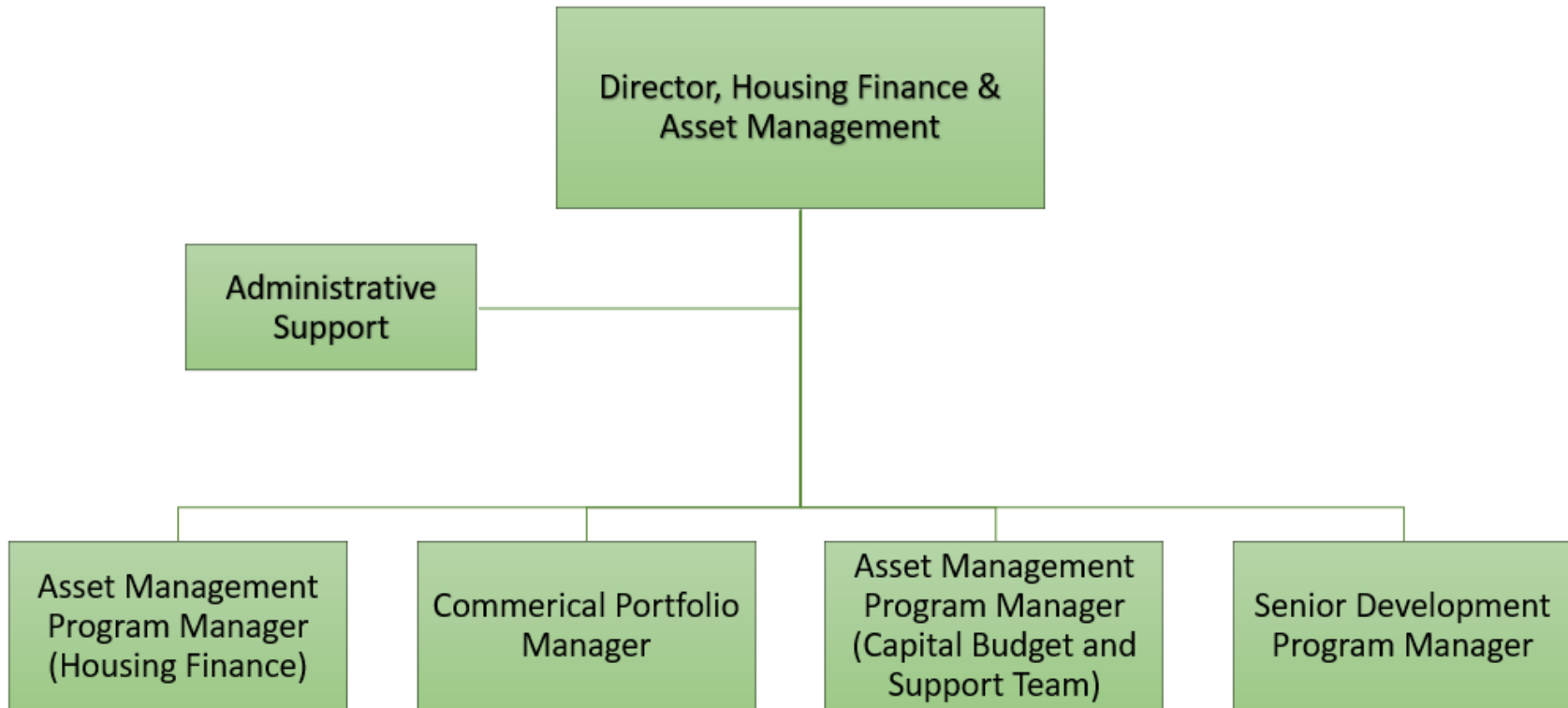
- ❖ Identify any remnants of infrastructure needs and develop a plan to fulfill these needs such as failed landscaping, leftover areas not previously planned, coordinate shared infrastructure such as irrigation and common area lighting.
- ❖ Continue construction of Sawara, the sixth new 114-unit affordable housing, located at Yesler Way and 8th Avenue.
- ❖ Construction of the seventh affordable housing, Juniper, will start in mid-2023 currently designed for 93 units consisting of 39 replacement units and 54 units at 60% AMI.
- ❖ Ensure Yesler redevelopment goals for replacement housing are met with construction continues at Yesler Family Housing, a 156-unit affordable housing project, owned and managed by Seattle Chinatown International District and Development Authority (SCIDpda) and Community Roots Housing.
- ❖ Monitor Market Rate/Workforce Housing Production by Yesler’s private partners:
  - Mason and Main by Lowe Enterprise is a 550-unit complex comprised of two nine-story buildings will continue leasing the 417 market rate units and 133 units at 80% AMI.
  - Other Yesler private partner developments under construction in 2023 include:
    - ✓ Su Development – Yesler Towers, one of two high-rise buildings along Yesler Way and S. Washington Street with 350 units, consisting of 257 market rate and 93 at 80% AMI affordable units;
    - ✓ Vulcan Real Estate – Wayfarer, a 262-unit project consisting of 210 market rate and 52 at 80% AMI affordable units located on Yesler Way and Boren Avenue;
    - ✓ Vulcan Real Estate – Cascara, one of two buildings at Broadway Avenue and Alder Street, a 345-unit project with 280 market rate and 65 at 80% AMI affordable units;



- ✓ Mack Real Estate Group on S. Washington Street, a 200-unit project with 147 market rate and 53 at 80% AMI affordable units.
- Non-residential projects:
  - ✓ Yesler private partner Office/Medical/Commercial development under construction in 2023 include:
    - Northwest Kidney Center - a 37,570 SF dialysis center on Block 7 north at Alder Street.
- ❖ Maintain and develop strategic partnerships with City, County, private sector partners, non-profits, labor, philanthropy, and stakeholders to implement the Yesler Terrace/Choice Neighborhood Initiative vision. Manage overall budget, schedule, planning and communication. Manage vacant land to promote active uses and neighborhood safety. Manage the Yesler Association, working closely with Community Services, Housing Operations, and external partners to develop a thriving mixed-income community, connected with the broader neighborhood with special attention to the needs of seniors and children.
- ❖ Construction of the new 82-unit Lam Bow Apartment building began in mid-2021. The 4-story wood-framed building will be a mix of 1, 2, and 3-bedroom affordable housing units. The 18-month construction project, delayed by a concrete strike, is scheduled for completion in 3<sup>rd</sup> quarter 2023. This new, single-building design will add 31 apartment units to the original property unit count.
- ❖ For Sale Program (non-Yesler Terrace) includes the Othello Square development consisting of four sites on the corner of Othello and MLK which are under contract.
  - HomeSight will close on Parcel D in early 2023 with plans to construct a 68-unit affordable homeownership project in a mixed-use residential building. The development will be a cooperative ownership model where all units are for households at or below 80% AMI.
  - Community Roots Housing is scheduled to close on Parcel A in 2023. The mixed-use multi-family building with units serving households between 60% - 120% AMI. The final unit count to be determined.
- ❖ The SHA Buy-up program incentivizes developers to create more family sized ( $\geq 3BR$ ) units within upcoming affordable developments in high opportunity neighborhoods by offering capital to help offset the incremental cost of building family housing. To date, this program has provided commitments to three separate projects. SHA will work to identify more opportunities for Buy-up investments.
- ❖ Priorities for the department in 2023 include focusing on the project pipeline into the future for new projects as well as other new activities:
  - Continue to serve as a development consultant and execute a land lease with the University of Washington to facilitate development of the UW Filer property project with the selected developer. The selected proposer is expected to deliver approximately 250 units of housing with a range of affordability including upwards of 70 family-sized units in the University district.
  - Jackson Park Village redevelopment to replace existing aging 42 units and create approximately 50 additional units of housing on the site. Design development, entitlements, HUD approvals, financing, relocation, and community engagement will continue through 2023. Bond cap is expected in 2024 and the 18-month construction project is expected to begin in the 3rd quarter of 2024.
  - Major initiatives for master planning of the redevelopment of Northgate Commons will include work with the City Council and Seattle Departments on planning approvals, developing a financing plan, and community outreach.

# HOUSING FINANCE AND ASSET MANAGEMENT

## HOUSING FINANCE AND ASSET MANAGEMENT



## Housing Finance and Asset Management Budget

Housing Finance & Asset Mgmt Dept Expenditures	2021 Actual	2022 Adopted	2023 Adopted	2022/2023 % Change
Admin Salaries & Temp Help	1,134,900	1,138,300	1,208,700	6.2 %
General and Admin. Expense	98,300	186,800	245,700	31.5 %
Tenant Services	-	-	-	-
Maintenance & Contracts	23,400	30,800	30,500	(1.0)%
Utilities	-	-	-	-
<b>TOTAL OPERATING</b>	<b>\$1,256,600</b>	<b>\$1,355,900</b>	<b>\$1,484,900</b>	<b>9.5%</b>
Salaries & Benefits in Grants, Capital, and Limited Partnerships	3,240,400	3,406,600	3,673,400	7.8%
<b>TOTAL</b>	<b>\$4,497,000</b>	<b>\$4,762,500</b>	<b>\$5,158,300</b>	<b>8.3%</b>

Table 9: Housing Finance & Asset Management Budget and FTEs

	2022 Adopted	2023 Adopted
<b>Full-time Equivalent positions</b>		
Asset Management FTEs	20.8	20.8
Construction Operations FTEs	17.5	18.5
<b>Total Asset Management &amp; Construction Ops FTEs</b>	<b>38.3</b>	<b>39.3</b>

The adopted 2023 operating budget for Asset Management (AM) is \$1.5 million, an increase of 9.5% from 2022. In 2023, Asset Management and Construction Operations will have 39.3 FTE compared to 38.3 FTE in 2022, showing an increase of 1.0 FTE total for an approved additional Construction Project Manager FTE. General and Admin expenses increased by 31.5% due to an increase in internal service fee expense.

Asset Management's adopted 2023 budget is substantially status quo with inflation increases. Salaries and benefits for AM's staff were adjusted per the agency-wide labor expense adjustment.

## Department Purpose and Function

The Department of Housing Finance and Asset Management 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 of Housing Finance and Asset Management's three main areas of strategic focus are:

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

### *Department Work Plan Highlights*

Asset Management has identified the following priorities as part of their 2023 work plan highlights:

- ❖ On-going Efforts from Prior Work Plans:
  - Continue implementation of the Jefferson Terrace Rehabilitation project.
  - Complete and close-out RAVE soccer field in the NewHolly Community.
  - Parking and building improvements at the West Seattle Maintenance Facility.
  - Continue to evaluate potential acquisition opportunities.
  - Continue to work with Finance and Administration (F&A) to develop processes and procedure to better track and forecast the use of replacement reserves associated with various agency properties.
  - Continue work on the standardization of project management procedures and practices (Procurement, permitting, project closeout, etc.).
- ❖ Capital Preservation Program
  - Focus on reducing the capital backlog, with a priority on projects put on-hold due to the pandemic. This includes prioritizing staffing plans to focus on these items in the backlog.
  - Work to prioritize funded projects that help address safety and security concerns for our residents.
  - Assess the feasibility of improving ventilation and cooling in SHA properties to address the impacts of rising temperatures and poor air quality.
- ❖ LEAN/Process Improvements
  - Evaluate changes to the capital budgets database and the use of other software in the agency to improve project management tracking and capital planning (centralized reporting and data storage). Continue to provide structural updates. User interface improvements will continue through Microsoft Access or a potential new product to be implemented in collaboration with Information Technology (IT).
  - Endorse team training in SharePoint literacy; implement use of SharePoint library and lists; and engage IT in leveraging digital platforms to store data that matches documentation.
  - Transition manual or paper-based business processes to automated workflows.

- Development and implementation of new and improved digital tools using Microsoft’s power platform.
- ❖ Tracking and Improving the Physical Condition of SHA Properties
  - Develop a comprehensive and inter-departmental plan for improving the agency’s ability to track physical conditions: building quality standards and building life cycle.
  - Develop a plan for a coordinated, inter-departmental effort to track and improve the agency’s building quality standards.
  - Implement a program for remediating the lead-based paint (LBP) in the Scattered Site portfolio.
  - Continue to integrate the agency’s sustainability agenda.
  - Continue to implement, review, and adjust the agency’ design standards.
- ❖ Public Housing Rehabilitation and Repositioning
  - Develop plan to assess the use of various Department of Housing and Urban Development (HUD) funding strategies to stabilize operating funds received by HUD and to address capital needs of the various public housing properties.
  - Assess the financial and programmatic feasibility of using Rental Assistance Demonstration (RAD) program, utilizing SHA’s Faircloth Limit and HUD Section 18 conversion program.
  - Assess the financial, operating, resident and environmental benefit of implementing an Energy Performance Contract (EPC) program.
  - Evaluate the homeWorks portfolios and develop a financing and rehabilitation strategy to address the needs of the properties.
- ❖ Commercial Portfolio and Condo Associations
  - Develop five-year capital needs list for commercial properties and condominium associations.
  - Develop process and implement reserve funding for commercial properties and condominium associations.
  - Develop systems to better automate lease renewals, vacancy reporting and budgeting.
  - Survey security needs by space and portfolio.
- ❖ Environmental Stewardship
  - Continue to leverage funds through the Office of Housing (OH) to support the environmental stewardship initiatives of the agency and the capital program.
  - Research and explore emerging funds, resources, and technical assistance related to new local and state Building Performance Standards.
  - Continue work with the Sustainability team on developing plans for installation of solar panels on agency properties.
- ❖ Race and Equity Goals
  - Expand efforts to provide translated construction notices to communicate with tenants more effectively about capital project status.
  - Improve process for engaging residents in project planning, decision-making, and communication regarding capital projects.

- Incorporate agency and department Race and Social Justice (RSJ) priorities into the leasing of commercial spaces.
- Continue to seek opportunities to improve diversity within industry sectors related to Asset Management.

### Asset Management Commercial Facilities

<b>Asset Management Commercial Facilities</b>	<b>2021 Actual</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>	<b>2022/2023 % Change</b>
Admin Salaries & Temp Help	\$294,600	\$369,400	\$432,200	17.0 %
General & Admin. Expense	122,000	116,800	121,700	4.2 %
Tenant Services	-	-	-	-
Maintenance & Contracts	228,800	281,000	311,300	10.8 %
Utilities	136,400	154,100	159,900	3.8 %
<b>TOTAL OPERATING</b>	<b>\$781,800</b>	<b>\$921,300</b>	<b>\$1,025,100</b>	<b>11.3 %</b>
Salaries & Benefits in Grants, Capital, and Ltd Partnerships	-	-	-	-
<b>TOTAL</b>	<b>\$781,700</b>	<b>\$921,300</b>	<b>\$1,025,100</b>	<b>11.3 %</b>

Table 10: AM Commercial Facilities Budget

	<b>2022 Adopted</b>	<b>2023 Adopted</b>
<b>Full-time Equivalent Positions</b>		
<b>Total Asset Management Commercial FTEs</b>	2.6	2.6

The adopted 2023 operating budget for Asset Management Commercial (AM Commercial) is \$1.0 million, an increase of 11.3% from 2022. In 2023, Asset Management Commercial will continue to have 2.6 FTE.

AM Commercial’s adopted 2023 budget is substantially status quo with inflation increases and an increase in admin salaries and temp help to better align the budget with expected salary and benefits expenses. Salaries and benefits for Asset Management Commercial’s staff were adjusted per the agency-wide labor expense adjustment.

The adopted 2023 maintenance and contracts budget was increased by \$20,100 to provide funds for cleaning at Center Park Annex for Community Service staff who have recently moved into the space.

### Commercial Facilities Purpose and Function

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 to build capital reserves.

## 190 Queen Anne Central Office

190 Queen Anne Central Office Expenditures	2021 Actual	2022 Adopted	2023 Adopted	2022/2023 % Change
<b>TOTAL OPERATING</b>	\$2,075,100	\$2,068,600	\$679,400	<b>(67.4)%</b>

Table 11: 190 Queen Anne Central Office Budget

The adopted 2023 operating budget for 190 Queen Anne Central Office is \$679,400, a decrease of 68% from 2022.

190 Queen Anne Central Office's 2023 operating budget is significantly lower because Seattle Housing Authority will be moving 190 Queen Anne operations to a new building starting mid-year 2023 and will not have to pay rent for the new site until after the first year of occupancy.

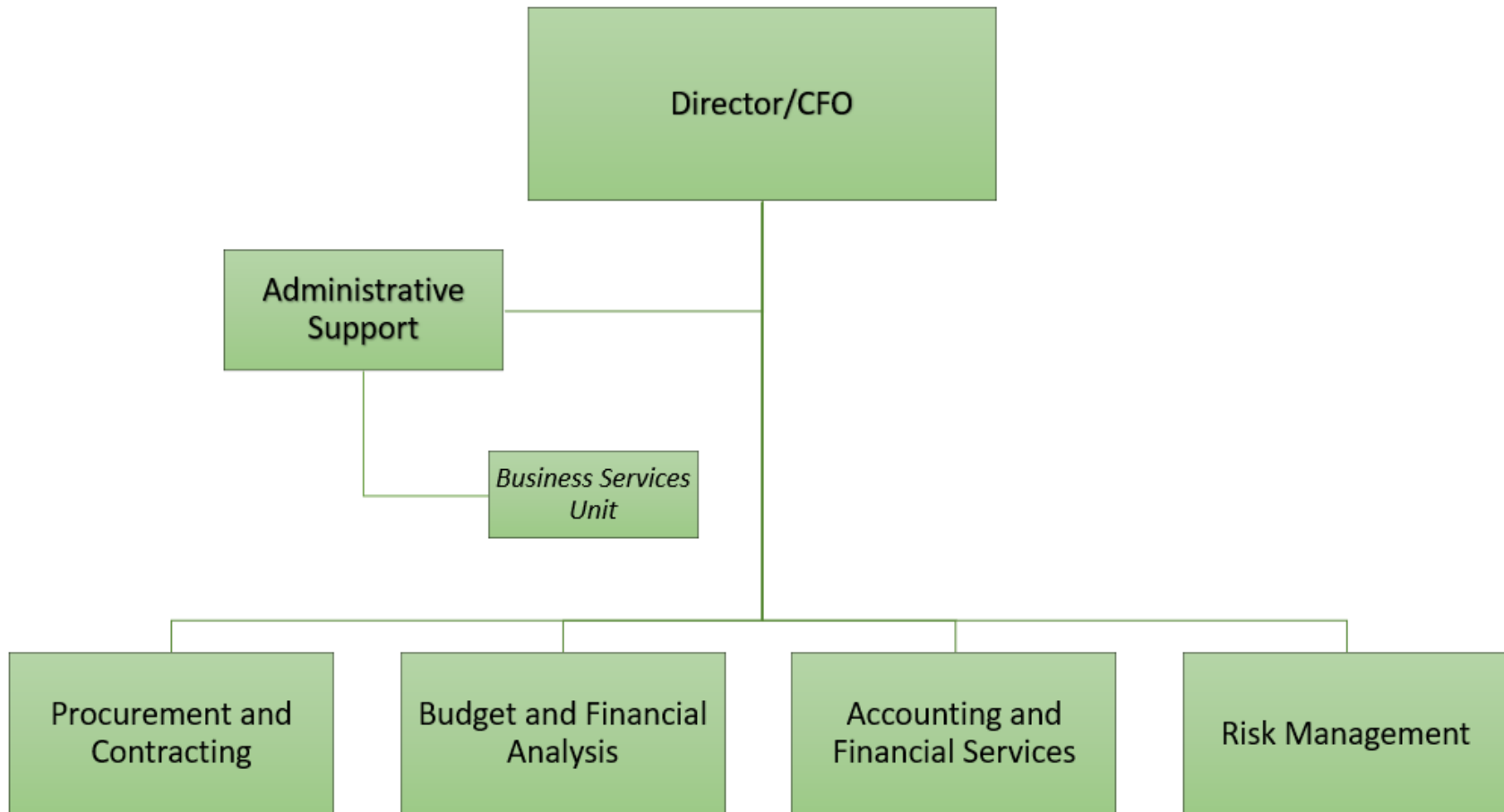
### Queen Anne Central Office Purpose and Function

The Central Office, located in the lower Queen Anne neighborhood, currently 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. Mid-year 2023, these activities will be moved to a new location, 101 Elliot Ave. W.



# FINANCE AND ADMINISTRATION

## FINANCE AND ADMINISTRATION DEPARTMENT



## Finance and Administration Budget

<b>Finance and Administrative Services Dept Expenditures</b>	<b>2021 Actual</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>	<b>2022/2023 % Change</b>
Admin Salaries & Temp Help	\$5,306,000	\$6,053,900	\$6,600,100	9.0 %
General & Admin. Expense	10,547,600	10,783,700	9,995,400	(7.5)%
Tenant Services	-	-	-	
Maintenance & Contracts	102,900	261,100	295,200	13.0%
Utilities	-	-	-	
<b>TOTAL OPERATING</b>	<b>\$15,956,500</b>	<b>\$17,098,700</b>	<b>\$16,900,000</b>	<b>(1.2)%</b>
Salaries & Benefits in Grants, Capital, and Ltd Partnerships	173,900	197,600	337,500	70.8%
<b>TOTAL</b>	<b>\$16,130,400</b>	<b>\$17,296,300</b>	<b>\$17,237,500</b>	<b>(0.3)%</b>

Table 12: Finance and Administration Budget and FTEs

<b>Full-time Equivalent Positions</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>
Total FTEs	49.4	51.9

The adopted 2023 operating budget for Finance and Administration (F&A) is \$16.90 million, a 1.2% decrease from 2022. The decrease in total expense results primarily from lower general administrative expenses associated with lower intercompany rent. Admin Salaries and Temp Help budget increased by 9% in part due to addition of 1.5 Operating FTE (1 additional Payroll Accountant and an additional .5 Executive Assistant to bring the existing Executive Assistant to 1 FTE). In addition to the 1.5 Operating FTE, 1 Capital Funded FTE was approved in 2023, contributing the increase in salaries and benefits in grants, capital, and Limited Partnerships.

## Department Purpose and Function

The Finance and Administration Department has five operating groups: Accounting and Treasury Management, Budgeting and Financial Analysis, Purchasing and Contract Administration, Risk Management, and Business Services.

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

- ❖ **Financial Management:** 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.
- ❖ **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:** Financial planning and policies; management of SHA’s budget processes and preparation of recommended annual and multi-year operating and capital budgets; tracking and 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:** Assessing and planning for SHA insurance needs and changes; tracking the insurance market to anticipate changes affecting insurance coverages; assessing options to prudently protect SHA liability coverage methods and levels; 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.
- ❖ **Business Support Services:** Operation of the departments’ central administrative services functions, including office supplies; office space allocations, ergonomic assessments, and equipment procurement; central liaison with IT for staff equipment needs and services; and central department support and liaison with the Human Services department regarding hiring and recruitment. Agency-wide oversight of SHA’s travel policy; petty cash administration; telecommunications bills; office space changes and for new staff and for a new central office building; monitoring of the department’s annual budget; oversight of the agency’s travel policy; petty cash administration for SHA. Provide confidential executive support to CFO; and support administrative and communication needs of the accounting, budgeting, and risk management groups.

**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 work of the Department in 2023, as it looks to make changes in its operations, policies, and programs to meet the challenges of today and tomorrow in an environment where economic conditions are uncertain, where the political landscape of Congress will change to some degree and in some direction with the mid-term elections, where the reality of climate change is creating new changes for our communities today, and where a new employment environment affects our staffing capacity and those of our partners and vendors.

***Department Work Plan Highlights***

Finance and Administration has identified the following priorities as part of their 2023 work plan highlights:

- ❖ Serve more people through traditional and innovative ways that result in capacity to provide more housing and housing assistance to low-income people in Seattle:

- Assess opportunities to convert Tenant-Protection vouchers to MTW vouchers after one year, when doing so is cost-beneficial and provides a vacant voucher for the MTW voucher pool.
  - Work with the Housing Choice Voucher (HCV) department, Intergovernmental Relations, and the Policy Office to track, prepare for, and be positioned to compete for new HCV vouchers that may become available in 2023.
  - Support HCV department’s efforts to expand their special purpose vouchers program by assisting in applying for new vouchers.
  - Work with HCV to review changes to the housing rental market and the financial implications of any anticipated changes to voucher payment standards.
  - Team with Asset Management and Development to secure financing for the final replacement housing buildings in the Yesler Redevelopment – Juniper.
  - Partner with HCV to maximize utilization and funding of Emergency Housing Vouchers (EHV) allocated to SHA from the American Rescue Plan of 2021.
  - With Housing Ops, assess the status of SHA’s “right-sizing” efforts prior to its suspension due to COVID, and determine conditions required to restart the program and planning efforts needed to be ready to restart.
  - Provide support for the homeownership pilot proposals developed under the leadership of the Policy Office for low-income households displaced or at risk of displacement from the City of Seattle.
- ❖ Improve Quality and Stability of Life for SHA Tenants:
- Monitor the impact of the safety and wellness of our communities from funding two teams who will respond to acute behavioral health issues experienced by residents.
  - Join the Policy Office and Housing Operations in their evaluation of existing case management service contracts to better understand the delineation and distinction of their roles, responsibility, and expertise.
  - Assess the effectiveness of funding 3rd party mediation efforts used by Housing Operations as a method to resolve and behavioral health and housing stability issues.
  - Support Housing Ops in its implementation of expanded private security services in SHA communities and hiring a consultant with law enforcement expertise to advise on longer term plan for enhancing security for residents.
  - Work with Housing Operations and Asset Management to establish appropriate criteria for determining which SHA owned/to be acquired properties are best suited for in-house property management versus outside property management.
  - Track implementation of efforts dedicated to reducing the backlog of in-unit repair needs in the Low-Income Public Housing (LIPH) and HOPE VI communities.
  - Partner with Asset Management in assessing capital needs of LIPH building, evaluating financial/program options for needed capital work and long-term stability of operating revenues.
- ❖ Enhance Efficiency and Streamline F&A Services to Internal Clients:
- Review the application of alternative methods used for calculating intercompany service fees and internal service allocations to ensure methods continue to be sound, accurate, and equitable.

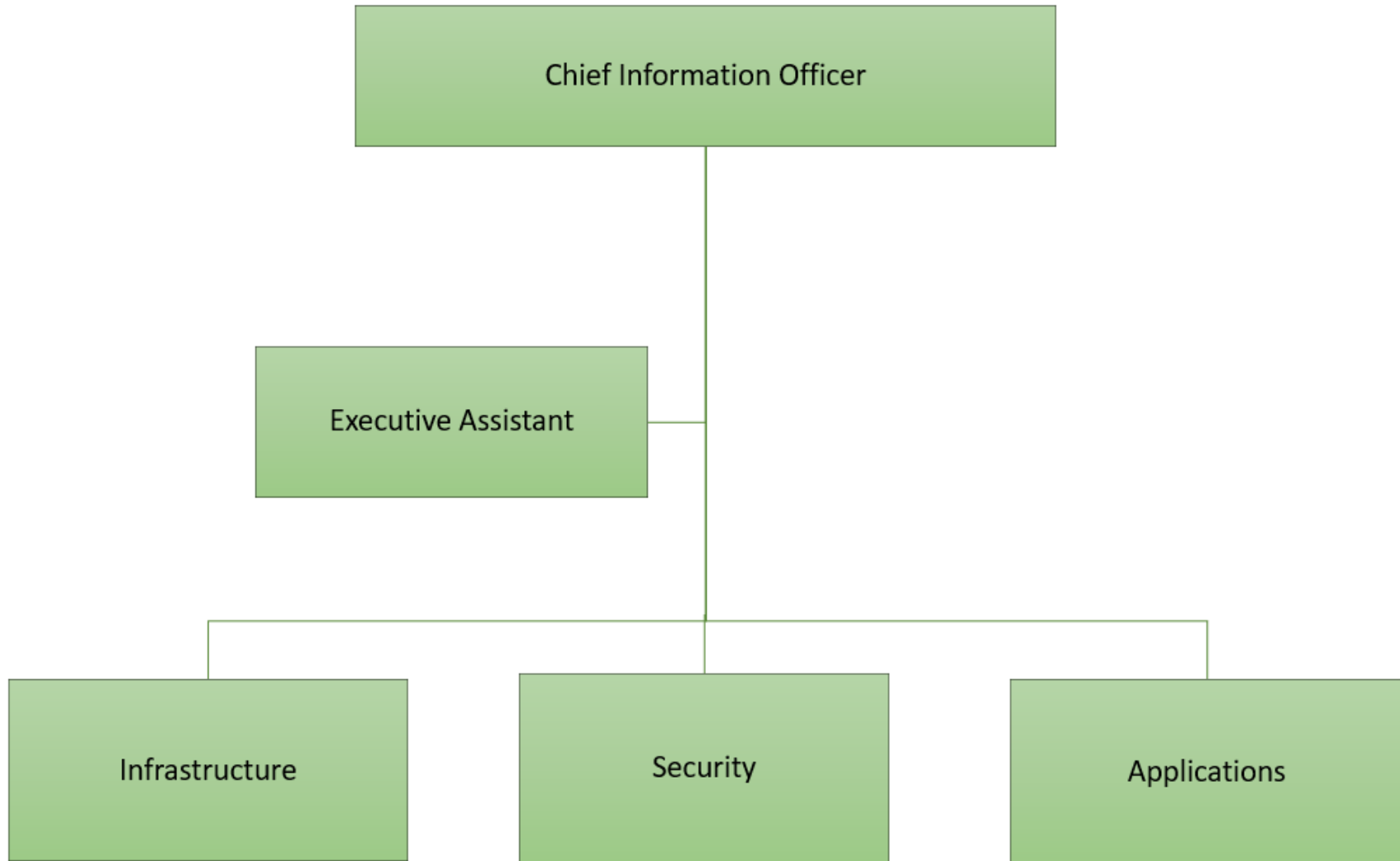
- Streamline and Leverage Existing Software Systems and dedicate staff to actively participate in defining core requirements for implementing new financial management and human resources information software replacing Enterprise1 the current HRIS systems.
  - Establish a stakeholder staff group for reviewing Inspyrus and developing recommendations for changing aspects of the system that would help streamline the processes and improve payment turnaround time. Among considerations to be addressed by the stakeholder group would be:
    - ✓ Evaluate remaining paper invoice processes with the aim of transitioning them to electronic payables.
    - ✓ Review appropriate turnaround benchmarks for payment of invoices through Inspyrus, and track and monitor monthly performance against the benchmarks.
    - ✓ Consider defining mini-LEAN processes to address and correct common reasons for payment turnaround times more than standard payment benchmarks.
  - Build on LEAN review of existing payroll system done in 2022, complete process maps for all payroll functions; and establish a stakeholders group to review, evaluate, and eliminate or change redundant, outdated, and manual steps in the processes.
- ❖ Procurement Streamlining and Support:
- Assemble the data required for the first annual reporting under the new Section 3 program and eligibility requirements. Evaluate the first-year experience under the new rules; compare the performance data under the new program to that for the final year under the prior program; and make recommendations for any changes in the program to internal Section 3 Committee.
  - Update SHA Procurement Policies maintaining adherence to Federal and State regulations for procurement and contracting with a focus on streamlining and standardizing all contracting activities, while achieving greater social equity.
  - Continue to enhance efficiency of the Contracting Process by deploying new tools for electronic signatures, modifying E-1 procedures, digitizing old contract files, and enhancing customer experience with PMWeb to include a software upgrade.
  - Champion prudent actions to reduce SHA Costs, enhance efficiency, increase revenues, and/or improve services across the agency
  - Analyze historic emergency purchase trends and establish long term contracts to meet the needs of routine emergent situations.
  - Improve compliance with Davis Bacon labor standards through enforcing requirements for prime contractor review of certified payroll submittals; providing targeted training for new contractors and subs; sampling of certified payrolls for compliance; and investigation of complaints of labor standard violations.
- ❖ Financial Planning and Stewardship
- Prepare a dashboard of key risk management performance indicators tracking such measures as risk control, claims and claim settlements, premium costs, and items affecting insurance costs.
  - Conduct a review of selected insurance language and requirements in SHA contracts, pertaining to indemnification clauses in contracts and levels of insurance coverage required of small contractors, particularly those in consulting or service fields that pose more limited liability concerns to SHA.

- Increase the Agency Purchasing Card rebate by maximizing use of P-Card as the method for spending on routine and repetitive purchases.
- Finalize, adopt, and implement the agreement with an entity who will be the steward for investing and providing annual funding for Yesler services.
- Join Housing Operations, Asset Management, and others to review and analyze the cost effectiveness of sustainability investment ideas under consideration.
- Implement the New Lease Standards of GASB 87 and work closely with the staff from Asset Management that handle commercial leases, which must be included in SHA's Financial Statements in 2023.
- Review opportunities for cost savings from potential consolidation of environmental sustainability and asset management.
- Undertake a review of all internal service fee methodologies and make any modifications warranted.
- Work with Housing Operations on review and adoption of updated service rates for IPS work in communities.
- Continue to work with Asset Management to develop processes and procedure to better track and forecast the use of replacement reserves associated with various agency properties.
- Design and implement the 2024 Budget Survey to get resident input on budget priorities and their needs in the coming year's budget cycle.

# INFORMATION TECHNOLOGY



## INFORMATION TECHNOLOGY



## Information Technology Budget

<b>Information Technology Department Expenditures</b>	<b>2021 Actual</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>	<b>2021/2022 % Change</b>
Admin Salaries & Temp Help	\$3,282,800	\$3,884,200	\$4,431,000	14.1 %
General & Admin. Expense	1,757,200	2,539,500	2,778,700	9.4 %
Tenant Services	-	-	-	-
Maintenance & Contracts	320,800	373,000	387,900	4.0 %
Utilities	-	-	-	-
<b>TOTAL OPERATING</b>	<b>\$5,360,700</b>	<b>\$6,796,800</b>	<b>\$7,597,600</b>	<b>11.8 %</b>
Salaries & Benefits in Grants, Capital, and Ltd Partnerships	-	-	-	-
<b>TOTAL</b>	<b>\$5,360,700</b>	<b>\$6,796,800</b>	<b>\$7,597,600</b>	<b>11.8 %</b>

Table 13: Information Technology Budget and FTEs

<b>Full-time Equivalent Positions</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>
Total FTEs	28.0	28.5

The adopted 2023 operating budget for Information Technology (IT) is \$7.6 million, an 11.8% increase from 2022. The increase is driven by a higher rate of inflation applied to software costs than for other costs necessitated by greater and more inconsistent fluctuations to software costs as a greater number of vendors move towards a subscription-based model of business. In addition, budget was increased for computer supplies due to staff needs for computer equipment in a hybrid environment such as headsets, hard drives, small printers, cables, etc. The budget for Professional services was also increased due to higher consulting costs associated with software and a labor shortage in the industry.

IT Capital projects are at \$2,590,000 for 2023. \$2 million of the cost is associated with initial design and licensing costs for replacement of the existing Enterprise Resource Planning (ERP) system and Human Resource Information System (HRIS) The IT capital project allocation is shown in the Capital Program 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 advice, invoices, vendor checks, and other documents, and 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.

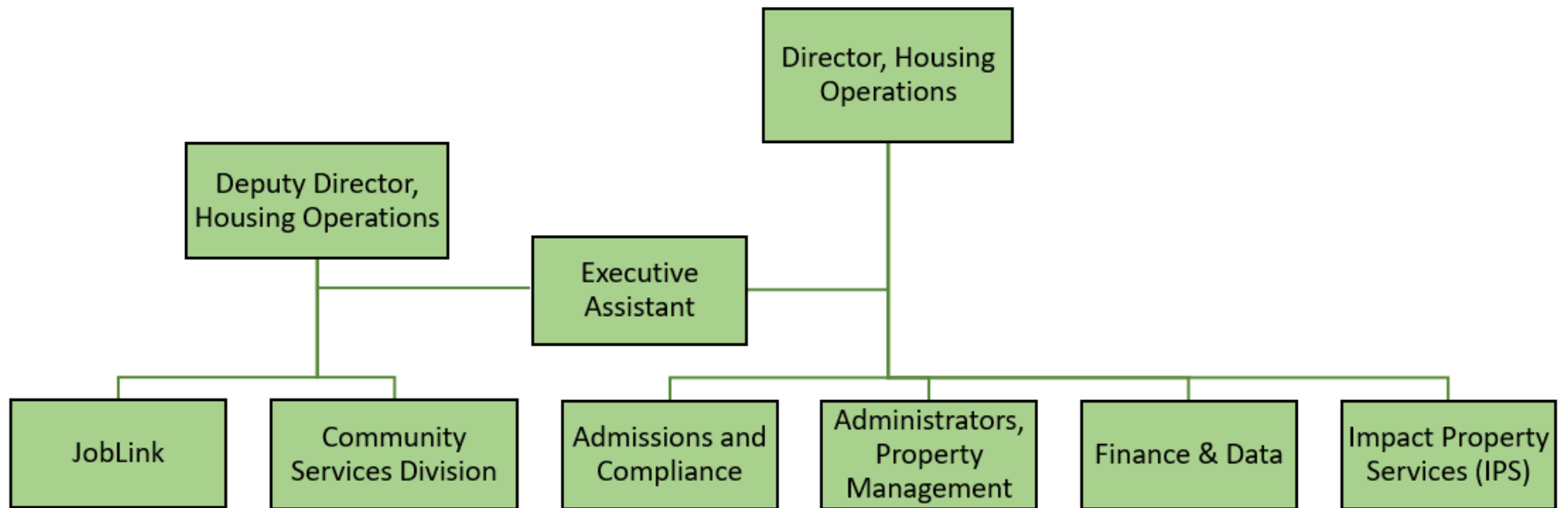
### *Department Work Plan Highlights*

IT has identified the following items as priorities in their 2023 work plan highlights:

- ❖ 2023 marks the beginning of an IT Capital project to replace SHA's financial and accounting software Enterprise 1 system (Enterprise Resource Planning (ERP) and our human resources systems HRIS (Human Resources Information System (HRIS). The selection of new systems is necessitated as SHA's E-1 accounting software will not be supported after 2030 and modernization of our finance and human resources systems is highly desirable to meet our information needs.
- ❖ The 2022 project to define the requirements for the new systems will result in an RFP to solicit proposals from appropriate vendors. Once a vendor has been selected, and implementation vendor will be selected. At this stage a determination of the scope, process, and timeline for the entire project will occur. This is a multi-year major systems replacement for SHA's critical budgeting and accounting and human resources systems. The project for this transition will last an estimated 36-60 months and the ultimate cost is expected to be about \$10 million.
- ❖ Although the conversion from Facility Commander to Genetec is an Asset Management-led project, it is heavily dependent on IT resources. In addition, the conversion to Genetec is critical from an IT security and infrastructure perspective. The Asset Management ACAM program has been replacing Facility Commander with Genetec, however, most SHA properties still need to be converted. To support this substantial and critical program, the ACAM Administrator will work with Asset Management, Housing Operations, and vendor partners to ensure a standardized set-up for all properties, and IT Network Techs will assist with cabling and equipment installation as needed.
- ❖ A remaining project for the IT department will be the completion of the Yardi Rent Cafe Portals implementation.

# HOUSING OPERATIONS

## HOUSING OPERATIONS



## Housing Operations Budget

Housing Operations Expenditures	2021 Actual	2022 Adopted	2023 Adopted	2022/2023 % Change
Admin Salaries & Temp Help	\$19,562,600	\$20,861,600	\$24,213,900	16.1 %
General & Admin Expense	12,054,900	12,907,900	14,009,700	8.5%
Tenant Services	3,626,700	5,528,900	5,988,400	8.3 %
Maintenance & Contracts	37,933,000	37,406,900	42,115,500	12.6 %
Utilities	14,060,000	13,651,000	14,639,000	7.7 %
<b>TOTAL OPERATING</b>	<b>\$87,237,200</b>	<b>\$90,356,300</b>	<b>100,966,500</b>	<b>11.7 %</b>
Salaries & Benefits in Grants, Capital, and Ltd Partnerships	5,247,000	6,911,000	7,554,000	9.3 %
<b>TOTAL</b>	<b>\$92,484,200</b>	<b>\$97,268,000</b>	<b>\$108,520,500</b>	<b>11.6 %</b>

Table 14: Housing Operations Budget and FTEs

Full-time Equivalent Positions	2022 Adopted	2023 Adopted
Total FTEs	401.5	430.0

The 2023 operating budget for the Housing Operations Department (H Ops) is \$100.97 million, an increase of 11.7% over 2022. The increase primarily results from additional budgets for tenant support services, additional administrative and maintenance staffing, as well as inflationary changes projected in 2023. Staffing total Full Time Equivalent (FTEs) positions will increase by 7.1% or by 28.5 FTEs.

**Administrative salaries and benefits expenses** are 16.1% higher than the 2022 Adopted Budget. The increase is due to additional community service and administrative service support FTEs, property management and maintenance FTEs. These FTEs are discussed in relevant H Ops division sections, which follow this one.

**General Administrative Expenses** increased by 8.5% mainly due to changes in information technology fees, insurance, auto fuel, and internal service fees.

**Contracts for Tenant Services** are to increase by 8.3% over 2022 due to mainly to increases in Community Services Division's services spending, including translation services, education and youth support services, onsite case management, and additional behavioral health support services.

**Maintenance & Contracts** will increase by 12.6% mainly due to increased staffing resulting from the transition of several properties from outside to SHA management.

**Utilities are budgeted** to increase by 7.7% from 2022 budgeted amount primarily due to increased usage across portfolios and rising rates.

## Department Purpose and Function

Housing Operations manages and maintains a diverse portfolio of nearly 8,773 units comprised of 5,268 Low Income Public Housing units, 1,089 project-based voucher units, and 2,416 other affordable units. The low-income public units include 894 Seattle Senior Housing Program (SSHP) units serving senior and disabled residents, 952 units managed in the HOPE VI portfolio, and 63 units managed in the West Seattle Affordable Housing partnership serving low-income residents. The Scattered Sites converted 228

units to voucher units in 2021, and Jefferson Terrace converted 284 units to voucher in 2022 with the change of the property to a limited partnership. The Special Portfolio group has 1,583 units locally acquired, and the HOPE VI tax credit has 739 units serving residents in the mixed-income communities of NewHolly, Rainier Vista, High Point, and Lake City Court. The redeveloped Yesler Terrace site (including the Baldwin Apartments, Ritz Apartments, Kebero Court, Raven Terrace, Hoa Mai Gardens, Red Cedar, and Hinoki) has a total of 597 units.

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

The Housing Operations 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 and Support

<b>HOps Central Admin. &amp; Support Expenditures</b>	<b>2021 Actual</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>	<b>2022/2023 % Change</b>
Housing Operations Central Admin.	\$3,534,000	\$3,505,600	\$3,644,400	3.9 %
Admissions	1,019,800	1,147,300	1,217,800	6.1 %
Inspections	237,600	262,700	397,800	51.4 %
<b>TOTAL OPERATING</b>	<b>\$4,791,400</b>	<b>\$4,915,600</b>	<b>\$5,260,000</b>	<b>7.0 %</b>

Table 15: Housing Operations Central Admin Budget and FTEs

<b>Full-time Equivalent Positions</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>
Housing Operations Central Administration FTEs	23.9	25.2
Admissions FTEs	9.0	9.5
Inspections FTEs	2.0	3.0
<b>Total FTEs</b>	<b>34.9</b>	<b>37.7</b>

The 2023 operating budget for Housing Operations Central Administration and Support (HOCAS) is \$5.3 million, a 7% increase from 2022. The largest increases for HOCAS are due to approved supplemental add requests for personnel and increased utilities costs. The group will add 2.8 FTEs for 2023, an additional Housing Inspector in Inspections and a Public Housing Program Analyst in Housing Operations Central Administration. The other 0.8 FTE change comes from labor split changes between departments.

Additional staffing on the inspections team will allow SHA staff to inspect every unit at least once per year, which is especially important as more units come online and as inspections re-start after a COVID-related hiatus on inspections. The new Public Housing Program Analyst will administer new compliance practices for the public housing program and continuously train staff on new practices.

### ***About Housing Operations Central Administration and Support***

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, there are four new teams organized by functional categories: Housing Programs, Environmental Stewardship and Sustainability (ESS), Strategy and Evaluation, and Finance and Business Infrastructure.

The Administrator for the Housing Programs oversees Admissions, Compliance, Policy, and Training. The Occupancy and Leasing Supervisor oversees the Occupancy Team. Groups under the leadership of the Administrator for the Environmental Stewardship and Sustainability (ESS) team are Contract Management, Environmental Stewardship, Inspections, Solid Waste and Fleet, and maintenance and capital improvement support. All of these groups along with the ESS administrator moved to the Asset Management department in late 2022 and will work under the Director of Asset management in 2023. 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. 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.

### ***Department Work Plan Highlights***

- ❖ Expand vendor performance evaluation activities to support planning and decision-making related to departmental service contracts.
- ❖ Implement each of the following at one or more sites:
  - Green stormwater infrastructure, garbage/recycling container right sizing, Electric Vehicle Supply Equipment installation, and outreach for a Low-Income Home Energy Assistance Program (LIHEAP) in-unit cooling equipment pilot.
- ❖ Complete planning or exploratory work in each of the following areas at each of the following at one or more sites:
  - Common area and in-unit climate resilience measures, solar installation, and planning in support of a three-year Affordable Mobility Platform grant in partnership with Forth Mobility and Seattle City Light.
- ❖ Improve reporting on tenant past due utility accounts and enrollments in Utility Discount Program, and support transition of existing utility databases to a new platform or product.
- ❖ Report recommendations from Compliance Program consultants to Leadership for input, approval, and implementation plan. Phased implementation of internal quality control system to include:
  - Increased monitoring of public housing program that will help identify and report on trends and focus on areas compliance is most vulnerable.
  - Increased compliance monitoring resulting from new and rehabbed tax credit properties, Jefferson Terrace, Lam Bow, Sawara and Juniper, including reviews for initial qualification, new move-ins, ongoing reexamination reviews and annual WBARS report submissions.



- ❖ Strategize development of training program and curriculum informed by Leadership and staff input and based on audit findings and consultant recommendations.
- ❖ Update Admissions and Continued Occupancy Policy (ACOP), along with procedures and forms to establish a system for monitoring federal, state, and/or local regulatory changes and making updates.
  - Work with Leadership and staff in reviewing, evaluating, and/or developing MTW activities.
  - Work to identify and Integrate consideration of racial equity tools in policy decisions and procedural development.
  - Coordinate with Training and Development Coordinator to provide training on revised policy and procedures and other technical training priorities, such as rent calculation and income determination.
- ❖ Collaborate with Data Management team to develop various data reports in The Sound related to Compliance monitoring. These reports will support Compliance and Property Management teams in monitoring compliance requirements, inform training needs, and provide key performance indicators.

### ***Admissions Work Plan Highlights***

- ❖ Maintain existing Admissions managed waiting lists to ensure there are sufficient approved applicants to support property management in leasing vacant units.
- ❖ Build waiting lists for Scattered Sites, Jefferson Terrace, Sawara, and Juniper to ensure there are enough applicants for review and approval to support property management in lease-up of tax credit properties.
- ❖ Perform process improvement:
  - Form group of Admissions staff members dedicated to identifying duplicative work needing improvement.
  - Develop and update Admissions procedures and forms.
  - Collaborate with Housing Operations Policy and Procedure groups to approve and add Admissions procedures and forms to official libraries in SharePoint.
- ❖ Continue collaboration with Data Management team to continue building data dashboard in The Sound.
  - Analyze and use reports to assess equity in access to our housing, who gets on our waitlist and who ultimately gets housed. Identify disparate impacts and develop ways to address them. Develop reports to assist in measuring key performance indicators to report, plan and implement performance goals.
- ❖ Develop Admissions related reports to support property management in efficient waiting list management.

### ***Inspections Work Plan Highlights***

- ❖ Expand inspections data benchmarking and reporting efforts to include tenant observations and feedback, informing agency decision-making and supporting prioritization of tenant-centered maintenance activities.

## Low Income Public Housing

LIPH High-rises, Scattered Sites, homeWorks and LIPH Admin Expenditures	2021 Actual	2022 Adopted	2023 Adopted	2022/2023 % Change
<b>TOTAL OPERATING</b>	<b>\$26,759,600</b>	<b>\$26,769,100</b>	<b>\$30,090,700</b>	<b>12.4%</b>

Table 16: Low Income Public Housing Budget and FTEs

	2022 Adopted	2023 Adopted
Full-time Equivalent Positions		
Total FTEs	58.6	74.0

The 2023 operating budget for Low Income Public Housing (LIPH) is \$30.1 million, and 12.4% increase from 2022. In 2022 the budget decreased when 228 units were converted to voucher units. Since this 2022 decrease, utility costs were adjusted in accordance with higher utility costs over the last two to three years. IPS services budgets were also increased to assist with maintenance cost increases. Further, a mid-year addition of about \$1 million for 14 project FTE were approved for cleaning and increased site presence to the high-rises.

### About LIPH

The LIPH program consists of approximately 5,300 units of low-income housing owned, maintained, or managed by SHA. The homeWorks tax credit partnerships, with 1981 units, are included here as part of the LIPH program, while SHA is exiting the partnership in 2023. 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; and 894 units in the Seattle Senior Housing Program (SSHP) brought into the Low-Income Public Housing Program in 2011. The budgets for these units are accounted for in the Limited Partnerships, NewHolly, Special Portfolio, and Seattle Senior Housing Program sections respectively. Low Income Public Housing serves low-income residents, with most residents at or below 30% of Area Median Income.

### Department Work Plan Highlights

- ❖ Focus on increasing site presence and continued strengthening of our partnerships with our partners ADS, Full Life, and Sound. Eviction notices and warnings are used when appropriate. Starting the work processes again as before COVID such as the use of minor complaints for lease violations, leasing work, REAC, transfers, capital work, and work orders.
- ❖ SHA's largest building will be undergoing a substantial 2+ year rehab and modernization with construction work scheduled to start in early August. Housing Operations will need to move another 100 residents to those recently completed units in 2023. The planning and coordination between property management, Relocation Asset Management, design and construction groups, case management groups, Compliance, and Admissions has been a success.
- ❖ Several key parts of the Jackson Park Village new development will be underway in 2023. Initial resident notification is will likely continue into 2023 along with increasing resident involvement in planning. Some families may be moved beginning in the summer of 2022.
- ❖ Meet with all families and assess challenges and needs for relocation in late 2022 or early 2023. Property Management staff will need to work with Development and Relocation staff on a relocation plan for this project. There are a total of 41 units comprised of 3 and 4-bedroom units. More than 90 school aged kids live in the existing units. Because of the larger bedroom sizes, it will

be difficult to find comparable housing for all of these families in the north area. It may require two summer breaks to complete the moves for these families.

- ❖ The Clutter Coordinator is working to develop a sustainable program to address clutter units in the high-rise program. Based on national figures there are at least 100 of these units in the high-rises and property management anecdotal reports suggest more than that. These units have largely been unaddressed.

### Seattle Senior Housing Program

Seattle Senior Housing, includes Ravenna and Leschi Tax Credits	2021 Actual	2022 Adopted	2023 Adopted	2022/2023 % Change
<b>TOTAL OPERATING</b>	<b>\$7,496,400</b>	<b>\$6,722,100</b>	<b>\$7,095,400</b>	<b>5.5%</b>

Table 17: Seattle Senior Housing Program Budget and FTEs

Full-time Equivalent Positions	2022 Adopted	2023 Adopted
Total FTEs	20.8	20.9

The 2023 operating budget for Seattle Senior Housing Program (SSHP) is \$7.1 million, a 5.5% increase from 2022. In 2022, utilities were projected to be flat, while for 2023 utilities were increased due to inflation and higher usage of solid waste utilities especially during the pandemic.

#### 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% of Area Median Income with the head of household or spouse at least 62 years old or disabled. Residents pay affordable rent depending on their income. 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).

#### Department Work Plan Highlights

- ❖ Some SSHP residents received free laptops in late 2022 as part of the Digital Equity Initiative. Assist residents with becoming more digitally and technologically aware so they may safely navigate through the digital world. This will also allow residents to access online resources to connect with family, friends and other supports allowing folks to feel more connected in the current social environment.
- ❖ Focus on resuming normal leasing activities and reducing the vacancy rate. Over the course of the pandemic there has been higher vacancy rates with more residents exiting the program due to health-related reasons.
- ❖ Focus on bringing in resources such as Seattle Police to bring awareness to residents on ways to be more safety aware and learning how to reduce personal safety risk. SHA will also explore other resources to assist with increasing overall safety in the SSHP communities.

## Yesler Terrace

Yesler Terrace, Baldwin, Ritz and EOC Expenditures	2021 Actual	2022 Adopted	2023 Adopted	2022/2023 % Change
Old Yesler Terrace	\$173,400	\$9,000	\$9,000	0.0 %
Baldwin Apartments	136,600	126,800	153,500	21.0 %
Ritz Apartments	169,500	160,600	193,300	20.4 %
Epstein Opportunity Center	78,700	76,400	82,000	7.4 %
<b>TOTAL OPERATING</b>	<b>\$558,200</b>	<b>\$372,800</b>	<b>\$437,800</b>	<b>17.4%</b>

Table 18: Yesler Terrace Budget and FTEs

Full-time Equivalent Positions	2022 Adopted	2023 Adopted
Total FTEs	19.7	21.6

The 2023 operating budget for Yesler Terrace (old Yesler, Baldwin, Ritz, and the EOC) is \$437,800, a 17.4% increase from 2022, mainly due to increased staffing along with rising utilities costs and inflation. The 2023 operating budgets for Kebero Court, Raven Terrace, Hoa Mai Gardens, Red Cedar, and Hinoki are included in the Capital, Grants, and Limited Partnership sections of the budget book and are not reflected in the table above. However, the employees funded by the limited partnerships and working in the Yesler communities are included in the FTE counts above. The increase in staffing in 2023 is because of addition of Hinoki and to add staffing capacity in advance of the addition of Sawara and Juniper.

### 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% 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 the relocation of the YWCA program. The remaining units at old Yesler were transferred for redevelopment, and by 2022 there were no operating units. 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, Red Cedar and Hinoki, the first five new residential properties, are complete and are operational. These projects are limited partnerships; as such, their budgets are not reflected in the table above. The construction of replacement and tax credit units at Sawara is expected to be under construction in 2023.

### Department Work Plan Highlights

- ❖ **Ramp up activities** for Yesler’s staff through 2023 as the date for Sawara coming online draws near. Staff will also be preparing for the lease up of Sawara in early 2024.
- ❖ **Continue the leadership** in Yesler communities to enhance the strong community in the neighborhood with private sector partners.
- ❖ **Continue to develop** and innovate the way staff manage and operate the dense Yesler Campus.

## Special Portfolio Housing Program

Special Portfolio	2021 Actual	2022 Adopted	2023 Adopted	2022/2023 % Change
SHA-Managed	\$2,207,700	\$2,226,300	\$2,493,700	14.1%
Outside-Managed	5,082,600	5,597,000	7,167,900	28.1%
<b>TOTAL OPERATING</b>	<b>\$7,290,300</b>	<b>\$7,823,300</b>	<b>\$9,661,600</b>	<b>23.5%</b>

Table 19: Special Portfolio Budget and FTEs

Full-time Equivalent Positions	2022 Adopted	2023 Adopted
Total FTEs	11.4	16.5

The 2023 operating budget for the Special Portfolio Housing Program is \$9.6 million, a 23.5% increase from 2022. All of the increase in the Outside-Managed amount is due to the additional resources (added FTE and budget for IPS maintenance services) needed when SHA took the properties back. These properties remain in the Outside-Managed portion of the portfolio while Housing Operations continues to inspect units, bring units up to SHA standards, and evaluate the costs of preventative maintenance and annual upkeep of the properties.

### About Special Portfolio

The Special Portfolio group is made up of locally funded properties that include a mix of subsidized, vouchers and affordable units. 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% 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.

The Outside Managed property portfolio has grown to 1,128 units in less than 4 years. The properties range from a six-person group home that is coordinated with an outside agency, to a high-rise building, to properties similar to the Scattered Sites group in Low Income Public Housing portfolio, senior buildings managed by SHA, others managed by outside agencies.

In 2023, the SHA-managed group of Special Portfolio will carry 455 units which excludes all Lam Bow Apartments units while the units are under 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.

### Department Work Plan Highlights

- ❖ Assessing structure and alignment so that we can best manage the variety of properties added to the portfolio in the last 4 years.
- ❖ Finalize a long-term staffing recommendation for this portfolio given the amount of work to transition the properties from Coast management and some of the units towards project-based vouchers.

- ❖ Stabilize former Coast properties. Complete a review and update all tenant files. Once the coast properties were returned to SHA's management, irregularities were discovered in records of rental billings. Work is required to complete a review and update all tenant files.

## Impact Property Management – HOPE VI Communities and Parks

<b>Impact Property Management – HOPE VI Administration, NewHolly and Other Expenditures</b>	<b>2021 Actual</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>	<b>2022/2023 % Change</b>
Impact Property Management	\$858,000	\$1,206,600	\$1,615,200	33.9 %
NewHolly Phase II & III (Othello & Desdemona)	2,627,600	2,594,700	2,809,800	8.3 %
Rainier Vista Phase I (Escallonia)	1,617,900	1,532,400	1,628,300	6.3 %
High Point North	3,002,600	3,315,100	3,408,000	2.8 %
Parks	408,700	420,900	445,700	5.9 %
Campus of Learners	707,300	669,000	702,000	4.9 %
<b>TOTAL OPERATING</b>	<b>\$9,222,100</b>	<b>\$9,738,700</b>	<b>\$10,609,000</b>	<b>8.9 %</b>

Table 20: Impact Property Management Budget and FTEs

<b>Full-time Equivalent Positions</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>
Total FTEs	57.5	66.0

The 2023 operating budget for Impact Property Management and HOPE VI communities is \$10.6 million, an increase of 8.9% from 2022. HOPE VI properties increased the 2023 budget for additional staffing, including converting the project-based Maintenance Manager to ongoing given their success over the course of the project period, as well as a Lead Assistant Property Manager for the HOPE VI and Yesler Communities. Funding for maintenance materials was added due to the increasing cost of materials, and further funding was added for removal of trees that pose risk of falling. Lastly, budget was increased in anticipation of maintenance needs at RAVES soccer fields due to wear and tear.

### 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 Place, Lake City Village, and High Point South. IPM also manages four former tax credit partnership properties owned and operated by SHA. In 2023, IPM-HOPE VI will manage about 1,700 public housing, project-based vouchers, and tax credit units in these communities. IPM also oversees the management of approximately 570 Yesler campus housing units, Ritz Apartments, and Baldwin Apartments. Also included in the 570 units are six tax credit limited partnerships, Leschi House, Kebero Court, Raven Terrace, Hoa Mai Gardens, Red Cedar, and Hinoki 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.

### Department Work Plan Highlights

- ❖ **Evaluate staffing needs** at each Hope VI property separately. Each property is unique and needs specific positions to address needs.
  - Properties laden with mid to low rise buildings may need a new structure that may include a higher emphasis on janitorial. In turn, existing maintenance personnel will be able to focus on other important duties including vacates, routine work orders and other projects including REAC prep.
- ❖ **Continue to develop** the use of Yardi's Rent Café as a way to provide on-line services to residents, such as reporting changes in circumstances for rent adjustments and submit requests for unit repairs.
- ❖ **Support the opening** of the property management offices with protocols that allow us to have in-person interactions with residents, such as conducting certifications and tenant conferences, while maintaining COVID safety measures.
- ❖ **Continue to look for improved ways** to perform our day-to-day work within the new world of teleworking for staff; improved ways to interact with residents virtually, especially as COVID continues to impact King County.
- ❖ **Continue our recovery planning** to address the large backlog of inspection Routine Work Orders with the reopening in 2022 to in-unit inspections with a safety and health focus, while keeping up with on-going routine work orders requested by residents.
- ❖ **Begin work on the backlog** of inspection workorders created in 2023 while continuing to address the backlog of Covid related work order without falling behind in newly created routine work orders.

### Impact Property Services

Impact Property Services Expenditures	2021 Actual	2022 Adopted	2023 Adopted	2022/2023 % Change
Impact Property Services Operations	\$18,327,400	\$17,818,000	\$20,538,400	15.3 %
Solid Waste & Fleet	4,413,000	4,606,800	4,968,500	7.9 %
Housing Operations Facilities	347,700	364,000	394,500	8.2 %
<b>TOTAL OPERATING</b>	<b>\$23,088,100</b>	<b>\$22,788,800</b>	<b>\$25,901,400</b>	<b>13.7 %</b>

Table 21: Impact Property Services Budget and FTEs

	2022 Adopted	2023 Adopted
<b>Full-time Equivalent Positions</b>		
IPS Operating Budget FTEs	122.5	131.0
Solid Waste & Fleet Operating FTEs	17.6	17.3
IPS Capital Budget FTEs	12.7	8.0
<b>Total FTEs</b>	<b>152.8</b>	<b>156.3</b>

The 2023 operating budget for Impact Property Services (IPS), Solid Waste, Fleet and Housing Operations Facilities is \$25.9M, an increase of 13.7% from 2022.



IPS’s 2023 operating budget is substantially status quo, reflecting standard 2022 inflationary increases. In 2023, IPS will have 8 IPS Capital FTE compared to 12.7 in 2022. Additionally, IPS will have 7 new FTE added that will cover the new workload for the Coast Properties, and 1 project-based operating FTE through year end 2023.

The Solid Waste and Fleet divisions added one-time budget for container replacement and increased programming budget. New programming will offer more guidance for residents on proper waste disposal. Solid Waste also added a budget for the increase in Solid Waste charges due to the continued growth in disposal volume and rate changes in 2023.

### ***About Impact Property Services***

Impact Property Services (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.

### ***Department Work Plan Highlights***

- ❖ Continuing work on the Specialized Maintenance and Repair Training (SMART) program:
  - The SMART training coordinator will have a variety of responsibilities. Their primary focus will be around evaluating and training our staff on their current job descriptions as well as furthering skill development. This will be done via hands on training, coordinated peer trainings, online training library, as well as written materials. The SMART trainer will also assist in designing, creating, and coordinating new training materials and tests for our staff.
  - As another primary responsibility the SMART training coordinator will also be responsible for communicating any agency/departmental policies & procedures.
  - Highlights: Online Video Library, How-to tutorials, Step by Step guides, Improved work efficiencies, Increased staff knowledge, Efficient new hire screening and development, Opportunities for further skill development, Yardi training for IPS staff and Property teams, RSJI benefits- Cultural competency- manners, cultural, language, etc.
- ❖ Partner with Asset Management and Construction Ops:
  - Work with asset management & construction operations to fulfil the capital needs of the agency.
  - Perform maintenance repair and replacement projects identified by property managers and construction operations, including:
    - ✓ Unit upgrades - solid surface,
    - ✓ Building electrical upgrades,
    - ✓ Improving building security,
    - ✓ 24/7 fan install,



- ✓ 17-unit rehab, and
- ✓ Miscellaneous projects such as sprinkler and flooring replacement
- ❖ Work on residential unit repair backlog due to COVID-19 delays:
  - Developed a strategic plan that will reduce the backlog of work orders without hindering normal tasks and operations.
- ❖ Complete all post REAC inspection work orders due to COVID-19 delays:
  - Complete all exigent work orders, post inspection, within 24 hours, and complete all post-REAC inspection work orders.
  - Coordinate with Asset Management on an overall strategic plan for REAC.
- ❖ Conduct a preventive maintenance:
  - Perform largely preventative maintenance items (i.e., fire alarms, furnace filters, etc.) for the new Coast Properties.
- ❖ Establish a new inventory management system:
  - Plan and coordinate with IT to identify an inventory management system for our warehouses.
- ❖ Continue work to promote Race and Social Justice (RSJ) and equity:
  - Create pathways for current SHA staff in lower pay tier positions, which are disproportionately filled by employees who identify as multi-racial and people of color, to have opportunities for growth and career development.
  - Broaden the participation of staff members, particularly field staff, who are multi-racial and people of color on our hiring panels by increasing both the number who are trained for panel participation and actual inclusion on hiring panels.
  - Create and implement a maintenance-specific training module through our SMART program focused on increasing the cultural competency of maintenance staff, particularly around interactions with residents.

### Community Services Division

Community Services Division Expenditures	2021 Actual	2022 Adopted	2023 Adopted	2022/2023 % Change
<b>TOTAL OPERATING</b>	<b>\$5,618,700</b>	<b>\$8,122,800</b>	<b>\$8,754,500</b>	<b>7.8 %</b>

Table 22: Community Services Budget and FTEs

Full-time Equivalent Positions	2022 Adopted	2023 Adopted
Total FTEs	22.0	21.0

The 2023 operating budget for Community Services Division (CSD) is \$8.75 million, an increase of 7.8% from 2022. CSD has 21 FTE in 2023 as compared to 12 in 2022, which represents staffing shifts between grant funding and SHA funding.

Community Services Division’s 2023 budget includes status quo with inflation increases, as well as approved additional funding requests which includes the conversion of a project employee to regular status.

Salaries and Benefits increased by \$61,590 to convert the project based Strategic Advisor for Digital Equity, which was originally going to expire at the end of 2022, to ongoing status. For the first half of the year, this FTE's salary will be fully covered by the Digital Equity Grant from the Washington State Broadband Office. SHA is funding their salary entirely once the grant period ends.

Tenant Services Contracts budget remained flat apart from inflationary increases as Case Management Services, Third Party Mediation, and Behavioral Health Outreach contracts funding were set to expire at year end 2022. Given continuing need however, they were approved to be added back to the budget through year end 2024. \$5,000 was added to the CSD budget for interpretation and translation services at various events to make them more accessible for our residents who do not speak English as a first language.

### ***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 for youth and families with students to be academically successful. The division will contract out approximately \$4.7 million in 2023 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.

### ***Department Work Plan Highlights***

- ❖ Community Building
  - Re-engage residents in outdoor and indoor settings.
  - Facilitate Resident Council elections.
- ❖ Education and Youth Development
  - Facilitate Youth Leadership Councils, Career Fairs, workshops addressing leadership, social emotional development.
  - Provide College Fairs, financial aid workshops and 1:1 support, school navigation case management and out-of-school time enrichment.
  - Coordinate summer and out-of-school program in the Yesler community using funds from the Best Starts for Kids grant.
- ❖ Health and Housing
  - Improve leadership and management of behavioral health focused contracts by improving referral process, providing staff training, hastening the feedback loop.
- ❖ Digital Equity
  - Utilize investment made by Washington State Department of Commerce of \$3.6 million to distribute computing devices, in-unit connectivity, provide digital literacy skills and navigation.
  - Develop mid-term plan for supporting digital equity beyond 2023.

## JobLink

JobLink Expenditures	2021 Actual	2022 Adopted	2023 Adopted	2022/2023 % Change
<b>TOTAL OPERATING</b>	<b>\$2,410,800</b>	<b>\$3,102,500</b>	<b>\$3,156,100</b>	<b>1.7 %</b>

Table 23: JobLink Budget and FTEs

Full-time Equivalent Positions	2022 Adopted	2023 Adopted
Total FTEs	23.9	22.0

The 2023 operating budget for JobLink is \$3.1 million, an increase of 1.7% from 2022. In 2023, JobLink has about two fewer FTE from 2022, 22.0 FTE.

JobLink’s 2023 budget includes status quo with inflation increases; salaries and benefits were increased by \$132,000 for half year funding for a Career Coach Supervisor and Client Engagement Coordinator. Funding for increased software costs was added to JobLink’s budget for 2023, totaling \$6,200.

### 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 the 70% 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 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.

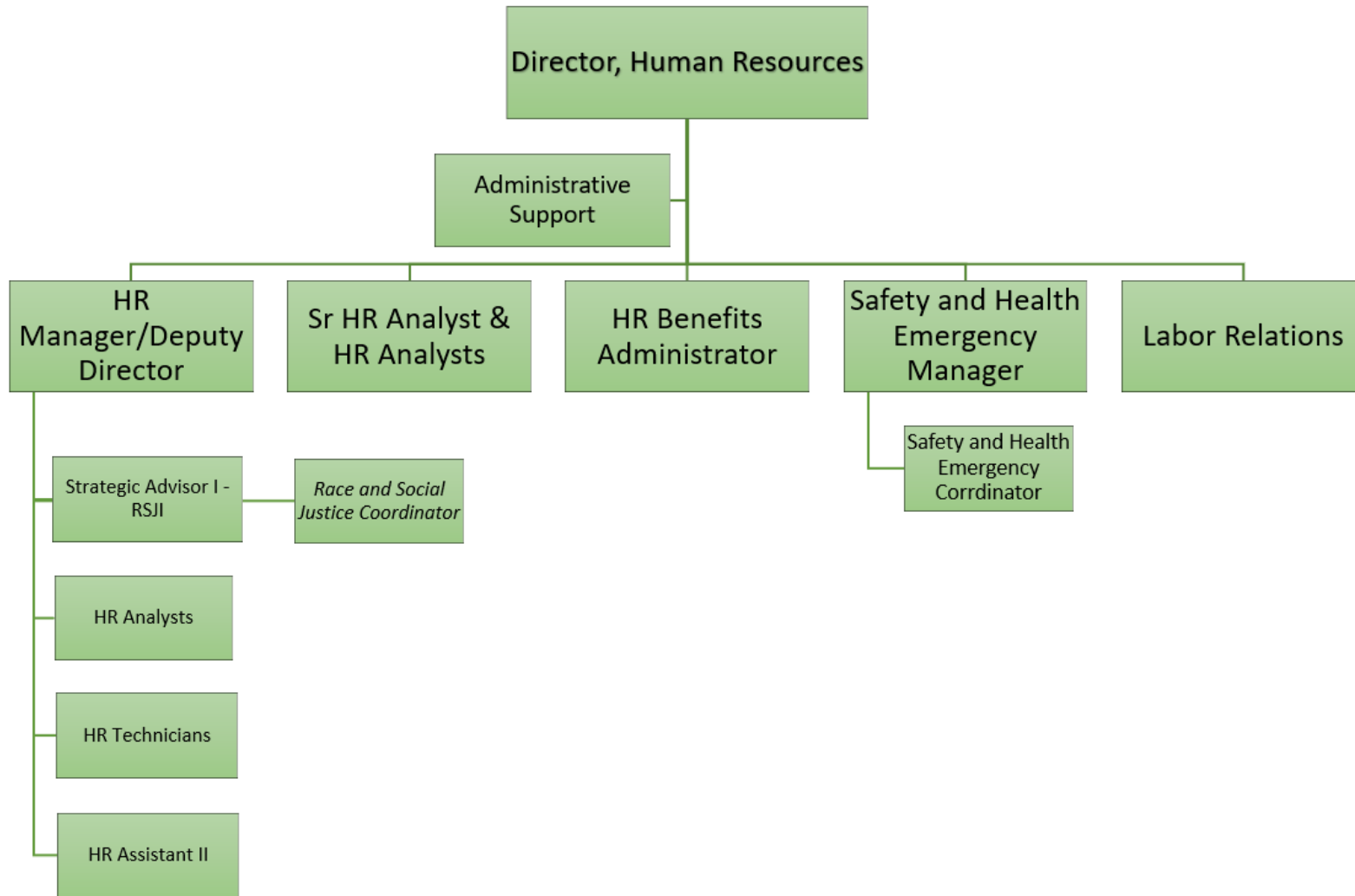
### Department Work Plan Highlights

- ❖ Continue training series launched in 2022 on Race and Social Justice for all JobLink team members with a focus on how to have conversations around race, historical impacts of race, and its implications on how JobLink delivers services, and how to use a race and equity lens to assess JobLink policies and approaches.
- ❖ Continue to support high needs clients. The Client Engagement Coordinator offers more one-on-one support to help participants address challenges impeding their progress in their pursuit of employment or education.
- ❖ Refine the JobLink Academy (previously Section 3 Trainee Program), which brings all SHA’s trainee opportunities under one umbrella. Continue to formalize and document the program in the JobLink Academy Playbook, providing a clear support structure to help trainees succeed with regular performance check-ins. Continue to support participants in SHA internships, temporary employment, project, and permanent positions.

- ❖ Provide monthly training and practice opportunities for team members to ensure all team members operate with the same IT skill levels, maximizing connection and overall impact.
- ❖ Continue training effort designed to increase staff skills and effectiveness in supporting residents, building upon a full year of Motivational Interviewing skills development for the team which puts clients and their experience at the center of the change process.

# HUMAN RESOURCES

# HUMAN RESOURCES



## Human Resources Budget

<b>Human Resources Department Expenditures</b>	<b>2021 Actual</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>	<b>2022/2023 % Change</b>
Admin Salaries & Temp Help	\$2,320,500	\$3,145,200	\$3,688,300	17.3 %
General & Administrative Expense	405,700	538,400	650,800	20.9 %
Tenant Services	-	-	-	-
Maintenance & Contracts	52,900	125,900	186,000	47.8 %
Utilities	-	-	-	-
<b>TOTAL OPERATING</b>	<b>\$2,779,100</b>	<b>\$3,809,500</b>	<b>\$4,525,200</b>	<b>18.8 %</b>
Salaries & Benefits in Grants, Capital, and Limited Partnerships	-	-	-	-
<b>TOTAL</b>	<b>\$2,779,100</b>	<b>\$3,809,500</b>	<b>\$4,525,218</b>	<b>18.8 %</b>

Table 24: Human Resources Budget and FTEs

<b>Full-time Equivalent Positions</b>	<b>2022 Adopted</b>	<b>2023 Adopted</b>
Total FTEs	16.8	17.6

The adopted 2023 operating budget for the Human Resources Department (HR) is \$4.5 million, an increase of 18.8% from 2022. In 2023 HR will have .8 FTE more than in 2022, which is the cumulation of labor split changes between HR and Housing Operations and the addition of a Safety, Health & Emergency Management Coordinator. The Human Resources Technician II position, which had been a project position that was extended several times, has been converted to regular.

In addition to inflationary increases and the additional FTE described above, SHA adds funding to the HR budget to support staff in numerous ways. HR will pilot an employee referral program and will complete and classification and compensation study to increase staff retention and attract new talent. Funding has been added to the HR budget for SHA to cover the full cost of staff public transit through ORCA cards to support staff who need to travel for work. HR will use Radio Frequency Identification technology to inspect, manage, and track all fall protection equipment throughout the agency, representing a further investment in safety in addition to the Safety, Health, & Emergency Management Coordinator position mentioned above. Lastly, continuing the commitment to Race and Social Justice, SHA will add funding for Affinity Groups. These groups were started in 2020 as a way for staff from shared racial, ethnic, and other identity groups to build supportive community and make recommendations collectively about issues of race and social justice equity to address at SHA. This new funding will allow groups to host events, invite speakers, and purchase materials to support their work.

### 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.

### *Department Work Plan Highlights*

HR has identified the following priorities as part of their 2023 work plan highlights:

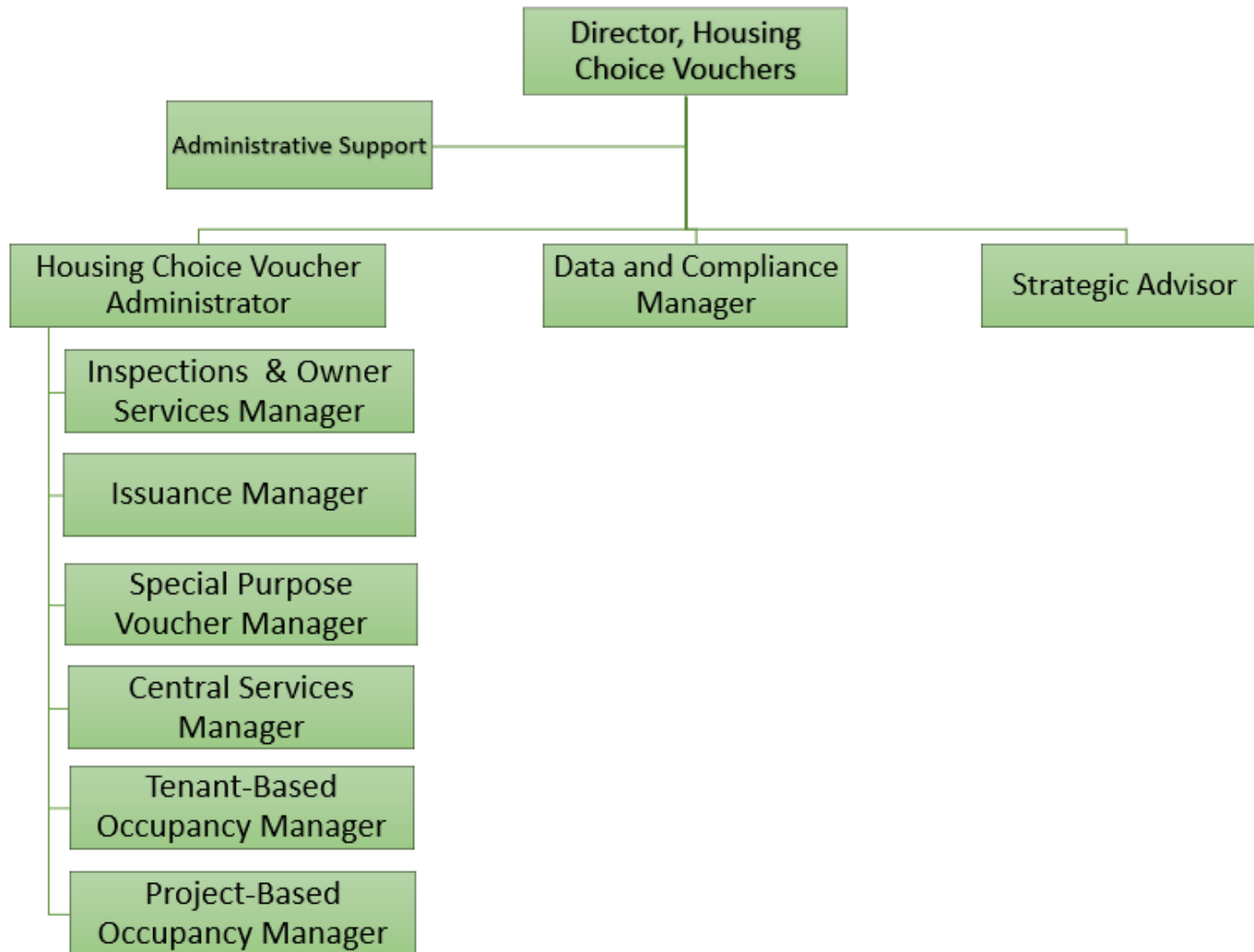
- ❖ **Job Classification & Compensation** - In addition to ongoing job and compensation duties, 2023 initiatives will include completion of a classification and compensation study.
- ❖ **Recruitment & Employment** - In addition to ongoing recruitment & employment duties, 2023 initiatives will include:
  - Starting and administering the one-year pilot Employee Referral Program which offers financial compensation to staff who refer successful candidates.
  - Increasing scope of job posting practices to include a wider range of posting options.
  - Better utilize HR's partnership with JobLink to include more job opportunities, internships, and training programs for JobLink participants.
- ❖ **Benefits** - In addition to ongoing benefits duties, in 2023 HR will:
  - Evaluate who is accessing our benefits and strategize outreach and education re: benefits options/programming.
  - Lean and improve the process for Benefits Enrollment.
- ❖ **Training** - In addition to ongoing training duties, 2023 initiatives will include:
  - New RSJI-Embodied Supervisory series to train supervisors on issues and best practices related to RSJ.
- ❖ **Employee Experience** - In addition to ongoing efforts to improve the employee experience, 2023 initiatives will include:
  - Create and administer a new system for getting quick feedback on the employee experience.
- ❖ **HRIS, Data, Process Improvements, and Digital Equity** - In addition to ongoing process improvements, 2023 initiatives will include:
  - Continuing process to update the HRIS system.
  - Eliminating manual process and paper-based systems.
  - Employing innovative strategies to streamline standard processes.
  - Expanding on current data practices to include the full HR department.
  - Creating pathways for consistent employee feedback and practices for reviewing, analyzing, and acting on that feedback.
- ❖ **Safety, Health, and Emergency Management** - In addition to ongoing safety, health, and emergency management duties, in 2023 staff will:
  - Enhance Safety and Emergency Management through data tracking and reporting, training, engineering controls, process improvement and regulatory requirements.



- Provide safe work environment for all staff.
- Continue to address the COVID pandemic.
- ❖ **Labor Negotiations** - In addition to ongoing labor negotiations duties, HR staff will:
  - Continue to strengthen the relationship with labor unions.
- ❖ **Bold RSJ Work** - In addition to ongoing RSJ work, 2023 initiatives will include:
  - Administer the Leaders at All Levels part of the Black, Indigenous, and People of Color (BIPOC) Equity Fund to create a pipeline of talent for BIPOC and Women to rise to leadership levels and support trades and front-line staff.
- ❖ **Performance Management** - In addition to ongoing performance management duties, 2023 initiatives will include:
  - Review of performance management policies and practices to incorporate RSJ and trauma-informed principles.

# HOUSING CHOICE VOUCHER PROGRAM

## HOUSING CHOICE VOUCHER PROGRAM



## Housing Choice Voucher Program Budget

HCV Department Expenditures	2021 Actual	2022 Adopted	2023 Adopted	2022/2023 % Change
Admin Salaries & Temp Help	\$6,037,500	\$7,302,700	\$8,705,700	19.2 %
General & Administrative Expense	5,818,100	5,678,800	6,303,400	11.0 %
Tenant Services	160,200	811,500	273,800	(66.3)%
Maintenance & Contracts	72,100	133,000	85,400	(35.8)%
Utilities	-	-	-	-
<b>TOTAL OPERATING</b>	<b>\$12,089,900</b>	<b>\$13,926,000</b>	<b>\$15,368,300</b>	<b>10.4 %</b>
Salaries & Benefits in Grants, Capital, and Limited Partnerships	144,700	-	-	(100.0)%
Housing Assistance Payments	132,794,000	149,953,700	\$157,814,000	5.2 %
<b>TOTAL</b>	<b>\$144,983,600</b>	<b>\$163,879,700</b>	<b>\$173,182,300</b>	<b>5.7 %</b>

Table 25: Housing Choice Voucher Program Budget and FTEs

Full-time Equivalent Positions	2022 Adopted	2023 Adopted
Total FTEs	78.0	85.5

The adopted 2023 operating budget for the Housing Choice Voucher Program (HCV) is \$15.4 million, an increase of 10.4% from 2022. In 2023, HCV has an increased admin salaries and temp budget due to the addition of 7.5 FTE, totaling 85.5 FTE, compared to 78 FTE in 2022. HCV added 1 FTE funded with MTW Operating Funds and 6.5 FTE funded with Emergency Housing Voucher funds. Salaries and benefits for HCV’s staff were adjusted per the agency-wide labor expense adjustment.

The Housing Choice Voucher Department’s 2023 budget incorporates a status quo budget with inflation increases, as well as approved additional funding requests including \$156,000 for mixed family rent simplification to increase financial support for families with non-citizens, and \$100,000 to continue the Home from School program through 2023.

## 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 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% 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 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.

### *Department Work Plan Highlights*

HCV has identified the following items as large priorities in 2023:

- Maintain High Utilization and Serve More People – HCV's utilization is 92.3% as of August 2022. As this figure indicates, HCV continues to demonstrate high leasing success across all voucher programs. To maintain this level of achievement in 2023, HCV will focus on Emergency Housing Vouchers, Creating Moves to Opportunity (CMTO) Phase IV, Mainstream, Veterans Affairs Supportive Housing (VASH) vouchers, Foster Youth to Independence vouchers, Family Unification Program (FUP) vouchers, and the new Stability Voucher (SV) program.
- Emergency Housing Vouchers (EHV) –As of August 2022, EHV's are 72.3% utilized and by year end are anticipated to be at least 95% utilization. HCV will continue to collaborate with partnering organizations to ensure the flow of referrals aligns with SHA's leasing goals. Housing Counselors will continue to provide housing search assistance and partner with case managers to produce lease up participants. SHA will also work with EHV partners and the King County Regional Authority (KCRHA) to ensure housing stability assistance is available to leased participants. EHV's cannot be reissued starting September 30<sup>th</sup>, 2023.
- Special Purpose Vouchers (SPV) – SPV utilization success will continue in 2023. HCV looks forward to HUD awarding additional SHA Foster Youth to Independence, VASH, and Housing Stability vouchers and will work to increase utilization in 2023. Finally, the Department will respond to SPV NOFAs as released by HUD.
- Research Partnerships – HCV will continue partnering with SHA's Office of Policy and Strategic Initiatives (OPSI) on research projects related to EHV, CMTO and voucher participant mobility with the University of Washington. HCV's participation with the Urban Institute's Family Unification Program (FUP) Evaluation is also underway.
- Creating Moves to Opportunity (CMTO)– HCV will continue to take part in the CMTO workgroup with OPSI, King County Housing Authority (KCHA), and external researchers to understand and incorporate lessons learned from CMTO into ongoing operations. The current phase of CMTO (Phase 4) will focus on expanding CMTO to both Moving with Continued Assistance (MWCA) and waitlist participants, and engraining mobility services in the Department. At the end of 2023 SHA will evaluate the success of Phase VI of the CMTO program.

- Housing Stability Assistance – Housing Counselors began offering participants assistance with housing stability challenges in 2019. This has been achieved by navigating participants to services and responding to leasing conflicts. HCV hopes to improve housing stability in 2023 by expanding the partnership with Aging & Disability Services and the Housing Connector mediation services. The department will also explore additional behavioral health supports.
- Support JobLink – Work with the Economic Opportunities team to increase participant enrollment in JobLink with a focus on FUP youth. Continue to support the Section 3 JobLink Academy program.
- Home from School – HCV will continue supporting Home from School participants, and work with SHA and Bailey Gatzert Elementary School’s leadership on the program’s future and service model.
- HCV Participant Advisory Committee – HCV will explore the creation and implementation of a participant committee to be consulted on policy and procedure changes.
- Landlord Engagement - HCV will increase Owner Liaison capacity to launch an outreach campaign targeted at encouraging new landlords to partner with SHA to lease with voucher holders. Emphasis will be placed on EHV, SPV and increasing voucher holder choice in Opportunity Areas.
- Staff Development – Ensuring HCV staff are properly trained will continue to be a significant project in 2023. HCV teams continue to experience a high degree of turnover, additional staff have been added for the EHV program, and there will be a need to train staff in the use of the new IT platforms brought into the Department. After relying on remote trainings since March 2020, HCV looks forward to resuming more in-person trainings utilizing third parties, to facilitate certain training needs, and to increasing staff attendance at conferences and spreading that opportunity out equally to staff across the Department. HCV also plans to better leverage SHA’s eLearning platform for making a diverse set of trainings available on demand to staff and to track training outcomes.
- Housing Connector – HCV will continue partnering with the Seattle Chamber’s Housing Connector program to assist in leasing to participants experiencing homelessness.
- Online Forms – HCV will continue bringing its various forms online via OnBase Unity Forms to improve the efficiency, accuracy, and convenience of information collected from participants and landlords during business processes. HCV will implement Yardi’s Rent Café platform for Annual Reexaminations and Interim Reviews late in 2022 and throughout 2023. This platform will allow for expanded online completion of several HCV processes. The department will continue to take advantage of Yardi portals and online systems as they become available.
- Change Team – Continue to support the HCV staff-led RSJ change team as it works to foster RSJ principles in staff, embed RSJ in decision-making, lead Department-wide cultural celebrations, and assist in the development of HCV RSJ goals.
- Process Improvements – HCV will continue to work on a comprehensive CRI process improvement project to increase the efficiency and effectiveness of rent determinations. In addition, HCV will work on process improvements related to Portability and Inspection Scheduling to smooth workflows that have been disrupted because of the Yardi conversion.

# GRANT PROGRAMS

## GRANT PROGRAMS

The overall budget for agency grants expenditures in 2023 is \$2.9 million; this compares to \$1.3 million in the adopted 2022 budget showing an increase of approximately \$1.6 million from 2022 to 2023. The sources listed below are a mix of new grants and 2022 funds that will carry over into 2023.

### Seattle Housing Authority Grant Program CY 2023

Table 26: Grant Program Funding

Name	Total Award	Grant Period	2023 Expenditures (with any carryover)
Family Self Sufficiency	\$625,000	2023	\$625,000
Resident Opportunities & Self Sufficiency	492,000	2022-2025	163,900
Best Starts for Kids and Schools	273,000	2023-2025	91,091
WSBO Digital Equity	5,455,000	2022-2023	1,818,405
City of Seattle Onsite Case Management	150,000	2023	150,000
Creating Moves to Opportunity Grant	3,940,000	2016-2023	100,000
<b>TOTAL</b>	<b>\$10,935,000</b>		<b>\$2,948,393</b>

**Family Self Sufficiency HUD Grant (2023) - \$624,997** - This grant in addition to the ROSS Services Coordinators Grant will allow the JobLink division to fully fund their Career Coaches in 2022.

**ROSS Service Coordinators Grant (2022-2025) - \$491,700** - This three-year grant annually funds approximately two Career Coaches' salaries, training, and support costs in the JobLink program.

**Best Starts for Kids and Schools Grant (2022) - \$273,274** – SHA is one of 5 recipients of funding from the Expanded Learning Initiative funded by King County Best Starts for Kids. The collaboration will enhance learning services at Yesler Terrace by collectively serving at least 50 youth everyday afterschool and during summer break. SHA plans to spend these funds on a staff person to serve as an education coordinator in the Yesler community.

**WSBO Digital Equity Grant (2022-2023) – \$5,455,215** – In 2022 SHA was awarded with \$1.8 million for 6 months to procure and distribute laptops and hotspot devices to residents, enhancing their ability to access online resources, work, and attend classes online. Digital Navigators were hired to work directly with residents, helping households sign up for the Affordable Connectivity Program and get acclimated to their new devices. Later in 2022, SHA received another award of an additional \$3.6 million to continue this work into 2023, and SHA will shift focus from device distribution to offering skill building instruction. Budget survey participants support this shift toward training, indicating that they would like technology skills instruction.

**City of Seattle Human Services Department On-site Case Management Contribution (2023) - \$150,000** – This contribution from the City of Seattle, in addition to the \$300,000 contribution from SHA, will support predominantly residents who are black, indigenous, persons of color, and seniors. 25% of this grant provides funding for additional case management for residents at high-risk SHA communities. The remaining 75% of this grant will support outreach to Black and African American youths and their families to increase participation in culturally sensitive behavioral health services and other supportive activities.

**Creating Moves to Opportunity Grant - \$3,940,000** - In 2016, the Bill and Melinda Gates Foundation provided a “Mobility from Poverty” grant to SHA to support the implementation and evaluation of the Creating Moves to Opportunity demonstration to develop and test strategies that reduce barriers that



housing choice voucher recipients face in moving to high-opportunity areas in Seattle & King County. The demonstration concluded in 2020 however the remaining funds are dedicated to supporting the ongoing evaluation to understand the experiences of families and inform future policies and programs.

In addition to the remaining and anticipated grants above, SHA has expiring grants and has applied for or is seeking funding from grant sources where award outcomes are uncertain or do not pass directly through SHA. These sources are not included in the \$2.95 million grant expenditure figure above.

# CAPITAL PROGRAM

## 2023 CAPITAL AND NON-ROUTINE EXPENSES

SHA's Annual Capital and Non-Routine Expenditures will increase by about \$2.3 million from **\$22.5 million** in 2022 to **\$24.8 million** in 2023. Funding sources include the MTW Capital Grant, other MTW contributed funds, Non-federal funds, bond proceeds, and replacement reserves. The 2023 Capital preservation budget dedicates \$17.58 million to capital project costs, and the remainder supports project management and capital administration costs. The top five funded capital work projects, representing over 50% of the 2023 Capital preservation budget are displayed in the table below. For a full listing of projects by community, please see the Capital Programs tables in the appendix.

### 2023 Capital Preservation Work: Top Five Categories by Funding

Table 27: Capital Project Work Categories

Capital Project Work Category	2023 Capital Budget
Elevator Replacement/Repairs	\$2.37M
Building Interior Upgrades	1.80M
Heating and Ventilation Improvements	1.77M
Roofing replacements and repairs	1.58M
Electrical System Improvements	1.53M
<b>Top Five Capital Work Categories Total</b>	<b>\$9.05M</b>
Percent of 2023 Capital Projects Total	51.5 %

### Information Technology (IT) Capital Projects

IT Capital projects are at \$2,590,000 for 2023, \$2 million of which is for the initial phase cost estimate for replacing SHA's financial and accounting software Enterprise 1 system (Enterprise Resource Planning (ERP) and our Human Resources Information System (HRIS). This is a multi-year major systems replacement for our critical budgeting and accounting and human resources systems. The selection of new systems is necessitated as SHA's E-1 accounting software will not be supported after 2030 and modernization of our finance and human resources systems is highly desirable to meet our information needs. The project for this transition will last an estimated 36-60 months and the ultimate cost is expected to be approximately \$10 million.

Other 2023 IT Capital projects include Infrastructure upgrades (\$190,000), Housing Operations Utility Databases (\$100,000), Microsoft Teams Softphone Expansion (\$80,000) and ACAM Phase III (\$80,000).

### Opportunity Investments

These investments take advantage of the increases in federal spending limits for discretionary non-defense programs, enacted by Congress in 2018 and maintained ever since. SHA saw the addition of this spending authority to provide resources to make new, short-term investments that align with the agency's objectives. The dedication to one time or short-term investments has meant that use of these funds turns over annually or every few years. Thus, these funds are viewed as a flexible pool that can support new opportunity investments, support pilot or demonstration phases on new innovations, or support extraordinary revenue reductions or expense increases, such as COVID-19 presented in 2020

and 2021. In the 2023 Budget, SHA plans to fund eleven projects, at a total cost of \$20.1 million, with durations of one to five years. Funding is proposed for the stipulated duration of each project and overall will engage 35.5 Project FTEs for the duration of their assignment. The 2023 Opportunity Investment Projects are presented in the Overview section of this Budget, see pages 11-16.

## Redevelopment Projects

Redevelopment projects increased **\$10.4 million** from 2022 to 2023. The increase is in non-Yesler projects as one Yesler building, Sawara, is in construction for all of 2023 and Juniper is in planning and design. Non-Yesler projects, Jefferson Terrace, and Lam Bow Apartments are in full construction in 2023 and the rehabilitation and redevelopment projects are not as large as Yesler buildings have been.

**SHA Yesler projects** are budgeted in 2023 to spend **\$21.6 million**. Yesler development projects active in 2023, include the following:

- **Sawara - \$19.6 million** - Building construction started in late 2021 and will be in progress through the end of 2023 when lease-up will begin as units become available in January 2024. This energy efficient building will have 114-units including 1, 2, 3 and 4- bedrooms.
- **Juniper - \$2.0 million** - This 93-unit building will begin construction in Q2 of 2023. The 22-month project will consist of 39 replacement units plus 54 units, all at 60% AMI with 1, 2, 3 and 4- bedroom units.

**Lam Bow Apartments** expenditures in 2023 are estimated to be **\$25.6 million**. Construction of a new 82-unit apartment building started mid-2021, completion is expected third quarter 2023 with lease-up as units become available. When complete, the building will add 31 new units to the two buildings being replaced.

**Jefferson Terrace** mixed financing closed at the end of August and the notice to proceed on construction will be issued in early September. The rehab project and relocation will be in two phases – one tower at a time. Construction is projected to end the first quarter 2025 with lease-up occurring as units become available after each phase. Jefferson Terrace is the last of 23 SHA high-rise buildings to be refurbished. The tax credit project will bring increased operating funds to SHA through a Section 18 conversion that will grant project-based voucher funding to replace public housing funds.

**Jackson Park Village** redevelopment will completely replace the aging 42 units and create approximately 50 additional units of housing on the site. Design development, entitlements, HUD approvals, financing, relocation, and community engagement will continue through 2023 with a projected financial closing and construction start in late 2024 and project duration of 18 months.

For a full list of 2023 Capital Program, please see the appendix in this Budget.

# LIMITED PARTNERSHIP OPERATIONS

## LIMITED PARTNERSHIP OPERATIONS

SHA expects seventeen tax credit Limited Partnerships (LPs) that are component units, as defined by Generally Accepted Accounting Principles (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 tax credit limited partnership. 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.

SHA expects 2,001 affordable units to serve residents in the Tax Credit Partnership program in 2023 at fourteen partnerships, two partnerships will be in construction, and one is anticipated to close for financing. About 65% of the units projected to have operations are low-income public housing units and voucher holders affordable to households with incomes below 30% of AMI. Residents of Tax Credit units live in units not supported by subsidy and typically have incomes between 50% and 60% of the AMI.

The Lam Bow Apartments and Sawara are new Limited Partnerships are expected to be in construction throughout 2023. The financing closing of Juniper Limited Liability Limited Partnership (LLLP) is planned for 2023. Both Sawara and Jefferson Terrace will be in the construction phase during 2023. The partnerships in construction phase are not included in the draft budget shown below. SHA is working on the exit process for homeWorks phase I, II, & III. These partnerships are expected to dissolve after exit process is completed.

In total, the 2023 Operating Budget for the LPs is \$21.2 million. In approving the 2023 SHA Budget resolution, the Board of Commissioners will approve the draft adjusted partnership budgets and recognize that final budget approval rests with the limited partners. Below are the 2023 draft budgets that may change before being finalized and submitted to the LP members for approval.

### ***Limited Partnerships in 2023<sup>4</sup>***

Jefferson Terrace *	Leschi House*	Raven Terrace
High Point South	NewHolly Phase I	Red Cedar
Hinoki	Rainer Vista Northeast	South Shore Court
Hoa Mai Gardens	Kebero Court	Tamarack Place
	Lake City Court	West Seattle Affordable Housing LLLP

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<sup>4</sup> Properties marked with an asterisk (\*) are included in the SHA Operating Budget.

Table 27: Limited Partnerships -- Operations Budgets

## Operations of Limited Partnerships where SHA is the General Partner

Name	High Point South	South Shore Court	Lake City Court	Tamarack Place	Rainier Vista Northeast	Leschi House	Kebero Court	Raven Terrace
<b>First year of operations</b>	<b>2008</b>	<b>2009</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>
<b>Number of units</b>	<b>256</b>	<b>44</b>	<b>86</b>	<b>83</b>	<b>118</b>	<b>69</b>	<b>103</b>	<b>83</b>
Rental Income	1,898,503	251,663	574,397	411,725	732,676	256,488	428,538	465,328
Operating Subsidy	135,993	-	288,911	264,744	340,383	-	-	-
HCV Subsidy	1,986,905	275,717	66,208	274,880	863,202	588,290	1,049,968	629,519
Other Income	24,671	3,010	16,415	20,015	16,902	1,854	12,778	8,356
<b>TOTAL REVENUE</b>	<b>4,046,072</b>	<b>530,390</b>	<b>945,931</b>	<b>971,364</b>	<b>1,953,163</b>	<b>846,632</b>	<b>1,491,284</b>	<b>1,103,203</b>
<b>Administrative Expenses</b>								
Salaries	195,497	45,656	95,380	67,282	95,626	44,454	92,721	111,493
Other Admin Costs	499,289	43,820	136,132	318,125	241,363	95,934	154,037	142,286
Utility Expense	756,447	73,886	229,007	155,723	306,604	132,284	167,777	106,406
Tenant Service	1,801	196	1,845	1,221	1,000	1,760	1,971	1,553
<b>Maintenance &amp; Repair</b>								
Maintenance Salaries	401,731	-	98,773	88,437	128,930	81,433	142,902	121,410
Supplies	112,467	-	20,937	18,520	31,033	12,646	28,779	20,315
Contracts	224,724	95,473	147,780	60,960	168,016	62,488	91,173	81,091
<b>General Administrative Exp</b>								
Property Insurance	154,258	23,352	74,434	-	87,257	44,788	74,476	57,266
Benefits, Other	293,517	25,023	95,805	77,352	111,924	65,574	122,176	121,531
Financial Expenses	927,468	83,043	4,777	58,347	121,331	176,421	364,063	191,777
<b>TOTAL OPERATING EXPENSES</b>	<b>3,567,199</b>	<b>390,450</b>	<b>904,870</b>	<b>845,968</b>	<b>1,293,084</b>	<b>717,782</b>	<b>1,240,074</b>	<b>955,128</b>
<b>NET INCOME (LOSS)</b>	<b>478,873</b>	<b>139,940</b>	<b>41,061</b>	<b>125,396</b>	<b>660,078</b>	<b>128,850</b>	<b>251,210</b>	<b>148,075</b>

## Operations of Limited Partnerships where SHA is the General Partner

Name	Hoa Mai Gardens	NewHolly Phase I	West Seattle	Red Cedar	Hinoki	Jefferson Terrace	TOTAL 2023 LP BUDGET
<b>First year of operations</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>2019</b>	<b>2022</b>	<b>2022</b>	
<b>Number of units</b>	<b>111</b>	<b>305</b>	<b>204</b>	<b>119</b>	<b>136</b>	<b>284</b>	<b>2,001</b>
Rental Income	754,377	2,430,466	1,262,042	846,598	894,118	457,652	<b>11,664,571</b>
Operating Subsidy	-	-	35,000	-	-	-	<b>1,065,031</b>
HCV Subsidy	990,516	696,144	944,781	1,190,455	1,478,300	3,386,245	<b>14,421,130</b>
Other Income	922	21,328	1,784	2,167	8,000	1,620	<b>139,822</b>
<b>TOTAL REVENUE</b>	<b>1,745,815</b>	<b>3,147,938</b>	<b>2,243,607</b>	<b>2,039,220</b>	<b>2,380,418</b>	<b>3,845,517</b>	<b>27,290,554</b>
<b>Administrative Expenses</b>							
Salaries	108,729	186,855	284,778	127,202	197,126	310,034	<b>1,962,833</b>
Other Admin Costs	182,291	457,274	255,039	188,891	182,983	306,037	<b>3,203,501</b>
Utility Expense	223,401	852,478	424,092	236,273	210,510	519,187	<b>4,394,075</b>
Tenant Service	2,128	4,200	-	2,335	3,100	3,586	<b>26,696</b>
<b>Maintenance &amp; Repair</b>							
Maintenance Salaries	120,053	220,643	-	98,455	100,919	80,473	<b>1,684,159</b>
Supplies	21,702	187,892	6,440	35,525	30,900	39,475	<b>566,631</b>
Contracts	85,973	225,786	414,026	87,321	127,458	710,528	<b>2,582,796</b>
<b>General Administrative Exp</b>							
Property Insurance	111,163	194,560	156,091	123,187	129,311	147,666	<b>1,377,809</b>
Benefits, Other	113,985	199,950	155,044	121,932	156,155	175,543	<b>1,835,511</b>
Financial Expenses	496,617	207,787	308,611	637,071	1,867	1,695	<b>3,580,875</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1,466,042</b>	<b>2,737,424</b>	<b>2,004,120</b>	<b>1,658,193</b>	<b>1,140,329</b>	<b>2,294,224</b>	<b>21,214,886</b>
<b>NET INCOME (LOSS)</b>	<b>279,773</b>	<b>410,514</b>	<b>239,487</b>	<b>381,027</b>	<b>1,240,089</b>	<b>1,551,293</b>	<b>6,075,668</b>



# APPENDIX

## 2023 CAPITAL PROGRAM

### SHA 2023 Capital Projects—MTW Grant-Funded Activities

Table 28: SHA 2023 Capital Projects—MTW Grant-Funded Activities

<b>Low Income Public Housing Capital Projects</b>		
LIPH Scattered Sites	Upgrade unit interiors and elevator; target siding repairs; paint unit exteriors; replace common area flooring; and replace roof.	\$208,000
Bell Tower	Install ACAM to laundry room	10,000
Denny Terrace	Design solar panels for roof.	40,000
Holly Court	Replace water lines under Building 6 and inspect sewer lines for repair needs. Clean exterior siding and repair gutters.	120,000
Olive Ridge	Modernize traction elevators.	920,000
Westwood Heights	Replace windows and allocate additional funds for a traction elevator upgrade.	850,000
homeWorks I	Upgrade second elevator and replace roof at Capitol Park; repair roof and install second door and ACAM to entry at Beacon Tower; clean interior drains and sinks and upgrade interior and exterior lighting at Green Lake Plaza; and install exterior grilles to stairwells at Lictonwood.	1,310,000
homeWorks II	Replace roof at Lake City House; add funds to replace roof-top air handler; replace fire alarm panel at Center Park; upgrade lighting at Olympic West; replace shower pans at Cedarvale House and replace fence by parking lot at Cal-Mor Circle.	1,093,000
homeWorks III	Replace roof, air handling units in stairwells and flooring in units at University House; add funding for elevator upgrades and replace interior and exterior lighting at Stewart Manor; replace toilets at Ross Manor; perform water intrusion repairs at West Town View; and replace shower pans at Jackson Park House.	730,000
Allowance for homeWorks communities	Additional funding for ACAM and security upgrades due to increased security costs.	500,000
Allowance for LIPH communities	Replace generators; replace sprinklers, upgrade interiors and trim trees and perform landscaping upgrades.	1,600,000
<b>Low Income Public Housing Capital Projects Subtotal</b>		<b>\$7,381,000</b>

<b>Seattle Senior Housing Program Capital Projects</b>		
Blakeley Manor	Install fence at garbage station and repair gutters.	\$10,000
Carroll Terrace	Upgrade lighting.	20,000
Columbia Place	Repair common area cooling; resurface parking lot; and upgrade security with lighting and window limiters.	50,000
Fremont Place	Upgrade lighting.	20,000
Gideon-Mathews Gardens	Increase floor funding.	30,000

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Michaelson Manor	Upgrade elevator and lighting.	340,000
Pleasant Valley Plaza	Prepare and paint exterior of building.	40,000
Primeau Place	Replace laundry room floor.	8,000
Ravenna School Apartments	Repair sidewalks.	20,000
Reunion House	Power wash building exterior.	20,000
Allowance	Upgrade SSHP buildings, including toilets; community room kitchens; mailboxes; and door handles to Americans with Disabilities Act standards.	720,000
Allowance	Trim trees, landscape and remove dying trees.	100,000
Allowance	Upgrade electrical systems in SSHP common areas.	100,000
Allowance	Upgrade exterior building signage.	20,000
<b>Seattle Senior Housing Program Capital Projects</b>		<b>\$1,498,000</b>
<b>Central Services Operating Cost Allocation</b>		<b>\$100,000</b>
<b>Total 2023 MTW Block Grant Budget for SSHP</b>		<b>\$1,598,000</b>

**Special Portfolio Capital Projects**

104th Street Townhomes	Upgrade interiors.	\$40,000
Alder Crest Apartments	Upgrade elevator.	250,000
Greenwood Apartments	Upgrade interiors.	20,000
Ravenna Springs	Rehab unit; replace windows and paint exteriors at 4347 and 4349.	134,000
<b>Special Portfolio Capital Projects Subtotal</b>		<b>\$444,000</b>

**NewHolly Capital Projects**

NewHolly II	Repipe hydronic systems in hillside units, replace toilets, replace boilers, upgrade interiors of units, replace appliances, replace fences, pressure wash, and restripe parking lots, remove trees as necessary, replace flooring, and clean roof and gutters.	\$705,000
NewHolly III	Repipe the domestic water supply, replace boiler, upgrade interiors of units, including cabinet and countertops, replace appliances, replace fences, prepare playground for fall and winter weather, upgrade present ACAM security system to Genetec at Othello, replace flooring.	1,026,000
<b>New Holly Capital Projects Subtotal</b>		<b>\$1,731,000</b>

**Contingency and MTW Eligible Community Allowances**

MTW Properties	Contingency for unplanned cost variances and to support staffing requests.	\$1,246,000
<b>Contingency and Community Allowances Subtotal</b>		<b>\$1,246,000</b>

**Administrative Costs**

Various	Asset Management administration	\$1,494,000
Various	Construction Operations administration	512,000
Various	Finance & Administration	456,000
Various	Redevelopment administration	448,000
<b>Administrative Subtotal</b>		<b>\$2,910,000</b>
<b>Central Services Operating Cost Allocation</b>		<b>\$1,590,000</b>

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<b>Total 2023 MTW Block Grant Budget for LIPH and Local Programs</b>	<b>\$16,900,000</b>
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<b>Other MTW Funded Capital Projects</b>	Projects include Housing Operations Digital Displays, Housing Operations Utility Databases, E1 Data Access & Reporting, HCV Mitel Reports, Employee Feedback, Infrastructure Upgrades, ACAM project in Phase III, Teams Softphone expansion, and HRIS and ERP Implementation.	<b>\$2,590,000</b>
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<b>Total 2023 MTW Capital Budget</b>	<b>\$19,490,000</b>
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## SHA 2023 Capital Projects – Other Funds and Redevelopment Activities

Table 29: Non-MTW Capital Expenses

<b>Non-Federal Funds</b>		
Campus of Learners	Upgrade interiors at Gathering Hall, including flooring, cabinets, and paint.	\$60,000
Epstein Building	Restripe parking lot and improve signage.	\$5,000
MLK Maintenance Facility	Upgrade ACAM to Genetec.	\$69,000
OSC - Operating Support Center	Upgrade ACAM to Genetec.	\$85,000
South Operations Facility	Upgrade ACAM to Genetec.	\$60,000
Commercial Portfolio Allowance	Repair or replace flooring and paint.	\$40,000
<b>Total Non-Federal Funds Projects Subtotal</b>		<b>\$319,000</b>

### 2023 Pooled Refinance Projects

Baldwin Apartments	Upgrade interiors.	\$30,000
Bayview Tower	Upgrade electrical system; water supply lines and lobby and add cameras for security.	\$126,000
Golden Sunset Apartments	Replace interior and exterior lighting.	\$20,000
High Point Phase I (North)	Replace appliances, flooring including subflooring; shower supports, countertops, cabinets, hot water tanks for Calugas Apartments; repair exterior walls; prepare and paint 1 and 2 story buildings; clean roof and gutters.	\$452,000
Lake City Commons	Replace water heaters.	\$20,000
Main Street Apartments	Install new plumbing fixtures including bath; upgrade exterior landscaping, install 24/7 bathroom fans; and install security camera system.	\$75,000
Main Street Place	Replace appliances, hot water heaters and bath and shower surrounds.	\$70,000
Martin Luther King Jr. Apartments	Make targeted exterior repairs; install camera system; and upgrade lighting throughout.	\$150,000
Mary Avenue Townhomes	Replace waterlines in three units.	\$39,000
Montridge Arms	Upgrade electrical system and lighting.	\$40,000
Ritz Apartments	Repair or replace common area flooring; replace front door; and install ACAM with cameras.	\$73,000
Telemark Apartments	Install security camera system.	\$10,000
Villa Park Apartments	Replace hot water heaters.	\$40,000
Weller Street Apartments	Install security camera system and upgrade interior and exterior lighting.	\$35,000
Westwood Heights East	Replace water lines with PVC/CPVC in Phase 1, replace intercom and provide an appliance allowance.	\$162,000
Yesler Court	Replace cabinets and install security camera system.	\$70,000

<b>Total CY 2023 Pooled Refinance Projects Subtotal</b>	<b>\$1,412,000</b>
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**CY 2023 Special Portfolio and Other Capital Projects**

Leschi House	Repair fences, provide an allowance for appliance replacements and flooring repairs or replacements.	\$30,000
Longfellow Creek Apartments	Replace mailboxes.	\$20,000
Main Street Apartments	Replace windows.	\$20,000
Scattered Sites managed by S.P.A.C.E.	Rehabilitate units, paint exteriors and trim, replace roofs, siding, windows and install fence.	\$693,000
Scattered Sites managed by S.P.A.C.E.	Provide allowance for water intrusion issues and contingency funds.	\$470,000
Wedgewood Estates	Install cameras for security, upgrade landscaping and lighting.	\$70,000
<b>Total CY 2023 Special Portfolio and Other Capital Projects Subtotal</b>		<b>\$1,303,000</b>

**2023 Limited Partnership and HOPE VI Capital Projects**

NewHolly I	Replace boiler, upgrade units, replace appliances, cabinets and countertops, repair or remove storage units and repair playground equipment.	\$530,000
Rainier Vista I (Escallonia)	Replace garage door to McBride building, provide an appliance allowance and floor allowance, replace exterior lighting, replace hot water tanks, upgrade flooring to elevator, and install pathway from 29th to McBride community room.	\$235,000
Rainier Vista II (Tamarack)	Provide allowances for flooring and appliances, replace hot water tanks, paint common areas, and upgrade flooring to elevator.	\$101,000
Rainier Vista III	Replace hot water tanks, approve allowances for flooring and appliances, improve exterior lighting and install cameras in the garbage stations.	\$146,000
Lake City Court LP	Approve allowances for flooring and appliances, repair or replace Americans with Disabilities Act door openers.	\$80,000
High Point North	Replace Baxi Luna boilers.	\$500,000
High Point South LP	Repair or replace roof, gutters, and clean siding, replace flooring and subflooring, replace radiator, approve an appliance allowance, replace shower surrounds, and improve security lighting.	\$280,000
LIPH LP (homeWorks I)	Repair the parking lot at Green Lake Plaza and convert mailroom to office at Harvard Court.	\$42,000
LIPH LP (homeWorks II)	Replace toilets at Center Park.	\$65,000
LIPH LP (homeWorks III)	Replace unit flooring at University House.	\$50,000
Hoa Mai Gardens	Paint common area interiors, upgrade landscape and irrigations, repair wainscoting in hallway to garbage room and main entry, approve an appliance allowance, install bollards to protect landscaping at Hillclimb and garage, and remove fencing to garage to create two parking spots.	\$100,000

Capital Program

Kebero Court	Paint exterior, improve exterior lighting to courtyard.	\$70,000
Raven Terrace	Approve an appliance allowance and improve striping and signage in the parking lot.	\$15,000
Red Cedar	Repair wainscoting in hallway to garbage room and main entrance, replace four doors due to vandalism, and approve an appliance allowance.	\$37,000
<b>Total CY 2023 LP, TC, and HOPE VI Capital Projects Subtotal</b>		<b>\$2,251,000</b>
<b>Total CY 2023 Non-MTW/Other Funds Capital Budget</b>		<b>\$5,285,000</b>
<b>Total CY 2023 Asset Preservation Program Capital Budget</b>		<b>\$24,775,000</b>

**Opportunity Investments**

Tracking and Improving the Physical Condition of SHA properties	An effort to improve HUD's REAC scores in the LIPH communities and to reduce lead-based paint. This will include an asset management and a Housing Operations coordinator and some contracting funds, plus 4 dedicated IPS maintenance staff. (2023-2027)	\$4,125,000
COVID Deferred Maintenance	10 FTE dedicated to working through the deferred maintenance across all portfolios. 4 Solid waste laborers to free up maintenance mechanic time, 3 maintenance mechanics, 3 maintenance technicians. (2023 - mid-year 2025)	\$ 3,458,000
Public Housing Rehabilitation and Repositioning	Evaluation over 3 years to find options for long term financial stability, address capital and operating needs, incorporating environmental sustainability in the LIPH communities. Weigh costs and benefits of pursuing different HUD programs to provide additional financial resources. (2023-2025)	\$1,000,000
Pathway to Permanent Supportive Housing	Hire consultant to research options for residents who need a greater level of support and who may be at risk of eviction to transition into permanent supportive housing. Results would direct a cross-departmental effort and will likely involve long-term investments/commitments. As older residents age out of independent living, and as our residents continue to face mental and behavioral health issues that are beyond the scope of our abilities, they will need assistance that matches their needs. This exploratory work is becoming more and more necessary. (2023-2024)	\$200,000
Private Security & Security Consultant	The security consultant will evaluate the security situation in SHA portfolios for improvement and recommendations. The Budget office recommends a 3-year term and 250k per year for the implementation and 250k for the consultant. (2023-2025)	\$1,950,000
Buy-Up Program	With other developers of affordable housing, negotiate terms for the developer to swap planned studios or one-bedroom apartments for two- or three-bedroom units, paying the developer with non-federal funds, the marginal cost of the larger bedroom construction (@\$75,000-90,000/unit). Prefer locations in opportunity neighborhoods. (Through year end 2023)	\$2,500,000

Capital Program

Housing for Returning Citizens	5-year pilot to provide bridge/permanent housing to ~30 formerly incarcerated persons needing minimal services. Estimated 400k to 1million per year. Costs are variable, largely based on utilization and family sizes of participants. (2023-2027)	\$3,235,000
Digital Equity Evaluation	SHA will conduct an evaluation of the Digital Equity work funded by a total of \$5.4 million in grants from the state of Washington to assess the strengths and areas for improvement in our work. The results of this evaluation will help determine future strategies for advancing digital equity among our residents. (Through year end 2023)	\$200,000
Youth and Education Coordinators in Family Communities	For Yesler, High Point, New Holly, and Rainier Vista communities, change department organization. Youth and Education Manager to supervise a mid-level Youth Engagement Specialist and an Education Engagement Specialist. These two specialists oversee and support newly created and added Youth and Education Coordinators, with a two-coordinator team assigned to each of the family communities. Policy will assist in planning/coordinating design of an evaluation plan and data monitoring requirements. (2023-2026)	\$2,368,000
Rent Reporting	Three-year pilot program to report rent payment history to credit scoring agencies, resulting in improvement to resident credit scores. 1 FTE included. (2023-2025)	\$542,000
IT Training & Mentorship Intern Program	The IT department will implement a high-quality internship program with mentorship and training opportunities aimed at low income and BIPOC people who may already have some IT training but not necessarily the formal college courses. This three-year program would potentially create a pipeline of talent for future entry-level openings in IT. There will be an intern in each of the IT sections: Infrastructure, Applications, and Security and Project Management. (2023-2025)	\$530,000
<b>Opportunity Investment Subtotal</b>		<b>\$20,108,000</b>

**2023 Redevelopment Projects**

Sawara	First full year of construction.	19,600,000
Juniper	Complete design and start construction.	2,000,000
Jefferson Terrace	First full year of construction.	37,275,000
Lam Bow Apartments	Final year of construction.	25,600,000
Jackson Park Village	Predevelopment funds for planning, architecture, engineering and permits.	2,000,000
<b>Total CY 2023 Redevelopment Capital Expenses</b>		<b>\$86,475,000</b>

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**Total CY 2023 Non-MTW Capital Budget    \$91,760,000**

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**Total Overall CY 2023 Capital Expenditures    \$131,358,000**

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