

# HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY



## HYBRID MEETING OF THE BOARD OF COMMISSIONERS

Thursday, August 28<sup>th</sup> @ 10:45am

**Zoom Link:**

**<https://kcha-org.zoom.us/j/83640595870>**

Hillsvue Apartments  
830 Township St  
Sedro-Woolley, WA 98284

# HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY



## SPECIAL MEETING OF THE BOARD OF COMMISSIONERS AGENDA

**Thursday, August 28, 2025 - 10:45am**

Hillsvew Apartments – 830 Township Street, Sedro-Woolley, WA 98284

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- I. Call to Order**
  - II. Roll Call**
  - III. Public Comment**
  - IV. Approval of Minutes** **1**
    - A. Board Meeting Minutes – June 26, 2025
  - V. Action Items for Discussion & Approval**
    - A. Approval of Voucher Report – June 1, 2025 to July 31, 2025 **2**
  - VI. Reports**
    - A. Financial Report for June 2025 **3**  
*(Sean Lay, Financial Reporting Manager)*
    - B. Housing Management Report for June/July 2025 **4**  
*(Penny Bradley, Asst VP of Property Management-Administration)*
    - C. Funding Stability  
*(Andria Lazaga, VP of Compliance and Policy)*
    - D. Fair Market Rates (FMR) **5**
    - E. Federal Update  
*(Robin Walls, President/CEO)*
  - VII. New Business**
    - A. 5-Year PHA and Capital Action Plans out for Comment
  - VIII. Adjournment**

# T A B N U M B E R

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**SPECIAL HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY**  
**BOARD OF COMMISSIONERS**  
**MEETING MINUTES**  
**Thursday, June 26, 2025**

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**I. Call to Order**

The special meeting of the Board of Commissioners of the Sedro-Woolley Housing Authority was called to order by Chair Laurie Fellers at 10:52a.m., on Thursday, June 26, 2025.

**II. Roll Call**

**Present:** Commissioner Laurie Fellers (Chair), Commissioner Debra Lancaster, Commissioner Mario Padilla (via Zoom).

**Excused:** Commissioner Kevin Riley

**III. Public Comment**

No public comment.

**IV. Approval of Minutes**

A. April 17, 2025

Commissioner Debra Lancaster moved for approval of the Minutes with the correction of time started, seconded by Commissioner Mario Padilla; the Board unanimously approved the Minutes from April 17, 2025.

**V. Action Items for Discussion & Approval**

A. Approval of Voucher Report April 1, 2025 to May 31, 2025

Questions of Commissioners were answered.

Commissioner Debra Lancaster moved for approval of the Voucher Report, seconded by Commissioner Mario Padilla; the board unanimously approved the Voucher Report for April 1, 2025 to May 31, 2025.

**VI. Reports**

A. Financial Report for April 2025

Sean Lay, Financial Reporting Manager gave a detailed report of the Financial Report.

Questions of Commissioners were answered.

B. Housing Management Report for April/May 2025

Sela Kennedy, Regional Manager, gave details for the Housing Management Report.

## **VIII. New Business**

### **A. Federal Happenings**

The Project Based Voucher Program Issue that was in the Seattle times, not related to SWHA. For our HCVP, one of the plans is to block grant to the State. The state normally does not have a role administering it, so this would be something new. Congress is the body of Government that appropriates funding for the program and it would take a super majority to pass, which is highly unlikely. The proposed White House budget would have a deep slash to programs, around to 43% reduction. This would impact Sedro-Woolley Housing Authority if that level of program funding would go through. We need to bring this forward for discussion, with respect to some of the recent spending that we have made on the elevators. KCHA has decided to move forward by repositioning our public housing portfolio through the RAD process. We have energy performance contracts that are expiring at the end of the year. The RAD conversion will allow us to maintain our rents at our current level. Where we would lose our subsidy from the energy performance contracts that are expiring. Capital funds that are allocated to public housing units, if there are deep cuts to the program, the capital funds will be cut deep and frankly they will probably be deeper than even the funding for the voucher program. Public Housing operating subsidies are also at risk. What we know with respect to Sedro-Woolley, and us having to pay a certain amount to relocate people temporarily, once the elevators went out, there are very thin margins for operating in terms of the current structure. If capital funds are impacted at all, and to a certain extent, KCHA already supplements some of Sedro-Woolley's operations already. This RAD conversation is one that we need to have soon to increase revenue in a very threatened funding environment.

We annually review the rents. Fair Market Rent – in April – we can pull the FMR's and look at those. We will add to the next agenda to talk about.

Commissioners would like to add to future agendas to do a check-in of what is happening federally.

### **Adjournment**

There being no further business before the Board of Commissioners, the meeting was adjourned at 11:19 a.m.

**THE HOUSING AUTHORITY OF THE  
CITY OF SEDRO-WOOLLEY, WASHINGTON**

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**LAURIE FELLERS, Chair**  
Board of Commissioners

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**ROBIN WALLS**  
President/CEO

# T A B N U M B E R

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# HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY



*SWHA Board of Commissioners*  
Laurie Fellers, *Chair*  
Katherine Olson  
Debra Lancaster  
Kevin Riley

*KCHA President/CEO*  
Robin Walls

**TO:** Board of Commissioners

**FROM:** Crystal Barrow-Mendez, Accounting Manager

**DATE:** August 06, 2025

**RE:** Approval of Vouchers June 1, 2025 to July 31, 2025

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I, Crystal Barrow-Mendez, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein and that the expenditures represented by the summary listed below were just obligations of the Sedro-Woolley Housing Authority, and that I am authorized to authenticate and certify said claims.

*Crystal Mendez*  
\_\_\_\_\_  
Crystal Barrow-Mendez  
Accounting Manager  
August 06, 2025

## **Expenditures to Sedro-Woolley**

### Operations

Directly to Cedar Grove	35,606.95
Cedar Grove Voids	<u>0.00</u>
Cedar Grove Total	35,606.95

Directly to Hillsvie	31,539.48
Hillsvie Voids	<u>0.00</u>
Hillsvie Total	<u>31,539.48</u>

<b>Total Expenditures</b>	<u><u>67,146.43</u></u>
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SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
6/01/2025 TO 7/31/2025

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
<b>CEDAR GROVE</b>						
170000	Work-In-Process	13,920.17	OLYMPIC ROOFING LLC	CEDAR GROVE 2 BLDG C	6/27/2025	358199
200200	Contract Retentions	(696.01)	OLYMPIC ROOFING LLC	CEDAR GROVE 2 BLDG C	6/27/2025	358199
409003	Benefits-Uniforms	48.75	IMAGE SOURCE INC	Polos	6/27/2025	358187
409004	Benefits-Work Boots	100.00	RED WING BUSINESS ADVANTAGE ACCOUNT	OLIVER HUNT **ONLY ALLOWED \$400.00	6/13/2025	357977
411100	Computer Equip-Hardware	3.08	COMPUNET INC	CATO ANNUAL SUBSCRIPTION	7/25/2025	358625
411102	Computer Equip-Hardware Maintenance	2.11	GENERAL DATATECH LP	CON SNTP 1	7/3/2025	358285
411104	Computer Equip-Software as a Service Fees	5.92	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	7/3/2025	358240
411104	Computer Equip-Software as a Service Fees	189.66	COMPUNET INC	CATO ANNUAL SUBSCRIPTION	7/25/2025	358625
411901	Equip-Other-Leased/Rented	1.42	QUADIENT LEASING USA INC	CUST 00904969	6/6/2025	357871
411901	Equip-Other-Leased/Rented	1.40	CANON FINANCIAL	CONTRACT 0667544-005	6/6/2025	357842
411901	Equip-Other-Leased/Rented	1.42	CANON FINANCIAL	CONTRACT 0667544-005	6/27/2025	358171
411901	Equip-Other-Leased/Rented	1.40	CANON FINANCIAL	CONTRACT 0667544-005	7/25/2025	358580
420101	Professional Services-Auditing	121.63	STATE AUDITOR S OFFICE	AUDIT PERIOD 20-23	6/27/2025	358122
421904	Admin - Cloud Recovery Services	15.24	NET2VAULT LLC	MANAGED VAULTING	6/13/2025	357966
421904	Admin - Cloud Recovery Services	15.27	NET2VAULT LLC	MANAGED VAULTING	7/11/2025	358371
450002	Comm-Phones Lines-Service-Digital Voice	0.39	INTRADO LIFE & SAFETY INC	ENTERPRISE ENDPOINT MONTHLY APRIL 2025	6/13/2025	357973
450002	Comm-Phones Lines-Service-Digital Voice	0.35	CENTURYLINK	MONTHLY CHGS	6/20/2025	358052
450002	Comm-Phones Lines-Service-Digital Voice	0.35	CENTURYLINK	MONTHLY CHGS	6/20/2025	358052
450002	Comm-Phones Lines-Service-Digital Voice	0.35	CENTURYLINK	6/24-7/23/25 CHGS	7/11/2025	358331
450002	Comm-Phones Lines-Service-Digital Voice	0.35	CENTURYLINK	6/24-7/23/25 CHGS	7/11/2025	358331
450002	Comm-Phones Lines-Service-Digital Voice	0.77	INTRADO LIFE & SAFETY INC	ENTERPRISE ENDPOINT	7/25/2025	358591
450100	Comm-Long Distance Charges	0.14	CENTURYLINK	MONTHLY CHGS	6/6/2025	357877
450100	Comm-Long Distance Charges	0.14	CENTURYLINK	3/12-4/11/25 CHGS	6/27/2025	358202
491000	Admin Exp-Criminal/Background Checks	15.45	NATIONAL CREDIT REPORTING	BACKGROUND CHECK	7/11/2025	358329
491001	Admin Exp-Tenant Screening	3.67	CARAHSOFT TECHNOLOGY CORPORATION	PO NUMBER A1B2WA000POT	6/20/2025	358087
493000	Other Admin Exp-Postage	14.15	MAIL ADVERTISING BUREAU INC	JUNE 2025 STATEMENTS	6/13/2025	357911
493000	Other Admin Exp-Postage	150.70	MAIL ADVERTISING BUREAU INC	KCHA CAC MAILING	6/13/2025	357911
493000	Other Admin Exp-Postage	6.62	QUADIENT FINANCE USA INC	ACCT 7900 0440 8081 6949	6/27/2025	358194
493000	Other Admin Exp-Postage	14.12	MAIL ADVERTISING BUREAU INC	JULY STMT	7/18/2025	358423
493000	Other Admin Exp-Postage	6.62	QUADIENT FINANCE USA INC	ACCT 7900 0440 8081 6949	7/25/2025	358603
493100	Other Admin Exp-Mail Handling	2.32	MAIL ADVERTISING BUREAU INC	JUNE 2025 STATEMENTS	6/13/2025	357911
493100	Other Admin Exp-Mail Handling	2.32	MAIL ADVERTISING BUREAU INC	JULY STMT	7/18/2025	358423
520104	Social Service-Interpretation	1.90	EFFECTIFF LLC	KING COUNTY PROPERTY MGMT	6/20/2025	358107
520104	Social Service-Interpretation	1.68	EFFECTIFF LLC	KING COUNTY PROPERTY MGMT	7/18/2025	358505
610003	Occ Exp-Materials-Carpentry	244.21	THE HOME DEPOT	MAINT SUPPLIES	6/6/2025	357806
610003	Occ Exp-Materials-Carpentry	211.26	THE HOME DEPOT	MAINT SUPPLIES	6/6/2025	357806
610003	Occ Exp-Materials-Carpentry	980.23	THE HOME DEPOT	SARAMAR - 1 QTY	6/6/2025	357806
610003	Occ Exp-Materials-Carpentry	1,352.00	CONSTRUCTION GROUP INTER LLC	ASBESTOS ABATEMENT	7/3/2025	358248
610009	Occ Exp-Materials-Disaster Preparedness	4.42	CELLHIRE USA LLC	IRIDIUM 975 PHONE AND SERVICE	6/20/2025	358112
610009	Occ Exp-Materials-Disaster Preparedness	0.19	CELLHIRE USA LLC	MONTHLY SERVICE FEE	7/25/2025	358631
620012	Occ Exp-Maint-Pest Control	29.08	STOP BUGGING ME PEST CONTROL	Pest Control	7/3/2025	358270



SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
6/01/2025 TO 7/31/2025

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
620012	Occ Exp-Maint-Pest Control	29.08	STOP BUGGING ME PEST CONTROL	Pest Control	7/3/2025	358270
620012	Occ Exp-Maint-Pest Control	29.08	STOP BUGGING ME PEST CONTROL	Pest Control	7/3/2025	358270
620012	Occ Exp-Maint-Pest Control	32.95	STOP BUGGING ME PEST CONTROL	Pest Control	7/3/2025	358270
620012	Occ Exp-Maint-Pest Control	29.08	STOP BUGGING ME PEST CONTROL	PEST CONTROL	7/25/2025	358587
620012	Occ Exp-Maint-Pest Control	29.08	STOP BUGGING ME PEST CONTROL	PEST CONTROL	7/25/2025	358587
620012	Occ Exp-Maint-Pest Control	29.08	STOP BUGGING ME PEST CONTROL	PEST CONTROL	7/25/2025	358587
620013	Occ Exp-Maint-Yard/Garden/Landscaping	2,621.85	SKAGIT LANDSCAPING LLC	LANDSCAPING SVC - MAR-25	6/6/2025	357875
620013	Occ Exp-Maint-Yard/Garden/Landscaping	3,869.25	SKAGIT LANDSCAPING LLC	LANDSCAPING SVC - MAY-25	6/6/2025	357875
620013	Occ Exp-Maint-Yard/Garden/Landscaping	2,621.85	SKAGIT LANDSCAPING LLC	JANDSCAPING SVC - JUN-25	6/27/2025	358200
660000	Occ Exp-Utilities-Water	156.34	PUBLIC UTILITY DISTRICT #1	WATER	7/18/2025	358459
660000	Occ Exp-Utilities-Water	142.13	PUBLIC UTILITY DISTRICT #1	WATER	7/18/2025	358459
660000	Occ Exp-Utilities-Water	109.21	PUBLIC UTILITY DISTRICT #1	WATER	7/18/2025	358459
660000	Occ Exp-Utilities-Water	206.04	PUBLIC UTILITY DISTRICT #1	WATER	7/18/2025	358459
660000	Occ Exp-Utilities-Water	104.68	PUBLIC UTILITY DISTRICT #1	WATER	7/18/2025	358459
660000	Occ Exp-Utilities-Water	177.64	PUBLIC UTILITY DISTRICT #1	WATER	7/18/2025	358459
660000	Occ Exp-Utilities-Water	127.93	PUBLIC UTILITY DISTRICT #1	WATER	7/18/2025	358459
660000	Occ Exp-Utilities-Water	177.64	PUBLIC UTILITY DISTRICT #1	WATER	7/18/2025	358459
660000	Occ Exp-Utilities-Water	127.93	PUBLIC UTILITY DISTRICT #1	WATER	7/18/2025	358459
660000	Occ Exp-Utilities-Water	171.88	PUBLIC UTILITY DISTRICT #1	WATER	7/25/2025	358567
660000	Occ Exp-Utilities-Water	193.34	PUBLIC UTILITY DISTRICT #1	WATER	7/25/2025	358567
660000	Occ Exp-Utilities-Water	164.71	PUBLIC UTILITY DISTRICT #1	WATER	7/25/2025	358567
660000	Occ Exp-Utilities-Water	164.71	PUBLIC UTILITY DISTRICT #1	WATER	7/25/2025	358567
660000	Occ Exp-Utilities-Water	136.08	PUBLIC UTILITY DISTRICT #1	WATER	7/25/2025	358567
660000	Occ Exp-Utilities-Water	186.19	PUBLIC UTILITY DISTRICT #1	WATER	7/25/2025	358567
660000	Occ Exp-Utilities-Water	157.56	PUBLIC UTILITY DISTRICT #1	WATER	7/25/2025	358567
660000	Occ Exp-Utilities-Water	179.03	PUBLIC UTILITY DISTRICT #1	WATER	7/25/2025	358567
660000	Occ Exp-Utilities-Water	94.41	PUBLIC UTILITY DISTRICT #1	WATER	7/25/2025	358567
660000	Occ Exp-Utilities-Water	200.50	PUBLIC UTILITY DISTRICT #1	WATER	7/25/2025	358567
660000	Occ Exp-Utilities-Water	150.40	PUBLIC UTILITY DISTRICT #1	WATER	7/25/2025	358567
660100	Occ Exp-Utilities-Sewer	324.33	CITY OF SEDRO WOOLLEY	SEWER	6/13/2025	357952
660100	Occ Exp-Utilities-Sewer	816.49	CITY OF SEDRO WOOLLEY	SEWER	6/13/2025	357952
660100	Occ Exp-Utilities-Sewer	486.02	CITY OF SEDRO WOOLLEY	SEWER	6/13/2025	357952
660100	Occ Exp-Utilities-Sewer	815.80	CITY OF SEDRO WOOLLEY	SEWER	7/18/2025	358464
660100	Occ Exp-Utilities-Sewer	487.00	CITY OF SEDRO WOOLLEY	SEWER	7/18/2025	358464
660100	Occ Exp-Utilities-Sewer	324.97	CITY OF SEDRO WOOLLEY	SEWER	7/18/2025	358464
660200	Occ Exp-Utilities-Electricity	17.92	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	7/3/2025	358257
660200	Occ Exp-Utilities-Electricity	52.28	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	7/3/2025	358257
660200	Occ Exp-Utilities-Electricity	59.73	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	7/3/2025	358257
660300	Occ Exp-Utilities-Natural Gas	60.52	CASCADE NATURAL GAS CO	GAS	6/13/2025	357939
660300	Occ Exp-Utilities-Natural Gas	32.61	CASCADE NATURAL GAS CO	GAS	7/11/2025	358346
660500	Occ Exp-Utilities-Surface Water Mgmt	29.99	CITY OF SEDRO WOOLLEY	STORM	6/13/2025	357952
660500	Occ Exp-Utilities-Surface Water Mgmt	75.80	CITY OF SEDRO WOOLLEY	STORM	6/13/2025	357952

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
6/01/2025 TO 7/31/2025

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
660500	Occ Exp-Utilities-Surface Water Mgmt	44.91	CITY OF SEDRO WOOLLEY	STORM	6/13/2025	357952
660500	Occ Exp-Utilities-Surface Water Mgmt	30.08	CITY OF SEDRO WOOLLEY	STORM	7/18/2025	358464
660500	Occ Exp-Utilities-Surface Water Mgmt	75.70	CITY OF SEDRO WOOLLEY	STORM	7/18/2025	358464
660500	Occ Exp-Utilities-Surface Water Mgmt	45.05	CITY OF SEDRO WOOLLEY	STORM	7/18/2025	358464
660700	Occ Exp-Utilities-Garbage	227.05	CITY OF SEDRO WOOLLEY	GARBAGE	6/13/2025	357952
660700	Occ Exp-Utilities-Garbage	738.22	CITY OF SEDRO WOOLLEY	GARBAGE	6/13/2025	357952
660700	Occ Exp-Utilities-Garbage	338.15	CITY OF SEDRO WOOLLEY	GARBAGE	6/13/2025	357952
660700	Occ Exp-Utilities-Garbage	245.10	CITY OF SEDRO WOOLLEY	GARBAGE	7/18/2025	358464
660700	Occ Exp-Utilities-Garbage	718.58	CITY OF SEDRO WOOLLEY	GARBAGE	7/18/2025	358464
660700	Occ Exp-Utilities-Garbage	365.76	CITY OF SEDRO WOOLLEY	GARBAGE	7/18/2025	358464
	SUBTOTAL CEDAR GROVE	35,606.95				
	CEDAR GROVE VOIDS	-				
	<b>TOTAL CEDAR GROVE</b>	<b>35,606.95</b>				
<b>HILLSVIEW</b>						
Account	Account(T)	Amount	Vendor(T)	Voucher Description	Pay Date	Check No
392099	Other Income	866.39	KEY BANK	TA COLLECTION PAYMENT FROM MF TO TA	6/27/2025	358127
409003	Benefits-Uniforms	146.25	IMAGE SOURCE INC	Polos	6/27/2025	358187
409004	Benefits-Work Boots	300.00	RED WING BUSINESS ADVANTAGE ACCOUNT	OLIVER HUNT **ONLY ALLOWED \$400.00	6/13/2025	357977
411100	Computer Equip-Hardware	8.80	COMPUNET INC	CATO ANNUAL SUBSCRIPTION	7/25/2025	358625
411102	Computer Equip-Hardware Maintenance	6.02	GENERAL DATATECH LP	CON SNTF 1	7/3/2025	358285
411104	Computer Equip-Software as a Service Fees	16.92	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	7/3/2025	358240
411104	Computer Equip-Software as a Service Fees	541.89	COMPUNET INC	CATO ANNUAL SUBSCRIPTION	7/25/2025	358625
411901	Equip-Other-Leased/Rented	4.21	CANON FINANCIAL	CONTRACT 0667544-005	6/6/2025	357842
411901	Equip-Other-Leased/Rented	4.25	QUADIENT LEASING USA INC	CUST 00904969	6/6/2025	357871
411901	Equip-Other-Leased/Rented	4.25	CANON FINANCIAL	CONTRACT 0667544-005	6/27/2025	358171
411901	Equip-Other-Leased/Rented	4.21	CANON FINANCIAL	CONTRACT 0667544-005	7/25/2025	358580
420101	Professional Services-Auditing	364.87	STATE AUDITOR S OFFICE	AUDIT PERIOD 20-23	6/27/2025	358122
421904	Admin - Cloud Recovery Services	43.56	NET2VAULT LLC	MANAGED VAULTING	6/13/2025	357966
421904	Admin - Cloud Recovery Services	43.64	NET2VAULT LLC	MANAGED VAULTING	7/11/2025	358371
440011	Travel-Mileage Reimbursement	380.80	OLIVER HUNT	4/24-6/5/25 MILEAGE	7/3/2025	358297
450002	Comm-Phones Lines-Service-Digital Voice	1.10	INTRADO LIFE & SAFETY INC	ENTERPRISE ENDPOINT MONTHLY APRIL 2025	6/13/2025	357973
450002	Comm-Phones Lines-Service-Digital Voice	1.01	CENTURYLINK	MONTHLY CHGS	6/20/2025	358052
450002	Comm-Phones Lines-Service-Digital Voice	1.01	CENTURYLINK	MONTHLY CHGS	6/20/2025	358052
450002	Comm-Phones Lines-Service-Digital Voice	1.01	CENTURYLINK	6/24-7/23/25 CHGS	7/11/2025	358331
450002	Comm-Phones Lines-Service-Digital Voice	1.01	CENTURYLINK	6/24-7/23/25 CHGS	7/11/2025	358331
450002	Comm-Phones Lines-Service-Digital Voice	2.21	INTRADO LIFE & SAFETY INC	ENTERPRISE ENDPOINT	7/25/2025	358591
450003	Comm-Phones Lines-Security	135.00	WASHINGTON TECHNOLOGY SOLUTIONS	MONTHLY CHGS	6/27/2025	358169
450100	Comm-Long Distance Charges	0.39	CENTURYLINK	MONTHLY CHGS	6/6/2025	357877
450100	Comm-Long Distance Charges	0.41	CENTURYLINK	3/12-4/11/25 CHGS	6/27/2025	358202
491000	Admin Exp-Criminal/Background Checks	46.35	NATIONAL CREDIT REPORTING	BACKGROUND CHECK	7/11/2025	358329

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
6/01/2025 TO 7/31/2025

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
491001	Admin Exp-Tenant Screening	11.02	CARASOFT TECHNOLOGY CORPORATION	PO NUMBER A1B2WA000POT	6/20/2025	358087
493000	Other Admin Exp-Postage	42.45	MAIL ADVERTISING BUREAU INC	JUNE 2025 STATEMENTS	6/13/2025	357911
493000	Other Admin Exp-Postage	452.09	MAIL ADVERTISING BUREAU INC	KCHA CAC MAILING	6/13/2025	357911
493000	Other Admin Exp-Postage	19.86	QUADIENT FINANCE USA INC	ACCT 7900 0440 8081 6949	6/27/2025	358194
493000	Other Admin Exp-Postage	42.36	MAIL ADVERTISING BUREAU INC	JULY STMT	7/18/2025	358423
493000	Other Admin Exp-Postage	19.86	QUADIENT FINANCE USA INC	ACCT 7900 0440 8081 6949	7/25/2025	358603
493100	Other Admin Exp-Mail Handling	6.97	MAIL ADVERTISING BUREAU INC	JUNE 2025 STATEMENTS	6/13/2025	357911
493100	Other Admin Exp-Mail Handling	6.96	MAIL ADVERTISING BUREAU INC	JULY STMT	7/18/2025	358423
520104	Social Service-Interpretation	5.71	EFFECTIFF LLC	KING COUNTY PROPERTY MGMT	6/20/2025	358107
520104	Social Service-Interpretation	5.04	EFFECTIFF LLC	KING COUNTY PROPERTY MGMT	7/18/2025	358505
610001	Occ Exp-Materials-Plumbing	31.49	HD SUPPLY FACILITIES MAINTENANCE	MAINT SUPPLIES	6/13/2025	357913
610009	Occ Exp-Materials-Disaster Preparedness	12.62	CELLHIRE USA LLC	IRIDIUM 975 PHONE AND SERVICE	6/20/2025	358112
610009	Occ Exp-Materials-Disaster Preparedness	0.54	CELLHIRE USA LLC	MONTHLY SERVICE FEE	7/25/2025	358631
620006	Occ Exp-Maint-Floor Covering	2,554.40	GREAT FLOORS LLC	VINYL INSTALL - UNIT 101	6/6/2025	357846
620006	Occ Exp-Maint-Floor Covering	3,732.00	GREAT FLOORS LLC	VINYL INSTALL - UNIT 115	6/6/2025	357846
620007	Occ Exp-Maint-Elevator	840.00	SCHINDLER ELEVATOR CORPORATION	T&M STANDBY - JUL-23	6/6/2025	357857
620007	Occ Exp-Maint-Elevator	597.00	SCHINDLER ELEVATOR CORPORATION	Quarterly Billing	6/13/2025	357969
620008	Occ Exp-Maint-Alarm Testing/Monitoring	462.00	SMITH FIRE SYSTEMS INC	ANNUAL INVOICE - 24 HR MONITORING - LACAES1FC36	7/3/2025	358282
620012	Occ Exp-Maint-Pest Control	32.95	STOP BUGGING ME PEST CONTROL	PEST CONTROL	7/25/2025	358587
620013	Occ Exp-Maint-Yard/Garden/Landscaping	1,247.40	SKAGIT LANDSCAPING LLC	LANDSCAPING SVC - MAR-25	6/6/2025	357875
620013	Occ Exp-Maint-Yard/Garden/Landscaping	1,247.40	SKAGIT LANDSCAPING LLC	JANDSCAPING SVC - JUN-25	6/27/2025	358200
660000	Occ Exp-Utilities-Water	2,266.85	PUBLIC UTILITY DISTRICT #1	WATER	7/18/2025	358459
660100	Occ Exp-Utilities-Sewer	4,789.01	CITY OF SEDRO WOOLLEY	SEWER	6/13/2025	357952
660100	Occ Exp-Utilities-Sewer	4,792.85	CITY OF SEDRO WOOLLEY	SEWER	7/18/2025	358464
660200	Occ Exp-Utilities-Electricity	1,203.90	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	7/3/2025	358257
660201	Occ Exp-Utilities-Electricity-Closing Bill	25.88	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	6/13/2025	357942
660201	Occ Exp-Utilities-Electricity-Closing Bill	20.33	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	6/13/2025	357942
660201	Occ Exp-Utilities-Electricity-Closing Bill	11.39	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	6/20/2025	358059
660201	Occ Exp-Utilities-Electricity-Closing Bill	29.42	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	7/3/2025	358257
660201	Occ Exp-Utilities-Electricity-Closing Bill	16.08	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	7/18/2025	358452
660500	Occ Exp-Utilities-Surface Water Mgmt	438.63	CITY OF SEDRO WOOLLEY	STORM	6/13/2025	357952
660500	Occ Exp-Utilities-Surface Water Mgmt	439.20	CITY OF SEDRO WOOLLEY	STORM	7/18/2025	358464
660700	Occ Exp-Utilities-Garbage	1,550.98	CITY OF SEDRO WOOLLEY	GARBAGE	6/13/2025	357952
660700	Occ Exp-Utilities-Garbage	1,659.28	CITY OF SEDRO WOOLLEY	GARBAGE	7/18/2025	358464
	SUBTOTAL HILLSVIEW	31,539.48				
	VOIDS	-				
	<b>TOTAL HILLSVIEW</b>	<b>31,539.48</b>				
<b>TOTAL SEDRO WOOLLEY</b>		<b>67,146.43</b>				

# T A B N U M B E R

3



# SEDRO-WOOLLEY HOUSING AUTHORITY

## INTEROFFICE MEMORANDUM

**TO:** Board of Commissioners  
**FROM:** Sean Lay, Temporary Financial Reporting Manager  
**DATE:** August 28, 2025  
**RE:** June 2025 Financial Report

Attached for your review is the unaudited financial report for June 2025. This report shows actual results, budgets, and variances expressed in both dollars and percentages. The report, in cash format, details operating income and expenses, operating cash flow, non-operating income and expenses, and changes in assets and liabilities. Reports in this format will reconcile the changes in cash, and both the beginning and ending cash balances are displayed.

### EXECUTIVE SUMMARY

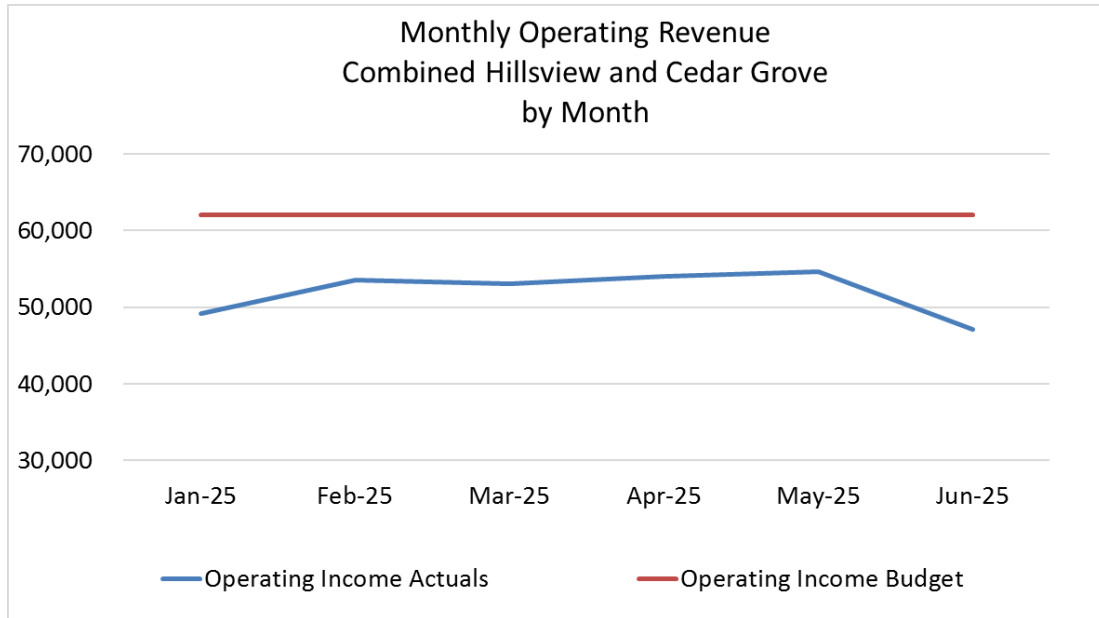
Year-to-date operating income was 15% under budget and operating expenses were 16% over budget.

Operating Revenue	Favorable (Unfavorable)			Operating Expenses	Favorable (Unfavorable)		
	\$ Variance	% Variance			\$ Variance	% Variance	
Tenant Revenue	\$10,303	6.3%	●	Salaries and Benefits	\$5,721	5.1%	●
Federal Operating Support	(67,684)	-32.4%	●	Administrative Expenses	(\$5,167)	-7.1%	●
Other Revenue	15	2.1%	●	Maintenance Expenses, Utilities, Taxes	(\$58,259)	-34.3%	●
				Other Programmatic Expenses	\$405	86.6%	●
Total Operating Income	(\$57,366)	-15.4%	●	Total Operating Expenses	(\$57,300)	-16.1%	●

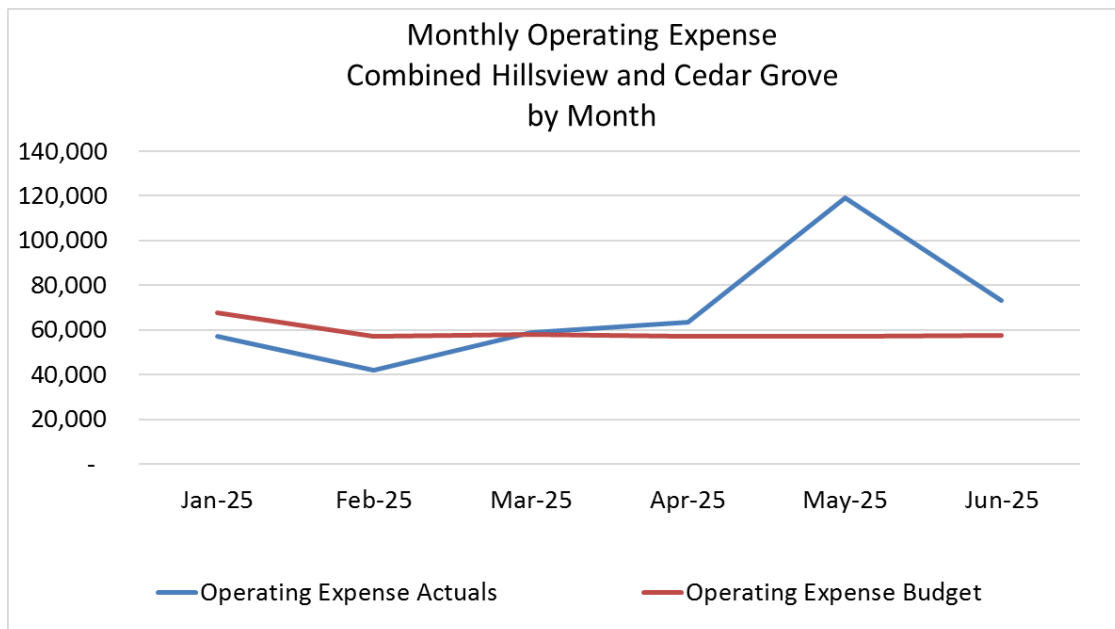
- Green are favorable variances
- Yellow are unfavorable variances less than 5%
- Red are unfavorable variances greater than 5%

## OPERATING REVENUE AND EXPENSE

Year-to-date operating revenues totaling \$315K came under budget expectations by \$57K, or 15.4%. The primary drivers of this variance was operating fund subsidy. The budget assumed a higher funding amount particularly at the Hillsvie property.



Year-to-date operating expenses in the amount of \$412K were over budget by 16.1%. The primary drivers are benefits and occupancy expenses. Benefits were under budget, resulting in a favorable \$9.8K variance. Occupancy expenses were higher than budget due to a \$20K elevator door operator upgrade at Hillsvie. In addition, 70 failing smoke detectors were replaced and an additional 14 were purchased as spares which totaled \$23K. Both of these expenses were unbudgeted.

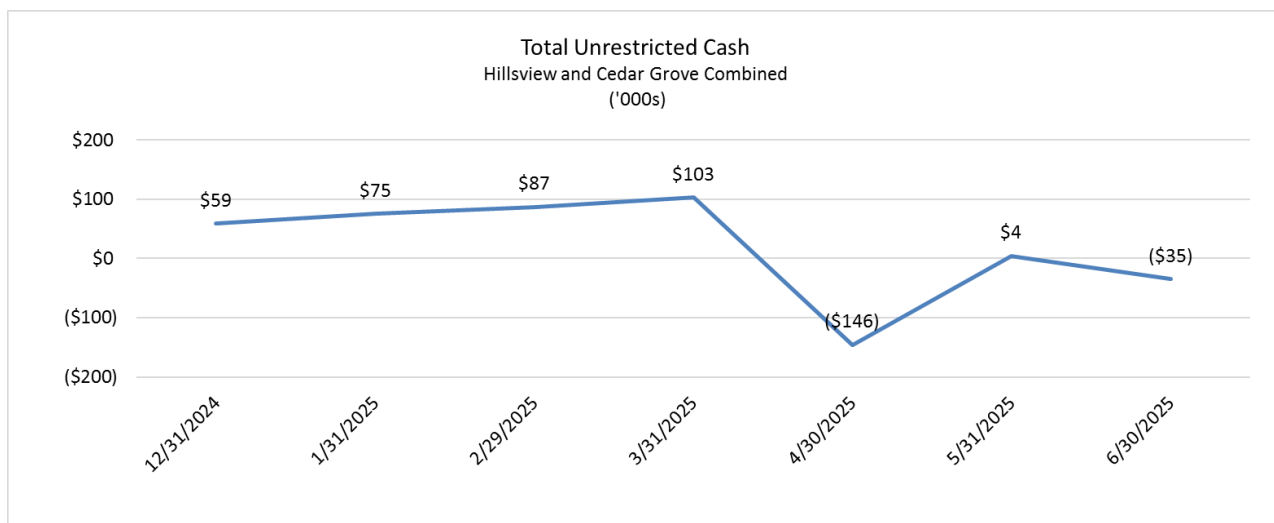


## CAPITAL ACTIVITY

Capital project expenditures were under budget by 14% primarily due to the roof project at Cedar Grove being under budget. This was offset by an unbudgeted \$70K in unit upgrades at Hillsvue. \$387K was budgeted for roof repair through June at Cedar Grove, but approximately \$287K was spent. This resulted in a lower draw from the CFP grant.

## CHANGE IN UNRESTRICTED CASH

Unrestricted cash in the amount of -\$35K decreased by \$94K since the beginning of the year. The decrease in cash balance was mainly due to operating subsidy being under budget and maintenance expenses being higher than anticipated.



**Sedro-Woolley Housing Authority**  
**Statement of Financial Position**  
**As of June 30, 2025**

	<b>Cedar Grove</b>	<b>Hillsview</b>	<b>Combined</b>
Cash-Unrestricted	(\$44,610)	\$9,500	(\$35,110)
Cash-Held by Management Agent	-	-	-
Cash-Designated	-	-	-
Cash-Restricted	3,800	5,300	9,100
Total Cash	(40,810)	14,800	(26,010)
Current Assets	130,265	(37,083)	93,182
Long-term Assets	983,339	972,330	1,955,669
Total Other Assets	1,113,604	935,247	2,048,851
<b>Total Assets</b>	<b>1,072,794</b>	<b>950,047</b>	<b>2,022,841</b>
Current Liabilities	27,181	34,820	62,001
Long-Term Liabilities	-	-	-
Total Liabilities	27,181	34,820	62,001
Equity	1,045,613	915,227	1,960,840
<b>Total Liabilities and Equity</b>	<b>\$1,072,794</b>	<b>\$950,047</b>	<b>\$2,022,841</b>



**Sedro-Woolley Housing Authority**  
**Cash Reconciliation Report**  
**Combined Operations**  
**For the Period Ended June 30, 2025**

	2025 YTD Actual	2025 YTD Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable)	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	\$58,759				
Beginning Cash Balance-Designated	0				
Beginning Cash Balance-Restricted	8,850				
Total Beginning Resources	\$67,609				
Tenant Revenue	\$173,133	\$162,830	\$10,303	6.3%	
Operating Subsidy from HUD-PH	141,231	208,915	(67,684)	(32.4%)	(1)
Other Operating Income	753	738	15	2.1%	
Total Operating Income	315,118	372,483	(57,366)	-15.4%	
Salaries	(82,017)	(77,854)	(4,163)	(5.3%)	
Benefits	(23,785)	(33,669)	9,884	29.4%	(2)
Occupancy Expenses	(228,124)	(169,866)	(58,259)	(34.3%)	(3)
Other Social Service Expenses	(63)	(468)	405	86.6%	
Administrative Expenses	(78,359)	(73,191)	(5,167)	(7.1%)	
Total Operating Expenses	(412,347)	(355,048)	(57,300)	(16.1%)	
Operating Cash Flow	(97,230)	17,435	(114,665)	(657.7%)	
Non-Operating Income	354,414	437,279	(82,865)	(19.0%)	(4)
Non-Operating Expenses	(1,021)	-	(1,021)	n/a	
Capital Expenditures	(358,278)	(416,829)	58,551	14.0%	(4)
Change in Designated Cash	-	-	-	n/a	
Change in Restricted Cash	(250)	-	(250)	n/a	
Transfers In/Out	-	-	-	n/a	
Others Sources/(Uses of Cash)	8,495	-	8,495	n/a	
Non Operating Net Sources (Uses) of Cash	3,361	20,450	(17,089)	(83.6%)	
Net Change in Unrestricted Cash	(93,869)	\$37,886	(\$131,755)	(347.8%)	
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	(\$35,110)				
Ending Cash Balance-Designated	0				
Ending Cash Balance-Restricted	9,100				
Total Ending Resources	(\$26,010)				

- 1) Operating fund subsidy was below target as the budget assumed a higher funding amount.
- 2) Benefits were under budget, resulting in a favorable \$9.8K variance.
- 3) Occupancy expenses were higher than budget due to a \$20K elevator door operator upgrade at Hillsvie. In addition to replacing 70 failing smoke detectors and purchasing an additional 14 as spares which total \$23K. Both were unbudgeted.
- 4) \$387K was budgeted roof repair through June for the Cedar Grove. The project came under budget resulting in a \$99K variance. This was slightly offset by \$70K in unit upgrades at Hillsvie. This resulted in a lower draw from the CFP grant.

**Sedro-Woolley Housing Authority**  
**Cash Reconciliation Report**  
**Cedar Grove**  
**For the Period Ended June 30, 2025**

	2025 YTD Actual	2025 YTD Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable)	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	\$68,898				
Beginning Cash Balance-Designated	0				
Beginning Cash Balance-Restricted	3,700				
Total Beginning Resources	\$72,598				
Tenant Revenue	\$65,223	\$53,843	\$11,380	21.1%	(1)
Operating Subsidy from HUD-PH	48,333	53,781	(5,448)	(10.1%)	(2)
Other Operating Income	331	210	121	57.8%	
Total Operating Income	113,887	107,835	6,053	5.6%	
Salaries	(19,824)	(19,602)	(221)	(1.1%)	
Benefits	(5,983)	(8,590)	2,608	30.4%	
Occupancy Expenses	(73,559)	(63,222)	(10,337)	(16.4%)	(3)
Other Social Service Expenses	(16)	(193)	177	91.9%	
Administrative Expenses	(19,844)	(20,159)	315	1.6%	
Total Operating Expenses	(119,226)	(111,766)	(7,460)	(6.7%)	
Operating Cash Flow	(5,338)	(3,931)	(1,407)	(35.8%)	
Non-Operating Income	273,037	422,043	(149,006)	(35.3%)	(4)
Non-Operating Expenses	-	-	-	n/a	
Capital Expenditures	(287,907)	(415,111)	127,204	30.6%	(4)
Change in Designated Cash	-	-	-	n/a	
Change in Restricted Cash	(100)	-	(100)	n/a	
Transfers In/Out	-	-	-	n/a	
Others Sources/(Uses of Cash)	(93,198)	-	(93,198)	n/a	(5)
Non Operating Net Sources (Uses) of Cash	(108,169)	6,932	(115,101)	(1,660.5%)	
Net Change in Unrestricted Cash	(\$113,507)	\$3,000	(\$116,508)	(3,883.2%)	
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	(\$44,610)				
Ending Cash Balance-Designated	0				
Ending Cash Balance-Restricted	3,800				
Total Ending Resources	(\$40,810)				

- 1) Dwelling Rent was higher than budget due to higher income from residents.
- 2) Operating fund subsidy was below budget as the budget assumed a higher funding amount.
- 3) Regional staffing and carpentry expense were higher than budget due to renovations being done to the community room. In additon, property insurance was higher than budget.
- 4) \$387K was budgeted for roof repair through June. The project came under budget resulting in a \$99K variance. One unit upgrade was budgeted for the year, but has yet to be completed. This results in a lower draw from the CFP grant.
- 5) Mainly due to the increase in grant receivable.

**Sedro-Woolley Housing Authority**  
**Cash Reconciliation Report**  
**Hillsview**  
**For the Period Ended June 30, 2025**

	2025 YTD Actual	2025 YTD Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable)	
Beginning Cash Balance-Unrestricted/Held by Mgmt Agent	(\$10,139)				
Beginning Cash Balance-Designated	0				
Beginning Cash Balance-Restricted	5,150				
Total Beginning Resources	(\$4,989)				
Tenant Revenue	\$107,910	\$108,987	(\$1,077)	(1.0%)	
Operating Subsidy from HUD-PH	92,898	155,133	(62,235)	(40.1%)	(1)
Other Operating Income	422	528	(106)	(20.1%)	
Total Operating Income	201,230	264,649	(63,418)	-24.0%	
Salaries	(62,193)	(58,252)	(3,941)	(6.8%)	
Benefits	(17,802)	(25,078)	7,276	29.0%	(2)
Occupancy Expenses	(154,565)	(106,644)	(47,921)	(44.9%)	(3)
Other Social Service Expenses	(47)	(275)	228	82.9%	
Administrative Expenses	(58,514)	(53,032)	(5,482)	(10.3%)	(4)
Total Operating Expenses	(293,122)	(243,282)	(49,840)	(20.5%)	
Operating Cash Flow	(91,891)	21,367	(113,258)	(530.1%)	
Non-Operating Income	81,378	15,236	66,141	434.1%	(5)
Non-Operating Expenses	(1,021)	-	(1,021)	n/a	
Capital Expenditures	(70,370)	(1,718)	(68,652)	(3,995.8%)	(5)
Change in Designated Cash	-	-	-	n/a	
Change in Restricted Cash	(150)	-	(150)	n/a	
Transfers In/Out	-	-	-	n/a	
Others Sources/(Uses of Cash)	101,694	-	101,694	n/a	(6)
Non Operating Net Sources (Uses) of Cash	111,530	13,518	98,012	725.0%	
Net Change in Unrestricted Cash	\$19,638	\$34,885	(\$15,247)	(43.7%)	
Ending Cash Balance-Unrestricted/Held by Mgmt Agent	\$9,500				
Ending Cash Balance-Designated	0				
Ending Cash Balance-Restricted	5,300				
Total Ending Resources	\$14,800				

- 1) Operating fund subsidy was below budget as the budget assumed a higher funding amount.
- 2) Benefits were under budget, resulting in a favorable \$7,300 variance.
- 3) Occupancy expenses were higher than budget due to a \$20K elevator door operator upgrade. In addition to replacing 70 failing smoke detectors and purchasing an additional 14 as spares which total \$23K. Both were unbudgeted.
- 4) Mainly due to property management fee being higher than budget by \$6,200. This has to do with a discount that was budgeted, but not put into practice. This is currently being addressed and fixed.
- 5) Mainly due to \$70K in unit upgrades. Unbudgeted.
- 6) Mainly due to a decrease in grant receivable.

# T A B N U M B E R

# SEDRO-WOOLLEY HOUSING AUTHORITY

## Housing Management Report

### June to July 2025

## VACANCIES

### Vacant Units

Total vacant units as of the last day of the reporting period: 0

Hillsvieview – 0

Cedar Grove - 0

### Unit Turn Over

Unit turnover during the reporting period

	<b>Vacates</b>	<b>Housings</b>	<b>Completed Upgrades</b>
Hillsvieview	0	2	0
Cedar Grove	0	0	0

YTD Average Unit Turnover Rate:

Hillsvieview – 23 days

Cedar Grove – 0 days

## APPLICATIONS

Number of applicants by property, bedroom size and admissions preference\* claimed by applicant as of the last day of the reporting period:

<b>Hillsvieview</b>	<b>Preference</b>	<b>Non-Preference</b>	<b>Total</b>
1 Bedroom	80 (31elderly/disabled)	30	<b>110</b>

<b>Cedar Grove</b>	<b>Preference</b>	<b>Non-Preference</b>	<b>Total</b>
2 Bedrooms	262	28	<b>290</b>
3 Bedrooms	47	19	<b>66</b>
4 Bedrooms	10	3	<b>13</b>
<b>Total</b>	<b>319</b>	<b>50</b>	<b>369</b>

\*Preferences:

1. Rent burden – person is paying more than 50% of income in rent
2. Family lives in substandard housing - homeless or condition of unit substandard
3. Involuntary displacement – disaster, government action, housing owner action, domestic violence, etc.

# SEDRO-WOOLLEY HOUSING AUTHORITY

## Housing Management Report

### WORK ORDERS

Work orders completed during the reporting period

	Preven- tive	Inspec- tion	Emergency	Vacate	RA	Tenant Request	Total
<b>Hillsvview</b>	<b>13</b>	<b>12</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>16</b>	<b>42</b>
Cedar Grove I	5	1	0	0	0	3	9
Cedar Grove II	3	3	0	0	0	0	6
Cedar Grove III	1	1	0	0	0	3	5
<b>Cedar Grove (total)</b>	<b>9</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>20</b>
<b>Total</b>	<b>22</b>	<b>17</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>22</b>	<b>62</b>

*RA=Reasonable Accommodation*

### UPDATES

Previous Meeting Follow Up: No follow up currently.

*Staffing:* The Ballinger portfolio, overseeing Sedro properties, is fully staffed at this time.

*Resident Functions:* No functions in June or July.

*Resident Issues:* Nothing major to report for Hillsvview or Cedar Grove. Routine lease enforcement being managed.

*Building Issues:* No building or system issues currently. Monitoring elevator function.

# T A B N U M B E R

5

## **Fair Market Rates – 2025**

	Studio	1-BR	2-BR	3-BR	4-BR
FY 2025 FMR	\$1,166	\$1,300	\$1,701	\$2,384	\$2,592

[FY 2025 Fair Market Rent Documentation System — Calculation for Mount Vernon-Anacortes, WA MSA](#) (attached)





# FY 2025 FAIR MARKET RENT DOCUMENTATION SYSTEM

## The FY 2025 FMRs for All Bedroom Sizes

\$fmrtype\$ FY 2025 & Final FY 2024 FMRs By Unit Bedrooms					
Year	<a href="#">Efficiency</a>	<a href="#">One-Bedroom</a>	<a href="#">Two-Bedroom</a>	<a href="#">Three-Bedroom</a>	<a href="#">Four-Bedroom</a>
FY 2025 FMR					
<a href="#">FY 2024 FMR</a>					

### Fair Market Rent Calculation Methodology

[Show/Hide Methodology Narrative](#)

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. **[Calculate the Base Rent](#)**: HUD uses 2018-2022 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area as the new basis for FY2025, provided the estimate is statistically reliable. For FY2025, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2018-2022 5-year estimate, HUD checks whether the area has had at least 2 minimally reliable estimates in the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2025 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, HUD uses the estimate for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area as the basis for FY2025.

2. **[Calculate the Basis for Recent Mover Adjustment Factor](#)**: HUD calculates a recent mover adjustment factor by comparing an ACS 2022 1-year 40th percentile recent mover 2-bedroom rent to the ACS 2018-2022 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.

HUD first examines recent movers who have moved within the current year of the ACS survey. If there is no reliable local area estimate, HUD then examines those who have moved into their residence within the current year or preceding year of the ACS survey. Upon determining a reliable recent mover estimate, HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data.

3. **[Adjust for Inflation](#)**: In order to calculate rents that are "as of" 2023, HUD applies a gross rent inflation adjustment factor using data from commercial rent data sources and the Consumer Price

Index. HUD uses a local measure of private rent inflation for markets that are covered by at least three of the six available sources of private rent data. HUD combines this local measure of rent inflation with either the local metropolitan area CPI rent of primary residence for the 23 areas where such data exist, or the regional CPI rent in areas without a local index.

For areas without at least three of the six private rent data sources available, HUD uses a regional average of private rent inflation factors alongside the regional CPI rent of primary residence. HUD constructs the regional average by taking the rental unit weighted average of the change in rents of each area in a region that does have private rent data coverage. HUD averages the private and CPI shelter rent data with the year-to-year change in the CPI housing fuels and utilities index for the area in order to make the resulting inflation measure reflective of gross rents.

The private and CPI gross rent update factors are then combined using a weighting scheme which controls the national weighted average of the private and CPI gross rent factors to the national change in the ACS recent mover gross rent. The resulting weights assigned are as follows:  $W_{2023} = 0.7499$  assigned to the private gross rent factor and  $(1 - W_{2023}) = 0.2501$  assigned to the CPI gross rent factor.

4. **Calculate the Trend Factor**: To further inflate rents from CY2023 to FY2025, HUD uses a "trend factor" based on the forecast of CPI gross rent changes through FY2025.
5. **Multiply the Factors**: HUD multiplies the base rent by the recent mover factor, the gross rent inflation factor, and the trend factor to produce a rent that is "as of" the current fiscal year.
6. **Compare to the State minimum**: FY2025 FMRs are then compared to a State minimum rent, and any area whose preliminary FMR falls below this value is raised to the level of the State minimum.
7. **Calculate Bedroom Ratios**: HUD calculates "bedroom ratios" and multiplies these by the two-bedroom rent to produce preliminary FMRs for unit sizes other than two bedrooms.
8. **Compare to Last Year's FMR**: FY2025 FMRs may not be less than 90% of FY2024 FMRs. Therefore, HUD applies "floors" based on the prior year's FMRs.