The Housing Authority
of the City of Seattle, Washington

Comprehensive Annual Financial Report

For the year ended
December 31, 2020

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

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For the year ended December 31, 2020

Issued by
Department of Finance & Administrative Services
Shelly Yapp, Chief Financial Officer

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Introductory Section
(Unaudited)

June 11, 2021

Members of the Board of Commissioners
Housing Authority of the City of Seattle, Washington:

Introduction

We are pleased to present The Housing Authority of the City of Seattle, Washington's (referred to hereafter as "the Seattle Housing Authority", "the Authority" or "SHA") Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2020. This report was prepared by the Authority's Finance staff, and the Authority's 2020 financial statements included in this CAFR were audited by the national public accounting firm of KPMG LLP, with assistance from the Seattle public accounting firm of Francis & Company PLLC. The independent auditor's report of KPMG LLP is presented on pages 1 through 3 herein. We invite the public to review the SHA's 2020 CAFR.

The data presented in this report are the responsibility of the management of the Authority. To the best of our knowledge and belief, the data as presented are accurate in all material respects; are presented in a manner designed to fairly state the financial position and results of operations of the Authority; include all necessary disclosures to enable the reader to gain a thorough understanding of the Authority's financial affairs; and are based on a system of internal controls through policies and procedures designed to minimize, prevent, or detect risks to the integrity of the data and correct weaknesses where discovered. The effectiveness of SHA's internal controls is tested in the course of independent financial, compliance, and performance audits.

For an overview of the Authority's 2020 financial conditions, please review "Management's Discussion and Analysis," found in Section II: FINANCIAL SECTION of the CAFR, with this transmittal letter.

Profile of Seattle Housing Authority

Independent Public Jurisdiction: The Authority is an independent municipal entity created by the City of Seattle (City) in 1939 pursuant to state law and the National 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. The Authority is the largest housing authority in the Pacific Northwest and within the top 5 percent in the United States.

Moving to Work Housing Authority: The Authority is one of the original group of 39 housing authorities, of approximately 3,400 in the country, 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 2028 under their original terms. 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
- Increase housing choices for low-income families

As an MTW agency, Seattle Housing Authority has flexibility through its Annual MTW Plan to develop operating policies and procedures that differ from those prescribed in regulations implementing Sections 8 and 9 of the Housing Act of 1937. 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.

In 2016, Congress authorized expansion of the MTW program to include 100 more public housing authorities, with a preference for smaller agencies ranging in size from fewer than 1,000 housing units to no more than 27,000 units. Forty-one (41) new MTW authorities have been added in 2021 to date.

Governing Body and Strategic Guidance: The governing body of the Authority is its Board of Commissioners. The Board comprises seven members, including two residents, appointed by the Mayor 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. The Plan was adopted by the Board in March 2016, following nearly 18 months of planning and a participation process involving residents, voucher participants, employees, partner government and non-profit agencies, civic leaders and interested citizens. The foundations for the Strategic Plan are the Authority's Mission and Values statements:

Our Mission: *Our mission is to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and increase self-sufficiency for people with low-income.*

Our Values: *As stewards of the public trust, we pursue our mission and responsibilities in a spirit of service, teamwork, and respect. We embrace the values of excellence, collaboration, innovation, and appreciation.*

The underpinning anchor of the Strategic Plan is to serve more low-income people or families in need of stable housing. Seattle Housing Authority's current Strategic Plan lays out three ***Strategic Directions*** that frame the Authority's ***Key Objectives***:

Expand Housing Opportunities.

SHA serves more people by cultivating additional resources and employing strategies that have the biggest impact in increasing Seattle's affordable housing choices.

Create more affordable housing. Prioritize strategies and leverage resources to enable increased rental assistance and housing units for more people in need of affordable housing.

Advance affordable housing policy. Champion public policies that will increase the viability, availability, and accessibility of affordable housing for people with low income.

Diversify housing choice. Expand available housing choices, demonstrate alternative housing models, and preserve and increase access to neighborhoods throughout Seattle that would otherwise be out of reach for people with low income.

Promote Quality Communities.

SHA invests in safe, quality housing and connects participants to communities, resources, and services that are designed to meet their needs.

Preserve and promote high-quality housing. Provide safe, accessible, sustainable, and attractive living environments that contribute to the quality of Seattle neighborhoods through preservation and redevelopment of SHA's housing stock.

Connect people to opportunity. Invest in communities through partnerships so that neighborhoods where participants live support access to opportunities such as good jobs, parks, transit, arts, high-performing schools, and healthy living.

Strengthen community and service. Facilitate effective and supportive relationships and respectful interactions among participants, staff, partner organizations, and neighbors so that people feel valued, proud, and connected to the community they live in.

Improve Quality of Life.

SHA partners to use housing as a platform to improve quality of life by enhancing health, supporting education and skill development, and other services to help people reach their full potential.

Enhance senior and disabled living. Connect senior and disabled participants to the services they need and facilitate access to other housing choices along a continuum of care, as appropriate.

Economically empower people. Assist participants in benefiting from education and employment to increase their economic security, skills, income, assets, and financial well-being.

Support youth achievement. Promote access to high-quality learning opportunities for young children, youth, and young adults that increase educational performance, college and career readiness, and encourage lifelong well-being.

The Strategic Plan also recognizes seven ***Organizational Cornerstones*** reflecting SHA's values in action. These qualities help form the foundation of how SHA advances its mission and pursues strategic directions. SHA's culture is driven by a commitment to excellence that continually strengthens the cornerstones below:

Respectful and Engaging Service and Relationships

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

Financial Stability and Operational Efficiency

SHA manages its resources to maximize the impact and cost-effectiveness of its operations as well as the value and longevity of its assets. SHA focuses on strengthening its financial condition, streamlining service-delivery, and being good stewards of the public trust.

Partnership and Coordinated Action

SHA engages in partnerships and leverages resources to extend services beyond core housing programs. SHA aligns partners, programs, and service delivery to advance strategic directions.

Environmental Stewardship

SHA incorporates environmental stewardship into daily practices and decision-making for cost-effective investments, inventive approaches to complex sustainability challenges, healthier working and living environments for staff and participants, and broader impact within the community.

Staff Excellence

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

Race and Social Justice

SHA is committed to delivering services in a culturally competent way, free of racism and prejudice, to minimize the impacts of poverty and to advance and support social justice. SHA strives to eliminate individual, institutional, and systemic racism in its policies and practices.

Innovation

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

The Authority will undertake a process beginning in 2021 to review with stakeholders our current Strategic Plan and Cornerstones and make revisions and refinements for the next five-year period.

Housing and People Profile

Effective the end of 2020, Authority owns and/or manages nearly 8,600 units of housing and administers just over 10,800 rental vouchers, providing rental housing or rental assistance to nearly 37,000 low-income people and more than 18,000 households.

The Authority operates low-income housing in five large family communities – New Holly, Rainier Vista, High Point, Lake City Court, and Yesler Terrace; in 28 high-rise buildings; and in single, duplex, triplex, and small apartment buildings across the city. In total, SHA manages units in 365 locations in Seattle. The Authority also administers the Housing Choice Voucher programs that provide tenant-based, or project-based, or collaborative housing vouchers with private non-profits. Vouchers serve as rental assistance for qualified low-income tenants in order to keep their rents affordable.

SHA serves a diverse population of low-income tenants and voucher holders, as reflected in the statistics presented on the following pages.

2020 By the Numbers

Demographics of individuals served

37,463

People served

Gender

Female: 52% | Male: 42%

Age

Youth under 18	Adults 18-61	Seniors 62+
31%	46%	21%

Race and Ethnicity

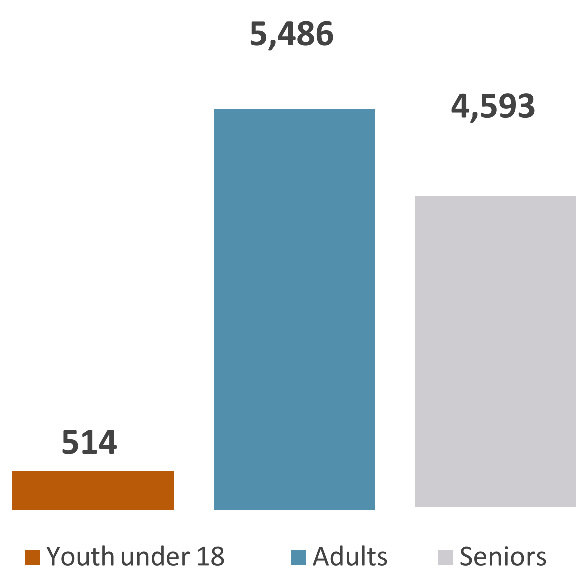
53.10%	22.07%	11.97%	6.33%	1.63%	1.39%	2.00%	1.51%
African/ African American	White	Asian	Hispanic	American Indian/ Alaska Native	Native Hawaiian/ Other Pacific Islander	Multiracial	Unknown

52 Languages spoken

Top non-English languages spoken:

1. Somali
2. Vietnamese
3. Amharic
4. Tigrinya
5. Spanish
6. Cantonese
7. Oromo
8. Russian

People with an identified disability



29%

(11,024 people)

Of total individuals served identified one or more disabilities.

2020 By the Numbers

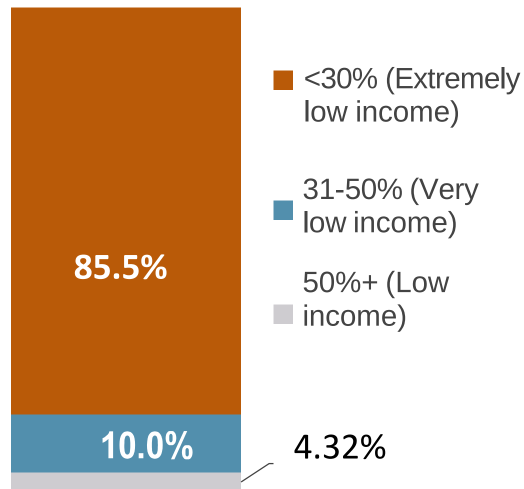
18,687

Households served

380

New households were admitted in 2020

Area Median Income[1]



[1]*Distribution of households by Area Median Income*

Income limits

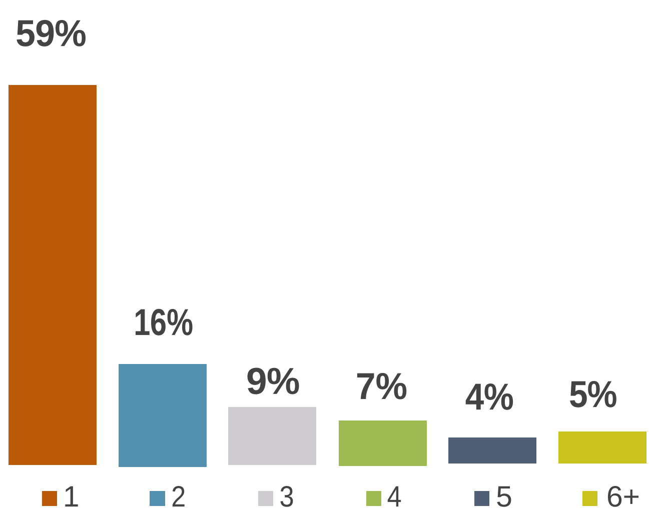
<30%
$30,100

31-50%
$40,100

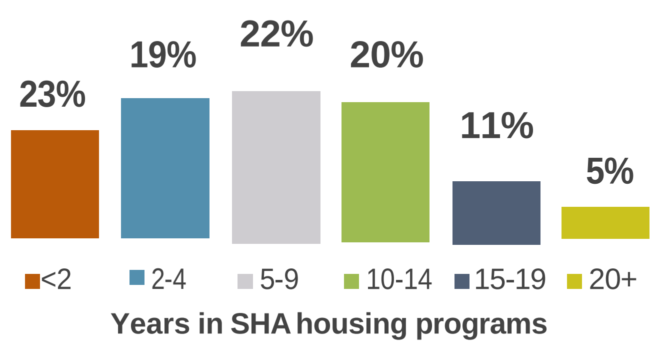
50%+
$50,150

Based on 2018

Household composition

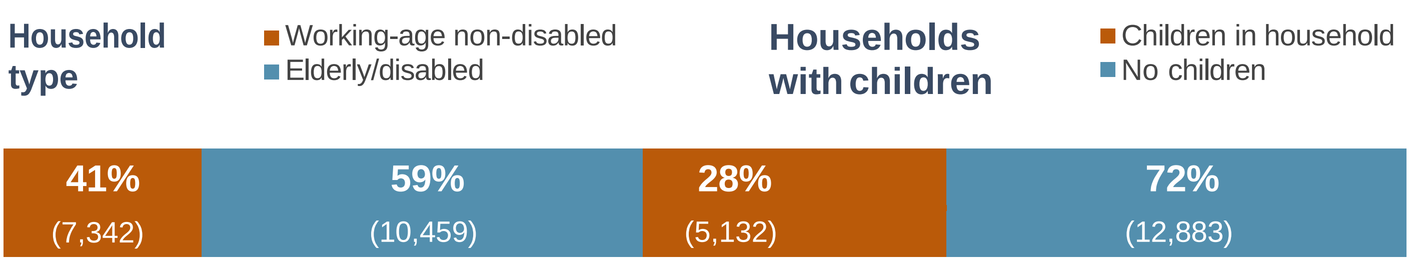


Years of participation



Household type

Households with children



Economic Conditions and Financial Outlook

State and Local Economy[1]

The national, state, and Puget Sound regional economies in 2020 were dominated by the occurrence and spread of the COVID-19 pandemic. All three economies ended 2019 with stronger growth in the 4th quarter than had been forecast and consensus forecasts for 2020 expected strong 1st quarter 2020 growth followed by continued expansion but at a slower pace than 2019. The Washington economy, led by Puget Sound region, was expected to continue expanding at a faster rate than the nation. These forecasts were accurate through most of the 1st quarter of 2020, but began a nosedive in late March as the COVID-19 virus spread rapidly across the country and led to stay-at-home orders and closure of schools and businesses to stem the rise in cases, hospitalizations, and deaths.

Most economic models started showing the beginnings of a recovery in the State and Puget Sound Region during the 3rd quarter of 2020, but virtually all economists point out that they have not seen as many revisions to such basic economic data as GDP and Personal Income as have occurred during 2020 and early 2021. They also acknowledge that one persistent problem is that information about the virus is not part of their models, although we know that the recurrent spike in cases of the virus affect the performance of the economy. And, there also seems to be a broader recognition that their models of the economy forecast a recovery from the economic downturn that is not shared by low-income households and low-wage earners, who are disproportionately comprise women and people of color.

Despite the limitation of economic forecasts, a number of indicators are showing hopeful signs. The Puget Sound Economic Forecaster (PSEF) states "we are starting to emerge into a post-pandemic world, ever so slowly." Like most economists, the PSEF is cautious looking forward as there are many factors on the horizon that will affect the economy's path. PSEF identifies several of these, including "…public policy is becoming a much larger ingredient in the forecast – stimulus, low interest rates, increased child tax credits, monthly stipend…Supply chain issues, consumer demand shifts, minimum wage discussions and more are competing for attention." Here are some of those hopeful signs that we've drawn from the PSEF and the Washington State Economic and Revenue Forecasting Council (EFRC) March 2021 forecasts:

The State (EFRC)

- Washington's unemployment rate declined to 5.4% in March 2021, down significantly from the 16.3% rate reached in April 2020, Washington's all-time high unemployment rate in this series begun in 1976.
- Washington experienced a 6.6% personal income growth rate in 2020 and exceeded the 6.1% growth rate for the U.S. as a whole. The largest source of income growth was transfer receipts, 85% of which were from federal COVID-19 relief programs, which added 5.1 percentage points to the growth rate.
- Washington's housing construction increased in early 2021 to levels not seen since the mid-2000s. Permits averaged 68,800 in January and February, well ahead of the March forecast of 53,100 for the whole 1st quarter.

[1] This economic outlook information is significantly informed by the "The Puget Sound Economic Forecaster" produced by Western Washington University and by the "Washington Economic and Revenue Forecast" prepared by the Washington State Economic and Forecast Council.

- Total nonfarm employment in Washington increased by 24,800 in March 2021, or 19,400 more than the 5,500 projected in the State's forecast. Despite this strong growth, Washington's employment is 205,900 or (5.9%) lower than at its February 2020 peak.
- Real GDP declined in every state and the District of Columbia in 2020. The decline in Washington's GDP was 0.7%, which was the second lowest decline among the states and District of Columbia and much better than the (3.5%) decline for the U.S. overall.

Puget Sound Region (PSEF)

- The regional economy was more resilient and performed better summer and fall of 2020 than most economist expected. With increases in vaccinations and moderate loosening of COVID-19 regulations, continued slow recovery is anticipated in 2021, though probably slower in the region than the U.S. as a whole, with slightly above average growth to return to Puget Sound in 2022.
- The Puget Sound Region added 24,300 jobs and the unemployment rate fell to 5.7%. Based on early April data, job gains are accelerating, and this reverses job losses in December and January.
- Traditional indicators support a conclusion that the region will experience better times and employment growth in the 2nd and 3rd quarters in 2021.
- In some industries, business is booming. Construction and information-sector employment in February 2021 was 3.2% and 3.5% larger, respectively, than in February 2020, despite pandemic-based interruptions.
- The housing market continues to blow past expectations. Average home sales for the region have cracked $700,000 for two months in a row and March data indicates the sky is the limit. Inventory is incredibly tight as there are just 2,700 homes available for sale in the four-county region. With mortgage rates continuing to hover in the 3.0% range, demand is strong, despite price increases.
- The nation is experiencing strong growth in retail sales and personal consumption expenditures, two measures of demand.
- The regional forecast does not call for any significant increase in inflation. This is consistent with the Federal Reserve and the Congressional Budget Office projections and results from the fact that variables that would normally indicate inflation are on the horizon, such as notable wage growth, are fairly muted. This forecast could change, depending on the size of pending stimulus packages in Congress.

Federal Funding – Status and Outlook

The Authority relies on federal funding through the Department of Housing and Urban Development (HUD) for about 48 percent of SHA 2020 overall sources and approximately 70-75 percent of SHA's operating and rental assistance funds. Consequently, federal budget decisions play a more direct role in SHA's ongoing financial picture than do local economic conditions.

The 2020 and 2021 Federal Budget Support

The federal budgets for 2020 and 2021 covered the last two years of the Budget Control Act of 2011 and the spending ceilings for Defense and Non-Defense Discretionary Funding. While there was significant concern over the "fiscal cliff" Congress faced for this two-year period – namely across-the-board reductions in all Discretionary Budgets of over 10 percent – this potentiality was averted by passage and signing of the Bipartisan Budget Act of 2019 (Act). By raising the 2020 and 2021 sequestration budget spending ceilings by 4.0 and 1.0 percent, respectively, **above** the 2018 and 2019 spending caps (which were 12-13 percent above the 2016 and 2017 spending limits), discretionary budgets were increased instead of reduced by an average of 10 percent.

In developing our SHA 2020 budget in the summer of 2019, the Authority decided to risk assuming that Congress would raise the sequestration ceiling to match the 2018 and 2019 ceiling, so we projected flat federal revenues supporting our operating, rental assistance, and public housing capital fund sources. In the end, our estimate was conservative and our federal Move to Work (MTW) revenues exceeded our budget estimates and provided a cushion to help address early funding needs presented by COVID-19 for the safety, health, and well-being of SHA residents and staff.

As the pandemic continued throughout 2020 and 2021, we received more than $10 million in CARES Act funding to assist with activities to prevent, prepare for, and respond to the coronavirus. These funds were instrumental in our work to provide safety, support, and services to our tenants from food deliveries, to PPE distribution, to COVID-19 on-site testing and vaccinations, wellness communications and follow-up, and physical changes to our facilities to protect staff and clients with appropriate social separations.

With the added resources in 2020 and savings in some budgeted funds, SHA ended the year with a positive net operating income. For 2021, we project that all the ongoing budget sources from HUD will reflect the added allocations we received in 2021 and will see very modest increases. We have dedicated the added resources and turn-over of one-time expenditures of ongoing funds in 2021 primarily to mitigate COVID-19 on our residents and participants, especially for employment and training for residents who lost their jobs due to the pandemic; for behavioral health services to maintain stable housing for tenants; increased case management services, especially for low income elderly or disabled tenants; for mediation services to address tenant to tenant issues in SHA residential buildings; and, working with private landlords to understand and take advantage of federal emergency rental assistance for voucher tenants who may be in arrears on rent payments.

Finally, an important aspect of the impact of COVID-19 in 2020 and continuing in 2021 is job loss resulting in interim reviews for rent reductions for public housing and voucher tenants. Consequences for SHA are reduced rent rolls and increased HAP costs. And many tenants who have been displaced from jobs as a result of the pandemic-caused economic recession, have not been able to find jobs and have found themselves unable to meet their rent obligations. This has led to significant outstanding rent balances for many tenant.

The 2020 and 2021 Emergency Rental Assistance programs under COVID-19 recovery and relief legislation is a critical support to our tenants and to SHA. These programs in King County offer the tenants who apply payment for up to ten months of rent and fees in arrears and three month's rent going forward. The program requires that the landlord clear any outstanding obligations of the tenant in excess of 10 months, where such is the case, so that the tenant is able to start afresh with three months advance rent payments. SHA expects to clear more than $1.4 million of rent in arrears for 2020 and 2021 through these programs. Most important, this is a win: win for tenants and the landlords.

Prospects for the 2022 Federal Budget

While SHA has begun its 2022 Budget development process, at this stage we have only one marker for the 2022 federal budget, the President's topline "Skinny" Budget of $1.5 trillion, with non-defense domestic spending increased by 16 percent and defense discretionary spending increased by 1.7 percent. Neither house of Congress has yet done anything public on the 2022 budget, awaiting President Biden's detailed FY 2022 Budget Proposal expected before the end of May 2021.

As the President readies his Budget proposal for 2022, he has already passed the $1.9 trillion America Rescue Plan Act of 2021 to provide COVID-19 vaccine funding and economic recovery funding from the

COVID-induced recession. At the same time, he has two significant bills awaiting Congressional action – the $2 trillion American Jobs Plan addressed to infrastructure investments and the $1.8 trillion American Family Plan designed to rebuild the American middle class. So, these proposals are on the table for Congressional action as part of the context for addressing the President's 2022 Budget.

As far as we can glean from the President's 2022 skinny budget, some of his investments on the domestic side will be made in housing and housing affordability. He proposed a $9.0 billion increase in the HUD budget, including a substantial expansion of the housing choice voucher program with 220,000 new vouchers.

There are clearly many complexities and uncertainties to be worked through before there is Congressional agreement on a 2022 budget, but President Biden has set a much more ambitious program for and priority on affordable housing than we've seen in recent years, and that leads to greater optimism about the 2022 budget outcome for housing. That said, however, with the number of major Administration bills already in Congress and the later start on the 2022 budget, it is more likely than not that there will be a two-month Continuing Resolution enacted before the end of September.

Financial Management and Oversight

Internal Controls

The Authority's management is responsible for establishing and maintaining a robust 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, in conformance with U.S. generally accepted accounting principles (GAAP). The internal controls are intended to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs and benefits require estimates and the exercise of sound judgments 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 KPMG LLP, SHA's independent audit firm, and by the State Auditors annually. We welcome and rely on these reviews by external experts and agencies to help ensure consistent effectiveness of SHA's internal controls.

Single Audit

In compliance with the Single Audit Act Amendments of 1996, tests are made to determine the adequacy of the Authority's internal control structure, including that 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 will be carried out by the national public accounting firm of KPMG LLP. As a result of COVID-19 pandemic impacts, key SHA staff needed by the auditors are not available for assembling data and records and answering questions on samples tested for the single audit. As a consequence, SHA and KPMG agreed that portions of the 2019 Single Audit work would be deferred until the 3rd quarter 2020 and was completed by KPMG LLP and issued in September 2020. For 2020, we were able to issue both the Financial Statements Audit and the Single Audit simultaneously in early June 2021.

Budget Process and Monitoring

(NOTE: Due to the COVID-19 Pandemic and the need to ensure our operating departments were fully focused on the safety, health, and security of our residents, as well as the Governor's Orders for people to work from home and restricting assemblies of people, we modified our normal annual budget processes for the 2021 and 2022 budgets. The ordinary process is described below.)

The annual budget for the Authority is prepared by the Executive Director with significant involvement of the Authority's top executive staff and the support and analysis of the Authority's Budget staff. At the front end of the budget process, the Cabinet with the Executive Director agree on the financial forecast on which the budget will be prepared and establish the key areas of focus for the coming year from the Strategic Plan. Resident groups are consulted on their concerns and priorities for capital investments and program/service needs. SHA also uses an online survey to gather views on pressing housing priorities from residents, voucher-holders, those on waiting lists, employees, nonprofit housing and service partners, and interested citizens. At the end of the budget process, the Executive Director, with the advice of the Cabinet, determines the final actions to balance the proposed annual 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 Strategic Plan. The annual proposed budget includes four components – the Operations, Housing Assistance Payments (HAPs), Capital, and Development budgets. MTW federal funds comprise 70-75 percent of the combined Operating, HAPs, and Capital revenues. The operating and capital budgets are developed from the community or program level up in SHA's project-based budgeting process.

The development programs and major rehabilitation projects of the Authority, to rebuild and rehabilitate the family communities, senior program buildings, and high-rise public housing buildings, and build new affordable housing are supported through mixed financings, including low-income housing tax-credit partnerships, 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 budgetary controls maintained by the Authority is to ensure appropriate financial management by Authority department managers of actual expenditures in relation to the approved budget. The Finance and Administration Department provides quarterly reports to managers and executive staff 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.

An integral part of budget control is to review needs for and impacts of budget revisions following adoption of the annual budget by the Board. These reviews occur at least quarterly and, where adjustments are justified, the adopted budget is revised. There are also quarterly reviews of all Housing Portfolios by the Authority's Asset Management Committee. During these 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. Follow-up actions, assigned to operating departments, the budget office, and/or the asset management department, are reflected in Asset Management Committee minutes of the portfolio review meetings and reviewed at the subsequent quarterly review.

Financial Policy Oversight

The Authority has two ongoing Committees – one internal and one a Board Committee – that provide financial oversight. The ***Board of Commissioners' 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. All members are appointed by the Board Chair and serve staggered terms of three years. The Committee meets 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. The Committee also meets with auditors independently to hear any concerns the Auditors have identifies with the work of finance or other agency staff. The Audit Committee reports its activities to the full Board, along with any conclusions or recommendations they have to continue to strengthen the Authority's financial management.

Internally, the Authority has a ***Financial Policy Oversight Committee*** **(FPO)** that meets monthly and comprises the Executive Director, the Deputy Executive Director, the Director of Housing Operations, the Director of Development, the Director of Housing Finance and Asset Management, the Chief Financial Officer (who leads the Committee), the Controller, and the Budget Manager.

The 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 the full scrutiny of the Authority's top managers and expert line staff. This committee has enhanced agency-wide consideration of and decisions on credit and debt management; development opportunities, project selection, and 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.

The FPO also administers the Authority's policy on unrestricted cash balances and unassigned cash (Operating Reserve), which policy was adopted by the Board of Commissioners in April 2011, revised in May 2013, and reviewed periodically. The FPO recommends an annual resolution to the Board to adopt the year-end Committed Funds of the agency from the Authority's Unrestricted Cash Balance. FPO also reports to the Board the year-end status of the Board's Financial Policy to maintain an Operating Reserve of unassigned and uncommitted cash equal to at least one month and not more than six months of operating expenses plus 1/12 of annual debt service. At the end of 2019 and 2020, Seattle Housing Authority reported an Operating Reserve for the agency of three months.

Component Units of Seattle Housing Authority

The Authority has 17 discretely-presented component units as of December 31, 2020. 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 2020, the Authority's component units represented 3,640 units or 46 percent of all rental housing units operated directly by the Authority.

Prudently Managing Affordable Housing Properties

***Strong Asset Management*:** The Authority continues to take an active asset management approach to operating its properties, treating each as a distinctive "community" with the goal of efficiently using each property to its fullest potential toward meeting our mission. This means the Authority is actively reviewing its existing real estate holdings to ensure that assets are managed in a cost-effective and efficient fashion and are contributing to the overall mission of creating and sustaining decent, safe, and affordable living environments for the low-income people of Seattle. As noted, the internal Asset Management Committee, with management representatives from all departments, conducts quarterly portfolio reviews with property managers and budget and accounting staff.

The Authority's approach is spelled out in the "SHA's Local Asset Management Plan" (LAMP) included in the Authority's annual MTW Plan submittal to HUD. HUD has approved each of SHA's annual submittals and periodic amendments from the first submission in 2010 to the present.

***Diverse Funding and Partnerships*:** The Authority continues to supplement its tenant rental income, operating revenues, and HUD subsidies by actively competing for additional federal funds for modernization, redevelopment, and resident/tenant support activities; by applying for local and state grant opportunities; by expanding partnerships with community organizations and private foundations; and, by building new partnerships with schools, from elementary through vocational/technical colleges to universities. The Authority continues to compete successfully wherever we see new funding or partnership opportunities.

In the area of combined funding and program partnerships, the Yesler Redevelopment is an example: SHA has benefited over the last nine years from five separate competitive HUD grants totaling $37.2 million; 13 separate private grants from six foundations totaling $2.6 million; and, 12 awards from the City of Seattle, totaling $19.6 million, ranging from $5,000 to $6,575,000. All of these contributions go to benefit housing development, community, and supportive services investments.

Major and Long-Term Initiative – Yesler Terrace Redevelopment

Investing in People, Neighborhood, and Housing

Yesler Terrace is a 30-acre site near downtown Seattle, initially developed by Seattle Housing Authority in the early 1940s as Seattle's first publicly subsidized housing. Now, 80 years later, it is approaching the final stage of its transformation into a thriving, mixed-income community that is respectful of the neighborhood's rich history and cultural traditions, while also creating safe, healthy and sustainable affordable housing, new parks and open spaces, increased transportation options and enhanced economic opportunities.

The vision and success of the Yesler neighborhood transformation is rooted in many deep collaborative partnerships including the Yesler Terrace Community Council, Yesler Citizen Review Committee, HUD, the City of Seattle, Seattle University, the JP Morgan Chase Foundation, the Kresge Foundation, the RAVE Foundation and the Robert Wood Johnson Foundation.

Highlights of 2020 Accomplishments

The three pages that follow summarize some of the key accomplishments of the Yesler transformation in or through 2020.

Housing for All Incomes

298 30% AMI (Area Median Income) Replacement units complete, +263 under construction and in design

100 60% AMI units complete, +209 in construction and in design

226 80% units complete, +548 under construction and in design, +54 planned

647 Market-rate units complete, +1,512 in construction and in design, +146 planned

A Complete Neighborhood

- ✓ Yesler Terrace Park is open for public enjoyment
- ✓ Fir Street pocket park finished, design for 2 other Pocket Parks finalized
- ✓ Construction of new streets, sidewalks, access drives completed
- ✓ Two P-Patches plus Yesler Farm in operation, Green Street Loop with exercise stations completed
- ✓ Large-scale and smaller art installations throughout the community

Quality Education for All

- **150** Students (grades K-8) received learning packets on a weekly basis
- **280** Students received tablets/laptops to ensure remote access to school
- **750** Art kits delivered to youth in partnership with Arts Impact
- **63** Residents received digital navigation technology help and skills training support
- **82** Yesler youth received one-on-one tutoring
- **86** Trained volunteers provided 1,256 tutoring hours
- **60** Elementary students participated in a six-week online summer learning program

Economic Opportunities

- **84** Section 3 job placements in 2018
- **165** Households participated in JobLink surveys
- **76** Enrollments for JobLink ongoing case management and employment readiness
- **10** Enrolled in postsecondary education (8 Community College, 2 University)

Original Yesler Residents

- **493** Original households given priority for the 561 new Replacement Housing units at the new Yesler
- **100%** Original households successfully relocated
- **259** Original households continue to live at Yesler
- **205** Relocated households prefer living in their new communities, but retain the option to return to Yesler
- **4** Future buildings for relocated residents to return: Hinoki (2022), Yesler Family Housing, Sawara, and Juniper (2023+)

Housing Development

Yesler is about designing a housing mix to accommodate families, single occupants, the elderly and those with disabilities. All residential buildings at Yesler welcome a wide range of people from various ethnic, cultural and socioeconomic backgrounds. Yesler's buildings (public and private) provide a range of sizes of units, high degree of accessibility and a full range of affordability.

Yesler Housing Progress

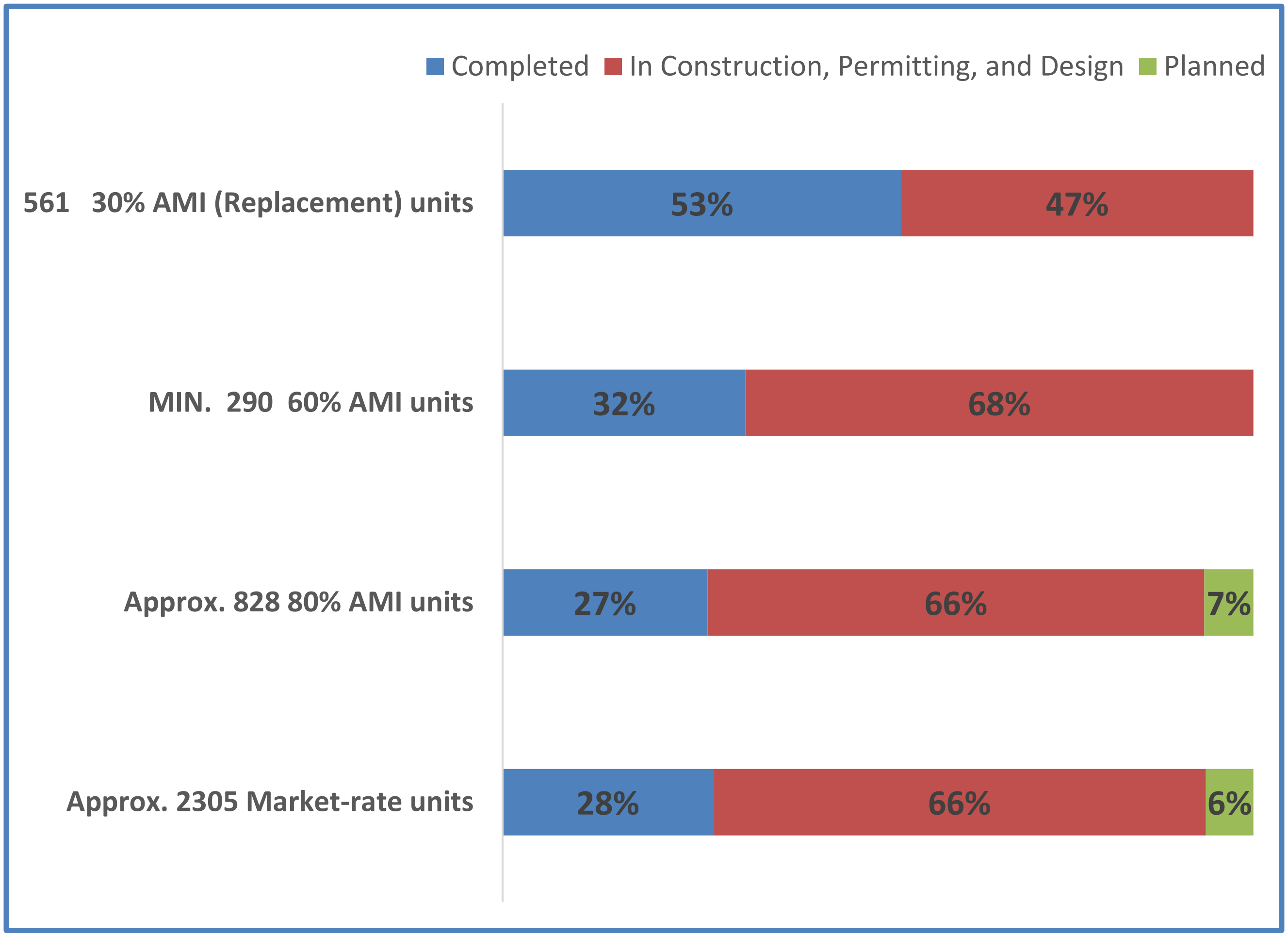


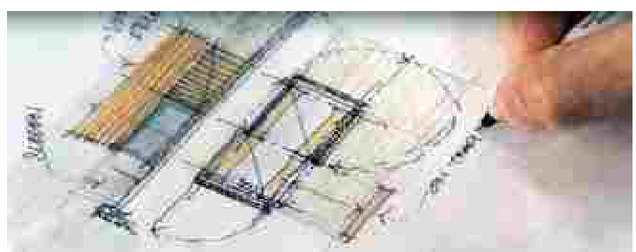
Table reflects the progress and status of Yesler housing development through 2021. Planned units by income range served are in the left column of the chart.

SHA Housing Development

- The renovated Baldwin apartments continues to be home to 15 Yesler households who formerly lived in now-demolished old Yesler housing.
- Kebero Court, with 103 low-income apartments, was constructed and fully leased up by September 2015.

- **Raven Terrace**, which includes 83 low-income apartments, was completed in January 2016. The building is fully leased. The Affordable Housing Finance Magazine selected Raven Terrace as a 2017 Reader's Choice Awards Finalist in the "Public Housing" category.
- **Hoa Mai Gardens** (to the right), with 111 low-income apartments, was completed in June 2017. The building is fully leased. The building is the winner of PCBC's 2018 Gold Nugget Grand Award in the "Best Affordable Housing" category.

- **Red Cedar** is SHA's newest completed building complex with 119 low-income apartments. The building, completed in spring 2019, was the 2020 winner of the ULI Jack Kemp Excellence in Affordable and Workforce Housing award.
- **Hinoki**, now under construction, contains 136 low-income apartments. Completion is scheduled for early 2022.
- **Sawara,** now in the final stages of permitting, is scheduled for construction start in the second half of 2021. The building will contain 113 affordable units.
- **Juniper** will be SHA's final building at Yesler and will include approximately 96 affordable units. The building is in the design stage, with construction planned for 2023.



Private Sector Housing Development

- **Anthem** on 12th Apartments, completed in 2015, has 120 apartments, 30 of which are available to households with incomes up to 80 percent of the Area Median Income (AMI).
- **Batik**, developed by Vulcan Real Estate and completed in 2018, includes 195 apartments, 39 of which are available to households with incomes up to 80 percent AMI. Batik is also home to Tougo Coffee, a local coffee shop located at the intersection of Yesler and Broadway. The building includes a community kitchen that opens onto the pedestrian pathway connector. The kitchen and adjacent community space are available for block parties, community events and neighborhood gatherings.

- **Cypress** (Vulcan Real Estate) opened in spring 2019. The building has 237 apartments, 48 of which are designated for households earning less than 80 percent of AMI. The building's ground floor has retail locations that are yet to be rented.

- **Emerson Seattle** (developed by Mill Creek) has 288 apartments, 76 of which are restricted to households with incomes up to 80 percent of the AMI. The building was completed in 2020.
- **Lowe** Development's two-building complex is under phased construction. The project has a total of 544 apartments, 145 of which will be available to households with incomes up to 80 percent of the AMI. The buildings will be finished in two phases between 2021 and 2023.

- **Yesler Towers** (to the left), to be developed by Bellevue-based Su Development, will break ground in early 2021. Perched above Interstate 5, the two towers will be a gateway to the city from the south. The building complex will have approximately 352 apartments, 26.5 percent of which will be affordable at 80 percent AMI.

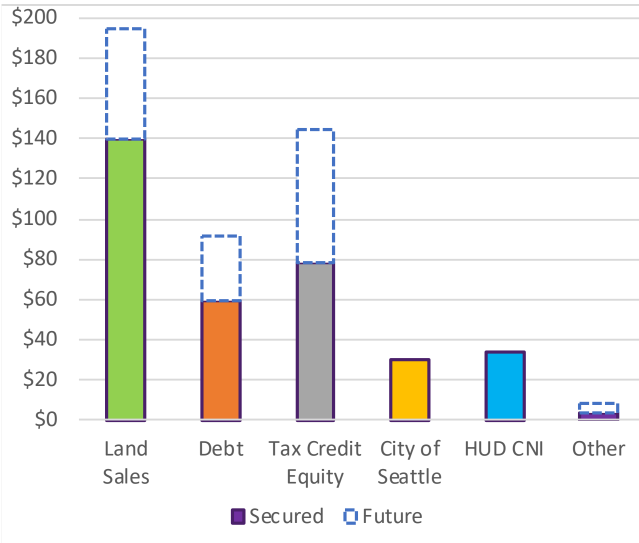
Nonprofit Sector Housing Development

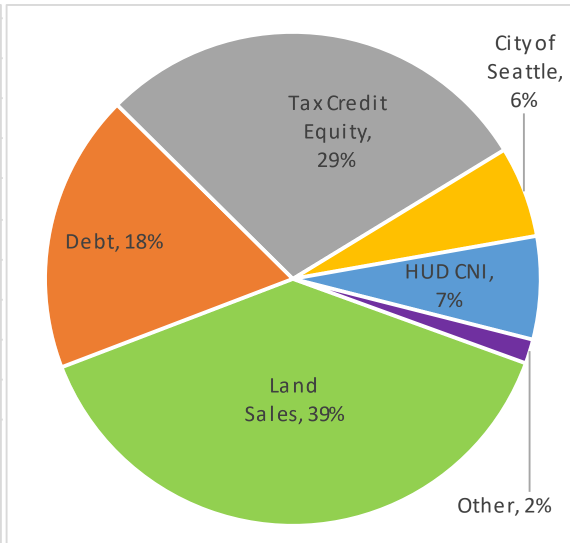
- The Seattle Chinatown International District Preservation and Development Authority, in partnership with Community Roots Housing (formerly known as Capitol Hill Housing), was selected by SHA to build 156 affordable apartments, including 92 units of replacement housing (up to 30 percent AMI) and 64 units designated for the 60 percent AMI level. **Yesler Family Housing** is located at 1215 E Fir Street and is expected to break ground in early 2021.

Yesler Funding Progress

Secured and future funding by SHA, in millions. Private developer projects not included.

Yesler Funding Summary





	Total	Secured	Future	Percentage
Land Sales	$194	$139	$55	39%
Debt	$92	$59	$33	18%
Tax Credit Equity	$145	$78	$67	29%
City of Seattle	$30	$30	$0	6%
HUD CNI	$34	$34	$0	7%
Other	$8	$4	$4	2%
Total	$503	$344	$159	100%

Yesler Relocation

Minimizing impacts of relocation and guaranteeing the right to return for current Yesler residents

The relocation of residents during the redevelopment of Yesler was conceived to be carried out in five phases. Rather than requiring all residents to leave the site at once, the phased relocation allowed the majority of residents to remain living in the community throughout the redevelopment process. 2020 marked the last phase, when all residents successfully relocated from the original Yesler housing. Of the original cohort of 493 households, 55 percent continue to be living onsite in new Yesler housing, while 45 percent remain in their chosen relocation housing in other neighborhoods.

The initial phase of relocation began on July 2, 2012, when all 493 households residing at Yesler were officially informed of their eligibility for relocation assistance. With each phase, residents received at least 18 months' notice before plans to demolish their apartments were put into action. The final phase included 67 households in 2018, with a deadline to move out by April 1, 2020. The last seven households who remained in original housing at the start of the year successfully relocated by the end of March 2020.

Over the course of the redevelopment, whenever demolition plans were announced, residents who lived at Yesler were regularly offered three relocation choices:

- Relocate offsite, whether in SHA housing in Seattle, or elsewhere using a voucher
- Move directly from old Yesler to new Yesler replacement housing
- Transfer to another old Yesler apartment not yet scheduled for demolition

Since the last remaining 1940s era housing was scheduled to be demolished in 2020, the third option was no longer available to households relocating in the last phase. Four of the seven remaining households in 2020 made their move within the Yesler community to new redeveloped buildings on site, and the other three chose options at SHA properties elsewhere in Seattle. All members of these households were adults.

After 2020, the relocation process will focus on assisting residents who now live in other neighborhoods, to remind them of their right to return to Yesler, should they so choose. The relocation team remains in touch with the remaining 194 offsite households (accounting for attrition), and will invite them to exercise their option to return to the next new SHA building, Hinoki. Twelve households responded to a 2020 questionnaire declaring their intention to return to Yesler when Hinoki begins leasing in early 2022.

Arts and Equitable Placemaking Initiatives

With generous support from The Kresge Foundation, SHA continues to be a leading innovator in using arts and culture strategies as redevelopment tools. At the start of 2020, five artists offered programs such as building lobby art clubs; dance and leadership classes for women, girls and Vietnamese seniors; and weekly sewing workshops and activities in the Pedestrian Pathway that fostered neighborhood dialogue and familiarity with Yesler's built environment. In concluding the Yesler section of this letter, we share creative ways artists cared for the Yesler community and each other during the pandemic.

Key examples of arts engagement programs included:

- **Music listening sessions at all of the SHA resident buildings from July through October.** Artist Sumayya Diop sang and played drums in four different building courtyards on a weekly basis. Protocols and outreach adhered to the guidance and directive of public health organizations and public officials. Sumayya's exuberant dancing and singing lifted spirits and brought joyous activity to a weary community and residents.

- **Cultural care packages for residents.** Shifting from hip-hop youth programs and resident spotlight videos, artist Che Sehyun organized a cultural care package program for youth and Vietnamese seniors. For the seniors, Che and community leader Kim Do provided 100 bags of culturally specific items and food ingredients. For the youth, Che worked with two young adult community leaders to gather youth for online check-ins. The events culminated in a care package give-away that included 60 bags of books by BIPOC authors (donated by the Seattle Public Library), an artist-produced sweatshirt and zine featuring local and global heroes.
- **A community newspaper and activity guide, *The Yesler Terrace Hello*.** Produced by artist Kristen Ramirez, *Yesler Hello* is a colorful, high-quality printed quarterly broadsheet. Filled with community news and contributions, its activities encourage residents to safely explore the neighborhood. Notable sections include an artist-illustrated map of Yesler, original poetry by youth and Vietnamese seniors, a recipe with tips contributed by a long-time resident and Ethiopian mother, and a scavenger hunt featuring neighborhood plants. *Yesler Hello* is distributed to every Yesler household, including private rental buildings, as well as neighborhood businesses. A translated insert, included just for SHA households, details development, construction, property management, community services and other agency-related news. *Yesler Hello* and its news insert provided a creative method to communicate and build community during the pandemic.

Awards and Recognition

During 2020, the Seattle Housing Authority and its residents received or repeated distinctions and recognitions, including:

2020 Awards

- ***NAHRO 2020 Award of Excellence***

  The National Association of Housing and Redevelopment Officials (NAHRO) honored the Seattle Housing Authority with a 2020 Award of Excellence for its Digital Initiative. NAHRO's award was 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. Entrants in the Awards of Excellence are chosen from among the Award of Merit entries by NAHRO Regional juries and sent on to national juries for the choice of winners by competition.

- ***2020 Jack Kemp Award***

  The Urban Land Institute Terwilliger Center for Housing awarded the Seattle Housing Authority with the 2020 Jack Kemp Excellence in Affordable and Workforce Housing Award for its development of Red Cedar apartments at Yesler. The award is given annually to affordable and workforce housing developments that represent outstanding achievements in several areas, including affordability, innovative financing and building technologies, proximity to employment centers and transportation hubs, quality of design, and involvement of public/private partnerships.

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

  The National Association of Housing and Redevelopment Officials (NAHRO) honored the Seattle Housing Authority with a 2020 Award of Merit for its Digital Initiative. NAHRO's award was 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.

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

  The Seattle Housing Authority was awarded a Certificate of Achievement for Excellence in Financial Reporting in 2020 by the Government Finance Officers Association of the United States and Canada. In a statement, GFOA said the Certificate of Achievement for SHA's 2019 Comprehensive Annual Financial Report "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-third consecutive year SHA has been recognized with this juried award.

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 special thanks to Janet Hayes, SHA's Controller, whose talents, dedication and oversight of preparation of the 2020 CAFR occurred throughout the COVID-19 pandemic, for a second year, during which all participants in the audit teleworked from home. Janet and her team have 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 KPMG LLP and Francis & Company PLLC, 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

Commissioners as of December 31, 2020

Paul Purcell, Chair	December 1, 2022
Dr. Paula Houston, Commissioner, Vice Chair	March 20, 2024
Robert Crutchfield, Commissioner	December 1, 2022
Michael Diaz, Commissioner	March 20, 2023
Twyla Minor, Commissioner	September 30, 2022
Gerald Smiley, Commissioner	March 19, 2023
Deborah Canavan Thiele, Chair	March 20,2021

Administrative Staff

Rod Brandon, Secretary-Treasurer/Executive Director*

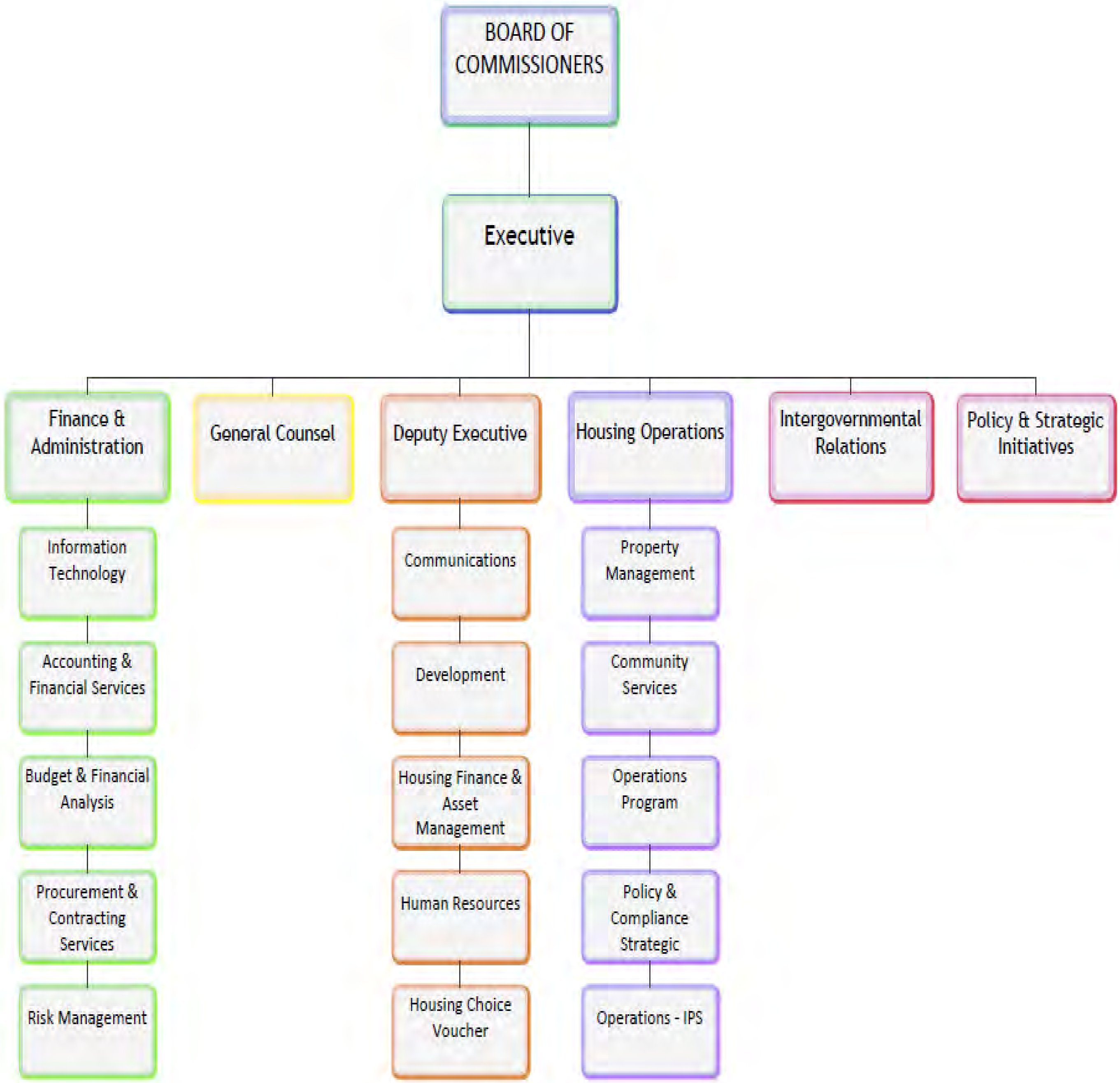
Shelly Yapp, Chief Financial Officer

Janet Hayes, Controller

* Andrew Lofton served as Secretary-Treasurer/Executive Director until he retired on May 7, 2021.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Organization Chart



(Continued)

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 Comprehensive Annual Financial Report For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Financial Section

Section II

KPMG LLP
Suite 2900
1918 Eighth Avenue
Seattle, WA 98101

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of The Housing Authority of the City of Seattle, Washington (the Authority), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following discretely presented component units of the Authority: High Point South Limited Partnership (LP), Alder Crest LP, High Rise Rehabilitation Phase I LP, Seattle High Rise Phase II LP, Seattle High Rise Phase III LP, Douglas Apartments LP, Tamarack Place LP, Lake City Village Limited Liability Limited Partnership (LLLP), Rainier Vista Northeast LLLP, Leschi House LLLP, 1105 East Fir LLLP, 820 Yesler Way LLLP, 221 10th Ave S LLLP, NewHolly Phase I LLLP, 888 E Fir LLLP and West Seattle Affordable Housing LLLP; which represent 85% of the total assets, 82% of the total liabilities, 99% of the total net position, 100% of the total revenues, and 100% of the total expenses of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component units that were audited by other auditors were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the reports of 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 Housing Authority of the City of Seattle, Washington, as of December 31, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 4 through 16, and the required supplementary information related to the pension and OPEB plans on pages 89 and 90, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The cost certificates for projects WA01P001501-16, WA01R001502-16 and WA0A001CNG112 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The cost certificates for projects WA01P001501-16, WA01R001502-16 and WA0A001CNG112 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the cost certificates for projects WA01P001501-16, WA01R001502-16 and WA0A001CNG112 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2021, 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.

KPMG LLP

Seattle, Washington
June 11, 2021

Overview of the Financial Statements

The Housing Authority of the City of Seattle, Washington (the Authority) is pleased to present its basic financial statements as of and for the year ended December 31, 2020, 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, 2020, with comparative data for the year ended December 31, 2019. 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.

As discussed in Note 1(b) to the financial statements, in October 2020, the High Point North Limited Partnership (High Point North) was dissolved and all assets and liabilities were transferred to the Authority. Prior to 2020, the activities of High Point North were not included as part of the primary government of the Authority but were appropriately presented as a discretely presented component unit of the Authority. The 2020 condensed financial statements of the Authority presented in this discussion and analysis have been adjusted from those previously presented to include the activities of High Point North as part of the primary government to facilitate comparability to the 2020 condensed financial statements.

Financial Highlights

- Assets and deferred outflows of resources of the Authority exceeded liabilities and deferred inflows of resources at December 31, 2020 by $726.4 million (net position), representing an increase of $47.4 million over 2019. Unrestricted net position of $332.9 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 $157.3 million of the Authority's net position at the end of 2020, which reflects $68.5 million in committed funds adopted by the Board of Commissioners, $8.0 million in assigned funds, $4.9 million in reserved funds as designated by the Authority's Financial Policy Oversight Committee, and $75.9 million in unassigned funds that make up the Authority's Operating Reserves. 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 2020 represented approximately three months and 12 days (based on 20 business days in the month) of average monthly expenses and principal debt service.
- Total net position increased by $47.4 million in 2020, which is 3.7% higher than the 2019 increase in net position of $45.7 million. Operating revenues increased by $6.7 million while capital contributions decreased by $4.1 million in 2020 compared to 2019, reflecting restrictions placed on capital work by Washington State

during the COVID-19 pandemic. Operating expenses increased by $23.5 million over 2019, representing a 10.0% increase. The increase in the Housing Assistance Payments (HAPs) was the driver of the operating expense increase. While there are many variables in voucher cost changes, at least some of this increase was due to COVID-19 impacts on earnings of voucher households. Voucher participants pay 30% of their adjusted income toward rent and HAPs make up the rest of the rent to the landlord. When a voucher participant's earnings decline, as happened to many tenants during the pandemic, their share of the rent goes down and is picked up by an increase in the HAP payment. In 2019, nonoperating activities produced a net expense of $28.3 million while in 2020 nonoperating transactions produced a net expense of $5.6 million— a difference of $22.7 million from 2019. During 2019, asset disposals contributed $30.3 million in losses to nonoperating expenses.

- The Authority's current ratio that measures liquidity increased during the year from 3.5 to 7.3. Current assets decreased by $23.8 million as a result of an increase of $24.8 million in current unrestricted and restricted investments. This was offset by a corresponding decrease in current liabilities of $37.1 million, which was largely due to the payoff of $34.9 million of short-term borrowings reported at the end of 2019. The payoff was funded by new long-term debt during the year.
- Total notes receivable increased from $238.4 million to $260.4 million. The Authority has made loans to its component units that are redeveloping housing communities under the Choice Neighborhoods Implementation grant and using Low Income Housing Tax Credit mixed financings. The largest change in long-term notes receivable from 2019 to 2020 resulted from the additions of loans made to limited partnerships for developments at Yesler Terrace and an increase in loans made to the West Seattle Affordable Housing, LLLP (West Seattle Properties) for substantial rehabilitation of the partnership properties.
- The Authority's total debt increased from $192.6 million to $225.2 million during the current reporting period, an increase of 16.9%. During the year, the Authority replaced $32.4 million of short-term borrowings with long-term debt and refunded existing long-term debt. Of the new debt, approximately $22.2 million will be paid off in 2023 with restricted investments held for that purpose. As a result, the percentage of total debt to net capital assets increased from 37.4% on December 31, 2019 to 43.5% on December 31, 2020. The increase in debt over the last two years is also a result of the Authority's multi-year efforts to redevelop aging housing communities that will add additional affordable housing units, increasing total capital assets and reducing the age of the housing portfolio.

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, 2020 and 2019 amounted to $1,088.1 million and $1,013.8 million, respectively, an increase of 7.3%, or $74.3 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 long-term investments, capital assets, receivables from component units, and notes receivable. 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 $47.2 million.

Total liabilities of the Authority were $362.4 million and $330.4 million at December 31, 2020 and 2019, respectively, representing an increase of 9.7% or $32.0 million. Current liabilities include accounts payable, accrued liabilities, unearned revenue, current portion of long-term debt, and short-term borrowings. As noted above, short-term borrowings decreased by $34.9 million and long-term debt increased by $66.5 million.

Deferred outflows of resources and deferred inflows of resources arise from the pension liability and Other Post-Employment Benefits (OPEB) liability reported by the Authority. Deferred outflows of resources 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 primarily relate to the difference between projected and actual earnings on plan investments and changes in assumptions. In 2020, the Authority's pension and OPEB-related deferred outflows increased by $1.8 million and deferred inflows decreased by $3.4 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 is 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 10.5%, or $31.7 million during the year from $301.1 million to $332.8 million. This was offset by increases in investments in capital assets and restricted net assets.

Condensed Statement of Net Position

(In thousands)

		December 31	
		2020	**2019**
Assets:			
Current assets, net	$	204,327	228,180
Noncurrent cash and investments		87,008	15,984
Capital assets, net		517,171	515,682
Notes receivable, long-term, net		260,232	235,718
Other noncurrent receivables and other		19,334	18,264
Total assets		1,088,072	1,013,828
Pension and OPEB-related deferred outflows of resources		6,236	4,449
Total assets and deferred outflows of resources	$	1,094,308	1,018,277
Liabilities:			
Current liabilities	$	28,062	65,131
Noncurrent liabilities		334,364	265,298
Total liabilities		362,426	330,429
Pension and OPEB-related deferred inflows of resources		5,444	8,839
Net position:			
Net investment in capital assets		302,066	302,436
Restricted		91,526	75,382
Unrestricted		332,846	301,191
Total net position (as restated)		726,438	679,009
Total liabilities and net position		1,088,864	1,009,438
Total liabilities, net position and deferred inflows of resources	$	1,094,308	1,018,277

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 U.S. Department of Housing and Urban Development (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, 2020 compared to the year ended December 31, 2019. Overall, operating revenues increased by approximately 2.3% or $6.7 million from 2019 to 2020 and operating expenses increased by 10.0% or approximately $23.5 million for the year; net nonoperating expenses decreased by 80.2% or approximately $22.7 million; and capital contributions decreased approximately 33.6% or $4.1 million. Net position increased in 2020 by approximately $47.4 million. Explanations of principal reasons for these changes follow.

The primary reason for favorable increases in operating revenues was a result of increases in housing assistance payment subsidies of approximately 11.5% or $18.0 million due to favorable HUD budget allocations in 2020. Land sales at Yesler Terrace at $22.7 million continued to be a significant component of other revenues, comprising nearly one half of the total. These proceeds are primarily dedicated to the continuing redevelopment efforts at Yesler Terrace. Income from tenant rentals increased from 2019 to 2020 by $1.7 million or 5.4%.

The most significant increase in operating expenses was the increase in housing assistance payment (HAP) expense of $13.6 million or 11.8%. HAP increased due to an increase in the number of vouchers as well as increases in average HAP per voucher due to the effect of the pandemic our participants' income levels. The Authority also experienced smaller increases in administrative, tenant services and maintenance expenses as a result of the pandemic.

Net nonoperating expenses decreased by approximately $22.7 million during the year. The primary reason for the decrease was related to dispositions of assets that totaled $30.3 million in 2019, but were reduced to approximately $33 thousand in 2020. Also, interest expense increased compared to 2019 due to new borrowings and interest income decreased due to record low interest rates during the year. Additionally, in 2020, the Authority reported losses on investments in limited partnerships of $2.4 million, primarily as a result of the allocation of losses on the homeWorks Limited Partnerships compared to $1.2 million in 2019.

Capital contributions for the year ended December 31, 2020 were made up of $8.1 million from HUD capital grants and were approximately $4.1 million lower than in 2019. Due to the coronavirus pandemic, the Authority had to postpone a number of capital projects planned for the year.

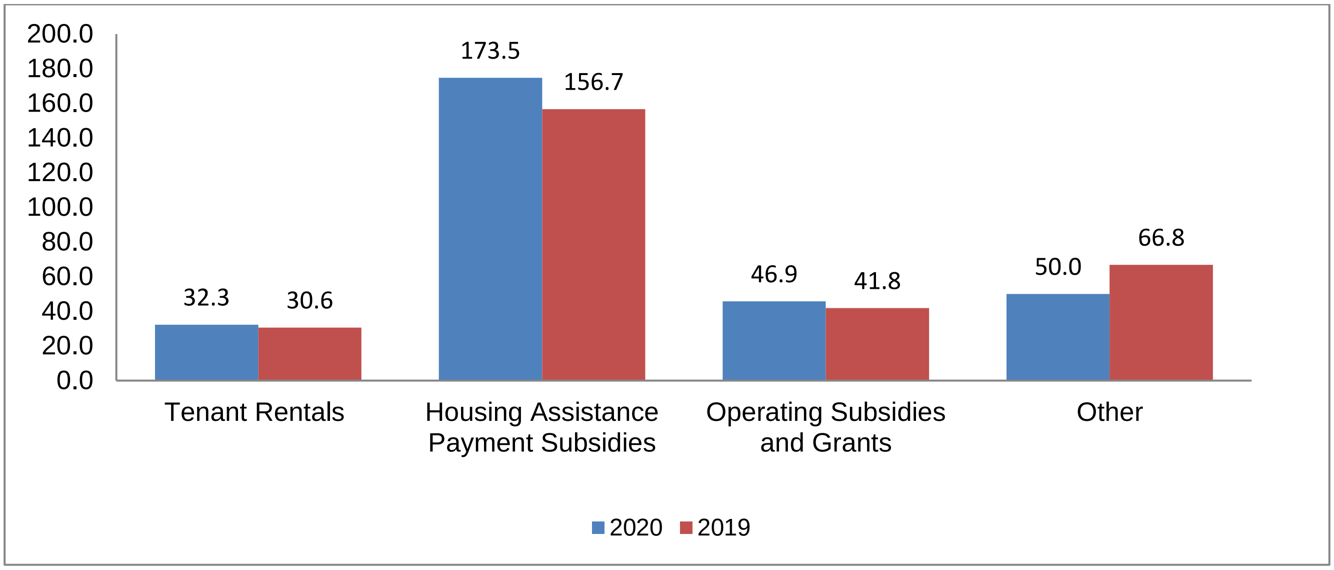
Statement of Revenues, Expenses, and Changes in Net Position

(In thousands)

		Year ended December 31	
		2020	**2019**
Operating revenues:			
Tenant rentals	$	32,261	30,595
Housing assistance payment subsidies		173,524	156,685
Operating subsidies and grants		46,907	41,845
Other		50,000	66,845
Total operating revenues		302,692	295,970
Operating expenses:			
Housing operations and administration		65,587	61,032
Tenant services		7,385	5,682
Utility services		7,888	7,098
Maintenance		26,772	22,144
Housing assistance payments		128,336	114,785
Other		7,225	9,126
Depreciation and amortization		14,602	14,397
Total operating expenses		257,795	234,264
Operating income		44,897	61,706
Nonoperating revenues (expenses):			
Interest expense		(6,411)	(4,077)
Interest income		4,353	7,123
Insurance proceeds, net		468	—
Change in fair value of investments		(4)	204
Loss from refinancing		(1,546)	—
Loss on investment in limited partnerships		(2,441)	(1,183)
Loss on disposition of assets		(33)	(30,343)
Net nonoperating expenses		(5,614)	(28,276)
Change in net position before capital contributions		39,283	33,430
Capital contributions		8,146	12,272
Change in net position		47,429	45,702
Total net position, beginning of year (as restated)		679,009	633,307
Total net position, end of year	$	726,438	679,009

Operating revenues are shown in detail in the chart below:

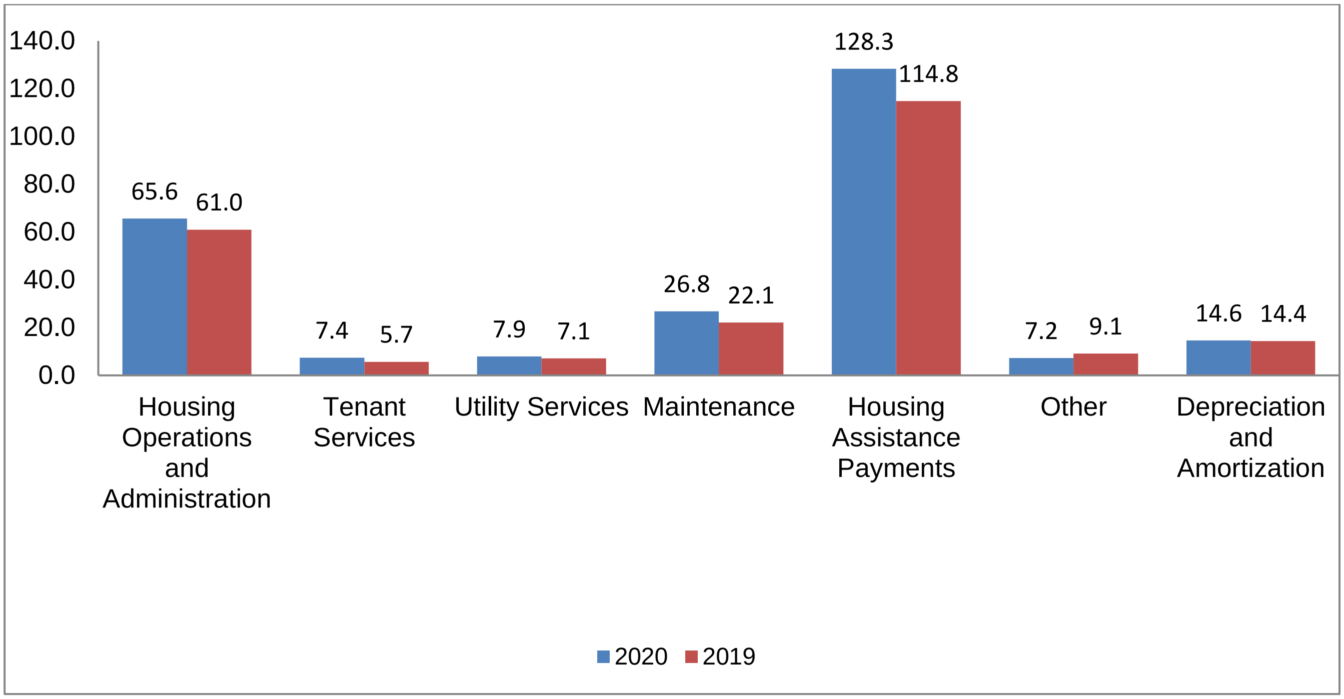
Operating Revenues – 2020 and 2019



Dollars (in millions)

Operating expenses are shown in detail in the chart below:

Operating Expenses – 2020 and 2019



Dollars (in millions)

Capital Asset and Debt Administration

The Authority increased capital assets, net, during the year ended December 31, 2020 by approximately $1.5 million. Construction in progress increased as infrastructure work continued through the year at the Yesler Terrace redevelopment site.

Note 5 to the Authority's basic financial statements provides additional detail regarding the changes in capital assets during the year ended December 31, 2020.

The table below shows the Authority's capital assets, net of accumulated depreciation and amortization, at December 31, 2020 and 2019 (in thousands):

		2020	2019
Land	$	135,737	135,750
Land improvements		35,824	37,152
Structures		302,262	306,865
Leasehold improvements		500	486
Equipment		4,502	3,510
Construction in progress		38,346	31,919
Total capital assets, net	$	517,171	515,682

The following schedule shows the significant components of the construction in progress as of December 31, 2020 and 2019 (in thousands):

		2020	2019
Modernization funds – Capital grants	$	3,439	4,567
Yesler Terrace Infrastructure		22,187	14,775
Other programs		12,720	12,577
Total construction in progress	$	38,346	31,919

The table below shows the Authority's outstanding debt at December 31, 2020 and 2019 (in thousands):

		2020	2019
Short-term borrowings	$	—	34,865
Notes payable		165,481	88,939
Bonds payable		59,710	68,892
Total debt outstanding	$	225,191	192,696

Total debt outstanding increased by $32.5 million from December 31, 2019 to 2020. The Authority paid off all of the short-term borrowings during the year and entered into $78 million of new debt, which was used to provide funds to pay off $32.4 million of the short-term borrowings, retire $7.7 million of outstanding long-term bonds, and establish a reserve to pay principal and interest payments for the $22.2 million of long-term bonds that will be paid off in 2023 as well as to provide funds for additional capital improvements at the related properties.

Notes 6 and 7 to the Authority's basic financial statements provide additional detail regarding the debt changes during the year ended December 31, 2020.

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.

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 2020, the Authority earned $228.6 million in federal dollars for its MTW and Non-MTW operating programs and $8.1 million for its capital projects. In addition, federal financial support from HUD has been an important source of seed money and leverage funding for acquiring or developing a majority of the Authority's $517.2 million of capital assets as of December 31, 2020.

The Authority has been engaged for more than 20 years in the redevelopment of the Authority's family communities and 24 of the Authority's 25 public housing high rises. The Authority has relied with great success on public and private mixed-financings to achieve the modernization of a substantial portion of its portfolio. The mixed-financings at these properties through Low-Income Housing Tax Credit, have used federal HOPE VI funds; American Recovery and Reinvestment Act funds; Choice Neighborhoods Implementation grants; Public Housing capital grant funds; MTW block grant funds; other competitive awards of federal capital funds to leverage tax credit partnership equity; and, grants from state and local government, equity contributions from the Authority, proceeds from sale of land, and issuances of bonds to finance the completion of these projects.

The federal government has been a principal source of funds for low-income housing operations, maintenance and capital since the enactment of the National Housing Act of 1937 (Act). While the level of federal support of public housing has ebbed and flowed with different administrations and Congresses over the decades, there is a history of federal financial support for low-income housing that dates from the Act and continues to the present, a commitment of nearly 85 years.

Since the early years of sequestration under the Budget Control Act of 2011, Congress acted to moderate its impacts with successive two-year bipartisan agreements that modestly increased the annual spending ceilings, until 2018. In 2018, Congress reached a surprise Bipartisan Budget Act of 2018 providing increases of approximately 12 percent for 2018 and 2019, well above the ten-year sequestration spending caps for Discretionary Defense and Non-Defense. This budget agreement was implemented by Congress through appropriation bills for both 2018 and subsequently 2019.

The increases in federal funds the Authority received in 2019 and 2020 were above those anticipated in the Authority's 2019 and 2020 budgets. The Authority made modest increases in operating program initiatives and expenses, but devoted a large part of the added funds to "Opportunity Investments", principally in one-time capital spending, or in short-term projects aimed at the agency's goal of serving more people. The Authority also undertook in 2019 an acquisition program to add 500 units of housing to our portfolio over a projected three years, with half the units serving extremely low income people (30 percent of Area Median Income (AMI) and below) and half serving low income people between 40-80 percent of AMI. The program criteria also encouraged units to serve families and properties in high opportunity areas for children. The acquisition of Spring Lake, a work force housing property with 69 units late in 2018; the purchase of three Multi-family Rental Assistance extremely low income properties with 260 units in August 2019; and, the purchase of the Northgate Apartments of 211 units completed the acquisitions program at the end of 2019, exceeding the goal of 500 units. In early 2020, the Authority paid off the lines of credit used to procure the initial properties with permanent financing or equity investments by the Authority.

The Northgate property is an underdeveloped site in an opportunity area. The Authority and the City of Seattle are working together to plan the redevelopment scope and financing, including reimbursing the Authority's costs for master planning and for acquisition and holding of the property. A Cooperative Agreement for Northgate Commons spelling out joint agreements and understandings is expected to be adopted in 2021. While the 2018-2019 Bipartisan Budget Act was a surprising departure by Congress from much smaller increments of reprieve from the annual sequestration caps, it created a new problem for Congress for the 2020 Budget. It created a "Fiscal Cliff" where, if Congress failed to pass legislation to again raise the caps in the final 2020-2021 two years of sequestration, the Budget ceiling for the Discretionary Defense and Non-Defense would automatically fall by approximately $126 billion, necessitating across the board reductions in these budgets of an average 10 percent. To avoid this outcome, Congress did close out the ten year spending plan with a final two year budget deal to raise the ceilings from the 2020 and 2021 sequestration caps by more than 13 percent. This action brought year-to-year funding increases of 4.0 percent for 2020 to 2021 and 1.0 percent for 2020 to 2021.

In order to meet HUD's deadline for submittal of the annual budget, the Authority has to make its budget decisions for the subsequent year's Budget and submit this information to HUD in October every year. This deadline for housing authorities forces all of us to make our best guestimates as to subsequent year federal funding for HUD-supported programs. For 2020 – the year of the "Fiscal Cliff" -- the Authority took a somewhat risky approach simply by assuming flat federal revenues from 2019 to 2020. As it turned out, our guestimates of flat funding were conservative and our planned program levels for 2020 were sustainable and then some. Fortunately, with the revenues higher than we assumed in the adopted budget, we were able to use these resources when the pandemic hit beginning late in the 1st quarter 2020 to augment federal funds from the CARES Act funds for Public Housing and Housing Choice Vouchers, to deliver critically needed service to residents and voucher households during the COVID-19 pandemic and to ensure that we had supplies of personal protective equipment (PPE) to ensure the safety of the Authority's staff. And we ended the 2020 year of the pandemic with positive net income.

For 2021, we adopted a similar budget approach, maintaining the COVID services and protocols we had put in place in 2020 and investing in initiatives to address critical impacts of the COVID-19 pandemic on our tenants, including added resources in the Authority's Joblink program to expand employment and training assistance to more tenants who had lost jobs due to the pandemic; in health care to expand resources for behavioral health services to more residents as this was a growing need with the pandemic persisting; and in case management services to add three additional buildings where these services were offered to residents in need.

One of the largest impacts of COVID-19 was the economic downturn and job losses that occurred as a result of widespread stay at home and business closure orders to stop the spread of the virus. The federal funding provided through the Treasury Department in 2020 and 2021 for Emergency Rental Assistance (ERA) has been and will continue to be an important resource for tenants and the Authority by assisting both subsidized and unsubsidized tenants with clearing outstanding rent balances. The Authority was fortunate to have sufficient non-federal funds to take advantage of these ERA programs, which provide up to 10 months of funds for tenants in arrears plus 3 months funding for future rent payments and require that the landlord clear any outstanding balances for rent and fees beyond the 10 months, so the tenant starts fresh with three months of pre-paid rent. We expect that for every dollar we clear from outstanding rent balances, the federal program will clear four to five dollars. Hopefully, these programs will give tenants much needed financial support while they search for new jobs.

Local Housing Market Outlook

The condition of the local housing market and economy affect the Authority in three different roles: as a developer of low income housing; as a landlord that operates and maintains our own low income housing communities; and, as a participant in the private rental housing market as the provider of rental assistance to tenants who qualify for housing vouchers they use to secure affordable housing in the private sector.

In these capacities, the Authority has experienced both the upsides and downsides of the "hot" housing market in Seattle. In the Yesler redevelopment, the Authority has benefitted from land appreciation in the sale of blocks for private residential development, the revenues from which will assure successful completion of replacing the 551 units of extremely low income housing (30 percent or lower of median income) and adding 60 percent units through tax credit financing. On the flip side, the Authority has also experienced, along with all other public and private developers, construction cost increases that challenge the Authority's development assumptions and budgets. Some of those increases currently experienced are indirectly due to the COVID pandemic as supply chains for construction materials have been affected and driven up prices.

With the local rental market extremely tight over the past five-plus years, the Authority struggled to achieve voucher utilization goals and too many of those who received a voucher were either unable to find a unit they could afford to lease or would engage in an extended search of up to six months to successfully lease a unit. With a significant increase in the voucher payment standard effective in the last quarter of 2019, the Authority met its 2019 goal of 93 percent utilization and improved further in 2020 to about 96 percent. During the pandemic rental prices generally remained flat or declined; however, as the economic recovery continues into 2021 we are again anticipating increases in private market rental rates.

Economic Outlook for Low Wage Earners

Nearly all economic forecasts of the U.S., Washington State, and the Puget Sound Region recorded the economy beginning to recovery in the 3rd quarter of 2020 and have estimated continuing strengthening, by nearly all economic measures throughout 2021. That said, the economic recovery is not equally shared and low income people and many families of color have been hardest hit by both the virus and the economic downturn and will be among the last to feel a recovery. These are the people served by the Seattle Housing Authority, so in the most important ways – personal well-being, health, and economic stability for these families – recovery has not begun to arrive and may be a while in coming.

The *Puget Sound Economic Forecaster* in its latest *Regional Outlook* prominently acknowledged this disparity:

> "When we say the economy performed better last summer and fall…, we should clarify that we mean performance as measured by broad metrics like GDP and headline unemployment. Behind those broad metrics are huge disparities. We sometimes talk about "the" economy as though it is one thing that we all see or experience. ***Nothing could be further from the truth***. (Emphasis added). Some people found it easy to pivot and work from home. They kept their job and just jumped up their savings rate. Others had to choose between exposing themselves to considerable risk to keep their low paying job. There was no work from home option and maybe little in the way of health benefits, but not working meant stark, unacceptable options of another kind. Women have left the labor forces to help kids going to school from home. Communities of color have struggled with higher infection rates and magnified economic challenges. So we use broad metrics in forecasting models, knowing the stories these metrics do not tell."

Labor Economists for the Washington Employment Security Department reached this conclusion in their article *Low Wage Work in Washington*:

> "Washington's low wage workforce was in a difficult situation before the pandemic hit… It is clear that the industries and workers who were hardest hit (by the pandemic) will be among those that take longer to return, and that the low wage workforce is disproportionately affect. Ask anyone who works at a food pantry." (Note: In an earlier section of the article, the authors point out that people of color are disproportionately represented among the low wage earners and that many low wage industries' employees are disproportionately female.)

These acknowledgements are important, as greater prominence of the data defining the level of economic disparities can help shine a light on actions of our institutions and communities to address them. In the meantime, for the Authority, we must continue to address the needs of our tenants who await the arrival of the recovery for their families.

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 Janet Hayes, Controller, at 190 Queen Anne Avenue North, Seattle, WA 98109, or by e-mail at janet.hayes@seattlehousing.org.

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BASIC FINANCIAL STATEMENTS

Exhibit A-1

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Statement of Net Position

December 31, 2020

Assets and Deferred Outflows of Resources		Primary government	Component units
Current assets:			
Cash and cash equivalents	$	14,151,946	4,901,821
Restricted cash		10,999,369	26,655,552
Investments		142,139,375	—
Accounts receivable:			
Tenant rentals and service charges		853,563	567,732
Other		1,471,932	258,278
Due from:			
Other governments		7,438,218	—
Primary government		—	507,179
Component units		4,010,919	—
Inventory and prepaid items		1,051,565	977,122
Restricted investments		20,793,782	206,727
Unamortized charges		498,247	1,304,346
Notes receivable		31,749	—
Notes receivable from component units		100,000	—
Assets held for sale		786,593	—
Total current assets		204,327,258	35,378,757
Noncurrent assets:			
Investments		1,000,265	—
Cash restricted for long-term purpose		5,824,504	52,148,360
Restricted investments		80,183,285	738
Due from component units (net of allowance of $18,855,838)		10,358,105	—
Assets held for sale		7,253	—
Other		8,968,738	7,333,857
Capital assets:			
Land		135,737,181	4,926,009
Land improvements		54,289,490	20,898,412
Leasehold improvements		1,538,041	—
Structures		590,993,097	494,282,284
Equipment		25,182,555	8,482,155
Construction in progress		38,345,936	32,403,668
Less accumulated depreciation and amortization		(328,915,777)	(106,942,586)
Capital assets, net		517,170,523	454,049,942
Notes receivable, less current portion (net of allowance of $5,171,917)		14,011,809	—
Notes receivable from component units, less current portion (net of allowance of $7,217,124)		246,220,386	—
Total noncurrent assets		883,744,868	513,532,897
Total assets		1,088,072,126	548,911,654
Pension and OPEB related deferred outflows of resources		6,235,953	—
Total assets and deferred outflows of resources	$	1,094,308,079	548,911,654

(Continued)

Exhibit A-1

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Statement of Net Position

December 31, 2020

Liabilities, Deferred Inflows of Resources and Net Position		**Primary government**	**Component units**
Current liabilities:			
Accounts payable:			
Vendors and contractors	$	8,012,823	10,837,607
Other		2,135,753	1,003,613
Accrued liabilities		6,321,776	4,402,639
Due to component units		507,179	—
Due to primary government		—	4,010,919
Security deposits		1,853,551	1,360,213
Current portion of long-term debt from primary government		—	100,000
Current portion of long-term debt		2,696,960	1,470,963
Unearned revenue		6,533,946	167,155
Total current liabilities		28,061,988	23,353,109
Noncurrent liabilities:			
Due to primary government		—	32,071,742
Unearned revenue		89,589,076	—
Long-term payables and liabilities		327,099	12,586
Long-term debt, less current portion:			
Notes payable to primary government		—	252,299,637
Notes payable		164,184,286	60,252,599
Bonds payable		58,310,000	80,195,725
Accrued compensated absences		4,434,392	496,101
Total OPEB liability		1,471,610	—
Net pension liability		16,047,962	—
Total noncurrent liabilities		334,364,425	425,328,390
Total liabilities		362,426,413	448,681,499
Pension and OPEB-related deferred inflows of resources		5,444,160	—
Total liabilities and deferred inflows of resources		367,870,573	448,681,499
Net position:			
Net investment in capital assets		302,066,288	103,019,350
Restricted for debt service		90,147,261	25,507,711
Restricted for endowment funds		1,378,471	—
Unrestricted (deficit)		332,845,486	(28,296,906)
Total net position		726,437,506	100,230,155
Total liabilities, deferred inflows of resources and net position	$	1,094,308,079	548,911,654

See accompanying notes to basic financial statements.

Exhibit A-2

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Statement of Revenues, Expenses, and Changes in Net Position

Year ended December 31, 2020

	Primary government	Component units
Operating revenues:		
Tenant rentals	$ 32,260,851	34,755,319
Housing assistance payment subsidies	173,524,270	—
Operating subsidies and grants	46,906,549	—
Other	50,000,158	1,681,522
Total operating revenues	302,691,828	36,436,841
Operating expenses:		
Housing operations and administration	65,586,746	9,457,824
Tenant services	7,385,417	—
Utility services	7,888,138	5,836,251
Maintenance	26,771,433	9,116,042
Housing assistance payments	128,335,785	—
Other	7,225,324	2,731,518
Depreciation and amortization	14,602,298	14,727,554
Total operating expenses	257,795,141	41,869,189
Operating income (loss)	44,896,687	(5,432,348)
Nonoperating revenues (expenses):		
Interest expense	(6,410,520)	(9,495,381)
Interest income	4,352,847	26,245
Change in fair value of investments	(4,107)	(106,879)
Insurance proceeds, net	467,645	—
Loss from refinancing	(1,546,053)	—
Loss on investment in limited partnerships	(2,440,728)	—
Loss on disposition of assets	(32,734)	—
Net nonoperating expenses	(5,613,650)	(9,576,015)
Change in net position before contributions	39,283,037	(15,008,363)
Contributions:		
Capital contributions	8,145,562	—
Partners' contributions	—	38,619,574
Total contributions	8,145,562	38,619,574
Change in net position	47,428,599	23,611,211
Total net position at beginning of year, as restated – see note 1(b)	679,008,907	76,618,944
Total net position at end of year	$ 726,437,506	100,230,155

See accompanying notes to basic financial statements.

Exhibit A-3

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Statement of Cash Flows

Year ended December 31, 2020

	Primary government
Cash flows from operating activities:	
Receipts from residents	$ 32,230,557
Receipts from other sources	47,461,158
Operating grants and subsidies received	220,396,996
Advances to affiliates	(4,708,935)
Payments to vendors	(71,533,569)
Housing assistance payments	(128,335,785)
Payments for salaries and benefits	(46,113,217)
Net cash provided by operating activities	49,397,205
Cash flows from capital and related financing activities:	
Capital contributions	7,660,624
Acquisition and construction of capital assets	(19,183,235)
Proceeds from long-term borrowings	76,917,062
Repayments of short-term borrowings	(34,864,778)
Principal payments on notes and bonds payable	(10,649,929)
Interest paid	(5,961,122)
Net cash provided by capital and related financing activities	13,918,622
Cash flows from investing activities:	
Investment income received	6,503,655
Maturity of investment securities	97,645,836
Purchases of investment securities	(147,580,078)
Increase in net investment in partnerships	(2,893,653)
Collections on notes receivable	4,494,682
Advances on notes receivable	(26,516,110)
Net cash used in investing activities	(68,345,668)
Decrease in cash and cash equivalents	(5,029,841)
Cash and cash equivalents at beginning of year, as restated	36,005,660
Cash and cash equivalents at end of year	$ 30,975,819
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 44,896,687
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	14,602,298
Changes in operating assets and liabilities:	
Accounts receivable and other assets	(4,427,558)
Inventory and prepaid items	(291,037)
Accounts payable and other liabilities	(1,412,819)
Accrued compensated absences	1,773,888
Unearned revenue and other	(5,744,254)
Total adjustments	4,500,518
Net cash provided by operating activities	$ 49,397,205
Supplemental disclosure of noncash activities:	
Loss on disposal of assets	$ (32,734)
Change in capital asset acquisitions included in accounts payable and accrued liabilities	(3,626,284)
Loss on investment in limited partnerships	(2,440,728)
Change in fair value of investments	(4,107)

See accompanying notes to basic financial statements.

(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 5,770 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 percentage 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 Section 8 Program consists of several Section 8 housing programs, including the Section 8 Housing Choice Voucher program, the Section 8 New Construction and Substantial Rehabilitation program, and the Moderate Rehabilitation program. The Housing Choice Voucher program provides rental housing assistance subsidies in support of 11,186 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 purpose of the Section 8 New Construction and Substantial Rehabilitation program is to construct or purchase and rehabilitate rental housing units to provide decent and affordable housing to low-income, elderly, and handicapped individuals whereby rental assistance is provided by HUD. Funding of the program is provided by federal housing assistance contributions and tenant rentals. The Authority owns five housing developments totaling 388 units.

The Section 8 Moderate Rehabilitation program operates under HUD's ACC S-0068K and consists of the operations of 361 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 1,487 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.

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 (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) 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 two 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 SPACE Foundation has functioned 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 general partner in 17 real estate limited partnerships as of December 31, 2020. The limited partner interests in these 17 limited partnerships are held by third parties unrelated to the Authority. As the general partner, the Authority has certain rights and responsibilities, which enable it to impose its will on the limited partnerships. 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 approximately $260.2 million at December 31, 2020. The limited partnerships do not serve the primary government exclusively, or almost exclusively, and, therefore, are shown as discretely presented component units.

The 17 component units are: High Point South Limited Partnership (High Point South), Alder Crest Limited Partnership (Alder Crest), High Rise Rehabilitation Phase I Limited Partnership (Phase I homeWorks), Seattle High Rise Phase II Limited Partnership (Phase II homeWorks), Seattle High Rise Phase III Limited Partnership (Phase III homeWorks), Douglas Apartments Limited Partnership (South Shore Court), Tamarack Place Limited Partnership (Tamarack Place), Lake City Village Limited Liability Limited Partnership (Lake City Court), 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) and Yesler Block 5.1 Limited Liability Limited Partnership (Hinoki).

High Point South is a separate legal entity created on July 12, 2007 to undertake phase two of the redevelopment activities at the High Point community. The Authority participates as the 0.01% managing general partner of the partnership. The Authority has leased the land for phase two of the High Point redevelopment project to the partnership for a nominal amount under a noncancelable 99-year operating lease. The Authority is obligated to fund operating or other cash shortfalls of the partnership. As of December 31, 2020, High Point South owed the Authority no developer fees.

Alder Crest is a separate legal entity created on January 1, 2005 to undertake rehabilitation of the Alder Crest Apartments. Alder Crest admitted a tax credit investor to the partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the partnership and the Authority has leased the building to Alder Crest under a 75-year financing lease. The Authority is required to fund operating deficits without limitation through operating deficit loans. Upon dissolution and liquidation of the partnership, the general partner obligation to fund operating deficits through operating deficit loans shall continue in an additional amount not to exceed $109,615. As of December 31, 2020, Alder Crest has no outstanding developer fees payable to the Authority.

Phase I homeWorks is a separate legal entity created on July 26, 2005 to undertake phase one of a three-phase rehabilitation of 21 public housing high-rise buildings owned by the Authority. Each phase of the project will cover seven buildings, which are leased to the component unit for 99 years. The Authority participates as the 0.01% managing general partner. The Authority is required to provide operating subsidies sufficient to cover the difference between tenant rental income and operating expenses as well as contributions to reserve accounts. As of December 31, 2020, homeWorks I has no outstanding developer fees payable to the Authority.

Phase II homeWorks is a separate legal entity created on August 11, 2006 to undertake phase two of the three-phase rehabilitation of 21 public housing high-rise buildings owned by the Authority. Phase two also covers seven buildings, which are leased to the component unit for 99 years. The Authority participates as the 0.01% managing general partner. The Authority is required to provide operating subsidies sufficient to cover the difference between tenant rental income and operating expenses as well as contributions to reserve accounts. As of December 31, 2020, homeWorks II has no outstanding developer fees payable to the Authority.

Phase III homeWorks is a separate legal entity created on September 13, 2007 to undertake phase three of the three-phase rehabilitation of 21 public housing high-rise buildings owned by the Authority. Phase three also covers seven buildings, which are leased to the component unit for 99 years. The Authority participates as the 0.01% managing general partner. The Authority is required to provide operating subsidies sufficient to cover the difference between tenant rental income and operating expenses as well as contributions to reserve accounts. As of December 31, 2020, homeWorks III has no outstanding developer fees payable to the Authority.

South Shore Court is a separate legal entity created on September 14, 2007 to undertake rehabilitation of the Douglas Apartments, owned by the Authority. South Shore 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 land and building are leased to the partnership under a

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75-year financing lease. If an operating deficit exists, the Authority is obligated to loan funds to the partnership up to the amount of the deficit. As of December 31, 2020, South Shore Court owed the Authority developer fees in the amount of $58,580.

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 Authority has a 99-year operating lease for the land to the partnership for a nominal amount. If an operating deficit exists, the general partner is obligated to loan the partnership up to $350,000. As of December 31, 2020, Tamarack Place owed the Authority no developer fees.

Lake City Court is a separate legal entity created on December 3, 2009 to undertake redevelopment activities at the site formerly occupied by Lake City Village, which was demolished in 2002 due to severe flooding damage to the housing units. During 2010, Lake City 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 a 55-year capital lease for the land with the Authority for $2,750,000 of which $1,275,158 is payable as of December 31, 2020. If an operating deficit exists, the Authority is obligated to contribute funds to the partnership up to $515,000. As of December 31, 2020, Lake City Court has no developer fees owed to the Authority.

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 Authority has a 99-year operating lease for the land to the partnership for a nominal amount. 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, 2020, Rainier Vista NE has no outstanding developer fees payable 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 capital 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, 2020, the Leschi House owed the Authority developer fees in the amount of $147,867.

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, 2020, 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

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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, 2020, Raven Terrace owed the Authority developer fees in the amount of $354,727.

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, 2020, Hoa Mai Gardens owed the Authority developer fees in the amount of $502,825.

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 capital 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, 2020, NewHolly Phase I owed no developer fees 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 99.9% 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, 2020, developer fees in the amount of $2,455,362 were owed to the Authority.

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 99.9% limited partner and the Authority participates as the 0.01% managing general partner. The partnership has a 99-year capital 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, 2020, developer fees in the amount of $109,526 were 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 99.9% 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, 2020, developer fees in the amount of $50,000 were owed to the Authority.

All 17 component units have a December 31 year-end. The component units' financial statements are presented as of December 31, 2020 and may be obtained by contacting the Authority.

High Point North was a separate legal entity created on October 31, 2003 to undertake phase one of the redevelopment activities at the High Point community. During 2018, the tax credit limited partner exited the partnership and the Authority participated as the 99.99% managing general partner of the partnership until the partnership was dissolved on October 1, 2020, at which time all assets and obligations were transferred to the Authority. To complete the transaction, the Authority assumed the outstanding debt of the partnership. No other costs were incurred. Prior to the dissolution and merger, High Point North was reported as a discretely presented component unit.

The merger of the High Point North resulted in the following increases and decreases in the January 1, 2020 amounts reported for the primary government and component units:

	Primary government	Component units
Current assets	$ 3,666,927	(3,666,927)
Capital assets, net	37,889,633	(37,889,633)
Noncurrent assets	4,866	(4,866)
Inter-entity receivables (payables)	(3,799,883)	3,799,883
Inter-entity notes receivables (payables)	(25,152,734)	25,152,734
Current liabilities	(1,044,765)	1,044,765
Noncurrent liabilities	(41,213)	41,213
Long-term debt	(9,444,860)	8,991,637
Investment in limited partnerships	(2,530,941)	—
Decrease in net position	$ (452,970)	(2,531,194)

In addition, the Authority acquired the S.P.A.C.E. Foundation, which was previously reported as a stand-alone not-for-profit entity outside of the Authority. The acquisition of S.P.A.C.E. resulted in an increase in current assets and net position of $116,946 of the Authority as of January 1, 2020. S.P.A.C.E. is reported as a blended component unit within the primary government column.

In accordance with GASB Statement No. 69, *Government Combinations and Disposals of Government Operations,* the Authority restated its net position for December 31, 2019 as of January 1, 2020 due to the merger with the High Point North and the acquisition of the S.PA.C.E. Foundation:

Net position as previously reported	$	679,344,931
Combination of High Point North under previously adopted GASB No. 69		(452,970)
Combination of the S.P.A.C.E. Foundation		116,946
Net position, as restated	$	679,008,907

(c) New Accounting Standards Adopted

GASB Statement No. 83**,** *Certain Asset Retirement Obligations* establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The requirements of this statement are effective for periods beginning after June 15, 2019. The adoption of this standard in 2020 did not have a material impact on the Authority's financial statements.

GASB Statement No. 84*, Fiduciary Activities,* establishes criteria for identifying and reporting of fiduciary activities of all state and local governments. The requirements of this statement are effective for periods beginning after December 15, 2019. The adoption of this standard in 2020 did not have a material impact on the Authority's financial statements.

GASB Statement No. 88**,** *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* will improve footnote disclosures related to government debt, including direct borrowings and direct payments and clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this statement are effective for periods beginning after June 15, 2019. The adoption of this standard in 2020 did not have a material impact on the Authority's financial statements.

GASB Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and 61* will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently. In addition, this Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The requirements of this statement are effective for periods beginning after December 15, 2019. The adoption of this standard in 2020 did not have a material impact on the Authority's financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32.* Some requirements of the statement related to defined contribution postemployment benefit plans and fiduciary defined benefit postemployment benefit plans are effective immediately. These requirements did not have an impact on the Authority's 2020 financial statements.

(d) New Accounting Standards to be Adopted in Future Years

GASB Statement No. 87*, Leases,* establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 89*, Accounting for Interest Cost Incurred Before the End of a Construction Period,* will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The requirements of this statement are effective for periods beginning after December 15, 2021.

GASB Statement No. 91, *Conduit Debt Obligations,* will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The requirements of this statement are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020,* will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The statement addresses various topics and is effective immediately except for those topics related to standards not yet effective. The Authority will adopt as required.

GASB Statement No. 93, *Replacement of Interbank Offered Rates,* will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods beginning after December 31, 2021. All other requirements of the statement are effective for reporting periods beginning after June 15, 2020.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs),* will improve financial reporting by establishing definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The uniform guidance will provide more relevant and reliable information for financial statement users. The requirements of this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Technology Arrangements,* will improve financial reporting by establishing a definition for these arrangements and providing uniform guidance for accounting and financial reporting for transactions that meet the definition. This will result in greater consistency, enhance the relevance and reliability of the government's financial statements, and allow users to understand the scale and impact on the government's obligations. The requirements of this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32.* This statement provides guidance intended to increase consistency and comparability related to reporting of fiduciary component units in situations where a potential component unit does not have a governing board and the primary government performs the duties that a governing board would typically perform. The Statement also intends to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other post-employment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans). Lastly, the Statement seeks to enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan, and for benefits provided through those plans. Some requirements of the statement related to defined contribution post-employment benefit plans and fiduciary defined benefit post-employment benefit plans are effective immediately. The remaining requirements are effective for the fiscal year ending June 30, 2022.

The Authority's management is currently evaluating these new standards to determine what impact they will have on the Authority.

(e) 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 for qualified residents for housing assistance payments in the Section 8 program and 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 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 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 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.

(f) 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 Local Government Investment Pool (LGIP), which is carried at amortized cost. The LGIP portfolio of securities meets the requirements in GASB Statement No. 72, *Fair Value Measurement and Application,* 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.

(g) 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.

(h) 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.

(i) Unamortized Charges

Unamortized charges consist of bond discounts, which are amortized over the term of the related note or bond.

(j) Capital Assets and Depreciation

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. All capital assets with a value greater than $2,000 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 using the straight-line method over the following estimated useful lives:

Land improvements	50 years
Leasehold improvements	10 years
Structures	40–75 years
Equipment	3–10 years

(k) Deferred Outflows/Inflows of Resources

A deferred outflow of resources is defined as a consumption of net position 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 position 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 Job Link program, as well as miscellaneous payables related to payroll costs.

(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.

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 employees' date of hire. Employees are paid for all accumulated vacation pay upon termination.

Due to the coronavirus pandemic, a one-time exception was made to the policy for 2020 that allowed all employees to carry over an additional 120 hours of annual leave as well as any unused 2020 personal holidays and merit days into 2021.

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

Employees earn sick leave at a rate of 96 hours per year. Sick leave is allowed to accumulate with no maximum. 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 7(a) for detailed schedule.

(n) Management Fees

The Authority manages two residential rental properties for HUD. For the year ended December 31, 2020, the Bay View Tower project paid the Authority management fees of $16,651, which is equal to 5.7% of net rental revenues received. Market Terrace paid the Authority management fees of $18,537 during the year.

(o) 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 2020 and no amounts are due and payable as of December 31, 2020.

(Continued)

(p) Unearned Revenue

The Authority has unearned revenue resulting from operating lease payments received in advance at the inception of the leases from 11 of its discretely presented component units: Alder Crest, South Shore Court, Lake City Court, homeWorks I, homeWorks II, homeWorks III, Leschi House, Kebero Court, NewHolly Phase I, West Seattle Properties and Red Cedar. The lease payments are recognized over the lease terms and unearned lease payments are shown as unearned revenue.

In addition, the Authority also 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.

(q) Income Taxes

Income received or generated by the Authority is not subject to federal income tax, pursuant to Internal Revenue Code 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 Internal Revenue Code of 1986, as amended. Contributions to the Authority are tax-deductible contributions, pursuant to Sections 170(b)(l)(A)(v) and 170 (c)(l) of the Internal Revenue Code of 1986, as amended.

(r) 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 multiple-employer 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.

(s) Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources, and OPEB expense, information about 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.

(t) 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.

(u) COVID-19 Impact

The COVID-19 pandemic has impacted the Authority's operations with increased maintenance costs for cleaning, increased tenant services costs to provide support to residents, and slower rent collections. In addition, certain capital projects were postponed in order to prevent exposure to staff and residents. However, the Authority has received additional funds through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and through Rental Assistance programs. With vaccinations underway at this time, the impacts of COVID-19 pandemic are expected to decrease through 2021 however, the Authority cannot determine what impact the COVID-19 pandemic will have in the future. The Authority has elected not to defer the payment of any FICA taxes during 2020.

(2) Deposits and Investments

(a) Deposits

As of December 31, 2020, the Authority's carrying amount of deposits (excluding petty cash and U.S. Post Office deposits) was $30,965,587 and the bank balance was $33,240,190. 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 $7,732 in petty cash funds. All deposits are either insured or registered and held by the Authority or its agent in the Authority's name.

(b) Investments

The following is a reconciliation of the Authority's investments to the statement of net position as of December 31, 2020:

Statement of net position caption		December 31, 2020
Current assets:		
Investments	$	142,139,375
Restricted investments		20,793,782
Noncurrent assets:		
Investments		1,000,265
Restricted investments		80,183,285
Total investments	$	244,116,707

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 Washington State Local Government Investment Pool (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 Security 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.

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 inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date,
- Level 2 inputs – inputs other than quoted priced included within Level 1 that are observable for an asset or liability either directly or indirectly, and
- Level 3 inputs – unobservable inputs for an asset or liability.

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

	Totals	Level 1 Quoted prices	Level 2 Observable inputs	Level 3 Unobservable inputs
Money market funds	$ 253,197	253,197	—	—
U.S. agency securities	1,508,070	1,508,070	—	—
Total investments at fair value	1,761,267	1,761,267	—	—
Investments carried at amortized cost	25,399,966			
State investment pool carried at amortized cost	216,955,474			
Total investments	$ 244,116,707			

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, 2020, 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.

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 percentage of its portfolio invested in the LGIP. The LGIP 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	N/A or less than 1 year	1–5 years	More than 10 years	Total
Money market funds	n/a	$ 253,197	—	—	253,197
U.S. agency securities	AAA	1,952,117	24,955,919	—	26,908,036
State investment pool	n/a	216,955,474	—	—	216,955,474
Total investments		$ 219,160,788	24,955,919	—	244,116,707

(c) Component Unit Deposits

As of December 31, 2020, the component units' carrying amount of deposits (excluding petty cash) was $83,705,333 and the bank balance was $83,805,666. 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 $400 in petty cash funds.

(d) Component Unit Investments

As of December 31, 2020, investments of $207,465 were held in trust and restricted for the development of the component units' redevelopment projects, replacement reserves, and operating reserves.

Custodial Risk

The investments of the component units are comprised of money market funds. As of December 31, 2020, all investments were insured or registered, and held by the component unit or its agent in the component unit's name. Therefore, the investments are not exposed to custodial risk.

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	More than 10 years	Total
Money market funds	n/a	$	207,465	—	207,465
Total investments		$	207,465	—	207,465

(3) Restricted Cash and Investments

The Authority's restricted cash and investments as of December 31, 2020 are summarized in the following table with a further analysis of the purpose of each restriction in the sections that follow:

Security deposits	$	1,853,551
Bond trust funds and mortgage reserves		36,648,934
HUD CARES unspent subsidy		4,190,081
Other restricted funds:		
JobLink Escrow account		327,099
Dream Big Scholarship fund		73,064
High Point Endowment Trust		225,029
Lake City Court Endowment Trust		164,865
Yesler Endowment		988,577
High Point and Yesler Terrace development		3,335,684
Unspent procees from 2020 refunding		8,487,011
Yesler Land sale proceeds		45,738,524
Loan fund commitments to component units		15,768,521
	$	117,800,940

The following is a reconciliation of restricted cash and investments to the statement of net position as of December 31, 2020:

Current assets:		
Restricted cash	$	10,999,369
Restricted investments		20,793,782
Noncurrent assets:		
Cash restricted for long-term purpose		5,824,504
Restricted investments		80,183,285
	$	117,800,940

(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. The Authority held security deposits for residential tenants as well as commercial tenants as of December 31, 2020 as shown in the schedule below:

		Residential	Commercial	Total
Total security deposits	$	1,672,465	181,086	1,853,551

(b) Bond Trust Funds and Mortgage Reserves

As of December 31, 2020, funds held for bond trust funds and mortgage reserves are shown below:

		Balance
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 0.01% as of December 31, 2020.	$	253,184
Investments are held for the payment of principal and interest for the bond refunding in 2013 for Montridge Arms, Westwood East, Spruce Street, Norman Street, MLK properties, Fir Street, Lam Bow, Main Street Apartments, and Yesler Court. The funds consist of U.S. Treasury notes and bear interest of 0.77% as of December 31, 2020.		12,513,230
Restricted cash is held for the Beacon operating reserves and replacement reserves. The funds consist of money market funds and bear interest at approximately 0.01%.		133,135
Reserves are held in restricted cash accounts for the capital replacement and operations of Villa Park and bear interest at approximately 0.01%.		101,516
Restricted cash is held for operating reserves and replacement reserves for Senior Housing projects Willis House, Reunion House, Nelson Manor, and Olmsted Manor and bear interest of approximately 0.01%.		139,761
Restricted cash held for bond activity related to the Douglas Apartment bonds. The account bears interest of approximately 0.05%.		350,406
Reserves are held in cash accounts for Ravenna School replacement reserves and bear interest at approximately 0.01%.		185,755
Money market funds are held for replacement reserves for properties supported by the 2014 bond refunding including Market Terrace, Mary Avenue, Bayview Tower, Lake City Commons, Villa Park, Telemark Apartments, Main Place II, Delridge Triplexes, 5983 Rainier Avenue, 924 MLK Way, and Baldwin Apartments. The funds bear interest of approximately 0.01%.		1,053,235
Money market funds are held for replacement reserves for Westwood Heights East. The funds bear interest of approximately 0.35%.		144,945
Restricted investments are held for the payment of principal and interest for properties of the 2014 bond refunding including Market Terrace, Mary Avenue, Bayview Tower, Lake City Commons, Villa Park, Telemark Apartments, Main Place II, Delridge Triplexes, 5983 Rainier Avenue, 924 MLK Way, and Baldwin Apartments. The funds bear interest of approximately 0.77%.		12,886,749
Restricted cash is held for Holly Park Phase II public housing expense reserve and operating deficit reserve. The funds bear interest at approximately 0.01%.		570,247

		Balance
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 0.05%.	$	982,340
Restricted cash is held for the 2018 Bond refunding properties, including Wedgewood Estates, New Holly Phases II and III and Rainier Vista, as unspent bond proceeds. The funds bear interest at approximately 0.05%.		3,323,516
Restricted cash is held for the 2018 Bond refunding properties, including Wedgewood Estates, New Holly Phases II and III and Rainier Vista, for replacement reserves. The funds bear interest at approximately 0.01%.		3,284,510
Restricted cash is held for replacement reserves at Spring Lake, Weller Apartments, Golden Sunset Apartments and MLK Apartments. The funds bear interest at approximately 0.02%.		624,925
Restricted cash is held for replacement and operating reserves at the Ritz Apartments. The funds bear interest at 0.05%.		101,480
Total	$	36,648,934

(c) Other Restricted Funds

Restricted investment in the amount of $4,190,081 are held as unspent funds from HUD for CARES funding received in 2020 for the Section 8 Voucher program. The funds must be spent prior to December 31, 2021.

Restricted cash amounts of $327,099 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 18 or older. Residents work with career coaches to map out individual plans for better employment.

Restricted cash amounts of $73,064 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 $225,029 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 $167.

Restricted cash amounts of $164,865 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 to spend only the interest earnings and leave the principal intact. 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 $124.

Restricted cash amounts of $988,577 are held in an endowment trust for residents of the Yesler Terrace community. The funds are to be used for providing supportive services to Yesler Neighborhood Residents. The intent is to build this endowment and to spend only the interest earnings and leave the principal intact. Upon approval from HUD in August 2019, grant funds in the amount of $986,500 were deposited to the account. During the year there were no withdrawals and the account increased in value by $899.

Restricted cash in the amount of $3,335,684 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 $8,487,011. 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, 2020, $45,738,524 was held in restricted investments for this purpose.

Partnership loan commitments total $15,768,512 and are held as restricted investments for Hinoki Apartments. The Authority expects the funds to be loaned to the partnership during 2021.

(4) Notes Receivable

(a) Other Than from Component Units

	December 31, 2020	Due within one year
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.		—
Note due from the Mount Baker Housing	856,912	
Association for the Starlighter Apartments, which are 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 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 Apartments I and Views at Madison II, respectively, 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	—

	December 31, 2020	Due within one year
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.	645,861	31,749
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	—
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	—

(Continued)

	December 31, 2020	Due within one year
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.	548,465	—
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 unitsat 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	
Allowance for loss	(843,841)	—
Total notes receivable, net	$ 14,043,558	31,749

The Authority has gross notes receivable and an allowance of $4,328,076 for loans made to Neighborhood House and Boys and Girls Club that are excluded from the table above. 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

		Balance December 31, 2020	Due within one year
Two notes due from homeWorks I. One note for $12,000,000 bears interest at 4.82% per annum during rehabilitation and 2.75% per annum thereafter. The other note in the amount of $12,000,000 bears interest at 4.68% per annum during rehabilitation and 2.75% per annum thereafter. Both notes mature on January 1, 2046 with principal and interest payments due quarterly during rehabilitation and annually from available cash flows thereafter. As of December 31, 2020, the amount of interest payable to the Authority was $6,784,250.	$	24,000,000	—
Due from Alder Crest. The note bears interest at 5% per annum and matures March 31, 2057 with payments from available cash flows. Interest payable to the Authority on December 31, 2020 was $159,847.		220,000	—
Due from Alder Crest for renovations. The note bears interest at 0.5% per annum, payable annually beginning January 1, 2014. The loan shall not exceed $371,816 and matures January 31, 2029. Interest payable to the Authority on December 31, 2020 was $1,806.		361,231	—
Two notes due from High Point South in the amounts of $4,606,506 and $8,606,159. The notes bear interest at at 1% per annum and mature in 2062. Interest payments are due annually from available net cash flows. As of December 31, 2020, interest payable to the Authority was $1,497,435.		13,212,665	—
Two notes due from homeWorks Phase II in the amounts of $12,000,000 and $16,051,551. The notes bear bear interest at 4.88% and 4.60%, respectively, during rehabilitation and 3.5% thereafter. Both notes mature December 21, 2046. As of December 31, 2020, interest payable to the Authority was $5,816,458.		28,051,551	—
Two notes due from homeWorks Phase III in the amounts of $9,200,000 and $11,750,000. The notes bear interest at 4.13% and 5.04%, respectively, during rehabilitation and 4.25%, thereafter. Both notes mature December 19, 2047. As of December 31, 2020, interest payable to the Authority was $5,088,663.		20,950,000	—

		Balance December 31, 2020	Due within one year
Due from Tamarack Place. The note bears interest at 1% per annum and matures in 2049. Interest payments are due annually from available net cash flows. As of December 31, 2020, interest payable to the Authority was $611,351.	$	10,400,000	—
Two notes due from Rainier Vista NE in the amounts of $10,000,000 and $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, 2020, no interest was payable to the Authority.		16,337,135	—
Due from Lake City Court. The note accrues interest at 0.08% per annum and matures May 2065. As of December 31, 2020, interest payable to the Authority was $1,396,724.		16,358,505	—
Due from Lake City Court for long-term capital lease. The note accrues interest at 4.7% and matures May 1, 2065 with payments subject to cash flow.		1,275,158	—
Due from South Shore Court. The note accrues interest at 4.80% per annum and matures June 2040. As of December 31, 2020, interest payable to the Authority was $6,400.		1,650,000	100,000
Two notes due from Kebero Court. The notes accrue interest at 3.0% per annum and mature April 1, 2065. As of December 31, 2020, interest payable to the Authority was $1,506,873.		8,783,627	—
Due from Raven Terrace. The note accrues interest at 2.5% and matures in 2069. As of December 31, 2020, interest payable to the Authority was $1,366,349.		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, 2020, interest payable to the Authority was $33,454.		628,250	—
Due from Hoa Mai Gardens. The note accrues interest at 1.0% per annum and matures December 1, 2065. As of December 31, 2020, interest payable to the Authority was $676,998.		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, 2020, interest payable to the Authority was $923,127.		13,034,079	—

(Continued)

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Notes to Basic Financial Statements

December 31, 2020

		Balance December 31, 2020	Due within one year
Two notes due from NewHolly Phase I. Both notes accrue interest at 1% with interest payable from available cash flows and mature in 2066. Interest payable to the Authority was $63,726 as of December 31, 2020.	$	5,198,656	—
Due from Red Cedar. The loan bears an interest rate of 1.0% per annum compounded annually and is payable from available cash flows. Interest payable to the Authority was $326,532 as of December 31, 2020.		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 was $45,473 as of December 31,2020.		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 $177,452 was payable as of December 31, 2020.		2,180,000	—
Due from West Seattle Properties. The acquisition loan accrues interest at 2.64% and matures December 1, 2067. As of December 31, 2020, interest payable to the Authority was $1,638,175.		20,125,000	—
Due from Hinoki Apartments. The note accrues interest at 1% per annum and matures in 2070. The maximum loan amount is $38,500,000.		22,731,480	—
Allowance for loss		(7,217,124)	—
Total notes from component units, net	$	246,320,386	100,000

(5) Capital Assets

The following is a summary of changes in capital assets of the Authority for the year ended December 31, 2020:

	Balance January 1, 2020	Additions and transfers-in	Dispositions and transfers-out	Balance December 31, 2020
Capital assets, not being depreciated:				
Land	$ 135,750,013	—	(12,832)	135,737,181
Construction in progress	31,919,048	19,941,201	(13,514,313)	38,345,936
Total capital assets, not being depreciated	167,669,061	19,941,201	(13,527,145)	174,083,117
Depreciable capital assets:				
Land improvements	54,241,198	48,292	—	54,289,490
Structures	587,309,403	7,709,791	(4,026,097)	590,993,097
Leasehold improvements	1,447,059	90,982	—	1,538,041
Equipment	23,888,510	2,018,699	(724,654)	25,182,555
	666,886,170	9,867,764	(4,750,751)	672,003,183
Less accumulated depreciation and amortization for:				
Land improvements	(17,088,670)	(1,376,946)	—	(18,465,616)
Structures	(280,445,592)	(12,080,163)	3,794,514	(288,731,241)
Leasehold improvements	(960,864)	(77,539)	—	(1,038,403)
Equipment	(20,378,517)	(1,007,800)	705,800	(20,680,517)
Total accumulated depreciation and amortization	(318,873,643)	(14,542,448)	4,500,314	(328,915,777)
Total capital assets, being depreciated, net	348,012,527	(4,674,684)	(250,437)	343,087,406
Total capital assets, net	$ 515,681,588	15,266,517	(13,777,582)	517,170,523

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. Transfers out of construction in progress include $5.7 million for Hinoki, a new discretely presented component unit of the Authority in 2020.

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 of Seattle. These transfers occur when the projects are complete.

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, 2020:

	Balance January 1, 2020	Additions and transfers-in	Dispositions and transfers-out	Balance December 31, 2020
Capital assets, not being depreciated:				
Land	$ 4,926,009	—	—	4,926,009
Construction in progress	625,653	33,446,424	(1,688,409)	32,383,668
Total capital assets not being depreciated	5,551,662	33,446,424	(1,688,409)	37,309,677
Depreciable capital assets:				
Land improvements	20,778,802	119,610	—	20,898,412
Structures	493,165,446	1,116,838	—	494,282,284
Equipment	8,065,189	416,966	—	8,482,155
	522,009,437	1,653,414	—	523,662,851
Less accumulated depreciation for:				
Land improvements	(6,548,654)	(1,162,754)	—	(7,711,408)
Structures	(80,901,211)	(12,966,871)	—	(93,868,082)
Equipment	(4,908,334)	(454,762)	—	(5,363,096)
Total accumulated depreciation	(92,358,199)	(14,584,387)	—	(106,942,586)
Total capital assets, being depreciated, net	429,651,238	(12,930,973)	—	416,720,265
Total capital assets, net	$ 435,202,900	20,515,451	(1,688,409)	454,029,942

(6) 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 LIBOR rate plus 0.85%, or 0.99%, at December 31, 2020 and requires monthly interest payments. The line of credit has an initial maturity date of December 31, 2021. With the bank's approval, the executive director may extend the line until December 31, 2029. At December 31, 2020, there were no outstanding amounts on the line.

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, 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 0.99%, at December 31, 2020 and requires monthly interest payments. The nonbank qualified tax-exempt portion of the line carries an interest rate of LIBOR plus 1.3%, or 1.45%, at December 31, 2020. The line of credit has an initial term of three years and may be extended by the executive director until December 31, 2030 with the bank's approval. At December 31, 2020, there were no outstanding amounts on the line.

The following is a summary of changes in the Authority's short-term borrowings for the year ended December 31, 2020:

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020
Non-revolving line of credit for loan to West Seattle properties.	$ 2,500,000	—	2,500,000	—
Acquisition line of credit for the purchase of Weller Apartments, MLK Apartments and the Golden Sunset Apartments.	32,364,778	—	32,364,778	—
Total short-term borrowings	$ 34,864,778	—	34,864,778	—

(7) Long-Term Debt and Other Long-Term Obligations

(a) Authority Debt 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, 2020:

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020	Due within one year
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 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.	$ 1,615,684	—	—	1,615,684	—
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	—
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.	2,800,000	—	—	2,800,000	—

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020	Due within one year
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 at 1% per year compounded monthly, with 50 annual payments of $27,698. The note is secured by a deed of trust on the property.	673,534	—	—	673,534	—
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 forgiven. The note is secured by a deed of trust on the property.	1,785,723	—	—	1,785,723	—

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020	Due within one year
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 Willis House and Reunion House. Loans bear interest at 1%, which is payable at maturity, December 2059.	850,000	—	—	850,000	—
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. The loan bears interest at 1%, which is 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	—

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020	Due within one year
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 Washington for Beacon House payable at maturity in March 2043 and bears no interest.	114,212	—	—	114,212	—
Loan payable to City of Seattle Office of Housing for the Ritz Apartments.The note bears interest at 1% per annum with payments from available cash flows. The note matures August 9, 2054.	560,000	—	—	560,000	—
Construction loan payable to Chase Bank bearing interest at 5.496% for the Ritz Apartments. The loan was paid off during the year.	833,932	—	833,932	—	—
CDBG loan payable to City of Seattle for Yesler Terrace redevelopment. Principal and interest at 1% are due at maturity, December 1, 2064.	375,027	168,329	—	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.	436,470	21,000	—	457,470	—
Note payable to Key Bank for the acquisition of Northgate apartments. The note matures December 20, 2029 and bears interest at 2.77% for the first 5 years and then resets for another 5 years. Interest is payable monthly beginning February 1, 2020.	65,000,000	—	—	65,000,000	—

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020	Due within one year
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	—
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 beginning April, 2021 until the maturity date of January, 2046.	2,000,000	—	—	2,000,000	—
Note payable to the City of Seattle, Office of Housing for the MLK Apartments. The note bears interest at 1.75% and has an initial maturity date of May 1, 2025 and may be extended for two years. Payments are due from cash flows or at maturity.	—	14,820,565	—	14,820,565	—
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 at a rate of 3.2% for the first 10 years and resets April, 2030. Payments are due semi-annually and final maturity date is April, 2050.	—	62,999,998	633,624	62,366,374	1,296,960
Total notes payable	88,938,910	78,009,892	1,467,556	165,481,246	1,296,960
Bonds payable for Gamelin and Genesee 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.	2,810,000	—	135,000	2,675,000	135,000

(Continued)

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020	Due within one year
Variable rate bonds subject to remarketing for Douglas Apartments rehabilitation project and mature June 2040. The interest rate is reset every Wednesday with remarketing agent and was 0.024% on December 31, 2020. The bonds are secured by a letter of credit with Key Bank.	$ 1,650,000	—	50,000	1,600,000	50,000
Fixed rate bonds for Replacement housing properties, Montridge Arms, Main Street Apts and Yesler Court. Interest rates range from 0.7%-5.6%. Bonds mature September 2043 and are secured by a deed of trust on the properties.	10,370,000	—	145,000	10,225,000	80,000
Fixed rate bonds for Market Terrace, Mary Avenue townhomes Bayview Tower, Lake City Commons, Villa Park, Telemark Apartments, Main Place II, Delridge Triplexes, 5983 Rainier Ave, 924 MLK Way and Baldwin Apartments. Bonds mature December 1, 2044 and are secured by a deed of trust on the properties. Rates range from 0.25 to 3.50%.	12,285,000	—	290,000	11,995,000	295,000
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.	34,030,000	—	815,000	33,215,000	840,000
Bonds payable for High Point North. The bonds were secured by a deed of trust on the property and accrued Interest at 5.295%. They were paid in full during the year.	7,747,373	—	7,747,373	—	—
Total bonds payable	68,892,373	—	9,182,373	59,710,000	1,400,000
Accrued compensated absences	3,235,688	5,436,444	3,666,974	5,005,158	570,766
Total long-term obligations	$ 161,066,971	83,446,336	14,316,903	230,196,404	3,267,726

For variable rate bonds, the Authority estimated interest payments based on the interest rates in effect at the end of the fiscal year and principal payments based on the maturity date on the bond indentures assuming the bonds will not be called before the maturity dates.

The following is a summary of debt service requirements of the Authority for long-term obligations as of December 31, 2020:

	Bonds	Notes	Total	
			Principal	Interest
2021	$ 3,871,974	5,201,524	2,696,960	6,376,538
2022	3,845,548	5,199,307	2,783,795	6,261,060
2023	3,764,518	17,291,873	14,855,606	6,200,785
2024	3,964,504	70,236,790	68,156,123	6,045,171
2025	4,014,807	19,608,602	18,133,651	5,489,758
2026–2030	19,777,382	52,013,424	53,391,642	18,399,164
2031–2035	19,995,208	1,788,300	12,332,308	9,451,200
2036–2040	18,666,295	9,616,383	22,180,330	6,102,348
2041–2045	16,403,023	4,423,056	17,430,637	3,395,442
2046–2050	3,829,328	2,223,242	5,504,313	548,257
2051–2055	—	3,559,999	2,626,671	933,328
2056–2060	—	1,078,972	850,000	228,972
2061–2065	—	4,000,462	3,919,950	80,512
2066–2070	—	329,260	329,260	—
Total requirements	$ 98,132,587	196,571,194	225,191,246	69,512,535

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 it is in compliance with all significant limitations and restrictions. As of December 31, 2020, Authority management also believes that all bond issues met debt coverage ratio requirements.

(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 12 series of bonds amounting to $104,516,967 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 14.

As of December 31, 2020, there were 24 series of outstanding special revenue bonds for private non-profits and private developers. The aggregate principal payable could not be determined for one of the bonds, their original issue amount totaled $1,670,000. The aggregate principal payable as of December 31, 2020 for the remaining 23 series of bonds totaled $70,794,129.

(c) Component Unit Debt

High Point South has bonds outstanding at December 31, 2020 totaling $13,275,000. The bonds were issued by the Authority on behalf of the component unit and are backed by a deed of trust on High Point South's leasehold interest in the High Point Phase II redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. Interest is due monthly at a fixed rate of 3.98% through an interest rate swap agreement, and at the variable rate of 65.01% of the one-month LIBOR rate plus 2.54%. The bonds mature on March 1, 2039.

As of December 31, 2020, High Point South has other long-term debt totaling $15,212,665. Of this amount, $13,212,665 represents the general partner loans made by the Authority and is secured by liens on the partnership's property. These loans accrue noncompounding interest at an annual rate of 1% and mature in fiscal year 2062. Interest-only payments on the loans are due to the general partner from available net cash flows. As of December 31, 2020, no interest payments had been made to the Authority. The remaining $2,000,000 represents a loan from the State of Washington Housing Trust Fund. Payments of principal and interest are deferred for 12 years, with interest accruing at 1% per year during the deferral period. Beginning December 31, 2019, quarterly interest payments are due, and beginning December 31, 2029, quarterly payments of principal and interest are required until the final maturity date of September 30, 2059.

Alder Crest has outstanding long-term obligations in the amount of $2,647,141 as of December 31, 2020. Of this amount, $992,283 represents a loan payable to the City that bears interest at 1% per annum and matures March 31, 2057. Alder Crest also has a loan payable to the City in the amount of $111,124. The loan bears interest at 1% per annum and matures March 31, 2057. The loan is secured by a third deed of trust on the property. Alder Crest has a loan payable to the State in the amount of $962,503. Of this amount, $412,503 requires quarterly payments. The entire amount bears no interest and is payable in full on March 31, 2057. In addition, Alder Crest also has other borrowings outstanding in the amount of $581,231 from the Authority. One loan in the amount of $220,000 bears interest at 5.0% per annum and is secured by a fourth deed of trust on the property and matures March 31, 2057. The remaining $361,231 is a loan from the Authority for reimbursement of capital work needed on the stairways of the property. The loan amount shall not exceed $371,816, bears interest at 0.5% annually beginning January 1, 2014 and matures January 31, 2029.

Phase I homeWorks has long-term obligations totaling $24,000,000 as of December 31, 2020. Of this amount, $12,000,000 represents a promissory note from the general partner made by the Authority and secured by a deed of trust encumbering the partnership's interest in the project. Principal and interest shall be paid from available cash flows at an annual interest rate of 2.75%. The loan matures on January 1, 2046. Phase I homeWorks has another loan from the general partner made by the Authority and secured by the land, buildings, and improvements in the amount of $12,000,000 as of December 31, 2020. Principal and interest shall be paid from available cash flows at an annual interest rate of 2.75%. The loan matures on January 1, 2046.

Phase II homeWorks has long-term obligations totaling $28,051,551 as of December 31, 2020. Of this amount, $12,000,000 represents a promissory note from the general partner made by the Authority and secured by a deed of trust encumbering the partnership's interest in the project.

Principal and interest shall be paid from available cash flows at an annual interest rate of 3.5%. The loan matures on December 21, 2046. Phase II homeWorks has another loan from the general partner made by the Authority and secured by the land, buildings, and improvements in the amount of $16,051,551 as of December 31, 2020. Principal and interest shall be paid from available cash flows at an annual interest rate of 3.5%. The loan matures on December 21, 2046.

Phase III homeWorks has long-term obligations totaling $20,950,000 as of December 31, 2020. Of this, $9,200,000 represents a promissory note from the general partner made by the Authority and secured by a deed of trust encumbering the partnership's interest in the project. Principal and interest shall be paid from available cash flows at an annual interest rate of 4.25%. The loan matures on December 19, 2047. Phase III homeWorks has another loan from the general partner made by the Authority and secured by the land, buildings, and improvements in the amount of $11,750,000 as of December 31, 2020. Principal and interest shall be paid from available cash flows at an annual interest rate of 4.25%. The loan matures on December 19, 2047.

South Shore Court has outstanding long-term obligations in the amount of $7,800,000 as of December 31, 2020. Of this amount, $3,650,000 represents a loan payable to the City that bears interest at 2% per annum and matures June 30, 2060. Also, the partnership has a long-term note payable to the Authority in the amount of $1,650,000, which bears interest at 4.8% annually and matures June 1, 2040. South Shore Court has another note payable to the Department of Commerce with the face amount of $2,500,000. The note bears no interest and is payable on June 30, 2060.

As of December 31, 2020, Tamarack Place has outstanding long-term obligations in the amount of $11,259,603. Of this amount, $859,604 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, 2020, Lake City Court has outstanding long-term obligations in the amount of $17,633,663. Of this amount, $16,358,505 represents a note payable to the Authority, which bears interest at 0.8% per annum and is secured by a leasehold dead of trust on the project. Lake City Court also has a lease payable to the Authority in the amount $1,275,158, which is payable from available cash flows.

As of December 31, 2020, Rainier Vista NE has outstanding long-term obligations in the amount of $18,648,556. Rainier Vista NE has a fixed rate note payable to U.S. Bank in the amount of $2,311,421, 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, 2015, $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, 2020, $6,337,135 was outstanding.

As of December 31, 2020, Kebero Court has outstanding long-term obligations in the amount of $17,198,208. Of this amount, $6,559,581 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 of Seattle 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, 2020, Leschi House has outstanding long-term obligations in the amount of $7,903,937. Of this amount, $3,150,688 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 $628,250 which bears interest at 1% per annum and matures on April 30, 2065.

As of December 31, 2020, Raven Terrace has outstanding long-term obligations in the amount of $15,235,246. Of this amount $1,300,000 represents a loan from the City of Seattle 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 $3,742,226. 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, 2020, Hoa Mai Gardens has outstanding long-term obligations in the amount of $27,429,644. Of this amount, $10,448,447 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, 2020, $10,292,373 was drawn from that note.

As of December 31, 2020, NewHolly Phase I has outstanding long-term obligations in the amount of $27,044,314. Of this amount, $6,310,000 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 $13,034,079 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, 2020, $5,198,656 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 State of Washington 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 of Seattle. It matures in 2032 and has an interest rate of 1% per annum.

As of December 31, 2020, Red Cedar has outstanding long-term obligations in the amount of $33,182,757. Of this amount $13,845,248 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, 2020, $3,370,000 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. Also, Red Cedar has approved a $17,900,000 maximum note amount from

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the Authority. As of December 31, 2020, 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, 2020, West Seattle Properties has outstanding long-term obligations in the amount of $35,238,447. Of this amount, $8,035,000 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, 2020. 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.

Hinoki has outstanding long-term obligations in the amount of $72,556,480 as of December 31, 2020. Of this amount, $41,300,000 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) amount is $8,525,000. Series 2020A Bonds maturity date is June 1, 2052. Series 2020B bonds maturity date is June 1, 2023 and will be paid in full upon receipt of the limited partners' equity investment. In addition, Hinoki has a $38,500,000 maximum note amount from the Authority. As of December 31, 2020, the project had drawn $22,731,480 on this loan. The note bears interest at 1.00% and carries a term of 50 years.

(Continued)

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

	Balance January 1, 2020	Additions/ transfers	Retirements	Balance December 31, 2020	Due within one year
Loans payable to primary government from High Point South	$ 13,212,665	—	—	13,212,665	—
Loan payable to Washington State Housing Trust fund from High Point South	2,000,000	—	—	2,000,000	—
Loan payable to City of Seattle from Alder Crest	992,283	—	—	992,283	—
Loan payable to City of Seattle from Alder Crest	111,124	—	—	111,124	—
Loans payable to primary government from Alder Crest	581,231	—	—	581,231	—
Loan payable to Washington State Housing Trust fund from Alder Crest	968,115	—	5,612	962,503	11,224
Loans payable to primary government from homeWorks I	24,000,000	—	—	24,000,000	—
Loans payable to primary government from homeWorks II	28,051,551	—	—	28,051,551	—
Loans payable to primary government from homeWorks III	20,950,000	—	—	20,950,000	—
Loan payable to City of Seattle from South Shore Court	3,650,000	—	—	3,650,000	—
Loan payable to primary government from South Shore Court	1,690,000	—	40,000	1,650,000	100,000
Loan payable to the Department of Commerce from South Shore Court	2,500,000	—	—	2,500,000	—
Loans payable to primary government from Tamarack Place	10,400,000	—	—	10,400,000	—
Loan payable to WCRA from Tamarack Place	878,892	—	19,288	859,604	20,580
Loan payable to primary government from Rainier Vista NE	16,337,135	—	—	16,337,135	—

	Balance January 1, 2020	Additions/ transfers	Retirements	Balance December 31, 2020	Due within one year
Loan payable to US Bank for construction of Rainier Vista NE	$ 2,368,628	—	57,207	2,311,421	59,900
Lease payable to primary government from Lake City Court	16,358,505	—	—	16,358,505	—
Lease payable to primary government from Lake City Court	1,375,158	—	100,000	1,275,158	—
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 primary government from Leschi House	628,250	—	—	628,250	—
Loan payable to Chase Bank from Kebero Court	6,673,437	—	113,856	6,559,581	121,487
Loan payable to primary government from Kebero Court	8,783,627	—	—	8,783,627	—
Loan payable to City of Seattle from Kebero Court	1,814,775	40,225	—	1,855,000	—
Loan payable to primary government from Raven Terrace	10,193,020	—	—	10,193,020	—
Loan payable to City of Seattle from Raven Terrace	1,141,831	158,169	—	1,300,000	—
Loan payable to Chase Bank from Raven Terrace	3,808,616	—	66,390	3,742,226	70,449
Construction loan from Hoa Mai Gardens	10,577,195	—	128,748	10,448,447	136,481
Loan payable to primary government from Hoa Mai Gardens	16,981,197	—	—	16,981,197	—
Construction loan from Red Cedar	35,000,000	—	21,154,752	13,845,248	162,358
Loan payable to primary government from Red Cedar	14,210,231	1,757,278	—	15,967,509	—
Loan payable to primary government from Red Cedar	1,876,821	—	1,876,821	—	—
Loan payable to City of Seattle from Red Cedar	3,370,000	—	—	3,370,000	—

(Continued)

	Balance January 1, 2020	Additions/ transfers	Retirements	Balance December 31, 2020	Due within one year
Loan payable to WA State Housing Trust fund from NewHolly Phase I	$ 1,700,000	—	—	1,700,000	—
Loan payable to City of Seattle from NewHolly Phase I	801,579	—	—	801,579	—
Loans payable to primary government from NewHolly Phase I	18,232,735	—	—	18,232,735	—
Loans payable to primary government from West Seattle properties	24,135,011	3,388,436	2,500,000	25,023,447	—
Capital lease to primary government from West Seattle properties	2,180,000	—	—	2,180,000	—
Loan payable to primary government from Hinoki	—	22,731,480	—	22,731,480	—
Total notes	312,658,611	28,075,588	26,062,674	314,671,525	682,479
Bonds payable:					
High Point South	13,640,000	—	365,000	13,275,000	420,000
Leschi House	3,211,262	—	60,574	3,150,688	63,484
NewHolly Phase I	6,475,000	—	165,000	6,310,000	170,000
West Seattle Properties	24,780,000	—	16,745,000	8,035,000	235,000
Hinoki Apartments	—	49,825,000	—	49,825,000	—
Total bonds payable	48,106,262	49,825,000	17,335,574	80,595,688	888,484
Total long-term debt	$ 360,764,873	77,900,588	43,398,248	395,267,213	1,570,963

Debt service requirements of long-term obligations of the component units as of December 31, 2020 are as follows:

			Total	
	Bonds	Notes	Principal	Interest
2021	$ 3,158,224	7,506,990	1,570,963	9,094,251
2022	3,130,398	7,515,887	1,577,336	9,068,949
2023	30,044,162	7,536,094	28,876,818	8,703,438
2024	2,877,719	7,546,573	2,088,192	8,336,100
2025	2,882,045	7,557,342	2,156,011	8,283,376
2026–2030	14,667,594	39,782,792	14,152,300	40,298,086
2031–2035	15,152,866	38,077,139	14,624,868	38,605,137
2036–2040	16,661,576	49,154,203	30,383,779	35,432,000
2041–2045	10,590,852	58,017,156	38,018,138	30,589,870
2046–2050	6,593,878	80,428,185	68,417,807	18,604,256
2051–2055	6,917,925	16,609,102	9,200,907	14,326,120
2056–2060	—	37,218,358	22,850,212	14,368,146
2061–2065	—	88,303,796	75,763,111	12,540,685
2066–2070	—	88,691,732	85,586,771	3,104,961
Total requirements	$ 112,677,239	533,945,349	395,267,213	251,355,375

The component units have adopted Financial Accounting Standards Board Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs,* which requires debt issuance costs and discounts to be reported as a reduction in the carrying amount of the related debt rather than an asset. 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	$ 253,537,510	61,134,015	80,595,688	395,267,213
Unamortized premium	—	—	1,455,901	1,455,901
Unamortized discount	—	—	(108,202)	(108,202)
Unamortized debt issuance costs	(1,137,873)	(298,936)	(859,179)	(2,295,988)
Net debt amount	$ 252,399,637	60,835,079	81,084,208	394,318,924

(8) Unearned Revenue – Operating Leases

The Authority leased the building and land of the Alder Crest Apartments to the Alder Crest partnership beginning in December 2005. The lease matures December 31, 2080. The lease includes a purchase option in which Alder Crest has the right to require the Authority to convey legal title to the property for a total purchase price of $1 any time after December 31, 2104. The Authority has received all payments required under the terms of the lease. Assets held for lease included land of $595,017, building and improvements with a cost of $1,405,230, and accumulated depreciation at December 31, 2020 of $579,705.

Phase I homeWorks has leased seven public housing buildings and the related land from the Authority for the purpose of rehabilitating and operating the properties. The initial lease amount was $11,434,750 and all payments have been received. The lease matures on December 31, 2104. Assets held for lease included land of $982,235, building and improvements with a cost of $17,052,143, and accumulated depreciation at December 31, 2020 of $16,937,316.

Phase II homeWorks has leased seven public housing buildings and the related land from the Authority for the purpose of rehabilitating and operating the properties. The initial lease amount was $12,171,533 and all payments have been received. The lease matures on December 31, 2105. Assets held for lease included land of $804,323, building and improvements with a cost of $16,997,451, and accumulated depreciation at December 31, 2020 of $16,996,045.

Phase III homeWorks has leased seven public housing buildings and the related land from the Authority for the purpose of rehabilitating and operating the properties. The initial lease amount was $11,446,098 and all payments have been received. The lease matures on December 31, 2106. Assets held for lease included land of $1,088,828, building and improvements with a cost of $18,442,567, and accumulated depreciation at December 31, 2020 of $18,312,405.

The Authority leased the building and land of the Douglas Apartments to South Shore Court beginning in December 2008. The lease matures on December 31, 2083. The lease includes a purchase option in which South Shore Court has the right to require the Authority to convey legal title to the property for a total purchase price of $1 any time after December 31, 2058. The Authority has received all payments required under the terms of the lease. Assets held for lease included land of $813,062, building and improvements with a cost of $2,856,708, and accumulated depreciation at December 31, 2020 of $993,635.

The Lake City Court has leased land and improvements from the Authority beginning May 2010 for the purpose of constructing an 86-unit affordable apartment building in northeast Seattle. The initial lease amount was $2.75 million, of which $1,275,158 is a note payable due to the Authority no later than May 1, 2065, and payments are subject to available cash flow of the partnership. The lease matures on December 31, 2109. Assets held for lease included land with a cost of $951,658.

The Authority has leased land to Kebero Court for the purpose of constructing a 103-unit affordable apartment building as part of the overall Yesler Terrace development. The initial lease amount was $909,406 based on the appraised land value and was presented as a capital contribution from the Authority. The lease matures on December 31, 2112. Assets held for lease include land with a value of $8,327 as of December 31, 2020.

The Authority has leased land to Leschi House for the purpose of constructing a 35-unit addition to Leschi House. The initial lease amount was $3.11 million based on the appraised land value and was presented as a capital contribution from the Authority. The lease matures on December 31, 2112. Assets held for lease included land of $427,500, building and improvements with a cost of $1,700,469, and accumulated depreciation of $817,562 as of December 31, 2020.

(Continued)

The Authority has leased the land improvements and structures of phase one of the NewHolly redevelopment to the NewHolly Phase I partnership for the purpose of performing rehabilitation of the building exteriors in phase one of the redevelopment. The initial lease amount was $19,250,000. The lease matures December 31, 2115. Assets held for lease included land improvements of $1,341,315, building and improvements with a cost of $24,446,539, and accumulated depreciation of $8,748,922 as of December 31, 2020.

The Authority has leased three properties to the West Seattle Properties partnership. The land held by the Authority at Longfellow Creek, Wisteria Court, and Roxhill Court was recorded at amounts of $1,058,491, $753,805, and $649,799, respectively. The initial lease amount for the land was $2,180,000. In addition, the Authority leased building and improvements to the partnership for Longfellow Creek, Wisteria Court, and Roxhill Court with an initial lease amount of $26,810,000. The building and improvements included were $6,011,531 at Longfellow Creek, $6,476,793 at Wisteria Court, and $2,203,033 at Roxhill Court. As of December 31, 2020, accumulated depreciation was $2,434,098, $2,737,913, and $1,467,882, respectively. Of the $26,810,000, $6,685,000 was paid at closing and the remaining $20,125,000 is in the form of a note payable to the Authority. The lease expires on December 31, 2116.

The Authority has leased land to Red Cedar partnership for the purpose of constructing a 119 unit apartment building as part of the overall Yesler Terrace development. The lease amount was recorded at the market value of $3,330,000 and matures December 31, 2116. Assets held for lease included land with a cost of $18,277 as of December 31, 2020.

Unearned lease payments are shown as unearned revenue on the statement of net position. The following schedule shows related unearned rental revenue as of December 31, 2020.

		Original lease amount	Unearned rental revenue
Alder Crest Apartments	$	1,935,000	1,548,000
homeWorks I		11,434,750	9,702,507
homeWorks II		12,171,533	10,446,673
homeWorks III		11,446,098	9,939,072
South Shore Court		3,650,000	3,065,995
Lake City Court		2,750,000	1,348,374
Leschi House		3,110,000	2,887,988
Kebero Court		909,406	843,203
NewHolly Phase I		19,250,000	18,421,158
West Seattle Properties		28,990,000	28,787,425
Red Cedar		3,330,000	3,209,470
Total	$	98,976,787	90,199,865

Unearned lease revenues as of December 31, 2020 are reflected in the statement of net position in current and long-term liabilities in the amounts of $821,700 and $89,378,165, respectively.

(9) Deferred Outflows and Deferred Inflows of Resources

The composition of deferred outflows and deferred inflows of resources at December 31, 2020 are summarized as follows:

		Pensions	OPEB	Total
Deferred outflows of resources	$	6,055,231	180,722	6,235,953
Deferred inflows of resources		(4,721,300)	(722,860)	(5,444,160)

(10) Pension Plans

Substantially all of the Authority's full-time and qualifying part-time employees participate in the Washington State Public Employees Retirement System (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.

(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, 2020 are presented in the table below.

		Net pension liability	Deferred outflows	Deferred inflows
PERS 1	$	10,917,137	1,125,092	(60,783)
PERS 2/3		5,130,825	4,930,139	(4,660,517)
Total	$	16,047,962	6,055,231	(4,721,300)

(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 plans 1 and 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.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent 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.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's AFC times the member's years of service for Plan 2 and 1 percent 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 three percent 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 five percent 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 three percent 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 ten years of service; or after five years of service if 12 months of that service are earned after age 44.

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 five percent and escalate to 15 percent 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 Comprehensive Annual Financial Report. 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 0.18% 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 actual contribution rates for the employers and employees were changed during the year. Effective September 1, 2020, employer rates were increased from 12.86% to 12.97% for all plans. Contribution rates for employees in Plan 2 were unchanged, which has remained at 7.90% since July 1, 2019.

The Authority's employer and employee contribution rates as a percentage of covered payroll and required contributions for employees covered by PERS as of December 31, 2020 were:

	PERS Plan 1 required	PERS Plan 2 required	PERS Plan 3 required
Employer	12.97%	12.97%	12.97%
Employee	6.00	7.90	varies

	PERS Plan 1 required	PERS Plan 2 required	PERS Plan 3 required
Employer	$ —	4,327,128	1,575,560
Employee	—	2,650,514	792,162
	$ —	6,977,642	2,367,722

(e) Actuarial Assumptions

The total pension liability for each of the plans was determined by an actuarial valuation as of June 30, 2019, with the results rolled forward to the June 30, 2020 measurement date. The following actuarial assumptions have been applied to all prior periods included in the measurement:

Valuation method	Entry age normal actuarial cost method
Inflation	2.75 percent total economic inflation, 3.50 percent salary inflation
Salary increases	In addition to the base 3.50 percent salary inflation assumptions, salaries are also expected to grow by promotions and longevity
Investment rate of return	7.40 percent

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 actuarial assumptions used in the June 30, 2020 report were based on the results of OSA's 2013–2018 Experience Study Report and the 2019 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report.

(f) Discount Rate

The discount rate used to measure the total pension liability was 7.40 percent 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 7.40 percent long term discount rate to determining funding liabilities for calculating future contribution rate requirements.

Consistent with the long term expected rate of return, a 7.40 percent 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 7.40 percent on pension plan investments was applied to determine the total pension liability.

(g) Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The table below presents the Authority's net pension liability calculated using the discount rate of 7.40 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.40 percent) or one percentage point higher (8.40 percent) than the current rate.

Plan		1% decrease	Current discount rate	1% increase
PERS 1	$	13,674,333	10,917,137	8,512,576
PERS 2/3		31,925,369	5,130,825	(16,934,496)
Total	$	45,599,702	16,047,962	(8,421,920)

(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 percentage 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	20.00 %	2.20 %
Tangible assets	7.00 %	5.10 %
Real estate	18.00 %	5.80 %
Global equity	32.00 %	6.30 %
Private equity	23.00 %	9.30 %

The inflation component used to create the table is 2.20% 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, 2020 was June 30, 2020, the Plan's fiscal year end. The Authority's contributions received and processed by DRS during DRS' fiscal year ended June 30, 2019 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, 2019 Schedules of Employer and Nonemployer Allocations for PERS Plans 1, 2 and 3. The proportionate share for the years ended December 31, 2020 and 2019 was 0.309 percent and 0.278 percent for Plan 1, respectively, and 0.401 percent and 0.358 percent for Plan 2/3, respectively.

(j) Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2020, the amount of pension expense recognized by the Authority was $527,072 for PERS 1 and $516,010 for PERS 2/3 and is reported on the statement of revenues, expenses and changes in net position as a component of housing operations and administration expenses. Contributions made after the measurement date of June 30, 2020, but before the end of 2020 will be recognized as a reduction of the net pension liability during 2021.

The Authority's deferred outflows of resources and deferred inflows of resources pertaining to PERS as of December 31, 2020 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	$	—	(60,783)
PERS 1	Contributions subsequent to the measurement date of the collective net pension liability		1,125,092	—
PERS 2/3	Difference between projected and actual earnings on plan investments, net		—	(260,572)
PERS 2/3	Contributions subsequent to the measurement date of the collective net pension liability		1,843,590	—
PERS 2/3	Difference between expected and actual experience		1,836,761	(643,015)
PERS 2/3	Change in proportionate share		1,176,711	(252,132)
PERS 2/3	Change of assumptions		73,077	(3,504,798)
	Total	**$**	6,055,231	(4,721,300)

* 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.

Deferred outflows of resources related to the Authority's contributions subsequent to the measurement date of $2,968,682 will be recognized as a reduction of the net pension liability as of December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year		PERS 1	PERS 2/3	All Plans
2021	$	(275,832)	(1,968,353)	(2,244,185)
2022		(8,676)	(348,269)	(356,945)
2023		84,164	251,825	335,989
2024		139,561	602,628	742,189
2025		—	(69,795)	(69,795)
Thereafter		—	(42,004)	(42,004)
Total	$	(60,783)	(1,573,968)	(1,634,751)

(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 the Washington State Department of Retirement Systems. In June 1998, the State Deferred Compensation Program plan assets were placed into trust for the exclusive benefit of participants and their beneficiaries. Pursuant to GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, since the Authority is not the owner of these assets, the plan assets and liabilities are not reported as part of the Authority.

(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 January 1, 2020, but before December 31, 2020 will be recognized as a reduction of the OPEB liability in the following fiscal year rather than in the current period.

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

At January 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	6
Active employees	516
Total	522

(b) Total OPEB Liability

The total OPEB liability of $1,471,610 as of December 31, 2020 was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date. The following is a schedule of changes in the total OPEB liability for the year ended December 31, 2020:

Beginning balance as of December 31, 2019 using a measurement date of January 1, 2019	$ 1,622,439
Service cost	127,968
Interest on total OPEB liability	70,737
Change of assumptions	(180,902)
Differences between expected and actual experience	(117,881)
Benefit payments	(50,751)
Ending balance as of December 31, 2020 using a measurement date of January 1, 2020	$ 1,471,610

(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, 2020 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 RP-2014 tables, adjusted by 95% for retirees, 60% for male active employees and 95% for female active employees.
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 2014–2017 investigation of experience report.
Health care cost trend rate	Initial rate of 7.15% reaching the ultimate rate of 4.5% in 2030.
Valuation method	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 65, 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. 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.
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 2.74% was used for the January 1, 2020 measurement date and a discount rate of 4.10% was used for the January 1, 2019 measurement date, the date of implementation of GASB Statement No. 75.

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 3.44% and the discount rate used for the ending total OPEB liability was 2.74%.

(d) OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2020, the Authority recognized OPEB expense of $103,025 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	Deferred inflows
Difference between expected and actual experience	$	141,300	(104,078)
Changes of assumptions		—	(618,782)
Subtotal		141,300	(722,860)
Contributions made in year ending December 31, 2020 after the measurement date		39,422	—
Total	$	180,722	(722,860)

Amortization of deferred outflows and deferred inflows of resources:

Year ending December 31		
2021	$	(95,680)
2022		(95,680)
2023		(95,680)
2024		(95,680)
2025		(95,181)
Thereafter		(103,659)
Total	$	(581,560)

(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 2.74 percent as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.74 percent) or one percentage point higher (3.74 percent) than the current rate.

		1% decrease	Current discount rate	1% increase
Total OPEB liability	$	1,595,064	1,471,610	1,357,573

(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 7.15 percent that decreases to the ultimate rate of 4.5 percent in 2030, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.15 percent decreasing to 3.5 percent) or one percentage point higher (8.15 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

		1% decrease	Current Healthcare Cost Trend Rates	1% increase
Total OPEB liability	$	1,313,492	1,471,610	1,657,638

(13) Risk Management

The Authority maintains insurance against most normal hazards. Property insurance coverage is at a limit of $150 million, with a deductible of $50,000. The total insured value for buildings, business personal property and business income are insured on a blanket basis. 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) in order to obtain stable and affordable general liability insurance coverage. General liability coverage provided is $15 million per year, with a deductible of $25,000 per occurrence. The Authority also maintains a number of other insurance policies necessary and appropriate in the normal course of business, including employee fidelity, public official liability and cyber liability insurance. The amount of settlements has not exceeded insurance coverage 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 the payment of annual premiums for its general 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).

(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, 2020, the Authority and its component units have outstanding construction contracts and other commitments totaling approximately $44.6 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.

(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, 2020, the amount of available general revenue was $214.9 million 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 2020 general revenue	Term of commitment	Annual debt service
Obligations of the Authority						
Restricted investments are primary repayment source						
Fixed Rate bonds	2013 Refunding for Montridge Arms, Main Street Apartments, 2002 Replacement Housing projects, Yesler Court properties	2013	$ 19,439,533	0.32%	2043	$ 682,763
Fixed Rate bonds	2014 Refunding for Market Terrace, Mary Avenue Townhomes, Bayview Tower, Lake City Commons, Villa Park, Telemark Apartments, Main Place II, Delridge Triplexes, 5983 Rainier Ave, 924 MLK Way and Baldwin Apartments	2014	20,624,818	0.40	2044	858,294
Project revenues are primary repayment source:						
Fixed Rate taxable	Refunding of bonds for Gamelin/Genesee mixed use buildings	2015	3,723,650	0.12	2035	247,783
Fixed Rate bonds	2018 Refunding for NewHolly Phase II and III, Rainier Vista Phase I and Wedgewood Estates	2018	51,901,376	0.91	2048	1,961,134
Non-revolving line of credit	Purchase of Northgate Apartments	2019	72,146,985	0.84	2024	1,800,500
Fixed rate note	2020 Refunding	2020	79,382,197	1.53	2029	3,282,391
General revenues are primary repayment source:						
Variable Rate bonds	Rehabilitation of Douglas Apartments	2009	2,443,210	0.06	2040	122,000

Description of Debt	Purpose of Debt	Year Issued		Total future revenues pledged	Proportion of annual debt service pledged to 2020 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 High Point redevelopment, Phase II	2007	$	18,385,000	0.33 %	2039	$	700,000
Fixed Rate bonds for component unit	Construction of housing units at Kebero Court	2013		12,292,268	0.23	2045		486,823
Fixed Rate note for component unit	Construction of housing units at Raven Terrace	2015		6,800,011	0.12	2046		261,539
Fixed Rate note for component unit	Construction of housing units at Hoa Mai Gardens	2016		20,671,594	0.29	2034		633,511
Fixed Rate bonds for component unit	Rehabilitation of houring units at New Holly Phase I	2016		9,397,753	0.17	2046		362,875
Fixed Rate bonds for component unit	Rehabilitation of houring units at Longfellow Creek, Roxhill Court and Wisteria Court	2017		12,766,628	0.24	2047		514,163
Fixed Rate loan for component unit	Construction of housing units at Red Cedar	2018		23,750,414	0.37	2048		799,036
Fixed Rate loan for component unit	Construction of housing units at Hinoki	2020		57,737,337	0.58	2052		1,254,975
Equity investment is primary repayment source:								
Variable rate construction loan	Construction of housing units at Hinoki	2020		8,780,750	0.05	2023		102,300
Total General Revenue Pledge and annual debt service			$	420,243,524			$	14,070,087

(16) Blended Component Units Condensed Financial Information

Condensed combining statements for the Authority and its blended component units as of December 31, 2020 are shown below:

	Condensed combining statements			
	Combined entities	Eliminations	Housing authority	Total blended component units
Current assets, net	$ 204,327,258	(339,684)	203,721,392	945,550
Noncurrent cash and investments	87,008,054	—	86,319,888	688,166
Capital assets, net	517,170,523	—	517,170,523	—
Other noncurrent assets	279,566,291	—	279,566,291	—
Total assets	1,088,072,126	(339,684)	1,086,778,094	1,633,716
Deferred outflows of resources	6,235,953	—	6,235,953	—
Total assets and deferred outflows for resources	$ 1,094,308,079	(339,684)	1,093,014,047	1,633,716
Current liabilities	$ 28,061,988	(339,684)	27,981,558	420,114
Noncurrent liabilities	334,364,425	—	334,364,425	—
Total liabilities	362,426,413	(339,684)	362,345,983	420,114
Deferred inflows of resources	5,444,160	—	5,444,160	—
Net position				
Net investment in capital assets	302,066,288	—	302,066,288	—
Restricted net position	91,525,732	—	90,837,566	688,166
Unrestricted net position	332,845,486	—	332,320,050	525,436
Total net position	726,437,506	—	725,223,904	1,213,602
Total liabilities, net position and deferred inflows of resources	$ 1,094,308,079	(339,684)	1,093,014,047	1,633,716
	Condensed statements of revenues, expenses and changes in net position			
Operating revenues	$ 302,691,828	—	302,133,373	558,455
Operating expenses	(257,795,141)	—	(257,668,760)	(126,381)
Operating income	44,896,687	—	44,464,613	432,074
Nonoperating income (expense)	(5,613,650)	—	(5,614,857)	1,207
Transfers in (out)	—	—	327,411	(327,411)
Change in net position before partners' contributions	39,283,037	—	39,177,167	105,870
Capital contributions	8,145,562	—	8,145,562	—
Beginning net position	679,008,907	—	677,901,175	1,107,732
Ending net position	$ 726,437,506	—	725,223,904	1,213,602

(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, 2020:

		Condensed statements of net position			
		Tamarack Place	Rainier Vista NE	High Point South	Alder Crest
Cash and cash equivalents	$	945,959	1,634,749	1,750,315	342,746
Current receivables from primary government		39,311	111,594	108,397	154,397
Capital assets, net		10,434,910	16,656,231	40,423,756	4,112,807
Other assets		12,761	82,309	215,587	34,593
Total assets	$	11,432,941	18,484,883	42,498,055	4,644,543
Current payables due to primary government		23,756	46,096	7,346	—
Other current payables		115,276	220,349	2,946,418	234,931
Long-term payables to primary government		11,011,351	16,337,135	14,710,101	949,300
Bonds and other long-term liabilities		839,640	2,219,485	14,663,859	2,008,903
Total liabilities	$	11,990,023	18,823,065	32,327,724	3,193,134
Net investment in capital assets		(808,019)	(1,936,277)	12,197,161	1,511,462
Restricted net position		602,821	1,198,084	1,268,037	331,046
Unrestricted net position		(351,884)	400,011	(3,294,867)	(391,099)
Total net position	$	(557,082)	(338,182)	10,170,331	1,451,409
		Condensed statements of revenues, expenses and changes in net position			
Operating revenues	$	956,797	1,678,004	3,906,102	385,576
Depreciation/amortization		(363,608)	(691,458)	(1,625,631)	(252,170)
Other operating expenses		(638,899)	(1,111,681)	(2,596,539)	(287,064)
Operating income (loss)		(45,710)	(125,135)	(316,068)	(153,658)
Nonoperating expense		(161,910)	(366,863)	(1,175,812)	(24,876)
Change in net position before partners' contributions		(207,620)	(491,998)	(1,491,880)	(178,534)
Partners' contributions		—	—	—	—
Beginning net position		(349,462)	153,816	11,662,211	1,629,943
Ending net position	$	(557,082)	(338,182)	10,170,331	1,451,409

(Continued)

	Condensed statements of net position				
	South Shore Court	**homeWorks I**	**homeWorks II**	**homeWorks III**	**Lake City Court**
Cash and cash equivalents	$ 532,131	4,817,995	4,701,510	3,315,353	798,444
Current receivables from primary government	—	—	—	—	73,480
Capital assets, net	7,816,990	22,374,076	26,702,520	20,659,261	20,613,104
Other assets	33,199	316,882	349,514	266,739	89,172
Total assets	$ 8,382,320	27,508,953	31,753,544	24,241,353	21,574,200
Current payables due to primary government	125,837	759,965	473,447	106,265	218,172
Other current payables	920,887	733,359	814,014	695,074	111,919
Long-term payables to primary government	1,526,112	30,439,374	33,557,331	25,736,649	18,956,301
Bonds and other long-term liabilities	6,150,012	60,393	54,275	60,067	27,759
Total liabilities	$ 8,722,848	31,993,091	34,899,067	26,598,055	19,314,151
Net investment in capital assets	99,458	(1,281,048)	(1,038,353)	11,275	2,999,505
Restricted net position	442,750	4,645,938	4,533,544	3,170,990	698,736
Unrestricted net position	(882,736)	(7,849,028)	(6,640,714)	(5,538,967)	(1,438,192)
Total net position	$ (340,528)	(4,484,138)	(3,145,523)	(2,356,702)	2,260,049

	Condensed statements of revenues, expenses and changes in net position				
Operating revenues	$ 479,640	5,153,046	6,633,040	4,486,240	897,331
Depreciation/amortization	(233,224)	(865,820)	(1,031,362)	(752,000)	(873,972)
Other operating expenses	(337,313)	(4,696,491)	(4,675,303)	(4,113,661)	(858,505)
Operating income (loss)	(90,897)	(409,265)	926,375	(379,421)	(835,146)
Nonoperating expense	(159,735)	(669,208)	(990,165)	(898,244)	(189,271)
Change in net position before partners' contributions	(250,632)	(1,078,473)	(63,790)	(1,277,665)	(1,024,417)
Partners' contributions					
Beginning net position	(89,896)	(3,405,665)	(3,081,733)	(1,079,037)	3,284,466
Ending net position	$ (340,528)	(4,484,138)	(3,145,523)	(2,356,702)	2,260,049

		Condensed statements of net position				
		Leschi House	**Kebero Court**	**Raven Terrace**	**Hoa Mai Gardens**	**Red Cedar**
Cash and cash equivalents	$	686,956	1,307,194	997,163	2,227,890	1,765,364
Current receivables from primary government		—	—	—	—	—
Capital assets, net		11,190,594	25,058,031	22,500,491	42,827,474	62,845,759
Other assets		3,193,189	1,018,713	166,487	260,432	3,854,564
Total assets	$	15,070,739	27,383,938	23,664,141	45,315,796	68,465,687
Current payables due to primary government		20,392	107,859	19,978	175,107	207,726
Other current payables		443,852	394,992	342,214	330,844	1,529,408
Long-term payables to primary government		809,571	10,233,741	11,999,157	18,001,110	18,802,359
Bonds and other long-term liabilities		6,981,203	8,282,435	4,950,030	10,279,461	17,051,353
Total liabilities	$	8,255,018	19,019,027	17,311,379	28,786,522	37,590,846
Net investment in capital assets		3,528,257	7,925,735	7,308,799	15,511,263	29,678,649
Restricted net position		298,252	924,989	731,193	800,932	475,945
Unrestricted net position		2,989,212	(485,813)	(1,687,230)	217,079	720,247
Total net position	$	6,815,721	8,364,911	6,352,762	16,529,274	30,874,841
		Condensed statements of revenues, expenses and changes in net position				
Operating revenues	$	772,061	1,400,283	991,361	1,612,543	1,888,958
Depreciation/amortization		(390,801)	(805,567)	(837,390)	(1,305,627)	(1,756,773)
Other operating expenses		(496,228)	(824,083)	(666,161)	(877,817)	(1,005,340)
Operating income (loss)		(114,968)	(229,367)	(512,190)	(570,901)	(873,155)
Nonoperating (expense) revenue		(252,588)	(665,161)	(462,143)	(676,027)	(1,212,048)
Change in net position before partners’ contributions		(367,556)	(894,528)	(974,333)	(1,246,928)	(2,085,203)
Partners’ contributions		—	—	—	—	22,395,623
Beginning net position		7,183,277	9,259,439	7,327,095	17,776,202	10,564,421
Ending net position	$	6,815,721	8,364,911	6,352,762	16,529,274	30,874,841

		Condensed statements of net position			
		NewHolly Phase I	**West Seattle Properties**	**Hinoki**	**Total**
Cash and cash equivalents	$	4,053,000	1,892,138	51,936,826	83,705,733
Current receivables from primary government		20,000	—	—	507,179
Capital assets, net		39,442,605	49,691,325	30,700,008	454,049,942
Other assets		353,986	400,673	—	10,648,800
Total assets	$	43,869,591	51,984,136	82,636,834	548,911,654
Current payables due to primary government		1,036,192	388,096	394,685	4,110,919
Other current payables		705,410	603,593	8,099,650	19,242,190
Long-term payables to primary government		19,243,089	29,223,160	22,835,538	284,371,379
Bonds and other long-term liabilities		8,552,799	7,518,476	51,256,861	140,957,011
Total liabilities	$	29,537,490	37,733,325	82,586,734	448,681,499
Net investment in capital assets		12,558,760	14,752,723	—	103,019,350
Restricted net position		3,665,939	1,718,515	—	25,507,711
Unrestricted net position		(1,892,598)	(2,220,427)	50,100	(28,296,906)
Total net position	$	14,332,101	14,250,811	50,100	100,230,155

		Condensed statements of revenues, expenses and changes in net position			
Operating revenues	$	3,057,262	2,138,597	—	36,436,841
Depreciation/amortization		(1,675,001)	(1,267,150)	—	(14,727,554)
Other operating expenses		(2,532,168)	(1,424,382)	—	(27,141,635)
Operating income (loss)		(1,149,907)	(552,935)	—	(5,432,348)
Nonoperating revenue (expense)		(560,683)	(1,111,281)	—	(9,576,015)
Change in net position before partners' contributions		(1,710,590)	(1,664,216)	—	(15,008,363)
Partners' contributions		—	16,173,851	50,100	38,619,574
Beginning net position		16,042,691	(258,824)	—	76,618,944
Ending net position	$	14,332,101	14,250,811	50,100	100,230,155

(18) Lease Commitment

During August 2011, the Authority executed a long-term operating lease for the central office. The lease began on April 1, 2012 and the following schedule shows the future minimum rentals under the lease:

Year ending December 31:		
2021	$	1,795,421
2022		1,795,421
2023		448,855
2024		—
2025		—
Total	$	4,039,697

Total lease expense for the year ended December 31, 2020 was $1,772,206 and is recorded on the statement of revenues, expenses and change in net position as a component of housing operations and administrative expenses.

(19) Pollution Remediation

(a) Yesler Redevelopment

During the year, the Authority made a payment for an agreement negotiated in 2019 for $310,000 for environmental contamination at a Yesler site that they purchased in 2018 after the cleanup work was completed. The Authority also incurred approximately $721,718 related to abatement required for the demolition of the remaining buildings at Yesler.

In addition, the Authority has negotiated a settlement with a buyer who purchased two sites at Yesler in 2020. The amount of the settlement is $495,000 and was paid in April 2021. Also in 2021, the Authority expects to reimburse another buyer of land at Yesler approximately $165,000 for soil contamination remediation.

(b) Other Sites

In preparation for redevelopment at Lambow Apartments, the remaining building was demolished in 2020. Abatement was required for a total cost of $606,178.

At Othello Corner, the Authority has been negotiating with Chevron for several years related to a site purchased in 2007. The settlement agreement was finalized in April 2021 and is expected to be signed in May 2021. The settlement amount of $916,191 will be paid by Chevron no later than 30 days after signing according to the terms of the agreement.

(20) Subsequent Events

In May 2021, the Authority has plans to issue fixed rate tax-exempt bonds in the amount of approximately $67 million to refinance the loan for Northgate Apartments. The bonds will mature in five years and carry a two-year call option. The refinance will decrease borrowing costs due to the favorable rate environment.

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REQUIRED SUPPLEMENTARY INFORMATION
PENSION AND OPEB PLANS

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Schedules of Required Supplemental Information

Schedule of Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years (Unaudited)

		2015	2016	2017	2018	2019	2020
PERS 1							
Proportion of the net pension liability		0.279123%	0.285530%	0.286530%	0.288160%	0.278146%	0.309220%
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
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
Plan fiduciary net position as a percentage of the total pension liability		59.10%	57.03%	61.24%	63.22%	67.12%	68.64%
PERS 2/3							
Proportion of the net pension liability		0.354073%	0.360458%	0.365225%	0.368896%	0.358294%	0.401177%
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
Proportionate share of the net pension liability as a percentage of covered payroll		40.10%	53.49%	35.20%	16.40%	8.60%	11.63%
Plan fiduciary net position as a percentage of the total pension liability		89.20%	85.82%	90.97%	95.77%	97.77%	97.22%

Schedule of Pension Plan Contributions

Last Ten Fiscal Years (Unaudited)

		2015	2016	2017	2018	2019	2020
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)	$	—	—	—	—	—	—
Covered payroll	$	223,273	205,337	63,272	45,856	15,860	—
Contributions as a percentage of covered payroll		10.21%	11.18%	11.69%	12.75%	12.82%	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
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)
Contribution deficiency (excess)	$	—	—	—	—	—	—
Covered payroll	$	32,579,187	35,044,215	37,096,578	39,553,027	42,087,118	45,770,499
Contributions as a percentage of covered payroll		10.22%	11.18%	11.95%	12.74%	12.85%	12.90%

Notes to the Required Supplementary Information for the year ended December 31, 2020

Changes in benefit terms

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

Changes of assumptions

(a) 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.

(b) 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%

(c) 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.

GASB Statement No. 68 was adopted in 2015; prior years' data not available.
Beginning in 2020, the Authority had no active PERS 1 employees.

See accompanying independent auditors' report.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE
WASHINGTON

Schedules of Required Supplemental Information

Schedule of Changes in Total OPEB Liability

Last Ten Fiscal Years (Unaudited)

		2018	2019	2020
Total OPEB liability				
Service cost	$	137,862	143,357	127,968
Interest cost		71,892	57,540	70,737
Changes of benefit terms		—	—	—
Differences between expected and actual experience		226,248	—	(117,881)
Changes of assumptions		(621,629)	(93,255)	(180,902)
Benefit payments		(69,000)	(28,797)	(50,751)
Net changes in total OPEB liability		(254,627)	78,845	(150,829)
Total OPEB liability – beginning		1,798,221	1,543,594	1,622,439
Total OPEB liability – ending	$	1,543,594	1,622,439	1,471,610
Covered payroll	$	41,293,112	41,293,112	38,217,798
Net OPEB liability as a percentage of covered payroll		3.74%	3.93%	3.85%

Notes to the Required Supplementary Information for the year ended December 31, 2020.

Schedule of contributions not required as funding is not based on actuarially determined contributions and contributions are neither statutorily or 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 2019 total OPEB liability was 4.10% and the discount rate used for the 2020 OPEB liability was 2.74%, resulting in a reduction of the total OPEB liability.

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

See accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION
COST CERTIFICATES (SEE INDEPENDENT AUDITORS' REPORT)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 03/31/2020)

Capital Fund Program (CFP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C.20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Public Housing Authority (PHA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

PHA Name:	Modernization Project Number:
HOUSING AUTHORITY OF THE CITY OF SEATTLE	WA01P001501-16

The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Funds Approved	$ 10,772,058
B. Funds Disbursed	$ 10,772,058
C. Funds Expended (Actual Modernization Cost)	$ 10,772,058
D. Amount to be Recaptured (A–C)	$
E. Excess of Funds Disbursed (B-C)	$

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work;
5. That the time in which such liens could be filed has expired; and
6. That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.
7. Please mark one:

☐ **A.** This grant **will** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

☐ **B.** This grant **will not** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name & Title of Authorized Signatory (type or print clearly):
Andrew J. Lofton - Executive Director

Signature of Executive Director (or Authorized Designee):	Date:
X Andrew J. Lofton	09/02/2020

For HUD Use Only Verified by: Cherie Shanks, 09/03/2020

The Cost Certificate is approved for audit (if box 7A is marked):

Approved for Audit (Director, Office of Public Housing)	Date:
X CHARRON ALFONSO Digitally signed by: CHARRON ALFONSO DN: CN = CHARRON ALFONSO C = US O = U.S. Government OU = Department of Housing and Urban Development, Office of Administration Date: 2020.09.04 11:50:43 -07'00'	

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

Approved: (Director, Office of Public Housing)	Date:
X	

form **HUD-53001** (10/96)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 03/31/2020)

Capital Fund Program (CFP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C.20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Public Housing Authority (PHA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

PHA Name:	Modernization Project Number:
HOUSING AUTHORITY OF THE CITY OF SEATTLE	WA01R001502-16

The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Funds Approved	$ 172,231
B. Funds Disbursed	$ 172,231
C. Funds Expended (Actual Modernization Cost)	$ 172,231
D. Amount to be Recaptured (A–C)	$
E. Excess of Funds Disbursed (B-C)	$

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work;
5. That the time in which such liens could be filed has expired; and
6. That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.
7. Please mark one:

☐ **A.** This grant **will** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

☐ **B.** This grant **will not** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name & Title of Authorized Signatory (type or print clearly):
Andrew J. Lofton - Executive Director

Signature of Executive Director (or Authorized Designee):	Date:
X Andrew J. Lofton	09/02/2020

For HUD Use Only Verified by: Cherie Shanks, 09/03/2020

The Cost Certificate is approved for audit (if box 7A is marked):

Approved for Audit (Director, Office of Public Housing)	Date:
X CHARRON ALFONSO Digitally signed by: CHARRON ALFONSO DN: CN = CHARRON ALFONSO C = US O = U.S. Government OU = Department of Housing and Urban Development, Office of Administration Date: 2020.09.04 12:23:17 -07'00'	

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

Approved: (Director, Office of Public Housing)	Date:
X	

form **HUD-53001** (10/96)

Actual Choice Neighborhoods Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0269
(exp. 04/30/2018)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

This collection of information requires that each Grantee submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the Choice Neighborhoods grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by the Choice Neighborhoods Grant Agreement. The information requested does not lend itself to confidentialitv.

Lead Grantee Name	Grant Number
Housing Authority of the City of Seattle	WA0A001CNG112

The Grantee hereby certifies to the Department of Housing and Urban Development as follows:

1. That the Actual Program Cost of the Choice Neighborhoods Grant is as shown below:

A. Original Funds Approved	$ 19,730,000.00
B. Funds Disbursed	$ 19,730,000.00
C. Funds Expended (Actual Program Cost)	$ 19,730,000.00
D. Amount to be Recaptured (A–C)	$ 0.00
E. Excess of Funds Disbursed (B-C)	$ 0.00

2. That all work in connection with the Choice Neighborhoods Grant has been completed;
3. That the entire Actual Program Cost or liabilities therefor incurred by the Grantee have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or materialmen's liens against such Program work on file in any public office where the same should be filed in order to be valid against such Program work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Officer

Date (mm/dd/yyyy) 12/13/2019

For HUD Use Only

The Cost Certificate is approved for audit (signature of approving official)

Date (mm/dd/yyyy) 1/31/20

The audited costs agree with the costs shown above

Verified (signature) | Date (mm/dd/yyyy)

Approved (signature) | Date (mm/dd/yyyy)

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Section III

Statistical Section
(Unaudited)

Statistical Section

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

Financial Trends	show how the Authority's financial position has changed over time	Tables 1–2
Revenue Capacity	the tables in this section show the Authority's ability to generate revenue	Tables 3–4
Debt Capacity	shows the Authority's debt burden over time and provide information on the ability to issue debt	Tables 5–6
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	Tables 7–9
Operating Information	the purpose of these tables is to show the Authority's operations and provide information to assess the government's economic condition	Tables 10–12

Table 1

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Financial Trends

Net Position by Component – Primary Government

Last Ten Fiscal Years (Unaudited)

Year		Net investment in capital assets	Restricted	Unrestricted	Total
2011 (a)	$	224,771,337	8,543,577	185,863,188	419,178,102
2012 (a)		199,273,982	9,406,113	212,444,630	421,124,725
2013 (b)		210,293,958	10,069,831	228,421,457	448,785,246
2014 (c)		218,243,381	11,669,052	217,985,386	447,897,819
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 (d)		260,634,170	34,443,955	266,899,301	561,977,426
2018 (e)		314,522,771	31,295,592	286,775,327	632,593,690
2019 (f)		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

Notes:
(a) Net position for 2011 and 2012 were restated as a result of the adoption of GASB Statement No. 65.
(b) Net position for 2013 was restated as a result of the merger with Ravenna School Limited Partnership, a component unit of the Authority.
(c) Net position for 2014 was restated as a result of the merger with Othello Street Limited Partnership, a component unit of the Authority and as a result of GASB Statement No. 68.
(d) 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.
(e) Net position for 2018 was restated as a result of the merger with Ritz Apartments Limited Partnership.
(f) 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.

See accompanying independent auditors' report.

Table 2

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Financial Trends

Changes in Net Position – Primary Government

Last Ten Fiscal Years (Unaudited)

	2011 (a)	2012 (a)	2013 (b)	2014 (c)	2015	2016	2017 (d)	2018 (e)	2019 (f)	2020
Operating revenues:										
Tenant rentals	$ 21,338,005	20,690,177	21,550,029	22,785,736	22,837,426	23,540,026	26,239,514	24,669,439	30,594,413	32,260,851
Housing assistance payment subsidies	95,645,677	105,422,182	103,981,489	109,438,967	115,101,121	126,672,548	128,201,000	152,967,302	156,685,178	173,524,270
Operating subsidies and grants	22,814,568	19,522,792	28,020,480	28,898,006	29,245,755	31,641,807	34,150,522	36,755,420	41,844,957	46,906,549
Other	21,762,895	18,081,083	18,619,880	21,002,883	28,511,890	21,451,962	43,158,723	46,572,501	66,845,268	50,000,158
Total operating revenues	161,561,145	163,716,234	172,171,878	182,125,592	195,696,192	203,306,343	231,749,759	260,964,662	295,969,816	302,691,828
Operating expenses:										
Housing operations and administration	44,662,095	41,680,059	39,786,646	48,731,040	49,455,950	51,948,733	54,637,955	54,799,142	61,031,848	65,586,746
Tenant services	3,937,994	3,602,554	3,542,648	4,096,481	5,072,113	4,878,898	4,695,275	4,973,614	5,682,197	7,385,417
Utility services	4,998,955	5,393,684	5,990,952	6,334,799	6,045,785	6,061,780	6,373,419	5,827,961	7,097,608	7,888,138
Maintenance	18,824,304	15,081,988	17,409,835	18,696,116	18,481,187	18,552,983	20,691,487	19,937,245	22,143,892	26,771,433
Housing assistance payments	76,942,437	79,478,249	78,552,745	79,543,161	82,775,844	88,541,664	97,660,333	102,181,935	114,785,518	128,335,785
Other	1,318,772	2,021,796	30,221,452	1,398,022	3,344,964	736,987	4,101,298	4,940,844	9,126,037	7,225,324
Depreciation and amortization	10,676,293	10,258,105	10,232,876	10,077,223	9,314,799	9,230,730	11,716,648	11,804,649	14,397,213	14,602,298
Total operating expenses	161,360,850	157,516,435	185,737,154	168,876,842	174,490,642	179,951,775	199,876,415	204,465,390	234,264,313	257,795,141
Operating income (loss)	200,295	6,199,799	(13,565,276)	13,248,750	21,205,550	23,354,568	31,873,344	56,499,272	61,705,503	44,896,687
Nonoperating revenues (expenses):										
Interest expense	(6,887,452)	(5,721,825)	(5,500,338)	(5,082,076)	(4,572,533)	(3,979,539)	(4,541,717)	(2,850,195)	(4,077,588)	(6,410,520)
Interest income	1,536,648	1,397,221	461,197	3,698,302	3,520,102	3,947,513	7,003,861	5,716,585	7,123,468	4,352,847
Change in fair value of investments	68,742	(74,996)	(94,819)	(40,763)	(1,704)	(32,797)	31,103	(13,011)	204,103	(4,107)
Insurance proceeds, net	—	—	—	—	—	1,157,909	—	404,523	—	467,645
Loss from refinancing	—	—	—	—	—	—	—	(606,336)	—	(1,546,053)
Loss on notes receivable	(479,017)	—	—	—	—	—	—	—	—	—
Loss (gain) on investment in limited partnerships	(1,321)	(621,387)	(70,809)	(2,320,774)	(1,160)	(1,230,014)	(2,266,676)	3,182,714	(1,182,699)	(2,440,728)
Disposition of assets	(16,774,091)	(12,343,242)	(11,826)	(2,540,988)	(403,789)	(73,161)	—	(2,487,637)	(30,343,160)	(32,734)
Net nonoperating revenues (expenses)	(22,536,491)	(17,364,229)	(5,216,595)	(6,286,299)	(1,459,084)	(210,089)	226,571	3,346,643	(28,275,876)	(5,613,650)
Change in net position before contributions	(22,336,196)	(11,164,430)	(18,781,871)	6,962,451	19,746,466	23,144,479	32,099,915	59,845,915	33,429,627	39,283,037
Capital contributions	34,675,050	13,249,971	17,146,108	21,307,488	13,208,823	15,221,989	11,833,838	10,308,247	12,271,789	8,145,562
Increase (decrease) in net position	12,338,854	2,085,541	(1,635,763)	28,269,939	32,955,289	38,366,468	43,933,753	70,154,162	45,701,416	47,428,599
Net position at beginning of year	406,839,248	419,178,102	421,263,643	419,627,880	447,897,819	480,853,108	519,219,576	563,153,329	633,307,491	679,008,907
Net position at end of year	$ 419,178,102	421,263,643	419,627,880	447,897,819	480,853,108	519,219,576	563,153,329	633,307,491	679,008,907	726,437,506

Notes:
(a) Net position for 2011 and 2012 were restated as a result of the adoption of GASB Statement No. 65.
(b) Net position for 2013 was restated as a result of the merger of Ravenna School LLC, a component unit of the Authority.
(c) Net position for 2014 was restated as a result of the adoption of GASB Statement No. 68 and as a result of the merger with Othello Street Limited Partnership, a component unit of the Authority.
(d) 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.
(e) Net position for 2018 was restated as a result of the merger with Ritz Apartments Limited Partnership.
(f) 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.

See accompanying independent auditors' report.

Table 3

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Revenue Capacity

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	Total
2011	$ 21,338,005	13.2	$ 95,645,677	59.2	$ 22,814,568	14.1	$ 21,762,895	13.5	$ 161,561,145	100.0
2012	20,690,177	12.6	105,422,182	64.4	19,522,792	11.9	18,081,083	11.1	163,716,234	100.0
2013	21,287,096	12.4	103,981,489	60.5	28,020,480	16.3	18,618,710	10.8	171,907,775	100.0
2014 (a)	22,785,736	12.5	109,438,967	60.1	28,898,006	15.9	21,002,883	11.5	182,125,592	100.0
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 (b)	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 (c)	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 (d)	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

Notes: (a) Year 2014 was restated due to the merger with Othello Street Limited Partnership, a component unit of the Authority.
(b) Year 2017 was restated due to the merger with Desdemona Limited Partnership and Escallonia, component units of the Authority.
(c) Year 2018 was restated due to the merger with Ritz Apartments Limited Partnership, a component unit of the Authority.
(d) 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.

See accompanying independent auditors' report.

Table 4

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE
WASHINGTON

Revenue Capacity

Nonoperating Revenues by Source – Primary Government

Last Ten Fiscal Years (Unaudited)

	Interest income		Change in fair value of investments		Insurance proceeds, net		Gain (loss) on investment in limited partnerships		Total	
Year	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Total
2011	$ 1,536,648	95.8	$ 68,742	4.3	$ —	—	$ (1,321)	(0.1)	$ 1,604,069	100.0
2012	1,397,221	199.4	(74,996)	(10.7)	—	—	(621,387)	(88.7)	700,838	100.0
2013	444,930	159.3	(94,819)	(33.9)	—	—	(70,809)	(25.4)	279,302	100.0
2014 (a)	3,698,302	276.6	(40,763)	(3.0)	—	—	(2,320,774)	(173.6)	1,336,765	100.0
2015	3,520,102	100.0	(1,704)	—	—	—	(1,160)	—	3,517,238	100.0
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 (b)	7,003,861	194.9	31,103	0.9	—	—	(3,442,579)	(95.8)	3,592,385	100.0
2018 (c)	5,716,585	66.7	(13,011)	(0.2)	404,523	4.7	2,468,913	28.8	8,577,010	100.0
2019 (d)	7,123,468	115.9	204,103	3.3	0	—	(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

Notes: (a) Year 2014 was restated due to the merger with Othello Street Limited Partnership, a component unit of the Authority.
(b) Year 2017 was restated due to the merger with Desdemona Limited Partnership and Escallonia Limited Partnership, component units of the Authority.
(c) Year 2018 was restated due to the merger with Ritz Apartments Limited Partnership, a component unit of the Authority.
(d) Year 2019 was restated due to the merger with High Point North Limited Partnership, a component unit of the Authority.

See accompanying independent auditors' report.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Debt Capacity

Schedule of General Revenue Bond Coverage

Last Ten Fiscal Years (Unaudited)

Fiscal year	Debt service Principal	Debt service Interest	Total debt service	General expense (a)	Ratio of debt service to general expenses
2013 Bond Refunding (b)					
2015	205,000	642,406	847,406	1,135,804	0.7
2016	205,000	640,356	845,356	1,185,802	0.7
2017	210,000	634,206	844,206	1,224,700	0.7
2018	1,265,000	615,690	1,880,690	1,285,718	1.5
2019	125,000	573,244	698,244	1,105,336	0.6
2014 Bond Refunding (b)					
2015	270,000	588,129	858,129	1,822,150	0.5
2016	275,000	586,644	861,644	1,888,396	0.5
2017	275,000	584,581	859,581	1,901,600	0.5
2018	280,000	581,144	861,144	2,004,626	0.4
2019	285,000	576,244	861,244	2,280,228	0.4
Douglas Bonds					
2011	20,000	6,752	26,752	52,454	0.5
2012	30,000	5,760	35,760	44,543	0.8
2013	30,000	5,601	35,601	46,971	0.8
2014	30,000	3,827	33,827	42,993	0.8
2015	30,000	3,384	33,384	45,342	0.7
2016	40,000	9,950	49,950	42,085	1.2
2017	40,000	17,194	57,194	46,156	1.2
2018	40,000	26,987	66,987	42,813	1.6
2019	40,000	27,500	67,500	46,485	1.5
2020	50,000	11,532	61,532	40,452	1.5
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
2018 Bond refunding					
2019	810,000	1,152,500	1,962,500	2,315,321	0.8
2020	815,000	1,137,920	1,952,920	2,482,297	0.8

Notes: (a) General expense includes operating expenses except for depreciation and amortization.
(b) During 2020, the Authority issued new debt that will pay off the 2013 and 2014 Bond refundings in 2023. Restricted investments are held to pay off the bonds in 2023.

See accompanying independent auditors' report.

(Continued)

Table 6

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Debt Capacity

Ratio of Debt to Capital Assets – Primary Government

Last Ten Fiscal Years (Unaudited)

Year		Bonds payable	Notes payable	Total debt	Capital assets, net	Ratio of total debt to capital assets	Ratio of debt for housing units to total debt (a)
2011	$	79,675,557	55,221,591	134,897,148	322,532,095	41.82	53.07
2012		77,128,664	49,564,954	126,693,618	291,056,484	43.53	54.07
2013		71,408,875	40,188,127	111,597,002	288,455,844	38.69	54.71
2014 (b)		73,169,909	40,493,796	113,663,705	299,240,816	37.98	57.27
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 (c)		35,244,999	36,796,574	72,041,573	372,803,550	19.32	15.65
2018 (d)		62,540,000	21,936,819	84,476,819	399,599,068	21.14	22.74
2019 (e)		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	28.10

Note: (a) Unit 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) 2014 was restated due to the merger with Othello Street Limited Partnership, a component unit of the Authority.

(c) 2017 was restated due to the merger with Desdemona Limited Partnership and Escallonia Limited Partnership, component units of the Authority.

(d) 2018 was restated due to the merger with Ritz Apartments Limited Partnership, a component unit of the Authority.

(e) 2019 was restated due to the merger with High Point North Limited Partnership, a component unit of the Authority.

See accompanying independent auditors' report.

Table 7

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Demographics and Economic Statistics

Tenant Demographics – Population Statistics

Last Ten Fiscal Years (Unaudited)

		Public housing program			
Calendar year	**Adults**	**Elderly**	**Minors**	**Total number of tenants**	**Nonelderly disabled**
2011	5,029	1,909	3,180	10,118	1,807
2012	5,140	1,970	3,317	10,427	1,774
2013	4,953	2,008	3,148	10,109	1,691
2014	4,795	2,049	3,079	9,923	1,716
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

		Section 8 program (a)			
Calendar year	**Adults**	**Elderly**	**Minors**	**Total number of tenants**	**Nonelderly disabled**
2011	8,694	2,307	5,949	16,950	3,520
2012	8,654	2,477	5,938	17,069	3,510
2013	8,528	2,547	5,717	16,792	3,503
2014	8,295	2,638	5,733	16,666	3,419
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

(Continued)

Table 7

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Demographics and Economic Statistics

Tenant Demographics – Population Statistics

Last Ten Fiscal Years (Unaudited)

		Senior and local housing programs (b)			
Calendar year	**Adults**	**Elderly**	**Minors**	**Total number of tenants**	**Nonelderly disabled**
2011	994	1,039	426	2,459	86
2012	1,023	1,042	434	2,499	110
2013 (c)	1,040	1,058	499	2,597	93
2014 (d)	994	1,074	474	2,542	102
2015	929	1,136	442	2,507	91
2016	1,138	1,117	549	2,804	83
2017 (e)	1,129	1,087	575	2,791	83
2018 (f)	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

		Agency-wide totals			
Calendar year	**Adults**	**Elderly**	**Minors**	**Total number of tenants**	**Nonelderly disabled**
2011	14,717	5,255	9,555	29,527	5,413
2012	14,817	5,489	9,689	29,995	5,394
2013	14,521	5,613	9,364	29,498	5,287
2014	14,084	5,761	9,286	29,131	5,237
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

Notes: (a) Includes incoming portable vouchers and excludes outgoing portable vouchers and participants living in the Authority's Senior Housing program.
(b) Effective 2009, Senior and Local Housing programs includes tenants from privately managed properties.
(c) Excludes 36 households whose age is unknown.
(d) Excludes 37 households whose age is unknown.
(e) Excludes 58 households whose age is unknown.
(f) Excludes 30 households whose age is unknown.

See accompanying independent auditors' report.

Table 8

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Demographics and Economic Statistics

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 (d)	King County average annual unemployment rate (c)
2011	1,942,600	612,100	61,801	53,931	48,496	7.1
2012	1,957,000	616,500	67,880	52,267	49,525	6.1
2013	1,981,900	626,600	68,156	55,190	51,094	5.6
2014	2,017,250	640,500	71,018	62,481	52,819	4.2
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	91,161	74,815	55,185	3.3
2019	2,226,300	747,300	94,974	78,073	55,417	2.1
2020	2,260,800	761,100	N/A	N/A	54,141	6.8

Notes: (a) As of April 1, source: Washington State Office of Financial Management, 2019 Population Trends for Washington State estimates only.
(b) Source: U.S. Bureau of Economic Analysis, 2018 is most current available.
(c) Preliminary source: Washington State Employment Security Department.
(d) Source: Seattle Public Schools P 233 Enrollment Report September 11, 2019 (pre-adjusted).

See accompanying independent auditors' report.

Table 9

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Demographics and Economic Statistics

Principal Industries

Last Ten Fiscal Years (Unaudited)

Industry	2020 Number of employees	2020 Percentage of employment	2020 Rank	2019 Number of employees	2019 Percentage of employment	2019 Rank	2018 Number of employees	2018 Percentage of employment	2018 Rank
Retail trade	166,300	12.01%	1	162,400	11.06%	1	156,400	10.90%	1
Professional and technical	134,800	9.74	2	133,700	9.10	2	128,800	8.97	2
Information	128,000	9.24	3	121,200	8.25	3	110,500	7.70	3
Local government	101,100	7.30	4	105,600	7.19	4	103,100	7.18	5
Food services and drinking places	74,600	5.39	5	104,200	7.09	5	103,300	7.20	4
Manufacturing durable goods	70,700	5.11	6	79,900	5.44	6	78,000	5.43	6
Administrative and waste services	69,700	5.03	7	73,400	5.00	7	72,000	5.02	7
Wholesale trade	59,300	4.28	8	64,200	4.37	8	65,000	4.53	8
Ambulatory health care services	59,300	4.28	9	62,600	4.26	9	61,400	4.28	9
State government	50,700	3.66	10	51,100	3.48	11	55,800	3.89	10
Transportation and warehousing	50,500	3.65	11	54,500	3.71	10	54,200	3.78	11
	965,000	69.69%		1,012,800	68.95%		988,500	68.88%	

Industry	2017 Number of employees	2017 Percentage of employment	2017 Rank	2016 Number of employees	2016 Percentage of employment	2016 Rank	2015 Number of employees	2015 Percentage of employment	2015 Rank
Retail trade	152,200	10.86%	1	141,000	10.19%	1	133,800	10.19%	1
Professional and technical	124,500	8.88	2	120,800	8.79	2	115,500	8.79	2
Information	103,000	7.35	3	96,000	6.81	5	92,400	7.03	4
Local government	100,800	7.19	4	98,100	7.25	3	89,400	6.81	5
Food services and drinking places	100,000	7.14	5	96,800	7.03	4	95,200	7.25	3
Manufacturing durable goods	77,200	5.51	6	80,100	6.29	6	82,600	6.29	6
Administrative and waste services	72,400	5.17	7	70,900	5.35	7	70,300	5.35	7
Wholesale trade	64,700	4.62	8	63,000	4.74	8	62,300	4.74	8
Ambulatory healthcare services	59,500	4.25	10	57,100	4.23	10	55,500	4.23	10
State government	61,000	4.35	9	60,200	4.49	9	59,000	4.49	9
Transportation and warehousing	52,600	3.75	11	50,600	3.70	11	48,600	3.70	11
	967,900	69.07%		934,600	68.87%		904,600	68.87%	

Industry	2014 Number of employees	2014 Percentage of employment	2014 Rank	2013 Number of employees	2013 Percentage of employment	2013 Rank	2012 Number of employees	2012 Percentage of employment	2012 Rank
Retail trade	128,000	10.02%	1	120,200	9.75%	1	113,600	9.62%	1
Professional and technical	112,000	8.76	2	107,100	8.68	2	102,200	8.66	2
Information	85,600	6.70	5	82,300	6.67	5	80,900	6.85	4
Local government	92,400	7.23	3	90,400	7.33	3	89,100	7.55	3
Food services and drinking places	88,300	6.91	4	84,100	6.82	4	79,600	6.74	6
Manufacturing durable goods	83,000	6.49	6	82,100	6.66	6	80,000	6.78	5
Administrative and waste services	67,400	5.27	7	66,100	5.36	7	64,000	5.42	7
Wholesale trade	61,700	4.83	8	60,600	4.91	8	59,400	5.03	8
Ambulatory healthcare services	54,100	4.23	10	50,400	4.09	10	49,200	4.17	10
State government	57,200	4.48	9	56,800	4.61	9	55,500	4.70	9
Transportation and warehousing	46,200	3.62	11	43,500	3.53	12	42,700	3.62	12
	875,900	68.54%		843,600	68.41%		816,200	69.14%	

Industry	2011 Number of employees	2011 Percentage of employment	2011 Rank	2010 Number of employees	2010 Percentage of employment	2010 Rank
Retail trade	109,300	9.47%	1	105,900	9.33%	1
Professional and technical	97,900	8.49	2	93,400	8.23	2
Information	80,200	6.95	4	79,400	7.00	4
Local government	88,800	7.70	3	89,300	7.87	3
Food services and drinking places	76,400	6.62	6	74,400	6.56	6
Manufacturing durable goods	77,100	6.68	5	75,200	6.63	5
Administrative and waste services	63,000	5.46	7	61,000	5.37	7
Wholesale trade	58,500	5.07	8	58,000	5.11	8
Ambulatory healthcare services	48,400	4.20	10	47,400	4.18	10
State government	55,000	4.77	9	55,800	4.92	9
Transportation and warehousing	43,400	3.76	12	42,400	3.74	12
	798,000	69.17%		782,200	68.94%	

Source: Washington Employment Security Department Labor Market and Economic Analysis.

Data provided for King County, which includes the Seattle Metropolitan Area and other surrounding communities.

See accompanying independent auditors' report.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Operating Information

Number of Units by Program (c)

Last Ten Fiscal Years (Unaudited)

Fiscal year	Public housing	Section 8	Senior housing	Other housing programs (i)	Hope VI nonpublic units (i)	Total
2011 (c)	5,408	10,164	994	915	385	17,866
2012 (c)	5,441	10,558	994	876	739	18,608
2013 (c, d)	5,401	10,775	994	876	739	18,785
2014 (e)	5,259	11,036	1,029	826	596	18,746
2015 (f)	5,146	11,248	1,029	929	596	18,948
2016 (g)	5,146	11,262	1,030	961	596	18,995
2017 (h)	5,139	11,299	1,030	1,102	739	19,309
2018	5,139	11,414	1,030	1,177	739	19,499
2019 (j)	5,000	11,774	1,030	1,510	739	20,053
2020 (k)	4,876	11,935	1,030	1,486	739	20,066

Households Served and Waiting List Data

Last Ten Fiscal Years (Unaudited)

Fiscal year	Total households served (a)	Total households on waiting lists (b)
2011	13,765	7,523
2012	13,769	7,586
2013	13,601	9,435
2014	13,532	8,569
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

Notes:
- (a) Excludes Mod rehab, outgoing portable vouchers, nonpublic housing tax credits, and local programs, but includes incoming portable vouchers.
- (b) Reflects unique households. Excludes HOPE VI communities.
  For year 2013, Housing Choice Voucher waiting list opened and reflects unique households. Includes HOPE VI communities.
- (c) 894 senior housing units were added to public housing but are represented with senior and other local housing programs.
- (d) 40 units at Yesler Terrace were demolished in 2013.
- (e) 142 public housing units demolished or sold in 2014; 35 senior housing units added at Leschi House.
- (f) 113 public housing units demolished or sold in 2015; 103 other affordable units added at Kebero Court.
- (g) Completion of Raven Terrace added 50 project-based units and 33 affordable units.
- (h) Completion of Hoa Mai Gardens added 111 units; 7 units demolished at Yesler.
- (i) Totals include Section 8 project-based units which are also included in Section 8 units.
- (j) 139 units at Yesler Terrace demolished in 2019; 119 units added in Red Cedar, 211 units in Northgate Apartments acquisition.
- (k) 124 units at Yesler Terrace demolished in 2020.

See accompanying independent auditors' report.

Table 11

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Operating Information

Property Characteristics and Dwelling Unit Composition

December 31, 2020 (Unaudited)

Public housing

Name of development	Address	Number of units	Year built or acquired
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
Jefferson Terrace	800 Jefferson Street	299	1967
Lake City Court	12536 33rd Avenue NE	51	2011
Lake City House	12546 33rd Avenue NE	115	1971
Lictonwood	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	711	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 units – public housing	4,876	

*Nonpublic housing units are listed under “Other housing program” section.

(Continued)

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Operating Information

Property Characteristics and Dwelling Unit Composition

December 31, 2020 (Unaudited)

Section 8

Name of development	Address	Number of units	Year built or acquired
Housing Choice Vouchers (a)	Various	11,186	—
Moderate Rehabilitation	Various	361	—
Bay View Tower	2614 4th Avenue	99	1979
Golden Sunset Apartments	3256 NW 54th Street	92	1968
Martin Luther King Jr. Apartments	7923 Martin Luther King Jr Way S	117	1968
Weller Street Apartments	1632 S Weller Street	50	1969
Market Terrace	1115 NW Market Street	30	1980
	Total number of Section 8 units	11,935	

Senior housing

Name of development	Address	Number of units	Year built or acquired
Leschi House	1011 S. Weller Street	69	1988
Ravenna School Apartments	6564 Ravenna Avenue NE	39	1979
South Park Manor	520 S. Cloverdale Street	27	1983
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
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	1,030	

(Continued)

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Operating Information

Property Characteristics and Dwelling Unit Composition

December 31, 2020 (Unaudited)

Other housing programs

Name of development	Address		Number of units	Year built or acquired
104th St Townhomes	528 N 104th Street		3	2001
127th & Greenwood	12701 Greenwood Ave N		6	1983
5983 Rainier Ave S	5983 Rainier Avenue S		12	2002
924 MLK Jr Way S	924 MLK Jr Way S		5	1998
Alder Crest Apartments	6520 35th Avenue SW		36	1977
Baldwin Apartments	1305 E Fir Street		15	2014 rehab
Beacon House	1545 12th Avenue S		6	1993
Delridge Triplexes	8136 and 8144 Delridge Way SW		6	1993
Fir Street Townhomes	Various		7	Various
Hoa Mai Gardens	221 10th Avenue W		111	2017
Kebero Court	1105 E Fir Street		103	2015
Lake City Commons	12745 30th Avenue NE		15	2002
Lam Bow Apartments	6935 Delridge Way SW		—	1970
Lee and Willows Apartments	3801 S Willow Street		15	1967
Longfellow Creek Apartments (b)	5915 Delridge Way SW		50	1993
Main Place II	308 22nd Avenue S		25	1993
Main Street Apartments	2035 S Main Street		12	1993
Mary Avenue Townhomes	8550-84 Mary Avenue NW		8	2001
MLK Townhomes	Various		6	1996
Montridge Arms Apartments	9000 27th Avenue SW		33	1968
Norman Street Townhomes	Various		15	Various
Northgate Apartments	11060 2nd Avenue NE		211	1951
Raven Terrace	820 Yesler Way		83	2016
Ravenna Springs/Bryant Apts	Various		13	Various
Red Cedar	808 Fir Street		119	2019
Referendum 37	Various		2	Various
Ritz Apartments	1302 E Yesler Way		30	1908
Roxhill Court Apartments (b)	9940 27th Avenue SW		19	1980
South Shore Court	4811 S Henderson		44	1962
Spring Lake Apartments	12530 35th Ave NE		69	1986
Spruce Street Townhomes	Various		10	1997
Stone Ave Townhomes	8514 Stone Avenue N		4	2001
Telemark Apartments	2850 NW 56th Street		24	1975
Villa Park Townhomes	9111 50th Avenue S.		43	1997
Wedgewood Estates	3716 NE 75th Street		203	1948
Westwood Heights East Apts	9440 27th Avenue SW		42	1997
Wisteria Court (b)	7544 24th Avenue SW		72	1987
Yesler Court	114 23rd Avenue		9	1994
	Total other housing units		1,486	
HOPE VI nonpublic housing units:				
High Point			350	
Lake City Village			35	
NewHolly			220	
Rainier Vista			134	
	Total HOPE VI nonpublic housing	(a)	739	
	Total units – All programs		20,066	

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.

See accompanying independent auditors' report.

Table 12

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Operating Information

Regular Staff Headcount by Department

Last Ten Fiscal Years (Unaudited)

Fiscal year	Executive	Development and asset management	Housing operations	Admissions and Section 8	Finance and administrative services	Information systems	Human resources	Total
2011	12	32	367	54	43	19	10	537
2012	12	33	343	54	45	18	10	515
2013	13	29	308	57	40	16	9	472
2014	18	26	309	55	39	15	9	471
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

See accompanying independent auditors' report.