



SEATTLE HOUSING AUTHORITY

2017 ADOPTED BUDGET

Presented to
SEATTLE HOUSING AUTHORITY BOARD OF COMMISSIONERS

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September 19, 2016

SHA Board of Commissioners
2017 Proposed Budget

Dear Commissioners:

Overview — Key Budget Numbers

I am pleased to present to you the Seattle Housing Authority's (SHA) 2017 Proposed Budget. The Total Expense budget proposed for 2017 equals **\$268.3 million**. In total, the proposed budget represents an increase of slightly more than **+20 percent** or **\$45.4 million** above the 2016 Adopted Budget. The proposed 2017 budget consists of two major parts—Operations and Capital—as follows:

\$ 183 M for Housing Programs, Services, and Rental Assistance -- +7.7 percent over 2016

\$ 85 M for Capital Preservation and Redevelopment -- +61 percent over 2016

The largest changes in these proposed budgets are in rental assistance payments (HAPs), an increase over 2016 of 13.9 percent from \$87.9 to \$100.2 million in 2017, and in the mixed-financing Redevelopment budget, nearly a doubling over 2016 from \$34.7 to \$66.2 million.

Our federal **Move to Work (MTW) Block Grant**, including the total funds for the Public Housing Operating Subsidy, the Public Housing Capital Grant, and MTW Housing Choice Voucher funds for rental assistance, is SHA's largest single funding source. In 2017 proposed expenditures supported by MTW funds equal **\$174.3 million** or 65.0 percent of the total 2017 SHA Proposed Budget expenditures.

The 2017 Proposed Budget represents a partial restoration of capacity for the agency to respond to resident and voucher participant needs. In 2011, the agency made significant reductions in staff capacity that affected our ability to perform our routine maintenance and repair functions, impacted our customer service, and added more stress on existing staff to continue to do more with less. Because of the uncertainty of federal funding, and the potential changes to our MTW authority, we have not been able to fully recover and our residents and staff have felt the impact of those reductions. For 2017, we will see a modest increase in funding, and with our MTW contract renewed through 2028, we have added confidence that we can restore some capacity to our maintenance function, increase direct services to residents, and consequently relieve some stress on the staff as well as make strides in improving customer service.

If approved, the added **staff capacity**, including new grant-funded positions, in the 2017 Proposed Budget will **increase** SHA's full-time equivalent (FTE) positions **by 35.4 FTE** from 526.9 to **562.3 FTE** in 2017, representing a 6.7 percent increase in full-time staffing positions. Of the 35.4 FTE increase, 21.5 added positions are proposed in the Housing Operations Department, with over three quarters of these

new positions in Maintenance and Repair and most of the rest in direct services to residents. Despite this significant increase in staffing, SHA in 2017 will remain 30 positions below the 592 FTE staffing in 2011 prior to sequestration.

SHA's umbrella priority remains to serve more people in need of low-income housing and to be more than four walls or a rental voucher for SHA residents and participants.

Our highest priorities in doing so are guided by **SHA's Strategic Plan 2016–2020** and its commitments to expanding affordable housing opportunities and choices; to promoting quality communities, including maintaining and updating our housing stock, and to improving quality of life and opportunity for children, youth and their families, workable adults seeking to improve their economic status, and elderly and disabled tenants desiring to remain vibrant, healthy, and independent. With new unit development, increased vouchers, higher utilization of vouchers, and housing turnover we expect to **exceed 720 new households served in 2017.**

2017 Budget Context, Outlook, and Strategy

This proposed 2017 annual budget is the most optimistic SHA has felt comfortable presenting in the last five years. This confidence results from the confluence of a number of positive signs that affect our budget outlook:

Economy: The State and local economies remain stable with continued growth in employment and personal income and with moderate inflation and low unemployment projected by economists. The national picture as forecast by the most respected groups of economists also shows continued steam in the recovery from the Great Recession. While the overall picture is upbeat, we know there are many low-income people who have not shared in the job and opportunity growth, particularly young adults and racial and ethnic minorities.

SHA Budget Strategy: We made wise use of the resources from Congress' 2014–2016 partial reprieves from sequestration by investing in one-time expenditures, and will continue that strategy, even as we also propose added staff for core capacities and new initiatives.

Federal Budget: Congress is expected to honor the reprieve from sequestration spending ceilings in 2017. Both the Senate and the House Appropriation Committee have accepted FY2017 appropriation levels for HUD that would actually increase funding for SHA's major HUD programs. As it is not likely that there will be a Federal Budget approved before the end of September 2016, we are expecting Congress to enact a Continuing Resolution (CR) to maintain current year funding so as not to shutdown governmental agencies and programs. The question under debate at the moment is whether Congress will return after the elections in November and complete their work to adopt new 2017 federal appropriation bills this year or wait until 2017, when the next President and Congress assume office. We would prefer that the budget work be completed this year.

Increase Funding for Vouchers: HUD heard the pleas of Seattle and King County, as well as those of other urban MTW agencies facing large escalations in private market rents, and granted in 2016 our first increase since 2012 in our MTW funding per rental voucher. This funding increase is ongoing and has been instrumental in allowing SHA to fund a 25 percent increase in the voucher payment standard in mid-2016 and sustain that funding in 2017.

Prudent Budget Management: Over the past five years, SHA’s culture of stewardship of public funds has solidified across SHA directors, managers and supervisors, and staff, as all are conscientious in observing budget parameters and looking for ways to improve and increase service without increased funds.

Continuous Improvements in Efficiencies: The growing demands and funding for use of technology to increase the efficiency of our administrative and service tasks attest to a work force and work culture that routinely seeks to operate more effectively and efficiently.

Staff routinely identify, promote, plan, and implement prudent investments to realize pay-offs in more streamlined, more efficient, sustainable, and more cost effective operations. This work is a stellar example of cross-department collaboration and great leadership and support by SHA’s Information Technology staff.

Extension of the MTW Agreement: Finally, the most significant uncertainty we have faced for the past two years has been removed with the renewal of our MTW contract **under existing terms and conditions** through the end of 2028. I cannot overemphasize how critical this is to SHA’s future. Most importantly, we retain the funding formulas for SHA’s MTW Block Grant funds that underpin the MTW demonstration for SHA, and we maintain ability to try new things by our authority to seek waiver of selected HUD regulations in order to try new approaches to operations and services.

Thanks to these factors, we anticipate SHA will have sufficient funds in 2017 to address critical needs and some new opportunities, particularly where we can work with partners or make one-time investments.

2016–2017 Strategic Plan Agendas

Department work plans and expected outcomes are detailed in the Budget Book and for each of the Strategic Plan Directions and their Key Objectives. I’d like to highlight some of our plans for advancing our Strategic Plan objectives in 2017.

Expand Housing Opportunities—Key Objectives: Create more affordable housing; Champion affordable housing; Diversify housing choice.

Our plans for 2017 propose several diverse actions that we project will result in serving at least 720 new households in 2017 and advance housing choice. Highlights include:

- **Complete construction of Hoa Mai Gardens with 111 new replacement and tax credit units and start construction of Red Cedar to bring on 119 additional low-income units in 2018.**

Hoa Mai will represent completion of SHA’s third new construction building in the redevelopment of Yesler Terrace. As it leases up in 2017, Hoa Mai will bring to nearly 300 the number of replacement and tax credit units completed in the past three years.

- **Add 17 large family units to the Scattered Site portfolio by rehabilitating and converting spaces to 4- and 5-bedroom single-family homes or apartment units.**

Low-income families face both a scarcity of large bedroom units and extremely low vacancy rates in Seattle’s private rental market, particularly in these times of escalating rents. As a consequence,

Seattle and SHA are losing low-income families with children, as affordable housing opportunities dwindle.

- ***Enhance neighborhood choice for families with children by piloting a program to improve access to neighborhoods offering many advantages for families.***

SHA will participate in a national research demonstration—“Creating Moves to Opportunity”. SHA and King County Housing Authority will implement financial and/or service measures to increase the interest and success of voucher participant families with children to locate in or move to neighborhoods with attributes shown to provide long-term advantages in terms of increased economic self-sufficiency for children.

- ***Increase the success of all low-income people with a voucher in finding and leasing a rental unit in Seattle.***

In April 2016, SHA’s Board enacted a 25 percent increase in the voucher payment standard (VPS) to help voucher holders compete for units in the private market during this time of escalating rents and very low vacancy rates. The effects of the increase don’t begin to show up in any conclusive way for at least a year, and SHA will monitor our voucher holders and the changes in the private market continuously. Additionally, we continue to refine and improve our housing search support and tools for voucher holders shopping in the private market. We are also redoubling our efforts with our private non-profit providers and the Veteran’s Administration to realize higher utilization rates of their vouchers, while we streamline and improve administration on our end.

- ***Implement a pilot program in cooperation with Seattle Public Schools to secure housing within the Bailey Gatzert Elementary School catchment area for homeless families with children enrolled at the school.***

This pilot seeks to achieve two goals – to provide stable housing for Bailey Gatzert’s homeless families and to help stabilize the school’s program and environment by housing homeless families within the catchment area, thereby reducing enrollment turnover.

Promote Quality Communities: Preserve and promote high quality housing; Connect people to opportunity; Strengthen community and service.

This Strategic Direction puts the focus on the places where our residents and participants live and the services and interactions that occur on-site or in the surrounding neighborhood. SHA aims to invest time and resources in safe, quality housing and help connect participants to communities, resources, and services that are designed to meet their needs. We also want all of our interactions with residents and participants to be caring and respectful and to see each individual as a valued part of the community. Here are a few highlights of work we have planned for 2017:

- ***Strengthen our core services to preserve and maintain SHA’s housing assets in good repair.***

We have added staff to both Maintenance and Repair and the Asset Management Construction Group to accelerate work on a host of building capital work to replace elevators, replace roofs, perform exterior rehab work, and initiate work on unit interior modernization in turnovers involving very long-term tenants. The added staff will also enable quicker response to work orders for repairs, to turnover vacated units, and to inspect and repair units for HUD REAC inspection visits.

Finally, we will continue to phase in preventive maintenance programs at sixteen (16) additional buildings, bring our total to 109 buildings.

- ***Enhance security and safety of SHA communities.***

SHA approaches community safety and security as a partnership among our staff, SHA residents, our dedicated Seattle Police Department (SPD) Community Police Team, SPD's Crime Prevention Coordinator, private security, Block Watch activities, and our neighbors. We all have responsibilities and roles in enhancing community safety, and SHA can serve as a coordinator, a convener, or a supporter of community-initiated action. And SHA is responsible for the physical improvements to SHA buildings and grounds for security – cameras, entry controls, lighting, and landscaping. In 2017 and 2018, we will continue to improve the physical security of SHA buildings and grounds, while keeping them attractive and welcoming in the neighborhood.

- ***Promote a positive and welcoming community environment.***

I am particularly excited by the work of both the Housing Operations (HOPs) and Housing Choice Voucher (HCV) Departments, independently and together, to embrace opportunities to concretely welcome new residents and voucher-holders and to enhance service to existing residents.

In LIPH and SSHP communities, we are beginning to implement on-site orientation of new residents to building facilities and services; to access and security provisions; to the roles of building staff and community builders and how to communicate with staff; and to information on neighborhood facilities, services, and amenities, and public transportation. Both HCV and HOPs are committed to preparing community resources and reference guides designed to be a relevant and valued information source for tenants.

- ***Enhance excellent customer service and respectful interactions between staff and residents and voucher holders.***

I'm proud that independent surveys show that residents and participants have a very high level of satisfaction with services from and interactions with SHA staff. So I believe we are building from a base of strength and can improve our performance further with additional training to equip staff with new knowledge and skills and supervisors with training in coaching and evaluation skills. It is also the case that while many staff have, many other SHA staff have not personally experienced the life circumstances that have faced many of our residents and participants. This is an area where there is a growing body of research that can inform our staffs' understanding of the impacts of diverse experience, both in foreign countries and here at home, and better equip all of us to interact with and serve residents and participants with greater sensitivity and better communications.

Improve Quality of Life: Enhance senior and disabled living; Economically empower adults; and, Promote youth educational achievement.

This Strategic Direction and its objectives produced robust budget proposals for new, expanded or improved programs, research, services, and partnerships, many of which we were able to fund in the proposed budget. I'd like to feature just three:

- ***Enhance on-site services to senior and disabled residents to support independence.***

In our budget survey and recent meetings on priorities with SHA seniors and disabled residents, we heard repeatedly a desire for increased services designed to support independence—to promote socialization, health screening, and physical mobility. We've responded in the proposed budget with an expansion of the NeighborCare on-site nursing program and health promotion services to 2–5 additional public housing buildings. With SHA funding for an on-site program focused on socialization, health screening, and exercise, we expect to reach seniors in SSHP and public housing high rises; the numbers of clients or buildings and precise services will depend on a competitive selection process for a provider.

Additionally, SHA will establish a Volunteer Recognition Program to enable and encourage resident volunteers—both seniors and younger residents—to provide services to seniors on-site. Such services and activities may include walking groups or other gentle exercise, hobby groups, conversational English practice, resident-led book groups, peer-led computer classes, buddy programs to check on neighbors' welfare, and the like.

- ***Implement a program for Economic Advancement of work-able adults.***

In 2017 we will build on the lessons of the Workforce Opportunity System pilot, experience with our own Economic Opportunities program, what we've learned from and about our work-able residents from available data and a resident survey, and what we know from research about effective techniques and best practices to support economic advancement of our residents. We expect to complete design and implement a refined Economic Advancement program by mid-year.

- ***Promote success in school and productive use of out of school time for SHA youth and young adults.***

We will work with Seattle Public Schools (SPS), SHA families and neighbors and partner with the City, foundations, and private businesses to maximize our collective efforts to promote educational success for SHA youth in the public schools. We will hire a Youth Navigator who will have support from part-time AmeriCorps volunteers to focus on specific issues around engaging older youth at Rainier Vista. We plan to partner with SPS to increase school attendance by SHA students in public schools and evaluate which interventions are most effective. We will continue with partners to promote digital access and training, especially for school-age children. This will include continuation of free internet service for 400 families supported by a Google grant.

Conclusion

The investments in the 2017 Proposed SHA Budget represent thoughtful, strategic choices for the future. I believe we achieved a workable balance in investing in our core ongoing housing programs and administrative services and embracing the new opportunities in support of the 2016–2020 Strategic Plan.

As I reflect on the future, I am struck by just how much prudent and continuous change has been a hallmark and underpinning of SHA's outstanding, innovative, and adaptive performance over decades. Staff throughout the agency are excellent at applying our talents and experience to critically examine how we operate our business; to make changes that help to streamline processes; to reduce cost and

improve service by working smarter; to invest in technology that allows us to do more with less effort and/or make better informed decisions; to develop partnerships and to innovate, adapt, and implement changes that enable all of us to participate in improving services to residents and participants. I hope we can all view change as a necessary vehicle to meet the opportunities and challenges ahead and to address the changing needs of our residents and participants. The more we all become comfortable with the inevitability of change and look for the opportunities it presents, the better we can be in managing it.

I am constantly inspired by the dedication and resilience of our staff and their continuing commitment to make a difference for low-income residents, voucher participants, and the community. It is the power of their motivation and commitment that gives me confidence that together we can chart a course through good times and bad with SHA's mission as our guide:

Our Mission – To enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and increase self-sufficiency for people with low incomes.

I am honored to serve our low-income residents and participants and to lead our great staff. I look forward to our budget discussions with the Board. Thank you for your thoughtful consideration.

Sincerely,



Andrew J. Lofton
Executive Director
Seattle Housing Authority

cc: Cabinet Members

SEATTLE HOUSING AUTHORITY

2017 ADOPTED BUDGET

January 2017

TABLE OF CONTENTS

SEATTLE HOUSING AUTHORITY CY 2017 ADOPTED BUDGET	1
INTRODUCTION	1
OVERVIEW OF THE 2017 SHA ADOPTED BUDGET	2
HOW THE BUDGET IS PREPARED.....	7
NAVIGATING THE BUDGET: WHAT’S IN THIS DOCUMENT?.....	9
RESPONDING IN 2017 TO THE STRATEGIC PLAN	11
STRATEGIC DIRECTIONS	11
ORGANIZATIONAL CORNERSTONES	16
DEPARTMENT BUDGETS	17
SHA DEPARTMENT BUDGETS COMPARISON OF 2015-2017 OPERATIONS.....	17
EXECUTIVE DEPARTMENT.....	20
OFFICE OF POLICY AND STRATEGIC INITIATIVES.....	26
DEVELOPMENT DEPARTMENT	34
HOUSING FINANCE AND ASSET MANAGEMENT	40
FINANCE AND ADMINISTRATION DEPARTMENT.....	46
INFORMATION TECHNOLOGY	58
HOUSING OPERATIONS DEPARTMENT	64
HUMAN RESOURCES DEPARTMENT.....	88
HOUSING CHOICE VOUCHER PROGRAM.....	94
CAPITAL IMPROVEMENT PROGRAM SUMMARY	102
CHOICE NEIGHBORHOODS IMPLEMENTATION: YESLER TERRACE – REDEVELOPMENT	103
PUBLIC HOUSING AND OVERALL ASSET PRESERVATION FUNDING	106
NEW ACQUISITION, DEVELOPMENT, AND PLANNING.....	109
2017 CAPITAL ACTIVITIES	112
GRANT PROGRAM DESCRIPTIONS.....	120
LIMITED PARTNERSHIP OPERATIONS	126

TABLE OF FIGURES

FIGURE 1: 2017 OPERATING AND CAPITAL SOURCES	4
FIGURE 2: 2017 OPERATING AND CAPITAL PROGRAM USES.....	5
TABLE 1: OVERVIEW OF 2017 SHA BUDGET	2
TABLE 2: OVERVIEW OF 2017 SHA FTE'S	3
TABLE 3: 2017 DEPARTMENT BUDGETS	17
TABLE 4: 2017 DEPARTMENT FTE'S.....	18
TABLE 5: EXECUTIVE DEPARTMENT BUDGET AND FTE'S.....	21
TABLE 6: OPSI BUDGET AND FTE'S	27
TABLE 7: DEVELOPMENT DEPARTMENT BUDGET AND FTE'S	35
TABLE 8: HOUSING FINANCE & ASSET MANAGEMENT BUDGET AND FTE'S.....	41
TABLE 9: AM COMMERCIAL FACILITIES BUDGET.....	43
TABLE 10: 190 QUEEN ANNE CENTRAL OFFICE BUDGET.....	44
TABLE 11: FINANCE AND ADMINISTRATION BUDGET AND FTE'S	47
TABLE 12: INFORMATION TECHNOLOGY BUDGET AND FTE'S	59
TABLE 13: HOUSING OPERATIONS BUDGET AND FTE'S.....	65
TABLE 14: HOUSING OPERATIONS CENTRAL ADMIN BUDGET AND FTE'S	67
TABLE 15: LOW INCOME PUBLIC HOUSING BUDGET AND FTE'S	70
TABLE 16: SEATTLE SENIOR HOUSING PROGRAM BUDGET AND FTE'S	72
TABLE 17: YESLER TERRACE BUDGET AND FTE'S	73
TABLE 18: SPECIAL PORTFOLIO BUDGET AND FTE'S	75
TABLE 19: IMPACT PROPERTY SERVICES BUDGET AND FTE'S.....	76
TABLE 20: COMMUNITY SERVICES BUDGET AND FTE'S	80
TABLE 21: IMPACT PROPERTY MANAGEMENT BUDGET AND FTE'S	83
TABLE 22: HUMAN RESOURCES BUDGET AND FTE'S	89
TABLE 23: HOUSING CHOICE VOUCHER PROGRAM BUDGET AND FTE'S.....	95
TABLE 24: SUMMARY OF SHA CAPITAL PROJECT SOURCES.....	102
TABLE 25: SUMMARY OF SHA PROJECTED CAPITAL EXPENDITURES.....	103
TABLE 26: HOA MAI GARDENS SOURCES	103
TABLE 27: HOA MAI GARDENS USES	104
TABLE 28: RED CEDAR SOURCES	104
TABLE 29: RED CEDAR USES.....	104
TABLE 30: PHASE 3 INFRASTRUCTURE SOURCES	105
TABLE 31: PHASE 3 INFRASTRUCTURE USES.....	105
TABLE 32: PHASE 4 INFRASTRUCTURE SOURCES	105
TABLE 33: PHASE 4 INFRASTRUCTURE USES.....	105
TABLE 34: SUMMARY OF CAPITAL PROJECTS BY HOUSING TYPE AND FUND SOURCE	107
TABLE 35: MTW-FUNDED CAPITAL PROJECTS FOR SENIOR HOUSING PROPERTIES.....	107
TABLE 36: MTW-FUNDED CAPITAL PROJECTS FOR OTHER HOUSING PROPERTIES	107
TABLE 37: OTHER CAPITAL PROJECTS FOR OTHER HOUSING PROPERTIES	108
TABLE 38: SUMMARY OF SSHP CAPITAL PROJECTS.....	108
TABLE 39: SHA 2017 CAPITAL PROJECTS -- MTW GRANT-FUNDED ACTIVITIES	112
TABLE 40: SHA 2017 CAPITAL PROJECTS -- OTHER FUNDS AND REDEVELOPMENT ACTIVITIES	115
TABLE 41: GRANT PROGRAM FUNDING	123
TABLE 42: LIMITED PARTNERSHIPS -- OPERATIONS BUDGETS.....	127

SEATTLE HOUSING AUTHORITY CY 2017 ADOPTED BUDGET

INTRODUCTION

The CY 2017 Adopted Budget covers all of Seattle Housing Authority's operating and capital budget sources and uses, including federal and local housing programs and enterprise activities for Calendar Year 2017. The Budget was prepared under the provisions and authorizations contained in the Authority's contractual agreement with the U.S. Department of Housing and Urban Development (HUD) and the Moving To new Ways (MTW) Program¹. With key support from Senator Patty Murray, the 2016 Appropriations Bill, which included a directive to HUD to renew and extend MTW contracts through 2028, was approved by Congress in late 2015. The MTW program provides two critical sources of flexibility:

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

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

¹ Because HUD's name for the demonstration, "Moving To Work," sounded like a jobs program for SHA residents, SHA informally renamed the demonstration, "Moving To new Ways," to keep the acronym and more accurately describe the purpose of the demonstration.

OVERVIEW OF THE 2017 SHA ADOPTED BUDGET

The 2017 SHA Adopted Budget has total expenses of **\$268.3 million**, with the Operating Budget at **\$81.1 million**; the Housing Assistance Payments at **\$100.2 million**; grants at **\$2.0 million**; the Capital Budget at **\$18.9 million**; and the Redevelopment Budget at **\$66.2 million**. The total 2017 Adopted Budget of **\$268.3 million** is greater than the total 2016 Adopted Budget by **\$45.4 million** or **20.3 percent**. Over 95 percent of the increase is accounted for by the Development program and Housing Assistance Payments (see Table 1 below).

This change reflects an **increase** of **\$17.9 million** in projected redevelopment spending at Yesler for infrastructure, planning, and housing construction activity in 2017, plus **\$12.2 million** for NewHolly Phase I rehabilitation and **\$1.5 million** in predevelopment activities at Blue Topaz. The core operating and rental assistance programs in 2017 are **\$13.1 million** or **7.8 percent** above the adopted 2016 Budget.

The **Development program** budget increases by \$31.5 million, or 90.9 percent from 2016 to 2017. The 2017 redevelopment work at Yesler Terrace accounts for \$17.9 million of the increase in projected spending for infrastructure, planning, and housing construction activities. The first year of a two-year project to rehabilitate the exterior siding and roofs of 305 units in NewHolly Phase 1 will require \$12.2 million; and predevelopment planning for redevelopment of the Blue Topaz apartments is budgeted for \$1.5 million in 2017.

Housing Assistance Payments (HAPS) made to landlords as rental assistance for low-income voucher participants will increase in 2017 to an estimated \$100.2 million for the Authority's more than 11,000 vouchers. This represents an increase in Housing Assistance Payments totaling nearly \$12.3 million or 13.9 percent over 2016. This increase is supported by additional per voucher subsidy funding from HUD, the first increase SHA has received since 2012 and reflects HUD's recognition of the significant increases in fair market rents that have occurred in Seattle in recent years.

	CY 2016 Budget	CY 2017 Adopted Budget	Percent Change
Program Operations and Administrative Expenses	\$80,200,000	\$81,050,000	1.1%
Housing Assistance Payments (HAPS)	87,930,000	100,180,000	13.9%
Grant-Funded Expenses	1,984,000	2,010,000	1.3%
Capital & Non-Routine Expenses	18,170,000	18,880,000	3.9%
Redevelopment	34,700,000	66,240,000	90.9%
Total Expenses	\$222,984,000	\$268,360,000	20.3%

Table 1: Overview of 2017 SHA Budget

The adopted staffing budget, including new grant-funded positions, adds capacity that will increase SHA's full-time equivalent (FTE²) level from **526.9** in the 2016 Budget to **562.3** in 2017. This net add of

² FTEs include all SHA full-time employees and part-time employees who receive benefits. It does not include Intern positions, On-call Back Up Resident Managers, and temporary part-time or partial year employees who do not receive benefits. Project employees who are hired for the duration of a specific activity or project are included in the FTE total.

35.4 positions is a **6.7 percent** increase over 2016. Despite this significant increase in staffing, SHA in 2017 will remain below the 592 FTE staffing in 2011 prior to sequestration.

Program Element	CY 2016	CY 2017	Change
	FTE's	Adopted FTE's	
Housing Operations	317.5	339.0	21.5
Asset Management	29.3	36.3	7.0
Housing Choice Voucher Program	64.3	66.8	2.5
Other Departments ³	115.8	120.2	4.4
Total	526.9	562.3	35.4

Table 2: Overview of 2017 SHA FTE's

SHA’s umbrella priority remains to serve more people in need of low-income housing and to be more than four walls or a rental voucher for SHA residents and participants.

Our highest priorities in doing so are guided by **SHA’s Strategic Plan 2016–2020** and its commitments to expanding affordable housing opportunities and choices; to promoting quality communities, including maintaining and updating our housing stock; and to improving quality of life and opportunity for children, youth and their families, workable adults seeking to improve their economic status, and elderly and disabled tenants desiring to remain vibrant, healthy, and independent.

In 2017, we expect to advance these priorities by adding more replacement housing at Yesler Terrace, as we lease-up Hoa Mai Gardens, a 111-unit development. Additionally, we will complete leasing the 15 Veterans Affairs Supportive Housing (VASH) vouchers received in mid-2016 and the 74 replacement vouchers from the loss of the Gatewood transitional housing building. With new unit development, increased vouchers, higher utilization of vouchers, and housing turnover we expect to **exceed 720 new households served in 2017**.

This overview of the SHA 2017 Adopted Budget is concluded on the following pages with graphic presentations of SHA’s projected sources and uses of funds for 2017.

³ “Other Departments” are Human Resources, Finance and Administration, Information Technology, Development, Executive, and the Office of Policy and Strategic Initiatives (OPSI).

Sources of Funds

The chart below provides a breakdown of SHA sources of funds. The HUD MTW Block Grant is the largest single source of SHA funds; these sources total \$158.2 million or 47 percent of total sources. Non-MTW capital sources total \$124.9 million and represent 37 percent of total sources; mixed financing for development projects is the largest share of these funds. Non-MTW operating subsidy sources equal \$11.5 million and 3 percent of total sources. Rental Income at \$26.9 million constitutes 8 percent of sources. All other income, investments, and service grants for 2017 are \$16.9 million and 5 percent. Compared to the uses in the section that follows, sources exceed uses by \$70 million. Most of this excess represents multi-year redevelopment funding commitments through mixed financing transactions. The remaining amount goes towards debt payment and reserves.

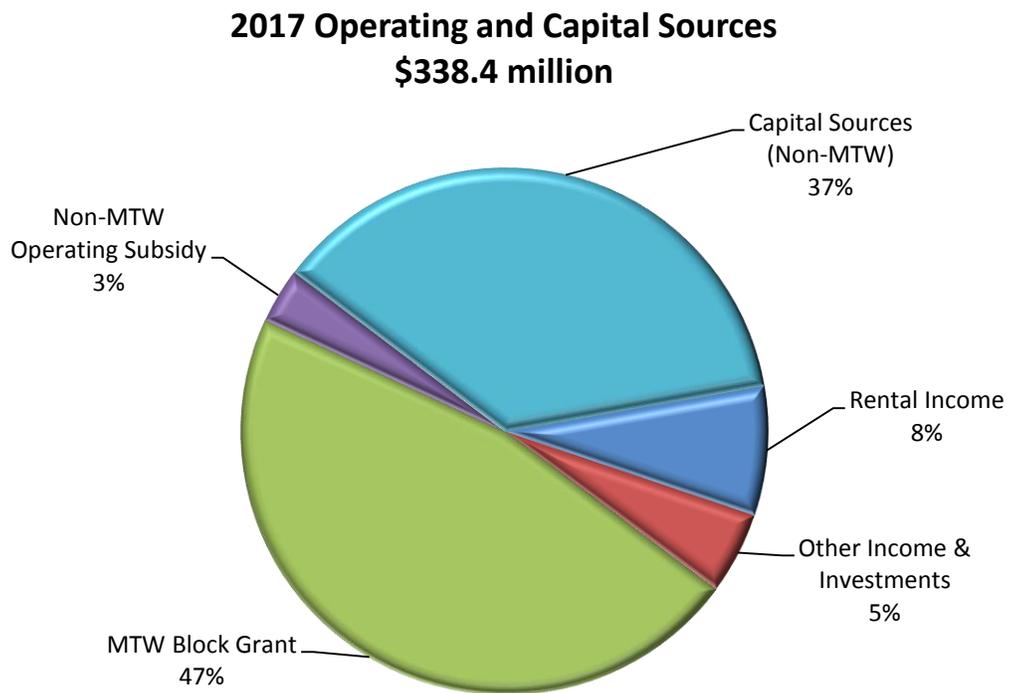


Figure 1: 2017 Operating and Capital Sources

Uses of Funds

The chart below provides a breakdown of SHA uses of funds. As illustrated, Housing Choice Voucher and other Section 8 program payments have a budget of \$100.2 million and, at 37 percent, represent the largest portion of uses. Capital and redevelopment projects total \$85.1 million at 32 percent. Low Income Public Housing, Seattle Senior Housing Program, Local Housing and other operating and service grant programs make up the remaining 31 percent in CY 2017.

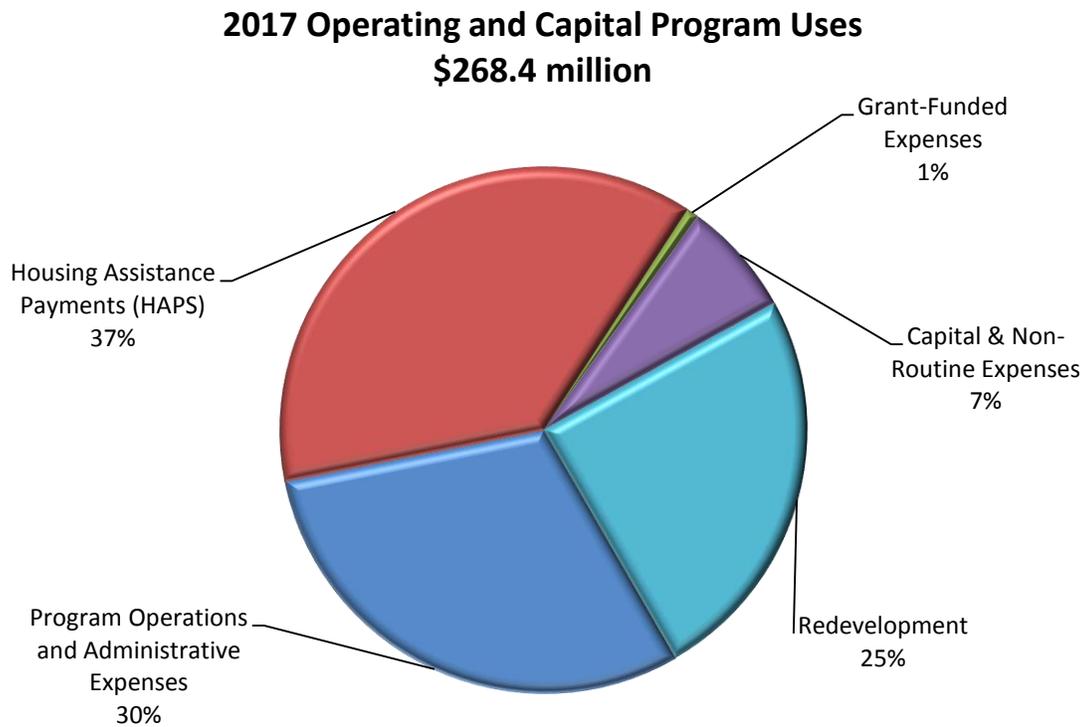


Figure 2: 2017 Operating and Capital Program Uses

HOW THE BUDGET IS PREPARED

Development of the budget begins each year in early spring with the preparation of financial forecasts of revenues and expenses based on projections of federal funding actions, forecasts about the economy, and estimates of cost changes for major expense items. A federal emphasis on reduced spending for “discretionary” programs began in 2011; however a partial reprieve from sequestration occurred when the Congress-enacted 2014-2015 budget led to a more favorable outcome. We anticipate that Congress will honor the reprieve this year as well. For 2017, we have considered the trends in our actual funding versus initial HUD allocations, the 2017 Budget Ceilings embedded in federal law, and preliminary actions of the House and Senate Appropriations sub-committees. This led us to what we consider to be a middle-ground approach to our federal revenue forecast for 2017.

At its annual Budget Retreat held in March, the Executive Director and Cabinet review the Budget Office’s initial forecast of the coming year’s revenues and the cost increases we are likely to face. This gives the Cabinet an initial look at how the cost of continuing to perform at current service levels for current residents and participants compares to estimated revenues.

For 2017, our estimates show a positive net income for the third year in a row. While we anticipate a stable budget picture for 2017, we still face long-term funding uncertainty, although these uncertainties are fewer than last year at this time. Since then, HUD has provided an increase for our MTW funding per voucher, and we have signed an extension of our existing MTW contract for a period through 2028 under the same terms and conditions as our current agreement. However, sequestration spending ceilings are set to return after 2017.

Taking account of the positive outlook for 2017 and weighing the longer term uncertainties of federal fiscal policy, the Executive Director charged the Directors and the Budget Office to continue the disciplined strategic thinking required to map out the most important investments that departments can make now to best serve our tenants, participants, and our community’s interests in 2017 and into the future.

A continual review of the forecast of federal revenues occurs throughout the budget process, but this year no new information that would significantly alter the forecast —either on the revenue or the expense side—occurred to change the basis for balancing the 2017 budget. Accordingly, department budget targets were based on preparation of status quo budgets with supplemental budget requests for proposed new activities or extension/expansion of existing programs.

The Budget Office establishes the overall criteria in selecting supplemental budget requests. Proposals addressing one or more element of the following criteria received the strongest consideration:

- The proposal significantly furthers a strategic direction or organizational cornerstone from the new Strategic Plan;
- The proposal responds to a new regulatory or legal requirement, or is otherwise agreed to be mandatory;
- The proposal addresses a critical and urgent safety, security, welfare, and/or liability consideration;
- The proposal has commitments or strong prospects for leveraging grant or foundation matching sources or partner involvement;

- The investment now will create efficiencies in operations and save costs and/or improve service in the future; and
- The request addresses severe backlog or customer service issues due to workload spikes.

In the early spring of 2016, the Budget Office created an online survey for tenants, voucher holders, people on SHA waitlists, SHA employees, and the general public to gauge their thoughts on budget priorities for 2017. The Budget Office and Cabinet also included the results of this survey in their consideration of supplemental requests from each department. In total 625 individuals participated in the survey, roughly half of which (51%) were either SHA residents, housing choice voucher holders, or on a waiting list for housing or a voucher. Roughly a third of the responses came from other interested parties, other than SHA employees. Not unexpectedly given the current state of affordable housing within in the City of Seattle, the program category receiving the most votes by an overwhelming margin was Increase Access to Affordable Housing.

The Moving To new Ways (MTW) Proposed Annual Plan for 2017 and the Summary of the 2017 SHA Proposed Budget were published August 31, 2016, distributed to stakeholders, and posted on www.seattlehousing.org for public review and comment. With this 2017 Proposed Budget Book, the Executive presents the recommended budget to the Board of Commissioners for their review and action. The annual public hearing will held on September 16th and written comments are accepted through September 30, 2016.

A resolution to adopt the 2017 Budget was presented to the Board of Commissioners at the September 19, 2016 Board meeting. Adoption of the CY 2017 Budget, as proposed or amended, along with the 2017 MTW Annual Plan, occurred at the Board's meeting on October 17, 2016.

NAVIGATING THE BUDGET: WHAT'S IN THIS DOCUMENT?

The budget is presented in the following sections:

Responding to the Strategic Plan

In 2016, SHA adopted a new Strategic Plan for 2016–2020. This section of the Budget Book presents an outline of the strategic directions and organizational cornerstones which will guide SHA's growth and development in the coming years. Included in this summary are highlights from department work plans which are particularly relevant to each of the directions and cornerstones.

Department Budgets

This section displays CY 2017 budgeted expenditures by SHA department, as well as changes in staffing levels from CY 2016 to CY 2017. Budgets for each department and major sub-divisions are presented, along with more details of their 2017 work plans. Departments and groups covered are Executive; the Office of Policy and Strategic Initiatives; Housing Finance and Asset Management; Development; Finance and Administrative Services; Information Technology; Housing Operations; Human Resources; and the Housing Choice Voucher Program. With the exception of the Leschi House limited partnership and homeWorks Phases I, II and III limited partnerships, the department budgets exclude all limited partnership operating revenues and expenses, capital expenses, and unit count information. Preliminary expenditures of all limited partnerships are presented in the last section of the Budget Book.

Capital Improvement Program

This section describes SHA's plans for redevelopment, rehabilitation, and asset preservation for SHA's housing portfolios and facilities. This section is organized by housing program and their redevelopment activities. Most of the redevelopment activities will remain around the Yesler Terrace neighborhood but will expand to our Scattered Sites communities. In addition to the redevelopment projects, a major rehabilitation of siding and roofs will occur at our NewHolly Phase I site.

Grant Programs

SHA has a strong record of successfully competing for HUD, other public agency, and foundation grants to support resident self-sufficiency. This section summarizes grants that are currently active and presents a table of grant funding expected in CY 2017.

Limited Partnerships

SHA serves in several different legal capacities depending on the housing program, and the budget reflects this complexity. For most housing resources, SHA is the owner and manager of the properties. SHA also serves as the General Partner and Managing Agent for eighteen limited partnerships formed to invest in, own, and manage rental housing in mixed-income communities. This includes the NewHolly Phase I limited partnership that is scheduled to close in October of 2016. In early 2017, SHA expects to add an additional mixed finance partnership, Red Cedar. The limited partnerships are formed to take advantage of federal law and IRS regulations allowing private parties to invest in affordable housing through the purchase of low-income housing in exchange for tax benefits. For SHA and other non-profit housing developers, the sale of federal low-income housing tax credits has become a principal source of funds for redevelopment of low-income housing communities and rehabilitation of existing low-income

buildings. This final section of the Budget Book presents the preliminary 2017 operating budgets for each limited partnership (LP).

The partnerships have separate budgets that are approved by SHA as the General Partner and presented for final approval to the private investors who are the Limited Partners. The LP section of this budget includes preliminary 2017 budgets for each of the eighteen tax credit partnerships that will be operational in 2017. For accounting purposes, these entities are treated as “Component Units”. In total, the 2017 Operating Budget for the limited partnerships is \$28.1 million. Because the component units are separate legal entities, the LP budgets are not included in SHA’s 2017 Adopted Budget figures, but they are presented in the Budget Book for information. SHA expects to close on an additional mixed finance partnership, Red Cedar in 2017. Red Cedar will be under development in 2017 and is not included in the operational section of the Budget Book. Information about Red Cedar can be found in the Capital Improvements program section.

Limited Partnerships in CY 2017

Desdemona	The Ritz Apartments
Escallonia	Alder Crest Apartments
High Point North	homeWorks I
High Point South	homeWorks II
South Shore Apartments	homeWorks III
Rainer Vista North East	Tamarack Place
Lake City Court	Kebero Court
Leschi House	Raven Terrace
Hoa Mai Gardens	Red Cedar (Planned)
NewHolly Phase I	

RESPONDING IN 2017 TO THE STRATEGIC PLAN

In 2016, SHA and the Board of Commissioners adopted a new five-year Strategic Plan for 2016–2020, which defines SHA’s strategic directions and key objectives and SHA’s organizational cornerstones. The plan affirms SHA’s mission and values, maintains core commitments, and maps the agency’s course for the next five years to make a positive difference in the larger Seattle community, in the neighborhoods SHA participants live in, and in low-income people’s lives. The plan sets out three strategic directions with nine key objectives and seven organizational cornerstones which define the core SHA capacities and values required to accomplish the aims of the Strategic Plan. The Housing Authority will be guided in the years to come by the Strategic Plan to prioritize activities, inform investments, and make decisions to advance SHA’s mission and values:

Our Mission – Everyday, we work to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and increase self-sufficiency for people with low incomes.

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

The 2017 budget responds to the Strategic Directions and Organizational Cornerstones. In the pages that follow, we present highlights of 2017 work plans pertaining to the key objectives of the Plan’s Strategic Directions and Organizational Cornerstones. Also see the Department Budget section for greater detail and additional planned work that will contribute to advancing the Strategic Plan.

STRATEGIC DIRECTIONS

SHA’s strategic directions are “big picture” outcomes that are expected to be the focus of the agency over the next five years. Key objectives are measurable actions that guide policies and investment in pursuit of strategic directions.

Expand Housing Opportunities—Key 2017 Action Agenda Items

SHA serves more people by cultivating additional resources and employing strategies which have the biggest impact on increasing Seattle’s affordable housing choices. Specific objectives related to this strategic direction include creating more affordable housing, advancing affordable housing policy, and diversifying housing choice. Below are highlights of SHA’s work plans for 2017 to advance *Expanding Housing Opportunities*.

Increasing affordable housing

- Complete the construction of Hoa Mai Gardens, the third new building at Yesler Terrace, to house 111 families by the end of 2017 and start construction of Red Cedar, the fourth new apartment building at Yesler Terrace, which will house 119 families by the end of 2018.
- Increase the number of large bedroom units in the Scattered Sites portfolio: The target group consists of fifteen single family homes, three duplexes and five apartment units. SHA will increase the overall number of 4- and 5-bedroom units in the Scattered Sites portfolio and address deferred capital needs.

- Modernize eighty-two single family homes in the Scattered Sites portfolio. Fifteen homes are included in the large bedroom conversion program above. Various levels of rehabilitation are necessary to preserve the assets for longer life, reduce ongoing maintenance costs, and improve marketability of single family homes to residents.
- Start the redevelopment effort on two Scattered Sites to increase the number of units available to participants. In 2017, undertake predevelopment planning for the Blue Topaz to design a new community with added units to continue serving the Scattered Sites residents. Advocate and lead actions to increase accessible housing
- Continue SHA’s leadership role with national industry groups, the Council of Large Public Housing Authorities (CLPHA) and the National Association of Housing and Redevelopment Officials (NAHRO). Represent the agency on the NAHRO national housing committee as well as on CLPHA and NAHRO subject-specific work groups/committees.
- Advocate for citywide issues that impact SHA’s role in affordable housing (i.e. zoning changes citywide, development standards, criminal record expungement, etc.). In early 2016, a Memorandum of Agreement with the City of Seattle to complete an Assessment of Fair Housing (AFH) was executed. In 2017, the draft AFH including SHA’s commitments will be available for public comment.
- Play a leadership role with the other thirty-eight MTW agencies in promoting funding and flexibility for MTW agencies to demonstrate new ways to work with local partners to expand access to affordable housing for low-income people locally.

Promote and support housing choice

- Participate in a national research demonstration—“Creating Moves to Opportunity”—by implementing a mobility pilot with fifteen other public housing authorities to test the effectiveness of different financial and/or service measures to increase the interest and success of participant families with children to locate in or move to neighborhoods with attributes shown to provide long-term advantages in terms of increased economic self-sufficiency for children.
- Beginning in fall 2016, initiate a pilot program in cooperation with Seattle Public Schools to secure housing within Bailey Gatzert Elementary School catchment area for homeless families with children enrolled at the school. This will provide those families with a stable environment as well as supportive services and enhance the continuity and effectiveness of the school’s teaching program by reducing turnover of students.
- Monitor the effectiveness of the 25 percent increase in the Voucher Payment Standard (VPS) implemented in July 2016. Evaluate the effectiveness and sufficiency of the increased VPS by monitoring factors such as leasing success rates, rent burden, average gross rents, and vacancy rates.
- Increase the number of households served as we continue issuing new vouchers to families from the lottery waiting list established in early 2015. Hold a lottery in early 2017 to establish a new waitlist of participants.
- Work with the Veterans Administration (VA) to identify and implement strategies that will help SHA increase utilization of vouchers for homeless veterans. By the end of 2017 SHA expects to assist an additional forty veterans through the VASH program.

- Increase SHA’s ability to efficiently provide housing search assistance, security deposit assistance and mitigation funds as methods to increase leasing success for more voucher holders.

Promote Quality Communities—Key 2017 Action Agenda Items

SHA invests in safe, quality housing and connects participants to communities, resources, and services that are designed to meet their needs. Preserving and promoting high quality housing, connecting people to opportunity, and strengthening community and service are the objectives which define our work on this strategic direction. Below are highlights of SHA’s work plans for 2017 to advance *Promoting Quality Communities*:

Provide high quality housing

- Perform exterior repairs to preserve and extend the useful life of SHA’s housing portfolios. Projects funded in 2017 include: sewer line replacements at Barton Place; replacing windows and walls at Westwood Heights; exterior cladding at Spruce Street Townhomes, Desdemona LP, Olive Ridge, and certain Scattered Sites; undertaking comprehensive exterior rehab to Michaelson Manor; rehabilitation of the building exterior at Carroll Terrace; and completing the first full year of the exterior siding replacement project at NewHolly (Phase I).
- Modernize elevators, or begin design work for elevators, in six buildings: Beacon Tower, Bitter Lake Manor, Blakeley Manor, Gideon-Mathews Gardens, Pleasant Valley Plaza, and Schwabacher House.
- Extend the life of our residential buildings by repairing or replacing roof and/or gutters at Bell Tower, Blakeley Manor, Carroll Terrace, Fort Lawton Place, Jackson Park Village, Olive Ridge, Olmsted Manor, Othello (NewHolly Phase II), Pinehurst Court and certain Scattered Sites.
- Modernize unit interiors upon turnover of long-term residents in Scattered Sites and Special Portfolio units. Upgrades to include new kitchen cabinets, bathroom vanities, mirror and medicine cabinet replacements, as well as installing and maintaining bathroom and attic fans, as applicable.
- Maximize the longevity of SHA’s assets by expanding the Preventive Maintenance program to include properties not currently enrolled thereby increasing SHA’s building participation by 17 percent in the Preventive Maintenance program.

Strengthen community through enhanced security

- Implement security improvements involving cameras, new building entry systems, and lighting to be completed in 2017 at Bitter Lake Manor, Columbia Place, Gideon-Mathews Garden, Pinehurst Court, Reunion House, and South Park. Improvements will include replacing door keys for entry at senior buildings with ACAM (Access Control and Alarm Monitoring) or entry systems utilizing key cards for access.
- Engage with residents to support safe communities by working with the Seattle Police Department Community Police Team Officers, Crime Prevention coordinator, private security and Block Watch activities to enhance safety and security in SHA communities and neighborhoods.

Connect People to Opportunity

- Support resident housing councils and work with councils and residents to utilize Community Building Funds for investments in training, internet access, interpretation and translation, community building events, and other areas that the councils and residents decide are important to them.
- Work with tenants to develop applications and implement matching grants to fund community events, community improvements, and computer labs.
- Create opportunities for direct outreach to voucher holders, in partnership with community partners, to potentially eligible families when we become aware of specific resources that will support the self-sufficiency of our families.
- As methods to increase leasing success for voucher holders, submit a request to HUD to participate in the Family Unification Program (FUP) and Family Self Sufficiency (FSS) Demonstration which will allow FUP youth who enroll in the FSS program to extend the length of time they receive housing assistance from the current eighteen months to the duration of the FSS contract (usually five years).

Improve Quality of Life—Key 2017 Action Agenda Items

SHA partners with communities to use housing as a platform to improve quality of life by enhancing health, supporting education and skill development, and other services to help people reach their full potential. Specific objectives under this strategic direction include enhancing senior and disabled living, economically empowering people, and supporting youth achievement. Below are highlights of SHA's work plans for 2017 to *Improve Quality of Life*:

Support youth achievement

- Partner with the City of Seattle, local partners and HUD to promote digital access and training for all SHA tenants, particularly school-age children. This will include continuation of free internet service for 400 families supported by a Google grant. We will seek to expand this program or other affordable opportunities for internet access to additional families with school-age children.
- Expand support for families with older youth through a Youth Navigator position that will draw from the successes of the Education Engagement Specialist in Yesler Terrace while focusing on the specific issues in Rainier Vista around the disengagement of older youth.
- Hire three AmeriCorps volunteers to work with the Youth Navigator to serve youth at NewHolly, Rainier Vista, High Point, and Yesler Terrace. The AmeriCorps volunteers will assist youth by connecting them to services and resources.
- Partner with Seattle Public Schools to increase school attendance by SHA students in public schools by launching attendance intervention programs with comparison groups of students and evaluate the effectiveness of the alternative interventions.
- Promote applications from SHA youth for college scholarships and recognize students who win scholarships to advance their education. Continue the newly begun program to match any Housing Authorities Insurance Groups (HAIG) scholarship winners' award, making this scholarship worth \$5,000.

Support access to education and work opportunities

- Complete planning for implementation of a new “Economic Advancement Program” built on lessons learned from the Workforce Opportunities System (WOS) pilot; the experience and expertise of SHA’s Economic Opportunities program; the survey of work-able residents and voucher-holders on their existing capabilities, barriers to work or education, as well as aspirations; and the analyses of an interdepartmental staff team led by the Policy Office. Through this work, SHA has defined a continuum of stages toward economic self-sufficiency and gained an understanding of how the agency might more efficiently use an initial assessment to target services and referrals to partners that meet residents where they are on the continuum. We expect to move toward implementing program revisions around mid-year.
- Develop work-able incentive proposal, including redesign of the Family Self-Sufficiency (FSS) financial model and replacement or renewal of Savings Match. Conduct formative evaluation of the new self-sufficiency services model and its implementation and develop staff tools to support the new model of services as needed.
- Teach residents marketable sewing skills via an industrial sewing class and provide a certificate of completion for the course that can serve as verification of completion of training in potential job searches. The Industrial Sewing Class at Yesler Terrace supplies SHA residents with an introduction to the methods and requirements for working in a professional garment assembly setting.

Enhance senior & disabled living

- Assess options to expand community services for low-income seniors with need for more service-enriched housing, including potential for formal transition agreements. Research and make recommendations regarding strategies for increasing successful referrals for housing that serves higher-need, low-income seniors.
- Explore the conversion of an additional high-rise into an elderly-preference building.
- Expansion of the NeighborCare health program to 2–5 additional LIPH buildings with on-site nursing and health promotion services.
- Increase staffing in SSHP buildings to provide four hours of staff coverage five days a week by Property Assistants to increase service, access to staff by residents, and building and grounds cleaning.
- Provide funding to select a provider to enable continuation of a program of socialization, exercise, and on-site health screening in selected SSHP and LIPH buildings.
- Establish a Volunteer Recognition Program to enable and encourage resident volunteers to provide service to seniors on-site, including activities such as walking groups or other gentle exercise, hobby groups, conversational English practice, resident-led book groups, peer-led computer classes, volunteer emergency preparedness activities, “buddy” programs to check on neighbor’s welfare, and other activities that engage residents within their own building, or in other buildings, as they are willing.

ORGANIZATIONAL CORNERSTONES

SHA's organizational cornerstones reflect SHA's values in action. These qualities help form the foundation of how SHA advances its mission and pursues its strategic directions. SHA's culture is driven by a commitment to excellence that continually strengthens these cornerstones. Below are the seven cornerstones included in the 2016–2020 Strategic Plan. Actions to strengthen the cornerstones are reflected in the work plans of the lead or involved department and can be found in the Departments section of the Budget. Below the seven organizational cornerstones are listed and defined.

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

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

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

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

Race and Social Justice (RSJ or RSJI): 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.

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

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

DEPARTMENT BUDGETS

The table below shows total operating expenditures for departments and housing assistance payments. The CY 2017 operating expenditures (excluding service grants) of \$181.2 million represent an overall increase of 7.8 percent above the 2016 budget. Direct Operating expenses before backing out internal service fees increased by 1.6 percent, while Housing Assistance Payments (HAP) are expected to increase 13.9 percent over the 2016 level. The rise in direct operating expenses is mainly due to the net change in the total number of Full-Time Equivalent (FTE) employees and new strategic plan initiatives. The tables below summarize changes in departmental budgets and staffing levels.

SHA DEPARTMENT BUDGETS COMPARISON OF 2015-2017 OPERATIONS

	CY 2015 Actual (000)	CY 2016 Adopted (000)	CY 2017 Adopted (000)	Change 2016- 2017
Departments and/or Divisions Expenditures				
Executive	\$ 2,568	\$ 3,090	\$ 3,204	3.7%
Policy and Strategic Initiatives	848	2,643	1,704	(35.5%)
Housing Finance and Asset Management				
Asset Management (AM)	1,012	1,026	1,238	20.7%
AM Commercial Facilities & 190 Queen Anne CO	2,050	1,997	2,244	12.0%
Development	1,424	1,586	1,557	(1.8%)
Finance and Administrative	11,794	12,171	12,536	3.0%
Information Technology	3,446	3,813	4,071	6.8%
Housing Operations				
LIPH No. So., Scattered Sites, homeWorks & LIPH Admin	25,193	23,182	23,911	3.1%
Yesler, Baldwin and EOC	2,151	1,823	1,703	(6.6%)
Seattle Senior Housing Program	5,203	5,341	5,720	7.1%
Special Portfolio	4,862	4,756	5,280	11.0%
Admissions	741	905	928	2.5%
Community Services	3,852	4,381	4,892	11.7%
IPM, Parks, COL, NewHolly Phase I & II	4,568	4,551	2,626	(42.3%)
Housing Operations Admin	1,366	1,566	2,240	43.0%
Facilities	312	333	343	3.0%
Solid Waste and Fleet	2,839	3,090	3,186	3.1%
Impact Property Services	12,847	13,670	14,625	7.0%
Human Resources	1,954	2,529	2,505	(0.9%)
Housing Choice Voucher	9,773	10,590	10,214	(3.6%)
DIRECT OPERATING	\$98,803	\$103,043	\$104,727	1.6%
Plus Housing Assistance Payments	82,776	87,935	100,182	13.9%
Less Internal Agency Fees	(22,911)	(22,841)	(23,677)	3.7%
TOTAL OPERATIONS	\$158,668	\$168,137	\$181,232	7.8%

Table 3: 2017 Department Budgets

The total full-time equivalent staff positions (FTEs) for 2017 equals 562.3; this represents a net increase of 35.4 positions over the 2016 adopted level. This increase results from the addition of 39.4 FTEs and a decrease of 4.0 FTEs. All of the reductions were for positions scheduled to end not later than 2016. The added positions are a combination of ongoing and time-limited project positions; many of them support strategic plan activities and respond to increased workload demands, spikes, and backlogs.

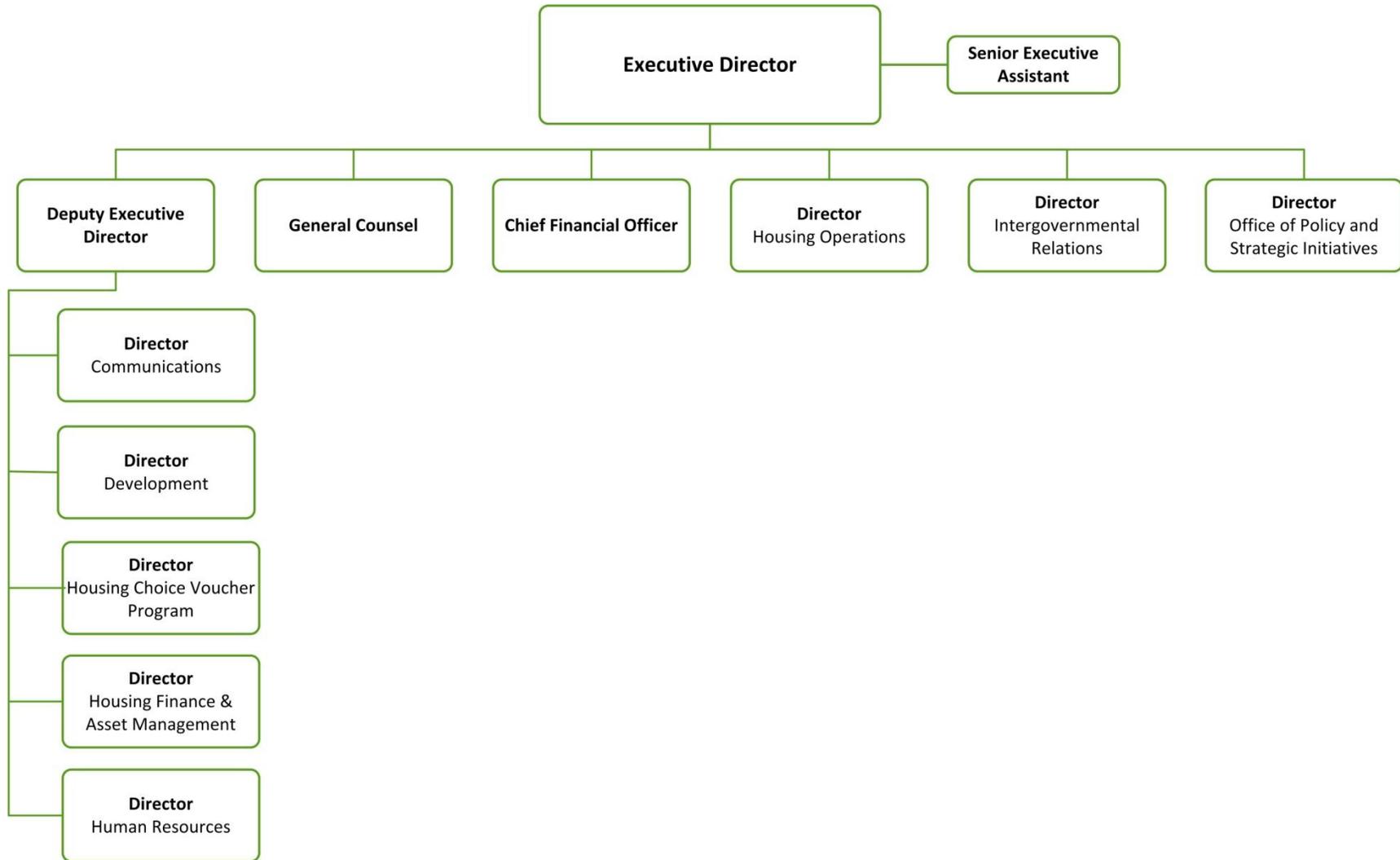
The comparison of FTE's in 2016 and 2017 by Department is presented in the table below. The change in the right hand column represents position additions, position reductions, and/or position transfers from one Department to another. Please see Department write-ups that follow for more specific information on staffing changes.

Full-time Equivalent Positions	2016 Approved	2017 Adopted	Change
Executive	15.9	16.9	1.0
Policy and Strategic Initiatives	13.5	14.0	0.5
Asset Management	13.3	15.3	2.0
Construction	16.0	21.0	5.0
Development	14.5	15.0	0.5
Finance & Administration	40.9	43.3	2.4
Housing Operations	317.5	339.0	21.5
Human Resources	11.0	11.0	0.0
Information Technology	20.0	20.0	0.0
Housing Choice Voucher	64.3	66.8	2.5
TOTAL	526.9	562.3	35.4

Table 4: 2017 Department FTE's

EXECUTIVE

EXECUTIVE DEPARTMENT



Executive Budget

Executive Department Expenditures	2015	2016	2017	Change
	Actual	Adopted	Adopted	
Admin Salaries & Temp Help	\$ 2,053,000	\$ 2,235,300	\$ 2,387,300	6.8%
General and Administrative Expense	422,900	498,500	506,300	1.6%
Tenant Services	1,300	2,000	2,100	5.0%
Maintenance & Contracts	90,900	354,200	308,000	(13.0%)
Utilities	-	-	-	-
TOTAL OPERATING	\$ 2,568,100	\$ 3,090,000	\$ 3,203,700	3.7%
Less Internal Agency Fees	(166,700)	(187,600)	(188,200)	0.3%
Capital, Grant and Partnership Salaries & Benefits	-	-	-	-
TOTAL	\$ 2,401,400	\$ 2,902,400	\$ 3,015,500	3.9%

Table 5: Executive Department Budget and FTE's

Full-time Equivalent Positions	2016	2017
	Approved	Adopted
Total FTEs	15.9	16.9

In CY 2017, the operating budget for the Executive Department is \$3.2 million, representing an increase of 4 percent from 2016. Department staffing will increase by one position.

An increase in Administrative salaries is due to the addition of an Americans with Disabilities Act (ADA) Coordinator project position created to assist with caseload and the backlog of accommodation requests, which will allow the current Coordinator to spend more time on the interactive process. This increase is offset by a decrease in the Professional Services contracts line item for SHA's website redesign. In 2017, only a nominal amount will remain in the contracts budget for additional web enhancements and security updates.

Department Purpose and Function

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

Work Plan Highlights

The Executive Department staff will continue to provide executive leadership to coordinate the work of the agency across departments; to provide oversight and direction on strategic policy initiatives; and to

Executive

advocate for the interests of low-income housing in local, regional, and national forums. The Department provides communications and legal advice and counsel to the Executive and to colleagues in other departments as needed and works closely with the Board of Commissioners to ensure their work represents shared priorities.

Director's Office

- Provide leadership and strategic guidance in the agency's policy priorities, such as Mobility, Rent Policy, Economic Self-Sufficiency including Workforce Opportunities System, Education Initiatives, and Asset Repositioning.
- Continue SHA's leadership role with national industry groups, the Council of Large Public Housing Authorities (CLPHA) and the National Association of Housing and Redevelopment Officials (NAHRO). Represent the agency on the NAHRO national housing committee, and on CLPHA and NAHRO subject specific work groups and committees.
- Continue to work with other MTW agencies nationwide to preserve the authority and flexibility of the MTW demonstration as reflected in our recently renewed 2028 contracts with HUD and demonstrate to HUD and Congress the effectiveness of MTW agencies in meeting statutory objectives and serving more low-income people.
- Within the framework of the Board's policy guidance, provide overall direction and leadership to the agency to ensure accomplishment of strategic goals to serve low-income people. Ensure that commitments to advance the Strategic Plan are regularly monitored and that progress against performance indicators is reviewed with the Board at least annually.

Communications Department

- Following the late 2016 initial launch of the new website, carry out content and technology additions, modifications and adjustments needed, including Tableau integration, ADA enhancement and security updates.
- Proactively develop opportunities to increase the use of participant stories to tell the story of SHA.
- Continue to support increased community engagement by Cabinet members and expand to other staff.
- Support the marketing and branding of Yesler Terrace.

Legal Department

- Provide legal analyses and advice on all matters related to SHA's programs and initiatives.
- Provide representation in judicial and administrative proceedings.
- Prepare pleadings, contracts, leases, policies and other legal documents as needed.
- Advise all SHA departments on a variety of legal issues including personnel and labor relations, property management, landlord-tenant, compliance with HUD regulations, Housing Choice Voucher, contracting, and real estate finance and development.
- Provide advice, guidance, and training on disability and accommodation issues.
- Investigate resident, Housing Choice Voucher participant, and employee fraud.

- Participate in the development and implementation of goals, work plans, performance measures, and continuous improvement of service delivery to assist in attaining agency core strategies and mission through a spirit of service, teamwork, and respect.
- Manage grievance and fair hearing proceedings and hearing officers.
- Respond to public record requests.

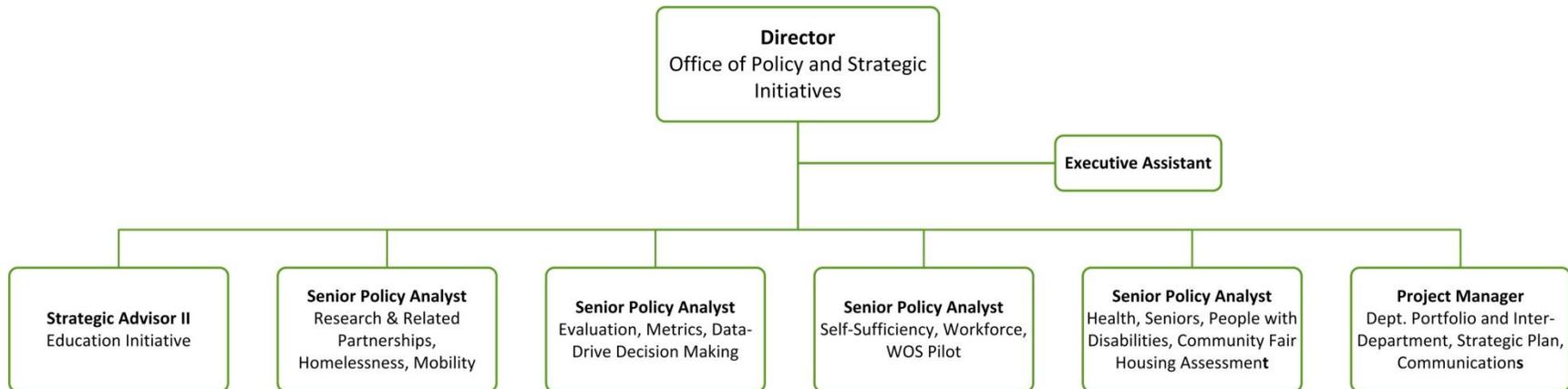
Intergovernmental Relations

- Maintain and advance relationships with partners at the federal, state and local levels.
- Assist in resolving outstanding issues associated with the SHA's Moving to Work (MTW) contract.

POLICY AND STRATEGIC INITIATIVES

A Division of the Executive Office

OFFICE OF POLICY AND STRATEGIC INITIATIVES



Office of Policy and Strategic Initiatives Budget

Policy and Strategic Initiatives Expenditures	2015 Actual	2016 Adopted	2017 Adopted	Change 2016 - 2017
Admin Salaries & Temp Help	\$ 605,300	\$ 1,409,200	\$ 1,276,600	(9.4%)
General and Administrative Expense	49,700	384,300	191,400	(50.2%)
Tenant Services	1,600	118,400	11,500	(90.3%)
Maintenance & Contracts	191,600	731,600	224,200	(69.4%)
Utilities	-	-	-	-
TOTAL OPERATING	\$ 848,200	\$ 2,643,500	\$ 1,703,700	(35.6%)
Less Internal Agency Fees	-	(33,800)	(69,800)	106.5%
Capital, Grant and Partnership Salaries & Benefits	256,400	251,700	332,000	31.9%
TOTAL	\$ 1,104,600	\$ 2,861,400	\$ 1,965,900	(31.3%)

Table 6: OPSI Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
Total FTEs	13.5	14.0

The large decrease in the budget for the Office of Policy and Strategic Initiatives (OPSI) is due to the planned implementation of a new “Economic Advancement Program” (EA) group in mid-2017. The funding for the Workforce Opportunity System and other related activities will be incorporated and transferred into the EA budget. In addition, \$150,000 of the \$200,000 Department Support Participation fund, established to allow departments to hire temporary staff to backfill positions loaned to OPSI from other departments for work in specific policy areas, has been removed from the OPSI budget and distributed between the Housing Operations and Housing Choice Voucher departments. The growth in Internal Agency Fees arises from an increase in the department’s Information Technology equipment service and maintenance fee due to the addition of PC equipment used to support advanced data and visualization software.

Department Purpose and Function

In the fall of 2014, SHA implemented the Office of Policy & Strategic Initiatives (OSPI). OPSI supports the agency’s mission by developing collaborative solutions, empowering data driven decision-making, and testing and evaluating strategies. OPSI’s work ranges across the spectrum of issues faced by SHA. The particular areas of focus change depending on the agency’s priorities and opportunities, but most efforts are intended to have a long-range focus. The department currently houses fourteen FTEs, with each staff member bringing a variety of skill sets and perspectives to augment the wealth of knowledge and subject matter expertise throughout the agency.

The department’s approach combines a strong commitment to SHA’s values, mission, and strategic plan with public policy and social science insights to develop collaborative solutions, empower data-driven decision making, and test and evaluate strategies.

Develop collaborative solutions

- Partner with a broad range of stakeholders including staff, residents/participants, and community stakeholders to identify challenges, opportunities and solutions to issues impacting our mission.
- Facilitate SHA's ability to use our MTW authority fully and effectively.
- Elevate and address strategic policy issues at a long-term and agency-wide level.
- Cultivate and maintain relationships with funders, researchers, and policy makers.

Empower data-driven decision making

- Ensure that SHA's strategic plan is a living guide for decisions.
- Analyze SHA and community-wide data and share insights.
- Bring best and promising practices and research to the forefront of decision makers.
- Monitor, analyze and respond to proposed rules and legislation by HUD, Congress, City Council and other key influencers to SHA's mission.
- Partner with researchers and public entities to advance our understanding about the people we serve and use that knowledge to influence programs and policies as well as to leverage resources.

Test and evaluate strategies

- Serve as an embedded evaluator for a variety of SHA policies and programs.
- Launch pilot programs, new strategic initiatives, and systems level transformations together with staff and partner agencies.
- Establish key metrics, success measures, and leading indicators for policies and programs.
- Garner resident/participant feedback through surveys, focus groups and interviews.

Work Plan Highlights

In 2017, OPSI will continue ongoing work and strengthen partnerships and actions in many areas including housing choice, self-sufficiency, education, and aging in place.

Education Initiative

- Launch and evaluate strategies to increase school attendance, co-developed with Seattle Public Schools (SPS).
- Work with departments to equip line staff working with families with children to communicate major academic milestones through SHA channels. Train staff on these identified milestones so they can share these, as appropriate.
- Collaborate with schools, with a particular focus on those with a high or increasing number of SHA-served youth, to increase family engagement and program planning that meet their needs.
- Conduct independent analysis of shared data to disaggregate key information in ways that are more actionable for SHA (such as by portfolio, language, etc.).

Moving To new Ways (MTW)

- Play a leadership role in promoting MTW joint and coordinated representation at the national level on issues of critical importance to optimizing the MTW Demonstration Program’s objectives and authorities. In 2017, SHA leadership will work with other MTW agencies to formalize an ad hoc or ongoing MTW organization; to promote MTW agency communications on issues of key concern to MTW agencies at an annual national conference; and to participate in collective representations to HUD on critical issues affecting MTW agencies, including cash management, expansion of the MTW program, and defining standards for “Serving Substantially the Same Number of Families” under the MTW program.
- Conduct assessments of several MTW activities. Collaborate with departments to revise, reinvigorate or sunset existing MTW activities as needed after assessments and evaluations completed.
- Implement new reporting tools and requirements including new HUD-required reporting, the national MTW Assessment Tool and Housing Authority Insurance (HAI) evaluation tool.

Housing Mobility & Choice

- Launch “Creating Moves to Opportunity” (CMTO), a pilot in collaboration with a national research team and King County Housing Authority (KCHA) to design and test strategies to better enable new voucher families with children to lease-up in neighborhoods with attributes shown to have long-term positive impacts for kids.
- Following the results from a joint study with the University of Washington School of Sociology and KCHA on the mobility patterns of our participants, facilitate agency understanding of and follow up on the learnings.
- Explore alignment of existing strategies or pilots (e.g., Scattered Sites, Yesler Terrace redevelopment, levy vouchers, etc.) with insights from mobility and behavioral economics research.
- Lead agency efforts to explore and possibly implement changes to admissions preferences, if leadership decides to consider any changes.

Data-Driven Decision Making Infrastructure

- Implement tool(s) to increase access to SHA and external datasets across the agency that are updated regularly for staff and partners to query relevant resident and agency data.
- Collaborate closely with HCV, Housing Operations, and IT to identify and improve data quality issues and to address areas for which we need new data collection.

Data-Driven Research and Cross Agency Partners

- Health and Housing – With Seattle and King County Public Health, complete initial analyses of shared data and work with staff and partners to determine priority actions stemming from new knowledge (e.g. new service partnerships).
- HUD Credit Reporting Study – Review and communicate final results. Facilitate internal discussion about whether or not to begin reporting rental payments to credit agencies.

- Johns Hopkins Study of Children in HCV – If SHA decides to participate, serve as liaison between researchers and SHA departments in the implementation of a study of housing choices by, and impacts on, new voucher holders with kids ages 3–10.
- Leverage external research expertise by actively seeking out opportunities that have mutual benefit. Participate in key forums where such connections are made and nourished such as West Coast Poverty Center.

Homelessness

- Conduct a formative evaluation of the Bailey Gatzert Home from School pilot. Continue to serve as liaison with Seattle Public Schools on the issue of student homelessness.
- Lead SHA’s analysis of SHA’s options for addressing the recent recommendations to All Home and City of Seattle on revamping our community’s homeless crisis response system.
- Establish a routine dashboard (aligned with other MTW assessments) to capture and disseminate key performance metrics of homeless efforts.
- Pursue data matching and integration partnership with All Home’s Homeless Management Information System. Analyze integrated SHA and HMIS data to model and inform SHA’s homeless system investments and partnerships.

Seattle Senior Housing Program (SSHP)

- Obtain local and MTW approval of proposed SSHP rent policy changes.
- Plan and manage project implementation and establish metrics and mechanisms for monitoring the implementation.

Work-Able Policies

- Explore and, if there is support, develop a work-able resident incentive proposal, including redesign Family Self-Sufficiency (FSS) financial model and replacement or renewal of Savings Match, to encourage economic advancement.
- Research best and promising practices with a special focus on other MTW agencies’ Work-Able Programs
- Conduct evaluations (formative and retrospective) of new economic advancement services model and implementation, Workforce Opportunities System (WOS), self-sufficiency related MTW policies (e.g. SNAP, HOPE VI self-sufficiency requirement, etc.), and Year 2 Pre-Apprenticeship Construction Training (PACT).
- Support the design of additional offerings such as opportunities for dual-generation strategies or targeting specific populations.

Race and Social Justice

- Collaborate with RSJ staff on: continued toolkit refinement; poverty training (provide updated content); technical assistance for users of toolkit in designing analyses; and bringing RSJ into everyday conversations at SHA (including at the Board level).
- Complete impact analysis for major OPSI policy proposals and integrate other relevant toolkit components.
- Embrace race and social justice principles and infuse throughout our work.

Fair Housing and Housing Advocacy

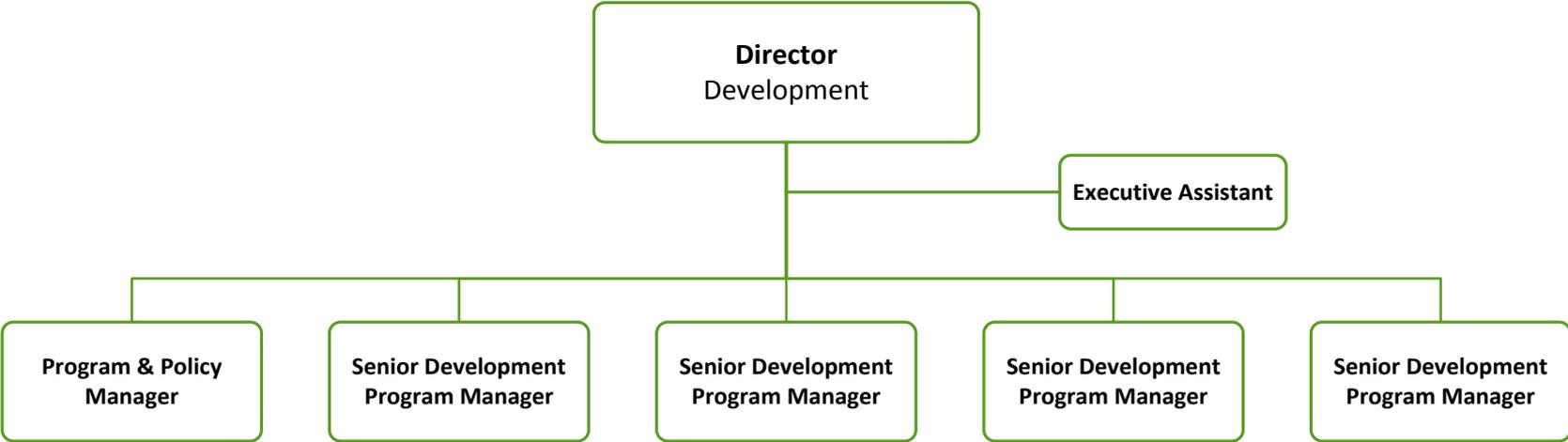
- Collaborate with Intergovernmental Relations to monitor, analyze and coordinate response to local, state and federal legislation and other activities that are likely to have impact on SHA and the people we serve.
- Federal Assessment of Fair Housing (AFH) - Present draft AFH for public comment that includes SHA's commitments, amend as needed, submitted to and accepted by HUD.
- Facilitate SHA decision-making process to determine specific strategies to address AFH commitments in 2018 budget.
- Assess fair housing implications of additional priority items (i.e. family-sized housing, waiting list strategies, voucher locations, etc.).

Strategic Planning

- Keep the strategic plan "alive" - ensure relevant discussions throughout agency to assess what, if any changes are needed to our areas of focus and our measurements of success.
- Collaborate with the Budget Office to continue to integrate the strategic plan into annual budget and work plan activities.
- Produce first annual report of current strategic plan; engage staff and stakeholders in related discussions.

DEVELOPMENT

DEVELOPMENT DEPARTMENT



Development Budget

Development Department Expenditures	2015 Actual	2016 Adopted	2017 Adopted	Change 2016-2017
Admin Salaries & Temp Help	\$ 1,068,800	\$ 1,196,300	\$ 1,212,500	1.4%
General and Administrative Expense	126,300	136,100	149,700	10.0%
Tenant Services	-	-	-	-
Maintenance & Contracts	82,400	106,000	48,000	(54.7%)
Utilities	146,100	148,000	147,000	(0.7%)
TOTAL OPERATING	\$ 1,423,600	\$ 1,586,400	\$ 1,557,200	(1.8%)
Less Internal Agency Fees	(73,200)	(80,600)	(103,000)	27.8%
Capital, Grant and Partnership Salaries & Benefits	530,200	557,600	605,600	8.6%
TOTAL	\$ 1,880,600	\$ 2,063,400	\$ 2,059,800	(0.2%)

Table 7: Development Department Budget and FTE's

Full-time Equivalent positions	2016 Approved	2017 Adopted
Total FTEs	14.5	15.0

For CY 2017, the Development Department's total operating expenditures will decrease by 2 percent; when both operating and capital and grant staff funding sources are considered, there is no overall change. Capital and grant staff funding costs will increase by 9 percent due to the addition of the equivalent of three part-time staff positions. Several projects are in progress and scheduled for completion.

Development funding sources include planning funds from the MTW Block Grant; For Sale program revenues; and grants from the Choice Neighborhoods Initiative (CNI) and The Kresge Foundation.

The Development Department has an increase of 0.5 FTE from 2016 to 2017, which includes a new Scattered Sites Project Coordinator half-time position, the reclassification of a half-time Senior Housing Developer position to a new full-time Program & Policy Manager project position, an increase to the Paralegal position from half-time to full-time, and the elimination of a full-time Construction Project Manager position due to organizational changes.

General and Administrative Expenses increased by 10 percent primarily due to the adjustment of Information Technology department fees. Maintenance and Contracts costs decreased by 55 percent (\$58K) due to less demand for consultants and architect/engineer services as major redevelopment components are implemented; diminishing landscaping and grounds maintenance costs at High Point due to the sale of vacant lots; and the continuing decline of gap funding costs for the High Point Open Space Association. The Capital, Grant and Partnership labor expenses represent continued activities associated with Yesler Terrace redevelopment and support for new Scattered Sites repositioning activities.

Department Purpose and Function

The Development Department reports to the Deputy Executive Director. The Development Department is responsible for redevelopment which includes: planning new affordable housing and redevelopment;

Development

managing community processes surrounding development visions; implementing development projects; overseeing the sale of land to private developers and the subsequent development of market-rate or workforce housing; managing and supporting neighborhood associations until property owners in the communities assume management and financial responsibility; and participating in local and regional planning meetings that may involve potential new low-income and affordable housing development opportunities. The Department is accountable for advancing the Strategic Plan's goal to increase SHA's low-income, work force, and affordable housing.

The Development Department serves SHA's mission by developing safe and affordable housing in thriving communities. The Department also seeks to increase the number of affordable housing units, both rental units and home ownership, through a variety of programs and partnerships. The Development Department has sought to replace 75-year-old low-income housing with new vibrant mixed-income communities that are connected to nearby neighborhoods and provide a variety of rental and home ownership housing choices, plus community facilities and other amenities. An important responsibility of the Development staff is to successfully market properties to private developers for homeownership opportunities, including affordable ownership opportunities.

The Development Department is also responsible for looking toward the future to identify new housing development opportunities primarily to serve people earning less than 80 percent of area median income. In this role, the Department evaluates opportunities for future developments with both public and private partners, looking especially for opportunities that have minimal financial risk to SHA and hold good promise for desirable affordable housing.

Work Plan Highlights

In 2017, the Development Department will focus on the strategic goals of expanding housing opportunities and promoting quality communities through development of housing, partnerships, physical and social infrastructure of Yesler Terrace; continuing the private and non-profit development at High Point, Rainier Vista and other sites; planning Scattered Sites replacement developments; and participating in SHA and regional planning efforts.

SHA's organizational cornerstones are foundational to our work including:

- Engaging residents and stakeholders in planning, community activities, and providing feedback on our work.
- Providing staff with engaging work assignments and appropriate training.
- Continually seeking out and sustaining partnerships to support all elements of the work from revitalizing the Yesler Citizens Review Committee, to working with a variety of City departments on additional funding and regulatory monitoring, new arts, farming, and public safety partnerships.
- Building environmentally positive, durable assets for SHA that serve the needs of residents, staff and community within available financial resources.
- Designing the community with social equity as a primary goal and continually challenging ourselves to understand and accomplish that goal.
- Supporting a culture of innovation with the understanding that we are committed to the highest goal of social equity, environmental stewardship, and providing transformational connections and opportunities for low-income people which can only be achieved through partnerships and innovation.

Major Project Activity in 2017

For Sale Program

- The remaining land programmed for private development at High Point and Rainier Vista will be under contract with private developers in 2016, with the exception of the Block 9, High Point Townhomes to be completed in early 2017. During the year, the staff will focus on monitoring construction activity and managing numerous elements of post-closing financial transactions for these projects.
- If the single family lots adjacent to High Point, the Henderson, and Lake City sites are not successfully marketed in 2016, the effort will continue in 2017.
- The Othello Station site and Red Brick site are being studied in 2016 by HomeSight as the potential location of a Southeast Seattle Financial Empowerment Center. We anticipate the feasibility study results in early 2017 which will lead to either a sale of all or part of these parcels to HomeSight and marketing of all parcels not sold to HomeSight.

Planning and Feasibility

- Work with Asset Management and Housing Operations to plan for two Scattered Sites replacement housing projects on current Scattered Sites properties with surplus capacity. Predevelopment activities include selection of design team, property and geotechnical surveys, and other site related investigations.
- Continue to work with consultants to develop new models for aging in place low-income senior housing at Yesler Terrace and to seek partners for support services.
- Participate in regional and local affordable housing planning efforts, including Urban Land Institute and Puget Sound Regional Council of Governments, and follow up to the City Housing Affordability and Livability recommendations.
- If SHA becomes a participant in the King County Metro (KC Metro) Redevelopment at Northgate, we will engage in the review of the KC Metro request for proposal for development partners and evaluate the opportunity to develop affordable housing either as a stand-alone project or as a partner with a master developer.
- Continue Yesler Terrace redevelopment with resident relocation; education and workforce development programs and infrastructure; as well as community facility and rental housing construction. In 2017 key activities will include:
 - ✓ Maintain and develop strategic partnerships with City, County, private sector partners, non-profits, labor, philanthropy and stakeholders to implement Yesler Terrace/Choice Neighborhoods Initiative vision.
 - ✓ Master planning tasks to include: communicating Yesler's vision, scheduling, planning, overall budget management, and site preparation for commercial office development.
 - ✓ Coordinate effort with partners constructing the Neighborhood Park and Block 2 pedestrian path.
 - ✓ Complete the infrastructure improvements along Yesler Way and 10th Avenue South for Blocks 3 and 4. Complete Block 6 pedestrian path.

Development

- ✓ Begin Block 5 abatement and demolition including roadway removal of slip lane and reconfiguring of associated overhead trolley lines from East Yesler Way to 12 Avenue South.
- ✓ Construct an off-leash dog area north of Yesler Way and east of I-5, and provide improvements for an urban garden south of Yesler Way and east of I-5.

Affordable Housing Production

- The 119-unit apartment building, Red Cedar, will be under construction.
- Work with branding consultants and real estate brokers to position property for sale; negotiate Purchase and Sale Agreements; review designs; and manage closings.

Private Market Housing Production

- Batik, the second privately developed market rate and work force housing project of the Yesler Terrace redevelopment, is scheduled for completion in 2017. This 7-story, 181,000 square foot mixed-use building consists of 196 apartments and ground floor commercial space. Twenty (20) percent of the housing will be work force affordable units available to households earning up to 80 percent of median income.
- Construction of a third market rate and work force housing project on Block 3 at Broadway Avenue and Yesler Way will be in progress.

Arts Master Plan

- Continue to support the collaborative artistic projects and programs to implement the Arts Master Plan throughout the new mixed-income community.

Commercial Office Development

- Marketing, Purchase and Sale Agreement negotiation and design review depending on outcome of 2016 marketing efforts.

Resident Relocation

- Block 5 resident relocation will be completed. Further relocation phases will be based on the outcome of marketing private residential and office building development land sales.

Urban Sustainability

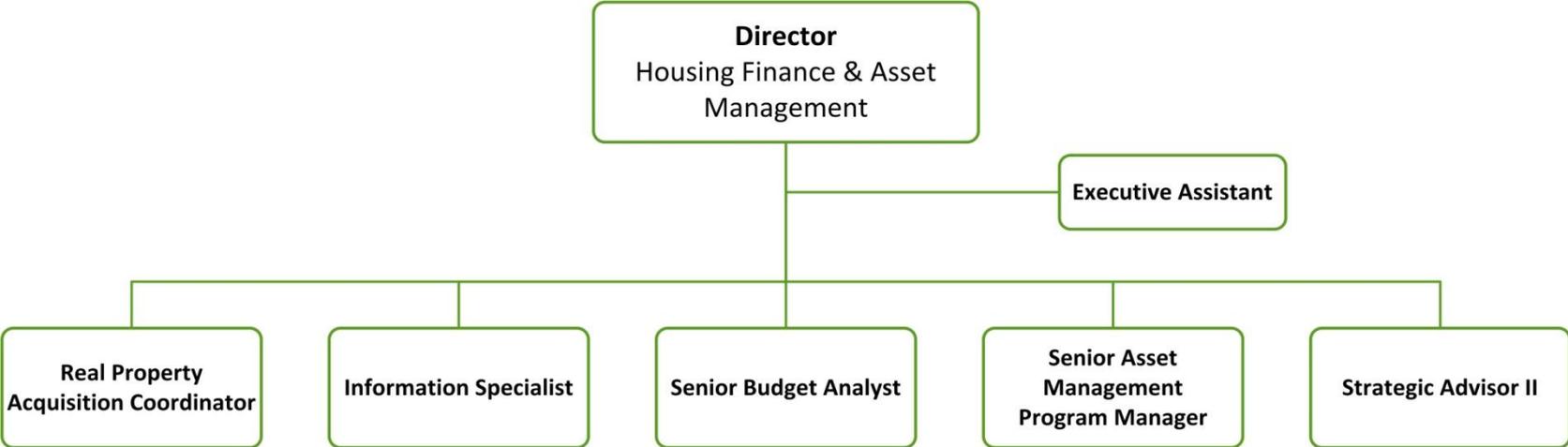
- The 111-unit Hoa Mai Gardens apartment building will be completed in 2017 incorporating sustainability features like a rain water harvesting system to reduce metered water consumption by using collected rain water for the low-flow water closets; solar water heating; light emitting diode (LED) light fixtures; motion-controlled common area lighting; and energy efficient appliances.

Breathe Easy Living

- Continue to incorporate design features in redevelopment projects such as energy recovery ventilation systems and use of hard flooring material; support residents with an outreach education program.

HOUSING FINANCE AND ASSET MANAGEMENT

HOUSING FINANCE AND ASSET MANAGEMENT



Housing Finance and Asset Management Budget

Housing Finance & Asset Management Department Expenditures	2015 Actuals	2016 Adopted	2017 Adopted	Change 2016-2017
Admin Salaries & Temp Help	\$ 879,600	\$ 862,700	\$ 1,087,100	26.0%
General and Administrative Expense	118,100	143,100	140,900	(1.5%)
Tenant Services	-	-	-	-
Maintenance & Contracts	8,400	20,000	10,000	(50.0%)
Utilities	5,900	-	-	-
TOTAL OPERATING	\$ 1,012,000	\$ 1,025,800	\$ 1,238,000	20.7%
Less Internal Agency Fees	(63,100)	(63,300)	(69,800)	10.3%
Capital, Grant and Partnership Salaries & Benefits	686,800	2,509,500	2,927,900	16.7%
TOTAL	\$ 1,635,700	\$ 3,472,000	\$ 4,096,100	18.0%

Table 8: Housing Finance & Asset Management Budget and FTE's

Full-time Equivalent positions	2016 Approved	2017 Adopted
Operating Budget FTEs	13.3	14.8
Capital Budget FTEs	16.0	21.5
Total Housing Finance & Asset Management FTEs	29.3	36.3

The Housing Finance and Asset Management Department's total expenditures are projected to increase 18 percent in CY 2017 when both operating, capital and grant support are included. Capital, Grant and Partnership Salaries show an increase of 16.7 percent because five Project staff were added to Capital to support the Scattered Sites initiatives. A mid-2017 capital position (0.5 FTE in 2017) will support a new Capital Needs Assessment initiative to document all assets life expectancies. Administrative Salaries and Temp Help increased 26 percent to support a 1.5 FTE addition to staff, one project staff will support NewHolly Phase I's rehabilitation and one Executive Assistant staff is assigned to the department instead of sharing the position with another department, an increase of 0.5 FTE. Professional services are lower in 2017 by 50% and in line with 2015 expenditure levels.

Commercial facilities and the Queen Anne Central Office are managed by Asset Management and are listed separately.

Department Purpose and Function

The Housing Finance and Asset Management department is focused on improving the agency's use of its real estate and assets to achieve its mission to maintain the physical and financial viability of the real estate and assets. With other departments, Housing Finance and Asset Management works to finance new housing; to develop and implement policies affecting either the physical and/or financial viability of the agency's assets; and to look for increased efficiencies in property management models and methods to ensure our properties meet agency financial and social goals. The Asset Management Team serves as focal point for cross-departmental discussions of issues and decision-making regarding SHA assets. This Department also works with limited partner asset managers and makes strategic recommendations

regarding capital assets, cash flow, resident services and other factors affecting the real estate portfolio and SHA's residents.

Work Plan Highlights

- Scattered Sites. In 2017, we will continue to work with Housing Operations on the multi-year project for improvements to Scattered Sites single-family residences,
 - ✓ Modernize eighty-two single-family houses. These homes need various levels of rehabilitation to reduce ongoing maintenance costs and improve marketability of single family homes to residents.
 - ✓ Convert unit space to increase the number of large bedroom units. Fifteen single-family homes, three duplexes and five apartments have extra space that will be converted to more bedrooms in order to serve more large families.
- Continue envelopment repairs at NewHolly Phase I that began in late 2016.
- Evaluate financing options:
 - ✓ Work with the Development Department on financing projects associated with Yesler Terrace.
 - ✓ Develop early exit scenarios from existing Limited Partnerships, options include reallocation of losses to minimize or eliminate exit tax liabilities.
 - ✓ Explore refinancing options at NewHolly Phase II (Othello) and Wedgewood Estates.
 - ✓ Finalize financing plans for Wisteria Court, Longfellow Creek Apartments and Roxhill Court Apartments. Funds will be used to address exterior and interior needs at the three properties.
 - ✓ Actively monitor debt coverage ratio requirements for all SHA and LP-managed properties. Work with Finance to implement actions to ensure all properties meet debt service coverage ratios and reserve requirements. Develop corrective action plans, as necessary.
- Initiate work and planning for a Capital Needs Assessment database to improve long-term capital budget planning and asset investment. Undertake feasibility planning for a successor capital database to FAME that will capture key utility data as well.
 - ✓ Work with consultants to develop the structure or skeleton of a comprehensive database.
 - ✓ Add 0.5 FTE project staff to work with consultants to develop data, analyze existing systems, and integrate technology, as appropriate.
 - ✓ Incorporate utility consumption data for each property.
 - ✓ Incorporate features to create five-year capital plan capabilities.
 - ✓ Report to the IT Steering Committee at mid-year on the results of the analysis.
- Coordinate with Community Services and Housing Operations to designate another building as elderly-only.

- Partner with the Office of Housing to explore the possibility of SHA acting as a land bank for properties acquired now for future development by non-profit housing developers.
- Continue weekly Asset Management Team meetings as the forum for cross-departmental discussions of issues and decisions regarding SHA assets. Discussions in 2017 are expected to include:
 - ✓ Redevelopment, disposition and unit upgrades of Scattered Sites units;
 - ✓ Track progress on security enhancements, such as key card access and lighting improvements;
 - ✓ Monitor large project successes, such as building envelope repairs on Senior Housing communities and Jefferson Terrace unit upgrades and shower installations;
 - ✓ Conduct quarterly housing portfolio performance reviews;
 - ✓ Track progress on Capital Budget performance;
 - ✓ Review preventive maintenance program performance and cost; and
 - ✓ Review existing commercial property leases, as necessary, and approve new lessees.
- Leverage City or other utility funds to improve the energy efficiency of our real estate assets.
- Continue work on the MTW Assessment tool with other MTW agencies and support the Executive Director.

Asset Management Commercial Facilities

Asset Management Commercial Facilities	2015 Actual	2016 Adopted	2017 Adopted	Change 2016-2017
TOTAL OPERATING	\$ 477,300	\$ 394,700	\$ 414,600	5.0%

Table 9: AM Commercial Facilities Budget

Asset Management Commercial Facilities manages eleven properties across several portfolios that are leased to commercial tenants. Six of the properties are associated with HOPE VI communities. HOPE VI management offices are lessees at some of these properties. Expenses increased 5 percent from 2016 to 2017, more than half of that increase is due to under-budgeted condominium fees in 2016.

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

Work Plan Highlights for Asset Management Commercial

Highlights of work plans for 2017 are as follows:

- Continue to work towards standardizing commercial leases and maximizing revenue to cover administrative costs associated with managing these properties charged to the general fund.
- Negotiate favorable antenna leases and increase the number of antenna leases to increase non-dwelling income at those properties.
- Manage the change in lease provisions for the YWCA at Holly Court. Recent lease negotiations with transitional housing providers increased rent income and SHA's obligation regarding unit

Housing Finance and Asset Management

turn expenses. The capital budget includes provisions for certain agency units to be rehabilitated in 2017.

- Oversee and manage the unit upgrade work, performed by IPS and Construction Operations, at various Agency units under the new terms of the rental agreements.
- Evaluate new bill-back invoicing to agencies for damages caused by agency residents.
- Evaluate the commercial lease data transition from Enterprise One system to Yardi.
- Manage and monitor the Employment and Training Opportunities Center at NewHolly. It is fully leased to agencies providing employment and training opportunities to the NewHolly community.

190 Queen Anne Central Office

190 Queen Anne Central Office Expenditures	2015 Actual	2016 Adopted	2017 Adopted	Change 2016-2017
TOTAL OPERATING	\$ 1,573,400	\$ 1,601,900	\$ 1,829,000	14.2%

Table 10: 190 Queen Anne Central Office Budget

The Central Office, located in the lower Queen Anne neighborhood, houses SHA's administrative, voucher assistance, and many property management services. The staff associated with the management and administration of 190 Queen Anne is included in the Housing Finance and Asset Management budget above.

The 190 Queen Anne Central Office budget increased by 14 percent in 2017. SHA has expanded its footprint at 190 Queen Anne as the Policy Office has grown and Housing Operations staff has centralized. In 2016, SHA increased its total square foot area by 4,150, from 67,600 to 71,750. Along with the increased square footage, rental costs increased on the original space partly due to reallocating space from storage to higher cost office space. The building management company's Common Area Maintenance (CAM) fee and parking expense increased in 2017, as well.

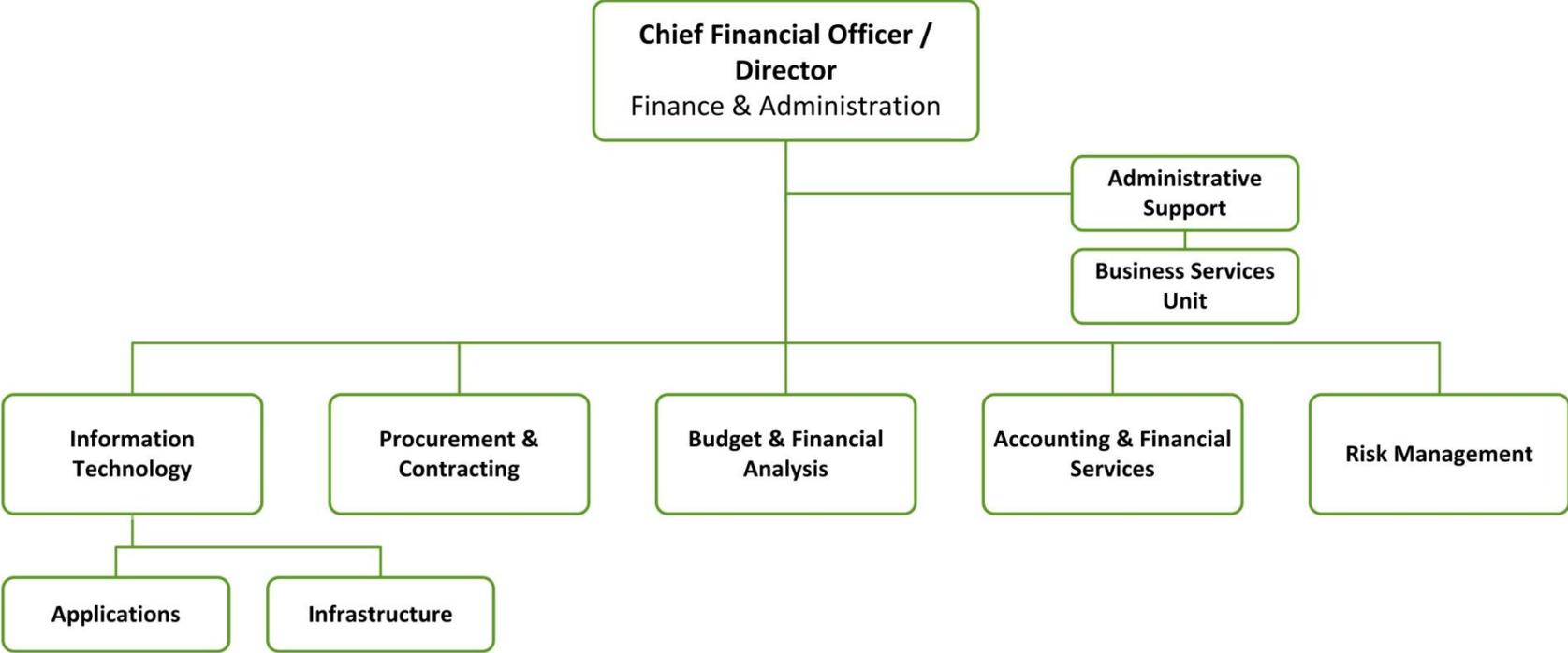
Work Plan Highlights for 190 Queen Anne:

Highlights of work plans for 2017 are as follows:

- Work with the Management Company and staff to provide a clean, safe, welcoming environment for our staff, visiting residents and vendors.
- Ensure staff is not impacted by construction, dust or noise during build out of new offices and conference rooms.

FINANCE & ADMINISTRATIVE SERVICES

FINANCE AND ADMINISTRATION DEPARTMENT



Finance and Administrative Services Budget

Finance and Administrative Services Department Expenditures	2015 Actual	2016 Adopted	2017 Adopted	Change 2016-2017
Admin Salaries & Temp Help	\$ 4,113,700	\$ 4,302,300	\$ 4,667,700	8.5%
General & Administrative Expense	7,605,400	7,701,400	7,725,700	0.3%
Tenant Services	-	-	-	-
Maintenance & Contracts	72,800	165,000	140,000	(15.2%)
Utilities	1,900	2,000	2,300	15.0%
TOTAL OPERATING	\$ 11,793,800	\$ 12,170,700	\$ 12,535,700	3.0%
Less Internal Agency Fees	(298,000)	(433,300)	(452,400)	4.4%
Capital, Grant and Partnership & Other; Salaries & Benefits	-	-	-	-
TOTAL	\$ 11,495,800	\$ 11,737,400	\$ 12,083,300	2.9%

Table 11: Finance and Administration Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
Total FTEs	40.9	43.3

The 2017 operating budget for Finance and Administrations is three percent above the 2016 adopted budget. The increase primarily results from the addition of two Senior Contract Administrator positions in the Purchasing Division to address significant increase in procurement contract backlogs.

The Department plays key support roles in advancing most of the Strategic Directions and Organizational Cornerstones. The central role and lead responsibilities of the department for staff excellence pertain to the cornerstone “Financial Stability and Operational Efficiency”: SHA manages its resources to maximize the impact and cost-effectiveness of its operations, as well as the value and longevity of its assets. SHA focuses on strengthening its financial condition, streamlining service delivery, and being good stewards of the public trust to best serve people now and into the future.” The fundamental charge of Finance and Administration is to strengthen the agency’s financial position and ability to respond to shifting financial conditions and needs and to ensure the Agency’s assets and operations are managed in an efficient and cost effective manner.

These core objectives will guide the priorities for the Department in 2017 to make changes in operations, policies, and programs in order to meet the challenges of a new federal fiscal and political reality where public funding for low-income housing development, operations, and maintenance is likely to be severely constrained over the decade.

Department Purpose and Function

The Finance and Administration Department consists of six operating groups: Accounting and Treasury Management, Budgeting and Financial Analysis, Purchasing and Contract Administration, Information Technology, Risk Management, and Business Services.

Finance and Administration

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

- **Financial Management:** Financial policies, accounting and reporting systems; banking relations; investments; treasury functions; overall debt management; internal controls, annual financial statements, and compliance with financial reporting requirements from investors, trustees, funders, lenders, and city, state, and federal agencies.
- **Financial Accountability:** Annual audit reviews by the State Auditor, SHA's independent auditor, and auditor(s) for the tax credit limited partnerships; monitoring and corrective actions as required to ensure SHA conformance with bond and contractual financial performance obligations and SHA compliance with state and federal regulations.
- **Budgeting:** Management of SHA's budget processes and preparation of recommended annual and multi-year operating and capital budgets; reviewing Congressional funding proposals and monitoring economic trend analyses; monitoring and reporting performance of actual revenues and expenditures and program accomplishments against approved budgets and program goals; proposing budget revisions and/or corrective actions to maintain the integrity of the annual budget.
- **Risk Management:** Obtaining insurance coverages for SHA and affiliates; auditing and reviewing insurance policies; processing and handling claims; recommending risk management and incident/accident reduction actions; reviewing contracts, leases and other agreements to ensure SHA risks are appropriately addressed and controlled.
- **Procurement and Contracting:** Purchasing and contract administration for goods and services and construction contracts; administration of Section 3, Davis-Bacon, and social equity programs; development and administration of SHA procurement policies and procedures to ensure fair and competitive purchasing practices and compliance with federal, state, and local laws and regulations.
- **Information Technology:** Providing efficient and creative technology solutions to business problems; supporting the application and operating system software in use at SHA and the computers, telephones and other ancillary equipment used by agency staff; ensuring stable, reliable and secure computer infrastructure and software to support SHA's computing needs; maintaining, upgrading and supporting existing software systems; consolidating duplicative or redundant systems; addressing the highest priority needs of the agency for new software development or introduction of new applications; providing training resources and expertise to support the computer literacy and competence of SHA staff; and performing records storage functions for the agency. (See separate budget section on Information Technology).
- **Business Support Services:** Operation of the agency's central reception desk; travel policy and petty cash management administration for SHA as a whole; administrative support to the accounting and budgeting groups; supply ordering and budget management; and CFO executive support.

2017 Work Plan Highlights – Three Priorities

1) *Enhance the efficiency and streamline the services of the Finance & Administration Department.* *Among the targets for positive change are:*

Electronic Rent Payment:

- Work with new banking services provider to ensure that tenant bill-pay accounts for their rent can either be processed by Paymode or an alternative that can be implemented seamlessly for the residents.
- With Housing Operations and IT, continue to explore options for electronic payments for residents who pay with money orders with both the new banking services and the new lockbox provider.
- With new lockbox contract completed in 2016, explore other options for rent collection in an effort to simplify the process for our residents and our internal operations.

Electronic Accounts Payable Processing:

- Complete implementation of the electronic accounts payable system by the end of the 1st quarter of 2017. Training will continue to ensure successful ongoing implementation. With IT, F&A, and user departments, conduct an evaluation at the end of six months of operations: assess savings in time realized; increase in discounts for early payments, benefits and problems identified by different user groups, and prepare corrective action plans where indicated.
- Evaluate e-payable options with new banking services. Continue to explore methods to increase rebates.

Yardi Hosting; Yardi E-1 Interfaces; Yardi Upgrade:

- Complete a new contract with Yardi by the end of 2016 and begin the transition to Yardi hosting in January 2017, followed by a Yardi Upgrade over the course of 2017. Activate the Yardi Requirements/User group to participate in the transition process and help ensure that key requirements are fully addressed in the process.
- Finance and Administration staff will participate actively in the transition and upgrade of Yardi as users. Develop and assess test scripts for existing and new software functionality, test the program options, and determine the best fits for individual users.
- Ensure that the Yardi to EnterpriseOne (E-1) interfaces are fully preserved and/or enhanced in the transition, conversion, and upgrade.
- Once Yardi hosting and upgrade are completed, serve as the Business Leader of an upgrade to the JD Edwards E-1 enterprise resource program (ERP) supporting SHA's financial management and accounting system.

Business Intelligence:

- Actively support the Business Intelligence Program by participating in the Data Analyst Forum and Business Intelligence work groups. Help define and create data definitions for tenant, household, property, and voucher information. Use Enterprise Data Warehouse to analyze and report trends and to support key budget and policy decisions.

Procurement Streamlining and Support:

- Information Technology (IT) and Procurement will work together to determine whether the contract approval processes can be streamlined by using electronic routing and approval through “DocuSign”.
- Implement a new Contract Management system to reduce the administrative time and requirements of the Purchasing Division, enhancing the ability to provide timely contracting services to all departments. In collaboration among IT, Procurement, and user departments:
 - ✓ Identify requirements in conjunction with stakeholders;
 - ✓ Prepare a solicitation and select a vendor that best meets SHA’s needs; and,
 - ✓ Begin development and implement the new system by the end of 2017.
- Continue to partner with departments to update contracting specifications, forms and templates to ensure provisions are up-to-date with current industry standards, to protect SHA interests, and to meet agency business needs.
- Enhance the forecast of procurement needs with Departments and develop a joint procurement plan, including advertising strategies and procurement schedules for projects identified for 2017.
- Develop and provide procurement training to department staff on procurement and contracting solicitation processes.
- Evaluate processes for verifying contractor compliance with Davis-Bacon and social equity contracting requirements and develop efficient procedures to reduce administrative time.
- In collaboration with departments, finish implementation of the Job Order Contracting tool for construction projects in an effort to reduce the number of solicitations required for construction maintenance and repair activities.
- Analyze effectiveness of Interlocal Contracting and Sub-Recipient Contracting policy and procedures and make changes as indicated.
- Incorporate the Accounts Payable automation workflow process into procedures for processing contractor payments in the Purchasing Division.
- Implement process improvements to increase efficiency by consistent work practices, thereby reducing the time to deliver vital services.

Budget Process Efficiencies and Improvements:

- Continue to assess the budget survey format and process to ensure effective gathering of input from residents/voucher participants, employees, external stakeholders, and the public.
- Evaluate and improve the Minor Maintenance, Repair, and Replacement (MMRR) budgeting, tracking, and reporting process to enhance efficiency and functionality.
- Review calculation methods used for developing intercompany service fees and internal service allocations. If feasible, pursue alternative methods that require less effort.
- Continue to review staffing profile and work assignments/portfolios for both the Accounting and the Budget staffs as they relate to the organizational structure of departments and programs. Determine if a different arrangement would be more effective, both internally within the F&A Department and externally with other SHA Departments.

Accounting Internal Controls Review and Documentation:

- Engage external experts and peers in reviewing best practices for internal controls and accounting policies and procedures; modify SHA's practices as warranted and have an updated accounting manual prepared as a result of the review.

2) Identify and help evaluate opportunities for operations and policy changes to reduce SHA's operating costs and achieve efficiencies and/or increase revenues and/or improve service at a savings:

Tax Credit Partnerships Management:

- Create a method for effectively tracking significant maintenance items so that properties can reduce current year losses through proper capitalization and utilize reserves in a manner consistent with each property's pro forma.
- Continue working with Property Management and Impact Property Service (IPS) to monitor property repair and maintenance, vacate and pest expense performances by reviewing details of work orders.
- Work with Asset Management and Housing Operations to prepare "Standard Guidance" for developing and reviewing long-term property pro forma for creating Low Income Housing Tax Credit (LIHTC) limited partnerships.
- Work with an interdepartmental staff team to maintain current assessments of potential long-term exit tax liabilities across SHA's portfolio of low-income housing tax credit partnerships. Identify actions to mitigate and minimize potential tax liabilities; determine desirable timing for exiting partnerships; and negotiate terms of exiting with partnerships.
- Coordinate with Asset Management and Housing Operations to analyze and explore early exit opportunities for several limited partnerships.

Property Management Efficiency and Effectiveness:

- As applicable, participate in discussions about site-focused initiatives for service delivery model changes and evaluate financial implications.
- Initiate a review of policies and procedures for rent collection with Housing Operations and Asset Management with the aim of setting metrics/standards for on-time collections, for addressing past due rent, for payment plans, and for ongoing management of accounts receivable.
- Work with Housing Operations Property Management and IPS staff to review vacate charges assigned to tenants for payment and the degree of reimbursement made by tenants in order to identify potential methods to reduce the need for the charges and, when they occur, to achieve a higher reimbursement rate.
- With Housing Operations, agree on metrics, expected performance against those metrics, and tracking/reporting methods for core property management services, based on 2017 approved funding levels.
- With Property Management across SHA portfolios, review on-site staffing levels expected for Property Assistants and Assistant Property Managers and assess the required FTE levels to achieve the service levels on a continuing basis.

IPS Financial Structure, Fee Support Methodology, Metrics for Performance of Core Services:

- Review the current IPS financial revenue and billing structure with participation from other SHA groups. Test current fee support and compare other methods to determine appropriate charge rates or alternative methods of funding and accountability. The aims are to (1) enhance accountability for costs and revenues; (2) improve adherence to adopted budgets; (3) reinforce/establish performance expectations for timely and efficient completion of work; and (4) define methods to better match IPS expense levels to the needs of the communities.
- Work with IPS and Property Management to develop property-specific quarterly tracking and reports of maintenance work orders by type, IPS charges, and IPS revenues in relation to budgeted levels; conduct a quarterly review among Budgets, IPS, and Housing Operations Property Management; and document findings and budget or operational considerations for action.
- Work with Housing Operations and Asset Management to ensure accounting structures support their business needs and financial reporting and analyses needs.

Future Fleet Management and Vehicle Replacement Financing:

- Compare SHA's Fleet management, maintenance and repair with outside vendors and other public entities.
- Review and compare vehicle replacement financing methods of leasing, lease-to-own, and ownership. Examine vehicle lifecycle and turnover and consider selling cars on the open market to increase cash flow. Weigh alternative methods of transportation such as car sharing and study the benefits and affordability of purchasing electric versus gas and new versus used.
- Work with Housing Operations to collaborate on the assessment of future fleet ownership and management alternatives, including continued SHA ownership and operations and maintenance; SHA ownership and operations and contracted maintenance; and SHA operations with contracted ownership and maintenance; a fully contracted fleet arrangement; and/or a hybrid for different aspects of SHA's fleet needs. Complete a recommendation for consideration in the 2018 budget.

Solid Waste Rates – Review and Update:

- With Housing Operations, review the performance of the Solid Waste (SW) operation and the present rate structure: (1) in producing the expected revenues; (2) in performing actual expenses at the budgeted level; (3) in aligning costs and revenues for different customer groups; and (4) in providing adequately for capital replacement. Determine whether modifications to the SW Rate structure/rates will be required for 2018 and preliminarily define the changes by July 2017.

Scattered Sites Repositioning:

- Participate with Asset Management and Housing Operations in assessing the implementation progress of 2017 Scattered Sites repositioning plan for rehab, sale, and redevelopment of properties as well as planning for subsequent repositioning actions and financing plans.
- Work with Asset Management and Housing Operations to evaluate Scattered Sites units selected for repositioning. Review budgets and projected pro forma changes resulting from the repositioning.

Capital Needs Assessment Plan and System:

- Participate with Asset Management, Housing Operations, and IT in defining the scope and requirements of an updated and/or new 5–10 year capital needs program for SHA housing portfolios and determine the most cost effective and flexible automation options to retain or replace the FAME capital database.
- With Asset Management, continue reviewing recommended strategies for refinancing or newly financed properties to reduce debt service costs, to fund capital reserves, and/or to provide permanent financing and repayment of lines of credit.

Short-term Rental Assistance and Landlord Liaison Evaluations:

- Assist in the continued evaluation of SHA’s ongoing role in reducing homelessness through short-term and rapid rehousing programs and its support of other programs designed to reduce homelessness.
- Evaluate alternate methods for improving leasing success rates of SHA voucher holders with search and deposit assistance programs.

Risk Management, Control, and Prevention:

- Work with Human Resources and Housing Operations to maximize the financial dividends received by participating in the Housing Authority Insurance Group “Risk Action Management Plan” (RAMP) program.
- Complete “SHA Insurance Program Assessment” begun in 2016 and develop recommendations for changes in SHA’s insurance coverages, insured levels, program structure (deductibles and premium levels), claims management, and risk management and prevention programs. Present results and recommendations to the Finance Policy Oversight Committee for their review and action. Complete decisions by May 2017, in time to allow implementation in the 2018 budget.

Safety and Emergency Preparedness:

- Continue to work with Safety and Housing Operations to develop and enhance the Emergency Preparedness program, including work on the Emergency Notification System through our SHA’s PBX system.

Risk Management Information System (RMIS):

- Review electronic systems for risk management and develop an assessment of the cost and time savings and concrete benefits that SHA would derive from use of such a system. If benefits appear to outweigh costs, prepare a recommendation for purchasing a RMIS; if approved internally within the department, submit to IT as a project during the 2018 budget process.

3) Strengthen Seattle Housing Authority’s financial position and creditworthiness.**Tracking SHA’s Financial Position through Financial Ratios and Policies:**

- Continue working with other MTW agencies and HUD on meaningful measures and benchmarks for PHAs’ financial performance.
- Continue to participate with Standard and Poor’s in their annual review of SHA’s credit rating and maximize the opportunities to maintain or improve our rating.

Finance and Administration

- Conduct regular quarterly reviews through the Financial Policy Oversight Committee, and semi-annual reviews with the Board of Commissioners, of SHA's Unrestricted Cash Balances in relation to the Board's policies regarding Committed Funds and the level of Unassigned Funds or Operating Reserves.
- Continue to improve F&A's ability to forecast cash flow needs and the agency's undesignated unrestricted cash position and the impact of cash management rules.

Financial Management:

- Continue monitoring and evaluating the balance and use of Operating, Real Estate, and Taxable Lines of Credit (LOC). If draws are needed for the Yesler Terrace development projects, work with FPO to determine prudent borrowing strategies. Negotiate extensions of current credit instruments or restructuring of SHA borrowings for SHA's three LOC – Operating, Real Estate, and Taxable.
- Ensure that all reporting and disclosure requirements of SHA's debt financing instruments are met in an accurate and timely manner.
- Actively monitor the debt coverage ratio requirements for all SHA and LP-managed properties. Implement required actions to ensure that all properties, where applicable, are meeting debt service coverage ratios (DCRs) and reserve requirements. If problems exist, work with Asset Management and Housing Operations to conduct a thorough review of the property and develop a corrective action plan.
- Evaluate and adopt new Accounting Standards as required.

Support Financing for Yesler Terrace Redevelopment:

- Monitor and review use of the Collateral Reserve, Development Reserve and the Development Revolving Fund to ensure the amounts set aside are used and recorded appropriately; advise the FPO Committee if changes in funding levels become necessary.
- With Asset Management and Development, regularly review Yesler cash flow requirements and short-term financing needs and recommend to FPO cost effective methods of meeting cash flow needs as well as expected timing and sources for permanent financing.

Development and Capital Financing:

- Monitor the NewHolly Phase I re-syndication to ensure the rehabilitation costs are within budget and the ongoing operating costs are consistent with the pro forma; identify any issues early and recommend corrective actions.
- Work with Housing Operations and Asset Management staff to evaluate DCR requirements and property reserve levels then recommend feasible changes to better provide stable reserve funding for property capital replacement needs.
- Continue to explore options for early debt retirement with homeWorks Phase III bonds as the first priority in order to increase capital grant funds available for projects and reduce bond interest costs.

Cash Management Implementation and Evaluation:

- Develop new tracking methods to meet the format and reporting requirements of the HUD revised Voucher Management System. Over time, improve the accuracy and efficiency of

VMS reporting, while simultaneously ensuring that SHA is able to draw and utilize all HCV MTW funding.

HCV Utilization, Time-to-Lease, and Voucher Payment Standard Analyses:

- Evaluate the effectiveness of 2016 changes to the Voucher Payment Standards and the impact on SHA partners by reviewing success rates, time-to-lease days, and the financial cost.
- In conjunction with the Housing Choice Voucher Department and the Policy Office, develop and monitor a supplemental program to encourage families with school age children to utilize their vouchers in high opportunity areas.

4) Other Items

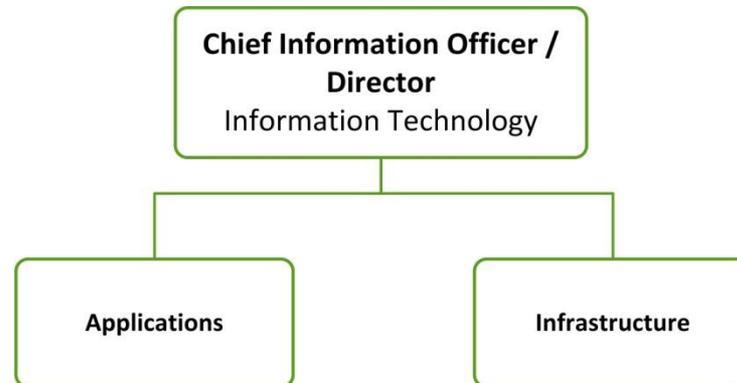
Social Equity Programs:

- Participate in National Association of Minority Contractors (NAMC) meetings to facilitate growth of the WMBE participation in SHA contracting.
- Evaluate the existing Social Equity goals to determine if SHA has set appropriate percentages for participation.
- Continue to collaborate with the Section 3 employment coordinator and SHA contractors to establish a robust list of Section 3 businesses and employees to utilize.
- Continue to improve compliance with Davis-Bacon labor standards through enforcing requirements for prime contractor review of certified payroll submittals; sampling of certified payrolls for compliance; and investigation of complaints of labor standard violations.

INFORMATION TECHNOLOGY

**A Division of Finance and
Administration**

INFORMATION TECHNOLOGY



Information Technology Budget

Information Technology Department Expenditures	2015 Actual	2016 Adopted	2017 Adopted	% Change 2016-2017
Admin Salaries & Temp Help	\$ 2,181,200	\$ 2,445,500	\$ 2,511,600	2.7%
General and Administrative Expense	965,100	1,133,200	1,235,800	9.1%
Maintenance & Contracts	299,400	233,900	323,300	38.2%
Utilities	-	-	-	-
TOTAL OPERATING	\$ 3,445,700	\$ 3,812,600	\$ 4,070,700	6.8%
Less Internal Agency Fees	(2,500)	(2,600)	(2,400)	(7.7%)
Capital, Grant and Partnership Salaries & Benefits	-	-	-	-
TOTAL	\$ 3,443,200	\$ 3,810,000	\$ 4,068,300	6.8%

Table 12: Information Technology Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
Total FTEs	20.0	20.0

In CY 2017, the Information Technology (IT) operating budget increased by 7 percent to \$4.1 million. General and Administrative Expense has a 9 percent increase budgeted for 2017. Part of the reason for the size of this increase is the general cost of software maintenance contracts and the added cost associated with newly acquired software. In addition there are funds set aside for rent, which will cover the cost of moving the SHA archives from the third floor of the Central Office to an off-site location. In 2017, the Information Technology Department will continue to split administrative costs between the Central Services Operating Center and MTW funding.

Each year SHA's Information Technology Steering Committee reviews proposed technology projects for infrastructure and network investments. Separate from the operating budget, these IT capital projects total \$992,000 for 2017, a 6.5 percent decrease from 2016 but still a substantial increase from the average annual project funding of \$550,000 from 2010–2015. SHA continues to invest in technological upgrades to improve process efficiency and promote cost savings. Ongoing projects include mobile maintenance and inspection application roll-outs, security upgrades, and the second year of two multi-year projects: document imaging and business intelligence. New projects include major upgrades to enterprise-level software applications and infrastructure as well as the acquisition of a contract management system to streamline the procurement process. We also expect to undertake a significant project to move our Yardi Property Management software to hosting by Yardi; this will entail significant work first on the conversion to the hosted platform and then to the upgrade of Yardi once the conversion is complete. It also will increase the ongoing cost of the system; reduce control by SHA over support and troubleshooting of the system; and is a required project to successfully complete before we can implement several projects that rely on the Yardi conversion.

Department Purpose and Function

The Information Technology group supports the mission of SHA by providing efficient and creative technology solutions to business problems. The Information Technology group supports the application

Information Technology

and operating system software in use at SHA and the computers, telephones and other ancillary equipment used by agency staff. Information Technology runs scheduled computer jobs to produce pay advices, invoices, vendor checks, and other documents. The department also performs the records storage function for the agency. The division consists of two operating groups, Infrastructure or Network Systems and Applications Development.

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

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

Work Plan Highlights

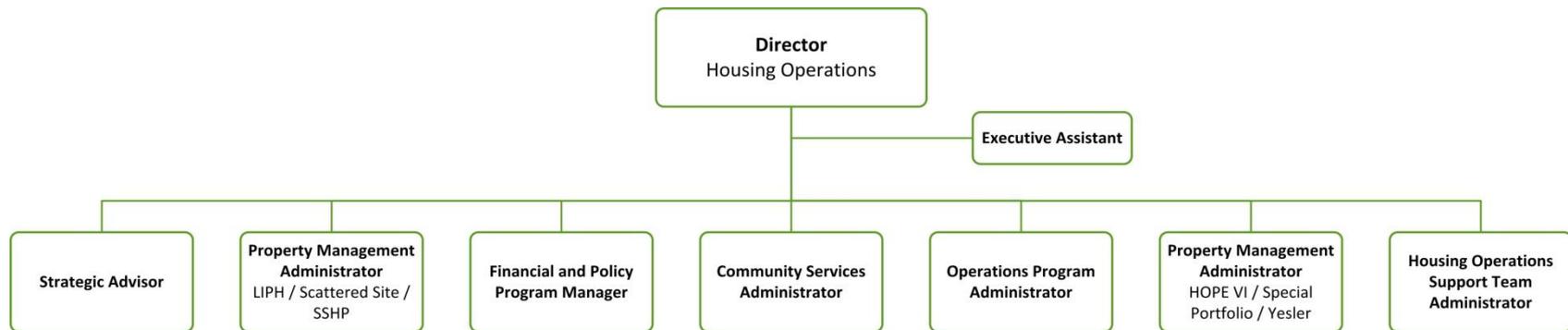
Information Technology's 2017 budget request contains the following elements to help further SHA's strategic directions and organizational cornerstones:

- Continue the move to electronic filing for Housing Choice Voucher and Housing Operations tenant files. This will create efficiencies and improve data security by enabling files to be examined remotely and will reduce storage space for paper files.
- Complete implementation of the electronic accounts payable system by the end of the 1st quarter of 2017.
- Complete a new contract with Yardi by the end of 2016 and begin the transition to Yardi hosting in January 2017, followed by a Yardi Upgrade over the course of 2017. Activate the Yardi Requirements/User group to participate in the transition process and help ensure that our key requirements are fully addressed in the process.
- Once Yardi hosting and upgrade are completed, serve as the Business Leader of an upgrade to the JD Edwards E-1 enterprise resource program (ERP) supporting SHA's financial management and accounting system.
- Continue work on the Business Intelligence Program, Phases 1 through 3 of the program are on-track for completion in 2016. These phases include uploading demographic and rental data into a centralized data warehouse. 2017 will see the completion of Phases 4 through 6 of the program. These phases will include budget, waitlist, and external data such as census, crime statistics, and economic indicators.
- IT and Procurement will work together to determine whether the contract approval processes can be streamline by using electronic routing and approval through "DocuSign".

- Implement a new Contract Management system to reduce the administrative time and requirements of the Purchasing Division, enhancing the ability to provide timely contracting services to all departments.
- Continue to enhance data storage for reporting functions. Create areas for business units to query and report to fulfill reporting requirements.
- Enhance security efforts to protect resident and employee personal information.
- Upgrade Citrix environment and refresh desktop equipment.
- Implement additional network infrastructure to accommodate changes within Housing Operations and the need for connectivity at more locations.
- Work with the Communications Office to redesign the agency's public website and internal website for easier access to agency information.
- Maintain existing application software, networks, and computer infrastructure. The primary products are: EnterpriseOne, Yardi Voyager, Elite, Kronos, OnBase, Citrix, and Microsoft products. Keep each product at a current version, so projects interact well with each other and enable agency staff to use improvements made by the vendors.

HOUSING OPERATIONS

HOUSING OPERATIONS DEPARTMENT



Housing Operations Budget

Housing Operations Expenditures	2015 Actual	2016 Adopted	2017 Adopted	% Change 2016-2017
Admin Salaries & Temp Help	\$ 11,927,400	\$ 13,115,200	\$ 13,287,900	1.3%
General & Administrative Expense	12,493,800	9,478,100	8,977,200	(5.3%)
Tenant Services	1,728,000	2,117,700	2,654,000	25.3%
Maintenance & Contracts	28,137,800	28,682,500	30,387,800	5.9%
Utilities	9,646,800	10,204,600	10,147,100	(0.6%)
TOTAL OPERATING	\$ 63,933,800	\$ 63,598,100	\$ 65,454,000	2.9%
Less Internal Agency Fees	(18,987,400)	(18,693,200)	(19,708,500)	5.4%
Capital, Grant and Partnership Salaries & Benefits	5,481,100	4,415,500	6,410,300	45.2%
TOTAL	\$ 50,427,500	\$ 49,320,400	\$ 52,155,800	5.7%

Table 13: Housing Operations Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
Total FTEs	317.5	339.0

The CY 2017 operating budget of the Housing Operations Department increases by three percent as compared to 2016 budget. The increase is a net result of higher operating expenses and removal of NewHolly Phase I from SHA's 2017 Operating budget. NewHolly Phase I will be re-syndicated under a new limited partnership. The total 2017 operating budget for NewHolly Phase I excluded from SHA's operating budget is \$1.8 million. The overall increase in total operating expenses is 6 percent if the NewHolly Phase I budget is not excluded for comparison purposes. The primary reason for the increase in the operating expenses is because of higher Tenant Support Service and Maintenance and Contract expenses.

The department added a net 21.50 regular and project FTE positions plus several temporary positions to improve service levels and to address acute workload issues that are impacting the effectiveness of completing core basic services and responsibilities. These positions are requested for both administrative and maintenance tasks. Of the total new FTEs, 8.75 will work for Impact Property Service (IPS). These positions are shown in the maintenance and contracts budget above. The Seattle Senior Housing Program (SSHP) will add 4.0 Property Assistant FTEs, while the Special Portfolio group will drop 1.0 Property Assistant FTE as it begins evaluating and rearranging its staffing structure. The Housing Operations Support Team (HOST) will add 2.0 new FTEs and receive a transfer in of 1.0 FTE Contract Manager from IPS; the Community Services Division will add 1.25 FTEs; the HOPE VI communities will add 3.5 FTEs; and Yesler Terrace new properties, Hoa Mai Gardens and Raven Terrace, will have 2.0 FTEs. Positions added for Hoa Mai Gardens, Raven Terrace and most of the HOPE VI properties will be funded from partnership budgets. The major causes for the increase in expenses are summarized below.

Administrative salaries and temporary help expense has shown a slight increase of 1 percent from the 2016 level. The increase results from the administrative positions added which were offset by the removal of NewHolly Phase I administrative salaries budget from the SHA operating budget. The transfer of the NewHolly Phase I budget is also primarily responsible for the decrease in the General and Administrative as well as utility expenses.

Housing Operations

The Community Services Division increased Tenant Service contracts budget for various contracted services by over \$500,000. The increased services continue to support SHA communities to create social networks through affinity groups and neighborhoods coming together around common interests. The budget funds various community-based services including continuation of an enhanced wellness program at SSHP and LIPH communities; expansion of Nurse Case Management service at Low Income Public Housing high-rise buildings; funding of an SHA Tenant Cohort of up to 20 work-able adults in a two-quarter Pre-Apprenticeship in Construction Trades vocational training program; and a program for Volunteer Activities and Recognition to encourage resident volunteers to provide service to seniors on-site at LIPH communities.

The budget for maintenance and contracts increased 6 percent. Impact Property Services will increase its staffing by 12.75 (8.75 FTE new staff and 4.0 FTE transferred from Special Portfolio) and increase capacity further by hiring temporary workers. The increase in maintenance staffing is to address increased workload and to meet property demands. The main reasons for the increases are as described below:

- Housing Operations will reorganize its efforts at Special Portfolio by implementing a two-year pilot program that consolidates and expands maintenance services for Special Portfolio under Impact Property Services (IPS). Four staff will transfer from Special Portfolio and join IPS for the pilot program.
- IPS will continue its effort to address right-sizing of over-/under-housed families at the Scattered Sites communities. Housing Operations expects to “right-size” about twelve households in 2017 that either need more or less space depending on changes in their family size.
- A Section 3 trainee position is added; staff will learn the pest control trade.
- Capital project-funded FTEs were added for 2017 as follows: trade staff positions for capital projects, working in tandem with Asset Management’s Construction Ops staff to install 24/7 fans in Scattered Sites units to help forestall mold problems; upgrading and modernizing one unit in Scattered Sites contracted to Community Agencies for services to or housing of agency clients; Asbestos Abatement staff is added to aid with the repair and rehabilitation of units in the Scattered Sites conversion, the 24/7 fan installation and repair, and right-sizing units, as appropriate.
- Other IPS building maintenance projects added temporary maintenance staff to address work order spikes related to HUD REAC and funder housing inspections; HOPE VI backflow and alarm monitoring; 2017-funded non-routine minor maintenance, repair, and replacement work; aging unit turnovers; and installation or repair of Scattered Sites 24/7 fans.

Department Purpose and Function

Housing Operations is responsible for managing and maintaining SHA’s housing portfolio of over 8,100 units. In 2017, this diverse portfolio will be comprised of approximately: 6,000 units of Low Income Public Housing; 1,029 Seattle Senior Housing Program units (894 units are public housing units); about 910 units in Special Portfolio representing locally acquired units; and about 770 HOPE VI tax credit units (excludes public housing tax credit units). The HOPE VI tax credit units are in the mixed-income communities of NewHolly, Rainier Vista, High Point, and Lake City Court. The redeveloped Yesler Terrace units, including the Baldwin Apartments, Kebero Court, Raven Terrace and Hoa Mai Gardens, will have a total of 312 units by the end of 2017. The Baldwin, Kebero and Raven started operation in 2014, 2015 and 2016, respectively. Hoa Mai Gardens is expected to start leasing mid-2017.

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

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

Housing Operations Central Administration & Admissions

Housing Operations & Facilities Support	2015 Actual	2016 Adopted	2017 Adopted	% Change 2016-2017
Housing Operations Central Administration	\$ 1,366,100	\$ 1,566,500	\$ 2,239,500	43.0%
Admissions	740,700	905,100	928,500	2.6%
TOTAL OPERATING	\$ 2,106,800	\$ 2,471,600	\$ 3,168,000	28.2%

Table 14: Housing Operations Central Admin Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
Housing Operations Central Administration FTEs	13.0	16.0
Admissions FTEs	9.0	9.0
Total FTEs	22.0	25.0

In 2017, the combined Housing Operations Central Administration and Admissions budget increases 28 percent or \$696,400 above the 2016 adopted budget. The Admissions office has a status quo budget with a 2.6 percent increase primarily resulting from inflation.

The increase in the Central Administration office is mainly because of the addition of two new positions; the transfer in of a Contract Manager position from Impact Property Services (IPS); additional funds for the Department's participation in Policy and Strategic Initiatives programs; and other additional spending in 2017. The new positions added in the Central Administration office are a Training Coordinator and a Program Analyst. The training coordinator will focus on Yardi training and data integrity. The Program Analyst will support the HOST Administrator who has inherited additional responsibilities to oversee Solid Waste and Fleet operations. The position transferred from IPS is a Housing Operations Contract Administrator who will be under the direct supervision of the HOST Administrator and is funded from the Central Administration budget. A one-time departmental participation fund of \$100,000 for Housing Operations' participation in Policy and Strategic Initiatives programs is budgeted for 2017. Additional funding budgeted in the Central Office for 2017 include

Housing Operations

Environmental Educational Pilot Project, Community Common Area Waste sorting Stations pilot project; Environmental Stewardship report roll out; a Resource Conservation and Sustainability internship; a Section 3 Job Shadowing program; a funding increase in afterhours answering service contract cost; and a slight increase in funds for training and professional services.

The Central Administration supports the entire Housing Operations Department and working divisions include the Housing Operations Support Team (HOST). The HOST Administrator provides management oversight of Admissions, Training, Compliance, Housing Operations Contract Administration, Resource Conservation and Sustainability Team (RCST) functions. The RCST team's work includes providing improved internal and external reporting, resource conservation, billing and cost analysis. The HOST Administrator also manages and oversees the work of the Solid Waste and Fleet groups. The operating budget for Solid Waste and Fleet divisions are included in Impact Property Services' (IPS) budget.

2017 Work Plan Highlights

The Housing Operations Department Administration provides oversight and direction to the entire department and includes budget support, policy analyses, compliance auditing, admissions, training, conservation and sustainability, solid waste management, fleet management, and contract administration. The 2017 Housing Operations Work Plan supports SHA's mission by advancing the priorities identified in the Strategic Plan.

Resource Conservation and Sustainability

- The Resource Conservation and Sustainability Team, having released the agency's first Environmental Stewardship Benchmark Report in fall of 2016, will take the report on the road to share results with staff, residents, and the community at large in late 2016 and early 2017. In addition to releasing the report and sharing results, the team will solicit participation in the agency's first Environmental Stewardship and Sustainability Task Force.
- The next phase of the Environmental Stewardship and Sustainability Initiative involves the development of a Sustainability Management Plan. SHA will incorporate a systems' perspective in the way it prepares for and adapts to sustainability challenges. The development of this plan will involve a robust outreach and engagement process, focused on incorporating the values of SHA staff, program participants, and the community at large. The planning process will kick off in early 2017, with the assembly of an Environmental Stewardship and Sustainability Task Force that will begin to address the internal and external barriers to a sustainable SHA.
- The Resource Conservation and Sustainability Team (RCST) is seeking to pilot a Resident Environmental Stewardship Program in one SHA community during 2017 to invest in developing the environmental literacy of SHA's communities by providing opportunities for residents to experience environmental stewardship in ways that are personal, relevant, and worthy of sharing.
- In conjunction with Asset Management, the RCST will work on a new web-based utilities management software. The selection and implementation of this tool will likely require significant time resources, but will ultimately provide streamlined access to utility data for staff, increase efficiency in accounting-related tasks, and increase the ability of the RCST to fulfill needed support functions related to energy and water conservation efforts agency-wide.
- Continue to implement the Water Smart program (water billing and incentives) at HOPE VI properties with a new vendor, Guardian Water and Power, who was selected in 2015. In order to address changes to the program in 2015, we will focus on educating residents about water

conservation and their own water consumption. In addition, we will evaluate the effects of those program changes on resident consumption.

- Update the utility allowances for HOPE VI properties to reflect the rate increases projected to exceed 10% in 2017 and assist property management in communicating these changes.
- Continue to analyze utility consumption, review utility bills for accuracy, request refunds, and maintain accounts. In addition, and with the upgraded Utilities Management database, develop a procedure for performing building audits in order to evaluate conservation opportunities specific to the building. In this way, we can more efficiently use resource conservation team staff time to evaluate issues and provide resources to Asset Management, Property Management, Maintenance, and residents.

Compliance, Policy, Training

The Compliance team serves as a key component to managing Seattle Housing Authority as effectively as possible to meet the agency's mission; the team helps ensure that all federal, state, and local regulatory requirements as well as all SHA Policy and Procedure requirements are met for each of its Housing Operation programs, including public housing, tax credit, and multifamily units. The team will:

- Develop and release a procedure manual for all Housing Operations programs to accompany the Admissions and Continued Occupancy Policy (ACOP) that is expected to be rolled out in 2016.
- Provide Yardi-specific training to help site staff and improve data integrity.
- Analyze audit data to spotlight areas where policies and procedures need revision and/or staff needs training. Revise policies and procedures as needed and provide training as needed.
- Meet with site staff to communicate issues and ideas; develop and provide training to ensure all site staff is handling issues consistently as required by regulations and policy.
- Interface between regulatory agencies and staff regarding changes in regulations or policy from oversight agencies; assist with preparations for reviews and regulatory reporting to agencies.
- Submit, monitor, and audit submissions to HUD's Inventory Management System (IMS)/Office of Public and Indian Housing Information Center (PIC) and Enterprise Income Verification (EIV) to ensure compliance with HUD reporting requirements. Work with staff to correct discrepancies as they arise.
- Continue using the current auditing protocol to focus on critical issues for new admissions, transfers, and continued occupancy.
- Audit paperwork for all households moving/transferring into SHA housing (including lease-ups of all new properties) and ensure any errors related to eligibility are corrected and/or addressed prior to lease-up.
- Randomly select files completed by site staff to ensure a sample of each site staff person's work is audited for compliance to regulations, policy, and procedure.
- Audit samples of files completed by site staff as requested.
- Audit submissions to the Combined Funders' Annual Reporting System (also known as WBARS) to ensure compliance with funder requirements and household eligibility. Also conduct training for site staff to review the requirements and timelines for year-end reporting.

Housing Operations

Admissions

In alignment with the Admissions teams' goals to provide every applicant with the maximum possible opportunity to obtain an approvable application and to provide approved application files to fill the agency's vacancies, and in congruence with the key objectives of SHA's Strategic Plan, the Admissions Team will:

- Restructure the waiting list to maximum operational efficiency and eliminate any existing or potential for individual, institutional, or systemic racism. The development of an innovative project plan will begin in 2017, and work to complete the evolution will continue through 2018.
- Continually collaborate with IT to develop and revise Yardi reports and data which work towards maximizing process efficiencies in order to reduce duplicate efforts, verify compliance, and increase data integrity. Coordinate with IT, Compliance, and Property Management staff to design and develop useful waiting list reports.
- Design and deliver engaging staff training to further improve data integrity and staff excellence. In coordination with Compliance, design, schedule and conduct Waiting List management training for Property Management, Admissions, Front Desk, and Compliance staff. Training topics may include but are not limited to: applicant contact procedures, unit turn-down policies, queue management and clean-up, use of Waiting List audit reports, and process workshops.
- Identify external materials needing revisions to become more engaging and to communicate respect. The Admissions team will work with referral agencies, applicants, and co-workers from multiple departments to revise materials most used by clients and the general public.

Low Income Public Housing

LIPH High-rises, Scattered Sites, homeWorks and Inspections Expenditures	2015 Actual	2016 Adopted	2017 Adopted	% Change 2016-2017
LIPH High-rises, Scattered Sites, homeWorks	\$ 25,088,400	\$ 23,078,300	\$ 23,807,500	3.2%
Inspections	104,700	103,600	103,400	(0.2%)
TOTAL OPERATING	\$ 25,193,100	\$ 23,181,900	\$ 23,910,900	3.1%

Table 15: Low Income Public Housing Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
Total FTEs	54.7	55.2

The Low Income Public Housing (LIPH) program consists of approximately 6,000 units of low-income housing owned, maintained or managed by SHA. The homeWorks tax credit partnerships, with 1,977 units, are included here as part of the LIPH program. The program is also managed and served by other portfolios including approximately 950 LIPH units in the HOPE VI communities, 63 LIPH units at Special Portfolio, 894 units in the Seattle Senior Housing Program (SSHP) brought into the Low Income Public Housing (LIPH) Program in 2011; and 270 units in Yesler Terrace, the public housing community undergoing redevelopment. The budgets for these units are accounted for in the Limited Partnerships,

NewHolly, Special Portfolio, Seattle Senior Housing Program, and Yesler Terrace sections. LIPH serves low-income residents, with most residents at or below 30 percent of median income.

The 2017 budget for LIPH is 3.2 percent higher when compared to the 2016 adopted budget. The increase results mainly from an increase in maintenance and repair expenses and an increase in various utility expenses. Routine maintenance and repair, unit turn and other Impact Property Services expense will be higher by about \$357,000. Right-sizing of about twelve households at Scattered Sites units will continue in 2017. Total utilities will be higher by 6 percent above 2016 levels or higher by about \$303,000 mainly because of rate increases.

LIPH Work Plan Highlights

Highlights of work plans for 2017 are as follows:

- For most of 2016, evaluate the future of the Scattered Sites portfolio and start substantial upgrade work on single family units and continue the upgrade until all of the almost 100 units are completed in the next two years.
- Consolidate agency units into buildings where only their clients reside and start a 7-year plan to rehabilitate their units.
- Continue to review a potential disposition of some Scattered Sites units and identify sites that have the potential to add more units on their existing sites. The overall plan would be to not lose any units in the total unit count and to improve the Scattered Sites housing stock.
- The Scattered Sites team will relocate to Central Office in late 2016. The team plans to use this opportunity to target new efficiencies and improve customer service. Management will look at opportunities to realign staff to target specific work.
- Start planning in 2017 how to address major capital repair needs in the high-rise buildings constructed 40+ years ago. Some of the buildings had major rehabilitation work on the buildings' exteriors and some infrastructure needs met by utilizing tax credit dollars several years ago. The unit interiors themselves have not received major attention and residents on average live in the units for 7–9 years.
- Review if Jefferson Terrace will be a good fit for a Seniors-only building. Jefferson was not included in any of the major upgrade efforts and will need attention moving forward. Also address any safety issues in the long run.
- Start planning how to best address the future of Jackson Park and Cedarvale Village properties in the LIPH program. There are 65 units serving families in 2- or 3-bedroom units. Evaluate the capital needs of the communities along with how to best serve the families.
- Starting in 2016, the Housing Inspector completes follow-up inspections with Scattered Sites property management staff. Look forward to more improvements in 2017 and explore how technology can further streamline processes and help produce better results.
- Continue efforts started in late 2015 to offer out-of-class opportunities to existing staff. Cross-train internal staff on other portfolio work. Interest has been high internally, and this has led to several internal promotions.
- Each portfolio is working on initiatives to improve customer service in their respective portfolios. Look at how to better welcome new residents with an official orientation. Develop a

Housing Operations

new resident guide book. Plan to have some type of follow-up with new residents after they move in that will include a unit inspection.

- Continue to explore how to better align the primary work that must be done in the property management arena and the staff in the portfolios. Continue to review closely where there might be redundancies, where efficiencies can be created, and how customer service can be improved.
- Continue the effort to reduce lease-up days.

Seattle Senior Housing Program (SSHP)

Seattle Senior Housing, includes Ravenna and Leschi Tax Credits	2015 Actual	2016 Adopted	2017 Adopted	% Change 2016-2017
TOTAL OPERATING	\$ 5,203,000	\$ 5,341,500	\$ 5,720,000	7.1%

Table 16: Seattle Senior Housing Program Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
Total FTEs	15.5	20.5

The Seattle Senior Housing Program (SSHP) along with the Leschi House LLLP consists of 1,029 units serving elderly and disabled persons. The units were acquired and developed using funding from a 1981 Seattle Senior Housing bond issue. The program serves households with a maximum income of 80 percent of area median income, and the head of household or spouse must be at least 62 years old or disabled. Residents pay affordable rent depending on their income. Rent increases are determined based on Social Security increases and Consumer Price Index changes in the Seattle area.

In 2011, 894 SSHP units were brought into the LIPH program in order to increase resources for capital rehabilitation and repairs. A portion of subsidy is used for SSHP operations, while the major share is dedicated to SSHP's 10-Year Rehabilitation Plan.

The operating budget for SSHP is 7.1 percent higher as compared to the 2016 budget. The increase is mainly because of the addition of four Property Assistant positions. The positions are added in response to the growing concerns expressed by seniors for more onsite staffing presence. The added positions will enable property management to assign a property assistant to each SSHP building for four hours a day during office hours. Two of the newly added property assistants will work as floaters across SSHP properties to fill in for vacancies or when staffing needs arise. Utilities also increased due to expected rate changes in 2017.

SSHP Work Plan Highlights

- Major rehabilitation work will continue in 2017, including but not limited to elevators for Blakeley Manor and Pleasant Valley Plaza; new roofs at Blakeley Manor, Carroll Terrace, Fort Lawton Place, Olmsted Manor, and Pinehurst Court; and major exterior work at Sunrise Manor.
- Security improvements are scheduled to start in late 2016 or early 2017. New key card or entry systems are being targeted whereby residents will use a card to access their buildings as opposed to a key. This will improve access for residents as well as improve security at each building. We hope to also include cameras with the ability to record all activity at entryways and additional outdoor lighting where needed.

- Remove the unit emergency pull cords from the SSHP buildings in 2017 after informing residents and educating them on what this means.
- Work has again started on a new Rent Policy for the SSHP program in 2016. Development of a recommendation is anticipated in 2017.
- An effort to evaluate whether SHA could do more to support our residents with the challenges they face while aging in our properties started in 2016. We have called this process, “Aging in Place”. An outside consultant has produced a report with recommendations, after having met with SHA staff, residents, stakeholders and others. The report introduced new ideas, conversations and actions about “Aging in Place” that are included the 2017 budget and that will continue thereafter.
- Continue meeting with residents at all of the SSHP buildings in 2016 to get a better feel for the residents’ needs and desires for the SSHP portfolio. Review customer service delivery plan in the SSHP portfolio with a focus on the needs of the seniors. Review improvements for this portfolio over the next few years.

Yesler Terrace

Yesler Terrace, Baldwin and EOC Expenditures	2015 Actual	2016 Adopted	2017 Adopted	% Change 2016-2017
Yesler Terrace	\$ 2,022,300	\$ 1,682,400	\$ 1,559,100	(7.3%)
Baldwin Apartments	82,700	78,700	80,400	2.2%
Epstein Opportunity Center	46,300	62,300	63,200	1.4%
TOTAL OPERATING	\$ 2,151,300	\$ 1,823,400	\$ 1,702,700	(6.6%)

Table 17: Yesler Terrace Budget and FTE's

	2016 Approved	2017 Adopted
Full-time Equivalent Positions		
Total FTEs	13.5	14.0

Originally, Yesler Terrace consisted of 561 Low Income Public Housing (LIPH) units built from 1941 to 1943, serving a diverse community in the neighborhood. Yesler Terrace is the city’s first publicly-subsidized housing development. Many of the residents are families with children, seniors, and people with disabilities. Most of the households are at or below 30 percent of area median income. SHA began redeveloping Yesler Terrace and replacing the aging housing with new units. The project is multi-year and has a vision to transform Yesler Terrace into a vibrant new community within a diverse, connected, safe and sustainable neighborhood. The first relocation started in 2012 with relocation of the YWCA program. Phase 4 of relocation will occur in 2017 along with the lease-up and initial occupancy of Hoa Mai Gardens, a 111-unit third new building in the Yesler Terrace redevelopment.

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

Kebero Court and Raven Terrace, the first two new residential properties, were completed and started operations in 2015 and 2016, respectively. The construction of replacement and tax credit units at Hoa Mai Gardens will be completed in 2017 with lease-up and operations to start mid-2017. A mixed finance

Housing Operations

project, Red Cedar, is expected to close in 2017 and proceed with construction in 2017. Because these projects are Limited Partnerships (LPs), their budgets are not reflected in the table above.

The 2017 Yesler Terrace (old, along with Baldwin and the EOC) operating budget is 7 percent below the 2016 adopted budget, mainly due to the relocation of residents and fewer online units at old Yesler Terrace. Utility and maintenance expenses are expected to be lower as a result of the declining number of occupied units onsite. The operating budgets for Kebero Court, Raven Terrace and Hoa Mai Gardens are included in the Capital Improvement, Grants, and Limited Partnership section of the Budget Book and are not reflected in the table above.

Yesler Terrace Work Plan Highlights

Highlights of work plans for 2017 are as follows:

- Continue to manage and operate Yesler Terrace out of the temporary management office at current levels of service and mitigate construction-related issues through construction of Phase 4 and the Vulcan sites.
- Bring online Hoa Mai Gardens, scheduled for the 3rd quarter of 2017, to include outreach to relocated Yesler Terrace residents for their right to return, and lease-up activities on 111 units.
- Look at different ways to manage and operate the Yesler campus as the community moves away from its current housing type to apartment buildings and a dense living environment. This will bring new challenges to how neighbors and families interact. This change will also impact staff as the office staff shift from a central management office to decentralized sites in the apartment buildings. Communication and engagement to maintain the Yesler team will need to be a focus.
- Continue to engage in relocation activities for phase 3c (59 units) and phase 4 (103 units) of the redevelopment in Yesler Terrace.
- Continue to participate in redevelopment activities for Red Cedar, scheduled to begin construction in early 2017, as well as engage with Vulcan Real Estate to foster open communication with the Yesler community with ground breaking starting in 2016.
- Engage in the activities of the Yesler Terrace Owners Association (YTOA) as common areas are created that will require upkeep and maintenance.
- Continue discussions about the Yesler campus needs related to Community Services and the support of the Community Builder as more housing comes online. Establishing positive relations and support within the Choice Neighborhoods Initiative (CNI) area for the vision of the Yesler Terrace campus is critical for getting this community off on the right foot.
- Coordinate with the Development department to ensure updates and changes are shared with residents, SHA staff, and external stakeholders. Management continues to work hard to keep positive relationships with residents who are undergoing so many changes both personally and in relation to their new environment

Special Portfolio Housing Program (SP)

Special Portfolio	2015 Actual	2016 Adopted	2017 Adopted	% Change 2016-2017
TOTAL OPERATING	\$ 4,862,200	\$ 4,755,700	\$ 5,280,300	11.0%

Table 18: Special Portfolio Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
Total FTEs	15.3	10.3

The Special Portfolio group consists of nearly 980 units at Local Housing Program facilities, Section 8 Project-based buildings, and Limited Partnerships at Alder Crest and South Shore Court. The portfolio serves households with various income levels, and income limits vary by property. Depending on the property, households served range from families earning 30 percent of area median income or below to families paying market rate. SHA refinanced many of the properties in the portfolio in late 2013 and early 2014 to fund capital improvements and to decrease debt payments. These properties need to generate sufficient income to cover debt payments in addition to meeting all other operating and capital expenses.

In CY 2017, a two-year pilot program will be implemented that reorganizes maintenance services and reevaluates management oversight. Four site-based Special Portfolio maintenance workers will be transferred and consolidated with Impact Property Services (IPS) staff, and an additional 4.5 FTE's will be used by IPS to expand service levels and reduce vacate turn-around times. Additional budget covers increased utilities rates and added security contract costs. Finally, one less Property Assistant position will be required as a result of the Special Portfolio staffing changes.

The Limited Partnership budgets in this portfolio are included in the final section of the Budget Book and are not included in the table above. The budget for Bayview Tower is included in the Special Portfolio budget shown above.

Special Portfolio Work Plan Highlights

Highlights of work plans for 2017 are as follows:

- Reduce vacate days and increase occupancy levels by transferring maintenance responsibilities from onsite staff to IPS. Focus on aged vacates and bring the average number of vacate maintenance days down to approximately 25 days.
- Continue evaluating Special Portfolio management structure to identify more effective and efficient ways to manage the portfolio.
- Decrease the cost of maintaining the properties by exploring uses of more durable materials that will have a longer life such as flooring and appliances. Also, evaluate whether to change over to LED for both interior and exterior lighting.
- Upgrade the interior of select units by replacing countertops, vanities, and cabinets of kitchens and bathrooms that have reached the end of their useful life.
- Continue to pursue funding to improve the exterior curb appeal of the properties with new healthy landscaping and property signage.

Housing Operations

- Work with other departments, such as Housing Choice Voucher, to improve efficiencies and communication between departments and to enhance services provided to residents.
- Invest in better maintenance equipment that minimizes the potential for strains and repetitive motion injuries to staff.
- Actively participate in the Yardi upgrade and its move to the web-based version, include testing and staff training.
- Participate in the Housing Operation’s document imaging project to improve efficiency and reduce use of paper documents.
- Assess properties that do not meet their required Debt Coverage Ratio (DCR) and make recommendations on corrective actions. Participate with Asset Management in discussions about any remaining opportunities to refinance properties to take advantage of lower interest rates to reduce financing costs.

Impact Property Services (IPS)

Impact Property Services Expenditures	2015 Actual	2016 Adopted	2017 Adopted	% Change 2016-2017
Impact Property Services Operations	\$ 12,846,500	\$ 13,670,100	\$ 14,625,100	7.0%
Solid Waste & Fleet	2,838,800	3,089,400	3,186,300	3.1%
Housing Operations Facilities	311,600	332,700	343,000	3.1%
TOTAL OPERATING	\$ 15,996,900	\$ 17,092,200	\$ 18,154,400	6.2%

Table 19: Impact Property Services Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
IPS Operating Budget FTEs	104.0	111.7
Solid Waste & Fleet Operating FTEs	15.0	15.0
Capital Budget FTEs		5.0
Total IPS FTEs	119.0	131.7

Impact Property Services (IPS) is a set of internal service and enterprise activities specializing in maintenance, repair and renovation services for SHA and other entities in Seattle’s affordable housing industry. Services include janitorial, landscaping, pest control, repairs and maintenance, and hazmat operations. Its emphasis is on efficiency, quality, reliability, convenience, customer service, intra-organizational networking and one-stop shopping. IPS provides SHA’s properties with in-house knowledge, unique skills, coordination, availability, stable service support, and accountability.

IPS advances the Agency’s mission by promoting quality communities and improving residents’ quality of life at SHA properties.

IPS was reorganized in 2016; the Construction Operations staff (16.0 FTEs) on Capital grant funds transferred to Housing Finance and Asset Management, and Solid Waste (13.0 FTEs) and Fleet (2.0 FTEs) transferred to HOST. For comparison purposes Solid Waste and Fleet continue to be included in the tables above. The 2016 reorganization allows IPS to focus on maintenance functions.

After the transfers noted above, IPS will have a net increase in staff of 12.75 FTE positions (8.75 new positions and 4.0 transferred from Special Portfolio) with 6.75 FTE permanent staff and 8.0 FTE project positions. The adds are offset by the retirement of one FTE and the transfer of one FTE to HOST. The total temporary staff is 4.23 FTEs and they are not included on the FTE table above.

The principal increase in IPS's budget is due to the reorganization of Special Portfolio maintenance. After experiencing longer vacate turn-around times at Special Portfolio in recent years, a change from using site-based maintenance staff to IPS will be tested. The prior site-based maintenance program, without maintenance supervisory staff, moved all maintenance procurement and coordination with Construction Operations or IPS onto property managers. Removing the task of managing maintenance staff will allow property managers to focus on resident management activities, such as leasing and improved customer services. IPS will reduce unit turn-back time to management which may reduce total vacate days.

Staffing additions for the Special Portfolio project include 4.0 FTE site-based maintenance staff transferred from Special Portfolio and 3.0 project staff to reduce the time it takes to turn units back to management. IPS added 1.5 FTE for ongoing contract work at Special Portfolio.

Other initiatives on the operating budget include the third and final year of right-sizing over-/under-housed families at our Scattered Sites communities; 1.0 FTE Section 3 trainee to learn the pest control trade and assist with the increased demand for pest and bed bug services; and a 0.25 FTE will be added to Preventive Maintenance staff for Scattered Sites fan maintenance.

Permanent and project staff initiatives in the capital budget include 4.0 FTE trade staff to assist Construction Operations staff in Asset Management on projects requiring electrical or plumbing work (these projects include supporting repositioning of Scattered Sites with conversion of properties to add larger bedroom sizes) and a 1.0 FTE Asbestos Abatement staff to assist in over-/under-housing, 24/7 fan installations and replacements, Scattered Sites repositioning projects, and to smooth work flow on other capital projects.

Temporary staff assignments included in IPS's operating budget are as follows: a 1.0 FTE to address work order spikes related to HUD's REAC and funder housing inspections; 1.0 FTE for HOPE VI backflow and alarm monitoring; 0.5 FTE for HOPE VI contract work; and a 0.5 FTE for non-routine minor maintenance, repair, and replacement; 0.6 FTE to install or repair Scattered Sites 24/7 fans, and 0.63 FTE for aging unit turn projects.

The Solid Waste and Fleet budgets increased 3 percent in 2017. Solid Waste and Fleet were reorganized under the Environmental Services group of HOST but for presentation purposes is displayed here. The Solid Waste group reached a significant milestone when new rates took effect in April 2016. The new rates tie back to business processes, modeled after Seattle Public Utility's residential and multifamily rates to encourage waste reduction. The city rate structure helped SHA align its solid waste business with the agency's organizational cornerstones of sustainability and environmental stewardship. The Fleet team provides vehicle maintenance, replacement analyses, and monitors vehicle operating expenses for reasonableness.

IPS has managed Housing Operations Facilities; MLK Maintenance site, South Operations Facility and Operations Support Center, since 2014. The Facilities budget will increase 3 percent in 2017. Higher utilities expenses are expected in 2017 due to increases in Solid Waste rates; decreases in other accounts offset the utility increase.

IPS Work Plan Highlights in 2017 include:

Technology Improvements

- **Yardi Mobile Maintenance** – Increase the number of handheld devices to field staff to help streamline service delivery, optimize productivity, help eliminate paper usage, reduce printing, and increase data integrity. The devices' access to multiple work orders simultaneously has led to increased maintenance output, while reducing administrative workload.

Maintenance and Repair

- Support the Special Portfolio pilot program with 8.5 FTE maintenance staff.
- Vacates – Evaluate current processes and costs to develop innovative solutions to expand the capacity of resources, reduce vacate days and overall costs to the agency. Focus on satisfactory workmanship for housing management, housing applicants and other customers.
- Improve unit turn-over time, including modest unit improvements, for residents identified as over-/ under-housed families in need of right-sizing. A timely turn-over reduces relocation and administrative costs.
- Install or repair 24/7 fans in Scattered Sites, and other communities, and perform preventive maintenance on existing 24/7 fans to reduce mold growth in units and maintain current investments.
- Work with Construction Operations to support the Scattered Sites Repositioning program with cleaning, mold and hazardous materials abatement, and maintenance and repair efforts.
- Improve REAC scores and funder housing inspection scores.
- Monitor HOPE VI backflow and alarm monitoring and other contract work for limited partnerships.
- Perform minor maintenance, repair, and replacement projects identified by property managers and funded via the capital grant process.
- Explore innovative ways to decrease costs to the communities. Determine uses of more durable materials that will have a longer life, such as flooring, counter tops, and appliances with more durable structures or that cost less to replace; change over to LED lighting for both interior and exterior lighting.
- Evaluate and implement a site-focused program in West Seattle to help reduce travel times and increase productivity. Evaluate staff placement and travel times to create improved service delivery models to achieve optimal productivity, schedules, and routing to reduce expenses.

Pest Control

- Issues of pest control are forecasted to rise in our region. SHA added a Section 3 Pest Control trainee to assist with the increased need and to learn the pest control trade.
- Maintain the open relationship built between SHA and Senior Housing residents with a proactive approach to pest inspections and add time with the residents to increase trust by emphasizing that IPS Pest services are available for prevention, containment, and treatment of bedbugs.

- Build more trust with residents in the Low Income Public Housing portfolio and increase efforts in resident education to lead to proactive and efficient inspections.
- Work with Property Management and service providers to assist residents to prepare their units for pest control treatments.
- Respond to resident and property management requests for pest inspections in a timely manner.
- Monitor results of move-in pest inspections for all SHA buildings, including HOPE VI and Special Portfolio. Expand preventive pest control maintenance and canine bedbug inspections to HOPE VI.
- Identify the best practices for pest control.

Preventive Maintenance (PM)

- Evaluate and refine analyses of maintenance and repair work orders in the Yardi system to enhance efficiencies and monitor property performance and repairs.
- Expand the PM program to include properties not currently enrolled; Housing Operations' increased 17 percent from 2016 to 2017.
- Develop baseline and goal metrics for the PM program to analyze asset performance.

Solid Waste

- Add a solid waste truck to the fleet.
- Promote participation and compliance with SHA's organics program for High Point, NewHolly, Rainier Vista, and Lake City Court. The Solid Waste Division will work with community partners in marketing, communications, and educational materials to expand resident and homeowner participation.
- Work with SHA's Resource Conservation team and community partners in marketing, communications, and educational materials to expand resident and homeowner participation. Test different marketing strategies to determine the most effective approaches for encouraging participation in ongoing recycling and composting initiatives. The goal is to save participants money by diverting residents and homeowners from high cost garbage to lower cost organics.
- Monitor external rate increases compared to SHA's April 2016 rate structure. Ensure that SHA's new rate structure covers all operating costs, software maintenance fees that support truck routing software, and contributions to SHA's and IPS' administrative costs as well as to replacement reserves for trucks and equipment.
- Analyze and evaluate routes; look for efficiencies to reduce overtime and workload spikes.
- Analyze preventive maintenance protocols for the solid waste fleet and adopt best practices to prolong the life of the fleet and minimize vehicle breakdowns.

Fleet

- In collaboration with the Budget Office, evaluate the current management structure of the agency fleet with an eye to identify other management options. Complete a review of

Housing Operations

alternatives for SHA’s fleet management and determine how we should approach future replacement, maintenance, operations and funding of our fleet operation.

- Continue to invest in fleet replacements which started in 2014. The age of the fleet has created increased concerns for safety and maintenance. It is difficult to find parts for some aging vehicles. SHA approved \$446,000 to replace twenty trades/maintenance vans that are beyond their useful and safe life.
- Identify and manage fleet replacement of certain vehicles that require major repairs or have replacement part issues.
- Continue to survey and analyze vehicle utilization to determine where vehicle reductions might occur and where improved routing can increase efficiency.

Facility Operations

- Capital projects to maintain the buildings include installing security cameras and upgrading infrastructure to support cameras at South Operations Facility and MLK Facility, and repair water intrusion and replace carpet tiles and recondition lunch floor at MLK, as well.

Community Services

Community Services Expenditures	2015 Actual	2016 Adopted	2017 Adopted	% Change 2016-2017
TOTAL OPERATING	\$3,852,300	\$4,380,600	\$ 4,891,800	11.7%

Table 20: Community Services Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
Total FTEs	27.5	28.8

The Community Services (CS) group plans, develops, seeks partnerships for, and oversees the provision of referrals, service coordination, and direct service to SHA’s low-income residents and voucher participants. Community Services’ focus is on education, employment and self-sufficiency/stability, health and mental health case management, advocacy services, and on youth tutoring, recreation, and educational opportunities. Community Services also operates SHA’s Community Builder Program to involve residents in the life and betterment of their community, including resident involvement in development activities that affect them. Interpretation services are integral to the effectiveness of these programs.

The 2017 budget for Community Services is 11.7 percent above the 2016 budget. Historically, funding for Community Services has come from SHA funds and a variety of external sources, including federal, state and local grants, funds from foundations, and other agencies. In 2016, SHA applied for HUD’s Resident Opportunities and Self Sufficiency (ROSS) grant and won the ROSS lottery for grant funds. The increased services continue to support SHA communities to create social networks through affinity groups and neighborhoods coming together around common interests. The budget funds various community-based services including continuation of an enhanced wellness program at SSHP and LIPH communities; expansion of Nurse Case Management service at Low Income Public Housing high-rise buildings; funding of an SHA Tenant Cohort of up to twenty, work-able adults in a two-quarter Pre-

Apprenticeship in Construction Trades (PACT) vocational training program; and a program for Volunteer Activities and Recognition to encourage resident volunteers to provide service to seniors on-site at LIPH communities, including activities such as walking groups or other gentle exercise, hobby groups, conversational English practice, resident-led book groups, and peer-led computer classes

Community Services 2016 Work Plan Highlights

Highlights of work plans for 2017 are as follows:

- Continue to support and grow model of community building in the mixed-income communities which is based on helping create social networks through affinity groups and neighborhoods coming together around common interests. In the case of Yesler Terrace, work to more fully implement the Yesler Community Building Network plan. Continue to support and promote a forum for low-income residents in the new mixed-income communities to be able to receive tenant feedback about SHA policies that affect them.
- Support the duly-elected public housing councils and work with the councils on utilizing the Resident Participant Funding for investments in training, internet access, interpretation/translations, and other areas that the councils decide are important to them.
- Continue to support and provide technical assistance to community members through a contract with Full Life Care and with the development of applications and implementation of matching grants from the Department of Neighborhoods, SDOT, and the Department of Information Technology for community events, community improvements, and computer labs.
- Continue to collaborate with property management and other SHA colleagues to ensure that residents are able to comment on SHA policies and investment decisions (budget process) by maintaining the LIPH JPAC and ensuring regular meetings between staff and resident members. We will also work with property management to grow the newly-formed JPAC for SSHP.
- Continue to strategically invest SHA resources in social services programming that addresses community priorities and serves to leverage additional investments by partner agencies. We will monitor closely all social services contracts but particularly those involving youth and case management. In 2016, with the support of property management, we began a new case management initiative to serve Scattered Sites, and we began a coordinated nursing program for three LIPH high-rise buildings. We hope to expand the latter program in 2017 through a budget add.
- Continue to foster and support opportunities to engage community members to address emerging community concerns. For example, we will support and implement action items that come out of the series of discussions that SHA is leading with Muslim elders and mothers from Rainier Vista and NewHolly.
- Continue to develop opportunities and programming in response to community needs and member requests while building on knowledge and success gained through current programming. For example, we hope to expand support for older youth and their families through a Youth Navigator position that will draw from the successes of the Education Engagement Specialist in Yesler Terrace while focusing on the specific issues in Rainier Vista around the disengagement of older youth.
- Grow programming to assist SHA tenants to advance along the economic continuum. More details will be forthcoming in 2017.

Housing Operations

- Work with the Development department, Purchasing and others on the implementation of the Section 3 initiative for Yesler Terrace. 2017 will be another critical year in terms of the implementation of the Yesler Community Workforce Agreement and filling the Section 3 new-hire openings for the construction sites. Build upon the successful 2016 initiative that involves a cohort of SHA students taking the two quarter Seattle Vocational Institute PACT program.
- Support SSHP resident housing councils and work with the councils and residents on utilizing the Community Building Funds for investments in training, internet access, interpretation/translation, community building events, and other areas that the councils and residents decide are important to them.
- Three AmeriCorps volunteers were approved to primarily serve youth at NewHolly & Rainier Vista, High Point & Yesler Terrace, and seniors in SSHP and a limited number of LIPH high-rise buildings. The AmeriCorps volunteers will assist youth and seniors by connecting them to services and resources, as well as promoting community and social engagement that leads to healthier well being.
- Respond to the growing need of seniors within our housing for developing services and programming inline with recommendations from the recent Aging in Place needs assessment. Included in this plan will be increased volunteer roles for seniors as well as for the community to support seniors and new systems to support and transition seniors as they evolve in their ability to maintain independent living.
- Continue to partner with the City of Seattle, local partners and HUD to promote digital access and training for all SHA tenants, particularly school-age children. This will include continuation of free internet service for 400 families thanks to a Google grant. We will seek to expand this program, or other affordable internet access mechanisms, to additional families with school-age children.
- Continue to collaborate with partner agencies to leverage and coordinate partner agencies' resources to ensure a continuum of services are offered to SHA residents that respond to their needs and interests. This means we will take course corrections in response to data and other information. For example, at Yesler we will monitor the change in how we are supporting youth to graduate from high school which now involves providing emotional and social support through a contract with Therapeutic Health Services. We may also make some changes to the Yesler social services plan based on findings from the research grant that we received with Public Health from the Robert Wood Johnson Foundation to measure the effect of the redevelopment strategies on health outcomes.
- Continue the CS Race and Social Justice (RSJ) committee that was established several years ago and continue to actively support the agency-wide RSJ initiative. This will involve, but is not limited to, the application of the RSJ toolkit to policies and procedures CS staff are directly involved in, as well as supporting and/or organizing education forums around RSJ related issues.

Impact Property Management – HOPE VI Communities and Parks

Impact Property Management – HOPE VI Administration, NewHolly and Others Expenditures	2015 Actual	2016 Adopted	2017 Adopted	% Change 2016-2017
Impact Property Management	\$ 790,000	\$ 842,000	\$ 884,000	5.0%
NewHolly Phase I & II (NewHolly and Othello)	2,898,300	2,786,100	816,400	(70.7%)
Parks	311,800	360,800	351,300	(2.6%)
Campus of Learners	568,100	562,200	574,100	2.1%
TOTAL OPERATING	\$ 4,568,200	\$ 4,551,100	\$ 2,625,800	(42.3%)

Table 21: Impact Property Management Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
Total FTEs	50.0	53.5

The above chart accounts for the expenses for Impact Property Management (IPM) administration for the HOPE VI sites, including the Campus of Learners at NewHolly; Parks maintenance for HOPE VI communities; and NewHolly Phases I & II, tax credit properties owned by SHA. In October of 2016, SHA closed the mixed finance resyndication of NewHolly Phase I. As a result, the 2017 operating budget for NewHolly Phase I is not included in the above table and is the reason for 70.7 percent decrease in the NewHolly Phase I & II line. The limited partnership expenses are carried on the partnership books presented in the back section of the Budget Book, but the employees funded by the limited partnerships and working in the HOPE VI communities are included in the FTE numbers above. The total number of FTE's will increase by 3.5 in order to address increasing maintenance needs. Three of these FTEs will be project maintenance staff working in the Rainier Vista and High Point properties and are expected to increase SHA's ability to turn vacant units and address other maintenance concerns. The additional 0.5 FTE is a one-year increase designed to provide the NewHolly properties additional maintenance supervisory capacity during the initial rehabilitation at NewHolly Phase I and allow for additional training time required as a result of the expected retirement of long-time staff.

In general, the budgets for Impact Property Management (IPM), Parks, and the Campus of Learners are all consistent with the 2016 budget plus small inflation-related increases. The most notable exception was an increase of over \$50,000 in open space association fees in IPM's budget, which lead to the 5% overall increase in the IPM budget. In spite of increased costs from inflation, the Park's budget is 2.6 percent less than 2016 because of the removal of one-time funding of \$35,000 included in the 2016 budget to cover a cost needs assessment of SHA-owned parks and the assessment and care of heritage trees. Not all of the work identified in the assessment of the heritage trees is expected to be completed in 2016, so an additional \$10,000 was added to the Parks budget in 2017 to complete this activity.

In 2017, Impact Property Management (IPM) will oversee the management of HOPE VI housing units owned by eight limited partnerships, for which SHA serves as the General Partner and Managing Agent—NewHolly Phases I & III, Rainier Vista, Lake City Village, and High Point. In 2017, IPM—HOPE VI will manage about 1,700 public housing and tax credit units in these communities, including SHA's NewHolly Phase II tax credit property.

Housing Operations

IPM also administers operation of the parks and common amenities in these communities. In addition, the Yesler Terrace public housing family community, NewHolly Campus of Learners, Special Portfolio, and the Ritz Apartments are also managed by IPM. Budgets for the Limited Partnerships are included in the final section of the Budget Book and Yesler's budget appears in its own section. The budget for Special Portfolio is also separately presented.

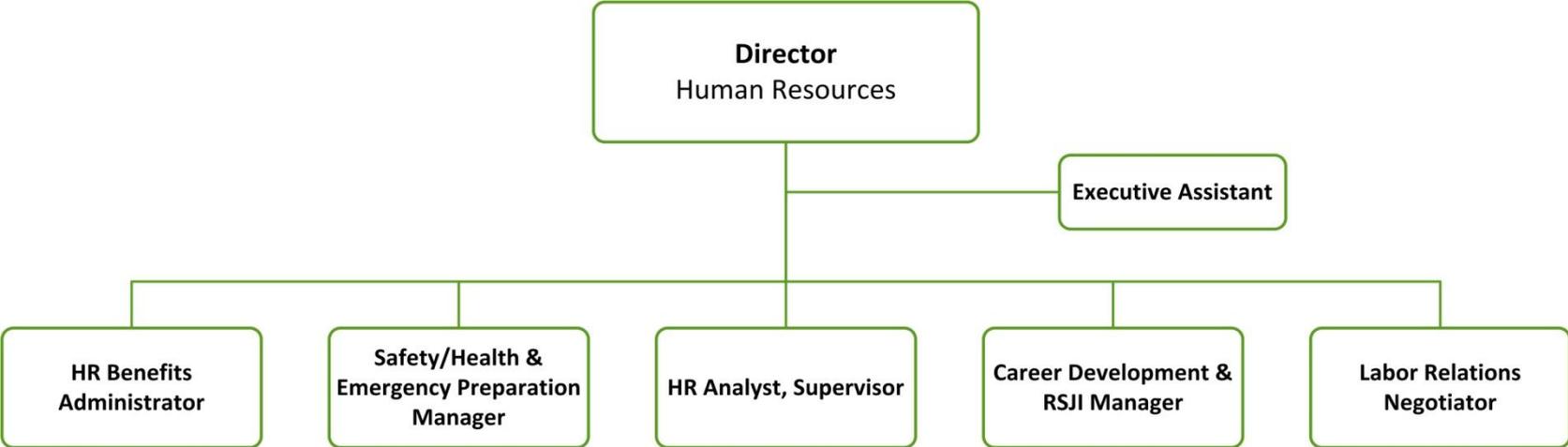
IPM–HOPE VI Work Plan Highlights for 2017 include:

- Analyze property rents in relation to the voucher payment standard for project-based voucher units and tenant-based vouchers across all properties to meet pro forma expectations.
- Collaboratively work with Housing Choice Voucher department to implement an agreeable schedule of annual rent increases at all properties, if applicable.
- Participate in the inspection/work order pilot, utilizing Yardi's mobile capability and hand-held devices, expanding on the pilot that IPS is currently running.
- Explore innovative ways to decrease costs to the limited partnerships, such as using more durable materials that will have a longer life and transitioning to LED for both interior and exterior lighting.
- Establish a cross-portfolio peer training of maintenance staff to increase knowledge and skill base in areas such as: appliance trouble shooting and repair, lock cylinder re-pinning, floor repair and cleaning, and painting and cleaning.
- Assist Asset Management with discussions about refinancing options for High Point South and the potential early exit of several tax credit limited partnerships.
- Continue to participate in the Workforce Opportunity System project. The project is working to build and test new pathways to living-wage employment for our residents. This is an ongoing effort that impacts staff in the Hope VI and Special Portfolio, which has the majority of the work-able families.
- Continue to support IPS Solid Waste and community partners to promote participation and compliance with the organics program for the rental units in High Point, NewHolly, Rainier Vista, and Lake City Court.
- Engage with residents to support safe communities by working with the Seattle Police Department's Community Police Team Officer, Crime Prevention coordinator, private security, and Block Watch activities.
- Continue to evaluate the billing for overages and incentive program for costs and administrative burden to the Hope VI communities. Work with the utility billing vendor to improve the collection process for water overages to keep outstanding payments down.
- Pursue and implement the use of blanket contracts for high-need services that would address site staff skill gaps and spikes in workload.
- Invest in maintenance equipment that minimizes the potential for strains and repetitive motion injuries of staff.
- Actively participate in the Yardi upgrade and its move to the web-based version, to include testing and staff training.

- Evaluate the rent statement pilot at NewHolly initiated in 2016 and its impact to staff, residents and the property's account receivables.
- Participate in the Housing Operations' document imaging project, to include additional office equipment to support
- Improve operational relationship with other departments, such as Housing Choice Voucher, to better coordinate and enhance services we provide to our residents as well as to improve efficiencies and communication between departments.

HUMAN RESOURCES

HUMAN RESOURCES DEPARTMENT



Human Resource Budget

Human Resources Department Expenditures	2015 Actual	2016 Adopted	2017 Adopted	% Change 2016-2017
Admin Salaries & Temp Help	\$ 1,531,900	\$ 2,011,800	\$ 1,989,100	(1.1%)
General and Administrative Expense	330,700	357,300	382,000	6.9%
Tenant Services	-	-	-	-
Maintenance & Contracts	91,800	160,200	134,000	(16.4%)
Utilities	-	-	-	-
TOTAL OPERATING	\$ 1,954,400	\$ 2,529,300	\$ 2,505,100	(1.0%)
Less Internal Agency Fees	(99,200)	(101,300)	(122,200)	20.6%
Capital, Grant and Partnership Salaries & Benefits	-	-	-	-
TOTAL	\$ 1,855,200	\$ 2,428,000	\$ 2,382,900	(1.9%)

Table 22: Human Resources Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
Total FTEs	11.0	11.0

The 2017 operating budget for the Human Resources (HR) department is one percent below the 2016 adopted budget. The prior year's budget included several one-time funding items, such as additional funding for a new employee orientation video and funds for business continuity and emergency preparedness. The removal of the one-time funding resulted in the 16.4% decrease in Maintenance & Contracts expenses and a portion of the aforementioned overall decline in expenditures. The retirement of the HR Director and related restructuring of the department also resulted in modest projected salary savings for 2017. The one area where expenses are expected to increase is in General and Administrative expenses. This increase is primarily the result of Human Resources adding additional IT equipment and a small increase in funding for the employee wellness program.

Department Purpose and Function

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

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

Work Plan Highlights

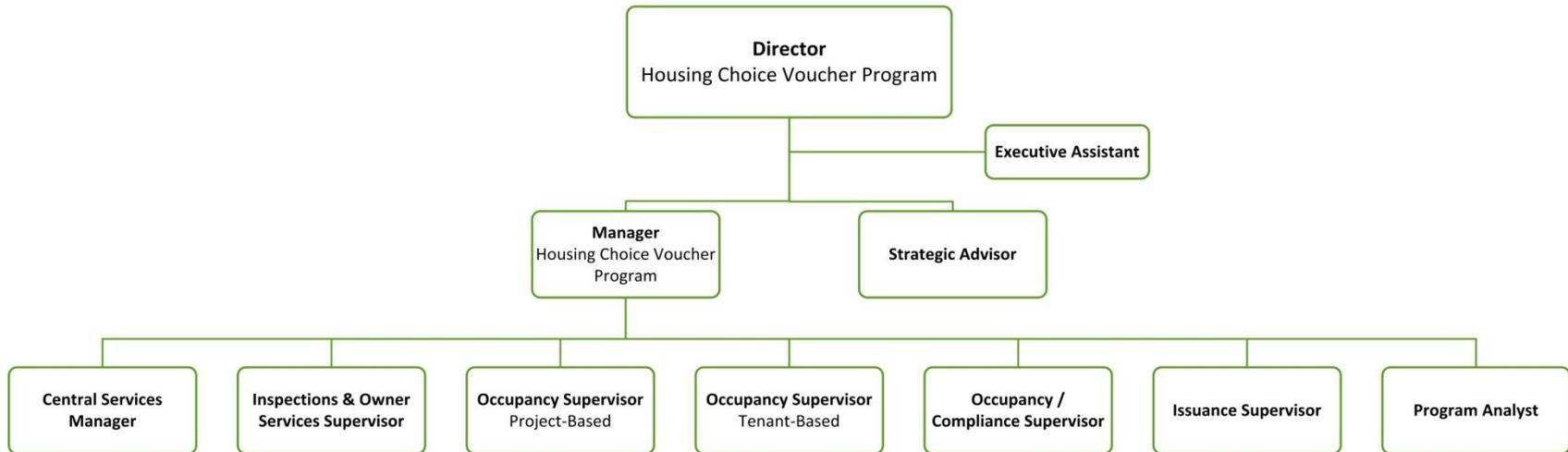
The Human Resources (HR) department's CY 2017 work plan includes:

- Continue the implementation of the Race & Social Justice Initiative (RSJI). Efforts will include continuing foundational training for current and new staff and the roll-out of the new RSJI toolkit to review agency policies and procedures through an RSJI "lens". In addition, there will be Culture of Poverty foundational training for staff, covering impacts on our housing applicants and residents, and best practices for improving interactions with our customers.
- Enhance new employee onboarding and the new supervisor orientation to reflect best practices.
- Continue efforts to implement employee career-development training and staffing continuity planning, as well as process improvement efforts.
- Work with managers and directors to develop improved career paths for employees based on individual and team goals.
- Continue efforts to increase supervisory skills by offering training classes for supervisors and managers. Provide ongoing training to meet the needs of staff, improving employees' skills, and complying with federal, state and local employment laws and regulations. Continue utilization of the SHA University to advertise in-house training, and disperse training information for individual employees.
- Work with our talent management solutions software provider to further refine online performance evaluation and enhance onboarding functionality.
- Monitor, review, and implement new federal, state and local laws that are relevant to the Authority's employment practices. Provide on-going training for HR staff to ensure the Authority's ability to comply with employment laws and regulations.
- In coordination with our Employee Assistance Provider, offer trainings, referrals, and special interventions regarding incidents affecting SHA staff.
- Design programs and processes that will continue to reduce the accident rate, thereby reducing lost time and Workers' Compensation costs. Develop safety and wellness programs to reduce work-related injuries and illnesses by increasing awareness via training programs and communication media. These efforts also include continuation of a dynamic and static stretch program to reduce over-exertion claims.
- Develop and implement processes and procedures necessary for an agency-wide emergency preparedness and management program. Efforts will include ongoing and enhanced training, updates to policies, and ensuring that facilities have proper equipment and are prepared for emergencies.
- Conduct annual audits of facilities and staff in the field to ensure safe work locations and practices.
- Work with the state Labor and Industries (L&I) Department to close open claims of employees who have been out of work for an extended period and to assign injured staff to "light" duty for potential reimbursement by L&I. Continue processing claims in the "Stay at Work" program for payment reimbursement.
- Continue to provide work safety trainings such as ladder safety, blood-borne pathogens, hazardous waste, and workplace violence prevention.

- Update the Authority's Safety and Health Manual as needed to ensure compliance with federal and state regulations.
- Further strengthen the relationship with labor unions to enhance communications, reduce grievances, and partner to implement SHA's mission and goals. Work with union officials to ensure union contracts are consistent with SHA's financial capacity and its efforts to create efficiencies in operations and cost containment.
- Work with the Labor/Management committee to review current labor relations processes to ensure SHA is utilizing the most efficient process for labor management and negotiations.
- Continue updating the Employment Section of SHA's Manual of Operations to reflect the latest employment laws and regulations to ensure compliance and prevent litigation. Human Resources will develop a systematic review process that will ensure all policies are reviewed for relevancy.
- Coordinate annual agency meetings and events, such as the All Staff Meeting, Holiday Brunch, SHA Annual Anniversary Awards Luncheon, and charitable giving events.

HOUSING CHOICE VOUCHER PROGRAM

HOUSING CHOICE VOUCHER PROGRAM



Housing Choice Voucher Program Budget

Department Expenditures	2015 Actual	2016 Adopted	2017 Adopted	% Change 2016-2017
Admin Salaries & Temp Help	\$ 4,819,800	\$ 5,311,200	\$ 5,568,800	4.9%
General & Administrative Expense	4,409,600	4,144,100	4,167,800	0.6%
Tenant Services	348,000	646,500	384,300	(40.6%)
Maintenance & Contracts	196,300	488,200	92,800	(81.0%)
Utilities	-	-	-	-
TOTAL OPERATING	\$ 9,773,700	\$ 10,590,000	\$ 10,213,700	(3.6%)
Less Internal Agency Fees	(3,173,600)	(3,133,300)	(2,814,800)	(10.2%)
Housing Assistance Payments	82,775,800	87,934,700	100,182,000	13.9%
TOTAL	\$ 89,375,900	\$ 95,391,400	\$107,580,900	12.8%

Table 23: Housing Choice Voucher Program Budget and FTE's

Full-time Equivalent Positions	2016 Approved	2017 Adopted
Total FTEs	64.3	66.8

For CY 2017, the Housing Choice Voucher (HCV) Program's operating expenses decrease to \$10.2 million, a 3.6 percent decrease from CY 2016. This decrease is a result of significant changes in Tenant Services and Contract related expenses. Beginning in 2013 SHA began several pilot programs to address homelessness through rapid rehousing and by providing short-term rental assistance through partner agencies. In 2016 over \$600,000 was included in Tenant Services to support these pilot programs. After discussion and analyses by SHA and its partners, it was determined that SHA was not well equipped to support these activities and that SHA resources would be better utilized through alternate measures. The Tenant Services line does not show a corresponding decrease because housing search and deposit assistance services provided by the YWCA in 2016 will be provided by SHA in 2017. As a result of this shift, funding for security deposits and risk mitigation was shifted from Maintenance & Contracts to Tenant Services. The YWCA contract included roughly \$130,000 for two YWCA FTE and overhead costs. These costs were completely removed from the budget. The department used a portion of these savings to make an existing project Housing Counselor position permanent; it was set to expire in 2016.

While operating expenses are projected to decrease, the operating budget includes the addition of 2.5 FTE which results in an increase of 4.9% in Administrative Salary expenses. In anticipation of continued growth in the number of project-based units, the Project-Based and Mod-Rehab team of Certification Specialist IIs will increase from five to six. This will effectively reduce the average caseload by 150 or roughly 17 percent. HCV's Inspection team is also adding 0.5 FTE, to bring their team of inspectors to six FTE. This will allow the team to continue to complete inspections in the short time frames demanded by many landlords in the private market. This will also give the department additional capacity to ensure other routine and special inspections occur in a timely manner. A Customer Service Specialist I will ensure SHA tenants and voucher holders visiting the Housing Service Center are directed to the appropriate SHA personnel. Both the additional FTE increase for the Inspector and Customer Service Specialist I positions will be evaluated throughout the year for effectiveness since both are 2017 project positions. The addition of these positions is expected to increase the level of service as well as increase the efficiency of the operations.

Housing Choice Voucher Program

The 2017 General & Administrative expenses appear relatively consistent with 2016; however there are a number of significant changes occurring within the budget. The first is a \$320,000 increase in Portability Administrative Fees. These are the fees charged by other housing authorities for administering SHA vouchers when participants lease in areas outside the City of Seattle. A reduction in these expenses had been projected for 2016 primarily because of a policy change that requires new voucher holders to live in Seattle for their initial year in the program. Due to several factors the projected savings did not materialize. This increase was offset by a decrease in internal service fees.

In 2017, SHA expects to continue to face a tight rental market making it difficult for voucher holders to find affordable units. In spite of having already raised the Voucher Payment Standard (VPS) three times in under two years and greatly expanding housing search and assistance programs, SHA voucher holders have continued to struggle to successfully lease units within the City of Seattle. The voucher holders who were successfully leasing up were too often leasing up in units supported by non-profit and public sector affordable housing providers, further limiting the units available for unsubsidized low-income tenants.

In an effort to increase leasing success rates and shift more voucher holders back into the private sector rental market, SHA increased the VPS for private sector rentals by an average of 25 percent effective July 1st, 2016. A much smaller increase was provided for the non-profit and public sector landlords to ensure that the VPS for these units would be at or above the 60 percent tax credit maximum-allowable rent. This is the first time SHA has operated under multiple voucher payment standards for these two groups. SHA plans to further evaluate the VPS for the non-profit and public sector landlords which may result in an additional increase. The current 2017 budget does not include additional funding for any future changes in VPS.

It is expected that the VPS increase along with the increased rental services will allow HCV to reach an average utilization of 94.6 percent for 2017. This is an increase of over 2 percent from the 2016 target and an even larger increase compared to SHA's current voucher utilization. The increase in the VPS and utilization rate is expected to increase the cost of Housing Assistance Payments by \$12.2 million to over \$100 million.

Department Purpose and Function

The primary responsibility of SHA's Housing Choice Voucher (HCV) Department is to administer federal housing assistance payments serving households in the Housing Choice Voucher (HCV) and Mod-Rehab programs.

The Housing Choice Voucher program provides rental assistance to more than 11,000 very low-income households. The overwhelming majority of participants in the HCV project-based, tenant-based, and the Mod-Rehab programs have incomes below 30 percent of area median income.

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

often in coalitions with others, on behalf of low-income housing and support programs with federal, state, and local governments.

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

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

Work Plan Highlights

The HCV department developed a five-year plan for its activities that aligns with SHA's Strategic Plan and that will guide the 2017 work plan. The primary HCV goals in relation to the Plan are:

Strategic Direction 1: Expand Housing Opportunities

- Support the City of Seattle Housing Levy through providing Project-based rental assistance in buildings whose capital needs were financed through the Levy.
- Support Yesler Terrace redevelopment through project-basing an additional 68 units in 2017, for a total of 216 by year end.
- Support the possible Rental Assistance Demonstration (RAD) conversion of two Mod-Rehab projects.
- Apply for any new vouchers made available through standard or other special voucher programs that are appropriated by Congress.
- Hold a lottery to establish a new HCV waitlist.
- Increase voucher utilization across all Housing Choice Voucher programs.
- Utilize various local market factors, such as vacancy rates and the length of time it takes a household to find housing to monitor the sufficiency of the current Voucher Payment Standards.
- Provide housing search assistance, security deposit assistance, and risk mitigation funds to improve leasing success rates.
- Update the Ready to Rent curriculum.
- Review and update the Neighborhood Guide to ensure it is consistent with other mobility activities. The neighborhood guide provides specific resources by neighborhood and includes tips on how to search for a unit, employment, schools and transportation.

Strategic Direction 2: Promote Quality Communities

- Continue College Bound Registration support.
- Support the Workforce Opportunity System pilot.
- Expand the Resource Development Plan to include resource toolkits for seniors.

Housing Choice Voucher Program

- Submit a request to HUD to participate in the Family Unification Program (FUP) and Family Self Sufficiency (FSS) Demonstration which will allow FUP youth who enroll in the FSS program to extend the length of time they receive housing assistance from the current 18 months to the duration of the FSS contract (usually 5 years).

Strategic Direction 3: Improve Quality of Life

- Expand Resource Development Plan to include more community partnerships, especially those that serve seniors.
- Support Seattle City Light in auto-enrolling HCV families in the Utility Discount Program.
- Assist with implementing the Home from School pilot with Seattle Public Schools to house homeless families and provide supportive services at Bailey Gatzert Elementary.
- Continue our partnership with the Economic Opportunity team to improve HCV participant access to education, employment and training opportunities through the Family Self Sufficiency program (FSS) and external partners.

Organizational Cornerstone 1: Respectful and Engaging Customer Relations

- Provide bi-monthly trainings to enhance internal and external customer service.
- Expand Resource Toolkits.

Organizational Cornerstone 2: Financial Stability and Efficiency

- Use MTW authority to improve efficiency, productivity, customer service and to obtain cost savings.
- Continue to work towards utilizing direct deposit for 100% of the Housing Assistance Payments to landlords.
- Utilize Stored Value Cards for Utility Assistance Payments which allows SHA to transfer funds electronically each month to families instead of sending a paper check. This benefits SHA through reduced postage and administrative costs. The Stored Value Cards also benefit the voucher holder who receives immediate access to the funds on the card and ensures that they will not be subject to any check cashing charges for the Utility Assistance Payment.
- Issue and enforce repayment agreements from overpaid Housing Assistance Payments (HAP). Most repayment agreements are due to non-timely or failure to report household income changes, which would have resulted in a reduced housing assistance payment.

Organizational Cornerstone 3: Partnership and Coordinated Action

- With assistance from our partners, such as the Veterans Administration and our project-based providers, average 94.6 percent overall voucher utilization in 2017,
- Evaluate and determine changes needed to the project-based voucher contracts to clarify expectations and to better align and measure outcomes.
- Absorb voucher holders moving to Seattle from housing authorities outside the tri-county region (King, Pierce and Snohomish). Initiate portability swaps with King County Housing Authority to reduce administrative expenses and increase efficiency.

Organizational Cornerstone 4: Environmental Stewardship

- Continue to purchase recycled office supplies.
- Complete and continue document imaging project for Project-based tenants.

Organizational Cornerstone 5: Staff Excellence

- Manage Housing Service Center with excellent customer service.
- Provide robust technical training at the individual and department levels.

Organizational Cornerstone 6: Race and Social Justice

- Ensure all staff have completed RSJI foundational training.
- Utilize RSJI Toolkit with HCV terminations.

Organizational Cornerstone 7: Innovation

- Regularly review processes, implement process changes and form changes. All forms and processes are approved by the Procedure Manual Team, and then the department is briefed on any changes during bimonthly department wide trainings.
- HCV staff will be trained in LEAN process improvements and undertake a systematic review of procedures to even further improve our internal process and service delivery.
- Roll out new programmatic elements in an effort to streamline and improve the administration of our Project-Based Voucher Program.
 - ✓ Introduce an updated Housing Assistance Payments (HAP) Contract and a newly created Project-Based Voucher (PBV) Program Manual which will provide additional information and support to our partners.
 - ✓ Automate and administer program-wide PBV rent increases, which will assist in increasing consistency across the portfolio, as individual agencies will no longer be required to submit rent increase requests.
 - ✓ Launch a new contract monitoring plan which will include: Quarterly Utilization Reports to be completed by partner agencies, a yearly required Program Questionnaire, program performance and accountability metrics, as well as a records management plan.

CAPITAL IMPROVEMENT PROGRAM

CAPITAL IMPROVEMENT PROGRAM SUMMARY

The Capital Improvement Program Summary describes SHA’s CY 2017 plans in the following areas:

- Community redevelopment using federal grant funds and mixed financing;
- Asset preservation through modernization, renovation, and rehabilitation of our housing portfolios and operating facilities using predominantly federal grant funds plus property reserves; and
- New acquisition, development, and pre-development planning.

The tables below describe the projected sources and expenditures for CY 2016 and CY 2017. Sources reflect a net increase of 30.9 percent in capital and redevelopment funding compared to 2016. The change in capital sources is due to several factors. Similar to prior years, SHA will transfer Other MTW capital to support capital needs. The redevelopment sources increased due to updated construction costs for Red Cedar and subsequent mixed finance transaction to support those costs. Red Cedar was previously budgeted to close in 2016. Construction projects started in 2016 are continuing through 2017. Infrastructure activity is winding down in 2017.

Summary of SHA Capital Projected Sources	CY 2016	CY 2017
Public Housing (MTW portion)	\$ 11,800,000	\$ 11,630,000
Seattle Senior Housing Program (MTW portion)	2,970,000	3,342,000
Other MTW Capital - Blue Topaz (Prior Year)	-	1,500,000
Special Portfolio/Local Housing Reserves	810,000	870,000
Short and Long Term Financing for Red Cedar	31,000,000	42,100,000
Tax Credit Equity to Red Cedar in 2016	19,200,000	25,430,000
Program Income Contribution to Red Cedar in 2017	3,800,000	15,200,000
Choice Neighborhood Implementation Grant at Yesler Terrace	7,040,000	-
Use of Prior Year Resources – Mixed Finances	16,900,000	29,260,000
Funds for Infrastructure	6,160,000	3,690,000
homeWorks Reserves	1,240,000	1,070,000
Other Reserves	1,570,000	820,000
For Sale Proceeds from Homestead Sale	-	730,000
Facilities and Impact Property Services Reserves	190,000	490,000
Special Portfolio Refinancing Funds	300,000	360,000
City, State and Federal Grants	3,920,000	3,420,000
TOTAL SOURCES	\$ 106,900,000	\$ 139,912,000

Table 24: Summary of SHA Capital Project Sources

Projected capital expenditures in 2017 are 60 percent higher than 2016. The increase is due to an increase in the number of buildings in construction. In 2016, SHA had two buildings and infrastructure expenditure planned for 2016. In 2017, SHA plans three projects in construction or rehabilitation and one in predevelopment: Hoa Mai Gardens and Red Cedar at Yesler Terrace, one at NewHolly (Phase I), and one in predevelopment, Blue Topaz. Red Cedar will be in its first year of construction; Hoa Mai Gardens will be completing construction and starting lease-up; and NewHolly will be in its first full year of construction.

The following table compares 2016 and 2017 projected capital expenditures:

Summary of SHA Projected Capital Expenditures	CY 2016	CY 2017
Mixed Finance Redevelopments, 2017 closing date	\$ 11,000,000	\$ 32,074,000
Yesler Terrace Prior Year Mixed Finance Projects	23,700,000	20,499,000
NewHolly (Phase I) Prior Year Mixed Finance Project	-	12,170,000
Public Housing (MTW portion)	8,356,000	9,188,000
Seattle Senior Housing Program (MTW portion)	3,757,000	3,890,000
Blue Topaz Predevelopment Contribution (MTW portion)	-	1,500,000
Other MTW Funded Capital Projects	1,838,000	1,918,000
Capital Projects for Other Housing Properties	4,222,000	3,881,000
TOTAL EXPENDITURES	\$ 52,873,000	\$ 85,120,000

Table 25: Summary of SHA Projected Capital Expenditures

CHOICE NEIGHBORHOODS IMPLEMENTATION: YESLER TERRACE – REDEVELOPMENT

The Choice Neighborhoods Initiative (CNI) grant program will be in its sixth year in 2017. The program goal is to transform distressed neighborhoods into sustainable, mixed-income communities by linking affordable housing with quality schools, public transportation, good jobs and safe streets. Seattle Housing Authority was awarded two CNI grants totaling \$30 million. The grants are only the first step in the transformation of Yesler Terrace and the surrounding neighborhood. Depending on fund sources and local business cycles, Yesler Terrace Redevelopment implementation will range from 10–20 years.

The CNI grants support elements of infrastructure and housing construction in the Yesler Terrace neighborhood. In 2017, the Red Cedar mixed finance will close and construction begin; Hoa Mai Gardens will be in construction and lease-up by year end; and infrastructure will be in Phases 3 and 4.

Hoa Mai Gardens

Seattle Housing's third building is in the construction stage as we start 2017. It is located south of the Yesler Community Center, near the new playground and ball field. The apartment building will house 111 units. Construction will be completed mid-year 2017 with lease-up continuing into the first quarter of 2018.

Hoa Mai Gardens Sources	Total
Construction Loan/Bonds	\$ 23,000,000
Tax Exempt First Mortgage	8,610,000
Choice Neighborhoods Initiative Grant	6,610,000
Program Income	10,700,000
For Sale Proceeds	9,330,000
Deferred Developer Fee	800,000
Tax Credit Equity	19,000,000
TOTAL	\$ 78,350,000
TOTAL PROGRAMMED SOURCES	\$ 45,280,000
Less Short-Term Financing	\$ 33,070,000

Table 26: Hoa Mai Gardens Sources

Capital Improvement Program

The project uses are budgeted as follows:

Hoa Mai Gardens Uses	Total
Construction	\$ 37,400,000
Design, Engineering and Permitting	3,700,000
Financing Costs	4,180,000
TOTAL	\$ 45,280,000
2017 Expenditures	\$ 16,805,000

Table 27: Hoa Mai Gardens Uses

Red Cedar

Red Cedar will be located on the north side of Fir Street and west of Broadway. Financing will close in early 2017, and construction will start on the 119 unit apartment building shortly thereafter. Lease-up is planned to begin late-summer 2018.

Red Cedar Sources	Total
Construction Loan/Bonds	\$ 28,000,000
Tax Exempt First Mortgage	14,100,000
Program Income	15,204,000
Deferred Developer Fee	1,500,000
City of Seattle, Office of Housing (various)	3,420,000
Tax Credit Equity	25,431,000
TOTAL	\$ 87,655,000
TOTAL PROGRAMMED SOURCES	\$ 59,655,000
Less Short-Term Financing	\$ 28,000,000

Table 28: Red Cedar Sources

The project uses are budgeted as follows:

Red Cedar Uses	Total
Construction	\$ 48,971,000
Design, Engineering and Permitting	5,093,000
Financing Costs	5,591,000
TOTAL	\$ 59,655,000
2017 Expenditures	\$ 32,074,000

Table 29: Red Cedar Uses

Infrastructure Activity

Phases 3 and 4 Infrastructure at Yesler Terrace

SHA has secured the funds in the tables below for Phases 3 and 4 infrastructure improvements for the Yesler Terrace neighborhood. In 2017, SHA will close the slip lane from E Yesler Way to 12th Ave South on down to South Main Street. Trolley wires will be reconfigured. There is work planned for an off-leash dog area north of Yesler Way and east of I-5 and for an Urban Garden south of Yesler Way and east of I-5. Work will continue on the grand pedestrian pathway designed to connect Little Saigon in the

International District through the Yesler Neighborhood to First Hill. More pedestrian links will be completed in 2017 through the new central park, and across Yesler Way, winding through new housing to reach Harborview and First Hill.

Phase 3 Infrastructure Sources	Total
CNI Grant Relocation	\$400,000
Community Development Block Grant	200,000
For Sale Proceeds	5,523,000
TOTAL	\$ 6,123,000

Table 30: Phase 3 Infrastructure Sources

The project uses are budgeted as follows:

Phase 3 Infrastructure Uses	Total
Relocation	\$ 1,462,000
Demolition	1,320,000
Infrastructure from 9 th Avenue to Broadway	800,000
Infrastructure for Blocks 3 and 4	2,541,000
TOTAL	\$ 6,123,000
2017 Expenditures	\$ 1,250,000

Table 31: Phase 3 Infrastructure Uses

Phase 4 Infrastructure at Yesler Terrace

SHA has secured the following funds for Phase 4 Infrastructure improvements in the Yesler Terrace neighborhood.

Phase 4 Infrastructure Sources	Total
For Sale Proceeds	\$ 2,444,000
TOTAL	\$ 2,444,000

Table 32: Phase 4 Infrastructure Sources

The project uses are budgeted as follows:

Phase 4 Infrastructure Uses	Total
Park Contribution	\$ 900,000
Demolition and Grading, Blocks 5 and 7	1,544,000
TOTAL	\$ 2,444,000
2017 Expenditures	\$ 2,444,000

Table 33: Phase 4 Infrastructure Uses

PUBLIC HOUSING AND OVERALL ASSET PRESERVATION FUNDING

The 2017 budget includes public housing modernization, renovation projects, and capital planning of \$9.2 million, a 10 percent increase over 2016. Capital grant funds of \$3.9 million are budgeted for the Seattle Senior Housing Program (SSHP); a 3.5 percent increase over 2016. Most of Seattle Senior Housing's operating subsidy is earmarked for SSHP's long-term capital improvement needs.

Other projects funded with MTW sources include \$425,000 for Special Portfolio/Local Housing Program. The largest projects are at Spruce Street Townhomes to replace siding and at Montridge Arms to repair and replace decks and the west side of the building. Non-residential Facilities Projects budget will replace up to 20 vans and install security cameras at MLK / Central Maintenance. The Management Improvements through Technology budget of \$992,000 provides for technical and technological upgrades.

Other Capital Projects, principally funded from reserves, are Special Portfolio for \$866,000, the largest project being at Bayview Tower to seal the façade, etc. Certain Special Portfolio communities have funds, or will have funds, from smaller refinancing packages include Othello's roof repair. Limited Partnership's have many projects listed, the largest at homeWorks I to replace an elevator at Beacon Tower and a roof at Green Lake Plaza. SHA's facilities have a budget of \$491,000, most of which will fund a new solid waste truck.

The 2017 Capital budget was allocated to the groups and in the amounts shown below. More detailed project descriptions are in the chart at the end of this section.

CAPITAL PROJECTS

Summary of Capital Projects by Housing Type and Fund Source	CY 2016 Budget	CY 2017 Budget
<i>MTW-Funded Capital Budget for Public Housing</i>		
Scattered Sites	\$ 1,182,000	\$ 1,367,000
Bell Tower	135,000	219,000
Cedarvale Village	45,000	--
Denny Terrace	17,000	--
Holly Court	7,000	--
Jackson Park Village	103,000	200,000
Jefferson Terrace	416,000	806,000
Olive Ridge	40,000	370,000
Tri-Court	--	250,000
Westwood Heights	22,000	158,000
Yesler Terrace	49,000	5,000
Allowance for Minor Maintenance, Repair, and Replacement	535,000	335,000
Predevelopment – Yesler Terrace Planning	415,000	--
Allowance for unforeseen price hikes	50,000	735,000
Water Intrusion Specialist	50,000	--
Allowance for Aging Unit Vacates	--	150,000
Allowance for common area upgrades pursuant to UFAS	50,000	--
Allowance for lighting improvements	40,000	--
Program Administration	1,316,000	1,464,000
Debt Service for homeWorks projects	3,005,000	2,066,000
Indirect Services Fee	879,000	1,063,000
MTW-Funded Capital Projects for LIP H Properties TOTAL	\$ 8,356,000	\$ 9,188,000

Table 34: Summary of Capital Projects by Housing Type and Fund Source

<i>MTW-Funded Capital Projects for Senior Housing Properties</i>	CY 2016 Budget	CY 2017 Budget
Bitter Lake Manor	\$ 675,000	\$ 568,000
Blakeley Manor	--	565,000
Carroll Terrace	1,858,000	120,000
Columbia Place	25,000	--
Fort Lawton Place	--	120,000
Fremont Place	72,000	--
Gideon-Mathews Gardens	--	50,000
Island View	56,000	--
Nelson Manor	13,000	--
Olmsted Manor	17,000	158,000
Phinney Ridge	54,000	--
Pinehurst Court	58,000	260,000
Pleasant Valley Plaza	408,000	230,000
Primeau Place	7,000	--
Ravenna School	23,000	--
Reunion House	20,000	--
Schwabacher House	51,000	50,000
Sunrise Manor	11,000	922,000
Wildwood Glen	7,000	--
Allowance for Minor Maintenance, Repair, and Replacement	--	160,000
Allowance for UFAS upgrades	220,000	70,000
Allowance for plumbing	--	50,000
Allowance for security upgrades	--	467,000
Allowance for windows, pull cord removal, etc.	82,000	--
Indirect Service Fee	100,000	100,000
MTW-Funded Capital Projects for Senior Housing Properties TOTAL	\$ 3,757,000	\$ 3,890,000

Table 35: MTW-Funded Capital Projects for Senior Housing Properties

<i>MTW-Funded Capital Projects for Other Housing Properties</i>	CY 2016 Budget	CY 2017 Budget
Special Portfolio	\$ 525,000	\$ 425,000
Non-residential Facilities Projects	266,000	501,000
Management Improvements through Technology	1,047,000	992,000
MTW-Funded Capital Projects for Other Housing Properties TOTAL	\$ 1,838,000	\$ 1,918,000

Table 36: MTW-Funded Capital Projects for Other Housing Properties

Capital Improvement Program

Other Capital Projects for Other Housing Properties	CY 2016 Budget	CY 2017 Budget
Special Portfolio	\$ 807,000	\$ 866,000
Special Portfolio financing	423,000	636,000
Limited Partnership Capital Projects	2,807,000	1,888,000
Non-residential Facilities Projects	185,000	491,000
Capital Projects for Other Housing Properties TOTAL	\$ 4,222,000	\$ 3,881,000
TOTAL ASSET PRESERVATION PROJECTS	\$ 18,173,000	\$ 18,877,000

Table 37: Other Capital Projects for Other Housing Properties

The Allowance for Minor Maintenance, Repair, and Replacement allocated through the capital grant process provides a funding source to property managers to make specific repairs to buildings, such as emergency repairs, carpet or appliance replacements and parking lot improvements.

Seattle Senior Housing Program

In 2011, SHA and HUD converted Seattle Senior Housing Program (SSHP) into the low-income public housing program to provide financial support with Operating subsidy and Capital grant allocations. SHA committed to a 10-Year Capital Rehabilitation Plan for SSHP in 2011. SSHP had significant capital needs and thanks to the cooperation of the SSHP Rent Advisory Committee, the Seattle City Council, and HUD, SSHP transitioned into the Public Housing program in fall 2011 and begun receiving funds in 2013. The original plan uses SHA's MTW authority to maintain the SSHP program within Public Housing and uses all but a small portion of the HUD Operating Subsidy plus the Capital Grant for SSHP units to support an annual average capital requirement of \$3.0 million in known major capital work. This work primarily pertains to the integrity of the building envelopes, e.g. to correct water intrusion and rot, for window replacement, and to modernize or replace elevators.

In 2017, SHA will allocate \$3.9 million of the Capital Grant for SSHP's capital improvements. HUD's capital grant allocation to SSHP is \$1.0 million. Six SSHP properties will receive exterior repairs, such as new roofs or mailbox replacements. Bitter Lake Manor and Pleasant Valley will start the second phase of elevator work; Blakeley Manor's elevator will be upgraded or rehabilitated; and Gideon-Mathews Gardens and Schwabacher House will start the elevator design process. The capital budget also includes rehabilitation funds for Sunrise Manor; projects include siding repair or replacement, intercom system replacement, patio repairs and new mailboxes. Allowances for minor maintenance, repair, and replacement, common area updates pursuant to UFAS guidelines, plumbing, and security upgrades are included. Michaelson Manor rehab work budgeted in 2015 is in process and will soon see improvements to its shell, elevator and selected units. Significant rehab work on the siding and windows of Pinehurst Court will occur in 2016 and 2017 from funds budgeted in 2013 and 2014.

Summary of SSHP Capital Projects	CY 2016 Budget	CY 2017 Budget
Exterior Improvements	\$ 2,044,000	\$ 2,352,000
Interior Improvements	236,000	265,000
Elevator Rehabilitation	1,075,000	1,173,000
Minor Maintenance, Repair and Replacement and Allowances	302,000	-
Total Asset Preservation Capital Projects	\$ 3,657,000	\$ 3,790,000
Indirect Service Fee	100,000	100,000
TOTAL SSHP Capital	\$ 3,757,000	\$ 3,890,000

Table 38: Summary of SSHP Capital Projects

Capital fund allocations from HUD for Senior Housing units will remain in the SSHP portfolio. We continue to work with the SSHP Rent Policy Advisory Committee to transition to revised policies and procedures from the Public Housing Program, while maintaining the distinctive features of the SSHP program and identity.

Special Portfolio

SHA owns housing acquired with a variety of financing plans and two Section 8 New Construction buildings. The CY 2017 capital work focuses on exterior improvements, unit upgrades, and roof repairs or replacements. Unit updating projects are budgeted for 104th Street Townhomes, Fir Street, Lake City Commons, Longfellow Creek Apartments, MLK Jr. Way Townhomes, Rainier Avenue Apartments, Spruce Street Townhomes, Wisteria Court, and Villa Park. Exterior repairs are planned for Bayview Tower, Lake City Commons, Lam Bow Apartments, Market Terrace, MLK Jr. Way 5-plex, Montridge Arms, Norman Street Townhomes, Telemark Apartments, Wedgewood Estates, and Yesler Court.

Financing plans for Longfellow Creek Apartments, Roxhill Court Apartments and Wisteria Court will be finalized in 2017. The project funds will address exterior needs, such as building envelopes, roofs and doors at Wisteria Court and Roxhill Court. Major unit upgrades including flooring, cabinets and baths are also part of the plan for all three communities. The project is not fully defined at this time; therefore, no funding is adopted. Once the project plans and budget are finalized in 2017 they will be incorporated in the 2017 budget as a revision. The project costs are estimated to range from \$15 to \$20 million.

Management Improvement through Technology

A number of technology-enabled process and systems improvements are included in the 2017 capital budget. These include a contract management system to help streamline the procurement process, mobile maintenance and inspection application roll-outs, and the second years of two multi-year projects: document imaging and business intelligence.

Low Income Housing Tax Credit and HOPE VI Limited Partnerships

As of October of 2016, after the closing of the NewHolly Phase I partnership, SHA will be the owner of two tax credit properties and the general partner in eighteen tax credit limited partnerships. The 2017 capital repair, replacement and rehabilitation plan for these communities approximates \$1.9 million. The projects are funded from replacement reserves, annual deposits defined within the terms of the partnership agreements. Individual project descriptions are in the chart at the end of this section.

Miscellaneous and Non-Routine

Non-residential Facilities projects budget of \$501,000 will support replacement of twenty service vehicles/vans and security camera installation and infrastructure repairs to seal south and east exterior walls from water intrusion at the Central Maintenance Facility.

NEW ACQUISITION, DEVELOPMENT, AND PLANNING

Replacement Housing

SHA has committed to replace all demolished public housing units from redeveloped communities on a one-for-one basis, either on- or off-site. Once Red Cedar is complete in 2018, SHA will have finished more than 50 percent of our total replacement housing obligation at Yesler Terrace.

Scattered Sites Reconfiguration Program

SHA is exploring another Scattered Sites Repositioning project.

- Homestead Community Land Trust purchased four scattered sites units in 2015. The sales proceeds will be used to renovate and convert smaller bedroom units to larger bedroom units. The multi-year project will update unit interiors, heating and ventilating systems, and address other deferred capital needs.
- Modernize eighty-two single family homes in the Scattered Sites portfolio. Fifteen homes are included in the large bedroom conversion program above. Various levels of rehabilitation are necessary to reduce ongoing maintenance costs and improve marketability of single family homes to our tenants.
- To fund some of the renovations and conversions, units may be sold. The replacement units will be easier for tenants and SHA to manage. Location is one of many elements under consideration. Close proximity to services for residents is highly desirable and an element SHA hopes to improve with repositioning.

Housing Acquisitions/Development

SHA plans to continue to maintain and improve its current stock of housing. Yesler Terrace redevelopment is ongoing. Completed housing projects at Yesler Terrace include Baldwin Apartments (completed in 2014) and Raven Terrace (completed in 2015). Hoa Mai Gardens will be completed in mid-2017 with lease-up completed in early 2018. Red Cedar will be completed in late summer 2018 with lease-up completed by early 2019. See earlier sections of this Capital Improvement Program, Grants and Limited Partnership section for broader descriptions. No acquisition projects are currently planned for 2017. Any potential acquisition opportunities that may arise in 2017 will be assessed and decided on a case by case basis.

Predevelopment Working Capital – Pipeline Projects

SHA has properties throughout the Seattle area and is discussing future housing development with potential partners. We have budgeted \$1.5 million in funds for feasibility studies or exploratory development planning for the Blue Topaz in 2017. The Blue Topaz is located in north Seattle and is a 35-unit building. Studies will be done to determine how to best increase the number of units on site and to finance the projects with tax credit equity.

SHA created a revolving fund for reimbursable predevelopment activities in 2010. These funds may be used in 2017 in anticipation of mixed finance funding for work at Yesler Terrace's Red Cedar. The funds are earmarked for planning work on projects that are ready for predevelopment, where permanent financing will repay the predevelopment cost and to bridge cash flow when necessary.

Future Capital Financing

Housing authorities throughout the country face significant challenges to meet growing capital needs. SHA is no exception. Our challenge continues; where to find adequate capital resources:

- To preserve and prolong the life of our existing housing stock;
- To address emergent conditions such as water intrusions;
- To add new and replacement units;

- To respond to funding challenges of major redevelopment activities;
- To identify resources for a development reserve fund to serve as a hedge against the volatility of development projects and their funding; and
- To assemble viable mixed financings that pencil out for development and rehabilitation projects and their subsequent operations.

The warming economic recovery, very successful real estate market in the Seattle area, and the uncertainty that characterizes the federal budget process and decision-making have increased pressures. The federal government continues to target discretionary programs that support capital funding in low-income communities, including the public housing capital grant and the community development block grant. We will need to pay close attention to the changing realities of the credit markets, the evolving condition of the local housing market, our own overall financial capacity, and federal, state, and local capital funding trends, as we address financing to complete existing projects and think about future capital funding availability.

2017 CAPITAL ACTIVITIES

SHA 2017 Capital Projects -- MTW Grant-Funded Activities

Table 39: SHA 2017 Capital Projects -- MTW Grant-Funded Activities

Low Income Public Housing Projects		
LIPH - Scattered Sites	First year of a three-year project of rehabilitation to address 82 single family homes, the project includes complete unit upgrades, cabinets, flooring, bath and mechanical systems upgrades. Other projects include repair and replace 24/7 fans, upgrade two agency units, repair or replace windows, repair retaining wall and paint exterior, repair sidewalk, repair siding, remove and repair rot, replace roof, repair exterior, replace decks, install, repair or replace interior lighting, repair soffits, repair interiors, and paint trim and flashing.	\$ 1,367,000
Bell Tower	Replace roof, replace shower pans, install new boiler, and replace flooring in elevator #2.	219,000
Jackson Park Village	Phase I of a roof replacement project.	200,000
Jefferson Terrace	Upgrade eleven units to comply with the Uniform Federal Accessibility Standards (UFAS), repair interior water leaks, upgrade DVR and camera systems, install cameras wires in elevators and hallways, keycard access on entry doors, replace 6th floor entry door.	806,000
Olive Ridge	Replace roof, clean siding, upgrade one unit interior to establish a baseline cost for future projects, repair pot holes and restripe parking lot, upgrade DVR and keycard access system, install additional cameras.	370,000
Tri-Court	Upgrade nine units to comply with UFAS.	250,000
Westwood Heights	Repair leaking windows and targeted walls.	158,000
Yesler Terrace	Repair sidewalks.	5,000
Portfolio wide	Allowances for upgrades to up to five aging units at vacate.	150,000
Portfolio wide	Allowance for minor maintenance, repair, and replacement for minor capital needs. Upgrade to LED lighting in four buildings, update Physical Needs Analysis, as necessary.	335,000
Public Housing Capital Projects Subtotal		\$ 3,860,000
Special Portfolio Projects		
104th Street Townhomes	Upgrade kitchen and bath cabinets, countertops, mirrors, and medicine cabinets in three units.	\$ 22,000
Lam Bow Apartments	Enlarge dumpster stations on north and south sides of building to include recycle dumpsters.	4,000
Montridge Arms	Repair and replace decks on the west side of building, repave parking areas to redirect water away from the building to catch basin, restripe parking area, replace awning on east and west side of building.	88,000

Special Portfolio Projects		
Ravenna Springs	Install 24/7 fans in as many units as funds allow.	5,000
Roxhill Court Apartments	Replace lock hardware.	2,000
Spruce Street Townhomes	Replace siding on six units with wood rot damage.	150,000
Westwood Heights East	Replace locks on apartments and common area lightings.	29,000
Yesler Court	Power wash building.	25,000
Portfolio wide	Allowance for maintenance, repair, replacement and rehabilitation allowance.	100,000
Special Portfolio Subtotal		\$ 425,000
Contingency		
LIPH and SSHP Portfolio wide	A contingency for Unforeseen Urgent and Unbudgeted (UUU) project requirements.	\$ 735,000
Contingency Subtotal		\$ 735,000
Non-residential Facilities Projects		
Central Maintenance Facility	Install security cameras, upgrade infrastructure, seal south and east exterior walls to prevent water intrusion into work shops, replace carpet in administrative wing with carpet tiles, recondition lunch room floor.	\$ 35,000
South Operations Facility	Replace twenty vans, install security camera wires.	466,000
Non-residential Facilities Subtotal		\$ 501,000
Financing and Administrative Costs		
Various	Asset Management administration.	\$ 706,000
Various	Construction administration.	256,000
Yesler Terrace	Yesler Terrace redevelopment administration.	502,000
LIPH-LP High-rises	Debt service and other financial costs for homeWorks	2,066,000
Finance and Administrative Subtotal		\$ 3,530,000
Central Services Operating Cost Allocation		\$ 1,063,000
Total 2017 MTW Block Grant Budget for LIPH and Local Programs		\$ 10,114,000

SHA 2016 Capital Projects – MTW Grant-Funded Activities

Seattle Senior Housing Program Projects		
Bitter Lake Manor	Start Phase II of elevator upgrades.	\$ 568,000
Blakeley Manor	Upgrade elevator and replace roof.	565,000
Carroll Terrace	Replace roof.	120,000
Fort Lawton Place	Replace roof.	120,000
Gideon-Mathews Gardens	Design elevator upgrade.	50,000
Olmsted Manor	Replace roof.	158,000
Pinehurst Court	Replace roof.	260,000
Pleasant Valley Plaza	Start phase II of the elevator upgrade, replace mailboxes.	230,000
Schwabacher House	Design elevator upgrade.	50,000
Sunrise Manor	Rehabilitate building exterior, replace intercom system, repair patio, and replace mailboxes.	922,000
Portfolio wide	Allowance for minor maintenance, repair, and replacement for upgrades not previously included.	160,000
Portfolio wide	Uniform Federal Accessibility Standard upgrades to common areas.	70,000
Portfolio wide	Keycard access system upgrade.	467,000
Portfolio wide	Allowance for plumbing.	50,000
Seattle Senior Housing Program Projects		\$ 3,790,000
Central Services Operating Cost Allocation		\$ 100,000
Total 2017 MTW Block Grant Budget for SSHP		\$ 3,890,000
Other MTW Funded Capital Projects	Information Technology capital projects for upgrading enterprise-level software and infrastructure, ongoing projects including mobile maintenance and inspection application roll-outs, security upgrades, acquisition of procurement contract management software, and the second years of two multi-year projects: document imaging and business intelligence.	\$ 992,000
Total 2017 MTW Capital Budget		\$ 14,996,000

SHA 2017 Capital Projects – Other Funds and Redevelopment Activities

Table 40: SHA 2017 Capital Projects – Other Funds and Redevelopment Activities

Special Portfolio and Other Projects		
104th Street Townhomes	Install 24/7 fans.	\$ 2,000
Alder Crest Apartments	Install heavy duty closet door track guides and rollers on certain units; replace front area with rockery/hardy plantings on slope.	12,000
Bayview Tower	Seal façade, construct overhead protection at trash area; install fence and entry gate at rear of building; continue ongoing 2016 project for installation of new hallway carpet on second through seventh floors; paint, upgrade building exterior lighting; and install exterior security camera facing back alleyway.	240,000
Beacon House ACRS	Remove tree on Southeast property corner, replace five two-piece bathtub surrounds with new one-piece surrounds.	16,000
Fir Street Townhomes	Replace bath vanities, countertops and mirrors in units 151, 155, 159, 720 and 722.	7,000
Lake City Commons	Replace five bathroom vanities, mirrors and medicine cabinets, replace deck coating and drainage system on north side, replace carpet with hard surface flooring if project budget allows, replace five two-piece bathtub surrounds with new one-piece surrounds, replace exterior lighting in common areas with LED lighting.	30,000
Lam Bow Apartments	Begin Phase II of closet redesign where current closet door is no longer available for replacement, install fence at back of building, and replace four metal entry doors on buildings A and B.	83,000
Market Terrace	Begin Phase I to replace north side decks.	60,000
MLK Jr. Way 5-plex	Build a secure enclosure for dumpsters.	5,000
Norman Street Townhomes	Replace enclosed front porch and deck area, driveways, replace exiting fans with 24/7 fans, replace two-piece bathtub surround with new one-piece surround.	25,000
South Shore Court	Replace three to five hot water tank valve assemblies with metal valves.	7,000
Spruce Street Townhome	Replace kitchen and bath cabinets, counter tops and mirrors in units 1524, 1532, and 203.	33,000
Stone Avenue Townhomes	Replace wood slat fencing with white or black vinyl slat material fencing with a top railing.	7,000
Telemark Apartment	Power wash building, paint interior hallways and stairwells, pave parking lot and restripe.	50,000
Villa Park	Replace five kitchen cabinets and countertops, replace bath vanities, mirrors and medicine cabinets, replace playground structure, remove two large trees next to unit 9117 on the south side, paint fascia as needed.	76,000
Wedgewood Estates	Replace roof at two cottage buildings, investigate water intrusion issues and make repairs.	155,000
Westwood Heights East	Replace common area lighting, upgrade energy efficiency, replace gutters on Building B.	33,000

SHA 2016 Capital Projects – Other Funds and Redevelopment Activities

Special Portfolio and Other Projects		
Yesler Court	Power wash building.	25,000
Special Portfolio and Other Projects Subtotal		\$ 866,000
CY 2017 Facilities Projects		
South Operations Facilities	Replace solid waste truck.	\$ 300,000
Center Park Community Building	Repair ceiling and floors.	25,000
Main Street Commercial	Upgrade interior flooring and repaint walls in commercial space.	6,000
Othello Condominium Association	Upgrade interior flooring in commercial space.	20,000
Agency Unit	Upgrade two agency units at 2805 E Cherry.	60,000
Tamarack Commercial	Upgrade cameras and keycard access reader.	40,000
YWCA Office Building	Replace roof.	40,000
Facility Projects Subtotal		\$ 491,000
Portfolio Projects: Other Sources		
Longfellow Creek Apartments	Replace cabinets in six units; install cameras in hallways at automatic gates and parking lot, re-establish power and lighting to mailbox area.	\$ 75,000
Main Street Apartments	Fence dumpster area and add lock.	15,000
MLK Jr. Way—5-plex	Replace kitchen and bath cabinets, countertops, and mirrors, reroute kitchen exhaust to the outside, replace handrails on all porches and on steps on the Southeast side of the property, upgrade lighting in laundry room with energy efficient bulbs, motion sensors and 24/7 fans.	15,000
Othello at Holly Park	Repair flat roofs, redirect downspouts and repair flashing.	281,000
Rainier Avenue Apartments	Replace kitchen cabinets and bathroom vanities in four units; replace current exterior lighting with energy efficient lighting.	42,000
Roxhill Court Apartments	Repaint handrails in stairwells.	4,000
Wisteria Court	Install new kitchen cabinets in eight units, repair soffit and trim in buildings, install cameras in stairwells, replace railroad ties behind unit 7560, install screen doors with latches on 95 units, repaint second story exterior stairwells.	204,000
Special Portfolio Projects: Other Sources Subtotal		\$ 636,000

SHA 2016 Capital Projects – Other Funds and Redevelopment Activities

CY 2017 Limited Partnership and HOPE VI Capital Projects		
NewHolly (Phase I)	Repair playground equipment, upgrade or repair surface, repair asphalt parking and restripe.	\$ 76,000
Othello LP (Phase II)	Replace appliances, replace carpet flooring with vinyl, replace hot water tanks, repair fencing, upgrade signage, and repair sidewalk trip hazards.	50,000
Desdemona LP	Clean exterior siding, gutters and roofs, paint wood trim, repair hydronic system for hillside units.	109,000
Ritz Apartments LP	Replace appliances.	3,000
Escallonia LP	Pressure wash all buildings, paint trim and doors, stair covering replacement at Snoqualmie Building, repair or replace fencing and porches, replace flooring, replace appliances, replace 5% of the hot water tanks, expansion tanks and mixing valves, repair interior and exterior water damage in McBride Community Room, replace or repair and clean flooring for the Snoqualmie Community Room, repair sidewalks.	164,000
High Point North LP	Paint exterior siding and trim, restore parking bay, update carpeting and hard surfaces for vacant units, replace appliances, repair hydronic heating, repair parking lot and driveways.	320,000
High Point South LP	Replace flooring, replace appliances, repair fencing and replace mailboxes, install shower surrounds in two units.	80,000
Lake City Court	Replace six ADA door openers, replace hardware for eleven doors, replace seven doors, and install keycard access to garage door.	18,000
LIPH LP (homeWorks I)	Upgrade elevator at Beacon Tower, replace roof at Green Lake Plaza, replace appliances, install new boiler, clean exterior of building, upgrade exterior lighting, upgrade DVR and monitor and install additional cameras, reinforce patio deck, replace gate at entrance to generator area.	422,000
LIPH LP (homeWorks II)	Replace roof at Lake City House, replace elevator pulley ropes at Center Park, rehab unit 711 at Lake City House, repair exterior doors, replace appliances, improve external lighting, replace garage door operator, replace emergency lighting, enclose patio with fence, upgrade interior lighting with energy efficient systems and motion sensors, replace entryway tile, improve landscaping and walkway, coat deck, and replace missing fence panel at the back of the building.	366,000
LIPH LP (homeWorks III)	Replace sewer lines at Barton Place, perform generator study at several buildings to determine best resolution for elevator upgrade and compliance, upgrade unit interiors, paint common areas, replace appliances, install keycard access system for community room, replace community room sliding glass doors, replace building mounted exterior lighting, install camera for parking lot, repair patio wall, repair doors, repair sidewalk.	280,000
Total CY 2017 LP and HOPE VI Capital Projects Subtotal		\$ 1,888,000
Total CY 2017 Other Funds Capital Budget		\$ 3,881,000

SHA 2016 Capital Projects – Other Funds and Redevelopment Activities

CY 2017 Redevelopment Projects		
Hoa Mai Gardens	Third and final year of construction for the new development.	\$ 16,805,000
Red Cedar	First year of construction to build a 119-unit development.	32,074,000
NewHolly (Phase I)	Second year of exterior rehabilitation project.	12,170,000
Blue Topaz	Predevelopment activities, such as architectural and engineering, feasibility and environmental studies.	1,500,000
Infrastructure for Phases 3 and 4	Ground work near Yesler Way to support future development of housing and commercial space critical to the Yesler Terrace neighborhood success. Finish the E Yesler Way street improvements for Block 3 and 4. Remove the slip lane and reconfigure associated trolley wires from E Yesler Way to 12th Ave South. Construct an off-leash dog area north of Yesler Way and east of I-5, and provide improvements for an urban garden south of Yesler Way and east of I-5.	3,694,000
Total CY 2017 Redevelopment Capital Expenses		\$ 66,243,000

Total CY 2017 Non-MTW Capital Budget \$ 70,124,000

Total Overall CY 2017 Capital Expenditures \$ 85,120,000

GRANT PROGRAMS

GRANT PROGRAM DESCRIPTIONS

Service Grant	Total Award	CY 2017 Budgeted Receipts	Grant Award Period
Family Self- Sufficiency (FSS) Coordinator	\$414,000	\$414,000	1/2017 to 12/2017
<p>The Family Self-Sufficiency (FSS) Coordinator Grant supports salary and benefit costs to operate the FSS program, which assists voucher participants in their efforts to become self-sufficient. FSS staff will provide one-on-one case management support to assist HCV and LIPH participants in their efforts to: overcome barriers that prevent them from moving forward; identify services that are available to assist them; set goals and the steps to reach those goals; and obtain employment and training services offered by local providers. FSS participants may earn an escrow credit, based on increases in their earned income and rent. The escrow funds are deposited into an account which may be used to continue their education, small business start-up, provide a down payment to buy a home, or for other approved self-sufficiency uses.</p>			

Service Grant	Total Award	CY 2017 Budgeted Receipts	Grant Award Period
Chase Foundation Grant	\$765,000	\$274,882	08/2014 to 10/2017
<p>The Chase Foundation Grant provides funding for the development of an economic self-sufficiency plan and pilot program for public housing tenants and HCV holders to increase economic mobility. The plan will support tenant efforts to access resources from major workforce system partners in order to receive training, placement services, and retention services. SHA will partner with the Seattle Community College District, the Workforce Development Council, Seattle Jobs Initiative, the Seattle Chamber of Commerce, and the Seattle Office of Economic Development to implement a one-year pilot program that will serve 300 SHA tenants and voucher holders. The program will provide training, support, and job placement in job sectors where additional trained and qualified employees are needed to fill vacant positions. 2017 will be the third and final year of the Chase Foundation WOS grant for the pilot program.</p>			
<p>NOTE: This grant is part of the Campus of Learners Foundation and is not directly an SHA grant. The grant award amount is included in the grant totals.</p>			

Service Grant	Total Award	CY 2017 Budgeted Receipts	Grant Award Period
ROSS Service Coordinators Program Grant	\$738,000	\$238,568	8/2016 to 8/2019
<p>Seattle Housing Authority received a Resident Opportunities and Self-Sufficiency (ROSS) Service Coordinators grant of \$738,000 from the US Department of Housing and Urban Development (HUD). The ROSS Grant is to support public housing residents in their effort to obtain economic and housing self-sufficiency. The coordinators will serve families who reside at the following projects: High Point North (Phase I), High Point South (Phase II), Lake City, NewHolly (Phases I, II, and III), Rainier Vista Phase I, Rainier Vista Phase II (Tamarack), Rainier Vista Phase III, and eight Scattered Sites properties, totaling at least 150 units. Additionally, this grant includes funds for administrative and training costs.</p>			

Service Grant	Total Award	CY 2017 Budgeted Receipts	Grant Award Period
The Kresge Foundation	\$678,000	\$226,000	8/2015 to 7/2018
<p>The Kresge Foundation grant will support an art master plan as part of the redevelopment of Yesler Terrace. SHA will use the funding to retain artists to infuse the new, mixed-income community with multiple works of art and to support collaborative artistic projects and programs, working with community members and teams involved with design of streets, pathways, parks and other public spaces. The grant will also enable SHA to work with artisans living in the Yesler Terrace community to enhance their skills and translate them into works for public display or available for sale locally. As a part of the three-year grant, SHA is partnering with Seattle University (SU) on two projects. An existing SU co-led program that trains youth in filmmaking will be enhanced to include a focus on youth at Yesler Terrace documenting the physical and social transformation of their historic community. In addition, a team of faculty and students from SU will evaluate the overall impact of the artistic efforts at Yesler Terrace, document them, and create ways to share the assessment with other housing authorities and with arts organizations.</p>			

Service Grant	Total Award	CY 2017 Budgeted Receipts	Grant Award Period
Gates Foundation Education Grant	\$846,000	\$418,015	9/2014 to 4/2017
<p>The Gates Foundation Education Grant will support Seattle Public Schools (SPS) and SHA in the creation of a multi-year plan to improve education outcomes of low-income children and youth as a strategy to address and end the pervasive cycle of poverty. This requires accessing data; analysis; stakeholder feedback; establishing baseline metrics and goals; evaluating policies; and prioritizing action steps. The program will focus on school-age (5–19-year-old) students who are served by both SHA and SPS.</p> <p>SHA is working closely with SPS to improve the educational outcomes for the over 6,000 school-age youth who are served by both organizations. This grant builds on prior work funded with support from the Bill and Melinda Gates Foundation. Collaboratively, SPS and SHA will develop a clear picture of how these students are doing; provide recommendations on services, policies and systems that should be addressed; and revise a longitudinal database.</p>			

Service Grant	Total Award	CY 2017 Budgeted Receipts	Grant Award Period
Robert Wood Johnson Foundation	\$16,044	\$5,834	5/2016 to 6/2017
<p>SHA received a grant from Robert Wood Johnson Foundation through King County for participation in Data Across Sector for Health. The project will promote a culture of health through sharing data and information systems to plan, implement and evaluate multi-sector health improvements. Public Health, Seattle & King County, King County Housing Authority and SHA will partner to build an integrated data system in conjunction with the King County Accountable Community of Health shared measurement system. Lessons include the integration of health and housing, accountable care, shared measurement, electronic workflows, and data training and dissemination.</p>			

Grant Programs

Service Grant	Total Award	CY 2017 Budgeted Receipts	Grant Award Period
Google	\$194,120	\$64,704	1/2016 to 1/2017
<p>SHA received a \$194,120 grant from the Google Community Grant Fund (Tides Foundation) in January 2016. The grant is to be used for purchase of mobile Wi-Fi hotspot devices to serve students who are SHA residents.</p>			

Service Grant	Total Award	CY 2017 Budgeted Receipts	Grant Award Period
City of Seattle – Bailey Gatzert	\$193,000	\$150,000	9/2016 to 9/2017
<p>Funding for families participating in the Bailey Gatzert Home from School initiative will come from a City of Seattle grant to support implementation of the following three systems-level strategies: 1) create a data-driven service delivery model that informs how SHA and SPS allocate resources to improve education outcomes for our shared students; 2) develop dual-generation supports to improve education and skills attainment for youth and adults; and 3) act as allies in bold policy and systems change in order to advance the well-being of shared students and families.</p>			

Service Grant	Total Award	CY 2017 Budgeted Receipts	Grant Award Period
Choice Neighborhoods Initiative at Yesler Terrace	\$4,500,000	\$569,194	4/2011 to 9/2019
<p>SHA entered a contractual agreement with HUD for the Choice Neighborhood grant. The grant includes funds for supportive services and “people” programs. The fund will be used to support families and students through a partnership with Seattle University and other educational partners. The support includes youth tutoring, parent child home visits, college preparation and academic services for middle school and high school students, summer academic enrichment programs, and helping families and students to develop educational plans for their future goals. Through the grant, SHA will continue our cradle-to-college education initiative in the Yesler neighborhood until at least the summer of 2019.</p>			

Service Grant	Total Award	CY 2017 Budgeted Receipts	Grant Award Period
Sound Families Initiative	\$400,000	\$9,703	2/2007 to 12/2017
<p>This grant award from the Gates Foundation under the Sound Families Initiative included \$400,000 of capital funding for twenty new public housing units at High Point, and \$400,000 for case management services for thirty formerly homeless families living in units at Wisteria Court (ten units) or High Point (twenty units). The funding dedicated to services is used to support a ten-year contract with Family Services which has two full-time case managers working with the thirty families. The services provided by this grant are also supported by contributions from the properties and community services reserve funds. As we near the final years of the program, funding will shift from grant spending to reserve fund spending pursuant to the original funding agreement.</p>			

SHA also anticipates receiving in 2017 funding from various sources to support the Continuing Moves to Opportunity initiative to encourage resident families with school-age children to move to housing in opportunity neighborhoods. The King County Housing Authority (KCHA) and SHA are jointly submitting a grant proposal to the Gates Foundation for implementation of this program.

Seattle Housing Authority Grant Program CY 2017

Name	Date	Amount*	Prior Years	CY 2017	Remaining
Family Self Sufficiency	2017	414,000		414,000	-
Chase Bank Foundation Grant	2017	200,000		200,000	-
ROSS Service Coordinators Grant	2016	738,000	82,000	238,568	417,432
The Kresge Foundation	2016	678,000	226,000	226,000	226,000
Gates Foundation Education Grant	2016	696,000	564,000	132,000	-
Robert Wood Johnson	2016	16,044	10,210	5,834	-
Google Grant	2016	194,120	129,416	64,704	-
City of Seattle -- Bailey Gatzert	2016	193,000	43,000	150,000	-
CNI II (Community Services)	2013	2,959,500	948,096	569,194	1,442,210
Sound Families Initiative	2007	400,000	390,297	9,703	-
TOTAL		\$6,488,664	\$2,393,019	\$2,010,003	\$2,085,642

Table 41: Grant Program Funding

* Some of the amounts listed above are estimates; some grant awards have not yet been announced for 2017.

LIMITED PARTNERSHIP OPERATIONS

LIMITED PARTNERSHIP OPERATIONS

SHA expects to begin 2017 with eighteen tax credit partnerships that are component units, as defined by GAAP. "Component units" are legally separate organizations, but for which the governing officials of the primary government (SHA) are financially accountable. This includes the addition of the NewHolly Phase I partnership that closed in October of 2016. SHA expects to enter into a nineteenth partnership in early 2017 with the addition of Red Cedar. Construction of Hoa Mai Gardens is expected to be completed in 2017 and has been included in the draft budget. NewHolly Phase I, which was previously included in SHA's Housing Operations budget will now be displayed with the other Limited Partnerships. SHA will be exploring early exit opportunities for multiple limited partnerships in late 2016 and 2017. If SHA is successful, these properties will be returned to SHA.

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

When applicable, intercompany allocated costs will be incorporated into the final recommended budgets that will be sent to the various limited partners in the 4th quarter of 2016. In approving the 2017 SHA Budget resolution, the Board of Commissioners will approve the draft LP budgets and recognize that final budget approval rests with the limited partners. Below are the 2017 draft budgets that will be finalized in October and November of 2016 and submitted to the general partner (SHA) and the limited partners for final approval.

Table 42: Limited Partnerships -- Operations Budgets

Operations of Limited Partnerships where SHA is the General Partner

Name	Desdemona	Escallonia	High Point North	Ritz Apartments	Alder Crest	homeWorks Phase I	homeWorks Phase II	High Point South	homeWorks Phase III
First year of operations	2002	2002	2003	2004	2005	2007	2008	2008	2009
# of units	219	184	344	30	36	704	691	256	586
Rental Income	1,447,071	916,285	1,881,700	162,727	134,431	1,968,131	1,919,771	1,379,050	1,561,230
Operating Subsidy	441,769	311,447	617,685			2,188,326	2,272,673	73,527	2,141,066
HCV Subsidy	369,432	564,773	1,330,542	67,481	170,000			2,168,876	
Other Income	89,326	49,721	61,588	(1,335)	(1,220)	288,973	302,175	59,849	144,724
Transferred Funds									
TOTAL REVENUE	2,347,598	1,842,226	3,891,515	228,873	303,211	4,445,430	4,494,619	3,681,302	3,847,020
Administrative Expenses									
Salaries	122,511	123,721	211,914	8,701	31,455	464,778	481,334	131,597	409,874
Other Admin Costs	327,871	232,576	421,946	33,631	55,938	722,577	702,330	314,147	622,652
Utilities	397,208	348,099	653,995	19,465	46,382	840,838	816,947	534,763	695,277
Tenant Services	2,873	1,022	3,142	229	21,549	5,817	11,535	66,571	3,340
Maintenance & Repair									
Salaries	203,027	133,784	418,675	11,815				248,636	
Supplies	67,908	57,349	135,765	525		13,542	13,891	99,534	9,855
Contracts	162,575	187,144	191,061	14,602	81,309	1,479,499	1,539,994	152,686	1,329,693
General Administrative Exp									
Property Insurance	70,016	65,977	120,421	9,689	14,845	196,027	233,878	111,086	190,925
Benefits, other	177,299	127,598	337,650	10,255	17,418	237,405	248,773	195,896	213,456
Financial Expenses	430,734	261,100	488,641	52,554	1,575	161,186	157,226	900,359	134,361
TOTAL OPERATING EXPENSES	1,962,022	1,538,370	2,983,210	161,466	270,471	4,121,669	4,205,908	2,755,275	3,609,433
NET INCOME (LOSS)	385,576	303,856	908,305	67,407	32,740	323,761	288,711	926,027	237,587

Operations of Limited Partnerships where SHA is the General Partner

Name	South Shore	Lake City Court	Tamarack Place	Rainier Vista Northeast	Leschi House	Kebero Court	Raven Terrace	Hoa Mai Gardens	NewHolly Phase I	TOTAL 2017 LP BUDGET
First year of operations	2009	2011	2010	2011	2015	2015	2016	2017	2016	
# of units	44	86	83	118	69	103	83	111	305	4052
Rental Income	139,815	452,995	328,163	548,807	284,301	157,946	915,251	360,357	2,003,496	16,561,527
Operating Subsidy		207,023	174,753	208,104						8,636,373
HCV Subsidy	224,743	97,828	275,981	553,750	396,360	1,111,044			849,563	8,180,373
Other Income	11,796	11,360	14,781	8,245	4,179	2,150	(2,000)	(1,500)	61,227	1,104,039
Transferred Funds										0
TOTAL REVENUE	376,354	769,206	793,678	1,318,906	684,840	1,271,140	913,251	358,857	2,914,286	34,482,312
Administrative Expenses										
Salaries	33,519	72,354	58,922	84,015	59,883	70,397	46,740	38,968	143,926	2,594,609
Other Admin Costs	44,448	114,386	250,405	168,333	71,909	113,055	100,458	64,625	338,679	4,699,966
Utilities	42,991	142,148	107,820	232,209	102,056	142,326	79,701	43,206	614,467	5,859,898
Tenant Services		769	524	463	1,050			2,155	3,057	124,096
Maintenance & Repair										
Salaries		89,342	63,546	89,460	16,601	56,177	71,148	28,253	181,967	1,612,431
Supplies		11,832	11,132	21,615	3,323	20,974	17,425	12,601	90,948	588,219
Contracts	74,838	73,195	29,887	116,955	48,511	77,248	97,817	53,673	207,464	5,918,151
General Administrative Exp										
Property Insurance	14,845	50,456		59,178	31,481	54,816	45,155	36,808	45,000	1,350,603
Benefits, other	18,074	84,647	60,721	86,146	38,719	66,295	59,267	35,022	163,919	2,178,560
Financial Expenses	86,895	3,825	64,700	131,486	3,060	6,710	3,735	1,078	254,205	3,143,430
TOTAL OPERATING EXPENSES	315,610	642,954	647,657	989,860	376,593	607,998	521,446	316,389	2,043,632	28,069,963
NET INCOME (LOSS)	60,744	126,252	146,021	329,046	308,247	663,142	391,805	42,468	870,654	6,412,349