

# FY2024 Proposed Operational Budget



Housing Authority of Snohomish County  
Pam Frost, Finance Director

# Presented to the Housing Authority of Snohomish County's Board of Commissioners

- Maddie Metzger-Utt, Chair
- Luke Distelhorst, Vice Chair
- Gary Weikel, Commissioner
- Jeffrey Wallace, Commissioner
- Joseph Alonzo, Commissioner
- Garry Clark, Commissioner

*Our mission is to meet the diverse needs of Snohomish County residents by expanding housing opportunities that promote stability, strengthen community and provide affordability.*

# Our Core Values

## Diversity

We respect and encourage diversity in all its forms. We draw strength through our differences and actively seek out other perspectives.

## Integrity

We perform at a high level in support of our mission. We are honest in our communication. We follow through with our commitments. We fix our mistakes.

## Service

We exist to serve our community: families, landlords, and neighbors. We balance empathy and understanding with accountability in all our interactions.

## Stewardship

We take seriously our mission to maintain and expand housing as an asset to the community and to best use our financial resources to assist the greatest number.

## Team Work

We work best together – collaborating and creatively solving problems. We embrace the challenge of our work in a spirit of partnership.

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# Review of Key Objectives



# HASCO Agency Goals

# HASCO Agency Goals

**Property Acquisition and Program Expansion – Expand our reach physically and through influence/involvement with community and local governments.**

**Invest in People – Attract and employ high quality experts in their fields and provide employee training and development to support professional growth.**

**Increase Client Services – Expand client services and outreach with a focus on education, job and life skill development.**

HOUSING AUTHORITY OF SNOHOMISH COUNTY  
Consolidated Operating Budget Proposal  
For the period July 1, 2023, through June 30, 2024

Enclosed is the proposed budget for fiscal year 2024 for your consideration.

Locally and worldwide the economic climate is in somewhat unstable due to inflation, and other factors. Our fiscal year 2023 budgets included modest rent increases that were implemented at lease renewal, and our fiscal year 2024 budget includes very modest increases, with our rents remaining approximately 20% below market rents. Vacancy rates are currently very low, and if the unemployment rate remains low, we anticipate that vacancy rates will remain low. With rising rents and skyrocketing housing prices, rents are unaffordable for many residents of our County. There will continue to be demand for our rental properties due to our rents being \$200 - \$500 below market rates.

#### HOUSING CHOICE VOUCHER PROGRAM

HUD's published fair market rents (FMR's) increased 18% from 2022 to 2023 after a 5% increase from 2021 to 2022. We will be increasing our Payment Standards in July which will put us back up to 110%, as the increasing FMRs reduced them below 110%. This should enable participants who are out shopping for a unit to have a better chance of finding something that is considered rent reasonable. We have remained in a positive cash flow position since the end of 2019 when we were in shortfall and continue to monitor HUD's 2-year tool as we balance our lease-up rate against potential future shortfalls. We continue to see increases in per unit costs (PUC), and the average monthly HAP has increased 12%, from March 2022 to March 2023. We are currently leasing up all voucher types including targeted funding vouchers in the Emergency Housing Voucher (EHV), NED II, FUP, and VASH programs through partner referrals as well as NED, Mainstream, and regular HCV voucher programs through waitlist pulls.

As fiscal year 2023 draws to a close we have no more uncertainty than in the past. HUD has continued to increase our FMR's, yet the high cost of rental units is making it difficult for participants to find units. Our Annual Contributions Contract with HUD (ACC) total is 4,290 vouchers, an increase of 53 from last year's 4,237 total. This total includes an increase of 2 Fostering Youth to Independence (FYI) vouchers for a total of 7 FYI, 30 Mainstream vouchers for a total of 300 MS, and 21 regular HCV for a total of 2,534 regular tenant-based vouchers.

#### HOUSING PROGRAMS

We continue to utilize cash flow to upgrade our previous Public Housing units to compete in the marketplace, although at a much slower pace in fiscal year 2023 due to low vacancy rates and scarcity and increased pricing of materials. As units are rehabbed, we are able to increase most by \$100 - \$150 per month, keeping our rents affordable to those families with incomes below 60% of the area median income. Our bond projects are our other work force housing. We have benefitted from a very strong rental market which does appear to be cooling in the last few months. Modest rent increases are being adopted as we attempt to keep up with the rising costs of wages and materials.

Our remaining projects are our senior and disabled housing, some of which is subsidized through USDA - Rural Development and by project-based vouchers. Rent increases that we implemented at the USDA properties in February 2022 and in July 2022 have increased our ability to fund unit turns and appliance replacements with operating cash while still maintaining a positive cash flow. Glenwood is the only USDA property implementing a rent increase for fiscal year 2024. Rent increases are primarily funded by USDA since most tenants are already paying 30% of their income for their rent portion. The subsidy attached to these units provides a valuable resource to the community. We continue to accumulate reserve funds for long term improvements; however, we are also spending these funds for much-needed capital improvements.



#### OTHER INITIATIVES

We continue to look for new opportunities to expand awareness of affordable housing issues in the County. As part of that goal, we are proposing in this year's budget to again contribute operating funding to support the work of the Alliance for Housing Affordability (AHA). We believe this continues to be necessary to support the efforts of local jurisdictions to work together on regional housing solutions. We are continuing in our role as the fiscal agent for AHA.

Transit-oriented affordable housing development in south Snohomish County continues to be a priority of our real estate development activities, although we anticipate delays due to a project that is in our existing pipeline, which is the rezone and redevelopment of Timberglen & Pinewood in Lynnwood.

#### STAFFING

The FY 2024 budget includes 101 FTE's, or full-time equivalents, which is the total full-time positions. This is a net increase of 8, as we plan to add a Chief Financial Officer to direct the future financial and asset management of the agency; analyst positions to support research, development, and management of the agency; and positions to train for current long-term employees who have expressed their plans to retire. There are thirteen open positions that we plan to fill by the end of this calendar year. Employee contribution to medical insurance was reduced from 20% of the premium to 10% during our last fiscal year. Retirement and other benefits have remained the same as last year.

The proposed budget includes a 4% cost of living adjustment (COLA), which is the percentage increase of the Consumer Price Index Urban Wage Earners (CPI-W) as published by the federal Bureau of Labor Statistics. The cost of living increased by nearly 8% as of December 2022, however we budgeted for a smaller COLA due to large increases in overhead costs for our fiscal year 2024 budget and the need to balance budgets.

#### MANAGEMENT AND INSPECTION FEES

We continue to use the management fee approach recommended by HUD after the passage of the Quality Housing and Work Responsibility Act of 1998 (QHWRA). The recommendation was to adopt asset management-based model for property management whereby the manager/owner would charge various fees to the properties for the services they provide. HUD based its initial fees on the fees established and used in its Multi-family programs. HUD also encouraged adoption of a fee for service approach to the Housing Choice Voucher (Section 8) program.

USDA RD has issued administrative notices indicating fee for service is the required approach. Rural Development fees are established by regulations and are currently capped at \$77 per unit per month. Rather than allocating overhead costs to various projects, we accumulate these overhead costs in Local/Overhead and then bill out various fees to each project in order to recover our overhead expenses. We also apply fees to our HASCO Communities and Fair Market Rental Programs and attempt to make up any shortfalls by adjusting the asset management fee where necessary. We increased these fees by \$5 per unit per month, or 5%, this year due to increasing overhead costs and salaries. We increased the office rent charged to each department in the Agency for the upcoming fiscal year by 12% since we haven't increased it since we moved into this office building in January 2017.

While we continue to use the management fee approach, we charge a single asset management fee of \$77-\$100 per unit month fee. We continue to keep the inspection department under the management of the HCV department. The expenses related to inspections are directly paid by the administration fee received from HUD rather than charging an inspection fee as we did in past years.

Below is a summary of the fee estimates to be used for each project or program.

# Management Fees by Property

Program	Unit/Yr	Rate	Yr Rate
Craigmont	432	\$ 77	\$ 33,264
Glenwood	552	\$ 77	\$ 42,504
Hilltop House I	240	\$ 77	\$ 18,480
Hilltop House II	120	\$ 77	\$ 9,240
River Vista I	240	\$ 77	\$ 18,480
River Vista II	240	\$ 77	\$ 18,480
Willow Run	1,008	\$ 77	\$ 77,616
Wrobliski Manor	384	\$ 77	\$ 29,568
AIDS Units	24	\$ 100	\$ 2,400
Alderwood	300	\$ 100	\$ 30,000
Autumn Chase	1,440	\$ 100	\$ 144,000
Bristol Square	1,152	\$ 100	\$ 115,200
Carvel Apartments	2,760	\$ 100	\$ 276,000
Cedar Grove	336	\$ 100	\$ 33,600
Centerhouse	528	\$ 100	\$ 52,800
Centerwood	240	\$ 100	\$ 24,000
East Terrace	312	\$ 100	\$ 31,200
East Terrace III	144	\$ 100	\$ 14,400
Ebey Arms	648	\$ 100	\$ 64,800
Edmonds Highlands	1,440	\$ 100	\$ 144,000
Madison Park	1,320	\$ 100	\$ 132,000
Maplewood	180	\$ 100	\$ 18,000

Program	Unit/Yr	Rate	Yr Rate
Millwood Estates	3,600	\$ 100	\$ 360,000
North Terrace	144	\$ 100	\$ 14,400
Pinewood	300	\$ 100	\$ 30,000
Raintree	1,344	\$ 100	\$ 134,400
Robin Park	360	\$ 100	\$ 36,000
Soap Suds	48	\$ 100	\$ 4,800
Stevens Circle	228	\$ 100	\$ 22,800
Thomas Lake	600	\$ 100	\$ 60,000
Timberglen	384	\$ 100	\$ 38,400
Trillium	480	\$ 100	\$ 48,000
Valley Commons	612	\$ 100	\$ 61,200
Westend II	312	\$ 100	\$ 31,200
Woodlake Manor III	288	\$ 100	\$ 28,800
Aurora House	12	\$ 275	\$ 3,300
Headstart	12	\$ 275	\$ 3,300
Alpine Ridge East	564	\$ 80	\$ 45,120
Alpine Ridge South	552	\$ 80	\$ 44,160

Section 8 Bookkeeping	45,000	\$ 7.50	\$ 337,500
Section 8 Management Fee	5,429,650	20%	\$ 1,085,930

Total Potential Management Fees	\$ 3,719,342
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# Basis of Budgeting vs. Basis of Accounting

HASCO uses the GAAP basis of accounting & budgeting with the following exceptions:

- HASCO uses a modified accrual basis for budgeting
  - The budget does not include accounting adjustments necessary to meet reporting requirements. These include the timing recognition of certain accrued liabilities (such as accrued payroll compensation) ordinarily performed at fiscal year end.
  - Revenue is recognized in the period it becomes available and measurable; expenditures are reported when the liability is incurred, if measurable.
- The budget document does not include any “below the line” expenses. Examples of those expenses are extraordinary maintenance and depreciation. We are including debt payments to illustrate cash flow.
- The budget document does not include any of our tax credit properties.
- Capital needs are not included in this operations budget.

# Fiscal Year 2023 Highlights

- Purchased 110-unit complex, Madison Park, in Bothell
- Completed construction of 26-unit complex, Westend II, in Marysville
- Construction nearly completed of 242-unit complex, novo on 52<sup>nd</sup>, in Lynnwood, previously Whispering Pines
- Successful FY22 audit with no recommendations or findings
- Maintained A+/Stable rating with S&P global ratings
- Increased S8 payment standard to 110% of FMR
- Re-opened the office for public visitors

# Budget Summary – Major Assumptions

- HASCO operates on a fiscal year from July 1 through June 30.
- HASCO will administer 4,290 HAP vouchers based on a subsidy that is calculated by HUD based on CY2022 numbers.
- HCV administrative fees are based on calendar year 2022 rate levels prorated at 89% of projected eligibility, up from 82%.
- HASCO projects continued near-zero vacancy for all units.
- Many properties have had rent increases to compensate for inflation pressures.
- Employees will receive a cost-of-living increase of 4%.



# Organizational Overview





# HASCO FUND STRUCTURE

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting distinguishes funds based on their intended purpose and assists management to present and verify compliance regarding finance-related legal and contractual provisions. While HASCO uses the enterprise fund type and its measurement focus is generally the same as that used by commercial entities, it does maintain separate accounting for resources that have unique uses and reporting requirements.

Our individual funds are consolidated into programs. The programs are identified by funding source and/or subsidy, and managing entities. We then roll up the program accounting into the overall housing authority.



# HASCO Operations

## Fair Market

Autumn Chase

Bristol Square

Carvel

Edmonds Highlands

Madison Park

Millwood Estates

Raintree Village

Valley Commons

Westend II

TC: Jackson House

TC: Olympic &  
Sound View

TC: Westend

## Senior and Disabled

Craigmont

Glenwood

Hilltop House I & II

River Vista I & II

Willow Run

Wrobliski Manor

PBV: Soap Suds Row

PBV: Woodlake  
Manor

## HASCO Communities

Alderwood

Cedar Grove

Center House

Centerwood

East Terrace I & II

East Terrace III

Maplewood

North Terrace

Pinewood

Robin Park

Stevens Circle

Trillium

PBV: East Terrace II

Timberglen

## Manufactured Homes

Alpine Ridge East

Alpine Ridge South

Thomas Place

## Miscellaneous

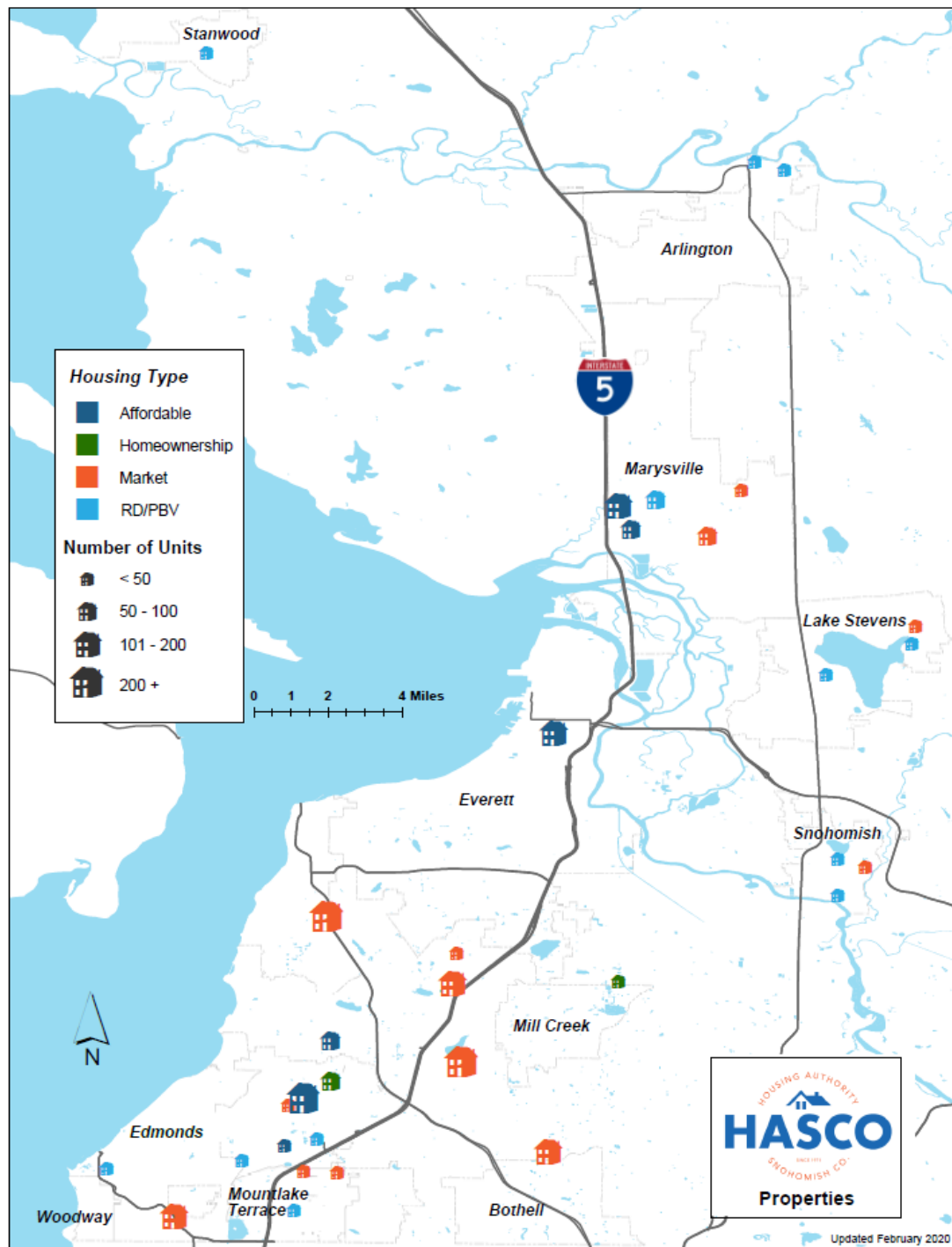
Headstart

CDBG - Rehab

AHA

Section 8





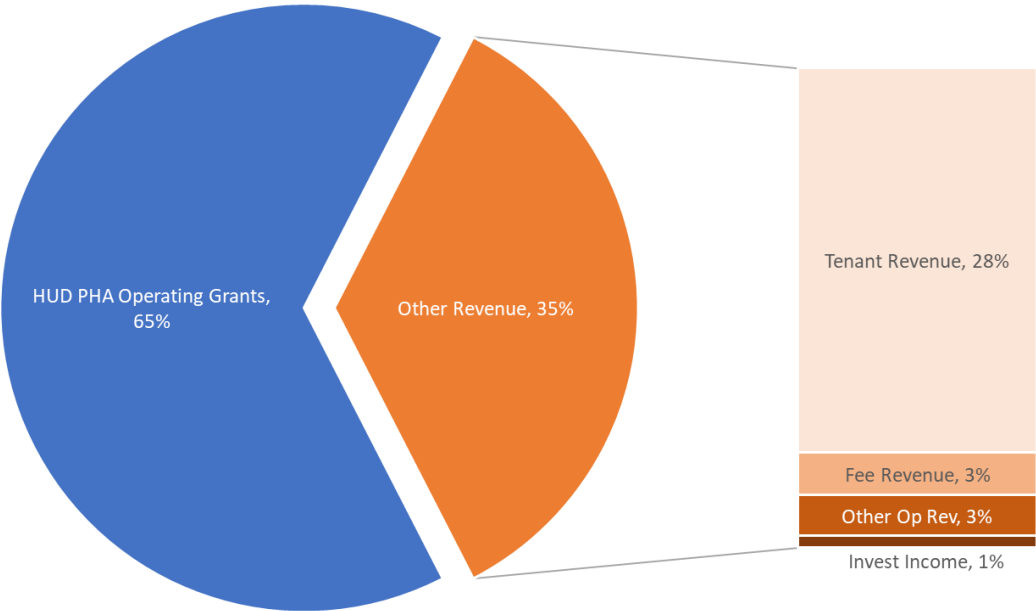
Where you can find  
our properties

# Fiscal Year 2024 Sources & Uses

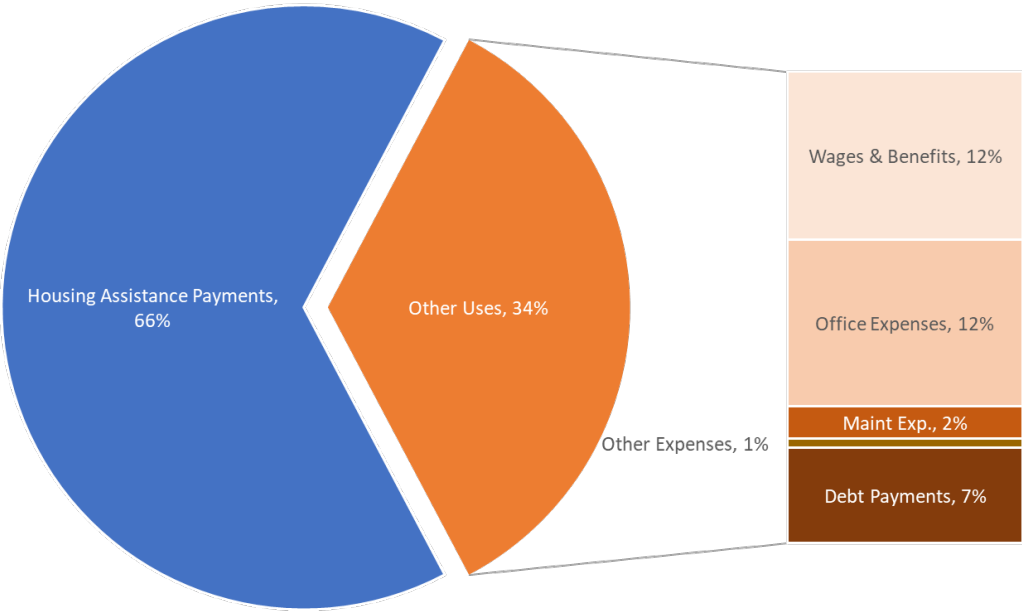
The greatest source of revenue for the Housing Authority is the housing assistance payments received from HUD, which we estimate to exceed \$78 million in FY2024. The Housing Authority is also budgeting to receive over \$33 million in tenant rentals on our affordable, rural development, and market rate properties. The remaining expected revenue streams will be the monthly management fees received from each of our properties, portability reimbursements and fees, miscellaneous tenant revenues such as parking fees and utility reimbursements on our market rate properties, and interest on our investments.

On the expense side, lease payments to Section 8 landlords account for the majority of total expenditures. Salaries & benefits typically are the second largest expenditure. We expect to spend nearly \$4.8 million on maintenance and labor expenses for our owned properties. The remaining expenses are fees for management of the properties, utilities, interest on outstanding debt, and office and professional services.

# Sources of Revenue



# Uses of Funds



# Debt



## DEBT SERVICE SUMMARY

### Housing Authority of Snohomish County

#### DEBT MANAGEMENT POLICY

Because the Authority has no taxing powers, each project for which debt is issued should be self-supporting to the greatest extent possible. It is the Authority's intention to underwrite and issue debt for long-term needs and specific projects with the intention that each project be self-supporting, and to manage the use of debt so that debt service payments will be a manageable part of each project's operating budget. Our last two bond projects for Carvel and Madison Park are backed by the Authority's General Revenues rather than a deed of trust on the property. This enables us to purchase properties with no cash down and utilize cash flow from more than one project to pay down debt.

In general, the Authority will attempt to raise capital at the lowest possible cost. This will be dependent on the fundamentals of the project and/or specific conditions of credit markets at the time a project is financed.

#### DEBT SCHEDULES

The Housing Authority currently has seven (7) revenue bond issues outstanding along with other notes and loans payable. Three (3) of these bond issues are conduit bond issues whereby we have loaned the proceeds to private sponsors. The remaining four (4) revenue bond issues are for projects owned directly by the Housing Authority.

Included is a chart that summarizes the debt service payments the Housing Authority anticipates making in fiscal year 2024. The second chart, below, outlines our anticipated debt service for all Authority bond issues currently outstanding for the next 5 years.

This schedule does not include conduit financed projects since the Authority does not make these payments. As you can see from the chart, annual debt service for our projects is approximately **\$6.3** million per year through 2028. In FY 2031 a balloon payment of approximately \$6.7 million will be due for Autumn Chase unless the project is refinanced.

#### CONDUIT BOND ISSUES

From time to time the Authority has issued debt for the purpose of providing financing for projects owned by other sponsors in the County. The Housing Authority issues the debt and loans the proceeds to the private sponsor. The private sponsor is then responsible for repayment of the debt through the terms of a loan and regulatory agreement.

There are three (3) such bond issues outstanding. One of these bond issues is for our own tax credit partnership, Olympic and Sound View. Another tax credit project where the Housing Authority assisted with financing was the Avondale Village project for Housing Hope. The remaining projects were refinanced and were developed by the Snohomish Affordable Housing Group, a non-profit sponsor operating in the City of Snohomish.

It is important to remember that although we do not include these projects in our operating budgets, these outstanding bonds are liabilities of the Housing Authority, are reported on our financial statements, and do contribute to our total outstanding liabilities. The outstanding balances are included in the debt schedule of our audited financial statements each year.

## **SENIORS AND PEOPLE WITH DISABILITIES PROJECTS**

The two direct borrowings associated with Rural Development Projects are for the Pooled Project; where the proceeds were used to refinance Willow Run, Hilltop House 1 & 2, River Vista 1 & 2, and Wrobliski Manor, and to complete the purchase of Fairview and Woodlake Manor III. We have since sold Fairview to Housing Hope and repaid that portion of the revenue bond. The interest credit notes are federally subsidized loans which effectively reduce the interest rate of the USDA loans to 1%.

## **FAIR MARKET HOUSING DEBT**

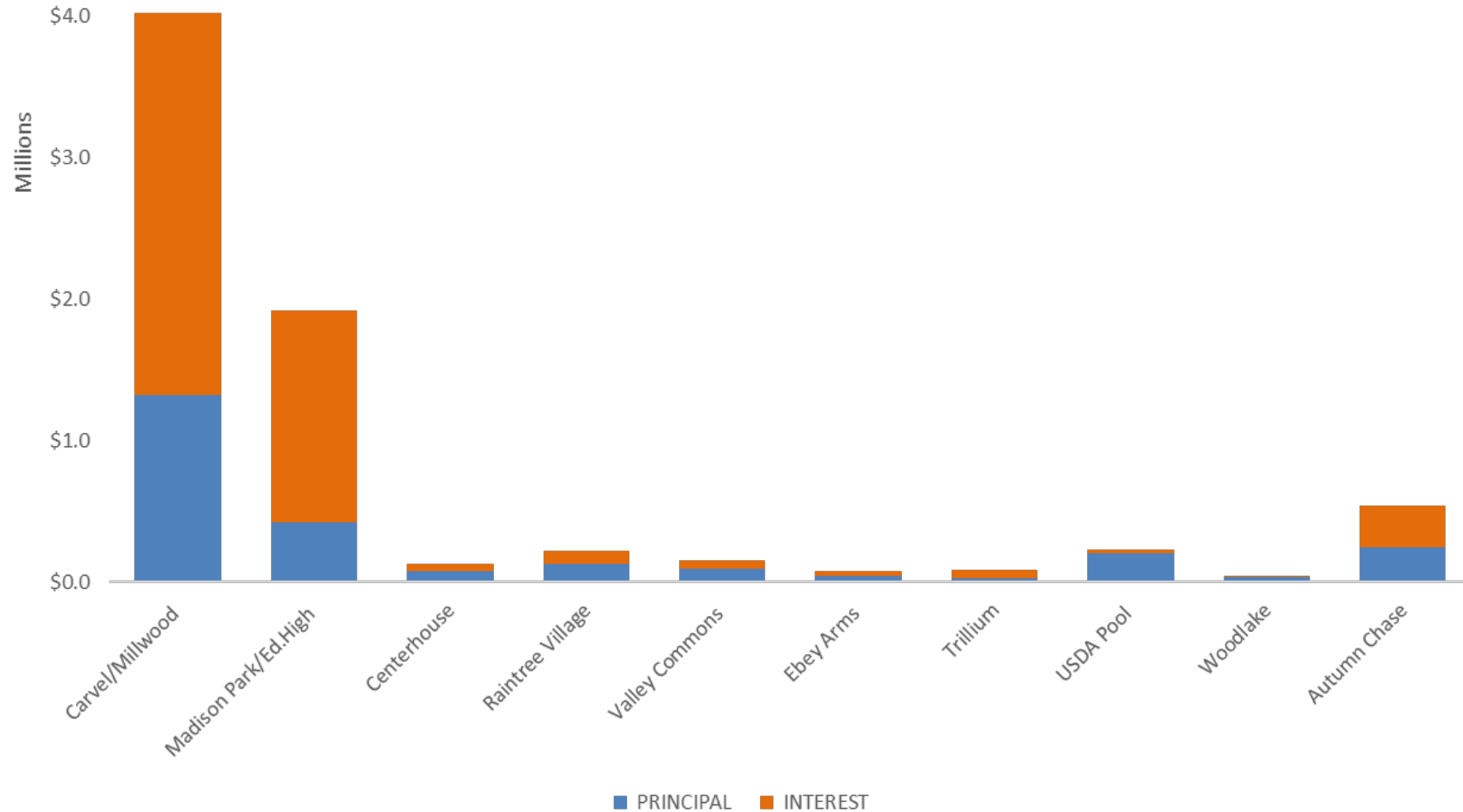
Our remaining four (4) revenue bond issues were for acquisition of projects in our market rate and fair housing portfolios. The Thomas Place and the Alpine Ridge (Squire and Kingsbury) Mobile Home Parks have several deferred loans that were secured from the State or the County in order to acquire and develop the parks. These loans have unique deferral or repayment features. The Housing Authority issued refunding revenue bonds in the par amount of \$68,290,000 in April 2019, in order to refund a \$70 million interim loan with Key Bank that was used to acquire Carvel Apartments in September 2018. We pledged the Housing Authority General Revenues when issuing these bonds rather than property deeds of trust and had S&P rate the bonds.

In March 2023, the Authority issued revenue bonds in the par amount of \$33,275,000 to acquire Madison Park Apartments. General Revenues of the Authority were pledged, and S&P rated the bonds. We will continue to report our General Revenues each year while this bond issue is outstanding. We paid off the bonds for Alpine Ridge in April 2022 and Edmonds Highlands in May 2022.

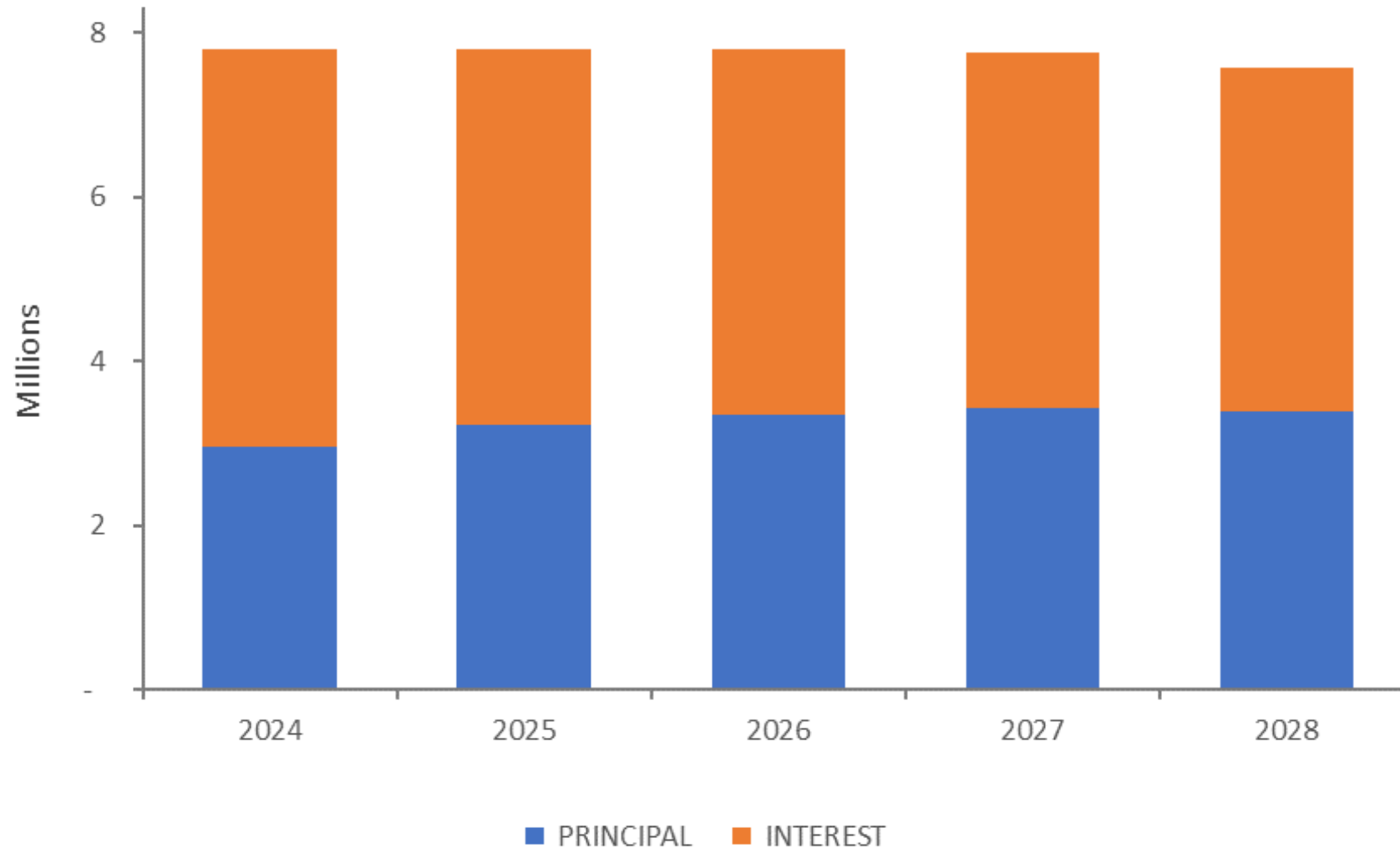
## **MISCELLANEOUS DEBT**

The Housing Authority also has issues of miscellaneous debt. Several are deferred loans from the State for the Aids Housing facility and Ebey Arms. The others are recoverable grants that eventually may be forgiven or are interest-only notes, such as for Olympic and Sound View LLC, which provided long term bridge financing for the tax credit partnership. Many of these loans and notes payable have unique repayment, deferral, or forgiveness features which are meant to further the long-term affordability of the projects they were awarded to. As a reminder, the outstanding balances are included in the debt schedule of our audited financial statements each year and can be found on HASCO's website.

# FY2024 Scheduled Debt Payments

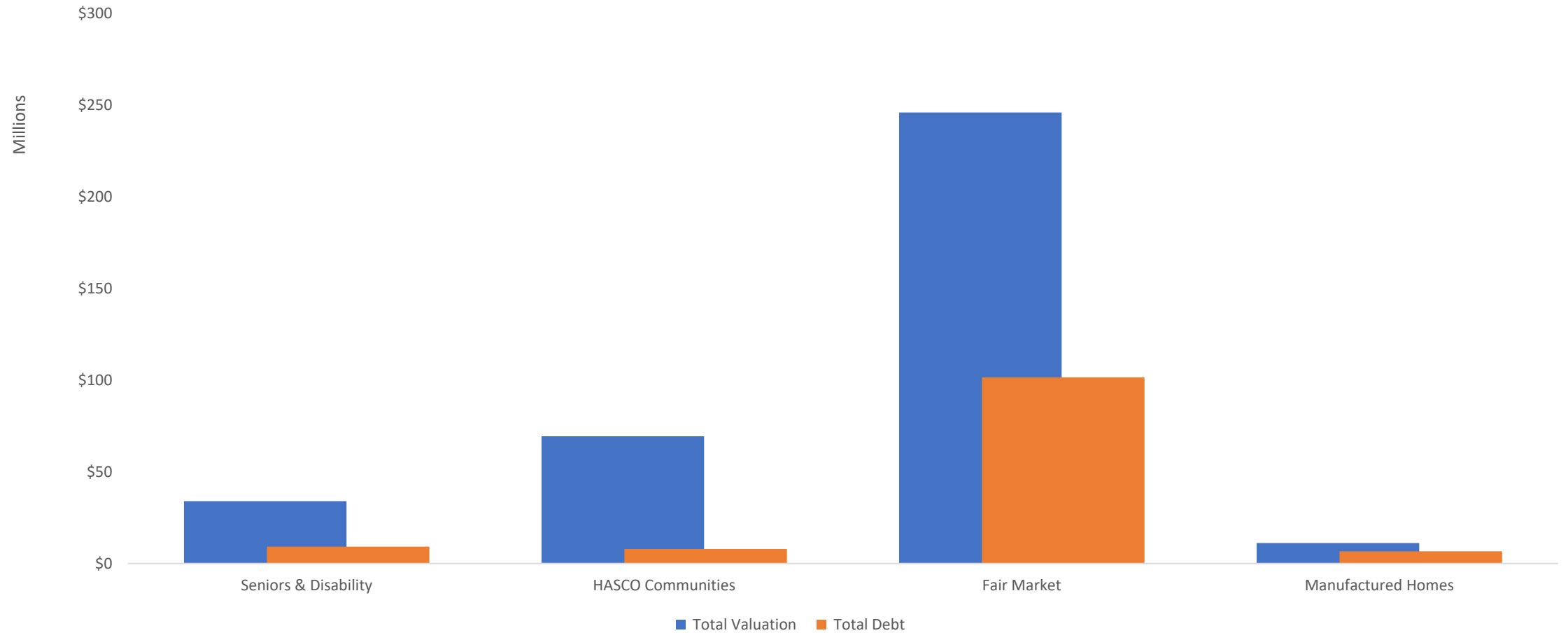


# 5 Year Scheduled Debt Service





# HASCO Property Valuation vs. Debt



# Staffing



# HASCO Employee Attributes



**Authentic** – We are all unique individuals who seek to bring our full selves to work. We share our personalities and interests and celebrate each other's successes and personal milestones.



**Dedicated** – We are fully committed to our mission and shared sense of purpose. We strive to continuously learn and grow in support of our work.



**Kind and Compassionate** – We care about the people we work for and work with. We demonstrate compassion, empathy and a desire to help.



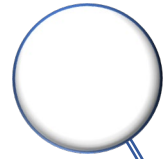
**Professional** – We are confident, calm and consistent. We clearly communicate our policies and work with our clients to resolve problems.



**Respectful** – We treat all people with respect and dignity acknowledging them as individuals with unique circumstances and needs.

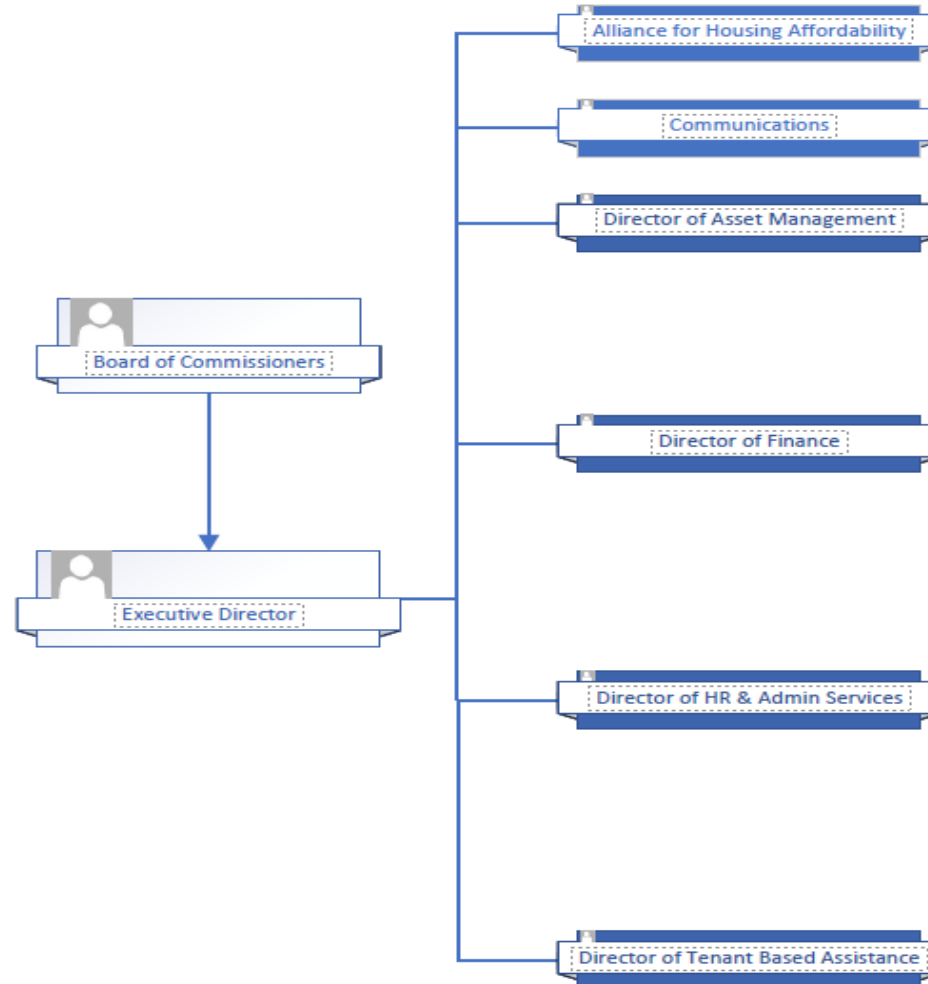
# Staffing

# Staffing

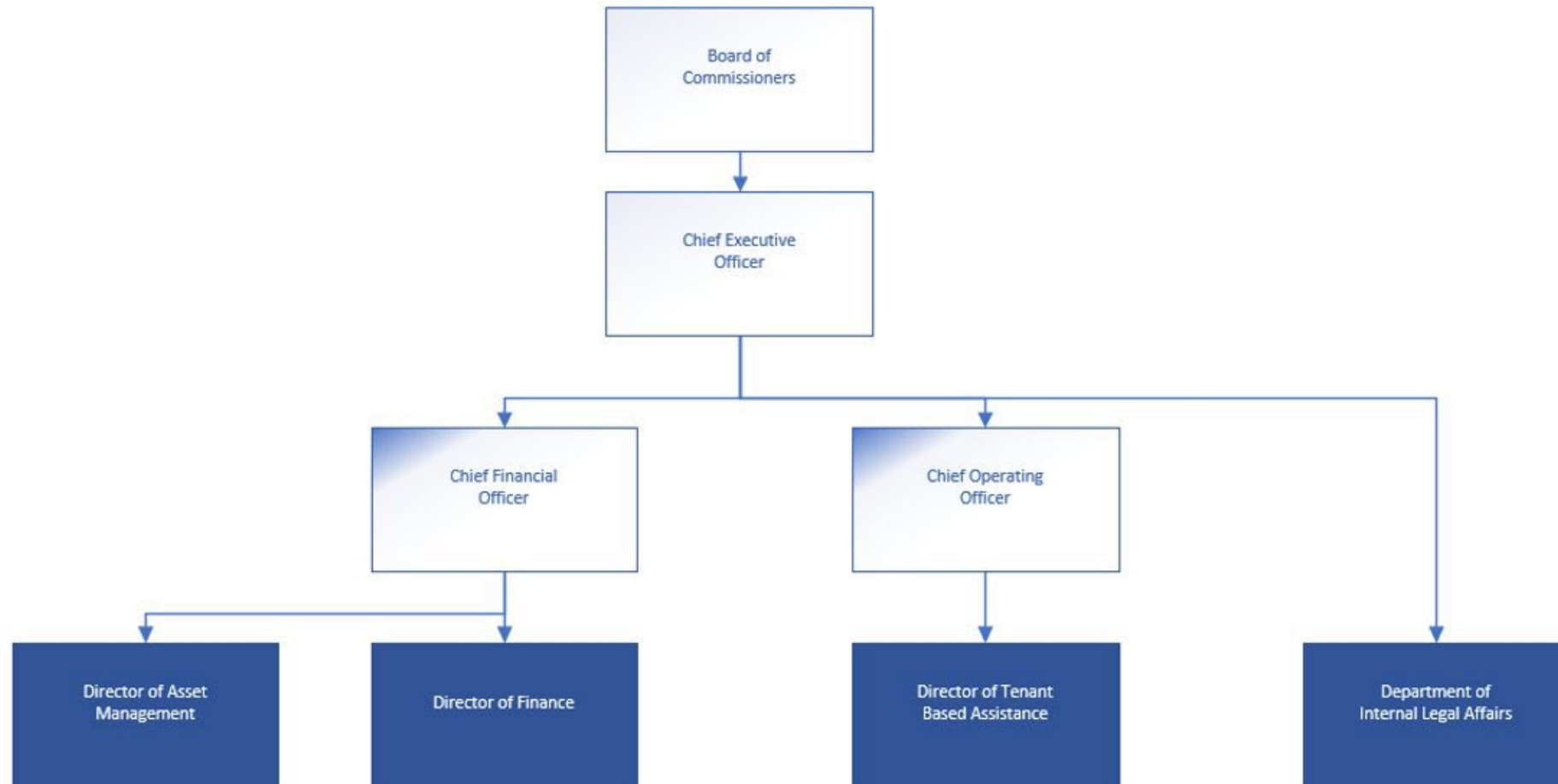


The leadership model has been changed from a single executive director to three officers – a Chief Executive Officer, Chief Operating Officer, and a Chief Financial Officer.

# Previous Leadership Organization

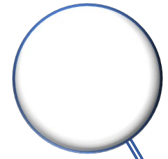


# New Leadership Structure





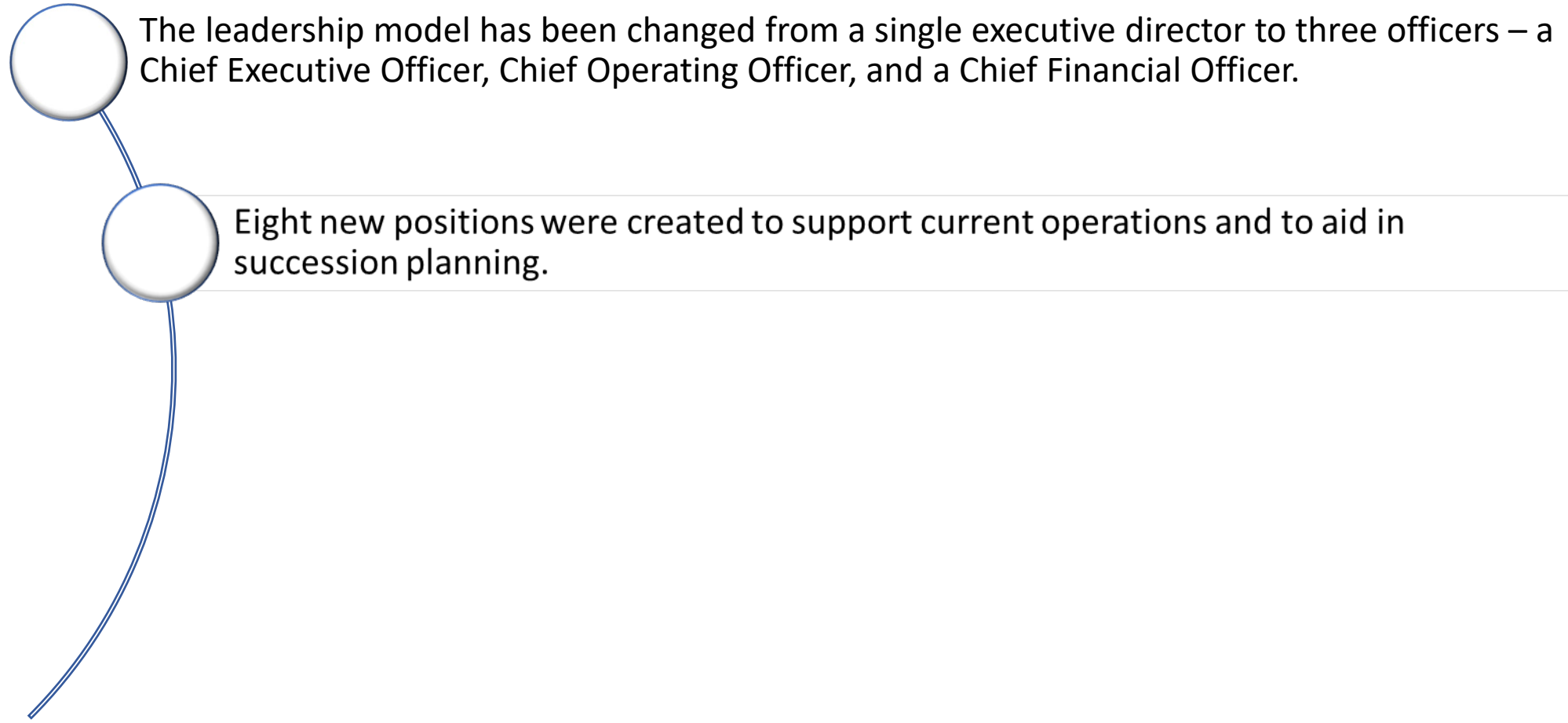
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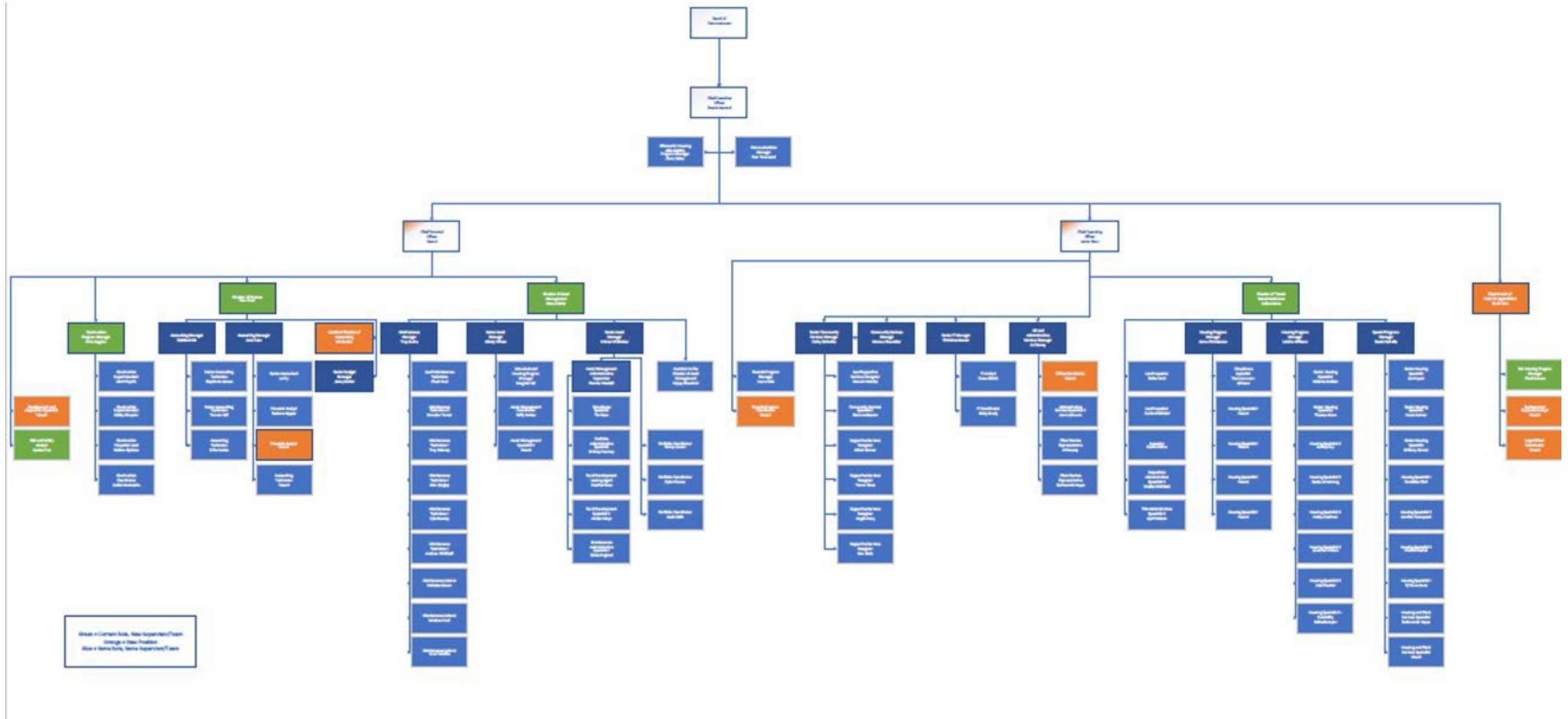
The leadership model has been changed from a single executive director to three officers – a Chief Executive Officer, Chief Operating Officer, and a Chief Financial Officer.



# Staffing

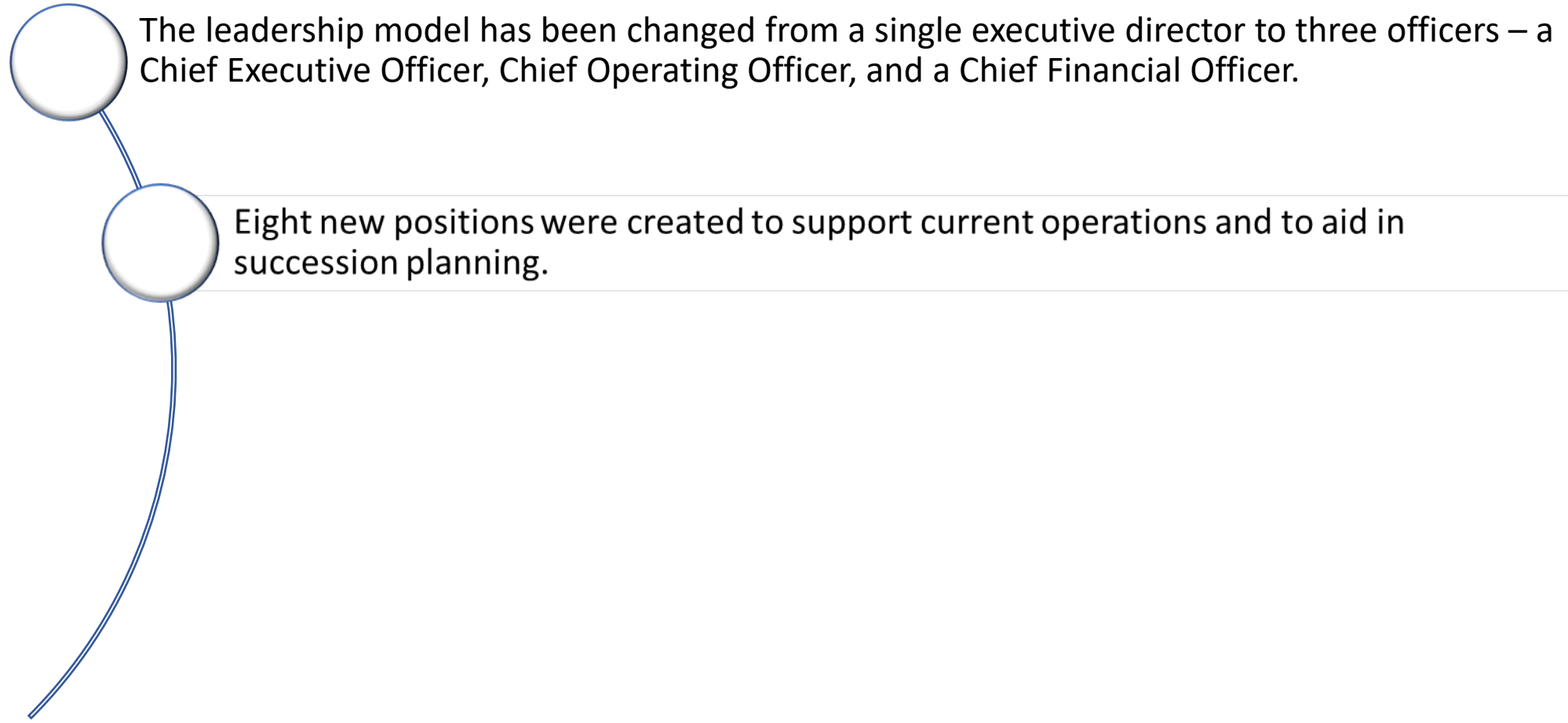


# Organizational Chart

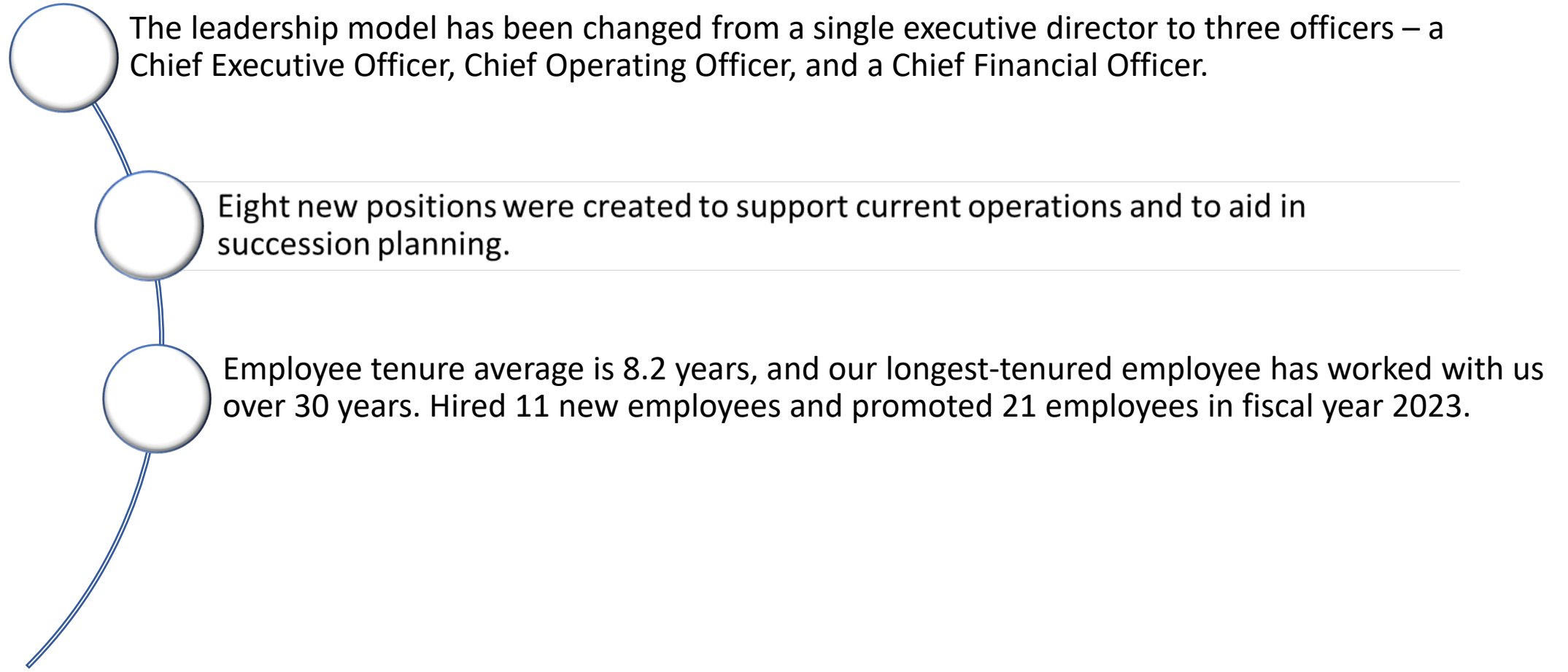


Orange – New position; Green – New supervisor

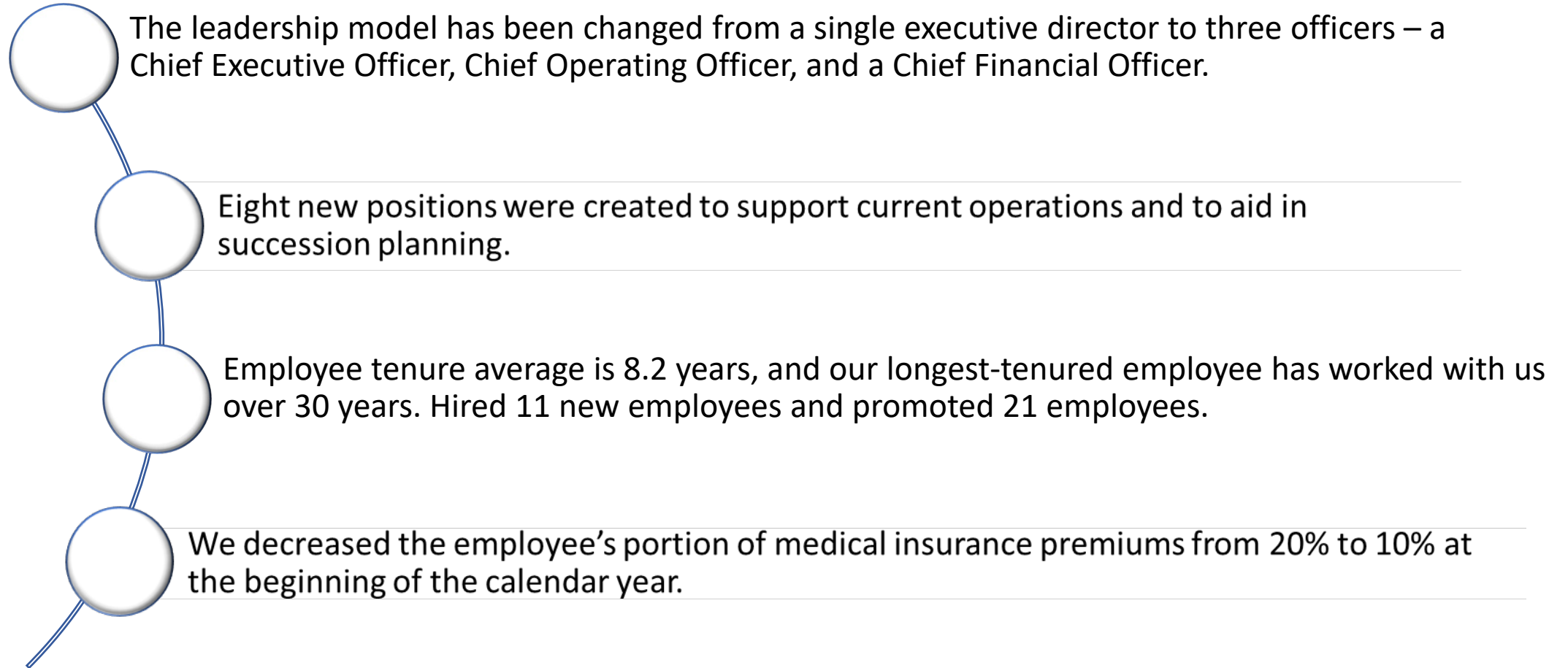
# Staffing



# Staffing



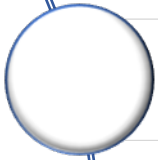
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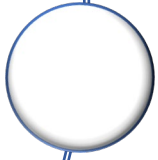
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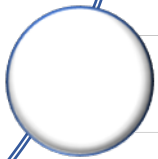
The leadership model has been changed from a single executive director to three officers – a Chief Executive Officer, Chief Operating Officer, and a Chief Financial Officer.



Eight new positions were created to support current operations and to aid in succession planning.



Employee tenure average is 8.2 years, and our longest-tenured employee has worked with us over 30 years. Hired 11 new employees and promoted 21 employees.

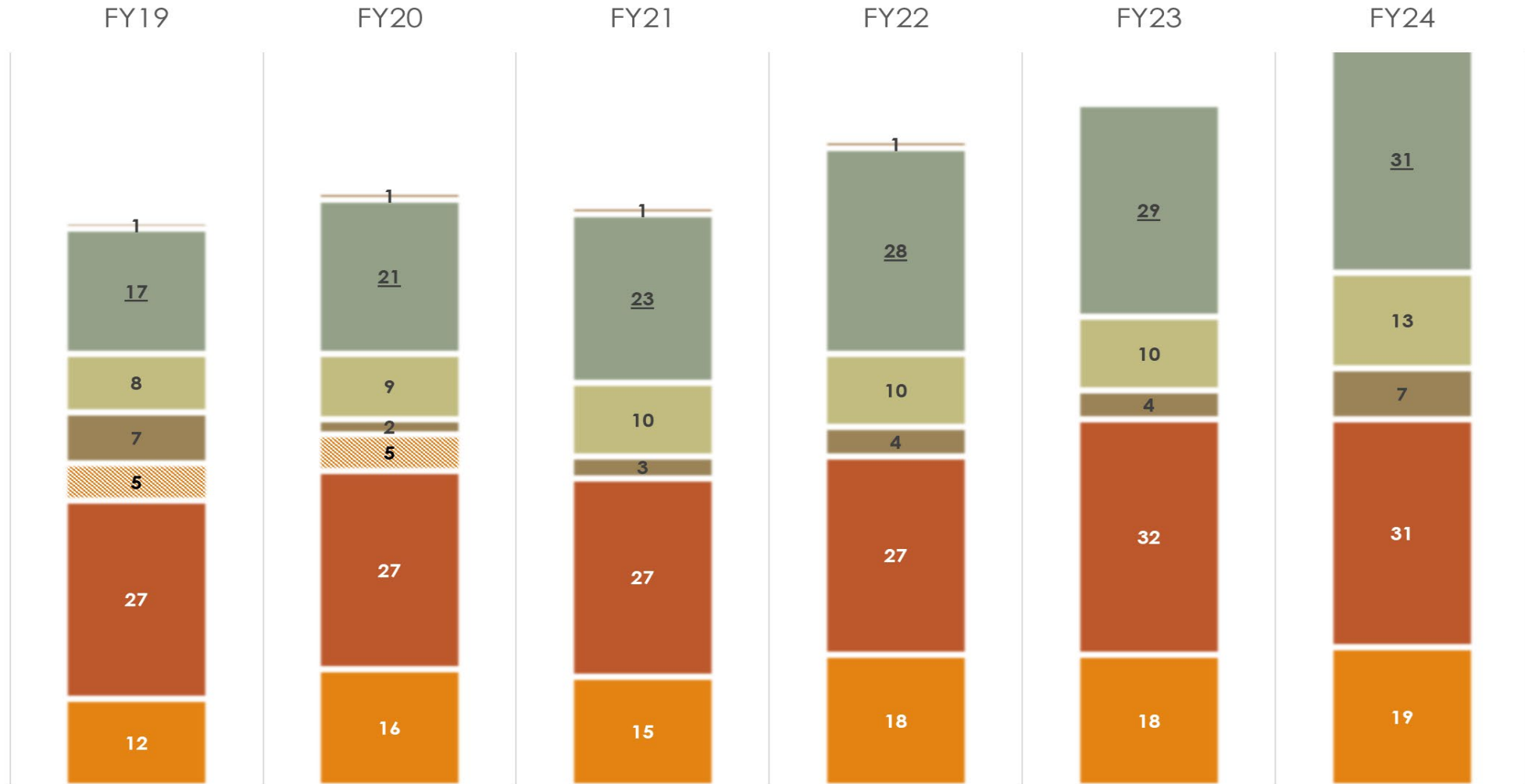


We decreased the employee's portion of medical insurance premiums from 20% to 10% at the beginning of the calendar year.



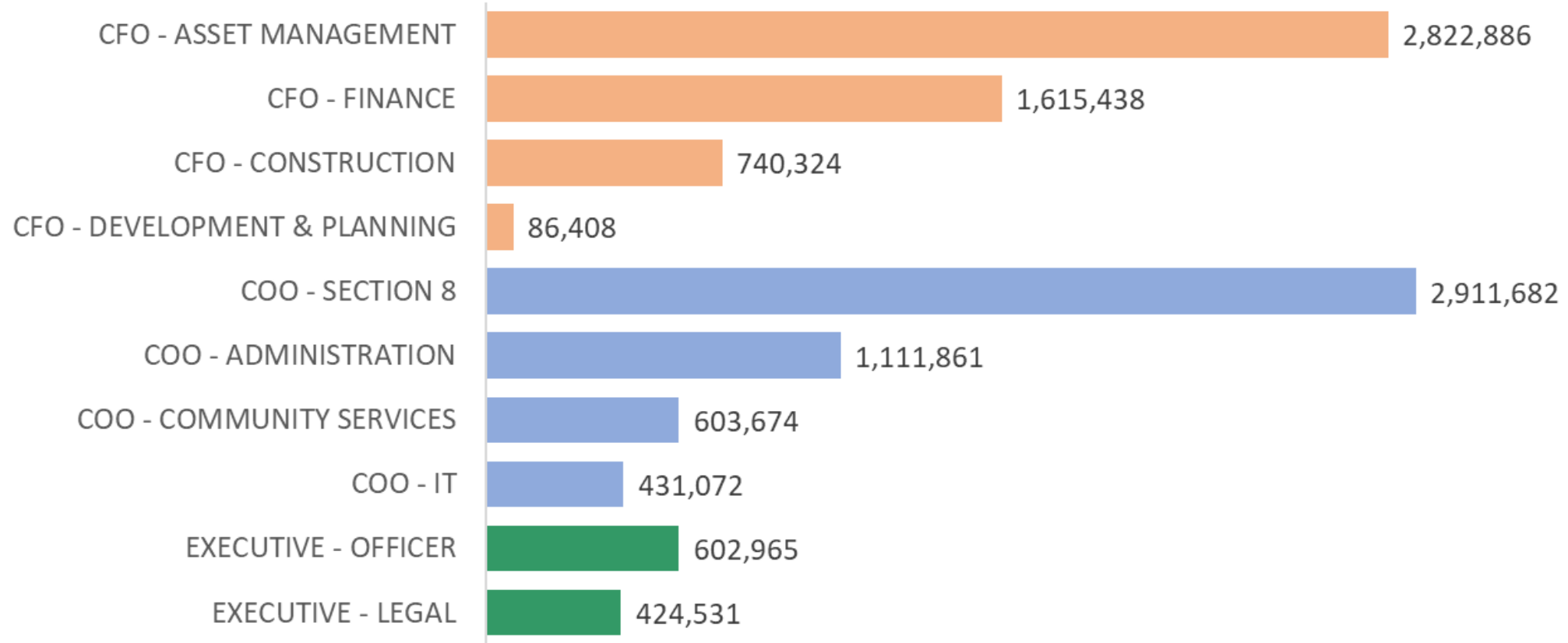
Fiscal Year 2024 wages are increased by a COLA of 4%.

# Year Over Year Staffing by Department



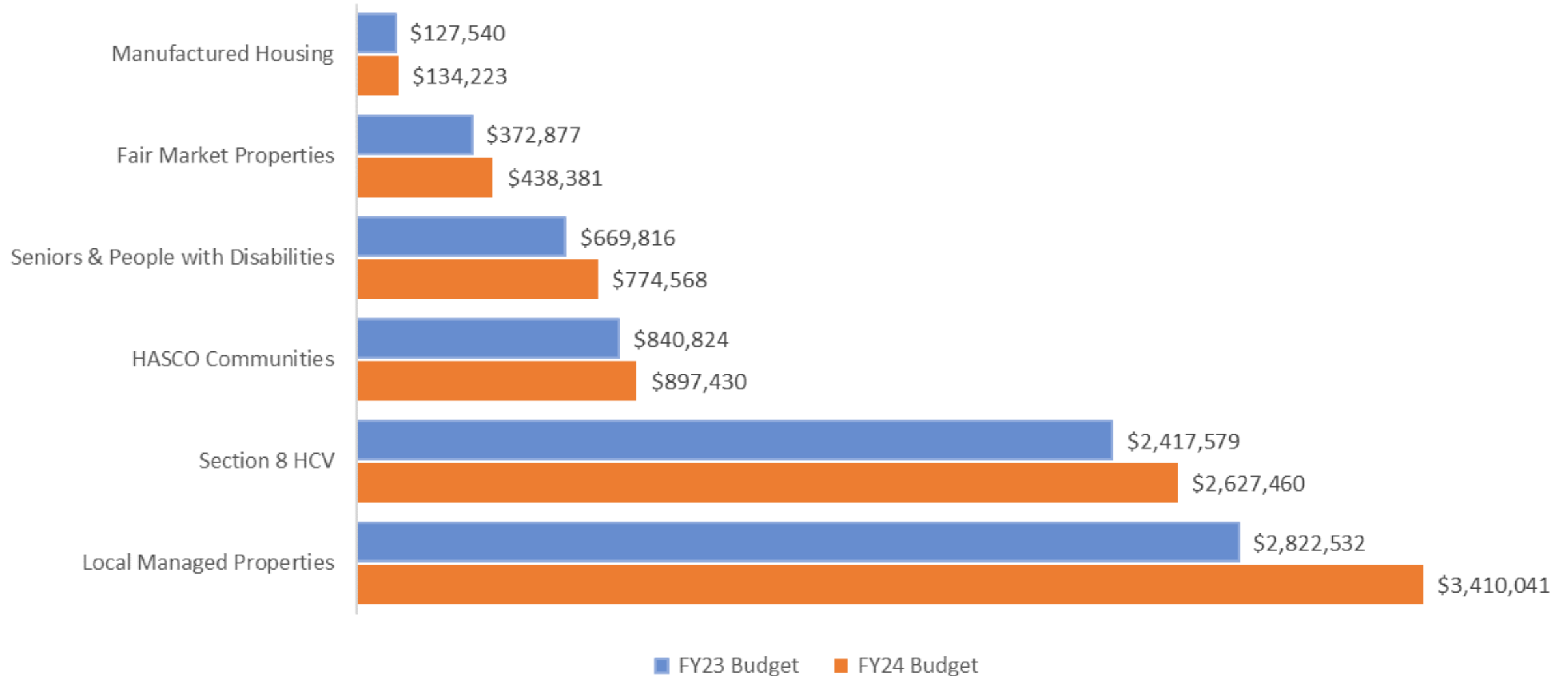
- Administrative Services
- Finance
- Asset Management
- Tenant-Based Assistance
- Development & Policy
- Unassigned
- Executive

# Salaries & Benefits by Division





# Compare Budgeted Salaries by Fund





# Fiscal Year 2024 Budget Summaries

Consolidated by division

# Fiscal Year 2024 Budget

	All HASCO		Local Fund		In-House Managed Properties		Section 8 HCV		Manufactured Housing		HASCO Communities		Fair Market Properties		Seniors & People with Disabilities	
Tenant Revenue	33,648,142		230,400		213,456				1,002,716		4,456,552		23,969,931		3,775,086	
HUD PHA Operating Grants	78,306,790						78,306,790									
Fee Revenue	3,719,342		3,719,342													
Other Operating Revenue	3,638,764		494,400				3,144,364									
Investment Income - Unrestricted	1,013,543		813,000		4,500		32,000		3,000		33,360		94,143		33,540	
Operating Revenue	\$ 120,326,581	\$	5,257,142	\$	217,956	\$	81,483,154	\$	1,005,716	\$	4,489,912	\$	24,064,074	\$	3,808,626	
Wages & Benefits	13,669,789		4,454,355		50,390		3,568,423		194,320		1,257,042		2,841,041		1,079,769	
Office Expenses	13,499,964		646,639		54,943		5,155,702		363,110		1,210,987		5,081,888		975,314	
Maintenance Operating Expenses	2,594,373		90,770		31,696				62,750		553,084		1,513,915		342,158	
Housing Assistance Payments	72,501,140		110,000				72,391,140									
Other Expenses	773,182										14,630		758,552			
Operating Expense	\$ 103,038,449	\$	5,301,764	\$	137,029	\$	81,115,264	\$	620,180	\$	3,035,743	\$	10,195,396	\$	2,397,241	
Net Income / (Loss) from Operations	\$ 17,288,132	\$	(44,622)	\$	80,927	\$	367,890	\$	385,536	\$	1,454,169	\$	13,868,678	\$	1,411,386	
Required Annual Debt Principal	2,866,257								4,534		124,155		2,311,040		426,529	
Interest Expenses & Amortization	4,844,632								564		119,416		4,680,896		43,756	
Net Income / (Loss)	\$ 9,577,243	\$	(44,622)	\$	80,927	\$	367,890	\$	380,438	\$	1,210,598	\$	6,876,742	\$	941,101	

\*Totals may not sum across because tax credit properties are not included in the budget presentation.

# Fiscal Year 2024 Budgeted Cash Flow

	All HASCO		Local Fund	In-House Managed Properties	Section 8 HCV	Manufactured Housing	HASCO Communities	Fair Market Properties	Seniors & People with Disabilities
Cash Receipts from Tenants	32,488,442		185,127	213,456	(93,060)	1,002,716	4,454,629	23,337,230	3,388,344
Cash Receipts from Govt Grants	78,226,790				78,226,790				
Cash Receipts from Other Sources	7,438,106		4,213,742		3,224,364				
Cash Payments to Suppliers for Goods & Services	(18,934,401)		(701,018)	(85,118)	(1,089,711)	(420,493)	(1,743,058)	(13,366,727)	(1,528,275)
Cash Payments for Housing Assistance	(75,874,915)				(75,874,915)				
Cash Payments to Employees for Wages/Benefits	(13,445,340)		(4,454,355)	(50,390)	(3,568,423)	(194,320)	(1,257,042)	(2,841,041)	(1,079,769)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>\$ 9,898,682</b>	<b>\$</b>	<b>(756,505)</b>	<b>\$ 77,948</b>	<b>\$ 825,045</b>	<b>\$ 387,903</b>	<b>\$ 1,454,528</b>	<b>\$ 7,129,462</b>	<b>\$ 780,300</b>
Cash Received from Grantors	132,725								132,725
<b>Net Cash Provided/(Used) by Non-Capital Financing</b>	<b>\$ 132,725</b>						<b>\$ -</b>		<b>\$132,725</b>
Proceeds from / (Repayment of) LT Debt or Loan	(2,866,257)					(4,534)	(124,155)	(2,311,040)	(426,529)
Interest & Fees Paid on LT Debt or Loans	(4,833,068)					(564)	(113,792)	(4,674,956)	(43,756)
<b>Net Cash Provided/(Used) by Capital Financing</b>	<b>\$ (7,699,325)</b>	<b>\$</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,098)</b>	<b>\$ (237,947)</b>	<b>(\$6,985,996)</b>	<b>(\$470,285)</b>
Interest Received	1,013,543		813,000	4,500	32,000	3,000	33,360	94,143	33,540
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>\$ 1,013,543</b>	<b>\$</b>	<b>813,000</b>	<b>\$ 4,500</b>	<b>\$ 32,000</b>	<b>\$ 3,000</b>	<b>\$ 33,360</b>	<b>\$ 94,143</b>	<b>\$ 33,540</b>
<b>Net Increase/(Decrease) in Cash &amp; Equivalents</b>	<b>\$ 3,345,624</b>	<b>\$</b>	<b>56,495</b>	<b>\$ 82,448</b>	<b>\$ 857,045</b>	<b>\$ 385,805</b>	<b>\$ 1,249,942</b>	<b>\$ 237,609</b>	<b>\$ 476,279</b>

# Fiscal Year 2024 Budgeted EBITDA

(in millions)

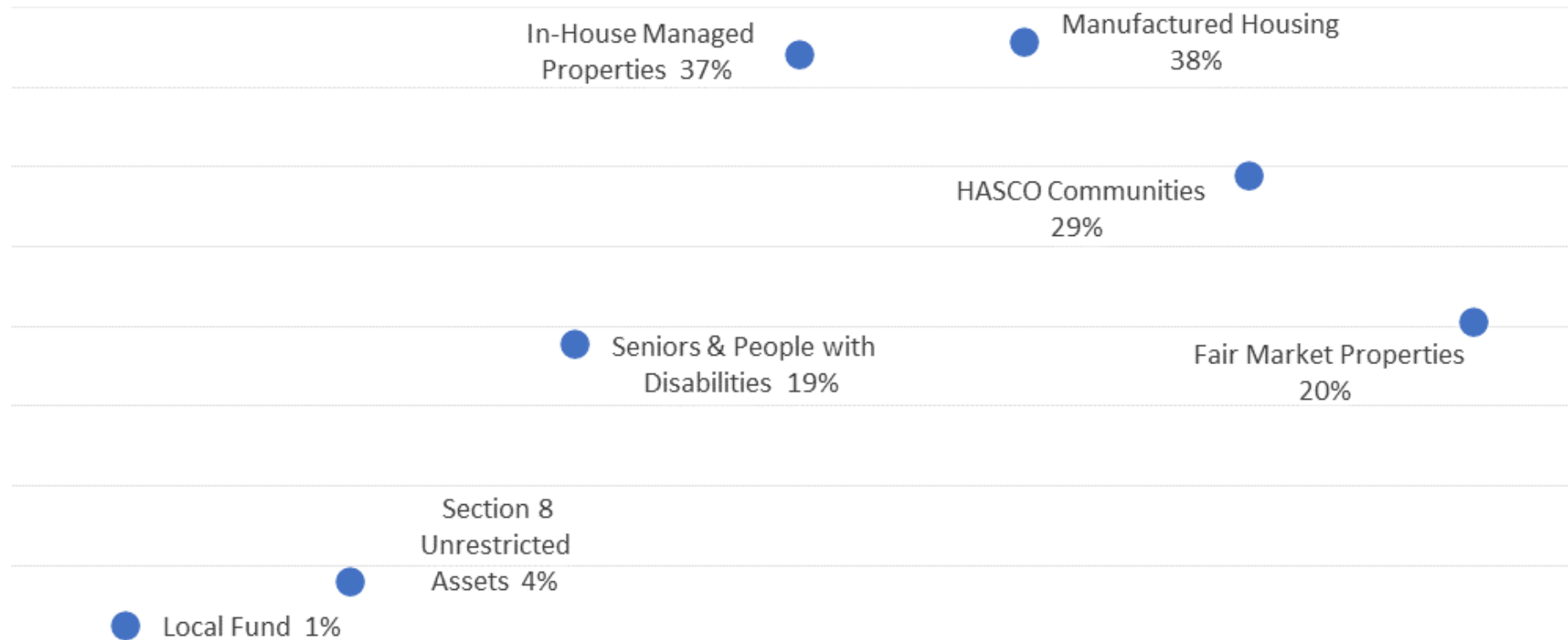
Operating  
Revenue, \$47.9

Wages & Benefits, \$13.7	Office Expenses, \$14.3	Maintenance Expenses, \$9.5	Debt, \$2.9	EBITDA\$, \$7.6
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# FY24 Budget EBITDA Margin

The EBITDA Margin is a ratio that measures how the net position is measured against revenue, shown as a percentage. It can be seen as a more precise measure of operational efficiency. Because the Section 8 restricted assets are designed to spend all the funds received, its EBITDA Margin is 0.



# HASCO Communities

Our formerly low-income housing portfolio; we own and manage these properties. There are no subsidies attached to these communities. Restricted to 50% of the units must be occupied by tenants with less than 80% of median income.

- ◆ Alderwood – 25 units in Lynnwood
- ◆ Cedar Grove – 28 units in Marysville
- ◆ Center House – 44 units in Everett
- ◆ Centerwood – 20 units in Everett
- ◆ East Terrace – 40 units in Mountlake Terrace
- ◆ Maplewood – 15 units in Snohomish
- ◆ North Terrace – 12 units in Mountlake Terrace
- ◆ Pinewood – 25 units in Lynnwood
- ◆ Robin Park – 30 units in Lynnwood
- ◆ Stevens Circle – 19 units in Lake Stevens
- ◆ Timberglen – 32 units in Lynnwood
- ◆ Trillium – 40 units in Mountlake Terrace

# FY2024 HASCO Communities by Property

	HASCO Communities	TRILLIUM	AURORA HOUSE	HEADSTART	CENTER HOUSE	TIMBERGLEN	ROBIN PARK	NORTH TERRACE	STEVENS CIRCLE	ALDERWOOD	PINEWOOD	CENTERWOOD	MAPLEWOOD	EAST TERRACE	CEDAR GROVE
Tenant Revenue	4,456,552	648,900	12,060	11,340	534,198	443,302	486,300	142,020	251,976	338,688	344,568	273,156	181,128	400,488	388,428
Investment Income - Unrestricted	33,360	4,500	1,320	960	1,380	-	7,200	720	-	4,500	3,600	2,940	1,200	3,960	1,080
Operating Revenue	\$ 4,489,912	\$ 653,400	\$ 13,380	\$ 12,300	\$ 535,578	\$ 443,302	\$ 493,500	\$ 142,740	\$ 251,976	\$ 343,188	\$ 348,168	\$ 276,096	\$ 182,328	\$ 404,448	\$ 389,508
Wages & Benefits	1,257,042	129,799	894	894	136,404	106,073	78,648	59,754	97,810	113,369	87,251	75,677	72,829	153,542	144,099
Office Expenses	1,210,987	156,348	8,022	5,693	145,768	129,243	104,827	44,432	81,689	82,456	85,388	75,058	50,114	139,641	102,309
Maintenance Operating Expenses	553,084	56,870	-	-	64,792	48,731	54,475	19,505	32,980	46,610	41,270	47,130	21,760	58,914	60,047
Other Expenses	14,630	-	-	-	14,630	-	-	-	-	-	-	-	-	-	-
Operating Expense	\$ 3,035,743	\$ 343,017	\$ 8,916	\$ 6,586	\$ 361,593	\$ 284,047	\$ 237,950	\$ 123,692	\$ 212,478	\$ 242,434	\$ 213,910	\$ 197,865	\$ 144,703	\$ 352,097	\$ 306,455
Net Income / (Loss) from Operations	\$ 1,454,169	\$ 310,383	\$ 4,464	\$ 5,714	\$ 173,985	\$ 159,255	\$ 255,550	\$ 19,048	\$ 39,498	\$ 100,754	\$ 134,258	\$ 78,231	\$ 37,625	\$ 52,351	\$ 83,053
Required Annual Debt Principal	124,155	30,000	-	-	94,155	-	-	-	-	-	-	-	-	-	-
Interest Expenses & Amortization	119,416	63,631	-	-	55,785	-	-	-	-	-	-	-	-	-	-
Net Income / (Loss)	\$ 1,210,598	\$ 216,752	\$ 4,464	\$ 5,714	\$ 24,045	\$ 159,255	\$ 255,550	\$ 19,048	\$ 39,498	\$ 100,754	\$ 134,258	\$ 78,231	\$ 37,625	\$ 52,351	\$ 83,053



# Seniors & People with Disabilities

Senior / young-disabled properties owned by HASCO and operated by HASCO staff. Most of these communities are financed through the USDA program; the rest are heavily subsidized by the PBV program.

- ◆ Craigmont – 36 Units in Lake Stevens
- ◆ Glenwood – 46 Units in Lake Stevens
- ◆ Hilltop House – 30 Units in Stanwood
- ◆ River Vista – 40 Units in Arlington
- ◆ Soap Suds Row – 4 Units in Snohomish
- ◆ Willow Run – 84 Units in Marysville
- ◆ Woodlake Manor III – 24 Units in Snohomish
- ◆ Wrobliski Manor – 32 Units in Arlington

# FY2024 Seniors & People with Disabilities Budget by Property

	Seniors & People with Disabilities	SOAP SUDS	WOODLAKE MANOR III	CRAIGMONT	GLENWOOD	WILLOW RUN	WROBLISKI MANOR	Hilltop 1&2	River Vista 1&2
Tenant Revenue	3,775,086	54,096	298,704	458,499	588,367	1,067,878	420,175	386,772	500,596
Investment Income - Unrestricted	33,540	660	5,580	900	2,700	12,600	3,300	3,600	4,200
Operating Revenue	\$ 3,808,626	\$ 54,756	\$ 304,284	\$ 459,399	\$ 591,067	\$ 1,080,478	\$ 423,475	\$ 390,372	\$ 504,796
Wages & Benefits	1,079,769	39,876	85,320	120,675	139,095	307,745	101,055	115,890	170,113
Office Expenses	975,314	19,507	69,421	151,896	198,691	215,027	100,409	101,624	118,739
Maintenance Operating Expenses	342,158	10,006	33,805	37,913	59,621	90,994	37,047	34,764	38,008
Operating Expense	\$ 2,397,241	\$ 69,388	\$ 188,546	\$ 310,485	\$ 397,408	\$ 613,766	\$ 238,511	\$ 252,277	\$ 326,860
Net Income / (Loss) from Operations	\$ 1,411,386	\$ (14,632)	\$ 115,738	\$ 148,914	\$ 193,660	\$ 466,711	\$ 184,965	\$ 138,094	\$ 177,936
Required Annual Debt Principal	426,529		38,025	50,010	33,648	142,652	66,822	41,947	53,424
Interest Expenses & Amortization	43,756		9,866		3,686	13,592	5,195	4,893	6,524
Net Income / (Loss)	\$ 941,101	\$ (14,632)	\$ 67,846	\$ 98,904	\$ 156,325	\$ 310,467	\$ 112,948	\$ 91,254	\$ 117,988

# Fair Market Rentals

These communities the Housing Authority owns and contracts with third-party property management companies to manage the day-to-day operations. There are no subsidies attached to these communities. Restricted to 50% of the units must be occupied by tenants with less than 80% of median income.

- ♦ Autumn Chase – 120 Units in Bothell
- ♦ Bristol Square – 96 Units in Lynnwood
- ♦ Carvel – 230 Units in Mukilteo
- ♦ Ebey Arms – 54 Units in Marysville
- ♦ Edmonds Highlands – 120 Units in Edmonds
- ♦ Madison Park – 110 Units in Bothell
- ♦ Millwood Estates – 300 Units in Lynnwood
- ♦ Raintree Village – 112 Units in Everett
- ♦ Valley Commons – 51 Units in Marysville
- ♦ Westend II – 26 Units in Everett

# FY2024 Fair Market Budget by Property

	Fair Market Properties	RAINTREE VILLAGE	VALLEY COMMONS	MILLWOOD ESTATES	EDMONDS HIGHLANDS	EBEY ARMS	BRISTOL SQUARE	AUTUMN CHASE	MADISON PARK	CARVEL	WESTEND II
Tenant Revenue	23,969,931	1,604,029	884,692	5,820,648	2,299,981	719,609	1,646,813	2,565,526	2,545,744	5,375,727	507,162
Investment Income - Unrestricted	94,143	13,200	9,036	14,640	531	4,440	5,400	16,200	-	30,660	36
Operating Revenue	\$ 24,064,074	\$ 1,617,229	\$ 893,728	\$ 5,835,288	\$ 2,300,512	\$ 724,049	\$ 1,652,213	\$ 2,581,726	\$ 2,545,744	\$ 5,406,387	\$ 507,198
Wages & Benefits	2,775,664	256,028	103,738	675,467	245,847	95,500	235,812	310,003	303,312	497,447	52,511
Office Expenses	5,081,888	398,516	211,712	1,291,802	510,028	247,343	397,492	525,290	451,276	955,696	92,733
Maintenance Operating Expenses	1,513,915	101,825	72,920	331,741	151,722	62,469	139,516	187,111	158,484	275,825	32,302
Other Expenses	758,552	42,420	25,900	242,640	6,027	14,759	12,000	166,028	70,243	175,511	3,024
Operating Expense	\$ 10,130,019	\$ 798,788	\$ 414,271	\$ 2,541,650	\$ 913,623	\$ 420,071	\$ 784,820	\$ 1,188,432	\$ 983,315	\$ 1,904,479	\$ 180,570
Net Income / (Loss) from Operations	\$ 13,934,055	\$ 818,441	\$ 479,457	\$ 3,293,638	\$ 1,386,888	\$ 303,978	\$ 867,393	\$ 1,393,294	\$ 1,562,429	\$ 3,501,908	\$ 326,628
Required Annual Debt Principal	2,311,040	129,200	91,800	583,795	212,500	85,550	-	254,490	212,500	741,205	-
Interest Expenses & Amortization	4,680,896	97,688	69,410	1,189,557	737,596	43,169	-	290,992	741,346	1,511,138	-
Net Income / (Loss)	\$ 6,942,119	\$ 591,553	\$ 318,248	\$ 1,520,287	\$ 436,792	\$ 175,259	\$ 867,393	\$ 847,812	\$ 608,583	\$ 1,249,564	\$ 326,628

# Manufactured Housing

Manufactured homes within designated parks. Residents own their own home and are responsible for its care and maintenance and pay a monthly pad rent. HASCO owns and manages the land and common structures. Alpine Ridge is an age-restricted (55+) community.

- Alpine Ridge – 93 Homes in Lynnwood
- Thomas Place – 50 Homes in Everett

# FY2024 Manufactured Housing Budget by Property

	Manufactured Housing	THOMAS PLACE	Alpine Ridge
Tenant Revenue	1,002,716	319,166	683,550
Investment Income - Unrestricted	3,000	3,000	-
Operating Revenue	\$ 1,005,716	\$ 322,166	\$ 683,550
Wages & Benefits	194,320	66,305	128,015
Office Expenses	363,110	155,864	207,246
Maintenance Operating Expenses	62,750	16,500	46,250
Operating Expense	\$ 620,180	\$ 238,669	\$ 381,511
Net Income / (Loss) from Operations	\$ 385,536	\$ 83,498	\$ 302,039
Required Annual Debt Principal	4,534	4,534	-
Interest Expenses & Amortization	564	564	-
Net Income / (Loss)	\$ 380,438	\$ 78,400	\$ 302,039

# Housing Choice Vouchers

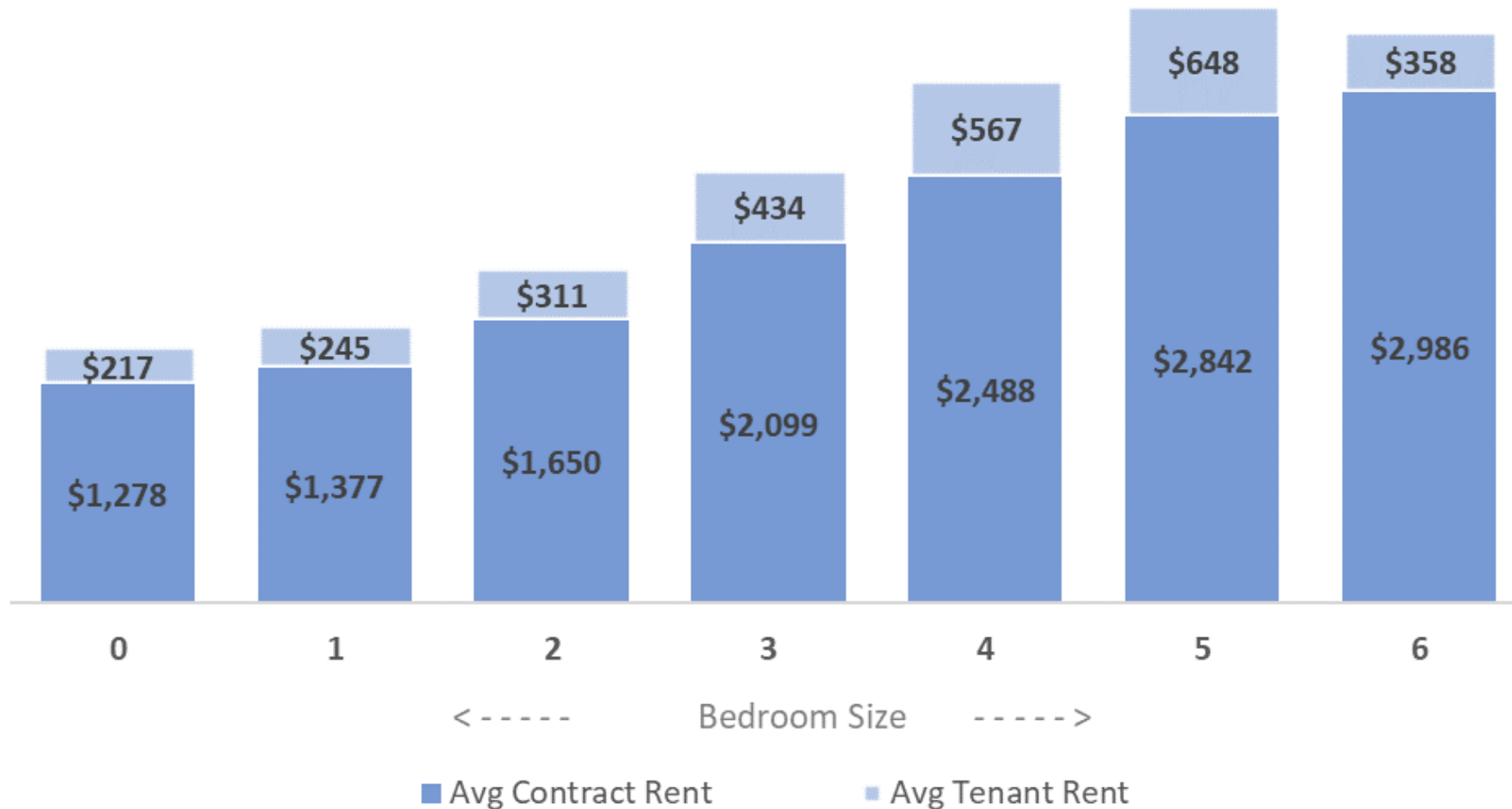
Commonly referred to as Section 8, HASCO administers the Federal Government's primary program for assisting low-income families, the elderly, and the disabled. HASCO receives funds from HUD to pay housing subsidy directly to landlords on behalf of the participating resident.

HUD provides two sources of funding to HASCO:

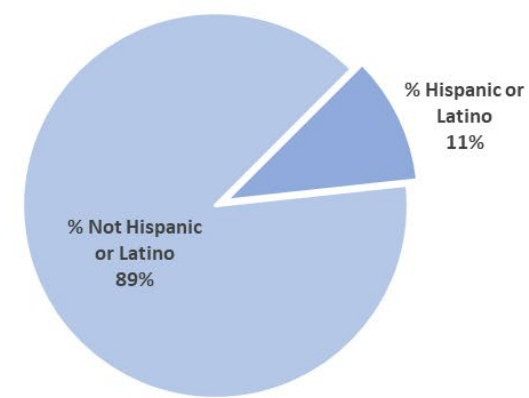
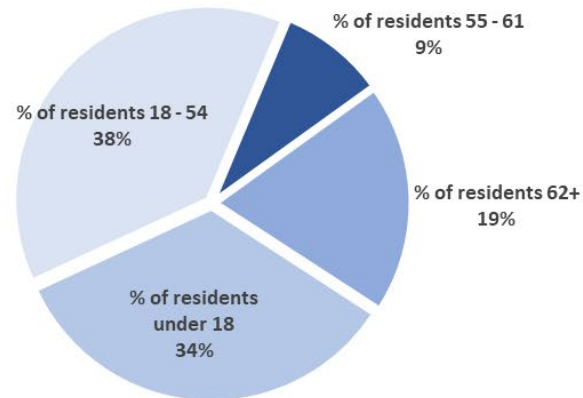
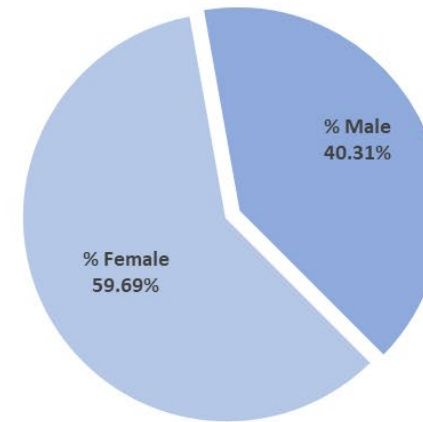
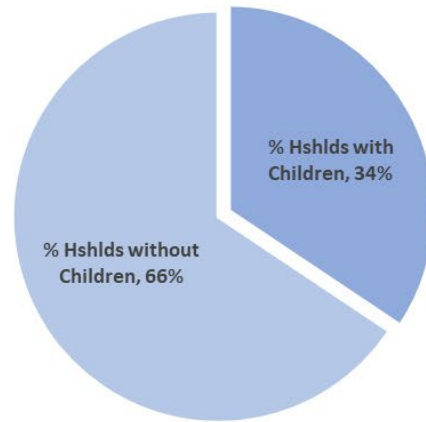
- Rental subsidy to be paid directly to landlords for rent, and directly to participating residents for utility subsidy. These are the only costs allowed to be paid from HAP funds.
- Administrative fees, which are used to pay the administrative costs of managing the program.



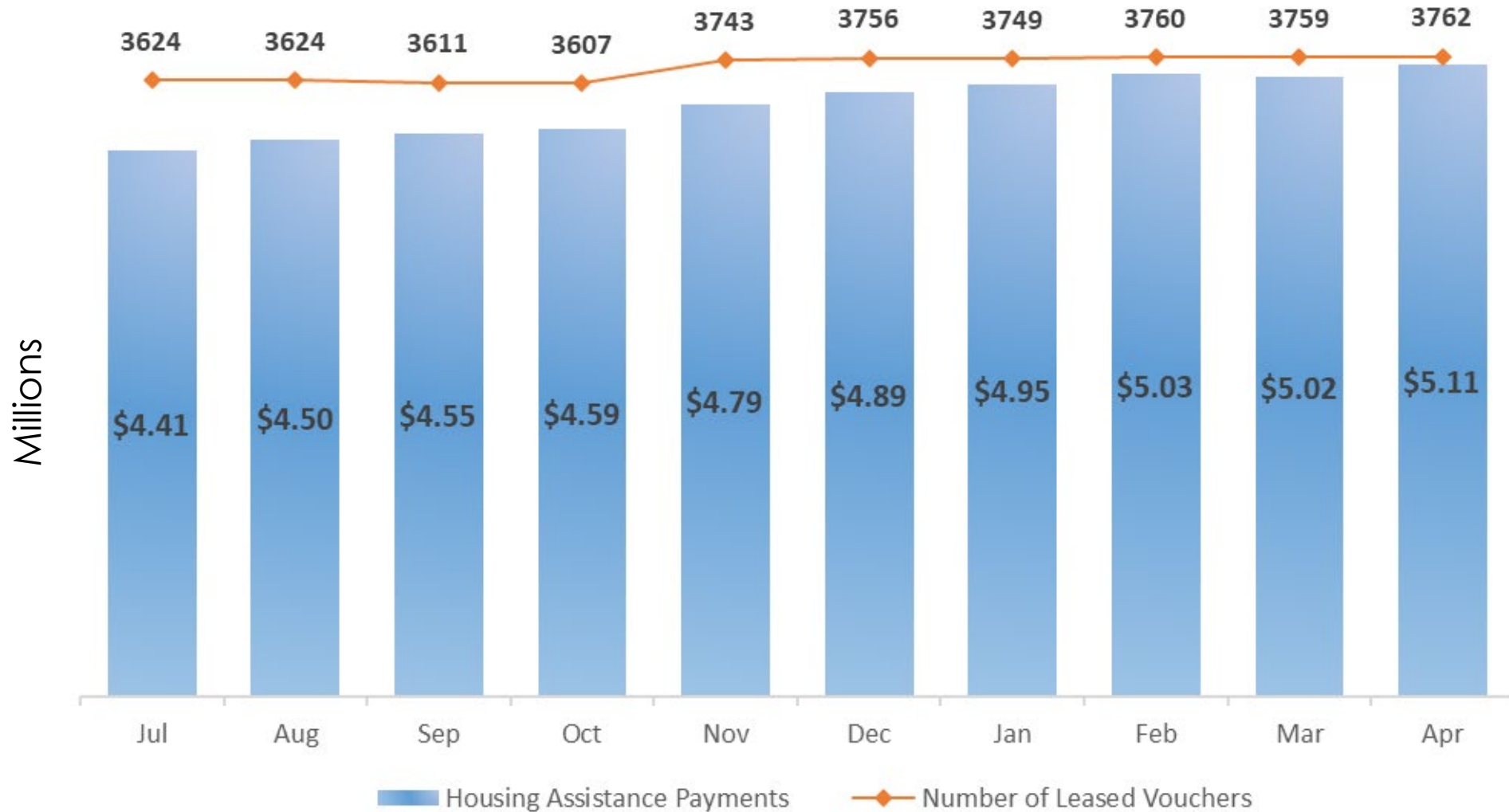
# Housing Demographics



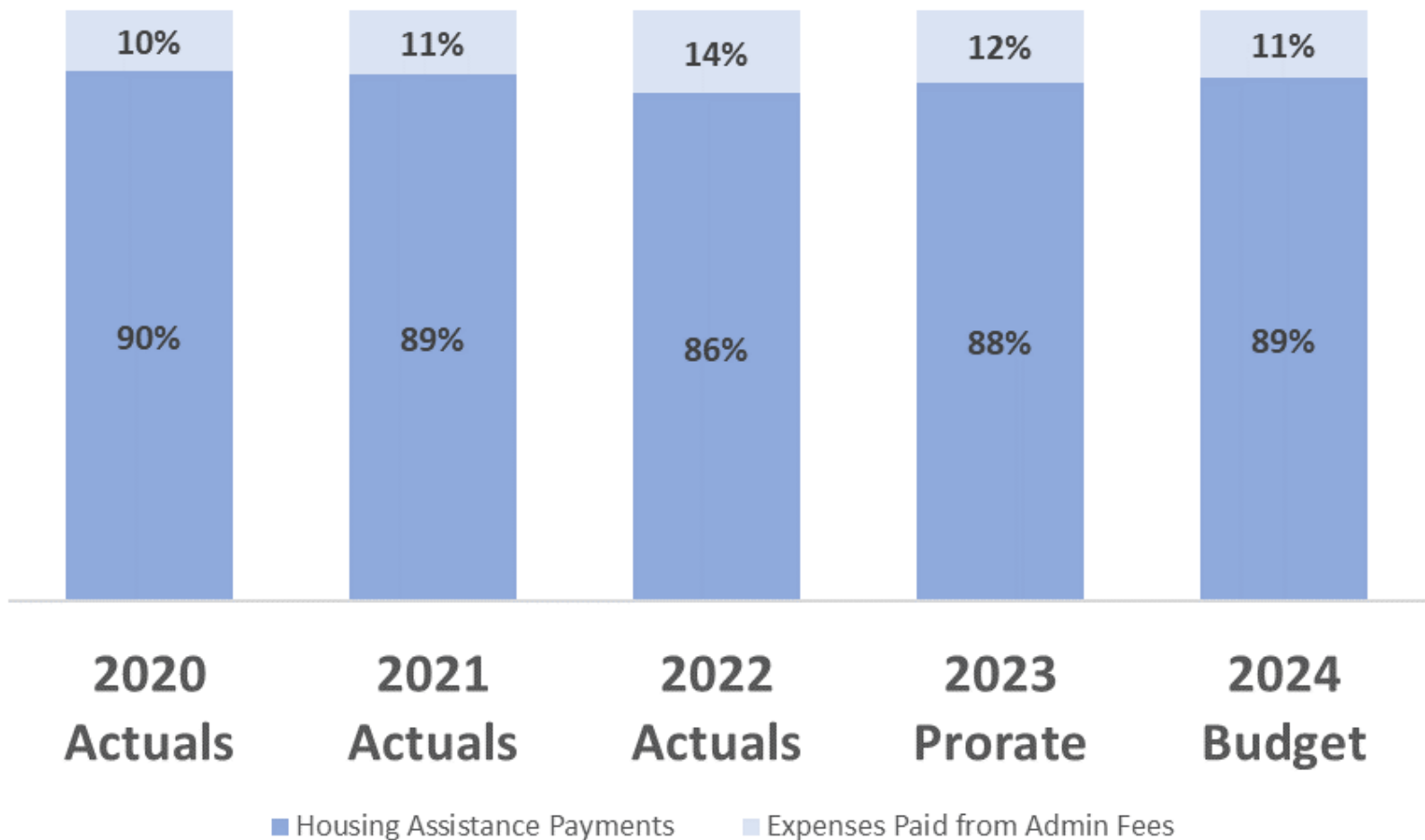
# Tenant Demographics



# 2023 FYTD Vouchers Spending & Vouchers Leased



# HCV Expenditure by Cost Type



# FY2024 Housing Choice Vouchers

	Section 8 HCV	Mainstream	HCV
HUD PHA Operating Grants	72,471,140	4,653,000	67,818,140
Housing Assistance Payments	72,391,140	4,653,000	67,738,140
Net Restricted Position	\$ 80,000	\$ -	\$ 80,000
Admin Fee Received	5,835,650	325,000	5,510,650
Port & Other Operating Revenue	3,144,364		3,144,364
Investment Income - Unrestricted	32,000		32,000
Unrestricted Income Received	\$ 9,012,014	\$ 325,000	\$ 8,687,014
Wages & Benefits	3,568,423	192,011	3,376,411
Office Expenses	1,671,927		1,671,927
Port Expenses & Tenant Services	3,483,775		3,483,775
Expenses Paid from Admin Fees	\$ 8,724,124	\$ 192,011	\$ 8,532,113
Unrestricted Net Position	\$ 287,890	\$ 132,989	\$ 154,901

# Local Operations

This category includes our local fund, used for operating the day-to-day operations of HASCO; funds that have singular purpose or are a joint venture with another entity; and the management of the tax credit properties. Local operations fund the research of projects under consideration, office management, and the administration of the tax credit properties. Local operations also includes 14 PBV units in Mountlake Terrace.

# FY2024 Local Operations

	Local Managed Properties		Local Fund	AIDS HOUSING	EAST TERRACE III
Tenant Revenue	443,856		230,400	30,000	183,456
Fee Revenue	3,719,342		3,719,342	-	-
Other Operating Revenue	494,400		494,400	-	-
Investment Income - Unrestricted	817,500		813,000	2,100	2,400
Operating Revenue	\$ 5,475,098	\$	5,257,142	\$ 32,100	\$ 185,856
Wages & Benefits	4,504,745		4,454,355	6,193	44,197
Office Expenses	701,581		646,639	13,902	41,041
Maintenance Operating Expenses	122,466		90,770	100	31,596
Housing Assistance Payments	110,000		110,000	-	-
Operating Expense	\$ 5,438,793	\$	5,301,764	\$ 20,194	\$ 116,834
Net Income / (Loss) from Operations	\$ 36,305	\$	(44,622)	\$ 11,906	\$ 69,022
Net Income / (Loss)	\$ 36,305	\$	(44,622)	\$ 11,906	\$ 69,022



# Goals for Fiscal Year 2024



# Priorities for the Coming Year

- Analyze and execute technology solutions
- Move accounts payable payments to be issued directly from KeyBank
- Provide housing navigation to support residents moving out of Pinewood and Timberglen
- Transition to new leadership model and hire employees to fill newly created positions to support Agency growth
- Transition novo on 52<sup>nd</sup> to HASCO ownership
- Explore property acquisition and new development opportunities

# Summary

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The Housing Authority will continue to renovate our properties as funds allow to provide safe, comfortable, and affordable housing within the community.

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Management will collaborate with community partners in order to find opportunities to support housing programs throughout the county.

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Our staff is dedicated to helping individuals find resources to thrive in economical, clean, and secure homes, and to fairly administer those resources to ensure we meet all statutory and recommended reporting requirements.

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Information technology will implement solutions to ensure we maximize our efficiency and financial stewardship.

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