

MOVING KING COUNTY RESIDENTS FORWARD

Hybrid Meeting of the Board of Directors Agenda

Monday, October 20, 2025

5:00 PM or immediately following the KCHA Board meeting

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

I. Call to Order

II. Roll Call

III. Election of Officers

A. Resolution 44 – Election of Officers

- **President –**
- **Secretary – Robin Walls**
- **Treasurer –**

IV. Public Comment

V. Approval of Minutes

A. June 30, 2025 - Board Meeting Minutes **1**

VI. Briefings and Reports

A. Second Quarter 2025 Financial Report for MKCRF and
MKCRF – Owned Properties **2**

VII. Board of Directors Comments

VIII. 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 prior to the meeting date. If you have questions, please call 206-574-1206.

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

Monday, June 30, 2025

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: Richard Jackson, Tina Keys, Jerry Lee, Neal Black and Secretary of the Corporation, Robin Walls.

Absent: Regina Elmi

III. PUBLIC COMMENT

No Public Comment.

IV. APPROVAL OF MINUTES

A. November 18, 2024 - Board of Directors Meeting Minutes

On motion by Director Tina Keys and seconded by Director Neal Black, the Board of Directors unanimously approved the November 18, 2024 MKCRF Meeting Minutes.

V. BRIEFINGS AND REPORTS

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

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

Wendy Teh, VP of Finance gave a detailed explanation on the reports.

VI. BOARD OF DIRECTORS COMMENTS

None.

VII. ADJOURNMENT

Director Tina Keys moved and Director Neal Black seconded the motion.

The meeting was officially adjourned at 4:41 p.m.

**MOVING KING COUNTY
RESIDENTS FORWARD**

JERRY LEE, President

ROBIN WALLS, Secretary of the Corporation

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MOVING KING COUNTY RESIDENTS FORWARD

TO: Board of Directors

FROM: Wendy Teh
Vice President of Finance

DATE: October 20, 2025

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

EXECUTIVE SUMMARY

Through the second 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 seventeen units using KCHA's internal unit upgrade crews.

2025 2nd QUARTER FINANCIAL REPORTS

Attached are the unaudited financial reports for the quarter ending June 30, 2025:

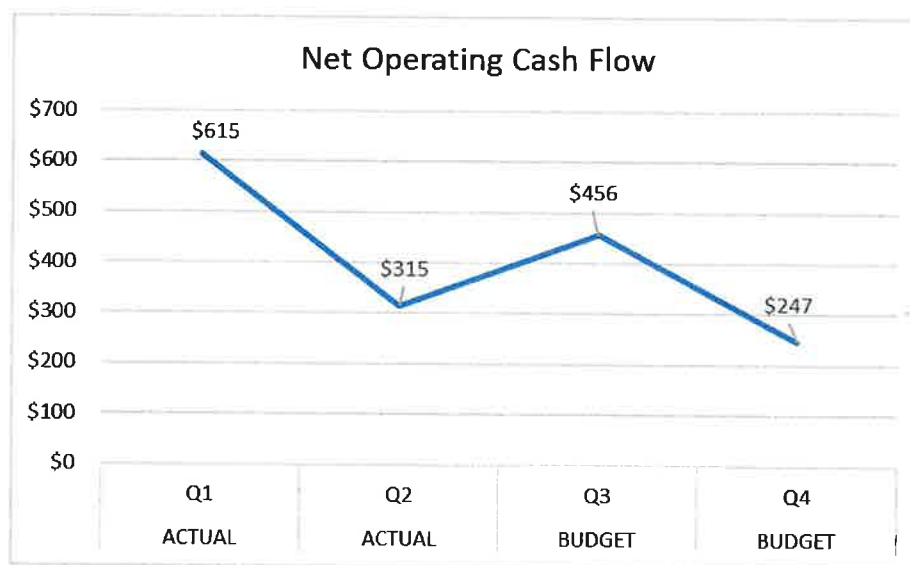
- Statement of Financial Position for the Properties that reflects their short-term assets and liabilities
- Statement of Financial Position for the non-profit Moving King County Residents Forward that reflects its long-term assets and liabilities, primarily the apartment complexes and related debt
- 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 101.5% of the budget. Operating expenses were slightly lower than anticipated at 84.5% of the budget, due mostly to the timing of occupancy, maintenance, and utility expenses.

During the second quarter, the properties generated net operating cash flow of \$930 thousand after required debt service payments and additions to replacement reserves. This result was higher than the second quarter budgeted surplus of \$235 thousand.

	ACTUAL
Net Operating Cash Flow	Q2
Operating Revenues	\$2,733,109
Operating Expenses	(\$1,953,579)
Debt Service	(\$386,995)
Transfers to Replacement Reserves	(\$77,707)
Net Operating Cash Flow	<u><u>\$314,829</u></u>



Capital Projects

KCHA's internal unit upgrade crews rehabilitated the interiors of seventeen 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, 292 units have been upgraded by KCHA's in-house unit upgrade crew. A total of 504 units (99%) 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.

Moving King County Residents Forward
Cash Reconciliation
Properties and MKCRF
As of June 30, 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	5,454,161	5,375,922	101.5%	-	-	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	91	-	n/a	985,906	773,990	127.4% (6)
Total Operating Income	<u>5,454,252</u>	<u>5,375,922</u>	<u>101.5%</u>	<u>985,906</u>	<u>773,990</u>	<u>127.4%</u>
Salaries	(1,023,374)	(988,115)	-103.6%	-	-	n/a
Benefits	(415,838)	(404,095)	-102.9%	-	-	n/a
Occupancy Expenses	(1,411,307)	(2,068,622)	-68.2% (1)	-	-	n/a
HAP Expense-KCHA	-	-	n/a	-	-	n/a
HAP Expense-Ports In	-	-	n/a	-	-	n/a
Other Social Service Expenses	(120,363)	(88,181)	-136.5% (2)	-	-	n/a
Administrative Expenses	(624,784)	(706,067)	-88.5% (3)	(5,912)	(11,009)	-53.7%
Total Operating Costs	<u>(3,595,666)</u>	<u>(4,255,081)</u>	<u>-84.5%</u>	<u>(5,912)</u>	<u>(11,009)</u>	<u>-53.7%</u>
Total Operating Income before P & I	<u>1,858,586</u>	<u>1,120,841</u>	<u>165.8%</u>	<u>979,994</u>	<u>762,981</u>	<u>128.4%</u>
Transfers for Debt Service Payments	(773,990)	(773,990)	-100.0%	-	-	n/a
Transfers to Replacement Reserves	(154,844)	(112,067)	-138.2% (4)	-	-	n/a
Principal Payments	-	-	n/a	(464,226)	(471,237)	-98.5%
Interest Payments	-	-	n/a	(309,764)	(302,752)	-102.3%
			n/a			n/a
Operating Cash Flow	<u>929,752</u>	<u>234,784</u>	<u>396.0%</u>	<u>206,005</u>	<u>(11,009)</u>	<u>1871.3%</u>
Non-Operating Income	108,954	119,796	90.9% (5)	-	69	0.0%
Non-Operating Expenses	(211,916)	-	n/a (6)	-	-	n/a
Capital Expenditures	(1,744)	(14,346)	-12.2%	(211,916)	-	n/a (6)
Unit Upgrades	(665,633)	(733,075)	-90.8% (7)	-	-	n/a
Acquisitions/LIHTC Return to KCHA	-	-	n/a	-	-	n/a
Change in Designated Cash	-	-	n/a	-	-	n/a
Change in Restricted Cash	836	-	n/a	-	-	n/a
Transfers In/Out	-	-	n/a	-	-	n/a
Other Changes in Debt	-	-	n/a	-	-	n/a
Others Sources/(Uses of Cash)	(278,764)	0	n/a (8)	-	0	n/a
Non Operating Net Sources (Uses) of Cash	<u>(1,048,268)</u>	<u>(627,625)</u>	<u>-167.0%</u>	<u>(211,916)</u>	<u>69</u>	<u>-309276.5%</u>
Net Change in Unrestricted Cash	<u>(118,515)</u>	<u>(392,840)</u>	<u>-30.2%</u>	<u>(5,912)</u>	<u>(10,940)</u>	<u>-54.0%</u>
Ending Cash Balance-Unrestricted	3,459,356			(15,918)		
Ending Cash Balance-Designated	2,006,242			0		
Ending Cash Balance-Restricted	78,825			0		
	<u>5,544,423</u>			<u>(15,918)</u>		

- 1) Maintenance, occupancy, and utility expenses are currently lower than budgeted due to slower spending and the timing of seasonal maintenance and repairs, these expenses are expected to increase as the year progresses.
- 2) Property security expenses exceeded target due to increased patrol activities.
- 3) Various categories were under target (Professional Services, Admin Supplies, Computer Equipment).
- 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) Payment to owner for MKCRF capital projects was not budgeted.
- 7) Twenty eight unit upgrade projects were budgeted to be completed throughout the year. As of June, Seventeen unit upgrades were completed. Unit upgrades depend on unit availability. Due to timing, some of the unit upgrade invoices were paid in the third quarter.
- 8) Mainly due to a decrease in accounts payable and prepaid rent, offset by increase in prepaid insurance and tenant receivables.

Moving King County Residents Forward
Statement of Net Position
Properties and MKCRF
As of June 30, 2025

	MKCRF Properties 2025 Actual	MKCRF 2025 Actual
Cash-Unrestricted	\$3,459,356	(\$5,412)
Cash-Held by Management Agent	0	0
Cash-Designated	2,006,242	0
Cash-Restricted	78,825	0
Total Cash	5,544,423	(5,412)
Current Assets	252,597	0
Long-term Assets	805,084	72,133,082
Total Other Assets	1,057,681	72,133,082
Total Assets	\$6,602,104	\$72,127,670
Current Liabilities	\$402,019	\$787,642
Long-Term Liabilities	0	11,853,867
Total Liabilities	402,019	12,641,508
Equity	6,200,084	59,486,162
Total Liabilities and Equity	\$6,602,104	\$72,127,670