



**KING COUNTY
HOUSING AUTHORITY**

MAKING TRANSITION WORK

FISCAL YEAR 2007 PLAN

King County Housing Authority

Stephen J. Norman, Executive Director

Board of Commissioners

Peter Orser, Chair
Nancy Holland-Young, Vice Chair
Delores Brown
Doreen Cato
Debra S. Coates

KCHA Senior Management

Stephen J. Norman
Dan Watson
Gary Angell
Fred Campbell
Claude DaCorsi
Connie Davis

John Eliason
Rebekka Goldsmith
Deborah Gooden
Donna Kimbrough

Tessa Martin
Mike Reilly
Peter Mourer
Rhonda Rosenberg
Craig Violante
Tim Walter

Prepared by:

Judi Jones, Housing Management Analyst

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Introduction and Executive Summary

The King County Housing Authority (KCHA) is one of 32 public housing authorities participating in HUD's Moving to Work Demonstration (MTW) Program. The MTW Demonstration Program is a Congressionally mandated initiative designed to provide high-performing housing authorities with the flexibility to develop their own approaches to meeting housing needs in their local jurisdictions. The intent of the demonstration is to determine whether greater regulatory and financial flexibility will enable local housing authorities to increase the efficiency and effectiveness of their programs.

Under KCHA's agreement with HUD, the Authority is allowed to develop policies and programs that are consistent with local needs and circumstances in lieu of HUD rules and regulations and select provisions of the 1937 Housing Act. The agreement requires KCHA to submit Annual MTW Plans that are adopted by its Board of Commissioners after receiving resident and public input through a public hearing process. KCHA has renamed its local demonstration to better reflect the intention of the program - Making Transition Work. This is a summary of KCHA's MTW Annual Plan for Fiscal Year 2007, which begins on July 1, 2006, and ends on June 30, 2007. FY 2007 will mark KCHA's third full year of participation in the MTW Program.

MTW Objectives

KCHA has agreed to pursue the following objectives over the course of the MTW demonstration program:

- Expand clients' program, location, and other housing choices. Increasingly, the communities they choose will be or will become more economically integrated and will offer the support services they need to be successful.
- Increase the ability of KCHA's clients to become self-sufficient with the goal of more clients becoming employed, retaining employment longer, and experiencing significant income progression and asset development. This will increase positive transitions out of assisted housing, including transition to homeownership.
- Ensure that KCHA's operations become more efficient and effective through simplifying and streamlining, decentralizing management, increasing program user-friendliness, and increasing the financial stability of KCHA programs.
- Preserve and increase affordable housing opportunities (including both vouchers and dedicated affordable units), while continuing to focus on those in greatest need.

Challenges

Driven by a robust economy, the gap between housing costs and income for the region's poorest households continues to widen. Rising sales prices and higher interest rates are placing homeownership out of reach for the working poor. At the same time, due in part to condominium conversions, there was a net decrease in the number of rental units in King County in 2005. New rental units coming on line are primarily higher-end units.

As the market tightens, rents are increasing and vacancy rates are dropping. There are roughly 65,000 renter households in King County earning under 30% of Area Median Income (AMI). There are presently no market rate rentals affordable to this population at 30% of income; and an increasing number of poor families and elderly and disabled households on fixed incomes are paying over 50% of their income for rent and utilities.

Current and proposed Federal funding reductions pose significant obstacles to the achievement of some of the Authority's MTW objectives, and at the same time, make the flexibility offered by this program absolutely essential. KCHA, like housing authorities around the country, is experiencing multimillion-dollar funding cuts affecting virtually all of its federally funded programs - including Section 8 rent subsidies and administrative fees, Public Housing Operating and Capital Funds, and grant funding for resident services programs. These reductions are impacting the physical condition of KCHA's residential communities and the availability of resident services as well as shifting an increasing portion of the rent burden to KCHA residents and program participants.

Progress to Date

In the two full contract years since the initiation of KCHA's MTW Agreement, the Authority has seen significant progress on a number of critical issues:

- **Expanding our role as the safety net for homeless and special needs populations in King County:** Using its MTW Authority, KCHA has worked in partnership with the Gates Foundation and local government to create a network of service enriched housing for homeless families and redefined local housing preferences to facilitate the movement of homeless families into the public housing system. Working in partnership with the local behavioral health care system and United Way, KCHA has also initiated new programs to address the housing and service needs of chronically homeless individuals.
- **Deconcentrating poverty:** Utilizing the HOPE VI program, new project-basing rules for Housing Choice Vouchers developed under MTW, and KCHA's bond and tax credit financed inventory, KCHA has started shifting housing opportunities from the poorest neighborhoods in the County to more affluent suburbs. New applicants for subsidized housing now have broader choices in neighborhoods with strong school systems and ample entry-level job opportunities.
- **Property-based management:** KCHA has completed its shift to a site-based approach to managing its public housing inventory. Individual site waiting lists, management offices in each complex and site-based budgeting, accounting and asset management promise more direct customer service, more efficient operations and better long-term planning.

- **Environmental Sustainability:** Faced with rising utility rates and growing environmental concerns in the region, KCHA has initiated a major push to reduce the impact of its operations on the environment. Using its MTW authority, KCHA has established an Energy Savings Company and implemented over \$4 million in water and energy saving initiatives in its inventory. Water usage alone is down 17% from an FY 2005 baseline.
- **Encouraging Homeownership:** Using a Resident Opportunities and Self-Sufficiency (ROSS) grant and MTW flexibility, KCHA has created a successful approach to assisting Section 8 and Public Housing residents in becoming homeowners. The program has resulted in 30 KCHA households purchasing homes utilizing Housing Choice Voucher assistance. An additional 16 families relocating from KCHA's Park Lake Homes HOPE VI site have also purchased homes in the last two years without Section 8 assistance.

Key FY 2007 MTW Initiatives

KCHA will continue prior year initiatives and undertake additional key efforts in FY 2007:

- **Ending Homelessness:** KCHA will continue its leadership role in the region's efforts to end homelessness. It will continue to expand the network of supportive housing for homeless and special needs households, work to integrate "hard to house" populations into mainstream housing programs and leverage and coordinate service funding with affordable housing initiatives.
- **Family Self-Sufficiency:** KCHA will significantly expand its programs to assist Public Housing and Housing Choice Voucher clients to achieve economic self-sufficiency and transition to unsubsidized housing or homeownership. KCHA will utilize Housing Choice Voucher block grant funds to support non-profit service providers in developing case management, job training, placement, retention and wage progression, asset building and homeownership services.
- **Rent Simplification:** KCHA will continue the development of new policies in both the Housing Choice Voucher and Public Housing Programs for the calculation of rent and income to encourage resident self-sufficiency. This initiative will seek to simplify the determination and verification of tenant income in order to lessen non-compliance, program intrusiveness and administrative burden.
- **Development of a Local Leased Housing Program:** KCHA will begin to explore the development of a local leased housing program utilizing its Housing Choice Voucher block grant. This program would seek to further assist the Authority in encouraging resident self-sufficiency, addressing homelessness, reducing administrative costs, and increasing the number of households served.
- **Increased Investment in Public Housing:** The Authority's Capital Needs assessment has identified over \$58 million in capital repairs and systems replacements that will be necessary over the next 5 years. Less than \$20 million in capital grant funding is expected during this period. This decline in Federal funding necessitates the development of innovative new funding approaches to address KCHA's capital needs. Over the next year, KCHA will design and begin implementing new mixed-finance approaches to assure that our public housing inventory is sustainable over the

long term. Specific projects include the installation of fire/life safety systems in eight of KCHA's complexes housing senior and disabled households and potential redevelopment of its two largest family housing sites.

- **Environmental Concerns:** KCHA will continue to explore ways in which the environmental impact of its operations can be reduced and healthier homes provided for residents. Possible lease modifications will include the provision of smoke-free housing for chemically sensitive residents and of utility sub-metering to encourage responsible consumption.
- **Administrative Efficiencies:** KCHA will continue to review and modify administrative practices and program regulations to enable efficient, customer-oriented operation of KCHA programs in the face of declining Federal resources. The Authority anticipates using outside consultants to assist in re-engineering paper-flow and business processes in both the Public Housing and Section 8 programs.
- **Development of Performance Measurements:** In order to guide KCHA resource investments, evaluate on-going operations and measure the impact of the Making Transitions Work demonstration program on the Authority's operations, KCHA will undertake both a strategic and business planning initiative, and a benchmarking process in FY 2007.

KCHA is committed to developing its specific policies under the MTW program through an open and inclusive process with all stakeholders. To assist in this process, the Authority reconstituted the former Resident Council into two (2) Resident Advisory Committees (RACs) during FY 2006. KCHA is committed to working closely with the RAC councils, and other interested parties, to solicit input into the policy development process. A list of stakeholder comments regarding this Plan is included in Section XI.

Section I. Households Served

A. Number and Characteristics of Households Served

KCHA's Public Housing Program currently serves approximately 2,850 households in 48 developments and 12 scattered site single-family homes, while the Section 8 Housing Choice Voucher Program serves about 8,600 households, including over 1,800 participants utilizing vouchers initially issued by other housing authorities. These programs serve a culturally and linguistically diverse population, with some public housing developments comprised of residents speaking more than 20 languages. Appendices A, B and C provide demographic information for KCHA residents and participants as of April 1, 2006.

The tables in Appendix A and B show demographic information for public housing households by development type (family versus mixed populations), geographic area (KCHA's Public Housing Program is divided into four (4) geographic areas to maximize the efficiency of service delivery), and development. Appendix A provides information about residents in the family developments, while Appendix B covers information about the Authority's mixed-population buildings.

The tables in Appendix C provide demographic information for all Section 8 Housing Choice households served by the Authority, including voucher recipients funded through the MTW block grant, participants using vouchers issued by other jurisdictions ("port-ins") and voucher holders utilizing Mainstream vouchers which are funded separately from the block grant.

B. Number and Characteristics of Applicants

Public Housing: Appendix D provides demographic characteristics for all public housing applicants. Because of KCHA's considerable geographic span, the Authority has historically operated regional waiting lists. In addition, during FY 2006, KCHA adopted and implemented Site-based Waiting Lists throughout its entire Public Housing inventory. Under the newly modified application system, applicants may elect to place their name on up to two Regional or two Site-based waiting lists. The demographic information in Appendix D represents a snapshot of the public housing waiting lists as of June 30, 2006.

Housing Choice Vouchers: KCHA's waiting list was opened on April 25th, 2006 for a two week period, during which more than 10,800 households submitted applications, either through the mail or through on-line access provided by the Housing Authority. Prior to the opening, KCHA's Section 8 waiting list had not been opened since July 2002, when close to 7,000 applications were accepted over a similar two week period. Appendix E provides information for applicants on the Housing Choice Vouchers waiting list as of June 30, 2006.

C. Changes in Populations to Be Served at End of Period and Explanation

Public Housing: The Authority expects to be serving slightly fewer households in public housing at the end of FY 2007. The continued relocation of residents from the Park Lake Homes HOPE VI site (about 130 households) will be partially offset by the addition of units (approx. 40 units) brought “on-line” with the completion and initial occupancy of Seola Crossing – the first phase in the redevelopment of Park Lake Homes into the new Greenbridge community. Other factors that will influence the number of public housing households served includes the status of capital projects (discussed in Section VI) that may require temporary relocation of existing tenants.

Changes in the demographics of the public housing program are expected to be insignificant, primarily resulting from:

- Continued implementation of KCHA’s designation plan (through attrition), which stabilizes the mix of younger households in the mixed-population developments, may result in a slight increase (not more than 20) in the number of elderly and near-elderly households in these developments.
- The continued relocation of Park Lake Homes residents to Section 8 or other public housing developments may result in minor demographic changes due to the historically higher percentage of Asian American residents at Park Lake Homes.
- Implementation of revisions to KCHA’s waiting list procedures in 2005 may result in more formerly homeless families moving directly from supportive housing into public housing under the Sound Families initiative. These families may have greater supportive service needs.

Housing Choice Vouchers: The Authority does not expect a significant increase or decrease in the number of Section 8 households served in its jurisdiction during FY 2007 - about 8,600 as of April 1, 2006. However, further federal funding cuts may reduce the number of households the Authority can afford to serve, reduce mobility, concentrate poverty and increase household rent burdens.

The Program’s demographic make-up is not expected to change significantly during FY 2007. Increasing partnerships with the region’s public and behavioral health care systems will result in a small shift in resident profiles to reflect the region’s priorities under the 10 Year Plan to End Homelessness.

Any change in the distribution of voucher sizes (number of bedrooms), will be due to continued implementation of prior year’s modifications to KCHA’s occupancy standards rather than an actual shift towards serving smaller household sizes.

D. Issues and Proposed Actions

Public Housing: During FY 2006 KCHA restructured its Waiting List System to allow applicants greater choice in determining where they would like to reside, provide a local

preference for households whose total family income fell below 30% of the Area Median Income and establish a separate waiting list for families graduating from the KCHA sponsored Sound Families housing programs. The true impact of these changes upon KCHA's household profile will begin to become apparent during FY 2007 and FY 2008 and will require careful evaluation to determine their impact.

Housing Choice Vouchers: In the past, KCHA has maintained and managed a closed Section 8 tenant-based waiting list which was reopened when the number of applicants had been reduced to approximately 1,000. While KCHA received almost 11,000 applications for the program when the waiting list was opened early in 2006, the list is currently being limited to 2,500 applicants, determined by lottery from this applicant pool. The size of the list has been limited to reflect the lack of availability of Housing Choice Vouchers due to decreased Federal funding. No additional vouchers are anticipated to be made available this year and Federal funding cuts necessitated the "retirement" of vouchers upon turnover in FY 2006. This policy has since been reversed, but the availability of vouchers remains strictly limited to turnover of existing voucher holders. Increasing graduation of existing program participants in order to provide housing opportunities to new families is a major focus of the FY 2007 Plan.

Section II. Occupancy and Admissions Policies

A. Statement of Admissions and Occupancy Policies:

Prior to becoming an MTW program participant, KCHA implemented admissions and occupancy policies for the Public Housing and Section 8 Programs that were consistent with the 1937 United States Housing Act and subsequent amendments, including the Quality Housing and Work Responsibility Act of 1998 (QHWRA). During fiscal years 2004 through 2006, KCHA utilized the authority and flexibility of HUD's Moving to Work program to adopt and implement a number of new policies that depart from the 1937 Act and are consistent with the Authority's MTW Agreement. The following highlights changes to KCHA's admissions and occupancy policies that have already taken place:

Public Housing Policies:

Allocation Plan. During FY 2004, KCHA adopted a new Allocation Plan that sets a preference in each of the Authority's mixed population buildings for elderly and near elderly (55 to 62 years old) applicants. This percentage equals the overall percentage of elderly residents in the mixed-population buildings at the time the policy was adopted.

Admissions Preferences. Under MTW, KCHA adopted a policy to allow applicants whose incomes are lower than 75 percent of 30 percent of the Area Median Income (AMI) to self-certify their qualification for a local preference—the Authority currently implements the former federal preferences for admissions as local preferences. During FY 2006, KCHA expanded this measure to consider all families with incomes below 30% of the Area Median Income qualified as having an “urgent need” for housing. As a result, these households are now considered qualified for a local preference for admission to KCHA's public housing developments without additional “urgent need” documentation requirements.

Site-Based Waiting Lists. During FY 2004 the Authority adopted and implemented site-based waiting lists for two of its most geographically remote public housing sites. Expanding upon this model, KCHA implemented site-based waiting lists at all Public Housing developments during FY 2006, providing applicants the opportunity to place their name on the waiting lists for up to two specific sites. Alternatively, families with urgent housing needs and no specific geographic preference were provided the option of applying for up to two regional lists and receive the first available unit within the selected region(s). In addition, to assist families as they worked toward self-sufficiency, KCHA has established a separate waiting list for graduates of the KCHA funded Sound Families project for homeless families. Under policies adopted in 2006, eligible applicants for public housing are selected to fill vacant units utilizing a rotation between each of the three waiting list types: Site-based, Regional and Sound Families.

Deconcentration Policies. It has not been necessary to implement the Authority's deconcentration policy, which allows KCHA to skip applicants on the waiting list, implement affirmative marketing strategies, and/or other incentives to achieve a more desirable income mix in affected buildings. KCHA's other deconcentration strategies, including targeted self-

sufficiency programs, flat rents, HOPE VI redevelopment and the siting of replacement housing under this project in Eastside suburban communities, in combination with exception rent policies in the Housing Choice Voucher Program, have resulted in the creation of mixed-income communities without having to target higher income applicants.

Housing Choice Voucher Policies:

Admissions Preferences. Under MTW, during FY 2004, KCHA adopted a policy to allow applicants whose incomes are lower than 75 percent of 30 percent of AMI to self-certify their qualification for a local preference - the Authority currently implements the former federal preferences for admissions as local preferences. KCHA may adopt future changes to the preference system utilizing the flexibility of the MTW program.

Occupancy Standards: During FY 2005, the Authority's Board adopted new occupancy standards for all multiple-bedroom voucher sizes in response to reductions in Section 8 funding. The occupancy standards determine the size of the voucher (number of bedrooms) and the FY 2005 changes generally reduced the number of bedrooms for which a family qualified by allocating one bedroom per two adults or per two minors. These changes were to become effective on the second annual review of participating households. During FY 2006, the Housing Authority determined that these standards could be partially loosened as a result of stabilized Housing Choice Voucher funding levels, allowing bedrooms to again be allocated using such family characteristics as sex, age, and disability status.

New Payment Standards: In an additional response to funding cuts, the Authority adopted lower payment standards - the maximum amount of subsidy a tenant may receive for a given voucher size (number of bedrooms). Utilizing MTW authority, the new payment standards (set at 104 percent of the HUD established Fair Market Rent) were implemented at the time of annual review for current Section 8 participants. Based upon an analysis of housing market trends, growing rent burdens and partial restoration of Federal funds, these payment standards were revised upwards towards the end of Fiscal Year 2006.

Inspections: During FY 2004, KCHA implemented streamlining initiatives designed to increase program efficiency and reduce costs. These changes allowed KCHA staff to complete Inspections and Rent Reasonable studies on properties in which KCHA held majority interest, in lieu of the requirement that these functions be completed by outside contractors. In addition, KCHA implemented policy changes that eliminated the need for re-inspection of units that failed to pass an initial inspection as a result of certain minor fail items.

Policies Specific to Section 8 Project-Based Program:

The Authority adopted a Section 8 Project-Based Assistance Policy in FY 2003 and made further changes in FY 2006 following the release of a final rule for the Project-based Voucher program. Changes implemented include:

- The Authority can allocate project-based assistance to housing units owned, controlled or financed by KCHA without competition. The Authority can allocate project-based assistance to other housing units based upon competitive processes administered by other

entities (i.e., Gates Foundation, King County) that meet KCHA's competitive selection requirements.

- Project-based assistance provided for HOPE VI replacement housing and permanent housing for families and children can only be located in areas with poverty rates at or below 15 percent.
- The Authority and other owners of housing may operate site-based waiting lists for units receiving project-based assistance.
- Due to the limited availability of Section 8 tenant-based vouchers, residents exiting housing receiving project-based assistance are generally not eligible for tenant-based vouchers. However, in lieu of providing tenant-based assistance, policies have been implemented that allow project-based Section 8 participants graduating from certain supportive housing programs to apply and be granted a priority, in limited number, for units available under KCHA's Public Housing program
- KCHA may solicit applications for Project-based assistance from supportive service providers who will in turn identify eligible housing providers.
- KCHA reserved the right to execute an AHAP for rehabilitation projects only in limited circumstances where necessary to allow the project owner to meet financing or other requirements.
- In the case of supportive housing for homeless and disabled households, established policies that allowed the waiting lists to be managed through the supportive service provider rather than the Housing Authority.
- For mixed finance developments with another public rental subsidy in place, KCHA may conform the operation of the Project Based Section 8 program to the operational policies of the other government subsidy program.
- Contract Rents are capped at the Payment Standard in all project based units to ensure that tenants do not pay more than 30% of their adjusted income for rent.
- Eliminated the rent limitation established by HUD in the project based voucher final rule, allowing contract rents on Tax Credit units to be set a Market Reasonable Rent, rather than at the Tax Credit rent.
- Implemented a system allowing KCHA to perform its own Subsidy Layering and Environmental reviews rather than requiring the work to be completed by HUD.
- Created greater flexibility in the housing types that can be funded under the Housing Choice Voucher Program.

B. Rent Policies

KCHA's current rent policies are based on the Brooke Amendment to the 1937 Housing Act, which limits a household's cost of rent and utilities to 30 percent of their adjusted income. Over the years, this policy has ensured a high level of affordability for households under both programs. However, this basic "30 percent of income policy" has also resulted in some unintended consequences, including a disincentive for households to increase their income through employment. Current federally designed programs are also excessively complicated and not easily understood by program participants or administered by Authority staff.

The following rent policy changes have been made so far:

Housing Choice Vouchers:

- **Bi-annual rent recertifications for fixed-income households.** Under this policy, full rent reviews can be conducted every two years. In the intervening year, rents are adjusted based on cost of living increases, if any, provided for Social Security recipients. Residents may request a full review at any time if their financial circumstances have changed. This change was adopted to reduce administrative costs in response to funding cuts.
- **40 Percent of Gross Income Limitation on New Leases.** The lower payment standards adopted in order to reduce per unit subsidy costs to new HUD limits results in reduced choice in the rental market. KCHA used its authority under MTW to allow households to pay up to 40 percent of gross income - instead of adjusted income - towards their housing costs in the initial year of their lease. This change is designed to expand the number of potential units that a household is allowed to rent under the Section 8 Program.

Housing Choice Voucher rent policy may undergo further changes in FY 2007.

Public Housing:

Although a major target for review during FY 2005 and 2006, KCHA has not yet implemented new rent policies. Review and evaluation of potential changes to rent policies, including policies relating to the definition of income, allowances, utility cost calculations and the amount a resident pays for rent and utilities are of significant concern to a large number of stakeholders and will be a primary focus of on-going discussion and policy development in FY 2007

C. Planned Policy and Program Initiatives

KCHA will explore, develop, adopt, and/or implement a number of policy and program changes during FY 2007. Some of these efforts are continuations of existing initiatives approved under previous annual plans, while others reflect new initiatives:

Housing Choice Voucher Program Initiatives

Rent Simplification and Possible Development of a New Local Leased Housing Program:

KCHA's initial MTW Agreement authorized comprehensive changes to the Housing Choice Voucher Program for the 915 vouchers included in the Section 8 Block Grant and more limited changes for other vouchers. During FY 2006, the Authority obtained HUD approval of an amendment to its Agreement that combined almost all KCHA vouchers into a single MTW Block Grant and allows KCHA to operate the program with a single set of rules. In addition, the amendment will assist KCHA to respond appropriately to anticipated future Section 8 program funding reductions and policy changes. Utilizing the benefits of a single

block grant, the Authority will further explore options for simplifying existing program rules or creating its own Local Leased Housing Program in accordance with the MTW Agreement. Objectives governing the design of program changes will continue to include the guiding principles adopted by KCHA's Board of Commissioners in response to FY 2005 funding cuts:

- Ensure that current Section 8 participants continue to receive assistance.
- Expand the ability of the program to serve additional households.
- Assist in the region's efforts to address those most in need and end homelessness.
- Encourage economic self-sufficiency.
- Continue to broaden housing choice and minimize poverty concentration.
- Ensure that administrative impacts of any changes are cost-effective.
- Focus on the long-term stability and success of the program.

Program modifications may include major changes to core components of the current program, including:

- **Rent Policy:** KCHA will review the basic rent formula (30 percent of adjusted income) and all related policies, including adjustments to income and the definition of household income, that determine how much rent a participant pays to a landlord and the subsidy amounts provided by the Authority. Included in this review will be consideration of policy alternatives based on differing household income and household types and shifts in subsidy levels over time.
- **Payment Standards:** Under a new rent formula, rent payment standards may need to be revised, redesigned, or become unnecessary. The underlying basis and/or method for setting rent payment standards may also be changed. The Authority may consider multiple rent payment standards to address issues of poverty concentration, rent burdens and housing choice.
- **Utility Allowance.** The Authority will consider alternatives to the current utility allowance system in order to simplify and support local program implementation while keeping housing costs affordable.
- **Inspections:** Changes may include revisions to the frequency and procedures for initial and periodic inspections. For example, the Authority may explore conducting inspections of a sample number of units in a single complex on an annual basis, or clustering inspections within regions as a means of reducing costs and increasing program efficiency. Any changes to the inspections protocols will be designed to ensure that participants have safe, decent, and sanitary housing.

Changes to other aspects of the Section 8 program may include those authorized under Section V.A of KCHA's MTW Agreement (as amended) and listed in Section VIII of this MTW Plan. KCHA intends to utilize outside consultants this year to review and possibly re-engineer internal business processes in conjunction with these initiatives.

Designation of Vouchers:

In consultation with organizations that serve and advocate for people with disabilities, KCHA will continue to explore the development and adoption of a policy to designate Section 8

Vouchers for service systems that target specific disabilities. Such a policy will comply with all applicable Fair Housing laws and regulations while addressing supportive housing needs in the local community and the community's 10 Year Plan to End Homelessness.

Public Housing Program Initiatives

- ***Rent Policy:*** KCHA staff began to engage residents (through focus groups, the Resident Advisory Board and surveys) and other community partners in a review of the current public housing rent policies. After a thorough analysis of the current policies and the development of guiding principles for potential modifications, a broad range of alternatives may be considered. Potential options for change include the basic rent formulas (30 percent of adjusted income) and all related policies, including adjustments to income, the definition of household income and deductions, and the calculation of utility allowances that determine how much rent a resident pays. In addition, the review may consider policy alternatives based on differing household income and different rent policies for different household types and shifts in subsidy levels over time. Participants in the policy development process will be given full opportunity to respond to policy options or to propose their own for consideration. Public hearings and meetings with residents will be conducted to gather comments and responses to policy recommendations before any final recommendations are submitted to the Board of Commissioners. New rent policies will be designed to simplify rent calculation procedures for staff and residents, provide strong employment incentives for residents, and strengthen the financial viability of the public housing program, especially in the light of anticipated funding cuts and program changes.
- ***Inspections:*** KCHA staff may explore and recommend changes to current inspection protocols for the Public Housing program as a means of reducing costs and increasing program efficiency, while ensuring the viability and safety of housing units and communities.
- ***Utility Allowance:*** The Authority will consider alternatives to the Public Housing utility allowance system, including both KCHA and tenant-paid utilities, in order to simplify program implementation and encourage conservation while keeping housing costs affordable.
- ***Transfers:*** KCHA will, in consultation with stakeholders, review and assess proposed changes to its existing transfer policies with the intent of creating greater administrative efficiencies, an increased ability to respond to reasonable accommodation requests, encourage economic self-sufficiency and enable transfer of tenants between public housing and other subsidized housing KCHA controls.

In addition, KCHA may consider changes to other aspects of the Public Housing program as authorized under KCHA's MTW Agreement (as amended) and/or listed elsewhere in this MTW Plan.

Joint Initiatives

- **Public Housing and Section 8 Admissions Preferences:**

KCHA may explore new or modified preferences for both the Public Housing and Section 8 programs during FY 2007. Policies adopted for each program will be developed in concert with the needs of other admissions-related policies. In addition, during the course of FY 2007, KCHA will continue to monitor the impact of the creation of Public Housing Site-based, Regional and Sound Families waiting lists systems and utilize MTW authority to address identified areas where adjustments are necessary.

- **Family Self-Sufficiency (FSS) Program:**

The Authority is designing changes to the Section 8 FSS Program to seek ways to expand the program, provide additional resident incentives and decrease the costs associated with managing individual escrow accounts and other aspects of program administration. KCHA is also exploring the closer coordination of FSS programs with rent and income calculation policies and the implementation of an expanded and modified FSS Program for public housing.

Section III. Changes in Housing Stock

The Authority is committed to providing the same or a greater number of subsidized housing opportunities for low-income households than it had prior to its participation in the MTW Demonstration. The table below provides information about the total number of federally subsidized housing units available through KCHA as of July 1, 2004, 2005 and 2006 as well as the number projected to be available as of June 30, 2007. These numbers represent the gross number of units in these programs. Public Housing occupancy is projected at 98.9% and Section 8 at a 99% lease-up rate for FY 2007.

Housing Program	7/1/2003	7/1/2004	7/1/2005	7/1/2006	6/30/2007
Section 8 Vouchers	6,374	6,730	6,850	6,850	6,850
Low Income Public Housing (LIPH) Units	3,288	3,288	2,985	2,854	2,763
Section 8 New Construction Buildings	174	174	174	174	174
Preservation Program Buildings	271	271	271	271	271
Total Subsidized Units	10,107	10,463	10,280	10,149	10,058

The total number of Section 8 vouchers (6,850) represents vouchers KCHA is authorized to issue. While the Authority does not expect to receive any new vouchers during FY 2006, KCHA will continue to apply for any new Section 8 vouchers made available by the Federal government.

The public housing numbers in the table above include units that are available for resident occupancy as well as 9 units currently being used to accommodate agencies serving KCHA residents. It also includes 10 units destroyed in a fire on July 4, 2003, which the Authority plans to rebuild. The reduction in the number of public housing units from 2004 to 2006 reflects the units being demolished at the Park Lake Homes HOPE VI site. All of these units are being replaced on a one-for-one basis with either new public housing units or project-based replacement housing choice vouchers issued by HUD in connection with that project. The first new public housing units will be placed into service in FY 2007, with full build-out anticipated by FY 2010.

The HOPE VI initiative has allowed KCHA to receive a total of 569 relocation and replacement vouchers for the 569 units that will ultimately be demolished at Park Lake Homes. The reduction in units reflected in the table above does not mean that KCHA will ultimately be serving fewer extremely low income residents as a result of HOPE VI. Instead, it reflects the fact that KCHA received its replacement/relocation vouchers for Park Lake prior to completing phase-out of all the Park Lake units.

Section IV. Sources and Amounts of Funding

This Section details the sources and amounts of funding included in the Authority's MTW budget statement, the sources and amounts of funding for Federal housing programs outside this budget, and a Consolidated Budget Statement.

A. Sources and Amounts of Funding in the Consolidated MTW Budget

The following table shows the FY 2006 budget adopted by the Board of Commissioners as well as projected revenues for FY 2007 for the operation of the housing programs included in the MTW Demonstration. The Section 8 Housing Choice Voucher funding is reported under two line items, one for funding received for Section 8 vouchers in the form of a block grant and one for all other vouchers.

PROJECTED REVENUES	FY 2006 BUDGET	FY 2007 BUDGET
Dwelling Rental Income	\$ 7,114,875	\$ 7,063,433
Investment Income	96,862	819,012
Other Income	520,014	734,082
Section 8 Block Grant	60,718,303	59,303,861
Section 8 Subsidy and Port/Admin Fees	3,212,600	3,203,571
Capital Subsidy (CFP all years)	10,269,954	7,992,260
Operating Subsidy (PH)	7,376,658	6,901,391
Total Revenues	\$89,309,266	\$86,522,696

B. Sources and Amounts of Funding Outside the Consolidated MTW Budget

The statement below shows the FY 2006 budget and projected 2007 revenues for the Section 8 New Construction and Preservation programs, grants that fund services to KCHA residents and program participants, and the HOPE VI redevelopment grant for Park Lake Homes.

PROJECTED REVENUES	FY 2006 BUDGET	FY 2007 BUDGET
Dwelling Rental Income	\$ 1,409,229	\$ 1,341,546
Investment Income	347,794	309,580
Other Income	55,378	56,871
Section 8 Subsidy and Admin Fees	2,748,041	3,180,284
Capital Subsidy	0	0
Operating Subsidy	0	0
Grants (non CFP)	10,282,074	13,567,510
Total Revenues	\$14,842,515	\$18,445,791

C. Consolidated Budget Statement

PROJECTED REVENUES	FY 2006 BUDGET	FY 2007 BUDGET
Dwelling Rental Income	\$ 8,524,104	\$ 8,404,979
Investment Income	444,656	1,128,592
Other Income	575,392	790,953
Section 8 Block Grant	60,718,303	59,303,861
Section 8 Subsidy and Admin Fee	5,960,641	6,383,855
Capital Subsidy	10,269,954	7,992,260
Operating Subsidy	7,376,658	6,901,391
Grants	10,282,074	13,567,510
Total Revenues	\$104,151,781	\$105,191,617

Section V. Uses of Funds

This Section details FY 2006 budgeted and FY 2007 planned MTW expenditures by line item, an explanation of the changes in expenses between the two years and intended policy and program initiatives included in the 2007 budget. It also reviews the level and adequacy of reserves.

A. Planned Expenditures and Changes in Expenses in the MTW Budget

PROJECTED EXPENSES	FY 2006 BUDGET	FY 2007 BUDGET
Administration and General	19,321,237	19,970,768
Housing Assistance Payments	2,014,000	1,931,676
Section 8 Block Grant HAP	60,718,303	59,303,861
Utilities	2,877,716	2,829,795
Maintenance	1,280,016	1,775,626
Capital Projects	9,008,339	6,437,605
Total Expenses	\$95,219,611	\$92,249,331

Categories of Costs:

- Administration and General: Salaries and employee benefits for all employees, office costs, professional service contracts including those supporting resident services, property and liability insurance and debt service on KCHA's Section 8 offices and ESCO financing.
- Housing Assistance Payments: Housing assistance payments (HAP) projected to be paid on behalf of Section 8 participants are separated into two categories: Section 811/Five Year Mainstream (non-MTW) and all other Vouchers (MTW Block Grant)
- Utilities: KCHA-paid utilities including water, sewer, electricity, natural gas and heating oil. This category also includes trash collection costs, in conformity with private sector real estate accounting.
- Maintenance: All materials and contracts for the maintenance of KCHA's public housing developments.
- Capital projects: Most capitalized improvements to KCHA's developments are funded through the CFP. This also includes Public Housing's pro rata share of any hardware or software costs charged to CFP. The costs of a new regional Management/Maintenance office for the Southwest region is funded directly from Public Housing reserves. This office has been relocated due to the HOPE VI project.

Changes from the FY 2006 Budget:

- Administrative and General:
 - Human resource costs are increasing due to higher medical insurance premiums, the cost of Washington State retirement plans and general inflation.
 - In addition, FY 2007 reflects the first full year of repayments for KCHA's ESCO project. This amount represents approximately 25% of the increase in this cost category.
- Section 8 HAP is divided into two categories, Block Grant and Five Year Mainstream vouchers. HUD approval to block grant 6500 vouchers was received in FY 2006. Estimated funding has decreased due to continuing Congressional reductions in funding for the program; KCHA received approximately 95% of its formula funding in CY 2006, a lower percentage than in the prior year.
- Maintenance costs have climbed due to the materials and contract expenditures expected to be incurred in KCHA's unit upgrade project. Funding for this will be provided from capital grant funds. All of the increase in this category is as a result of this project, budgeted at \$577 thousand excluding labor costs.
- Utility costs are projected to decline following installation of \$4.0 million in energy upgrades funded through the KCHA Energy Savings Corporation (ESCO) in FY 2006. Consumption of water has declined significantly; however, utility rates have climbed during the year, offsetting cost savings.
- Capital programs: There has been a steady decline in CFP funds available to the agency. In order to leverage additional capital for fire/safety upgrades to eight senior buildings, KCHA will be using a mixed finance model in FY 2007 that will combine Low Income Housing Tax Credit equity with CFP. Other projects scheduled for FY 2007 include two roof replacements and infrastructure and heating ventilation systems at two family developments.

Major FY 2007 Initiatives:

The following are initiatives that the Authority will be undertaking during FY 2007. Several are continuations of current activities and others represent the beginning of new strategies that will have long-term benefits for the Authority and its clients.

- KCHA has completed the roll out of its Site Based Management initiative. An ongoing training program is being developed to assure that new property managers are well versed on the legal, regulatory and management skills needed to properly oversee their developments. Managers have been issued Purchasing Cards which enables them to make small purchases for their sites. KCHA will continue to monitor use of the Cards to verify best internal controls and compliance with HUD purchasing requirements. In addition, during FY 2007, the Authority will conduct an ongoing review of current procurement systems in order to assess and implement further policy changes and streamlining processes where warranted.

- During FY 2006 KCHA began providing monthly financial statements to field property managers. An objective of FY 2007 is to more fully automate this process and to provide more training to personnel as to financial statement usage and analysis. Property managers have already used this training to create property-based budgets for their sites during this budgeting cycle. The Authority will also investigate new productivity tools to make existing software more responsive to user's needs. This may include new software for its payroll and/or other financial systems.
- Now that the Operating Fund Rule has been finalized, KCHA is comparing its authority under its MTW Agreement with some of the new administrative and financial requirements, particularly those relating to Stop Loss. KCHA has been granted fungibility of its operating and capital funds and the authority to develop its own management indicators which it may seek to use in lieu of the published Rules in certain areas.
- Ongoing Review of Energy Costs. KCHA entered into an Energy Performance Contract during FY 2004 for its Public Housing Program. Most of the anticipated \$4.0 in energy measures were installed during FY 2006, resulting in an approximate 17% drop in water usage. During FY 2007, KCHA will begin to bill residents for excess water usage. The process of required tenant notices, lease changes and hearings and dummy "mock" billing notices to prepare residents for this change will take approximately 6 - 8 months. KCHA is contracting with a third party billing service to perform this role.
- A consultant is being hired to review Section 8 office operating procedures in order to streamline workflow and simplify business processes. Administrative Services piloted a document imaging system in FY 2006; this experience will be shared with both Section 8 and Public Housing staff in order to reduce on hand paperwork.
- Park Lake Homes HOPE VI Revitalization. This redevelopment effort is transforming an aging public housing development into a new mixed-income neighborhood. The first residents will move into the initial phase of the new development during the summer of 2006. The balance of the existing units on the site will be demolished during FY 2007.
- KCHA will move forward with leveraging a portion of its Capital Fund Program in order to fund needed life/safety initiatives at up to eight of its senior building programs. These are the last buildings in KCHA's twenty-one building mixed population portfolio needing such upgrades. It is clear that CFP funds are insufficient to address both these and other pressing needs of the inventory using CFP funds in this manner will leverage private sector equity.
- Many of the Authority's public housing units, while in usable shape, are dated. In order to reduce the disruption and cost of tenant relocation during unit upgrades, the Authority is initiating a pilot project to use its own force account for a limited number of unit upgrades during the year. Current plans forecast 50 of these upgrades, which will take place on turnover. The project should increase the lives of the units as well as make them more attractive to prospective residents.
- Streamlined HUD Approval of Mixed-Finance Deals. Before the end of FY 2007, the Authority will request a HUD waiver to allow a mixed-finance closing to occur without review of evidentiary material by a HUD attorney, based on a model developed by HUD and the Atlanta Housing Authority.

- Utilization of the Section 8 Block Grant flexibility to help expand the regional network of supportive housing units. The Authority plans to use Section 8 funding to supportive housing projects that serve individuals with disabilities and homeless households.
- Utilization of the Section 8 Block Grant funds to develop a Self-Sufficiency program for Public Housing residents and expand current initiatives for housing choice voucher holders.
- Performance Evaluation and Improvement. KCHA will begin to develop measures to evaluate the impact of the MTW Program on agency operations and outcomes. On a program level, the Authority will continue monthly Section 8 and Public Housing performance review meetings and refine performance and outcome indicators to closely monitor operations, self-sufficiency initiatives and the quality of services to its customers. At the Public Housing project level, site reporting will continue to be expanded so that Regional and asset managers can quickly react to vacancy, crime or financial challenges within their apartment communities.
- MTW Implementation. The Authority will explore the full use of its MTW Authority with HUD to continue to implement already-identified initiatives.
- The Authority is reviewing the advisability of placing its insurance portfolio into the commercial insurance market as opposed to the current risk pool and a variety of supplemental policies. A probable increase in costs will be weighed against the more comprehensive and coordinated coverage provided by a single insurer.
- The Authority will be conducting an assessment of its current performance pay structure. This may also result in a broader pay and classification study later in the fiscal year. KCHA is already working within its collective bargaining agreements to create job titles, responsibilities and pay scales more appropriate to site based management, and this effort will continue in FY 2007.
- New Investment Strategies. KCHA has accumulated significant reserves in its HUD funded programs. Utilizing the flexibility inherent in its MTW agreement, the KCHA Board of Commissioners has initiated a strategic and business planning process to develop an approach to using these reserves to further the mission of the Authority.

B. Level and Adequacy of Reserves for Public Housing and Section 8 Programs

PROJECTED RESERVES	FYE 2007
Public Housing	\$ 8,172,712
Section 8 Administrative Fee	3,531,446
Section 8 Block Grant Reserve	8,904,470
Total Reserves	\$20,608,631

The Public Housing Program is budgeted to operate at a deficit in FY 2007. As of the date of this plan, KCHA has not been informed by HUD as to the level of funding for FY 2007 and has made a best estimate of \$6.9 million. At this level, it is probable that the Authority will

have a \$973,000 deficit in cash flow for its Public Housing operations at the end of FY 2007. Reserves are adequate to cover this shortfall. The public housing reserve represents approximately seven months of operating expense cash flow for KCHA's public housing program. A portion of this reserve has been pledged to contingent development liabilities on the Greenbridge HOPE VI project. It is anticipated that a significant portion of this reserve will be committed to addressing the renovation costs of the Park Lake II and Springwood properties.

The Section 8 project reserve represents the accumulated block grant reserves captured by the Authority since the inception of the grant. The Administrative Fee reserve is the accumulated excess in fees over costs for the Section 8 program, also built up over several years. Under the authority granted it in its MTW agreement, these reserves can be used for any purpose supported by KCHA's MTW authorization. A significant portion of these funds has been set-aside to provide one month's operating reserve for the voucher program. This reserve has enabled an increase in payment standards and the release of "retired" vouchers to bring KCHA's voucher program leasing level back up to its former baseline. Additional reserve funds will be used to expand housing opportunities and support resident self-sufficiency initiatives for Public Housing and Section 8 program participants.

Section VI. Capital Planning

A. Major Capital Needs and Projects, Estimated Costs, and Proposed Timetables

The King County Housing Authority's 10-year work plan covers the period from FY 2003 through FY 2012. It identifies over \$58 million in capital work that needs to be performed between FY 2007 and FY 2012. The plan addresses the highest priorities among those identified capital needs for public housing developments. KCHA's capital grant funding from HUD has declined steadily over the past four years. These reductions have been the result of both on-going budget cuts by Congress and the revitalization of Park Lake Homes under the HOPE VI program.

KCHA is currently expending Capital Fund Program allocations from CFP years 2003, 2004 and 2005. CFP funds allocated for capital improvement are fully expended through CFP 2004 and 84% of the CFP 2005 capital improvement allocation is expended. All CFP 2005 funds for capital improvements are committed to projects scheduled within the KCHA 10-year work plan.

The projected Capital Fund availability for the five-year period is approximately \$19.7 million. The total planned work for the five-year period is \$34.6 million. For FY 2007, construction contracts for approximately \$5.5 million will be undertaken. These work items are indicated below in the five-year projection of capital improvement expenditures.

KCHA anticipates leveraging additional funding in the amount of approximately \$14.9 million over the next 5 years by using a mixed financing approach that combines the proceeds of private activity bonds and 4% low income housing tax credit equity to fund capital improvements for selected public housing properties. Annual debt service on the private activity bonds will be paid in annual installments over 20 years from the Capital Fund Program. All properties utilizing bond/tax credit leveraged financing will be sold to tax credit limited partnerships or limited liability companies controlled by KCHA and will continue to operate as public housing under regulatory and operating agreements with KCHA. KCHA currently expects to submit disposition and mixed financing applications for Brittany Park, Paramount House, Casa Madrona, Plaza 17, Mardi Gras, Munro Manor, Riverton, Gustaves Manor and Springwood Apartments in FY 2007.

KCHA may modify the work identified as on-going capital needs assessments are updated, or as priorities change, or based on funding limitations. Major projects include the following:

- **Park Lake Homes Redevelopment.** The redevelopment of Park Lake Homes I under the HOPE VI Program is currently underway. This once distressed public housing project is being completely redeveloped into a mixed-income neighborhood of new low-income and workforce rental housing combined with affordable and market rate for-sale homes. This planned community is organized around the 8th Ave SW "Main Street", which includes facilities for services, recreation, neighborhood retail and education, including new Elementary School and Head Start facilities. Greenbridge is designed to be pedestrian friendly and incorporates an array of parks, walking trails, gardens and natural features

into the fabric of the neighborhood. The original 569 public housing units will be replaced on site with three hundred subsidized units for very low-income households and 269 offsite units to insure one for one “hard unit” replacement. The first phase of new housing will be occupied in July 2006.

- **Park Lake II Redevelopment.** The cost of upgrading the infrastructure and housing on this site to acceptable standards is such that KCHA anticipates demolishing the existing housing and initiating a HOPE VI-like redevelopment of this 31 acre site within 5 years. Although approximately \$350,000 is budgeted in FY 2007 to mitigate chronic moisture and mold problems in some Park Lake II units, all other non-emergency capital work will be deferred pending redevelopment. For FY 2007, \$150,000 is budgeted to begin master planning the redevelopment of the site.
- **Springwood Apartments Redevelopment.** KCHA has determined that this aging and physically distressed 334 unit property cannot be sustained as public housing and will need to undergo a financial restructuring to leverage the approximately \$40 million needed to completely renovate the site and substantially rehabilitate most of the buildings on the site. In FY 2007, KCHA will submit a disposition application to sell the property to a tax credit limited partnership or limited liability company controlled by KCHA. The property will be decommissioned as public housing. The sale proceeds will be used to leverage other federal, state, local and private financing to undertake the renovation and to insure that approximately 270 extremely low income units are maintained on this former public housing site. Any extremely low income units removed from the site will be replaced on a one-for-one basis.
- **Fire and Life/Safety Upgrades in Mixed-Population Buildings.** The Authority has developed a multi-year plan to install sprinklers and updated fire safety systems in all its mixed-population buildings. Installments in 12 of the buildings are complete with the remaining eight buildings to be upgraded over the next 3 years. These multistory elevator buildings will use the bond/tax credit leveraged financing model discussed above to finance necessary work and will be sold to tax credit limited partnership or limited liability company controlled by KCHA.
- **Unit Upgrade Demonstration Program.** Beginning in FY 2007, on a demonstration basis, KCHA will begin a program of major unit interior renovations on turnover. Approximately \$1 million will be budgeted for 50+ interior renovations in selected public housing units in multiple properties. KCHA’s in-house staff will undertake the work necessary to rehabilitate these units. In the past, major unit upgrades were undertaken on a building by building basis, requiring KCHA to employ architects to develop detailed plans, specifications and contract documents and to vacate entire buildings and relocate residents for up to 6 months so that general contractors could efficiently complete the work. By having a dedicated upgrade crew working only in “turnover” units, KCHA expects substantial savings on soft costs, general contractor’s overhead and profit, and relocation costs. Although the 10 year Capital Plan still projects major property by property interior renovations in FY 2008 – FY 2011, the Capital Plan will be modified to incorporate the unit turnover approach if the Unit Upgrade Demonstration Program is successful.
- **Improved On-Site Community Facilities.** KCHA is actively upgrading community facilities at its major family sites to facilitate delivery of on-site services. Last year, KCHA finished the construction of the Kent Family Center, providing Headstart, Career Development and primary health care services at the Springwood Apartments. The

redevelopment of the Springwood Community Center including construction of a gymnasium, game room, classrooms and computer center for older youth will be completed in July 2006. The Jim Wiley Community Center at Greenbridge is currently undergoing a \$5.5 million renovation and will also reopen in FY 2007. Because KCHA is anticipating the use of New Markets Tax Credit financing in connection with this renovation, KCHA will sell the Community Center to the Greenbridge Foundation with KCHA retaining an operating lease of the facility. The property will revert to KCHA ownership in 7 years.

- **Other Major Multi-Year Projects.** Utilizing its ESCO financing, KCHA is completing replacement of all toilets with low-flow fixtures, installing energy efficient fluorescent lighting and new heating plants in its public housing inventory.

B. Capital Plan Expenditures

Five-Year Capital Plan and Projected Expenditures by KCHA Fiscal Year

Property	Scope of Work	Total Construction Contract	FY 07	FY 08	FY 09	FY 10	FY 11
Park Lake II	Heating & Ventilation Upgrades	\$350,000	\$350,000				
Brittany Park	Fire/Life Safety Upgrades	\$1,500,000	\$1,500,000				
Paramount House	Fire/Life Safety Upgrades	\$2,000,000	\$2,000,000				
Pickering Court	Infrastructure	\$550,000	\$550,000				
Northridge II	Roofing	\$200,000	\$200,000				
Vista Heights	Roofing	\$200,000	\$200,000				
Valli Kee	Furnace Replacements & Exterior Envelope	\$1,862,500	\$362,500			\$1,500,000	
Casa Juanita	Infrastructure (commenced FY 06) & Roofing	\$475,000	\$200,000				\$275,000
Cedarwood	Furnace Replacement	\$42,500	\$42,500				
Boulevard Manor	Sheetrock walls over CMU	\$50,000	\$50,000				
Casa Madrona	Fire/Life Safety/Infrastructure	\$3,000,000		\$3,000,000			
Plaza 17	Fire/Life Safety	\$3,250,000		\$2,500,000			\$750,000
Lakehouse	Common Area Ventilation	\$150,000		\$150,000			

Property	Scope of Work	Total Construction Contract	FY 07	FY 08	FY 09	FY 10	FY 11
Mardi Gras	Fire/Life Safety & Roofing	\$2,050,000		\$1,000,000	\$800,000		\$250,000
Munro Manor	Fire/Life Safety & Decks	\$2,350,000		\$500,000	\$1,850,000		
Juanita Court	Interior Renovation & Exterior Envelope	\$1,200,000			\$1,200,000		
Riverton Terrace	Fire/Life Safety	\$1,000,000			\$1,000,000		
Juanita Trace	Interior Renovation	\$1,400,000			\$1,400,000		
Gustaves Manor	Fire Sprinklers Residents Units	\$500,000			\$500,000		
Southridge	Electric Meters/ Building Envelope	\$770,000	\$20,000			\$750,000	
Evergreen Court	Interior Renovation	\$1,150,000				\$1,150,000	
Cedarwood	Interior/Exterior Renovation	\$1,100,000				\$1,100,000	
Green River	Interior/Exterior Renovation	\$3,600,000				\$1,800,000	\$1,800,000
Kings Court	Interior/Exterior Renovation	\$1,650,000				\$1,100,000	\$550,000
College Place	Interior Renovation	\$1,925,000					\$1,925,000
Eastside Terrace	Interior Renovation	\$1,550,000					\$1,550,000
Bellevue 8	Interior/Exterior Renovation	\$400,000					\$400,000
Federal Way Houses	Siding	\$75,000					\$75,000
TOTAL		\$34,620,000	\$5,475,000	\$7,150,000	\$6,750,000	\$7,400,000	\$7,575,000

Section VII: Owned and Managed Units

This Section provides information required under KCHA's MTW Agreement on performance indicators for public housing units under KCHA management.

A. Vacancy Rates

The tables below provide the vacancy rates for public housing developments as of April 1, 2006. The Authority provides annual snapshots of performance indicators and other data for April 1 of each year of the Demonstration because the timing of MTW Annual Plan submission does not allow for end-of-fiscal-year data to be gathered and analyzed.

DEVELOPMENT	HOUSEHOLDS	UNITS	VACANCY RATE
AVONDALE MANOR	20	20	0.0%
BALLINGER HOMES	110	110	0.0%
BELLEVUE SINGLE-FAMILY	8	8	0.0%
BOULEVARD MANOR	70	70	0.0%
BRIARWOOD	70	70	0.0%
BRITTANY PARK	43	43	0.0%
BURNDALE HOMES*	49	50	2.0%
CAMPUS COURT	13	13	0.0%
CASA JUANITA	80	80	0.0%
CASA MADRONA	67	70	4.3%
CASCADE APTS	107	108	0.9%
CEDARWOOD	25	25	0.0%
COLLEGE PLACE	51	51	0.0%
EASTRIDGE HOUSE	40	40	0.0%
EASTSIDE TERRACE	50	50	0.0%
EVERGREEN COURT	30	30	0.0%
FIRWOOD CIRCLE	46	50	8.0%
FOREST GLEN	40	40	0.0%
FOREST GROVE	25	25	0.0%
GLENVIEW HEIGHTS	10	10	0.0%
GREEN RIVER HOMES	59	60	1.7%
GREENLEAF	27	27	0.0%
GUSTAVES MANOR	35	35	0.0%
JUANITA COURT	30	30	0.0%
JUANITA TRACE	30	30	0.0%
JUANITA TRACE II	9	9	0.0%
KINGS COURT	30	30	0.0%
KIRKWOOD TERRACE	28	28	0.0%
MARDI GRAS	61	61	0.0%
MUNRO MANOR	60	60	0.0%

DEVELOPMENT	HOUSEHOLDS	UNITS	VACANCY RATE
NORTHRIDGE HOUSE I	69	70	1.4%
NORTHRIDGE HOUSE II	70	70	0.0%
PARAMOUNT HOUSE	70	70	0.0%
PARK LAKE HOMES I & II Hope VI Site	131	569	Redevelopment
PARK LAKE HOMES II	164	165	0.6%
PICKERING COURT	30	30	0.0%
PLAZA 17	70	70	0.0%
RIVERTON TERRACE	60	60	0.0%
SHOREHAM	18	18	0.0%
SOUTHRIDGE HOUSE	80	80	0.0%
SPRINGWOOD APTS	321	333	3.6%
THE LAKE HOUSE	70	70	0.0%
VALLI KEE HOMES	114	114	0.0%
VICTORIAN WOODS / FEDERAL WAY HOMES	16	18	11.1%
VISTA HEIGHTS	29	30	3.3%
WAYLAND ARMS	67	67	0.0%
WELLSWOOD	30	30	0.0%
YARDLEY ARMS	67	67	0.0%
YOUNGS LAKE	25	28	10.7%
DEVELOPMENTS NOT UNDER REDEVELOPMENT	2,693	2,756	1.1%

Excluding Park Lake Homes, which is under redevelopment, the overall vacancy rate as of April 1, 2006, was 1.1% percent. The Authority expects a similarly low overall vacancy rate for its public housing properties in FY 2007.

B. Rent Collections

The Authority anticipates collecting over 98 percent of the public housing rents assessed during FY 2007. This was the rent collection level during FY 2006.

C. Work Orders

KCHA's anticipates responding within 24 hours to 100 percent of the requests for emergency maintenance work orders during FY 2007. The Authority also projects responding within 30 days to at least 97 percent of the requests for regular maintenance work orders during FY 2007. These were the maintenance work order response levels during FY 2006.

D. HQS Inspections

HUD's Housing Quality Standards regulations currently require that each public housing unit and system be inspected annually. KCHA is on track to complete 100 percent of HQS inspections during FY 2006. KCHA will review and possibly modify inspection procedures in FY 2007, but will, pending such notifications, continue to inspect public housing units and systems in accordance with the Housing Quality Standards in FY 2007.

E. Security

KCHA employs strict suitability standards for screening applicants, including the use of criminal background checks by local, state, and federal law enforcement agencies, as a primary strategy to ensure that its communities are safe places for households to live. Proactive and consistent lease enforcement by housing management staff is the Authority's next line of defense in its anti-crime strategy. KCHA continues the operation of the core strategies previously funded under the Drug Elimination Grant (DEG), although the defunding of DEG has severely curtailed certain drug and crime prevention programs. These core strategies include:

- Partnerships with Police Departments throughout the Authority's jurisdiction. KCHA has developed and maintains strong relationships with police departments to ensure that public housing residents receive the services they need for their safety and security. These relationships take the form of contracts with police departments funded by KCHA and Memoranda Of Understanding between the Authority and other local law enforcement agencies. Police Department cooperation with management is especially crucial for KCHA's ability to access information needed to successfully pursue evictions or other solutions in cases of serious criminal and drug activity.
- Community Policing. KCHA is continuing its community policing programs in some family communities through the use of public housing reserves. These programs foster a cooperative relationship between residents and community police officers. Several sites have community police substations on site to deter criminal activity and assist residents in their efforts to enhance safety through the establishment of block watches and other efforts.
- After-School and Summer Programs. The Authority has developed partnerships with numerous service providers and community-based organizations to offer on- and off-site programs and activities for children. These include youth sports, homework and youth tutoring programs, and summer day camps. A list of these services is included in Appendix F.
- Public Housing Safety Initiative. During FY 2006, the Authority was awarded a two year grant in the amount of \$600,000 from the Department of Justice to provide a combination of safety prevention and intervention services in three public housing developments. The grant, which is scheduled to run through March 2008, provides for additional community policing efforts and increased after school and late night programs for at-risk youth.

The Authority's transition of its public housing operations to property-based management will increase the on-site presence of management and maintenance staff and lead to closer management-tenant relationships, which is anticipated to increase the sense of security and safety among residents.

F. MTW Demonstration Initiatives

1. Property-Based Management

During FY 2005, KCHA implemented a property-based management demonstration by transitioning the operations of one of its five geographic areas (South Area) from a centralized, program-based model to a site-based asset management model. Under this model, the Authority is combining features of private sector property management with aspects of a program-based management model to equal the efficiencies of private sector practices. Under KCHA's property-based management system, the authority for making decisions affecting public housing is decentralized to staff most closely connected to the developments.

The following management responsibilities were transferred from area-based to property-based staff in the demonstration area:

- Monitoring of budgets and financial reports
- Staffing decisions
- Purchasing
- Ongoing maintenance, including work orders
- Unit turnover

In FY 2006, the demonstration expanded to the entire public housing inventory. In addition to decentralizing the responsibilities listed above, the following property management tasks were transferred to property-based staff:

- **Property-Based Budgeting.** The property-based budgets for FY 2005 and FY 2006 were developed primarily by central office staff. In FY 2007, responsibility for developing budgets for individual properties, based on actual property specific data from the previous year, was transferred to the property managers.
- **Capital Planning.** Property-based staff have become more involved in assessments of capital priorities.

KCHA will continue to develop its own performance measures and assessment tools as part of its transition from a program-based to a property-based system. Primary objectives for FY 2007 include the need to more fully automate access to financial data, increase availability and use of productivity tools and to the provision of increased training to staff regarding financial statement use and analysis.

A key aspect of the shift towards property-based management has been the development of project-based budgets and accounting reports. During FY 2007, KCHA will continue work

toward implementation of a property-based financial management systems that meet the needs of the Public Housing program.

2. Policy-Related Streamlining Initiatives

The major policy initiatives to be initiated or completed in FY 2007 focus on administrative efficiencies, resident self-sufficiency and customer service.

Rent Policy

Central goals of rent policy reform include administrative simplification of the current policy and encouragement of resident self-sufficiency. A number of areas will be targeted, including, but not limited to:

- Simplification or replacement of the excessively burdensome earned income disregards. The Authority is committed to expanding employment incentives and rewarding work.
- Income verification.
- Frequency of annual reviews.
- Utility allowance determination.
- Simplification of medical deductions and other income adjustments related to rent determination.

Admissions Policies

In conjunction with the transition to property-based management, KCHA implemented a Centralized Applications system in FY 2006 in order to ensure consistent application of admissions policies and to streamline operations. During FY 2007, KCHA staff will continue to review and modify processes, as necessary, to ensure that staff and applicants are not bogged down by complex layers of admissions-related policies and procedures. Policies will be designed to remove eligibility barriers, where appropriate, for hard to house populations, and increase applicant choice and access to programs while not creating a disparate impact toward protected classes.

3. Other Initiatives

The Authority will continue to explore all options for administrative streamlining detailed under the MTW Agreement, including the following:

- Allowing transfers of clients between the Section 8, local programs and public housing programs under some circumstances. Revising other elements of the transfer policy.
- Exploring changes in the eligibility policy regarding single, nondisabled, non-elderly persons.
- Exploring options to streamline the grievance procedures.
- Adopting a locally designed lease consistent with MTW initiatives, including provisions regarding utility consumption sub-metering and smoke free environments.
- Exploring and implementing revisions, if any, to inspection protocols.
- Exploring options for revisions to current income calculation and verification practices and procedures.
- Ongoing review of the Admissions and Continued Occupancy Plan to seek ways to simplify the Authority's policies and procedures.

Section VIII. Management Information for Leased Housing

This Section discusses performance measures and objectives required under KCHA's MTW Agreement with HUD and focuses on the Authority's efforts to improve program performance under the MTW Demonstration. MTW initiatives related to policy reforms are discussed in Section II.

A. Leasing Information

1. Lease-up rate

As discussed in last year's annual plan, the Housing Authority's strategy in leasing units changed when Congress mandated a change from a funding-based system to a budget-based system and capped Housing Assistance Payment levels at a level below full funding. Under the new strategy, the goal is to fund as many vouchers as possible under existing budget constraints. As a result, lease-up rates were reduced in FY 2005 and FY 2006. Changes under KCHA'S MTW Program to contain per unit costs have enabled KCHA to restore vouchers previously pulled out of circulation. KCHA anticipates its lease-up percentage to be just over 97% by the end of its 2006 fiscal year, and is projecting 99% lease-up rate in FY 2007.

2. Ensuring Rent Reasonableness

KCHA will continue to use the services of Dupre + Scott, a professional real estate consulting firm that conducts rental market research in the Puget Sound Region. Dupre + Scott publishes a customized (for the Section 8 Program) annual rent reasonableness report based on an extensive survey of rental units in rental sub-markets across King County. The report establishes a maximum rent for housing units based on a number of factors, including its location, size, quality, type, amenities, utilities and general condition. This year, KCHA added a new web-based resource to provide additional information for performing Rent Reasonable tests. The new website gives data on all apartment buildings in the Seattle-King County area with 50 or more units. The data includes total number of units, age of building, square footage by bedroom size, rental price of last units rented as well as comparable units within a stated number of miles. A trained Section 8 inspector uses these reports as a guide for making rent reasonableness determinations. KCHA staff make rent reasonableness determinations for all units rented under the Section 8 program, including units owned by KCHA.

3. Expanding Housing Opportunities and Deconcentration

The following are descriptions of strategies the Authority is using to increase the housing opportunities for low-income households through the Section 8 program:

Housing Choice Voucher Project Based Assistance Program

The Authority has developed and implemented a local Housing Choice Voucher Project Based Assistance program to preserve and increase the range of housing options available to low-income households and to offer more housing opportunities in low-poverty areas. KCHA does this by converting tenant-based vouchers to Project Based Assistance, which is tied

directly to a project through a contract with an owner for a specific number of units. The owner is obligated to house Section 8-eligible tenants in this housing and to abide by any other program parameters established by KCHA and/or partner funders.

Different categories of vouchers will be allocated for a range of population groups and purposes. These include both transitional and permanent housing opportunities for individuals and families with children who may in certain cases need on-site support services. General numerical targets for units to be project-based in each category are as follows:

1. Private Housing Program (Off-site HOPE VI Replacement Housing): KCHA will project-base 269 replacement vouchers under the Park Lake HOPE VI project in housing it controls, and in projects owned by nonprofit organizations and funded by A Regional Coalition for Housing (ARCH) (about 120 units) or other government funders. The intent of this initiative is to deconcentrate the supply of subsidized housing by shifting it from one of the most impoverished communities in the region to more affluent neighborhoods.

Units currently under contract: 190

2. Public Housing Redevelopment (On-site Public Housing Replacement Housing): To replace or redevelop public housing units on-site at former Public Housing sites, KCHA will permanently and/or temporarily project-base up to 280 units to serve new and returning residents at Greenbridge. Further use of this tool may be contemplated if additional redevelopment sites are identified.

Units currently under contract: 110

3. Housing for formerly homeless families: KCHA will work with the Bill and Melinda Gates Foundation's Sound Families Initiative to create up to 230 units of supportive housing for formerly homeless families.

Units currently under contract: 134

4. Supportive Housing: Housing and Services Program (HASP) Vouchers will be made available for project-basing to create or preserve service-enriched permanent housing opportunities in up to 150 units for disabled households and individuals who need on-site support services.

Units Currently Under contract: 25

5. Families with Children: To increase housing opportunities for households with children in low-poverty, employment-rich areas with limited subsidized housing opportunities, KCHA may commit Project Based Assistance for up to an additional 100 units in such projects. Such opportunities may be pursued only after KCHA's replacement housing goals have been met and will be conditioned on the availability of additional vouchers.

Units Currently Under contract: 0

6. Local Preservation: KCHA may attach Project Based Assistance to up to 150 units in projects that require temporary or permanent operating subsidies in order to serve extremely low-income households.

Units Currently Under contract: 73

7. King County's Community Plan to End Homelessness: As a partner in the Committee to End Homelessness, KCHA reserves the right to identify new program categories that

specifically serve homeless households and further the goals of the King County Plan to End Homelessness for up to 100 units.

Units Currently Under contract: 0

8. Transition in Place: If resources are available, KCHA will allocate up to 40 “transition in place” vouchers to Transitional Housing Programs that are funded by KCHA and Sound Families as needed.

Units Currently Under contract: 0

9. Demonstration Programs: KCHA reserves the right to provide Project Based Assistance to up to 100 units in a limited number of pilot projects that will serve an important public purpose, but may not qualify under the Program’s identified programs or policies.

Units Currently Under contract: 0

Housing Choice Voucher Tenant Based Programs Serving Special Needs Populations

KCHA partners with a number of agencies to provide housing opportunities for populations and households that may not otherwise be able to take advantage of the Section 8 program and who need supportive services.

To better serve households with disabilities, KCHA created the Housing Access and Services Program (HASP) in partnership with a consortium of human service and behavioral health systems. Under this program, support services are in place to assist disabled participants in 1) utilizing their vouchers by finding suitable housing and 2) intervening in crisis situations when a tenant is at risk of losing their housing. Due to KCHA’s commitment in this area, 39% of all KCHA’s Section 8 participants are now disabled households.

To better serve families with special needs, KCHA partners with nonprofit agencies that serve survivors of domestic violence and families with parents who have been, or are at risk of being, separated from their children due to homelessness. KCHA’s service partners are seeking funding to provide supportive services to additional participants in FY 2007.

Exception Rent Areas

To ensure that Section 8 clients can access housing throughout King County, the Authority continues to establish exception rent areas where the rent payment standard is higher than in other areas. Due to funding cuts in FY 2004, the exception area rents were reduced from 120 percent to 115 percent of HUD’s Fair Market Rents (FMRs). The lower payment standard has remained the same since that time. However, with a recent increase in the FMR and the stabilization of HUD funding, the Housing Authority is proposing an increase back to the 120 per cent level in the exception areas to assist families struggling to obtain and maintain housing in those areas.

Landlord Outreach

The Authority does extensive outreach to current and potential landlords through a variety of methods. Those methods include staffing a Section 8 information booth at TRENDS/Rental Housing Management Conference and Trade show, periodic information mailings to let the landlords know of upcoming changes to the program, and continued refinements to the KCHA webpage to make it easier for a landlord to gain information about the program and list any available units.

Inspection Strategy

Implementing an effective and efficient Section 8 Housing Quality Standards inspection program for KCHA's large jurisdiction – it covers almost 2,000 square miles – is a significant challenge.

In FY 2004, KCHA adopted changes to its inspection protocols to ease the burden on participants and landlords and to streamline the inspections process. These changes include:

- Allowing KCHA Section 8 staff to inspect KCHA-owned units;
- Allowing owners and participants to self-certify corrections of minor HQS inspection fail items identified during annual inspections.

Additional changes to inspection protocols described in previous plans will continue to be pursued as part of this year's goals. Additional changes will be considered this year, with the intent of:

- Reducing the number of annual inspections through sampling in buildings with large numbers of Section 8 families or other approaches.
- Creating a more efficient inspection system by separating the annual review from the inspection allowing for clustering of inspections located in the same neighborhood or in the same building. Modifying initial re-inspection cycles to facilitate the switchover to a clustered inspection program.
- Exploring policy options for reducing the number of missed inspections.
- Accepting inspections by other parties (State Housing Finance Commission, County Affordable Housing Program) whose practices and standards are similar to those of KCHA.

In pursuing these initiatives, KCHA will continue its commitment to provide safe, decent, and sanitary housing for all its Section 8 participants.

B. New MTW Demonstration Initiatives

During FY 2006, the Housing Authority received approval from HUD to include all HUD-Funded vouchers (except for a small portion designated for the Mainstream Program) into a single Block Grant. As a result, the Housing Authority is allowed to apply a single set of program policies and procedures to the administration of the program. Changes to be explored and/or implemented under this initiative may include the following areas:

- Eligibility criteria for tenants;
- Property and owner eligibility criteria;
- Review of rent policies including income inclusions and exclusions, deductions, minimum rent, timing of reviews, method of rent calculation, and subsidy levels;
- Expansion of methods of income verification;
- Waiting list procedures and tenant selection procedures, criteria and preferences;
- The content of the Housing Assistance Payments Contract;
- Family Obligations;

- Portability and moving procedures and policies;
- Alternative means of setting rent payment standards and exception payment standards;
- Standards and procedures for reviewing, setting, and implementing utility allowances;
- Eligibility policy regarding single persons who are not disabled and not elderly, live-in aides, and residual family members;
- Further refinement of the Project Based policy and procedures;
- Changes to the Inspection protocol.
- Targeting of vouchers to specific priority populations and supportive service providers in coordination with the local 10 Year Plan to End Homelessness program priorities and funding.

Section IX. Resident Programs

This Section describes current resident support services programs available to King County Housing Authority public housing residents and Section 8 participants. This Section also describes issues and proposed actions to be taken in this area during FY 2007. Appendix F provides a comprehensive list of services now available to KCHA's residents.

A. Services and Programs

Strong families are the heart of KCHA's communities. Resident Services provides an array of programs that strengthen families and promote resident self-sufficiency. These services are broadly divided into programs for children and youth; services that create opportunities for residents of all ages to develop career preparedness skills, earn a livable wage and build assets; and finally, services that support seniors and younger disabled populations. KCHA continues to provide these services as a fundamental commitment to its residents in spite of diminished resources available from HUD. In addition, KCHA recognizes that it serves a population that is culturally, socially, and economically diverse and is committed to partnering with a wide range of service organizations to ensure the appropriate delivery of support services to residents living within its housing communities.

1. Children and Youth Support Services

This effort coordinates youth support activities, both educational and recreational, delivered at public housing sites and other properties operated by KCHA. KCHA funds and monitors a series of programs and links on-site activities to community-based programs. Working with Puget Sound Educational Service District, KCHA provides three on-site Head Start centers within the Authority's largest public housing communities. Working with Boys and Girls Clubs, Neighborhood House, Center for Human Services and Kent Youth and Family Services, KCHA provides after-school and late night recreation activities, mentoring programs, homework assistance and computer center activities to children of all ages.

2. Self-Sufficiency Services and Programs

A core KCHA strategy is the creation of support and opportunities for residents in public housing and those in the Section 8 program to obtain employment, retain their jobs, increase their incomes and move to unsubsidized housing. These efforts include:

- **Career Development Centers.** Two Centers are strategically located in KCHA's two largest low income communities to serve large numbers of families who receive Temporary Assistance for Needy Families (TANF) and other public support. The great majority of these families are immigrant and refugee families and the Centers focus on providing these residents with an array of services including pre-employment training (ESL, GED, job skills development), as well as job placement and retention services. The Greenbridge CDC (formerly known as the Park Lake CDC) is playing a significant role in achieving the site's HOPE VI Community Support Service goals while the newly created Kent Family Center CDC coordinates with a co-located Head Start Center and WIC Clinic to serve low-income families in Kent. KCHA also works with the region's community colleges to provide outreach and services to households in KCHA's smaller public housing complexes.

- **Section 8 Family Self-Sufficiency Program.** Section 8 participants contract with the Housing Authority for up to five years to create an escrow account in which the difference between their base rent and subsequent higher rents due to increases in income is deposited. When FSS participants who have met their program goals are ready to end their contract, they receive the balance in their escrow account, which can be used for homeownership, higher education, or small business development.

3. Support Services Coordination for Elderly and Younger Disabled Households

Support Service Coordinators serve residents of 21 mixed-population public housing buildings (senior and younger disabled households) to provide assistance and coordinate outside support services with resident needs. The coordinators help residents assess these needs and link to community-based services that enable them to remain independent and healthy for as long as possible. KCHA also works with and coordinates services, including transportation, provided to residents by Neighborhood House, Senior Services and other partner agencies.

Additional Resident Support Service Activities

1. Reasonable Accommodations

The Authority provides a 504 Reasonable Accommodation program, which coordinates responses to resident and applicant requests for reasonable accommodation in public housing and for Section 8 participants and applicants.

2. Section 8 Partnerships with Human Service Organizations

KCHA coordinates the provision of supportive services to residents with special needs housed through the Section 8 Housing Choice Voucher Program. The largest of these partnerships is HASP, the Housing Access and Services Program, which ensures that people with disabilities find and maintain housing by connecting the resources of Section 8 to the supportive services of King County's human service systems. Over 1,400 disabled individuals are housed through this program.

Other KCHA partnerships with nonprofit providers serve survivors of domestic violence, people transitioning from nursing homes, homeless parents reuniting with their children, and other groups who need supportive services connected to affordable housing.

3. Project-Based Assistance Program

KCHA has made Project-Based Section 8 operating subsidies available to housing owners and service agencies to assist in the development of transitional and permanent housing. Many of these projects serve people with special needs. The project-basing program leverages substantial investment in support services through local partnerships. One example, the Sound Families Program sponsored by the Bill and Melinda Gates Foundation, creates supportive housing with extensive support services for formerly homeless families. This program aids in KCHA's efforts to broaden housing choices. Other initiatives include KCHA's partnership with the King County Behavioral Health Care System and United Way to develop permanent housing for chronically homeless individuals and coordination with the County's efforts under the 10 Year Plan to End Homelessness.

4. Public Housing Homeownership Program

This program offers information, counseling and educational workshops and individual homeownership support to eligible residents of KCHA. A pilot program begun in 1997 focused on homeownership for residents at the Youngs Lake public housing development. This program was successful in assisting residents in their efforts to become self-sufficient and transition to homeownership. The current homeownership program, implemented in FY 2004 in partnership with the Seattle Housing Authority and funded by a ROSS grant, has as its goal the acquisition of homes by 30 public housing residents over a three-year period. The Seattle Metropolitan Urban League in partnership with International District Housing Alliance and El Centro de la Raza is responsible for implementing this program. The program ends in July 2005 and the goal of 30 new homeowners has been met. Using its MTW flexibility, KCHA has provided up to \$15,000 in pre- and post-purchase assistance to eligible households.

5. AmeriCorps Program

KCHA provides staffing, supervision, and coordination of a 12-member team of AmeriCorps volunteers who work in public housing, school and community settings to support the needs of residents, including youth tutoring and adult education.

6. Hope VI Family Services

The HOPE VI Family Services staff works with families displaced by the HOPE VI redevelopment project before, during and after they transition from Park Lake Homes to provide assistance with relocation, housing stability assistance, emergency issues, self-sufficiency and long term goal development.

In addition, KCHA utilizes informal and formal relationships with local community agencies to provide HOPE VI families with additional support services including homeownership, employment and training, financial planning, youth activities and healthcare. Over 30 families vacating the Park Lake site have bought houses - some of them through the Homeownership Program mentioned above. Services will be available through 2009 when it is anticipated that all former Park Lake Homes residents who wish to return to the new community will have had the opportunity to do so.

B. Issues and Proposed Actions

The major challenges to the Authority in FY 2007 are the continuation of the well-established services and programs discussed above, given HUD's significant erosion of financial support for resident support activities, and the expansion of resident self-sufficiency efforts. The Authority will address the following priorities related to resident services in FY 2007.

1. Initiatives to Strengthen Self-Sufficiency Outcomes

KCHA will continue to operate its existing self-sufficiency programs referenced above. In addition, the Authority will develop a five-year economic self-sufficiency strategy for Public Housing residents and Housing Choice Voucher program participants that will include a continuum of initiatives to address homelessness prevention, housing stability, employment, job retention, income progression and transitioning to subsidy-free living. Included in this initiative will be the development of an integrated tracking system for monitoring the success

of residents who participate in these self-sufficiency initiatives. This effort may be combined with the implementation of a new rent policy with more effective employment incentives.

2. Continuing to Address the Needs of the Senior and Younger Disabled Populations

The Authority adopted a new Housing Designation Plan for its 21 senior and younger disabled buildings in FY 2005. The Support Services Coordination Program will continue to serve residents in these buildings. The Authority will also provide services under its Title XIX Medicaid Administrative Claiming contract with the State of Washington that began last year. This contract provides additional financial support and program flexibility to allow Support Service staff to better serve Medicaid-eligible residents.

KCHA has begun a nutrition and wellness pilot initiative with Senior Services of Seattle/King County aimed at providing health programs in the mixed population buildings. The Authority plans to expand this program to all of its mixed population buildings this year.

3. Improving Safety in public housing communities

In late 2005, KCHA, in partnership with two police departments, several community service providers and the United States Attorney's Office, was awarded a public housing safety initiative grant to deliver crime prevention and intervention services in three housing developments. This grant provides the ability to improve the physical environment of each development, increase community policing efforts, create new safety measures and provide additional after school and late night activities for at-risk youth.

4. Expanding social services in tax credit properties

Many of KCHA's bond and tax credit properties have a resident population similar to public housing communities. Increasingly these sites are home to tenant or project based housing choice voucher holders. Residents would benefit from services that support economic self sufficiency and after school youth education and recreation programs. Over the next year, KCHA will explore the development of a support service strategy targeted to these communities.

5. Creating Better Facilities to Increase Family Support Services

Over the past several years KCHA has worked with its community service partners to create, expand and upgrade facilities to enhance program delivery and access to services for all public housing and Section 8 residents.

- **Kent Family Center.** In 2004, the Authority, working in partnership with Puget Sound Educational Service District and two community-based non-profit service providers, completed fundraising and construction of a new Kent Family Center. This two-story 20,000 square foot building houses Head Start, a WIC Clinic and a career development center at Springwood, KCHA's largest public housing site in south King County.
- **Springwood Youth Center.** In 2005, the same partnership that built the Kent Family Center began raising the capital needed for the replacement of the Springwood

Community Center with a new Youth Center. This 10,800 Center is scheduled to open in August 2006 and will provide a state of the art space for after school and late night youth activities.

- **Greenbridge Community Service campus.** As part of the Greenbridge HOPE VI project, KCHA is working with over a dozen long time service agencies to create a coordinated network of facilities that will support comprehensive services for the community. The first building completed on land provided by the Housing Authority is the new White Center Heights Elementary School, which has been designed as a community school, with facilities open to the community after school hours. The School opened in 2005. Other projects on the 8th Avenue campus include:
- **The Jim Wiley Community Center.** Rehabilitation of this 23,000 square foot facility to provide youth tutoring, mentoring and recreation, family and individual case management, adult basic education, ESL and citizenship classes, senior activities cultural cases, EITC assistance, energy assistance, community meeting and gathering spaces is underway. Re-occupancy is expected in early 2007.
- **The YWCA Learning Center at Greenbridge.** This development of an 8,000 square foot building by the YWCA will include a branch library and Washington State University Cooperative Extension Program. The Learning Center will provide job search assistance, employment case management, youth leadership programs, literacy enrichment, distance learning, 4-H programming and basic computer classes. Scheduled to open in 2008.
- **The Greenbridge Early Learning Center.** Developed in partnership with the Puget Sound Educational Services District, this 22,000 square foot building will provide Head Start programs, parenting classes, employment services for Head Start parents, regional training programs, support and training for informal childcare providers, child care, home visits, prenatal/infant/toddler services. Scheduled to open in 2008.

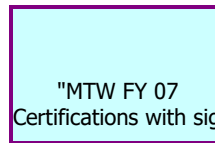
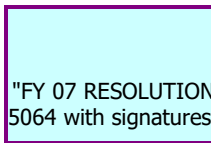
To support capital fundraising activities at Greenbridge and Springwood, KCHA has established two 501(c)3 partnerships with non-profit service providers. These partnerships, Building Better Futures and the Greenbridge Foundation, have already been successful in raising close to \$8 million to assist in the development of these facilities.

Section X. Other Information Required by HUD

KCHA Commission Resolution and Required HUD Certifications

- Board Resolution Adopting this FY 2007 MTW Annual Plan
- PHA Certification of Compliance with MTW Plan Requirements
- Certification for a Drug-Free Workplace
- Certification of Payments to Influence Federal Transactions
- Disclosure of Lobbying Activities
- FY 2005 Audit Report in Compliance with OMB Circular A-133

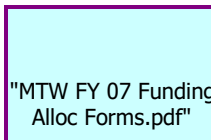
To access electronic copies of the Board Resolution and related Certifications, please click the icons below:



Funding Allocation Forms

- Calculation of Operating Subsidy
- Capital Fund Program Estimate
- Section 8 Estimate of Total Required Annual Contributions for Mainstream Vouchers

To access electronic copies of Funding Allocation forms, please click the icon below:



Section XI. Community Review of the MTW Plan and Ongoing Policy Formulation

A. Coordination and Public Notice

The King County Housing Authority is committed to ensuring the MTW Annual Plan is developed in an open environment that encourages public and resident review and input. Under guidelines established by the Housing Authority, “Draft” MTW Annual Plan for FY 2007 was made available for public review and comment for a minimum period of 45-Days. Public Notification of “draft” Plan availability was advertised as follows:

- Posted on KCHA’s website (kcha.org);
- Posted within all KCHA Public Housing Management offices and each development; *and*,
- Published in the Northwest Asian Weekly and the Seattle Times.

Copies of the “draft” Plan were made available, upon request, to all interested parties.

In addition, copies of the “draft” MTW Plan were distributed to the Resident Advisory Councils (RAC) prior to the RAC’s regularly scheduled meetings on June 27th and 29th, 2007. RAC meetings on June 27th and 29th allotted time to review “draft” Plan components, answer questions and invite further comment and input prior to the Public Hearing scheduled for August 11, 2007. In response to the RAC request, a revised draft Plan was forwarded to all members on July 18, 2007.

The efforts commenced with a Public Hearing on August 11th, 2006 at the Kent Family Center, during which participants were invited to present input and comment on the “draft” Plan. A copy of the Authority’s presentation regarding the Plan is appended as Appendix G.

B. Comments Received

Comments regarding KCHA’s FY 2007 MTW Annual Plan are summarized below:

Name	Comment	KCHA Response
Jolene B.	Generally liked the plan; Concerned with the focus to “End Homelessness” – wanted to ensure this did not mean KCHA intended to lower screening standards that could result in increased problems associated with crime/drugs	Duly noted – no changes in plan as a result.

Name	Comment	KCHA Response
Joe Ingram	Gave positive support to the goals and to the Plan development process. Requested materials mailed as far in advance of meetings as possible. Suggested a revised draft be distributed to RAC members when available.	Agreed with the request to provide materials as early as possible to facilitate review. Committed to providing a revised draft – mailing to RAC members completed July 18, 2006.
Terry Dige	Stated her appreciation of the Plan's focus on children and the disabled community. Questioned KCHA policy regarding bedroom size allocations.	Responded to Ms. Dige's question regarding occupancy standards. Comments did not result changes in the draft Plan.
Terry Stewart	Commented that she liked the plan, but would like to see a section on homeownership. Noted the plan included planned changes in the delivery of water to residential units and inquired about the HA's progress in reducing water consumption.	As the MTW Plan follows an established format, a separate section has not been added. However, KCHA's efforts to increase homeownership are illustrated throughout the Plan. Reported on efforts to reduce water usage which have resulted in a 17% decrease in water costs.
Unknown	Question raised about the HA's plan to redesign its current rent structure.	Explained that the Plan indicates the HA anticipates, during FY07, to investigate potential changes in the current rent and income policies. However, prior to implementation of any changes, residents would be provided with the opportunity to review and provide feedback on an proposed changes

Name	Comment	KCHA Response
Unknown	Suggestion that for greater exposure, the Notice of draft Plan availability could be posted on-site in each development.	Suggestion appreciated – As a result, Management staff was instructed to post the Public Notice on all Site bulletin boards and in all Laundry rooms within PH developments.
Sharon Bosteder	Commented that the FY07 Plan seemed greatly improved over prior Plans	

C. Future Program Changes

KCHA is committed to working with key stakeholders to ensure public and participant input into policy formulation. KCHA will utilize a range of forums, including Resident Advisory Committee meetings, resident and program participant surveys, focus groups and public hearings, as appropriate, to solicit feedback regarding proposed program changes. A particular challenge for KCHA is the broad ethnic diversity of its residents and voucher-holders. To address this issue, KCHA will continue to provide translation and interpretation services to help ensure full participation.

APPENDICES

FY2007 MTW Plan

To access electronic copies of Appendices included in the KCHA MTW FY 2007 Annual Plan, please click the icons below:

