

# MOVING KING COUNTY RESIDENTS FORWARD

## Hybrid Meeting of the Board of Directors Agenda

**Monday, June 17, 2024**

5:00 PM or immediately following the KCHA Board meeting

King County Housing Authority, 600 Andover Park West, Tukwila, WA 98188

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|---|----------|
| <b>I. Call to Order</b>   |          |
| <b>II. Roll Call</b>  |          |
| <b>III. Election of Officers</b>  | <b>1</b> |
| <b>A. Resolution 43 – Election of Officers</b>                                |          |
| • <b>President</b> – Doug Barnes  |          |
| • <b>Secretary</b> – Robin Walls  |          |
| • <b>Treasurer</b> – Richard Jackson  |          |
| <b>IV. Public Comment</b>   |          |
| <b>V. Approval of Minutes</b>   |          |
| A. February 20, 2024 - Board Meeting Minutes                                  | <b>2</b> |
| <b>VI. Briefings and Reports</b>  |          |
| A. First Quarter 2024 Financial Report for MKCRF and MKCRF – Owned Properties | <b>3</b> |
| <b>VII. Board of Directors Comments</b>                                       |          |
| <b>VIII. Adjourn</b>  |          |

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.

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**MOVING KING COUNTY RESIDENTS FORWARD**  
**RESOLUTION NO. 43**  
**ELECTION OF OFFICERS**

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**WHEREAS**, Moving King County Residents Forward (MKCRF) is a not-for-profit organization recognized by the IRS as a 501(c)3 whose purpose is to perform the functions of, or to carry out the purposes of, its qualified Supported Organizations; and

**WHEREAS**, MKCRF is registered with the State of Washington as a WA Non-Profit Corporation as of August 4, 2009; and,

**WHEREAS**, Article 4 of the By-Laws of MKCRF requires the election of a President, Secretary and Treasurer.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MOVING KING COUNTY RESIDENTS FORWARD:**

**Section 1:** The Board of Directors hereby nominates the following as Officers for MKCRF:

President:	<u>Doug Barnes</u>
Secretary:	<u>Robin Walls</u>
Treasurer:	<u>Richard Jackson</u>

**ADOPTED AT THE MEETING OF THE BOARD OF DIRECTORS OF MOVING KING COUNTY RESIDENTS FORWARD AT AN OPEN PUBLIC MEETING THIS 17<sup>th</sup> DAY OF JUNE, 2024.**

**MOVING KING COUNTY RESIDENTS FORWARD**

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**DOUGLAS J. BARNES**  
President, Board of Directors

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**ROBIN WALLS**  
Secretary

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**MINUTES OF THE MOVING KING COUNTY RESIDENTS FORWARD  
BOARD OF DIRECTORS SPECIAL HYBRID MEETING  
Tuesday, February 20, 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 4:28 p.m.

**II. ROLL CALL**

**Present:** Board of Directors: Doug Barnes, Regina Elmi, Richard Jackson, TerryLynn Stewart and Secretary of the Corporation, Robin Walls.

**Excused:** Robert Harmon

**III. PUBLIC COMMENT**

No Public Comment.

**IV. APPROVAL OF MINUTES**

A. September 25, 2023 Board of Directors Meeting Minutes

On motion by Director Richard Jackson and seconded by Director TerryLynn Stewart, the Board of Directors unanimously approved the September 25, 2023 MKCRF Meeting Minutes.

**V. BRIEFINGS AND REPORTS**

- A. Third Quarter 2023 Financial Report for MKCRF and MKCRF – Owned Properties
- B. Fourth Quarter 2023 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 TerryLynn Stewart moved and Director John Welch seconded the motion. The meeting was officially adjourned at 5:19 p.m.

**MOVING KING COUNTY  
RESIDENTS FORWARD**

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**DOUGLAS J. BARNES, President**

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**ROBIN WALLS, Secretary of the Corporation**

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# MOVING KING COUNTY RESIDENTS FORWARD

**TO:** Board of Directors

**FROM:** Tesh Assefa

**DATE:** May 28, 2024

**RE: 2024 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 four units using KCHA's internal unit upgrade crews.

## 2024 YEAR-END FINANCIAL REPORTS

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

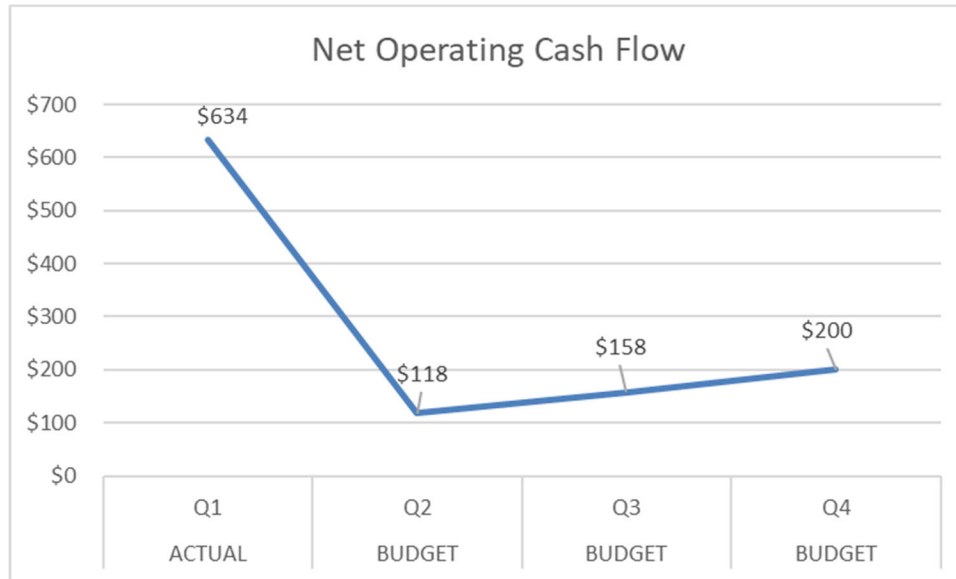
- Statement of Financial Position for the Properties that reflects their short-term assets and liabilities
- Statement of Financial Position for the non-profit Moving King County Residents Forward that reflects its long-term assets and liabilities, primarily the apartment complexes and related debt
- 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 102.1% of the budget. Operating expenses were slightly lower than anticipated at 81% 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 \$634 thousand after required debt service payments and additions to replacement reserves. This result was greater than the first-quarter budget of \$249 thousand. It is expected net operating cash flow will end the year close to budget.

	<b>ACTUAL</b>
<b>Net Operating Cash Flow</b>	<b>Q1</b>
Operating Revenues	\$2,608,932
Operating Expenses	(\$1,513,127)
Debt Service	(\$386,995)
Transfers to Replacement Reserves	(\$74,367)
Net Operating Cash Flow	<u>\$634,444</u>



***Capital Projects***

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

KCHA’s internal unit upgrade crews rehabilitated the interiors of four 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, 261 units have been upgraded by KCHA’s in-house unit upgrade crew. A total of 471 units (92.5%) 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 first 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 March 31, 2024**

	<b>MKCRF Properties 2024 Actual</b>	<b>MKCRF 2024 Actual</b>
Cash-Unrestricted	\$1,700,077	(\$1,075)
Cash-Held by Management Agent	0	0
Cash-Designated	1,628,835	0
Cash-Restricted	81,780	0
Total Cash	<u>3,410,692</u>	<u>(1,075)</u>
Current Assets	271,933	0
Long-term Assets	790,695	71,798,476
Total Other Assetts	<u>1,062,628</u>	<u>71,798,476</u>
<b>Total Assets</b>	<u><u>\$4,473,321</u></u>	<u><u>\$71,797,401</u></u>
Current Liabilities	\$418,566	\$787,642
Long-Term Liabilities	0	12,049,282
Total Liabilities	<u>418,566</u>	<u>12,836,924</u>
Equity	4,054,755	58,960,478
<b>Total Liabilities and Equity</b>	<u><u>\$4,473,321</u></u>	<u><u>\$71,797,401</u></u>

**Moving King County Residents Forward**  
**Cash Reconciliation**  
**Properties and MKCRF**  
**As of March 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	2,608,932	2,555,590	102.1%	-	-	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	542,573	398,305	136.2% (5)
Total Operating Income	<u>2,608,932</u>	<u>2,555,590</u>	<u>102.1%</u>	<u>542,573</u>	<u>398,305</u>	<u>136.2%</u>
Salaries	(501,977)	(437,842)	-114.6% (1)	-	-	n/a
Benefits	(198,390)	(184,977)	-107.3% (1)	-	-	n/a
Occupancy Expenses	(438,365)	(778,518)	-56.3% (2)	-	-	n/a
Maintenance Projects	(12,560)	(112,921)	-11.1% (2)	-	-	n/a
HAP Expense-KCHA	-	-	n/a	-	-	n/a
HAP Expense-Ports In	-	-	n/a	-	-	n/a
Other Social Service Expenses	(34,591)	(32,406)	-106.7%	-	-	n/a
Administrative Expenses	(327,243)	(320,437)	-102.1%	-	(5,254)	0.0%
Total Operating Costs	<u>(1,513,127)</u>	<u>(1,867,100)</u>	<u>-81.0%</u>	<u>-</u>	<u>(5,254)</u>	<u>0.0%</u>
Total Operating Income before P & I	<u>1,095,806</u>	<u>688,490</u>	<u>159.2%</u>	<u>542,573</u>	<u>393,051</u>	<u>138.0%</u>
Transfers for Debt Service Payments	(386,995)	(386,995)	-100.0%	-	-	n/a
Transfers to Replacement Reserves	(74,367)	(52,074)	-142.8% (3)	-	-	n/a
Principal Payments	-	-	n/a	(216,993)	(221,930)	-97.8%
Interest Payments	-	-	n/a	(170,002)	(165,064)	-103.0%
						n/a
Operating Cash Flow	<u>634,444</u>	<u>249,420</u>	<u>254.4%</u>	<u>155,578</u>	<u>6,056</u>	<u>2569.1%</u>
Non-Operating income	45,330	71,393	63.5% (4)	-	50	0.0%
Non-Operating Expenses	(177,068)	(11,310)	-1565.6% (5)	-	-	n/a
Capital Expenditures	(6,000)	(11,634)	-51.6%	(155,578)	(11,310)	-1375.6% (5)
Unit Upgrades	(170,901)	(363,081)	-47.1% (6)	-	-	n/a
Acquisitions/LIHTC Return to KCHA	-	-	n/a	-	-	n/a
Change in Designated Cash	-	-	n/a	-	-	n/a
Change in Restricted Cash	(305)	-	n/a	-	-	n/a
Transfers In/Out	-	-	n/a	-	-	n/a
Other Changes in Debt	-	-	n/a	-	-	n/a
Others Sources/(Uses of Cash)	(237,629)	0	n/a (7)	-	0	n/a
Non Operating Net Sources (Uses) of Cash	<u>(546,573)</u>	<u>(314,632)</u>	<u>-173.7%</u>	<u>(155,578)</u>	<u>(11,260)</u>	<u>-1381.7%</u>
Net Change in Unrestricted Cash	<u>87,870</u>	<u>(65,211)</u>	<u>134.7%</u>	<u>0</u>	<u>(5,204)</u>	<u>0.0%</u>
Ending Cash Balance-Unrestricted	1,700,077			(8,263)		
Ending Cash Balance-Designated	1,628,835			0		
Ending Cash Balance-Restricted	81,780			0		
	<u>3,410,692</u>			<u>(8,263)</u>		

- 1) The union contract was signed during the 1st quarter and maintenance staff were paid back-pay effective November 2023. Several employees received salary increases during the 1st quarter for delayed merit increases.
- 2) 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.
- 3) Deposits to replacement reserves exceeded target.
- 4) Allocation of interest income on deposits was below target. Interest income allocation depends on the ending cash balance.
- 5) The Juanita Trace roof repair and Eastridge fire monitoring system upgrade projects were budgeted in 2023. However, actual work continued through the 1st quarter of this year resulting in higher than target capital transfer.
- 6) Twenty eight unit upgrade projects were budgeted to be completed throughout the year. As of March, four unit upgrades were completed. Unit upgrades depend on unit availability.
- 7) Mainly due to a decrease in accounts payable.