



CHH Board Meeting

January 2020

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SECTION 1:

Meeting Keys

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January 2020

Capitol Hill Housing Board Meeting Keys and Agenda

Reminder: Dinner begins at 5:15 PM. The meeting starts promptly at 5:30 PM.

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

Meeting

Introductions: Board, staff and guests make brief introductions.

Consent Agenda, Disclosures and Recusals: We are advancing an idea that has arisen in discussions about Board meeting efficiency over the past few months. Beginning last month, we have included *routine* Board resolutions and other documents for approval in the consent agenda, once those resolutions have been approved by Committee for recommendation to the whole Board. As with any item in the consent agenda, any Board member can remove an item from consent agenda for full Board consideration. There are two advantages to this system. First, it gives the Committee the opportunity to deeply consider the resolutions, make recommendations, and advise staff and second it removes routine resolutions from full Board deliberations allowing the Board to focus on bigger picture items. We will continue to describe the consent agenda items in these Keys as well as include a coversheet as part of the packet.

The following resolutions and memos are included in the consent agenda for Board approval:

2020 Strategic Plan: We have created a strategic plan for 2020 which identifies five major objectives: 1) Center racial equity and residents in all we do, 2) Invest in our people to create and sustain a culture of learning, 3) Research, develop and implement scalable, organizationally efficient systems, 4) Build trust and honest relationships with communities, and 5) Responsibly steward financial and physical assets. These objectives adhere closely to our values and vision statement and include several key initiatives to drive our work in the upcoming year. Staff is currently creating more detailed work plans to support the key initiatives and objectives.

The draft was reviewed at the December 9, 2019 Board Meeting with the intention that the finalized version be included in the consent agenda of the January 2020 Board Meeting Packet.

Resolution 2020-01: Extension of Deferred Developer Fees for the Broadway Crossing Apartments:

This resolution extends by two years the time for CHH to draw the small remaining amount of deferred developer fee from project operations. This is a benefit to us and allows us to avoid having to make a sponsor loan into the project. All of our tax credit developments include, as a source of financing, developer fees that we defer into the development of the project and which are repaid to us over time through operations. The project investor requires that deferred fees be fully drawn at least prior to the conclusion of the 15-year tax credit compliance period. Most require that the deferred fees be fully drawn a few years in advance of the 15-years as a buffer as is the case with Broadway Crossing. Our investor has agreed to extend this period to provide us extra time to draw down the final \$24,557 in fees.

This was approved by the Finance & Asset Management Committee on January 7, 2020 for recommendation to the full board and inclusion in the consent agenda.

Memo - Appointing New Member to CHDA - Chris Persons: Per the bylaws of the CH Development Association (CHDA) Board (an affiliated organization of CHH), new board members are to be appointed by the CHH PDA Board and will consist of members of the PDA Board. Cathy Hillenbrand has recently stepped down from the CHDA Board. At the CHDA Meeting on December 9th, Chris was nominated as her replacement. This memo will officially appoint Chris as a CHDA Board Member.

Nominated at the CHDA Meeting on December 9, 2019 for approval in the consent agenda.

Board members will review items on the agenda and make any necessary disclosures and recusals. The Board will be asked to adopt the consent agenda.

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

Foundation Check Presentation: Michael and the CHH Foundation will present a check to the Board.

Rebrand Activity – Taglines: Yiling, Michael and the Rebrand Consultants from Pyramid will lead an activity regarding the new organizational tagline. Input is being gathered from staff and board members that will allow staff to sign-off on a final tag-line.

Draft Budget: Muhammadou will present the draft budget to the Board. The Board reviewed the budget assumptions last month and a final budget will be presented to the Board in February for final adoption.

Executive Committee

Board Development Considerations: Chris and Rob will review the current Board development list and plans for open seats on the Board and Executive Committee.

Resolution 2020-02: Pre-Suit Notice of Tort Claims: By recommendation of our PDA Attorneys at Pacifica Law Group, the Board is asked to approve this resolution which formalizes a procedure which reduces our risk in the event that someone seeks to file a tort claim against us. Please see the resolution coversheet on page 15.

Finance and Asset Management

Financial Summary: Muhammadou and the Finance and Asset Management Committee presents its regular report and dashboard through November 2019.

410 Update: Brad will update the Board on the status of the 410.

Property Operations

This is the standard monthly report from VPPO Michelle Canizio updating the Board on Property Operations activities.

Board Packet Sections

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 - m. Memo - Appointing New CHDA Board Member, p. 61

Upcoming Meetings and Events

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

Jan 20	Office Closed – MLK Day
Jan 27	CHH Executive Committee Meeting
Feb 10	CHH Board Meeting
Feb 17	Office Closed – Presidents Day
Feb 24	CHH Executive Committee Meeting

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SECTION 2:

Board Agenda

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AGENDA

5:30 Call to Order (Schwartz) – 5 min total

1. Introductions, welcome
2. Disclosures and recusals
3. Approve consent agenda Sec. 5, Page 31
 - a. 2020 Strategic Plan
 - b. Resolution 2020-01: Deferred Developer Fee Maturity Date
Extension for Broadway & Pine Apartments LCC
 - c. Memo - Appointing New CHDA Board Member - Chris Persons

5:35 Public Comment (Not to exceed 5 minutes per individual or 15 for combined speakers)

5:40 Presentation and Discussion – 70 min total

1. Foundation Check Presentation (Seiwerath) – 15 mins
2. Rebrand Activity – Taglines (Seiwerath, Wong, Pyramid) – 30 mins
3. Draft Budget (Drammeh) – 25 mins Presentation

6:50 Executive Committee – 20 min total

1. Board Development Considerations (Schwartz, Persons) – 10 mins
2. Resolution 2020-02: Pre-Suit Notice of Tort Claims (Persons) – 10 mins Sec. 3, Page 15

7:10 Finance and Asset Management – 10 min total

1. Finance Report (Drammeh) – 5 mins
 - a. Financial summary, cash management report:
November 2019 Financial Statements Sec. 4, Page 21
2. 410 Update (Lange) – 5 mins

7:20 Property Operations (Canizio) – 10 min total

1. Verbal update on Property Operations

7:30 Adjourn (Schwartz)

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SECTION 3:

Resolution 2020-02:

Pre-Suit Notice of Tort Claims

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CHH Board Resolution 2020-02 –**Appointing an Agent to receive claims for damages under Chapter 4.96 RCW**

Overview: We were recently notified by our PDA attorney of a legal protection under state law that provides some protection for public entities against tort claims. We are not currently taking advantage of this protection. The resolution presented is the first step we must take to establish these protections. Please note that this resolution is not in response to any current or anticipated tort action.

Under RCW 4.96.010 et al, a person may not file a tort claim (a non-contractual claim for a wrongful act or an infringement of a right leading to civil legal liability) against a local government entity unless the person provides the entity certain details about the claim 60 days before filing suit. The purpose of this law is to allow local government entities time to investigate, evaluate and settle claims before they proceed to litigation.

Purpose: There are three actions we must take to establish this right. First we must designate an agent to receive tort claims. This resolution makes that designation. Secondly, we report this action to the County Auditor and finally publish a tort claim form.

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?: Executive 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: See above

Organizational requirements of resolution: Maintaining the designated agent and updating the resolution when this changes.

Financial cost of the resolution: Attorney fees.

Pros: Provides significant protection and preparation time in the event that a tort claim is made against us.

Cons: None.

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. 2020-02

Appointing an Agent to receive claims for damages under Chapter 4.96 RCW

WHEREAS, chapter 4.96 RCW requires that all claims for damages against a local governmental entity arising out of tortious conduct be filed with the entity before a civil lawsuit is commenced; and

WHEREAS, the Governing Board now desires to designate an agent to receive any claim for damages under chapter 4.96 RCW;

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of Capitol Hill Housing (“CHH”) as follows:

Section 1. Designation of Agent. Muhammadou Drammeh, Director of Finance is hereby confirmed and designated as the agent (the “Agent”) of CHH to receive any claim for damages made under chapter 4.96 RCW. The Agent may be reached during normal business operating hours, Monday through Friday, except legal holidays, at the address provided in Section 2. If the Agent is not available during normal business hours, the Agent’s designee is appointed as the agent to receive claims for damages.

Section 2. Notice of Claims. All claims for damages filed against CHH shall be presented to:

By Mail:

Community Roots Housing
1620 12th Avenue, Suite 205
Seattle, WA 98122
Attn: Muhammadou Drammeh

Physical Delivery:

1620 12th Avenue, Suite 205
Seattle, WA 98122
Attn: Muhammadou Drammeh

Pursuant to RCW 4.96.020(2), a copy of this resolution shall be recorded with the King County Auditor.

Section 3. Further Authority. All CHH officials, their agents, and representatives are hereby authorized and directed to undertake all action necessary or desirable from time to time to carry out the terms of, and complete the transactions contemplated by, this resolution.

Section 4. Effective Date. This resolution shall take effect immediately upon its passage and adoption.

Passed by a majority vote of the Governing Board in an open public meeting on this 13th day of January 2020.

Signed in authentication thereof on this 13th day of January 2020.

Secretary

Attest: _____

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SECTION 4:
January 2020
Finance Report,
November Statements
and Asset
Management Report

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JANUARY 2020 FINANCE & ASSET MANAGEMENT BOARD REPORT AND MINUTES

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

Staff Liaisons to the Board: Brad Lange, Scott Matthews, Jill Fleming, Greg Gibson, Muhammadou Drammeh (**BOLD** indicates those members in attendance)

Date, time and location of meeting: January 7, 2020 – Malden conference room

Financial Position Summary: During November most of the significant fluctuations on the balance sheet were the result of routine monthly transactions and development related spending. Construction draws for Bonanza and Big Village-Yesler Terrace increased cash \$320K net of additional related payments to be reimbursed in December. These transactions also affected development related payables and receivables. Outside of development, there were three payrolls in November, decreasing cash an additional \$170K vs a typical month.

The unaudited operating statement through November 30, 2019 shows an operating deficit of \$743K as compared to a budgeted surplus of \$239K. The negative variance of \$982K is a continuation of variances discussed in prior months, with vacancy and consulting expenses being two of the larger causes. December financials should put us more in line with the 2019 year-to-date projection as presented to the FAM last month, as we received \$217K from the Foundation in December. We will also be accruing interest for the 12th Ave Arts QLICI loans.

Financial Review: The committee reviewed the monthly financial reports and the monthly financial ratio analysis. Comments and Analysis regarding the November Balance Sheet and Operating Statement are included as annotations in the attached statements.

2020 Budget Review: Staff discussed the 2020 budget drafts along with key assumptions. The main line items discussed were developer fees, vacancies, bad debts and potential staff additions. The main concern from the committee is if our vacancy and bad debt amounts are too low.

The committee reviewed the Property Management dashboard report

Vacancy loss: The monthly economic portfolio vacancy rate was 4.5% with a rolling 12-month economic vacancy percentage of 4.4%.

Department and Project Updates: Staff provided brief updates on the following:

- Financial Audits with Clark Nuber – Start week 1/20
- Staff noted that the 12th Avenue Arts New Markets Tax Credit unwind was completed as planned
- The committee discussed a resolution that would amend the Broadway and Pine Apartments LLC operating agreement and developer service agreement to extend the term of the developer fee payable from 12/31/19 to 12/31/21. This gives the property another 2 years to pay the remaining deferred developer fee of \$24,557 from available cash flow. The resolution will be included in the consent agenda.

Capitol Hill Housing Blended Balance Sheet

	11.30.2019 unaudited	10.31.2019 unaudited	Change from prior month	12.31.2018 audited*	12.31.2017 audited*
Assets					
Unrestricted Cash	2,382,892	2,419,241	(36,349) 1	2,295,438	2,037,757
Accounts Receivable	1,155,773	1,133,784	21,989	1,023,384	811,476
Prepays & Other Current Assets	395,879	431,727	(35,848) 2	362,070	341,351
Contributions/Grants Receivable	0	0	0	289,290	61,282
Due from Affiliates	7,378,998	7,588,721	(209,723) 3	7,077,021	5,193,026
Board Designated Operating Reserve	1,000,000	1,000,000	0	1,000,000	1,000,000
Board Designated Opportunity Reserve	770,911	768,253	2,658	244,931	567,083
Restricted Cash	5,487,440	5,457,198	30,242 4	6,937,674	6,135,901
Notes Receivable from Affiliates	29,260,819	29,260,819	0	15,313,542	15,322,710
Land	18,727,425	18,727,425	0	24,344,996	20,394,157
Buildings, Improvements & Equipment	78,900,412	78,492,644	407,768 5	80,945,459	74,146,986
Accumulated Depreciation	(44,253,620)	(44,061,449)	(192,171) 6	(45,192,676)	(39,304,834)
Lease Receivable	717,137	717,137	0	792,137	817,531
Investment in LPs/LLCs	1,512,217	1,512,217	0	1,521,867	1,527,084
Other Assets	58,625	58,255	370	366	(5)
Total Assets	103,494,908	103,505,972	(11,064)	96,955,499	89,051,505
Liabilities					
Notes Payable	60,194,011	60,142,867	51,144 7	65,103,914	58,479,561
Accrued Interest Payable	4,364,620	4,364,620	0	4,594,746	4,385,715
Accounts Payable & Accrued Liabilities	5,951,352	5,631,306	320,046 8	5,396,907	4,956,384
Tenant Security Deposit Liability	520,898	519,964	934	576,781	579,612
Total Liabilities	71,030,881	70,658,757	372,124	75,672,348	68,401,272
Net Position	32,464,027	32,847,215	(383,188)	21,283,151	20,650,233
Total Liabilities and Net Assets	103,494,908	103,505,972	(11,064)	96,955,499	89,051,505

* Internal presentation, certain amounts netted for audit presentation

Significant balance sheet changes from prior month

1) The following significant cash transactions decreased cash during the period:

- Approx \$170K additional payroll due to 3 pay dates in Nov.
- \$100K predev payments fronted by CHH.
- \$45K Park Hill masonry project (reserves taken in Sept)

The decrease was partially offset by the following cash increases:

- \$105K Big Village-Yesler Terrace net of Draw 3.
 - \$214K Bonanza draw 3 (\$357K draw netted against additional payments reimbursed in Dec).
- 2) Change due to routine amortization of monthly pre-paid expense items**
- 3) Change due to timing fluctuation from due to/from affiliate balances. \$170K net decrease for multiple development related expenses/reimbursements (mostly Bonanza).**
- 4) \$19K monthly reserves contributions.**
- 5) Increase mostly due to multiple projects in CIP: \$145K Big Village-Yesler Terrace; \$116K Fleming parapet wall project (general bldg rsv); \$45K Africatown consulting; \$28K Fredonia water heater**
- 6) Routine monthly depreciation expense**
- 7) \$134K increase due to Big Village-Yesler Terrace draw 3 receipt. Increase partially offset by monthly paydowns of mortgages and insurance financing loan.**
- 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. \$115K Big Village-Yesler Terrace and \$45K Africatown consulting.**

Capitol Hill Housing Improvement Program
Statement of Revenues and Expenditures - Unaudited
From 1/1/2019 Through 11/30/2019

	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	9,501,849	9,604,539	(102,690)		-1.07%	10,481,789	979,940
Commercial rent revenue, net	1,448,766	1,555,600	(106,834)	1	-6.87%	1,700,206	251,440
Triple net revenue	261,105	269,450	(8,345)		-3.10%	277,800	16,695
Parking, laundry and other	192,732	153,598	39,134	2	25.48%	167,561	(25,171)
Res vacancy and concessions	(539,428)	(273,094)	(266,334)	3	97.52%	(298,016)	241,412
Total Tenant Rent	10,865,024	11,310,093	(445,069)		-3.94%	12,329,340	1,464,316
Other Operating Revenue							
Accounting & Compliance fees	677,117	662,260	14,857		2.24%	723,188	46,071
Developer Fees	1,378,217	1,474,755	(96,538)	4	-6.55%	1,474,755	96,538
Partnership Management Fees	248,042	243,051	4,991		2.05%	342,717	94,675
Property Management Fees	1,565,787	1,592,097	(26,310)		-1.65%	1,738,291	172,504
Total Other Operating Revenue	3,869,163	3,972,163	(103,000)		-2.59%	4,278,951	409,788
Other Revenue							
Grants & Donations	716,943	777,379	(60,436)		-7.77%	1,093,164	376,221
Interest Income	147,982	143,564	4,418		3.08%	186,553	38,571
Other Income (non-operating)	60,382	42,404	17,978		42.40%	61,274	892
Total Other Revenue	925,307	963,347	(38,040)		77.12%	1,340,992	415,684
Total Revenue	15,659,494	16,245,603	(586,109)		-3.61%	17,949,283	2,289,788
Expenses							
Accounting, Audit & Legal	504,316	460,798	(43,518)	5	-9.44%	488,902	(15,414)
Administration	445,648	453,408	7,760		1.71%	485,765	40,117
Bad Debt	98,990	43,030	(55,960)	6	-130.05%	46,942	(52,048)
Board Expense	172	9,600	9,428		98.21%	10,200	10,028
CHH Occupancy Expense	345,571	340,563	(5,008)		-1.47%	364,913	19,342
Compliance, Taxes & License	332,209	315,087	(17,122)		-5.43%	322,120	(10,089)
Consulting	463,178	237,411	(225,767)	7	-95.10%	252,630	(210,548)
Debt Service	2,468,668	2,491,862	23,194		0.93%	2,703,529	234,861
Insurance	338,475	292,299	(46,176)	8	-15.80%	319,286	(19,189)
Leasing/Compliance Expense	194,031	130,850	(63,181)	9	-48.29%	142,746	(51,285)
Miscellaneous Financial Expense	8,466	11,193	2,727		24.36%	11,756	3,290
Other Operating Expense	41,097	23,892	(17,205)		-72.01%	27,475	(13,622)
Partnership Mgmt Fee Expense	174,710	118,438	(56,272)	10	-47.51%	150,141	(24,569)
Payroll, Taxes and Benefits	6,170,953	6,332,120	161,167	11	2.55%	6,906,297	735,344
Preventive Maintenance	424,495	382,593	(41,902)	12	-10.95%	406,568	(17,927)
Property Mgmt Fee Expense	1,021,103	1,018,029	(3,074)		-0.30%	1,143,077	121,974
Repair and Maintenance	1,291,988	1,180,363	(111,625)	13	-9.46%	1,287,696	(4,292)
Resident activities	62,707	68,120	5,413		7.95%	69,428	6,721
Technology	171,430	194,747	23,317	14	11.97%	204,918	33,488
Utilities	1,311,226	1,375,001	63,775		4.64%	1,511,424	200,198
Total Expenses	15,869,434	15,479,404	(390,030)		(0)	16,855,813	986,379
Operating Surplus (Deficit) B4 Reserves	(209,940)	766,199	(976,139)		-127.40%	1,093,470	
Reserve Contributions							
Replacement Reserve	(444,833)	(439,201)	(5,632)		1.28%	(478,154)	(33,321)
Operating Reserve	(41,536)	(41,539)	3		-0.01%	(45,088)	(3,552)
Other Reserve	(46,383)	(46,383)	0		0.00%	(50,600)	(4,217)
Total Reserve Contributions	(532,752)	(527,123)	(5,629)		1.07%	(573,842)	(41,090)
Operating Surplus (Deficit)	(742,692)	239,076	(981,768)		-410.65%	519,628	
Other Income (non-operating)	0	0	0		0.00%	0	
Income/Loss	(742,692)	239,076	(981,768)		-410.65%	519,628	

Variance Discussion (Greater than \$20K and 10%)

- 1) Variance is primarily due to the three vacant commercial spaces at 12AA. Two tenants signed leases that began in Oct 2019. The Fishbowl will not be leased as CHH will retain the unit.
- 2) Tenant late fees and cleaning/damages are over budget - CHH typically does not budget for late fees or tenant charges

3) The following buildings have vacancies that significantly exceed budget:

Bremer \$11K variance
Joe Black: \$26K variance
Hazel Plaza \$16K variance
John Carney: \$15K variance
Holden Vista \$12K variance
Brewster \$12K variance
Fleming \$21K variance
Centennial \$12K variance
Oleta \$32K variance
Helen V \$11K variance
Union James \$31K variance

- 4)** Fourth installment of Liberty bank developer fee for \$116K budgeted in 2019 but will be paid in April 2020 after IRS Form 8609 is completed and submitted to IRS.
- 5)** \$33K due to allocating 2018 audit costs to blended buildings. Expenses offset by revenue to CHH.
- 6)** Multiple tenant write offs YTD including the following larger amounts: \$14K Park Hill #7; \$5.7K Union James #101; \$9.5K Joe Black #14; \$5.3K Joe Black #20; \$9K Brewster #209; \$6K Brewster #308; \$5.9K Brewster #104; \$4.7K Brewster #303; \$8.6K Oleta #404
- 7)** Over budget due to several reasons: CHH is paying 3rd party real estate development consultants for work on the Bonanza project and the market rate development projects (to date these amounts have exceeded budget). \$127K to Skip Stone for Lake City feasibility and \$108K to Structural Development Advisors for Bonanza consulting. In addition, CHH is also paying consultants for rebranding.
- 8)** Insurance exceeds the budgeted amount. Insurance premiums increased for 2019 based on two factors: 1. Increased claims over the past two years 2. Update to schedule of replacement values was completed in 2019.
- 9)** Over budget due to 3rd party compliance specialist assisting with vacancies in the property management department.
- 10)** Harrison was able to pay more on land lease than budgeted, resulting in a \$58K variance.
- 11)** Variance due to vacant Associate Director of Real Estate, Vice President of Property Operations and Assistant Maintenance Tech positions, all of which were budgeted for a full year and were vacant for a majority of the first six months of the year (Assoc. Dir of Real Estate and Assistant Maintenance Tech started in April. VPPO started end of Sept). In addition, there have been multiple open site manager positions as turnover increased during the first half of 2019.
- 12)** Majority of HVAC and Boiler budget is in the Repair and Maintenance section below
- 13)** CHH completed a significant unit turn project in April/May to turn 26 units across the portfolio that had been vacant for long periods of time. Several of these turns required significant work, which has put them over budget year-to-date. \$26K Union James #105 remodel in Nov.
- 14)** Budgeted \$40K through Nov for web site development that has not happened and likely will not in 2019.

**CHH
CASH IN BANK
FOR THE MONTH ENDING: November 2019**

Bank	Acct #	CHH Blended Component Unit	Type	Balance
Chase	025-858054-9	Larned	Reserves	138,482
Chase	025-858063-0	412	Reserves	114,697
			Total Chase	253,179
KeyBank	479681074833	Capitol Hill Housing	Security Deposit	243,690
KeyBank	479681051187	Capitol Hill Housing - SoundFamilies	Restricted Savings	15,081
KeyBank		Hazel Plaza	Reserves	229,669
KeyBank	471681012103	Hazel Plaza	Security Deposit	3,398
KeyBank	479681168569	Larned	Security Deposit	21,658
KeyBank	0054297114	Byron Wetmore	Reserves	60,917
KeyBank	479681063869	Byron Wetmore	Security Deposit	8,892
Key Bank	479681168536	412	Security Deposit	2,811
KeyBank		Holden Vista	Reserves	63,413
KeyBank		Holden Vista	Security Deposit	3,429
KeyBank		Mary Ruth Manor	Reserves	301,384
KeyBank	472559000626	Mary Ruth Manor	Security Deposit	6,123
KeyBank	479681168544	EJSH	Security Deposit	11,376
KeyBank	471689013145	Fleming Apts LP	Security Deposit	20,360
KeyBank	471684001731	Gilman Court LP	Reserves	109,288
KeyBank	471689007543	Gilman Court LP	Security Deposit	20,335
KeyBank	479681072043	Villa Apts LP	Reserves	230,595
KeyBank	471684008017	Villa Apts LP	Security Deposit	42,510
KeyBank		Harrison	Security Deposit	19,357
KeyBank	479681168577	Oleta	Security Deposit	21,042
Chase	1958047409	Oleta	Reserves	39,881
KeyBank	471681008051	Helen V Apts LLC	Reserves	323,946
KeyBank	471681008069	Helen V Apts LLC	Security Deposit	8,102
KeyBank		12th Avenue Arts Master Tenant LLC	Security Deposit	49,077
KeyBank		12th Avenue Arts Master Tenant LLC	Reserves	68,783
Key Bank		Union James	Security Deposit	5,732
Key Bank		Union James	Reserves	94,948
Key Bank		Lake City	Security Deposit	6,545
			Total KeyBank	2,032,342
Banner		Berneva	Reserves	15,466
Banner		Seneca	Reserves	148,744
Banner		Seneca	Security Deposit	20,094
			Total Banner	184,304
LGIP		Capitol Hill Housing	Reserves	2,613,097
			Total LGIP	2,613,097
Walker Dunlop		EJSH	Escrow	15,662
Walker Dunlop		EJSH	Reserves	116,660
			Total Oppenheimer	132,322
Chase		Harrison	Reserves	174,769
			Total Chase	174,769
BofA		Fleming Apts LP	Reserves	97,427
			Total BofA	97,427
			Total Restricted - CHH Blended Components	5,487,440
LGIP	00265 and 00266	Capitol Hill Housing	Board Designated Reserve	1,770,911
			Total Designated	1,770,911
Heritage		Union & 24th Construction Commercial	Construction	397
Heritage		Union & 24th Construction Commercial	Operating Checking	4,702
			Total Heritage	5,099
UnionBank		Capitol Hill Housing	EQII	11,296
			Total Union Bank	11,296
KeyBank	4222558441	Capitol Hill Housing	EQII	7,314
			Total KeyBank	7,314
KeyBank		Capitol Hill Housing	Gen Building Reserve	557,383
			Total Gen Building Reserve	557,383
KeyBank	9838615640	Capitol Hill Housing	HPN	238
			Total HPN	238
KeyBank		Capitol Hill Housing	Payroll	-
KeyBank	24603865	Capitol Hill Housing	Operating Checking	407,511
KeyBank	479681068736	Capitol Hill Dev. Assoc	Operating Checking	2,765
KeyBank		Capitol Hill Real Estate Mgmt Services	Operating Checking	46,626
KeyBank		Cash-Restricted	Operating Checking	79,538
KeyBank	550229625	Hazel Plaza	Operating Checking	51,310
KeyBank	479681168445	Larned	Operating Checking	56,737
KeyBank	471681001080	Byron Wetmore	Operating Checking	30,833
KeyBank	479681168411	412	Operating Checking	47,439
KeyBank		Holden Vista	Operating Checking	46,067
KeyBank	472551000103	Mary Ruth Manor	Operating Checking	62,733
KeyBank	479681168429	EJSH	Operating Checking	63,956
KeyBank	471681003060	Fleming Apts LP	Operating Checking	52,833
KeyBank	472551000608	Gilman Court LP	Operating Checking	80,332
KeyBank	471681002922	Villa Apts LP	Operating Checking	54,439
KeyBank		Harrison	Operating Checking	83,120
KeyBank	479681168452	Oleta	Operating Checking	42,564
KeyBank	471681008085	Helen V Apts LLC	Operating Checking	104,551
KeyBank		12th Ave Arts Development	Operating Checking	104,119
KeyBank		12AA Master Tenant LLC	Operating Checking	85,309
KeyBank		Union James	Operating Checking	43,542
KeyBank		Lake City	Operating Checking	51,423
KeyBank		Big Village Construction	Operating Checking	144,474
			Total KeyBank	1,742,219
Cash		Various	Petty Cash - CHHIP	100
			Total Petty Cash	100
Banner		Berneva	Operating Checking	2,383

**CHH
CASH IN BANK
FOR THE MONTH ENDING: November 2019**

Banner		Seneca	Operating Checking	56,859
			Total Banner	59,243
			Total Unrestricted - CHH Blended Components	2,382,892
			Total All Cash - CHH Blended Components	9,641,243

Bank	Acct #	Discrete Component Unit	Type	Balance
Chase	067-008897-3	Woodland Park Ave LLC	Reserves	148,143
Chase		AAA	Security Deposit	5,765
Chase		AAA	Reserves	153,111
Chase		AAA	Escrow	6,863
			Total Chase	313,882
KeyBank	479683006981	Broadway & Pine	Reserves	241,960
KeyBank	479681076994	Broadway & Pine	Security Deposit	22,226
KeyBank		El Nor LP	Security Deposit	8,644
KeyBank	471689017393	18th Ave Apartments	Security Deposit	1,275
KeyBank		Holiday Apts	Security Deposit	20,900
KeyBank		Jefferson & 12th	Reserves	319,842
KeyBank		Jefferson & 12th	Security Deposit	30,542
KeyBank	479681064933	Pantages Apts LLC	Security Deposit	25,515
KeyBank		Ponderosa	Security Deposit	2,337
KeyBank		Silvian	Security Deposit	6,361
KeyBank	-783	SOP1 / Unity Village	Reserves	210,590
KeyBank	479683029421	SOP1 / Unity Village	Security Deposit	13,724
KeyBank		Woodland Park Ave LLC	Security Deposit	10,153
KeyBank		12th Avenue Arts Housing	Security Deposit	67,275
KeyBank		12th Avenue Arts Housing	Reserves	722,580
KeyBank		12th Avenue Arts Associates LLC	12AA HEDC Fee Reserve	102,825
KeyBank		12th Avenue Arts Associates LLC	12AA Key Fee Reserve A	106,302
KeyBank		CH TOD Station House	Construction	186,893
			Total KeyBank	2,099,943
UnionBank	153595024537	Holiday	Reserves	219,704
			Total UnionBank	219,704
US Bank	153595024537	Pantages Apts LLC	Reserves	460,820
US Bank	153595019891	Silvian	Reserves	571,538
			Total USBank	1,032,358
Heritage		Union & 24th Construction Residential	Construction	31,961
Heritage		Union & 24th Residential	Reserves	207,393
Heritage		Union & 24th Residential	Security Deposit	34,486
			Total Heritage	273,840
Wells Fargo		Bonanza	Construction	69,222
Wells Fargo		Bonanza	Construction CHH Loan	2,456,121
		El Nor	Reserves	11,000
		18th Ave	Reserves	1,800
			Total Wells Fargo	2,525,344
Bellwether		Union & 24th	Escrow	79,252
			Total Bellwether	79,252
			Total Restricted - Discrete Components	6,544,323
Chase		AAA	Operating Checking	91,571
			Total Chase	91,571
KeyBank		El Nor LP	Operating Checking	189,607
KeyBank	471681007566	18th Ave Apartments	Operating Checking	25,980
KeyBank	479081033942	Pantages Apts LLC	Operating Checking	45,116
KeyBank		Silvian	Operating Checking	264,963
KeyBank	479681076952	Broadway & Pine (BX)	Operating Checking	39,394
KeyBank		Woodland Park Ave LLC	Operating Checking	31,841
KeyBank		Holiday Apts	Operating Checking	53,239
KeyBank	479681146219	SOP1 / Unity Village	Operating Checking	80,192
KeyBank		Jefferson & 12th	Operating Checking	53,094
KeyBank		Ponderosa	Operating Checking	83,071
KeyBank		Twelfth Avenue Arts Res	Operating Checking	174,854
KeyBank		12th Avenue Arts Associates LLC	12AA Commercial Operat	92,823
			Total KeyBank	1,134,173
Heritage		Union & 24th Residential	Operating Checking	334,064
			Total Heritage	334,064
			Total Unrestricted - Discrete Components	1,559,808
			Total All Cash - Discrete Components	8,104,131
			Total All Cash - CHH Blended Components	9,641,243
			Total All Cash	17,745,374

TOTALS BY BANK

Key Bank	\$	7,566,060
Chase	\$	840,715
Banner	\$	243,547
US Bank	\$	1,032,358
Union Bank	\$	231,001
Bank of America	\$	97,427
Heritage	\$	613,003
LGIP	\$	4,384,008
Other and Petty	\$	132,660
TOTAL CASH	\$	15,140,778

**Capitol Hill Housing
Asset Management Dashboard
Year to Date as of November 30, 2019**

	Physical Vacancy (at month end)			Op Rev Per Unit YTD		Op Exp Per Unit YTD		Cash Flow Per Unit ⁽¹⁾ YTD		Residential Acct. Rec. % ⁽²⁾	12-Month Rolling Avg. ⁽³⁾		Economic Vacancy		
Building	Vacant Units	Vacancy %	Total Units	Actual	Budget Var %	Actual	Budget Var %	Actual	Budget Var %	Nov. 2019	Make Ready	Total Days Vacant	Nov. 2019	12 MO Rolling	2018 Vacancy
Byron Wetmore			12	10,943	1%	9,855	-3%	442	52%	70%	0	60	0.0%	1.1%	0.0%
Elizabeth James	2	3.3%	60	9,809	2%	7,162	-4%	(20)	-105%	133%	88	207	3.4%	2.6%	2.5%
Four Twelve	1	8.3%	12	14,906	2%	12,229	-15%	(2,141)	-635%	111%			12.3%	1.8%	5.0%
Hazel Plaza	2	12.5%	16	23,320	-6%	8,457	11%	6,557	-6%	31%	75	119	14.5%	6.3%	1.9%
Joe Black Apartments	3	12.5%	24	11,756	-11%	11,689	-21%	(1,294)	-165%	6%	168	226	11.2%	13.8%	12.7%
Mary Ruth Manor			20	22,606	-3%	9,338	3%	4,991	-2%	134%			0.0%	3.5%	4.5%
Union James	4	16.7%	24	15,265	-10%	21,865	-135%	(10,611)	-407%	116%	270	267	17.1%	12.9%	5.8%
Jacob Total	12	7.1%	168	14,122	-4%	10,846	-25%	(611)	-127%	78%	165	198	8.3%	6.4%	4.6%
Eighteenth Avenue ⁽⁵⁾			7	7,393	27%	2,998	8%	3,092	620%	9%			0.0%	0.0%	6.0%
El Nor ⁽⁵⁾			47	5,652	37%	1,484	48%	3,664	2314%	8%			0.0%	0.0%	2.1%
Helen V	1	2.6%	38	16,932	0%	6,465	23%	6,656	40%	115%	166	199	3.5%	5.6%	4.4%
Holden Vista	2	12.5%	16	12,749	-6%	10,965	-3%	385	-74%	-7%	145	140	24.0%	11.1%	2.4%
Holiday	1	3.3%	30	10,877	-3%	6,960	-12%	(48)	-105%	20%	72	121	3.0%	3.5%	0.4%
Park Hill			30	13,804	-3%	9,923	-9%	2,091	-33%	84%	112	44	2.0%	3.4%	2.1%
Ponderosa ⁽⁵⁾			18	6,739	69%	2,776	14%	3,962	718%	23%			0.0%	0.0%	3.9%
Silvian	1	3.1%	32	13,703	-2%	7,731	17%	2,539	108%	-5%	147	146	2.8%	2.3%	4.2%
Unity Village	4	13.3%	30	9,360	-7%	7,615	6%	1,371	-9%	21%	73	105	14.4%	8.8%	5.4%
Lynn Total	9	3.6%	248	9,792	-1%	5,861	6%	2,073	22%	40%	111	109	4.3%	4.5%	3.3%
Berneva	2	16.7%	12	8,488	-7%	9,461	-17%	(2,020)	-2939%	8%	136	137	18.8%	7.2%	0.8%
Brewster	3	8.6%	35	7,800	-12%	7,825	-22%	(1,482)	-250%	-19%	20	109	7.7%	7.7%	3.8%
Broadway Crossing			44	9,476	-5%	7,848	0%	166	-71%	13%	15	122	0.0%	4.3%	3.2%
Haines AAA	1	3.3%	30	12,459	17%	6,389	11%	3,558	288%	9%	10	187	3.1%	1.9%	3.8%
Jefferson Housing	1	2.5%	40	12,346	-3%	7,168	8%	1,089	185%	20%	71		2.6%	2.8%	4.2%
Oleta	1	2.9%	34	8,096	-12%	7,210	-15%	(2,115)	-4362%	14%	51	107	3.8%	14.7%	8.4%
Pantages	3	6.1%	49	9,582	-1%	8,227	-10%	(632)	-454%	5%	15	51	4.9%	3.5%	3.3%
Twelfth Avenue Arts	1	1.1%	88	11,100	-1%	6,374	-17%	695	-60%	13%	28	40	1.7%	2.0%	1.7%
Nelda Total	12	3.6%	332	10,184	-2%	7,290	-7%	120	-85%	9%	32	75	3.4%	4.4%	3.4%
Boylston Howell	1	3.3%	30	10,407	-4%	8,421	-7%	(98)	-113%	20%	11	17	2.6%	3.7%	1.3%
Bremer	1	2.0%	49	8,450	-5%	6,296	-6%	(69)	-108%	4%	59	117	1.1%	6.9%	5.9%
Centennial			30	10,674	-9%	7,400	-18%	(334)	-121%	7%	41	82	3.1%	7.8%	6.3%
Devonshire	2	3.2%	62	8,902	-2%	6,533	4%	721	22%	36%	53	118	4.4%	3.9%	2.7%
Fleming	1	2.8%	36	8,388	-7%	7,295	-28%	(1,371)	-257%	73%	51	114	2.8%	8.5%	4.0%
Fremont Solstice			18	10,821	1%	7,030	6%	624	378%	28%	8	99	0.0%	2.7%	2.4%
Gilman Court			25	12,236	2%	8,848	11%	2,125	187%	17%			3.8%	0.3%	0.0%
John Carney	3	11.1%	27	8,228	1%	8,283	-30%	(1,465)	-503%	1%	25	115	8.5%	9.0%	1.1%
Larned			33	9,924	-1%	6,592	6%	2,723	16%	51%	37	124	0.0%	3.8%	2.3%
Melrose	1	3.3%	30	8,442	-4%	5,576	4%	1,760	-1%	67%	30	115	4.2%	4.3%	3.5%
Villa	3	4.8%	62	11,285	-2%	7,253	-2%	437	-46%	68%	71	75	5.5%	2.5%	1.0%
Skye Total	12	3.0%	402	9,711	-3%	7,106	-4%	432	-56%	35%	43	101	3.5%	4.9%	3.0%
Broadway			5	12,855	2%	7,865	8%	2,404	57%	0%			0.0%	0.0%	0.0%
Burke Gilman Gardens			15	12,736	2%	9,529	-4%	1,215	-11%	23%	21	33	0.0%	1.6%	5.6%
Four Ten ⁽⁵⁾			4	11,834	-20%	11,071	9%	(4,277)	-1062%	-7%			0.0%	6.9%	5.6%
Fredonia			12	25,713	3%	13,877	12%	3,730	13%	0%			0.0%	0.0%	1.7%
Harrison at 15th	1	5.3%	19	19,481	1%	13,783	-19%	(529)	-207%	11%	17	34	5.7%	0.5%	0.0%
Liberty Bank Building ⁽⁴⁾	2	1.7%	115	8,498	3%	9,644	-110%	2,942		68%			3.8%	1.4%	1.7%
Lincoln Court	2	6.9%	29	9,460	0%	6,536	-10%	(567)	-1465%	17%	22	88	5.6%	2.7%	2.2%
Maxwell			4	11,326	0%	7,873	4%	2,058	24%	58%			0.0%	0.0%	0.0%
Miller Park			12	11,168	-8%	7,730	14%	929	60%	25%	14	109	0.0%	7.3%	2.6%
Seneca	1	3.1%	32	10,348	-1%	7,569	3%	181	-77%	26%	16	24	3.0%	1.0%	1.3%
Squire Park Plaza	3	5.0%	60	18,101	-4%	7,490	2%	2,923	-19%	13%	19	49	6.6%	3.5%	3.3%
Valencia Total	9	2.9%	307	12,474	-1%	9,021	-27%	1,858	-10%	34%	17	58	4.0%	2.2%	2.4%
Portfolio Total	54	3.7%	1457	10,923	-2%	7,771	-11%	820	-43%	34%	55	96	4.5%	4.4%	3.3%

¹⁾ After debt and reserve payments

²⁾ Cumulative residential accounts receivable balance divided by monthly gross potential rental revenue

³⁾ Portfolio Manager averages are averages across all unit turns within portfolio and not averages across buildings

⁴⁾ Certificate of Occupancy for Liberty Bank Building was issued on 3/11/2019. Fully occupied at the end of April and first included in the May 2019 Dashboard.

⁵⁾ Vacancies at these properties have been removed due unit offline status related to "Bonanza" and the pending disposition of the 410

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

Berneva - two vacancies in November (one is a 2-bdr). Both have December pending leases.

Four Twelve - Rent concessions related to incorrect move-in certification in 2018 allocated to November.

Joe Black - three vacancies in November; two 3-bdr and one 2-bdr units with higher rents. One vacancy has pending January lease.

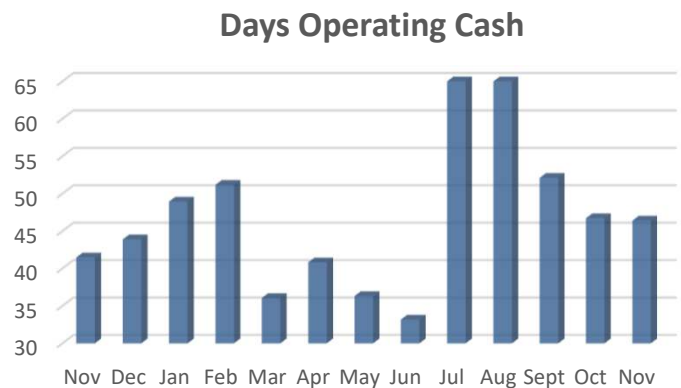
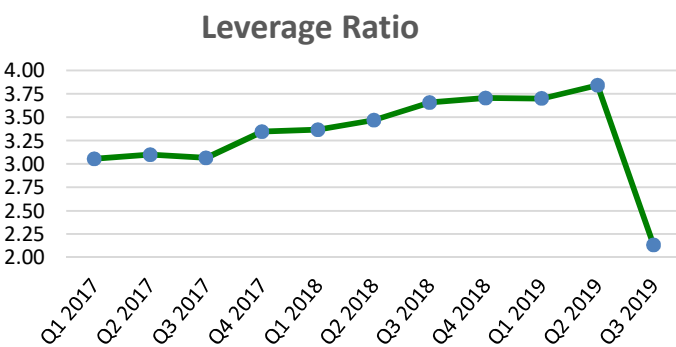
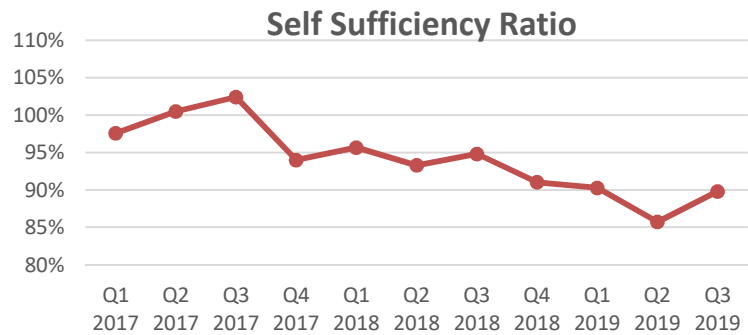
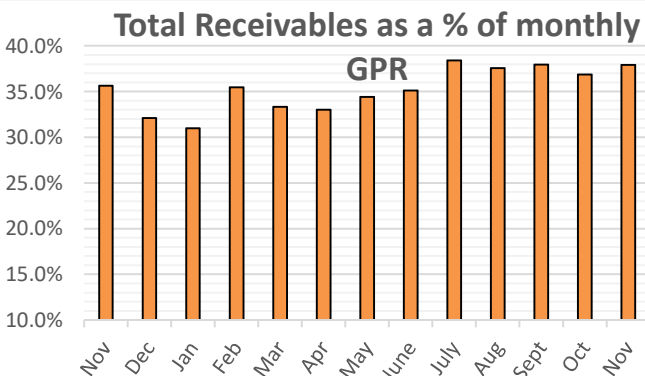
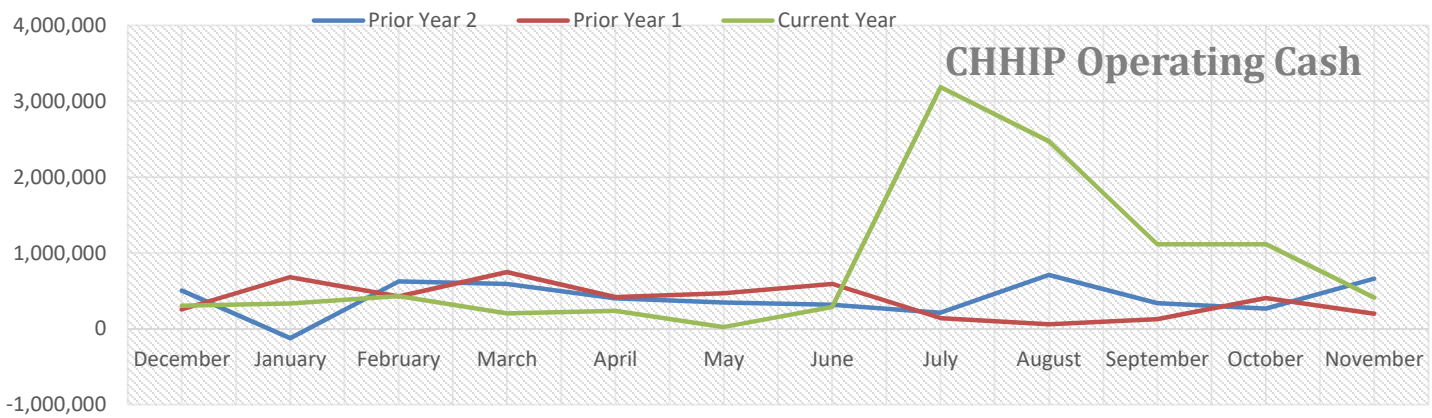
Hazel Plaza - two vacancies in November (a 2 and 3-bdr with high rents). Both have December/January pending leases

Holden Vista - two vacancies in November (a 3-bdr and a 2-bdr) both with mid-January pending leases. 6 months of concessions due to late recertification allocated to November.

Union James - four vacancies in November (all 2-bdr units). Two units required deep rehab that were not completed until the end of June. One unit has January pending lease.

Unity Village - four vacancies in November (all 2-bdr units). Three were leased in December.

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



SECTION 5:

Consent Agenda and Attachments

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CAPITOL HILL HOUSING PDA BOARD

Regular Meeting

January 13, 2020

5:30-7:30 PM

12th Ave Arts Pike Pine Meeting Room

1620 12th Avenue, Seattle

CONSENT ITEMS

MINUTES AND REPORTS

1. December 2019 Draft Board Meeting Minutes (attached for adoption)
2. Committee Reports and Minutes (attached for acceptance)
3. 2020 Strategic Plan (attached for acceptance)
4. Resolution 2020-01: Broadway Crossing Deferred Developer Fee (attached for approval)
5. Memo - Appointing New CHDA Board Member (attached for approval)

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

Blended				
Date	Bldg/Entity	Contract with:	Amount	Purpose
May 11, 2015	CHH	MRI Software LLC, Investment Management	\$0.00	Integratec/Investment Central Services Agreement ran for three years initially, renewal at 1-year increments. Written notice to terminate required at least 90 days prior to the end of the then-current term. Cost dependent on number of investments loading financial and occupancy data
January 1, 2020	CHH	YWCA Economic Resilience Initiative	\$18,000	YWCA Economic Resilience Initiative is providing monthly financial workshops to correspond with the educational requirement of the CHH Rental Assistance program as well as twice annual Money Mechanics program. This partnership supports our strategic goals of centering residents and maximizing opportunities for resident success.



REGULAR BOARD MEETING MINUTES

Pike-Pine Room
1620 12th Avenue, Seattle

December 9, 2019

Members Present: Frank F. Alvarado III, Paul Breckenridge, Jill Cronauer, Sara Cubillos, Bob Fikso, Chasten Fulbright, Shalimar Gonzales, Drew Porter, Robert Schwartz, Eric Snow, George Staggers

Members Absent: Derrick Belgarde, Rachel Ben-Shmuel, Cathy Hillenbrand, b.g. Nabors-Glass

Staff Members Present: Chiloe Barrera-Cloyd, Michelle Canizio, Valencia Chambers Manora, Robyn Dhatt, Muhammadou Drammeh, Jill Fleming, Greg Gibson, Lisa Hagen, Brad Lange, Chris Persons, Michael Seiwerath, Sarah Shoemake-Gamble (taking Minutes), Sasha Sobers-Outlaw, Ashley Thomas, Terra Walsh, Jeremy Wilkening

The meeting was called to order by Robert Schwartz at 5:30 pm.

Disclosures & Recusals: None.

A motion to approve the **Consent Agenda was made** by Frank Alvarado, seconded by Jill Cronauer, and passed unanimously.

Public Comment: None.

Presentation and Discussion

Draft Strategic Plan: Greg reviewed the process that went into creating the current draft of the strategic plan. He explained that staff are basing 2020 work plans on this document. The Staff Leadership Team will meet bimonthly going forward with the main purpose of holding the organization accountable to achieving the work plan goals. The final version of the strategic plan will be presented to the Board at the January Meeting for approval. The strategic planning process has been timed with the rebrand, so the information will be reviewed and updated as messaging and values as also updated. Board members requested that staff create reasonable and attainable work plan goals.

November Board Meeting Debrief: Rob explained that an intense discussion occurred at the November Board meeting. He noted that he had multiple conversations with Chris and the Executive Committee. Chris apologized for his behavior and shared ideas for ways to work on his professional development, including some Board member suggestions such as executive coaching and mentoring. He also noted that he plans to update the Board every other month on the strategic plan to keep them more in the know, a practice which dropped off in the last few years. Chris and Rob also reviewed a document with suggested

updates to Board procedures which would help minimize conflict in Board meetings. This includes formalizing the committees, staff making more informative presentations, staff bringing items to Board as early as possible, and a procedure for when urgent items come up occasionally. Board Members shared their thoughts. Sara noted that it is important to name uncomfortable situations when they occur. Board members discussed what could have happened in the moment to help the situation and how it can be avoided in the future, while continuing to facilitate healthy discussion.

Real Estate Development

Office of Housing Funding Results: Jeremy shared the makeup of the Property Development team. He reviewed the funded project list and reminded Board members of the different projects and their statuses. He also shared the cash developer fee projections through 2024, noting the workload of each team member will be reviewed in the new year. Board members requested more information on the staffing increases to the team in the coming years.

Finance and Asset Management

Financial Summary: Muhammadou presented the Finance and Asset Management Committee regular report and dashboard through October 2019 noting the cash variance is due to predevelopment spending, high vacancy, consulting fees and delayed developer fees.

A motion to approve the **December Finance and Asset Management Report** was made by Bob Fikso, seconded by George Staggers, and passed unanimously.

Budget Assumptions: Muhammadou reviewed the budget assumptions. The 2020 budget will be presented to the Board in either January or February for approval. Board members shared concerns about the budgeted vacancy for the year.

410 Update: Brad reminded the Board of the six unit building and its' history. The City is looking at the property for affordable home ownership.

Property Operations

Michelle updated the Board on the timeline for Station House lease up and move ins, noting that the leasing form will be open on Tuesday, January 7th online at 9:00 am. She encouraged Board members to share the recent email with information about the lease up with their communities. Michelle also shared that while the team is continuing to work on a long-term system to managing resident feedback, there also needs to be an immediate, short-term solution, on which her team is working.

Advancement and External Relations

Rebrand Update Timeline: Michael reminded the Board of the entire rebrand process. He showed a draft of the timeline for the final phase of the rebrand process – look, logo, website.

The meeting was adjourned by Robert Schwartz at 7:25 pm.

Attested,

Derrick Belgarde, Secretary
January 13, 2020

DRAFT

**January 2020 PROPERTY MANAGEMENT COMMITTEE
BOARD REPORT AND MINUTES**

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

Staff Liaisons to the Board: Michelle Canizio, Terra Walsh, Ashley Thomas, Noah Wernstedt-Lynch
(**BOLD** indicates those members in attendance)

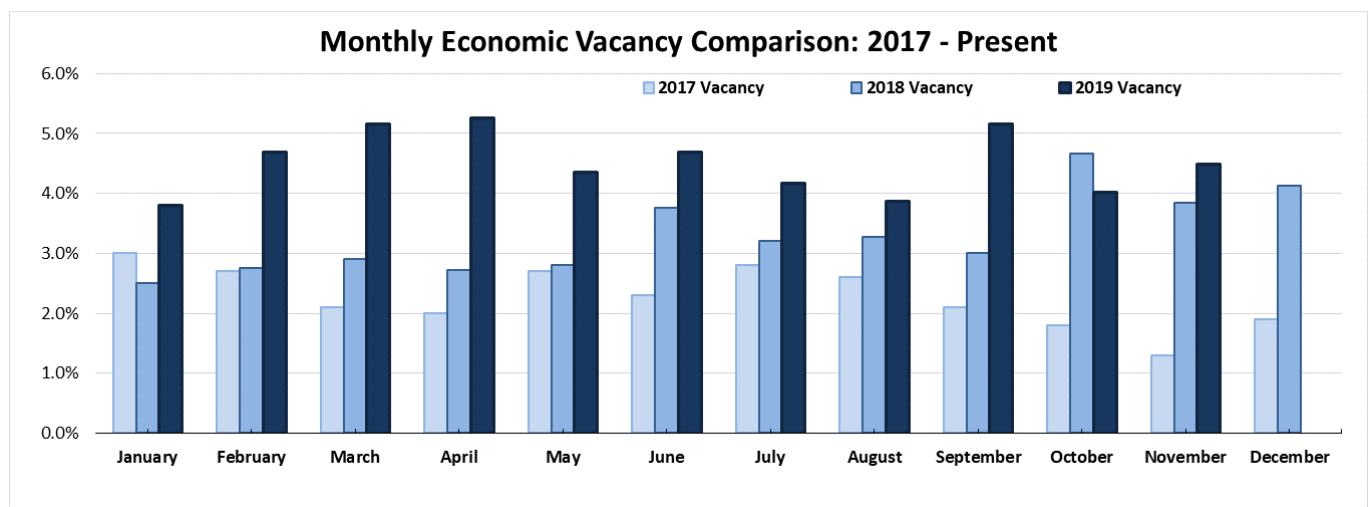
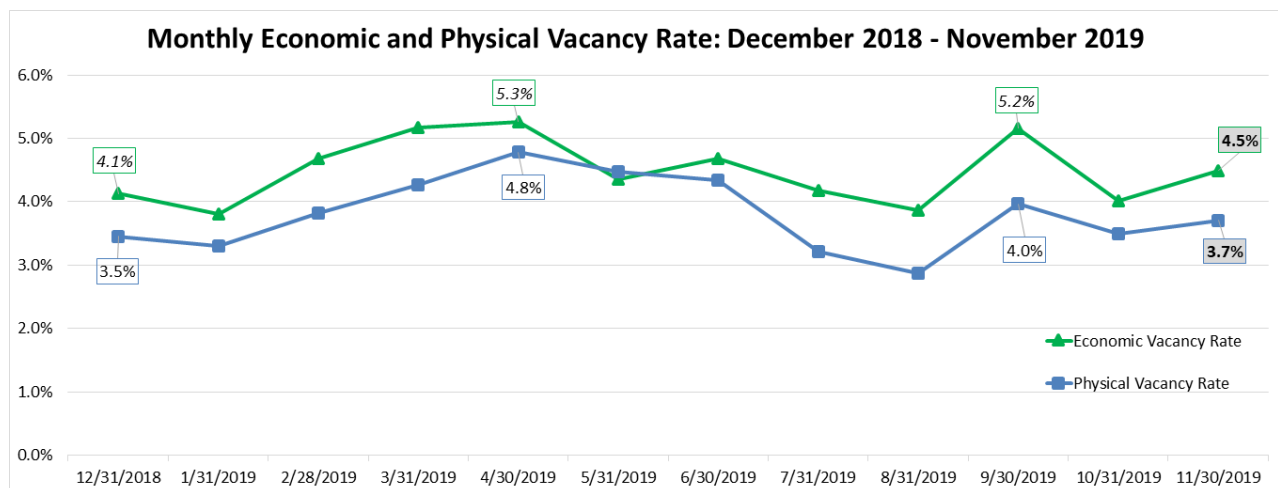
Date, time and location of meeting: January 7, 2020 -3:00 –4:00 PM Malden Conference Room

Date, time and location of next meeting: February 4, 2020 -3:00 -4:00 PM Malden Conference

November AM dashboard:

- Monthly physical vacancy was **3.7%**
- Monthly economic vacancy was **4.5%**
- 12-month rolling economic vacancy rate was **4.4%**

We've excluded the Bonanza projects altogether and excluded one vacancy at the 410.



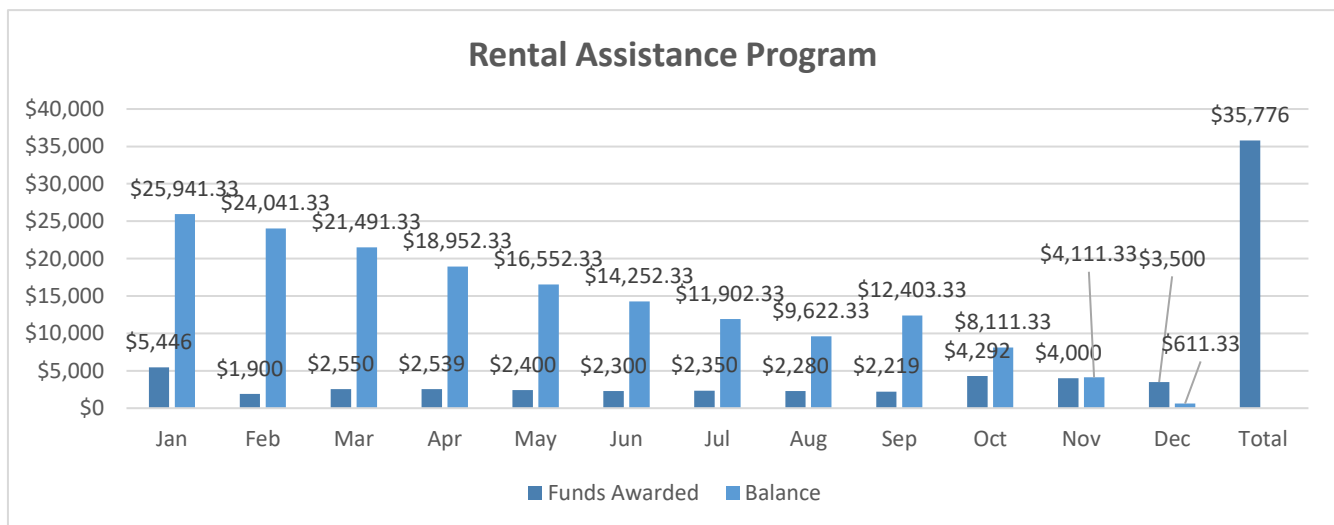
Explanation of select properties with high vacancies or large vacancy increases:

- **Berneva** - two vacancies in November (one is a 2-brd). Both have December pending leases.
- **Four Twelve** - Rent concessions related to incorrect move-in certification in 2018 allocated to November.
- **Joe Black** - three vacancies in November; two 3-bdr and one 2-bdr units with higher rents. One vacancy has pending January lease.
- **Hazel Plaza** - two vacancies in November (a 2 and 3-bdr with high rents). Both have December/January pending leases
- **Holden Vista** - two vacancies in November (a 3-bdr and a 2-bdr) both with mid-January pending leases. 6 months of concessions due to late recertification allocated to November.
- **Union James** - four vacancies in November (all 2-bdr units). Two units required deep rehab that were not completed until the end of June. One unit has January pending lease.
- **Unity Village** - four vacancies in November (all 2-bdr units). Three were leased in December.

Resident Services

CHH Rental Assistance Program November Data

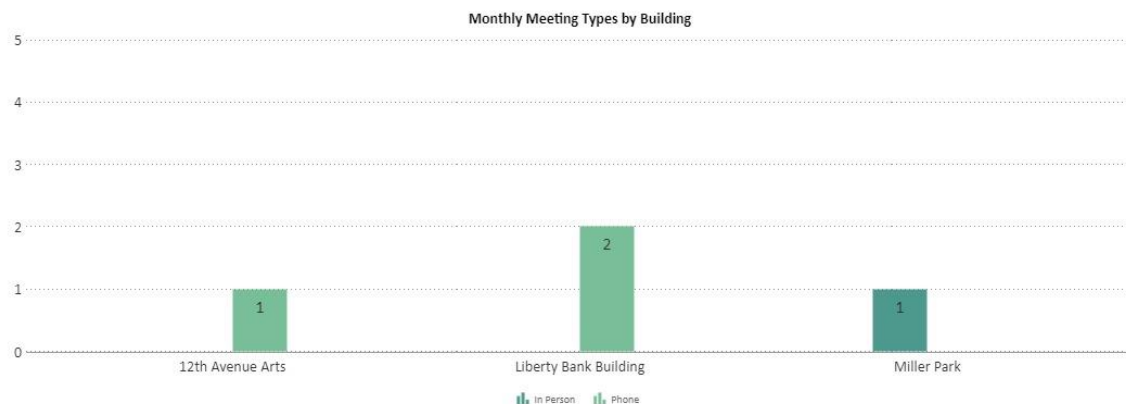
- 9 Residents applied for Rental Assistance
- 4 Residents attended Financial Fitness Workshop
- 1 Residents accessed other Financial Education resources (financial health check with banker, webinar, or meeting with financial counselor)
- 7 residents had a service referral meeting with an RSC
- 8 residents received Rental Assistance



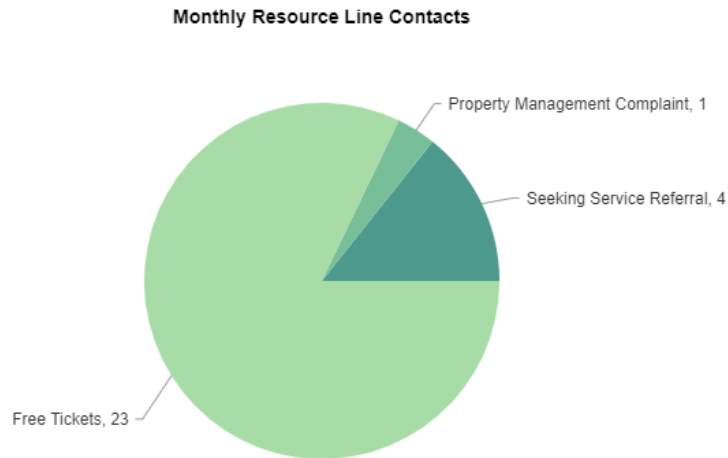
Resident Services November Program Data:

55 Total Service Touches

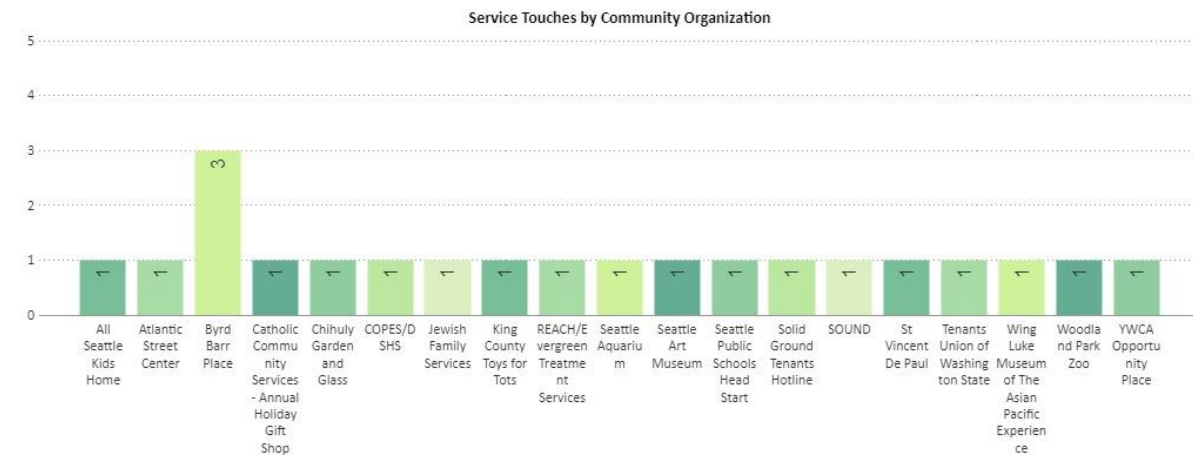
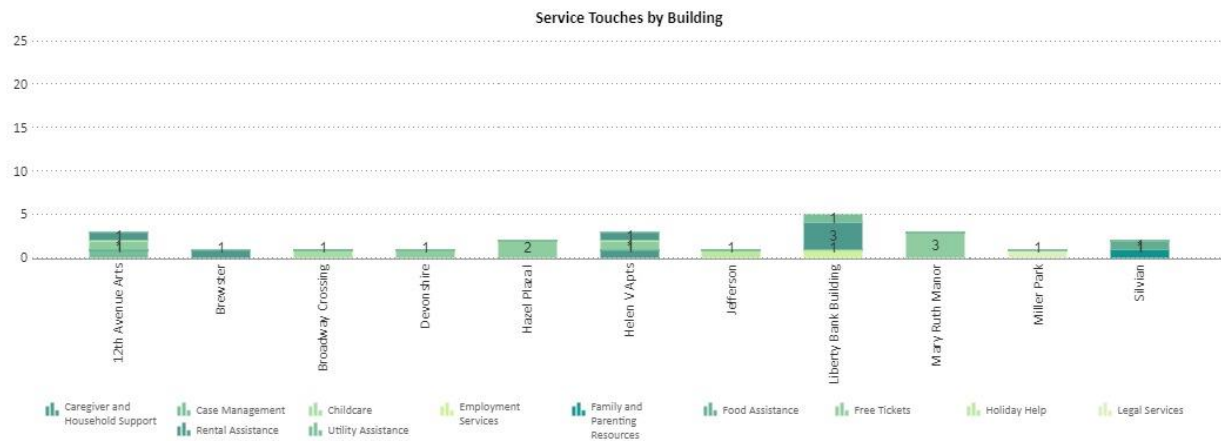
4 1:1 Meetings with Residents



28 Resource Line Contacts



23 Service Referrals



**Resident Communications Tracking
January 2020**

Complaint filed with	Resident name	Building Name	Unit	Date opened	Nature of complaint	Date closed	Status Update	Notes	By
RSS via Resident Survey		Silvian		8/15/2019	Unit Condition		8/15/2019	Received complaint in RS Survey. Given to Lynn today. Lynn to follow up with prior PM's upon return to office as issue stems from a flood in 2017, surrounding request for new carpet.	Terra
Email		Fredonia		8/12/2019	Noise		8/20/2019	Ongoing noise disturbance from Canterbury. Emailed resident back today to let them know we are reaching out to the business owner and offering the option of transferring resident to another building.	Terra
Email to Ashley		Joe Black		8/16/2019	Eviction	9/13/2019	8/20/2019	Resident concern regarding pending eviction. Resident believes that refusing a partial payment from a pledging agency constitutes income discrimination. PM to work with SM to follow up. Stipulated payment plan signed on 9/13 for full payment.	Terra
Email to M Seiwerath & Ashley		Burke Gilman Gardens		7/9/2019	Tenant relations		8/6/2019	Email sent to complaining resident with no response, 10 day notice to comply or vacate sent to offending tenant. Tenant complied with 10 day.	
Valencia		LBB		8/30/2019	Noise		9/1/2019	Recived complaint due to frequent loud parties thrown by other residents. PM has contacted the resident and is working on addressing this problem.	Noah
Lynn		Helen V		9/13/2019	SM complaint		9/16/2019	Lynn is on vacation, Jacob Bleser is covering and will be following up with tenant on specific concerns.	Skye
Jacob	Neighbor of EJ	EJSH		9/15/2019	Staff	9/18/2019		A neighbor has shared concerning behavior of a staff member at EJSH. Has been addresssed by PM.	Jacob
Nelda		Berneva		9/14/2019	Tenant relations	9/14/2019	9/24/2019	Inspection completed with K-9's bulding not infected only one unit is infected and currently being treated.	Nelda
Front Desk via complaint form		Devonshire		9/24/2019	SM Complaint	9/26/2019		Resident requested no contact with SM. Email sent by PM to grant limited communications.	Skye

Resident Communications Tracking
January 2020

Complaint filed with	Resident name	Building Name	Unit	Date opened	Nature of complaint	Date closed	Status Update	Notes	By
CMS		EJSH		9/27/2019	Management Issues		Jacob replied to CMS on 9/30/19	Resident frustrated with AR process. Jacob following up with SM and resident.	Jacob
Email to: Jeff Dixon, Terra Walsh, Ashley Thomas, Ji Soo Kim		Fredonia		9/30/2019	Window Insulation		Terra replied to resident	Resident concerned about in unit window insulation. Terra emailed resident and offered to inspect unit.	Valencia
Front Desk via complaint form		Devonshire		10/24/2019	Being stalked, not provided with direct transfer at request				
Joah, Terra, Valencia and Chris		LBB		10/30/2019	Neighbor surveilling and stalking resident in their unit.	11/1/2019		SM has made multiple attempts to resolve the issue. On 10/25 Terra spoke to the resident and thought the matter was closed. Terra & PM received multiple calls on 10/28 & 10/29, returned resident's call together on 10/30. On 10/31 email sent to the resident offering out of their lease and a Mutual Termination.	Valencia

**Capitol Hill Housing
Asset Management Dashboard
Year to Date at November 30, 2019**

	Physical Vacancy (at month end)			Op Rev Per Unit YTD		Op Exp Per Unit YTD		Cash Flow Per Unit ⁽¹⁾ YTD		Residential Acct. Rec. % ⁽²⁾	12-Month Rolling Avg. ⁽³⁾		Economic Vacancy		
	Vacant Units	Vacancy %	Total Units	Actual	Budget Var %	Actual	Budget Var %	Actual	Budget Var %		Make Ready	Total Days Vacant	Nov. 2019	12 MO Rolling	2018 Vacancy
Building															
Byron Wetmore			12	10,943	1%	9,855	-3%	442	52%	70%	0	60	0.0%	1.1%	0.0%
Elizabeth James	2	3.3%	60	9,809	2%	7,162	-4%	(20)	-105%	133%	88	207	3.4%	2.6%	2.5%
Four Twelve	1	8.3%	12	14,906	2%	12,229	-15%	(2,141)	-635%	111%			12.3%	1.8%	5.0%
Hazel Plaza	2	12.5%	16	23,320	-6%	8,457	11%	6,557	-6%	31%	75	119	14.5%	6.3%	1.9%
Joe Black Apartments	3	12.5%	24	11,756	-11%	11,689	-21%	(1,294)	-165%	6%	168	226	11.2%	13.8%	12.7%
Mary Ruth Manor			20	22,606	-3%	9,338	3%	4,991	-2%	134%			0.0%	3.5%	4.5%
Union James	4	16.7%	24	15,265	-10%	21,865	-135%	(10,611)	-407%	116%	270	267	17.1%	12.9%	5.8%
Jacob Total	12	7.1%	168	14,122	-4%	10,846	-25%	(611)	-127%	78%	165	198	8.3%	6.4%	4.6%
Eighteenth Avenue ⁽⁵⁾			7	7,393	27%	2,998	8%	3,092	620%	9%			0.0%	0.0%	6.0%
El Nor ⁽⁵⁾			47	5,652	37%	1,484	48%	3,664	2314%	8%			0.0%	0.0%	2.1%
Helen V	1	2.6%	38	16,932	0%	6,465	23%	6,656	40%	115%	166	199	3.5%	5.6%	4.4%
Holden Vista	2	12.5%	16	12,749	-6%	10,965	-3%	385	-74%	-7%	145	140	24.0%	11.1%	2.4%
Holiday	1	3.3%	30	10,877	-3%	6,960	-12%	(48)	-105%	20%	72	121	3.0%	3.5%	0.4%
Park Hill			30	13,804	-3%	9,923	-9%	2,091	-33%	84%	112	44	2.0%	3.4%	2.1%
Ponderosa ⁽⁵⁾			18	6,739	69%	2,776	14%	3,962	718%	23%			0.0%	0.0%	3.9%
Silvan	1	3.1%	32	13,703	-2%	7,731	17%	2,539	108%	-5%	147	146	2.8%	2.3%	4.2%
Unity Village	4	13.3%	30	9,360	-7%	7,615	6%	1,371	-9%	21%	73	105	14.4%	8.8%	5.4%
Lynn Total	9	3.6%	248	9,792	-1%	5,861	6%	2,073	22%	40%	111	109	4.3%	4.5%	3.3%
Berneva	2	16.7%	12	8,488	-7%	9,461	-17%	(2,020)	-29399%	8%	136	137	18.8%	7.2%	0.8%
Brewster	3	8.6%	35	7,800	-12%	7,825	-22%	(1,482)	-250%	-19%	20	109	7.7%	7.7%	3.8%
Broadway Crossing			44	9,476	-5%	7,848	0%	166	-71%	13%	15	122	0.0%	4.3%	3.2%
Haines AAA	1	3.3%	30	12,459	17%	6,389	11%	3,558	288%	9%	10	187	3.1%	1.9%	3.8%
Jefferson Housing	1	2.5%	40	12,346	-3%	7,168	8%	1,089	185%	20%	20	71	2.6%	2.8%	4.2%
Oleta	1	2.9%	34	8,096	-12%	7,210	-15%	(2,115)	-4362%	14%	51	107	3.8%	14.7%	8.4%
Pantages	3	6.1%	49	9,582	-1%	8,227	-10%	(632)	-454%	5%	15	51	4.9%	3.5%	3.3%
Twelfth Avenue Arts	1	1.1%	88	11,100	-1%	6,374	-17%	695	-60%	13%	28	40	1.7%	2.0%	1.7%
Nelda Total	12	3.6%	332	10,184	-2%	7,290	-7%	120	-85%	9%	32	75	3.4%	4.4%	3.4%
Boylston Howell	1	3.3%	30	10,407	-4%	8,421	-7%	(98)	-113%	20%	11	17	2.6%	3.7%	1.3%
Bremer	1	2.0%	49	8,450	-5%	6,296	-6%	(69)	-108%	4%	59	117	1.1%	6.9%	5.9%
Centennial			30	10,674	-9%	7,400	-18%	(334)	-121%	7%	41	82	3.1%	7.8%	6.3%
Devonshire	2	3.2%	62	8,902	-2%	6,533	4%	721	22%	36%	53	118	4.4%	3.9%	2.7%
Fleming	1	2.8%	36	8,388	-7%	7,295	-28%	(1,371)	-257%	73%	51	114	2.8%	8.5%	4.0%
Fremont Solstice			18	10,821	1%	7,030	6%	624	378%	28%	8	99	0.0%	2.7%	2.4%
Gilman Court			25	12,236	2%	8,848	11%	2,125	187%	17%			3.8%	0.3%	0.0%
John Carney	3	11.1%	27	8,228	1%	8,283	-30%	(1,465)	-503%	1%	25	115	8.5%	9.0%	1.1%
Larned			33	9,924	-1%	6,592	6%	2,723	16%	51%	37	124	0.0%	3.8%	2.3%
Melrose	1	3.3%	30	8,442	-4%	5,576	4%	1,760	-1%	67%	30	115	4.2%	4.3%	3.5%
Villa	3	4.8%	62	11,285	-2%	7,253	-2%	437	-46%	68%	71	75	5.5%	2.5%	1.0%
Skye Total	12	3.0%	402	9,711	-3%	7,106	-4%	432	-56%	35%	43	101	3.5%	4.9%	3.0%
Broadway			5	12,855	2%	7,865	8%	2,404	57%	0%			0.0%	0.0%	0.0%
Burke Gilman Gardens			15	12,736	2%	9,529	-4%	1,215	-11%	23%	21	33	0.0%	1.6%	5.6%
Four Ten ⁽⁵⁾			4	11,834	-20%	11,071	9%	(4,277)	-1062%	-7%			0.0%	6.9%	5.6%
Fredonia			12	25,713	3%	13,877	12%	3,730	13%	0%			0.0%	0.0%	1.7%
Harrison at 15th	1	5.3%	19	19,481	1%	13,783	-19%	(529)	-207%	11%	17	34	5.7%	0.5%	0.0%
Liberty Bank Building ⁽⁴⁾	2	1.7%	115	8,498	3%	9,644	-110%	2,942		68%			3.8%	1.4%	1.7%
Lincoln Court	2	6.9%	29	9,460	0%	6,536	-10%	(567)	-1465%	17%	22	88	5.6%	2.7%	2.2%
Maxwell			4	11,326	0%	7,873	4%	2,058	24%	58%			0.0%	0.0%	0.0%
Miller Park			12	11,168	-8%	7,730	14%	929	60%	25%	14	109	0.0%	7.3%	2.6%
Seneca	1	3.1%	32	10,348	-1%	7,569	3%	181	-77%	26%	16	24	3.0%	1.0%	1.3%
Squire Park Plaza	3	5.0%	60	18,101	-4%	7,490	2%	2,923	-19%	13%	19	49	6.6%	3.5%	3.3%
Valencia Total	9	2.9%	307	12,474	-1%	9,021	-27%	1,858	-10%	34%	17	58	4.0%	2.2%	2.4%
Portfolio Total	54	3.7%	1457	10,923	-2%	7,771	-11%	820	-43%	34%	55	96	4.5%	4.4%	3.3%

¹⁾ After debt and reserve payments

²⁾ Cumulative residential accounts receivable balance divided by monthly gross potential rental revenue

³⁾ Portfolio Manager averages are averages across all unit turns within portfolio and not averages across buildings

⁴⁾ Certificate of Occupancy for Liberty Bank Building was issued on 3/11/2019. Fully occupied at the end of April and first included in the May 2019 Dashboard.

⁵⁾ Vacancies at these properties have been removed due unit offline status related to "Bonanza" and the pending disposition of the 410

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

Berneva - two vacancies in November (one is a 2-bdr). Both have December pending leases.

Four Twelve - Rent concessions related to incorrect move-in certification in 2018 allotted to November.

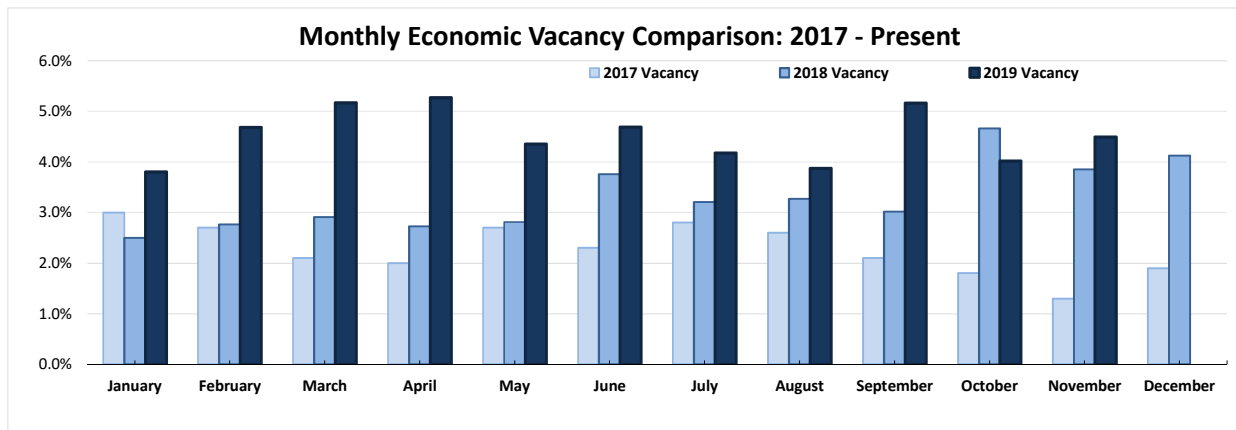
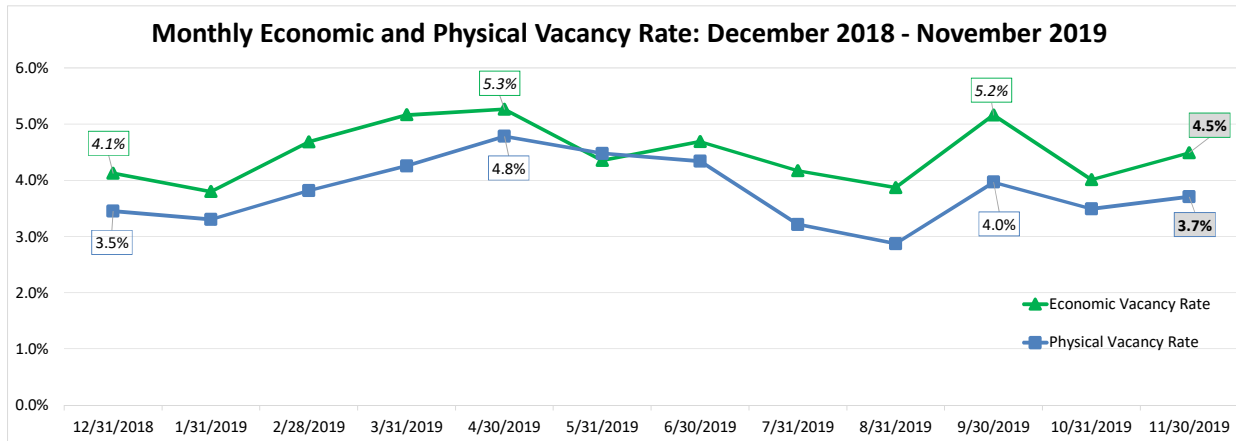
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Unity Village - four vacancies in November (all 2-bdr units). Three were leased in December.



January 2020 FUNDRAISING AND COMMUNICATIONS MEMORANDUM

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

2019 Summary

In 2019 the CHH Foundation granted a total of \$780,000 to Capitol Hill Housing which includes \$750,000 for general operating support and \$30,000 in restricted funds. This represents an increase of 3.7% over Capitol Hill Housing Foundation's 2018 grant of \$752,000 in combined unrestricted and restricted giving.

The CHH Foundation will present a check symbolic of 2019 grants to CHH at the January 13, 2020 meeting of the PDA board.

By year end, the Foundation had raised an overall total of \$969,267 in unrestricted funding vs. a goal of \$904,288. This is a 36.1% increase over the 2018 result of \$711,725 raised in unrestricted funding. The total raised in restricted funding was \$90,759 versus a goal of \$45,000.

2019 operating expense totals are still being recorded and will be reported on in February.

Grants and Donations

In the last four weeks:

- The Seattle Foundation/Communities of Opportunity awarded \$200,000 to the Crescent Collaborative of which Capitol Hill Housing is a part. We anticipate that the division of funds will be formalized in the coming weeks.

The CHH Foundation submitted:

- A proposal to Horizon House requesting \$5,000 to support services and capacity building benefitting LGBTQ Seniors.

Upcoming proposal deadlines include:

- Hugh and Jane Ferguson Foundation – LOI requesting 2020 support of Capitol Hill EcoDistrict
- An annual request for support to Union Bank
- An annual request for support to Wells Fargo
- An annual request for support to the JPMorgan Chase Foundation
- Bullitt Foundation full proposal requesting \$65,000 for the Capitol Hill EcoDistrict

Individual Giving

2019 Overview: In 2019, Individual Giving surpassed our goal of \$210,000 in unrestricted funds, bringing in a total of \$302,446. We exceeded the individual giving budget in all areas, across both boards, and staff and individual donations.

An additional \$25,000 in individual giving was secured and restricted to our rental assistance fund.

End of Year Giving: The 2019 End-of-Year campaign resulted in \$16,137 in cash donations, with more than half the funds (\$8,475) coming in through Giving Tuesday. This year's campaign differed from previous years, as the end of year mailer was sent to a smaller and more targeted audience, reused existing CHH branded materials, and was not mailed out at the same time as the annual report, as in years past. As a result, our EOY campaign was significantly more cost effective, but resulted in fewer donations.

Rise Together Capital Campaign

The Rise Together steering committee has approved a workplan that sets a goal of reaching \$20,000,000 by the end of 2020 and secure all capacity-building funds by the end of Q2.

Events

The date for **Top of the Town** 2020 has been set. Please mark your calendars for the evening of Thursday, May 7, 2020 at the Hotel Sorrento.

Communications

Rebrand Update – we have completed the following:

Next Steps with Board Input:

- Taglines: Board will give input on prospective at the January 13th meeting taglines
- Logo, look, and feel set (late Feb.)
- Rollout implementation schedule
- Branding style guide (March)
- Website launch & public announcement phase (date TBD)

Planning for the website, look and feel is in progress and will inform workload and its launch date. The website launch is anticipated to coincide with a more public announcement of the name in early 2020.

In January, the project team is also working to detail out rollout and implementation steps to run concurrent with deliverables listed above. Staff have identified opportunities for both CHH boards to weigh in at timely junctures on the upcoming process during board meetings.

Other Communications Deliverables:

Station House lease up: Communications implemented Station House Lease-up Marketing in tandem with a cross-functional team of CHH staff. The Station House Facebook ad reached 13,920 people, with approximately 12,000 on mobile. The email campaign in December added up to over 500 clicks on the leasing info page from our partner organizations and CHH subscribers. Local community media outlets were pitched to while paid ads reached an estimated audience of 28,000. Systems improvement: the team also laid the groundwork to set a standard kit of marketing materials for future lease-ups and shared some technical expertise with property management leads. The January 7th Station House online launch of the short form of interest for residential applications went well. In the first 10 minutes, 300 respondents filled out the form, and by day's end, we had met a general target of 800-1,000 interested applicants.

Communications supported Year-end Appeal/#GivingTuesday campaign messaging, delivered our e-newsletter update focusing on "Building Beyond 2019" to our 3,000+ subscribers; delivered the 12th internal newsletter to All Staff in 2019, shepherded informational materials for the City's Office of Housing investment awards, prepared 2020 work planning, and fielded numerous media inquiries on new development project related to recent funding awards.

December Media Mentions of CHH or CHH projects

We closed out the year with a total around 192 media mentions of CHH or CHH-related projects in 2019, 40 more than the previous year. The benchmark of meeting 100 mentions was met in May of 2019.

Date	Article Title	Outlet
12/5/19	Capitol Hill's Splashy New Indian Restaurant Is Ready for Its Debut	Eater Seattle
12/6/19	The AIDS Memorial Pathway does more than just remember	The Daily
12/9/19	City of Seattle invests \$110 million to create nearly 2,000 affordable housing units (video)	K5 News
12/10/19	Seattle Announces \$110M for new affordable projects including five in District 2	South Seattle Emerald
12/10/19	Seattle announces \$110M for new affordable projects including five in District 3	CHS Blog
12/11/19	On the List December Capitol Hill Art Walk, carols at St. James, Depression Fest	CHS Blog
12/11/19	Seattle to invest a record \$110M in affordable housing; here's how it will rise across the city	Seattle Times
12/12/19	Now open: Zaika — new Indian on Pike at the base of Capitol Hill	CHS Blog
12/12/19	UW Aging with Pride Study to Inform Plans for Seattle's First LGBTQ-Affirming, Affordable Senior Housing	The Seattle Lesbian
12/13/19	Mayor Durkan and City of Seattle Provide Funding For LGBTQ Senior Housing	Seattle Gay Scene
12/19/19	Office of Housing invests in District 3 affordable developments Africatown Plaza, The Eldridge included in city's largest funding package to date	Madison Park Times
12/19/19	Central District support helps Flowers Just 4 U stave off eviction	CHS Blog
12/27/19	Marcie Sillman's culture picks: Looking back at the year and the decade in Seattle arts	KUOW
12/27/19	CHH to open Station House apartments	Daily Journal of Commerce
12/27/19	10 notable developments in Seattle's arts and culture scene in the 2010s	Seattle Times
12/30/19	2019: The Year Abundant Housing Turned the Corner	Sightline Institute

2019 and 2020 Capitol Hill Housing Budget and Actuals
Updated January 6, 2020

Unrestricted Budget

Income Source	2019 Goal	2019 Actual	% to Goal	2020 Goal	2020 Actual	% to Goal
Government	\$ 12,500	\$ 2,650	21.2%	\$ 21,250		0.0%
Foundation	\$ 257,788	\$ 127,847	49.6%	\$ 206,616	\$ 66,000	31.9%
Corporate	\$ 190,000	\$ 321,054	169.0%	\$ 187,000	\$ 10,000	5.3%
Individual	\$ 210,000	\$ 302,446	144.0%	\$ 277,000		0.0%
Events & Sponsorships	\$ 234,000	\$ 215,270	92.0%	\$ 246,000		0.0%
TOTAL	\$ 904,288	\$ 969,267	107.2%	\$ 962,866	\$ 76,000	8.1%

Restricted Budget

Income Source	2019 Goal	2019 Actual	% to Goal	2020 Goal	2020 Actual	% to Goal
Government	\$ 0	\$ 22,500				0.0%
Foundation	\$ 20,000	\$ 43,259	216.3%			0.0%
Corporate	\$ 0	\$ -	0.0%			0.0%
Individual	\$ 25,000	\$ 25,000	100.0%	\$ 25,000		0.0%
Events & Sponsorships	\$ 0	\$ -	0.0%			0.0%
TOTAL	\$ 45,000	\$ 90,759	201.7%	\$ 25,000		0.0%

Combined Budgets
(Restricted & Unrestricted)

Income Source	2019 Goal	2019 Actual	% to Goal	2020 Goal	2020 Actual	% to Goal
Government	\$ 12,500	\$ 25,150	201.2%	\$ 21,250		0.0%
Foundation	\$ 277,788	\$ 171,106	61.6%	\$ 206,616	\$ 66,000	31.9%
Corporate	\$ 190,000	\$ 321,054	169.0%	\$ 187,000	\$ 10,000	5.3%
Individual	\$ 235,000	\$ 327,446	139.0%	\$ 302,000		0.0%
Events & Sponsorships	\$ 234,000	\$ 215,270	92.0%	\$ 246,000		0.0%
TOTAL	\$ 949,288	\$ 1,060,026	111.7%	\$ 962,866	\$ 76,000	7.9%

JANUARY 2020 PROPERTY DEVELOPMENT BOARD REPORT AND MINUTES

Property Development Committee Members: Rachel Ben-Shmuel, **Paul Breckenridge**, Deirdre Doyle, Liz Dunn, **Bob Fikso**, Eric Snow

Staff Liaisons to the Board: Robert Baca, Jill Fleming, Chris Persons, **Jeremy Wilkening**
(**BOLD** indicates those members in attendance)

Date, time and location of meeting: January 7th, 2020 – 3:30-4:30 pm – Via teleconference

Date, time and location of next meeting: February 4th, 2020 – 3:30-4:30 pm – Belmont Conference Room

Board Action in January:

None proposed. The PDC reviewed the 2020 Board Action Schedule. Bob asked that Jeremy share the org chart for the dept. Eric asked that we add the predevelopment amount to the months in which we intend to ask the board for more funds.

Active Project Updates/Discussion:

Station House: Lease up for Station House begins today (January 7th). Here is the link to apply: <http://openhouse.capitolhillhousing.org/OpenHouse/station-house-leasing-info/> Please pass it along. Leasing is going mostly without a hiccup, but there was a brief interval of slow website (10-15 minutes).

Funding Award Update: CHH received public subsidy funding for Eldridge (LGBTQ affirming senior housing) and Africatown Plaza. Both projects will continue entitlements and design and are expect a construction closing in early 2021.

CHP-1: Jeremy updated the group on CHP-1 and the bond cap issues at the state level. CHH had to compete in round for scoring purposes per agreement with WSHFC. The project scored high, but the round was extremely competitive, so fingers crossed we obtain an allocation. If not, we have to reapply in June.

Potential Pipeline Discussion:

Lake City: CHH is being interviewed by the Mennonite Church next week as a potential development partner.

Potential long-term project: Jeremy introduced a potential multi-phased long-term partnership with some neighborhood based non- and for-profits.

Per RCW 42.30.110(g), the CHH Board PDC went into an executive session to consider the acquisition of real estate when public knowledge of such consideration would cause a likelihood of increased price.

JANUARY 2020 COMMUNITY DEVELOPMENT COMMITTEE BOARD REPORT

Committee members: Derrick Belgarde, Rachel Ben-Shmuel, Sara Cubillos, Eric Snow, Rachael Steward

Staff Liaison to the Board: Michael Seiwerath

Date, time, and location of next meeting: TBD

The Community Development Committee last met on March 21st, 2019. During the following months, the Capitol Hill EcoDistrict continued to advance projects despite experiencing staff transitions. Since August, two permanent project leads continue to move the work forward, and Michael Seiwerath has served as acting Executive Director of the Capitol Hill EcoDistrict.

EcoDistrict Updates

- **Staff and members of the EcoDistrict Executive Committee** are currently interviewing for a new Executive Director to lead the Eco District.
- **Akeyla Jimerson** is the lead project manager for Lowell Elementary School, Homeless Outreach Services, and Neighbours Alley. Lowell is in the process of planning a school Base Health Center for students and families. Akeyla also sits on the Advisory Board of the Capitol Hill Business Alliance and represents the EcoDistrict at the Pike Pine Urban Neighborhood Council (the neighborhood Land Use Review Committee).
- **Erin Fried** is the lead project manager for Public Life Planning, establishing a Pesticide-Free Cal Anderson Park, the Employee Housing and Commute Survey, and the Arts Stabilization Fund.
- **Michael Seiwerath** and Erin Fried are discussing the greater integration of the Arts District into EcoDistrict work.
- **Matthew Benedict** of the EcoDistrict Steering Committee is lead project manager for EcoDistrict certification, which is moving toward completion.

EcoDistrict Fundraising: The Capitol Hill EcoDistrict starts the year on solid footing with a \$150,000 commitment from the City of Seattle via a 2020 SDOT budget green sheet. Additionally, Kaiser Permanente has granted Lowell Elementary School underspent funds to allocated to hire a Grant Writer managed by the EcoDistrict for the next phase of the project, furthering a partnership between the EcoDistrict and two neighborhood anchor institutions.

Public Life Plan: In December, the EcoDistrict hosted a Capitol Hill Art Walk exhibition at the 12th Avenue Arts Gallery, highlighting the student projects from the Scan|Design Studio, a masters-level landscape architecture studio from the UW Green Futures Lab. Porous Public Space, a study on stormwater management solutions for Capitol Hill public life, will be available for viewing over the next few months.

Lowell Elementary School-Based Health Center: The EcoDistrict staff completed a well-received draft business plan, moving forward in December with the completion of a health-needs assessment and laying the foundation for phase two – the implementation of a temporary-to-permanent school-based health center set to open in fall 2020.

EcoDistrict Steering Committee: There have been a few changes to the Steering Committee. The current membership:

<i>Name</i>	<i>Affiliation</i>
Alicia Daniels Uhlig	International Living Future Institute
Cathy Hillenbrand*	Capitol Hill Housing Board of Directors
Chasten Fulbright* (co-chair)	Blanton Turner
Christina Arrington	GSBA / Capitol Hill Business Alliance
Egan Orion	Seattle PrideFest/Broadway Business Improvement Area
Janet Shull	City of Seattle, Office of Planning & Community Development
Jenny Cooper	Northwest School
Josh Morris*	Seattle Audubon
Julia Buchans	Seattle Central College
Leon Garnett	Byrd Barr Place
Matthew Benedict	Kaiser Permanente/CBRE
Matthew Combe	Seattle 2030 District
May So	Mithun
Michael Gilbride	University of Washington, Integrated Design Lab
Michael Mariano*	Schemata Workshop
Michelle Caulfield	City of Seattle, Office of Sustainability and the Environment
Natalie Bicknell	Central Seattle Greenways
Neelima Shah	Bullitt Foundation
Whitney Fraser* (co-chair)	Capitol Hill Champion/Seattle Dyke March
Yolanda Cieters	Seattle University

Please join the next EcoDistrict Steering Committee meeting on February 14 at 9am in the Pike Pine room.

JANUARY 2020 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), **Drew Porter** (Vice Chair II)

Staff Liaisons to the Board: **Chris Persons**, **Sarah Shoemake-Gamble** (taking minutes)
(**BOLD** indicates those members in attendance)

Date, time and location of meeting: Monday, January 6, 2020 - 5-6:30pm - Belmont Conference Room

Date, time and location of next meeting: Monday, January 27, 2020 - 5-6:30pm - Belmont Conference Room

Minutes

Meeting began at 5:10 pm

1) Lead Items

- a) **Board Development:** Chris reviewed the current board development list, noting the board members cycling off and potential candidates. The group then reviewed the potential composition of the Executive Committee going forward and discussed candidates to join. The group also agreed to reach out to an existing candidate with deep roots in the Central District to approach as a candidate for the open board seat.
- b) **2020 Budgeting Update:** Chris gave an update on the draft budget, which will be reviewed in depth at the FAM Committee Meeting this week as well as next week's Board meeting. He shared a plan for adding new positions in the coming year to support current staff development which would extend the current budget. The Committee requested that staff clearly show the board at upcoming meetings how and when the opportunity loan would be repaid, as well as ongoing revenue being able to continue to support funding higher level staff in ongoing years. The final budget will be passed at the February Board Meeting.
- c) **Review Taglines and process:** The Committee shared their thoughts on the draft taglines which will be reviewed at next week's Board meeting with the Foundation Board in attendance.

2) External Relations, Community Programs, Board Issues

- a) **January Board meeting:** Chris reviewed the draft agenda for the January meeting. The Foundation Board will present their annual check to the PDA. Finance staff will present the draft budget and the November financials. There will be an activity regarding potential taglines. The Board development changes and opportunities will be reviewed with the full Board. The Resolution regarding a policy on handling tort claims will be reviewed for a vote. Staff will share updates on property management operations and the 410 specifically. It was also suggested that staff explain the role of the Executive Committee and the Officers at the meeting, since those roles are in transition.

2) External Relations, Community Programs, Board Issues (continued)

- b) Revised Memo to the Board:** Chris shared an updated version of his memo to the Board regarding the issue at the November Board meeting, which includes suggestions from the Executive Committee since it was previously shared. The Committee requested updates at upcoming Board Meetings from Chris, potentially getting updated quarterly on progress. Chris plans to create a workplan based on this document which will be shared in the future with the Committee. It was also suggested that there be concrete, explicit ways for staff and Board Members to use a racial equity lens.
- c) Reducing Tort Claim Risk Resolution:** Chris reviewed the information from our PDA attorneys at Pacifica Law Group prompting the need for the Board to pass a resolution regarding our procedure on tort claims.
- d) NeighborWorks Achieving Excellence Program:** Chris updated the Committee on the mentoring and training program first mentioned at the December Board meeting as a development opportunity for Chris. The application is open and will be due in a few months. Chris plan to apply.

3) Asset Management

- a) Update on the 410:** Chris gave an update on the status of resident relocation at the 410.

4) Other

- a) CEO Review:** The Committee requested information from HR staff regarding the CEO review process, which should begin shortly.

Meeting ended at 6:35 pm.

JANUARY 2020 JOINT BOARD DEVELOPMENT COMMITTEE BOARD REPORT AND MINUTES

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

Staff Liaisons to the Board: Greg Gibson, Michelle Lambert, Michael Seiwerath, Sarah Shoemake-Gamble

Date, time and location of meeting: n/a

Date, time and location of next meeting: January 22, 2020 – 4:00-5:00pm – 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. **Racial Equity Task Force (RETF)** – The task force finalized a committee structure that includes the following work groups to meet monthly: Training and education, policies and procedures, emergent issues and strategic planning. A quick summary of the work completed by each committee since the last JBDC meeting is as follows:
 - a. **Training and education:** Began work on developing a 2020 training plan for all-staff by first identifying the following training competencies as a primary focus: developing a shared language to be applied across the organization, using a consistent framework for identifying and discussing racism, history of housing; how racism created the housing crisis, and racism as a social construct. Next steps are to identify and prioritize specific topics within each area and to continue building a training resource database for completing trainings.
 - b. **Policy and Procedure:** Will focus on the recruiting, hiring and onboarding process in Q1/Q2 of 2020. A work plan was developed for assessing the current process, developing gaps, and proposing recommended changes. This includes leveraging an external consultant. Staff are pulling together all existing policies/procedures/tools for initial review by the group at the January meeting.
 - c. **Strategic Planning:** Group focused on drafting of 2020 work plan for the task force, which will be presented at the January JBDC meeting.
 - d. **Emergent issues:** Group focused discussion on establishing a framework for determining the level of severity of an incident as well as what support looks like in each case from the task force. Initial work was also done to begin drafting a racial grievance policy.

As a follow up to the previous JBDC meeting, CHH has separately identified RETF as its own department for budgeting and reporting purposes. Draft budget is still in process.

2. **Board Engagement**
 - a. **Trainings** – Staff scheduled quarterly trainings for both Boards throughout the year. The first will occur in January and will be on tax credits.
 - b. **Foundation Board** – Staff are working with potential Foundation Board candidates.
 - c. **PDA** – Staff are working with potential PDA Board candidates.



2020 Strategic Plan

Summary

Everyone has the right to a quality, affordable home. At Capitol Hill Housing, this truth drives our work. By embracing community-led development and engaging in deep-rooted partnerships, we're fostering vibrant, equitable communities where everyone has access to safe, affordable and welcoming homes. We employ anti-racist tactics to dismantle systemic barriers and support socially just, culturally rich, and environmentally sustainable communities throughout our region. Our work began in the Capitol Hill area of Seattle and, as our region transformed, our partnerships have expanded to include communities in the Central District, White Center, and Lake City. Today, with 49 apartment buildings, we continue our commitment to build community with and for people.

This document provides the organization's strategic plan for 2020.

Our Mission

Capitol Hill Housing builds vibrant and engaged communities

Our Values

We believe in each person's right to a safe, affordable, quality home.

We act with integrity in our lives and with passion for our work.

We cultivate a strong, diverse team that leads with its commitment to excellence and innovation.

We responsibly steward our properties and protect the environment.

We are caring and respectful of all residents, staff, community partners, and neighbors.

We honor diversity and integrate a wide range of perspectives into our work.

Vision

Seattle is a place where everyone — from teachers and artists to seniors on fixed incomes to young families — can set down roots and thrive.

Equitable Access

When all people are welcome, a home is the foundation for communities that are healthy, sustainable, and economically and socially diverse.

Capitol Hill Housing honors the diversity within communities and works to create equitable access to affordable housing and all that Seattle has to offer. Employing anti-racist practices, we work to transform ourselves and create communities and a workplace where all feel welcome. As long as race continues to predict outcomes in our communities, we will center racial equity in our work, giving us tools to dismantle other systemic oppressions.

Strategic Objectives Summary

1. Center racial equity and residents in all we do
2. Invest in our people to create and sustain a culture of learning
3. Research, develop and implement scalable, organizationally efficient systems
4. Build trust and honest relationships with communities
5. Responsibly steward financial and physical assets

Key Initiatives

1. Center racial equity and residents in all we do

Narrative summary: This objective is directly tied to our two most core values – **HOME:** “Every person has the right to a quality, affordable home” and **DIVERSITY, EQUITY, and INCLUSION:** “We commit to anti-racist practices to address the inequities that maintain barriers to affordable homes.” Capitol Hill Housing intentionally integrates and prioritizes “Centering racial equity and residents in all we do” in all subsequent strategic objectives. In contributing to our mission, each department has a critical opportunity and responsibility to operationalize this objective. CHH acknowledges that our industry exists because of systemic racism, classism, and other forms of oppression that consistently create disparities in access to affordable, quality homes. CHH recognizes that without residents, we would not be in operation, and so we intentionally center them as the people who are most important and pivotal to our work. As we strive to understand the historical and current systemic conditions that create racial and social inequities, we commit to centering the needs and strengths of our residents who are most impacted by these experiences. If we “center racial equity and residents in all we do,” we will satisfy our mission by creating vibrant and engaged communities as a solution to the housing and homelessness crisis.

KEY INITIATIVES

- a. Provide education and build awareness of racial oppression and inequality, so that our organization will have the tools to name, unpack, and address all forms of oppression
- b. Maximize opportunities for resident success
- c. Maximize opportunities to build assets and wealth for, and with, the communities in which we work
- d. Establish mechanisms for accountability of racial equity in all other objectives/initiatives

Housing as a right

We believe each and every person has the right to a quality, affordable home.

Home is the place we set down roots, plan for the future and mark our setbacks and our successes. It is the foundation we need to flourish. When we feel stable in the place we live, we invest in the community around us. Capitol Hill Housing creates affordable, quality places to live and work so that people from all walks of life—single parents and their children, senior citizens on fixed incomes, freelance artists, folks transitioning out of homelessness, and refugee families escaping political strife — have a place and a community to call home.

2. Invest in our people to create and sustain a culture of learning

Narrative summary: Living our values starts with our staff and the employment experience that we provide. CHH strives to create a workplace where people can thrive in their work while preparing for the next steps in their journey. Employment at CHH should be a time that people reach beyond their comfort zone and explore new skills and hidden talents while, at the same time, being supported for who they are and what they bring. CHH staff should always feel encouraged to be their authentic selves and bring their unique lived experiences to the workplace. A job at CHH should be a rewarding career where learning and growth are a part of our DNA.

KEY INITIATIVES

- a. Nurture an environment that promotes innovation and welcomes new ideas from all levels. CHH will test, scale, and adapt new solutions
- b. Build internal, human centered, racially equitable systems that nurture personal and professional growth
- c. Develop and grow diverse leadership at the staff and board levels

3. Research, develop, and implement scalable, organizationally efficient systems

Narrative summary: CHH's development pipeline will significantly increase the number of units under development and management over the next five years. Positively navigating this growth requires the Organization to evaluate the structure of current operations to determine where opportunities for improvement exist. The implementation of efficient scalable systems while intentionally fostering a culture that supports diversity, equity and inclusion is key to ensuring the organization continues to thrive.

KEY INITIATIVES

- a. Define and document current organizational structure
- b. Establish standard operation procedures (SOP) across the organization that center residents and promote racial equity
- c. Risk Assessment: Develop an organizational risk assessment and plan to prevent/offset (including clarifying and developing short-term and long-term risk management and crisis strategies)
- d. Establish a clear decision-making framework that is cross-functional, collaborative, rooted in racial equity, has a resident-centered lens, and incorporates feedback from frontline staff
- e. Develop external communications systems that invite input/metrics consistent with industry standards
- f. Research and implement scalable technology solutions that address organizational challenges

Deep-Rooted Partnerships

We engage in deep-rooted partnerships because it requires all of us to foster healthy communities.

Our approach is to be part of a community, building on existing assets and forming collaborations with the people and organizations who share roots there. We partner to connect residents to programs and services beyond housing and to address the priorities of the broader community — from creating cultural assets to fighting displacement. The key is working side by side in honest relationships that build trust over the long-term

4. Build trust and honest relationships with communities

Narrative summary: While CHH maintains strong relationships with many peer organizations and networks, feedback from our partners is mixed. Increasingly, we work with communities marginalized by oppressive systems and with populations who carry the burden of generational trauma due to those experiences. As deep community work is essential to meet mutual goals when we are in partnership, we must strengthen our equity analysis as an organization and commit to holding ourselves accountable to our partners.

KEY INITIATIVES

- a. Develop and implement consistent external messaging in order to leverage rebranding efforts and our organization's positive reputation
- b. Increase resident involvement in organizational development and community building
- c. Continue to evolve the Capitol Hill EcoDistrict as a model for equitable community development
- d. Approach current and future real estate development partnerships with humility and a goal of recognizing disproportionate access to power and resources
- e. Create a shared set of promising practices surrounding engagement with community partners. This includes establishing a feedback mechanism for assessing progress toward goals

Community Centered

Capitol Hill Housing builds vibrant community with and for people!

We are committed to supporting communities where people feel safe and secure and can invest in the community around them. This means listening with humility, operating with transparency, and meeting a community's evolving needs. The result is socially just, culturally rich, and environmentally sustainable communities where people feel engaged and at home.

5. Responsibly steward financial and physical assets

Narrative summary: As an organization who owns, develops, and manages affordable housing, it is essential that we be responsible stewards of our portfolio so that we can provide quality, affordable homes to our residents. Although our portfolio operating results are strong and our development pipeline is robust, we must address rising vacancy rates and the very real capital needs of our buildings. We need to understand and mitigate the financial risks of developing, owning, and operating our portfolio. Both the portfolio and the organization operations must be sustainable for the long term. As we address financial sustainability, we should strive to do so in a manner that is environmentally responsible, culturally rich, and socially just.

KEY INITIATIVES

Portfolio operations

- a. Develop effective internal and external reporting systems specifically related to portfolio operations
- b. Understand and address long-term capital and building maintenance needs throughout portfolio by establishing work plans and identifying funding sources.
- c. Maximize efficiency in operations and address critical needs in our portfolio so we can continue to provide residents with safe, quality, affordable homes
- d. Achieve high-level sustainability goals while balancing cost and durability

Development financial risks

- e. Incorporate financial discipline into cash flow and revenue projections for new developments

New funding sources

- f. Develop a framework for reviewing the organization's budget to ensure allocation of resources focuses on centering residents and racial equity
- g. Increase knowledge around new and changing funding sources to better understand their impact on the communities we serve
- h. Develop separate funding and prospects list
- i. Increase both general and targeted funding sources to the foundation's fundraising efforts
- j. Establish a framework for intentionally evaluating financial results against mission priorities



CHH Board Resolution No. 2020-01

Overview: Deferred Developer Fee Maturity Date Extension for Broadway & Pine Apartments LLC

Purpose: To extend the term of the deferred developer fee from 12/31/19 to 12/31/21.

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 and underline format so change is clear to reader.*

General description and purpose: The extension of the term allows CHH to be paid the remaining balance of the Broadway & Pine Apartments LLC (Broadway Crossing) deferred developer fee of \$24,557 over the next two years of operations. If not extended, CHH as Managing Member would be required to contribute \$24,557 to the LLC and then in turn the LLC would pay \$24,557 to CHH the developer, in essence converting debt to equity.

Organizational requirements of resolution: None.

Financial cost of the resolution: No cost other than staff time incurred.

Pros: Allows CHH two additional years to collect the fee.

Cons: None.

Further Board Action or Reporting:

- **Is further action required from the Board or a Board Committee?** ☐ Yes ☒ No
If yes, please describe: Please include here whether full Board or Committee needs to take action, and anticipated dates for action.
- **Is further reporting required to the Board or a Board Committee?** ☐ Yes ☒ No
If yes, please describe: Please include here whether full Board or Committee requires reporting, and anticipated dates for reporting.



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

RESOLUTION NO. 2020-01

**DEFERRED DEVELOPER FEE MATURITY DATE EXTENSION
FOR BROADWAY & PINE APARTMENTS LLC**

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

WHEREAS, the purpose of CHH shall be to assist homeowners, property owners, residential tenants and residents of the Capitol Hill community and such other communities as may be approved by the Board, 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, BROADWAY & PINE APARTMENTS LLC (the "Company") was formed as a limited liability company under the Washington Limited Liability Company Act pursuant to a certificate of formation dated January 8, 2004 and filed with the Secretary of State of the State of Washington on January 9, 2004, having Capitol Hill Housing Improvement Program, a Washington public corporation as the Managing Member, The Banc of America Housing Fund VI Limited Partnership, LLLP, a Delaware limited liability limited partnership, as the Investor Member. The Company has been operating pursuant to a written Operating Agreement dated January 2004; and

WHEREAS, the Company's affairs are currently governed by a Second Amended and Restated Operating Agreement dated effective as of November 30, 2005 (the "Operating Agreement") to which the Development Services Agreement is attached as an Exhibit; and

WHEREAS, the Development Services Agreement identifies CHH as the Developer of the 44 unit residential apartment condo unit known as Broadway Crossing (the "Project") and outlines the terms, authority, and obligations of the agreement including a Deferred Development Fee payment of \$150,000 from Cash Flow of the Project to be paid by the end of the term, December 31, 2019, of which \$24,557 remains due and payable; and

WHEREAS, CHH desires to amend the Operating Agreement and Development Services Agreement in order to extend the term of the agreement to December 31, 2021 to allow the Project additional time to pay this balance to CHH and the Investor Member has agreed to these amendments; and

WHEREAS, Article VII, Section 3 of CHH 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 that the CEO is solely authorized and directed to execute any amendments or other documents necessary to extend the term of the Development Services Agreement through December 31, 2021.

CERTIFICATION

I _____, certify that I am the _____ of Capitol Hill Housing Improvement Program ("CHH") and that the foregoing Resolutions were duly adopted at a meeting of the Board of Directors of CHH held on the 13th day of January 2020, in accordance with the Charter and Rules and Regulations of CHH upon proper notice and at which time a quorum was present.

DATED the 13th day of January 2020

By _____

Its _____



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

MEMO

January 9, 2020

To: Capitol Hill Housing PDA Board

From: CH Development Association Board

Per the bylaws of the CH Development Association (CHDA) Board, new board members will be appointed to the CHDA Board by the CHH PDA Board, consisting of members of the PDA Board. Catherine Hillenbrand resigned from the CHDA Board, effective December 31, 2019.

Christopher Persons has agreed to serve as a Director of CHDA, serving in Catherine Hillenbrand's position and was nominated at the CHDA meeting on December 9, 2019.

Hereby, with approval of this memo, the CHH PDA Board moves to appoint Christopher Persons to the CHDA Board as a Director.

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