



CHH Board Meeting

September 2018

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SECTION 1:

Meeting Keys

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September 2018

Capitol Hill Housing Board Meeting Keys and Agenda

Reminder: Dinner begins at 5:45. The meeting starts promptly at 6 PM.

We will enter into executive session as needed pursuant to RCW 42.30.110.

Introductions, Consent Agenda, Disclosures and Recusals, and Mission Moment: Board and staff make brief introductions. The consent agenda will be moved for adoption.

Board members will review items on the agenda and make any necessary disclosures and recusals. The Chair will draw a name and a Board member will be asked to take a moment to discuss the importance of their work with CHH.

Public Comment: The Chair will ask any members of the public present for comment not to exceed 5 minutes per individual or 15 minutes combined.

Presentation and Discussion

Oleta Update: Chris and the Executive Team will provide an overview of recent events at the Oleta Apartments and discuss the 18 point Oleta Response Plan, included in the packet. We will answer questions the Board has and ask the Board for guidance on the Board's role in providing oversight on these issues. We may enter into executive session pursuant to RCW 42.30.110(g); to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee.

Finance and Asset Management

Financial Summary: The Finance and Asset Management Committee presents its regular report and dashboard through July 2018. We will also take up four resolutions, the first three provide for the renewal, extension or increase of existing predevelopment financing instruments.

- 1. Resolution 2018-18 Lucky Seven Predevelopment Financing Renewal** – Lucky Seven Financing was first adopted by the Board in 2017 to support the predevelopment of the LGBTQ senior housing project, but was never executive because that project did not move forward at that time. We are now seeking a new resolution that supersedes the old resolution, increases the loan about to \$700,000 from \$600,000 and provides for its deployment for the predevelopment of Eldridge Tire (formerly Atlas) and the LGBTQ senior project.
- 2. Resolution 2018-19: Union Bank EQ2 Extension** - Renewal of existing EQ2 financing with Union Bank for two additional 12-month terms. The EQ2 financing is \$250,000 at 2.5%. We use these funds first as they typically have the lowest interest rate and accrue interest cost on total loan. These funds can be used for pre-development or short/medium-term financing needs on existing portfolio projects.
- 3. Resolution 2018-20: Impact Capital Line of Credit Renewal** - Renewal of the existing predevelopment line of credit with Impact Capital. The line of credit is \$500K at 6%. We use these funds last as they have the highest interest rate. These funds can only be used for pre-development.

The fourth resolution, **Resolution 2018-21: Competitive Bid Waiver for Emergency Repairs**, creates a policy that authorizes the CEO to declare an emergency for the purpose of purchasing and provides for the waiver of the competitive bidding process. This policy will be immediately utilized to ensure that life-safety repairs at the Oleta Apartments can be resolved as quickly as possible. All emergency purchasing declarations will be time limited, scope limited and dollar-amount limited. This policy is based on a very similar policy utilized by Cowlitz County, WA.

Executive Committee and Governance

Rebrand Update: The Board will be introduced to our new Senior Manager of Communications Yiling Wong who will provide a brief update on our rebranding. Yiling has worked at Smart Growth America and Habitat for Humanity International in Washington DC, and more recently as an analyst for King County and on communications for the UW School of Public Health.

Affiliations Update: Chris will give a brief update.

Board Development: Both Racheal Steward and Michelle Purnell-Hepburn have agreed to join the CHH board pending Board visits and Board approval. Rachel will attend the September Board meeting while Michelle will attend in October. Their bios are in the packet.

Organizational Advancement and External Relations

Capital Campaign Update: Kiley will give an update on the Rise Together Capital Campaign, including board commitments and some recent major gifts. The Board adopted Resolution 2017-08 approving the first phase of the campaign. Staff will be bring a follow up resolution to the Board over the next few months.

Pipeline Review and Project Introductions

Northgate Round 2: The RFP for Northgate has been reissued. Our team comprising is discussing its approach. The submittal deadline is October 29. Staff will bring a new initial resolution to the Board in October. The new RFP is fairly convoluted, assigning no points for land value while simultaneously requiring full market value on all of the land—even the affordable portion in complete contradiction the stated reason for cancelling the original RFP.

Africatown: Chris and Jeremy will update the Board on current conversations with Africatown regarding both Africatown plaza and the Community College’s SVI property.

Development pipeline: We will enter executive session to discuss development opportunities in the pipeline.

Upcoming Meetings and Events

Please let Chris or Sarah know if you’d like additional information on any event or meeting.

September 24	CHH Executive Committee
October 4	Chief Seattle Club Luncheon
October 8	CHH Board Meeting
October 11	CHHF Omnivorous
October 25	CHH Annual Community Forum

Board Packet Sections

1. Meeting Keys, p. 5-7
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4. September 2018 Finance Report, July Statements and Asset Management Report, p. 21-29
5. Resolution 2018-18: Lucky 7 Predevelopment Financing Renewal, p. 33-36
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8. Resolution 2018-21: Competitive Bid Waiver for Emergency Repairs, p. 51-53
9. Board Candidate Biographies: Rachael Steward & Michelle Purnell-Hepburn, p. 57
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 - i. Joint Board Development Committee Report and Minutes, p. 88
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SECTION 2:

Agenda

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AGENDA

6:00 Call to Order (Belgarde) – 5 min total

1. Introductions, welcome
2. Approve consent agenda Sec. 11, Page 65
3. Disclosures and recusals
4. Mission moment

6:05 Public Comment (Not to exceed 5 minutes per individual or 15 for combined speakers)

6:10 Presentation and Discussion (Persons) – 30 min total

1. Oleta Update Sec. 3, Page 13
Might be taken in Executive Session per RCW 42.30.110(g), to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee

6:40 Finance and Asset Management – 15 min total

1. Finance Report (Alvarado, Gibson)
 - a. Financial summary, cash management report:
July 2018 Financial Statements – 5 mins Sec. 4, Page 19
2. Resolution 2018-18: Lucky 7 Predevelopment Financing Renewal (Gibson) Sec. 5, Page 31
3. Resolution 2018-19: Union Bank EQ2 Extension (Gibson) Sec. 6, Page 37
4. Resolution 2018-20: Impact Capital Line of Credit Renewal (Gibson) Sec. 7, Page 43
5. Resolution 2018-21: Competitive Bid Waiver for
Emergency Repairs (Gibson) – 5 mins Sec. 8, Page 49

6:55 Executive Committee and Governance – 10 min total

1. Rebranding Update (Wong) – 5 min Presentation
2. Board Development (Persons) Sec. 9, Page 55
3. Affiliations Update (Persons) – 5 mins Presentation

7:05 Organizational Advancement and External Relations (K. Dhatt) – 10 min total

1. Capital Campaign Update Presentation
 - a. Draft Resolution: Support for the Rise Together Capital Campaign Sec. 10, Page 59

7:15 Pipeline Review and Project Introductions (Wilkening) – 15 min total

1. New Northgate RFP Update – 5 mins
2. Midtown Plaza Update – 5 mins
3. Project Updates on U14, Bonanza, and other projects – 5 mins
Might be taken in Executive Session per RCW 42.30.110(b), to consider the acquisition of real estate when public knowledge of such consideration would cause a likelihood of increased price.

7:30 Adjourn (Belgarde)

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SECTION 3:

Oleta Response Plan

Memo

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Memorandum

Date: August 31, 2018
To: CHH Board and Staff
From: Christopher Persons and Jill Fleming
Re: Oleta Response Plan

This memo outlines the steps that we will take to resolve the immediate crisis at the Oleta as well as the underlying issues that allowed this crisis to occur.

Underlying Issues

- 1. Leadership Reorganization.** Reporting is reassigned as follows:

CEO	DEPUTY DIRECTOR
Asset Management	Finance
Property Management	Real Estate Development
Advancement and External Affairs	Community Development
Deputy Director	Admin/IT/HR
- 2. Staffing Realignment.** The Sr. Director of Asset Management is now the VP of Asset Management. This position will assume a senior leadership role over all aspects of portfolio performance. The Sr. Director of Finance is now the VP of Finance. The position of VP of Organizational Performance is eliminated.
- 3. Executive Team Restructure.** The Executive Team will be comprised of the CEO, Deputy Director, VP of Asset Management, VP of Finance, and VP of Advancement and External Affairs. The Executive Team will meet weekly. The Leadership Team will meet monthly.
- 4. Reporting.** An organization-wide dashboard, narrative report from every department and master projects roster will be prepared and presented to the Executive Team by September 20. This will be the foundational reporting structure for the organization. Additionally, the Executive Team will oversee formal incident reviews of all future incidents.
- 5. Organizational Culture.** The problems that have arisen in Property Management are not unique to that department. Systems throughout the organization that have been established to ensure that crises don't occur are often overlooked. Upward reporting and the day-lighting of problems requires significant improvement. Sr. VP and Deputy Director, Jill Fleming will lead a task force (to be named) to address this overall culture issue including looking at how we utilize Executive and Leadership Teams.
- 6. Systems Consultant.** The organizational culture task force will lead a process to hire a systems consultant (e.g. SHA has a LEAN consultant working throughout their organization now) to evaluate and establish operational and reporting systems throughout the organization. This consultant will coordinate with Slalom, a consultancy firm providing pro bono work for Property Management.
- 7. Strategic Plan.** CEO Chris Persons will re-implement the Strategic Plan and regular strategic plan reporting. The Road Map project will be suspended for the near term and finance will begin the annual budgeting process for 2019.

8. **Staff Evaluation.** The OKR (Objectives and Key Results) performance goal system will be reevaluated for possible revision and relaunching in 2019. Sr. Manager of People and Culture Jeff Hagen and Jill Fleming will identify and implement a simple staff evaluation system to be in place by Q4 for 2018 evaluations.
9. **Mail and Information Sharing Review.** Office Manager Anne Hurt will review our mail, e-mail and phone message system and create a protocol to ensure that information flow is getting to the right people.

Oleta and Portfolio Response

10. **The Oleta Response Team.** Brad Lange, Greg Gibson, Heyward Watson, Michelle House, Ashley Thomas Steve Jefferis, Colby Bradley, and Yiling Wong will comprise this team. To effectively address the different aspects of Oleta response needs, this team represents leadership from Property Management, Compliance, Resident Services, Asset Management, Finance, Communications and subject matter experts on Oleta . This team will provide the Executive Team a written plan for resolving all the issues at the Oleta by close of business on Wednesday, September 6. That plan will be presented to the Office of Housing and other external stakeholders including Public Health and SHA and available externally as appropriate. Notwithstanding the development of this plan, work at the Oleta is underway.
11. **Tenant Relocation and Support.** The two residents most impacted by this infestation have been relocated into a hotel at our expense. One resident is moving into an available apartment in another building in the CHH portfolio, and the other seriously impacted resident was refunded for past rent. We will reach out to all Oleta residents to see how they are being impacted and what needs they have that we can support.
12. **Root Cause Analysis.** The Executive Team will oversee a full review of the circumstance that led to this crisis and will create a report outlining where communications and actions broke down and what we must do to avoid this kind of crisis in the future.
13. **Property Management Staffing.** We recognize that understaffing in Property Management is a contributing factor to this situation. The leadership team of Property Management will respond to this staffing shortage immediately.
14. **Communications.** VP of Advancement and External Affairs Michael Seiwerath and Sr. Communications Manager Yiling Wong are leading communications on the Oleta Crisis. These communications will be fully open and transparent recognizing the truth of what occurred and that this does not, in any way, reflect the values of the Board or staff of Capitol Hill Housing. All staff and Board members have been notified of this situation and a list of about 30 key partners have also been notified.
15. **Portfolio Action Team.** Brad Lange, Greg Gibson, Heyward Watson, Ashley Thomas and Steve Jefferis (VP of Asset Management, VP of Finance, Sr. Director of Property Management, Resident Services Manager, Facilities Project Manager, respectively) will comprise a team to create a written plan and timeline for resolving the outstanding issues within the portfolio. This team will meet and draft its

plan by close of business September 7. Included in that plan will be a complete listing of all outstanding Office of Housing items.

16. **Resident Services.** Resident Services will be involved in all major issues concerning residents. Heyward and Ashley will create a protocol for managing resident issues to present to the Executive Team by September 30.
17. **Formal Building Tours.** The Executive Team reviewed the Oleta site on Friday, August 31. The Executive Team will tour all buildings on the property watch list in the month of September. In February of 2019, the Executive Team members will make a formal visit to each building. Additionally, Portfolio Managers will be make formal visits to each of their buildings monthly. The Sr. Director of Property Management will visit all buildings twice per year.
18. **All-staff Meeting.** We held an emergency all-staff meeting, Thursday morning, August 30 at 8:30 AM in the lobby of 12th Ave Arts. CEO Chris Persons shared plans underway to resolve the issue at the Oleta swiftly and address underlying organizational issues. He also highlighted CHH's commitment to restoring our core value of each person's right to a safe, affordable quality home. Board Vice Chair Shalimar Gonzales expressed how the Board of Directors has great confidence that staff will resolve these challenges swiftly and make proactive improvements in our work so residents and prospective residents know our services are all about excellence and quality. Chris also discussed staff concerns and many ideas for improvement.

This memorandum represents a starting point. The Executive Team will consider additional items to add to the actions set forth here. Every staff member is authorized and directed to bring concerns to the team.

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SECTION 4:
September 2018
Finance Report,
July Statements and
Asset Management Report

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SEPTEMBER 2018 FINANCE & ASSET MANAGEMENT BOARD REPORT AND MINUTES

Finance & Asset Management Committee Members: Drew Porter, Frank Alvarado, Chasten Fulbright

Staff Liaisons to the Board: Brad Lange, Greg Gibson (**BOLD** indicates those members in attendance)

Date, time and location of meeting: Tuesday September 4, 2018 4-5:30 pm Malden conference room

Financial Position Summary: The only significant shift to the balance sheet in July 2018 was a decrease in unrestricted cash of \$240K due to continued predevelopment spending on multiple projects including both portfolio resyndication projects. This spending also resulted in increases to the “due from affiliates,” “Accrued Liabilities” and “Construction in Process” accounts.

The operating statement through the first seven months of the year shows an operating surplus that exceeds budget by \$283,000. On the revenue side, this is largely due to timing factors as \$175,000 in deferred developer fees and accrued partnership management fees, originally budgeted for paydown in Q3 and Q4 of 2018, were paid in Q1 and Q2. In addition, expenses continue to be under budget due to decreased office remodel costs and budget to actual differences for general repair and maintenance costs across the portfolio. Payroll expense is also under budget year-to-date because of changes in anticipated start dates for new positions as well as timing of the Organizations annual merit increase relative to the budget. The organization has also experienced increased turnover in recent months, which has led to several vacant positions.

Financial Review: The committee reviewed the monthly financial reports and the monthly financial ratio analysis. The rolling twelve-month cash forecast was also reviewed. Comments and Analysis regarding the July Balance Sheet and Operating Statement are included as annotations in the attached statements. As part of the cash flow review, the committee also reviewed the anticipated predevelopment spending projections.

The committee reviewed the Property Management dashboard report

Vacancy loss: The monthly portfolio vacancy rate was 3.2% with a year-to-date percentage of 3.0%. Vacancy loss for 2017 and 2016 was 2.3% and 2.8%, respectively. The committee discussed specific buildings, which contributed to the vacancy percentage for July.

Finance Policy Update: Staff updated the committee on the approval process for the Finance Policies presented at the May meeting. Staff is currently waiting for the State Audit to conclude before finalizing these policies to ensure that any recommendations are included in the final approved policies.

State Audit Update: Staff provided an update on the annual accountability audit performed by the State Auditor’s Office. Areas tested included a review of financial condition and fiscal sustainability, procurement, legal authority to operate outside of Capitol Hill and a follow up of prior year items. Procurement testing is still in the process of being completed.

Station House closing: Staff noted that the closing date for permanent financing on the Station House project is now projected to be the week of September 10th.

Oleta Response and Portfolio Action Team: Staff briefly discussed the organizational changes that have been made at CHH in response to the Oleta rodent incident. This includes the creation of a short term Oleta response team as

well as a long-term portfolio action team. In addition, several changes were noted for the 2019 budget process that should allow the Organization to better plan for and prevent these types of incidents.

Park Hill Update: Staff continue to evaluate options for Park Hill. Drawings are expected in September that will be used to obtain construction cost estimates. These estimates will be used to determine best course forward

Finance Board Resolutions: The committee walked through four board resolutions that are being presented at the September board meeting. It is the recommendation of the committee that all resolutions be adopted by the Board of Directors:

1. *Resolution to renew Impact Capital predevelopment line of credit:* Renewal of the existing predevelopment line of credit with Impact Capital. The line of credit is \$500K at 6%.
2. *Resolution to renew existing EQ2 Financing with Union Bank:* Renewal of the existing EQ2 financing with Union Bank for two additional 12-month terms. The EQ2 financing is \$250K at 2.5%.
3. *Resolution to Adopt Emergency Declaration Policy:* The Organization is required to comply with Federal, State and Local purchasing requirements as applicable, which includes complying with competitive bid requirements. RCW 39.04.280 defines the Emergency exemption, by which the Organization can waive competitive bid requirements. The policy ensures that CHH is following and retains the appropriate level of documentation as required per RCW 39.04.280.
4. *Resolution to approve Predevelopment loan from Lucky 7 Foundation:* \$700K loan at 3% interest to be used for predevelopment expenses on the Eldridge project and U14.

Capitol Hill Housing Blended Balance Sheet

	07.31.2018 unaudited	06.30.2018 unaudited	Change from prior month	12.31.2017 audited*	12.31.2016 audited*
Assets					
Unrestricted Cash	1,964,341	2,204,527	(240,186) 1	2,037,757	1,549,568
Accounts Receivable	783,524	767,431	16,093	811,476	605,408
Prepays & Other Current Assets	442,393	467,758	(25,365) 2	341,351	145,836
Contributions/Grants Receivable	60,000	60,000	0	61,282	71,138
Due from Affiliates	5,717,551	5,379,505	338,046 3	5,193,026	5,591,990
Board Designated Operating Reserve	1,000,000	1,000,000	0	1,000,000	1,000,000
Board Designated Opportunity Reserve	582,589	579,924	2,665	567,083	651,507
Restricted Cash	6,327,689	6,292,491	35,198 4	6,135,901	5,605,330
Notes Receivable from Affiliates	15,322,710	15,322,710	0	15,322,710	15,411,829
Land	20,394,157	20,394,157	0	20,394,157	14,643,757
Buildings, Improvements & Equipment	74,095,379	73,831,310	264,069 5	74,146,986	72,923,292
Accumulated Depreciation	(40,604,309)	(40,418,873)	(185,436) 6	(39,304,834)	(37,093,003)
Lease Receivable	817,531	817,531	0	817,531	890,908
Investment in LPs/LLCs	1,513,091	1,513,091	0	1,527,084	1,534,145
Other Assets	(2,636)	(12,767)	10,131	(5)	0
Total Assets	88,414,010	88,198,795	215,215	89,051,505	83,531,705
Liabilities					
Notes Payable	59,820,088	59,893,362	(73,274) 7	58,479,561	52,278,219
Accrued Interest Payable	4,385,715	4,385,715	0	4,385,715	4,406,834
Accounts Payable & Accrued Liabilities	4,101,629	3,785,791	315,838 8	4,956,384	4,859,505
Tenant Security Deposit Liability	578,902	578,811	91	579,612	562,478
Total Liabilities	68,886,334	68,643,679	242,655	68,401,272	62,107,036
Net Position	19,527,676	19,555,116	(27,440)	20,650,233	21,424,669
Total Liabilities and Net Assets	88,414,010	88,198,795	215,215	89,051,505	83,531,705

* Internal presentation, certain amounts netted for audit presentation

Significant balance sheet changes from prior month

- 1) Decrease in cash is a function of the following transactions:
 - \$125K remaining Q2 distribution from foundation was received as was \$92K in insurance claim proceeds
 - Predevelopment expenses were incurred on a number of projects during July. Most of these costs were funded through the HPN line (\$140K for resyndication projects, U14 and Eldridge). In addition, CHH also provided a \$20K short-term advance to the Elizabeth James to cover RENEW project expenses until funding is approved and ~\$30K in Station House expenses were paid and reimbursed through a draw completed in August.
 - The remaining decrease was the result of routine monthly expenses.
- 2) Decrease due to routine amortization of monthly pre-paid expenses
- 3) Change due to paydown of due to/from affiliates as part of routine monthly fluctuation (specifically paydown of due/to-due/from discrete component units crossed month end). In addition, additional predevelopment expense was incurred on the Bonanza and CHP Portfolio 1 resyndication projects.
- 4) Change due to monthly reserve deposits
- 5) Capitalization of additional predevelopment expenditures for the Bonanza and CH Portfolio 1 syndication/resyndication projects as well as the HVAC upgrade at EJSB. Other capitalized expenditures are for Seattle Central Annex, Goodwill, White center, and Eldridge projects.
- 6) Change due to current month depreciation.
- 7) Change due to monthly mortgage payments.
- 8) Routine fluctuation in accrued payable balances based on timing of payroll and accounts payable check run relative to month-end as well as fluctuations in intercompany "Due to CHH" balance that results from the recording of additional predevelopment expenses for those projects still included as blended component units

Capitol Hill Housing Improvement Program
Statement of Revenues and Expenditures - Unaudited
From 1/1/2018 Through 7/31/2018

	Year to Date Actual	Year to Date Budget	Year to Date Budget Variance	Variance Pct	Total Budget	Budget Remaining
Revenue						
Tenant Rent						
Residential tenant revenue	5,752,615	5,743,388	9,227	0.16%	9,845,808	4,093,193
Commercial rent and NNN	1,129,863	1,079,600	50,263 1	4.66%	1,873,845	743,982
Parking, laundry and other	129,018	120,033	8,985	7.49%	205,606	76,588
Res vacancy and concessions	(178,322)	(194,918)	16,596 2	-8.51%	(323,646)	(145,324)
Total Tenant Rent	6,833,174	6,748,103	85,071	1.26%	11,601,613	4,768,439
Other Operating Revenue						
Property Management Fees	910,598	929,513	(18,915) 3	-2.03%	1,593,451	682,853
Partnership Management Fees	295,313	166,826	128,487 4	77.02%	610,180	314,867
Development Fees	125,000	276,000	(151,000) 5	-54.71%	706,000	581,000
Acctg, Leasing & Compliance Fees	485,407	511,250	(25,843) 3	-5.05%	876,428	391,021
Other Operating Revenue	0	38,199	(38,199) 6	-100.00%	67,798	67,798
Total Other Operating Revenue	1,816,318	1,921,788	(105,470)	-5.49%	3,853,857	2,037,539
Other Revenue						
Grants & Donations	404,907	460,232	(55,325) 7	-12.02%	882,570	477,663
Interest Income	96,492	91,230	5,262	5.77%	180,710	84,218
Other Income (non-operating)	25,613	16,100	9,513	59.09%	17,100	(8,513)
Total Other Revenue	527,012	567,562	(40,550)	77.12%	1,080,380	553,368
Total Revenue	9,176,504	9,237,453	(60,949)	-0.66%	16,535,850	7,359,346
Expenses						
Accounting, Audit & Legal	313,065	338,972	25,907 8	7.64%	517,518	204,453
Administrative Expenses	263,274	322,690	59,416 9	18.41%	483,991	220,717
Bad Debts	19,020	0	(19,020) 10	0.00%	0	(19,020)
Board Expense	3,423	3,908	485	12.41%	6,700	3,277
CHH Occupancy Expense	198,410	195,433	(2,977)	-1.52%	343,690	145,280
Compliance, Taxes & License	156,648	118,037	(38,611) 11	-32.71%	220,639	63,991
Consulting	145,298	141,708	(3,590)	-2.53%	227,603	82,305
Debt Service	1,575,306	1,592,506	17,200	1.08%	2,642,878	1,067,572
Insurance	181,566	180,350	(1,216)	-0.67%	309,171	127,605
Leasing/Compliance Expense	144,284	144,284	0	0.00%	247,344	103,060
Miscellaneous Financial Expense	4,551	6,717	2,166	0.00%	16,043	11,492
Other Operating Expense	958	890	(68)	-7.64%	2,390	1,432
Payroll, Taxes and Benefits	3,786,161	3,927,364	141,203 12	3.60%	6,732,624	2,946,463
Partnership Mgmt Fee Expense	86,417	83,092	(3,325)	-4.00%	138,812	52,395
Property Mgmt Fee Expense	631,549	631,549	0	0.00%	1,142,655	511,106
Repair and Maintenance	799,576	950,313	150,737 13	15.86%	1,613,862	814,286
Technology	90,978	129,954	38,976 14	29.99%	230,093	139,115
Training, Dues, Subscriptions	79,319	100,063	20,744 15	20.73%	150,480	71,161
Utilities	820,354	777,726	(42,628) 16	-5.48%	1,362,165	541,811
Total Expenses	9,300,157	9,645,556	345,399	3.58%	16,388,658	7,088,501
Operating Surplus (Deficit) B4 Reserves	(123,653)	(408,103)	284,450	-69.70%	147,192	
Reserve Contributions						
Replacement Reserve	(290,061)	(288,945)	(1,116)	0.39%	(492,311)	(202,250)
Operating Reserve	(26,341)	(25,549)	(792)	3.10%	(43,084)	(16,743)
Other Reserve	(20,081)	(20,081)	0	0.00%	(34,424)	(14,343)
Total Reserve Contributions	(336,483)	(334,575)	(1,908)	0.57%	(569,819)	(233,336)
Operating Surplus (Deficit)	(460,136)	(742,678)	282,542	-38.04%	(422,627)	
Other Income (non-operating)	545,000	545,000		0.00%	545,000	
Income/Loss	84,864	(197,678)	282,542	-38.04%	122,373	See note

Variance Discussion (Greater than \$20K and 5%)

Note Original board approved budget assumed CHH would retain ownership of the Harvey in January, 2017. Subsequent to budget finalization, it was determined that CHH would no longer be pursuing an ownership strategy. As such, the operating results and budget totals for the Harvey are not included in the above report. This amount plus a \$7K budget adjustment posted subsequent to board approval, to reallocate rent credits, represents the difference between the final board approved budget and the total budget column above.

- 1) Timing differences related to triple net (NNN) revenues for Twelfth Avenue Arts Master tenant. NNN revenues at this building are only paid annually in Q1 for one tenant, but were budgeted evenly throughout the year. In addition, revenues have also exceeded budget due to significant increases in property tax and utility costs that are billed back to tenants.
- 2) The trend of overall low vacancy rates continues from prior year despite a few spikes observed at individual buildings.
- 3) Property management and Accounting and Leasing fees assumed CHH would assume property management of Bayview Tower at the start of the year. CHH officially took over management effective June 1, 2018. Variance is consistent with prior month.
- 4) Deferred partnership management fees for Helen V of \$100K were paid in January. Paydown was originally budgeted for September. Deferred partnership management fees at Gilman Court and Fleming were also paid down during the month of April. Paydown of these fees was completed earlier than originally budgeted so as to supplement CHH cash flows during the first few months of the year. Early paydown was possible due to strong portfolio financial performance during the first six months of the year.
- 5) \$176k in developer fees for Station House were originally budgeted in May. Closing is now planned for September; however, projected fee is also expected to be approximately \$340,000.
- 6) Lease income/partnership & MSP vehicle recovery- all represent quarterly distributions/payments that have not been made yet. This is a timing difference in relation to the budget.
- 7) Foundation distributions year to date are under budget by approximately \$30K. In addition, the grants & contributions line item above is net of related party grants made to CHH buildings. The Brewster SCL concessions to tenants is recorded in this manner. Grant revenue from SCL was recorded in the prior year and concessions are recorded monthly. Due to excess funding, these continued beyond the originally budgeted date.
- 8) Professional fees are under budget. Budgeted \$2,083 monthly for Organization expenses related to HR recruiting or other administrative consulting matters. Year to date no costs have been incurred.
- 9) Administrative costs are under budget due to several reasons: Office expansion costs were under budget by approximately \$15K in total, plus \$28K of work was completed prior to year-end and therefore reflected in the December 2017 financials.
- 10) Bad debt was recorded for management fees for Harvey and uncollected rents for multiple buildings. This was an error in budget.
- 11) Property taxes are over budget due to increases above projections for 2018.
- 12) Budget assumes annual merit increase was in effect for the full fiscal year; however, adjustments were not effective until February. In addition, the Community Liaison position was budgeted to begin in January; however, hiring did not occur until the end of March. Finally, payroll expense for June and July was under budget due to a high number of vacant positions. CHH has worked diligently over the past month - most of these positions are now filled.
- 13) Repair and maintenance expense is under budget due to decreased vacancy and low turnover in most of the buildings. While the budget process attempts to account for seasonality, there may also still be fluctuations in the timing of certain repairs as compared to the budget. Staff are working through a revised budget process for 2019 to try and better refine R&M budgets.
- 14) Technology costs continue to be under budget due to the delay in implementation of Concur invoice (began in August). In addition, the March budget also included \$10k for SharePoint and website development costs which have not yet occurred.
- 15) Travel and training costs to date are below budget due primarily to planned training and travel costs being less than budgeted.
- 16) Sewer and garbage/recycling expenses are both over budget year-to-date. Difference appears to related to rate increases in excess of budget projections. The 2018 budget included a 3.2% increase for both categories while rates appear to have increased 4.1% and 7.2% for sewer and garbage, respectively. Staff have also been analyzing utility expenses at all buildings and are currently investigating spikes that appear to represent variances in excess of the rate differences mentioned.

**CHH
CASH IN BANK
FOR THE MONTH ENDING: July 2018**

Bank	CHH Blended Component Unit	Type	Balance
Chase	Larned	Reserves	108,349
Chase	412	Reserves	86,265
		Total Chase	194,615
KeyBank	Capitol Hill Housing	Security Deposit	288,533
KeyBank	Capitol Hill Housing - SoundFamilies	Restricted Savings	26,289
KeyBank	Hazel Plaza	Reserves	182,395
KeyBank	Hazel Plaza	Security Deposit	3,494
KeyBank	Larned	Security Deposit	21,914
KeyBank	Byron Wetmore	Reserves	50,931
KeyBank	Byron Wetmore	Security Deposit	9,317
Key Bank	412	Security Deposit	3,884
KeyBank	Holden Vista	Reserves	70,154
KeyBank	Holden Vista	Security Deposit	3,640
KeyBank	Mary Ruth Manor	Reserves	265,284
KeyBank	Mary Ruth Manor	Security Deposit	5,999
KeyBank	EJSH	Security Deposit	10,940
KeyBank	Fleming Apts LP	Security Deposit	23,445
KeyBank	Gilman Court LP	Reserves	107,979
KeyBank	Gilman Court LP	Security Deposit	20,245
KeyBank	Villa Apts LP	Reserves	170,160
KeyBank	Villa Apts LP	Security Deposit	44,058
KeyBank	El Nor LP	Security Deposit	9,584
KeyBank	El Nor LP	Reserve	555,199
KeyBank	El Nor LP	Capital Reserves	183,786
KeyBank	18th Ave Apartments	Security Deposit	2,010
KeyBank	Harrison	Security Deposit	20,071
KeyBank	Ponderosa	Reserves	476,087
KeyBank	Ponderosa	Security Deposit	3,722
KeyBank	12th Avenue Arts Master Tenant LLC	Security Deposit	65,548
KeyBank	12th Avenue Arts Master Tenant LLC	Reserves	9,230
Key Bank	Union James	Security Deposit	5,662
Key Bank	Union James	Reserves	82,080
Key Bank	Lake City	Security Deposit	6,245
		Total KeyBank	2,727,884
Banner	Berneva	Reserves	11,809
Banner	Seneca	Reserves	236,460
Banner	Seneca	Security Deposit	20,843
		Total Banner	269,112
LGIP	Capitol Hill Housing	Reserves	2,587,047
		Total LGIP	2,587,047
Oppenheimer	EJSH	Escrow	11,751
Oppenheimer	EJSH	Reserves	153,814
		Total Oppenheimer	165,565
Chase	Harrison	Reserves	158,803
		Total Chase	158,803
US Bank	18th Ave Apartments	Reserves	143,905
		Total USBank	143,905
BofA	Fleming Apts LP	Reserves	80,758
		Total BofA	80,758
		Total Restricted - CHH Blended Components	6,327,689
LGIP	Capitol Hill Housing	Board Designated Reserves	1,582,589
		Total Designated	1,582,589
UnionBank	Capitol Hill Housing	EQII	37,437
		Total Union Bank	37,437
KeyBank	Capitol Hill Housing	EQII	325
		Total KeyBank	325
HPN	Capitol Hill Housing	HPN	58,275
		Total HPN	58,275
KeyBank	Capitol Hill Housing	Payroll	-
KeyBank	Capitol Hill Housing	Operating Checking	78,057
KeyBank	Capitol Hill Dev. Assoc	Operating Checking	1,265
KeyBank	Capitol Hill Real Estate Mgmt Services	Operating Checking	6,865
KeyBank	Cash-Restricted	Operating Checking	142,715
KeyBank	Hazel Plaza	Operating Checking	134,713
KeyBank	Larned	Operating Checking	140,005
KeyBank	Byron Wetmore	Operating Checking	21,136
KeyBank	412	Operating Checking	45,149
Banner Bank	412 Construction	Construction	24,160
KeyBank	Holden Vista	Operating Checking	34,635
KeyBank	Mary Ruth Manor	Operating Checking	249,585
KeyBank	EJSH	Operating Checking	33,554
KeyBank	Fleming Apts LP	Operating Checking	31,505
KeyBank	Gilman Court LP	Operating Checking	28,581
KeyBank	Villa Apts LP	Operating Checking	116,436
KeyBank	El Nor LP	Operating Checking	129,502
KeyBank	18th Ave Apartments	Operating Checking	8,070
KeyBank	Harrison	Operating Checking	81,825
KeyBank	Ponderosa	Operating Checking	22,279
KeyBank	12th Ave Arts Development	Operating Checking	78,309
KeyBank	12AA Master Tenant LLC	Operating Checking	82,890
KeyBank	Union James	Operating Checking	17,429
KeyBank	Lake City	Operating Checking	21,650
KeyBank	Africa Town(Mid-town)	Operating Checking	23,949

CHH
CASH IN BANK
FOR THE MONTH ENDING: July 2018

		Total KeyBank	1,554,260
Cash	Various	Petty Cash - CHHIP	100
		Total Petty Cash	100
Banner	Berneva	Operating Checking	6,978
Banner	Seneca	Operating Checking	306,966
		Total Banner	313,944
		Total Unrestricted - CHH Blended Components	1,964,341
		Total All Cash - CHH Blended Components	9,874,619

Bank	Discrete Component Unit	Type	Balance
Chase	Oleta	Reserves	177,952
Chase	Woodland Park Ave LLC	Reserves	134,334
Chase	AAA	Security Deposit	5,741
Chase	AAA	Reserves	158,503
		Total Chase	476,529
KeyBank	Broadway & Pine	Reserves	270,208
KeyBank	Broadway & Pine	Security Deposit	23,386
KeyBank	Helen V Apts LLC	Reserves	357,506
KeyBank	Helen V Apts LLC	Security Deposit	8,495
KeyBank	Holiday Apts	Security Deposit	22,279
KeyBank	Jefferson & 12th	Reserves	294,133
KeyBank	Jefferson & 12th	Security Deposit	35,248
KeyBank	Oleta	Security Deposit	23,100
KeyBank	Pantages Apts LLC	Security Deposit	27,402
KeyBank	Silvian	Security Deposit	6,412
KeyBank	SOP1 / Unity Village	Reserves	200,582
KeyBank	SOP1 / Unity Village	Security Deposit	15,856
KeyBank	Woodland Park Ave LLC	Security Deposit	10,968
KeyBank	12th Avenue Arts Housing	Security Deposit	75,707
KeyBank	12th Avenue Arts Housing	Reserves	655,789
KeyBank	Union & 24th Construction Residential	Construction	(6,923)
KeyBank	Union & 24th Construction Commercial	Construction	97
KeyBank	12th Avenue Arts Associates LLC	12AA HEDC Fee Reserve Account	144,426
KeyBank	12th Avenue Arts Associates LLC	12AA Key Fee Reserve Account	178,073
KeyBank	Squire Park Plaza	Security Deposit	54,533
KeyBank	Squire Park Plaza	Reserves	63,562
		Total KeyBank	2,460,838
UnionBank	Holiday	Reserves	201,627
		Total UnionBank	201,627
US Bank	Pantages Apts LLC	Reserves	515,724
US Bank	Silvian	Reserves	523,604
		Total USBank	1,039,329
		Total Restricted - Discrete Components	4,178,323
Chase	AAA	Operating Checking	48,121
		Total Chase	48,121
KeyBank	Oleta	Operating Checking	23,638
KeyBank	Helen V Apts LLC	Operating Checking	121,258
KeyBank	Pantages Apts LLC	Operating Checking	27,862
KeyBank	Silvian	Operating Checking	120,992
KeyBank	Broadway & Pine	Operating Checking	39,949
KeyBank	Woodland Park Ave LLC	Operating Checking	14,545
KeyBank	Holiday Apts	Operating Checking	63,875
KeyBank	SOP1 / Unity Village	Operating Checking	45,683
KeyBank	Jefferson & 12th	Construction	241
KeyBank	Jefferson & 12th	Operating Checking	33,366
KeyBank	Twelfth Avenue Arts Res	Operating Checking	167,480
KeyBank	12th Avenue Arts Associates LLC	12AA Commercial Operating (Debt Service)	239,838
KeyBank	Squire Park Plaza	Operating Checking	173,171
		Total KeyBank	1,071,898
		Total Unrestricted - Discrete Components	1,120,019
		Total All Cash - Discrete Components	5,298,342
		Total All Cash - CHH Blended Components	9,874,619
		Total All Cash	15,172,961

TOTALS BY BANK

Key Bank	\$	7,814,880
Chase	\$	878,393
Banner	\$	583,057
US Bank	\$	1,183,233
Union Bank	\$	239,064
Bank of America	\$	80,758
Beneficial State bank	\$	-
LGIP	\$	4,169,636
Other and Petty	\$	223,940
TOTAL CASH	\$	15,172,961

Blended Component Units:	Portfolio Manager	Affordable Units	Market Units	Total Units	YTD 2018 Income Per Unit			YTD 2018 Op expenses B4 Debt Cost Per Unit			Rolling Avg. Make Ready Days	Rolling Avg. Total Turn Days	2018 YTD Cash Flow after debt and reserves						
					Actual	Budget	Var %	Actual	Budget	Var %			July Monthly	12 MO Rolling	2018 YTD	2017 Vacancy	Actual	Budget	Variance
Berneva	Colby	12		12	5,553	5,456	2%	4,656	4,641	0%	45	47	0.0%	1.0%	1.3%	1.4%	3,011	2,021	990
Boylston Howell	Colby	30		30	6,644	6,627	0%	4,721	5,133	8%	11	42	0.0%	0.9%	1.2%	0.8%	(6,064)	(18,926)	12,862
Bremer	Asia	49		49	5,185	5,364	-3%	3,386	3,436	1%	23	83	9.1%	5.4%	6.2%	2.6%	33,157	30,273	2,884
Brewster	Colby	35		35	5,341	4,938	8%	3,249	3,858	16%	14	116	2.9%	2.3%	2.0%	6.8%	31,024	(4,417)	35,441
Broadway	Colby	3	2	5	7,880	7,535	5%	4,429	4,713	6%			0.0%	0.0%	0.0%	0.2%	9,027	5,883	3,144
Burke Gilman Gardens	Dianne	15		15	7,580	7,367	3%	5,272	5,280	0%	8	60	13.2%	1.9%	2.9%	0.7%	7,225	3,909	3,316
Byron Wetmore	Colby	12		12	6,681	6,737	-1%	5,816	5,975	3%			0.0%	0.0%	0.0%	1.1%	1,195	(49)	1,244
Casa di Cinque	Dianne	3	2	5	9,704	9,431	3%	4,554	5,517	17%			0.0%	0.0%	0.0%	0.0%	16,638	8,513	8,125
Centennial	Asia	21	9	30	6,958	7,053	-1%	3,091	3,548	13%	13	44	0.0%	3.6%	4.9%	2.7%	42,586	31,749	10,837
Devonshire	Asia	62		62	5,479	5,558	-1%	4,027	3,970	-1%	17	57	2.1%	2.7%	3.3%	2.3%	21,736	30,186	(8,450)
Eighteenth Avenue	Dianne	9		9	7,160	7,905	-9%	4,483	4,921	9%	176	242	0.0%	7.8%	9.8%	2.5%	(1,832)	937	(2,769)
El Nor	Asia	55		55	6,230	6,252	0%	4,588	4,739	3%	20	62	1.8%	1.8%	1.8%	2.8%	19,858	12,871	6,987
Elizabeth James	Dianne	60		60	5,995	5,986	0%	4,900	4,159	-18%	25	59	6.6%	1.8%	2.7%	1.5%	(24,790)	10,328	(35,118)
Fleming	Asia	36		36	5,481	5,503	0%	3,516	3,317	-6%	15	55	4.4%	1.9%	2.8%	0.3%	12,809	20,749	(7,940)
Four Ten	Colby	6		6	5,694	5,487	4%	4,200	3,971	-6%	4	23	0.0%	1.4%	0.0%	1.8%	3,133	3,265	(132)
Four Twelve	Colby	12		12	9,352	9,026	4%	6,024	6,624	9%			0.0%	0.1%	0.2%	0.6%	25,812	8,683	17,129
Fredonia	Dianne	7	5	12	14,734	15,545	-5%	7,725	8,864	13%	8	48	0.0%	1.8%	3.0%	2.0%	40,099	36,163	3,936
Gilman Court	Valencia	25		25	7,557	7,460	1%	5,281	6,258	16%	10	51	0.0%	0.6%	0.0%	1.1%	27,768	1,318	26,450
Harrison at 15th	Colby	19		19	11,881	11,350	5%	6,104	6,363	4%			0.0%	0.1%	0.0%	0.1%	34,466	19,459	15,007
Hazel Plaza	Dianne	16		16	15,402	14,870	4%	5,336	5,783	8%			0.0%	0.1%	0.1%	0.2%	77,712	63,541	14,171
Holden Vista	Asia	16		16	8,604	8,412	2%	5,576	6,331	12%	30	171	0.0%	4.1%	4.1%	5.5%	28,363	13,242	15,121
Joe Black Apartments	Colby	24		24	7,433	7,901	-6%	6,552	6,472	-1%	128	143	13.6%	5.4%	9.1%	1.7%	(2,367)	10,761	(13,128)
John Carney	Asia	27		27	5,033	4,952	2%	3,398	3,820	11%	20	68	0.0%	1.2%	1.0%	1.4%	19,525	6,353	13,172
Larned	Asia	33		33	6,028	6,087	-1%	3,872	4,185	7%	18	38	1.5%	2.0%	1.9%	1.9%	55,623	49,994	5,629
Lincoln Court	Colby	29		29	5,867	5,924	-1%	3,492	3,755	7%	2	93	0.0%	2.2%	2.2%	2.3%	3,888	(2,100)	5,988
Mary Ruth Manor	Dianne	20		20	14,265	13,910	3%	5,300	6,173	14%	17	169	0.2%	3.0%	3.1%	3.6%	71,210	46,658	24,552
Maxwell	Colby	4		4	6,792	6,631	2%	3,861	4,861	21%			0.0%	0.0%	0.0%	0.4%	8,173	3,534	4,639
Melrose	Colby	30		30	5,279	5,304	0%	3,508	4,174	16%	10	65	4.1%	2.4%	3.6%	1.8%	31,664	11,555	20,109
Miller Park	Dianne	12		12	7,292	7,068	3%	7,538	5,059	-49%	10	31	0.0%	1.0%	0.0%	1.6%	(22,113)	4,941	(27,054)
Park Hill	Valencia	20	10	30	8,751	8,419	4%	4,918	5,687	14%	21	70	7.0%	1.5%	1.0%	3.8%	77,755	44,724	33,031
Ponderosa	Dianne	23		23	5,459	5,378	2%	4,214	4,309	2%			1.8%	0.6%	1.1%	0.1%	20,179	16,153	4,026
Seneca	Colby	32		32	6,295	6,378	-1%	4,341	4,763	9%			0.5%	0.0%	0.1%	0.2%	26,374	15,526	10,848
Union James	Dianne	24		24	7,905	7,977	-1%	5,598	5,370	-4%	60	155	7.7%	7.7%	9.7%	6.9%	(8,101)	(921)	(7,180)
Villa	Valencia	62		62	6,960	6,902	1%	4,320	4,215	-2%	17	41	2.6%	1.1%	1.4%	1.4%	26,522	30,349	(3,827)
																	711,265	517,225	194,040
Discrete Component Units:																			
Broadway Crossing	Colby	44		44	5,862	6,649	-12%	4,448	4,927	10%	46	78	4.8%	1.9%	3.3%	1.7%	19,363	32,972	(13,609)
Fremont Solstice	Valencia	18		18	6,562	6,709	-2%	4,808	4,831	0%	17	50	5.1%	1.3%	2.1%	0.4%	(4,565)	(2,327)	(2,238)
Haines AAA	Asia	30		30	6,516	6,636	-2%	4,348	5,175	16%	8	118	2.9%	4.4%	4.8%	3.5%	(30,890)	(4,517)	(26,373)
Helen V	Valencia	38		38	10,511	10,609	-1%	5,224	4,707	-11%	27	68	0.0%	5.4%	6.2%	3.7%	122,281	145,460	(23,179)
Holiday	Asia	30		30	6,816	6,759	1%	3,587	3,676	2%	29	59	0.0%	0.7%	0.7%	1.9%	21,044	16,697	4,347
Jefferson Housing	Dianne	40		40	7,575	7,767	-2%	5,102	4,699	-9%	26	61	7.8%	3.4%	4.8%	0.6%	(17,784)	6,708	(24,492)
Oleta	Colby	34		34	5,453	5,550	-2%	3,312	3,508	6%	43	68	3.7%	4.1%	4.1%	3.4%	11,861	8,519	3,342
Pantages	Colby	49		49	5,841	6,124	-5%	5,097	4,392	-16%	15	71	1.9%	2.5%	3.3%	0.8%	(22,910)	24,023	(46,933)
Silvian	Valencia	32		32	6,981	6,861	2%	5,069	4,215	-20%	35	85	8.5%	3.7%	6.1%	0.5%	(8,896)	15,410	(24,306)
Squire Park Plaza	Valencia	31	29	60	11,910	11,502	4%	4,272	5,009	15%	13	58	3.8%	2.6%	2.3%	4.5%	164,643	96,068	68,575
Twelfth Avenue Arts	Valencia	88		88	6,713	6,623	1%	3,297	3,299	0%	12	25	1.9%	0.9%	1.0%	1.6%	72,918	64,939	7,979
Unity Village	Asia	30		30	6,188	5,855	6%	4,712	4,775	1%	33	92	4.9%	6.1%	4.1%	5.2%	36,630	24,744	11,886
																	363,695	428,696	(65,001)
Portfolio Totals:		1307	57	1364	9,740,104	9,737,342	0%	6,055,454	6,208,708	-2%	26	68	3.2%	2.5%	3.0%	2.3%	1,074,960	945,921	129,039

Explanation of select properties with high vacancies or large vacancy increases:

Bremer - six vacancies in July (one was only partial), hard turns (water damage), four have August move-ins scheduled. Site manager turnover

Burke Gilman Gardens - two vacancies in July, both 2bdrs with higher rents

Elizabeth James - two vacancies in July (one was leased on 8/1 and the other has 9/1 move-in scheduled). Vacancy also includes rent concessions related to late HUD certification dating back to February (all allocated to July)

Joe Black - three vacancies in July; all 3-bdr units with higher rents. Each requires general turnover maintenance repairs and clean up.

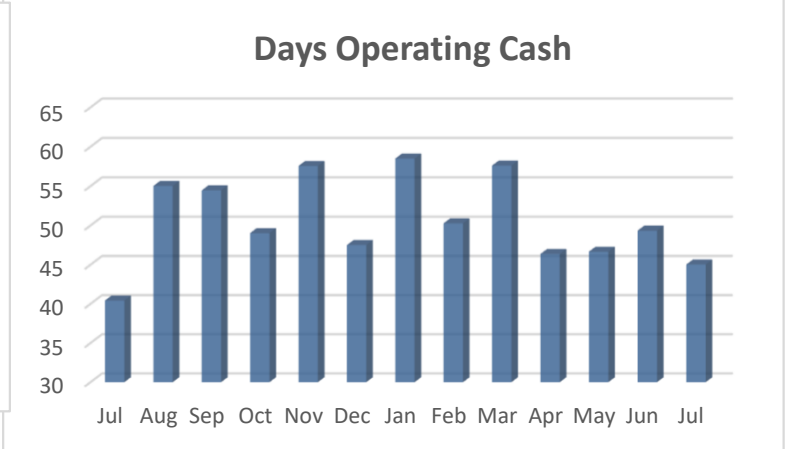
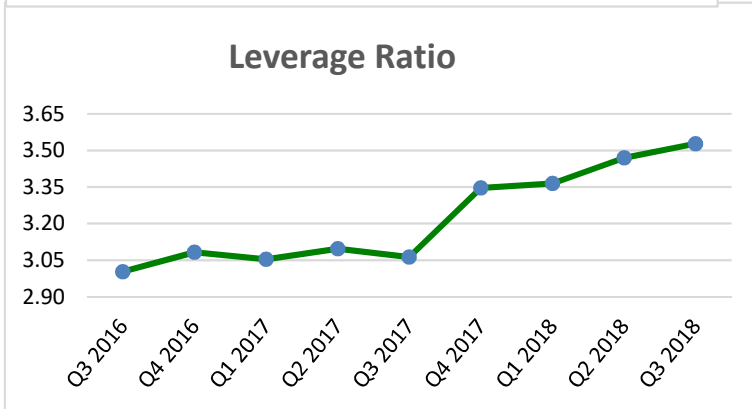
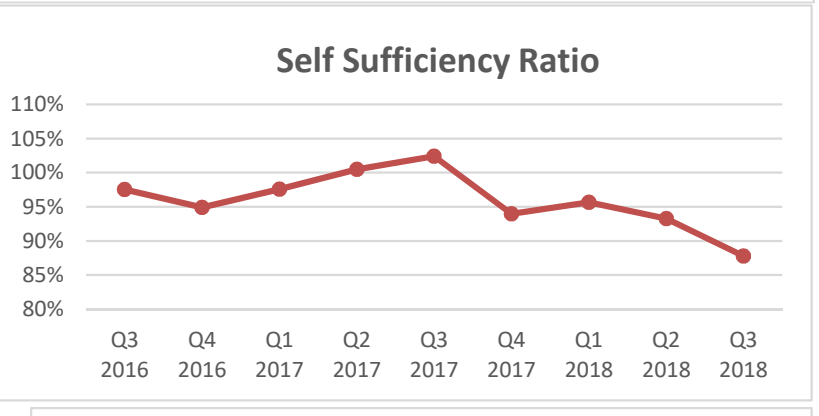
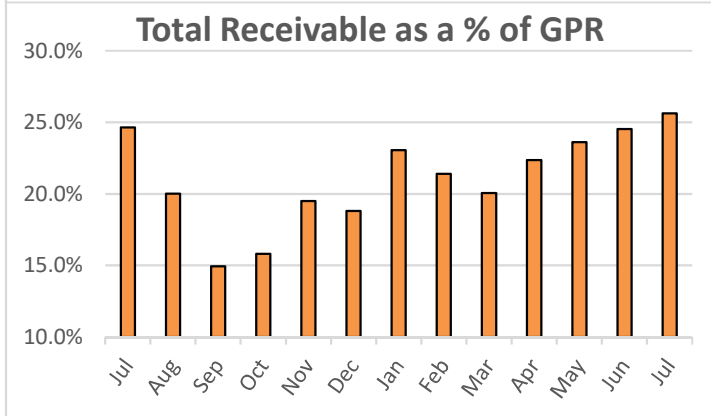
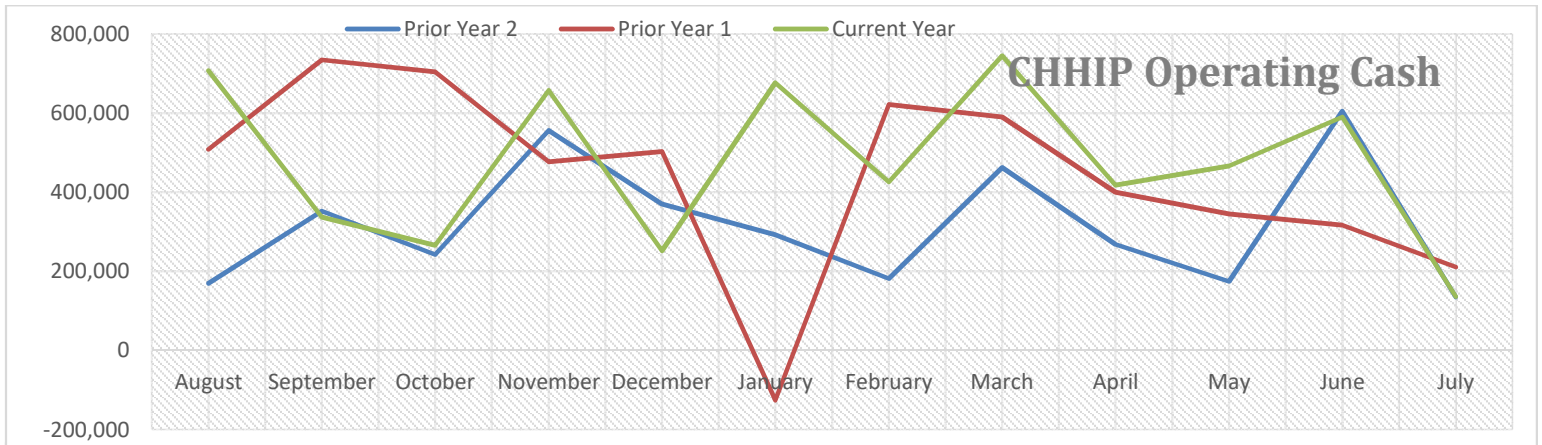
Park Hill - one vacancy in July; a market rate 3-bdr unit. Site manager has received three applications that have all shown interest

Union James - two vacancies in July, both required extensive cleaning. One was leased in mid August and the other has 9/1 move-in scheduled. Waitlist challenges

Jefferson - three vacancies in July. One resident who move out said living there allowed them to save up enough money to purchase a home

Silvian - three vacancies in July (and one move out on 7/30). The three vacancies have all been re-leased in August.

Ratio Analysis



Calculations

CHHIP Operating Cash Balance: CHH main operating account balance at month end - prior 3 years

Receivable as a % of GPR: Measures how effective the Organization is at collecting rent charged to tenants

Calculation: Month end balance of tenant receivables accounts by site / total monthly gross potential rent

Target: CHH is still working to establish benchmarks for different receivable types

Self Sufficiency Ratio: Measures the Organization's ability to cover operating expenses with operating revenues

Calculation: Total operating expenses / total operating revenue less developer fees (grant income = prior 12 month avg)

Target: 100% = Operating revenues are sufficient to cover operating expenses

Days Operating Cash: Measures the cash on hand to cover operating expenses based on current spend rate

Calculation: Month end operating cash balance / Avg expense per day (prior 3 months)

Target: 2 months operating cash on hand

Leverage Ratio: Measures the ratio of assets funded through debt relative to other sources (operating/grants etc)

Calculation: Total liabilities at month end / end of month net position

Target: 2.5 - 4: 4.0 maximum ratio

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SECTION 5:

Resolution 2018-18:

Lucky 7 Predevelopment Financing Renewal

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CHH Board Resolution 2018-18 Overview: Authorization of predevelopment loan from Lucky 7 Foundation in support of the “Eldridge” and “Union & 14th” Projects (the Projects)

Purpose: To authorize a predevelopment loan for the “Union & 14th” and “Eldridge” projects (collectively “the Projects”)

Type of Resolution/Motion:

- **Is this a formal resolution?** ☒ Yes ☐ No
- **Are we requesting a motion from the floor?** ☐ Yes ☒ No
- **Has this resolution been presented to a Board Committee?:** ☒ Yes ☐ No
If so, which committee or committees?: Finance and Asset Management Committee

Charter or Rules and Regulations Modification:

- **Does this Resolution change the Charter or Rules and Regulations?** ☐ Yes ☒ No
- *If yes, you need to give notice to the Board 15 days prior to the proposed change.*
- *Changes to the Charter or Rules and Regulations must use the strike out format so change is clear to reader.*

General Description and Purpose: There are predevelopment costs for the Union & 14th and Eldridge projects. The Lucky 7 Foundation is offering an unsecured loan to pay for them at interest rates that are substantially less than market competitors.

Organizational requirements of resolution: None

Financial cost of the resolution: The costs associated with this loan are predevelopment interest accrued on the loan. These are all included in the loan and will be paid out of the project budget. There are no additional loan fees associated with the Loan.

Pros: This predevelopment loan will allow the projects to pay for costs that are incurred until construction financing close. These costs include architecture costs, permit fees, and predevelopment costs to the general contractor, among other expenses.

Cons: The risk is that we would not close on our construction financing.

Further Board Action or Reporting:

- **Is further action required from the Board or a Board Committee?** ☐ Yes ☒ No
If yes, please describe:
- **Is further reporting required to the Board or a Board Committee?** ☐ Yes ☒ No
If yes, please describe:



**ADOPTED AT A MEETING OF
THE BOARD OF DIRECTORS OF THE
CAPITOL HILL HOUSING IMPROVEMENT PROGRAM,
A WASHINGTON PUBLIC CORPORATION**

RESOLUTION NO. 2018-18

**Authorization of predevelopment loan from Lucky 7 Foundation in support of the
“Eldridge” and “Union & 14th” Projects (the Projects)**

WHEREAS, the Capitol Hill Housing Improvement Program (the Program) is a public corporation organized pursuant to RCW 35.21.660, 35.21.670, and 35.21.730-755, and Seattle Municipal Code Ch. 3.110. As such, it is a political subdivision of the State with an area of operation focused on the Capitol Hill community in the City of Seattle; and

WHEREAS the CHH Board of Directors has previously passed Resolutions 2017-25 and 2017-14, which provided \$600,000 in predevelopment spending authority and authorized CHH to execute a \$600,000 promissory note with the Lucky 7 Foundation. Both the spending authority and the loan were in support of the “Union & 14th” Project; and

WHEREAS the CHH Board of Directors has previously passed Resolutions 2017-24 and 2018-16, related to the “Eldridge” project, which provided \$100,000 in predevelopment spending authority and authorized CHH to take additional development steps necessary to prepare application for funding; including but not limited to, the formation of a limited liability partnership and authority to enter into agreements with various development partners; and

WHEREAS CHH desires to obtain financing for predevelopment costs for the “Union & 14th” and “Eldridge” projects; and

WHEREAS CHH has determined it to be in the best interest of CHH to acquire the Loan for the predevelopment costs; and

WHEREAS for the purpose of financing predevelopment costs associated with the Projects, the Lucky 7 Foundation has offered a predevelopment loan to CHH in an amount not to exceed Seven Hundred Thousand Dollars (\$700,000) (the “Loan”); and

WHEREAS Lucky 7, a Washington private foundation organized and operated in accordance with Section 501(c)(3) of the IRC, is able to provide a loan at substantially submarket rates as a “program related investment” for predevelopment expenses or other purposes which further one or more of the Holders exempt purposes;

WHEREAS Article VII, Section 3 of the Program Charter states that “Prior authorization or concurrence of the Board by resolution shall be necessary for ... (b) The contracting of debts,

issuance of notes, debentures or bonds, and the mortgaging or pledging of corporate assets to secure the same”;

NOW, THEREFORE, BE IT RESOLVED by the Board of Capitol Hill Housing as follows:

- (1) The Chief Executive Officer and all other officers of CHH, and each of them, are hereby authorized and directed to execute, attest, seal and deliver any and all loan documents, certificates, instruments and writings necessary to consummate the Loan, and to take all other actions as may be necessary or appropriate to effect and consummate the Loan and to secure the obligations of CHH as borrower thereunder.
- (2) The basic loan terms are as follows:
 - Maturity Date: June 30, 2021
 - Amount: \$700,000
 - Interest Rate: 3.0%
 - Loan Fees: None
 - Restrictions: Use of loan proceeds is restricted to predevelopment expenditures for the “Union & 14th” and “Eldridge” projects
- (3) The officers of CHH are hereby authorized and directed to take all necessary action to cause CHH to carry out the transactions contemplated under the Loan.
- (4) Christopher Persons, Chief Executive Officer, Jill Fleming, Senior Vice President, and Jeremy Wilkening, Vice President of Real Estate Development, are hereby authorized and directed to execute and submit all draw requests to obtain funds under the Loan (for predevelopment costs up to the amount previously or hereafter authorized by the Board of Directors to be incurred), and all similar notices and correspondence necessary or appropriate to be submitted to the lender under the Loan.

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary of the Board of Directors of the Capitol Hill Housing Improvement Program (“**CHHIP**”) and keeper of the records of CHHIP, CERTIFY:

1. That the attached Resolution No. 2018-18 (the “**Resolution**”) is a true and correct copy of the resolution of the CHHIP Council, as adopted at a meeting of the CHHIP Council held on September 10, 2018, and duly recorded in the minute books of CHHIP.
2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Board of Directors of CHHIP present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the

Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of September, 2018.

Secretary



SECTION 6:

Resolution 2018-19:

Union Bank EQ2 Extension

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CHH Board Resolution 2018-19 Overview: Union Bank EQ2 Renewal

Purpose: Renewal of the existing Equity Equivalent (“EQ2”) financing with Union Bank.

Type of Resolution/Motion:

- **Is this a formal resolution?** ☒ Yes ☐ No
- **Are we requesting a motion from the floor?** ☐ Yes ☒ No
- **Has this resolution been presented to a Board Committee?:** ☒ Yes ☐ No
If so, which committee or committees?: Finance and Asset Management Committee

Charter or Rules and Regulations Modification:

- **Does this Resolution change the Charter or Rules and Regulations?** ☐ Yes ☒ No
- *If yes, you need to give notice to the Board 15 days prior to the proposed change.*
- *Changes to the Charter or Rules and Regulations must use the strike out format so change is clear to reader.*

General Description and Purpose: Renewal of the existing EQ2 financing with Union Bank for two additional 12-month terms. The EQ2 financing is \$250K at 2.5%. We use these funds first as they typically have the lowest interest rate and accrue interest cost on total loan. These funds can be used for pre-development or short/medium-term financing needs on existing portfolio projects.

Organizational requirements of resolution: No changes are required.

Financial cost of the resolution: Interest charged at 2.5% of total loan amount until repaid. There are no annual fees or additional fees associated with the extension

Pros: CHH is only charged interest as we use the funds.

Cons: The cost of interest is 2.5%.

Further Board Action or Reporting:

- **Is further action required from the Board or a Board Committee?** ☐ Yes ☒ No
If yes, please describe:
- **Is further reporting required to the Board or a Board Committee?** ☐ Yes ☒ No
If yes, please describe:



**ADOPTED AT A MEETING OF
THE BOARD OF DIRECTORS OF THE
CAPITOL HILL HOUSING IMPROVEMENT PROGRAM,
A WASHINGTON PUBLIC CORPORATION**

Resolution No. 2018-19

Union Bank EQ2 Renewal

WHEREAS, Capitol Hill Housing Improvement Program (“CHH”) expects to add more buildings and housing units to its portfolio consistent with its mission; and

WHEREAS, predevelopment funding is necessary to cover the cost of architectural, legal, and other consultant assistance and other expenses necessary to perform due diligence, feasibility studies and/or design work sufficient to secure permanent funding; and

WHEREAS, CHH has existing buildings and housing units in its portfolio with short and medium-term financing and capital improvement needs; and

WHEREAS, Union Bank, a California bank with lending and tax credit investments in several CHH properties, is able to provide Equity Equivalent (“EQ2”) financing for working capital to selected community development organizations; and

WHEREAS, CHH Board has adopted several previous EQ2 loan resolutions with Union Bank including Resolutions 2013-08, 2015-05, and 2016-16;

WHEREAS, CHH staff will seek Board approval for any predevelopment or other project costs funded by the EQ2;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Capitol Hill Housing Improvement Program as follows:

- (1) The CEO is authorized and directed to apply for a modification to extend the EQ2 Financing of \$250,000 from Union Bank for predevelopment or other costs associated with projects to be designated.
- (2) The basic loan terms are as follows:
 - Term: two additional 12-month extensions
 - Interest rate: 2.5%
 - Extension fee: None
 - Annual fee: None
 - Collateral value: Uncollateralized
- (3) The CHH CEO is authorized to negotiate other loan terms necessary to meet CHH’s

needs and finalize administrative and procedural terms for loan disbursement and administration, and to approve final EQ2 documents.

- (4) Any two officers of CHH are authorized to execute all necessary documents related to the EQ2.

CERTIFICATION

I _____, certify that I am the _____ of Capitol Hill Housing Improvement Program (“the Program”) and that the foregoing Resolutions were duly adopted at a meeting of the Board of Directors of the Program held on the 10th day of September, 2018, in accordance with the Charter and Rules and Regulations of the Program upon proper notice and at which time a quorum was present.

DATED the _____ day of September, 2018.

By_____

Its_____

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SECTION 7:

Resolution 2018-20:

Impact Capital Line of

Credit Renewal

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CHH Board Resolution 2018-20 Overview: Impact Capital Line of Credit Renewal

Purpose: Renewal of the existing predevelopment line of credit with Impact Capital.

Type of Resolution/Motion:

- **Is this a formal resolution?** ☒ Yes ☐ No
- **Are we requesting a motion from the floor?** ☐ Yes ☒ No
- **Has this resolution been presented to a Board Committee?:** ☒ Yes ☐ No
If so, which committee or committees?: Finance and Asset Management Committee

Charter or Rules and Regulations Modification:

- **Does this Resolution change the Charter or Rules and Regulations?** ☐ Yes ☒ No
- *If yes, you need to give notice to the Board 15 days prior to the proposed change.*
- *Changes to the Charter or Rules and Regulations must use the strike out format so change is clear to reader.*

General Description and Purpose: Renewal of the existing predevelopment line of credit with Impact Capital. The line of credit is \$500K at 6%. We use these funds last as they have the highest interest rate. These funds can only be used for pre-development.

Organizational requirements of resolution: No changes are required.

Financial cost of the resolution: The organization will be provided with \$500,000 and interest only charged as we draw on the line of credit. There is an extension fee of \$5,000 and an annual fee of \$5,000.

Pros: CHH is only charged interest as we use the funds.

Cons: The cost of interest is 6%.

Further Board Action or Reporting:

- **Is further action required from the Board or a Board Committee?** ☐ Yes ☒ No
If yes, please describe:
- **Is further reporting required to the Board or a Board Committee?** ☐ Yes ☒ No
If yes, please describe:



**ADOPTED AT A MEETING OF
THE BOARD OF DIRECTORS OF THE
CAPITOL HILL HOUSING IMPROVEMENT PROGRAM,
A WASHINGTON PUBLIC CORPORATION**

Resolution No. 2018-20

Impact Capital Line of Credit Renewal

WHEREAS, Capitol Hill Housing Improvement Program (“CHH”) expects to add more buildings and housing units to its portfolio consistent with its mission; and

WHEREAS, predevelopment funding is necessary to cover the cost of architectural, legal, and other consultant assistance and other expenses necessary to perform due diligence, feasibility studies and/or design work sufficient to secure permanent funding; and

WHEREAS, it is important to CHH to have access to funds in a timely way consistent with the terms of purchase and sale agreements in the market place; and

WHEREAS, Impact Capital, a Washington non-profit corporation, is able to provide a Line of Credit for predevelopment expenses to selected community development organizations; and

WHEREAS, The Board has previously adopted resolutions authorizing and renewing lines of credit with Impact Capital including Resolutions 2012-09, 2014-18, 2015-07, 2016-06, and 2016-17; and

WHEREAS, CHH staff will seek Board approval for any predevelopment costs funded by the Line of Credit;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Capitol Hill Housing Improvement Program as follows:

- (1) The CEO is authorized and directed to apply for a modification to extend the Line of Credit of \$500,000 from Impact Capital for predevelopment costs associated with projects to be designated.
- (2) The basic loan terms are as follows:
 - Term: up to 24 months
 - Interest rate: 6%
 - Extension fee: 1% or \$5,000
 - Annual fee: 1% or \$5,000
 - Collateral value: Uncollateralized
- (3) The CHH CEO is authorized to negotiate other loan terms necessary to meet CHH’s needs and finalize administrative and procedural terms for loan disbursement and administration, and to approve final Line of Credit documents.

- (4) Any two officers of CHH are authorized to execute all necessary documents related to the loan.

CERTIFICATION

I _____, certify that I am the _____ of Capitol Hill Housing Improvement Program ("the Program") and that the foregoing Resolutions were duly adopted at a meeting of the Board of Directors of the Program held on the 10th day of September, 2018, in accordance with the Charter and Rules and Regulations of the Program upon proper notice and at which time a quorum was present.

DATED the _____ day of September, 2018.

By _____

Its _____

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SECTION 8:

Resolution 2018-21:

Competitive Bid Waiver for

Emergency Repairs

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CHH Board Resolution 2018-21 Overview: ADOPTING EMERGENCY DECLARATION POLICY AND APPOINTMENT OF CEO AS “RESPONSIBLE OFFICIAL” FOR PURPOSES OF DECLARING SUCH EMERGENCY

Purpose: This resolution formally adopts the Policy for Declaration of an Emergency Purchase and appoints the CEO as the “Responsible Official” whose role and responsibilities are defined in the policy.

Type of Resolution/Motion:

- **Is this a formal resolution?** ☒ Yes ☐ No
- **Are we requesting a motion from the floor?** ☐ Yes ☒ No
- **Has this resolution been presented to a Board Committee?:** ☒ Yes ☐ No
If so, which committee or committees?: The Finance Committee reviewed the policy and has recommended that the board adopt this policy

Charter or Rules and Regulations Modification:

- **Does this Resolution change the Charter or Rules and Regulations?** ☐ Yes ☒ No
- *If yes, you need to give notice to the Board 15 days prior to the proposed change.*
- *Changes to the Charter or Rules and Regulations must use the strike out format so change is clear to reader.*

General Description and Purpose: The Organization is required to comply with Federal, State and Local purchasing requirements as applicable, which includes complying with competitive bid requirements. RCW 39.04.280 defines the Emergency exemption, by which the Organization can waive competitive bid requirements. The attached policy ensures that CHH is following and retains the appropriate level of documentation as required per RCW 39.04.280.

Organizational requirements of resolution: CHH staff will work to train and educate all staff to ensure the updated policy and subsequent documentation requirements are being followed.

Financial cost of the resolution: None

Pros: CHH ensures compliance with procurement guidelines required under Federal State and local law.

Cons: None

Further Board Action or Reporting:

- **Is further action required from the Board or a Board Committee?** ☐ Yes ☒ No
- **Is further reporting required to the Board or a Board Committee?** ☒ Yes ☐ No
If yes, please describe: The approved declaration forms will be included in the monthly consent agenda for approval by the board of directors.



ADOPTED AT A MEETING OF
THE BOARD OF DIRECTORS OF THE
CAPITOL HILL HOUSING IMPROVEMENT PROGRAM,
A WASHINGTON PUBLIC CORPORATION

RESOLUTION NO. 2018-21

**ADOPTING EMERGENCY DECLARATION POLICY AND APPOINTMENT OF CEO AS “RESPONSIBLE
OFFICIAL” FOR PURPOSES OF DECLARING SUCH EMERGENCY**

WHEREAS the Capitol Hill Housing Improvement Program (the Program) is a public corporation organized pursuant to RCW 35.21.660, 35.21.670, and 35.21.730-755, and Seattle Municipal Code Ch. 3.110; and

WHEREAS the purpose of the Program shall be to assist homeowners, property owners, residential tenants and residents of the Capitol Hill community in preserving, improving and restoring the quality of their homes, property and neighborhood, and to provide additional housing, cultural, social and economic opportunities and facilities; and

WHEREAS, the Capitol Hill Housing Improvement Program (CHH) Rules & Regulations designate the Executive Director as the Chief Executive Officer who carries out the policies of the Board and directs the staff of CHH; and

WHEREAS CHH is required to comply with competitive bid requirements as determined by the Washington state legislature. Exemptions to competitive requirements are included in RCW 39.04.280; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Capitol Hill Housing as follows:

- (1) The Board hereby establishes and adopts the *Policy for Declaration of an Emergency Purchase* which is attached hereto as Resolution Exhibit A and incorporated herein by this reference.
- (2) The Board hereby approves the designation of the CEO as the “Responsible Official” whose role and responsibilities are defined in the *Policy for Declaration of an Emergency Purchase*.

CERTIFICATION

I _____, certify that I am the _____ of Capitol Hill Housing Improvement Program ("the Program") and that the foregoing Resolutions were duly adopted at a meeting of the Board of Directors of the Program held on the 10th day of September, 2018, in accordance with the Charter and Rules and Regulations of the Program upon proper notice and at which time a quorum was present.

DATED the _____ day of September, 2018.

By _____

Its _____

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SECTION 9:
Board Candidate
Biographies:
Rachael Steward
&
Michelle Purnell-Hepburn

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CHH Board Member Candidates – September 2018

Rachael Steward - Administrator - Community Service Division at Seattle Housing Authority



Rachael is the former Deputy Director at the Center for Community Engagement at Seattle University, where she worked for eight years. She joined the CHH Community Development Committee in December 2016 as a non-Board community representative. She has an MPA in Non-Profit and Community Development from Kentucky State University, as well as a certificate in Executive Leadership from Seattle University. Rachael is active in the Central District.

Michelle Purnell-Hepburn - Managing Director - Controller & Accounting at Seattle Foundation



Michelle hails from the nonprofit financial world, most recently as the Vice President/Controller of Salal Credit Union. Previously she served in financial executive capacities at Seattle Metropolitan and Group Health Credit Unions. Michelle holds graduate and undergraduate degrees in finance, accounting and economics from the University of Washington. She is a graduate of Western CUNA Management School and the Credit Union Executive Society, earning the title of “Certified Credit Union Executive.” She was also named “CFO of the Year” by the Puget Sound Business Journal in 2011. Michelle serves on the Advisory Board of Capitol Hill Housing to preserve the legacy and the site of Liberty Bank of Seattle.

August 13, 2018

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SECTION 10:

Draft Resolution:

Support for the Rise Together Capital Campaign

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**ADOPTED AT A MEETING OF
THE BOARD OF DIRECTORS OF THE
CAPITOL HILL HOUSING IMPROVEMENT PROGRAM,
A WASHINGTON PUBLIC CORPORATION**

RESOLUTION NO. 2018-XX

**Regarding Support for the Rise Together Capital Campaign to
Support Real Estate Development Projects in Three Neighborhoods**

WHEREAS, RCW 35.21.730 provides that a city may form a public corporation “in order to improve... the general living conditions in the urban areas of the state...”; and

WHEREAS, The City of Seattle (“the City”), acting in accordance with RCW 35.21.730, formed the Capitol Hill Housing Improvement Program, a public corporation, for such purposes; and

WHEREAS, Capitol Hill Housing Foundation (“the Foundation”) was incorporated December 16, 2009 under the provisions of the Washington Nonprofit Corporation Act (RCW Chapter 24.03) and organized exclusively for charitable, scientific or educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code including without limitation: to raise funds to enhance and augment the purposes, programs, services and facilities of Capitol Hill Housing Improvement Program; and

WHEREAS, the Capitol Hill Housing Improvement Program and the Capitol Hill Housing Foundation entered into a Service Agreement on April 12, 2010 (revised May 20, 2013) wherein the Foundation agrees to provide services to support the Program and its chartered mission including conducting such capital campaigns as the Foundation and the Program deem to be necessary and feasible; and

WHEREAS in July 2017 the governing Board of the Capitol Hill Housing Improvement Program committed to the first phase of a three-phase, \$8.0 - \$9.0 million capital campaign corresponding to projects in the three communities of Capitol Hill, the Central District and White Center by adopting Resolution 2017-08: Regarding Support for a Capital Campaign to Support Real Estate Development Activities in Three Communities; and

WHEREAS, the governing Board of the Capitol Hill Housing Improvement Program has begun to authorize the necessary financing activities to move forward the development or exploration of the projects known as the Liberty Bank Building, Africatown Plaza (previously known as Midtown), Union & 14th (previously known as Helen V Phase 2), the Boylston-Howell Rehabilitation, and the White Center Community HUB (previously known as the White Center Big Idea), as certified by the Board’s adoption of the following resolutions:

1. Resolution 2015-04: Liberty Bank Predevelopment Financing, July 13, 2015
2. Resolution 2016-06: Liberty Bank Building Predevelopment Financing Impact Capital, April 11, 2016
3. Resolution 2017-04: Authorization for Predevelopment Funds for White Center, March 13, 2017
4. Resolution 2017-07: Liberty Bank Building Bond Inducement, April 10, 2017
5. Resolution 2017-14: Helen V Phase 2 Development: Predevelopment, Funding Applications, Development Agreement, Site Control, August 14, 2017
6. Resolution 2017-16: Midtown Acquisition, Predevelopment, Funding Applications, August 14, 2017
7. Resolution 2017-21: Midtown Acquisition and Closing of City Loan, October 4, 2017
8. Resolution 2017-25: Authorization to Increase Predevelopment Spending on the Union and 14th (formerly Helen V Phase 2) Development Project, and Authorization of Predevelopment Loan from the Lucky 7 Foundation, November 13, 2017
9. Resolution 2018-09: Initial Board Approval of CHP1 (Bremer, BH, Centennial, JC), June 11, 2018; and

WHEREAS the above-referenced capital campaign, now called “Rise Together,” has evolved significantly since the adoption of Resolution 2017-08, now encompassing five partner organizations (Africatown Community Land Trust, Byrd Barr Place, Capitol Hill Housing, Southwest Youth and Family Services, and White Center Community Development Association) and six projects/programs (Liberty Bank Building, Africatown Plaza, Union & 14th Senior LGBTQ Housing, the rehabilitation of the Boylston-Howell; the Capitol Hill Arts Stabilization Fund; and the White Center Community HUB, formerly the White Center Big Idea), and has correspondingly raised its goal to \$11.6 million; and

WHEREAS the Rise Together capital campaign staff find that a significant number of local institutional funders are interested in the cross-neighborhood collaboration aspect of the campaign and are therefore considering gifts to the campaign as a whole; and

WHEREAS the Rise Together capital campaign has raised \$2,209,050 toward the goal to date; and

WHEREAS these fundraising circumstances indicate it is favorable to pursue funding simultaneously for all projects and neighborhoods, rather than phasing the campaign to limit the focus to one neighborhood at a time; and

WHEREAS the governing Board of the Capitol Hill Housing Improvement Program understands that due factors such as the rising costs of construction, the ongoing program development at sites still in pre-development, and the multi-faceted nature of the campaign, that there is a strong likelihood the Rise Together campaign goal will need to be raised again in the future, subject to feasibility analysis and Board approval; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Capitol Hill Housing Improvement Program hereby commits to the entire Rise Together capital campaign as described above and supports activities to raise the necessary \$11.6 million in funding to support the development of mixed-use, multifamily residential developments, significant community facilities and organizational capacity building.

CERTIFICATION

I, Derrick Belgarde, certify that I am the Secretary of Capitol Hill Housing Improvement Program ("CHH") and that the foregoing Resolution was duly adopted at a meeting of the Board of Directors of CHH held on October 8, 2018, in accordance with the Charter and Rules and Regulations of CHH upon proper notice and at which time a quorum was present.

DATED the 8th day of October, 2018.

By _____

Its Secretary

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SECTION 11:

Consent Agenda and Attachments

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CAPITOL HILL HOUSING REGULAR MEETING

September 10, 2018

6:00 – 7:30 PM Regular Meeting

12th Ave Arts Pike Pine Meeting Room

1620 12th Avenue, Seattle

CONSENT ITEMS

MINUTES AND REPORTS

1. August 2018 Draft Board Meeting Minutes (attached for adoption)
2. Tenant Communications Tracking (attached for review)
3. Committee Reports and Minutes (attached for acceptance)
4. Competitive Bid Waiver for Emergency Repairs: Oleta (attached for acceptance)

DONATIONS, TRANSACTIONS OVER \$10,000 OR 1-YEAR, AGREEMENTS WITH PUBLIC ENTITIES

Blended				
Date	Bldg/Entity	Contract with:	Amount	Purpose
August 10, 2018	PARKHILL	BrandSafway Services LLC	\$10,761.00	Provide and install scaffolding on sidewalk in front of 1306 E. Union

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REGULAR BOARD MEETING MINUTES

Pike-Pine Room
1620 12th Avenue, Seattle

August 13, 2018

Members Present: Frank F. Alvarado III, Derrick Belgarde, Rachel Ben-Shmuel, Paul Breckenridge, Sara Cubillos (Emerging Leader Fellow), Bob Fikso, Chasten Fulbright, Cathy Hillenbrand, b.g Nabors-Glass, Robert Schwartz, Eric Snow

Members Absent: Dana Behar, Shalimar Gonzales, Michael Malone, Drew Porter, Selomé Teshome

Staff Present: Robyn Dhatt (taking minutes), Katrina Ellis, Jill Fleming, Greg Gibson, Charles Hall, Michelle Lambert, Chris Persons, Michael Seiwerath, Sarah Shoemake (taking minutes), Heyward Watson, Jeremy Wilkening

Guests Present: None.

The meeting was called to order by Robert Schwartz at 6:01 pm.

Cathy requested that the Executive Committee Report be removed from the Consent Agenda for edit.

A motion to approve the **Consent Agenda** was made by Cathy Hillenbrand, seconded by Rachel Ben-Shmuel, and passed unanimously.

A motion to approve the **amended Executive Committee Report** was made by Cathy Hillenbrand, seconded by Frank F. Alvarado III, and passed unanimously.

Disclosures and recusals: None.

Public comment: There were no members of the public present.

Mission Moment: Rachel Ben-Shmuel was chosen for the mission moment, and briefly explained why the CHH mission is important to her. She shared her experience of recently visiting Montgomery, AL and observing the historical disenfranchisement of African-Americans. The trip strengthened her commitment to serve the efforts of CHH towards resolving such wrongs and supporting the overarching mission.

Presentation and Discussion

Neighborhood preference: Chris presented an overview of HUD supported neighborhood preference and affirmative marketing concepts as an introduction to developing a neighborhood preference program

for CHH. CHH has been working with the Yesler Community Collaborative (YCC) and the City of Seattle to move such policies forward. CHH had considered having this new policy ready for use in lease-up at LBB but the timing is too late. It will likely have its' first use in conjunction with lease-up at AfricaTown Plaza. Chris met with Relman Dane and Colfax in Washington D.C., a civil rights law firm to help develop the policy. Chris asked YCC to cover the cost of this legal expense. The question was raised where this would become propriety policy. It was concluded that it would not, and any input would be shared to uphold CHH's investment in community development.

Market Financing for Affordable Units: Chris updated board, noting that the OH Fall round is expecting \$250 million in requested funds, but only has \$40-70 million to allocate. CHH currently has an extensive pipeline, at over 1000 units, with 402 unfunded units. As we have stated before and consistent with our real estate development policies, we have been modeling affordable housing development that would include zero public investment. CHH had employed A-P Hurd to develop a model that would give us an option to develop 2-3 of our existing pipeline projects without public subsidy.

Per RCW 42.30.110(b), the CHH Board entered into an executive session to consider the acquisition of real estate when public knowledge of such consideration would cause a likelihood of increased price. The session began at 6:33 pm. The Board exited the executive session at 6:48pm.

Affiliations and Rebranding Update

Finance and Asset Management Report: Greg presented the regular FAM Report and dashboard through June 2018. The updated Finance Policy will be reviewed by the FAM Committee this month and will prepare a Resolution for the September board meeting.

A motion to accept the **August Finance and Asset Management Report** was made by Frank Alvarado III, seconded by b.g. Nabors-Glass, and passed unanimously.

Executive Committee and Governance

Frank F. Alvarado III Board Re-Appointment: Sarah Shoemake briefed the Board on Frank Alvarado's term-reappointment. By officially re-appointing him, his term will retroactively be effective dating back to April 2018. According to the Charter, any board member stays in good standing until termination or resignation. Frank's second term will be effective from April 2018-2021.

A motion to accept the **August Finance and Asset Management Report** was made by Cathy Hillenbrand, seconded by Rachel Ben-Shmuel and passed unanimously.

Board Development: Resolution 2018-14: Board Member Leave of Absence—Drew Porter: Drew Porter is taking a one-year leave. This Resolution will grant a one-year leave. It also provides for an interim replacement for both Drew's Board seat and his seat on the executive committee. Shalimar Gonzales has agreed to serve on the Executive Committee as Vice Chair.

A motion to accept **Resolution 2018-14: Board Member Leave of Absence—Drew Porter** was made by Chasten Fulbright, seconded by Bob Fikso, and passed unanimously.

Organizational Advancement and External Relations

Capital Campaign Update: Michael S. provided an update on the progress on the Capital Campaign. He provided details on the financial progress. He also provided an updated timeline, including a 2022 completion date, and provided a list of upcoming and pending proposals. He noted that the Capital Campaign isn't moving in a linear phase as initially planned, but with the phases moving simultaneously. He plans to introduce a companion resolution committing to the full campaign, to be voted on in October.

Affiliations and Rebranding Update: Michael S. noted that a cross-departmental staff committee will be formed for the rebranding efforts. He would like to hire a local firm to head the rebranding project.

Pipeline Review and Project Introductions

Resolution 2018-15: SHA RFP Initial Resolution: This Resolution provides authority to submit a response to a Request for Proposal (RFP) released by Seattle Housing Authority (SHA) for the development of housing and program space at the site of the King County Records Retention facility on Yesler near 13th Avenue. CHH is partnering with the Seattle Chinatown International District Preservation and Development Authority (SCIDpda). This is a great opportunity to partner with a long-time colleague organization. Jeremy gave an overview of the project at the July Board meeting. If we are the successful respondents, the Board will need to pass financing and organizational resolutions in the future.

A motion to accept Resolution 2018-15: SHA RFP Initial Resolution was made by Rachel Ben-Shmuel seconded by b.g. Nabors-Glass and passed unanimously.

Resolution 2018-16: Eldridge: Entity Creation/Funding Application and Acquisition: The Board previously passed Resolution 2017-24, authorizing CHH to enter into a Memorandum of Understanding (MOU) with Seattle Central College and Sound Transit for the acquisition of the parcel formerly known as the Atlas building. It also authorized the expenditure of \$100,000 in predevelopment funding. Resolution 2018-16 authorizes CHH to apply for funding from Seattle Office of Housing and take all other actions necessary to move the project forward.

A motion to accept Resolution 2018-16: Eldridge: Entity Creation/Funding Application and Acquisition Resolution was made by Frank Alvarado III, seconded by Rachel Ben-Shmuel and passed unanimously.

Resolution 2018-17: White Center HUB – Increase to Predevelopment Spending: Last year, the Board approved Resolution 2017-24, which allowed for \$100,000 in predevelopment spending. This Resolution will increase the allowed predevelopment spending by \$200,000.

A motion to accept Resolution 2018-17: White Center HUB – Increase to Predevelopment Spending was made by Chasten Fulbright seconded by Derrick Belgarde and passed unanimously.

Pipeline Update: Per RCW 42.30.110(b), the CHH Board entered into an executive session to consider the acquisition of real estate when public knowledge of such consideration would cause a likelihood of increased price. The session began at 7:26 pm. The Board exited the executive session at 7:46 pm.

The meeting was adjourned by Robert Schwartz at 7:46 pm.

Attested,

Derrick Belgarde, Secretary
September 10, 2018

DRAFT

Tenant Communications Tracking

July 2018

Building	Issue	Status	Resolution
Berneva	Tenant has submitted multiple complaints regarding his neighbors, their guests, and the Site Manager. His comments and communication have become harassing in nature.	Open	Meeting conducted between tenant, Portfolio Manager, Sr. Director of Property Management, and VP of Organizational Performance scheduled for 3/28. Follow-up meetings with PM held monthly.
Bayview Tower	Tenant submitted a complaint regarding their belief that they have been given 10 day notices out of prejudice against his political beliefs and his wish that they be revoked.	Closed	Investigation of all complaints was conducted and no corroborating evidence was found. He was sent a letter by certified mail that his 10 day notices would not be revoked and that he should work with the Site Manager to prevent receiving any more.

AUGUST 2018 PROPERTY MANAGEMENT BOARD REPORT AND MINUTES

Property Management Committee Members: b.g. Nabors-Glass, Chasten Fulbright, Derrick Belgarde, Felicia Cross

Staff Liaisons to the Board: Heyward Watson, Valencia Chambers-Manora
(**BOLD** indicates those members in attendance)

Date, time and location of meeting: September 4, 2018 -1:00 –2:00 PM Belmont Conference Room

Date, time and location of next meeting: October 2, 2018 -1:00 -2:00 PM Belmont Conference Room

Current Capital Projects in Process/Pending:

- **Villa Apartments:** The design work for installation of commercial water meters and cost estimates are completed. The Project Approval will be presented at the next available Operations Meeting for approval followed by the release of RFP for the project. Update: Bids to install water meters for commercial tenants to be accepted by March 23rd. Update: RFP date has been pushed back with a goal of mid-April 2018. RFP date is scheduled for May 8th. Accord Construction submitted a bid and the award was approved. The contract has been signed, and they are putting together submittals and schedule. The Notice to Proceed will be issued when the equipment has been received. Goal of starting the installation this summer. ***Latest Update: The meters have been installed. Project complete.***
- **Haines:** The building is scheduled to replace piping and fixtures for all 30 bathrooms that were originally built in 1905. The building went through kitchen renovations in 2014. The piping project is scheduled to last 5 months. CHH has a contractor and an architect on board, and is waiting for the financial approval from the lender. Update: Partial financing has been approved by Chase and further gap financing is being sought through Asset Management. Work started on the bathroom pumping stacks on 1/8/18. Work is being performed stack by stack; work on each stack will take approximately 5 weeks. There are five pumping stacks. The bathroom re-piping is scheduled and budgeted and should be completed by the end May 2018. The bathroom re-piping is in the final stages and is on schedule to be completed by the end of May 2018. The bathroom re-piping was completed on schedule. The project is on schedule to have its final walkthrough completed on June 12, 2018. At final walk-through, we identified some items to be corrected. Correction will delay the project end date. We anticipate the project will be complete by mid-July 2018. The changes have no impact financially, and the lead project manager will ensure that all corrected items are satisfactory. ***Latest Updated: The common area is officially complete. The contractor is finalizing the residential section of the project. While completing the Haines annually inspection, we discovered some additional deficiencies. The site manager will be reporting our finding, to the project manager and contractor.***
- **Elizabeth James Renew Projects**

- Domestic water heater preheat heat pump installation – ***Latest Update - installation complete. Insulation being installed week of 9/4.***
- Bath fan cleaning and servicing – in progress. Found the fans dirtier than expected and more difficult to clean. Office of Housing has been on site to observe the cleaning results and has informed the contractor that additional work is required to meet the standards of the contract. ***Latest Update – new bath fans to be installed and ducts to roof to be cleaned starting 9/4.***
- Recreation heat pump installation – installation to be completed by Aug 10. ***Latest Update – installation complete.***
- Lighting upgrades – received 2 sample fixtures to be installed in the center stair well for evaluation. Bid documents to be ready by the end of Aug. ***Latest Update – 3 of the new fixtures installed to review the output.***
- Roof replacement – on hold until HUD approval. Discussing the financial feasibility to upgrade the roof insulation to meet current code requirements. Office of Housing is unable to pay for any additional construction costs incurred to configure roof for the added insulation. Includes design for permit, increasing the height of the perimeter curb, and roof venting requirements. Rebid (if required due to design changes required) 1st quarter 2019, and construction 2nd quarter 2019. ***Latest Update – Architect to provide design drawings to install correct insulation and bid documents.***
- Solar panel installation – on hold until roof replaced. Install 3rd quarter 2019.
- **Seneca Envelope Maintenance Project** - Work started Aug 3rd. Expected to be completed in Oct. ***Latest Update – work in progress. 50% complete.***
- **Helen V Roof Project** – reroof completed. Warranty inspection and demobilization scheduled for week of Aug 13. ***Latest Update – project complete.***
- **Holden Vista Electrical Panel Service Project** – Contract awarded and work scheduled to start Aug 20 and be completed by end of Aug. ***Latest Update – work complete.***
- **Burke Gilman Gardens Porch Replacement Project** – Contract awarded and work scheduled to start Aug 13. ***Latest Update – work in progress.***
- **12th Ave Arts Theater Lobby Acoustic Upgrades Project** - Contract awarded. Contractor putting together material submittals and putting together construction schedule. ***Latest Update – expected to start mid Sept depending on availability of acoustic panels.***
- **Miller Park Roofing Project** – Contract awarded. Work scheduled to start Aug 13 and be completed mid Sept. ***Latest Update – start rescheduled to mid-September.***

Building Operations

From the Finance report: Year to date May 31, 2018 Blended Operating Statement.

In summary:

- July monthly snapshot vacancy was 3.2% (a decrease of 0.5% from the prior month!)
- YTD portfolio vacancy rate was 3.0%
- 12 month rolling vacancy was 2.5%

Third Party Management

- HAP contract was renewed at Cal Anderson with an effective date of 8/1.

Resident Services Activity for July 2018

Resident Services Events (HUD)

- 6 events

Service Referrals

- 44 Referrals

Non-Referral Check-ins (Relationship Building)

- 69 RSC meetings with residents

Rental Assistance

- 10 residents applied for rental assistance
- 8 residents attended the Financial Fitness Workshop
- 5 residents received rental assistance

CHH Facilities: 2018 MSP Work Order Report

This report represents all work orders by classification completed year to date as of July 31st, 2018 and compared to previous year at same year to date.

<u>Work Order Classifications:</u>	<u>As of July 2018</u>	<u>Compared YTD in 2017</u>
EMERGENCY	404	444
INSPECTION	856	844
PREVENTATIVE MAINT.	34	14
ROUTINE	284	287
TENANT REQUEST	1028	856
UNIT TURN	171	121
TOTALS:	2,777	2,566

Leasing & Occupancy

Board Report Information: 7/1/2018 – 7/31/2018

Phone Calls * This is based off voicemails returned, not total calls

Phone calls	160
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On average calls last 5-20 minutes. Estimated time spent returning calls:

Estimated	Minutes per Month	hours	Work Days
Low 5 mins.	800	13.4	1.7
High 20 mins	3,200	53.4	6.7

Front Desk *Guests are not required to sign in

Signed in	36
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Denials and Withdrawals

Denials	6
Withdrawals	1

60 days or > Vacancy HUD

Building	Average	# of Units to date	Reason
Bayview Tower	73	3 over 60 days 4 total	Units vacant before CHH started management. Received incomplete waitlist from prior management.
Elizabeth James House	88	1 over 60 days 2 total	Heavy turn, app accepted 6/13/18 & move in scheduled 8/1/18
Helen V	84	1	Site Manager turnover. 16 name ups total.
Silvian	82	2 over 60 days 4 total	<ul style="list-style-type: none"> • Notice received 1/24/18, more than 20 name ups began 2/15/18, vacated 2/26/18, heavy turn completed early May, Move in scheduled 8/01/18 • Unit abandoned 5/16, heavy turn, Move in Scheduled 8/07/18
Union James	207	2 over 60 days 3 total	Notice received 2/8/18, heavy turn, 1 denial, new app received 6/07/18, Move in 7/03/2018

60 days or > Vacancy Non-HUD

Building	Average	# of Units to date	Reason
Bremer	123	2 over 60 days 6 total	<ul style="list-style-type: none"> • Over 60 days unit: Unit abandonment, hard turn with severe carpet damage. App accepted 5/10 & denied 7/30 (SM turn over in between). • Over 60 days unit: Move in 7/10/18 • Site Manager turnover in mid to late July. • Water damage caused by upper unit & asbestos discovered in repair. App accepted 5/25 & denied. New App 7/19. • Notice received 4/10. App accepted 5/2 & denied 5/17. New app 5/21 & denied 6/22. • Tenant deceased, hard turn. App accepted 7/30. • Notice received 6/6, App accepted 7/25.
Broadway Crossing	55	1 over 60 days 3 total	1 denial, new move in scheduled 8/17/18
Burke Gilman Gardens	60	1 over 60 days 2 total	<ul style="list-style-type: none"> • Notice received 6/4, 5 viewings, app accepted 6/21 & denied 7/17. • Notice received 5/11 – 3 apps accepted & denied
Devonshire	71	1 over 60 days 2 total	Heavy turn, 2 withdrawals, move in 7/10/18
Jefferson	81	2 over 60 days 4 total	<ul style="list-style-type: none"> • Reasonable accommodation transfer, move in 7/27/18

			<ul style="list-style-type: none"> Heavy turn, app 5/25/18, move in scheduled 8/08/18
Joe Black	144	3	<ul style="list-style-type: none"> Fireplace cleaning required for each turn – hard to find consistent vendor. Move out 1/31/18, heavy turn, unit launched 3/27/18. 1 app denial, relaunched 6/27, 2 viewings. Unit abandonment 6/25, app 7/13. Move out 3/16, launched 4/30, 2 viewings - now shows
Lake City	191	1	Hard turn, 3 denials, new app 5/29 with Sec 8 voucher, delays due to inspection issues, move in 7/14/18
Squire Park Plaza	68	3 over 60 days 3 total	<ul style="list-style-type: none"> Market rate units, one rent lowered after long vacancy. Move in 7/24/2018

*Applicants have 72 hours to enter in to a lease agreement, move-in must occur within 14 days.

YTD 2018										YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018			YTD 2018		
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DECLARATION OF EMERGENCY PURCHASE

To: Capitol Hill Housing CEO and Board of Directors

Name: Colby Bradley
Title: Oleta - Rodent infestation mitigation
Building: Oleta

Date: 9/10/2018

Subject: Planned scope and activities to assess the severity of the current rodent infestation at the Oleta Apartments and to enter into contracts as necessary to mitigate the infestation in the most efficient manner possible.

Requested Contractor(s): Byron Construction - (1st Phase)

Cost Estimate: ~\$160,000

"Emergency" for public works contracting and purchasing is defined by RCW 39.04.280(3) to mean unforeseen circumstances beyond the control of CHH that either: "(a) Present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken." In the event of an emergency when the public interest (including tenant or other Organization stakeholder) or property of CHH would suffer material injury or damage by delay, upon an order of the CEO declaring the existence of such emergency and reciting the facts constituting same, the requirements governing competitive bids for materials, equipment and supplies with reference to any purchase or contract may be waived pursuant to RCW 39.04.280(2)(b).

Statement of Need:

My recommendation for emergency purchase is based upon the objective review of the equipment/service required and appears to be in the best interest of Capitol Hill Housing. I know of no conflict of interest on my part or personal involvement in any way with this request. No gratuities, favors or compromising action have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials or firms been a deciding influence on my request to sole source this purchase when there are other known suppliers to exist.

Refer to the attached *emergency purchase justification* as prepared by CHH staff. This justification includes a list of anticipated purchases/contractual obligations needed to adequately address the emergency as approved under this order.

Signatures

Signature of Requestor

Date

9/16/18

CEO Approval

Date

9.6.18

EMERGENCY PURCHASE JUSTIFICATION

Purpose: The purpose of this form is to adequately document the facts and circumstances surrounding the request for emergency purchase and waiver of competitive bid requirements needed to effectively address and mitigate the emergency in a timely manner. The documentation below is used to document CHH's consideration of relevant facts in concluding the incident meets the definition of an emergency in accordance with CHH's policy and RCW 39.04.280(3).

Requested item/service: Abatement to rodent infestation cited by DCI & KCPH

Date of Incident: 3/29/18 - 1st Citation by KCPH - Issue escalated 8/24

Timeframe proposed for emergency contract or purchase:

Demolition of exterior deck to being 9/10/2018 - 10/8/2018

Please describe the services/purchases required to mitigate the situation:

1. Demolition of exterior deck; 2. asbestos survey prior to interior apartment demolition; 3. demolition and reconstruction of residential unit interiors; 4. removal of decommissioned utility elements throughout basement and interior; 5. sealing of all non-essential penetrations to the foundation and exterior.

Justification for Declaration of Emergency:

Two apartments are currently not meeting CHH/City/KCPH standards of housing fit for human habitation, cooperation with remediation mandated by City Department of Construction & Inspections, and King County Department of Public Health. CHH is incurring a financial burden each day related to temporary relocation costs for tenants. In addition, timely surveys and analysis are necessary to determine there are no additional health risks to other tenants within the building.

Additional factors/explanation of emergency:

Potential threats to other households in the building if the issue is not immediately mitigated and requirements to meet for retention of Seattle Housing Authority-administered rental assistance for low-income households.

SEPTEMBER 2018 FUNDRAISING AND COMMUNICATIONS MEMORANDUM

To: Capitol Hill Housing Board of Directors CC: Christopher Persons
From: Michael Seiwerath

Grants and Donations

In the last four weeks, the CHH Foundation submitted:

- A proposal to Enterprise Community Partners for \$100,000 to support predevelopment activities at the Eldridge, the South Annex, and the alley that connects the Eldridge site and Broadway Crossing.
- A proposal to the Local Initiative Support Coalition (LISC) requesting \$60,000 to support coordinated economic development strategies throughout Capitol Hill and the Central District
- A proposal to Kaiser Permanente of Washington requesting \$60,000 to develop an anchor institution strategy for present and future development projects.
- A proposal to USBank requesting \$10,000 in general operating support.

Capital Campaign

We're very close to 100% CHH board pledge participation in the Rise Together capital campaign – if you haven't already submitted your pledge, please help us get there! As of today, 87% of the CHH PDA Board and 93% of the CHH Foundation Board have submitted pledge forms. Thank you for all of your tremendously generous support to Rise Together.

Recent grant activity for the Rise Together capital campaign includes:

- Two applications were submitted to the City of Seattle Office of Arts and Culture's [Cultural Facilities Fund](#). The first application was from CHH and requested \$35,000 toward the Capitol Hill Arts Stabilization Fund, a pilot program focused on acquiring and preserving presenting arts space in the neighborhood.
- The second application to the Cultural Facilities Fund came from Earl's Cuts and Styles, a 25-year-old artisan barber shop in the Central District and future commercial tenant at Liberty Bank Building. Owner Earl Lancaster requested \$100,000 toward his tenant improvements to his new space. Any award will count toward the \$300,000 capital campaign goal for LBB tenant improvements.
- We applied for \$150,000 in funding from the National Endowment for the Arts's [Our Town](#) program, which is a creative placemaking grant supporting projects that integrate arts, culture and design activities to strengthen communities. Supporting the Arts Stabilization fund, this grant could be used to support planning and predevelopment activities for acquiring arts space on Capitol Hill.
- We submitted part 2 of the application for BECU's [People Helping People Awards](#), which has award categories ranging from \$15,000 - \$50,000. If we're named as a finalist, in November

we'll be asking you to vote for CHH in the \$40,000 People's Choice Award category, which is selected by popular community vote.

Proposals still pending include a \$200,000 Bank of America grant that would go toward capacity-building for all five partner organizations. A proposal to the Federal Home Loan Bank of Des Moines's Strong Communities Award program was rejected. Additional proposals planned for summer or fall 2018 submission include the Gates Foundation, Wyncote Foundation NW, T.E.W. Foundation, and Joshua Green Foundation.

Events

Omnivorous is rapidly approaching. CHH's largest annual event takes place on October 11 at Washington Hall in the Central District. Omnivorous is produced with the dedicated commitment of our volunteer committee, which meets monthly, and always welcomes new committee members.

Tickets are on sale now, and will sell out. Board members are requested to buy their tickets by Tuesday Sept. 11 at www.tinyurl.com/omnivorous2018.

Committed sponsors to date include:

- King Salmon: Columbia Pacific Advisors
- Hama Hama: Bank of America, Heritage Bank, HomeStreet Bank, Kaiser Permanente
- Chanterelle: Banner Bank, Deirdre Doyle Real Estate, Enterprise, KeyBank, MBE Law Group, Pacifica Law Group, Walsh Construction
- Fiddlehead Fern: Encore Architects, Foster Pepper, Mithun, RAFN Company, Sage Architectural Alliance, SMR Architects, Weber Thompson
- Media sponsor: The Stranger

This event is actively seeking additional sponsors. For more information on the event, including information on sponsorship, please be in touch with Laura Orella at lorella@capitolhillhousing.org.

Confirmed restaurants to date include: Adana, Cafe Pettiroso, Caffè Vita, Dry Soda, Feed Co., Harry's Fine Foods, Hello Robin, Hot Cakes Molyen Chocolate Cakery, Jemil's Big Easy, Marjorie, Oddfellows Café + Bar, Oola Distillery, Optimism Brewing, Plenty of Clouds, Plum Bistro, Queer Bar, Revolver Bar, Rumba, Sun Liquor, Tango, Terra Plata, The Tin Table, Trove, and Via Tribunali

We are asking board members and other regular attendees to be "Gatherers" for this event. Like traditional table captains, Gatherers invite a "bushel" of eight friends to Omnivorous who can help us reach our giving goals. They are a vital part of our fundraising strategy for this event and will be recognized at the event and in the program.

For more information about sponsoring the event, becoming a Gatherer, or joining the rank of volunteers, please contact Laura Orella at lorella@capitolhillhousing.org.

Communications

August has been a very eventful news coverage month for Capitol Hill Housing, activities covered range from new development projects, to unacceptable rodent-related issues in the Oleta building. Communications staff are working to support both external and internal communications, with an eye toward improving internal staff communications across groups. A current tenant was recently arrested in Phoenix on serious allegations, and the team continues to monitor for CHH-related issues as the situation develops (see 5th news item listing). Upon the successful joint land purchase mid-August, Capitol Hill Housing and JazzED issued a press release on the plans to develop a youth performing arts hub with affordable housing in Rainier Valley, which was then covered significantly in the media.

We continue to emphasize people-centered stories in our marketing. In early August, we launched the very first Resident Newsletter email to our residents. Led by the Resident Services Manager and supported by Communications staff, this is an exciting new way for us to connect with our residents and provide up to date information on opportunities and events at Capitol Hill Housing and the greater Seattle community. The newsletter included a well-timed notice on upcoming Back to School events providing school supplies, a survey for what residents would like to see in the newsletter, and Frequently Asked Questions. The Liberty Bank Building update included an [interview with artist Inye Wokoma](#), one of Seattle Magazine's "Most Influential Seattleites of 2017" and slated as a contributor to the building's original art installations honoring the history of the neighborhood and Liberty Bank.

The EcoDistrict's neighborhood sustainability advocacy: [The Stranger featured a guest editorial](#) written by EcoDistrict staff, which told the story of the Community Package Coalition's work to secure an \$80m public benefits package around the Convention Center project. It concluded with a call to action for community members to engage in housing policy advocacy. Work continues in [the revitalization of the alley behind Broadway Crossing](#) with community partners.

The rebranding process continues. We have identified a list of potential consultants for key message and engagement with suggestions from our community partners, further refined the timeline, and expect to issue an RFP soon.

Date	Title	Outlet
8/7/2018	Plaza Heralds New Era of Afrocentric Development in Seattle Neighborhood	Next City
8/7/2018	With increased call for community say in redevelopment, mayor helps kick off Umoja Fest with ribbon-cutting at 23rd and Union	Capitol Hill Seattle Blog
8/8/2018	The Boring Report: New Machines on the Scene	SLOG

8/9/2018	CHH project will keep Eldridge Tire	Daily Journal of Commerce
8/16/2018	Man charged with rape of unconscious women in Capitol Hill apartment	Capitol Hill Seattle Blog
8/15 thru 8/21	[JazzED coverage -multiple articles] Seattle JazzED and Capitol Hill Housing to develop a youth performing arts hub and affordable housing in Rainier Valley	Crosscut Curbed Seattle Capitol Hill Seattle Blog Madison Park Times The Registry
8/16/2018	What has bubbled to the top of '30 ideas' for saving — and developing — Seattle studios, galleries, and music venues	Capitol Hill Seattle Blog
8/20/2018	Sustainable Seattle: A Model City for Taking Sustainability to the Next Level	Rise Homes
8/20/2018	'7 in 72 hours' — burst of gun violence in the Central District	Capitol Hill Seattle Blog
8/20/2018	CHS Pics Shopping and meeting a few neighbors on Capitol Hill Garage Sale Day	Capitol Hill Seattle Blog
8/21/2018	Sound Transit considering terms for two affordable housing developments	Capitol Hill Times
8/24/2018	Capitol Hill Station development not tall or affordable enough for you? Sound Transit approves deals for more	Capitol Hill Seattle Blog
8/24/2018	Affordable housing, but at what cost?	Crosscut
8/26/2018	As redevelopment continues, community celebrates opening of Yesler Terrace Park	Capitol Hill Seattle Blog
8/27/2018	Why Can't One of the Richest Cities in the U.S. Solve Its Homelessness Crisis? Well, It Isn't Really Trying—and It Won't Until You Make It.	SLOG
8/29/2018	Waiting for its light rail station plaza future, Capitol Hill Farmers Market still thriving on Broadway	Capitol Hill Seattle Blog
8/30/2018	\$82.5K grant will help Africatown continue Midtown Center art and activation project	Capitol Hill Seattle Blog

2018 Capitol Hill Housing Budget and Actuals Updated August 31st, 2018

Unrestricted Budget

Income Source	2018 Goal	2018 Actual	% to Goal
Government	\$ 66,710	\$ 66,710	100.0%
Foundation	\$ 182,150	\$ 60,000	32.9%
Corporate	\$ 201,750	\$ 47,547	23.6%
Individual	\$ 206,000	\$ 187,566	90.1%
Events & Sponsorships	\$ 256,000	\$ 197,150	77.0%
TOTAL	\$ 912,610	\$ 558,973	61.2%

Restricted Budget

Income Source	2018 Goal	2018 Actual	% to Goal
Government	\$ -	\$ -	0.0%
Foundation	\$ 60,000	\$ 35,000	58.3%
Corporate	\$ -	\$ -	0.0%
Individual	\$ 50,000	\$ -	0.0%
Events & Sponsorships	\$ -	\$ -	0.0%
TOTAL	\$ 110,000	\$ 35,000	31.8%

Combined Budgets

(Restricted & Unrestricted)

Income Source	2018 Goal	2018 Actual	% to Goal
Government	\$ 66,710	\$ 66,710	100.0%
Foundation	\$ 242,150	\$ 95,000	39.2%
Corporate	\$ 201,750	\$ 47,547	23.6%
Individual	\$ 256,000	\$ 187,566	72.5%
Events & Sponsorships	\$ 256,000	\$ 197,150	77.0%
TOTAL	\$ 1,022,610	\$ 593,973	58.1%

Grants to CHH

	2018 Goal	2018 Actual	Difference
RSC Grants to CHH	\$ 111,980	\$ 9,000	\$ 102,980
Sustainable Communities Grants to CHH	\$ 183,230	\$ -	\$ 183,230
General Operating Grants to CHH	\$ 430,000	\$ 321,000	\$ 109,000
Total Unrestricted Grants to CHH	\$ 725,210	\$ 330,000	\$ 395,210
Restricted Grants to CHH	\$ 110,000	\$ 35,000	\$ 75,000
TOTAL	\$ 835,210	\$ 365,000	\$ 470,210

SEPTEMBER 2018 PROPERTY DEVELOPMENT BOARD REPORT AND MINUTES

Property Development Committee Members: Paul Breckenridge, Liz Dunn, Dana Behar, Rachel Ben-Shmuel, Bob Fikso, Andrew Brand

Staff Liaisons to the Board: Chris Persons, Jill Fleming, Jeremy Wilkening

Date, time and location of meeting: September 4, 2018 5:00-6:00 pm Belmont Conference Room

Date, time and location of next meeting: October 2, 2018 5:30-6:30 pm Belmont Conference Room

The PDC discussed the reissuance of Northgate and how CHH might respond differently this time around and also CHP-1.

Northgate: The PDC discussed the re-issued RFP. Per RCW 42.30.110(b), the CHH PDC entered into an executive session to consider the acquisition of real estate when public knowledge of such consideration would cause a likelihood of increased price.

CHP-1: The group reviewed the latest set of numbers for Bremer/John Carney/Boylston Howell/Centennial and specifically discussed an option to convert the Centennial to all affordable. The committee supported this option. They also requested to see how the acquisition financing is put together (see below for a breakout):

CHP1 Acquisition	
Appraised Value	16,900,000
Required Repaid Debt	
JC	\$ 330,344
Bremer	\$ 781,750
Centennial	\$ 1,264,000
Boylston-Howell	\$ 10,000
Debt Rolling Over	
State - HTF	\$ 1,591,759
City - Seattle OH	\$ 4,106,785
Seller Note	
(Appraisal):	8,815,362

SEPTEMBER 2018 JOINT BOARD DEVELOPMENT COMMITTEE BOARD REPORT AND MINUTES

Joint Board Development Committee Members: Margaret Pak Enslow (Foundation Secretary), Shalimar Gonzales - Committee Chair (PDA Member), Cathy Hillenbrand (PDA Member), Alice Quaintance (Former PDA Member), Randy Robinson (via phone) (Foundation Member)

Staff Liaisons to the Board: Michael Seiwerath, Sarah Shoemake

Date, time and location of meeting: n/a

Date, time and location of next meeting: September 12, 2018 – 4-5pm – Belmont Conference Room

The Joint Board Development Committee did not meet since the last full Board meeting. During the month, the Committee continued to advance its ongoing projects, including:

1. **Joint Board Retreat Follow Up:** CHH Staff will send a poll to obtain further feedback as well as get information about preferred day of the week, time, and other logistics. They will also distribute follow up documentation which will be distributed in an email to both Boards soon.

2. **Social Events**

Joint Board BBQ: The Joint Board BBQ took place on Thursday, August 16th at Foundation Board Chair Deirdre Doyle's home. It was widely attended with almost 40 people, including members from both Boards, CHH Staff, and partners. Feedback from the event was overwhelmingly positive.

Building Tours: The Committee expressed an interest in potentially giving building or construction tours to donors, and training Board members to give said tours, to assist staff.

3. **Professional Desired Board professional development/workshops/trainings:** The Committee will further research potential trainings, with a goal of one to four trainings per year, including onboarding training for newer Board members. The Committee plans to poll the Boards to determine topics on which they would like additional training. The following potential topics have been identified:

- Rent Setting
- Eligibility
- Rebrand and Messaging
- Fundraising
- Advocacy
- Real Estate

4. **Other Committee Topics:**

- a. Sexual Harassment Policy and Potential Trainings
- b. Techniques other Boards use to recruit diverse Board Members

September 2018 COMMUNITY DEVELOPMENT COMMITTEE BOARD REPORT

Committee members: Eric Snow, Rachel Ben-Shmuel, Sara Cubillos, Derrick Belgarde, Rachael Steward
CHH Sustainability and Planning Staff: Joel Sisolak, Alex Brennan, McCaela Daffern, Steven Sawada

Date, time and location of meeting: N/A

Date, time and location of next meeting: September 11, 2pm, 12th Avenue Arts (1620 12th Ave), #205

The Community Development Committee (CDC) meets quarterly and has not met since the Board's last meeting. During the past month, staff continued to advance projects.

EcoDistrict Updates

- **Certification:** The Capitol Hill EcoDistrict is registered to become one of the first certified ecodistricts in North America. CHH is part of a learning cohort of “early adopters” from across the North America. At the September 14th Capitol Hill EcoDistrict Steering Committee meeting, Committee members will be asked to sign a Declaration of Collaboration, one of the first formal submittals required for certification.
- **EcoDistricts Accelerator:** CHH is partnering with EcoDistricts to develop the Puget Sound Accelerator Program to bring the expertise and financial resources of this national intermediary to the area. Through this program, we will partner with local leaders and providers to offer consulting services, technical assistance and capacity building to advance equitable, sustainable districts throughout the region.
- **LGBTQ-Affirming Senior Housing:** Chris Persons met with the EDs from organizations and institutions focused on supporting and Seattle's LGBTQ communities. The purpose of these meetings was to reconvene, reinvigorate and gain buy-in from the EDs around our LGBTQ-affirming senior housing project. Next, Alex is leading (with Steve supporting) the effort to ready our internal planning team, who will support these partners in their advisory committee role, in managing and implementing broader political and community engagement strategies around funding. The goal for these community leaders and their orgs is to feel “ownership” over the concept and to champion the need for the development with external stakeholders—enabling CHH to lead in its role as development partner, while our community partners lead as project champions. The internal planning team will meet after the current round of funding application deadlines subside (second half of September), and a kick-off advisory committee meeting will be scheduled following that.
- **ORCA Affordable Passport Program:** CHH continues to work with King County on an expansion of this program to serve low-income transit riders in other neighborhoods across the county. On June 22, the King County (KC) Council unanimously passed [Motion 2018-0255](#) directing KC Metro to study and price options for expanding transit access for affordable housing residents. The Metro report is due late September in time for County budget considerations. CHH is also reaching out to other agencies, including Sound Transit, PSRC and City of Seattle to explore potential cost sharing for a fully implemented Affordable ORCA Passport.

- ***Pike/Pine Protected Bike Lane (PBL):*** On July 30, the Seattle City Council passed Resolution 31826 in support of the [Basic Bike Network](#), which includes connecting the cycle tracks on 2nd Ave. and Broadway. Funding for this extension was included in the public benefit package that CHH and others negotiated with the developers of the WSCC. With funding secured and confirmation that bike lane construction will begin next year, we now turn our focus to working on a design that is safe and intuitive for bicyclists, prioritizes pedestrian safety and comfort, and retains/strengthens the vibrant retail environment on Pike/Pine. CHH will co-present a community design workshop for the extension on Oct 25th with Central Seattle Greenways and other partners. Leading up to the event, CHH will support Central Seattle Greenways-led outreach to businesses in the corridor and a pop-up protected bike lane on Pike for Park(ing) Day on September 21st.
- ***Capitol Hill Neighborhood Design Guidelines:*** The work group formed to advise the City on an update to the Capitol Hill Neighborhood Design Guidelines met for the last time in June. Following two months of public outreach, the draft guidelines are now under internal review at the City. It is anticipated that the guidelines will go to Council for approval in early 2019. During the update process, the workgroup identified several neighborhood concerns not addressed by the update. CHH staff are currently developing a memo directed at the City articulating these planning issues and opportunities.
- ***Capitol Hill Renter Initiative (CHRI):*** The Renter Initiative held a meeting in August on residential small lot zoning and accessory dwelling units and is hosting a discussion about design review on September 12th. CHH staff and CHRI leadership are also discussing roles and priorities moving forward without practicum student support in the 2018-19 academic year.
- ***Mandatory Housing Affordability (MHA):*** In June, the Seattle Hearing Examiner issued an initial ruling identifying which appeals to the MHA appeal would be reviewed in more detail and which would be dismissed. The final ruling will be issued in November. As such, Council has postponed action until January 2019 at the earliest, “pushing the matter into a pivotal election year and closer to the eventual end of Seattle’s boom” as reported by the Seattle Times on August 20th.
- ***Alley Community Redesign:*** We have hired Framework, a multidisciplinary design and planning firm, as our design consultant for the alley work. Framework has worked on many of the most inspiring recent alley revitalizations in Seattle. Working with Framework, we’ve formed an advisory group and are scheduling meetings with various stakeholders and City departments as we enter the design and community engagement phase.
- ***Homeless Outreach Services:*** We are partnering with other community organizations to see the reinstatement of homeless service outreach workers in Capitol Hill and Chinatown/International District, and the expansion of that program to serve the First Hill neighborhood. This resource had been an important program for ensuring our neighborhoods have all the tools to connect people living outside with resources and supported our business and residential community's compassion and desire for a single point-of-contact. The upcoming budget cycle allows us the opportunity to make a small investment in our neighborhoods that has a big positive impact on unsheltered and sheltered neighbors and our business communities.
- ***Community Package Coalition:*** The Stranger published [a guest editorial](#) written by CHH staff reflecting on the collaborative effort to secure over \$80 million in public benefits as part of the Convention Center expansion, the role that power and privilege played in our success, and a call to action for readers to engage on a similar issue.

Community Development Update

- **Community Liaison:** We completed our first Liberty Bank hard hat tour for community leaders, with five more to go. Eight community leaders from the BCIA, Byrd Barr, CADA and Mt Calvary Christian Center toured the construction site—kicked off with a few words by Evelyn, who gave a heartening account of the legacy and importance of the building to the African American community. CHH then led guests through the finished and unfinished units, the commercial spaces, and forthcoming art installations. Also, JazzED completed its land transaction and our communications plan kicked off with an advanced story in Crosscut, and follow up stories in Curbed, Capitol Hill Blog, Madison Park Times and The Registry. Steve is also supporting Greg Gibson in the root-cause analysis into the Oleta rodent infestation problem.

SEPTEMBER 2018 EXECUTIVE COMMITTEE BOARD REPORT AND MINUTES

Executive Committee Members: **Robert Schwartz** (Chair), **Shalimar Gonzales** (Vice Chair), **Frank Alvarado** (Treasurer), Derrick Belgarde (Secretary), Cathy Hillenbrand (Immediate Past Chair)

Staff Liaisons to the Board: **Robyn Dhatt** (taking minutes), **Jill Fleming**, **Chris Persons**, **Sarah Shoemake** (taking minutes)

(**BOLD** indicates those members in attendance)

Date, time and location of meeting: Monday, August 27, 2018 - 5-6:30 pm Belmont Conference Room

Date, time and location of next meeting: Monday, September 24, 2018 - 5-6:30 pm Belmont Conference Room

Minutes

Meeting began at 5:07pm

1. Lead Items

- a. **Issue at Oleta:** Chris went over the 16-point action plan to address issues with the Oleta that will be shared with the staff the following day. Shalimar suggested two action groups: one team to fix the problem, and one team to conduct a root cause-analysis, with one executive on each team. The Committee discussed the role of increasing Resident Services connections. The appeals process will be reviewed. Rob suggested installing an ombudsman for oversight.

The Committee discussed the importance of having standardized protocol in place for any future issues. Chris would like to create a dashboard with a narrative report and master list of each CHH project. Employee evaluations will be relaunched in 2019. The new Executive Team is committed to rapidly progressing organizational performance standards and views this incident as an opportunity to improve.

Per RCW 42.30.110(g), the Committee entered into an executive session to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. The session began at 5:24pm. The Committee exited the executive session at 5:41pm.

2. External Relations, Community Programs, Board Issues

- a. **Board Resolutions:** Chris reviewed the following potential Resolutions to be reviewed at the September Board meeting.
 - i. Northgate
 - ii. Capital Campaign
 - iii. Union Bank EQII Loan Renewal
 - iv. Impact Capital Predevelopment Line of Credit Renewal
- b. **King County Proposed Ordinance No. 2018 0324:** Chris gave an update on an ordinance authorizing the executive to enter into an interlocal agreement with the city of Seattle to permit CHH to exercise its chartered authority in unincorporated King County. Councilmember Kohl-Welles is the sponsor, and the ordinance should be reviewed by the full Council next week.

- c. **Board Development Update:** Potential Board candidates will attend upcoming Board meetings, to potentially be voted upon as Board members in October or November.

2. Development and Acquisitions

a. Project Development Updates:

- i. Northgate Resolution: Chris notified the Committee that the new Northgate RFP has not been released yet, and we are still in talks with our partners on the project regarding resubmission.
- ii. The Yesler Terrace RFP was submitted on Friday.
- iii. Capitol Hill Portfolio 1 (CHP1) and Eldridge are both working towards funding submissions in the Fall OH Round.

3. Other: Shalimar will chair the September full Board Meeting in Rob's absence.

Meeting ended at 6:29pm

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