



Calendar Year 2011 SHA Proposed Annual Budget: Summary

August 31, 2010

A BUSY AND AMBITIOUS YEAR AHEAD – INTRODUCTION

This summary budget presentation provides highlights of plans for the year ahead and presents a comparison of 2010 and 2011 budgets, detailing changes between them. The Housing Authority has been engaged in the development of a new five year Strategic Plan throughout 2010. We have used the strategic directions and management strategies for success as they have evolved through that planning process to guide priorities for 2011. In this introduction, we detail how the 2011 Proposed Budget responds to the five Strategic Directions and three Management Strategies proposed in the new Strategic Plan.

Strategic Directions

1. Expand housing opportunities for low-income residents across Seattle by maintaining and expanding the supply of low-income housing.

- Develop a plan to address Seattle Housing Authority's most pressing capital rehabilitation needs over the next five to eight years. Aggressively pursue funding and implement projects to address critical housing preservation needs in 2011:
 - ✓ Complete the Denny Terrace Rehabilitation and Energy Efficiency project with the expenditure of \$8 million in American Recovery and Reinvestment Act (ARRA) funds during 2011.
 - ✓ Apply for matching funds from the City Housing Levy Program to undertake building envelope rehabilitation and window replacement in four Seattle Senior Housing Program (SSHP) Buildings – Olmsted Manor, Nelson Manor, Blakeley Manor, and Bitter Lake Manor.
 - ✓ Undertake an assessment of alternatives for new funding support of SSHP properties sufficient to meet operating and capital costs in the future, including changes in rent policies and use of potential federal subsidy opportunities.
 - ✓ Investigate opportunities to undertake an MTW demonstration project using Transition of Rental Assistance principles to convert selected public housing properties in the Scattered Site program or non-profit managed properties to vouchers. Use increased income to support capital upgrades.

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- Continue to make substantial progress in planning and securing the future redevelopment of Yesler Terrace, consistent with the Guiding Principles adopted by the Board of Commissioners for redevelopment. We expect to:
 - ✓ Complete the final EIS and select a preferred Yesler development option.
 - ✓ Secure initial land use and rezone approvals from the City of Seattle for Yesler redevelopment.
 - ✓ Develop an overall phasing and financing plan and schedule for the 10-15 years it will take to complete full redevelopment.
 - ✓ Develop social infrastructure, economic opportunity, sustainability, replacement housing, and relocation plans to support redevelopment.
 - ✓ Identify Phase I partnerships and a funding strategy and begin initial predevelopment work.
 - ✓ Plan for and seek partners to enhance education, training, and job opportunities for current and future residents of Yesler Terrace.
 - ✓ Secure commitments of partners for involvement in Yesler Terrace Redevelopment as funders, planners, and service providers.
 - Make substantial progress toward final completion of Rainier Vista, High Point, and Lake City Village redevelopments:
 - ✓ Complete the leasing of commercial space at Tamarack in 2011, following completion of lease-up of the 83 residential units by the end of 2010.
 - ✓ Complete construction of 38 units of rental housing at Rainier Vista Northeast in 2011 and complete construction on the remaining 80 units in 2012.
 - ✓ Complete the sale of lots to private developers for development of for-sale homes and mixed use developments at Rainier Vista and High Point.
 - ✓ Open 86 units of rental housing at Lake City Village, with substantial energy and conservation efficiencies and sustainable design features.

2. Expand housing access and choice for low-income residents across Seattle.

- Add at least 153 new Special Vouchers awarded in late 2010 – 100 Family Unification Program and 53 additional Veteran Assistance (VASH) - to expand housing opportunities for qualified low income participants.
- Meet Seattle Housing Authority's partnership commitment to provide project-based vouchers to nonprofits undertaking development of new low income housing units with Housing Levy funds;
- Implement the most promising ideas to effectively enhance housing and neighborhood choice for voucher participants. Initial measures will focus on increasing information about Seattle neighborhoods to help inform participant choices and on recruiting landlords to participate in the voucher program in neighborhoods with few participants.

3. Assist housing participants in gaining access to education and employment opportunities so they can improve their lives.

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- Improve access to quality educational opportunities for low income youth residing in Seattle Housing Authority family communities:
 - ✓ Become a more significant change agent with the Seattle School District and advocacy groups on behalf of low-income public school students in the schools serving NewHolly, High Point, Rainier Vista, and Yesler Terrace;
 - ✓ Pilot new partnerships, with Harlem Children’s Zone as a model, for a coordinated system of support services, to result in measurable educational achievement for youth living in Yesler Terrace and High Point; and,
 - ✓ Work successfully with the City to target youth services to Seattle Housing Authority family communities and schools serving those communities through renewal of the Family and Education Levy.
 - Begin implementation of five year comprehensive strategic initiative to increase economic opportunities and financial stability for residents and voucher holders.

4. Provide additional services and increase the stock of housing for low-income seniors.

- Begin addressing the growing population of low income elderly:
 - ✓ Consider whether and under what circumstances to convert existing buildings to elderly-only;
 - ✓ Identify Seattle Housing Authority properties suitable for constructing new elderly housing facilities in partnership with a 202 developer and support an application for federal 202 funding; and,
 - ✓ Participate with King County Housing Authority and the Seattle/King County Area Agency on Aging in a study to define alternative continuums of care for the elderly within existing housing authority properties and to identify service providers who might serve as partners with housing authorities.

5. Partner with others to create healthy, welcoming and supportive living environments in Seattle Housing Authority communities.

- Partner with the Seattle King County Health Department to provide education and health services that support smoking cessation.
- Work with the Board of Commissioners, the health care community, and residents to move the Seattle Housing Authority toward the transition to living environments free of tobacco smoke.

Management Strategies Necessary for Success

1. Manage the Seattle Housing Authority as effectively as possible to meet the agency’s mission.

- Strengthen Seattle Housing Authority’s financial position and creditworthiness:
 - ✓ Make the 2011 payment of \$8.45M against Seattle Housing Authority’s Infrastructure Note from for-sale proceeds at High Point and Rainier Vista.
 - ✓ Reduce Seattle Housing Authority’s reliance on short-term debt by paying down at least \$3 million of outstanding balances in 2010/2011.

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- ✓ Maintain/build Seattle Housing Authority's Operating Reserve to at least one month's total operating and average debt service expenditures of approximately \$12 million in 2011.
 - ✓ Ensure that all properties carrying debt meet stipulated debt requirements and contributions to reserves.
 - ✓ Establish a revolving fund for predevelopment activities to provide working capital for new developments, based on average cost of predevelopment activity for a single development project.
 - ✓ Work toward establishing a Development Reserve to provide flexible funds to absorb development volatility without adversely affecting housing operations which tend to have more stable expenses.
 - Complete a review of property management and maintenance functions and propose any recommended changes to maintain or enhance quality of service to achieve long-term cost savings.
 - ✓ Work in partnership with labor unions on any recommended changes for implementation in Seattle Housing Authority's property management and maintenance programs in 2012.

2. Identify and implement sustainable practices throughout the agency to minimize impact on the environment.

- Begin a systematic examination of SHA's operating and development policies, practices, and protocols to identify areas where change is needed to operate and build in more sustainable ways.

3. Promote a healthy, engaged and productive workforce.

- Begin implementing the agency-wide training plan developed in 2010 with expanded training and career development opportunities.
 - ✓ Add a Training Coordinator to the Housing Operations Department to provide a central training coordination and development capacity for all operating staff.
 - ✓ Expand supervisory and leadership, career development, and software training opportunities across SHA staff.
 - ✓ Conduct a pilot project in Finance and Administration for supporting educational advancement opportunities undertaken by staff.

SHA is mindful of the challenges that today's economy poses for everyone – our resident, employees, development partners, service providers, and prospective homebuyers. We have set ambitious directions in our new Strategic Plan and have prepared a proposed 2011 Budget plan that moves our strategic direction and management objective forward. The important thing will be to adhere to the strategic approach even if external factors slow our progress.

The next sections provide information on the proposed budget revenues and expenses for our operations and capital programs for 2011.

CONSOLIDATED BUDGET

The following summary presents the proposed operating and capital budgets for Calendar Year (CY) 2011 in comparison to 2010 for all housing programs and business activities. It also describes changes in staffing levels from the CY 2010 budget to CY 2011.

CY 2011 Proposed Budget

	CY 2010 Budget	CY 2011 Budget	Percent Change
Program Operations and Administrative Expenses	\$66,130,000	\$70,720,000	6.9 %
Housing Assistance Payments	74,080,000	75,660,000	2.1 %
Grant-Funded Expenses	790,000	690,000	(12.7%)
Capital & Non-Routine Expenses	79,110,000	54,220,000	(31.5%)
Total	\$220,110,000	\$201,290,000	(8.6 %)

Notes:

- The proposed CY 2011 combined operating and capital budget totals **\$201.3 million** and is **8.6 percent less** than the 2010 budget. This year to year reduction is attributable to lower capital and grant expenditures in 2011.
- **Program Operations and Administrative Expenses** increased by 6.9 percent from 2010 to the proposed 2011 budget. Nearly half of this increase is due to the conversion of New Holly Phase 1 from a limited partnership to an SHA Tax Credit Property. Bringing this property onto SHA's books adds more than \$2 million in expenses to Program Operations and Administration costs. Two other causes explain the bulk of the remaining increase. SHA projects significant rate increases in utilities; overall utility costs are expected to jump by over 10 percent. And, maintenance and repair expenses have increased with an expanded level of treatment for the control of bedbug infestation, higher overall costs for turnover of vacant units and for repair of wear and tear, and expanded preventive maintenance activities.
- The increase in **Housing Assistance Payments (HAP)** from the 2010 budget to the 2011 budget involves two main factors. The majority of the increase is due to the addition of 153 special purpose vouchers awarded to the agency in the latter part of 2010 -- 100 vouchers for the Family Unification Program and 53 additional Veterans Assistance (VASH) vouchers. As a result of these additional vouchers, the 2011 HAP payment is expected to increase by \$1.2 million. The second contributing factor is the voucher payment standards (VPS) increase that went into place during 2010 and will be in effect for the full year in 2011. The average voucher utilization rate -- that is, the number of vouchers leased out of authorized vouchers -- is expected to remain above 99 percent throughout 2011.
- **Grant Funded Expenses** are for community and supportive service activities and show a decrease in 2011 from the previous year. HUD's Family Self Sufficiency Service Coordinator grant dropped funding for two positions and this reduction was implemented in mid-2010. Additionally, the Seattle Asset Building Initiative, and Seattle Foundation grants expire in December 2010. Partially offsetting these grant decreases are several other successful grants, including those for an Education Engagement

Specialist from the Gates Foundation’s Planning Grant, Lake City Village Redevelopment HOPE VI grant funding for community services, and Work force Development Council funds.

- **Capital & Non-Routine Expenses** decreased considerably from 2010 to 2011. The decrease in capital activities results from completion of or substantial progress during 2010 on American Recovery and Reinvestment Act projects, on redevelopment work at Rainier Vista and Lake City Village, and on building envelope and window projects. The 2011 spending reflects ongoing activities and completion of some redevelopments. The 2011 budget projects expenditures for **Lake City Village, Rainier Vista Northeast** and modest expenses at **Tamarack**. These projects will be nearly complete by year end. Major rehabilitation work on building systems and common areas at **Denny Terrace** will be completed in 2011, as will the **Respite Care Program** facilities at Jefferson Terrace.

Staffing Levels

Full-time equivalent (FTE¹) positions decrease by a net of 1.75 FTEs in 2011, to a proposed total of 590.5 FTE. The net decrease of 1.75 FTEs results from the addition of 13.8 positions and the elimination of 15.5 positions over 2010 and proposed for 2011. Two-thirds of the positions eliminated were vacant; 5.4 FTE positions were filled. These positions were ones where grant funding had expired, a property was sold, or attrition had been planned as developer fee funding was exhausted.

Program Element	Adopted FTE's CY 2010	Proposed FTE's CY 2011	Change 2010 to 2011
Housing Operations	410.8	406.6	(4.3)
Housing Choice Voucher Programs	60.9	61.4	+0.5
Other Departments ²	<u>120.5</u>	<u>122.5</u>	<u>+2.0</u>
Total	592.2	590.5	(1.75)

Among the new positions, several are required to serve new housing units coming on line, and others are designed to address strategic priorities and increased workload. Below are highlights of some of the positions either added in 2010 or proposed in the 2011 Budget.

- The Rainier Vista and Lake City Village HOPE VI properties, will share the three new maintenance staff, a Property Management Assistant II, and a Senior Property Manager to provide maintenance and property management services for new grounds and units and new residents in 2011 (2.5 FTE in 2011). An Accounting Technician (.5 FTE in 2011) will be added mid-year 2011 as new properties come on line to support the expanded workload for accounts payable and accounts receivable.
- The Housing Operations Director has added a department-wide Trainer position to develop and support the training needs of Housing Operations staff, a recommendation from the SHA Training Plan prepared in 2010.

¹ FTEs include all SHA full-time employees, part-time employees who received benefits and on-call Resident Managers. It does not include Intern positions and temporary part-time or partial year employees who do not receive benefits. Project employees who are hired for the duration of a specific activity or project are included in the FTE total. Four of the positions requested for 2011 are project positions with a defined term of employment.

² “Other Departments” are comprised of Information Technology, Human Resources, Finance and Administration, Development, Asset Management, and Executive.

- Community Services reduced its staff by 2.88 FTEs in 2010 due to the loss or expiration of grant funding. This loss will be partially offset with the addition of a temporary Education Engagement Specialist Position (0.75 FTE) funded by a Gates Foundation Planning Grant in late 2010.
- The Housing Choice Voucher Department increases by 0.5 FTE with the addition of a part time Data and Research Analyst, who will contribute to the Neighborhood Choice and Mobility initiative, as well as perform analysis to improve voucher program efficiency and performance.
- Asset Management will gain new planning and research capacity with the addition of an Assistant Asset Management Coordinator; this added capacity will enable the Asset Management Coordinator to focus greater attention on maximizing use of MTW authority to advance SHA's strategic priorities.
- A Recycling Support Assistant was added mid-year in 2010 through grant funding and will be continued in 2011 as a regularly funded position in the Solid Waste division of Impact Property Services to support expansion of recycling practices throughout SHA communities.
- Following adoption of the 2010 Budget, two Pest Technicians were added to expand SHA's bedbug treatment capacity. These positions will continue in 2011 to support an ongoing expanded effort to most effectively control bedbug infestations.

Estimated Revenues and Expenditures – Routine Operations

Three programs make up the bulk of SHA's operating budget: Move To new Ways (MTW) Program operations -- Public Housing and Housing Choice Vouchers (HCV); Seattle Senior Housing Program; and, the Local Housing Program. Revenue and expenses for these programs are summarized below. The expenditure budgets for these programs total over 80 percent of the SHA's overall operating budget. The 2011 Proposed Budget also includes a new fund – SHA Tax Credit Properties – and begins with NewHolly Phase I, as the first limited partnership to have completed the tax credit benefit period and to have been returned to SHA's books from those of the component unit. New Holly Phase I expenses included in the proposed budget amount to slightly more than \$2.0 million. The remaining operating budgets cover expenses in a number of smaller programs.

Moving To new Ways (MTW) - General Fund

	Proposed CY 2011 Budget
Revenue	\$134,074,000
MTW Program Expenditures	
Low Income Public Housing	28,487,000
MTW Direct Shared Services	1,626,000
Community Supportive Services	3,655,000
Housing Choice Vouchers	<u>78,281,000</u>
Total Operating Expenditures	\$112,049,000
Public Housing Capital/Non-Routine Expense	<u>11,438,000</u>
Total Operating + Capital	123,487,000
MTW Block Grant Transfers to Other Programs	<u>8,236,000</u>

Total Expenditures	\$131,723,000
Contribution to Reserves	\$2,351,000

Revenue

The revenue shown in the table above includes SHA's best estimates of the amount of federal grants due in CY 2011 for Housing Choice Vouchers (HCV), Low Income Public Housing (LIPH) Operations, and Public Housing Capital programs. These three sources combine to form the MTW Block Grant. At \$120.9 million the MTW Block Grant revenues constitute 90.2 percent of the MTW General Fund revenues, with dwelling rental income, at \$11.2 million representing 8.4 percent of MTW General Fund resources. In total MTW General Fund revenues are estimated to increase by just 1.1 percent over the CY 2010 revised budget.

Low Income Public Housing

The Low Income Public Housing program accounts for the operations of approximately 5,400 housing units owned, or maintained and managed, by SHA or affiliated entities. The two largest revenue sources for this program come from the MTW Block Grant and tenant rent. The homeWorks tax credit partnerships serve public housing residents almost exclusively and the partnerships are included as part of the Low Income Public Housing program. During 2011, Public Housing will re-certify about 2,880 residents of homeWorks Phase I, II, III and HOPE VI tax credit public housing units. MTW funds in 2011 will be allocated through Community Supportive Services to maintain critical mental health case management services in the high rises following the loss of these services as a result of State budget cuts.

MTW Direct Shared Services

Direct Shared Services refer to a category of services in Seattle's Local Asset Management Plan that are direct property services shared among housing communities and programs. The direct shared services are accounted for in the MTW General Fund and not allocated to individual property levels. This category includes portions of the Housing Operations Director's Office, the LIPH Administrator's Office, and Impact Property Management Services for other local housing programs.

Community Supportive Services

Community Supportive Services plans, develops, seeks partnerships for, and oversees the provision of referrals, service coordination, and direct service to SHA's low income residents and voucher participants. Services focus on education, employment and self-sufficiency/stability, health and mental health case management and advocacy services, and on youth tutoring, recreation, and educational opportunities. Community Services also operates SHA's Community Builder Program to involve residents in the life and betterment of their community, including resident involvement in development activities that affect them. Interpretation services are integral to the effectiveness of these programs. Community Supportive Services is largely funded from MTW funds and augments its resources with public, private, and foundation grants.

Housing Choice Voucher Program

In 2011, the HCV program is authorized to provide housing to 8,691 households through issuing Housing Choice Vouchers; this is an increase of 153 vouchers over 2010, as the result of the award of 100 Family Unification and 53 vouchers serving homeless veterans. Voucher utilization – that is, the proportion of leased vouchers to authorized vouchers – is expected to remain above 99 percent during 2011. The HCV department will focus in 2011 on two strategic directions represented in SHA's proposed new Strategic Plan: to increase the choices that voucher holders have in selecting the neighborhood in which they wish to live; and, to expand services to HCV participants and applicants to increase self-sufficiency.

Approximately 2,700 vouchers will be “project-based,” that is, the funding will stay with a particular housing property. Another 65 will be “provider-based”, a model in which an agency providing supportive services and housing to clients, master leases a unit(s) from a landlord and subleases to the participant. The remaining vouchers will be “tenant-based,” that is, the participants use the voucher to rent any eligible apartment or house they choose. Tenant-based households pay approximately 30-40 percent of their income for rent and utilities and the voucher pays the difference between their payment and the actual rent. Project-based and Provider-based households are limited to paying 30 percent of their income for rent and utilities.

Public Housing Capital and Non-Routine Expense

Funding for capital improvements in public housing communities comes from HUD’s annual Capital Grant allocation to SHA. The Capital Grant portion of the MTW Block Grant is 4.4 percent less than in the CY 2010 budget. Even though the 2011 Capital Grant is projected to be less than in 2010, funding of LIPH capital needs will increase in 2011 compared to 2010 because more MTW Block Grant will be allocated to LIPH projects.

Among 2011 proposed LIPH MTW capital projects are an elevator rehabilitation project at Jefferson Terrace; planning and design for replacement of Jefferson Terrace’s aging steam boiler; accessibility improvements to meet federal standards (UFAS) in seven scattered site units; replacement of roofs at selected scattered site locations; several small asset preservation and safety and security projects; and much needed funding for appliance, equipment, and fixture replacement. The 2011 LIPH MTW capital program will also continue funding for planning the redevelopment of Yesler Terrace and for debt service on the homeWorks Program rehabilitation of 22 high rise LIPH buildings.

Transfers to Other Programs

Under SHA’s MTW Agreement, the MTW Block Grant funds are treated as a single fund, giving the agency the flexibility to address housing program, development, administrative, and capital needs comprehensively across the agency. For 2011, SHA will transfer MTW Block Grant Funds of \$8.2 million to be used to help support the operations or capital needs of SHA’s local housing programs, housing community amenities, and development activity.

SHA’s other local housing programs and capital budget are addressed below.

Seattle Senior Housing Program Fund

	Proposed CY 2011¹
Revenue	\$5,387,000
Expenditures	<u>\$5,131,000</u>
Capital reserve contribution	\$256,000
¹ Figures include the Ravenna School LP property.	

The Seattle Senior Housing Program (SSHP) accounts for the operation of 966 housing units for the elderly and people with disabilities. The program was intended to be self-supporting, with all on-going operating and capital costs paid for by rent revenues. However, over the last several years, the program has needed additional support from SHA and City grant funds to pay for critical capital projects. SSHP will continue to face major capital needs, particularly problems with the integrity of the building envelope from water intrusion in the coming years.

In 2011, SHA has proposed to use approximately \$486,000 of its MTW Block Grant to support SSHP's urgent capital repairs associated with building envelop water intrusion and proposes to contribute an estimated \$329,000 for replacement reserve needs (above the SSHP Fund Reserve contribution in the table above). The 2011 budget excluded South Park and Keystone from the Senior Housing budget because of sale of these two properties.

For the long term financial health of SSHP, SHA will continue to work with the SSHP Rent Policy Review Committee and other partners to develop a plan to address emergent needs and options for long-term funding. SHA is exploring the potential for converting some of the SSHP portfolio to Public Housing, using SHA's residual capacity of public housing units. SHA will compare the impacts of maintaining the original rent policy to fully fund operations and capital from rent revenues to the option of converting SSHP buildings to public housing that would provide operating and capital subsidy, in addition to affordable rents, to provide for the future operating and capital needs of the Senior Housing portfolio.

Local Housing Program

The Special Portfolio group manages the Local Housing program, several project-based HCV buildings and the limited partnerships at Alder Crest and South Shore Court. The Local Housing Program accounts for the operation of over 940 units serving households with a range of incomes from 30 percent of median to market rate, with the vast majority under 50 percent of median income. Most of these units were acquired using debt financing, so the properties have to generate sufficient income to cover a mortgage payment, in addition to meeting all other operating and capital costs.

	Proposed CY 2011
Revenue	\$8,562,000
Expenditures	<u>3,851,000</u>
Net Operating Income	4,711,000
Interest and Principal	5,013,000
Required Reserves	<u>176,000</u>
Total Other Expenses	5,189,000
Projected Shortfall before Transfer	(\$478,000)

Close attention has been paid this year to ensuring that properties in the Special Portfolio are funded for 2011 to meet their debt obligations, to make their reserve requirements contributions, and implement critical non-routine capital needs that arise in the course of the year.

Low Income Housing Tax Credit Limited Partnerships

	Proposed CY 2011
Revenue	\$24,568,137
Expenditures	<u>22,124,403</u>
Funds for Principal Payments, Reserves, and Other Obligations	\$2,443,734

SHA is general partner in fifteen tax credit limited partnerships. Some of the partnerships have used HOPE VI funding to leverage tax credit equity and other funds for redevelopment and expansion. There are nearly

3,300 units in the tax credit partnerships, 79 percent of which are public housing units affordable to households with incomes below 30 percent of area median income; residents of tax credit units without subsidy typically have incomes between 50 and 60 percent of the area median income. The MTW Block Grant subsidy for the public housing units totals \$9.05 million, with \$6.7 million going to the three homeWorks high rise partnerships and \$2.4 million to the HOPE VI limited partnerships. Total limited partnership activity is shown in the table above.

NewHolly Phase I has been converted in 2010 from a limited partnership to an SHA tax credit property and is now included in the SHA Consolidated Budget on page 4. The homeWorks high-rise partnership budgets are included above and are shown in the MTW General Fund Budget. Ravenna School Limited Partnership is included above and in the Seattle Senior Housing table. The budgets for the partnerships reflected in the figures above are preliminary and subject to approval by each limited partnership.

CY 2011 Capital and Non-Routine Budget

Sources	Proposed CY 2011	Uses	Proposed CY 2011
Public Housing Capital Grant MTW	\$12,950,000	Low Income Public Housing Asset Preservation	\$7,987,000
City & Federal Grant Funds	4,060,000	Predevelopment Planning	3,000,000
Seattle Senior Housing Program Reserves	636,000	Seattle Senior Housing Asset Preservation	4,922,000
Special Portfolio Reserves	475,000	Special Portfolio Asset Preservation	605,000
Limited Partnership Reserves	1,168,000	Limited Partnerships Asset Preservation	1,168,000
Prior Year American Recovery and Reinvestment Act	10,375,000	Denny Terrace Major Rehabilitation	8,000,000
		Jefferson Terrace Respite Care Facility	700,000
Use of Prior Year Resources	21,545,000	HOPE VI Redevelopment: Rainier Vista	12,460,000
Lake City Village HOPE VI Grant	3,100,000	HOPE VI Redevelopment: Lake City Village	13,860,000
Facility Reserves	320,000	Agency-wide reserves	707,000
		Miscellaneous Non-Routine Expenses	358,000
Total Sources	\$54,629,000	Total Uses	\$53,767,000

NOTES:

Sources include:

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- Overall, capital sources include federal grants, bond proceeds, tax credit equity, SHA reserves, and local and state funds.
 - Part of SHA's MTW Block Grant includes the Public Housing Capital Grant. These funds support major activities for repair and refurbishment to preserve SHA's low-income public housing and critical needs of other SHA local housing.
 - The capital program in Seattle Senior Housing will be partially funded from the Seattle Senior Housing capital reserve. SHA provides matching funds to leverage City levy and weatherization funds.
 - Prior Year ARRA sources will support the Denny Terrace major rehabilitation, Jefferson Terrace's respite care facility, Rainier Vista Northeast redevelopment and Lake City Village redevelopment.

Redevelopment Grants and Mixed-Financing

Upon completion, the Rainier Vista and Lake City Village redevelopments will have all new units, new streets and infrastructure that open the formerly isolated communities to their neighborhoods. Community facilities, parks and amenities and for-sale housing bring homeowners into the redevelopment mixed-income communities. Rainier Vista activities in 2011 will include rental housing construction, continued construction of market-rate homes, and continued marketing of for sale development lots. Lake City Village activities in 2011 include construction of an 86-unit rental housing mixed-use building and marketing of for sale development lots. Marketing of for-sale lots will also continue in High Point.

Seattle Senior Housing Program

The Seattle Senior Housing Program (SSHP) units were acquired and developed for elderly and disabled persons. After outside assessment in 2008, water intrusion damage was identified in numerous buildings needing immediate repair. SHA is using SSHP reserves, MTW Block Grant and City funded grants to continue addressing these repairs. In 2011 SHA will continue to work with the SSHP Rent Policy Review Committee and the City of Seattle on a financing plan for future capital work.

American Recovery and Reinvestment Act (ARRA) Projects

In 2009 and 2010, SHA received \$47 million in formula and competitive funding from ARRA. All ARRA funds were obligated by the deadline of one year from award and all projects will be completed within the two year expenditure period. In 2011, SHA will spend the final \$10.4 million in ARRA funds.

2011 Capital Projects Listing

Attachment 1 following this page presents the list and brief descriptions of capital projects and development activities proposed for 2011.

ATTACHMENT 1 - 2011 CAPITAL ACTIVITIES

SHA 2011 Capital Projects - MTW Grant-funded Activities

Low Income Public Housing Projects

Jefferson Terrace	Prepare specifications for steam boiler and elevator rehabilitation. Rehabilitate elevator.	\$ 845,000
LIPH - Scattered Sites	Replace appliances, modify seven units to meet accessibility standards (UFAS), bring deck railings up to code, repair deck subfloor, replace aluminum frame windows, repair wood siding, paint exterior, replace certain roofs, abate flooring, replace certain cabinets, countertops, tub/shower surround, vanity sink of vacant units. Replace common area lighting; upgrade fans, fixtures and thermostats.	790,200
LIPH - High rises	Replace some appliances, replace boilers at various buildings, abate floors in vacant units, and replace damaged ceiling tiles.	250,500
Yesler Terrace	Replace ranges and refrigerators, abate or replace subfloor in three units, repair sidewalk and parking lot, replace six water heaters, trim trees and remove debris.	98,400
LIPH - Various	Non-routine expenditures for LIPH, as needed	193,525
Public Housing Capital Projects Subtotal		\$2,177,625

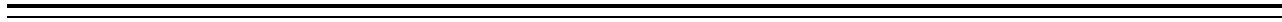
Local Housing and Seattle Senior Housing Program Projects

Bitter Lake Manor	Inspect and study scope of work needed to address water intrusion and submit, with Blakely, Olmstead, and Nelson funding proposal to City.	\$ 400,000
Delridge	Replace washer/dryer stack units in three units.	3,000
Fir Street	Replace appliances.	3,600
Market Terrace	On-site staff to install security camera, replace interior hall carpet.	4,500
Norman Street	Paint exterior of lower row of homes.	28,887
Phinney Terrace	Inspect and study scope of work needed to address water intrusion.	20,000
Senior Housing	To prevent water intrusion, repair cladding, repair windows, and caulk cladding and windows.	20,830
Senior Housing	Non-routine expenditures for SSHP, as needed	44,825
Special Portfolio	Allowance for tree trimming	5,000

Special Portfolio	To prevent water intrusion, repair cladding, repair windows, and caulk cladding and windows.	23,040
Special Portfolio	Non-routine expenditures for Special Portfolio, as needed.	61,650
Local Housing and Seattle Senior Housing Projects Subtotal		\$615,332
Planning and Predevelopment Projects		
Yesler Terrace	<u>Yesler Terrace Redevelopment Planning</u> : Continue environmental reviews, finalize comprehensive redevelopment program; secure approval for a Yesler Terrace master use plan and associated zoning; complete a financing plan for redevelopment to occur over several years.	\$ 3,000,000
Planning and Predevelopment Subtotal		\$3,000,000
Agency-wide Allowances		
	Install roof-tie-offs to meet code and safety requirements	\$ 15,000
	Contingency for unforeseen or emergency capital expenditures	291,726
	Inspect and study buildings for water intrusion	150,000
Agency-wide Allowances Subtotal		\$456,726
Non-residential Facilities Projects		
Central Office	Repair front door or install sliders.	\$ 20,000
Lee and Willow	Upgrade electrical panel to support office and shop use.	8,400
Operations Support Center and MLK Facility	Install Emergency generator for command center plan.	10,000
Non-residential Facilities Subtotal		\$38,400
Financing and Administrative Costs		
Various	Asset Management administration	\$ 512,680
Various	Construction administration	341,748
Various	Hazardous materials abatement administration	161,058
Yesler Terrace	Yesler Terrace redevelopment administration	477,781
LIPH-LP High-rises	Debt service costs for homeWorks I, II, and III	3,011,650
Finance and Administrative Subtotal		\$4,504,917
Indirect Services Fee		\$1,295,000
Total 2011 MTW Block Grant Funded Budget		\$12,088,000

Local Housing and Seattle Senior Housing Program Projects

2035 Main Street	Replace hot water tanks.	\$ 7,200
Bayview Tower	Install jockey booster pump and replace feed riser. Install security camera on North side. Replace all common area carpets. Replace cabinetry in kitchens and bathrooms. Modify office and laundry room doors to meet ADA requirements.	102,000
Beacon House	Replace ranges and refrigerators in six units. Replace vinyl in basement laundry room.	9,100
Columbia Place	Rehabilitate elevator, add safe screen with nudging.	7,435
Fir Street	Install roof and gutter tie-offs. Replace kitchen cabinetry. Replace bathroom vanities.	11,400
Lake City Commons	Replace washer and dryer stacks.	10,000
Lam Bow	Replace interior carpets and paint interior of A building.	29,700
Main Place II	Replace second floor hallway carpet.	1,000
Mary Ave Townhomes	Install roof and gutter tie-offs. Replace cement guard post.	3,500
MLK Properties	Remove trees causing roof and drainage problems.	1,200
Montridge Arms	Replace hot water tanks. Assess elevator repair needs. Replace entry level carpet. Inspect for water damage on deck fascia.	18,000
Nelson Manor	Rehab elevator, adding safety screen with nudging.	7,910
Norman Street	Install roof and gutter tie-offs. Paint exterior lower row homes.	31,113
Ravenna Springs	Replace skylight. Paint exterior.	10,500
Senior Housing	Replace fire hoses in six buildings.	13,200
Stone Ave. Townhomes	Install roof and gutter tie-offs. Replace hot water tanks.	5,820
Sunrise Manor	Rehabilitate elevator, add safe screen with nudging.	7,435
Telemark	Paint interior halls. Inspect for water intrusion.	7,700
Villa Park	Replace two walk-in gates. Paint exterior.	32,285
Westwood Heights East	Pressure wash building exterior and paint trim. Replace stair railings with metal railings.	23,000
Wisteria Court	Replace sixteen dishwashers. Install roof and gutter tie-offs. Repair or replace second floor decks. Remove garage storage units or add metal doors. Replace kitchen cabinetry.	171,600
Local Housing and SSHP Subtotal		\$ 511,098



Other Facilities Capital Needs

Agency-wide LIPH: Westwood Heights	Install carbon monoxide alarms in each bedroom.	\$ 250,000
	Inspect and study building for humidity intrusion.	10,000
Facilities and Impact Property Services needs	Heating, ventilation and air condition preventive maintenance, interior painting, office reconfiguration, one solid waste truck, two work trucks and equipment.	320,000
Other Capital Needs Subtotal		\$ 580,000

CY 2011 Limited Partnership Capital Projects

Desdemona LP	Install stove top canisters in 189 units.	\$ 11,340
Escallonia LP	Repair site-wide irrigation system for leaks, install sleeves, additional check meters to improve system and to operate it as designed. Install water management software. Sub meter McBride Court and Snoqualmie Place	48,650
High Point North LP	Install stove top canisters in 344 units. Install porous surface or gravel to extend width of driveways. Replace common area carpets in Calugas Bldg to control noise.	95,501
High Point South LP	Install stove top canisters in 256 units.	15,360
Holly Park I	Repair curb and sidewalk. Install stove top canisters in 305 units. Allowance for appliance, hot water tank and carpet replacement. Paint storage sheds. Repair fence. Replace water meters in 305 units. (NOTE: Will be part of SHA in 2011; though all rules regarding replacement reserve use apply)	178,102
LIPH LP Phase I	Replace some appliances. Replace boilers at various buildings. Abate floors in vacant units. Replace damaged ceiling tiles.	250,500
LIPH LP Phase II	Replace some appliances. Replace boilers at various buildings. Abate floors in vacant units. Replace damaged ceiling tiles.	250,500
LIPH LP Phase III	Replace some appliances. Replace boilers at various buildings. Abate floors in vacant units. Replace damaged ceiling tiles.	253,000
Othello LP	Replace appliances. Repair fence. Install stove top canisters in 96 units. Repair exterior parking lighting. Replace water meter. Resurface and restripe parking lot. Replace carpets.	65,410
Total CY 2011 Limited Partnership Capital Projects		\$ 1,168,363

CY 2011 Redevelopment Capital Project Expenditures

Bitter Lake Manor	Apply to Office of Housing for funds to replace and repair building envelope, repair and replace windows.	1,900,000
Blakeley Manor	Apply to Office of Housing for funds to replace and repair building envelope, repair and replace windows.	2,500,000
Denny Terrace	Second year of major rehabilitation of building systems and common areas.	8,000,000
Jefferson Terrace	Complete respite care facility on one floor of the building	700,000
Lake City Village	Redevelopment expenditures for planning, infrastructure and housing construction for 2011.	13,860,000
Rainier Vista -- Tamarack	Final year of expenditures for housing construction and related fees	860,000
Rainier Vista NE Rental Hsg	Second year of expenditures on housing construction and related fees.	11,600,000
Total CY 2011 Redevelopment Capital Funding		\$39,420,000
Total CY 2011 Non-MTW Funded Capital Budget		\$41,679,461
Total CY 2011 Capital Funding		\$53,767,461