

# MOVING KING COUNTY RESIDENTS FORWARD

## Special Hybrid Meeting of the Board of Directors Agenda

**Monday, June 30, 2025**

5:00 PM or immediately following the KCHA Board meeting

King County Housing Authority, 700 Andover Park West, Tukwila, WA 98188

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**I. Call to Order**

**II. Roll Call**

**III. Public Comment**

**IV. Approval of Minutes**

A. November 18, 2024 - Board Meeting Minutes **1**

**V. Briefings and Reports**

A. Fourth Quarter 2024 Financial Report for MKCRF and MKCRF – Owned Properties **2**

B. First Quarter 2025 Financial Report for MKCRF and MKCRF – Owned Properties **3**

**VI. Board of Directors Comments**

**VII. Adjourn**

Members of the public who wish to give public comment: We are now accepting public comment during the meeting or written comments. Please send your requests for public comment to the Board Coordinator via email to [kamir@kcha.org](mailto:kamir@kcha.org) prior to the meeting date. If you have questions, please call 206-574-1206.

# T A B N U M B E R

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# **MINUTES OF THE MOVING KING COUNTY RESIDENTS FORWARD BOARD OF DIRECTORS HYBRID MEETING**

**Monday, November 18, 2024**

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## **I. CALL TO ORDER**

The hybrid Annual special meeting of the Board of Directors of Moving King County Residents Forward (MKCRF) was held on Tuesday, February 20, 2024 at the King County Housing Authority, 600 Andover Park West, Tukwila, WA at 5:01 p.m.

## **II. ROLL CALL**

**Present:** Board of Directors: Doug Barnes, Richard Jackson, Jerry Lee, Tina Keys and Secretary of the Corporation, Robin Walls.

**Excused:** Regina Elmi

## **III. PUBLIC COMMENT**

No Public Comment.

## **IV. APPROVAL OF MINUTES**

A. June 17, 2024 - Board of Directors Meeting Minutes

On motion by Director Richard Jackson and seconded by Director Jerry Lee, the Board of Directors unanimously approved the June 17, 2024 MKCRF Meeting Minutes.

## **V. BRIEFINGS AND REPORTS**

A. Second Quarter 2024 Financial Report for MKCRF and MKCRF – Owned Properties

B. Third Quarter 2024 Financial Report for MKCRF and MKCRF – Owned Properties

Saeed Hajarizadeh, Executive VP of Administration/Chief Administrative Officer, gave a detailed explanation on the reports.

## **VI. BOARD OF DIRECTORS COMMENTS**

None.

## **VII. ADJOURNMENT**

Director Tina Keys moved and Director Jerry Lee seconded the motion.  
The meeting was officially adjourned at 5:10 p.m.

**MOVING KING COUNTY  
RESIDENTS FORWARD**

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**RICHARD JACKSON, President**

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**ROBIN WALLS, Secretary of the Corporation**

# T A B N U M B E R

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# MOVING KING COUNTY RESIDENTS FORWARD

**TO:** Board of Directors

**FROM:** Wendy Teh

**DATE:** June 30, 2025

**RE:** 2024 Fourth-Quarter Financial Reports for Moving King County Residents Forward (MKCRF) and MKCRF-Owned Properties

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## EXECUTIVE SUMMARY

Through the fourth quarter, the MKCRF-owned Properties (the Properties) generated cash flow sufficient to make all required debt service payments, fully fund replacement reserves, and complete the interior upgrade of fifteen units using KCHA's internal unit upgrade crews.

## 2024 4th QUARTER FINANCIAL REPORTS

Attached are the unaudited financial reports for the quarter ending December 31, 2024:

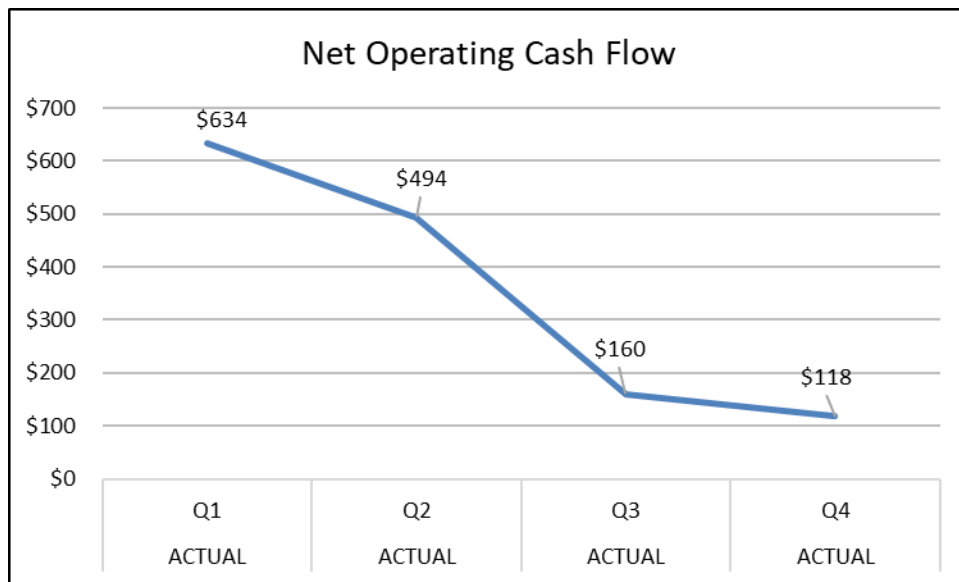
- Statement of Financial Position for the Properties that reflects their short-term assets and liabilities
- Statement of Financial Position for the non-profit Moving King County Residents Forward that reflects its long-term assets and liabilities, primarily the apartment complexes and related debt
- Cash Reconciliation report for the Properties that reflects their operating income, expenses, and other cash expenditures
- Cash Reconciliation report for the non-profit Moving King County Residents Forward that reflects its minor operating income and expenses

## *KCHA Operations of the Properties*

Tenant revenue was close to expectations at 103.8% of the budget. Operating expenses were slightly lower than anticipated at 91.1% of the budget, due mostly to the timing of occupancy, maintenance, and utility expenses.

During the fourth quarter, the properties generated net operating cash flow of \$118 thousand after required debt service payments and additions to replacement reserves. This result was lower than the fourth-quarter budgeted surplus of \$199 thousand. However, the overall net operating cash flow for the year exceeded the budget.

<b>Net Operating Cash Flow</b>	<b>ACTUAL</b>
	<b>Q4</b>
Operating Revenues	\$2,677,178
Operating Expenses	(\$2,099,220)
Debt Service	(\$386,995)
Transfers to Replacement Reserves	(\$73,096)
Net Operating Cash Flow	\$117,867



### ***Capital Projects***

Capital project expenditures for the fourth quarter exceed budget due to projects carried over from the prior year.

KCHA's internal unit upgrade crews rehabilitated the interiors of twenty of the twenty-eight standard units that were included in the 2024 budget. Unit upgrades depend on unit availability.

Since the transfer of the properties from KCHA to MKCRF in 2012, 277 units have been upgraded by KCHA's in-house unit upgrade crew. A total of 487 units (95.7%) have been upgraded since the inception of the unit upgrade program in 2006.

### ***Operations of Moving King County Residents Forward***

MKCRF had no administrative expenses for the second quarter. All required monthly debt service payments to KCHA were made.

**Moving King County Residents Forward**  
**Statement of Net Position**  
**Properties and MKCRF**  
**As of December 31, 2024**

	<b>MKCRF Properties 2024 Actual</b>	<b>MKCRF 2024 Actual</b>
Cash-Unrestricted	\$3,139,819	(\$6,516)
Cash-Held by Management Agent	0	0
Cash-Designated	1,851,398	0
Cash-Restricted	79,661	0
Total Cash	5,070,878	(6,516)
Current Assets	376,427	0
Long-term Assets	806,166	72,602,749
Total Other Assetts	1,182,593	72,602,749
<b>Total Assets</b>	<b>\$6,253,471</b>	<b>\$72,596,233</b>
Current Liabilities	\$327,866	\$787,642
Long-Term Liabilities	0	11,454,154
Total Liabilities	327,866	12,241,796
Equity	5,925,605	60,354,438
<b>Total Liabilities and Equity</b>	<b>\$6,253,471</b>	<b>\$72,596,233</b>

**Moving King County Residents Forward**  
**Cash Reconciliation**  
**Properties and MKCRF**  
**As of December 31, 2024**

	MKCRF Properties			MKCRF		
	2024 Actual	2024 Annual Budget	Favorable (Unfavorable) % Variance	2024 Actual	2024 Annual Budget	Favorable (Unfavorable) % Variance
Beginning Cash Balance-Unrestricted	1,612,207			(8,263)		
Beginning Cash Balance-Designated	1,554,468			0		
Beginning Cash Balance-Restricted	81,475			0		
	<u>3,248,150</u>			<u>(8,263)</u>		
Tenant Revenue	10,606,651	10,214,188	103.8%	-	-	n/a
Operating Subsidy from HUD-HCV	-	-	n/a	-	-	n/a
Operating Subsidy from HUD-PH	-	-	n/a	-	-	n/a
Port-In Income	-	-	n/a	-	-	n/a
Other Operating Income	3,907	-	n/a	2,189,760	1,891,479	115.8% (6)
Total Operating Income	<u>10,610,558</u>	<u>10,214,188</u>	<u>103.9%</u>	<u>2,189,760</u>	<u>1,891,479</u>	<u>115.8%</u>
Salaries	(1,917,252)	(1,825,325)	-105.0%	-	-	n/a
Benefits	(781,105)	(770,859)	-101.3%	-	-	n/a
Occupancy Expenses	(3,084,672)	(3,531,712)	-87.3% (1)	-	-	n/a
Maintenance Projects	(258,042)	(569,450)	-45.3% (2)	-	-	n/a
HAP Expense-KCHA	-	-	n/a	-	-	n/a
HAP Expense-Ports In	-	-	n/a	-	-	n/a
Other Social Service Expenses	(50,312)	(129,520)	-38.8% (3)	-	-	n/a
Administrative Expenses	(1,267,948)	(1,255,832)	-101.0%	(1,744)	(21,000)	-8.3%
Total Operating Costs	<u>(7,359,330)</u>	<u>(8,082,697)</u>	<u>-91.1%</u>	<u>(1,744)</u>	<u>(21,000)</u>	<u>-8.3%</u>
Total Operating Income before P & I	<u>3,251,227</u>	<u>2,131,491</u>	<u>152.5%</u>	<u>2,188,016</u>	<u>1,870,479</u>	<u>117.0%</u>
Transfers for Debt Service Payments	(1,547,979)	(1,547,979)	-100.0%	-	-	n/a
Transfers to Replacement Reserves	(296,930)	(208,298)	-142.6% (4)	-	-	n/a
Principal Payments	-	-	n/a	(887,797)	(887,722)	-100.0%
Interest Payments	-	-	n/a	(660,182)	(660,257)	-100.0%
			n/a			n/a
Operating Cash Flow	<u>1,406,318</u>	<u>375,214</u>	<u>374.8%</u>	<u>640,036</u>	<u>322,500</u>	<u>198.5%</u>
Non-Operating income	179,221	285,574	62.8% (5)	-	200	0.0%
Non-Operating Expenses	(526,741)	(343,500)	-153.3% (6)	-	-	n/a
Capital Expenditures	(43,409)	(46,500)	-93.4%	(641,780)	(343,500)	-186.8% (6)
Unit Upgrades	(1,086,880)	(1,452,324)	-74.8% (7)	-	-	n/a
Acquisitions/LIHTC Return to KCHA	-	-	n/a	-	-	n/a
Change in Designated Cash	-	-	n/a	-	-	n/a
Change in Restricted Cash	1,814	-	n/a	-	-	n/a
Transfers In/Out	2,030,111	-	n/a (8)	-	-	n/a
Other Changes in Debt	-	-	n/a	-	-	n/a
Others Sources/(Uses of Cash)	(432,822)	0	n/a (9)	-	0	n/a
Non Operating Net Sources (Uses) of Cash	<u>121,294</u>	<u>(1,556,750)</u>	<u>7.8%</u>	<u>(641,780)</u>	<u>(343,300)</u>	<u>-186.9%</u>
Net Change in Unrestricted Cash	<u>1,527,612</u>	<u>(1,181,536)</u>	<u>129.3%</u>	<u>(1,744)</u>	<u>(20,800)</u>	<u>-8.4%</u>
Ending Cash Balance-Unrestricted	3,139,819			(10,007)		
Ending Cash Balance-Designated	1,851,398			0		
Ending Cash Balance-Restricted	79,661			0		
	<u>5,070,878</u>			<u>(10,007)</u>		

- 1) Various maintenance and occupancy expenses are lower than budgeted due to delay of projects.
- 2) The budgeted Kings Court electrical contract started in the 3rd quarter and expected to be completed during the 1st quarter of 2025. The budgeted Victorian Woods and Shoreham exterior paint projects are postponed to 2025.
- 3) Security patrol expenses exceeded target due to increased patrol activity following recent activities at various KCHA sites.
- 4) Deposits to replacement reserves exceeded target.
- 5) Allocation of interest income on deposits was below target. Interest income allocation depends on the ending cash balance.
- 6) The Juanita Trace roof repair and Eastridge fire monitoring system upgrade projects were budgeted in 2023. However, actual work continued through the first half of this year resulting in higher than target capital transfer.
- 7) Twenty eight unit upgrade projects were budgeted to be completed throughout the year. Twenty unit upgrades were completed during 2024. Unit upgrades depend on unit availability.
- 8) Management decision was made to fund MKCRF capital and unit upgrade costs using MTW sources. Unbudgeted.
- 9) Mainly due to a decrease in accounts payable.

# T A B N U M B E R

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# MOVING KING COUNTY RESIDENTS FORWARD

**TO:** Board of Directors

**FROM:** Wendy Teh

**DATE:** June 30, 2025

**RE:** 2025 First-Quarter Financial Reports for Moving King County Residents Forward (MKCRF) and MKCRF-Owned Properties

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## EXECUTIVE SUMMARY

Through the first quarter, the MKCRF-owned Properties (the Properties) generated cash flow sufficient to make all required debt service payments, fully fund replacement reserves, and complete the interior upgrade of fifteen units using KCHA's internal unit upgrade crews.

## 2025 1st QUARTER FINANCIAL REPORTS

Attached are the unaudited financial reports for the quarter ending March 31, 2025:

- Statement of Financial Position for the Properties that reflects their short-term assets and liabilities
- Statement of Financial Position for the non-profit Moving King County Residents Forward that reflects its long-term assets and liabilities, primarily the apartment complexes and related debt
- Cash Reconciliation report for the Properties that reflects their operating income, expenses, and other cash expenditures
- Cash Reconciliation report for the non-profit Moving King County Residents Forward that reflects its minor operating income and expenses

## *KCHA Operations of the Properties*

Tenant revenue was close to expectations at 101.2% of the budget. Operating expenses were slightly lower than anticipated at 77.6% of the budget, due mostly to the timing of occupancy, maintenance, and utility expenses.

During the first quarter, the properties generated net operating cash flow of \$618 thousand after required debt service payments and additions to replacement reserves. This result was higher than the first-quarter budgeted surplus of \$177 thousand.

**Moving King County Residents Forward**  
**Statement of Net Position**  
**Properties and MKCRF**  
**As of March 31, 2025**

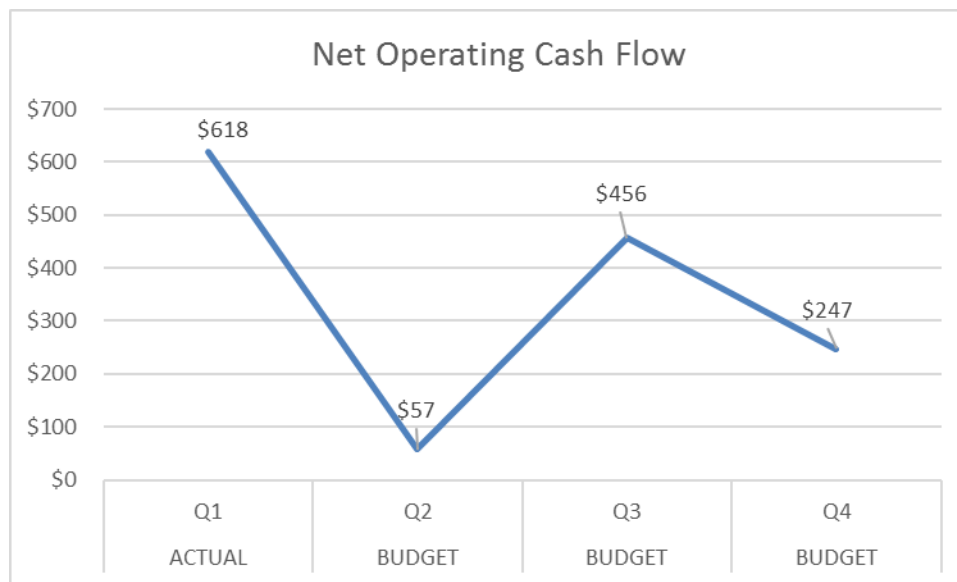
	<b>MKCRF Properties 2025 Actual</b>	<b>MKCRF 2025 Actual</b>
Cash-Unrestricted	\$3,320,912	(\$1,075)
Cash-Held by Management Agent	0	0
Cash-Designated	1,928,535	0
Cash-Restricted	79,250	0
Total Cash	5,328,697	(1,075)
Current Assets	339,102	0
Long-term Assets	819,294	71,798,476
Total Other Assetts	1,158,395	71,798,476
<b>Total Assets</b>	<b>\$6,487,092</b>	<b>\$71,797,401</b>
Current Liabilities	\$386,585	\$787,642
Long-Term Liabilities	0	12,049,282
Total Liabilities	386,585	12,836,924
Equity	6,100,507	58,960,478
<b>Total Liabilities and Equity</b>	<b>\$6,487,092</b>	<b>\$71,797,401</b>

**Moving King County Residents Forward**  
**Cash Reconciliation**  
**Properties and MKCRF**  
**As of March 31, 2025**

	MKCRF Properties			MKCRF		
	2025 Actual	2025 Annual Budget	Favorable (Unfavorable) % Variance	2025 Actual	2025 Annual Budget	Favorable (Unfavorable) % Variance
Beginning Cash Balance-Unrestricted	3,577,871			(10,007)		
Beginning Cash Balance-Designated	1,851,398			0		
Beginning Cash Balance-Restricted	79,661			0		
	<u>5,508,930</u>			<u>(10,007)</u>		
Tenant Revenue	2,721,052	2,687,919	101.2%	-	-	n/a
Operating Subsidy from HUD-HCV	-	-	n/a	-	-	n/a
Operating Subsidy from HUD-PH	-	-	n/a	-	-	n/a
Port-In Income	-	-	n/a	-	-	n/a
Other Operating Income	-	-	n/a	470,210	386,995	121.5% (6)
Total Operating Income	<u>2,721,052</u>	<u>2,687,919</u>	<u>101.2%</u>	<u>470,210</u>	<u>386,995</u>	<u>121.5%</u>
Salaries	(554,862)	(532,020)	-104.3%	-	-	n/a
Benefits	(215,066)	(217,320)	-99.0%	-	-	n/a
Occupancy Expenses	(505,145)	(912,503)	-55.4% (1)	-	-	n/a
HAP Expense-KCHA	-	-	n/a	-	-	n/a
HAP Expense-Ports In	-	-	n/a	-	-	n/a
Other Social Service Expenses	(55,396)	(44,091)	-125.6% (2)	-	-	n/a
Administrative Expenses	(311,618)	(361,476)	-86.2% (3)	(5,355)	(5,504)	-97.3%
Total Operating Costs	<u>(1,642,087)</u>	<u>(2,067,410)</u>	<u>-79.4%</u>	<u>(5,355)</u>	<u>(5,504)</u>	<u>-97.3%</u>
Total Operating Income before P & I	<u>1,078,965</u>	<u>620,509</u>	<u>173.9%</u>	<u>464,854</u>	<u>381,490</u>	<u>121.9%</u>
Transfers for Debt Service Payments	(386,995)	(386,995)	-100.0%	-	-	n/a
Transfers to Replacement Reserves	(77,137)	(56,034)	-137.7% (4)	-	-	n/a
Principal Payments	-	-	n/a	10,287,377	(235,619)	4366.1% (8)
Interest Payments	-	-	n/a	(156,618)	(151,376)	-103.5%
			n/a			n/a
Operating Cash Flow	<u>614,833</u>	<u>177,481</u>	<u>346.4%</u>	<u>10,595,613</u>	<u>(5,504)</u>	<u>192493.5%</u>
Non-Operating income	49,407	59,898	82.5% (5)	-	34	0.0%
Non-Operating Expenses	(83,215)	-	n/a (6)	-	-	n/a
Capital Expenditures	(14,542)	(14,346)	-101.4%	(83,215)	-	n/a (6)
Unit Upgrades	(443,151)	(366,537)	-120.9% (7)	-	-	n/a
Acquisitions/LIHTC Return to KCHA	-	-	n/a	-	-	n/a
Change in Designated Cash	-	-	n/a	-	-	n/a
Change in Restricted Cash	411	-	n/a	-	-	n/a
Transfers In/Out	-	-	n/a	-	-	n/a
Other Changes in Debt	-	-	n/a	-	-	n/a
Others Sources/(Uses of Cash)	(380,703)	0	n/a (9)	(10,517,753)	0	n/a (8)
Non Operating Net Sources (Uses) of Cash	<u>(871,793)</u>	<u>(320,985)</u>	<u>-271.6%</u>	<u>(10,600,968)</u>	<u>34</u>	<u>-30942697.5%</u>
Net Change in Unrestricted Cash	<u>(256,960)</u>	<u>(143,505)</u>	<u>-179.1%</u>	<u>(5,355)</u>	<u>(5,470)</u>	<u>-97.9%</u>
Ending Cash Balance-Unrestricted	3,320,912			(15,362)		
Ending Cash Balance-Designated	1,928,535			0		
Ending Cash Balance-Restricted	79,250			0		
	<u>5,328,697</u>			<u>(15,362)</u>		

- Maintenance, occupancy, and utility expenses are lower than budgeted due to slower spending and timing of utility bills as it is typically early in the year but are expected to increase as the year progresses.
- Property security expenses exceeded target due to increased patrol activities.
- Various categories were under target (Professional Services, Admin Supplies, Computer Equipment).
- Deposits to replacement reserves exceeded target.
- Allocation of interest income on deposits was below target. Interest income allocation depends on the ending cash balance.
- Payment to owner for MKCRF capital projects was not budgeted.
- Twenty eight unit upgrade projects were budgeted to be completed throughout the year. As of March, ten unit upgrades were completed. Unit upgrades depend on unit availability.
- Management decision was made to pay-off of the MKCRF loan with proceeds of the MTW reserves. Unbudgeted.
- Mainly due to a decrease in accounts payable and prepaid rent.

	<b>ACTUAL</b>
<b>Net Operating Cash Flow</b>	<b>Q1</b>
Operating Revenues	\$2,721,052
Operating Expenses	(\$1,638,936)
Debt Service	(\$386,995)
Transfers to Replacement Reserves	(\$77,137)
Net Operating Cash Flow	<u><u>\$617,984</u></u>



### ***Capital Projects***

KCHA's internal unit upgrade crews rehabilitated the interiors of ten of the twenty-eight standard units that were included in the 2025 budget. Unit upgrades depend on unit availability.

Since the transfer of the properties from KCHA to MKCRF in 2012, 285 units have been upgraded by KCHA's in-house unit upgrade crew. A total of 497 units (97.6%) have been upgraded since the inception of the unit upgrade program in 2006.

### ***Operations of Moving King County Residents Forward***

During the first quarter, MKCRF had small administrative expenses for Accountability Audit services provided by the State Auditors' Office. All required monthly debt service payments to KCHA were made.