

**THE HOUSING AUTHORITY OF THE CITY OF
SEATTLE, WASHINGTON**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2024



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INTRODUCTORY SECTION



June 25, 2025

Members of the Board of Commissioners,
Residents of the City of Seattle
The Housing Authority of the City of Seattle, Washington

Introduction

We are pleased to present The Housing Authority of the City of Seattle (referred to hereafter as “the Seattle Housing Authority”, “the Authority” or “SHA”) Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2024. This report was prepared by the Authority’s Finance Team, and the Authority’s 2024 financial statements included in this ACFR were audited by the national public accounting firm of CliftonLarsonAllen LLP. The independent auditor’s report of CliftonLarsonAllen LLP can be found in section 2 of the ACFR and we invite the community to review the SHA 2024 ACFR.

The management of the Authority is responsible for the data presented in this report and to the best of our knowledge, the data as presented is accurate in all material respects; presented in a manner to fairly state the financial position of the Authority; includes all necessary disclosures; and based on a system of internal controls comprised of policies and procedures designed to minimize, prevent, and detect risks. The effectiveness of SHA’s internal controls is tested in the course of the independent financial, compliance, and performance audits.

For an overview of the Authority’s 2024 financial conditions, please review “Management’s Discussion and Analysis”, found in Section II: FINANCIAL SECTION of the ACFR, with this transmittal letter.

Profile of Seattle Housing Authority

Independent Public Jurisdiction: The Authority is an independent governmental entity created by the City of Seattle (City) in 1939 pursuant to State Law (RCW 35.82) and the United States Housing Act of 1937. Although it maintains close ties with the City in several respects, the Authority is not a component unit of the City, as defined by the pronouncements of the Governmental Accounting Standards Board. The City is not financially accountable for the operations of the Authority, has no responsibility to fund its deficits or receive its surpluses, and has not guaranteed the Authority’s debt.

Moving to Work Housing Authority: The Authority is one of the original 39 public housing authorities designated as a “Moving to Work” (MTW) housing authority. SHA signed its MTW contract in 1999; the agreements of all 39 MTW agencies were extended through 2038 under their original terms through the 2024 Appropriations Acts. The MTW program was created as a demonstration by Congress in 1996 and has three statutory objectives:

- Reduce cost and achieve greater cost effectiveness in federal expenditures;
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational, or job referral programs, to obtain employment and become economically self-sufficient; and,
- Increase housing choices for low-income families.

As an MTW agency, Seattle Housing Authority has flexibility through its Annual MTW Plan to develop policies and procedures that differ from those prescribed in the United States Housing Act of 1937 and the implementing regulations. The Authority is also authorized to combine public housing operating and capital funds and housing choice voucher funds into an MTW Block Grant and to allocate this single fund to best meet local low-income housing needs. MTW agencies are required by statute to serve substantially the same number of households as the MTW agency would have served had it not combined its federal funds as provided under the demonstration.

Governing Body and Strategic Guidance: The governing body of the Authority is the Board of Commissioners. The Board is comprised of seven members, including two residents, appointed by the Mayor of Seattle, and confirmed by the City Council. Members serve four-year terms and may be reappointed. The Board appoints an Executive Director to administer the affairs of the Authority. The programs and actions of the Authority are guided by SHA’s Strategic Plan, Annual Budget, Annual MTW Plan and actions of the Board of Commissioners by Resolution.

In July of 2024, the Board adopted a new framework for the Authority’s 2025 through 2030 Strategic Plan. This framework lays out four Strategic Directions that frame the Authority’s key objectives:

Communications: Communication is always key in ensuring that we as an organization maintain the best relationships with tenants as well as internally to remove the feeling of silos within the organization and help us function better as a team. Thus, ensuring information is communicated effectively.

Housing Quality: In providing quality housing, we prioritize serving our current residents to the best of our abilities while continuously developing processes and procedures that enable the SHA to grow sustainably, ensuring both tenant care and staff excellence.

Staff Development: Our organization has a national presence thanks to the consistent efforts of our staff to be their best selves at all times. Knowing this, we affirm our responsibility to continue to provide opportunities for staff to develop personal and professional skills. This will enhance staff morale, improve organizational culture, and propel the organization forward.

Supportive Services: In the era of destigmatizing mental health, with increased and rampant homelessness, the need for supportive services becomes clearer. As we continue our efforts to increase quality housing, the need for supportive services in some form has become abundantly clear.

Housing and People Profile

At the end of 2024, the Authority owns and/or manages nearly 8,915 units of housing and administers 13,063 rental vouchers, providing rental housing or rental assistance to over 37,000 low-income people and more than 17,000 households.

The housing that is owned and/or managed by the Authority is located in a variety of locations across the city. The majority of this program is low-income public housing, 4,309 units, which is supported by HUD's Public Housing subsidy that enables households to pay 30% of their income for rent and utilities. It also includes housing that is reserved primarily for seniors and disabled adults, 960 units, who pay an affordable rent based on income tiers. The remaining units in the program, 3,646 are owned by SHA but have different eligibility and rent rules than the rest of the program and serve people with a wider variety of incomes. They are often financed with low-income housing tax credits and/or tax-exempt bonds.

The Authority also administers the Housing Choice Voucher programs that provide tenant-based and project-based vouchers throughout the city. Tenant-based vouchers enable participants to rent housing from any landlord, provided the housing meets quality standards set by the federal government. Participants generally pay 30–40% of their income for rent and utilities. SHA pays the remainder, up to an established maximum, directly to the landlord. Vouchers are assigned to the participant, not any particular housing unit, and, if tenants remain in compliance with their leases and program rules, they can apply the voucher to another place to live if they choose to move. Project-based vouchers are long-term funding commitments that stay with the housing units and do not transfer if a tenant leaves. The funding is attached to specific units of housing, typically operated by private nonprofit housing providers or the Authority. These units also must meet housing quality standards set by the federal government and the tenants that live in these units generally pay 30–40% of their income for rent and utilities.

The Authority serves a wide and diverse range of individuals and families. In 2024, the Authority served 17,204 households and of these households 2,327 were admitted in the 2024 year. The income composition of households served continues to be primarily those that earn 30% of area median income (AMI) or less (84%) with only 5% earning 50% AMI or above and the remaining 11% somewhere in between. Of these households, 62% are one person households, 16% are two person and 22% are three people or larger. Children, at least one and 18 years or younger, are found in 26% of all households. Household tenure of less than ten years represents the majority of households at 66% and only 6% have had tenure longer than 20 years. The 17,204 households that the Authority serves represents 37,069 individuals. The gender composition of these individuals is 45% male and 55 female and 28% are under 18 years, 43% are 18 to 61 and 22% are 62 years or over (7% are of an unknown age). The racial composition of these individuals is 50% black/African/African American, 22% white, 11% Asian/Asian American, 7% Latinx/Hispanic with the remaining 10% Native American/Alaska Native, Pacific Islander/Hawaiian, multi-race or not specified. Of the total individuals served, 25% report one or more disabilities.

Economic Conditions and Financial Outlook

Throughout 2024 inflation levels continue to decrease slightly from 2023 levels. At the of 2024 the national inflation rate stood at 2.9% with the Seattle area rate ending slightly lower than the national average at 2.7%. Despite inflation easing, in particular for the Seattle area, the negative effects of the rapid increases in 2022 and into 2023 persist as interest rates have only slightly receded, and the cost of housing remains high across the country and in the Seattle area. Nationally, unemployment at the end of 2024 sat at 4.1%, representing an increase of 0.4% from 2023. The rate was slightly higher in Washington State at 4.4%, however for the Seattle/Bellevue/Everett area the rate finished the year at 4.1%¹. Lower participation rates continued in 2024, with the rate remaining unchanged at 62.5% from 2023. Since 1999-2000, the participation rate in the US labor market has been declining and those that chose to leave the workforce during the pandemic still have not been replaced with new entrants into the labor market.².

While inflationary concerns resulting from the pandemic appear to have leveled off in 2024, the national political landscape and geopolitical concerns from the war in Ukraine, energy supply disruption from sanctions on Russia, and the ongoing conflict in Gaza remain significant factors that influenced the economy in 2024 and will continue to influence the economic outlook for 2025. The results of the 2024 Congressional and Presidential elections altered the national and global political and economic landscape. Moving into 2025, these changes will likely have a direct and immediate impact on the national and global economy.

Economic conditions affect the Authority's residents and voucher households, and changes in economic conditions affect the Authority as a business entity. Rising inflation impacts low-income people disproportionately as it forces them to make trade-offs among basic expenses and necessities. Eighty-four% (84%) of the Authority's Households have incomes of 30% or below the area median income. The impact is even greater for elderly and disabled households that are on fixed incomes and have larger medical expenses. Voucher participants use a Section 8 voucher to subsidize the difference between the total rent and the amount they pay, which is based on 30% of their eligible income. However, if the total rent the landlord is charging is above the voucher payment standard (The maximum rent amount SHA will subsidize), the tenant may pay in excess of 30% of their income as their share of the rent. Voucher participants, especially those leasing a private market rental unit, are directly impacted by changes in the rental market, and increased rental costs due to inflation and changes in the labor market.

The operations of the Authority are impacted by inflationary pressures in the labor market, similar to any public or private entity. The Authority has labor agreements that are tied to inflation indices and escalate, along with benefit costs that are tied to salaries. Capital preservation and rehabilitation projects typically have a 2–4 year cycle between when they are initially funded and when they are completed. Development projects typically have a cycle from planning through to completion of 5–7 years. Inflation leads to increases in the cost of labor and materials and financing costs. The Authority plans for unforeseen cost increases through various contingency plans.

¹ Washington Employment Security Department Labor Market and Economic Analysis December 2024 report

² Bureau of Labor Statistics

Federal Funding – Status and Outlook

The Authority relies on federal funding through the Department of Housing and Urban Development (HUD) for approximately 70% of overall revenue sources. Federal funding is allocated to the Authority through three core HUD programs, Section 8 Housing Choice Vouchers (HCV), Public Housing Operating Fund and the Public Housing Capital Fund. As a result, changes in appropriation levels can have a large impact on the Authority's annual budget and financials.

The 2024 Appropriations Act was passed March 8, 2024 (HR 4366) and signed into law. This Bill set FY2024 budget levels and represents a 2.9% overall decrease in funding. However, the three primary programs that account for the majority of HUD funding received by the Authority increased by 7.3%. As a result, the Authority received slightly higher funding levels than what was budgeted for in the 2024 Adopted Budget.

On March 14, 2025, a year-long Continuing Resolution (HR 1968) was passed that funds the Federal Government through the end of September, 2025. The legislation funds the HUD grants received by the Authority through the end of 2025 and was passed at 2024 funding levels. As a result, the Authority anticipates level funding for 2025, which will align with the 2025 adopted Budget.

Since Congress has not typically passed a budget by the time the Board of Commissioners is voting on next year's proposed budget, the Authority takes a conservative approach in developing revenue forecasts, which include our annual federal funding allocations. Over the past five years, our federal funding levels have come in higher than anticipated and have supported the adopted budgets not requiring any revisions. However, the federal budgets over the last few years have been delayed beyond the end of the fiscal years. As a result, the Authority develops and proposes the budget for the ensuing year by September and the SHA Board of Commissioners votes on the proposed budget in October for the following calendar year.

The Authority has begun our 2026 Budget development process and at this stage we have limited information on the FY 2026 Federal Budget. However, the Authority is not anticipating an increase in 2026 funding levels and has taken a much more conservative approach to the 2026 Budget planning process. While it remains unclear what fundings levels the Authority will receive through the 2026 Federal Budget, the information provide at this time has been the Presidents proposed budget, which calls for significant reductions in overall government funding and funding to HUD programs. In addition, Congress has been focused on looking at ways to reduce the Federal deficit through reductions in spending. These factors have led the Authority to take a very conservative approach to the 2026 Budget Process, which includes the development of cost saving measures in the event funding from the Federal government is reduced.

Financial Management and Oversight

Internal Controls

The Authority's management is responsible for establishing and maintaining the internal control structure designed to ensure that the Authority's assets are protected from loss, theft or misuse, and that representation of the Authority's assets, liabilities, and net position are accurately reflected on the Authority's financial statements, to conform with US generally accepted accounting principles (GAAP). The internal controls are intended to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs and benefits require estimates and the exercise of sound judgment by management.

As a recipient of federal and state financial assistance, the Authority is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by management, by third-party expert consultants, and is reviewed by CliftonLarsonAllen LLP and by the state auditors annually.

Single Audit

In compliance with the Single Audit Act Amendments of 1996, tests are performed to determine the adequacy of the Authority's internal control structure, including the portion related to federal financial assistance programs, as well as to determine whether the Authority has complied with applicable laws and regulations. The Authority's single audit was carried out by the national public accounting firm of CliftonLarsonAllen LLP.

Budget Process and Monitoring

The annual budget for the Authority is prepared by the Executive Director with significant involvement from the Authority's Leadership Team and the support and analysis of the Authority's Budget Division. The budget process begins through consultation with the Executive Director and Leadership Team to agree on the financial forecast to be used for the budget process. The Budget office then works with the various departments to solicit and request input. Through the budget process resident groups are also consulted regarding their concerns and priorities for capital investments and program/service needs. At the end of the budget process, the Executive Director, with the advice from the Leadership Team, determines the final actions to balance the proposed budget.

The Board of Commissioners adopts the annual budget for the Authority after the Executive Director has presented both the Annual MTW Plan and the Authority's proposed budget for public review and comment. The MTW Plan and the proposed budget are primary tools for implementing the Authority's Strategic Plan. The annual proposed budget includes four components – Operations, Housing Assistance Payments (HAPs), Capital, and Development budgets. MTW federal funds comprise approximately 70% of the combined Operating, HAPs, and Capital revenues. The operating and capital budgets are developed from the community or program level through the Authority's project-based budgeting process.

The development programs and major rehabilitation projects of the Authority that focus on redeveloping and rehabilitating the Authority's existing and planned affordable housing portfolios are supported through mix of financing programs. These programs include the low-income housing tax-credit program, bond and mortgage financing, federal Choice Neighborhood Initiative funds, and federal, state, local, and philanthropic grants.

Once adopted by the Board, the annual budgets are implemented and monitored by all departments of the Authority, with support from the Finance and the Asset Management departments.

Budgeting Control and Program Accountability

The objective of the budget controls implemented by the Authority is to ensure diligent financial management by department managers of actual expenditures in relation to the approved budget. The Finance and Administration department provides quarterly reports to managers, directors and the executive on the status of the budget and on any actions needed to ensure that the Authority operates within the adopted budget. Additionally, monthly financial reports comparing actual revenues and expenses to budget are provided to department and program managers to assist them with timely information for managing their budgets from the individual community level to the overall management level.

A primary component of budget control is to review the impacts of budget revisions following adoption of the annual budget by the Board. These reviews occur quarterly and where adjustments are justified, the adopted budget is revised. These reviews consist of two components. The first is a financial review prepared by the Controller, Assistant Controller and Fund Accountants and presented to the CFO, Deputy CFO and Budget Manager. The second is a Budget review prepared by the Budget Analysts and presented to the CFO, Deputy CFO and Budget Manager. In addition, Housing Operations holds quarterly reviews of Housing Portfolios. During these Housing Operations sessions budget status is reviewed; vacancies and rent collections trends are noted; unit turnover cost and length of time to return a vacated unit to a new lease are reviewed against standards and past performance, and general conditions of the property and welfare of the residents and communities are presented by property management staff.

Financial Policy Oversight

The Authority has two ongoing Committees – one internal and one a Board Committee – that provide financial oversight. The Board Committee is the Audit Committee consisting of the Chair of the Board, two other Board members, and two outside independent non-voting members with expertise in finance and accounting. In 2024, the Board voted to fold the Audit Committee into the general Board meeting. This action eliminated the external members from the committee and now the Board meets as the Audit Committee two to four times a year, as needed, to conduct entry meetings with the independent auditor and the State Auditor and to hear reports and findings of the auditors.

Internally, the Authority has the Financial Policy Oversight Committee (FPO) that meets monthly and is comprised of the Executive Director, the Deputy Executive Directors, the Director of Housing Operations, the Director of Development, the Director of Asset Management, The Housing Choice Voucher Director, the Chief Financial Officer (who leads the Committee), the Deputy Finance Director, the Controller, and the Budget Manager.

FPO is charged with overseeing the financial conditions and financial management decisions of the Authority and ensuring that current or implied financial commitments/conditions receive proper review. This committee has agency- wide oversight pertaining to decisions on credit and debt management; development opportunities, project selection, financing plans and policies; acquisitions and dispositions of property; criteria for soliciting and selecting limited partners in low-income housing tax credit projects; coordination of timing on actions; planning and monitoring of interim financing repayment plans; management of cash reserves; and risk assessment. FPO also administers the Authority's policy on unrestricted cash balances and unassigned cash (Operating Reserve), which was adopted by the Board of Commissioners in April 2011, revised in May 2013, and reviewed periodically.

Component Units of Seattle Housing Authority

The Authority has fourteen discretely presented component units as of December 31, 2024. As the Authority has expanded its redevelopment activities using mixed financing, component units have become a larger and larger share of our strategy of providing low-income housing. At the end of 2024, the Authority's component units represented 1,812 units or 20.2% of all rental housing units operated directly by the Authority.

Redevelopment and Rehabilitation Initiatives

Yesler Terrace is a 30-acre site near downtown Seattle that was developed by the Seattle Housing Authority (SHA) in the early 1940s as the city's first publicly subsidized housing community. In 2006, when it had become evident that Yesler's infrastructure and 561 aging housing units needed to be replaced, SHA began a conversation with residents, surrounding neighbors, city officials, key partners and the citizens of Seattle. A vision took shape for transforming Yesler Terrace — a site with great potential due to its central location close to jobs, public transit options and beautiful views — into a model community.

At the end of 2023, 472 replacement units of the 561 were complete and the remaining 89 were under construction or in design. There were also 251 units serving households at 60% AMI completed with 139 under construction or in design, exceeding the Authority's goal by 100 units. In addition, 338 units serving households at 80% AMI completed with 385 under construction or in design. Lastly, 1,040 market rate units were complete with 1,130 under construction or in design.

The Authority has developed six properties at Yesler Terrace, with two more currently under construction and anticipated completions in 2024 and 2025. These properties were financed through a combination of low-income housing tax credits, tax exempt bonds, funds from the City of Seattle and funding from HUD. The building that will complete construction in 2025, Juniper, is the final building to fulfill the Authority's commitment to the redevelopment effort. For more detail on the Yesler redevelopment the Authority publishes an annual report that can be found on our website.

In addition to the Yesler Terrace projects, the Authority has a redevelopment and rehabilitation pipeline focused on increasing the number of units to serve residents and preserving existing housing assets. At the end of 2024, the Authority had one rehabilitation under construction and three redevelopments in various stages of planning.

Jefferson Terrace is a major rehabilitation of an existing public housing high rise owned by the Authority. The project contains 283 units that serve extremely low-income households (30% of area median income) and construction started in the fall of 2022 and completion occurred at the end of 2024. The project was fully leased up at the end of 2024 and is now in final stages of receiving the remaining equity installments from the Limited Partner.

Jackson Park Village redevelopment continued through the HUD approval and planning stages in 2024. The project is a redevelopment of an existing 41-unit public housing property in Seattle's north end that has reached the end of its useful life. The project is expected to close financing in the fall of 2025 and commence construction. The Authority plans to replace the 41 existing units that serve extremely low-income households (30% of AMI) and add 63 units that serve 60% AMI households.

The Authority has two other projects in the development pipeline. Holly Court redevelopment is an existing public housing property in Seattle's south end consisting of just under 100 units. Northgate Commons is a 204-unit development located in a high opportunity area, with high-speed transit access, schools and parks, and a nearby retail center. In 2024, the Authority relocated the majority of residents from Northgate in anticipation of redeveloping the site. Planning for these redevelopments continued in 2024 and in 2025 the Authority will determine the pace and order of these next projects in the development pipeline.

Awards and Recognition

During 2024 the Seattle Housing Authority and its residents received or repeated distinctions and recognitions, including:

2024 Awards

- ***Certificate of Achievement for Excellence in Financial Reporting***

The Seattle Housing Authority was awarded a Certificate of Achievement for Excellence in Financial Reporting in 2024 by the Government Finance Officers Association of the United States and Canada. In a statement, GFOA said the Certificate of Achievement for SHA's 2023 Annual Comprehensive Financial Report (ACFR) "is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management." This represents the twenty-fifth consecutive year SHA has been recognized with this juried award.

- ***NAHRO honors SHA with six Awards of Merit***

The National Association of Housing and Redevelopment Officials (NAHRO) honored the Seattle Housing Authority with six Awards of Merit. NAHRO's awards were given in the Administrative Innovation category, which recognizes programs that improve the efficiency or effectiveness of administrative operations or the general functioning of the agency/organization and creates a resource bank of information performed by housing and redevelopment agencies and community development departments.

- ***NAHRO honors SHA with an Award of Excellence***

The National Association of Housing and Redevelopment Officials honored the Seattle Housing Authority with an Award of Excellence for its CodeRED Tenant Alert System. Awards of Excellence honor programs that improve resident outcomes, resolve problems, are replicable by organizations of similar size, produce tangible cost savings and other positive results, enhance productivity, improve client services and demonstrate better service coordination. The 2024 winners were selected by regional juries from a pool of Awards of Merit honorees.

Acknowledgments

The preparation of this letter has been accomplished through the hard work of the Finance Department accountants and the support of other staff throughout the Seattle Housing Authority. A very special thank you and acknowledgment to Olivia Hunsinger, Controller, May Kiduo-England, Assistant Controller and Ariana Martinez, Accounting Supervisor, for their tireless efforts, dedication, and oversight of the Authority's role in the 2024 ACFR. The team has an outstanding record of receiving unmodified audit opinions for their presentation of SHA's Financial Statements. We wish to thank, as well, the management and staff of CliftonLarsonAllen LLP who provided the necessary professional auditing services and technical assistance in conducting the independent audit of the Authority.

I would also like to take this opportunity, on behalf of the staff and residents of the Seattle Housing Authority, to acknowledge and thank the members of the Board of Commissioners for their tireless support and guidance.

Respectfully submitted,

Rodrick C. Brandon, Executive Director
Seattle Housing Authority

cc: SHA Cabinet members
SHA Public Website

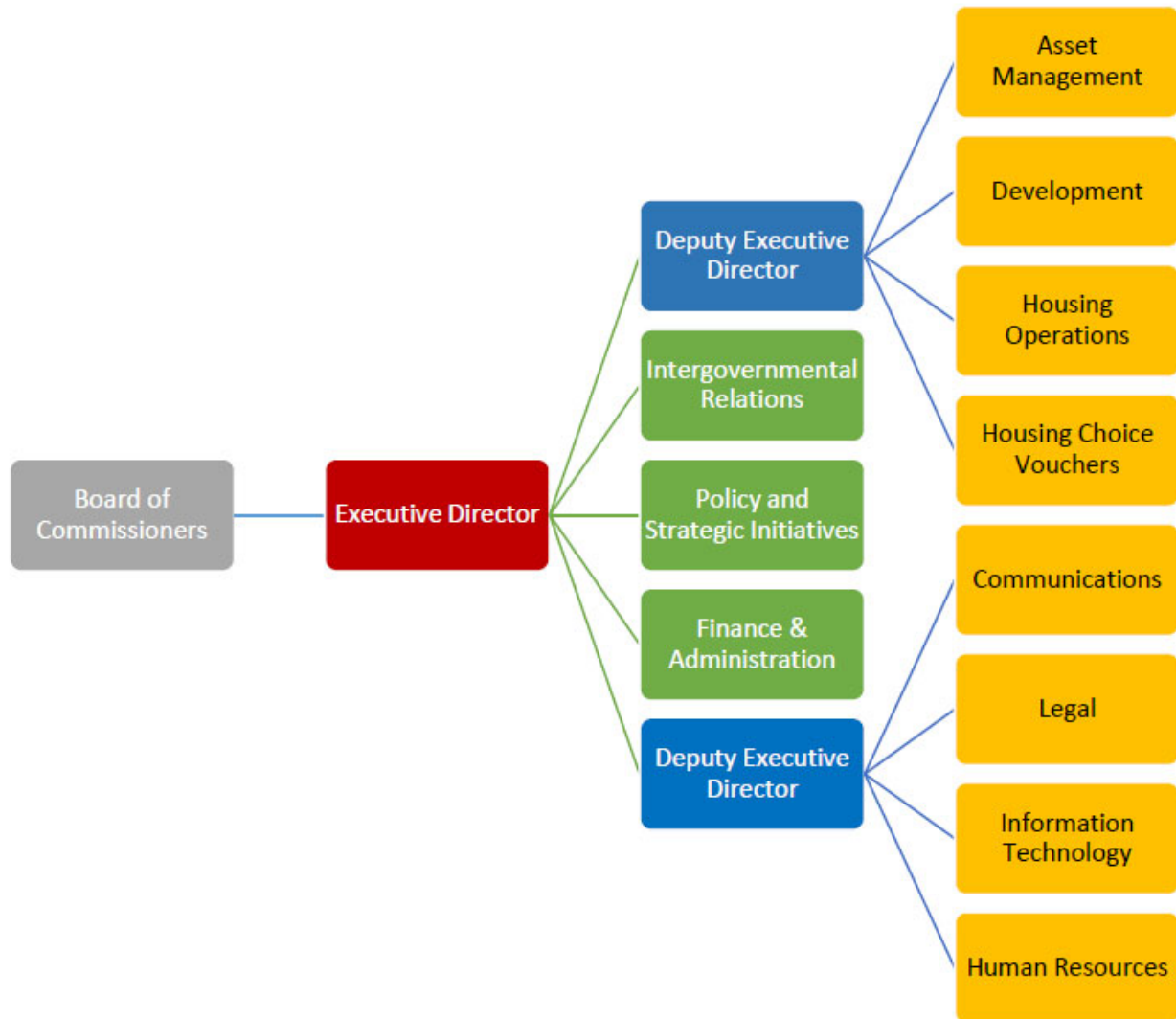
**THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
PRINCIPAL OFFICIALS**

<u>Commissioner as of December 31, 2024</u>	<u>Term Expires</u>
Sally Clark, Chair	March 20, 2023
Robert Crutchfield, Commissioner, Vice Chair	December 1, 2022
Paul Purcell, Commissioner	December 1, 2022
Gerald Smiley, Commissioner	March 19, 2023
Dr. Paula Houston, Commissioner	March 20, 2024
Rita Howard, Commissioner	March 19, 2025
Twyla Minor, Commissioner	September 30, 2022

Administrative Staff

Rod Brandon, Secretary Treasurer/Executive Director
Jared Cummer, Chief Financial Officer
Olivia Hunsinger, Controller

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
ORGANIZATION CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**The Housing Authority of the City of Seattle
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Commissioners
The Housing Authority of the City of Seattle, Washington
Seattle, Washington

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of The Housing Authority of the City of Seattle, Washington, Washington (the Authority), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following discretely presented component units of the Authority: Tamarack Place Limited Partnership, Rainier Vista Northeast LLLP, Leschi Housing LLLP, 1105 East Fir LLLP, 820 Yesler Way LLLP, 221 10th Ave S LLLP, NewHolly Phase I LLLP, 6935 Delridge Way LLLP, 888 E Fir LLLP, West Seattle Affordable Housing LLLP, Yesler Block 5.1 LLLP, Yesler Block 7.3 LLLP and Jefferson Terrace LLLP, which represent 85%, 100%, and 100%, respectively, of the total assets, total net position, and total revenues of the aggregate discretely presented component units as of December 31, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the discretely presented component units, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Tamarack Place Limited Partnership, Rainier Vista Northeast LLLP, Leschi Housing LLLP, 1105 East Fir LLLP, 820 Yesler Way LLLP, 221 10th Ave S LLLP, NewHolly Phase I LLLP, 6935 Delridge Way LLLP, 888 E Fir LLLP, West Seattle Affordable Housing LLLP, Yesler Block 5.1 LLLP, Yesler Block 7.3 LLLP and Jefferson Terrace LLLP were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

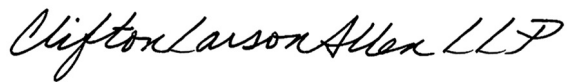
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Board of Commissioners
The Housing Authority of the City of Seattle, Washington

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Seattle, Washington
June 25, 2025

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024

Overview of the Financial Statements

The Housing Authority of the City of Seattle, Washington (the Authority or SHA) is pleased to present its basic financial statements as of and for the year ended December 31, 2024, which have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). GAAP requires the inclusion of three basic financial statements: the statement of net position (balance sheet); the statement of revenues, expenses, and changes in net position; and the statement of cash flows. In addition, GAAP requires the inclusion of this management's discussion and analysis (MD&A) section as required supplementary information.

The basic financial statements provide both long-term and short-term- information about the Authority's overall financial condition. The basic financial statements also include notes that provide additional information and more detailed data.

As provided for under GAAP, the Authority uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses, including depreciation and amortization, are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of the Authority are included in the statement of net position.

This section of the Authority's annual financial report presents our discussion and analysis of the Authority's financial performance for the primary government during the year ended December 31, 2024, with comparative data for the year ended December 31, 2023. Please read this section in conjunction with the transmittal letter in the introductory section of this report and the Authority's basic financial statements, which immediately follow this section.

Financial Highlights

- Assets and deferred outflows of resources of the Authority exceeded liabilities and deferred inflows of resources at December 31, 2024 by \$1,089 million (net position), representing an increase of \$95.8 million over 2023. Unrestricted net position of \$449 million at the end of the year includes committed, assigned, and unassigned funds that may be used to meet the Authority's ongoing obligations.
- Unrestricted cash and investments comprise \$226.1 million of the Authority's net position at the end of 2024 which reflects \$137.7 million in committed funds, \$4.5 million in assigned funds, and \$83.9 million in unassigned funds that make up the Authority's Operating Reserve. By Board policy, the Operating Reserve is to be maintained at a minimum of one month and a maximum of six months of average monthly operating expenses plus 1/12th of principal debt service requirements. The Authority's Operating Reserve at the end of 2024 represented approximately 4 months (based on 20 business days in the month) of average monthly expenses and principal debt service. In addition to the \$83.9 million in uncommitted and unassigned funds at the end of the year, the Authority has 2024 obligations from HUD for funds not yet drawn by the Authority in the amount of \$53.5 million which brings the total uncommitted and unassigned funds to \$137.4 million.
- Total net position increased by \$95.8 million in 2024, which is 2.6% higher than the 2023 increase in net position of \$67.2 million. The 2024 increase was primarily due to an increase in capital assets resulting from the purchase of an apartment complex and the agency's central office location. These two acquisitions account for \$58.5 million with the remaining increase resulting from capital investment into the Authority's existing properties. Operating revenues increased by \$44.5 million while operating expenses increased \$18 million. In the discussion below of the statement of revenues, expenses and changes in net position, these changes will be addressed in detail. In 2024, nonoperating activities produced a net increase in revenues of \$12.5 million while in 2023 nonoperating activities increased by \$14.8 a difference of \$2.2 million from 2024.

**THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
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- The Authority's current ratio that measures liquidity improved during the year from 6.9 to 8.6. Current assets decreased by \$13.8 million due to a decrease in current restricted and unrestricted cash and investments used in the acquisition of property and draws on loan obligations made to component units. Current liabilities decrease by \$10.9 million due primarily to a decrease in unearned revenue of \$8 million.
- Total notes receivable increased from \$247 million by \$19.7 million to \$267.1 million. The Authority has made loans to nonprofit agencies providing low-income housing and to its component units that are redeveloping housing communities under the Choice Neighborhoods Implementation grant and using Low Income Housing Tax Credit mixed financings. During the year, the Authority made loans to the component units for Jefferson Terrace, Sawara, and Juniper.
- The Authority's total debt decreased from \$207 million to \$201.5 million during the current reporting period as a result of the required debt payments on existing borrowings.

Financial Analysis

Statement of Net Position

The statement of net position presents the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position of the Authority at the end of the fiscal year. The purpose of the statement of net position is to give the financial statement readers a snapshot of the fiscal condition of the Authority as of a certain point in time. It presents end of year data for assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (assets and deferred outflows of resources, minus liabilities and deferred inflows of resources). Also shown is the sum of total liabilities, net position, and deferred inflows of resources, which equals total assets and deferred outflows of resources.

Total assets of the Authority at December 31, 2024 and 2023 amounted to \$1,416 million and \$1,339 million, respectively, an increase of 5.7% or \$76 million. Current assets decreased by \$13.8 million while non-current assets increased by \$62.2 million. The significant components of current assets are short-term investments, receivables from component units, and restricted cash. The significant components of noncurrent assets are restricted investments, capital assets, notes receivable and net pension assets. Capital assets include land, land improvements, leasehold improvements, structures, construction in progress, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation. In addition to the increases in notes receivable as described above, total cash and investments also increased by a total of \$10 million primarily as a result of higher subsidies from HUD, increased tenant rents, and increased interest earnings in 2024 compared to 2023. Net pension assets of \$14.1 million are reported in 2024 for the PERS 2 plan compared to \$15.7 million reported in 2023.

Total liabilities of the Authority were \$254.2 million and \$264.9 million at December 31, 2024 and 2023, respectively, representing a decrease of 4% or \$10.7 million. Current liabilities include accounts payable, accrued liabilities, unearned revenue, current portion of long-term debt, and short-term borrowings. Current liabilities decreased by \$10.9 million primarily due to a decrease in unearned revenue of \$8 million. Noncurrent liabilities include unearned revenue, long-term debt, accrued compensated absences as well as pension and Other Postemployment Benefits (OPEB) liabilities. During the year, noncurrent liabilities remained essentially flat, at \$217.8 million in 2024 compared to \$217.6 million in 2023.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
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Deferred outflows of resources and deferred inflows of resources arise from the pension liability, OPEB liability, and lease receivables reported by the Authority. Deferred outflows of resources for pensions primarily relate to contributions made by the Authority subsequent to the measurement date of the net pension liability, OPEB benefit payments after the measurement date, and differences between expected and actual experience. Deferred inflows of resources include the difference between projected and actual earnings on plan investments and changes in assumptions. In 2024, the Authority's pension and OPEB-related deferred outflows increased by \$7 million and deferred inflows decreased by \$2 million.

Net position represents the Authority's equity, a portion of which is restricted for certain uses. Net position is divided into three major categories. The first category, net investment in capital assets, represents the Authority's equity in land, structures, construction in progress, and equipment, net of related capital debt outstanding. The next net position category is restricted net position; this shows the amounts subject to external restriction, which are primarily amounts restricted to service debts until they mature. Other restricted purposes include legal agreements related to obligations to the Authority's limited partnerships. The last category is unrestricted net position; these funds are available to use for any lawful and prudent purpose of the Authority. Unrestricted net position increased by 14%, or \$55.8 million, during the year from \$392.8 million to \$448 million. In addition, there was an increase in net investments in capital assets of \$70.5 million and a decrease in restricted net position of \$30.5 million. The increase in net investment in capital assets was primarily attributable to the purchase of two new real estate assets and continued capital investment.

Condensed Statement of Net Position
(In Thousands)

	December 31,	
	2024	2023
Assets:		
Current Assets, Net	\$ 312,716	\$ 326,538
Noncurrent Cash and Investments	121,678	115,892
Capital Assets, Net	682,675	613,354
Notes Receivable, Long-Term, Net	265,382	247,388
Other Noncurrent Receivables and Other	33,158	36,423
Total Assets	<u>1,415,609</u>	<u>1,339,595</u>
Deferred Outflows of Resources:		
Pension and OPEB-Related	20,420	13,323
Liabilities:		
Current Liabilities	36,532	47,381
Noncurrent Liabilities	<u>217,697</u>	<u>217,564</u>
Total Liabilities	254,228	264,945
Deferred Inflows of Resources	<u>92,850</u>	<u>94,846</u>
Net Position:		
Net Investment in Capital Assets	480,410	409,869
Restricted	159,917	190,414
Unrestricted	<u>448,622</u>	<u>392,844</u>
Total Net Position	<u><u>\$ 1,088,950</u></u>	<u><u>\$ 993,127</u></u>

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Statement of Revenues, Expenses, and Changes in Net Position

The purpose of the statement of revenues, expenses, and changes in net position is to present the revenues earned by the Authority, both operating and nonoperating revenues, and the expenses incurred through operating and nonoperating expenditures, plus any other revenues, expenses, gains, and losses of the Authority. Generally, operating revenues are amounts received for providing housing to the Authority's tenants as well as subsidies and grants received from the HUD that provide significant funding for the operations of the Authority's housing programs. Operating expenses are those incurred to operate, maintain, and repair the housing units and to provide supportive services to the tenants of the Authority. Nonoperating revenues are revenues earned for which goods and services are not provided, for example, interest income. Capital contributions represent revenues earned from HUD for public housing capital repairs and rehabilitation and grants under the Choice Neighborhood Implementation program.

The statement of revenues, expenses, and changes in net position, which follows this section, reflects the year ended December 31, 2024 compared to the year ended December 31, 2023. Overall, operating revenues increased 12.3% from 2023 to 2024 or \$44.5 million and operating expenses increased by 5.5% or approximately \$18.0 million for the year, net nonoperating revenues decreased by 15.1% or approximately \$2.2 million, and capital contributions increased approximately 23.2% or \$4.4 million. Net position increased in 2024 by approximately \$95.8 million. Explanations of principal reasons for these changes follow.

Overall, operating revenues grew by \$44.5 million. Tenant rent decreased \$1.3 million due to higher collection losses. Housing Choice Voucher (HCV) subsidies increased by \$38.9 million or 17% during the year. Of that amount, funding from HUD for Moving To Work (MTW) vouchers accounts for nearly the entirety of the increase including \$8 million in unearned revenue for Moving To Work (MTW) vouchers being recognized in 2024. These increases were supplemented by a \$6.1 million increase in Operating Subsidies and Grants due to an increase in revenue from the HUD Capital Grant.

The largest contributor to the increase in operating expenses was related to housing assistance payments (HAP) and maintenance. During 2024, The Authority continued to focus on addressing deferred maintenance at the properties, resulting in a \$.8.2 million increase in maintenance expense. HAP increased by a slightly larger amount of \$8.7 million over 2023. Other increases in housing operations and administration and utilities all saw small increases of 4% to 6%. Tenant services saw a significant decrease of 50.3% or 14.3 million, due to the one-time payment to fund the Yesler Legacy Fund that occurred in 2023.

Net nonoperating income decreased by approximately \$2.2 million or approximately 15.1% during the year. The reason for the largest decrease in this category was related to interest expense increased by \$1.47 million due to payments on the line of credit used to purchase a real-estate asset, which was then retired at the end of 2024.

Capital contributions for the year ended December 31, 2024 were made up of \$23.2 million from HUD capital grants and were \$4.4 million higher than in 2023. During the year, the Authority used HUD capital grants to fund a portion, \$14 million, of a real-estate purchase and the remaining was used to fund capital projects on existing assets.

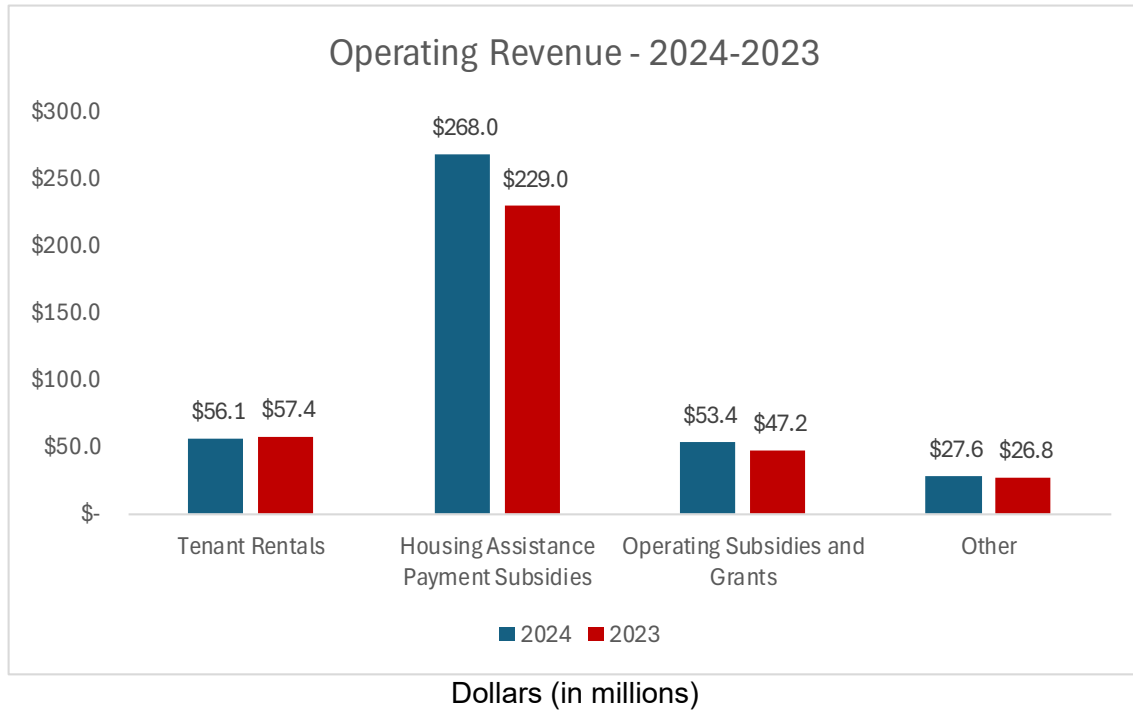
THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Statement of Revenues, Expenses, and Changes in Net Position
(In Thousands)

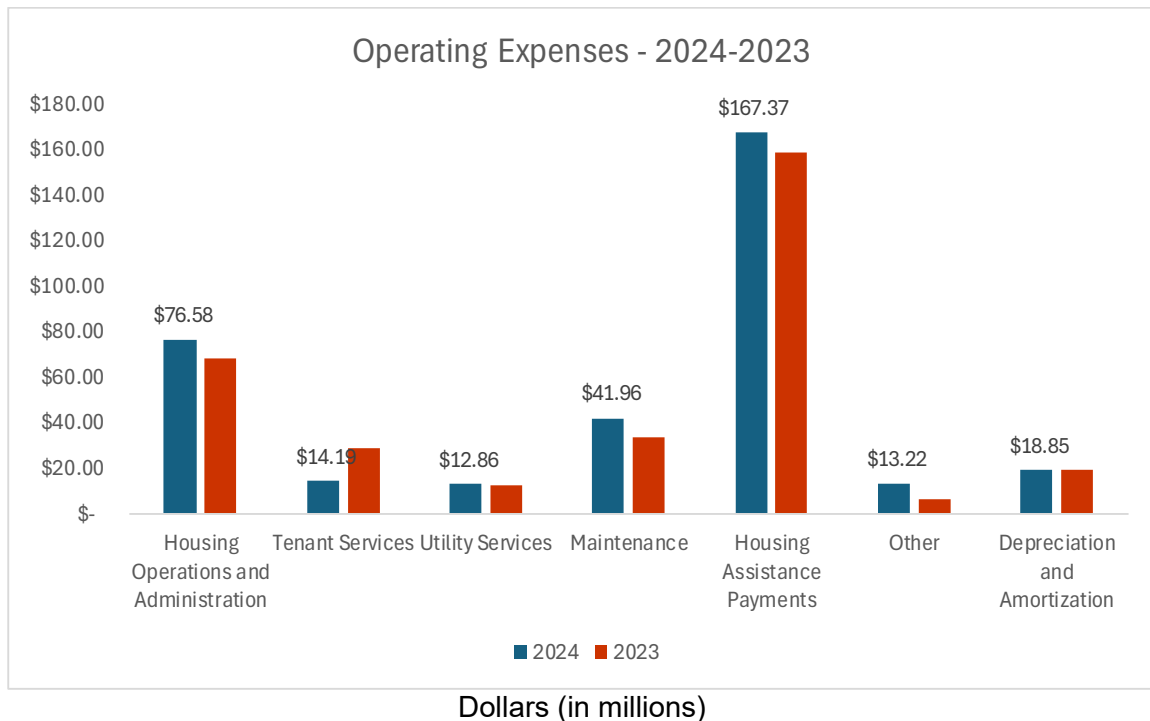
	Year Ended December 31,	
	2024	2023
Operating Revenues:		
Tenant Rentals	\$ 56,048	\$ 57,436
Housing Assistance Payment Subsidies	267,955	229,024
Operating Subsidies and Grants	53,371	47,185
Other	27,588	26,833
Total Operating Revenues	404,962	360,478
Operating Expenses:		
Housing Operations and Administration	76,579	68,294
Tenant Services	14,185	28,545
Utility Services	12,861	12,377
Maintenance	41,965	33,727
Housing Assistance Payments	167,368	158,709
Other	13,223	6,223
Depreciation and Amortization	18,850	19,137
Total Operating Expenses	345,031	327,012
Operating Income	59,931	33,466
Nonoperating Revenues (Expenses):		
Interest Expense	(6,968)	(5,502)
Interest Income	19,332	19,674
Change in Fair Value of Investments	218	302
Loss on Disposition of Assets	(41)	(455)
Gain (Loss) on Investment in Limited Partnerships	(2)	743
Net Nonoperating Revenues (Expenses)	12,539	14,762
Change in Net Position Before Capital Contributions	72,470	48,228
Capital Contributions	23,353	18,959
Change in Net Position	95,823	67,187
Net Position, Beginning of Year	993,127	925,940
Net Position, End of Year	<u>\$ 1,088,950</u>	<u>\$ 993,127</u>

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Operating revenues are shown in detail in the chart below:



Operating expenses are shown in detail in the chart below:



THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
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Capital Asset and Debt Administration

The Authority increased net capital assets during the year ended December 31, 2024 by approximately \$69.3 million. Total structures increased due to the purchase of two real-estate assets in 2024 and investment into existing assets through capital investment increase slightly.

Note 6 to the Authority's basic financial statements provides additional detail regarding the changes in capital assets during the year ended December 31, 2024.

The table below shows the Authority's capital assets, net of accumulated depreciation and amortization, at December 31, 2024 and 2023 (in thousands):

	2024	2023
Land	\$ 148,192	\$ 136,072
Land Improvements	33,423	34,452
Structures	449,372	394,609
Leasehold Improvements	41	56
Equipment	7,664	7,945
Right to Use Equipment	42	1,547
Right to Use Software	1,064	-
Construction in Progress	42,877	38,673
Total Capital Assets, Net	<u>\$ 682,675</u>	<u>\$ 613,354</u>

The following schedule shows the significant components of the construction in progress as of December 31, 2024 and 2023 (in thousands):

	2024	2023
Modernization Funds - Capital Grants	\$ 1,512	\$ 3,951
Yesler Terrace Infrastructure	24,622	24,519
Other Programs	16,743	10,203
Total Construction in Progress	<u>\$ 42,877</u>	<u>\$ 38,673</u>

The table below shows the Authority's outstanding debt at December 31, 2024 and 2023 (in thousands):

	2024	2023
Notes Payable	\$ 103,352	\$ 106,548
Bonds Payable	98,075	100,108
Total Debt Outstanding	<u>\$ 201,427</u>	<u>\$ 206,656</u>

Total debt outstanding decreased by \$5.1 million from December 31, 2023 to 2024. This decrease is attributed to the required debt service payments made in 2024 by the Authority. There were no short-term borrowings outstanding at the end of the year.

Notes 7 and 8 to the Authority's basic financial statements provide additional detail regarding the debt changes during the year ended December 31, 2024.

The Authority maintained an entity credit rating from Standard & Poor's Rating Services under their international rating criteria for housing authorities/social housing in the United States and Europe of "AA" with a stable outlook.

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Federal Funding Support to the Authority

Federal appropriation levels for HUD programs, such as Section 8 Housing Choice Voucher Program and Section 9 Public Housing Operating Subsidies, and the various capital programs continue to have a major impact on the Authority's budget. Federal housing dollars make up the largest source of operating revenue for the Authority and the principal source of funding for public housing capital. During 2024, the Authority earned \$312.1 million in federal dollars for its MTW and non-MTW operating programs and \$23.4 million for its capital projects. In addition, federal financial support from HUD has been an important source of funding for acquiring or developing a majority of the Authority's capital assets.

Federal Funding

Federal Appropriations through three core HUD programs, Section 8 HCV, Public Housing Operating Fund and the Public Housing Capital Fund, continue to represent the largest portion of the Authority's annual revenues. As a result, changes in appropriation levels can have a large impact on the Authority's annual budget and financials.

In March 2024, Congress passed the Consolidated Appropriations Act, 2024, and the President signed HR 4366 into law. The passage of this Bill set the FY 2024 budget for the Departments of Agriculture, Commerce, Justice, Energy, Interior, Veterans Affairs, Transportation and Housing and Urban Development. Later in March, Congress passed the Further Consolidated Appropriations Act, 2024 and the President signed HR 2882 into law completing the 2024 appropriation process for the remaining Departments. Funding for the Department of Housing and Urban Development in 2024 increased \$8.3 Billion or 13.5% over FY 2023. The HCV fund was set at \$32.386 billion representing a 7.1% increase, the Public Housing Capital fund was held flat at \$3.2 billion and the Public Housing Operating Fund was set at \$5.48 billion representing a 7.2% increase. These funding increases exceeded the revenue forecast that the Authority included in the 2024 Budget, which was adopted by the SHA Board of Commissioners in October 2023.

The Authority approaches budgeting Federal revenues from a more conservative standpoint and as a result, the FY 2024 exceeded the revenue forecast included in the 2024 Budget by \$11.7 million. The majority of this increase was in HCV funds representing a \$7.5 million increase, while the Public Housing Operating fund increased by \$4.2 million and the Public Housing Capital fund was flat at \$16.9 million. Overall, the last two years of Federal appropriations have been higher than expected and have allowed the Authority to continue to reinvest in residents, capital preservation, new unit creation and our employees.

Federal Regulatory and Programmatic Impacts

The Authority was one of the first groups of Public Housing Authorities (PHAs) to participate in the MTW Demonstration Program and became a MTW agency in 1999. The MTW program was created by Congress to provide participating PHAs with both regulatory and funding flexibility to streamline administrative processes and achieve savings, to expand housing choices for residents and participants, to advance self-sufficiency, and to address local community low-income housing needs. The initial group of MTW agencies was set at 39, however in 2016, Congress authorized expansion of the MTW program to include 100 more PHAs. The new MTW expansion agencies fall into one of four cohorts: small PHA cohort, stepped and tiered rent cohort, landlord incentive cohort and the asset building cohort. Depending on the cohort, HUD has authorized different flexibilities and regulatory waiver authority. As a result, the expansion cohorts have different regulatory requirements and flexibility than the initial 39 MTW agencies.

The expiration of the Authority's initial ten-year MTW contract was in 2018 and after negotiations between HUD and the initial 39 MTW PHAs, Congress re-authorized a second ten year extension for the program under the existing terms of the contract without change with an expiration date of 2028. In 2023, negotiations for an extension beyond 2028 began and with the passage of the 2024 Appropriations Act (HR 4366) the term of the agreement for the 39 MTW agencies was further extended until 2038. The terms and conditions of the contract remained unchanged and can only be changed going forward through mutual acceptance of any terms by HUD and the MTW agencies.

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Local Labor Market Challenges and the Impacts

The local housing and labor markets directly impact the work and finances of the Authority as well as the people that the Authority serves. While the unemployment rate remains low in the Seattle area, many households that the Authority serves continues to encounter economic hardship. In 2022 the Authority worked to assist these households through the federal Emergency Rental Assistance (ERA) program and assisted over 2,400 households for a total of just over \$9.5 million. Despite these efforts, by the end of 2023, the Authority saw an increase in rent arrears to levels seen prior to implementation of the ERA program. This trend continued in 2024, as rent arrears continued to increase and tenant incomes continued to remain flat or reduce. The Authority continues to experience increases in the number of households on repayment agreements. While tenant rent is a relatively small proportion of overall revenues and the amount in arrears is even smaller, it is an indication of the local economy and the continued challenges that the low-income households we serve continue to encounter.

The labor market in the Seattle area remains very tight, which continues to influence labor rates. Nationally, unemployment at the end of 2024 sat at 4.2% while the rate was higher in Washington State at 4.4%, however for the Seattle/Bellevue/Everett area the rate finished the year at 3.8%. The Seattle labor market has shown some small signs of softening as the 2024 unemployment rate ended the year slightly higher than 2023 by 0.3%. However, the cost of living in the Seattle area continues to pressure wages.

In 2024, the Authority experienced increases in material costs beyond typical inflationary increases, but salary costs were not as high as in the year prior. The lower actual salary costs can be partially attributed to many positions taking longer than typical to fill with some remaining vacant resulting in salary savings. To address these recruitment and retention issues, the Authority completed a class and compensation study in 2024, and implemented some of the recommendations. While this did result in an increase in wages, the Authority will be able to absorb the potential increases due to higher than anticipated Federal funding levels for 2024 and continued salary savings.

Local Housing Market

The Authority continues to be a major affordable housing developer in the City of Seattle, engaged in a variety of redevelopment and rehabilitation projects that expand and preserve the capacity of the Authority's residential portfolios. The Authority expects to continue to engage in opportunities to expand the number of housing units, redevelop properties whose useful life has expired and rehabilitate the Authority's existing real-estate assets.

In 2024, inflation continued to flatten out and recede. At the end of 2024, inflation for the Seattle area sat at 2.7%, a reduction of 1.7% from year end 2023 and the lowest inflation rate since February 2021. Into the first part of 2025, inflation has continued to decline in Seattle area as April CPI was 1.7. Housing costs continue to remain high in the Seattle area. After dropping from historic highs in 2023, housing prices rebounded in 2024 and surpassed the 2022 historic highs by 1.2%³. The cost of housing in Seattle continues to be impacted by a supply shortage and higher borrowing rates.

³ S&P CoreLogic Case-Shiller WA-Seattle Home Price Index

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Rising inflation in 2022 and 2023 led the Federal Reserve to tighten monetary policy and begin a series of increases to the benchmark borrowing rate. This shift in monetary policy resulted in borrowing rates increasing dramatically throughout 2022 and into 2023. In the fall of 2024, the Federal Reserve began to cut their benchmark rate and by the end of 2024 the rate had been cut by 1%. This rate has held steady into early 2025. Despite rates dropping in late 2024, higher borrowing costs persist as investors and lenders continue to be cautious. As a result, this has an impact on the development and rehabilitation program as rising rates decrease the total amount of debt that a project can support resulting in an increase in the funds needed from the Authority. While higher borrowing costs have an impact, the Authority has aggressively pursued refundings of existing financed projects prior to rate increases in 2022 and was able to secure very low long-term rates in the public bond market. This refunding strategy has positioned the Authority well to whether these rate increases and continue to pursue the development and rehabilitation program. In addition, the Authority has retired debt further lowering interest costs. The Authority will continue to monitor the markets and make adjustments to the strategy as needed.

A challenge over the last 5 years in Washington State has been access to private activity bond cap (bond cap) used to finance low-income housing tax credit projects. The State of Washington's Housing Finance Commission is responsible for allocating the bond cap provided for housing and over the last five years has been significantly over subscribed. However, the interest rate increases in 2022 and 2023 has had an impact on the ability of projects to secure financing and this trend continued into 2024. This has resulted in some softening in the demand for the bond cap resource.

Despite cost and finance challenges, the Authority has made prudent financial decisions that have enabled the development and rehabilitation program to continue creating and preserving affordable units in the City of Seattle. The status of the Authority's development and rehabilitation program as of the end of 2024 is as follows:

- **Yesler Redevelopment:** The sixth of seven low-income residential buildings — **Sawara, 114 units** was completed in 2024 and leased up; and the seventh and last SHA building – **Juniper, 96 units** began construction in October 2023 with lease-up expected in 2025. At completion, the residential buildings at Yesler will include 561 replacement units for extremely low-income households (30% of Area Median Income (AMI)) and 290 units serving 60% AMI serving very low-income households.
- **Jefferson Terrace Rehabilitation:** This project is a major rehabilitation of an existing public housing high rise owned by the Authority. The project contains 283 units that serve extremely low-income households (30% of AMI). Construction started in the fall of 2022 and was completed and fully occupied at the end of 2024.
- **Jackson Park Village Redevelopment:** This project continued through the HUD approval and planning stages in 2024. The project is a redevelopment of an existing 41-unit public housing property in Seattle's north end that has reached the end of its useful life. The project is expected to close financing in the fall of 2025 and commence construction. The Authority plans to replace the 41 existing units that serve extremely low-income households (30% of AMI) and add 63 units that serve 60% AMI households.

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DECEMBER 31, 2024**

- ***Holly Court Redevelopment:*** This project is an existing public housing property in Seattle's south end that has reached the end of its useful life. As this project will likely involve adjacent properties and relocations of an existing agency located on the property, feasibility work began in 2024 and will continue in 2025.
- ***Northgate Commons:*** The Authority purchased this development opportunity in 2019 and it is located in a high opportunity area, with high-speed transit access, schools and parks, and a nearby retail center. Planning for the redevelopment commenced in 2023 and will continue into 2024. In late 2023, the Authority began relocation of residents from the property and this effort will continue through 2024 in preparation for the redevelopment. In 2025, the Authority will determine the timing of the redevelopment based on funding levels and economic conditions.

The Authority's existing central headquarters building lease expired in March 2023 and the Authority moved in the fall of 2023 to the new location. Near the end of 2023, the opportunity to purchase the building was presented to the Authority and in March 2024, the Board of Commissioners approved the purchase of the building (101 Elliott) and the transaction closed in the same month. This purchase results in a significant expenditure savings for the Authority that will be used to support on-going programs. In addition, the Authority purchase the Verse Apartments in 2024 and closed on the transaction in May. The apartment will serve household at 80% of area median income or lower.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information presented in this report or requests for additional information should be addressed to Olivia Hunsinger, Controller, at 101 Elliott Ave W, Suite 100 Seattle, WA 98119, or by e-mail at Olivia.Hunsinger@seattlehousing.org.

BASIC FINANCIAL STATEMENTS

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 4,691,216	\$ 5,549,649
Restricted Cash	28,126,685	22,563,261
Investments	215,958,585	-
Accounts Receivable:		
Tenant Rentals and Service Charges	2,577,698	1,032,907
Other	2,865,156	179,883
Due from:		
Other Governments	24,956,279	-
Primary Government	-	124,297
Component Units (Net of Allowance of \$15,096,233)	10,805,045	-
Inventory and Prepaid Items	4,193,982	7,753,911
Restricted Investments	6,763,897	49,438,964
Unamortized Charges	-	2,061,150
Notes Receivable from Component Units	10,093,932	-
Assets Held for Sale	755,214	-
Other Assets	928,607	-
Total Current Assets	<u>312,716,296</u>	<u>88,704,022</u>
Noncurrent Assets:		
Investments	5,499,905	-
Cash Restricted for Long-Term Purpose	657,377	-
Restricted Investments	115,520,697	-
Due from Component Units (Net of Allowance of \$17,466,153)	1,740,267	-
Other	17,347,056	98,663
Capital Assets:		
Land	148,191,887	-
Land Improvements	62,563,314	31,894,433
Leasehold Improvements	901,864	-
Structures	852,980,023	480,687,327
Right-to-Use Structures	-	72,170,000
Equipment	33,988,474	17,820,968
Right-to-Use Equipment	191,457	-
Right-to-Use Software	1,827,307	-
Construction in Progress	42,877,045	45,961,232
Less: Accumulated Depreciation and Amortization	<u>(460,846,603)</u>	<u>(85,897,941)</u>
Capital Assets, Net	682,674,768	562,636,019
Notes Receivable, Less Current Portion (Net of Allowance of \$4,747,741)	22,020,552	-
Notes Receivable from Component Units, Less Current Portion	243,361,257	-
Assets Held for Sale	5,018	-
Net Pension Asset	14,065,357	-
Total Noncurrent Assets	<u>1,102,892,254</u>	<u>562,734,682</u>
Total Assets	1,415,608,550	651,438,704
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	19,556,819	-
OPEB Related	863,210	-
Total Deferred Outflows of Resources	<u>20,420,029</u>	<u>-</u>

See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2024

	Primary Government	Component Units
LIABILITIES		
Current Liabilities:		
Accounts Payable:		
Vendors and Contractors	\$ 13,831,996	\$ 14,143,660
Other	3,338,306	324,448
Accrued Liabilities	10,759,806	2,541,254
Due to Component Units	131,462	-
Due to Primary Government	-	15,108,828
Security Deposits	2,550,844	885,731
Current Portion of Long-Term Debt from Primary Government	-	10,093,932
Current Portion of Long-Term Debt	2,727,368	48,946,188
Unearned Revenue	3,191,820	212,332
Total Current Liabilities	<u>36,531,602</u>	<u>92,256,373</u>
Noncurrent Liabilities:		
Due to Primary Government	-	30,037,906
Unearned Revenue	1,268,527	-
Long-Term Payables and Liabilities	1,547,540	-
Long-Term Debt, Less Current Portion:		
Notes Payable to Primary Government	-	243,295,999
Notes Payable	103,352,273	56,859,938
Bonds Payable	98,075,075	126,951,300
Accrued Compensated Absences	5,471,908	53,083
Total OPEB Liability	2,106,669	-
Net Pension Liability	5,874,637	-
Total Noncurrent Liabilities	<u>217,696,629</u>	<u>457,198,226</u>
Total Liabilities	254,228,231	549,454,599
DEFERRED INFLOWS OF RESOURCES		
Pension Related	7,441,121	-
OPEB Related	776,516	-
Prepaid Ground Leases	74,798,232	-
Lease Related	9,834,607	-
Total Deferred Inflows of Resources	<u>92,850,476</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	480,410,490	79,929,294
Restricted for:		
Debt Service	145,461,382	72,002,225
Pension	14,065,357	-
Endowment Funds and Donors	390,440	-
Unrestricted Net Position	<u>448,622,203</u>	<u>(49,947,414)</u>
Total Net Position	<u>\$ 1,088,949,872</u>	<u>\$ 101,984,105</u>

See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2024

	Primary Government	Component Units
OPERATING REVENUES		
Tenant Rentals	\$ 56,047,862	\$ 23,128,415
Housing Assistance Payment Subsidies	267,955,403	-
Operating Subsidies and Grants	53,370,532	-
Other	27,588,483	110,092
Total Operating Revenues	<u>404,962,280</u>	<u>23,238,507</u>
OPERATING EXPENSES		
Housing Operations and Administration	76,578,878	7,377,638
Tenant Services	14,185,398	963,288
Utility Services	12,860,538	3,177,225
Maintenance	41,964,927	5,927,777
Housing Assistance Payments	167,368,445	-
Other	13,223,101	339,262
Depreciation and Amortization	18,850,124	16,506,605
Total Operating Expenses	<u>345,031,411</u>	<u>34,291,795</u>
OPERATING INCOME(LOSS)	59,930,869	(11,053,288)
NONOPERATING REVENUES (EXPENSES)		
Interest Expense	(6,967,981)	(7,804,094)
Interest Income	19,331,802	1,710,199
Change in Fair Value of Investments	217,733	-
Loss on Disposition of Assets	(40,580)	-
Gain (Loss) on Investment in Limited Partnerships	(1,509)	-
Net Nonoperating Revenues (Expenses)	<u>12,539,465</u>	<u>(6,093,895)</u>
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	72,470,334	(17,147,183)
CONTRIBUTIONS		
Capital Contributions	23,352,823	-
Partners' Contributions	-	13,156,499
Total Contributions	<u>23,352,823</u>	<u>13,156,499</u>
CHANGE IN NET POSITION	95,823,157	(3,990,684)
Net Position - Beginning of Year	<u>993,126,715</u>	<u>105,974,789</u>
NET POSITION - END OF YEAR	<u><u>\$ 1,088,949,872</u></u>	<u><u>\$ 101,984,105</u></u>

See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

	Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Residents	\$ 55,529,147
Receipts from Other Sources	25,865,130
Operating Subsidies and Grant Receipts	299,535,342
Payments to Vendors	(84,616,360)
Payments for Salaries and Benefits	(93,167,965)
Housing Assistance Payments	(167,368,445)
Net Cash Provided by Operating Activities	<u>35,776,849</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Contributions	23,352,823
Acquisition and Construction of Capital Assets	(88,110,567)
Proceeds from Dispositions of Property and Equipment	177,153
Proceeds from Short-Term Borrowings	37,500,000
Principal Payments on Short-Term Borrowings	(37,500,000)
Principal Payments on Notes, Bonds, and Leases Payable	(2,562,307)
Loss on Transfer of Component Unit	(1,509)
Interest Paid on Debt	(6,967,981)
Net Cash Used by Capital and Related Financing Activities	<u>(74,112,388)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income Received	19,331,802
Maturity of Investment Securities	177,779,190
Purchases of Investment Securities	(153,074,569)
Collections on Notes Receivable	(46,945,844)
Advances on Notes Receivable	18,936,066
Net Cash Provided by Investing Activities	<u>16,026,645</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(22,308,894)
Cash and Cash Equivalents - Beginning of Year	<u>55,784,172</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 33,475,278</u></u>

See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	<u>Primary Government</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 59,930,869
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization	18,850,124
Provision for Bad Debts	931,787
Changes in Operating Assets and Liabilities:	
Accounts Receivable	(25,689,620)
Prepaid Expenses and Other Current Assets	(2,604,069)
Pension Asset	1,665,799
Deferred Outflows Pension	(6,401,964)
Deferred Outflows OPEB	(695,315)
Accounts Payable and Other Liabilities	(3,676,125)
Accrued Interest Payable	690,239
Accrued Compensated Absences	1,006,423
Unearned Revenue	(6,200,304)
Pension Liability	(913,571)
OPEB Liability	878,034
Deferred Inflows - Pension	(1,291,160)
Deferred Inflows - OPEB	(192,944)
Deferred Inflows - Prepaid Leases	(511,354)
Total Adjustments	<u>(24,154,020)</u>
Net Cash Provided By Operating Activities	<u><u>\$ 35,776,849</u></u>

See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Program Descriptions

The Housing Authority of the City of Seattle, Washington (the Authority) was created in 1939 as a municipal corporation that derives its powers from Washington State (State) law as reflected in the Revised Code of Washington (RCW), Chapter 35.82. The Authority was created for the acquisition, development, modernization, operation, and administration of public housing programs. The primary purpose of the Authority is to provide safe, decent, sanitary, and affordable housing to low income and elderly families in Seattle, Washington, and to operate its housing programs in accordance with federal and State laws and regulations. The Authority's programs are administered through the U.S. Department of Housing and Urban Development (HUD) under provisions of the U.S. Housing Act of 1937, as amended.

The Authority, recognized by HUD as a high performing, large housing authority, was selected to participate in HUD's Moving to Work (MTW) Demonstration Program effective January 13, 1999. The program allows the Authority an exemption from a multitude of HUD regulations and reporting requirements and significant flexibility to combine its HUD funding for reallocation among the Authority's administrative, capital, and development activities.

The Authority presents its activities as a single enterprise proprietary fund and its primary operations comprised a number of housing and grant programs as follows:

- **The Public Housing Program** operates under HUD's Annual Contributions Contract (ACC) SF 151 and consists of the operations of low rent public housing properties totaling 4,349 units, which includes 894 units of senior housing (see below). The purpose of the program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained, and managed by the Authority. The properties are acquired, developed, and modernized under HUD's Capital Funds Program and through HUD Hope VI Urban Revitalization grants. Financing for the properties is obtained through bond issues and grants. Funding of the program is provided by federal annual contributions and operating subsidies and tenant rentals (determined as a % of family income, adjusted for family composition).
- **The Seattle Senior Housing Program (SSHP)** operates 1,030 units acquired and developed under a 1981 City of Seattle (City) bond issue. The purpose of this program is to provide low rent housing for the elderly, handicapped, and disabled. Funding for the management and operation of these housing units is provided primarily from rental income with a small subsidy for the Public Housing operating funds. During 2011, the Authority received approval from HUD and from the City to include 894 of the SSHP units in the Public Housing program. This change took effect January 1, 2012.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Organization and Program Descriptions (Continued)

- **The Section 8 Program** consists of several Section 8 housing programs, including the Section 8 Housing Choice Voucher program (HCV), the Section 8 New Construction and Substantial Rehabilitation program, and the Moderate Rehabilitation program. The HCV program provides rental housing assistance subsidies in support of 13,189 housing units. The purpose of the program is to provide decent and affordable housing to low-income families and elderly and handicapped individuals wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.
- **The Section 8 Moderate Rehabilitation Program** operates under HUD's ACC S 0068K and consists of the operations of 126 privately owned family housing units. The purpose of the program is to rehabilitate substandard rental housing units and provide decent and affordable housing to low-income families whereby rental assistance is provided by HUD. The associated developments are maintained and managed by private landlords. Funding of the program is provided by federal housing assistance contributions.
- **Other Housing Programs** operates 2,837 units of low-income housing. These projects are financed primarily through bond issues and receive no external funding. On site management for these units may be done by the Authority or contracted with other management companies. In addition, the Authority also has 739 nonpublic housing, tax credit units within the HOPE VI redeveloped communities.

The basic financial statements of the Authority have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Authority's significant accounting policies are described below.

B. Reporting Entity

The governing body of the Authority is its Board of Commissioners (Board), comprising seven members appointed by the Mayor of the City. The Authority is not financially dependent on the City and is not considered a component unit of the City.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

As defined by GAAP, the reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component units' board, and one of (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government, or if the component unit is fiscally dependent on and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the component has (i) a separately elected governing board, (ii) a governing board appointed by a higher level of government, or (iii) a jointly appointed board.

Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. The discrete method presents the financial statements of the component units outside of the basic financial statement totals of the primary government. The Authority has both blended component units and discretely presented component units.

Blended Component Units

The Authority has three blended component units that share the same governing boards as the primary government. The entities have a December 31 year-end and financial statements may be obtained by contacting the Authority.

- **Campus of Learners Foundation** is a Washington State nonprofit corporation incorporated in 1999 to support the provision of services and facilities that will enable public housing residents and their low- and moderate income neighborhoods to achieve self-sufficiency by (a) raising funds to support Authority projects; (b) planning and/or administering programs of employment and training, education, and individual and family counseling, as well as other community and support services that target low income persons and lead to self-sufficiency; and (c) providing consultation and training to public housing authorities and other entities that house or plan to house low- and moderate-income people.
- **Special Projects and Creative Energies (S.P.A.C.E.) Foundation** is a Washington State nonprofit corporation formed in 1985 to assist the Authority in its endeavors to develop and operate affordable housing. The S.P.A.C.E. Foundation acts as an instrumentality of the Authority. The S.P.A.C.E. Foundation has an agreement with the Authority to lease and operate 228 scattered site low-income housing units.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Blended Component Units (Continued)

- **SHA Instrumentality LLC** is a Washington State nonprofit corporation formed in 2020 to assist the Authority in its endeavors to develop and operate affordable housing. The purpose of this entity is to function as a limited partner in Authority tax credit partnerships in the absence of a tax credit equity investor.

Discretely Presented Component Units

The Authority is the 0.01% owner and the managing general partner in 14 real estate limited partnerships as of December 31, 2024. The limited partner interests in these 14 limited partnerships are held by third parties unrelated to the Authority. As the general partner, the Authority has certain rights and responsibilities that enable it to impose its will on the limited partnerships given that the limited partnerships do not have separate boards. The Authority is financially accountable for the limited partnerships as they are fiscally dependent on the Authority according to the terms of the partnership agreements to provide operating subsidies for ongoing operations and some partnership debt obligations are backed by the Authority's general revenues. Additionally, in some cases, the Authority is legally obligated to fund operating deficits and could be liable for tax payments upon exiting the partnerships. The Authority also has outstanding loans and net advances to the limited partnerships amounting to \$253,455,189 at December 31, 2024. The limited partnerships do not serve the primary government exclusively, or almost exclusively, and, therefore, are shown as discretely presented component units.

The 14 component units are: Tamarack Place Limited Partnership (Tamarack Place), , Rainier Vista Northeast Limited Liability Limited Partnership (Rainier Vista NE), Leschi House Limited Liability Limited Partnership (Leschi House), 1105 East Fir Limited Liability Limited Partnership (Kebero Court), 820 Yesler Way Limited Liability Limited Partnership (Raven Terrace), 221 10th Ave S Limited Liability Limited Partnership (Hoa Mai Gardens), NewHolly Phase I Limited Liability Limited Partnership (NewHolly Phase I), 888 E Fir, Limited Liability Limited Partnership (Red Cedar), West Seattle Affordable Housing, Limited Liability Limited Partnership (West Seattle Properties), Yesler Block 5.1 Limited Liability Limited Partnership (Hinoki), 6935 Delridge Way LLLP (Salish Landing), Yesler Block 7.3 LLLP (Sawara), Jefferson Terrace Limited Liability Limited Partnership (Jefferson Terrace), and Yesler Block 6.6 Limited Liability Limited Partnership (Juniper).

- **Tamarack Place** is a separate legal entity created on October 15, 2008 to undertake phase two of the redevelopment activities at the Rainier Vista community. During 2010, Tamarack Place admitted a tax credit investor to the partnership as a 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has leased the land from the Authority for 99 years. If an operating deficit exists, the general partner is obligated to loan the partnership up to \$350,000. As of December 31, 2024, Tamarack Place has no developer fees owed to the Authority.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

- **Rainier Vista NE** is a separate legal entity created on January 29, 2010 to undertake phase three of the redevelopment activities at the Rainier Vista Community. During 2010, Rainier Vista NE admitted a tax credit investor to the partnership as a 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has leased the land from the Authority for 99 years. The Authority is obligated to fund operating deficits up to \$1,000,000 and to advance funds with no limitation to the partnership to cover deficits. As of December 31, 2024, Rainier Vista NE has no developer fees owed to the Authority.
- **Leschi House** is a separate legal entity created on October 8, 2012 to undertake the redevelopment of Leschi House, a property in the Senior Housing portfolio. During 2015, Leschi House admitted a tax credit investor to the partnership as a 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The Authority has a long-term lease of 99 years and 5 months for the land and building with the partnership in the amount of \$3,110,000. If operating deficits exist, the Authority is required to loan funds to the partnership up to \$298,498. As of December 31, 2024, Leschi House has no developer fees owed to the Authority.
- **Kebero Court** is a separate legal entity created on October 23, 2012 to undertake the first phase of the redevelopment of Yesler Terrace with the construction of a 103-unit apartment building. During 2014, Kebero Court admitted a tax credit investor to the partnership as a 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has leased the land from the Authority for 99 years. The Authority has an unlimited obligation to fund operating deficits through the stabilization date. After that date, the obligation will be limited to \$384,000. As of December 31, 2024, Kebero Court has no outstanding developer fees owed to the Authority.
- **Raven Terrace** is a separate legal entity created on January 29, 2014 to undertake the second phase of the redevelopment of Yesler Terrace with the construction of an 83-unit apartment project. During 2015, Raven Terrace admitted a tax credit investor to the partnership as a 99.98% limited partner and a 0.01% special limited partner. The Authority participates as the 0.01% managing general partner of the partnership. The partnership has leased the land from the Authority for 99 years for a nominal amount. If there are insufficient funds in the operating deficit reserve, the Authority is obligated to provide noninterest bearing loans to the partnership. As of December 31, 2024, Raven Terrace owed the Authority developer fees in the amount of \$181,840.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

- **Hoa Mai Gardens** is a separate legal entity created on February 2, 2015 to continue with the redevelopment of Yesler Terrace with the construction of an 111 unit apartment building. During 2015, Hoa Mai Gardens admitted a tax credit investor to the partnership as a 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has leased the land from the Authority for 99 years. The Authority has unlimited obligation to fund operating deficits through the stabilization date which occurs when the project has a debt service coverage ratio of 1.15 for three consecutive months of operations. The partnership agreement does not specify the obligation of the general partner in regard to funding operating shortfalls after the stabilization date. As of December 31, 2024, Hoa Mai Gardens has no outstanding developer fees owed to the Authority.
- **NewHolly Phase I** is a separate legal entity created on March 29, 2016 to undertake rehabilitation of the exterior of the buildings at the phase I of the NewHolly community. During 2016, NewHolly admitted a tax credit investor to the partnership as a 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has a 99-year lease for the land and buildings with the Authority for \$19,250,000, which is allocated to the current value of the improvements. If an operating deficit exists, the Authority is obligated to loan funds to the partnership up to \$1,228,937 through the end of the fiscal year in which either the third anniversary of the end of the lease-up period or the third anniversary of the end of the stabilization period occurs. As of December 31, 2024, NewHolly Phase I has no developer fees owed to the Authority.
- **Red Cedar** is a separate legal entity created on May 3, 2016 to continue with the redevelopment of Yesler Terrace with the construction of an 119 unit apartment building. During 2019, Red Cedar admitted a tax credit investor to the partnership as a 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has leased the land from the Authority for 99 years. The Authority has an unlimited obligation to fund operating deficits through the stabilization date which occurs when the project has a debt service coverage ratio of 1.15 for 90 consecutive days of operations. The partnership agreement does not specify the obligation of the general partner in regard to funding operating shortfalls after the stabilization date. As of December 31, 2024, Red Cedar has developer fees in the amount of \$2,001,136 owed to the Authority.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

- **West Seattle Properties** is a separate legal entity formed on December 12, 2017 to undertake the rehabilitation of three projects in West Seattle, namely Wisteria Court with 12 buildings (96 units), Longfellow Creek with seven buildings (84 units) and Roxhill Court with six buildings (24 units). During 2019, West Seattle Properties admitted a tax credit investor to the partnership as the 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has a 99-year lease for the land and buildings with the Authority for \$26,810,000, which is allocated to the current value of the improvements. If an operating deficit exists, the Authority is obligated to provide the funds to the partnership during the break-even period to meet all reasonable operating and fixed costs attributable to such period. As of December 31, 2024, West Seattle has no developer fees owed to the Authority.
- **Hinoki** is a separate legal entity created on March 29, 2019 for the purpose of constructing the fifth building at the Yesler Terrace redevelopment and is planned as a single building complex with 136 apartment units as well as a community service facility space. During 2020, Hinoki admitted a tax credit investor to the partnership as a 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has leased the land from the Authority for 99 years. The Authority has an obligation to fund operating deficits up to \$1,000,000 at any time prior to the second installment of the limited partners' contribution. The operating deficit loan should be provided to cover operating deficits during the lease-up period and other deficits in the first three years of operations. The partnership agreement does not specify the obligation of the general partner in regard to funding operating shortfalls after the stabilization date. As of December 31, 2024, Hinoki has developer fees in the amount of \$3,483,152 owed to the Authority.
- **Salish Landing** is a separate legal entity created on August 23, 2018 for the purpose of developing, constructing, and operating an 82-unit apartment complex intended for rental to families of low income. During 2021, Salish Landing admitted a tax credit investor to the partnership as a 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has leased the land from the Authority for 99 years. The Authority has an obligation to fund operating deficits using an operating deficit loan during the first three years of operations up to a maximum of \$650,000 and may be less if certain other conditions exist. As of December 31, 2024, Salish Landing has developer fees in the amount of \$2,725,462 owed to the Authority.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

- **Sawara** is a separate legal entity created on February 8, 2021 for the purpose of constructing the sixth building at the Yesler Terrace redevelopment and is planned as a single-building complex with 114 apartment units as well as a community service facility space. During 2021, Sawara admitted a tax credit investor to the partnership as a 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has leased the land from the Authority for 99 years. The Authority has an obligation to fund operating deficits using an operating deficit loan during the first three years of operations up to a maximum of \$850,000 and may be less if certain other provisions exist. As of December 31, 2024, developer fees in the amount of \$4,450,000 were owed to the Authority.
- **Jefferson Terrace** is a separate legal entity created on September 21, 2021 to undertake the rehabilitation of the Jefferson Terrace public housing building owned by the Authority formerly 280 units. During 2022, Jefferson Terrace admitted a tax credit investor to the partnership as a 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has leased the land from the Authority for 99 years. As of December 31, 2024, Jefferson Terrace owes the Authority \$2,740,000 in developer fees.
- **Juniper, Yesler Block 6.6 LLLP** is a separate legal entity created on October 25, 2023 for the purpose of constructing the seventh building at the Yesler Terrace redevelopment and is planned as a single building complex with 113 low-income units as well as one community service facility space. During 2023, Juniper admitted a tax credit investor to the partnership as a 99.99% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has leased the land from the Authority for 99 years. The Authority has an obligation to fund operating deficits using an operating deficit loan during the first three years of operations up to a maximum of \$1,049,320. As of December 31, 2024, Juniper has developer fees in the amount of \$4,000,000 owed to the Authority.

All 14 component units have a December 31 year-end. The component units' financial statements are presented as of December 31, 2024 and may be obtained by contacting the Authority. The South Shore Court and Lake City Court were transferred to blended component units through a transfer in ownership to the Authority. These two blended component units were formally dissolved in 2024.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. New Accounting Standards Adopted

Effective January 1, 2024, the Authority implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. The impact to the Authority was not material and no adjustment was required.

D. Basis of Accounting

The financial statements of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting, whereby all revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation and amortization of assets is recognized in the statement of revenues, expenses, and changes in net position. All assets and deferred outflows and liabilities and deferred inflows associated with the operation of the Authority are included in the statement of net position. The principal operating revenues of the Authority are rental revenues received from residents and subsidies received from HUD. HUD provides the Authority with housing assistance payments for qualified residents in the Section 8 program along with subsidies for operations in the public housing program. Grants and similar items are recognized as operating revenue when all eligibility requirements have been met. Gains from the sale of capital assets used in the core operations of the Authority are included in operating revenues – other. Operating expenses for the Authority include the costs of operating housing units, administrative expenses, depreciation and amortization, and loss from sale of capital assets. All other revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating revenues and expenses or as contributions of capital.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

The Authority reports unearned revenue on its statement of net position. Unearned revenues arise when the cash has been received but the potential revenue has not been earned in the current period. Unearned revenues also arise when resources are received by the Authority before it has a legal claim to them, as grant monies are received prior to meeting all eligibility requirements and/or the occurrence of qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met or when the Authority has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and revenue is recognized.

E. Cash and Investments

Cash and cash equivalents are comprised of cash on hand, demand deposits, and short-term investments with a term of less than one year. All of the Authority's investments are reported at fair value with the exception of the Washington State Local Government Investment Pool (LGIP), which is carried at amortized cost. The LGIP portfolio of securities meets the requirements in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which allows its investments to be reported at amortized cost.

The Authority is authorized by HUD and its Board to invest in time deposits, certificates of deposits, and obligations of the U.S. government or its agencies, and to enter into repurchase agreements. Repurchase agreements are secured by U.S. Treasury securities with a fair value equal to or greater than the amount of the repurchase agreements. The Authority's investment policies provide for the ability to sell investments prior to the investments' contractual maturity.

F. Accounts Receivable – Other

Other accounts receivable represents various receivables including accrued interest on investments, accrued interest on notes receivable, receivables from other housing authorities for Section 8 portability payments, receivables from component units for developer fees, and receivables from other rental projects that the Authority manages but does not own. The Authority will record an allowance when collectability of the related receivable is uncertain. Other accounts receivables also include the current portion of lease receivables related to rentals of commercial spaces.

G. Inventories and Prepaid Items

Inventories are stated at cost and consist of expendable materials and supplies. Inventory items are expensed using the moving weighted average. Office supplies and maintenance materials are expensed using the first in, first out method. Prepaid items are for payments made by the Authority for services or goods received which will be used in a subsequent fiscal year.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Unamortized Charges

Unamortized charges for the discretely presented component units consist primarily of tax credit application fees, which are amortized over 15 years.

I. Capital Assets and Depreciation/Amortization

Capital assets are stated at historical cost. Maintenance and repairs are charged to current period operating expenses while improvements are capitalized. Upon retirement or other disposition of property and equipment, the cost and related accumulated depreciation and amortization are removed from the respective accounts and any gains or losses are included in operating revenues and expenses. Right-of-use leased assets are stated at the present value of payments expected to be made during the lease term, less accumulated amortization. Right-of-use software assets are stated at the present value of payments expected to be made during the lease term, less accumulated amortization per GASB 96.

All capital assets with a value greater than \$5,000 and a useful life of over one year are capitalized. Assets acquired through contribution are recorded at the acquisition value on the date donated. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

Capital assets are generally depreciated or amortized using the straight-line method over the following estimated useful lives:

Land Improvements	50 Years
Leasehold Improvements	10 Years
Structures	40 to 75 Years
Equipment	3 to 10 Years
Leased Equipment	Term of Lease

J. Leases

Lessor arrangements are included in accounts receivable current portion, lease receivables, and deferred inflow of resources in the statement of net position. Lease receivables represent the Authority's claim to receive lease payments over the lease term as specified in the contract in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term on a straight-line basis. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue on a straight-line basis over the lease term. The Authority recognizes payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Leases (Continued)

Lessee arrangements are included in capital assets and long-term liabilities in the statement of net position. Lease assets represent the Authority's right-to-use an underlying asset for the lease term as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized on a straight-line basis over the lease term. Lease liabilities represent the Authority's obligation to make lease payments arising from the lessee arrangement. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term based on the Authority's incremental borrowing rate. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Authority will exercise that option. The Authority recognizes payments for short term leases with a lease term of 12 months or less as expense when the payments are made. The Authority leases building space and equipment from external parties for various terms under long-term, noncancellable lease agreements. The leases expire at various dates through 2026. The right-to-use lease assets and related accumulated amortization are shown in Note 6. The corresponding liabilities are shown in Note 8.

K. Deferred Outflows/Inflows of Resources

A deferred outflow of resources is defined as a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. A deferred inflow of resources is defined as an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

L. Accounts Payable – Other

Other accounts payable include payables for escrow accounts related to construction activities, and the participants of the JobLink program, as well as miscellaneous payables related to payroll costs. The Joblink program assists residents seeking employment with training, guidance and financial support.

M. Compensated Absences

Cabinet level employees and certain other executive level staff are covered under an executive leave policy. The policy provides this group of employees with 200 hours of annual leave per year to be used within that calendar year and may carry over a maximum of 40 hours to the next calendar year.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences (Continued)

All other employees earn 100 hours of vacation leave each year, and after the first year, additional hours are added based on the number of years of service up to a maximum of 200 hours per year. Unused vacation is allowed to accumulate to a maximum of 240 or 360 hours, depending on the employee's date of hire. Employees are paid for all accumulated vacation pay upon termination.

The Authority recognizes and compensates employees for 10 traditional holidays. Holiday pay is recorded as an expense when incurred.

Full time employees earn sick leave at a rate of 96 hours per year. Sick leave is allowed to accumulate with no maximum. Part time employees are limited to net 40 hours of sick leave accumulated per year, and if employee is converted to full time, leave is treated the same as full time employees. Employees are compensated for accumulated unused sick leave at the rate of 25% upon termination, permanent disability, or death.

Accruals are recorded at year-end for unused annual leave and unused sick leave, based on balances of hours at December 31 for each year-end. See Note 8(a) for detailed schedule.

N. Payments in Lieu of Taxes

Pursuant to an agreement with the City, the Authority may make payments in lieu of taxes (PILOT). PILOT may also be provided to other taxing districts in which property is owned. Upon mutual understanding with the City and other taxing districts, no PILOT was made in 2023, and no amounts are due and payable as of December 31, 2024.

O. Unearned Revenue

The Authority has unearned revenue from prepaid tenant rents and commercial rents, earnest money collected for property sales, and grant funds that have been received but not yet earned.

P. Income Taxes

Income received or generated by the Authority is not subject to federal income tax, pursuant to Internal Revenue Code (IRC) Section 115. The Authority is also exempt from state and local property taxes. Interest paid on obligations issued by the Authority is excludable from the gross income of the recipients, pursuant to Section 103(a) of the IRC of 1986, as amended. Contributions to the Authority are tax deductible contributions, pursuant to Sections 170(b)(1)(A)(v) and 170 (c)(1) of the IRC of 1986, as amended.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the fiduciary net position of the Washington State Public Employees' Retirement System (PERS) cost-sharing, multiemployer defined benefit plans and additions to/deductions from PERS fiduciary net position have been determined on the same bases as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Postemployment Benefits Other Than Pensions

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources, and OPEB expense, information is derived from the fiduciary net position of the City Health Care Blended Premium Subsidy, a single employer postemployment healthcare plan administered by the City. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

S. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Material estimates relate primarily to the determination of the allowance on notes receivable from component units.

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

As of December 31, 2024, the Authority's carrying amount of deposits (excluding petty cash and U.S. Post Office deposits) was \$33,475,278 and the bank balance was \$37,078,531. The bank deposits are held with financial institutions and are entirely insured or collateralized and are classified as cash and cash equivalents in the statement of net position. All deposits in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000 are covered by the Public Deposit Protection Commission of the State of Washington, which is a multiple financial institution collateral pool established under RCW Chapter 39.58. In addition to bank deposits, the Authority has \$2,500 held at the U.S. Post Office and \$400 in petty cash funds. All deposits are either insured or registered and held by the Authority or its agent in the Authority's name.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

The following is a reconciliation of the Authority's investments to the statement of net position as of December 31, 2024:

Statement of Net Position:

Current Assets:

Investments	\$ 215,958,585
Restricted Investments	6,763,897

Noncurrent Assets:

Investments	5,499,905
Restricted Investments	115,520,697
Total Investments	<u>\$ 343,743,084</u>

The Authority's investment policies require that all investments be made in accordance with the stated objectives of capital preservation, optimum liquidity, and return, while conforming to all applicable statutes and regulations. The Authority has established a maximum maturity of three years for operating reserves and a maximum maturity of five years for replacement reserves. Bond reserves may have maturities that match the bond maturity.

The Authority invests a portion of its funds with the LGIP managed by the State Treasurer's office. The investments in this pool comprise repurchase agreements, government securities, and certificates of deposits. The LGIP operates in a manner consistent with the Securities and Exchange Commission's Rule 2a 7 of the Investment Company Act of 1940. As such, the LGIP uses amortized cost to approximate fair value.

The LGIP has a minimum transaction amount for both deposits and withdrawals of \$5,000. There is no maximum transaction amount, but the LGIP requests at least one day advance notice for any transaction in the amount of \$10 million or more. For transactions less than \$10 million, LGIP requires notification the same business day and transactions are limited to one transaction each business day.

The Authority adheres fully to its investment policy, which expressly prohibits the making of speculative or leveraged investments and requires that all investments be made prudently and with due care to ensure compliance with all statutes and regulations.

The Authority restricts its participation in money market mutual funds to those investing only in U.S. Treasury securities.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Fair Value

GASB Statement No. 72 establishes a three-level hierarchy of inputs to valuation techniques used to measure fair value as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability either directly or indirectly, and

Level 3 – Unobservable inputs for an asset or liability. Valuation adjustments such as for nonperformance risk or inactive markets could cause an instrument to be classified as Level 3 that would otherwise be classified as Level 1 or Level 2.

The Authority's investments in U.S. Treasuries are Level 1 assets. The remainder of the Authorities investments are Level 2 assets. The Authority does not invest in Level 3 assets.

The Authority's investments by fair value level are shown in the following table:

	Total	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Money Market Funds	\$ 260,242	\$ 260,242	\$ -	\$ -
U.S. Agency Securities	10,723,187	-	10,723,187	-
Total Investments at Fair Value	10,983,429	<u>\$ 260,242</u>	<u>\$ 10,723,187</u>	<u>\$ -</u>
Investments Carried at Amortized Cost	-			
State Investment Pool Carried at Amortized Cost	<u>332,759,655</u>			
Total Investments	<u>\$ 343,743,084</u>			

Custodial Risk

Custodial risk for investments is the risk that in the event of failure of the counterparty to a transaction, the Authority will not be able to recover the value of the investments. As of December 31, 2024, all investments were insured or registered and held by the Authority or its agent in the Authority's name, or uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name, or investment pools that are not classified since the investments are not evidenced by securities that exist in physical or book entry form. Therefore, the investments are not exposed to custodial risk. The Authority's policy allows for safekeeping of securities either by the agent or a third party custodian as is the case for the LGIP.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Investments in U.S. Treasury backed short-term money market funds are investments held by the trustee in the Authority's name for bond issues.

Concentration of Credit Risk, Credit Risk, and Interest Rate Risk

Concentration of credit risk is the risk of loss that may occur due to the amount of investments in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in a mutual fund, or external investment pools). The Authority has a large % of its portfolio invested in the LGIP, which is not rated.

Credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. This credit risk is measured by the credit quality rating of investments in debt securities, as described by a national statistical rating organization such as Standard and Poor's (S&P). The Authority's policy provides that investments in corporate bonds and other fixed income securities must have a rating of A or better.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's policy is to select investments of varied maturities to mitigate this risk.

The following chart shows the Authority's exposure to these risks:

	S&P Credit Rating	Maturity in Years			Total
		Less Than 1	1 - 5	More Than 10	
Money Market Funds	N/A	\$ 260,242	\$ -	\$ -	\$ 260,242
U.S. Agency Securities	AAA	5,223,282	5,499,905	-	10,723,187
State Investment Pool	N/A	332,759,655	-	-	332,759,655
Total Investments		<u>\$ 338,243,179</u>	<u>\$ 5,499,905</u>	<u>\$ -</u>	<u>\$ 343,743,084</u>

C. Component Unit Deposits

As of December 31, 2024, the component units' carrying amount of deposits (excluding petty cash) was \$5,549,649 and the bank balance was \$5,443,845. The bank balances held with financial institutions are entirely insured or collateralized and are classified as cash and cash equivalents in the statement of net position. All deposits in excess of the FDIC insurance limit of \$250,000 are covered by the Public Deposit Protection Commission of the State of Washington, which is a multiple financial institution collateral pool, established under RCW Chapter 39.58. In addition to bank deposits, the component units have \$-0- in petty cash funds.

D. Component Unit Investments/Restricted Cash

As of December 31, 2024, investments/restricted cash of \$72,002,225 were held in trust and restricted for the development of the component units' redevelopment projects, replacement reserves, and operating reserves.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

D. Component Unit Investments (Continued)

Custodial Risk

The investments of the component units are comprised of money market funds and U.S. Treasury securities. As of December 31, 2024, all money market funds were insured or registered and held by the component unit or its agent in the component unit's name and investments in U.S. Treasury securities are investments held by the trustee in the component unit's name for bond issues.

Concentration of Credit Risk, Credit Risk, and Interest Rate Risk

The chart below shows the exposure to concentration of credit risk, credit risk, and interest rate risk:

	S&P Credit Rating	N/A or Less Than 1 Year	Total
Money Market Funds	N/A	\$ 10,781,097	\$ 10,781,097
U.S. Agency Securities	AAA	38,657,867	38,657,867
Total Investments		<u>\$ 49,438,964</u>	<u>\$ 49,438,964</u>

NOTE 3 RESTRICTED CASH AND INVESTMENTS

The Authority's restricted cash and investments as of December 31, 2024, are summarized in the following table with a further analysis of the purpose of each restriction in the sections that follow:

Security Deposits	\$ 2,501,643
Bond Trust Funds and Mortgage Reserves	1,242,552
New Development Programs	15,000,000
Other Required Replacement Reserves	29,095,319
Recapture Guarantee	657,377
Other Restricted Funds:	
Joblink Escrow Account	227,837
Dream Big Scholarship Fund	78,474
High Point Endowment Trust	228,979
Lake City Court Endowment Trust	167,759
HUD Held for High Point and Yesler Terrace Developments	404,125
Unspent Proceeds from 2020 Refunding	3,284,294
Yesler Land Sale Proceeds	80,864,797
Loan Fund Commitments to Component Units	16,371,422
Contract Retainage	944,078
Total	<u>\$ 151,068,656</u>

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 RESTRICTED CASH AND INVESTMENTS (CONTINUED)

The following is a reconciliation of restricted cash and investments to the statement of net position as of December 31, 2024:

Current Assets:	
Restricted Cash	\$ 28,126,685
Restricted Investments	6,763,897
Noncurrent Assets:	
Cash Restricted for Long-Term Purpose	657,377
Restricted Investments	115,520,697
Total	<u>\$ 151,068,656</u>

A. Security Deposits

Upon moving into a project, tenants are required to pay a security deposit, which is refundable when the tenant vacates the apartment, provided the apartment's physical condition is satisfactory and rent is paid in full. The Authority held security deposits for residential tenants as well as commercial tenants as of December 31, 2024, as shown in the schedule below:

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Total Security Deposits	<u>\$ 2,429,983</u>	<u>\$ 71,660</u>	<u>\$ 2,501,643</u>

B. Bond Trust Funds and Mortgage Reserves

As of December 31, 2024, funds held for bond trust funds and mortgage reserves are shown below:

<u>Description</u>	<u>Amount</u>
Investments for Gamelin/Genesee bonds are restricted for the payment of principal and interest. The investments consist of money market funds and earn interest of 4.83%.	\$ 260,242
Restricted cash is held for the Beacon operating reserves and replacement reserves. The funds consist of money market funds and bear interest at approximately 0.85%.	74,852
Restricted cash is held for the 2018 Bond refunding properties, including Wedgewood Estates, New Holly Phases II and III and Rainier Vista, to pay interest and principal on the bonds. The funds bear interest at approximately 0.01%.	907,458
Total	<u>\$ 1,242,552</u>

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 RESTRICTED CASH AND INVESTMENTS (CONTINUED)

C. Other Restricted Funds

The Authority has restricted investments held for new developments under the development program for the following: 14378 30th Ave NE LLLP (Jackson Park Village), 6927 MLK JR Way S LLLP (Red Brick), Northgate Commons I LLLP (Northgate) voucher program in the amount of \$5,000,000, totaling \$15,000,000. The funding source for \$10,000,000 is commitments on Operation Subsidy and \$5,000,000 with MTW funding.

In addition to replacement reserves required under debt agreements, the Authority's blended component unit S.P.A.C.E. Foundation held restricted cash amounts of \$957,042 for replacement reserves at the scattered site properties it operates. Other blended component units for Lake City and South Shore Court are holding replacement reserves and operating reserves totaling \$568,072. Also, restricted replacement and operating reserve accounts in the amount of \$17,147,971 are held for properties previously held by component units including 21 public housing communities, High Point North and High Point South.

Restricted cash amounts of \$227,837 are held in trust for participants of the JobLink program, which helps tenants of the Authority's programs to further employment opportunities with coaching, training programs and educational assistance. The JobLink program is available for tenants age 18 or older. Residents work with career coaches to map out individual plans for better employment.

Restricted cash amounts of \$78,474 are held in the Campus of Learner's Foundation within the Development fund for the Dream Big Scholarship fund, which provides scholarships for residents of the Authority's communities.

Restricted cash amounts of \$228,979 are held in an endowment trust for residents of High Point. The funds are to be used only for planning, providing, and evaluating community and support services for the primary benefit of the public housing residents of High Point housing development and former residents occupying other public housing in accordance with the plan approved by HUD. A portion of the interest may be spent each year, and the High Point Endowment Trust will continue to exist in perpetuity. Upon approval from HUD on August 28, 2009, grant funds in the amount of \$220,995 were deposited to the account. During the year, there were no withdrawals, and the account increased in value by \$228,979.

Restricted cash amounts of \$167,759 are held in an endowment trust for residents of Lake City Court. The funds are to be used for purposes that are consistent with the objectives of providing youth enrichment activities, providing services for seniors and providing community building activities for the residents of Lake City Court. The intent is that these funds would be spent over a 10-year period. Upon approval from HUD in September 2013, grant funds in the amount of \$163,069 were deposited to the account. During the year, there were no withdrawals, and the account increased in value by \$167,759.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 RESTRICTED CASH AND INVESTMENTS (CONTINUED)

C. Other Restricted Funds (Continued)

Restricted cash in the amount of \$404,125 is held according to a security agreement with HUD. Funds represent proceeds from land sales at High Point and Yesler Terrace and are to be used for development at Yesler Terrace. HUD will release funds when certain conditions are met as described in the security agreement.

The Authority also has unspent loan proceeds related to the 2020 Refunding Note in the amount of \$3,284,294. These funds are held for capital improvements needed on the buildings involved in the refunding.

In addition, under an agreement with HUD related to the Yesler Transformation Plan, all other proceeds from land sales at the Yesler Terrace site are restricted for continued development at the property. As of December 31, 2024, \$80,864,797 was held in restricted investments for this purpose.

Partnership loan commitments are held as restricted investments and total \$16,371,422 for Sawara, Salish Landing, Juniper, and Jefferson Terrace. The Authority expects the funds to be loaned to the partnerships during 2024 and 2025.

Restricted investments of \$657,377 are held as a Recapture Reserve for Tamarack and Rainier Vista. The reserve was to be held in an escrow account to reimburse the limited partner in the case of any recapture of tax credits during the compliance period. During January 2025 and January 2026, half of each amount restricted will be released to the Authority.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 NOTES RECEIVABLE

A. Other Than from Component Units

<u>Description</u>	<u>Amount</u>	<u>Due Within One Year</u>
Due from Stone View Village I Limited Partnership and Stone View Village II Limited Partnership. The notes bear interest at rates ranging from 0.5% to the lowest applicable federal rate as determined under the Internal Revenue Code of 1986, and all interest and principal are due in March and April 2039.	\$ 1,373,835	\$ -
Due from Lutheran Alliance to Create Housing (LATCH) Roxbury Limited Partnership. The note bears no interest for the first 30 years. Interest accrues beginning February 1, 2030 at 2%, with annual payments of \$73,388 until the note matures in January 2050.	1,200,000	-
Due from the Low Income Housing Institute (LIHI), a Washington nonprofit corporation, and the Lakeview Apartments Limited Partnership. The note bears interest at 3% annually and all interest and principal will be forgiven in December 2040, if the project is operated according to the loan regulatory agreement.	494,600	-
Due from the Plymouth Housing Group (PHG), a Washington nonprofit corporation. The loan bears interest at 1% annually and all principal and interest are due January 2041. Provided the borrower complies with the loan regulatory agreement, all principal and interest will be forgiven January 2041.	856,912	-
Note due from the Mount Baker Housing Association for the Starlighter Apartments, which is secured by a deed of trust on the property. The note bears interest at an annual rate of 1%, which is deferred until October 31, 2040, at which time the loan will be forgiven if the project is operated in accordance with the loan agreement.	270,000	-
Due from Madison Housing Partners Phase I, LLC and Madison Housing Partners Phase II, LLC. The notes are for the Views at Madison I and II and are secured by deeds of trust on the properties. Both notes bear interest at an annual rate of 1.0% and are payable December 31, 2042.	826,106	-

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NOTE 4 NOTES RECEIVABLE (CONTINUED)

A. Other Than from Component Units (Continued)

<u>Description (Continued)</u>	<u>Amount</u>	<u>Due Within One Year</u>
Due from the Seattle Chinatown International District Public Development Authority (SCIDPDA). The note bears interest at a rate of 1% per annum and all interest and principal are due on the maturity date of December 31, 2043.	\$ 1,622,881	\$ -
Two notes due from the LIHI NW 85th, LLC, which are secured by a deed of trust on the property. One of the \$500,000 notes bears interest at 1% per annum and is payable in full on December 31, 2042, provided the project is operated in accordance with Low Income Housing regulatory agreement and the terms of the loan agreement. The other note bears interest at 3% per annum. The balance of principal and accrued interest as of December 31, 2004 shall be amortized over a period of 20 years beginning on January 1, 2005. Payments of \$2,942 will be required monthly until final maturity on December 31, 2025.	500,000	-
Due from the Andover Court Associates, LLC and secured by a deed of trust on the property. The note bears interest at 1% per annum and is payable in full on the maturity date of March 31, 2043, provided the project is operated in accordance with the Low Income Housing regulatory agreement and the terms of the loan agreement.	743,179	-
Due from LIHI Meadowbrook Associates, LLC. The note bears interest at a rate of 1% per annum. The balance of principal and interest is due in full on the maturity date of December 31, 2052.	600,000	-
Due from HRG for the purchase of Judkins Park Apartments. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and interest are due on the maturity date of February 29, 2044.	400,340	-
Due from the Archdiocesan Housing Authority and ML King Housing Limited Partnership. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and interest are due on the maturity date of July 31, 2044.	266,013	-

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 NOTES RECEIVABLE (CONTINUED)

A. Other Than from Component Units (Continued)

<u>Description (Continued)</u>	<u>Amount</u>	<u>Due Within One Year</u>
Due from Main Street Interim, LLC. The note is secured by a deed of trust, bears interest at 1% per annum, and matures December 1, 2054.	\$ 1,055,568	\$ -
Due from Denny Park, LLC. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and interest are due on the maturity date of September 3, 2044.	250,000	-
Due from CHHIPS Pantages Apartments LLC. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and interest are payable on the maturity date of August 16, 2044.	548,465	-
Due from Stoneway Apartments, LLC. The note is secured by a deed of trust on the property and bears interest at 1% per annum. Principal and interest are payable on the maturity date of July 31, 2055.	1,499,999	-
Due from CHHIPS for the construction of Broadway and Pine Apartments. The note is secured by a deed of trust and bears interest at 1%. Principal and interest are due on the maturity date of November 4, 2055.	548,466	-
Due from Delridge Neighborhood Development, managing member of the West Seattle Resource Center, LLC. The note is secured by a deed of trust and bears interest at 1%. Principal and interest are payable on the maturity date of February 1, 2056.	325,000	-
Due from Neighborhood House for land sold at Rainier Vista. The note bears no interest and matures August 31, 2054.	210,000	-
Due from Solid Ground for the construction of replacement units and rehabilitation of existing units at Sanots Place. The note bears no interest and matures August 7, 2067.	150,175	-
Due from 6600 Roosevelt LLP for the construction of Cedar Crossing Condominiums. The note bears simple interest at 1% per annum. Principal and interest are due at the maturity date of December 31, 2072.	1,000,000	-

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 NOTES RECEIVABLE (CONTINUED)

A. Other Than from Component Units (Continued)

<u>Description (Continued)</u>	<u>Amount</u>	<u>Due Within One Year</u>
Due from Big Village LLLP for the construction at the former King County Records site. The note bears simple interest at 1% per annum and matures September 1, 2078. Payments begin June 30, 2038 from net cash flows.	\$ 4,000,000	\$ -
Two notes due from Bridge Housing Corporation, which are secured by a deed of trust on the property. One of the Notes (Northgate affordable housing LLLP) \$1,050,000 bears interest at 1% per annum and is payable in full on December 31, 2075. The other note \$935,000 (St Luke's affordable housing) bears interest at 1% per annum and is payable on April 30, 2074.	1,985,000	-
Due from Bryant Manor South, which are secured by a deed of trust on the property. The note bears interest at 1% per annum and is payable on December 31, 2081.	2,300,000	-
Forgivable Loans	3,741,754	-
Allowance for Loss	(4,747,741)	-
Total Notes Receivable, Net	<u>\$ 22,020,552</u>	<u>\$ -</u>

The Authority has a gross notes receivable and an allowance of \$3,741,754 for loans made to Neighborhood House and Boys and Girls Club that are included from the table above as forgivable loans. The allowance fully covers the loans as a portion of the loan amounts is forgivable each year, provided they comply with the terms of the loan agreements.

B. Notes Receivable from Component Units

<u>Description</u>	<u>Amount</u>	<u>Due Within One Year</u>
Due from Tamarack Place. The note bears interest at 1% per annum and matures in 2049. Interest payments are due from available net cash flows. As of December 31, 2024, was \$323,890.	\$ 10,400,000	\$ -
Two notes due from Rainier Vista NE. One note in the amount of \$10,000,000 and one note in the amount of \$6,337,135 Both notes bear interest at 1.5% per annum and mature in 2060. Interest payments are due annually from available cash flows. As of December 31, 2024, \$245,057 interest was payable to the Authority.	16,337,135	-
Two notes due from Kebero Court. The notes accrue interest at 3.0% per annum and mature April 1, 2065. As of December 31, 2024, interest payable to the Authority was \$2,354,765	8,783,627	-

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 NOTES RECEIVABLE (CONTINUED)

B. Notes Receivable from Component Units (Continued)

<u>Description (Continued)</u>	<u>Amount</u>	<u>Due Within One Year</u>
Due from Raven Terrace. The note accrues interest at 2.5% and matures in 2069. As of December 31, 2024, interest payable to the Authority was \$2,385,653.	\$ 10,193,020	\$ -
Due from Leschi House. The note accrues interest at 1.0% per annum and matures April 30, 2065. As of December 31, 2024, interest payable to the Authority was \$4,927.	464,439	-
Due from Hoa Mai Gardens. The note accrues interest at 1.0% per annum and matures December 1, 2065. As of December 31, 2024 interest payable to the Authority was \$1,356,245.	16,981,197	-
Due from NewHolly Phase I. The acquisition loan accrues interest at 2.18% per annum and matures in 2066. As of December 31, 2024, interest payable to the Authority was \$2,183,019.	13,034,079	-
Two notes due from NewHolly Phase I. Both notes accrue interest at 1% with interest payable from available cash flows and they mature in 2066. Interest payable to the Authority as of December 31, 2024, was \$277,085.	5,198,656	-
Two notes due from Red Cedar bearing interest at 1.0% per annum compounded annually and is payable from available cash flows. Interest payable to the Authority as of December 31, 2024, was \$965,232.	15,967,509	-
Due from West Seattle Properties from a rehabilitation loan bearing interest at 1% payable from cash flow. The loan matures December 1, 2067. Interest payable to the Authority as of December 31, 2024, was \$400,024.	4,898,447	-
Due from West Seattle Properties, a 50 year ground lease with annual payments due of \$43,600 payable from cash flows Interest on the unpaid portion accrues at 2.64% and payable as of December 31, 2024, was \$441,008	2,180,000	43,600
Due from West Seattle Properties. The acquisition loan accrues interest at 2.64% and matures December 1, 2067. As of December 31, 2024, interest payable to the Authority was \$4,071,236.	20,125,000	-

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
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NOTE 4 NOTES RECEIVABLE (CONTINUED)

B. Notes Receivable from Component Units (Continued)

<u>Description (Continued)</u>	<u>Amount</u>	<u>Due Within One Year</u>
Due from Hinoki Apartments. The note accrues interest at 1% per annum and matures in 2070. The maximum loan amount is \$38.5 million and interest payable to the Authority as of December 31, 2023, was \$814,692.	\$ 15,797,231	\$ -
Due from Salish Landing Apartments. The note accrues interest at 0.05% and matures in 2071. The maximum loan amount is 13,402,663 and interest payable to the Authority as of December 31, 2024, was \$130,452	9,813,011	-
Due from Sawara. The note accrues interest at 1% per annum and matures in 2071. The maximum loan amount is \$32,000,000 and interest payable to the Authority as of December 31, 2024, was \$558,684	26,242,741	10,050,332
Two notes due from Jefferson Terrace. The acquisition loan bears interest at 3.35% compounded and matures August, 2072. The rehab loan also matures August 2072 and bears interest at 1% annually. Interest payable to the Authority as of December 31, 2024, was \$2,357,180.	38,233,976	-
Juniper has outstanding long-term obligations in the amount of \$46,205,000 represents 7 year bonds, with rates of 4.375% to 5.0%. Juniper has approved loans \$43,000,000 comprised of three notes As of December 31, 2024, the project had drawn \$10,888,045 on this loan. The note bears interest at 1.0% and carries a term of 50 years. Juniper has a loan from City of Seattle for \$3,150,000. The maximum loan amount is \$3,500,000 which bears interest at the rate of 1.0% and matures in 2081. As of December 31, 2024, the interest payable to the Authority was \$181,410.	38,805,121	-
Total Notes from Component Units, Net	<u>\$ 253,455,189</u>	<u>\$ 10,093,932</u>

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LESSOR ARRANGEMENTS

The Authority leases buildings and ground space to external parties. The leases expire at various dates through 2043 and provide for renewal options ranging from one to 10 years. The Authority records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the rate the Authority earns on investments in the LGIP. Lease receivables are recorded as other assets and as of December 31, 2024, future lease receivable principal and interest payments are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 921,010	\$ 400,413	\$ 1,321,423
2026	797,684	374,228	1,171,912
2027	656,797	349,163	1,005,960
2028	608,267	324,919	933,186
2029	646,905	299,981	946,886
2030-2034	2,571,624	1,173,154	3,744,778
2035-2039	3,204,526	587,212	3,791,738
2040-2044	1,116,162	54,396	1,170,558
Total Lease Receivable	<u>\$ 10,522,975</u>	<u>\$ 3,563,466</u>	<u>\$ 14,086,441</u>

During 2024, the Authority recognized \$1,438,183 of rental income and \$423,080 of interest revenue related to these commercial leases.

Leases

The Authority has certain other leases that have been paid in advance and contribute to deferred inflows for resources. The Authority does not hold receivables for these leases and amortizes the deferred inflows over the life of the leases. The table below shows the deferred inflows of resources related to these leases as of December 31, 2024.

	<u>Original Lease Amount</u>	<u>Deferred Inflows of Resources</u>
Leschi House	\$ 3,110,000	\$ 2,762,857
Kebero Court	909,406	806,475
NewHolly Phase I	19,250,000	17,644,949
West Seattle Properties	28,990,000	26,940,202
Red Cedar	3,330,000	3,075,225
Jefferson Terrace	23,930,000	23,374,415
Hinoki	203,000	194,109
Total	<u>\$ 79,722,406</u>	<u>\$ 74,798,232</u>

In addition to the leases above, the Authority has deferred inflows of resources for commercial leases in the amount of \$9,834,607 million.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 CAPITAL ASSETS

The following is a summary of changes in capital assets of the Authority for the year ended December 31, 2024:

	Beginning Balance	Additions and Transfers-In	Dispositions and Transfers-Out	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 136,071,755	\$ 12,784,851	\$ (664,718)	\$ 148,191,888
Construction in Progress	38,673,184	42,067,833	(37,863,976)	42,877,041
Total Capital Assets, Not Being Depreciated	174,744,939	54,852,684	(38,528,694)	191,068,929
Capital Assets, Being Depreciated:				
Land Improvements	62,336,206	-	227,109	62,563,315
Structures	781,907,934	71,168,907	(96,818)	852,980,023
Right-to-Use Structures	-	-	-	-
Leasehold Improvements	901,864	-	-	901,864
Equipment	33,036,304	1,921,019	(968,845)	33,988,478
Right-to-Use Equipment	236,540	-	(45,084)	191,456
Right-to-Use Software	2,255,871	743,155	(1,171,720)	1,827,306
Subtotal	880,674,719	73,833,081	(2,055,358)	952,452,442
Less: Accumulated Depreciation and Amortization for:				
Land Improvements	(27,884,498)	(1,041,069)	(215,245)	(29,140,812)
Structures	(387,298,779)	(16,316,861)	7,300	(403,608,340)
Right-to-Use Structures	-	-	-	-
Leasehold Improvements	(846,041)	(14,836)	-	(860,877)
Equipment	(25,091,469)	(1,879,679)	647,119	(26,324,029)
Right-to-Use Equipment	(129,942)	(61,195)	41,950	(149,187)
Right-to-Use Software	(815,147)	(1,119,931)	1,171,720	(763,358)
Subtotal	(442,065,876)	(20,433,571)	1,652,844	(460,846,603)
Total Capital Assets, Being Depreciated, Net	438,608,843	53,399,510	(402,514)	491,605,839
Total Capital Assets, Net	<u>\$ 613,353,782</u>	<u>\$ 108,252,194</u>	<u>\$ (38,931,208)</u>	<u>\$ 682,674,768</u>

Substantial restrictions are imposed by HUD, as well as by state and local governments, on the use and collateralization of the Authority's capital assets.

Construction in Progress

Capital improvements made on the Authority's Low Rent housing stock are financed by grant funds provided by HUD under Capital Grants and the Choice Neighborhood Implementation Grants (CNI). The funds provided through these programs are used to rehabilitate the housing stock, which extends the useful life of the buildings. Capital grants are awarded annually based on a comprehensive modernization plan submitted by the Authority. CNI grants are awarded based on a specific application request. The Authority's construction in progress in the Low Rent program consists of the costs for modernization of public housing units. When modernization grants are completed, HUD issues a modernization cost certificate for each grant, at which time construction in progress for that grant is recorded in the building category. For the CNI redevelopment grants, some construction in progress amounts represent infrastructure costs, which will be ultimately transferred to and maintained by the City. These transfers occur when the projects are complete.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 CAPITAL ASSETS (CONTINUED)

Construction in Progress (Continued)

Dispositions and transfers out from construction in progress also include the expense of soft costs and transfers to newly formed component units. It is not uncommon for the Authority to incur predevelopment costs for development projects prior to the completion of the legal process that establishes a component unit.

Component Units

The following is a summary of changes in the capital assets of the Authority's component units for the year ended December 31, 2024:

	Beginning Balance	Additions and Transfers-In	Dispositions and Transfers-Out	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	103,332,481	76,096,776	(133,468,025)	45,961,232
Total Capital Assets, Not Being Depreciated	103,332,481	76,096,776	(133,468,025)	45,961,232
Capital Assets, Being Depreciated:				
Land Improvements	18,762,737	13,131,696	-	31,894,433
Structures	370,029,198	110,688,003	(29,874)	480,687,327
Right-to-Use Structures	72,170,000	-	-	72,170,000
Equipment	7,453,463	10,367,505	-	17,820,968
Subtotal	468,415,398	134,187,204	(29,874)	602,572,728
Less: Accumulated Depreciation and Amortization for:				
Land Improvements	(6,301,079)	(1,426,062)	-	(7,727,141)
Structures	(53,748,256)	(12,100,201)	-	(65,848,457)
Right-to-Use Structures	(5,284,678)	(1,493,137)	-	(6,777,815)
Equipment	(4,227,039)	(1,317,489)	-	(5,544,528)
Subtotal	(69,561,052)	(16,336,889)	-	(85,897,941)
Total Capital Assets, Being Depreciated, Net	398,854,346	117,850,315	(29,874)	516,674,787
Total Capital Assets, Net	<u>\$ 502,186,827</u>	<u>\$ 193,947,091</u>	<u>\$ (133,497,899)</u>	<u>\$ 562,636,019</u>

NOTE 7 SHORT-TERM BORROWINGS

The Authority established a \$40,000,000 taxable revolving line of credit to finance and/or refinance the acquisition, construction, rehabilitation and equipping of real estate, housing and related improvements, and facilities. The line of credit bears interest at the one-month SOFR rate plus 0.95%, matures March 2025 and requires monthly interest payments. The Authority withdrew from this line of credit in the amount of \$37,500,000 for loaning the funds for the purchase of 101 Elliot Building. The line was withdrawn and paid in 2024 with a net balance of \$-0- as of December 31, 2024.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 SHORT-TERM BORROWINGS (CONTINUED)

The Authority also established a revolving taxable and tax-exempt line of credit with a maximum total amount of \$30,000,000 of either taxable or tax-exempt financing at any one time. The line will be available to provide financing for acquisition, demolition, and construction of facilities as well as general corporate purposes and operating needs. The taxable portion of the line of credit bears interest at the one-month LIBOR fixed rate plus 0.85%, or 6.32% at December 31, 2023 and requires monthly interest payments. The nonbank qualified tax-exempt portion of the line carries an interest rate of LIBOR plus 1.3%, or 6.50%, at December 31, 2024. The note expired on December 31, 2023 and the Authority established a similar line of credit in early 2024 tied to the SOFR rate. This line of credit will be closed in 2025 to consolidate into a single line of credit in 2025.

	Beginning Balance	Additions	Retirements	Ending Balance
Taxable Revolving Line of Credit for Loan to purchase Elliot Building	\$ -	\$ 37,500,000	\$ 37,500,000	\$ -

NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

A. Authority Debt, Lease Liabilities, and Accrued Compensated Absences

The following is a summary of changes in the Authority's long-term debt and accrued compensated absences for the year ended December 31, 2024:

Description	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<u>Direct Borrowings</u>					
Notes payable issued in 1998 to the City of Seattle's General Fund, Urban Renewal, and Capital Facilities Fund for NewHolly Phase I. Interest accrues at 1% simple interest per year and is forgiven at the rate of 5% per year beginning on the 21st year, subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance will be forgiven.	\$ 413,000	\$ -	\$ -	\$ 413,000	\$ -
Notes payable issued in 1998 to the City of Seattle's Capital Facilities Fund for NewHolly Phase I. Interest accrues at 1% simple interest per year and is forgiven at the rate of 5% per year beginning on the 21st year, subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance will be forgiven.	1,202,684	-	-	1,202,684	-
Note payable to the City of Seattle's Housing Development fund for NewHolly Phase II. Interest accrues at 1% simple interest per year and is payable on or before September 11, 2040.	1,700,000	-	-	1,700,000	-

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NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

A. Authority Debt, Lease Liabilities, and Accrued Compensated Absences (Continued)

<u>Description (Continued)</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Direct Borrowings (Continued)</u>					
Notes payable issued in 2001 to the City of Seattle's Cumulative Reserve Fund and HOME program for NewHolly Phase II. Interest accrues at 1% simple interest per year up to the 20th year and is forgiven at the rate of 5% per year beginning on the 21st year, subject to compliance with certain covenants. Principal and interest payments may be deferred if the property is kept for low-income use. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance and accrued interest will be forgiven.	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -
Notes payable issued in 2001 to the City of Seattle's HOME program for NewHolly Phase II. Interest accrues at 1% simple interest per year up to the 20th year and is forgiven at the rate of 5% per year beginning on the 21st year, subject to compliance with certain covenants. Principal and interest payments may be deferred if the property is kept for low-income use. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance and accrued interest will be forgiven.	\$ 800,000	\$ -	\$ -	\$ 800,000	\$ -
Note payable to the Washington State Office of Assistance Program for New Holly Phase II. Payments of principal and interest are deferred for 30 years until December 31, 2032 with interest accruing at 1%. Beginning on the 31st year, all unpaid principal and interest will be paid over 20 years with annual payments of \$149,383, with annual interest only payments of \$22,104 for the first 10 years and \$122,060 for the remaining 10 years and the final payment due on or before October 1, 2045.	2,000,000	-	-	2,000,000	-
Note payable to the State of Washington for the Villa Park project. Interest accrues 1% per year compounded monthly, with 50 annual payments of \$27,698. The note is secured by a deed of trust on the property.	631,398	13,807	21,246	623,959	21,246
Note payable to the City for the Villa Park Apartments. Interest accrues at 1% simple interest per year for the first 20 years and is forgiven at the rate of 5% per year beginning on the 21st year, subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with debt covenants for 75 years, the unpaid principal balance will be forgiven. The note is secured by a deed of trust on the property.	1,785,723	-	-	1,785,723	-

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NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

**A. Authority Debt, Lease Liabilities, and Accrued Compensated Absences
(Continued)**

<u>Description (Continued)</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Direct Borrowings (Continued)</u>					
Note payable to the City from 1992 for the Beacon House project. Interest accrues at 1% simple interest per year for the first 20 years and is forgiven at the rate of 5% per year beginning on the 21st year, subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low- income housing. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance will be forgiven.	\$ 329,260	\$ -	\$ -	\$ 329,260	\$ -
Loans payable to Seattle Office of Housing for the rehab of Reunion House. Loans bear interest at 1%, which is payable at maturity, December 2059.	200,000	-	-	200,000	-
Loans payable to Seattle Office of Housing for the rehab of Willis House. Loans bear interest at 1%, which is payable at maturity, December 2059.	650,000	-	-	650,000	-
Loans payable to Seattle Office of Community Trade and Economic Development for rehab at Willis House and Reunion House which bear interest at 1%. Forgivable on maturity date in December 2049.	879,273	-	-	879,273	-
Loans payable to Seattle Office of Housing for the rehab of Nelson Manor, which bears interest at 1%, and are payable at maturity, in August 2061.	478,065	-	-	478,065	-
Loan payable to Seattle Office of Housing for the rehab of Olmsted Manor. The loan bears interest at 1% and is payable at maturity, August 2061.	477,974	-	-	477,974	-
Loan payable to Seattle Office of Housing for the rehab of Blakely Manor. The loan is payable at maturity November 18, 2061. Interest rate is 1%.	984,155	-	-	984,155	-
Loan payable to Seattle Office of Housing for the rehab of Bitter Lake Manor. The loan bears interest at 1% and is payable at maturity, January 25, 2062.	978,930	-	-	978,930	-
Loan to the State of WA for Beacon House payable at maturity in March 2043 and bears no interest.	114,212	-	-	114,212	-

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NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

**A. Authority Debt, Lease Liabilities, and Accrued Compensated Absences
(Continued)**

<u>Description (Continued)</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Direct Borrowings (Continued)</u>					
Loan payable to City of Seattle Office of Housing bearing interest at 1% per annum with payments from available cash flows. The note matures August 9, 2054.	\$ 560,000	\$ -	\$ -	\$ 560,000	\$ -
CDBG loan payable to City of Seattle for Yesler Terrace redevelopment. Principal and interest at 1% are due at maturity, December 1, 2064.	543,356	-	-	543,356	-
CDBG loan payable to City of Seattle for Yesler Terrace redevelopment. Principal and interest at 1% are due at maturity, December 1, 2065.	457,470	-	-	457,470	-
Note payable to Washington State Housing Trust Fund for NewHolly Phase III. The note bears Interest at 1%. Payments of principal and interest were deferred until December 1, 2015 when payments of unpaid interest and principal began and will continue until all amounts are paid over 20 years.	2,000,000	-	-	2,000,000	87,835
Note payable to the City of Seattle for NewHolly Phase III which accrues interest at 1% and matures August 7, 2053. Principal and interest payments are due from available net cash flows.	2,066,671	-	-	2,066,671	-
Note payable to Washington State Housing Assistance Program for High Point North. The note bears interest at 1% per annum. Payments were deferred for 12 years with interest payments beginning April, 2016 and principal and interest payments begin April 2021 until the maturity date of January, 2046.	1,922,290	-	78,491	1,843,799	79,279
Note payable to the City of Seattle, Office of Housing for the MLK Apartments. The note bears interest at 1.75% and had an initial maturity date of May 1, 2025 which was extended for two years. Payments are due from cash flows or at maturity.	14,820,565	-	-	14,820,565	-
Two notes payable to the City of Seattle, Housing Levy Fund for Alder Crest bearing interest at 1% per year and maturing March 2057.	992,283	-	-	992,283	11,224

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NOTES TO FINANCIAL STATEMENTS
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NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

**A. Authority Debt, Lease Liabilities, and Accrued Compensated Absences
(Continued)**

<u>Description (Continued)</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Direct Borrowings (Continued)</u>					
Two notes payable to the City of Seattle, HOME Program for Alder Crest bearing interest at 1% per year and maturing March 2057.	111,124	-	-	111,124	-
Note payable to Washington State for Alder Crest which bears no interest and matures March 2057. The note requires quarterly payments.	\$ 951,277	\$ -	\$ 11,224	\$ 940,053	\$ -
Note payable to Key Bank for the refunding of outstanding bonds for the local housing program, as well as the High Point North bonds. The note bears interest rate at 3.2% for the first 10 years and resets April, 2030. Payments are due semi-annually and final maturity date is April 2050.	58,348,641	-	1,426,556	56,922,085	1,472,572
Note payable to Washington State Housing Trust Fund for High Point South. The note bears interest at 1% per year. Payments of principal and interest are deferred for 12 years with interest accrued. December 31, 2019 quarterly interest payments are due. Beginning December 31, 2029, quarterly payments of principal and interest are required until the final maturity date of September 30, 2059. As restated 2023.	2,000,000	-	-	2,000,000	-
Loans payable to Seattle Office of Housing for South Shore Court. The loan bears interest at 2%, per annum. The loan is fully payable at maturity of June 30, 2060.	3,650,000	-	-	3,650,000	-
Note payable to Washington State for South Shore Court which bears no interest and matures June 1, 2060. The note requires quarterly payments.	2,500,000	-	-	2,500,000	-
Total Notes Payable	106,548,351	13,807	1,537,517	105,024,641	1,672,156
Bonds payable for Gamelin and Genessee commercial condo units. The bonds mature in 2035 and bear interest at 4.3%. The bonds are to be repaid with revenues from the properties and are further secured by a pledge of general revenue of the Authority.	2,255,000	-	145,000	2,110,000	155,000

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

A. Authority Debt, Lease Liabilities, and Accrued Compensated Absences (Continued)

<u>Description (Continued)</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Fixed rate bonds payable for the rehabilitation of Rainier Vista Phase I, NewHolly Phases II and III, and Wedgewood Estates. The bonds bear interest at 3.57% and mature February 2047.	\$ 30,654,998	\$ -	\$ 879,998	\$ 29,775,000	\$ 900,000
Fixed rate bonds payable for Northgate Apartments secured by a deed of trust on the property. Bonds bear interest at 1.0% and mature June 2026.	67,600,000	-	-	67,600,000	-
Total Bonds Payable	100,509,998	-	1,024,998	99,485,000	1,055,000
Leases Payable	108,938	-	65,300	43,638	41,820
SBITA Lease Payables	1,276,157	637,058	961,777	951,438	503,235
Accrued Compensated Absences	5,031,828	7,288,160	6,446,948	5,873,040	401,132
Total Long-Term Obligations	<u>\$ 213,475,272</u>	<u>\$ 7,939,025</u>	<u>\$ 10,036,540</u>	<u>\$ 211,377,757</u>	<u>\$ 3,673,343</u>

The following is a summary of debt service requirements of the Authority for long-term obligations as of December 31, 2024:

<u>Year Ended December 31.</u>	<u>Bonds</u>			<u>Notes Payable/Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,055,000	\$ 1,806,106	\$ 2,861,106	\$ 1,672,155	\$ 2,207,333	\$ 3,881,298
2026	68,680,000	1,436,274	70,116,274	1,710,366	2,050,466	3,773,490
2027	1,100,000	1,063,659	2,163,659	16,581,993	1,999,665	18,594,318
2028	1,140,000	1,027,166	2,167,166	1,814,092	1,947,263	3,774,016
2029	1,180,000	988,267	2,168,267	1,875,370	1,893,212	3,781,246
2030-2034	6,520,000	4,309,994	10,829,994	50,627,467	2,145,249	52,836,070
2035-2039	6,720,000	3,113,093	9,833,093	5,234,561	1,221,398	6,519,369
2040-2044	7,735,000	1,852,016	9,587,016	6,555,308	1,009,741	7,429,216
2045-2049	5,355,000	389,766	5,744,766	2,311,630	931,960	3,200,207
2050-2054	-	-	-	3,256,839	796,411	4,053,251
2055-2059	-	-	-	2,985,646	647,620	3,633,266
2060-2064	-	-	-	9,612,480	190,600	9,803,080
2065-2069	-	-	-	786,734	1,906	788,636
Total Requirements	<u>\$ 99,485,000</u>	<u>\$ 15,986,341</u>	<u>\$ 115,471,341</u>	<u>\$ 105,024,641</u>	<u>\$ 17,042,824</u>	<u>\$ 122,067,464</u>

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

**A. Authority Debt, Lease Liabilities, and Accrued Compensated Absences
(Continued)**

There are several limitations and restrictions contained in the various debt instruments primarily requiring the Authority to maintain certain levels of low-income tenants. Authority management believes that it is in compliance with all significant limitations and restrictions. As of December 31, 2024, Authority management also believes that all bond issues met debt coverage ratio requirements.

Bond discounts are reported as a reduction in the carrying amount of the related debt and the amortization is reported as an interest expense. The table below shows the details of those amounts.

	Notes Payable	Bonds Payable	Total
Amount of Debt	\$ 105,024,641	\$ 99,485,000	\$ 204,509,641
Unamortized Discount	-	354,925	354,925
Net Debt Amount	<u>\$ 105,024,641</u>	<u>\$ 99,839,925</u>	<u>\$ 204,864,566</u>

The Authority leases copy machines and office space, and the lease liabilities are recorded under current and noncurrent payables. Per implementation of GASB 87 provisions the leases have been identified and classified as a right-to-use asset and liability as reflected below. The following is a summary of the Authority's lease payables as of December 31, 2024:

<u>Year Ending December 31,</u>	Principal	Interest	Total
2025	\$ 41,821	\$ 485	\$ 42,306
2026	1,817	9	1,826
2027	-	-	-
Total Requirements	<u>\$ 43,638</u>	<u>\$ 494</u>	<u>\$ 44,132</u>

The Authority uses a variety of software for which it pays for right-to-use software, the liabilities are recorded under current and noncurrent SBITA payables. Nine licenses have been identified as long-term liabilities of varying length of time, all over 12-months. The following is a summary of the Authority's SBITA liabilities as of December 31, 2024:

<u>Year Ending December 31,</u>	Principal	Interest	Total
2025	\$ 503,233	\$ 39,071	\$ 542,304
2026	406,901	15,793	422,694
2027	41,304	615	41,919
Total Requirements	<u>\$ 951,438</u>	<u>\$ 55,479</u>	<u>\$ 1,006,917</u>

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
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NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

B. Conduit Debt

The Authority has issued special revenue bonds to provide financial assistance to not for profit agencies and private developers for the purpose of constructing low-income housing. The bonds are limited obligation bonds of the Authority and are payable solely from project revenue. These nonrecourse conduit bonds are secured by the property financed and are often collateralized by a letter of credit issued by a major bank. The Authority is not obligated in any manner, and accordingly, the bonds have not been recorded in the accompanying financial statements except for the 14 series of bonds amounting to \$294,862,450 that are obligations of the component units of the Authority. The component unit bonds are further backed by the general revenues of the Authority as described in Note 15.

As of December 31, 2024, there were 23 series of outstanding special revenue bonds for private nonprofits and private developers. The aggregate principal payable as of December 31, 2024, for the remaining 23 series of bonds totaled \$58,462,351. However, two of the developers did not submit their annual financial documentation so this number is slightly understated.

C. Component Unit Debt and Other Long-Term Obligations

As of December 31, 2024, Tamarack Place has outstanding long-term obligations in the amount of \$11,168,639. Of this amount, \$768,639 represents a fixed rate construction loan payable to Washington Community Reinvestment Association (WCRA) at an interest rate of 6.5%. In addition, the Tamarack Place has a loan payable to the Authority in the amount of \$10,400,000. The loan bears interest at 1% per annum and is secured by a leasehold deed of trust on the project.

As of December 31, 2024, Rainier Vista NE has outstanding long-term obligations in the amount of \$18,394,613. Rainier Vista NE has a fixed rate note payable to U.S. Bank in the amount of \$2,057,478 which is secured by a deed of trust on the property and carries an interest rate of 4.8%. The remaining long-term obligation balance consists of two loans payable to the Authority. Loan one bears interest at 1.5% per annum and is secured by a leasehold deed of trust on the project. As of December 31, 2024, \$10,000,000 was outstanding. Loan two bears interest at 1.5% per annum and is also secured by a leasehold deed of trust on the project. As of December 31, 2024, \$6,337,135 was outstanding.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
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NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

C. Component Unit Debt and Other Long-Term Obligations (Continued)

As of December 31, 2024, Kebero Court has outstanding long-term obligations in the amount of \$16,669,598. Of this amount, \$6,030,971 represents a permanent, fixed rate loan bearing interest at 5.54% which was converted from a variable rate construction loan in April 2016. The original note amount was \$7,050,000 and matures November 8, 2034, when the remaining portion will be paid off. Kebero Court also has a loan payable to the City in the amount of \$1,855,000 which bears interest at 1.0% and matures in April 2065. The remaining \$8,783,627 represents two notes from the Authority, which bear interest at 3.0% with principal and interest payable annually from the property's cash flow and matures April 2065. The notes are secured by a leasehold deed of trust.

As of December 31, 2024, Leschi House has outstanding long-term obligations in the amount of \$7,470,842. Of this amount, \$2,881,404 represents fixed bonds bearing interest of 5.13% annually and with a maturity date of August 1, 2045. In addition, Leschi House has a loan payable to the State of Washington Department of Commerce in the amount of \$2,499,999. The loan began accruing interest of 1% per annum beginning on May 1, 2015 and matures on April 30, 2065. Leschi House has an additional loan payable to the City of Seattle Office of Housing in the amount of \$1,625,000. The loan accrues interest at a rate of 1% per annum and matures on April 30, 2065. Leschi House also has a loan payable to the Authority for \$464,439 which bears interest at 1% per annum and matures on April 30, 2065.

As of December 31, 2024, Raven Terrace has outstanding long-term obligations in the amount of \$14,930,876. Of this amount, \$1,300,000 represents a loan from the City with a maximum amount of \$1,300,000. The loan accrues interest at 1% annually with no payments due until maturity on December 1, 2065. In addition, the partnership has a fixed rate loan in the amount of \$3,437,856. The loan matures December 7, 2046. The remaining \$10,193,020 represents two loans from the Authority that mature in May 2069 and bear interest of 2.5%.

As of December 31, 2024, Hoa Mai Gardens has outstanding long-term obligations in the amount of \$26,843,696. Of this amount, \$9,862,499 represents a fixed rate loan bearing interest at 4.72% with a maturity date in July 2053. Hoa Mai Gardens also has two notes from the Authority. The first note bears interest at 1% and has a term of 50 years that matures in December 2065 and the amount of the note is \$6,688,824. The second note bears interest at 1% and carries a term of 50 years with a maximum loan amount of \$10,475,000. As of December 31, 2024, \$10,292,373 was drawn from that note.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

C. Component Unit Debt and Other Long-Term Obligations (Continued)

As of December 31, 2024, NewHolly Phase I has outstanding long-term obligations in the amount of \$26,349,314. Of this amount, \$5,615,000 represents 30-year bonds with rates from 1.15% to 3.55%. In addition, NewHolly has an acquisition loan from the Authority in the amount of \$13,034,078 which bears interest at 2.18% compounded annually and matures in 2066. The partnership also has two rehabilitation loans from the Authority which have not yet been fully funded. The first note is not to exceed \$3,000,000 and the second note is not to exceed \$2,500,000. As of December 31, 2024, \$5,198,657 was outstanding on the loans. Both of these loans carry an interest rate of 1% compounded annually and mature in 2066. Lastly, NewHolly Phase I acquired two loans from the Authority when the partnership was closed. One loan is in the amount of \$1,700,000 from the Washington State Department of Commerce. The loan matures on December 31, 2040 and does not accrue interest. The remaining note is in the amount of \$801,579 from the City. It matures in 2032 and has an interest rate of 1% per annum.

As of December 31, 2024, Red Cedar has outstanding long-term obligations in the amount of \$32,537,602. Of this amount, \$13,150,093 represents the outstanding amount on a fixed interest rate loan bearing 4.56% per annum permanent loan with a maximum of \$13,960,000 and a 35-year amortization period. As of December 31, 2024, \$3,420,000 was drawn from the City of Seattle Office of Housing loan. The note bears interest at 1% and carries a term of 52 years with a maximum loan amount of \$3,420,000. Red Cedar has two loans from the Authority with a maximum loan amount of \$17,900,000 from the Authority at an annual interest rate of 1%. As of December 31, 2024, the project had drawn \$15,967,509 on this loan. Payments are to be made annually from cash flow and the maturity date is May 1, 2067.

As of December 31, 2024, West Seattle Properties has outstanding long-term obligations in the amount of \$34,383,447. Of this amount, \$7,180,000 represents 30-year bonds with a rate of 3.6%. In addition, West Seattle Properties has an acquisition loan from the Authority in the amount of \$22,305,000. Of this amount, \$2,180,000 is payable within 50 years with annual payments of \$43,600 in January of each year from cash flow. Any unpaid portion shall be deferred and accrues interest at 2.64% per annum. The remaining \$20,125,000 of the acquisition loan bears interest at 2.64%, compounded annually and is also payable in 50 years, maturing December 1, 2067. The partnership also has a rehabilitation loan from the Authority in the amount of \$4,898,447 as of December 31, 2024. The loan carries a maximum amount of \$5,500,000 and bears interest at a rate of 1.00% per annum and matures December 1, 2067 with payments due annually from available cash flow.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

C. Component Unit Debt and Other Long-Term Obligations (Continued)

As of December 31, 2024, Hinoki has outstanding long-term obligations in the amount of \$37,982,231. Of this amount, \$22,185,000 represents the outstanding amount from the Housing Authority of the City of Seattle Revenue Bonds, Series 2020A (Hinoki Apartments Project). The City of Seattle Taxable Revenue Bonds, Series 2020B (Hinoki Apartments Project) was paid in full in 2023. Series 2020A Bonds maturity date is June 1, 2052. Series 2020A Bonds maturity date is June 1, 2052. In addition, Hinoki has a \$38,500,000 maximum note amount from the Authority. As of December 31, 2024, the project had drawn \$15,797,231 on this loan. The note bears interest at 1.00% and carries a term of 50 years.

As of December 31, 2024, Salish Landing has outstanding long-term obligations in the amount of \$25,388,012. Of this amount, \$12,425,000 represents 30-year bonds, with rates of 1.0% to 4.0%. Salish Landing has approved a \$13,402,663 maximum note amount from the Authority. As of December 31, 2024, the project had drawn \$9,813,012 on this loan. The note bears interest at 0.5% and carries a term of 50 years. In addition, Salish Landing has a loan from City of Seattle for \$3,150,000. The maximum loan amount is \$3,500,000 which bears interest at the rate of 1.0% and matures in 2073.

As of December 31, 2024, Sawara has outstanding long-term obligations in the amount of \$66,732,742. Of this amount, \$37,340,000 represents 30-year bonds, with rates of 1.0% to 4.0%. Sawara has approved a \$32,000,000 maximum note amount from the Authority. As of December 31, 2024, the project had drawn \$26,242,742 on this loan. The note bears interest at 1.0% and carries a term of 50 years. In addition, Sawara has a loan from City of Seattle for \$3,150,000. The maximum loan amount is \$3,500,000 which bears interest at the rate of 1.0% and matures in 2073.

As of December 31, 2024, Jefferson Terrace has outstanding long-term obligations in the amount of \$79,348,973. Of this amount, \$41,115,000 represents bonds bearing variable interest rates of 2.37% to 4.3% annually with a maturity date of September 1, 2042. In addition, Jefferson Terrace has an acquisition loan payable to the Authority in the amount of \$23,930,000. The loan began accruing interest of 3.35% per annum beginning on August 24, 2022 and matures on August 31, 2072. Jefferson Terrace has also approved a \$13,323,258 First Rehabilitation Loan from the Authority which bears interest at 1% per annum and matures on August 31, 2072. As of December 31, 2024, the project had drawn \$13,323,258 on this loan. Jefferson Terrace has approved a \$7,400,000 Second Rehabilitation Loan from the Authority which bears interest at 3.0% and matures on August 31, 2072. As of December 31, 2024, the project has drawn \$980,715 funds from the second rehabilitation loan.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

C. Component Unit Debt and Other Long-Term Obligations (Continued)

As of December 31, 2024, Juniper has outstanding long-term obligations in the amount of \$88,160,121. Of this amount, \$46,205,000 represents 7-year bonds, with rates of 4.375% to 5.0%. Juniper has approved a \$43,000,000 maximum for three notes from the Authority. As of December 31, 2024, the project had drawn \$38,805,121 of this amount. The note bears interest at 1.0% and carries a term of 50 years. In addition, Juniper has a loan from City of Seattle for \$3,150,000. The maximum loan amount is \$3,500,000 which bears interest at the rate of 1.0% and matures in 2081.

The following is a summary of changes in long-term obligations for the component units:

	Beginning Balance	Additions/ transfers	Retirements	Ending Balance	Due Within One Year
Loans Payable to Primary Government from:					
Tamarack Place	\$ 10,400,000	\$ -	\$ -	\$ 10,400,000	\$ -
Rainer Vista NE	16,337,135	-	-	16,337,135	-
Leschi House	512,855	-	48,416	464,439	-
Kebero Court	8,783,627	-	-	8,783,627	-
Raven Terrace	10,193,020	-	-	10,193,020	-
Red Cedar	15,967,509	-	-	15,967,509	-
NewHolly Phase I	18,232,735	-	-	18,232,735	-
West Seattle Properties	25,023,447	-	-	25,023,447	-
Hinoki	15,226,832	570,399	-	15,797,231	-
Salish Landing	9,813,012	-	-	9,813,012	-
Salish Landing	2,733,268	418,209	3,151,477	-	-
Jefferson Terrace	23,930,000	-	-	23,930,000	-
Jefferson Terrace	18,153,338	189,913	4,039,278	14,303,973	-
Juniper	10,888,045	28,376,621	459,545	38,805,121	-
Hoa Mai Gardens	16,981,197	-	-	16,981,197	-
Sawara	24,303,426	3,001,546	1,062,230	26,242,742	10,050,333
Lease Payable to Primary Government from West Seattle Properties	2,180,000	-	-	2,180,000	43,600
Loan Payable to WCRA from					
Tamarack Place	793,637	-	24,998	768,639	26,672
Loan Payable to US Bank for					
Construction of Rainier Vista NE	2,127,262	-	69,784	2,057,478	72,818
Loan Payable to Office of Housing from Leschi House	1,625,000	-	-	1,625,000	-
Loan Payable to Washington State Housing Trust Fund from Leschi House	2,499,999	-	-	2,499,999	-
Loan Payable to Chase Bank from Kebero Court	6,173,711	-	142,740	6,030,971	151,955
Loan Payable to City of Seattle from:					
Kebero Court	1,855,000	-	-	1,855,000	-
Raven Terrace	1,300,000	-	-	1,300,000	-
Red Cedar	3,420,000	-	-	3,420,000	-
NewHolly Phase I	801,579	-	-	801,579	-
Salish Landing	3,150,000	-	-	3,150,000	-
Sawara	3,150,000	-	-	3,150,000	-
Juniper	3,150,000	-	-	3,150,000	-
Loan Payable to Chase Bank from Raven Terrace	3,519,535	-	81,679	3,437,856	86,501
Construction Loan from Hoa Mai Gardens	10,018,647	-	156,148	9,862,499	165,145
Loan Payable to Chase Bank from Red Cedar	13,334,811	-	184,718	13,150,093	195,187
Loan Payable to WA Housing Trust from NewHolly Phase I	1,700,000	-	-	1,700,000	-
Total Notes	288,278,627	32,556,688	9,421,013	311,414,302	10,792,211

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NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

C. Component Unit Debt and Other Long-Term Obligations (Continued)

	Beginning Balance	Additions/ transfers	Retirements	Ending Balance	Due Within One Year
Bonds Payable:					
Leschi House	\$ 2,955,656	\$ -	\$ 74,252	\$ 2,881,404	\$ 77,909
New Holly Phase I	5,795,000	-	180,000	5,615,000	185,000
West Seattle Properties	7,385,000	-	205,000	7,180,000	215,000
Hinoki	22,560,000	-	375,000	22,185,000	385,000
Salish Landing	20,995,000	-	8,570,000	12,425,000	170,000
Sawara	37,340,000	-	-	37,340,000	21,725,000
Jefferson Terrace	41,115,000	-	-	41,115,000	25,490,000
Juniper	46,205,000	-	-	46,205,000	-
Total Bonds	184,350,656	-	9,404,252	174,946,404	48,247,909
Total Long-Term Debt	\$ 472,629,283	\$ 32,556,688	\$ 18,825,265	\$ 486,360,706	\$ 59,040,120

Debt service requirements of long-term obligations of the component units as of December 31, 2024 are as follows:

Year Ending December 31,	Bonds	Notes	Total	
			Principal	Interest
2025	\$ 54,286,764	\$ 17,115,818	\$ 59,040,120	\$ 12,362,462
2026	6,355,009	7,030,699	2,259,930	11,125,778
2027	36,382,273	7,098,241	33,147,166	10,333,348
2028	4,995,719	8,830,950	4,365,934	9,460,735
2029	5,010,083	7,066,774	2,654,609	9,422,248
2030-2034	36,380,027	36,510,295	28,918,472	43,971,850
2035-2039	20,786,545	48,292,787	27,008,518	42,070,814
2040-2044	31,062,957	38,780,252	31,245,154	38,598,055
2045-2049	13,821,531	47,500,521	24,651,761	36,670,291
2050-2054	22,124,037	37,806,208	22,787,364	37,142,881
2055-2059	-	39,185,651	650,928	38,534,723
2060-2064	-	58,680,370	17,010,251	41,670,119
2065-2069	-	138,320,748	104,328,753	33,991,995
2070-2074	-	139,169,037	121,991,746	17,177,291
2075-2079	-	3,367,875	3,150,000	217,875
2080-2082	-	3,181,500	3,150,000	31,500
Total Requirements	\$ 231,204,945	\$ 637,937,726	\$ 486,360,706	\$ 382,781,965

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

C. Component Unit Debt and Other Long-Term Obligations (Continued)

Debt issuance costs and discounts for the component units are reported as a reduction in the carrying amount of the related debt rather than an asset while bond premiums increase the carrying amount of the debt. Amortization of the debt issuance costs is reported as interest expense rather than as amortization expense. The table below shows the detail of those amounts.

	Notes Payable to Primary Government	Notes Payable	Bonds Payable	Total
Amount of Debt	\$ 253,455,188	\$ 57,959,114	\$ 174,946,404	\$ 486,360,706
Unamortized Premium	-	-	2,716,671	2,716,671
Unamortized Discount	-	-	(71,089)	(71,089)
Unamortized Debt	-	-	-	-
Issuance Costs	(65,259)	(400,897)	(2,392,775)	(2,858,931)
Net Debt Amount	<u>\$ 253,389,929</u>	<u>\$ 57,558,217</u>	<u>\$ 175,199,211</u>	<u>\$ 486,147,357</u>

NOTE 9 DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

The composition of deferred outflows and deferred inflows of resources at December 31, 2024 are summarized as follows:

	Pensions	OPEB	Leases	Total
Deferred Outflows of Resources	\$ 19,556,819	\$ 863,210	\$ -	\$ 20,420,029
Deferred Inflows of Resources	7,441,121	776,516	84,632,839	92,850,476

NOTE 10 PENSION PLANS

Substantially all of the Authority's full time and qualifying part time employees participate in PERS, a defined benefit, cost sharing, multiple employer public employee retirement system. PERS issues publicly available reports which can be obtained from the Washington State Department of Retirement Systems' (DRS) website at www.drs.wa.gov or at 402 Legion Way, Olympia, WA 98504.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 PENSION PLANS (CONTINUED)

A. Aggregated Balances

The Authority's aggregated balances of net pension liability, net pension assets and deferred inflows and outflows of resources as of December 31, 2024, are presented in the table below. The Authority recognized pension revenue during the year of 2024 is \$694,476.

	Net Pension Asset (Liability)	Deferred Outflows	Deferred Inflows
PERS 1	\$ (5,874,637)	\$ 977,211	\$ (470,073)
PERS 2/3	14,065,357	18,579,608	(6,971,048)
Total	<u>\$ 8,190,720</u>	<u>\$ 19,556,819</u>	<u>\$ (7,441,121)</u>

B. Plan Description

The State legislature established PERS in 1947 under RCW Chapter 41.40. Membership in the system includes elected officials; State employees; employees of the Supreme, Appeals, and Superior courts (other than judges); employees of legislative committees; college and university employees not in national higher education retirement programs; judges of district and municipal courts; noncertificated employees of school districts; and employees of local government. Approximately 50% of PERS members are State employees. PERS contains separate pension plans for membership purposes. PERS Plan 1 and PERS Plan 2 are defined benefit plans, and PERS Plan 3 is a defined benefit plan with a defined contribution component.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of the benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 PENSION PLANS (CONTINUED)

B. Plan Description (Continued)

PERS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest-paid consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit if found eligible by the Washington State Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977. All of the Authority's members under PERS 1 have retired and are no longer contributing to the plan.

PERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at age 65 with at least five years of service credits. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 service credits and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credits and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3% for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5% for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the Consumer Price Index), capped at 3% annually and a one-time duty related death benefit, if found eligible by the Washington State Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service if 12 months of that service are earned after age 44.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 PENSION PLANS (CONTINUED)

B. Plan Description (Continued)

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5% and escalate to 15% with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

C. Pension Plan Fiduciary Net Position

The pension plans' fiduciary net positions have been determined on the same basis used by the pension plans. DRS financial statements have been prepared in conformity with GAAP. The retirement plans are accounted for as pension trust funds using the flow of economic resources measurement focus and the accrual basis of accounting. Plan member contributions are recognized as revenues in the period in which the contributions are earned. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The Washington State Investment Board (WSIB) has been authorized by statute (chapter 43.33A of the RCW) as having the investment responsibility for the pension funds. Investments are reported at fair value, and unrealized gains and losses are included as investment income in the statement of changes in fiduciary net position presented in the DRS ACFR. Purchases and sales of investments are recorded on a trade-date basis.

Detailed information about the pension plan's fiduciary net position is available in the separately issued DRS financial report.

D. Contributions

Each biennium, the legislature establishes Plan 1 and Plan 3 employer contribution rates and Plan 2 employer and employee contribution rates. Employee contribution rates for Plan 1 are established by legislative statute and do not vary from year to year. Employer rates for Plan 1 are not necessarily adequate to fully fund the system. The employer and employee contribution rates for Plan 2 and for Plan 3 are developed by the Office of the State Actuary to fully fund the system. The Plan 2/3 employer rates include an administrative expense that is currently at 0.20% and a component to address the PERS Plan 1 unfunded actuarial accrued liability as provided for in chapter 41.45 of the RCW. The methods used to determine the contribution requirements were established under State statute. All employers are required to contribute at the level established by the legislature and the Office of the State Actuary.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 PENSION PLANS (CONTINUED)

D. Contributions (Continued)

The actual contribution rates for the employer were changed twice during the year. Effective July 1, 2024, the employer rates was decreased from 9.53% to 9.03%. And, effective September 1, 2024, employer rates was increased from 9.03% to 9.11% for all plans. Contribution rates for employees in Plan 2 did not change and remained at 6.36% throughout the year.

The Authority's employer and employee contribution rates as a % of covered payroll and required contributions for employees covered by PERS as of December 31, 2024 were:

	PERS Plan 1 Required	PERS Plan 2 Required	PERS Plan 3 Required
Employer	9.53 %	9.53 %	9.53 %
Employee	6.00	6.36	Varies

	PERS Plan 1 Required	PERS Plan 2 Required	PERS Plan 3 Required
Employer	\$ -	\$ 5,338,789	\$ 1,420,841
Employee	-	3,655,456	1,065,121
	<u>\$ -</u>	<u>\$ 8,994,245</u>	<u>\$ 2,485,962</u>

E. Actuarial Assumptions

The total pension liability for each of the plans was determined by an actuarial valuation as of June 30, 2023, with the results rolled forward to the June 30, 2024 measurement date. The following actuarial assumptions have been applied to all prior periods included in the measurement:

Valuation Method	The Entry Age Normal Actuarial Cost Method is used for PERS1, while the Aggregate Actuarial Cost Method is used for PERS2/3.
Inflation	2.75% total economic inflation, 3.25% salary inflation.
Salary Increases	In addition to the base 3.25% salary inflation assumptions, salaries are also expected to grow by promotions and longevity.
Investment Rate of Return	7.00%

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
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NOTE 10 PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 Mortality rates, which vary by member status (that is active, retiree, or survivor), as the base table. The Washington State Office of the State Actuary (OSA) applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under generational mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

The total pension liability was determined using the most recent actuarial valuation completed in 2023 with the valuation date of June 30, 2023.

The actuarial assumptions used in the June 30, 2023 valuation report were based on the results of OSA's 2013–2018 Experience Study Report and the 2023 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2023 actuarial valuation report.

F. Discount Rate

The discount rate used to measure the total pension liability was 7.00% for all the plans. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net assets was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency tests for PERS included an assumed 7.00% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements.

Consistent with the long-term expected rate of return, a 7.00% future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at the contractually required rates which includes the component of PERS 2/3 pertaining to the unfunded actuarial accrued liability for PERS 1, as provided for in chapter 41.45 of the RCW.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.00% on pension plan investments was applied to determine the total pension liability.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 PENSION PLANS (CONTINUED)

G. Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate

The table below presents the Authority's net pension asset (liability) calculated using the discount rate of 7.00% as well as what the net pension asset (liability) would be if it were calculated using a discount rate that is 1%-age-point lower (6.00%) or 1%-age-point higher (8.00%) than the current rate.

Plan	1% Decrease	Current Discount Rate	1% Increase
PERS 1	\$ (12,298,766)	\$ (5,874,637)	\$ (6,506,287)
PERS 2/3	18,634,958	14,065,357	44,134,408
Total	<u>\$ 6,336,192</u>	<u>\$ 8,190,720</u>	<u>\$ 37,628,121</u>

H. Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined by the WSIB using a building-block method in which the best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation % and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	19.00 %	2.10 %
Tangible Assets	8.00	4.50
Real Estate	18.00	4.80
Global Equity	30.00	5.60
Private Equity	25.00	8.60
Total	<u>100.00 %</u>	

The inflation component used to create the table is 2.50% and represents WSIB's most recent long-term estimate of broad economic inflation.

I. Proportionate Share

Collective pension amounts are determined as of a measurement date which can be no earlier than an employer's prior fiscal year. The measurement date for the net pension liabilities recorded by the Authority as of December 31, 2024, was June 30, 2024, the Plan's fiscal year-end. The Authority's contributions received and processed by DRS during DRS' fiscal year ended June 30, 2023 have been used as the basis for determining the Authority's proportionate share of the collective pension amounts reported by DRS in their June 30, 2023 Schedules of Employer and Nonemployer Allocations for PERS Plans 1, 2 and 3. The proportionate share for the years ended December 31, 2024 and 2023 was 0.331% and 0.297% for Plan 1, respectively, and 0.427% and 0.384% for Plan 2/3, respectively.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 PENSION PLANS (CONTINUED)

J. Pension Income and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2024, the amount of pension income recognized by the Authority was \$77,637 for PERS 1 and the amount of pension income recognized was \$616,839 for PERS 2/3. The aggregate amount of income for both plans was \$694,476 and is reported on the statement of revenues, expenses, and changes in net position as a reduction of housing operations and administration expenses. Contributions made after the measurement date of June 30, 2024, but before the end of 2024 will be recognized as a reduction of the net pension liability during 2025.

The Authority's deferred outflows of resources and deferred inflows of resources pertaining to PERS as of December 31, 2024, are presented in the following table:

Plan	Description	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS 1	Difference Between Projected and Actual Earnings on Plan Investments, Net	\$ -	\$ (470,073)
PERS 1	Contributions Subsequent to the Measurement Date of the Collective Net Pension Liability	977,211	-
PERS 2/3	Difference Between Projected and Actual Earnings on Plan Investments, Net	-	(4,030,730)
PERS 2/3	Contributions Subsequent to the Measurement Date of the Collective Net Pension Liability*	2,462,671	-
PERS 2/3	Difference Between Expected and Actual Experience	7,992,263	(32,565)
PERS 2/3	Change in Proportionate Share	357,785	(2,016,572)
PERS 2/3	Change of Assumptions	7,766,889	(891,181)
	Total	<u>\$ 19,556,819</u>	<u>\$ (7,441,121)</u>

* PERS 2/3 employer rates include a component to address the PERS 1 Unfunded Actuarial Accrued Liability (UAAL). Those contributions for PERS 2/3 related to the UAAL have been reflected as PERS 1 contributions subsequent to the measurement date of the collective net pension liability above.

Contributions made after the measurement date of the net pension (liability) asset but before the end of the Authority's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Deferred outflows of resources related to the Authority's contributions subsequent to the measurement date of \$3,439,882 will be recognized as a reduction of the net pension liability as of December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 PENSION PLANS (CONTINUED)

J. Pension Income and Deferred Outflows and Inflows of Resources (Continued)

<u>Year Ending December 31,</u>	<u>PERS 1</u>	<u>PERS 2/3</u>	<u>All Plans</u>
2025	\$ (777,936)	\$ (3,343,778)	\$ (4,121,714)
2026	399,666	5,953,655	6,353,321
2027	(42,317)	2,362,940	2,320,623
2028	(49,486)	2,344,166	2,294,680
2029	-	992,953	992,953
Thereafter	-	835,953	835,953
Total	<u>\$ (470,073)</u>	<u>\$ 9,145,889</u>	<u>\$ 8,675,816</u>

NOTE 11 DEFERRED COMPENSATION PLAN

The Authority, in conjunction with the State, offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is managed by DRS. In June 1998, the State Deferred Compensation Program plan assets were placed into trust for the exclusive benefit of participants and their beneficiaries.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description and Funding Policy

The Authority participates in the City Health Care Blended Premium Subsidy, a single employer postemployment healthcare plan administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, as this is an unfunded plan. Employees who retire from the Authority and spouses of employees who have passed away may continue medical coverage until age 65. Eligible retirees self-pay 100% of the premium based on blended rates, which were established by including the experience of retirees with the experience of active employees for underwriting purposes. Retirees age 65 or older may also enroll in Medicare supplemental programs. The Authority's employees are included with the City of Seattle for this plan.

Contributions made after the measurement date of the net OPEB liability, but before the Authority's fiscal reporting period will be recognized as a reduction of the OPEB liability in the subsequent fiscal period rather than in the current fiscal period.

The postemployment benefit provisions are established and may be amended by City ordinances.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. Plan Description and Funding Policy (Continued)

At January 1, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	4
Active Employees	903
Total	<u>907</u>

B. Total OPEB Liability

The total OPEB liability is \$2,106,669 as of December 31, 2024. The total OPEB liability was measured by the most recent actuarial valuation report date and before the end of the Authority's reporting period. The estimated current portion of the total liability is based on the prior benefit payments in the amount of \$55,000. The following is a schedule of changes in the total OPEB liability for the year ended December 31, 2024:

Beginning Balance as of December 31, 2023 (Using a Measurement Date of January 1, 2023)	\$ 1,228,635
Service Cost	110,511
Interest on Total OPEB Liability	48,788
Change of Assumptions	803,965
Differences Between Expected and Actual Experience	(29,477)
Benefit Payments	<u>(55,753)</u>
Ending Balance as of December 31, 2024 (Using a Measurement Date of January 1, 2024)	<u>\$ 2,106,669</u>

C. Actuarial Methods, Assumptions, and Other Inputs

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the time of the valuation and the pattern of sharing of benefit costs between the employer and plan members to that point.

In the January 1, 2024 actuarial valuation, the actuarial methods, assumptions, and other inputs were as follows:

Participation	Based on review of recent experience, 25% of active employees who retire are assumed to participate.
Mortality	Mortality assumptions are derived from the PUB G-2010 Employee Table, adjusted by 95% for retirees and 95% for active employees.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Actuarial Methods, Assumptions, and Other Inputs (Continued)

Dependent Coverage	Based on review of recent experience, 25% of members electing coverage are assumed to be married or to have a registered domestic partner and to cover their spouse in retirement. It is assumed that children will have aged off of coverage.
Service Retirement, Disability Rates, and Termination Rates	Based on the Seattle City Employees' Retirement System 2018-2021 investigation of experience report.
Health Care Cost Trend Rate	Initial Rate of 9.15% reaching the ultimate rate of 4.5% in 2035.
Valuation Method	<p>Entry age normal actuarial cost method. The total liability for all benefits is the Present Value of Total Benefits (PVB). Under the Entry Age Normal method, the Actuarial Accrued Liability (AAL) for active members is calculated as the portion of the PVB allocated to prior fiscal years. The cost allocated to the current fiscal year is called normal cost. For members currently receiving benefits, members beyond age 55, and members entitled to deferred benefits, the AAL is equal to the present value of the benefits expected to be paid; there is no normal cost for these participants.</p> <p>This method allocates the liability as a level percentage of payroll over past and future service. Under this method, projected benefits are determined for all members and the associated liabilities are spread over employment history from the age of hire to assumed retirement age. The normal cost is intended to remain at or near a level percentage over time.</p>
Discount Rate	As the plan is unfunded, the discount rate is based entirely on the Bond Buyer municipal bond index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Using this Index, a discount rate of 3.26% was used for the January 1, 2024.

Material assumption changes during the measurement period include updating the discount rate as of each measurement date, as required by GASB Statement No. 75. The discount rate used for the beginning total OPEB liability was 2.06% and the discount rate used for the ending total OPEB liability was 3.72%.

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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

D. OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2024, the Authority recognized OPEB expense of \$19,764 and is reported on the statement of revenues, expenses and change in net position as a component of housing operations and administrative expenses. The tables below summarize the Authority's deferred outflows of resources and deferred inflows of resources related to the OPEB plan, together with the related future year impacts to OPEB expense from amortization of those deferred amounts. Note that deferred outflows of resources related to the Authority's contributions subsequent to the measurement date are recognized as a reduction of the total OPEB liability in the following year and are not amortized to OPEB expense.

Deferred outflows of resources and deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 28,036	\$ 363,379
Changes of Assumptions	749,432	413,137
Subtotal	777,468	776,516
Contributions Made in Year Ending December 31, 2024 After the Measurement Date	85,742	-
Total	<u>\$ 863,210</u>	<u>\$ 776,516</u>

Amortization of deferred outflows and deferred inflows of resources:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ (83,283)
2026	(34,297)
2027	(26,671)
2028	(6,997)
2029	9,476
Thereafter	142,724
Total	<u>\$ 952</u>

E. Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following table presents the Authority's total OPEB liability calculated using the discount rate of 3.72% as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1%-age-point lower (2.72%) or 1%-age-point higher (4.72%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	<u>\$ 2,296,469</u>	<u>2,106,669</u>	<u>\$ 1,933,647</u>

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

F. Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the Authority's total OPEB liability calculated using an initial healthcare cost trend rate of 9.15% that decreases to the ultimate rate of 4.5% in 2035, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-%age-point lower (5.53% increasing to 8.15%) or 1-%age-point higher (7.53% increasing to 10.15%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 1,866,531</u>	<u>\$ 2,106,669</u>	<u>\$ 2,393,528</u>

NOTE 13 RISK MANAGEMENT

The Authority maintains insurance against property, liability, and regulatory compliance hazards. Property insurance coverage is limited to \$150 million per claim, with a deductible of \$50,000. Coverage is provided on a blanket basis for buildings, business personal property, and business income. Earthquake insurance coverage is \$5 million per occurrence, with a deductible of \$50,000 per occurrence. The Authority participates in the Housing Authority Risk Retention Group (HARRG) for its general and automobile liability insurance coverage. General liability coverage provided is \$15 million per occurrence, with a deductible of \$25,000 per occurrence. Auto liability insurance is \$6 million per occurrence with no deductible. The Authority also maintains a number of other insurance policies to address risks arising from the course of business, including employee fidelity, public official liability and cyber liability insurance. Claim settlements have not exceeded insurance coverage limits, either on a per claim or on an aggregate basis, for each year of the past three fiscal years.

The Authority's economic risk as a participant in HARRG is limited to the Authority's initial surplus contribution of \$90,000 and plus the payment of annual premiums for its general and automobile liability insurance coverage. Although the underwriting experience of HARRG may result in increased annual premium charges and/or assessments against each participant's surplus contribution account, the Authority's exposure to any net loss allocation is restricted to its surplus contribution account balance.

The Authority has elected to pay for its employment security coverage via quarterly reimbursements to the Washington State Department of Employment Security. This reimbursable method of payment is in lieu of unemployment taxes, and the election is authorized for all political subdivisions under Washington State Law (RCW 50.44.060). The Authority is insured by the Washington State Industrial Insurance Fund for workers' compensation and pays premiums via quarterly reports to the Washington State Department of Labor & Industries.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
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DECEMBER 31, 2024

NOTE 14 CONTINGENCIES

In connection with various federal and state grant programs, the Authority is obligated to administer related programs and spend the grant monies in accordance with regulatory restrictions and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the Authority to refund program monies. The amount, if any, of expenses, which may be disallowed by the grantor, cannot be determined at this time although the Authority expects such amount, if any, to be immaterial.

As of December 31, 2024, the Authority and its component units have outstanding construction contracts and other commitments totaling approximately \$30.6 million. These commitments are primarily related to the implementation of redevelopment activities and capital projects funded by federal, state, and local financial assistance, tax exempt bonds, and tax credit equity contributions.

The Authority is also contingently liable in connection with claims and contracts arising in the normal course of its activities. Authority management is of the opinion that the outcome of such matters will not have a material effect on the accompanying financial statements.

NOTE 15 GENERAL REVENUE PLEDGE

The Authority issues certain bonds and short-term borrowings that are backed by the general revenues of the Authority. The Authority also backs certain bonds issued by its discretely presented component units. For some borrowings, revenues from the properties are intended to be the primary source of repayment and the revenues of the Authority would be used only if those revenues are not sufficient to cover the required payments. As of December 31, 2024, the amount of available general revenue was \$480,939,581 and the total pledged revenues are as follows:

Description of Debt	Purpose of Debt	Year Issued	Total Future Revenues Pledged	Proportion of Annual Debt Service Pledged to 2024 General Revenue	Term of Commitment	Annual Debt Service
Obligations of the Authority						
Project Revenues are Primary						
Repayment Source:						
Fixed Rate Taxable	Refunding of bonds for Gamelin/					
	Genesee Mixed Use Buildings	2015	\$ 2,733,153	0.00 %	2035	\$ 249,238
Fixed Rate Bonds	2018 Refunding for NewHolly Phase II					
	and III, Rainier Vista Phase I, and					
	Wedgewood Estates	2018	44,124,188	0.01	2048	1,935,868
Fixed Rate Bonds	Purchase of Northgate Apartments	2021	68,614,000	0.00	2026	676,000
Fixed Rate Note	2020 Refunding	2020	84,192,140	0.01	2029	3,282,392

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 15 GENERAL REVENUE PLEDGE (CONTINUED)

Description of Debt	Purpose of Debt	Year Issued	Total Future Revenues Pledged	Proportion of Annual Debt Service Pledged to 2024 General Revenue	Term of Commitment	Annual Debt Service
Obligations of the Authority for Component Units						
Project Revenues are Primary						
Repayment Source:						
Fixed Rate Bonds for Component Unit	Construction of Housing Units at Kebero Court	2013	\$ 10,344,978	0.19%	2045	\$ 486,823
Fixed Rate Note for Component Unit	Construction of Housing Units at Raven Terrace	2015	5,753,854	0.10%	2046	261,539
Fixed Rate Note for Component Unit	Construction of Housing Units at Hoa Mai Gardens	2016	18,137,548	0.25%	2038	633,511
Fixed Rate Bonds for Component Unit	Rehabilitation of Housing Units at New Holly Phase I	2016	7,951,989	0.14%	2046	362,920
Fixed Rate Bonds for Component Unit	Rehabilitation of Housing Units at Longfellow Creek, Roxhill Court, and Wisteria Court	2017	10,824,257	0.18%	2047	474,465
Fixed Rate Loan for Component Unit	Construction of Housing Units at Red Cedar	2018	20,554,271	0.31%	2038	799,036
Fixed Rate Loan for Component Unit	Construction of Housing Units at Hinoki	2020	34,451,362	0.41%	2052	1,060,750
Fixed Rate Loan for Component Unit	Construction of Housing Units at Salish Landing	2021	19,000,289	0.19%	2051	489,163
Fixed Rate Loan for Component Unit	Construction of Housing Units at Sawara	2021	25,338,200	0.18%	2051	461,600
Fixed Rate Loan for Component Unit	Construction of Housing Units at Jefferson Terrace	2022	26,478,002	0.26%	2042	656,731
Fixed Rate Loan for Component Unit	Construction of Housing Units at Juniper	2023	19,602,925	0.29%	2030	737,920
Equity Investments are Primary						
Repayment Source:						
Fixed Rate Loan for Component Unit	Construction of Housing Units at Salish Landing	2021	-		2024	-
Fixed Rate Loan for Component Unit	Construction of Housing Units at Sawara	2021	21,833,625	8.49%	2025	21,833,625
Fixed Rate Loan for Component Unit	Construction of Housing Units at Jefferson Terrace	2022	26,509,600	10.31%	2025	26,509,600
Fixed Rate Loan for Component Unit	Construction of Housing Units at Juniper	2023	34,495,200	0.57%	2027	1,476,080
Total General Revenue Pledge and Annual Debt Service			<u>\$ 480,939,581</u>	<u>24.25 %</u>		<u>\$ 62,387,261</u>

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
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NOTE 16 BLENDED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION

Condensed combining statements for the Authority and its blended component units as of December 31, 2024 are shown below:

	Condensed Combining Statements			
	Combined Entities	Eliminations	Housing Authority	Total Blended Component Units
Assets:				
Current Assets, Net	\$ 312,716,298	\$ (2,602,768)	\$ 309,729,482	\$ 5,589,584
Noncurrent Cash and Investments	121,677,979	-	121,677,979	-
Capital Assets, Net	682,674,768	-	679,378,226	3,296,542
Other Noncurrent Assets	298,539,505	(92,832,040)	298,539,508	92,832,040
Total Assets	1,415,608,550	(95,434,808)	1,409,325,195	101,718,166
Deferred Outflows of Resources	20,420,029	-	20,420,029	-
Liabilities:				
Current Liabilities	36,443,767	(4,213,888)	39,642,036	1,015,619
Noncurrent Liabilities	217,784,464	-	217,784,464	-
Total Liabilities	254,228,231	(4,213,888)	257,426,500	1,015,619
Deferred Inflows of Resources	92,850,476	-	92,850,476	-
Net Position:				
Net Investment in Capital Assets	480,410,490	-	477,114,687	3,295,803
Restricted Net Position	159,917,179	(95,434,808)	176,497,335	78,854,652
Unrestricted Net Position	448,622,203	4,213,888	425,856,226	18,552,089
Total Net Position	<u>\$ 1,088,949,872</u>	<u>\$ (91,220,920)</u>	<u>\$ 1,079,468,248</u>	<u>\$ 100,702,544</u>
Condensed Statements of Revenues, Expenses, and Changes in Net Position				
	Combined Entities	Eliminations	Housing Authority	Total Blended Component Units
Operating Revenues	\$ 404,962,281	\$ -	\$ 398,175,148	\$ 6,787,133
Operating Expenses	(345,031,412)	4,213,888	(340,234,968)	(9,010,332)
Operating Income	59,930,869	4,213,888	57,940,180	(2,223,199)
Nonoperating Income (Expense)	12,539,465	-	12,592,926	(53,461)
Transfers In (Out)	-	-	-	-
Change in Net Position Before Contributions	72,470,334	4,213,888	70,533,106	(2,276,660)
Capital Contributions	23,352,823	-	22,118,772	1,234,051
Net Position - Beginning of Year	993,126,715	(95,434,808)	986,816,370	101,745,153
Net Position - End of Year	<u>\$ 1,088,949,872</u>	<u>\$ (91,220,920)</u>	<u>\$ 1,079,468,248</u>	<u>\$ 100,702,544</u>

Eliminations include the transactions related to the long-term lease of the 228 scattered site units that the Authority has with the S.P.A.C.E. Foundation beginning in September 2021. The 40-year lease was recorded as \$104,110,700 as an in-kind contribution receivable valued at the tax assessed value of the land and improvements as of the date of the lease on S.P.A.C.E. and noncurrent payable on the Authority. The assets and liabilities related to the lease are eliminated when the entities are combined. Other eliminations include net operating income for S.P.A.C.E., which is payable to the Authority each quarter under the terms of the agreement.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
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NOTE 17 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION

The following tables reflect the condensed statements of net position and statements of revenues, expenses, and changes in net position for the discretely presented component units as of and for the year ended December 31, 2024:

Condensed Statements of Net Position					
	Tamarack Place	Rainier Vista NE	Leschi House	Kebero Court	Raven Terrace
Assets:	\$ 806,515	\$ 1,653,795	\$ 782,971	\$ 1,249,430	\$ 1,116,788
Cash and Cash Equivalents	64,173	121,720	3,165	79,751	24,394
Current Receivables from Primary Government	9,078,730	14,223,630	9,716,862	22,021,169	19,193,248
Capital Assets, Net	358	72,326	2,831,224	916,004	73,600
Other Assets	9,949,776	16,071,471	13,334,222	24,266,354	20,408,030
Total Assets					
Liabilities:					
Current Payables Due to Primary Government	2,707	-	86,206	203,706	215,028
Other Current Payables	129,143	273,076	565,541	491,747	405,020
Long-Term Payables to Primary Government	10,723,890	16,582,192	469,366	11,133,485	12,752,437
Bonds and Other Long-Term Liabilities	734,535	1,938,802	6,724,367	7,683,019	4,622,010
Total Liabilities	11,590,275	18,794,070	7,845,480	19,511,957	17,994,495
Net Position:					
Net Investment in Capital Assets	(2,082,476)	(4,133,597)	2,450,146	5,402,646	4,299,475
Restricted Net Position	605,967	1,292,566	696,106	925,128	926,091
Unrestricted Net Position	(163,990)	118,432	2,342,490	(1,573,377)	(2,812,031)
Total Net Position	\$ (1,640,499)	\$ (2,722,599)	\$ 5,488,742	\$ 4,754,397	\$ 2,413,535
Condensed Statements of Revenues, Expenses, and Changes in Net Position					
	Tamarack Place	Rainier Vista NE	Leschi House	Kebero Court	Raven Terrace
Operating Revenues	\$ 1,118,134	\$ 1,742,744	\$ 898,829	\$ 1,556,972	\$ 1,164,983
Depreciation/Amortization	(365,976)	(699,680)	(368,661)	(791,592)	(836,412)
Other Operating Expenses	(931,761)	(1,235,388)	(678,039)	(1,061,586)	(890,275)
Operating Income (Loss)	(179,603)	(192,324)	(147,871)	(296,206)	(561,704)
Nonoperating Expense	(149,626)	(346,562)	(216,330)	(620,724)	(433,431)
Change in Net Position Before Partners' Contributions	(329,229)	(538,886)	(364,201)	(916,930)	(995,135)
Partners' Contributions	-	-	-	-	-
Net Position - Beginning of Year	(1,311,270)	(2,183,713)	5,852,943	5,671,327	3,408,670
Transfer to Blended Component Unit	-	-	-	-	-
Net Position - End of Year	\$ (1,640,499)	\$ (2,722,599)	\$ 5,488,742	\$ 4,754,397	\$ 2,413,535

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 17 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

Condensed Statements of Net Position					
	Hoa Mai Gardens	Red Cedar	New Holly Phase I	West Seattle Properties	Hinoki
Assets:	\$ 1,626,021	\$ 1,080,021	\$ 5,762,100	\$ 1,960,864	\$ 4,050,234
Cash and Cash Equivalents	26,689	83,226	82,092	352,702	167,665
Current Receivables from Primary Government	38,050,145	56,050,342	34,036,861	45,044,345	76,700,085
Capital Assets, Net	191,653	3,416,634	118,719	152,920	812,418
Other Assets	39,894,508	60,630,223	39,999,772	47,510,831	81,730,402
Total Assets					
Liabilities:					
Current Payables Due to Primary Government	230,590	393,573	6,180,822	561,843	689,317
Other Current Payables	328,872	601,203	763,457	446,850	3,658,151
Long-Term Payables to Primary Government	18,285,168	18,933,877	18,232,736	32,072,115	19,900,936
Bonds and Other Long-Term Liabilities	9,647,990	16,361,131	7,849,119	6,736,199	22,504,514
Total Liabilities	28,492,620	36,289,784	33,026,134	39,817,007	46,752,918
Net Position:					
Net Investment in Capital Assets	11,308,088	23,526,516	7,823,088	10,933,299	34,944,059
Restricted Net Position	1,549,257	734,411	5,248,362	1,834,840	3,813,757
Unrestricted Net Position	(1,455,457)	79,512	(6,097,812)	(5,074,315)	(3,780,332)
Total Net Position	\$ 11,401,888	\$ 24,340,439	\$ 6,973,638	\$ 7,693,824	\$ 34,977,484
Condensed Statements of Revenues, Expenses, and Changes in Net Position					
	Hoa Mai Gardens	Red Cedar	New Holly Phase I	West Seattle Properties	Hinoki
Operating Revenues	\$ 1,824,836	\$ 2,152,125	\$ 3,739,622	\$ 2,473,781	\$ 2,447,853
Depreciation/Amortization	(1,320,940)	(1,758,960)	(1,937,675)	(1,305,082)	(2,900,676)
Other Operating Expenses	(1,151,116)	(1,207,681)	(3,541,199)	(2,053,569)	(1,302,707)
Operating Income (Loss)	(647,220)	(814,516)	(1,739,252)	(884,870)	(1,755,530)
Nonoperating Expense	(633,980)	(837,340)	(523,089)	(1,242,441)	(724,227)
Change in Net Position Before Partners' Contributions	(1,281,200)	(1,651,856)	(2,262,341)	(2,127,311)	(2,479,757)
Partners' Contributions	-	-	-	-	-
Net Position - Beginning of Year	12,683,088	25,992,295	9,235,979	9,821,135	37,457,241
Transfer to Blended Component Unit	-	-	-	-	-
Net Position - End of Year	\$ 11,401,888	\$ 24,340,439	\$ 6,973,638	\$ 7,693,824	\$ 34,977,484

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 17 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

Condensed Statements of Net Position					
	Salish Landing	Sawara	Juniper	Jefferson Terrace	Total
Assets:	\$ 2,296,603	\$ 422,701	\$ 50,696,142	\$ 4,047,687	\$ 77,551,872
Cash and Cash Equivalents	152,829	98,967	-	79,715	1,337,088
Current Receivables from Primary Government	39,535,028	72,017,369	45,961,232	81,006,974	562,636,020
Capital Assets, Net	178,826	504,575	298,406	346,061	9,913,724
Other Assets	42,163,286	73,043,612	96,955,780	85,480,437	651,438,704
Total Assets					
Liabilities:					
Current Payables Due to Primary Government	1,725,939	12,734,828	(905,588)	3,064,988	25,183,959
Other Current Payables	414,482	23,932,492	5,469,617	29,592,762	67,072,413
Long-Term Payables to Primary Government	11,268,926	19,401,093	42,986,531	40,591,153	273,333,905
Bonds and Other Long-Term Liabilities	15,192,231	18,873,612	49,355,000	15,641,793	183,864,322
Total Liabilities	28,601,578	74,942,025	96,905,560	88,890,696	549,454,599
Net Position:	14,339,333	15,226,348	(43,685,449)	(422,182)	79,929,294
Net Investment in Capital Assets	396,822	64,750	50,621,755	3,292,413	72,002,225
Restricted Net Position	(1,174,447)	(17,189,511)	(6,886,086)	(6,280,490)	(49,947,414)
Unrestricted Net Position					
Total Net Position	\$ 13,561,708	\$ (1,898,413)	\$ 50,220	\$ (3,410,259)	\$ 101,984,105
Condensed Statements of Revenues, Expenses, and Changes in Net Position					
	Salish Landing	Sawara	Juniper	Jefferson Terrace	Total
Operating Revenues	\$ 1,466,259	\$ 421,465	\$ -	\$ 2,230,904	\$ 23,238,507
Depreciation/Amortization	(1,333,448)	(1,414,909)	-	(1,472,595)	(16,506,606)
Other Operating Expenses	(690,126)	(534,769)	-	(2,507,072)	(17,785,288)
Operating Income (Loss)	(557,315)	(1,528,213)	-	(1,748,763)	(11,053,387)
Nonoperating Expense	(403,461)	(449,189)	-	486,507	(6,093,893)
Change in Net Position Before Partners' Contributions	(960,776)	(1,977,402)	-	(1,262,256)	(17,147,280)
Partners' Contributions	13,156,499	-	-	-	13,156,499
Net Position - Beginning of Year	1,365,985	78,989	50,220	(2,148,003)	105,974,886
Transfer to Blended Component Unit	-	-	-	-	-
Net Position - End of Year	\$ 13,561,708	\$ (1,898,413)	\$ 50,220	\$ (3,410,259)	\$ 101,984,105

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 18 POLLUTION REMEDIATION

A. Other Sites

At Othello Corner, the Authority has been negotiating with Chevron for several years related to a site purchased in 2007. The settlement agreement was completed in May 2021 and the Authority received \$916,191 in accordance with the agreement. Cleanup of the site continues to be delayed into 2024 and the Authority incurred consulting costs of approximately \$3,875 during 2024. Total cost of the cleanup is expected not to exceed \$1,700,000, which will offset the settlement received in 2021.

NOTE 19 SUBSEQUENT EVENTS

On December 31, 2024, the Authority completed two exits of component units/discretely presented partnerships. The dissolution of the partnerships will result in all equity interest and all assets to subsequently transfer to Seattle Housing Authority as the sole owner on January 1, 2025. The 2025 financial statements will reflect a restatement of this change in ownership. The two legal partnerships dissolved in 2025 are Tamarack Place and Rainier Vista NE.

Tamarack Place is a separate legal entity created on October 15, 2008. The limited partnership investment of 99.9% will transfer to the Authority January 1, 2025. The change from FASB to GASB financial reporting will result in the leased land on each partnership to be eliminated and shown as a loss on the transfer of assets from component unit to Authority owned assets. Other due to primary government transactions will be eliminated and restated in 2025. The WCRA loan on Tamarack Place due in the amount of \$761,208 as of December 31, 2024 was paid by the Authority as agreed by the withdrawal of the limited partner. The full loan was paid off January 2, 2025 and was the legal responsibility of the Authority in 2025.

Rainier Vista NE is a separate legal entity created on January 29, 2010. The limited partnership investment of 99.9% will transfer to the Authority January 1, 2025. The change from FASB to GASB financial reporting will result in the leased land on each partnership to be eliminated and shown as a loss on the transfer of assets from component unit to Authority owned assets. Other due to primary government transactions will be eliminated and restated in 2025. The US Bank loan on Rainier Vista NE due in the amount of \$2,011,626 as of December 31, 2024 Authority as agreed by the withdrawal of the limited partner. The full loan was paid off January 2, 2025 and was the legal responsibility of the Authority in 2025.

REQUIRED SUPPLEMENTARY INFORMATION

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET AND LIABILITY
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
PERS 1										
Proportion of the Net Pension Liability	0.279123%	0.285530%	0.286530%	0.288160%	0.278146%	0.309220%	0.296084%	0.292017%	0.297372%	0.330623%
Proportionate Share of the Net Pension Liability	\$ 14,600,729	\$ 15,334,306	\$ 13,596,072	\$ 12,869,324	\$ 10,695,702	\$ 10,917,137	\$ 3,615,880	\$ 8,130,827	\$ 6,788,206	\$ 5,874,637
Covered Payroll Through the Measurement Date	\$ 252,404	\$ 223,081	\$ 137,438	\$ 42,626	\$ 40,303	\$ -	\$ -	\$ -	\$ -	\$ -
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	5784.67%	6873.87%	9892.51%	30191.25%	26538.23%	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%	88.74%	76.56%	80.16%	84.05%
PERS 2/3										
Proportion of the Net Pension Liability	0.354073%	0.360458%	0.365225%	0.368896%	0.358294%	0.401177%	0.380209%	0.380539%	0.383810%	0.426666%
Proportionate Share of the Net Pension Asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,874,935	\$ 14,113,359	\$ 15,731,155	\$ 14,065,357
Proportionate Share of the Net Pension Liability	\$ 12,651,234	\$ 18,148,776	\$ 12,689,823	\$ 6,298,571	\$ 3,480,253	\$ 5,130,825	\$ -	\$ -	\$ -	\$ -
Covered Payroll Through the Measurement Date	\$ 31,546,379	\$ 33,932,176	\$ 36,047,071	\$ 38,413,259	\$ 40,454,205	\$ 44,101,290	\$ 47,459,117	\$ 47,808,978	\$ 53,742,936	\$ 64,371,889
Proportionate Share of the Net Pension Liability as of Percentage of Covered Payroll	40.10%	53.49%	35.20%	16.40%	8.60%	11.63%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%	120.29%	106.73%	107.02%	105.17%

Notes:

Changes in Benefit Terms:

There were no changes in the benefit terms for pension plans.

Changes of Assumptions:

In 2015, the assumptions were as follows: economic inflation rate was 3%, salary inflation rate was 3.75%, discount rate was 7.5%, mortality rates used were based on the RP-2000 Combined Health Table and Combined Disabled Table and projected using 100% Scale BB, and assumptions were based on the results of the Office of the State Actuaries' (OSA) 2007-2012 Experience Study.

In 2018, the assumptions were changed for the following: economic inflation rate was 2.75%, salary inflation rate was 3.5%, and the discount rate was 7.4%.

In 2020, mortality rates used were based on PubG.H-2010 table and projected using long-term rates of the MP-2017 generational improvement scale and the assumption for the Experience Study used was changed to the OSA's 2013-2018 Experience Study Report and 2019 Economic Experience Study.

In 2022, Joint-and-Survivor Factors and Early Retirement Factors were updated. Also, the investment return assumption was reduced from 7.5% to 7.0% and the salary growth assumption was reduced from 3.5% to 3.25%.

GASB Statement No. 68 was adopted in 2015; prior years' data not available.

Beginning in 2020, the Authority had no active PERS 1 employees.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
PERS 1										
Contractually Required Contribution	\$ 22,792	\$ 22,957	\$ 7,396	\$ 5,846	\$ 2,034	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	(22,792)	(22,957)	(7,396)	(5,846)	(2,034)	-	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 223,273	\$ 205,337	\$ 63,272	\$ 45,856	\$ 15,860	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered-Employee Payroll	10.21%	11.18%	11.69%	12.75%	12.82%	0.00%	0.00%	0.00%	0.00%	0.00%
PERS 2/3										
Contractually Required Contribution	\$ 3,329,025	\$ 3,918,248	\$ 4,433,870	\$ 5,038,768	\$ 5,406,866	\$ 5,902,688	\$ 5,558,664	\$ 5,165,785	\$ 5,735,255	\$ 6,759,630
Contributions in Relation to the Contractually Required Contribution	(3,329,025)	(3,918,248)	(4,433,870)	(5,038,768)	(5,406,866)	(5,902,688)	(5,558,664)	(5,165,785)	(5,735,255)	(6,759,630)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 32,579,187	\$ 35,044,215	\$ 37,096,578	\$ 39,553,027	\$ 42,087,118	\$ 45,770,499	\$ 47,807,453	\$ 50,138,963	\$ 57,965,649	\$ 72,851,662
Contributions as a Percentage of Covered-Employee Payroll	10.22%	11.18%	11.95%	12.74%	12.85%	12.90%	11.63%	10.30%	9.89%	9.28%

Notes:

Changes in Benefit Terms:

There were no changes in the benefit terms for pension plans.

Changes of Assumptions:

In 2015, the assumptions were as follows: economic inflation rate was 3%, salary inflation rate was 3.75%, discount rate was 7.5%, mortality rates used were based on the RP-2000 Combined Health Table and Combined Disabled Table and projected using 100% Scale BB, and assumptions were based on the results of the Office of the State Actuaries' (OSA) 2007-2012 Experience Study.

In 2018, the assumptions were changed for the following: economic inflation rate was 2.75%, salary inflation rate was 3.5%, and the discount rate was 7.4%.

In 2020, mortality rates used were based on PubG.H-2010 table and projected using long-term rates of the MP-2017 generational improvement scale and the assumption for the Experience Study used was changed to the OSA's 2013-2018 Experience Study Report and 2019 Economic Experience Study.

In 2022, Joint-and-Survivor Factors and Early Retirement Factors were updated. Also, the investment return assumption was reduced from 7.5% to 7.0% and the salary growth assumption was reduced from 3.5% to 3.25%.

GASB Statement No. 68 was adopted in 2015; prior years' data not available.

Beginning in 2020, the Authority had no active PERS 1 employees.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
LAST TEN FISCAL YEARS

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability:							
Service Cost	\$ 137,862	\$ 143,357	\$ 127,968	\$ 155,487	\$ 172,939	\$ 146,074	\$ 110,511
Interest Cost	71,892	57,540	70,737	44,046	39,451	29,078	48,788
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	226,248	-	(117,881)	-	(450,023)	-	(29,477)
Changes of Assumptions	(621,629)	(93,255)	(180,902)	84,896	(138,887)	(194,773)	803,965
Benefit Payments	(69,000)	(28,797)	(50,751)	(39,422)	(57,570)	(34,271)	(55,753)
Net Changes in Total OPEB Liability	(254,627)	78,845	(150,829)	245,007	(434,090)	(53,892)	878,034
Total OPEB Liability - Beginning	1,798,221	1,543,594	1,622,439	1,471,610	1,716,617	1,282,527	1,228,635
Total OPEB Liability - Ending	<u>\$ 1,543,594</u>	<u>\$ 1,622,439</u>	<u>\$ 1,471,610</u>	<u>\$ 1,716,617</u>	<u>\$ 1,282,527</u>	<u>\$ 1,228,635</u>	<u>\$ 2,106,669</u>
Covered-Employee Payroll	\$ 41,293,112	\$ 41,293,112	\$ 38,217,798	\$ 38,217,798	\$ 58,339,316	\$ 58,339,318	\$ 66,229,210
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.74%	3.93%	3.85%	4.49%	2.20%	2.11%	3.18%

Notes:

Schedule of contributions is not required as funding is not based on actuarially determined contributions and contributions are neither statutorily nor contractually established.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Material assumption changes during the measurement period include updating the discount rate as of each measurement date, as required by GASB Statement No. 75. The discount rate used for the 2018 total OPEB liability was 3.44% and the discount rate used for the 2019 OPEB liability was 4.10%, resulting in a reduction of the total OPEB liability. The discount rate used for the 2020 total OPEB liability was 4.10% and the discount rate used for the 2021 OPEB liability was 2.74%, resulting in a reduction of the total OPEB liability. The discount rate used for 2022 was 2.06%, resulting in an additional reduction of the total OPEB liability. The healthcare trend rate also decreased from 7.15% to 6.53%.

GASB Statement No. 75 was adopted in 2018; prior years' data not available.

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION INFORMATION

This section provides additional information regarding the Authority in the following categories:

<u>Contents</u>	<u>Page</u>
Financial Trends Show how the Authority's financial position has changed over time.	91-92
Revenue Capacity The tables in this section show the Authority's ability to generate revenue.	93-94
Debt Capacity Shows the Authority's debt burden over time and provides information on the ability to issue debt.	95-96
Demographics and Economic Statistics The tables in this section portray the socioeconomic environment and provide information to allow comparisons over time and comparisons to other governments.	97-101
Operating Information The purpose of these tables is to show the Authority's operations and provide information to assess the government's economic condition.	102-107

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NET POSITION BY COMPONENT – PRIMARY GOVERNMENT
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total
2015	\$ 223,534,799	\$ 13,578,114	\$ 243,740,195	\$ 480,853,108
2016	242,874,725	14,808,756	259,687,843	517,371,324
2017 (a)	260,634,170	34,443,955	266,899,301	561,977,426
2018 (b)	314,522,771	31,295,592	286,775,327	632,593,690
2019 (c)	298,993,267	72,470,937	307,880,727	679,344,931
2020	302,066,288	91,525,732	332,845,486	726,437,506
2021 (d)	291,831,877	176,756,565	350,384,804	818,973,246
2022 (e)	296,871,254	220,369,674	408,699,425	925,940,353
2023	409,869,370	190,414,164	392,843,177	993,126,711
2024	480,410,490	159,917,179	448,622,203	1,088,949,872

Notes:

- (a) Net position for 2017 was restated as a result of the merger with Desdemona Limited Partnership and Escallonia Limited Partnership, component units of the Authority and as a result of GASB Statement No. 75.
- (b) Net position for 2018 was restated as a result of the merger with Ritz Apartments Limited Partnership.
- (c) Net position for 2019 was restated as a result of the merger with High Point North Limited Partnership and the acquisition of the S.P.A.C.E. Foundation.
- (d) Net position for 2021 was restated as a result of the merger with Alder Crest Limited Partnership, a component unit of the Authority.
- (e) Net position for 2022 was restated as a result of the merger with homeWorks Partnerships I, II and III and High Point South, component units of the Authority.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
CHANGE IN NET POSITION – PRIMARY GOVERNMENT
LAST TEN FISCAL YEARS
(UNAUDITED)

	2015	2016	2017 (a)	2018 (b)	2019 (c)	2020	2021 (d)	2022 (e)	2023	2024
OPERATING REVENUES										
Tenant Rentals	\$ 22,837,426	\$ 23,540,026	\$ 26,239,514	\$ 24,669,439	\$ 30,594,413	\$ 32,260,851	\$ 34,327,236	\$ 37,826,561	\$ 57,435,622	\$ 56,047,862
Housing Assistance Payment Subsidies	115,101,121	126,672,548	128,201,000	152,967,302	156,685,178	173,524,270	187,239,208	208,667,831	229,024,279	267,955,403
Operating Subsidies and Grants	29,245,755	31,641,807	34,150,522	36,755,420	41,844,957	46,906,549	45,741,581	46,384,782	47,185,238	53,370,532
Other	28,511,890	21,451,962	43,158,723	46,572,501	66,845,268	50,000,158	77,648,023	52,990,694	26,833,349	27,588,483
Total Operating Revenues	195,696,192	203,306,343	231,749,759	260,964,662	295,969,816	302,691,828	344,956,048	345,869,868	360,478,488	404,962,280
OPERATING EXPENSES										
Housing Operations and Administration	49,455,950	51,948,733	54,637,955	54,799,142	61,031,848	65,586,746	60,264,333	71,201,636	68,294,421	76,578,878
Tenant Services	5,072,113	4,878,898	4,695,275	4,973,614	5,682,197	7,385,417	7,217,838	9,136,277	28,544,894	14,185,398
Utility Services	6,045,785	6,061,780	6,373,419	5,827,961	7,097,608	7,888,138	8,090,097	7,821,078	12,377,307	12,860,538
Maintenance	18,481,187	18,552,983	20,691,487	19,937,245	22,143,892	26,771,433	25,689,903	26,362,785	33,727,170	41,964,927
Housing Assistance Payments	82,775,844	88,541,664	97,660,333	102,181,935	114,785,518	128,335,785	134,773,828	142,100,508	158,709,262	167,368,445
Other	3,344,964	736,987	4,101,298	4,940,844	9,126,037	7,225,324	7,036,219	6,167,087	6,222,781	13,223,101
Depreciation and Amortization	9,314,799	9,230,730	11,716,648	11,804,649	14,397,213	14,602,298	14,631,694	17,203,529	19,137,674	18,850,124
Total Operating Expenses	174,490,642	179,951,775	199,876,415	204,465,390	234,264,313	257,795,141	257,703,912	279,992,900	327,013,509	345,031,411
OPERATING INCOME	21,205,550	23,354,568	31,873,344	56,499,272	61,705,503	44,896,687	87,252,136	65,876,968	33,464,979	59,930,869
NONOPERATING REVENUES										
(EXPENSES)										
Interest Expense	(4,572,533)	(3,979,539)	(4,541,717)	(2,850,195)	(4,077,588)	(6,410,520)	(5,696,685)	(5,215,161)	(5,501,807)	(6,967,981)
Interest Income	3,520,102	3,947,513	7,003,861	5,716,585	7,123,468	4,352,847	2,653,363	9,200,605	19,673,721	19,331,802
Change in Fair Value of Investments	(1,704)	(32,797)	31,103	(13,011)	204,103	(4,107)	(52,702)	(491,028)	301,872	217,733
Insurance Proceeds, Net	-	1,157,909	-	404,523	-	467,645	-	-	-	-
Loss from Refinancing	-	-	-	(606,336)	-	(1,546,053)	(1,050,000)	-	-	-
(Loss) Gain on Investment in Limited Partnerships	(1,160)	(1,230,014)	(2,266,676)	3,182,714	(1,182,699)	(2,440,728)	3,196,664	23,584,186	743,075	(1,509)
Disposition of Assets	(403,789)	(73,161)	-	(2,487,637)	(30,343,160)	(32,734)	(5,050,414)	-	(454,815)	(40,580)
Nonoperating Revenues (Expenses), Net	(1,459,084)	(210,089)	226,571	3,346,643	(28,275,876)	(5,613,650)	(5,999,774)	27,078,602	14,762,046	12,539,465
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	19,746,466	23,144,479	32,099,915	59,845,915	33,429,627	39,283,037	81,252,362	92,955,570	48,227,025	72,470,334
Capital Contributions	13,208,823	15,221,989	11,833,838	10,308,247	12,271,789	8,145,562	11,283,378	14,011,535	18,959,339	23,352,823
INCREASE IN NET POSITION	32,955,289	38,366,468	43,933,753	70,154,162	45,701,416	47,428,599	92,535,740	106,967,105	67,186,364	95,823,157
Net Position - Beginning of Year	447,897,819	480,853,108	519,219,576	563,153,329	633,307,491	679,008,907	726,437,506	818,973,246	925,940,351	993,126,715
NET POSITION - END OF YEAR	<u>\$ 480,853,108</u>	<u>\$ 519,219,576</u>	<u>\$ 563,153,329</u>	<u>\$ 633,307,491</u>	<u>\$ 679,008,907</u>	<u>\$ 726,437,506</u>	<u>\$ 818,973,246</u>	<u>\$ 925,940,351</u>	<u>\$ 993,126,715</u>	<u>\$ 1,088,949,872</u>

Notes:

- (a) Net position for 2017 was restated as a result of the merger with Desdemona Limited Partnership and Escallonia Limited Partnership, component units of the Authority and as a result of GASB Statement No. 75.
(b) Net position for 2018 was restated as a result of the merger with Ritz Apartments Limited Partnership.
(c) Net position for 2019 was restated as a result of the merger with High Point Limited Partnership and acquisition of S.P.A.C.E. Foundation.
(d) Net position for 2021 was restated as a result of the merger with Alder Crest Limited Partnership.
(e) Net position for 2022 was restated as a result of the merger with homeWorks I, II and III and High Point South Limited Partnerships.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
OPERATING REVENUES BY SOURCE – PRIMARY GOVERNMENT
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Tenant Rentals		Housing Assistance Payment Subsidies		Operating Subsidies and Grants		Other		Total	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
2015	\$ 22,837,426	11.7 %	\$ 115,101,121	58.8 %	\$ 29,245,755	14.9 %	\$ 28,511,890	14.6 %	\$ 195,696,192	100.0 %
2016	23,540,026	11.6	126,672,548	62.3	31,641,807	15.6	21,451,962	10.5	203,306,343	100.0
2017 (a)	26,239,514	11.3	128,201,000	55.3	34,150,522	14.8	43,158,723	18.6	231,749,759	100.0
2018 (b)	24,407,125	9.4	152,967,302	58.7	36,755,420	14.1	46,570,077	17.8	260,699,924	100.0
2019 (c)	30,894,413	10.4	156,685,178	52.9	41,844,957	14.1	66,845,268	22.6	296,269,816	100.0
2020	32,260,851	10.6	173,524,270	57.8	46,906,549	15.1	50,000,158	16.5	302,691,828	100.0
2021 (d)	34,327,236	10.0	187,239,208	54.0	45,741,581	13.0	77,648,023	23.0	344,956,048	100.0
2022 (e)	37,826,561	11.0	208,667,831	60.3	46,384,782	13.4	52,990,694	15.3	345,869,868	100.0
2023	57,435,622	16.0	229,024,279	63.5	47,185,238	13.1	26,833,345	7.4	360,478,484	100.0
2024	56,047,862	14.0	267,955,403	67.1	53,370,532	13.3	27,588,483	5.6	404,962,280	100.0

Notes:

- (a) Year 2017 was restated due to the merger with Desdemona Limited Partnership and Escallonia, component units of the Authority.
- (b) Year 2018 was restated due to the merger with Ritz Apartments Limited Partnership, a component unit of the Authority.
- (c) Year 2019 was restated due to the merger with High Point North Limited Partnership, a component unit of the Authority, and the acquisition of the S.P.A.C.E. Foundation, a blended component unit.
- (d) Year 2021 was restated due to the merger with Alder Crest Limited Partnership, a component unit of the Authority.
- (e) Year 2022 was restated due to the mergers with homeWorks I, II and III and High Point South, component units of the Authority.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NONOPERATING REVENUES BY SOURCE – PRIMARY GOVERNMENT
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Interest Income		Change in Fair Value of Investments		Insurance Proceeds, Net		Gain (Loss) on Investment in Limited Partnerships		Total	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
2015	\$ 3,520,102	100.0 %	\$ (1,704)	(0.0)%	\$ -	- %	\$ (1,160)	(0.0)%	\$ 3,517,238	99.9 %
2016	3,947,513	102.8	(32,797)	(0.9)	1,157,909	30.1	(1,230,014)	(32.0)	3,842,611	100.0
2017 (a)	7,003,861	194.9	31,103	0.9	-	-	(3,442,579)	(95.8)	3,592,385	99.9
2018 (b)	5,716,585	66.7	(13,011)	(0.2)	404,523	4.7	2,468,913	28.8	8,577,010	100.0
2019 (c)	7,123,468	115.9	204,103	3.3	-	-	(1,182,699)	(19.2)	6,144,872	100.0
2020	4,352,847	183.2	(4,107)	(0.2)	467,645	19.7	(2,440,728)	(102.7)	2,375,657	100.0
2021 (d)	2,653,363	45.8	(52,702)	(0.9)	-	-	3,196,664	55.1	5,797,325	100.0
2022 (e)	9,200,605	28.5	(491,028)	(1.5)	-	-	23,584,186	73.0	32,293,763	100.0
2023	19,673,721	95.0	301,872	1.4	-	-	743,075	3.6	20,718,668	100.0
2024	19,331,802	99.8	217,733	1.1	-	-	(1,509)	(0.9)	19,548,026	100.0

Notes:

- (a) Year 2017 was restated due to the merger with Desdemona Limited Partnership and Escallonia Limited Partnership, component units of the Authority.
- (b) Year 2018 was restated due to the merger with Ritz Apartments Limited Partnership, a component unit of the Authority.
- (c) Year 2019 was restated due to the merger with High Point North Limited Partnership, a component unit of the Authority.
- (d) Year 2021 was restated due to the merger with Alder Crest Limited Partnership, a component unit of the Authority.
- (e) Year 2022 was restated due to the mergers with homeWorks I, II and III and High Point South, component units of the Authority.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
SCHEDULE OF GENERAL REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Debt Service		Total Debt Service	General Expenses	Ratio of Debt Service to General Expenses
	Principal	Interest			
Gamelin/Genesee 2015 Bond Refunding					
2016	\$ 125,000	\$ 120,446	\$ 245,446	\$ 182,271	1.3
2017	125,000	121,631	246,631	187,057	1.3
2018	125,000	122,234	247,234	157,020	1.6
2019	135,000	117,963	252,963	156,599	1.6
2020	135,000	117,505	252,505	152,458	1.7
2021	135,000	112,782	247,782	164,509	1.5
2022	140,000	108,868	248,868	166,499	1.5
2023	145,000	104,388	249,388	142,513	1.7
2024	145,000	99,458	244,458	150,865	1.6
2018 Bond Refunding					
2019	810,000	1,152,500	1,962,500	2,315,321	0.8
2020	815,000	1,144,867	1,959,867	2,482,297	0.8
2021	840,000	1,122,639	1,962,639	2,221,957	0.9
2022	860,000	1,104,579	1,964,579	2,428,771	0.8
2023	860,000	1,084,799	1,944,799	2,582,074	0.8
2024	880,000	1,062,224	1,942,224	3,104,756	0.6
Northgate 2021 Bond Refunding					
2021	-	401,844	401,844	2,685,602	0.1
2022	-	676,000	676,000	1,415,275	0.5
2023	-	676,000	676,000	2,666,324	0.3
2024	-	676,000	676,000	1,632,989	0.4

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
RATIO OF DEBT TO CAPITAL ASSETS – PRIMARY GOVERNMENT
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Bonds Payable	Notes Payable	Leases Payable	Subscription Arrangements	Total Obligations	Capital Assets, Net	Ratio of Total Debt to Capital Assets	Ratio of Debt for Housing Units to Total Debt (a)
2015	\$ 65,436,551	\$ 39,990,204	\$ -	\$ -	\$ 105,426,755	\$ 306,245,985	34.43	42.15
2016	50,175,000	36,948,841	-	-	87,123,841	317,607,863	27.43	32.57
2017 (b)	35,244,999	36,796,574	-	-	72,041,573	372,803,550	19.32	15.65
2018 (c)	62,540,000	21,936,819	-	-	84,476,819	399,599,068	21.14	22.74
2019 (d)	68,892,373	88,938,910	-	-	157,831,283	515,681,588	30.61	29.47
2020	59,710,000	165,481,246	-	-	225,191,246	517,170,523	43.54	28.72
2021 (e)	125,960,000	101,250,192	2,477,940	-	229,688,132	510,581,939	44.99	28.72
2022 (f)	135,827,949	106,911,397	629,466	-	243,368,812	594,391,420	40.94	30.39
2023	100,108,131	106,548,349	108,938	1,276,157	208,041,575	613,353,782	33.92	31.00
2024	99,130,075	105,024,641	43,638	951,438	205,149,792	682,674,768	30.05	37.92

Notes:

- (a) Housing Units count excludes Section 8 units not owned by the Authority and excludes units owned by component units where the related debt is held by the component unit.
- (b) 2017 was restated due to the merger with Desdemona Limited Partnership and Escallonia Limited Partnership, component units of the Authority.
- (c) 2018 was restated due to the merger with Ritz Apartments Limited Partnership, a component unit of the Authority.
- (d) 2019 was restated due to the merger with High Point North Limited Partnership, a component unit of the Authority.
- (e) 2021 was restated due to the merger with Alder Crest Limited Partnership, a component unit of the Authority.
- (f) 2022 was restated due to the mergers with homeWorks I, II and III and High Point South, component units of the Authority.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
TENANT DEMOGRAPHICS – POPULATION STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Public Housing Program

<u>Calendar Year</u>	<u>Adults</u>	<u>Elderly</u>	<u>Minors</u>	<u>Total Number of Tenants</u>	<u>Nonelderly Disabled</u>
2015	4,582	2,073	3,003	9,658	1,655
2016	4,603	2,883	3,133	10,619	1,738
2017	4,442	3,118	2,924	10,484	1,581
2018	4,873	2,311	3,209	10,393	1,485
2019	4,756	2,346	3,092	10,194	1,684
2020	4,637	2,366	2,939	9,942	1,774
2021 (a)	3,569	2,288	2,374	8,231	1,187
2022	3,456	2,071	2,430	7,957	1,148
2023	3,412	2,244	2,223	7,879	980
2024	3,232	2,266	2,107	7,605	865

Section 8 Program (b)

<u>Calendar Year</u>	<u>Adults</u>	<u>Elderly</u>	<u>Minors</u>	<u>Total Number of Tenants</u>	<u>Nonelderly Disabled</u>
2015	8,252	2,695	5,639	16,586	3,387
2016	8,185	2,621	5,880	16,686	3,480
2017	8,122	2,964	5,582	16,668	3,585
2018	8,194	3,187	5,547	16,928	3,559
2019	8,438	3,387	5,971	17,796	3,634
2020	8,911	3,696	6,049	18,656	3,743
2021	9,186	3,685	6,187	19,058	3,797
2022	9,292	3,610	6,279	19,181	3,851
2023	9,507	4,085	5,988	19,580	3,631
2024	9,957	4,064	6,558	20,579	3,877

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
TENANT DEMOGRAPHICS – POPULATION STATISTICS (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

Senior and Local Housing Programs (c)

Calendar Year	Adults	Elderly	Minors	Total Number of Tenants	Nonelderly Disabled
2015	929	1,136	442	2,507	91
2016	1,138	1,117	549	2,804	83
2017 (c)	1,129	1,087	575	2,791	83
2018 (d)	790	1,134	491	2,415	77
2019	1,487	1,107	728	3,322	31
2020	2,003	1,100	627	3,730	83
2021 (e)	1,694	1,483	736	3,913	121
2022	1,843	1,337	866	4,046	154
2023 (f)	1,942	1,320	886	4,148	110
2024	1,900	1,428	1,051	4,379	128

Agency-Wide Totals

Calendar Year	Adults	Elderly	Minors	Total Number of Tenants	Nonelderly Disabled
2015	13,763	5,904	9,084	28,751	5,133
2016	13,864	5,723	9,562	29,149	5,256
2017	13,693	7,169	9,081	29,943	5,249
2018	13,857	6,632	9,247	29,736	5,121
2019	14,681	6,840	9,791	31,312	5,349
2020	15,551	7,162	9,615	32,328	5,600
2021	14,449	7,456	9,297	31,202	5,105
2022	14,591	7,018	9,575	31,184	5,153
2023	14,861	7,649	9,097	31,607	4,721
2024	15,089	7,758	9,716	32,563	4,870

Notes:

- (a) Effective 2009, Senior and Local Housing programs include tenants from privately managed properties.
- (b) Excludes 37 households whose age is unknown
- (c) Excludes 58 households whose age is unknown
- (d) Excludes 30 residents whose age is unknown
- (e) Excludes 37 residents whose age is unknown
- (f) Excludes 93 residents whose age is unknown

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
REGIONAL DEMOGRAPHICS – POPULATION STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	King County Population (a)	Seattle Population (a)	Per Capita Income King County (b)	Per Capita Income King Metro Region (b)	Public School Enrollment (d)	King County Average Annual Unemployment Rate (c)
2015	2,052,800	662,400	\$ 74,802	\$ 63,623	53,844	4.5 %
2016	2,105,100	686,800	79,742	66,358	54,489	3.4
2017	2,153,700	713,700	84,542	69,913	55,007	3.6
2018	2,190,200	730,400	88,308	72,685	55,185	3.3
2019	2,226,300	747,300	95,083	77,788	55,417	2.1
2020	2,260,800	737,015	99,734	82,345	54,141	6.8
2021	2,287,050	742,400	108,212	89,274	51,764	3.2
2022	2,317,700	762,500	N/A	N/A	51,608	2.8
2023	2,347,800	779,200	N/A	N/A	50,581	3.5
2024	2,378,100	797,700	N/A	N/A	50,554	4.1

Notes:

- (a) As of April 1. Source: Washington State Office of Financial Management, 2023 Population Trends for Washington State estimates only.
- (b) Source: U.S. Bureau of Economic Analysis, 2022 is most current available.
- (c) Preliminary source: Washington State Employment Security Department.
- (d) Source: Seattle Public Schools P 233 Enrollment Report September 2023 (pre-adjusted).

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
PRINCIPAL INDUSTRIES
LAST TEN FISCAL YEARS
(UNAUDITED)

Industry	2024			2023			2022		
	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment	Rank
Professional and Technical	155,908	10.43%	1	158,200	10.61 %	1	158,100	10.69 %	1
Information	129,567	8.67	2	135,600	9.09	2	141,300	9.56	2
Retail Trade	106,833	7.15	3	107,700	7.22	3	107,400	7.27	3
Local Government	109,142	7.30	4	106,500	7.14	4	102,700	6.95	4
Food Services and Drinking Places	96,192	6.44	5	96,200	6.45	5	90,400	6.12	5
Management of Companies	85,275	5.71	6	83,900	5.63	6	89,500	6.05	6
Administrative and Waste Services	73,183	4.90	7	74,900	5.02	7	77,200	5.22	7
Manufacturing Durable Goods	67,800	4.54	8	70,000	4.69	8	66,900	4.53	8
Transportation and Warehousing	66,267	4.43	9	65,900	4.42	9	65,200	4.41	9
Ambulatory Healthcare Services	65,650	4.39	10	63,600	4.27	10	62,000	4.19	10
Wholesale Trade	60,800	4.07	11	63,200	4.24	11	61,900	4.19	11
Total	860,709	68.03 %		867,500	68.78 %		864,500	69.18 %	

Industry	2021			2020			2019		
	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment	Rank
Professional and Technical	144,400	10.23 %	1	135,100	9.76 %	1	121,600	8.28 %	2
Information	134,300	9.51	2	127,800	9.24	2	112,600	7.67	3
Retail Trade	114,200	8.09	3	105,500	7.63	3	133,300	9.08	1
Local Government	100,300	7.11	4	100,900	7.29	4	105,300	7.17	4
Food Services and Drinking Places	77,100	5.46	6	74,000	5.35	6	103,300	7.04	5
Management of Companies	80,700	5.72	5	82,300	5.95	5	74,100	5.05	7
Administrative and Waste Services	72,000	5.10	7	69,300	5.01	8	74,000	5.04	8
Manufacturing Durable Goods	64,300	4.56	8	71,000	5.13	7	79,700	4.25	10
Transportation and Warehousing	59,600	4.22	10	59,500	4.30	9	62,000	5.43	6
Ambulatory Healthcare Services	61,000	4.32	9	59,100	4.27	11	62,400	4.22	11
Wholesale Trade	59,000	4.18	11	59,300	4.29	10	64,200	4.37	9
Total	822,500	68.50 %		808,700	68.22 %		758,300	67.60 %	

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
PRINCIPAL INDUSTRIES (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

Industry	2018			2017			2016		
	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment	Rank
Professional and Technical	111,000	7.75 %	3	102,900	7.36 %	3	96,200	7.09 %	5
Information	113,700	7.94	2	114,400	8.18	2	113,700	8.38	2
Retail Trade	128,900	9.00	1	124,400	8.90	1	120,800	8.90	1
Local Government	103,100	7.20	4	100,600	7.20	4	98,100	7.23	3
Food Services and Drinking Places	102,600	7.16	5	99,800	7.14	5	96,200	7.09	4
Management of Companies	67,700	4.73	8	63,100	4.51	9	53,700	3.96	11
Administrative and Waste Services	72,600	5.07	7	72,100	5.16	7	71,200	5.25	7
Manufacturing Durable Goods	77,400	5.40	6	77,100	5.52	6	79,800	5.88	6
Transportation and Warehousing	60,100	4.19	11	58,000	4.15	11	54,700	4.03	10
Ambulatory Healthcare Services	61,400	4.29	10	59,700	4.27	10	57,300	4.22	9
Wholesale Trade	65,000	4.54	9	64,700	4.63	8	63,000	4.64	8
Total	<u>738,800</u>	<u>67.27 %</u>		<u>719,500</u>	<u>67.02 %</u>		<u>808,500</u>	<u>66.67 %</u>	

Industry	2015		
	Number of Employees	Percentage of Employment	Rank
Professional and Technical	88,900	6.78 %	5
Information	112,500	8.58	2
Retail Trade	116,000	8.84	1
Local Government	95,200	7.26	3
Food Services and Drinking Places	92,600	7.06	4
Management of Companies	48,300	3.68	11
Administrative and Waste Services	70,000	5.34	7
Manufacturing Durable Goods	82,200	6.27	6
Transportation and Warehousing	51,800	3.95	10
Ambulatory Healthcare Services	55,000	4.19	9
Wholesale Trade	62,300	4.75	8
Total	<u>785,900</u>	<u>66.70 %</u>	

Source: Washington Employment Security Department Labor Market and Economic Analysis. Prior years data was updated in September 2022.
Data provided for King County, which includes the Seattle Metropolitan Area and other surrounding communities.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
NUMBER OF UNITS BY PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Public Housing</u>	<u>Section 8</u>	<u>Senior Housing</u>	<u>Other Housing Programs (i)</u>	<u>Hope VI Nonpublic Units (i)</u>	<u>Total</u>
2015 (a)	5,146	11,248	1,029	929	596	18,948
2016 (b)	5,146	11,262	1,030	961	596	18,995
2017 (c)	5,139	11,299	1,030	1,102	739	19,309
2018	5,139	11,414	1,030	1,177	739	19,499
2019 (d)	5,000	11,774	1,030	1,510	739	20,053
2020 (e)	4,876	11,935	1,030	1,486	739	20,066
2021 (f)	4,648	12,728	1,030	2,072	739	21,217
2022 (g)	4,349	12,906	1,030	2,386	739	21,410
2023 (h)	4,349	13,312	1,030	2,626	739	22,056
2024	4,349	13,189	1,030	2,837	739	22,144

HOUSEHOLDS SERVED AND WAITING LIST DATA
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Total Households Served (a)</u>	<u>Total Households on Waiting Lists (b)</u>
2015	13,516	8,481
2016	13,526	7,380
2017	13,471	10,526
2018	13,703	8,962
2019	14,694	7,689
2020	15,163	9,552
2021	15,332	11,776
2022	17,675	8,443
2023	18,918	5,544
2024	17,204	23,291

Notes:

- (a) 113 public housing units demolished or sold in 2015; 103 other affordable units added at Kebero Court.
- (b) Completion of Raven Terrace added 50 project-based units and 33 affordable units.
- (c) Completion of Hoa Mai Gardens added 111 units; 7 units demolished at Yesler.
- (d) Totals include Section 8 project-based units which are also included in Section 8 units.
- (e) 139 units at Yesler Terrace demolished in 2019; 119 units added in Red Cedar, 211 units in Northgate Apartments acquisition.
- (f) 124 units at Yesler Terrace demolished in 2020.
- (g) 228 Public Housing Scattered Site units converted to Section 8 in 2021.
- (h) 229 Public Housing Jefferson Terrace units converted to Section 8 and other housing programs.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
PROPERTY CHARACTERISTICS AND DWELLING UNIT COMPOSITION
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

<u>Public Housing</u>			
<u>Name of Development</u>	<u>Address</u>	<u>Number of Units</u>	<u>Year Built or Acquired</u>
Ballard House	2445 NW 57th Street	79	1969
Barton Place	9201 Rainier Avenue S.	91	1971
Beacon Tower	1311 S. Massachusetts Street	108	1971
Bell Tower	2215 1st Avenue	120	1970
Cal-Mor Circle	6420 California Avenue SW	75	1968
Capitol Park	525 14th Avenue E.	125	1970
Cedarvale House	11050 8th Avenue NE	118	1970
Cedarvale Village	11050 8th Avenue NE	24	1971
Center Park	2121 26th Avenue S.	137	1969
Center West	533 3rd Avenue W.	91	1969
Denny Terrace	100 Melrose Avenue E.	220	1968
Green Lake Plaza	505 NE 70th Street	130	1969
Harvard Court	610 Harvard Avenue E.	81	1968
High Point*	3000 SW Graham Street	250	Various
Holly Court	3804 S. Myrtle Street	97	1980
International Terrace	202 6th Avenue S.	100	1972
Jackson Park House	14396 30th Avenue NE	71	1970
Jackson Park Village	14396 30th Avenue NE	41	1970
Lake City Court	12536 33rd Avenue NE	51	2011
Lake City House	12546 33rd Avenue NE	115	1971
Lictionwood	9009 Greenwood Avenue N.	81	1970
Longfellow Creek*	5915 Delridge Way SW	34	1993
NewHolly*	7050 32nd Avenue S.	400	Various
Olive Ridge	1700 17th Avenue	105	1969
Olympic West	110 W. Olympic Place	75	1970
Partnership units	Various	50	Various
Queen Anne Heights	1212 Queen Anne Avenue N.	53	1970
Rainier Vista*	2917 S Snoqualmie Street	251	Various
Ross Manor	1420 Western Avenue	100	1984
Roxhill Court Apartments*	9940 27th Avenue SW	6	1980
Scattered sites	Various	483	Various
Stewart Manor	6339 34th Avenue	74	1968
Tri-Court	720 N. 143rd Street	87	1971
University House	4700 12th Avenue NE	101	1971
University West	4544 7th Avenue NE	113	1971
West Town View	1407 2nd Avenue W	59	1977
Westwood Heights	9455 27th Avenue SW	130	1978
Wisteria Court*	7544 24th Avenue SW	23	1987
Total Number of Public Housing Units		<u>4,349</u>	

*Nonpublic housing units are listed under "Other Housing Program" section.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
PROPERTY CHARACTERISTICS AND DWELLING UNIT COMPOSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Section 8

<u>Name of Development</u>	<u>Address</u>	<u>Number of Units</u>	<u>Year Built or Acquired</u>
Housing Choice Vouchers (a)	Various	11,519	-
PBV in Owned Units	Various	1,544	
Moderate Rehabilitation	Various	126	-
Total Number of Section 8 Units		<u>13,189</u>	

Senior Housing

<u>Name of Development</u>	<u>Address</u>	<u>Number of Units</u>	<u>Year Built or Acquired</u>
Leschi House	1011 S. Weller Street	69	1988
Ravenna School Apartments	6564 Ravenna Avenue NE	39	1979
Bitter Lake Manor	620 N. 130th Street	72	1983
Blakeley Manor	2401 NE Blakeley Street	70	1984
Carroll Terrace	600 5th Avenue W.	26	1985
Columbia Place	4628 S. Holly Street	66	1983
Daybreak	1515 2nd Avenue N.	1	1978
Fort Lawton Place	3401 W. Government Way	24	1984
Fremont Place	4601 Phinney Avenue N.	31	1983
Gideon-Mathews Gardens	323 25th Avenue S.	45	1986
Island View	3031 California Avenue SW	48	1984
Michaelson Manor	320 W. Roy Street	57	1985
Nelson Manor	220 NW 58th Street	32	1985
Olmsted Manor	501 NE Ravenna Boulevard	35	1986
Phinney Terrace	6561 Phinney Avenue N.	51	1984
Pinehurst Court	12702 15th Avenue NE	73	1984
Pleasant Valley Plaza	3801 34th Avenue W.	41	1984
Primeau Place	308 14th Avenue E.	53	1984
Reunion House	530 10th Avenue E.	28	1984
Schwabacher House	1715 NW 59th Street	44	1984
South Park Manor	520 S Cloverdale St	27	1983
Sunrise Manor	1530 NW 57th Street	32	1985
Wildwood Glen	4501 SW Wildwood Place	24	1983
Willis House	6341 5th Avenue NE	42	1983
Total Number of Senior Housing Units		<u>1,030</u>	

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
PROPERTY CHARACTERISTICS AND DWELLING UNIT COMPOSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

<u>Other Housing Programs</u>			
<u>Name of Development</u>	<u>Address</u>	<u>Number of Units</u>	<u>Year Built or Acquired</u>
104th St Townhomes	528 N 104th St	3	2001
Alder Crest Apartments	6520 35th Ave SW	36	1977
Baldwin Apartments	1305 E Fir St	15	2014 Rehab
Bayview Tower	2614 4th Ave	99	1979
Beacon House ACRS	1545 12th Ave S	6	1993
Delridge Triplexes	8136 & 8144 Delridge Way SW	6	1993
Fir Street Townhomes	Various	7	Various
Golden Sunset Apartments	3256 NW 54th St	92	1968
Greenwood Apartments	12701 Greenwood Ave N	6	1983
Jefferson Terrace	800 Jefferson St	304	1968
Hinoki	110 10th Ave S	136	2022
Hoa Mai Gardens	221 10th Ave S	111	2017
Kebero Court	1105 E Fir St	103	2015
Lake City Commons	12745 30th Ave NE	15	2002
Lee and Willow Apartments	3801 S Willow St	15	1967
Longfellow Creek Apartments (b)	5915 Delridge Way SW	51	1993
Main Place II	308 22nd Ave S	25	1999
Main Street Apartments	2035 S Main St	12	1992
Market Terrace	1111 NW Market St	30	1980
Martin Luther King Jr Apartments	7923 Martin Luther King Jr Way S	118	1968
Martin Luther King Jr Way 5-Plex	924 Martin Luther King Jr Way S	5	1998
Martin Luther King Jr Way Townhomes	Various	6	1996
Mary Avenue Townhomes	8548 Mary Ave NW	8	2001
Montridge Arms Apartments	9000 20th Ave SW	33	1968
Navos-Referendum 37	Various	2	Various
Northgate Apartments	11060 2nd Ave NE	210	1951
Norman Street Townhomes	Various	15	Various
Rainier Avenue Apartments	5983 Rainier Ave S	12	2002
Raven Terrace	820 Yesler Way	83	2015
Ravenna Springs/Bryant Apts	Various	13	Various
Red Cedar	808 Fir St	119	2019
Ritz Apartments	1302 E Yesler Way	30	1908
Roxhill Court Apartments (b)	9440 27th Ave SW	18	1980
Salish Landing	6955 Delridge Way SW	82	2023
Sawara	740 Yesler Way	114	2024
Scattered Sites	Various	229	Various
South Shore Court	4811 S Henderson St	44	1962
Spring Lake Apartments	12530 35th Ave NE	69	1986
Spruce Street Townhomes	Various	10	1997
Stone Ave Townhomes	8514 Stone Ave N	4	2001
Telemark Apartments	2850 NW 56th St	24	1975
Verse Seattle	402 22nd Ave S	98	2024
Villa Park	9101 50th Avenue S	43	2000
Wedgewood Estates	3716 NE 75th St	203	1948
Weller Street Apartments	1632 S Weller St	50	1969
Westwood Heights East	9440 27th Ave SW	42	1997
Wisteria Court (b)	7544 24th Ave SW	72	1987
Yesler Court	114 23rd Ave	9	1994
Total Number of Other Housing Units		<u>2,837</u>	

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
PROPERTY CHARACTERISTICS AND DWELLING UNIT COMPOSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

<u>HOPE VI Nonpublic Housing Units</u>			
<u>Name of Development</u>	<u>Address</u>	<u>Number of Units</u>	<u>Year Built or Acquired</u>
High Point		350	
Lake City Village		35	
NewHolly		220	
Rainier Vista		134	
Total Number of HOPE VI Nonpublic Housing Units (a)		739	
Total Number of Units - All Programs		22,144	

Notes:

- (a) Includes overlap of other housing program units and senior housing units which also have project-based and program-based Housing Choice Vouchers.
- (b) Public housing units are listed under the public housing section.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
REGULAR STAFF HEADCOUNT BY DEPARTMENT
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Executive</u>	<u>Development and Asset Management</u>	<u>Housing Operations</u>	<u>Admissions and Section 8</u>	<u>Finance and Administrative Services</u>	<u>Information Systems</u>	<u>Human Resources</u>	<u>Total</u>
2015	26	50	332	61	47	18	11	545
2016	27	53	340	64	47	18	11	560
2017	30	52	353	60	47	19	12	573
2018	25	58	353	62	45	20	12	575
2019	27	57	375	65	48	21	13	606
2020	26	59	388	71	49	22	16	631
2021	26	53	378	68	52	21	17	615
2022	24	85	397	86	46	25	19	682
2023	29	91	450	89	54	28	22	763
2024	34	103	516	96	64	35	23	871



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