



Location  
120 Sixth Avenue North, Seattle, Washington  
Mailing Address  
P.O. Box 19028, Seattle, Washington 98109-1028  
Telephone: 206 615-3300  
TDD: 1-800-833-6384 [www.seattlehousing.org](http://www.seattlehousing.org)

December 15, 2006

Ms. Dominique Blom  
Acting Deputy Assistant Secretary  
Office of Public Housing Investments  
U.S. Department of Housing and Urban Development  
451 Seventh St., SW, Room 4130  
Washington, D.C. 20410

Subject: Adopted MTW Annual Report for Fiscal Year 2006

Dear Ms. Blom:

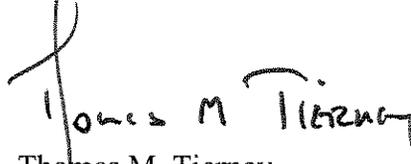
It is my pleasure to transmit the Seattle Housing Authority's Moving to Work (MTW) Annual Report for Fiscal Year 2006. The report documents another busy and successful year for SHA, with the completion of rental housing at Phase I of High Point and the start of homeWorks, a five-year capital program to renovate 22 public housing high-rises. We also implemented major amendments to the Housing Choice Voucher and MTW public housing rent policies.

The Job Connection, SHA's employment services program, made 172 job placements for low-income people at an average hourly wage of \$11.70. More than two-thirds of these jobs also had benefits, which is well ahead of national trends for entry level positions. Forty-three people graduated from the Family Self-Sufficiency program, most with significantly higher incomes at graduation than when they entered the program. Eight residents became homeowners through participation in one or more SHA-sponsored programs.

We request that this Report also serve to fulfill the supplemental information request in your September 29, 2006 letter regarding the conditional approval of our FY 2006 Annual Plan.

On December 12, 2006, SHA's Board of Commissioners approved this report. One original and one copy are enclosed. Copies of this report are also being sent to the local HUD Office and Optimal Solutions. If you require further information, please contact Andria Lazaga at (206) 615-3546 or Ann-Marie Lindboe at (206) 615-3553.

Sincerely,

A handwritten signature in black ink that reads "Thomas M. Tierney". The signature is written in a cursive style with a large initial 'T' and a distinct 'M'.

Thomas M. Tierney  
Executive Director

Enclosure

cc: Mr. John Meyers, Office of Public Housing, HUD, Washington State  
Mr. Eugene Geritz, HUD  
Ms. Molly Martin, Optimal Solutions

# SEATTLE HOUSING AUTHORITY

---

## MOVING TO WORK DEMONSTRATION PROGRAM FISCAL YEAR 2006 ANNUAL REPORT



**DECEMBER 12, 2006**

# SEATTLE HOUSING AUTHORITY

## Board of Commissioners

Bettylou Valentine, Chair  
David Bley, Vice Chair  
Sibyl Bailey  
Marie Cook  
Katie Hong  
Jennifer Potter  
Al Winston, Jr.

## Senior Staff

Tom Tierney, Executive Director  
Andrew Lofton, Deputy Executive Director  
Al Levine, Deputy Executive Director  
Don Ashlock, Director of Housing Operations  
Lisa Cipollone-Wolters, Director of Rental Assistance Programs and Advocacy  
James Fearn, General Counsel  
Virginia Felton, Director of Communications  
Linda Hall, Director of Development  
Ann-Marie Lindboe, Director of Housing Finance and Asset Management  
Dean Barnes, Director of Human Resources  
Dick Woo, Director of Finance and Administrative Services

## Prepared by:

Andria Lazaga  
With contributions from: Liz Alzeer, Terry Berger, Bruce Brines, Willard Brown, Joy Bryngelson, Marguerite Carlson, Lisa Cipollone-Wolters, Mallory Day, Judy Fani, Virginia Felton, Paul Fitzgerald, Errol Flagor, John Forsyth, Sibyl Glasby, Dennis Hall, Linda Hall, Janet Hayes, Eunice Howard, Judy Huertas, Helen Ibarra, Marcia Johnson, Judith Kilgore, Laura Lakings-Becvar, Wendy Lance, Al Levine, Ann-Marie Lindboe, Andrew Lofton, Clair McDaniel, Cathy Moray, George Németh, Carmine Pascucci, Erika Price, Marc Rosson, Cheryl Sabin, Kari Sherrodd, Cindy Sribhibhadh, Brian Sullivan, Eric Swenson, Linda Todd, Stephanie Van Dyke, Nancie White, Dueretha Williams, Dick Woo, Scott Woo, Bob Wyda, Vicky Yuki, Betty Zielinski, Ellen Ziontz

Cover photos, clockwise from top left: Community members playing basket ball in Rainier Vista Park, High Point Pond and rental housing, Southeast Seattle community members enjoying a Senior Gathering holiday event, a young girl enjoying the new slide in Rainier Vista, a newly-employed participant of The Job Connection.

# TABLE OF CONTENTS

	<u>Page</u>
Introduction.....	1
Section I: Households Served.....	11
Section II: Occupancy and Admissions Policies .....	13
Section III: Changes in Housing Stock.....	21
Section IV: Sources and Amounts of Funding.....	23
Section V: Uses of Funds .....	25
Section VI: Capital Planning .....	36
Section VII: Owned and Managed Units.....	41
Section VIII: Administration of Leased Housing.....	423
Section IX: Resident Programs.....	46
Section X: Other Information Required by HUD.....	56
Appendix A: FY 2005 Audited Comprehensive Annual Financial Report	
Appendix B: Households and Applicant Demographics	
Appendix C: Consolidated Financial Statements	
Appendix D: Capital Activities	
Appendix E: Vacancy by Community	

---

---

# FISCAL YEAR 2006 MOVING TO WORK REPORT

## SEATTLE HOUSING AUTHORITY

### INTRODUCTION

#### What is Moving To Work?

The Seattle Housing Authority (SHA) is one of about 30 housing authorities across the country participating in the U.S. Department of Housing and Urban Development (HUD) "Moving To Work" (MTW) Demonstration.<sup>1</sup> MTW has three primary goals:

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

As a MTW agency, SHA is allowed to test innovative methods to improve housing delivery and better meet local needs. SHA may implement alternatives to national regulations for issues described in an agreement signed by SHA and HUD in 1999. FY 2006 is the eighth year of MTW.

Each July, SHA adopts an annual plan that highlights MTW initiatives and other activities planned for the following fiscal year.<sup>2</sup>

---

<sup>1</sup> Because HUD's name for the demonstration, "Moving To Work," sounds like a jobs program for residents, SHA has renamed the demonstration, "Moving To new Ways," to keep the acronym and avoid confusion over the program's purpose. However, for reporting purposes, SHA uses the official name of Moving To Work.

<sup>2</sup> The MTW annual plan takes the place of annual plans required of non-MTW housing authorities. SHA's fiscal year runs from October 1 through September 30.

Each December, SHA prepares an annual report describing the previous year's accomplishments.

#### What is in this report?

This report compares FY 2006 activities and performance to that anticipated in the FY 2006 Annual Plan. The report follows an outline established in the MTW agreement which mirrors the Annual Plan:

*Section I: Households Served* documents the number and characteristics of households in SHA housing programs and on wait lists for housing assistance.

*Section II: Occupancy Policies* reports the status of MTW and other policy initiatives.

*Section III: Changes in Housing Stock* records how and why SHA housing resources have changed compared to projections in the FY 2006 Plan and since MTW began.

*Section IV: Sources and Amounts of Funding* compares the FY 2006 budget with actual revenues and explains variances.

*Section V: Uses of Funds* compares the FY 2006 budget with actual expenditures, explains variances and describes revitalization activities.

*Section VI: Capital Planning* lists capital, disposition, demolition, and homeownership activities in FY 2006.

*Section VII: Owned and Managed Units* covers required performance indicators for public housing: vacancy rates, rent collection, work orders and inspections; and discusses public safety in SHA communities.

*Section VIII: Administration of Leased Housing* addresses performance indicators for the Housing Choice Voucher Program (Section 8 or HCV): utilization rate, rent reasonableness, expanding housing opportunities, inspections, and deconcentration of low-income families.

*Section IX: Resident Programs* describes community and supportive services.

A copy of SHA’s Audited Comprehensive Annual Financial Report for FY 2005 can be found in Appendix A.

Not all of SHA’s activities and programs are part of MTW although they may benefit from some of the changes SHA is able to make because of MTW. Redevelopment of NewHolly, Rainier Vista and High Point, special purpose

Housing Choice Vouchers, and locally-funded housing programs, such as the Seattle Senior Housing Program (SSHP) are not specifically covered in MTW. In the interest of providing a more comprehensive picture of SHA’s activities, information on these programs is also provided.

### Outcomes from Moving To Work priorities

The table below lists areas for innovation included in the MTW Agreement as well as additional areas of innovation and reports on their current status. In FY 2006 SHA focused on implementing and monitoring innovations developed in prior years.

### Areas for Innovation from the Original MTW Agreement – Ongoing Implementation

Areas for Innovation	Status at the Close of FY 2006
Create new public housing rent policy to foster resident self-sufficiency and reduce administrative burden and intrusion into residents’ privacy.	SHA approved an MTW rent policy in June 2000. After extensive evaluation, including a telephone survey of 200+ residents, and public input, the SHA Board adopted significant amendments to the MTW rent policy in FY 2005 (Resolution 4785) to emphasize effective self-sufficiency incentives and eliminate ineffective ones. Implementation of these changes began in FY 2006.
Create site-based wait lists (applicant choice policy).	The SHA Board and HUD approved the “applicant choice policy” in 2000. In FY 2005, SHA established site-based wait lists for Rainier Vista and High Point (Resolution 4760, November 2004) and an affirmative fair marketing policy and protocol (Section II and Appendix H). In FY 2006, SHA continued implementation and developed strategies to further improve the policy, including a proposal to eliminate one of the wait lists in FY 2007 (Section II).
Create mandatory self-sufficiency program participation requirements for residents who are employable but not currently employed.	Self-sufficiency requirements remain in place at NewHolly, Rainier Vista, and High Point. SHA continues implementation of the HUD Community Service Requirement.
Create a new lease and community rules based on proven private management models.	NewHolly, Rainier Vista, and High Point leases are based on private management models, emphasize curb appeal, and require residents to pay their own utilities. These leases also support community revitalization and incorporate private sector practices to assure investors that the communities will be well managed.

Areas for Innovation	Status at the Close of FY 2006
Create Jobs and Resource Centers in large SHA family public housing communities.	SHA operates job centers at NewHolly, Rainier Vista, High Point, Lake City and Yesler Terrace. Block granting under MTW has enabled SHA to serve residents from various housing programs with a more seamless and effective system. SHA's strategies for resident employment are described in Section IX.
Combine public housing operating and capital funds and tenant-based voucher assistance into a single fungible budget. Establish obligation and expenditure timelines in the Annual MTW Plan instead of adhering to HUD timelines.	SHA has created block grant budgets every year under MTW. In FY 2002 and FY 2003, SHA used this flexibility to acquire property, obtain better financing terms and preserve housing affordability in newly-acquired units. In FY 2004, the MTW block grant and Housing Choice Voucher funding formula, along with reserves, enabled SHA to sustain voucher program participation despite high costs. In FY 2005, block granting enabled SHA to meet commitments to the City of Seattle for stormwater management and to Sound Transit for SHA-requested infrastructure improvements at Othello Station and Rainier Vista. In FY 2006, SHA continued to utilize our ability to block grant funds and reserves under the MTW agreement to provide bridge financing for HOPE VI and other affordable housing development activities, pending the receipt of permanent financing in the form of bond proceeds, grant, and other equity funds. SHA has also been able to leverage more favorable financing terms for its bonds and lines of credit by utilizing its flexible MTW reserves.
Maintain an operating reserve consistent with sound housing management practices.	SHA has done this every year since the beginning of MTW. For more on the status of reserves, see Section V.
Merge Housing Choice vouchers and certificates into a single program.	Certificates continue to be converted to vouchers when a holder leaves the program or when an annual review shows that the holder will not become rent-burdened. During FY 2006, 202 certificates were converted and only three remain.
Tailor the Housing Choice Voucher Tenant-Based Assistance Program to local needs.	<p>In June 2005, SHA Commissioners approved Resolution 4784, setting new payment standards, modifying occupancy standards, requiring interim reviews to increase rent when income increases by \$100/month or more and charging families and landlords for missed inspections. The policy uses MTW flexibility to disregard federal regulations requiring housing authorities to impute full TANF benefits for sanctioned families.</p> <p>Prior policy changes that required MTW flexibility include: a \$50 per month minimum rent with no automatic hardship waiver, use of Section 8 funds for downpayment assistance in the ROSS-funded Section 8 homeownership pilot program, criteria defining when payment standards may be raised to 120 percent of Fair Market Rent (FMR) and calculation of rent burden for initial lease-ups to give participants more housing options.</p>

Areas for Innovation	Status at the Close of FY 2006
Adopt a policy for project-basing Housing Choice Vouchers to meet local needs.	The FY 2000 policy permits SHA to project-base up to 25 percent of Housing Choice Voucher budget authority. In FY 2003, the policy was amended to allow the City of Seattle's competitive process for selecting projects for Housing Levy funds to also serve for project-based funding. In FY 2004, the policy was amended to clarify that tenants leaving project-based units are not eligible for exit vouchers. See Section II for information on FY 2006 project-based commitments.
Cooperate with other housing authorities to further MTW goals.	SHA participates in Sound Families with six regional housing authorities and several local governments. Through this program, the housing authorities agree to project-base Section 8 subsidy in new transitional housing approved by local governments and funded by the Gates Foundation. The other housing authorities were awarded HUD waivers for project-basing regulations modeled on SHA's MTW policy. See Section II for information on project-based commitments.  In FY 2006, SHA and the King County Housing Authority worked together to complete a FY 2003 ROSS Section 8 homeownership grant. The grant supported culturally-appropriate outreach and counseling for up to 30 residents in self-sufficiency programs to become homeowners. Twelve SHA participants purchased homes with the support of this program, including three in FY 2006.
Create a reasonable and less expensive process for determining, applying and reporting HUD-determined wage rates.	SHA has amended procurement policies to streamline administration of prevailing wage in bidding and contracting for contracts under \$35,000 to incorporate by reference prevailing wages and federal labor standards information from relevant agency Web sites, rather than including the entire, lengthy text of these provisions in bid documents or contracts. Links to the appropriate sites are provided on SHA's Web site, <a href="http://www.seattlehousing.org">www.seattlehousing.org</a> .
Simplify and streamline HUD approval for homeownership, mixed-finance agreements, partnerships, property demolition and disposition.	In FY 2006, HUD approved disposition of 79 scattered site units under the streamlined disposition protocol.  In FY 2004, SHA and HUD worked on a mixed-finance waiver similar to the one the Atlanta Housing Authority has. A formal waiver request was submitted to HUD in FY 2005. At the end of FY 2006, SHA was awaiting approval of the waiver.
Simplify, streamline and enhance management and maintenance.	SHA continues implementation of a portfolio-based property management system. In FY 2006, the scattered sites portfolio was restructured to improve efficiencies in management.  In FY 2006, SHA implemented a system to enable inspectors to conduct paperless inspections and upload the inspection findings from handheld computers directly into the work order system.
Deploy a cost-benefit and risk management approach for property inspections in lieu of HUD requirements for comprehensive annual inspections.	In FY 2003, SHA implemented a new inspection protocol under which each public housing unit receives either a comprehensive or a critical item inspection annually. In FY 2006, 100 percent of required inspections were conducted including about 3,200 comprehensive inspections in public housing.

Areas for Innovation	Status at the Close of FY 2006
Deploy a cost benefit approach for resource conservation in lieu of the HUD-required energy audits every five years.	A MTW resource conservation protocol was finalized and implemented in FY 2003. See Section V for FY 2006 resource conservation activities.
Purchase properties without prior HUD approval as long as HUD site selection criteria are met.	In FY 2004, SHA developed a checklist for property purchases including replacement of scattered site units that will be sold. In FY 2006, SHA purchased two properties as scattered site replacement housing without prior HUD approval.
Use SHA's own form of construction contract rather than the HUD prescribed form.	SHA has exercised this flexibility for the last several years. The SHA construction contract retains HUD requirements. It also provides more protection for the housing authority, for example, by specifying alternative dispute resolution methods that reduce risk and cost.

### Areas for Innovation from the Original MTW Agreement - Not Currently Exercising MTW Authority

Areas for Innovation	Status at the Close of FY 2006
Adopt an alternative procurement system that is competitive, and results in SHA paying reasonable prices to qualified contractors.	SHA procurement policies are consistent with federal regulations and do not require MTW flexibility. In FY 2005, SHA amended procurement policies to allow consideration of involvement of Section 3 businesses in rating competitive bids for goods and services.
SHA may enter into contracts with any related nonprofit.	HUD's new rule on affiliates allows SHA to enter into contracts with any related nonprofit without exercising MTW flexibility.
Operate Family Self-Sufficiency (FSS) to meet locally-defined needs.	In FY 2005, SHA implemented a number of administrative improvements to free up case management resources. In FY 2006, additional refinements were made. These changes, outlined in Section IX, have resulted in more frequent and focused contact between case managers and FSS participants and created capacity for the program to enroll new participants. While SHA continues to make improvements to meet locally-defined needs, MTW flexibility has not yet been exercised.
Replace HUD's Total Development Cost (TDC) limits with reasonable limits that reflect the local market place for quality construction.	Because HUD published new TDCs in July 2005, SHA has not yet had to exercise this authority.
Establish reasonable, modest design guidelines, unit size guidelines and unit amenity guidelines for development and redevelopment activities.	Such guidelines have been established as part of each HOPE VI revitalization plan. SHA has not, however, exercised MTW flexibility in order to accomplish this.

### SHA's Additional Commitments to HUD

At least 75 percent of the families assisted by SHA must have incomes below 50 percent of the area median.	Ninety-eight percent of households receiving SHA housing assistance have incomes less than 50 percent of the area median.
Assist substantially the same number of households and maintain a comparable mix of families (by family size).	In 1998 (pre-MTW), SHA assisted 10,560 households. In FY 2006, SHA assisted 11,869 households. See Appendix B for information on family size.

---

---

## Outcomes of other activities from the FY 2006 Plan

The FY 2006 Annual Plan spelled out major priorities for the year, in addition to the MTW activities listed above. Here is what happened in regard to those priorities.

### Other activities

#### Meeting Seattle's housing needs

##### Community revitalization

*Continue revitalization of Rainier Vista and High Point:*

- At Rainier Vista AIDS Housing of Washington and Housing Resources Group completed construction of The Genesee, a 50-unit building including 22 units for people with disabilities funded through Section 811.
- Rental housing in Phase I of High Point was completed and leased up by year end. This includes 200 units of public housing, 144 units of workforce housing, and 75 units of housing for low-income seniors.
- Private builders completed approximately 350 homes for sale in SHA communities: Rainier Vista - 50, High Point - 200, NewHolly -102.

*Plan the redevelopment of mixed-use sites at NewHolly on the corner of MLK and Othello Street.*

- Predevelopment feasibility and conceptual designs for mixed-use projects on these sites were prepared.

*Continue reconfiguration of the scattered sites portfolio:*

- HUD approval for disposition of 79 units identified for sale was received, bringing the total approved to 150.
- SHA sold 29 scattered sites units, bringing the total sales to 93 of the 150 units

identified for which disposition has been approved by HUD.

*Begin "homeWorks," a five-year capital program involving bond- and tax credit-financing to renovate 22 public housing high-rises, including comprehensive rehabilitation of building systems and common areas:*

- Started Phase I renovation, substantially completing work in three buildings out of the eight Phase I buildings;
- Completed Design Development documents for the seven Phase II buildings;
- Selected a General Contractor/Construction Manager for Phase II; and
- Received initial proposals for tax credit investment in Phase II.



*Residents of Beacon Tower celebrating the kick off of homeWorks rehabilitation in their building*

*Look for replacement housing options for Holly Court, so that this poorly-designed and -constructed public housing community may one day be redeveloped:*

- SHA continues to develop site design and replacement housing options for Holly Court. This activity will continue in FY 2007.

*Plan for: improvements in marketability, security and building systems at Jefferson Terrace; redesign of the first floor and entry plaza of Bell Tower; possible expansion of Leschi House; and redevelopment of the Lake City Village site and adjacent property:*

- Planning activity for these projects continues.

*Continue to make progress toward off-site replacement housing obligations for High Point and scattered sites:*

- Six new High Point replacement units were added with the purchase of two triplexes in the Delridge neighborhood.
- SHA purchased 14 scattered sites replacement units, bringing the total units replaced to 54. At year end, SHA had another 14 units under contract to purchase.

### **Meeting applicant and resident needs**

*Continue the successful mental health crisis intervention and case management program in the public housing high-rises that was expanded during FY 2005:*

- The mental health crisis intervention program prevented 100 percent of evictions of residents referred to them by property management staff.
- The case management program prevented 94 percent of evictions.

*Continue to strengthen programs that give residents access to computers and the Internet. Expand partnerships and funding to support community technology centers in or near High Point, Rainier Vista, Westwood Heights, Yesler Terrace and Center Park:*

- These technology centers served 600 participants in FY 2006.
- SHA continued to work with partners to move the centers toward financial independence.

*Maintain the highest possible level of employment services for SHA residents and Housing Choice Voucher participants.*

- The Job Connection made 172 job placements, 77 percent of which were full-time and 68 percent of which

included benefits. The average hourly wage at placement was \$11.70.

*As per voucher spending comes back in sync with per voucher funding due to recent policy changes, begin issuing vouchers to wait list households, with the goal of placing the highest possible number of authorized vouchers in service.*

- In May 2006, SHA opened the Housing Choice Voucher wait list and selected 4,000 applicants by lottery to be on the list.

*Apply for Housing Choice Vouchers if any opportunities arise.*

- There were no opportunities in FY 2006 for SHA to apply for more vouchers.

### **Organizational improvements**

*Replace the current overhead allocation system with a revenue-based system to support central administrative costs. Instead of allocating overhead to business units, charge a property management, administrative or service fee.*

- SHA has been implementing its own Asset Management model since the beginning of MTW participation. During FY 2006, SHA redesigned its system for supporting overhead and began implementation with the development of the FY 2007 budget. SHA is exploring the HUD model of Asset Management and may implement portions of the model in the future.

*Implement the Electronic Document Management System (EDMS) in the Housing Choice Voucher program, following the successful pilot of the system in the 760-unit Mod Rehab program.*

- SHA made software upgrades necessary to expand the Electronic Document Management System (EDMS) in the Housing Choice Voucher program, following the

---

---

successful pilot of the system in the 760-unit Mod Rehab program.

*Continue to clarify and update the Policy and Procedures Manual and the Section 8 Administrative Plan as needed:*

- Policy changes included internal key controls, fee schedules for maintenance charges to residents, Tenant Trust Account updates, and updated suitability criteria in accordance with the Violence Against Women Act of 2005.

### SHA activities in the community

SHA continues to make concerted efforts to participate in citywide and regional housing and economic development forums, to make sure that the community as a whole benefits from MTW flexibility, SHA's housing resources are appropriately placed in the affordable housing continuum and SHA residents have access to self-sufficiency resources throughout the region. Activities include:

- SHA is well-represented on the Committee to End Homelessness and its various subcommittees by the Executive Director, Communications Director and Director of Housing Advocacy and Rental Assistance Programs.
- The Executive Director serves on the Board of the Workforce Development Council (WDC) of Seattle-King County. The WDC provides training and development systems to promote economic opportunity for residents and assure a viable workforce for area businesses. SHA staff are also on the WDC Youth Committee.
- In FY 2006, the Executive Director joined the Board of the Seattle Central Community College Foundation, which provides scholarships, child care, and tutoring, to disadvantaged youth.

- The Deputy Executive Director for Development serves on the Urban Land Institute Seattle Executive Committee and the Common Ground and Housing Development Consortium Boards of Directors. He is also a member of the University of Washington Department of Urban Planning Professionals Council.
- The Deputy Director for Finance and Administration serves on the Seattle/South King County Habitat for Humanity Board, is an honorary Board Member of the Rainier Vista Boys and Girls Club and was recently named by the Mayor to the Seattle Center Advisory Commission.
- The Housing Finance and Asset Management Director is a member of both the City of Seattle Credit Committee and the State Bond Cap Advisory Committee.
- The Director of Development serves as the Vice President of the Housing Development Consortium and is on the board of Springboard Alliance (a 50-unit transitional housing program).
- The Communications Director represents SHA on the Governing Board of the Seattle CityClub, which sponsors public forums on civic issues, and serves as CityClub's expert on housing and homelessness issues. In July 2006, the Communications Director took the lead in organizing a CityClub forum on the activities of the Seattle/King County Committee to End Homelessness, which was attended by 180 people.
- SHA staff participate on the Seattle-King County Employment Council, whose focus is to find ways for displaced workers, immigrants or refugees and people with little or no work experience to be trained for living wage jobs.
- SHA staff became founding members of two City-wide coalitions that support economic self-sufficiency of low-income

---

---

families: the Seattle Asset Building Collaborative and the Housing and Economic Security Project. These coalitions are described in Section IX.

- SHA Community Builders are active in neighborhood planning and civic groups including: Coalition of West Seattle Human Service Providers, South East and Delridge District Councils, Coalition to Undo Racism Everywhere, Project Advisory Team for the Van Asselt Community Center, and the Othello Neighborhood Association.

### Other activities of note

*Response to survivors of Gulf Coast Hurricanes:* SHA has stepped up to provide housing for Gulf Coast hurricane survivor who came to the Seattle area.

In FY 2006, as part of a regional coalition, SHA developed a streamlined process to identify private landlords willing to partner with the State of Washington, and FEMA to provide housing to 119 Katrina evacuees using both FEMA resources and the Katrina Disaster Housing Assistance Program through HUD. In addition, SHA provided resources to increase evacuees' access to basic services such as securing identification, contact with social service providers, employment programs, transportation, and furniture and other household goods.

*Utility billing in mixed-income communities:* In FY 2005, SHA began assuming the work of billing NewHolly residents for their water use. In FY 2006, SHA acquired third-party billing software to compliment the reading software, and began also directly billing residents in High Pont North and Rainier Vista for their water and sewer consumption. Master meters and rental unit sub-meters are read by the software. By synchronizing the monthly billings from Seattle Public Utilities (SPU), the local water provider, with the

master meter and sub-metered unit reading, SHA is posting resident accounts with their actual consumption and billing directly. The cooperation with SPU provides confidence that meters and sub-meters are functioning accurately. This strategy also encourages resource conservation and addresses long-standing resident dissatisfaction with the accuracy and timeliness of bills from the private billing company.

### SHA's performance in FY 2006

SHA reports to HUD on key performance indicators in the MTW Annual Report, in lieu of HUD's regular assessment systems. Further information can be found in Sections VII and VIII and Appendix E.

- The average vacancy rate among public housing properties was 2.5 percent.
- SHA responded to 98.7 percent of emergency work orders within 24 hours and 95.4 percent of regular work order requests within 30 days.
- In another year of excellent performance, SHA collected 97.4 percent of public housing rent due and other charges to tenants.

### Special distinctions

#### Awards and Recognition

- In FY 2006, SHA formed a Community Development Entity (CDE) called Seattle Community Investments (SCI). SCI is certified as a CDE in December 2005 and its purpose is to promote economic development activity near HOPE VI sites. SCI received an allocation of \$20 million of New Markets Tax Credits in May 2006.
- The Federal Office of Budget and Finance has recognized The Job Connection for a third year as a "best practice" organization for promoting federal income tax filing

---

---

and the Earned Income Tax Credit to qualified wage earners.

- Othello Station, Phase III of NewHolly, was recognized by the Pacific Coast Builders Conference at their annual trade show with a Gold Nugget Honor of Merit Award and the prestigious Grand Award for their Best Affordable Project (Under 30 units/acre) category.
- The United States Environmental Protection Agency recognized High Point's contribution to energy efficient construction with a 2006 Energy Star for Homes Outstanding Achievement Award.



- In June, the American Institute of Architects awarded High Point with one of eight "Show You're Green" Awards at their national convention and design expo.
- The Pacific Northwest Regional Council of Carpenters presented SHA with the Apprenticeship Opportunity Award in November 2005.

Other distinctions include:

- For the ninth year in a row, SHA was awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association

of the U.S. and Canada for the fiscal year ending September 30, 2005.

- Audited Calendar Year 2005 financial statements for all of SHA's affiliated tax credit partnerships and HUD-assisted projects managed by SHA for other non-profits received clean opinions.

### Partner recognition

- The Washington Chapter of the American Society of Landscape Architects granted Honor Awards to six projects in its 2005 Design Awards. Ten Honorable Mention awards were given including Nakano Associates for High Point HOPE VI Redevelopment.
- The Low Income Housing Institute's Denny Park Apartments won three awards for different aspects of its design and construction: a Gold Nugget Award of Merit for the Best Affordable Project (30+ units/acre) from the Pacific Coast Builders; a Charles A. Edson Honorable Mention for tax credit excellence from the Affordable Housing Tax Credit Coalition; and an Excellence in Construction Award from the Associated Builders and Contractors. Five of Denny Park's 50 units are Holly Park replacement housing.
- The American Institute of Architects also awarded The Pantages Apartments (Capitol Hill Housing Improvement Program) with a "Show You're Green" Awards at their national convention and design expo. Ten out of 49 units are NewHolly replacement housing.

---

---

## SECTION I: HOUSEHOLDS SERVED

This section describes changes to the number and characteristics of households receiving housing assistance and on wait lists over the year. See Appendix B for more information.

### Residents

#### Households and individuals served

In 1998, at the start of MTW, SHA served 10,560 households. By the end of FY 2006, this figure had increased to 11,869 households. SHA provides housing assistance to nearly 24,300 people.<sup>3</sup>

In FY 2006, SHA served eight more households at the end of the year than at the beginning. Public housing saw a net decrease of 209 households due primarily to units being temporarily off-line for renovation and the reconfiguration of the scattered sites portfolio. At the same time, the Housing Choice Voucher program saw a net increase of 227 households served, predominantly in the project-based program.

SSHP remained fully-leased, housing ten fewer households at the end of the year as at the beginning due primarily to the timing of vacancies.

#### Resident income levels

The average income of public housing residents increased slightly from \$12,054 to \$12,117, essentially level with last year.

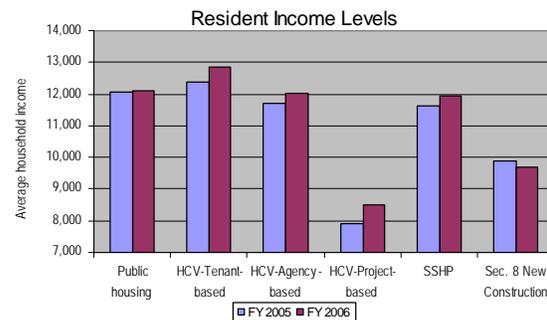
The average income of tenant-based voucher holders increased four percent from \$12,367 to \$12,861. Agency-based participants' average income increased just less than three percent, from \$11,712 to \$12,015. Project-based program participants have significantly lower incomes. However, the average

---

<sup>3</sup> SHA also houses about 1,000 households who are not included in the analysis or the reported totals here. These households do not participate in HUD-funded housing assistance programs or SSHP.

increased more than seven percent for the second year in a row – from \$7,913 in FY 2005 to \$8,498. This is surprising given that 304 new project-based vouchers were leased.

Average income in SSHP was \$11,934, a more than two percent increase from FY 2005 and the highest average since FY 2003.



Average income in Section 8 New Construction was \$9,704, a nearly two percent decrease bringing the average nearly level with FY 2004.

#### Income distribution as a percent of median income

Among SHA's housing programs, 85 to 97 percent of households have incomes below 30 percent of the area median income. These proportions have varied only a percentage point or two annually since MTW began.

#### Racial distribution

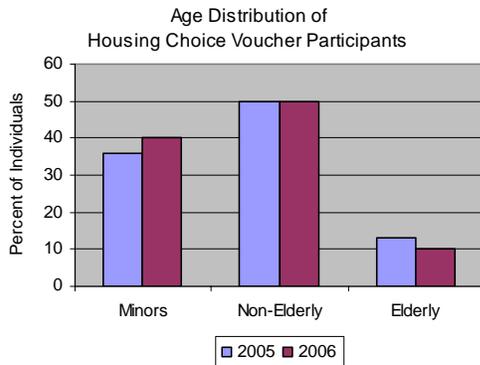
Overall racial distribution of households has been similar for at least the last three years. Within programs, racial distribution of heads of households remained about the same as prior years. The chart at the end of this section shows racial distribution among heads of households in all housing programs.

## Age groups and disability

The proportion of minors, non-elderly and elderly adults in public housing was 29, 53 and 18 percent respectively, similar to FY 2004 and FY 2005. Public housing saw a three percent increase in total population, almost entirely among non-elderly adults and minors.

The number of disabled individuals in public housing was slightly lower than last year – 2,621. People with disabilities comprise 29 percent of public housing residents, compared to 30 percent in FY 2005.

With nearly 1,000 more individuals participating in the Housing Choice Voucher program there have been a few changes in age distribution compared to last year, namely few minors and more elderly adults. Of the 14,168 participants, the proportion of minors, non-elderly and elderly adults was 36, 50 and 13 percent in FY 2006 and 40, 50 and 10 percent in FY 2005 respectively.



There was an increase in FY 2006 in the number of individuals who have a disability and benefit from Housing Choice Voucher, from 25 percent the last two years to 28 percent.

People under 62 in SSHP made up 11 percent of SSHP residents, essentially level with the proportion in FY 2005. The percent of people with disabilities in SSHP has declined slightly from 24 to 22 percent.

## Applicants

### Number of applicants

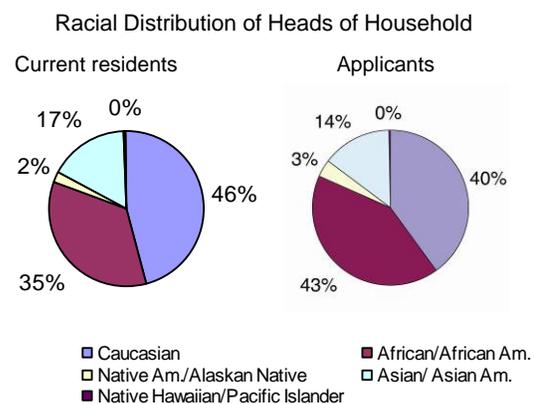
As of September 30, 2006, 12,284 households with an active applicant status were on one or more wait lists for housing assistance, an 11 percent increase from the 11,074 households on the wait list at the beginning of the year. This large increase is due to the opening of the Section 8 wait list in May 2006 and may also be the result of changes SHA made in FY 2005 to increase accessibility, e.g., on-line applications, as well as the timing of periodic wait list updates.

### Income levels

Income levels among applicants lowered slightly in FY 2006. By the end of FY 2006, 92 percent of applicants had incomes below 30 percent of area median income, as compared to 90 percent at the end of FY 2005.

### Racial distribution

The racial distribution among applicants to all SHA housing programs changed in a few areas over the course of FY 2006. At the end of the year, the proportion of Asian American/Asian applicants had decreased from 18 percent to 14 percent and the proportion of African American/African applicants had increased from 40 percent to 43 percent (see pie chart below.)



## SECTION II: OCCUPANCY AND ADMISSIONS POLICIES

Policies governing eligibility, selection, admissions, assignment and occupancy

### Public Housing Applicant Choice (FY 2001)

In June 2000, SHA adopted a public housing applicant choice policy with these goals:

- Offer public housing applicants the ability to choose where they would like to live;
- Maintain racial and ethnic diversity in public housing communities and avoid any conscious or inadvertent racial or ethnic steering;
- Resist concentrating the most disadvantaged applicants in the least desirable locations;
- Increase the efficiency of the admissions and tenant assignment functions; and
- Reduce unit turnover due to resident dissatisfaction with location.

The policy has been in place since 2001. Procedural changes have been made over the years to increase efficiency of leasing.

Under applicant choice, all applicants may place themselves on up to two site-specific wait lists. Those who qualify for an admissions preference may, instead, sign up for the Next Available Unit (NAU) wait list for the north or south half of the city. A subset of the Next Available Unit wait list, called the Expedited wait list, permits expedited processing for applicants who are working with a partner services agency. The fifteen agencies currently involved in the program serve a wide range of household types and needs. Most provide transitional housing or other services for homeless families or individuals.

In FY 2006, SHA developed plans to eliminate the NAU wait list and continue to

provide applicants housing choice through the site-specific and Expedited wait lists. The NAU wait list has proven inefficient and challenging to administer, as evidenced below in the Tenant Selection and Placement section. As well, in FY 2005 SHA entered into an agreement with HUD regarding affirmative fair housing marketing which supersedes the need for the NAU wait list.

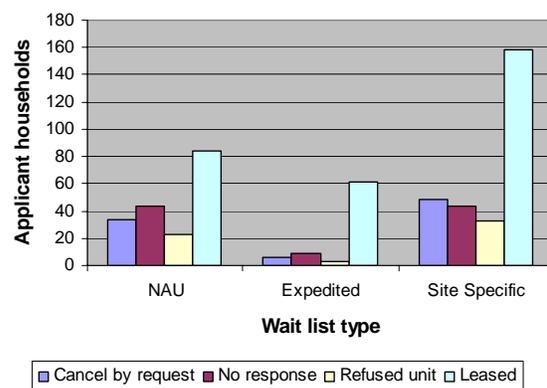
### Tenant Selection and Placement

SHA continued implementation of the on-line Tenant Selection and Placement (TSAP) system to ensure that applicants were pulled from wait lists in the correct order and to track outcomes.

Through the TSAP system, 547 applicants who rose to the top of their wait lists were contacted for leasing opportunities. Outcomes are summarized below.

Outcome	#	Site Specific	NAU	Expedited
Leased	303	56%	46%	77%
Cancel by request	88	17%	18%	8%
No response	97	16%	24%	11%
Refuse unit	59	11%	12%	4%
Total applicants	547	283	185	79

Tenant Selection and Placement Outcomes



---

---

The Expedited wait list is the most productive wait list with the highest lease rates and lowest rates of cancellations, no-shows and refusals. Clearly, a subgroup of applicants benefits from having case management assistance in getting through the leasing process. The site-specific wait lists are slightly more productive than the general next available unit wait list, with higher lease rates and lower refusal rates. The NAU wait list has consistently been the least productive list since the inception of Applicant Choice.

The TSAP system also records applicants' reasons for refusing units. Of the 59 households who refused a unit in FY 2006, the most frequent reasons (37 percent) had to do with building location and characteristics. The second most common reasons (27 percent) had to do with applicants having other housing choices.

### **Affirmative Fair Housing Marketing**

In FY 2005, SHA implemented an Affirmative Fair Housing Marketing policy and procedure in response to a HUD Inspector General audit finding regarding SHA's implementation of one provision of the applicant choice policy.

SHA now conducts affirmative fair housing marketing of racially-identifiable buildings. Racial distribution of heads of households in public housing high-rises is monitored quarterly. If any buildings are found to be racially-identifiable, affirmative fair housing marketing is conducted. SHA provides quarterly reports to HUD detailing racial distribution by building and affirmative fair marketing activities.

### **Local preferences (FY 2003)**

The term, "local preferences" refers to criteria for selecting applicants from a housing authority's wait list. SHA's local preferences were adopted in FY 2003 (Resolution 4680):

- Households whose current income is at or below 30 percent of area median income;
- Applicants who are homeless; or
- Households who have been homeless or whose gross income has been at or below 30 percent of area median income at some point during the 12-month period prior to the eligibility determination.

Several categories of applicants were given a specific preference: SHA live-in staff who leave, and applicants selected by non-profit operators of HOPE VI replacement housing units that receive public housing subsidy.

These preferences remained in effect throughout the year. In FY 2005, the policy was amended so that in the event of a declared disaster, the Executive Director is authorized to adopt and implement procedures that provide a housing preference for disaster victims that supersedes other preferences. No changes were made in FY 2006.

### **Public housing admissions policies and procedures**

#### **Suitability criteria**

Established in FY 2004 and amended in FY 2005, SHA's suitability criteria requires that an applicant demonstrate suitability both through the presence of positive indicators and through the absence of negative ones.

A determination of suitability is based on an applicant's achievement of a specified number of "suitability points" (housing history, employment, sponsorship, services agreements, etc.) *plus* the absence of unacceptable negative indicators.

The purpose of the point system is to maximize every applicant's opportunity to demonstrate suitability for SHA housing and to ensure fair treatment of applicants in similar situations. No changes were made in FY 2006.

---

---

### Automated monthly check-in system

To improve the viability of the wait list and reduce the number of non-responsive applicants, SHA is implementing an automated monthly telephone check-in system. In FY 2005, the system was successfully piloted on two site-specific lists. Applicants called in regularly, in numbers significantly greater than needed to fill actual vacancies in the two pilot buildings.

Following this successful pilot, SHA plans a full roll-out of the automated check-in system beginning spring 2007. At that time, the telephone check-in system will be available in six languages.

### Tri-Court smoke-free policy (FY 2001)

In 2001, SHA designated Tri-Court, 87 units of public housing for elderly and disabled households, a smoke-free environment. FY 2006 was Tri-Court's second full year operating as a smoke-free community. Property managers report a high degree of acceptance of the no smoking rule among residents, no enforcement issues and lots of interest among applicants. Based on these successes, SHA is considering adding a second smoke-free property. This idea will be further explored during FY 2007.

### Designation of elderly/near-elderly communities

In FY 2005, HUD renewed SHA's designation plan for two years. This plan designates two public housing high-rises – Westwood Heights in West Seattle and Ballard House in Seattle's north end – for elderly/near elderly.<sup>4</sup> SHA may establish suitability criteria specific to designated elderly buildings at a future time, but did not pursue this during FY 2006.

---

<sup>4</sup> Elderly is defined as 62 years of age or older. Near elderly is 50 years of age or older.



*Residents learn computer skills in the Westwood Heights technology lab created specifically for seniors*

### Public housing occupancy standards

In FY 2005, SHA revised the public housing occupancy standard to two persons per bedroom, eliminating exceptions for marital status, gender and age. As in the prior policy, an adult head of household is not required to share a bedroom with a minor dependent. This change was made in order to open up more housing units to more families.

Unit Size	Persons in Household	
	Minimum	Maximum
Studio	1	2
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	8
5 Bedrooms	5	10

The new occupancy standards were implemented for new households and those transferring to a different unit in FY 2006. The impact of the new occupancy standards is not yet known, as the average turn-over rate for public housing is less than four percent.

### Community Service Requirement

During FY 2004, SHA implemented the community service requirement in all its public housing communities in accordance with QHWRA (Resolution 4716, October 2003).

Beginning with annual recertifications in FY 2005, household compliance was reviewed. For households who failed to comply with their community service hours, SHA initiated cure agreements. Some households chose to remove the non-compliant member instead of agreeing to sign a cure agreement. In FY 2006, no household was at risk of eviction.

SHA continues to monitor the impact of this requirement on residents and the agency. No policy or procedure changes were made this year.

### **Housing Choice Voucher tenant-based occupancy policies**

In June 2005, the Board of Commissioners adopted Resolution 4784 that made a variety of changes to occupancy and rent policies to maximize its voucher utilization in order to assist more families. The resolution can be found in SHA's FY 2005 MTW Report and FY 2006 MTW Plan. Rent policy changes are described below under Statement of Rent Policy. FY 2005 changes in occupancy standards include:

- SHA established a minimum for the number of people per household that qualify for each voucher size. New households and those who move with continued assistance are subject to the new standards. The standards are within fair housing guidelines.
- Households do not qualify for subsidy for a larger unit when household size increases unless HQS occupancy standards are exceeded.
- Subsidy was eliminated for children away at college most of the year.

In FY 2006, SHA began applying these new occupancy standards to new participants and current participants who move to a new unit, for any reason. No current voucher holders will be required to move as a result of changes in occupancy standards.

Voucher Size	Persons in Household	
	Minimum	Maximum
Studio	1	2
1 Bedroom	2	4
2 Bedrooms	3	6
3 Bedrooms	4	8
4 Bedrooms	6	10
5 Bedrooms	8	12
6 Bedrooms	10	14

### **Wait list activity**

The Housing Choice Voucher and Bayview Tower wait lists were closed at the end of FY 2006. In early 2006, SHA estimated that the wait list would only last through the end of the fiscal year. In May 2006, SHA opened the Housing Choice Voucher wait list for a brief period in order to establish a new wait list of 4,000 applicants through a lottery-based system. SHA estimates that a wait list of this size will last approximately three years. Sign-up forms were received from 5,949 households hoping to be enrolled by lottery onto the Section 8 list. A computerized lottery system was used to select 4,000 names from the list of households that signed up.

After researching various methods to receive wait list applications it was decided to use a lottery system based on several anticipated benefits including: equal opportunity for everyone who turns in an application by the deadline is entered into the lottery; applicants have more time to work with community agencies to receive assistance in completing the application; and greater accuracy due to the computer-generated lottery sort. After completing this process, SHA staff observed that the time allowed was particularly beneficial to applicants with limited English proficiency.

### **Housing Choice Voucher project-basing policy (FY 2001)**

In 2000, SHA adopted a policy for project-basing Housing Choice Vouchers replacing

---

---

HUD regulations and procedures. It authorizes the project-basing of up to 25 percent of SHA's Housing Choice Voucher assistance. In FY 2004, SHA extended project-based vouchers to the City of Seattle's low-income housing levy program.

By the end of FY 2006, SHA had committed to 1,398 project-based units, equal to 17 percent of authorized vouchers. Replacement units are not included in this count and are not subject to the policy's 25 percent limit on project-based vouchers, because HUD provides vouchers specifically for this purpose. Actual lease up of this many units may take several years, because some projects are in the planning or construction stages. In the meantime, SHA uses project-based vouchers that are not yet leased up in project-based buildings in the tenant-based program.

Under the policy, vouchers are project-based for several purposes:

- Competitive process with housing goals defined by SHA: To date, three Request for Proposal (RFP) rounds have resulted in commitments of 739 units, 669 of which were leased at year end, in 34 projects. A total of 209 of these project-based vouchers were newly-awarded in FY 2006 in partnership with the City of Seattle Office of Housing, targeting people who are homeless or with incomes at or below 30 percent of Area Median Income (AMI).
- Supporting City of Seattle low income housing initiatives: To date SHA has committed to project-base 350 units in 8 City Levy-funded projects, 101 of which were leased at year end. SHA also has made a 342 unit commitment to Sound Families projects, 97 of which were leased at year end.
- In addition, SHA project-bases vouchers to replace demolished or sold public housing: SHA has committed to 510 units

in 32 properties, of which 314 units were occupied at year end. Replacement units are not subject to the policy's 25 percent cap on project-based vouchers, because HUD provides vouchers specifically for this purpose.

In FY 2005, SHA requested from the City of Seattle, as the responsible entity, a determination that project-basing vouchers is categorically exempt from NEPA. This exemption was not granted. NEPA reviews are being performed as required in FY 2006.

### **Section 8 homeownership (FY 2004)**

No changes were made to this policy in FY 2006. SHA's policy uses MTW flexibility to allow Section 8 resources to be used for down-payment assistance (see Section VI: homeownership activities).

## **Statement of Rent Policy**

### **Public housing rent policy (FY 2001, amended FY 2005)**

In 2000, SHA adopted a unique policy for calculating public housing rents under MTW. After several years of monitoring and evaluating the policy and extensive public review, in FY 2005, SHA adopted major amendments to the policy to build on the successful elements of the original policy and eliminate confusing and administratively burdensome provisions (Resolution 4785).

Revised rent policy goals included most of those established in the original rent policy:

- Remove disincentives and provide rewards for resident employment, job retention and wage progression;
- Preserve an economic safety net;
- Generate sufficient rent revenue to supplement federal subsidies; and
- Reduce unnecessary administrative procedures.

---

Several new goals were added:

- If people have good prospects for economic self-sufficiency, the policy should help them prepare for the conventional housing market;
- Create revenue for self-sufficiency support services and budget skill training;
- Remove incentives for manipulation and fraud; and
- Implement a policy that is equitable that staff and service providers can support in order to educate and motivate residents.

The Board of Commissioners adopted a revised rent policy in June 2005 (*Resolution 4785*). Major changes include:

- Expanding the Tenant Trust Account so that more working households are eligible, households can accumulate savings faster for clearly-defined self-sufficiency purposes;
- Eliminating the first two rent steps because the survey results show that residents do not see the steps as an incentive to get or keep a job;
- Eliminating the punitive rent formula for households whose only income is TANF;
- Requiring residents to report all increases in income above \$100 per month, between annual reviews, so that SHA may increase rent accordingly;
- For households reporting zero income who appear to be eligible for TANF or unemployment benefits, imputing income from these sources until ineligibility is documented; and
- Allowing property managers to differentiate rents in studios and one-bedroom apartments to maintain high occupancy of studio units.

Under revised the policy, almost all employed residents see their rent calculated at 30

percent of their adjusted income. A few still benefit from a two-year rent step when 30 percent of their adjusted income reaches the market rent for their unit.

The revised rent policy was implemented in phases, beginning in October 2005 and ending with the implementation TTA program changes occurring in April 2006. SHA is monitoring the effects on resident self-sufficiency, revenue generation, and administrative efficiency. The FY 2007 MTW Report will include an analysis of outcomes, after each household has had at least one full year under the revised policy.

### **Continuing MTW rent policy provisions**

For households on fixed incomes (e.g., social security), the frequency of recertification has been reduced to once every three years except where annual certification is otherwise required (e.g., Low Income Housing Tax Credit financing). In the intervening years, rents are increased proportionately to the social security cost of living adjustment. This is intended to reduce the administrative costs of these reviews and SHA's intrusion into residents' privacy.

All residents pay an absolute minimum rent per month unless they face a hardship in making such a payment. The minimum rent is to be adjusted each year based on an inflation factor.

### **Seattle Senior Housing Program rent policy (FY 2003)**

The SSHP rent policy establishes a series of flat rents for people with incomes up to 80 percent of median and a sustainable distribution of rents (Resolution 4699). It also assumes 150 eligible SSHP residents will have tenant-based Housing Choice Vouchers.

Income group	Adopted Percent of Units	Actual FY 2006
< 20% AMI	31%	39%
20-30% AMI	36%	30%
Vouchers (<30% AMI)	15%	15%
30-40% AMI	14%	10%
40-80% AMI	4%	6%

SSHP continues to meet its financial goals and the flat rent structure has not proven a barrier to access for most applicants.<sup>5</sup> SSHP moved closer to the sustainable distribution of incomes during FY 2006. Implementation is monitored by an advisory committee of residents and industry experts.

### Housing Choice Voucher Program (FY 2005)

A number of policy revisions adopted in FY 2005 (Resolution 4784) were implemented in FY 2006 including:

- Payment standards for one-, two-, and three-bedroom vouchers were lowered to 110 percent of Fair Market Rent (FMR) or less. The previous standards for these unit sizes fell between 113 and 117 percent of FMR. In FY 2006, this impacted new participants and current participants who moved to a new unit, for whatever reason. Effective November 1, 2006, all participants will be changed to the new payment standard at the time of their annual review. This process will be completed by October 2007.
- Participants are now required to report all increases in income. The tenant portion of rent will be adjusted upward when income increases more than \$100/month, and subsidy will be adjusted accordingly.
- Where the participant is being sanctioned for non-compliance with WorkFirst

<sup>5</sup> Applicants who cannot afford the minimum rent are referred to public housing, including the senior designated buildings, Westwood Heights and Ballard House.

requirements or for fraud, SHA must count the full amount of TANF grant the participant is eligible for, even if they're receiving a smaller grant amount as a result of the sanction.

- The only exception to this rule occurs when a participant is receiving a reduced grant at the time they are admitted to the Section 8 program. If a reduced grant is in effect at the time of admission, only the actual, reduced grant amount will be counted. This is the case for the family's initial income calculation and at subsequent reviews, if a reduced grant is still in effect.
- SHA may require families to document eligibility for unemployment benefits when they request a rent decrease due to job loss.

### Other Policy and Procedure Manual updates

In addition to rent and occupancy policies described elsewhere in this section, the following *Policy and Procedure Manual* sections were updated in FY 2006:

**Key Control:** The key control policy regulates the issue, control, accounting, use, and return of all agency keys. It was updated to reflect current organizational structure and practice.

**Maintenance Charges to Residents:** The fee schedule has been updated to reflect standard costs which are based on actual costs and averages of work performed over the last year.

**LIPH Tenant Trust Accounts:** This policy was updated in accordance with Board Resolution No. 4785, passed June 20, 2005.

**Admissions–Suitability:** SHA updated suitability criteria in accordance with the Violence against Women's Act of 2005.

---

---

## Emergency preparedness

SHA is refining the corporate emergency preparedness plan and creating a new Incident Command System (ICS) structure that will allow SHA to more closely coordinate with city resources in the event of a disaster. In FY 2006, staff implemented more than a dozen resident trainings, several staff trainings, purchased and began restocking emergency supply cabinets, and established a three-way partnership with the City of Seattle and the Seattle chapter of the American Red Cross.

## Poverty deconcentration

SHA is addressing the issue of deconcentration of poverty by:

- Continuing to create mixed-income communities in previously distressed public housing family developments;
- Helping SHA residents to get a job or improve their employment situation to “create a mix of incomes from within;” and
- Through acquisition and project-basing Housing Choice Vouchers, SHA is also supporting creation of affordable housing in non-poverty neighborhoods.

## SECTION III: CHANGES IN HOUSING STOCK

This section compares the number and types of housing resources SHA had at the start of MTW (December 31, 1998), and at the end of FY 2005 and FY 2006.

In the FY 2006 Plan, SHA forecasted a net decrease of 49 units and tenant-based housing opportunities over the year. The actual change was a decrease in 45 units. Changes are described below.

Housing Program	Pre-MTW 1998	October 1, 2005 Actual	October 1, 2006 Projected	October 1, 2006 Actual	2006 Hsg. as a Percent of 1998 Hsg.
Housing Choice Vouchers	4,517	8,309	8,309	8,309	184%
Section 8 New Construction	159	100	100	100	63%
Low Income Public Housing	6,144	5,443	5,271	5,242	85%
Seattle Senior Housing Program	1,198	993	993	993	83%
HOPE VI non-public housing rental	5	290	423	423	8460%
Other affordable housing	282	900	890	923	327%
SHA-managed, owned by others	0	37	37	37	n/a
<b>Total</b>	<b>12,305</b>	<b>16,072</b>	<b>16,023</b>	<b>16,027</b>	<b>130%</b>

### Housing Choice Vouchers

SHA received no new Housing Choice Vouchers in FY 2006. A total of 536 vouchers converted from special purpose to MTW as shown in the table below:

Housing Choice Vouchers	FY 2005 Total	Converted to MTW in FY 2006	New in FY 2006	FY 2006 Total
MTW Vouchers & Certificates	7,188	0	0	7,724
Mainstream Disability	75	0	0	75
Replacement Housing	448	448	0	0
Welfare to Work	598	88	0	510
<b>Total</b>	<b>8,309</b>	<b>536</b>	<b>0</b>	<b>8,309</b>

Section 8 certificates are being converted to Housing Choice Vouchers when a certificate holder leaves the program and when an annual recertification determines that a certificate holder will not become rent-burdened with conversion. During FY 2006, 202 certificates were converted. At year end, SHA had three certificates remaining.

### Section 8 New Construction

The Section 8 New Construction unit count remained the same, 100, as expected.

### Public housing

Changes in public housing include:

- As expected, all 137 public housing units remaining in the first phase of High Point came on-line.
- During FY 2006, SHA sold 29 scattered site units and purchased 14 replacement units in two properties. Another 14 units were under contract to purchase at year end (closed October 2, 2006); these are not reflected in the totals above.

---

---

## Seattle Senior Housing Program

The SSHP unit count remained the same, 993, as anticipated.

## Other housing

Changes to other housing in FY 2006 include:

- Workforce housing at High Point increased by 133 units.



*High Point rental housing*

- SHA added six units to the local housing portfolio with the purchase of two tri-plexes in the Delridge neighborhood. These units have been allocated project-based Housing Choice Vouchers and will serve as High Point replacement.
- A twelve-plex was purchased in Southeast Seattle that may later be used as replacement housing. At the time of purchase, half of the tenants in this property had tenant-based Housing Choice Vouchers.
- A five-plex and adjacent vacant parcel in Seattle's Central Area were purchased due to their proximity to other properties SHA owns and redevelopment potential.
- SHA's plans to sell five units south of NewHolly to nonprofits for redevelopment were postponed to FY 2007.

## SECTION IV: SOURCES AND AMOUNTS OF FUNDING

This section compares projected and actual sources and amounts of funding included in the MTW budget and other programs. SHA's Consolidated Financial Statement can be found in Appendix C. Please note that the figures in this section represent unaudited fiscal year end data.

### Planned vs. actual revenues – MTW budget

Funding Sources - MTW	Projected Revenues	Actual Revenues
Dwelling Rental Income	\$9,180,343	\$8,708,911
Investment Income	89,715	1,193,542
Other Income	1,273,889	1,054,868
Housing Choice Voucher Block Grant	60,522,526	63,343,332
Capital Block Grant	14,063,624	12,783,776
Public Housing Block Grant	14,263,854	13,965,226
Use of Reserves	943,214	0
<b>Total Sources</b>	<b>\$100,337,165</b>	<b>\$101,049,655</b>

Note: Capital Block Grant revenues represent SHA's FY 2006 allocation only. No funds from prior year capital grants are included.

#### Differences between projected and actual funding

*Dwelling rental income:* During the fiscal year the revenue and expenses associated with seven properties under SHA's *homeWorks* revitalization program were transferred to a newly created Limited Partnership.

*Investment income:* Income from investments was more than budget because of a higher than anticipated reserve level and favorable interest rates.

*Other income:* A decrease in Title XIX funding for providing services to Medicaid eligible residents due to rule changes, along with a higher than expected collection loss, created an unfavorable variance. In addition, the revenue and expenses associated with seven properties under SHA's *homeWorks* revitalization program were transferred to a newly created Limited Partnership.

*Housing Choice Voucher block grant:* SHA requested that two increments of HOPE VI replacement vouchers and some Special Purpose vouchers be converted to MTW vouchers for calendar 2006 funding. A total

of 536 vouchers were converted, which led to higher voucher revenue.

*Capital block grant:* The capital grant awarded was less than budgeted. This grant award continues to decline from year to year.

*Public housing block grant:* The proration applied by HUD to this block grant was less than anticipated. This resulted in an unfavorable funding variance.

*Use of reserves:* Reserves were originally budgeted to supplement Housing Choice Voucher revenue because HUD funding was not keeping pace with Housing Assistance Payment (HAP) costs. As described in Section V, SHA implemented measures to reduce HAP costs such that revenues adequately covered expenses and use of reserves was not necessary.

#### Planned vs. actual revenues – other programs

SHA operates a number of housing programs not included in the consolidated MTW budget: Special Purpose Housing Choice Vouchers, SSHP, Section 8 New Construction

and a large and growing Other Affordable Housing Portfolio, as well as HOPE VI and other grant-supported programs. The

following table compares projected with actual revenues for FY 2006 non-MTW activities.

Funding Sources – Other Programs	Projected Revenues	Actual Revenues
Dwelling Rental Income	\$11,460,555	\$11,351,009
Investment Income	1,988,828	3,192,683
Other Income	8,987,862	13,432,237
Subsidy	14,945,343	13,970,910
Grants	11,970,284	1,319,744
<b>Total Sources</b>	<b>\$49,352,872</b>	<b>\$43,266,583</b>

### Differences between projected and actual funding

*Dwelling rental income:* Rental income ended the year close to budget. This income includes revenue received from residents relocating from Hurricane Katrina.

*Investment income:* SHA has redevelopment loans with five limited partnerships. These loans accrue interest at the rate of one to two percent interest. Most of these interest incomes were not budgeted.

*Other income:* Developer fee income exceeded budget by \$1 million. Marketing fee income from the HOPE VI homes for sale program was also not budgeted. This income is used to cover joint marketing expenses for homes for sale at NewHolly, Rainier Vista and High Point. Alder Crest is a property that was transferred during the year to a limited partnership. SHA earned a lump sum lease payment of \$1.9 million in the transfer. SHA received a \$700,000 capital contribution that was applied to reduce the debt on the Gamelin House condominium unit.

*Subsidy:* SHA's receipt of 448 HOPE VI replacement vouchers after the FY 2006 budget was adopted off-set unanticipated decreases in revenue in this category. These vouchers were moved to the Moving to Work program in December 2005. In total, 536 Special Purpose vouchers converted to MTW during the fiscal year.

*Grants:* Most of this variance is related to the timing of HOPE VI draws for Phase II redevelopment at Rainier Vista and High Point. SHA anticipated that \$11 million would be drawn in FY 2006 for HOPE VI. For FY 2007 SHA expects to draw \$4 million for High Point. Operating grants are under budget due to the earlier end date for the Moving To Work technical assistance grant and slower than anticipated spending for other grants. SHA received two unanticipated grants for hurricane relocation which offset the under spending variance in the operating grants mentioned above.

### Investment policy

Under MTW, SHA follows Washington State Investment Policies instead of adhering to HUD Investment Policies. As a result, SHA has the flexibility to invest its financial resources productively and efficiently, without regulatory duplication. SHA invests only in securities authorized under Washington State Housing Authority Law (RCW 35.82.070).

### Consolidated financial statements

SHA's FY 2006 Consolidated Financial Statements can be found in Appendix C. Please note that these figures represent unaudited fiscal year end financial data. The audited Consolidated Financial Statements will be available early in 2007.

## SECTION V: USES OF FUNDS

This section compares budgeted expenditures with actual expenditures by line item and reports the level and adequacy of reserve balances at the end of the fiscal year for MTW and other programs. Please note that the figures below are unaudited fiscal year end financial data.

### Planned vs. actual expenditures – MTW budget

Expenses	Budget	Actual Expenditures
Administration and General	\$15,308,514	\$14,753,684
Housing Assistance Payments	56,057,606	49,291,578
Subsidy Pass-through	1,808,924	1,679,817
Utilities	3,570,171	3,384,244
Maintenance and Contracts	11,323,294	10,458,601
Capital and Development Projects	10,693,624	10,218,082
Capital Equipment and Non Routine	1,575,032	1,998,032
<b>Total Expenses</b>	<b>\$100,337,165</b>	<b>\$91,784,038</b>

SHA's actual expenses varied from the budget for these reasons:

*Administration and General, Utility Expenses, and Maintenance and Contracts:* During the fiscal year the revenue and expenses associated with seven properties under SHA's homeWorks revitalization program were transferred to a newly created Limited Partnership.

*Housing Assistance Payments:* After the FY 2006 budget was adopted, SHA learned that less grant revenue would be coming from HUD for Housing Assistance Payments. In response, SHA stopped issuing vouchers for part of FY 2005, reduced the voucher payment standard, and tightened occupancy standards. This, along with attrition, kept HAP spending within budget. Additional

vouchers were transferred into the MTW program, offsetting part of the expenditure reduction.

*Subsidy Pass-through:* The amount of pass-through funding SHA provided to other low income public housing providers and projects was less than projected.

*Capital and Development projects:* Actual capital and development expenditures approximate the budgeted amounts.

*Capital Equipment and Non-Routine:* Information technology spending was under budget, although activity continues with changes in software and vendor support for some of SHA's information technology needs. Offsetting the savings are casualty losses, including a contract settlement relating to a rehabilitation project.

### Planned vs. actual expenditures – other programs

Expenses	Budget	Actual Expenditures
Administration and General	\$14,645,357	\$16,367,950
Housing Assistance Payments	13,920,455	13,005,415
Utilities	1,310,481	1,403,544
Maintenance and Contracts	4,280,640	6,435,664
Development and Capital Projects	12,040,678	4,600,087
Grants	782,035	1,394,144
<b>Total Expenses</b>	<b>\$46,979,646</b>	<b>\$43,206,804</b>

*Administration and General:* Interest expense exceeds the budget because for sale funds were not available for High Point North's redevelopment as planned. Therefore, SHA borrowed funds on the line of credit to cover the timing difference. In addition, some mortgage and note interest paid for redevelopment properties and facilities were not included in the FY 2006 budget.

*Housing Assistance Payments:* Appropriate special purpose vouchers were transferred to the Moving To Work program, which was not anticipated in the budget. Also, efforts to reduce HAP expenses affected all the Housing Choice Voucher costs.

*Utility expenses:* SHA experienced increased utility costs in Senior Housing and Local Housing. Utility costs for new acquisitions for facilities and redevelopment were not budgeted in FY 2006.

*Maintenance and contracts:* Costs associated with the homes for sale program, such as

marketing, legal and some architectural and engineering costs were not budgeted. These costs were covered by revenue from property sales and marketing fees. Legal fees were incurred associated with High Point North. Additional facility costs were also incurred to support staff and agency relocation.

*Development and capital projects:* Redevelopment work for Phase II at Rainier Vista and High Point was planned to begin in FY 2006. High Point began later in the year than anticipated and Rainier Vista has been rescheduled to FY 2008. Capital projects are over budget due to repairs made in order to house Hurricane Katrina evacuees and facility additions and rehabilitations.

*Grants:* Most operating grant expenditures were close to the budget. However, SHA received two additional operating grants for hurricane relocation assistance that were not anticipated.

## Level and adequacy of reserves

Reserves	Year End FY 2006 (projected budget)	Actual
Public Housing Reserve	\$7,410,488	\$7,911,717
Insurance Reserve	800,000	800,000
Housing Choice Project Reserve	1,162,831	12,788,735
<b>Total Consolidated MTW Budget Reserves</b>	<b>\$9,373,319</b>	<b>\$21,500,452</b>
<b>Other Program Reserves</b>	<b>\$14,319,326</b>	<b>\$6,973,629</b>

Notes: The actual public housing reserve figure does not include funds used for short-term bridge financing to acquire properties for neighborhood revitalization.

*Public housing reserve* represents available cash flow for MTW programs and are adequate to cover approximately six months of subsidy expenses. Actual public housing reserves are slightly more than projected.

The *insurance reserve* is required by SHA policies and the Housing Authority Risk Retention Group (HARRG), SHA's insurance carrier, for general liability.

*Housing Choice Voucher reserve* is used to cover changes in local conditions that affect the program. Actual reserves are more than projected because SHA instituted a number of measures to keep the average HAP down and stopped issuing vouchers to reduce the risk of overspending after cuts in HUD funding. As well, the 448 HOPE VI replacement vouchers awarded in FY 2005 took time to lease up. FY 2006 reserves are adequate to cover approximately two months of HAP costs.

---

---

Reserves of all other programs represent available cash flow for those programs.

## Status of FY 2006 Plan activities

### Community revitalization

SHA is in the midst of several multi-year re-development efforts including three garden communities (funded in part by \$117 million in HOPE VI grants), scattered sites portfolio repositioning, Yesler Terrace planning, and several smaller planning efforts. FY 2006 activities are summarized below.

#### NewHolly

##### *Housing*

The Holly Park HOPE VI revitalization grant will be closed out by January 2007. The delay occurred due to a lengthy close-out process with the General Contractor. Financial close-out material was submitted to HUD and Community and Supportive Services closeout material will be submitted in January 2007. All rental units at NewHolly were completed and occupied in 2005.

Construction, marketing and sale of the remaining 40 homes for sale to be built will continue in FY 2007:

- All but 40 homes for sale built by Polygon Northwest and Bennett-Sherman, LLC, were completed in 2006.



*NewHolly  
homes for  
sale*

- Habitat for Humanity completed 15 more homes and private builders completed five more homes affordable to households with incomes below 80 percent of area median income. NewHolly's affordable homeownership commitment of 100 units was exceeded by 12 homes.

SHA purchased several residential properties just south of Othello Station in prior years.<sup>6</sup> This area was a crime hot spot, with drug activity, prostitution and illegal dumping. The properties were purchased to improve public safety and ensure that Othello Station would be a desirable neighborhood for renters and home owners. In FY 2006, SHA worked with two nonprofit partners to plan for the redevelopment of these properties.

- Inter\*Im Community Development Association plans to build at least 29 apartments for large low-income families on 39<sup>th</sup> Avenue S. SHA intends to sell Inter\*Im the property by December 2007.
- AIDS Housing of Washington (AHWa) is putting together local funding sources for 15 units of housing with supportive services for people with disabilities on S. Bozeman and S. Kenyon Streets. AHWa's application for HUD Section 811 funding was denied. The sale of these parcels is still scheduled for December 2007.

##### *Mixed-use development*

As the HOPE VI revitalization moves into ongoing management, SHA's focus is shifting to revitalization of the underdeveloped commercial area adjacent to NewHolly. In prior years, SHA purchased several properties on the corner of Martin Luther King Way and Othello Street to complete the northeast corner of Othello Station.<sup>6</sup> During FY 2006, pre-development feasibility and conceptual design for mixed-use projects on this property was prepared.

---

<sup>6</sup> No HOPE VI funds were used for these purchases.

---

---

*Community facilities*

Design plans are being explored to expand the NewHolly Campus. The commercial kitchen was completed in 2006 to improve the marketability of the community space rental.

**Rainier Vista**

*Housing*

SHA's 184 units of rental housing in Phase I and the 78-unit HUD Section 202-funded Gamelin House for seniors are completed and leased. In March 2006, AIDS Housing of Washington and Housing Resources Group (HRG) completed construction of The Genesee, a 50-unit building including 22 units for people with disabilities funded through Section 811, 17 additional Rainier Vista replacement units and 11 units of workforce housing. This is the first project in the nation to combine low-income housing tax credits with Section 811 funding.



*The Genesee*

Approximately 50 homes for sale were completed in Phase I during FY 2006 and 80 more will be completed in FY 2007.

Phase II demolition was completed in June and infrastructure work will start in 2007. The project was delayed due to funding and to allow more time for thoughtful planning.

*Community facilities*

Neighborhood House and SHA worked together in 2006 to complete the west side's

primary open space, Rainier Vista Park in July 2006. Funding was secured from an SHA contribution of \$50,000, a grant from Starbucks for \$15,000, and a grant from Safeco for \$12,500. Volunteers provided the labor for topsoil spreading, sod and plant installation. The park has a children's play structure, a plaza with a stage, two half basketball courts, seating, open lawn and pathways, picnic tables and an overlook. A grant was received from Ignition Northwest from the Black Rock Arts Foundation for a community art project for Rainier Vista Park to be completed in 2007. SHA and a local nonprofit, South East Effective Development, have partnered for the creation of a Whirligig to be created by Rainier Vista youth that will be installed in Rainier Vista Park in 2007. Several pocket parks near the Cheasty Greenbelt on the west edge of Rainier Vista will be completed in FY 2007.

Neighborhood House opened its new center in Rainier Vista in 2005. The facility provides a Head Start Program, a HOPE VI Neighborhood Networks funded computer lab, resident training and services, offices for the Rainier Vista community builder and The Job Connection staff, as well as community meeting space. Neighborhood House also sponsors many community-wide celebrations and events at its center as part of their community building focus.

The Boys & Girls Club has continued to operate and serve Rainier Vista youth during the Phase II demolition at Rainier Vista. Planning and design is underway for their new facility that will anchor Phase II development and construction is anticipated to begin in late 2007 with an opening in 2009.



*Volunteers spread topsoil for the new Rainier Vista Park*

### *Mixed-use development*

Transit-oriented, mixed-use development sites are planned for the east side of Martin Luther King Jr. Way S. and at the former mini-mart site south of Phase I. SHA will refine development options in 2007 and 2008 as the Sound Transit construction nears completion. Both Habitat for Humanity and Starbucks have approached SHA with interest in being part of the future mixed-use development.

In FY 2006, leasing of the retail space on the ground floors of Gamelin House continued and began for The Genesee. Gamelin House is about 50 percent leased with private businesses. Current tenants at The Genesee include non-profit youth providers serving the Rainier Vista community.

### **High Point**

#### *Housing*

All planned 344 rental units in Phase I were completed by the end of May 2006, and occupied as of the end of August 2006. Of the total 344 units, 200 are designated for public housing tenants, and 144 are tax credit units affordable to households at 50 or 60 percent of area median income.

Neighborhood House is the lead agency for the \$1.8 million *Healthy Homes, Healthy Community* initiative funded by HUD and the National Institute of Environmental Health

Sciences. Partners include SHA, University of Washington, Public Health Seattle & King County, and Puget Sound Neighborhood Health Centers. SHA's role in the initiative was to build 35 "breathe-easy" homes, which were designed with special features to reduce indoor pollutants. The 35 breathe-easy homes (part of the 344 total units) were completed and occupied in FY 2006. As part of the scientific study component of the initiative, youth action teams and adult professionals continue to work with participants to identify and address asthma triggers, conduct indoor environmental assessments, and monitor health conditions.

Providence Health System's Elizabeth House was completed in February 2006. It offers 75 Section 202-funded rental units for low-income seniors.



*Elizabeth House*

Portions of Phase I land were sold to several private builders to accommodate over 250 homes. The builders who purchased land are Saltaire, Polygon Northwest, Devland Homes, Lyle Homes, The Dwelling Company, and Habitat for Humanity. All are experienced builders with excellent reputations. Their presence at the site ensures a variety of designs and housing types. Homeowner units include condominium flats, townhomes, carriage houses, and detached single-family homes. Habitat for Humanity will build eight

---

---

homes for low-income buyers in Phase I. As of September 30, 2006, the homeowner program at the site was approximately 80 percent built and 30 percent occupied.

Over two weekends in September 2006, High Point hosted the Green Living Expo, a “show street” of five BuiltGreen homes designed to educate home builders and the public about the benefits of building “green.” Among the showcased units was a typical SHA-built rental unit, which, as are all other High Point rentals, is certified at the highest BuiltGreen level, and is also Energy Star certified. As of fall 2006, the SHA-built rental townhomes at High Point are the country’s only Energy Star–certified rentals. In addition to the five homes, the show highlighted High Point’s sustainable elements and demonstrated how smart development can increase density, yet decrease environmental impact. Sponsors of the Expo included the City of Seattle, Seattle Public Utilities, Seattle City Light, and Puget Sound Energy. Over 7,000 visitors attended the event.



*Tour of High Point  
at the Green  
Living Expo*

In FY 2006, as new Phase I units became available, all Phase II residents moved out of the old Phase II units. SHA hired Tri-State Construction to demolish the old Phase II buildings and build the new infrastructure, which includes new streets, the natural drainage system, and underground utilities. Part of the work is to rebuild the SW Sylvan/Morgan arterial into a more

pedestrian-friendly street. Infrastructure work is scheduled to be finished in the first half of 2008.

In FY 2007, SHA will hire a contractor to build the 256 SHA rental units, of which 150 will be designated to serve public housing tenants and the remaining 106 will be workforce housing units. The buildings’ designs, with just two exceptions, will be identical to those already built in Phase I.

#### *Infrastructure*

The natural drainage system in Phase I was completed in spring 2006, as originally scheduled. A system of swales built into every block absorbs and cleanses rainwater run-off and regulates stormwater flow into a detention pond. The pond further cleanses stormwater before releasing it into Longfellow Creek, which is being restored as Seattle's most significant salmon habitat. The pond is surrounded by a park with a quarter-mile walking trail and a cascading waterfall, which also serves as an aeration device. According to project engineers, the quality of stormwater leaving High Point is the same as it was under natural conditions, i.e., before urbanization began 130 years ago.

#### *Community facilities*

Construction of Commons Park, a two-block open space, was scheduled to begin in FY 2006, but was delayed to be made part of Phase II infrastructure construction work. The park will include play areas for children of different ages, an open field, and a community gathering place with an elevated view point and amphitheater.

During FY 2006, SHA, Neighborhood House and other partners continued planning and predevelopment for the High Point Neighborhood Center. The program for this 18,000-square-foot, energy-efficient, LEED-certified building focuses on youth enrichment. As of the end of FY 2006, the fundraising campaign raised approximately 60 percent of the needed

---

funds. The campaign will continue throughout FY 2007.

*Mixed-use development*

A mixed-use commercial-residential development, planned at 35<sup>th</sup> Avenue SW and SW Graham Street, will be redesigned to accommodate small-scale retail and approximately 100 units of market-rate rental housing. After years of failed attempts to attract a full-scale grocery store to the site or successfully negotiate with local grocery business, SHA concluded that an alternative plan was needed. Construction is now expected to begin in FY 2008, following the completion of planning, design, permitting and financing.

**Off-site replacement housing**

SHA's HOPE VI commitment to the community is one-for-one replacement of all low-income units. For NewHolly and Rainier Vista, SHA and the City have entered into formal Memoranda of Agreement, approved by the City Council, that outline SHA's replacement housing obligations. The SHA Board of Commissioners has adopted a replacement housing plan for High Point. SHA continues to deliver on its commitments.

*Holly Park*

Completed in FY 2006:

- Nihonmachi Terrace (Inter\*Im Community Development): 20 out of 50 units for families in the International District.
- Denny Park Apartments (Low Income Housing Institute): Five out of 50 units for families will add to affordable housing in the quickly changing South Lake Union neighborhood.
- The Pantages Apartments (Capitol Hill Housing Improvement Program): Ten of 49 apartments for families. The project includes restoration of a 1904 Victorian-style home built by Alexander Pantages, a vaudeville theater operator in the North-

west. The restored home has been divided into four units and has been placed on Seattle's historic landmarks list.



*The Pantages Apartments*

Fifty-two units now under construction will begin leasing in early FY 2007. These units will complete the NewHolly replacement housing program and consist of:

- Thirty-five units at the Stone Way Apartments developed by Housing Resources Group.
- Ten units at Capitol Hill Housing Improvement Program's Broadway & Pine project.
- Seven of 34 units at the West Seattle Resource Center developed by the Delridge Neighborhoods Development Association.

*Rainier Vista*

Rainier Vista off-site replacement housing commitments have been met. In FY 2006, construction of 37 partnership units in Southeast Effective Development's (SEED) Dakota family housing community was completed. SHA and SEED were negotiating the terms of the project-based Section 8 agreement at the close of FY 2006.

*High Point*

In FY 2006 SHA purchased two triplexes (six units) toward the High Point replacement housing commitment.

---

---

## Scattered sites portfolio reconfiguration

In FY 2005, SHA began to sell up to 200 scattered site units and replace them with units that are more efficient to manage and maintain and better located to meet resident needs. By the end of FY 2006, SHA had:

- Received HUD approval for disposition of 79 units identified for sale, bringing the total approved to 150.
- Sold 28 scattered sites units, bringing the total sales to 93 of the 150 units approved for disposition.
- Initiated relocation counseling for all tenants of units approved for disposition.
- Bought an additional 14 replacements (two bedroom or larger units), bringing the total to 54. SHA had another 14 replacement under contract at year end.
- Made a commitment to work cooperatively with HomeStead Community Land Trust to make 10 units available for sale to low-income buyers at fair market value.
- Received preliminary HUD approval of the disposition application for 79 units. In FY 2007 SHA will submit a separate disposition application for the remaining 46 units.



*Delridge Fourplex, a scattered sites replacement property purchased in FY 2006*

## Yesler Terrace

The SHA Board of Commissioners has made the redevelopment of Yesler Terrace a priority for the next ten years. Yesler Terrace redevelopment is a key component in SHA's strategy to continue to serve Seattle's low-income residents, given the ongoing withdrawal of federal support for low-income housing. In FY 2006, SHA hired a program manager for the project and initiated the planning process which will likely take three years or longer.

- The first step, which began in FY 2006 and is the major work program task for FY 2007 is to engage residents, immediate neighbors and the wider community in the creation of a vision for the new neighborhood under the leadership of the Yesler Terrace Citizen's Review Committee (CRC).
- The Yesler Terrace Citizen's Review Committee has been established to make recommendations to SHA's Board of Commissioners on the guiding principles that will be the cornerstone of SHA's redevelopment efforts. In addition, the CRC will be responsible for developing a recommended replacement housing plan.

## Other public housing revitalization activities

**Ballard House:** To support the senior designation, rehabilitation of building systems and enhancement of common areas began in FY 2006 and will be completed in FY 2007 as a part of "homeWorks" Phase I (see Section VI). SHA continues to strive to ensure the availability of supportive services for seniors, focusing on exercise, nutrition, and emergency preparedness.



*Ballard House – one of two elderly/near-elderly designated public housing communities and part of homeWorks Phase I*

**Bell Tower:** During FY 2005, SHA assessed the feasibility of redeveloping the ground floor to include commercial space, a redesigned and renovated management office and a new community room. This would enclose the courtyard in front of the building, an indefensible space and long-standing public safety hot spot. During FY 2007, SHA will continue to work toward creating a viable option for improving Bell Tower.

**Greenlake Plaza:** As part of the homeWorks rehabilitation, options for long-term reuse of temporary office space created in the past by enclosing a patio were evaluated in FY 2006. The spaces were deemed unusable given mold and extensive damage throughout. Since the repair would be cost prohibitive and the space was not considered useful for either commercial or SHA offices, the space was demolished and returned to its original use with the installation of a new resident patio.

**Jefferson Terrace:** SHA's plans to study the feasibility of making Jefferson Terrace more livable and attractive to low-income households and fixing design flaws that result in poor security and challenging building systems were postponed to FY 2007.

**Stewart Manor:** Upgrades to Stewart Manor are included in Phase III of homeWorks.

**Lake City Village site:** The 16-unit Lake City Village public housing complex was

demolished in 2002. SHA has acquired several adjacent properties to assemble a parcel large enough to redevelop. In FY 2005, SHA began planning for the redevelopment of this under-used site into a mixed-income, possibly mixed-use community. Plans considered in FY 2006 were not financially feasible. Efforts to develop a feasible alternative will continue in FY 2007.

**Holly Court:** The design of this community detracts from public safety and the overall revitalization of the NewHolly neighborhood. Redevelopment planning for Holly Court is now underway; however, a preferred programming option has not yet been determined. The preliminary redevelopment plan activity is approximately 80 percent complete.

#### **Other community revitalization activities**

**New Market Tax Credits:** In FY 2006 SHA formed a Community Development Entity (CDE) called Seattle Community Investments (SCI). SCI was certified as a CDE in December 2005 and its purpose is to promote economic development activity near HOPE VI sites. SCI received an allocation of \$20 million of New Markets Tax Credits in May 2006 and is examining several potential investment opportunities where the NMTC will leverage needed investment in a business operating in a low-income community.

**Leschi House:** SHA commissioned a study to determine whether more units can be built at Leschi House, a very popular Seattle Senior Housing Program building. During FY 2007, SHA will conduct further analysis related to the design options presented and the best long-term use for the property.

**Alder Crest Apartments:** SHA purchased this 36-unit apartment down the street from High Point in 2004 to contribute to overall revitalization of the neighborhood. This run-down building had little management oversight and was a crime hot spot. In 2006, the

property was transferred to a limited partnership and construction began to rehabilitate the building as affordable workforce housing using state funds and low income housing tax credits. Units in the fully rehabilitated building, that are planned for completion in December 2006, will target households with incomes at 30 percent and 50 percent of AMI with eight units set aside as transitional housing for homeless families through the Sound Families program.



*Drawing of the renovated Alder Crest*

### **Organizational and administrative improvements**

**Performance measurement:** SHA continues to use the pre-MTW HUD performance benchmarks: vacancy percentage, rent collection, work order response and voucher utilization. For several years now, SHA has been budgeting and tracking expenses at the project level. Project budgets are rolled up into property management portfolios. In quarterly performance reviews, SHA examines portfolio-level performance using typical private sector measures such as expenses compared to budget and vacancy loss.

**Total Development Cost limits:** The new TDCs HUD published in July 2005 continue to be adequate, so SHA did not have to exercise its MTW authority to develop local TDCs.

**Streamline HUD approval of mixed-finance deals:** SHA continues to ask HUD to allow mixed-finance closings to occur without review of evidentiary material by a HUD attorney, based on a model developed by HUD and the Atlanta Housing Authority.

**Streamline demolition/disposition:** The Seattle MTW Disposition Protocol was included in the FY 2004 report. SHA and HUD have negotiated and implemented a streamlined protocol based on the Atlanta mode. Use of this protocol continued in FY 2006.

**Resource conservation:** Many of the business practices spelled out in the resource conservation protocol are being implemented. In FY 2006:

- SHA began replacing toilets in newly acquired multi-family properties with water saving models. This work is scheduled to be completed in December 2006 after which Seattle Public Utilities will give SHA a \$190 rebate for each toilet replaced.
- Installed Energy Star<sup>®</sup> laundry equipment in High Point rental units, with the City of Seattle covering the incremental cost of the upgrades. The washers will save each family \$90-\$120 per year on water and electric bills.
- Replaced 303 refrigerators manufactured before 1991 at all SHA properties with a contribution of \$300 per piece from Seattle City Light.
- SHA now directly bills NewHolly, Rainier Vista and High Point residents for their water use in order to increase accuracy and timeliness of billing and to encourage conservation. In FY 2006, each Rainier Vista and High Point unit's water meter was equipped with a transmitter that sends consumption information to a centralized database. Seattle Public Utilities provides rate information. SHA puts together the consumption and rate information and generates a monthly bill.

**Procurement policies:** During FY 2005, SHA adopted a procurement policy amendment that provides an incentive for potential bidders and contractors to hire low-income

---

---

people and involve Section 3 businesses as defined in 24 CFR 135.5 (Resolution 4793, July 2005). Contractors who bid on SHA contracts for goods and services are given incentive points in the scoring of their proposals if they are business entities owned by Section 3 qualified persons; commit to subcontract a certain percentage of the work with other Section 3 businesses; or commit to employing Section 3-eligible people.

In FY 2006, the Preference Program was added to non-roster consultant contracts and construction contract solicitations with only a few exceptions. Since program inception, SHA has awarded six professional service contracts to Section 3 firms. In moving forward, SHA will continue to conduct outreach to identify potential firms for Section 3 certification.

**Streamline wage rate administration:**

During FY 2005, SHA streamlined administration of prevailing wage requirements in bid documents and contracts for projects less than \$35,000. Contract and bid documents now incorporate, by reference to SHA's Web site, the required prevailing wage rates and applicable labor standards provisions for non-routine maintenance projects of less than \$35,000. In addition to paperwork reduction, this change improves the clarity of bid and

contract documents by eliminating redundant or inapplicable prevailing wage requirements. The HUD Seattle Regional Labor Relations Officer concurred with these revisions.

**Electronic Document Management System (EDMS):** This is a multi-year technology initiative to make documents immediately accessible via computer to staff, and reduce the amount of paper handled, copied and stored. "Document imaging" is the conversion of paper documents into electronic images, through computer-based forms or scanning paper documents.

Ultimately, EDMS (also known as Protégé@work) will be quite comprehensive, including document imaging and management, electronic forms and forms management, electronic reporting and workflow streamlining. The Mod Rehab Pilot was implemented in January 2005 and resulted in significant efficiencies (outlined in the FY 2005 MTW Report).

In FY 2006 SHA made software upgrades in preparation for implementing EDMS in other Housing Choice Voucher programs. The business process review for other HCV programs is underway to determine the most efficient and effective way to expand the Mod Rehab pilot functionality into these other areas.

---

---

## SECTION VI: CAPITAL PLANNING

This section describes capital activities and reports on the status of demolition, disposition and homeownership activities. A list of capital work items by housing program can be found in Appendix D.

### Modernization and rehabilitation

#### **homeWorks, the public housing high-rise renovation program**

For the past two years, SHA has been planning the rehabilitation of many public housing high-rises by leveraging HUD capital subsidy with private investment, such as low-income housing tax credits. SHA's intent is to rehabilitate major building systems and address deferred maintenance in about 20-25 high-rises in three phases over the next several years. To that end, during FY 2006, SHA:

- Started Phase I renovation, substantially completing work in three buildings out of the eight Phase I buildings;
- Completed Design Development documents for the seven Phase II buildings;
- Selected a General Contractor/Construction Manager for Phase II; and
- Received initial proposals for tax credit investment in Phase II.

Activities underway at year end included continued construction on Phase I buildings and Phase II financing and design activities.



*Green Lake Plaza – one of eight buildings in homeWorks Phase I*

### **Public housing capital work items**

Public housing capital obligations for FY 2006 totaled \$61,689,364. This amount includes sources from Mixed-Finance as well as HUD.

*Redevelopment:* \$42,056,372 supported HOPE VI redevelopment activities as follows:

- \$33.5 million in demolition, infrastructure and construction costs and \$3.1 million in design costs for High Point
- \$4.3 million in design costs plus \$1.1 million in demolition costs for Rainier Vista.

*Other purposes:* \$19,632,992 was obligated for the following purposes:

- \$935,000 in CFFP Bond Proceeds to repay homeWorks Phase I bonds.
- \$16.7 million toward the construction of homeWorks Phase I.
- \$1.1 million toward design and pre-construction of homeWorks Phase II.

### **SSHP capital work items**

SSHP capital obligations for FY 2006 totaled nearly \$117,000. A list of projects by community can be found in Appendix D.

### **Other facilities capital work items**

Projects completed in FY 2006 included a major redesign of the courtyard at SHA's Greenwood Apartments.

## Federal capital funding expenditures

To reflect the actual time needed to plan, design, procure contractors and implement

capital activities, public housing capital fund and HOPE VI grant funds are normally used over several-years. The table below shows the funds obligated through FY 2006 from each allocation.

Program	Fund Source	Budget	Funds Obligated Through FY 2006
Public Housing	SHA FY 2005/ FFY 2004 HUD Capital Fund	\$13,574,458	\$13,658,827
Modernization	SHA FY 2006/FFY 2005 HUD Capital Fund	\$12,783,776	\$7,831,129
HOPE VI	Holly Park Revitalization Grant	48,116,503	48,116,503
	Rainier Vista Revitalization Grant	35,000,000	26,736,926
	High Point Revitalization Grant	35,000,000	24,589,263

## Disposition and demolition

HUD approval is required before SHA can sell or demolish public housing property, or enter into long-term leases. This section reports on disposition and demolition requests and approvals during the fiscal year.

SHA listed several potential dispositions in the FY 2006 MTW Plan. Of these, the following were actually requested:

Disposition of public housing high-rises to a limited partner in order to combine capital subsidy and low income housing tax credits.

Up to 125 scattered site units to increase management efficiency: SHA submitted a disposition request for 79 units in FY 2005, for which HUD provided preliminary approval this year. Final approval was obtained for 22 of these units, as well as three units that were preliminarily approved in FY 2005.

Other potential dispositions or demolitions outlined in the SHA's FY 2006 MTW Plan but not requested in FY 2006 may be requested in future years.

## Homeownership activities

### HOPE VI

Affordable homeownership is part of the strategy for creating mixed-income com-

munities at NewHolly, Rainier Vista and High Point. With the sale of land to private builders, SHA has added a new strategy for developing homes affordable to households with incomes up to 80 percent of area median income or up to a purchase price of about \$335,000. Selected builders are required, as a condition of purchase of the land, to produce homes at affordable prices and provide a bank or mortgage company certification that buyers for the specified number of units have incomes below 80 percent of area median income. This "set aside" ensures that affordable homeownership units go to the target market.

Habitat for Humanity is an important partner with the Seattle Housing Authority in enabling households with incomes less than 50 percent of area median income to become homeowners. Using its sweat equity model, Habitat is providing housing at all three HOPE VI communities and they continue to work with SHA to investigate new strategies for providing affordable homeownership opportunities for their participating families. These innovative strategies include:

- Building attached townhouses, a new product for Habitat which is less costly to build than detached single family houses. The purchasers of these units will also be able to take advantage of a local property

---

---

tax exemption for affordable multi-family housing.

- Using designs from elsewhere on site, saving design costs and ensuring that the units will fit in with the rest of the community.
- Exploring joint venturing with a private developer in order to provide affordable units within condominium buildings at Rainier Vista. This would be another first for Habitat as it explores this high-density product as another model for providing low-cost housing. In this model, the unit shell would be completed by a builder, and Habitat volunteers would complete the interiors.

**NewHolly:** The NewHolly homeownership program is near completion and the affordable homeownership targets for Phases I, II and III have all been met. When finished, more than 100 homes for sale NewHolly will have been purchased by households with incomes at or below 80 percent of area median income.

Habitat has completed the construction of all of their 31 homes slated for the community and all of the units should be occupied by the end of 2006. Twelve of the units are townhouses.

With the Habitat homes completed, the remaining affordable units targeted for Othello Station, the third phase of the community, are being provided by Polygon Northwest. By the end of FY 2006, Polygon Northwest, the largest for-sale builder at Othello Station had completed and sold all of the 15 units they were providing to buyers with incomes at or below 80 percent of area median income. Polygon, SHA and the Seattle Office of Housing partnered to identify qualified buyers for these units, and to provide them with homeownership counseling and access to City downpayment assistance of up to \$45,000.

**Rainier Vista:** The Rainier Vista redevelopment plan calls for 40 percent of all homes sold to be affordable to households with incomes at or below 80 percent of area median income. The Phase I affordable homes for sale production strategy combines builder set-asides, Habitat for Humanity and an offering of land to other non-profits for homes affordable to buyers with incomes in the 50 to 80 percent of median range.

As part of the land sales to builders, two blocks at Rainier Vista have been set aside for affordable homeownership. One of the blocks is for 10 to 11 Habitat units and the second for another 10 to 12 units for buyers with incomes between 50 and 80 percent of area median income. Because of the light rail construction schedule, these units will not be available until 2008. Bennett Sherman will be setting aside 13 affordable homes within their parcels for buyers with incomes below 80 percent of area median income. They should be available for sale starting in the spring of 2007. This brings the Phase I total to 33 to 36 affordable homes for buyers with incomes below 80 percent of area median income. Additional strategies for affordable homes are currently being studied for other Phase I and Phase II parcels.



*Habitat for Humanity attached townhomes under construction at High Point*

**High Point:** Eighty affordable homes for sale are planned for High Point. The production strategy at High Point involves Habitat units and builder set-asides similar to Rainier Vista and NewHolly strategies.

Habitat will build a total of 21 units in the entire High Point community. Construction on the first eight homes in Phase I of the redevelopment has already begun. The first units should be ready for occupation by summer of 2007. The remaining 13 units will be located in Phase II and construction could begin as early as August 2007. All of the High Point Habitat homes are attached townhomes and were built from designs used elsewhere on site. While saving money, it also guaranteed that these units would blend with the other housing in the community. Several of the units are for four and five bedroom families, a target group that Habitat has not been able to provide housing for in other communities.

Polygon Northwest with 15 units and Lyle Homes with 10 units are providing another 25 units to buyers with incomes at or below 80 percent of area median income. These include carriage units and condominiums. Polygon has already closed on seven affordable units in FY 2006. The remaining Phase I units are anticipated to be completed and sold by the end of 2007.

In Phase II, another 47 affordable homes for sale will be provided. Habitat will construct 13 homes and the remaining 34 homes will be provided by builder set-asides. These homes should be available for sale in 2008.

### **Resident Homeownership**

#### **ROSS Section 8 Homeownership Program:**

In FY 2003, SHA and the King County Housing Authority obtained ROSS funds for a Section 8 homeownership demonstration for public housing residents. The housing authorities contracted with the Urban League, El Centro de la Raza and International District

Housing Alliance to prepare clients for homeownership.

In FY 2004, SHA approved a downpayment assistance policy (Resolution 4737) and used its MTW block grant to set aside \$450,000 in order to provide down payment assistance for up to 30 households.

The ROSS Homeownership grant ended July 31, 2006. A total of 12 households purchased homes while participating in the ROSS program, of which 10 purchased in Seattle and two in the Renton area. Three of the purchases were in FY 2006. Downpayment assistance came from a variety of sources including SHA and the City of Seattle.

Wage Earners	Household Income	Purchase Price	Down-payment
3	\$77,231	\$355,990	\$39,263
2	\$60,816	\$319,500	\$65,000
2	\$64,830	\$325,000	\$90,016

The lack of affordable housing in the City of Seattle, limited downpayment assistance and the strict guidelines for participation in the HUD NOFA governing the ROSS Homeownership Program, made it difficult for the non-profit partner agencies to identify an adequate number of qualifying households for the program.

However, because of SHA's commitment to helping residents become homeowners, the remaining balance of SHA's \$450,000 down payment assistance provided through the MTW block grant set aside, will continue to be available for eligible Public Housing and Housing Choice Voucher residents into FY 2007 with less stringent eligibility requirements than under the HUD ROSS grant.

**Family Self-Sufficiency:** SHA was awarded HUD funding in FY 2005 for an FSS Homeownership Specialist to pre-qualify and help clients create homeownership plans; develop partnerships with lenders, realtors,

escrow companies, etc.; and, provide homeownership workshops for FSS participants, interested SHA residents, and the general public.

In FY 2006, the FSS Homeownership Specialist worked with 40 FSS participants and assisted four FSS participants in becoming homeowners. All of the homes were purchased in south King County where homes are more affordable than in the City of Seattle.

Wage Earners	Household Income	Purchase Price	Escrow for Down
2	\$46,233	\$220,000	\$3,992
1	\$60,000	\$299,950	\$4,711
1	\$35,000	\$251,000	\$6,527
1	\$37,168	\$199,000	\$1,836

**Tenant Trust Account:** There were two Tenant Trust Account (TTA) participants who purchased homes in FY 2006.

Wage Earners	Household Income	Purchase Price	TTA for Down
*2	\$64,830	\$325,000	\$700
1	\$36,982	\$215,000	\$7,000

\* Also ROSS Homeownership participant

**Homeownership Counseling:** The Washington State Housing Finance Commission (WSHFC) awarded SHA \$3,500 for homeownership counseling. With this funding, SHA sponsored five homeownership classes and provided one-on-one counseling and referrals to SHA residents. A total of 43 SHA residents attended one or more of the workshops.

---

---

## SECTION VII: OWNED AND MANAGED UNITS

This section reports on management performance indicators for FY 2006.

### Vacancy percentage

The average vacancy rate among public housing properties was 2.5 percent. Target and actual vacancy percentages by community can be found in Appendix E.

### Rent collection

SHA collected 97.4 percent of public housing rents assessed and other tenant charges in FY 2006, down slightly from the 97.7 percent collected in FY 2005.

FY06 Target	FY06 Actual
98.6%	97.4%

### Work orders

*Emergency work orders:* SHA responded within 24 hours to all but 15 requests for emergency maintenance work.

FY06 Target	FY06 Actual
100%	98.7%

Of the work orders that were not responded to within 24 hours, half were responded to in 29 hours and three were due to procedural or coding errors.

*Regular maintenance work orders:* Although the target of 100 percent was not met, SHA continues to be a high performer in terms of responding to regular work orders within 30 days.

FY06 Target	FY06 Actual
100%	95.4%

A number of factors influenced SHA's performance of regular work orders during FY 2006, including:

- Electrical work orders comprised 43 percent of those that took longer than 30 days. High demand and a number of

special and non-routine jobs have impacted production. SHA added a temporary electrician in March and continues to review resources.

- Maintenance Mechanic work orders were 38 percent of the total taking longer than 30 days. Maintenance Mechanics are a relatively new position at SHA and there were some on the job training activities that may have impacted production.

### Inspections

SHA conducted 100 percent of inspections in public housing during FY 2006 in accordance with its public housing inspection protocol.

FY06 Target	FY06 Actual
100%	100%

Under the MTW protocol each public housing unit received either a critical item inspection or a comprehensive inspection. About 3,200 comprehensive inspections were conducted (including 362 in HOPE VI communities). All critical item inspections were completed on schedule.

### Security

During FY 2006 nine households were evicted for cause as a result of lease violations other than non-payment of rent, while another ten left SHA housing under threat of eviction for cause.

**Community policing:** In FY 2006, SHA continued to contract with the Seattle Police Department for four Community Police Team (CPT) officers. As a pilot project one of the four officers covered public housing high-rise and scattered site units located in both the south and southwest precinct. In the past, the police department has been reluctant to allow

---

---

an officer to cover properties outside his or her home precinct. SHA considers the pilot project to have worked very successfully and hopes to continue this initiative in FY 2007. Yesler Terrace and public housing high-rises in the East and North precincts each had a full-time officer. Property managers are in daily contact with the officers to address problems immediately and reinforce positive connections between residents and the police.

At High Point and Rainier Vista where the CPT officers were phased out as part of the HOPE VI redevelopment, SHA property management staff have developed good working relationships with the precincts without the assistance of a officer specially dedicated to, and funded by, SHA.

**Crime prevention organizing and education:** SHA continued to support crime prevention through the Seattle Neighborhood Group. Under this initiative, crime prevention organizers assigned to Yesler Terrace, High Point, and six public housing high-rises mobilized and assisted about 1,000 residents to participate in measures that lead to safer communities. As a result of decreasing funding for services and given other competing priorities for services dollars, SHA will not continue funding this program in FY 2007. SHA staff and community members will access crime prevention services through traditional resources offered by the police department. In addition, SHA continues to

support resident-driven crime prevention initiatives ranging from events that encourage neighbors to get to know one another to resident training and education.

**Off-duty police officers:** SHA employs off-duty, uniformed police officers for security services in several high-rise buildings. These officers impart an effective, authoritative, professional presence to maintain safety and security in communities affected by criminal activity or at high risk of renewed activity. In addition to providing security, these officers actively support investigations and work with residents to help them contribute to the safety and security of their communities.

**Private security:** SHA has contracted with a private security firm for communities affected by trespassing, drug trafficking or uncivil behavior. These communities are regularly patrolled to help keep out unauthorized persons and enhance resident safety. The same firm is on call for immediate response to a variety of emergent situations, such as fire-watch and lockout patrols, in all SHA communities.

At NewHolly, Rainier Vista and High Point, private security provides the homeowners, renters and agencies a contact point for deterring youthful mischief, graffiti or loitering in the parks, as well as lockout and door check services upon request, parking lot surveillance and the like.

---

---

## SECTION VIII: ADMINISTRATION OF LEASED HOUSING

This section compares performance targets for the Housing Choice Voucher Program for FY 2006 with actual performance.

### Leasing information

#### Housing Choice Voucher utilization

SHA's percent utilization of voucher authority in FY 2006 was as follows:

FY 06 Target	FY 06 Actual	9/30/2006
91%	83%	88%

After the FY 2006 budget was adopted, SHA learned that less grant revenue would be coming from HUD for Housing Assistance Payments. In response, SHA stopped issuing vouchers for part of FY 2005. In late FY 2005, with a new allocation of 448 HOPE VI replacement vouchers, SHA began again issuing vouchers from our existing wait list. This list had recently been purged and based on past experience an assumption was made that the show rate of people who were invited in off the wait list to attend the initial meeting would be approximately 70 percent. In reality the show rate was only 50 percent. SHA increased the number of people invited in for the initial meeting to increase the number of vouchers issued at which time utilization began to increase by one percentage point per month. In September 2006 utilization reached 88 percent. In FY 2007 SHA will continue to issue vouchers to use 99 percent of our budget authority.

In FY 2006 a new utilization monitoring and projection model was implemented. The model allows SHA to fine-tune the number of vouchers issued each month to ensure the highest possible voucher utilization within budget authority.

#### Ensuring rent reasonableness

Determination of rent reasonableness for new move-ins and annual reviews was centralized

in early 2004 in order to improve consistency and objectivity. The Section 8 Administrative Plan states the process.

Since 1988, Dupre + Scott, a professional real estate consulting service, has completed annual rent reasonableness surveys for SHA. Before approving a unit for subsidy, a trained Housing Inspector inspects the unit and rates its condition as average, above average, or below average relative to other units in the neighborhood. The determination of rent reasonableness is made by a trained Owner Liaison using the inspection report and condition rating and refined market survey data for similar units in the area. The rent reasonableness evaluation addresses market comparability for unit size, location, quality, type, age, amenities and utilities paid by the owner.

Units where the proposed rent is higher than the Dupre + Scott average rents for comparable units are investigated further to ensure that the higher rent is justified by unit characteristics. The investigation includes documenting market comparables using current publicly advertised rents gathered from newspapers, the Web, phone calls to landlords leasing units and "for rent" signs observed in the area. The contract rent is then negotiated with the owner. A detailed questionnaire and certification of rent rolls completed by the owner provides supporting documentation of comparable rents self-reported by owners.

SHA ensures that the contract rent is reasonable at all times the unit receives Housing Choice Voucher assistance by conducting a rent reasonableness assessment whenever an owner requests a rent increase. A moratorium on rent increases went into effect March 2005 due to the high vacancy rate and stable rents

---

---

in Seattle. Due to a tightening rental market the rent moratorium was lifted in May 2006.

### **Expanding housing opportunities and deconcentration of low-income families**

There were no opportunities in FY 2006 for SHA to apply for additional vouchers. SHA maintains the following services and resources for owners in an effort to expand housing opportunities and deconcentrate low-income families:

- a quarterly newsletter mailed with HAP checks that gives owners an overview of what is happening in the program along with detailed explanations of policies and procedures that affect them;
- a monthly training or orientation meeting for owners; and
- a section of *seattlehousing.org* devoted to program information for landlords, including an option of listing rental units online for inclusion in the weekly Section 8 rental listings.

SHA currently works with more than 2,600 landlords, a five percent increase over last year. An average of 28 new landlords express interest in the program each month. Approximately 95 landlords list available units with SHA each week. SHA continues to work in the community to expand the number of Section 8 landlords.

### **Inspection Strategies**

SHA currently inspects units to ensure that HUD's Housing Quality Standards (HQS) are met prior to executing a contract with a property owner. Inspections are repeated when the initial inspection reveals items to repair prior to leasing. Thereafter, the unit is inspected yearly to ensure that HQS have been maintained. As part of MTW, SHA continues to evaluate this system and explore other inspection methods and protocols.

SHA is using a new Inspection Software System to streamline and automate inspections. SHA purchased handheld computers to allow inspectors to conduct paperless inspections and upload the results directly into the work order system. The system was tested during FY 2005 and implemented in FY 2006. Throughout this initial year of full-scale use, SHA has been monitoring the effectiveness of this new system. In FY 2007 SHA will evaluate the system and make necessary changes.

### **HQS enforcement**

SHA is following the HQS inspection procedures outlined in our Administrative Plan which involves working with owners to correct any items that fail inspection. When a unit fails an inspection, the owner is sent a written pre-abatement notice which: 1) identifies the fail items which must be corrected for subsidy to continue; 2) the date of the pre-scheduled re-inspection, and 3) the date that subsidy will cease if the fail items are not corrected in time for the scheduled re-inspection. If fail items are not corrected within 30 days of the inspection, SHA sends the owner and the tenant a notice that the HAP contract will be terminated for failure to maintain HQS, and gives the effective date of the termination, which will be sufficient to give the family at least 30 days notice that they must move, coinciding with the end of the month.

### **Performance indicators**

In FY 2006, SHA met or exceeded all HQS inspection targets.

#### **Annual HQS inspections**

FY06 Target	FY06 Actual
100%	100%

#### **Pre-contract HQS inspections**

FY06 Target	FY06 Actual
100%	100%

---

---

### Quality control inspections

SHA's administrative plan adopts HUD's SEMAP standards to determine the targeted number of quality control inspections.

FY06 Target	FY06 Actual
54	66

### Housing Choice Voucher MTW policy changes

#### Tenant-based Housing Choice Voucher Program

Significant changes to the tenant-based voucher occupancy and rent policies are described in Section II. In FY 2006 The Job Connection began actively marketing its employment service to Housing Choice Voucher participants to foster family self-sufficiency (see Section IX).

### Project-based Housing Choice Voucher Program

During FY 2006, SHA focused on meeting its outstanding commitments for project-basing Housing Choice Vouchers in HOPE VI replacement housing, Sound Families transitional housing and Seattle Housing Levy-funded projects. All commitments are currently being honored (see Section II).

#### Merging of the Section 8 Certificate and Voucher Programs

Certificates continue to be converted to vouchers when a holder leaves the program or an annual review shows that the holder will not become rent-burdened. At the end of FY 2006, three certificates remain to be converted.

---

---

## SECTION IX: RESIDENT SERVICES

This section describes community and supportive services outcomes for residents of SHA communities and Housing Choice Voucher participants.

### Sustainability of Services

#### Financial sustainability of supportive services

To proactively address the changing landscape of social service funding, SHA contracted with The Collins Group to conduct a feasibility study of long-term fund raising options for SHA human services in 2005. In response to the recommendations in the study, the SHA Community Services Division launched Outcomes for Independence - *Promoting pathways to economic advancement* (OFI) in early 2006 to identify and promote best practices in self-sufficiency strategies.

To effectively meet SHA's mission to foster stability and self-sufficiency for people with low incomes, OFI works in collaboration with local anti-poverty initiatives to promote informed policy making, program design, and resource distribution. In addition, SHA will continue to implement the widest possible variety of strategies to ensure that services remain available to SHA residents.

Examples of collaborations developed as part of OFI in 2006 include the Seattle-King County Asset Building Collaborative and the Housing and Economic Security Project. Both of these endeavors involve applied research and evaluation of programs and strategies that advance economic self-sufficiency among low-income individuals and families; identifying and tracking key indicators and benchmarks for economic self-sufficiency on an ongoing basis; quantifying the costs and benefits of various economic self-sufficiency strategies; and, widely disseminating results. In preparation for participation in the assessment of these endeavors, applicable

data collection, reports and analyses are being developed involving SHA's existing self-sufficiency programs, including the Family Self-Sufficiency (FSS) Program, The Job Connection employment program, and the Tenant Trust Account Program.



*A participant of The Job Connection*

**Seattle Asset Building Collaborative:** The Asset Building Collaborative (ABC) is facilitated by the City and includes participation from Casey Family Programs, the Federal Reserve Bank, Freddie Mac, HomeSight, Medina Foundation, Seattle/King County Public Health, Seattle Jobs Initiative, United Way of King County, Washington Society of Certified Public Accountants and area social service providers. ABC works to increase opportunities for Seattle and King County low-income and working people to achieve their financial goals and attain greater financial independence and stability through a cohesive and comprehensive system of asset building programs that offer a continuum of services.

In FY 2006, the ABC began planning a pilot project the would target SHA residents at the

two extreme ends of the subsidized housing continuum – recently homeless families participating in Sound Families, a program to develop new housing with support services for homeless families, or families in danger of becoming homeless, and residents whose incomes are nearing levels that would eliminate their housing subsidy. Sound Families will require at least one adult family member to participate in The Job Connection, and each family will also receive a slot in the FSS Program where they can establish an escrow account for training, education, business development or homeownership.

**Housing and Economic Security Project:**

The Housing and Economic Security Project (HES Project) is a collaborative effort among the West Coast Poverty Center, the University of Washington, the Workforce Development Council of Seattle-King County, Neighborhood House, South Seattle Community College, Seattle Jobs Initiative, City of Seattle Human Services Department and Washington State Employment Security Department. In FY 2006 this group was formed to identify and implement innovative approaches to increase the economic security of low-income people living in subsidized housing. In FY 2007 the HES Project will seek planning grants to develop a pilot project targeting SHA residents with a goal of reducing poverty and expanding Seattle’s middle class through effective strategies that integrate housing stability, workforce development, asset building, and service systems.

**Grant funding:** SHA and a service partner received four HUD services grants during FY 2006:

Grant	Population served	Award
<b>HCV Participants</b>		
FSS Program Coordinators & Homeownership Specialist		261,825
<b>Public Housing</b>		
FSS Program Coordinator	Primarily Yesler Terrace, scattered sites	53,945
ROSS Family Model	NewHolly & Rainier Vista	345,495
ROSS Elderly/Disabled (Fremont Public Association)	Bell Tower, Denny Terrace, & Harvard Court	124,999
<b>Total</b>		<b>\$786,264</b>

SHA was also awarded \$6,980 in FY 2006 from the Washington State Housing & Finance Commission for homeownership workshops, and received notice of a FY 2007 award for the FSS Program Coordinators & Homeownership Specialist of \$292,199. A SHA proposal is pending with Sound Families, a City-operated and Bill & Melinda Gates Foundation-funded program, to develop new housing with support services for homeless families, for \$800,000 over ten years to house 30 homeless families (\$400,000 for capital development at High Point and \$400,000 for services). SHA also has pending FY 2007 HUD applications for the Public Housing FSS Program Coordinator, ROSS Neighborhood Networks for Yesler Terrace, and a ROSS Elderly/Disabled application submitted by service partner Neighborhood House for services at Jefferson Terrace and Yesler Terrace.

**Employment Services**

SHA’s The Job Connection offers employment services at five offices: Yesler Terrace and Lake City (North Seattle) and in each HOPE VI community: High Point, Rainier Vista and the recently completed NewHolly.

---

---

## Employment outcomes

The Job Connection's placement goal for FY 2006 was 170 placements. That goal was achieved as shown in the table below:

Outcome	Number
Job Connection Enrollment	247
Enrolled TANF recipients	24
Katrina Evacuees enrolled	2
<b>Total placements</b>	<b>172</b>
Total regular placements	145
Total AWE placements*	27
AWE to permanent placement	2
Unduplicated placements	135
Average hourly wage	\$11.70
Benefits after probationary period	68%
Full time jobs as of hire date	77%
Raises or career advancement	40
Percent increase in wages	18%

\*In the Adult Work Experience program, employment is for training purposes to advance employability while earning at least minimum wage.

Success and stability in income is measured through retention of employment, with six month retention as the standard benchmark of success. The most recent national retention statistics available are from 2003 and indicate that the national average for six month retention is 65 percent. With support given to both employers and SHA residents, The Job Connection's six month retention rate for FY 2006 is 72 percent.

Also of significant note, the national average of employers offering benefits as part of the employment package stands at 58 percent. The Job Connection placed residents in jobs where 68 percent offer benefits as part of the employment package.

Industry Type	Placements
Construction/Trades	16
Retail/Service/Hospitality	85
Service Paraprofessionals	12
Business/Clerical	16
Healthcare – all levels	5
Manufacturing	37
Technology	1
<b>Total placements</b>	<b>172</b>

## Career advancement

Once placed into a job of choice, SHA residents are encouraged to take advancement opportunities as they arise. Career advancements may include raises, new positions within the company, promotions, or obtaining a new job at a higher wage. In FY 2006 there were 40 documented wage/career advancements among The Job Connection participants. Through these advancements, the average hourly wage increased from \$11.32 to \$13.68. The number of positions offering benefits increased from 28 to 35 and six received an increase in hours worked.

## Apprenticeships and employer relationships

Since 2001, SHA has worked with Nordstrom to develop a year-long, paid apprenticeship for public housing residents. The training is a mix of computer-based and on-the-job training and industry-specific ESL classes. Nearing the second year of completion, four public housing residents will soon graduate from the program and will have permanent employment in one of several Nordstrom stores. Due to a change in management at Nordstrom it has become unclear whether the apprenticeship training will be made available in FY 2007. Negotiations are underway.

## Adult Work Experience

SHA residents with limited English language skills, no work history and no documented education often come to The Job Connection. To help these clients make their way into long term, permanent employment, an "Adult Work Experience" (AWE) is offered. In FY 2006 27 new job seekers had the opportunity to obtain short term training for a maximum period of 18 months. As experience is gained, opportunities for permanent employment are pursued with the support of The Job Connection. In FY 2006, two AWE participants moved on to permanent

---

---

employment. In FY 2007, it is estimated that an additional ten participants will obtain permanent employment.

Pioneer Industries was a leader in working with The Job Connection staff to create short term training opportunities for the AWE program. Pioneer's work demand is seasonal. Its basic production needs are a good fit for people who are just learning about the demands of the workforce in the United States. Pioneer alone hired more than 20 Job Connection applicants for short term employment opportunities in FY 2006.

### **Section 3 employment opportunities**

"Section 3" is a federal requirement that work created by HUD-funded projects go, as much as possible, to residents and businesses in the project area. In FY 2004, SHA enhanced its Section 3 program by hiring a coordinator to make the connections between contractors and Section 3 eligible individuals and businesses. SHA's goals were to:

- increase the number of SHA residents hired and Section 3 businesses awarded contracts; and
- foster collaboration with other housing authorities and government agencies to generate a regional commitment to work with Section 3 businesses and hire Section 3 qualifying job candidates whenever possible.

In FY 2006, the Section 3 program continued progress on both fronts. Employment and business development outcomes included:

- Fifty-seven Section 3 eligible individuals were placed either in construction jobs at High Point or in-house positions offered by SHA.
- In collaboration with Seattle Parks and Recreation Department the first Capital Aide Construction Project training was successfully completed and the trainee

was hired into permanent employment in the same field by another company.

- Contact continues with Sound Transit to discuss possible collaboration on apprenticeships.
- SHA worked with the Northwest Labor Employment Law Office (LELO) to actively recruit qualified Section 3 applicants for available job openings.
- More than 40 percent of SHA's 585 employees were hired while they lived in SHA housing; another 10 percent were low-income people living elsewhere in the community.
- SHA maintains an online registry on *seattlehousing.org* so that residents can apply for clerical and landscaping positions.
- In FY 2006, 52 Section 3 eligible residents were hired into SHA jobs.
- One Section 3 qualified business was added to the Small Works Roster.
- SHA and the King County and Tacoma Housing Authorities continue to work together to share Section 3 information and processes and build toward a regional collaboration that could mean Section 3 certification of a business by one public agency would be recognized by other agencies. SHA has also worked to recruit the City of Seattle and King County to participate in this collaborative.
- In addition to procurement policies described in Section V, Section 3 certification has been strengthened to now require verification of the economic/ personnel elements that make businesses Section 3 certifiable.

### **Leveraged funds**

Partner agency financial resources that complement employment services enable participants to maintain their jobs or housing. In FY

2006 these leveraged funds increased by 23 percent over FY 2005, setting a new record of \$220,184. This is due largely to a significant increase in homeownership funds leveraged.

Leverage Type	Amount
Homeownership	98,849
Emergency housing	765
Job training	14,404
Utilities, phone and cell phone	600
Training wages	6,000
Furniture	300
Employment appeal	3,789
Clothing	675
Transportation	194
<b>Total:</b>	<b>\$220,184</b>

### Family Self-Sufficiency

Through a FY 2004 independent FSS Program review and one conducted by HUD in FY 2005, SHA chose to focus on quality over quantity for FY 2006 by reducing caseloads to 70 participants and increasing the level of case management monitoring, coordination of services, and follow-up. When fully staffed, the FSS program will have a capacity of up to 280 HCV and 70 public housing participants. At the end of FY 2006, 190 HCV and 43 public housing participants were enrolled.

SHA applied for and received funding from HUD for an additional FSS staff person to recruit, enroll and provide case management for public housing FSS participants. A new FSS Specialist was hired in July 2005 and was able to increase the FSS caseload by 50 participants by March 2006. However, due to participants completing or being terminated from the program and the wait list being exhausted, there were only 43 participants in the FSS Program at the end of FY 2006.

### FSS outcomes

The following information demonstrates the activities of the 233 FSS participants enrolled at the end of FY 2006:

Current FSS participant status	Number
Employed Full-Time	88
Employed Part-Time	43
Small Business	7
School/Training Full-Time	15
School/Training Part-Time	12

Of the 43 FSS graduates in FY 2006:

- 21 who entered FSS with no income from wages had employment income when they graduated.
- 22 increased their income from employment.
- 20 obtained employment and left TANF.
- 11 more than doubled their household income, four more than tripled it, and seven more than quadrupled their total income.

As shown in the chart below, many graduates were well on their way toward economic self-sufficiency.

FSS household income as a percent of area median		
Income Group	On entry	On exit
< 30%	36	14
30%-50%	6	16
50%-80%	1	11
80%-100%	0	2

FSS participant job types	Number
Business/clerical	12
Construction/trades	5
Medical-all levels	7
Professional	3
Retail/service/hospitality	3
Self-employed	2
Service paraprofessional	9
Social Services	2

### FSS program review update

The FSS Program Coordinating Committee (PCC) and each of the four subcommittees (employment and training, small business, homeownership and support services) met and provided updates on each of their services, how to access and coordinate resources with

---

---

them and made recommendations for potential new members to be added to the PCC.

Other elements of the program review have been implemented, including:

- Revised interim withdrawal policies with more staff oversight of withdrawals;
- Improved record-keeping practices;
- More case management attention tailored to each family's needs;
- More specific contracts with participants;
- Improved communication within SHA and with neighboring housing authorities concerning participants who port in or out of Seattle;
- Improved accounting systems; and
- Revised policies and procedures to improve and strengthen processes.

FSS homeownership activities are described above in Section VI.



*Roger Fujita, FSS case manager, and FSS program graduate*

## Tenant Trust Account Program

A key element of the public housing rent policy revisions outlined in FY 2005 is the Tenant Trust Account Program (TTA). This program is designed to enhance residents' ability to become economically self-sufficient. SHA established a Trust Account on behalf of eligible households who choose to participate and set aside a portion of the

household's monthly rent payment for deposit into the Trust Account.

Only households with earned income (including unemployment compensation) are eligible for this benefit if all the following criteria are met:

Income from wages or unemployment benefits exceeds \$15,000/year<sup>7</sup>;

- Not currently under eviction;
- Rent does not exceed SHA-established market rent for the unit;
- Not currently on SHA's Family Self-Sufficiency Program; and
- Lifetime contributions to the Tenant Trust Account have not exceeded \$10,000.

In March 2006, SHA hired a TTA Specialist to re-enroll current participants into the new program and new participants when they become eligible. The TTA Specialist also assists participants in identifying one or more goals that they are interested in pursuing while in the TTA Program and provides information and referral to services in the community that will help them to reach their goals.

The following are TTA Program outcomes as of the end of FY 2006:

- 305 residents have a TTA balance (includes original and present TTA participants who have re-enrolled).
- 133 participants have enrolled in the TTA Program to date.
- Average rent payment for TTA participants is \$573.
- Average monthly TTA deposit for participants is \$37.
- Average balance in TTA is \$863.

---

<sup>7</sup> Equivalent to a 30 hour per week job at a typical entry level wage of \$10 per hour.

---

---

## Bridging the digital divide

SHA currently has three active HUD Neighborhood Networks grants that support computer labs at Rainier Vista, High Point, and a special lab designed for people with disabilities at Center Park. Together, the labs serve about 600 clients annually. They are operated in partnership with public and non-profit agencies: Seattle Public Schools (High Point), Neighborhood House (Rainier Vista) and Digital Promise (Center Park). The labs focus on access to the Internet and technology education via structured programs for people of all ages. The Rainier Vista and High Point labs provide ESL classes in collaboration with South Seattle Community College. The classes focus on learning English and basic computer skills. Language-specific computer courses are also provided in Cambodian and Vietnamese, with goals such as obtaining a GED and applying for citizenship. Volunteer also support the Rainier Vista ESL program.

In partnership with Seattle Parks and Recreation, SHA also operates the Yesler Terrace Learning Center and has applied for FY 2006 HUD funding to continue assistance to the Yesler Terrace lab.

SHA funds a computer lab at Westwood Heights that focuses on structured programs and free Internet access for seniors. SHA contracts with Digital Promise to operate this lab.

During FY 2006 SHA continued to work with partners to move the labs towards financial independence.



*Technology centers provide computer training and access to people of all ages*

---

## Community Building

Research shows that community building results in connectedness, or *social capital*. Social capital results in healthier communities. Healthier communities are less demanding to manage, and members of healthy communities have more support to become self-sufficient. To guide community building efforts, SHA developed a definition of community building as a process that:

- increases resident self-sufficiency;
- improves quality-of-life;
- increases integration; and
- maximizes resources through promoting social networks and effective community partnerships.

SHA has embraced National Community Building Network principles, which include: integrate community development and human service strategies, start from local conditions, build on community strengths, support families and children, foster broad participation, forge partnerships through collaboration, require racial equity and value cultural strengths.

SHA currently employs six Community Builders and a VISTA Volunteer dedicated to this work. Community building in action has resulted in increased resources and self-help capacity in SHA communities. Following are examples of community building initiatives during FY 2006:

### **Leadership Development Training**

**Initiative:** Encouraging public housing residents to engage their neighbors in community building activities has been an ongoing effort and initiative of community builders and resident leaders. For several years, residents have attended Undoing Institutional Racism, conflict resolution and mediation training, and were looking for opportunities to enhance these skills by promoting leadership opportunities within

---

---

their buildings and communities. Working with existing partners such as Department of Neighborhoods and Non-profit Assistance Center, SHA community builders provided technical support to resident leaders in developing an on-going training program. This culminated in several training sessions in FY 2006, focusing on the use of Neighborhood Matching Funds, addressing “-isms” (classism, ablism, racism, etc.) in the community that prevent strong community ties, and technical training on running meetings, creating agendas and conducting effective outreach.

**Emergency Preparedness Initiative:** Along with the City of Seattle’s “3-Ways, 3-Days” initiative, SHA is conducting a three-prong approach to preparedness during emergencies.

- First is through the provision of education, resources and plans to survive for three-days without external support from SHA or medical and emergency personnel. Aiding in this effort was the Corporation for National Service and Points of Light Foundation with the donation of 1,000 three-day emergency kits. These are used as incentives and rewards for attending training sessions, successfully completing fire evacuation drills, and demonstrating self-preparedness.
- Second is through the coordination with SHA Emergency Preparedness and Recovery Coordinator on ensuring the SHA building staff training is coordinated with resident training (see Section II).
- Third, residents take what they have learned and pass it on to their neighbors, including those who do not live in SHA housing. This prepares residents, but also helps build community with the surrounding community.

## **Resident participation funds**

SHA received \$25 per occupied public housing unit, or about \$121,425 for Resident Participation Funds. During FY 2006, SHA and 15 duly-elected public housing council representatives developed and signed a Memorandum of Agreement on the use of the funds to support:

- The Voice monthly newspaper for public housing residents: Produced by Neighborhood House, The Voice reports on community events, SHA policies or management and other issues of concern to low-income people. Resident council leaders met with The Voice during a Resident Participation Funding planning meeting in order to give the editor their input on how to improve the paper. The paper reaches a wide audience and is a primary means of communication between SHA and residents.
- Resident councils: Resident Participation Funds paid for office supplies, election supplies, interpretation at council meetings and council meeting flyer delivery in large public housing communities.
- Civic engagement and inclusiveness training: Sixteen residents completed “Get Involved in Your Neighborhood” training offered by the Department of Neighborhoods. Another training supported with RPF resources was called “Creating Inclusive Environments in Our Community Organizing.” Twenty-two residents leaders attended this training and several residents led portions of the training.



*A crowd gathers for a performance at the NewHolly Family Fun Fest, an annual event that engages community members in the planning, implementation, and enjoyment*

### **NewHolly Neighborhood Campus**

During FY 2006, SHA continued to build partnerships with service providers to help ensure the availability of on-site services at NewHolly. South Seattle Community College, Atlantic Street Center (youth and family programs), Seattle Public Library, Seattle Public Schools (computer lab), Catholic Community Services (youth tutoring), and Neighborhood House (Head Start) continued to provide services at the Campus throughout the year.

Service enhancements underway at year end included:

- The NewHolly Campus Steering Committee developed committees to address specific items around the collaborative opportunities and data needed to improve referral relationships.
- Development of the NewHolly Youth Solutions Forum to address needed services for youth with the completion of Phase II and Phase III and closure of the Van Asselt Community Center for reconstruction. Key leaders from Seattle Public Schools, Seattle Public Library, Atlantic Street Center, Seattle Parks and Recreation, SHA and others joined

together to develop solutions which are being implemented.

### **Governance and representation in mixed-income communities**

Community builders continued to promote more organic community organizing through affinity groups and informal gatherings (e.g., block parties, monthly seniors gathering, culture-specific coffee/tea times), as well as interaction with existing neighborhood groups in the City of Seattle neighborhood council system.

### **Targeting services**

**Case Management Services:** Case management services are provided by City of Seattle Aging and Disability Services. During FY 2006, 14 case managers provided over 1,600 residents with case management services and referrals to meet their supportive service needs. Eviction prevention continues to be a major focus of the Case Management Program in the form of intervention and additional services to help residents stay in independent housing or move to more appropriate settings. In FY 2006, the Case Management Program received 196 referrals from SHA property managers. Through this successful program 94 percent of evictions were prevented.

Complementing the traditional Case Management Program, mental health case managers continue to provide extensive services to residents in SHA public housing high-rises. Community Psychiatric Clinic (CPC) spent over 1,000 hours in FY 2006 in outreach and engagement, enrolled over 150 new case management clients and responded to incidents typically within 24 hours. One hundred percent of evictions referred to CPC were prevented.

**Computer services for disabled and elderly residents:** At the end of its first year of a

---

three-year \$300,000 HUD Neighborhood Networks grant, the Special Technology Access Resource (STAR) Center located at Center Park, through a contract with Digital Promise, has successfully developed an Advisory Board, conducted several trainings in coordination with Seattle Goodwill and expanded operating hours to include Saturdays. Digital Promise also conducted a door-to-door survey of residents living at Center Park and nearby Jefferson Terrace to encourage participation and identify service needs. The STAR Center provides assistive technology access to public housing residents living with disabilities.



*Rainier Vista community members celebrate the new P-Patch garden which includes raised beds that make gardening more accessible*

### **Domestic violence**

In early 2006, the City of Seattle's Domestic Violence and Sexual Assault Division and Office of Housing convened a Housing Subcommittee of the Domestic Violence Prevention Council to develop a strategic plan to end homelessness for domestic violence victims/survivors and their children in conjunction with the King County Ten-Year Plan to End Homelessness. As a member of the subcommittee, and to ensure a coordinated effort, SHA Community Services staff postponed the 2005 work of a Domestic Violence (DV) Policy Committee until the subcommittee's strategic plan is finished in

the first quarter of FY 2007. In the meantime, SHA has developed and modified policies and procedures to meet the requirements of the Violence Against Women Act and new Washington State legislation. These policies will be revisited, along with additional collaborative strategies and targeted services, when the SHA DV Committee begins to meet in 2007. In addition to ensuring that SHA policies are in compliance with state and federal regulations, the committee will use the DV Housing Subcommittee's strategic plan and other resources to identify additional ways to increase the safety and housing options of DV victims and their families, while reducing the cost of relocation and other financial impacts of domestic violence in SHA communities.

### **Higher education initiative**

The Higher Education Project (Project), a coalition formed in 2002, provides youth and their families in Seattle Housing Authority's low-income housing with services to help them pursue higher education. Services of the Project include the development of a College Planning Guide, an annual College Fair and Financial Aid Workshop, and a scholarship program. Due to successful fundraising, the Project's "Dream Big" Scholarship was able to award three \$1,000 scholarships in FY 2006. In future years, Dream Big will also be able to rely on interest income from a nearly \$40,000 contribution from SHA in FY 2006. This funding came from the account balance and sale of assets at the time the High Pont Resident Initiative Association (resident management corporation) ceased its operations. SHA and the Association agreed the balance would be used for scholarship funding. The interest earned on investing this contribution should yield one to two scholarships per year.

---

---

## **SECTION X: OTHER INFORMATION REQUIRED BY HUD**

This section documents SHA Board of Commissioners approval of this MTW Annual Report in Board Resolution No. 4851 (attached).

The appendices following this report include some materials required by HUD and some to further explain or illustrate SHA's activities during the year. They are:

Appendix A: Audited Comprehensive Annual Financial Report for FY 2005, dated January 6, 2006.

Appendix B: Households and Applicant Demographics

Appendix C: Consolidated Financial Statements

Appendix D: Capital Activities

Appendix E: Vacancy Rates by Community

# **APPENDIX A: AUDITED COMPREHENSIVE FINANCIAL REPORT FOR FY 2005**

## APPENDIX B: HOUSEHOLD AND APPLICANT DEMOGRAPHICS

This Appendix provides specific data on changes in the number and characteristics of housed households or applicants over the past fiscal year. Slight variations in totals from table to table indicate that some detailed data is missing for a few households. Hispanic households and applicants included are in their claimed race, e.g. White, African/African American, etc.

### Existing Households

#### Race of head of household

Low-Income Public Housing Residents as of 9/30/2006

Community type	White	African/ African American	Native American	Asian/ Asian American	Native Hawaiian & Pacific Islander	Total
Garden Communities	132	542	20	516	2	1,212
Townhouses	12	31	1	16		60
Scattered Sites*	162	315	14	126		617
Mixed Income	21	25	1	1		48
Partnership Units	10	31	1	6		48
High-Rises**	1,660	636	69	437		2,802
<b>LIPH Total</b>	<b>1,997</b>	<b>1,580</b>	<b>106</b>	<b>1,102</b>	<b>2</b>	<b>4,787</b>
<b>Percent: Actual</b>	<b>41.72%</b>	<b>33.01%</b>	<b>2.21%</b>	<b>23.02%</b>	<b>0.04%</b>	<b>100%</b>
FY 2006 Plan Projection**	2,073	1,667	118	1,144	1	5,003
Percent: Projected	41.44%	33.32%	2.36%	22.87%	0.02%	100%
% Change from Projections	-3.67%	-5.22%	-10.17%	-3.67%	100.00%	-4.32%
Difference in Ratios	0.28%	-0.31%	-0.15%	0.15%	0.02%	

\*Excludes two households whose race is unknown.

\*\*Excludes five households whose race is unknown.

#### Section 8 Program Participants as of 9/30/2006

Program	White	African/ African American	Native American	Asian/ Asian American	Native Hawaiian & Pacific Islander	Total
HCV Tenant-based**	1,850	2,076	80	569	23	<b>4,598</b>
HCV Project-based	780	443	31	161	12	<b>1,427</b>
S8 New Construction	62	27	3	2	0	<b>94</b>
S8 Mod Rehab	359	121	26	143	3	<b>652</b>
<b>Section 8 Total</b>	<b>3,051</b>	<b>2,667</b>	<b>140</b>	<b>875</b>	<b>38</b>	<b>6,771</b>
<b>Percent: Actual</b>	<b>45.06%</b>	<b>39.39%</b>	<b>2.07%</b>	<b>12.92%</b>	<b>0.56%</b>	<b>100%</b>
FY 2006 Plan Projection	2,992	2,617	142	832	35	6,618
Percent of Total: Projected	45.21%	39.54%	2.15%	12.57%	0.53%	100%
% Change from Projections	1.97%	1.91%	-1/41%	5.17%	8.57%	2.31%
Difference in Ratios	-0.15%	-0.15%	-0.08%	0.35%	0.03%	

\*\*Excludes households that have left SHA's jurisdiction (1,658 households, a.k.a port-outs)

SSHP Residents as of 9/30/2006

Program	White	African/ African American	Native American	Asian & Pacific Islander	Total
<b>SSHP Total</b>	<b>698</b>	<b>96</b>	<b>10</b>	<b>146</b>	<b>950</b>
<b>Percent: Actual</b>	<b>73.47%</b>	<b>10.11%</b>	<b>1.05%</b>	<b>15.37%</b>	<b>100%</b>
FY 2006 Plan Projection	704	106	13	140	963
Percent: Projected	74.76%	11.10%	0.84%	13.30%	100%
% Change from Projections	-0.85%	-9.43%	-23.08%	4.29%	-1.35%
Difference in Ratios	-1.29%	-0.99%	0.21%	2.07%	

\*Excludes three households whose race is unknown.

**Income distribution as a percent of median income**

2006 Median Incomes Levels for the Seattle-Bellevue-Everett Area

Family Size	30% Median	50% Median	80% Median
Single Individual	\$16,350	\$27,250	\$ 41,700
Family of Two	\$18,700	\$31,150	\$ 47,700
Family of Three	\$21,050	\$35,050	\$ 53,650
Family of Four	\$23,350	\$38,950	\$ 59,600
Family of Five	\$25,250	\$42,050	\$ 64,350
Family of Six	\$27,100	\$45,200	\$ 69,150
Family of Seven	\$29,000	\$48,300	\$ 73,900
Family of Eight	\$30,850	\$51,400	\$ 78,650

Distribution of Households' Annual Income as of 9/30/2006

Program	Below 30% Median Income	30% - 50% Median Income	50% - 80% Median Income	Over 80% Median Income	Total
Low Income Public Housing	4,128	533	114	18	4,793
HCV Tenant-Based*	3,906	574	111	7	4,598
HCV Project-Based	1,350	65	10	3	1,428
Section 8 Mod Rehab	630	16	5	1	652
Section 8 New Construction	83	11	1	0	95
Seattle Senior Housing Program	809	115	27	2	953
<b>Total Households</b>	<b>10,906</b>	<b>1,314</b>	<b>268</b>	<b>31</b>	<b>12,519</b>
<b>Percent: Actual</b>	<b>87.12%</b>	<b>10.50%</b>	<b>2.14%</b>	<b>0.25%</b>	<b>100%</b>
FY 2006 Projected Total	11,019	1,298	247	20	12,584
Percent: Projected	88.58%	9.78%	1.44%	0.20%	100%
% Change from Projections	-1.03%	1.23%	8.50%	55.00%	-0.52%
Difference in Ratios	-1.46%	0.72%	0.70%	0.05%	

\*Excludes port-outs and SSHP voucher holders.

## Total population by age group (minors, adults and elderly)

### Low-Income Public Housing Residents as of 9/30/2006

Development	Minors	Non-elderly Adults	Elderly Adults	Total Individuals	Elderly >70
Garden Communities	1,545	1,650	395	3,590	207
Townhouses	154	111	7	272	1
Scattered Sites	803	993	100	1,896	42
Partnership Units	100	81	5	186	2
High-Rises	9	1,839	1,151	2,999	650
Mixed Income	37	57	4	98	1
<b>LIPH Total</b>	<b>2,648</b>	<b>4,731</b>	<b>1,662</b>	<b>9,041</b>	<b>903</b>
<b>Percent: Actual</b>	<b>29.29%</b>	<b>52.33%</b>	<b>18.38%</b>	<b>100%</b>	
FY 2006 Plan Projection	2,755	4,944	1,657	9,356	823
Percent: Projected	29.45%	52.84%	17.71%	100%	
% Change from Projections	-3.88%	-4.31%	0.30%	-3.37%	
Difference in Ratios	-0.16%	-0.51%	0.67%		

### Section 8 Participants as of 9/30/2006

Program	Minors	Non-elderly Adults	Elderly Adults	Total Individuals	Elderly >70
HCV Tenant-based*	4,372	5,209	1,362	10,943	649
HCV Project-based	643	1,362	297	2,302	166
Section 8 Mod Rehab	87	570	165	822	59
Section 8 New Construction	0	68	33	101	16
<b>Section 8 Total</b>	<b>5,102</b>	<b>7,209</b>	<b>1,857</b>	<b>14,168</b>	<b>890</b>
<b>Percent: Actual</b>	<b>36.01%</b>	<b>50.88%</b>	<b>13.11%</b>	<b>100.00%</b>	
FY 2006 Plan Projection	5,636	7,149	1,421	14,206	700
Percent: Projected	39.67%	50.32%	10.00%	100%	
% Change from Projections	-9.47%	0.84%	30.68%	-0.27%	
Difference in Ratios	-3.66%	0.56%	3.11%		

\*Excludes port-outs and SSHP voucher holders.

### SSHP Residents as of 9/30/2006

	Minors	Non-elderly Adults	Elderly Adults	Total Individuals	Elderly >70
<b>SSHP Total</b>	<b>0</b>	<b>114</b>	<b>970</b>	<b>1,084</b>	<b>763</b>
<b>Percent: Actual</b>	<b>0.00%</b>	<b>10.52%</b>	<b>89.48%</b>	<b>100%</b>	
FY 2006 Plan Projection	0	122	970	1,092	706
Percent: Projected	0.00%	11.17%	88.83%	100%	
% Change from Projections	0.00%	-6.56%	0.00%	-0.73%	
Difference in Ratios	0.00%	-0.65%	0.65%		

## People with disabilities

### Low-Income Public Housing Residents as of 9/30/2006

Development	Disabled Minor	Non-Elderly Disabled	Elderly Disabled	Total Disabled	Total Individuals
Garden Communities	8	225	207	<b>440</b>	3,590
Townhouses	3	10	2	<b>15</b>	272
Partnership Units	2	4	0	<b>6</b>	1,896
Scattered Sites	4	162	40	<b>206</b>	186
High-Rises	1	1,377	560	<b>1,938</b>	2,999
Mixed Income	1	15	0	<b>16</b>	98
<b>LIPH Totals</b>	<b>19</b>	<b>1,793</b>	<b>809</b>	<b>2,621</b>	<b>9,041</b>
<b>Percent: Actual</b>	<b>0.72%</b>	<b>68.41%</b>	<b>30.87%</b>	<b>100.00%</b>	
FY 2006 Projected Totals	19	1,953	803	2,775	9,356
Percent: Projected	0.68%	70.38%	28.94%	100.00%	
<b>% Change from Projections</b>	<b>0.00%</b>	<b>-8.19%</b>	<b>0.75%</b>	<b>-5.55%</b>	<b>-3.37%</b>
<b>Difference in Ratios</b>	<b>0.04%</b>	<b>-1.97%</b>	<b>1.93%</b>	<b>0.00%</b>	

### Section 8 Participants as of 9/30/2006

Program	Disabled Minor	Non-Elderly Disabled	Elderly Disabled	Total Disabled	Total Individuals
HCV Tenant-based*	183	1,764	763	<b>2,710</b>	10,943
HCV Project-based	16	631	146	<b>793</b>	2,302
Section 8 New Construction	0	60	20	<b>80</b>	822
Section 8 Mod Rehab	3	272	117	<b>392</b>	101
<b>Section 8 Total</b>	<b>202</b>	<b>2,727</b>	<b>1,046</b>	<b>3,975</b>	<b>14,168</b>
<b>Percent: Actual</b>	<b>5.08%</b>	<b>68.60%</b>	<b>26.31%</b>	<b>100.00%</b>	
FY 2006 Projected Total	234	2,615	873	3,758	14,206
Percent: Projected	1.65%	18.66%	6.15%	26.45%	
<b>% Change from Projections</b>	<b>-13.68%</b>	<b>4.28%</b>	<b>19.82%</b>	<b>5.77%</b>	<b>0.00%</b>
<b>Difference in Ratios</b>	<b>3.43%</b>	<b>49.94%</b>	<b>20.16%</b>	<b>73.55%</b>	

\*Excludes port outs and SSHP voucher holders.

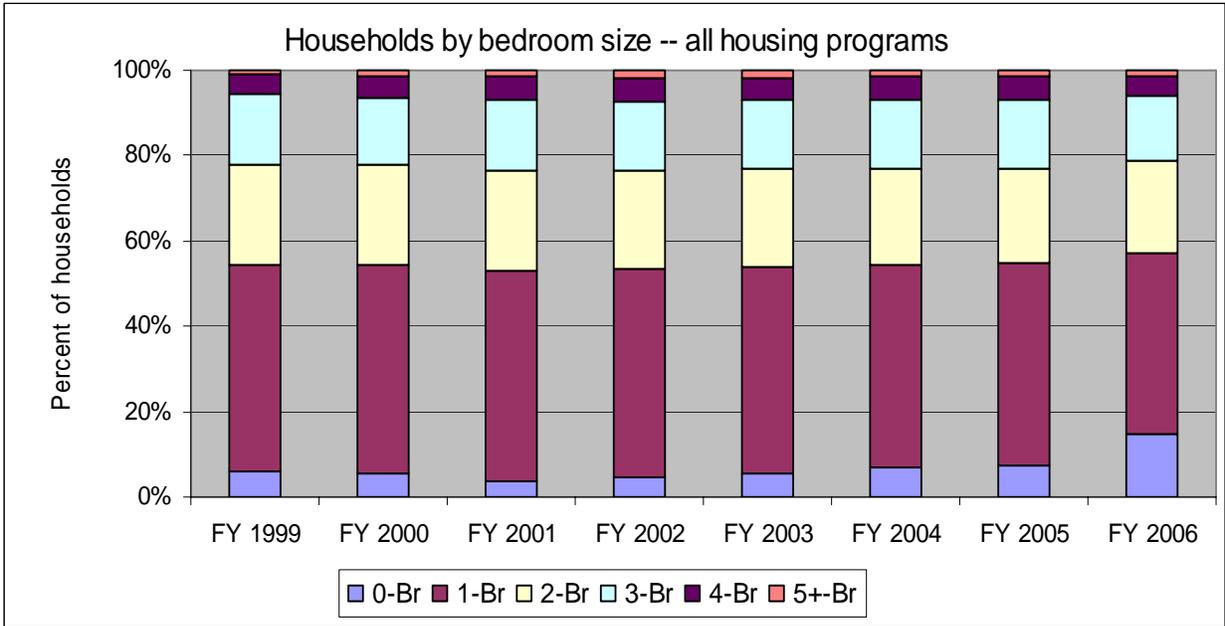
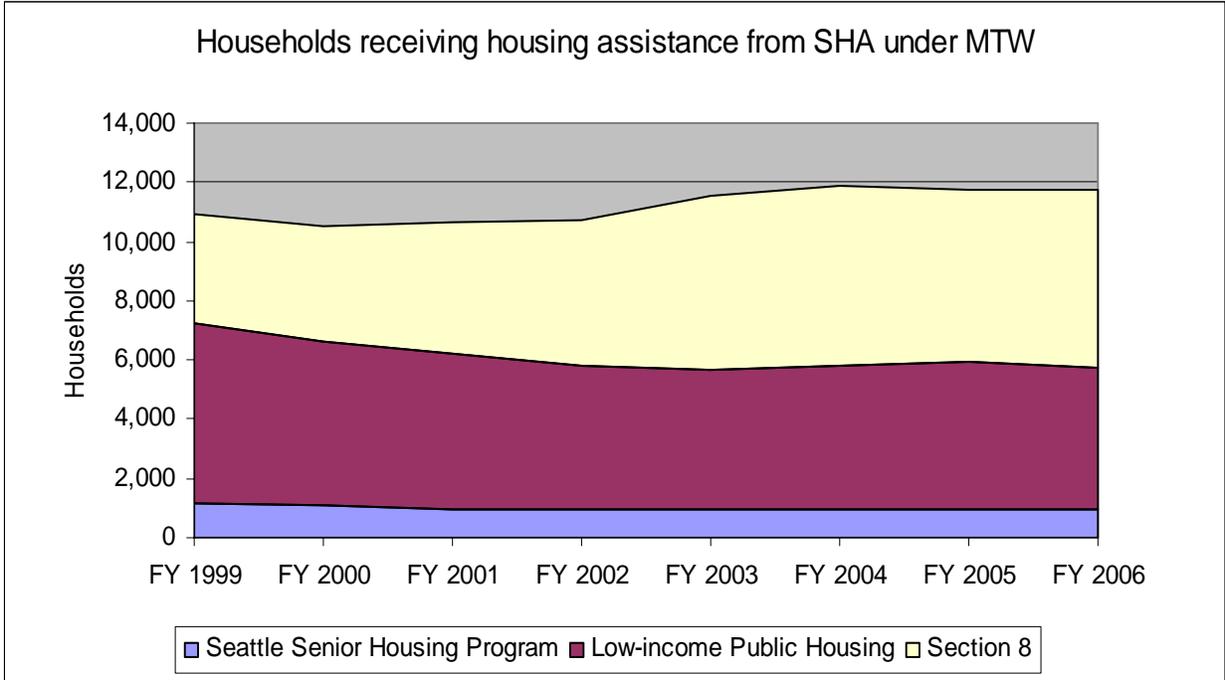
### SSHP Residents as of 9/30/2006

	Disabled Minor	Non-Elderly Disabled	Elderly Disabled	Total Disabled	Total Individuals
<b>SSHP Totals</b>	<b>0</b>	<b>87</b>	<b>154</b>	<b>241</b>	<b>1,084</b>
<b>Percent: Actual</b>	<b>0.00%</b>	<b>36.10%</b>	<b>63.90%</b>	<b>100.00%</b>	
FY 2006 Projected Totals	0	99	161	260	1,092
Percent: Projected	0.00%	9.07%	14.74%	23.81%	
<b>% Change from Projections</b>	<b>0.00%</b>	<b>-12.12%</b>	<b>-4.35%</b>	<b>-7.31%</b>	<b>-0.01%</b>
<b>Difference in Ratios</b>	<b>0.00%</b>	<b>27.03%</b>	<b>49.16%</b>	<b>76.19%</b>	

**Households served by unit size – comparing SHA’s first year of MTW (FY 1999), the prior year (FY 2005), and the current year (FY 2006)**

Program	Year	0-Br	1-Br	2-Br	3-Br	4-Br	5+-Br	Total
Low-income Public Housing	FY 1999	257	3,158	1,470	935	231	36	6,087
	FY 2005	192	3,009	864	713	190	35	5,003
	<b>FY 2006</b>	<b>778</b>	<b>2,292</b>	<b>848</b>	<b>661</b>	<b>179</b>	<b>36</b>	<b>4,794</b>
Housing Choice Voucher Tenant- and Project-based Assistance	FY 1999	250	1,117	1,079	872	279	82	3,679
	FY 2005	676	1,688	1,656	1,183	442	155	5,800
	<b>FY 2006</b>	<b>983</b>	<b>1,766</b>	<b>1,642</b>	<b>1,116</b>	<b>381</b>	<b>139</b>	<b>6,027</b>
Section 8 New Construction	FY 1999	10	141	0	0	0	0	151
	FY 2005	0	95	0	0	0	0	95
	<b>FY 2006</b>	<b>0</b>	<b>95</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>95</b>
Seattle Senior Housing Program	FY 1999	161	913	85	0	0	0	1,159
	FY 2005	0	871	92	0	0	0	963
	<b>FY 2006</b>	<b>0</b>	<b>864</b>	<b>89</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>953</b>
<b>Total</b>	<b>FY 1999</b>	<b>678</b>	<b>5,329</b>	<b>2,634</b>	<b>1,807</b>	<b>510</b>	<b>118</b>	<b>11,076</b>
	<b>FY 2005</b>	<b>868</b>	<b>5,663</b>	<b>2,612</b>	<b>1,896</b>	<b>632</b>	<b>190</b>	<b>11,861</b>
	<b>FY 2006</b>	<b>1,761</b>	<b>5,017</b>	<b>2,579</b>	<b>1,777</b>	<b>560</b>	<b>175</b>	<b>11,869</b>
Distribution of unit sizes	FY 1999	6.12%	48.11%	23.78%	16.31%	4.60%	1.07%	100%
	FY 2005	7.32%	47.74%	22.02%	15.99%	5.33%	1.60%	100%
	FY 2006	14.84%	42.27%	21.73%	14.97%	4.72%	1.47%	100%

Notes: The Morrison is excluded from SSHP after FY 2001. Housing Choice Vouchers excludes Mod Rehab units.



## Applicant demographics

### Race of head of household by bedroom size <sup>1</sup>

Low-Income Public Housing Applicants as of 9/30/2006

Unit Size	White	African/ African American	Native American	Asian & Pacific Islander	Total
0/1 bedroom	2270	1768	147	874	5,059
2 bedroom	1067	1449	115	496	3,127
3 bedroom	188	340	34	109	671
4 bedroom	10	51	7	10	78
5 bedroom	2	19	0	2	23
<b>LIPH Total</b>	<b>3,537</b>	<b>3,627</b>	<b>303</b>	<b>1,491</b>	<b>8,958</b>
<b>Percent: Actual</b>	<b>39.48%</b>	<b>40.49%</b>	<b>3.38%</b>	<b>16.64%</b>	<b>100.00%</b>
FY 2006 Plan Projection	3,111	3,383	287	1,542	8,323
Percent: Projected	37.38%	40.65%	3.45%	18.53%	100%
% Change from Projections	13.69%	7.21%	5.57%	-3.31%	7.63%
Difference in Ratios	2.10%	-0.16%	-0.07%	-1.89%	

Note: Applicants to HOPE VI communities are not included in this analysis.

### Section 8 Applicants as of 9/30/2006

Unit Size	White	African/ African American	Native American	Asian & Pacific Islander	Total*
<b>All bedroom sizes**</b>	<b>1,408</b>	<b>1,705</b>	<b>131</b>	<b>383</b>	<b>3,627</b>
<b>Percent: Actual</b>	<b>38.43%</b>	<b>47.40%</b>	<b>3.34%</b>	<b>10.83%</b>	<b>100%</b>
FY 2006 Plan Projection	1,324	1,434	110	608	3,476
Percent: Projected	38.09%	41.25%	3.16%	17.49%	100%
% Change from Projections	6.34%	18.90%	19.09%	-37.01%	4.34%
Difference in Ratios	0.73%	5.76%	0.45%	-6.93%	

Note: \*An additional 374 households did not specify Race on initial application. \*\*SHA does not currently assign bedroom sizes for Section 8 applicants.

<sup>1</sup> Hispanic households are included in their claimed race, e.g. White, African/African American, etc.

### Section 8 New Construction Applicants as of 9/30/2006

Unit Size	White	African/ African American	Native American	Asian & Pacific Islander	Total
0/1 bedroom	199	176	16	31	422
2 bedroom	1	4	0	0	5
<b>Section 8 New Construction Total</b>	<b>200</b>	<b>180</b>	<b>16</b>	<b>31</b>	<b>427</b>
<b>Percent: Actual</b>	<b>46.84%</b>	<b>42.15%</b>	<b>3.75%</b>	<b>7.26%</b>	<b>100%</b>
FY 2006 Plan Projection	76	68	5	10	159
Percent: Projected	47.80%	42.77%	3.14%	6.29%	100%
<b>% Change from Projections</b>	<b>163.16%</b>	<b>164.71%</b>	<b>220.00%</b>	<b>210.00%</b>	<b>168.55%</b>
<b>Difference in Ratios</b>	<b>-0.96%</b>	<b>-0.62%</b>	<b>0.61%</b>	<b>0.97%</b>	

### SSHP Applicants as of 9/30/2006

Unit Size	White	African/ African American	Native American	Asian & Pacific Islander	Total
0/1 bedroom	314	65	12	45	436
2 bedroom	20	2	1	7	30
<b>SSHP Total</b>	<b>334</b>	<b>67</b>	<b>13</b>	<b>52</b>	<b>466</b>
<b>Percent: Actual</b>	<b>71.67%</b>	<b>14.38%</b>	<b>2.79%</b>	<b>11.16%</b>	<b>100%</b>
FY 2006 Plan Projection	262	50	8	59	379
Percent: Projected	69.13%	13.19%	2.11%	15.57%	100%
<b>% Change from Projections</b>	<b>27.48%</b>	<b>34.00%</b>	<b>62.50%</b>	<b>-11.86%</b>	<b>22.96%</b>
<b>Difference in Ratios</b>	<b>2.54%</b>	<b>1.19%</b>	<b>0.68%</b>	<b>-4.41%</b>	

### Income distribution as a percent of median income

#### Applicant Household Annual Incomes as of 9/30/2006

Program	Below 30% Median Income	30% - 50% Median Income	50% - 80% Median Income	Over 80% Median Income	Total
Low Income Public Housing	8,062	685	130	50	8,927
Section 8 Tenant-Based	3,920	69	7	5	4,001
Section 8 New Construction	398	23	9	0	430
Seattle Senior Housing Program	375	62	18	2	457
<b>Unique Households*</b>	<b>11,303</b>	<b>777</b>	<b>149</b>	<b>55</b>	<b>12,284</b>
<b>Percent: Actual</b>	<b>92.01%</b>	<b>6.33%</b>	<b>1.21%</b>	<b>0.45%</b>	<b>100%</b>
FY 2006 Projected Totals (Unique Households)	9,975	952	122	25	11,074
Percent: Projected	90.08%	8.60%	1.10%	0.23%	100%
<b>% Change from Projections</b>	<b>13.31%</b>	<b>-18.38%</b>	<b>22.13%</b>	<b>120.00%</b>	<b>10.93%</b>
<b>Difference in Ratios</b>	<b>1.93%</b>	<b>-2.27%</b>	<b>0.11%</b>	<b>0.22%</b>	

\*Since applicant households may appear on more than one wait list, the unique households row will not equal the total of the program rows.

---

---

## **APPENDIX C: CONSOLIDATED FINANCIAL STATEMENTS**

Following are the Seattle Housing Authority's Consolidated Financial Statements for FY 2006. Please note that these figures represent unaudited fiscal year end financial data. The audited Financial Statements will be available in February 2007.

**HOUSING AUTHORITY OF THE CITY OF SEATTLE**

Statements of Net Assets  
September 30, 2006

<b>Assets and Other Debits</b>	<b>Primary Government Total</b>	<b>Component Units</b>
	<u>                    </u>	<u>                    </u>
Current assets		
Equity in pooled cash and cash equivalents	\$ 1,707,596	2,896,932
Restricted cash	3,009,010	324,485
Investments	21,171,829	1,367,907
Accounts receivable:		
Tenant rentals and service charges	405,434	116,908
Other	4,722,152	665,164
Due from:		
Other funds	36,832,416	—
Other governments	2,077,343	—
Affiliates	6,259,110	—
Inventory and prepaid items	608,505	174,998
Restricted investments	4,651,418	27,530,337
Net investment in direct financing, current	12,664,506	—
Deferred charges	2,461,851	2,950,194
Other	<u>902</u>	<u>—</u>
Total current assets	<u>96,572,072</u>	<u>36,026,925</u>
Noncurrent assets		
Equity in pooled investments	3,304,273	—
Restricted investments	21,789,967	1,903,609
Due from other funds	5,835,745	—
Other	10,313,814	—
Property and equipment:		
Land	65,806,805	3,651,953
Land improvements	4,354,585	9,424,620
Leasehold improvements	110,891	—
Structures	317,604,443	163,965,291
Equipment	15,420,724	3,153,379
Construction in progress	59,725,673	32,236,158
Less accumulated depreciation	<u>(167,891,346)</u>	<u>(13,594,922)</u>
Capital assets, net	295,131,775	198,836,479
Notes receivable	15,020,010	—
Notes receivable from component unit	<u>102,178,837</u>	<u>—</u>
Total noncurrent assets	<u>453,574,421</u>	<u>200,740,08</u>
Total assets and other debits	<u>\$ 550,146,493</u>	<u>236,767,013</u>

---

---

**HOUSING AUTHORITY OF THE CITY OF SEATTLE**

Statement of Net Assets

September 30, 2006

	<u>Primary Government Total</u>	<u>Component Units</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable:		
Vendors and contractors	\$ 9,305,869	6,912,470
Other	5,599,904	8,332,723
Accrued liabilities	2,819,940	2,889,837
Due to other funds	36,832,416	—
Due to primary government	—	4,389,389
Short term borrowings	31,154,788	478,408
Current portion of long-term debt	1,988,369	193,144
Deferred revenue	<u>10,151,881</u>	<u>11,783</u>
Total current liabilities	<u>97,853,167</u>	<u>23,207,754</u>
Noncurrent liabilities		
Due to other funds	5,835,745	—
Security deposits	1,405,974	328,493
Long term payables and liabilities	—	12,757,082
Long-term debt, less current portion:		
Notes payable to primary government	—	69,936,418
Notes payable	44,040,612	17,975,551
Bonds payable	73,198,366	102,051,856
Accrued compensated absences	<u>2,381,810</u>	<u>—</u>
Total noncurrent liabilities	<u>126,862,507</u>	<u>203,049,400</u>
Total liabilities	<u>224,715,674</u>	<u>226,257,154</u>
Net assets:		
Investment in capital assets, net of related debt	165,597,334	—
Restricted for debt service	25,795,943	—
Unrestricted	<u>134,037,542</u>	<u>10,509,859</u>
Total net assets	<u>325,430,819</u>	<u>10,509,859</u>
Total liabilities and net assets	<u>\$ 550,146,493</u>	<u>236,767,013</u>

**HOUSING AUTHORITY OF THE CITY OF SEATTLE**  
**Statements of Revenues, Expenses and Changes in Fund Net Assets**  
**Year ended September 30, 2006**

	<u>Primary Government Total</u>	<u>Component Units</u>
Operating revenues:		
Tenant rentals and sales	\$ 19,888,907	4,836,380
Housing assistance payment subsidies	77,907,735	—
Other	<u>20,995,374</u>	<u>251,085</u>
Total operating revenues	<u>118,792,016</u>	<u>5,087,465</u>
Operating expenses:		
Administration	30,302,482	2,469,917
Tenant services	2,750,585	—
Utility services	4,827,108	283,172
Maintenance	16,406,763	984,581
Housing assistance payments	62,296,993	—
Other	16,385,716	72,699
Depreciation and amortization	<u>11,232,923</u>	<u>4,358,510</u>
Total operating expense	<u>144,202,570</u>	<u>8,168,879</u>
Operating income (loss)	(25,410,554)	(3,081,414)
Nonoperating income (expense):		
Intergovernmental	16,038,328	—
Interest expense	(7,152,511)	(3,165,420)
Interest income	5,156,714	187,466
Change in fair value of investments	(273,517)	—
Disposition of assets	<u>(2,924,810)</u>	<u>—</u>
Total nonoperating revenue (expenses)	<u>10,844,204</u>	<u>(2,977,954)</u>
Net income (loss) before contributions and transfers	<u>(14,566,350)</u>	<u>(6,059,368)</u>
Contributions		
Capital contributions	10,218,082	—
Partners' contribution	<u>—</u>	<u>659,020</u>
Total contributions	10,218,082	659,020
Transfers:		
Transfers in	23,544,148	—
Transfers out	<u>(23,544,148)</u>	<u>—</u>
Total transfers	—	—
Change in net assets	<u>(4,348,268)</u>	<u>(5,400,348)</u>
Total net assets at beginning of year	<u>329,779,087</u>	<u>15,910,207</u>
Total net assets at end of year	\$ <u>325,430,819</u>	<u>10,509,859</u>

**HOUSING AUTHORITY OF THE CITY OF SEATTLE**  
**Statements of Cash Flows**  
**Year ended September 30, 2006**

	<b>Primary Government Total</b>	<b>Component Unit</b>
Cash flows from operating activities:		
Receipts from residents	\$ 20,004,314	5,002,146
Receipts from other sources	109,355,928	(13,670)
Receipts from other funds	19,212,208	—
Advances from affiliates	(1,999,802)	4,147,954
Payments to vendors	(64,659,224)	(2,930,776)
Housing assistance payment	(62,296,993)	—
Payments to employees	(16,790,334)	(1,280,297)
Payments to other funds	(19,212,208)	—
Net cash provided by (used in) operating activities	(16,386,111)	4,925,357
Cash flows from noncapital financing activities:		
Operating grants received	16,042,604	—
Transfer from other funds	23,544,148	—
Transfer to other funds	(23,544,148)	—
Net cash provided by (used in) noncapital financing activities	16,042,604	—
Cash flows provided by (used in) capital/ related financing activities		
Capital and partner contributions	9,895,403	659,020
Acquisition and construction of capital assets	(42,297,132)	(71,351,253)
Proceeds from dispositions of property and equipment	50,148,697	—
Proceeds from long-term borrowings	50,430,227	52,517,292
Mortgage costs paid	—	(2,415,311)
Payments on notes and bonds	(11,641,389)	(549,914)
Interest payments	(7,066,252)	(2,301,028)
Net cash provided by investing capital and related financing activities	49,469,554	(23,441,194)
Cash flows provided by (used in) investing activities:		
Interest received	4,125,166	187,464
Increase in net investment of direct financing	(10,863,012)	—
Decrease in net investment of direct financing	(1,335,000)	—
Maturity of investment securities	329,085,388	20,950,175
Purchases of investment securities	(327,645,474)	(28,642,533)
Payments on notes receivable	(36,673,090)	—
Issuance of notes receivable	(5,033,596)	—
Net cash provided by (used in) investing activities	(48,339,618)	(7,504,894)
Increase (decrease) in cash and cash equivalents	786,429	(26,020,731)
Cash and cash equivalents at beginning of year	3,930,177	29,242,148
Cash and cash equivalents at end of year	\$ 4,716,606	3,221,417
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (25,410,554)	(3,081,414)
Adjustment to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	11,232,923	4,358,510
(Gain) loss on sale of property	(2,936,438)	—
Change in assets and liabilities:		
Accounts receivable	(6,217,064)	(448,900)
Inventory and prepaid items	(50,240)	(91,226)
Deferred charges	(36,925)	—
Accounts payable	(1,540,319)	3,957,182
Accrued compensated absences	677,656	—
Other	7,894,850	231,205
Total adjustments	9,024,443	8,006,771
Net cash provided by (used in) operating activities	\$ (16,386,111)	4,925,357

## APPENDIX D: FY 2006 CAPITAL ACTIVITIES

### FY 2006 Capital Projects for Public Housing

Community	Planned activities	Budget	Actual
015 Bell Tower	Paint and seal exterior; post-abatement floor replacement and other work; repair/replace rooftop ventilators	\$141,000	\$58,005
017 Denny Terrace	Resurface and restripe parking lot; replace ceiling tiles; replace light fixtures; repair hallways and 10 percent of units; restrain unit doors; repair roof on elevator penthouse; waterproof foundation on eastside; post-abatement floor replacement and other work	\$220,200	\$232
009 Jefferson Terrace	Replace water lines in boiler room; post-abatement floor replacement and other work	\$79,500	\$0
031 Tri-Court	Post-abatement work; landscape improvements	\$36,500	\$0
001 Yesler Terrace	Repair sidewalks, exteriors; landscaping	\$26,049	\$0
081 Longfellow Creek <sup>1</sup>	Resurface and restripe parking lot.	\$2,880	\$0
082 Wisteria Court <sup>2</sup>	Replace nine decks; repaint and resurface stairwells; replace unit doors; repair or replace damaged and missing soffits.	\$29,177	\$1,708
Various communities	Demolition and redevelopment	\$5,100,000	\$5,100,000
Various communities	Planning and design work for Bell Tower, Jefferson Terrace, Denny Terrace	\$100,000	\$0
Scattered Sites	Work at specific units includes: roof replacements or repairs; landscaping improvements; exterior painting and electrical work.	\$950,000	\$282,605
<b>Total FY 2006 Public Housing Capital Projects</b>		<b>\$10,678,624</b>	<b>\$5,442,551</b>

Notes:

<sup>1</sup> Total budget for this project is \$8,000. Because the community is a mix of public housing and non-public housing, the other \$5,120 will come from local housing funds.

<sup>2</sup> Total budget for this project is \$138,940. Because the community is a mix of public housing and non-public housing, the other \$109,763 will come from local housing funds.

## FY 2006 Capital Projects for SSHP

Community	Planned activities	Budget	Actual
Bitter Lake Manor	Replace roof and intercom system.	\$85,850	\$20,028
Blakeley Manor	Replace fire alarm system.	\$5,300	\$4,240
Carroll Terrace	Paint interior common area walls; replace fire alarm system; replace all common area smoke detector heads.	\$19,810	\$1,785
Columbia Place	Replace common area smoke detector heads.	\$4,300	\$1,998
Fremont Place	Caulk expansion joints for stucco and power wash.	\$40,000	\$0
Ft. Lawton Place	Replace back flow pipe.	\$2,500	\$0
Gideon-Matthews Gardens	Replace fire alarm system.	\$5,600	\$4,367
Island View	Replace common area smoke detector heads.	\$3,000	\$2,955
Leschi House	Replace fire alarm system.	\$5,600	\$4,318
Olmsted Manor	Replace common area smoke detector heads.	\$2,000	\$0
Phinney Terrace	Resurface and restripe parking lot.	\$12,000	\$3,222
Pleasant Valley Plaza	Paint exterior.	\$58,500	\$0
Primeau Place	Replace intercom system.	\$13,000	\$0
Reunion House	Replace fire alarm system.	\$5,100	\$4,069
Schwabacher House	Replace common area carpet and fire alarm system.	\$36,857	\$42,227
South Park Manor	Replace common area carpet.	\$19,000	\$7,196
Sunrise Manor	Replace roof and fire alarm system.	\$93,700	\$4,142
Wildwood Glen	Replace roof.	\$18,500	\$0
Willis House	Replace fire alarm system and common area smoke detector heads.	\$7,500	\$1,752
All buildings	Allowance for common area furnishings	\$15,000	\$0
All buildings	Allowance for window seal repairs	\$20,000	\$14,531
<b>Total FY 2006 SSHP Capital Projects</b>		<b>\$473,117</b>	<b>\$116,829</b>

## FY 2006 Other Capital Projects including Section 8 New Construction

Community	Planned activities	Budget	Actual
127 Bayview Tower	Redecorate community room and lobby.	\$12,900	\$348
127 <sup>th</sup> & Greenwood	Redesign courtyard.	\$7,500	\$13,578
Longfellow Creek <sup>1</sup>	Resurface and restripe parking lot.	\$5,120	\$0
Wisteria Court <sup>2</sup>	Replace nine decks; repaint and resurface stairwells; replace unit doors; repair or replace damaged and missing soffits.	\$109,762	\$15,407
<b>Total FY 2006 Other Capital Projects</b>		<b>\$135,282</b>	<b>\$29,333</b>

Notes:

<sup>1</sup> Total budget for this project is \$8,000. Because the community is a mix of public housing and non-public housing, the other \$2,880 will come from LIPH capital subsidy.

<sup>2</sup> Total budget for this project is \$138,940. Because the community is a mix of public housing and non-public housing, the other \$29,177 will come from LIPH capital subsidy.

SHA Facilities	Planned activities	Budget	Actual
South Operations Facility	Add ACAM and surveillance cameras	\$22,766	\$0
PorchLight	Powerwash brick exterior	\$29,854	\$20,923
MLK Household Services Center	Add ACAM for main entrance and exterior door on east side of building.	\$15,000	\$0
<b>Total FY 2006 Facilities Projects</b>		<b>\$67,620</b>	<b>\$20,923</b>

## Appendix E: Public Housing Vacancy Rates by Community

### FY 2006 Targets vs. Actuals

Public Housing	Units	FY 2006 Vacancy Rates - Targets	FY 2006 Vacancy Rates - Actuals
Ballard House	79	2.00%	1.17%
Barton Place	90	2.00%	3.72%
Beacon Tower	108	2.00%	0.05%
Bell Tower	119	4.00%	4.37%
Cal-Mor Circle	74	4.00%	4.46%
Capitol Park	125	2.00%	1.84%
Cedarvale House	118	2.00%	2.06%
Cedarvale Village	24	4.00%	9.37%
Center Park	136	2.00%	2.97%
Center West	91	2.00%	0.73%
Denny Terrace	221	2.00%	3.87%
Green Lake Plaza	130	2.00%	1.16%
Harvard Court	80	2.00%	0.39%
Holly Court	97	2.00%	2.57%
International Terrace	100	2.00%	0.22%
Jackson Park House	71	2.00%	0.80%
Jackson Park Village	41	4.00%	11.39%
Jefferson Terrace	299	2.00%	3.63%
Lake City House	115	2.00%	3.24%
Lictonwood	80	2.00%	0.42%
Olive Ridge	106	2.00%	1.85%
Olympic West	75	2.00%	1.40%
Queen Anne Heights	52	2.00%	1.11%
Ross Manor	100	2.00%	4.26%
Scattered Sites*	759	Reconfiguration	Reconfiguration
Stewart Manor	74	4.00%	3.85%
Tri-Court	87	2.00%	2.89%
University House	101	2.00%	1.46%
University West	113	2.00%	1.28%
West Town View	58	2.00%	1.49%
Westwood Heights	130	5.00%	4.77%
Yesler Terrace	561	2.00%	1.89%

---

---

The higher than target vacancy rates are predominantly attributable to the following reasons:

- High staff turnover in Property Management and Maintenance in FY 2006 that resulted in delays in turning back vacates to be leased.
- Despite SHA efforts, several properties have neighborhood and building issues that make the community more challenging to find tenants for. These two issues combined make up half of all refusal reasons. SHA is addressing these issues through measures described throughout the report including increased private security, community building, mental health case management, community revitalization, and capital improvements.
- Management also reports a higher than usual number of vacates due to current public housing tenants receiving Housing Choice Vouchers as SHA has been diligently working to increase voucher utilization.
- Specifically for Cedarvale Village and Jackson Park Village - due to the small number of units in these properties their vacancy rates are adversely effected by even only a few vacancies.

\*During the reconfiguration of the Scattered Sites portfolio the vacancy percentage is askew due to the extra vacancy days needed to hold units for households relocating because their units were being sold.

NewHolly, Rainier Vista, and High Point have been excluded from this table. Vacancy in these communities is now measured using the private sector practice of calculating vacancy loss. High Point North was in initial lease-up for much of the year.