Capitol Hill Housing

CHH Board Meeting

July 2018

CHH Board Meeting July 2018

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Capitol Hill Housing

SECTION 1:

Meeting Keys

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July 2018

Capitol Hill Housing Board Meeting Keys and Addenda

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

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

Introductions, Consent Agenda, Disclosures and Recusals, and Mission Moment: Board and staff make brief introductions. The consent agenda will be moved for adoption. Board members will review items on the agenda and make any necessary disclosures and recusals. The Chair will draw a name and a Board member will be asked to take a moment to discuss the importance of their work with CHH.

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

Presentation and Discussion

Affirmatively Furthering Fair Housing (AFFH): AFFH is part of the 1968 Fair Housing Act administered by HUD and designed to counteract and reverse historic patterns of racial segregation in the US. Cities and Public Housing Authorities are required to establish AFFH policies in order to receive HUD funding. These policies usually fall in two categories around affirmative marketing and neighborhood preference. Affirmative marketing authorizes the marketing of housing directly to groups "who would not ordinarily be expected to apply, when such efforts are pursuant to an affirmative marketing program or undertaken to remedy the effects of prior discrimination in connection with the advertising or marketing of dwellings." Neighborhood preference refers to policies that prioritize individuals and families who have been displaced from specific communities or who have historical connection with such communities. These types of policies have been reaffirmed through the court and through federal administrative declarations like the Fair Housing Planning Guide of 1996 and most recently a HUD declaration of 2015. For Liberty Bank Building CHH has been a leader in following new City guidelines on affirmative marketing and Chris has been active, through the Yesler Community Collaborative, in advocating for a City neighborhood preference policy similar to those adopted by San Francisco and Portland. We are also exploring if it is feasible to adopt a neighborhood preference policy voluntarily, which could be utilized as a model for other apartment owners or the City as a whole.

To introduce this concept and this work to the Board, Chris has invited Bill Block - former Regional Administrator for HUD Region 10 and Maiko Winkler-Chin - Executive Director of SCIDPDA to participate in a discussion about affirmative marketing and neighborhood preference.

Board Development: Drew Porter will spend a year in Germany with his family related to work. Drew has served on the CHH Board for six years being very active in the finance and executive committees. He is currently Vice-Chair and in line to become Chair after Rob. The Executive Committee recommends providing Drew with a one-year leave of absence allowing him to resume his position upon his return. Drew's rights and privileges as a Board member, including voting and quorum, would be suspended during this period. The Executive Committee recommends filling the Vice-Chair position on an interim basis from the ranks of the current Board. The Executive Committee has discussed candidates for this role, but has not yet broached the idea with those candidates. The Executive Committee also recommends filling Drew's Board seat, on an interim basis, with one of two current Board member candidates. Finally, the Executive Committee would like to discuss candidates for the seat expected to be vacated by Selome. The Executive Committee sees this as an opportunity to better achieve our values of diversity and equity and to that end has identified persons of color for each position.

Finance and Asset Management

Financial Summary: The Finance and Asset Management Committee presents its regular report and dashboard through May 2018.

Resolution 2018-10: Use of Board Designated Reserves: Due to the delay in the construction and investor closing for the Station House project, we are asking the Board to approve the temporary usage of funds from the Board Designated Opportunity Reserve for predevelopment expenses at Station House. Although not specially designated for this purpose, borrowing from the Opportunity Fund allows us to fill this timing gap at a more advantageous cost of funds than using one of our alternative lines of credit. These funds will be repaid at closing.

Executive Committee and Governance

Resolution 2018-11: Authorization to Rebrand and Rename CHH: Based on the unanimous, affirmative poll of PDA and Foundation Board members at the Joint Board Retreat on June 14th, this is the next step in the rebranding process. The Resolution notes that the Board has determined a rebranding and renaming will enhance the ability of the PDA to pursue its mission and purpose. The Resolution will authorize CHH Staff to assemble a task force to execute a re-naming, branding and messaging effort (together *rebranding*), as well as other tasks to move forward with the process. During discussions at the Executive Committee meeting, the Committee asked that the resolution include language prioritizing the use of rebranding consultants that are culturally representative of the communities we serve and who would fully engage on our values of equity and inclusion.

Organizational Advancement and External Relations

Capital Campaign Update: Michael will give an update on the Rise Together Capital Campaign, including board commitments and some recent major gifts.

Pipeline Review and Project Introductions

Resolution 2018-12: Station House Omnibus Financing and Resolution 2018-13: Station House Bond: Jeremy will present these standard resolutions drafted by legal counsel, which approve and authorize closing on final financing and bonding and authorize staff and board members to execute the necessary documents to move the development forward.

SHA RFP and K-Site RFP Introductions: Staff are considering responding to two additional RFPs that will be introduced at the July Board meeting. A full initial Resolution for each RFP will be presented at the August Board meeting, if the staff recommend moving forward.

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

Upcoming Meetings and Events

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

July 10-12	HPN Political Engagement Mtg – DC
July 19	City of Seattle Boards & Commissions Appreciation Reception
July 30	CHH Executive Committee
August 13	CHH Board Meeting

Board Packet Sections

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Capitol Hill Housing

SECTION 2:

Board Agenda

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Capitol Hill Housing

CAPITOL HILL HOUSING BOARD
July 9, 2018
6:00 PM – 7:30 PM Regular Meeting
12th Ave Arts Pike-Pine Room
1620 12th Avenue, Seattle

AGENDA

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

1. Introductions, welcome
2. Approve consent agenda — Sec. 8, Page 71
3. Disclosures and recusals
4. Mission moment

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

6:10 Presentation and Discussion (Persons) – *35 min total*

1. Affirmatively Furthering Fair Housing – *20 mins* — Presentation
2. Board Development – *15 mins* — Presentation

6:45 Finance and Asset Management – *10 min total*

1. Finance Report (Alvarado, Gibson)
    a. Financial summary, cash management report:
        May 2018 Financial Statements – *5 mins* — Sec. 3, Page 15
2. Resolution 2018-10: Use of Board Designated Reserves (Gibson) – *5 mins* — Sec. 4, Page 27

6:55 Executive Committee and Governance (Persons) – *10 min total*

1. Resolution 2018-11: Authorization to Rebrand and Rename CHH – *10 mins* — Sec. 5, Page 33

7:05 Organizational Advancement and External Relations (Seiwerath) – *5 min total*

1. Capital Campaign Update — Presentation

7:10 Pipeline Review and Project Introductions (Wilkening) – *20 min total*

1. Resolution 2018-12: Station House Omnibus Financing – *5 mins* — Sec. 6, Page 39
2. Resolution 2018-13: Station House Bond – *5 mins* — Sec. 7, Page 53
3. SHA RFP and K-Site RFP Introductions – *5 mins* — Presentation
4. Project Updates on Northgate, U14, Bonanza, Station House and other projects might be taken in *Executive Session – 5 mins*

7:30 Adjourn (Schwartz)

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Capitol Hill Housing

SECTION 3:

July 2018 Finance Report, March Statements and Asset Management Report

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Capitol Hill Housing

JULY 2018 FINANCE & ASSET MANAGEMENT BOARD REPORT AND MINUTES

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

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

Date, time and location of meeting: Tuesday July 3, 2018 4-5:30 pm Malden conference room

Financial Position Summary: The only significant shift to the balance sheet for May 2018 is an increase in unrestricted cash and an increase in notes payable due to the receipt of the final HPN loan draw of $250,000. In addition, the Organization has continued predevelopment spending on multiple pipeline projects including the Bonanza Resyndication, Station House and CH Portfolio 1.

The operating statement through the first five months of the year shows an operating surplus that exceeds budget by $125,000. Total revenue is under budget in May due to the sliding of the Station House closing ($200K in developer fees originally budgeted for May). In addition, grant revenue is under budget due to the Q1 Foundation distribution being less than originally projected. On the expense side, the Organization continues to be under budget resulting from decreased office remodel costs and timing differences between budget and actual expenditures for repair and maintenance.

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

The committee reviewed the Property Management dashboard report

Vacancy loss: The monthly portfolio vacancy rate was 2.8% with a year-to-date percentage of 2.7%. Vacancy loss for 2017 and 2016 was 2.3% and 2.8%, respectively**.** The committee discussed specific buildings, which contributed to the vacancy percentage for May.

Oleta Year 15: *Management anticipates that the Year 15 transaction for the Oleta Apartments Limited Partnership, originally expected to occur on December 31, 2016, will occur in July 2018. The transaction was delayed pending resolution of the state excise tax issue, which has now been resolved.* ***Note:*** *The Helen V was expected to complete the year-15 investor exit on 12/31/17, but is now anticipated to occur in July as well.*

Updated Finance Policies: The team reviewed and approved changes to the finance policies and procedures, noting specific changes to procurement and check signing authority. The committee recommends that the board adopt the finance committee policies and procedures as revised 7/3/2018.

Resolution for Use of Board Designated Funds: As part of the cash flow review and discussion, staff introduced a resolution to be presented at the July board meeting that would allow for the use of board designated reserve funds to supplement operations, should the Station House closing not be completed in July. The committee discussed other potential financing options noting the increase in interest rates did not

make the other approach reasonable. The committee recommends that the board pass the resolution.

Staff provided updates on the following projects: Elizabeth James RENEW Projects, Park Hill, Haines plumbing repairs and the five year road map project

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Capitol Hill Housing
Blended Balance Sheet

	05.31.2018 unaudited	04.30.2018 unaudited	Change from prior month		12.31.2017 audited*	12.31.2016 audited*
Assets						
Unrestricted Cash	2,053,736	2,085,364	(31,628)	1	2,037,757	1,549,568
Accounts Receivable	758,640	738,971	19,669		811,476	605,408
Prepaids & Other Current Assets	498,875	533,692	(34,817)	2	341,351	145,836
Contributions/Grants Receivable	60,000	60,000	0		61,282	71,138
Due from Affiliates	5,317,444	5,028,622	288,822	3	5,193,026	5,591,990
Board Designated Operating Reserve	1,000,000	1,000,000	0		1,000,000	1,000,000
Board Designated Opportunity Reserve	577,478	575,077	2,401		567,083	651,507
Restricted Cash	6,245,954	6,216,693	29,261	4	6,135,901	5,605,330
Notes Receivable from Affiliates	15,322,710	15,322,710	0		15,322,710	15,411,829
Land	20,394,157	20,394,157	0		20,394,157	14,643,757
Buildings, Improvements & Equipment	73,692,268	73,529,378	162,890	5	74,146,986	72,923,292
Accumulated Depreciation	(40,233,331)	(40,047,763)	(185,568)	6	(39,304,834)	(37,093,003)
Lease Receivable	817,531	817,531	0		817,531	890,908
Investment in LPs/LLCs	1,513,091	1,519,846	(6,755)		1,527,084	1,534,145
Other Assets	(3,008)	(1,506)	(1,502)		(5)	0
Total Assets	**88,015,545**	**87,772,772**	**242,773**		**89,051,505**	**83,531,705**
Liabilities						
Notes Payable	59,582,208	59,370,933	211,275	7	58,479,561	52,278,219
Accrued Interest Payable	4,385,715	4,385,715	0		4,385,715	4,406,834
Accounts Payable & Accrued Liabilities	3,840,042	3,550,597	289,445	8	4,956,384	4,859,505
Tenant Security Deposit Liability	577,974	578,899	(925)		579,612	562,478
Total Liabilities	**68,385,939**	**67,886,144**	**499,795**		**68,401,272**	**62,107,036**
Net Position	19,629,606	19,886,628	(257,022)		20,650,233	21,424,669
Total Liabilities and Net Assets	**88,015,545**	**87,772,772**	**242,773**		**89,051,505**	**83,531,705**

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* Internal presentation, certain amounts netted for audit presentation

Significant balance sheet changes from prior month

1) Decrease in cash is a function of the following transactions:
-$250K increase from final draw from HPN for predevelopment and operations. Increase offset by the following:
- $130K in predevelopment spending. A portion of this was repaid through draws on other sources in June.
- $58K in annual debt service payments for two properties
Remaining decrease is the result of routine monthly transactions with no offsets from developer fee or grant revenue

2) Decrease due to routine amortization of monthly pre-paid expenses

3) Change due to paydown of due to/from affiliates as part of routine monthly fluctuation. In addition Bonanza resyndication costs were transferred to a separate entity within the GL. This transaction creates intercompany payables/receivables between CHH and the new entity. Amounts are not eliminated for preparation of internal monthly financials and are therefor reflected both in Due from affiliates as well as Accounts payable & accrued liabilities.

4) Change due to monthly reserve deposits

5) Capitalization of additional predevelopment expenditures for the following projects: Jazz House loan fee costs, Bonanza resyndication and BCBC resyndication initial predevelopment. A small amount was also recorded for Goodwill and white center projects.

6) Change due to current month depreciation.

7) Final HPN draw of $250K (see #1) received at the end of May. Amount is offset by monthly mortgage payments.

8) The majority of this change is due to the reclassification of Bonanza predevelopment spending to a separate entity within the general ledger. See discussion in #3 above.

Capitol Hill Housing Improvement Program
Statement of Revenues and Expenditures - Unaudited
From 1/1/2018 Through 5/31/2018

	Year to Date Actual	Year to Date Budget	Year to Date Budget Variance		Variance Pct	Total Budget	Budget Remaining
Revenue							
Tenant Rent							
Residential tenant revenue	4,107,003	4,102,420	4,583		0.11%	9,845,808	5,738,805
Commercial rent and NNN	845,262	761,940	83,322	1	10.94%	1,873,845	1,028,583
Parking, laundry and other	92,666	85,707	6,959		8.12%	205,606	112,940
Res vacancy and concessions	(119,711)	(140,977)	21,266	2	-15.08%	(323,646)	(203,935)
Total Tenant Rent	4,925,220	4,809,090	116,130		2.41%	11,601,613	6,676,393
Other Operating Revenue							
Property Management Fees	645,867	663,938	(18,071)	3	-2.72%	1,593,451	947,584
Partnership Management Fees	276,873	118,680	158,193	4	133.29%	610,180	333,307
Development Fees	25,000	276,000	(251,000)	5	-90.94%	706,000	681,000
Acctg, Leasing & Compliance Fees	343,551	365,178	(21,627)	3	-5.92%	876,428	532,877
Other Operating Revenue	0	25,549	(25,549)	6	-100.00%	67,798	67,798
Total Other Operating Revenue	1,291,291	1,449,345	(158,054)		-10.91%	3,853,857	2,562,566
Other Revenue							
Grants & Donations	185,017	251,036	(66,019)	7	-26.30%	882,570	697,553
Interest Income	68,487	47,680	20,807	8	43.64%	180,710	112,223
Other Income (non-operating)	21,801	13,250	8,551		64.54%	17,100	(4,701)
Total Other Revenue	275,305	311,966	(36,661)		77.12%	1,080,380	805,075
Total Revenue	6,491,816	6,570,401	(78,585)		-1.20%	16,535,850	10,044,034
Expenses							
Accounting, Audit & Legal	260,674	228,607	(32,067)	9	-14.03%	517,518	256,844
Administrative Expenses	168,487	261,281	92,794	10	35.52%	483,991	315,504
Bad Debts	9,213	0	(9,213)		0.00%	0	(9,213)
Board Expense	1,797	2,792	995		35.64%	6,700	4,903
CHH Occupancy Expense	151,384	133,167	(18,217)	11	-13.68%	343,690	192,306
Compliance, Taxes & License	148,770	111,659	(37,111)	12	-33.24%	220,639	71,869
Consulting	112,917	97,292	(15,625)	13	-16.06%	227,603	114,686
Debt Service	1,118,162	1,134,511	16,349		1.44%	2,642,878	1,524,716
Insurance	131,082	128,821	(2,261)		-1.76%	309,171	178,089
Leasing/Compliance Expense	103,060	103,060	0		0.00%	247,344	144,284
Miscellaneous Financial Expense	3,424	4,881	1,457		0.00%	16,043	12,619
Other Operating Expense	958	890	(68)		-7.64%	2,390	1,432
Payroll, Taxes and Benefits	2,725,158	2,805,260	80,102	14	2.86%	6,732,624	4,007,466
Partnership Mgmt Fee Expense	61,727	61,727	0		0.00%	138,812	77,085
Property Mgmt Fee Expense	451,106	451,106	0		0.00%	1,142,655	691,549
Repair and Maintenance	566,499	674,866	108,367	15	16.06%	1,613,862	1,047,363
Technology	57,114	83,315	26,201	16	31.45%	230,093	172,979
Training, Dues, Subscriptions	67,012	87,962	20,950	17	23.82%	150,480	83,468
Utilities	577,299	549,268	(28,031)	18	-5.10%	1,362,165	784,866
Total Expenses	6,715,843	6,920,465	204,622		2.96%	16,388,658	9,672,815
Operating Surplus (Deficit) B4 Reserves	(224,027)	(350,064)	126,037		-36.00%	147,192	
Reserve Contributions							
Replacement Reserve	(206,284)	(205,979)	(305)		0.15%	(492,311)	(286,027)
Operating Reserve	(18,868)	(18,160)	(708)		3.90%	(43,084)	(24,216)
Other Reserve	(14,343)	(14,343)	0		0.00%	(34,424)	(20,081)
Total Reserve Contributions	(239,495)	(238,482)	(1,013)		0.42%	(569,819)	(330,324)
Operating Surplus (Deficit)	(463,522)	(588,546)	125,024		-21.24%	(422,627)	
Other Income (non-operating)	545,000	545,000			0.00%	545,000	
Income/Loss	81,478	(43,546)	125,024		-21.24%	122,373	See note

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

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

1) Timing difference resulting from process improvements made by CHH. Q2 Triple Net (NNN) billings were recorded in early May, but were not budgeted until June. NNN actuals include two quarters of billing, the budget includes only one. In addition, NNN revenue will be higher for 2018 due to significant increases in property tax costs that are passed through to tenants.

2) The trend of overall low vacancy rates continues from prior year despite a few spikes observed at individual buildings.

3) Property management and Accounting and Leasing fees assumed CHH would assume property management of Bayview Tower at the start of the year. CHH officially took over management effective June 1, 2018.

4) Deferred partnership management fees for Helen V of $100K were paid in January. Paydown was originally budgeted for September. Deferred partnership management fees at Gilman Court and Fleming were also paid down during the month of April. Paydown of these fees was completed earlier than originally budgeted so as to supplement CHH cash flows during the first few months of the year. Early paydown was possible due to strong portfolio financial performance during the first five months of the year.

5) $176k in developer fees for Station House were originally budgeted in May. Closing is now planned for end of July; however, projected fee is now expected to be approximately $381,000.

6) Lease income/partnership & MSP vehicle recovery- all represent quarterly distributions/payments that have not been made yet. This is a timing difference in relation to the budget.

7) Foundation distribution for Q1 was $75K less than budgeted projection. In addition, reimbursement for capital campaign coordinator salary expense has not been made through the first five months of the year.

8) Reserve Interest income is higher than conservatively budgeted estimate

9) The bulk of CHH audit expenses were budgeted for July based on prior year payments. Most of this expense was recorded at the end of May in 2018. Timing difference should correct itself in July.

10) Administrative costs are under budget due to several reasons: Office expansion costs were under budget by approximately $15K in total, plus $28K of work was completed prior to year-end and therefore reflected in the December 2017 financials. In addition, administrative expense budget also includes $30K for the purchase of a new maintenance van, which occured at the end of June.

11) Financial statements through May include both the Q4 2017 triple net billing and the Q1 2018 triple net as finance has made a push to implement a more timely billing process.

12) Property taxes are over budget due to increases above projections for 2018.

13) Two primary factors are contributing to consulting being over budget. URM studies were completed at all masonry buildings within the CHH portfolio. Operating reserves were used to cover the cost at a number of buildings; however, the reserve transfer is not reflected until June. In addition, the Real Estate Development department has incurred consulting expenses in excess of budget related to the Liberty Bank project. Most of the difference is related to timing as the budget spread the cost over 12 months; however, the actual cost has been greater in the first half of the year.

14) Budget assumes annual merit increase was in effect for the full fiscal year; however, adjustments were not effective until February. In addition, the Community Liaison position was budgeted to begin in January; however, hiring did not occur until the end of March.

15) Repair and maintenance expense is under budget due to decreased vacancy and low turnover in most of the buildings. While the budget process attempts to account for seasonality, there may also still be fluctuations in the timing of certain repairs as compared to the budget.

16) Technology costs continue to be under budget due to the delay in implementation of Concur invoice (begins in August). In addition, the March budget also included $10k for Sharepoint and website development costs which have not yet occurred.

17) Travel and training costs to date are below budget due primarily to planned training and travel costs being less than budgeted.

18) Sewer and garbage/recycling expenses are both over budget year-to-date. Difference appears to related to rate increases in excess of budget projections. The 2018 budget included a 3.2% increase for both categories while rates appear to have increased 4.1% and 7.2% for sewer and garbage, respectively. Staff have also been analyzing utility expenses at all buildings and are currently investigating spikes that appear to represent variances in excess of the rate differences mentioned.

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Capitol Hill Housing

Capitol Hill Housing
Finance Dashboard
Year to Date at May 31, 2018

Blended Component Units:	Portfolio Manager	Affordable Units	Market Units	Total Units	YTD 2018 Income Per Unit Actual	YTD 2018 Income Per Unit Budget	Var %	YTD 2018 Op expenses B4 Debt Cost Per Unit Actual	YTD 2018 Op expenses B4 Debt Cost Per Unit Budget	Var %	Rolling Avg. Make Ready Days	Rolling Avg. Total Turn Days	May 2018 Monthly	12 MO Rolling	2018 YTD	2017 Vacancy	2018 YTD Cash Flow after debt and reserves Actual	Budget	Variance
Berneva	Colby	12		12	3,966	3,897	2%	3,294	3,270	-1%	45	47	0.0%	1.0%	1.8%	1.4%	2,531	1,984	547
Boylston Howell	Colby	30		30	4,796	4,734	1%	3,416	3,594	5%	11	42	0.5%	0.9%	1.7%	0.8%	(20,707)	(27,918)	7,211
Bremer	Dianne	49		49	3,758	3,831	-2%	2,670	2,391	-12%	21	60	9.0%	4.2%	4.8%	2.6%	16,701	24,714	(8,013)
Brewster	Colby	35		35	3,805	3,527	8%	2,483	2,739	9%	12	89	0.0%	3.5%	2.2%	6.8%	35,262	16,578	18,684
Broadway	Colby	3	2	5	5,633	5,382	5%	3,180	3,279	3%			0.0%	0.0%	0.0%	0.2%	6,389	4,641	1,748
Burke Gilman Gardens	Dianne	15		15	5,545	5,262	5%	3,501	3,780	7%	13	24	0.0%	0.7%	0.0%	0.7%	4,522	(3,906)	8,428
Byron Wetmore	Colby	12		12	4,760	4,812	-1%	4,006	4,223	5%	0	0	0.0%	0.2%	0.0%	1.1%	1,035	(947)	1,982
Casa di Cinque	Dianne	3	2	5	6,925	6,736	3%	3,349	3,973	16%			0.0%	0.0%	0.0%	0.0%	11,373	5,921	5,452
Centennial	Valencia	21	9	30	4,868	5,038	-3%	2,365	2,477	5%	13	44	2.7%	3.6%	6.9%	2.7%	22,640	24,391	(1,751)
Devonshire	Valencia	62		62	3,904	3,970	-2%	2,978	2,789	-7%	19	55	4.3%	2.8%	3.2%	2.3%	5,990	21,829	(15,839)
Eighteenth Avenue	Dianne	9		9	5,032	5,649	-11%	3,448	3,701	7%	176	216	11.7%	7.0%	11.8%	2.5%	(4,260)	(984)	(3,276)
El Nor	Valencia	55		55	4,452	4,466	0%	3,454	3,493	1%	20	62	0.0%	2.3%	1.8%	2.8%	4,563	3,259	1,304
Elizabeth James	Dianne	60		60	4,310	4,276	1%	3,422	2,997	-14%	17	46	0.5%	1.3%	1.5%	1.5%	(10,346)	5,777	(16,123)
Fleming	Colby	36		36	3,898	3,931	-1%	2,394	2,431	2%	15	52	0.3%	1.3%	2.5%	0.3%	13,233	13,081	152
Four Ten	Colby	6		6	4,052	3,920	3%	3,054	2,758	-11%	4	23	0.0%	1.5%	0.0%	1.8%	1,819	2,802	(983)
Four Twelve	Colby	12		12	6,697	6,447	4%	4,373	4,665	6%	0	0	0.0%	0.1%	0.3%	0.6%	21,567	7,685	13,882
Fredonia	Dianne	7	5	12	10,586	11,045	-4%	5,897	6,558	10%	9	36	5.3%	2.0%	3.6%	2.0%	24,821	22,408	2,413
Gilman Court	Valencia	25		25	5,449	5,379	1%	3,587	4,219	15%	10	51	0.0%	0.6%	0.0%	1.1%	39,875	22,346	17,529
Harrison at 15th	Colby	19		19	8,749	8,314	5%	4,362	4,676	7%			0.0%	0.1%	0.0%	0.1%	29,570	15,356	14,214
Hazel Plaza	Dianne	16		16	11,012	10,622	4%	3,721	4,132	10%			0.0%	0.2%	0.0%	0.2%	57,128	45,365	11,763
Holden Vista	Dianne	16		16	6,048	6,009	1%	4,004	4,617	13%	30	171	4.0%	5.2%	5.8%	5.5%	13,805	3,366	10,439
Joe Black Apartments	Colby	24		24	5,412	5,643	-4%	4,754	4,716	-1%	44	82	14.1%	3.0%	6.5%	1.7%	(1,017)	5,467	(6,484)
John Carney	Dianne	27		27	3,594	3,536	2%	2,690	2,684	0%	15	68	0.8%	1.9%	1.4%	1.4%	7,035	5,711	1,324
Larned	Colby	33		33	4,341	4,334	0%	2,932	2,989	2%	17	35	2.6%	2.6%	1.8%	1.9%	37,353	35,266	2,087
Lincoln Court	Colby	29		29	4,168	4,231	-1%	2,531	2,639	4%	2	88	3.4%	2.3%	2.8%	2.3%	(370)	839	(1,209)
Mary Ruth Manor	Dianne	20		20	10,419	9,936	5%	3,843	4,504	15%	17	169	0.0%	1.7%	1.6%	3.6%	54,309	31,439	22,870
Maxwell	Colby	4		4	4,844	4,737	2%	2,588	3,397	24%			0.0%	-0.1%	0.0%	0.4%	6,491	2,825	3,666
Melrose	Colby	30		30	3,761	3,788	-1%	2,864	2,977	4%	9	48	4.1%	2.3%	3.5%	1.8%	10,971	8,386	2,585
Miller Park	Dianne	12		12	5,228	5,042	4%	3,492	3,601	3%	10	31	0.0%	1.0%	0.0%	1.6%	7,142	3,608	3,534
Park Hill	Valencia	20	10	30	6,292	6,013	5%	3,724	4,028	8%	34	67	0.0%	2.1%	0.1%	3.8%	50,445	32,972	17,473
Ponderosa	Dianne	23		23	3,886	3,843	1%	3,021	3,175	5%			0.3%	0.7%	1.2%	0.1%	13,851	9,321	4,530
Seneca	Colby	32		32	4,498	4,556	-1%	3,116	3,471	10%	0	28	0.0%	0.2%	0.0%	0.2%	18,416	8,891	9,525
Union James	Dianne	24		24	5,643	5,698	-1%	4,017	3,927	-2%	46	113	11.5%	7.7%	9.8%	6.9%	(6,333)	(2,854)	(3,479)
Villa	Valencia	62		62	4,994	4,956	1%	2,974	3,045	2%	17	41	0.0%	1.1%	1.0%	1.4%	27,224	21,167	6,057
																	503,028	370,786	132,242
Discrete Component Units:																			
Broadway Crossing	Colby	44		44	4,227	4,750	-11%	3,322	3,658	9%	66	85	4.8%	1.2%	2.5%	1.7%	9,207	17,469	(8,262)
Fremont Solstice	Valencia	18		18	4,677	4,792	-2%	3,532	3,615	2%	17	50	0.0%	0.8%	1.9%	0.4%	(5,202)	(4,613)	(589)
Haines AAA	Colby	30		30	4,583	4,740	-3%	3,312	4,056	18%	7	81	2.9%	4.7%	5.6%	3.5%	(44,811)	(25,999)	(18,812)
Helen V	Valencia	38		38	7,410	7,578	-2%	4,004	3,427	-17%	30	73	6.9%	5.3%	7.7%	3.7%	73,704	101,465	(27,761)
Holiday	Valencia	30		30	4,853	4,828	1%	2,686	2,689	0%	29	59	0.0%	0.9%	0.9%	1.9%	10,867	10,032	835
Jefferson Housing	Dianne	40		40	5,431	5,560	-2%	3,761	3,410	-10%	16	55	2.6%	2.0%	3.4%	0.6%	(2,250)	3,122	(5,372)
Oleta	Colby	34		34	3,889	3,964	-2%	2,415	2,597	7%	38	57	3.7%	3.9%	4.3%	3.4%	6,625	2,975	3,650
Pantages	Colby	49		49	4,160	4,374	-5%	6,401	3,232	-98%	15	58	3.3%	2.1%	3.6%	0.8%	(155,504)	10,365	(165,869)
Silvian	Valencia	32		32	4,848	4,901	-1%	3,612	3,099	-17%	42	76	10.3%	2.1%	4.9%	0.5%	(10,638)	8,197	(18,835)
Squire Park Plaza	Valencia	31	29	60	8,714	8,278	5%	3,190	3,661	13%	14	48	1.6%	3.1%	1.3%	4.5%	121,731	67,329	54,402
Twelfth Avenue Arts	Valencia	88		88	4,799	4,731	1%	2,491	2,460	-1%	11	25	0.4%	0.7%	0.8%	1.6%	40,489	37,237	3,252
Unity Village	Dianne	30		30	4,450	4,150	7%	3,455	3,513	2%	43	97	3.1%	6.0%	3.6%	5.2%	24,377	13,659	10,718
																	68,595	241,238	(172,643)
Portfolio Totals:		**1307**	**57**	**1364**	6,979,583	6,964,065	0%	4,550,192	4,496,595	1%	23	61	2.8%	2.3%	2.7%	2.3%	571,623	612,024	(40,401)

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

Bremer - four vacancies in May (plus another vacancy on 5/30), hard turns (water damage), two have June move-ins scheduled
Eighteenth Avenue - one vacancy in May; a 2-bdr unit that requires new flooring and countertops (hard turn). Waitlist challenges. Late June move-in scheduled
Fredonia - one 2-bdr unit vacant in May (mid-June move-in scheduled). Another market unit was patially vacant (mid May move-in)
Joe Black - three vacancies in May; all 3-bdr units. Each requires general turnover maintenance repairs and clean up
Union James - three vacancies in May, each required extensive cleaning. One had late June move-in. Waitlist challenges
Helen V - five vacancies in May (three were filled in early May and one other has June move-in scheduled). Open site manager position was filled in May
Silvian - four vacancies in May (one only partially vacant). Three have June move-ins scheduled, other in July. Waitlist challenges

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CHH
CASH IN BANK
FOR THE MONTH ENDING: May 2018

Bank	CHH Blended Component Unit	Type	Balance
Chase	Larned	Reserves	104,597
Chase	412	Reserves	83,314
		Total Chase	**187,911**
KeyBank	Capitol Hill Housing	Security Deposit	287,404
KeyBank	Capitol Hill Housing - SoundFamilies	Restricted Savings	28,538
KeyBank	Hazel Plaza	Reserves	176,831
KeyBank	Hazel Plaza	Security Deposit	3,494
KeyBank	Larned	Security Deposit	22,048
KeyBank	Byron Wetmore	Reserves	49,677
KeyBank	Byron Wetmore	Security Deposit	9,317
Key Bank	412	Security Deposit	3,884
KeyBank	Holden Vista	Reserves	68,977
KeyBank	Holden Vista	Security Deposit	3,640
KeyBank	Mary Ruth Manor	Reserves	261,276
KeyBank	Mary Ruth Manor	Security Deposit	5,925
KeyBank	EJSH	Security Deposit	11,146
KeyBank	Fleming Apts LP	Security Deposit	23,236
KeyBank	Gilman Court LP	Reserves	105,128
KeyBank	Gilman Court LP	Security Deposit	20,045
KeyBank	Villa Apts LP	Reserves	163,406
KeyBank	Villa Apts LP	Security Deposit	45,050
KeyBank	El Nor LP	Security Deposit	9,584
KeyBank	El Nor LP	Reserve	548,734
KeyBank	El Nor LP	Capital Reserves	183,465
KeyBank	18th Ave Apartments	Security Deposit	1,795
KeyBank	Harrison	Security Deposit	20,071
KeyBank	Ponderosa	Reserves	473,658
KeyBank	Ponderosa	Security Deposit	3,722
KeyBank	12th Avenue Arts Master Tenant LLC	Security Deposit	65,548
KeyBank	12th Avenue Arts Master Tenant LLC	Reserves	8,259
Key Bank	Union James	Security Deposit	5,212
Key Bank	Union James	Reserves	80,589
Key Bank	Lake City	Security Deposit	6,095
		Total KeyBank	**2,695,751**
Banner	Berneva	Reserves	11,358
Banner	Berneva	Security Deposit	-
Banner	Seneca	Reserves	234,929
Banner	Seneca	Security Deposit	20,777
		Total Banner	**267,064**
LGIP	Capitol Hill Housing	Reserves	2,563,039
		Total LGIP	**2,563,039**
Oppenheimer	EJSH	Escrow	8,114
Oppenheimer	EJSH	Reserves	148,374
		Total Oppenheimer	**156,487**
Chase	Harrison	Reserves	156,813
		Total Chase	**156,813**
US Bank	18th Ave Apartments	Reserves	141,465
		Total USBank	**141,465**
BofA	Fleming Apts LP	Reserves	77,424
BofA	Seneca	Reserves	-
		Total BofA	**77,424**
		Total Restricted - CHH Blended Components	**6,245,954**
LGIP	Capitol Hill Housing	Board Designated Reserves	1,577,478
		Total Designated	**1,577,478**
UnionBank	Capitol Hill Housing	EQII	82,775
		Total Union Bank	**82,775**
KeyBank	Capitol Hill Housing	EQII	325
		Total KeyBank	**325**
HPN	Capitol Hill Housing	HPN	286,548
		Total HPN	**286,548**
KeyBank	Capitol Hill Housing	M/M Savings	-
KeyBank	Capitol Hill Housing	Payroll	-
KeyBank	Capitol Hill Housing	Operating Checking	179,691
KeyBank	Capitol Hill Dev. Assoc	Operating Checking	1,265
KeyBank	Capitol Hill Real Estate Mgmt Services	Operating Checking	9,315
KeyBank	12AA Lobby	Operating Checking	40,282
KeyBank	Hazel Plaza	Operating Checking	113,248
KeyBank	Larned	Operating Checking	124,745
KeyBank	Byron Wetmore	Operating Checking	15,847
KeyBank	412	Operating Checking	41,467
Banner Bank	412 Construction	Construction	27,276
KeyBank	Holden Vista	Operating Checking	21,186
KeyBank	Mary Ruth Manor	Operating Checking	227,431
KeyBank	EJSH	Operating Checking	23,555
KeyBank	Fleming Apts LP	Operating Checking	35,073
KeyBank	Gilman Court LP	Operating Checking	33,969
KeyBank	Villa Apts LP	Operating Checking	106,247
KeyBank	El Nor LP	Operating Checking	118,350
KeyBank	18th Ave Apartments	Operating Checking	6,755
KeyBank	Harrison	Operating Checking	75,412
KeyBank	Ponderosa	Operating Checking	14,975
KeyBank	12th Ave Arts Development	Operating Checking	59,393
KeyBank	12AA Master Tenant LLC	Operating Checking	67,596

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CHH
CASH IN BANK
FOR THE MONTH ENDING: May 2018

KeyBank	Union James	Operating Checking	13,719
KeyBank	Lake City	Operating Checking	22,449
KeyBank	Africa Town(Mid-town)	Operating Checking	17,149
		Total KeyBank	**1,396,393**
Cash	Various	Petty Cash - CHHIP	100
		Total Petty Cash	**100**
Banner	Berneva	Operating Checking	9,096
Banner	Seneca	Operating Checking	278,499
KeyBank	Union & 24th	Construction	-
		Total Banner	**287,595**
		Total Unrestricted - CHH Blended Components	**2,053,736**
		Total All Cash - CHH Blended Components	**9,877,168**

Bank	Discrete Component Unit	Type	Balance
Chase	Oleta	Reserves	175,628
Chase	Woodland Park Ave LLC	Reserves	132,625
Chase	AAA	Security Deposit	5,730
Chase	AAA	Reserves	257,834
		Total Chase	**571,817**
KeyBank	Broadway & Pine	Reserves	265,128
KeyBank	Broadway & Pine	Security Deposit	23,211
KeyBank	El Nor LP	Reserves	-
KeyBank	Helen V Apts LLC	Reserves	353,122
KeyBank	Helen V Apts LLC	Security Deposit	7,792
KeyBank	Holiday Apts	Security Deposit	22,279
KeyBank	Jefferson & 12th	Reserves	290,917
KeyBank	Jefferson & 12th	Security Deposit	37,521
KeyBank	Oleta	Security Deposit	23,100
KeyBank	Pantages Apts LLC	Security Deposit	26,698
KeyBank	Silvian	Security Deposit	6,719
KeyBank	SOPI / Unity Village	Reserves	198,371
KeyBank	SOPI / Unity Village	Security Deposit	17,192
KeyBank	Woodland Park Ave LLC	Security Deposit	11,681
KeyBank	12th Avenue Arts Housing	Security Deposit	76,600
KeyBank	12th Avenue Arts Housing	Reserves	647,318
KeyBank	Union & 24th Construction	Construction	(8,150)
KeyBank	Union & 24th	Construction	31,784
KeyBank	12th Avenue Arts Associates LLC	12AA HEDC Fee Reserve Account	150,551
KeyBank	12th Avenue Arts Associates LLC	12AA Key Fee Reserve Account	178,073
KeyBank	Squire Park Plaza	Security Deposit	57,404
KeyBank	Squire Park Plaza	Reserves	60,292
		Total KeyBank	**2,477,603**
UnionBank	Holiday	Reserves	199,383
		Total UnionBank	**199,383**
US Bank	Pantages Apts LLC	Reserves	510,728
US Bank	Silvian	Reserves	517,549
		Total USBank	**1,028,277**
		Total Restricted - Discrete Components	**4,277,081**
Chase	AAA	Operating Checking	**(51,483)**
		Total Chase	**(51,483)**
KeyBank	Oleta	Operating Checking	18,606
KeyBank	Helen V Apts LLC	Operating Checking	75,231
KeyBank	Pantages Apts LLC	Operating Checking	19,675
KeyBank	Silvian	Operating Checking	129,170
KeyBank	Broadway & Pine	Operating Checking	22,607
KeyBank	Woodland Park Ave LLC	Operating Checking	13,280
KeyBank	Holiday Apts	Operating Checking	56,405
KeyBank	SOPI / Unity Village	Operating Checking	27,809
KeyBank	Jefferson & 12th	Construction	241
KeyBank	Jefferson & 12th	Operating Checking	27,825
KeyBank	Twelfth Avenue Arts Res	Operating Checking	227,002
KeyBank	12th Avenue Arts Associates LLC	12AA Commercial Operating (Debt Service)	303,502
KeyBank	Squire Park Plaza	Operating Checking	137,593
		Total KeyBank	**1,058,945**
		Total Unrestricted - Discrete Components	**1,007,462**
		Total All Cash - Discrete Components	**5,284,543**
		Total All Cash - CHH Blended Components	**9,877,168**
		Total All Cash	**15,161,711**

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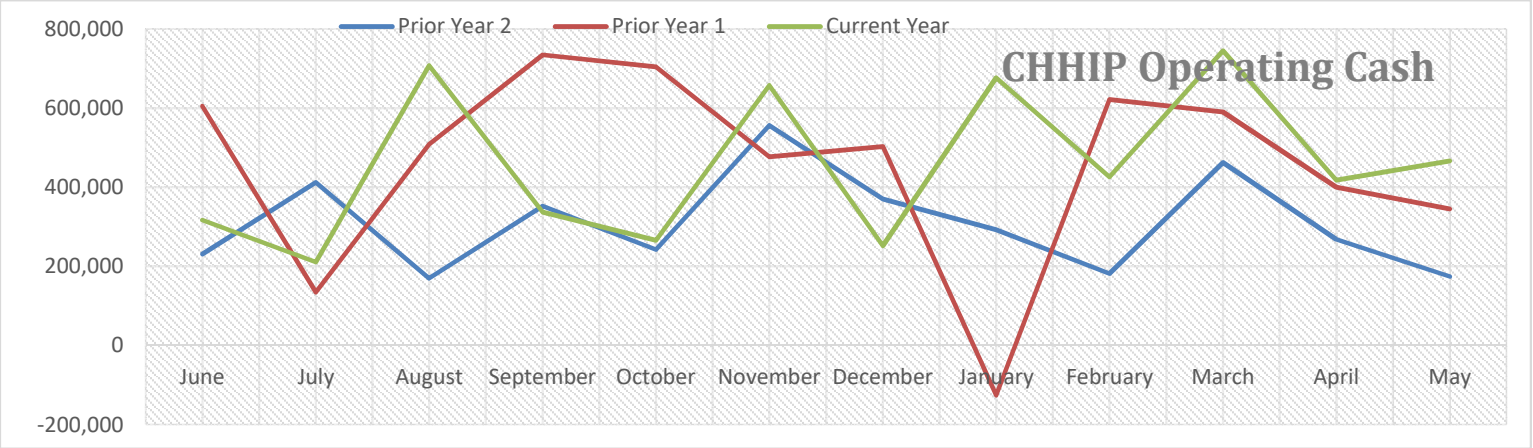
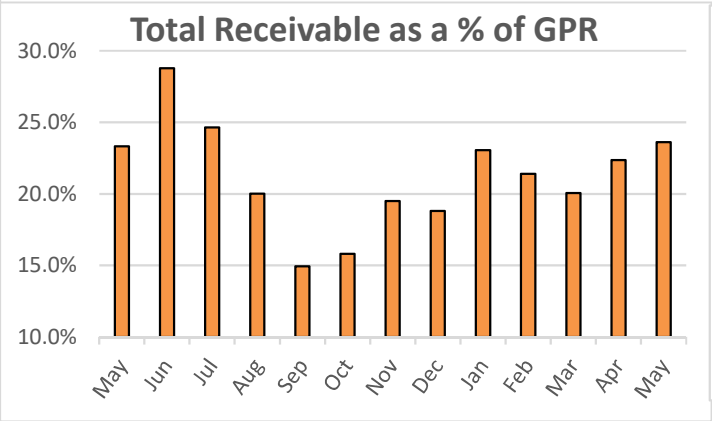
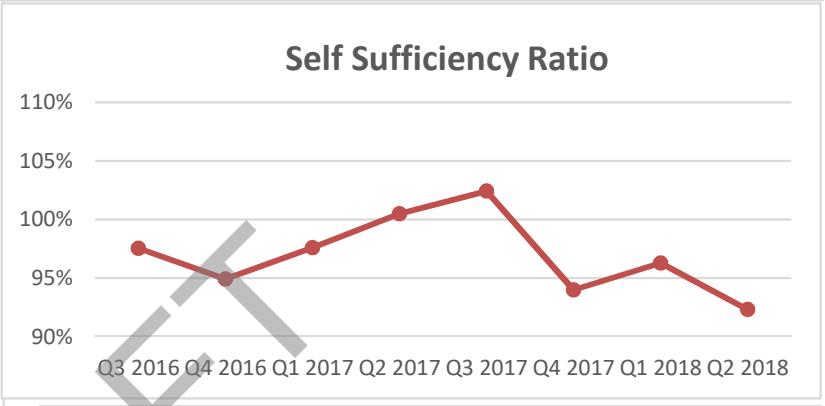
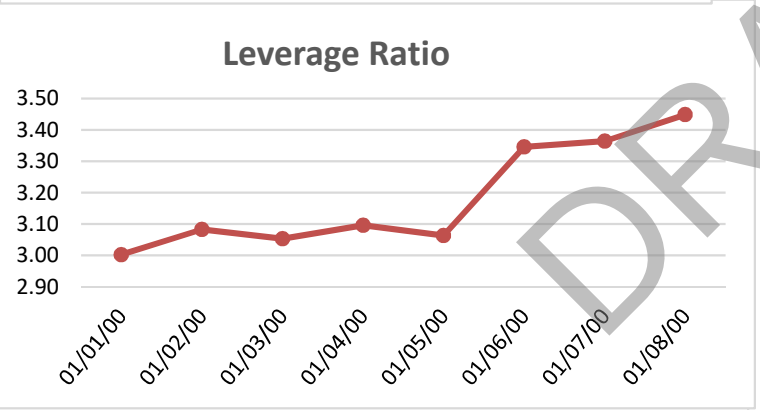
TOTALS BY BANK		
Key Bank	**$**	**7,628,693**
Chase	**$**	**865,383**
Banner	**$**	**554,659**
US Bank	**$**	**1,169,742**
Union Bank	**$**	**282,158**
Bank of America	**$**	**77,424**
Beneficial State bank	**$**	**-**
LGIP	**$**	**4,140,517**
Other and Petty	**$**	**443,135**
TOTAL CASH	**$**	**15,161,711**

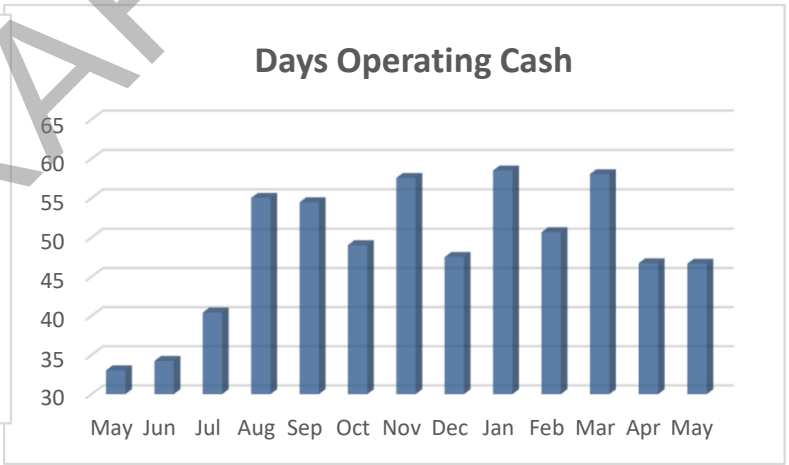
Ratio Analysis











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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 ***c*** ash 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 (operatings/grants etc)

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

Target: 2.5 - 4: 4.0 maximum ratio

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Capitol Hill Housing

SECTION 4:

Resolution No. 2018-10: Use of Board Designated Reserves

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CHH Board Resolution 2018-10

Overview: Use of Board Designated Reserves

Purpose: This resolution authorizes short term usage of the Board Designated Opportunity Reserve due to the potential delay in the Station House closing, originally scheduled for May 2018 and now expected to close in July 2018.

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 at the July 3, 2018 meeting.

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: CHH maintains two separate board designated reserve accounts: a general operating reserve (balance currently maintained at $1 million) and a Board Designated Opportunity Fund (current balance of approximately $575K). The Board Designated Opportunity Fund balance is intended to be deployed for use in new real estate investment opportunities. We are proposing authorizing up to $250,000 to be drawn from the Board Designated Opportunity Reserve as a short term "loan" to cover potential funding gaps in operating expenses as a result of the delay in closing on the Station House project. At the time of closing, CHH will receive cash developer fees of approximately $380K in addition, to regaining access to additional predevelopment sources that are currently funding the Station House project. Although not specially designated for this purpose, borrowing from the Opportunity Fund allows us to fill this timing gap at a more advantageous cost of funds than using one of our alternative lines of credit.

Organizational requirements of resolution: CHH Finance Policies require Board approval for all uses of the Board Designated Reserves.

Financial cost of the resolution*:* CHH earns interest on the Board Designated Reserves. Currently the rate is .8687%. We pay between 2% and 6% for predevelopment funds from third parties. Management has evaluated the financial cost of obtaining additional loan proceeds from the Housing Partnership Network and has determined that current interest rates (6.5% quoted rate) would make this too costly of an option.

Pros: We are able to steady CHH cash flows in the event that timing on closing continues to slide.

Cons: The risk that the funds are outstanding longer than expected and we miss the opportunity to use them in another development activity.

Further Board Action or Reporting:

- **Is further <u>action</u> required from the Board or a Board Committee?** ☐ Yes ☒ No
- **Is further <u>reporting</u> required to the Board or a Board Committee?** ☒ Yes ☐ No
  If yes, please describe: The Finance and Asset Management Committee will be kept informed if and when the funds are drawn, and when they are repaid.

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

RESOLUTION NO. 2018-10

Use of Board Designated Reserves

WHEREAS, Capitol Hill Housing Improvement Program, a Washington public corporation ("CHH"), was organized for the purpose, among others, of developing and operating low income housing; and

WHEREAS, CHH maintains two separate board designated reserve accounts: a general operating reserve (balance currently maintained at $1 million) and a Board Designated Opportunity Fund (current balance of approximately $575K);

WHEREAS, the Board Designated Opportunity Fund balance is intended to be deployed for use in new real estate investment opportunities;

WHEREAS, CHH is has multiple projects in predevelopment, including Station House and the Bonanza Resyndication;

WHEREAS, CHH has financed the predevelopment costs of Station House to date with a Key Bank EQII, a Phase II loan from Impact Capital and the Impact Capital Line of Credit;

WHEREAS, CHH expects to close on construction and investor financing for Station House in July 2018;

WHEREAS, CHH expects to earn a developer fee of approximately $380,000 at the time of investor financing for Station House; and

WHEREAS, developer fee proceeds are used to fund department operations;

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

1. The Board authorizes management to draw up to $250,000 from the Board Designated Opportunity Reserve for short term deployment for coverage of operating deficits and additional predevelopment costs. Although not specially designated for this purpose, borrowing from the Opportunity Fund allows us to fill this timing gap at a more advantageous cost of funds than using one of our alternative lines of credit

2. Capitol Hill Housing will use Board Designated Reserves to fund short term operating deficits and to pay predevelopment costs incurred before the Station House closing. Once the Station House closing has occurred, the funds will be returned to the Board Designated Opportunity Reserve.

CERTIFICATION

I, Robert P. Schwartz, certify that I am the Chair of Capitol Hill Housing Improvement Program ("CHH") and that the foregoing Resolution was duly adopted at a meeting of the Board of Directors of CHH held on July 11, 2018, in accordance with the Charter and Rules and Regulations of CHH upon proper notice and at which time a quorum was present.

DATED the 11th day of July, 2018.

By_____

Its Chair

Capitol Hill Housing

SECTION 5:

Resolution No. 2018-11: Authorization to Rebrand and Rename CHH

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CHH Board Resolution 2018-11

Overview: Authorization to Rebrand and Rename CHH

Purpose: Move forward with Phase II of the rebrand process, per the recommendation of the Phase I consultant and a unanimous "straw" vote at the Joint Board Retreat. This would include executing a re-naming, branding and messaging effort (together rebranding).

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 – June 25, 2018 Meeting

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.*

Although this resolution in itself does not call for a change in the CHH charter, a formal name change in the future may. Part of this process will be the consideration of corporate structure so the final determination will come at a later date.

General description and purpose: Based on the unanimous, affirmative poll of PDA and Foundation Board members at the Joint Board Retreat on June 14th, this is the next step in the rebranding process. The Resolution notes that the Board has determined a rebranding and renaming will enhance the ability of the PDA to pursue its mission and purpose. The Resolution will authorize CHH Staff to assemble a task force to execute a re-naming, branding and messaging effort (together rebranding), as well as other tasks to move forward with the process. During discussions at the Executive Committee meeting, the Committee asked that the resolution include language prioritizing the use of rebranding consultants that are culturally representative of the communities we serve and who would fully engage on our values of equity and inclusion

Organizational requirements of resolution: Per the note above, this determination will be made at a later date.

Financial cost of the resolution*:* $50,000 - $60,000

Pros: Capitol Hill Housing has been providing services in neighborhoods other than Capitol Hill since 1984. CHH has been considering the efficacy of its name, brand and messaging for a long time, performed an informal survey of stakeholders in 2017, and hired a consulting company to perform a deep analysis of the corporate brand and messaging. The recommendation of the consultant was to rename and rebrand within a broader messaging overhaul and analysis of our community work including our commitment to equity, diversity and inclusion.

Cons: Rebranding is expensive and time-consuming. A poorly executed rebranding process can give mixed messages, alienate supporters, and diminish brand equity.

Further Board Action or Reporting:

- **Is further <u>action</u> required from the Board or a Board Committee?** ☒ Yes ☐ No
  If yes, please describe: Any final naming, change to corporate structure, or rebranding will require full input and final adoption by the CHH Board.
- **Is further <u>reporting</u> required to the Board or a Board Committee?** ☒ Yes ☐ No
  If yes, please describe: The Board will receive monthly updates regarding the process of the rebrand at the monthly Board meetings.

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

RESOLUTION 2018-11

Authorization to Rebrand and Rename Capitol Hill Housing

WHEREAS Capitol Hill Housing Improvement Program (the "PDA" or "CHH") was created by the City of Seattle to assist persons of the Capitol Hill community in preserving, improving and restoring the quality of their homes, property and neighborhood, and to provide additional housing, cultural, social and economic opportunities and facilities and;

WHEREAS the Program may provide these services, activities and facilities outside these boundaries with approval of the PDA Board of Directors; and

WHEREAS Capitol Hill Housing has been providing services in neighborhoods other than Capitol Hill since 1984; and

WHEREAS CHH is a US Department of HUD authorized Community Development Corporation; and

WHEREAS CHH has adopted a core purpose of "building vibrant and engaged communities," established and operates the Capitol Hill EcoDistrict, engages deeply in communities, has created and supports affordable arts space, supports and builds capacity in other community organizations, and provides resident services to it's tenants; and

WHEREAS Seattle Municipal Codes sections 3.110.040 and 3.110.050 provides the PDA general and specific powers to manage its corporate affairs; and

WHEREAS CHH has been considering the efficacy of its name, brand and messaging for a long time, performed an informal survey of stakeholders in 2017, and hired a consulting company to perform a deep analysis of the corporate brand and messaging; and

WHEREAS the recommendation of the consultant was to rename and rebrand within a broader messaging overhaul and analysis of our community work including our commitment to equity, diversity and inclusion; and

WHEREAS the boards of both the PDA and the affiliated Capitol Hill Housing Foundation voted unanimously in an anonymous straw poll to support a renaming process as recommended by staff and the consultant;

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

(1) The CHH Board of Directors hereby finds and determines that rebranding and renaming will enhance the ability of the PDA to pursue its mission and purpose.

(2) The CHH Executive Director is authorized and directed to:

(a) Establish a board and staff task force to execute a re-naming, branding and messaging effort (together *rebranding*) consistent with the consultant recommendations;

(b) In the context or our equity and diversity goals, hire all branding consultants, attorneys and other consultants as needed and within the annual corporate budget;

(c) Establish a rebranding process, including internal and external communications, prioritizing equity and diversity, approved by the PDA board that will lead to a new name;

(d) Explore and make recommendations regarding any changes in corporate structure that supports the rebranding;

(e) Report to the PDA board monthly on the progress of the rebranding;

CERTIFICATION

I, Derrick Belgarde, certify that I am the Secretary 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 9th day of July 2018, in accordance with the Charter and Rules and Regulations of CHH upon proper notice and at which time a quorum was present.

DATED the 9th day of July 2018.

By_____

Its Secretary

Capitol Hill Housing

SECTION 6:

Resolution No. 2018-12: Station House Omnibus Financing

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CHH Board Resolution 2018 - 12

Overview: Station House Building Omnibus Project Finance Resolution

Purpose: This resolution authorizes CHHIP to enter into and execute project finance agreements and commitments needed to admit the equity investor into the ownership of the project, and to close on all sources of capital financing needed to complete the project.

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? Both the Executive and the Property Development Committees have been briefed on the finance agreements and commitments needed to develop the Station House Building project.

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 resolution authorizes CHHIP, in its roles as a public corporation, manager of the project's Managing Member, project sponsor, developer, property manager and guarantor, to negotiate, enter into, execute and deliver all debt, equity and other finance related documents required to complete the project.

Organizational requirements of resolution: None

Financial cost of the resolution*:* The costs of securing, executing and delivering all project financing are financed with project sources.

Pros: This is a necessary step in the financing of the Station House project.

Cons: None

Further Board Action or Reporting:

- **Is further <u>action</u> required from the Board or a Board Committee?** ☐ Yes ☒ No
  If yes, please describe: The Board will need to approve bond and closing resolutions.
- **Is further <u>reporting</u> required to the Board or a Board Committee?** ☒ Yes ☐ No
  If yes, please describe: The status of the Station House project is included in the monthly Property Development report to the board.

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RESOLUTION No. 2018-12

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

Station House Project Omnibus

RCW 35.21.730 provides that a city may form a public corporation "in order to improve...the general living conditions in the urban areas of the state...", and the City of Seattle, Washington, acting in accordance with RCW 35.21.730, formed Capitol Hill Housing Improvement Program ("***CHH***"), a public corporation, for such purposes;

CHH formed CH TOD LLC, a Washington limited liability company (the "***Company***"), of which CHH is the manager and sole member, for the purpose of constructing and owning a proposed affordable housing development (the "***Project***") to be located at 923 East John Street in Seattle, Washington (the "***Property***");

CHH and CH Development Association, a Washington nonprofit corporation have formed CH TOD LLC (the "***Managing Member***") in which CH Development is the sole member and CHH is the manager, for the purpose as serving as the managing member of the Company;

CHH, in its individual capacity and its capacity as the manager of the Managing Member, desires for the Company to redeem CHH's interest in the Company and to admit the Managing Member and the Equity Investor, as defined below, as members of the Company;

The Project will contain 110 apartments serving low income households as well as an approximately 1,409 sq. ft. community room available for community use. The Project will be located over a 29-unit parking garage to be owned by MEPT Capitol Hill Station Joint Venture LLC, a Delaware limited liability company (the "***Joint Venture***");

The Property is subject to a condominium regime creating two condominium units: a garage unit containing approximately 9,661 sq. feet (the "***Garage Unit***") and an affordable housing unit containing approximately 94,596 sq. feet (the "***Housing Unit***");

CHH previously entered into a Site B North Real Estate Purchase and Sale Agreement with Central Puget Sound Regional Transit Authority ("***Sound Transit***") as amended by the Supplemental Agreement for the Capitol Hill Transit Station Oriented Development dated June 20, 2018 pursuant to which CHH will acquire the Property (as amended the "***Purchase Agreement***");

CHH intends to assign its purchase rights under the Purchase Agreement to the Company;

Upon its acquisition of the Property, the Company intends to develop the Project;

The Company intends to enter into a Condominium Purchase and Sale Agreement ("***Condominium Purchase and Sale Agreement***") with the Joint Venture pursuant to which the Joint Venture will, upon completion of the construction of the Garage Unit, acquire the Garage Unit from the Company for a purchase price equal to the cost of developing the Garage Unit;

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CHH, in its capacity as the Project Sponsor applied on behalf of the Company to the Washington State Housing Finance Commission (the "***Commission**")* for an allocation of 4% low income housing tax credits ("***Tax Credits***") for the Project;

CHH, in in its capacity as a public corporation, as manager of the Managing Member Sponsor, Developer, Property Manager and Guarantor, will negotiate, enter into, execute, deliver a Regulatory Use (Extended Use) Agreement and such other documentation as may be reasonably required in connection with obtaining the allocation of Tax Credits (collectively, the "**Tax Credit Documents**");

CHH, on behalf of the Company, executed the letter of intent dated April 10, 2018, a copy of which is attached hereto as Exhibit A (the "***Equity LOI***") from Key Community Development Corporation ("***Equity Investor***") setting forth the preliminary terms under which it will make an equity investment in and be admitted as an investor member of the Company;

The Equity Investor requires that upon its admission to the Company the rights and obligations of the members of the Company, Developer, Property Manager and Guarantor be governed by an Amended and Restated Operating Agreement and those Equity Investor Documents listed on Exhibit D, together with such other documentation as may be reasonably required in connection with the admission of the Equity Investor to the Company (collectively, the "***Equity Documents***");

CHH, in its capacity as a public corporation, Manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor, desires to negotiate, enter into, execute, deliver and perform its obligations under the Equity Documents;

CHH, pursuant to Resolution No. 2018- __ (the "Station House Apartments"), has approved the issuance of a multifamily note in the amount of not to exceed $18,000,000, the proceeds , the proceeds of which will be used to make a loan to the Company (the "***Project Loan***") to provide financing for a portion of the cost of acquiring, constructing and equipping the Project;

The Company's obligations to CHH (as issuer of the Governmental Note) and/or Lender with respect to the Project Loan will be evidenced by those Financing Documents and Conversion Documents listed on Exhibit D, , and such other documentation as may be reasonably required in connection with the making of the Project Loan to the Company, (collectively, the "***Financing Documents***");

CHH, on behalf of the Company, executed a letter of intent dated February 12, 2018 a copy of which is attached hereto as Exhibit B (the "***Construction Loan LOI***"), from Key Bank National Association (the "***Construction Lender***"), setting forth the preliminary terms of the construction phase of the Project Loan;

CHH, on behalf of the Company, executed a letter of intent dated June 12, 2018 from Key Bank National Association, a copy of which is attached hereto as Exhibit C (the "***Forward Commitment***") setting forth the terms upon which, upon conversion and delivery of the Conversion Documents listed on Exhibit D, Freddie Mac (the "***Term Lender***") will make a Freddie Mac Forward Tax Exempt Loan evidenced by the outstanding portion of the Governmental Note in an amount not to exceed $10,414,000;

CHH, in in its capacity as a public corporation, as manager of the Managing Member Sponsor, Developer, Property Manager and Guarantor desires to, negotiate, enter into, execute, deliver and perform its obligations under the Financing Documents;

CHH, in in its capacity as a public corporation, as manager of the Managing Member Sponsor, Developer, Property Manager and Guarantor desires to obtain a loan from The City of Seattle in the principal amount of not to exceed $8,745,841 (the "***City Loan***") which will be evidenced by those City Loan Documents listed on Exhibit D (collectively the "***City Loan Documents***");

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CHH, in in its capacity as a public corporation, as manager of the Managing Member Sponsor, Developer, Property Manager and Guarantor desires to negotiate, enter into, execute, deliver and perform its obligations under the City Loan Documents;

CHH, in in its capacity as a public corporation, as manager of the Managing Member Sponsor, Developer, Property Manager and Guarantor desires to obtain a loan from King County in the principal amount of not to exceed $4,750,000 (the "***County Loan***") which will be evidenced by those City Loan Documents listed on Exhibit D (collectively the "***County Loan Documents***");

CHH, in in its capacity as a public corporation, as manager of the Managing Member Sponsor, Developer, Property Manager and Guarantor desires to negotiate, enter into, execute, deliver and perform its obligations under the County Loan Documents;

CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor, desires to ratify and affirm its prior actions with respect to the acquisition, financing, development and construction of the Project.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF CAPITOL HILL HOUSING IMPROVEMENT PROGRAM AS FOLLOWS:

RESOLUTIONS

1. CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor is authorized, empowered and directed to take such actions as may be reasonably required for the Company to acquire the Property, construct, develop and operate the Project and for the Company to own the Project.

2. CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor is authorized, empowered and directed to take such actions as may be reasonably required for the Company to redeem CHH's interest in the Company and to admit the Managing Member and the Equity Investor as members of the Company;

3. CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor, is authorized, empowered and directed to execute and deliver the Condominium Purchase and Sale Agreement and such documents as may be required construct and sell the Garage Unit to the Joint Venture.

4. CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor, is authorized, empowered and directed to execute and deliver such documents as may be required, is authorized, empowered and directed on behalf of the Company to negotiate, enter into, execute and deliver the Tax Credit Documents.

5. CHH, in its capacity as a public corporation, is authorized, empowered and directed to serve as the manager of the Manager.

6. CHH, in its capacity as a public corporation, is authorized, empowered and directed to serve as the Developer of the Project.

7. CHH, in its capacity as a public corporation, is authorized, empowered and directed to serve as the Property Manager of the Project.

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8. CHH, in its capacity as a public corporation, is authorized, empowered and directed to serve as the guarantor under the Guaranty Documents listed on Exhibit D and such other documents as may be required by the Equity Investor, and lenders providing financing for the Project.

9. CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor, is authorized, empowered and directed to negotiate, enter into, execute and deliver the Equity Documents listed on Exhibit D and such other documents as may be required by the Equity Investor.

10. CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor, is authorized, empowered and directed to negotiate, enter into, execute and deliver the Financing Documents and Conversion Documents listed on Exhibit D and any such other documents as may be required with respect to the Governmental Note and Project Loan (including, without limitation, the issuance, sale and conversion thereof).

11. CHH, in its capacity as a public corporation, CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor is authorized, empowered and directed to negotiate, enter into, execute and deliver the City Loan Documents listed on Exhibit D and any such other documents as may be required with respect to the City Loan.

12. CHH, in its capacity as a public corporation, CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor, is authorized, empowered and directed to negotiate, enter into, execute and deliver the County Loan Documents listed on Exhibit D and any such other documents as may be required with respect to the County Loan.

13. CHH, in its capacity as a public corporation, CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor is authorized, empowered and directed to negotiate, enter into, execute and deliver the such amendments or modifications to the Condominium Declaration, Survey Map and Plans, Association Articles of Incorporation and Association Bylaws as may be required by any Project Lenders or Equity Investor.

14. CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor is authorized to execute and deliver the Condominium Purchase and Sale Agreement and to convey title of the Garage Unit to the Joint Venture pursuant to the terms and conditions of the Condominium Purchase and Sale Agreement and to execute any such Deed, Real Estate Excise Tax Affidavit, Owner Affidavit, Bill of Sale or other documents as agreed upon by the Authorized Representatives.

16. CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor is authorized, empowered and directed to negotiate, enter into, execute, deliver and perform its obligations under any documentation respecting the acquisition, construction, financing and development of the Project with terms the Executive Director of CHH deems reasonable and appropriate.

17. Any and all documents authorized to be executed and delivered by CHH in its capacity CHH, in its capacity as a public corporation, manager of the Managing Member, Sponsor, Developer, Property Manager and Guarantor to accomplish the foregoing are hereby authorized to be executed by any one of the following individuals or their duly appointed successors (the "Authorized Representatives").

Name:	Title:	Signature:
Robert Schwartz	Chair	_____

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Drew Porter	Vice Chair	_____
Frank Alvarado	Treasurer	_____
Derrick Belgarde	Secretary	_____
Chris Persons	Chief Executive Officer	_____

18. In addition, the Executive Director or any other Authorized Representatives acting alone, is authorized to sign other contracts (those not directly related to the documents identified on Exhibit D (collectively the "Documents"), including but not limited to architectural and engineering contracts, construction contracts, contracts for legal, environmental and other consultants, financing commitments, equity commitments and organizational documents, and take any other action necessary to or convenient for the acquisition, financing and development of the Project.

19. Any and all such actions taken by the Executive Director or any other Authorized Representatives prior to the date of these resolutions are hereby ratified and affirmed by the CHH Council.

20. This resolution will be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Directors of the Capitol Hill Housing Improvement Program at an open public meeting thereof this ____ day of July, 2018.

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Exhibit A

Equity LOI

(attached)

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Exhibit B

Construction Loan LOI

(attached)

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Exhibit C

Forward Commitment

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Exhibit D

Documents

Tax Credit Documents

1. Application
2. Regulatory Agreement (Extended Use Agreement)

Financing Documents

1. Promissory Note
2. Construction Loan Agreement
3. Deed of Trust, Assignment of Leases and Rents, Assignment of Contracts, Security Agreement and Fixture Filing
4. Collateral Assignment of Rights to Tax Credits and Membership Interests
5. Conditional Assignment of Condominium Unit Sales Contract, Condominium Documents and Condominium Developer's Rights
6. Assignment of Construction and Design Agreements
7. Assignment of Development Fee
8. Assignment and Security Agreement (Garage Unit Purchase and Sale Agreement)
9. Assignment of Loan Documents (Absolute Assignment)
10. Assignment of Loan Documents (Collateral Assignment in Part and Absolute Assignment in Part)
11. Fee Letter
12. Consent and Subordination of Management Agreement
13. Environmental and Building Laws Indemnity Agreement
14. Payment and Performance Guaranty
15. FIRPTA
16. UCC Filing
17. Construction Phase Financing Agreement
18. Construction Continuing Covenant Agreement
19. Funding Loan Agreement
20. Governmental Note
21. Tax Certificate
22. Project Loan Agreement
23. Regulatory Agreement
24. Federal Tax Exemption and Agreement
25. Certificates

Conversion Documents

1. Amended and Restated Project Note
2. Amended and Restated Security Instrument
3. Assignment of Management Agreement and Subordination of Management Fee
4. Continuing Covenant Agreement
5. Borrower and Principal Certification
6. Recycled Borrower Certificate
7. Guaranty Agreement (Multi-State)
8. Subordination Agreement
9. Forward Commitment

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County Loan Documents

1. King County Housing and Community Development Contract
2. King County Housing and Community Development Contract Exhibit II
3. Promissory Note
4. Deed of Trust and Security Agreement
5. Assignment, Assumption and Consent Agreement
6. Low Income Housing Covenant Agreement

City Loan Documents

1. Loan Agreement
2. Promissory Note
3. Regulatory Agreement
4. Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing
5. Certificate and Indemnity Regarding Hazardous Substances and Building Laws

Equity Investor Documents

1. Amended and Restated Operating Agreement
2. Guaranty Agreement
3. Right of First Refusal
4. Guaranty Agreement
5. Development Agreement
6. Company Administration Agreement
7. Property Management Agreement
8. Security Agreement

Guaranty Documents

1. Guaranty Agreement (Equity Investor)
2. Guaranty Agreement (Multi State)
3. Guaranty Agreement (Financing Documents)
4. Environmental and Building Laws Indemnity Agreement (Construction Loan)
5. Payment and Performance Guaranty (Construction Loan)
6. Certificate and Indemnity Regarding Hazardous Substances and Building Laws (City Loan Documents)

Condominium Documents

1. Articles of Incorporation of Association
2. Bylaws of Association
3. Condominium Declaration
4. Survey Map and Plans

Miscellaneous

1. Priority and Subordination Agreement
2. Condominium Purchase and Sale Agreement

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Capitol Hill Housing

SECTION 7:

Resolution No. 2018-13: Station House Bond

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CHH Board Resolution 2018-13

Overview: Station House Building Project Bond Resolution

Purpose: This resolution authorizes the issuance of a governmental note in the principal amount of not to exceed $18,000,000, the proceeds of which will be used to make a loan to CH TOD LLC, acting as Borrower for financing needed to develop the Station House Building.

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? Both the Executive and the Property Development Committees have been briefed on the finance agreements and commitments needed to develop the Station House Building project.

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: Development of the Station House Building project is made possible through the use of 4% tax credits which require the use of tax-exempt bonds. Following the allocation of Washington State Housing Bond Cap to the project by the Housing Finance Commission, CHHIP, in its capacity as a Public Development Authority, is issuing tax-exempt bonds to be purchased by a Fiscal Agent (US Bank Corp.), appointed by the State. Key Bank will then fund the full amount of the Bonds, drawing down on the bonds during construction (Bond Issue Part A). At conversion, bond funds still held by Key Bank will be converted into the project's permanent loan (Bond Issue Part B) to be held by Key Bank/Freddie TEL. If approved, this resolution formally authorizes this transaction. It also authorizes CHHIP to enter into three related Agreements: a Loan Agreement, a Funding Agreement, and a Regulatory Agreement – all needed by the parties participating in the Bond Financing.

Organizational requirements of resolution: None

Financial cost of the resolution*:* The costs of issuance are part of the Station House project budget and are financed with project sources.

Pros: This is a necessary step in the financing of the Station House project.

Cons: None

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Further Board Action or Reporting:

- **Is further <u>action</u> required from the Board or a Board Committee?** ☐ Yes ☒ No
  If yes, please describe: The Board will need to approve bond and closing resolutions.
- **Is further <u>reporting</u> required to the Board or a Board Committee?** ☒ Yes ☐ No
  If yes, please describe: The status of the Station House project is included in the monthly Property Development report to the board.

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CAPITOL HILL HOUSING IMPROVEMENT PROGRAM

RESOLUTION NO. 2018-13

(Station House Apartments Bond)

A RESOLUTION of the Board of Directors of the Capitol Hill Housing Improvement Program providing for the issuance of a multifamily note in the principal amount of not to exceed $18,000,000, the proceeds of which will be used to make a loan to CH TOD LLC, a Washington limited liability company, to provide financing for a portion of the cost of acquiring, constructing and equipping an apartment complex to contain approximately 110 residential units and to be located within the Capitol Hill community of the City of Seattle to provide housing for low income persons; determining the terms and covenants of the multifamily note; authorizing the execution and delivery of a funding loan agreement with respect to the issuance of the multifamily note, a project loan agreement providing for the repayment of the loan by CH TOD LLC, a regulatory agreement governing the use of the project, and other financing documents; appointing a fiscal agent for the multifamily note; authorizing and directing appropriate officers of Capitol Hill Housing Improvement Program to execute such documents as are useful or necessary to the purposes of this resolution; and determining related matters.

ADOPTED July 9, 2018

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This document was prepared by:

FOSTER PEPPER PLLC
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400

CAPITOL HILL HOUSING IMPROVEMENT PROGRAM

RESOLUTION NO. 2018-13

(Station House Apartments Bond)

A RESOLUTION of the Board of Directors of the Capitol Hill Housing Improvement Program providing for the issuance of a multifamily note in the principal amount of not to exceed $18,000,000, the proceeds of which will be used to make a loan to CH TOD LLC, a Washington limited liability company, to provide financing for a portion of the cost of acquiring, constructing and equipping an apartment complex to contain approximately 110 residential units and to be located within the Capitol Hill community of the City of Seattle to provide housing for low income persons; determining the terms and covenants of the multifamily note; authorizing the execution and delivery of a funding loan agreement with respect to the issuance of the multifamily note, a project loan agreement providing for the repayment of the loan by CH TOD LLC, a regulatory agreement governing the use of the project, and other financing documents; appointing a fiscal agent for the multifamily note; authorizing and directing appropriate officers of Capitol Hill Housing Improvement Program to execute such documents as are useful or necessary to the purposes of this resolution; and determining related matters.

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

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

WHEREAS, RCW 35.21.745 provides that a public corporation may be empowered to issue bonds and other instruments evidencing indebtedness; and

WHEREAS, Capitol Hill Housing's Charter, as restated, provides that Capitol Hill Housing shall have and exercise all powers necessary or convenient to effect the purposes for which Capitol Hill Housing is organized including, without limitation, the power to lend and borrow money and to issue bonds and notes to provide sufficient funds for achieving Capitol Hill Housing's purposes; and

WHEREAS, Capitol Hill Housing seeks to encourage the provision of rental housing for low income persons by providing financing for a portion of the costs of acquiring, constructing, and equipping an apartment complex to contain approximately 110 residential units and to be located in a condominium unit at 923 E John Street, in the Capitol Hill community of the City of Seattle (the "Project"); and

WHEREAS, the Project will be owned by CH TOD LLC (the "Borrower"), a Washington limited liability company, of which Capitol Hill Housing will be the manager of the managing member, and used to provide housing for low income persons, and no more than an insubstantial portion of the proceeds of the Governmental Note (defined below) will be used in connection with the financing or refinancing of any portion of the Project to be used for any other purpose; and

WHEREAS, the Capitol Hill Housing Board deems it necessary and advisable and in the best interest of Capitol Hill Housing to issue a note in a principal amount of not to exceed $18,000,000, the proceeds of which will be used to make a loan to the Borrower for the purposes described herein; and

WHEREAS, it is anticipated that KeyBank National Association (the "Initial Funding Lender") will offer to make a loan to Capitol Hill Housing evidenced by the Governmental Note on the terms set forth herein, that upon the conversion to the permanent phase of the financing and satisfaction of certain conditions, the Federal Home Loan Mortgage Corporation ("Freddie Mac") will purchase the Governmental Note, and KeyBank National Association (the "Freddie Mac Seller/Servicer") will act as servicer for the Governmental Note during the permanent phase;

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

Section 1. Definitions. As used in this resolution, the following terms have the following meanings:

"Assignment" means the Assignment of Loan Documents to be executed by Capitol Hill Housing, assigning its interest in the Security Instrument (as defined in the Funding Loan Agreement) and other Construction Loan Documents to the [Fiscal Agent].

"Authorized Officers" means the any of the following officers of Capitol Hill Housing or their duly appointed successors: Chair, Vice Chair, Treasurer, Secretary or Executive Director.

"Board" means the Capitol Hill Housing Board of Directors.

"Borrower" means CH TOD LLC, a Washington limited liability company of which Capitol Hill Housing is the manager of the managing member thereof.

"Capitol Hill Housing" means Capitol Hill Housing Improvement Program, a Washington public corporation, organized pursuant to Seattle Municipal Code (SMC) 3.110 and RCW 35.21.660 and .670, and 35.21.730-.755.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Loan Documents" means, collectively, the Construction Phase Financing Agreement (as defined in the Funding Loan Agreement), the Construction Continuing Covenant Agreement (as defined in the Funding Loan Agreement), and all other documents to be executed and delivered by Borrower to the Initial Funding Lender in connection with the Project.

"Financing Documents" means, collectively, the Funding Loan Agreement, the Governmental Note, the Tax Certificate, the Project Loan Documents, the Construction Loan Documents (during the construction phase of the Loan) and all other documents or instruments evidencing, securing or relating to the Funding Loan and the Loan.

"Fiscal Agent" means the entity serving as fiscal agent under the Funding Loan Agreement, initially U.S. Bank National Association.

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"Freddie Mac" means the Federal Home Loan Mortgage Corporation, and its successors and assigns.

"Freddie Mac Seller/Servicer" means KeyBank National Association, or its successors and assigns as Freddie Mac's seller/servicer under the Freddie Mac Commitment (as defined in the Funding Loan Agreement).

"Funding Lender" means any person who is holder of the Governmental Note.

"Funding Loan" means the loan in a principal amount not to exceed $18,000,000 to be made to Capitol Hill Housing by the Initial Funding Lender pursuant to the Funding Loan Agreement.

"Funding Loan Agreement" means the Funding Loan Agreement to be executed by the Initial Funding Lender, Capitol Hill Housing and the Fiscal Agent, as amended, supplemented or restated from time to time.

"Governmental Note" means the Multifamily Note (Station House Apartments), Series 2018 of Capitol Hill Housing, issued pursuant to, under the authority of and for the purposes provided in this resolution.

"Initial Funding Lender" means KeyBank National Association, as the initial holder of the Governmental Note.

"Loan" means the loan from Capitol Hill Housing to the Borrower of the proceeds of draws on the Governmental Note.

"Project" means, depending on the context, (1) the acquisition, construction, and equipping of the Station House Apartments, an apartment complex to contain approximately 110 residential units and to be located in a condominium unit at 923 E John Street, Seattle, Washington, or (2) the apartment complex so constructed.

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"Project Loan Agreement" means the Project Loan Agreement to be executed by the Borrower, Capitol Hill Housing and the Fiscal Agent, as amended, supplemented or restated from time to time.

"Project Loan Documents" means the Security Instrument (as defined in the Funding Loan Agreement), the Project Note, the Project Loan Agreement, the Regulatory Agreement, the Assignment, the Continuing Covenant Agreement (as defined in the Funding Loan Agreement), any Subordination Agreement(s) (as defined in the Funding Loan Agreement), and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

"Project Note" means the Promissory Note to be made by the Borrower, including all riders and addenda thereto, evidencing the Borrower's obligation to repay the Loan, which Project Note will be delivered to Capitol Hill Housing and endorsed by Capitol Hill Housing to the Fiscal Agent, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Regulatory Agreement" means the Regulatory Agreement to be executed by the Borrower and Capitol Hill Housing governing the use of the Project, including any supplements or amendments thereto.

"Tax Certificate" means the Federal Tax Exemption Certificate and Agreement to be executed by Capitol Hill Housing and the Borrower, including any supplements or amendments thereto.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Funding Loan Agreement.

Section 2. Authorization of Governmental Note and Application of Proceeds. For the purpose of providing financing for a portion of the costs of the Project and of issuing the

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Governmental Note, Capitol Hill Housing shall issue the Governmental Note in a principal amount of not to exceed $18,000,000. Such financing is declared and determined to be important for the feasibility of the Project. All proceeds from draws on the Governmental Note shall be lent to the Borrower for those purposes. The Board finds that it is in the best interest of Capitol Hill Housing to issue the Governmental Note for the purposes set forth in this resolution.

Section 3. Description of Governmental Note. The Governmental Note shall be called the Multifamily Note (Station House Apartments), Series 2018, of Capitol Hill Housing, shall be in a principal amount not to exceed $18,000,000 and shall be dated its date of delivery. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the Governmental Note. The Governmental Note shall be issued in registered form; and shall be in such denomination, shall bear interest payable on such dates and at such rates, shall mature at such times and in such amounts, shall have such prepayment or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as set forth in the Governmental Note and the Funding Loan Agreement. The Execution of such instruments by an Authorized Officer shall be conclusive evidence of approval of the terms of the Governmental Note as set forth therein.

Section 4. Draws on the Governmental Note. Draws on the Governmental Note are to be made and recorded in accordance with the terms and provisions set forth herein and in the Financing Documents. Draws shall be recorded in such form as the Borrower and the Bank may agree. Draws on the Governmental Note shall be limited to an aggregate principal amount not to exceed $18,000,000.

Section 5. Security for the Governmental Note. The Funding Loan, the Governmental Note and the obligations of Capitol Hill Housing under the Funding Loan Agreement shall be special, nonrecourse obligations of Capitol Hill Housing payable solely from the Revenues and

other funds and money and the Pledged Security pledged and assigned under the Funding Loan Agreement. The Funding Loan, the Governmental Note and the obligations of Capitol Hill Housing under the Funding Loan Agreement shall be secured by a pledge of the Pledged Security, which shall include (a) all rights, title and interest of the Capitol Hill Housing in the Revenues, (b) all right, title and interest of Capitol Hill Housing in and to the Project Loan Agreement, the Project Note, the Security Instrument and the other Project Loan Documents (with certain reservations and exceptions noted in the Funding Loan Agreement), and (c) except for funds, money or securities in the Cost of Issuance Fund, the Administration Fund and the Rebate Fund, all funds all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time conveyed, mortgaged, pledged, assigned or transferred as and for additional security fur the Funding Loan by Capitol Hill Housing or by anyone on its behalf or with its written consent to the Fiscal Agent, all as set forth in the Funding Loan Agreement.

The Capitol Hill Housing Improvement Program is organized pursuant to Seattle Municipal Code (SMC) 3.110 and RCW 35.21.660, 35.21.670, and 35.21.730-.755. RCW 35.21.750 provides as follows: "All liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commissions, or authority."

Neither Capitol Hill Housing nor any of the officers or employees of Capitol Hill Housing or any members of the Board shall be personally liable for the payment of the Funding

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Loan, the Governmental Note or the obligations of Capitol Hill Housing under the Funding Loan Agreement.

Section 6. Form and Execution of Governmental Note. The Governmental Note shall be in a form consistent with the provisions of this resolution, the Funding Loan Agreement and State law, shall bear the manual or facsimile signatures of the Chair of Capitol Hill Housing and shall be attested by the manual or facsimile signature of the Secretary of Capitol Hill Housing.

The Governmental Note shall be authenticated by the Fiscal Agent as set forth in the Funding Loan Agreement. No Governmental Note shall be valid for any purpose until so authenticated. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Governmental Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution and the Funding Loan Agreement.

Section 7. Preservation of Tax Exemption for Interest on Governmental Note. Subject to the second paragraph of this section, Capitol Hill Housing covenants that it will take all actions necessary to prevent interest on the Governmental Note from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Governmental Note or other funds of Governmental Note treated as proceeds of the Governmental Note at any time during the term of the Governmental Note that would cause interest on the Governmental Note to be included in gross income for federal income tax purposes. Capitol Hill Housing also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the Governmental Note, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Governmental Note, including the calculation and payment of any penalties that Capitol Hill Housing has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on

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the Governmental Note from being included in gross income for federal income tax purposes (but only from amounts received by Capitol Hill Housing from the Borrower as payments for those purposes).

The Project Loan Agreement shall require the Borrower to reimburse Capitol Hill Housing for all costs to Capitol Hill Housing of its compliance with the covenants contained in this section, and Capitol Hill Housing shall not be required to expend any funds, other than such reimbursement or other money received under the terms of the Project Loan Agreement, in so complying.

Section 8. Approval of Issuance and Delivery of Governmental Note to Initial Funding Lender and Transfer to Freddie Mac. It is anticipated that the Initial Funding Lender will offer to lend the proceeds of the Funding Loan to Capitol Hill Housing under the terms and conditions contained in this resolution and to be set forth in the Funding Loan Agreement and the Governmental Note. The Board finds that such offer is in the best interest of Capitol Hill Housing, and therefore approves the offer to make such financing available under the terms and conditions in this resolution. The Governmental Note will be delivered to the Bank with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Governmental Note.

It is further anticipated that Freddie Mac will offer to purchase Funding Loan following the conversion date under the terms and conditions to be contained in the Construction Phase Financing Agreement and the Freddie Mac Commitment. The Authorized Officers, and each of them acting alone, are authorized to execute and deliver on behalf of Capitol Hill Housing any documents reasonably required to be executed by Capitol Hill Housing to carry out the transactions contemplated by the Construction Phase Financing Agreement or the Freddie Mac Commitment.

Section 9. Authorization of Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Financing Documents and the form of Governmental Note. The signature of any Authorized Officer on a Financing Document shall be construed as Capitol Hill Housing's approval of such Financing Document and the terms set forth therein. The Board authorizes and approves the execution and delivery of, and the performance by Capitol Hill Housing of its obligations contained in, the Governmental Note, the Financing Documents to which it is a party, and this resolution and the consummation by Capitol Hill Housing of all other transactions contemplated by this resolution in connection with the issuance of the Governmental Note. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to execute on behalf of Capitol Hill Housing such financing statements and other documents, instruments, and agreements as may be necessary or desirable in connection with the issuance of the Governmental Note or required by the Initial Funding Lender, Freddie Mac or the Freddie Mac Seller/Servicer as a condition to the transactions contemplated by this resolution.

Section 10. Acting Officers Authorized. Any action authorized or directed to be taken by the Secretary, Treasurer, Chair or Vice Chair of Capitol Hill Housing or the Executive Director of Capitol Hill Housing may, in his or her absence, be taken by the acting Secretary, Treasurer, Chair, Vice Chair or Executive Director of Capitol Hill Housing, respectively.

Section 11. Ratification and Confirmation. Any actions of Capitol Hill Housing or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 12. Changes to Titles or Parties. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority

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conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 13. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of the Capitol Hill Housing Improvement Program at an open public meeting thereof this 9th day of July, 2018.

CAPITOL HILL HOUSING IMPROVEMENT PROGRAM, a Washington public corporation

By: _____
Chair

ATTEST:

_____
Secretary

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CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary of the Capitol Hill Housing Improvement Program ("Capitol Hill Housing") and keeper of the records of Capitol Hill Housing, CERTIFY:

1. That the attached Resolution No. 2018-13 (the "Resolution") is a true and correct copy of the resolution of the Capitol Hill Housing Board of Directors (the "Capitol Hill Housing Board"), as adopted at a meeting of the Capitol Hill Housing Board held on July 9, 2018, and duly recorded in the minute books of Capitol Hill Housing.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Capitol Hill Housing Board present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of July, 2018.

_____

Secretary

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Capitol Hill Housing

SECTION 8:

Consent Agenda and Attachments

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CAPITOL HILL HOUSING REGULAR MEETING
July 9, 2018
6:00 – 7:30 PM Regular Meeting
12th Ave Arts Pike Pine Meeting Room
1620 12th Avenue, Seattle

CONSENT ITEMS

MINUTES AND REPORTS

1. June 2018 Draft Board Meeting Minutes (attached for adoption)
2. Tenant Communications Tracking (attached for review)
3. Committee Reports and Minutes (attached for acceptance)

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

Blended				
Date	Bldg/Entity	Contract with:	Amount	Purpose
March 26, 2018	CHH	Concur Technologies, Inc.	$0.00	Concur invoice revised contract. Note that total charge in months 1-5 is only $86 per month. $2,815 is the effective monthly bill rate beginning in October, 2018. Contract is month to month and can be cancelled at any time.
May 21, 2018	EJSH	Morgan Mechanical	$147,744.00	Install heat pump preheat system for domestic hot water system, install heat pump for recreation room, and clean/adjust unit bath fans. ReNew project.
June 5, 2018	EJSH	Ecotope, Inc.	$12,000.00	Initial design services for ReNew project to install heat pumps for domestic hot water, heat pump in rec room, and clean/set apt bath fans.
June 14, 2018	HELENV	Clark Nuber	$5,700.00	Clark Nuber engagement letter to prepare 2018 tax returns for Helen V and Oleta
June 21, 2018	CHH	Cintas	$12,000.00	Uniforms are rented/cleaned/delivered by Cintas for maintenance staff; Full time MSP Techs and Building specialists
June 21, 2018	HELENV	SQI, Inc	$72,000.00	Reroof building.

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REGULAR BOARD MEETING MINUTES
Pike-Pine Room
1620 12th Avenue, Seattle

June 11, 2018

Members Present: Derrick Belgarde, Bob Fikso, Chasten Fulbright (via phone), Cathy Hillenbrand, Drew Porter, Eric Snow, Paul Breckenridge (via phone), Shalimar Gonzales

Members Absent: Frank F. Alvarado III, Dana Behar, Rachel Ben-Shmuel, Michael Malone, b.g. Nabors-Glass, Robert Schwartz, Selomé Teshome

Staff Present: Jill Fleming, Greg Gibson, Brad Lange, Chris Persons, Michael Seiwerath, Sarah Shoemake (taking minutes), Heyward Watson, Jeremy Wilkening

Guests Present: Sara Cubillos (Emerging Leader Fellow Candidate)

The meeting was called to order by Drew Porter at 7:19 pm. (A lack of quorum delayed the start of the meeting.)

Real Estate Development

Resolution 2018-09: Initial Board Approval CHP1: Jeremy presented this resolution which would authorize CHH to move forward with the refinancing and rehabilitation of the CH Portfolio 1 Project, including the Boylston Howell, Bremer, John Carney and Centennial Apartments. It would also authorize use of up to $300,000 in predevelopment funds and for CHH to act as the manager of the new entity that will eventually own the properties and to apply for funding. He reminded the Board that the four buildings were presented on at last month's Board meeting. This refinancing and rehabilitation will address critical renovation needs at the four properties currently owned by CHH; refinancing and syndicating the four properties as a single portfolio entity. All four properties have similar systems that have reached the end of their useful life, such as the replacement of building envelopes, roofing systems, and windows.

A motion to approve **Resolution 2018-09: Initial Board Approval CHP1** was made by Cathy Hillenbrand, seconded Derrick Belgarde, and passed unanimously.

Consent Agenda

A motion to approve the **Consent Agenda** was made by Eric Snow, seconded by Shalimar Gonzales, and passed unanimously. Paul Breckenridge and Chasten Fulbright abstained.

Disclosures and recusals: None.

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

Finance and Asset Management

Finance and Asset Management Report: Greg presented the regular FAM Report and dashboard through April 2018. Greg also reminded the group that there were attempted fraudulent charges last year on a property bank account, at which point the account was closed and positive pay was implemented on all of the accounts. New attempts have been made on the main CHH account, but the organization has not incurred any loss. Fraud reports have been submitted to both Key Bank and Seattle PD.

A motion to accept the **June Finance and Asset Management Report** was made by Bob Fikso, seconded by Cathy Hillenbrand, and passed unanimously.

Emerging Leader Fellow

Vote on Emerging Leader Fellow Candidate – Sara Cubillos: **A motion** to appoint Sara Cubillos as the **Emerging Leader Fellow** was made by Cathy Hillenbrand, seconded by Bob Fikso, and passed unanimously.

Presentation and Discussion

Prior to the official start of the meeting, the following items were presented:

Mission moment: Eric Snow was chosen for the mission moment, and briefly explained why the CHH mission is important to him. He shared that his children are friends with CHH residents. He doesn't think those friendships would have been possible without CHH and what we can bring to a community.

Unreinforced Masonry (URM) Update: Brad presented the status of the unreinforced masonry (structural brick) buildings in the portfolio. These buildings present an earthquake risk that is well documented. The City has made several attempts to pass city-wide legislation requiring all property owners to perform seismic retrofits, a procedure we have performed in a number of our buildings. Brad noted that we have done a review through an independent contractor of all our properties to determine which buildings are URM and what seismic retrofitting costs will be.

Branding Results Sneak Preview: Michael gave a recap on the rebrand process thus far, and shared some initial findings from DEI Creative, the Phase 1 rebrand consultant. These results will be further explained and discussed at the upcoming Joint Board Retreat on Thursday, June 14th.

Annual Audit: Greg reviewed the PYE 2017 Annual Audit, which was approved by the Finance and Asset Management (FAMC) and Audit Committees. Clark Nuber presented to the Audit Committee, noting it was a clean audit with an unmodified opinion.

A recent public complaint against Clark Nuber from a local non-profit was discussed. Clark Nuber settled the complaint and Greg noted that we will continue to monitor the situation.

Property Presentations: Heyward Watson presented on the Broadway, 410, 412, Casa di Cinque. He noted the size of the buildings, the AMI make up, resident demographics, and capital needs.

Capital Campaign Update and Board Pledge Forms: Michael Seiwerath gave an update on the five-organization capital campaign, Rise Together. Drew briefly reviewed the process and expectations for Board capital campaign giving. These are additional donations to annual donations, and can be multi-year pledges. Drew reminded the group that the goal is 100% board participation, which some funders require. Board members are asked to make personally significant donations. Board members are encouraged to submit their Pledge Forms by June 14th.

Updates on Property Development Projects: Jeremy updated the Board on some key developments with the following projects: Station House, Northgate TOD and LGBTQ Senior Housing.

The meeting was adjourned by Drew Porter at 7:30 pm.

Attested,

_____

Derrick Belgarde, Secretary
July 9, 2018

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Tenant Communications Tracking

May 2018

Building	Issue	Status	Resolution
Berneva	Tenant has submitted multiple complaints regarding his neighbors, their guests, and the Site Manager. His comments and communication have become harassing in nature.	Open	Meeting conducted between tenant, Portfolio Manager, Sr. Director of Property Management, and VP of Organizational Performance scheduled for 3/28. Follow-up meetings with PM held monthly.

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Capitol Hill Housing

JULY 2018 PROPERTY MANAGEMENT BOARD REPORT AND MINUTES

Property Management Committee Members: b.g. Nabors-Glass, Chasten Fulbright, Derrick Belgarde, Felicia Cross
Staff Liaisons to the Board: Heyward Watson, Dianne Moreland
(**BOLD** indicates those members in attendance)

Date, time and location of meeting: July 3, 2018 -1:00 – 2:00 PM Belmont Conference Room
Date, time and location of next meeting: August 7, 2018 -1:00 –2:00 PM Belmont Conference Room

Current Capital Projects in Process/Pending:

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

Building Operations

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

- May monthly snapshot vacancy was 2.8%
- YTD portfolio vacancy rate was 2.7%
- 12 month rolling vacancy was 2.3%

Third Party Management

- CHREMS took over management of Bayview Tower for SHA on June 1, 2018. The tenant files will require a lot of attention to bring them up to compliance. CHREMS has received approval from SHA to hire a temp to assist with the file cleanup.

Resident Services Activity for May 2018

Resident Services Events (HUD)

- 12 events

Service Referrals

- 25 Referrals

Non-Referral Check-ins (Relationship Building)

- 19 RSC meetings with residents

Rental Assistance

- 6 residents applied for rental assistance
- 3 residents attended the Financial Fitness Workshop
- 3 residents received rental assistance

CHH Facilities: 2018 MSP Work Order Report

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

Work Order Classifications:	As of May 31, 2018	Compared YTD in 2017
EMERGENCY	**272**	317
INSPECTION	**616**	584
PREVENTATIVE MAINT.	**23**	9
ROUTINE	**210**	207
TENANT REQUEST	**740**	579
UNIT TURN	**125**	83
TOTALS:	**1986**	1779

Leasing & Occupancy

Board Report Information: 5/1/2018 – 5/31/2018

Phone Calls

Phone calls	167

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

Estimated	Minutes per Month	hours	Work Days
Low 5 mins.	837	13.9	1.7
High 20 mins	3,340	55.6	6.9

Front Desk

Signed in	73

Denials and Withdrawals

Denials	1
Withdrawals	1

60 days or > Vacancy HUD

Building	Average	# of Units to-date	Reason
Helen V	72	2	Received NTV 12/7/17; new move-in 3/15/18. New Site Manager, approved via IA process. Move out 1/16/16; new move-in 4/2/18. Site Manager turnover and paperwork resubmission.
Holden Vista	171	1	Move out 11/30/17; unit needs painting, countertop and bathtub repair. 34 name-ups sent. Applicant approved through IA process, new move-in 5/21/18.
Silvian	91	1	Move out 3/1/18, hard turn with flooring and cabinets/counters replaced. Twelve name-ups sent. Ready date 4/3/18. App submitted 4/13/18, move in 6/1/18.
Union James	149	3	Move-out 12/31/18. Hard turn- carpet replaced, unit painted, new blinds ordered. Two denials. Move-out 2/28/18. Hard turn- carpet replaced, unit painted, new blinds ordered. Five name-ups sent, two denials. Move in 6/29/18. Move out 12/4/18, twelve name ups sent. Application submitted and approved, applicant backed out. Eight more name-ups sent.

60 days or > Vacancy Non-HUD

Building	Average	# of Units to date	Reason
Boylston-Howell	81	1	Unit launched 3/7/18, move-in 5/7/18.
Bremer	101	2	Water damage caused by upper unit. Unit abandonment; hard turn with severe carpet damage. 3 viewings scheduled, app submitted 5/10/18.
Brewster	168	1	First applicant no-show, two denials; one over income, relisted. Carpet replaced. New move-in 4/18/18.
Broadway Crossing	78	2	First applicant over-income. Name-ups sent, new move-in 5/15/18. First applicant over income. Transfer unit, new move-in 5/25/18.
Centennial	60	1	Launched 3/7/18. New move-in 4/30/18.
Devonshire	84	3	Launching delayed due to repairs and maintenance. First applicant denied. Second applicant approved, move in delayed due to further repairs. Move-in 5/7/18. NTV 2/6/18, unit launched 2/20/18. Application submitted and approved, move in delayed due to maintenance. Applicant dropped out, unit relaunched 4/5/18. Application approved 5/24/18, move in 5/29/18. Eviction 3/13/18, launched 3/20/18. Application approved 5/30, move- in scheduled for 6/6/18 due to translation needs.
Joe Black	96	2	Move out 1/31/18, unit launched 3/27/18. Unit abandonment.
John Carney	68	1	Former tenant evicted 3/1/18. Carpet cleaning and new blinds ordered. New move-in 5/9/18.
Lake City	117	1	Move out 1/3/18; needed heavy cleaning and hauling. Four denials- relaunched 5/23/18.
Lincoln Court	103	1	Former tenant evicted 1/17/18. Launched 1/25/18. Transfer pending.
Melrose	84	1	Moveout 2/1/18. Held for RA transfer. New move-in 4/26/18.
Oleta	89	1	Launched 1/31/18. Two denials, relaunched 4/17/18.
Pantages	85	2	Launched 1/29/18. New move-in 5/22/18. Eviction for property damage, move out 3/31/18. Unit undergoing significant repairs.

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

Capitol Hill Housing

Capitol Hill Housing
Property Management Dashboard
Year to Date at May 31, 2018

Blended Component Units:	Portfolio Manager	Affordable Units	Market Units	Total Units	YTD 2018 Income Per Unit Actual	YTD 2018 Income Per Unit Budget	Var %	YTD 2018 Op expenses B4 Debt Cost Per Unit Actual	YTD 2018 Op expenses B4 Debt Cost Per Unit Budget	Var %	Rolling Avg. Make Ready Days	Rolling Avg. Total Turn Days	May 2018 Monthly	12 MO Rolling	2018 YTD	2017 Vacancy	2018 YTD Cash Flow after debt and reserves Actual	Budget	Variance
Berneva	Colby	12		12	3,966	3,897	2%	3,294	3,270	-1%	45	47	0.0%	1.0%	1.8%	1.4%	2,531	1,984	547
Boylston Howell	Colby	30		30	4,796	4,734	1%	3,416	3,594	5%	11	42	0.5%	0.9%	1.7%	0.8%	(20,707)	(27,918)	7,211
Bremer	Dianne	49		49	3,758	3,831	-2%	2,670	2,391	-12%	21	60	9.0%	4.2%	4.8%	2.6%	16,701	24,714	(8,013)
Brewster	Colby	35		35	3,805	3,527	8%	2,483	2,739	9%	12	89	0.0%	3.5%	2.2%	6.8%	35,262	16,578	18,684
Broadway	Colby	3	2	5	5,633	5,382	5%	3,180	3,279	3%			0.0%	0.0%	0.0%	0.2%	6,389	4,641	1,748
Burke Gilman Gardens	Dianne	15		15	5,545	5,262	5%	3,501	3,780	7%	13	24	0.0%	0.7%	0.0%	0.7%	4,522	(3,906)	8,428
Byron Wetmore	Colby	12		12	4,760	4,812	-1%	4,006	4,223	5%	0	0	0.0%	0.2%	0.0%	1.1%	1,035	(947)	1,982
Casa di Cinque	Dianne	3	2	5	6,925	6,736	3%	3,349	3,973	16%			0.0%	0.0%	0.0%	0.0%	11,373	5,921	5,452
Centennial	Valencia	21	9	30	4,868	5,038	-3%	2,365	2,477	5%	13	44	2.7%	3.6%	6.9%	2.7%	22,640	24,391	(1,751)
Devonshire	Valencia	62		62	3,904	3,970	-2%	2,978	2,789	-7%	19	55	4.3%	2.8%	3.2%	2.3%	5,990	21,829	(15,839)
Eighteenth Avenue	Dianne	9		9	5,032	5,649	-11%	3,448	3,701	7%	176	216	11.7%	7.0%	11.8%	2.5%	(4,260)	(984)	(3,276)
El Nor	Valencia	55		55	4,452	4,466	0%	3,454	3,493	1%	20	62	0.0%	2.3%	1.8%	2.8%	4,563	3,259	1,304
Elizabeth James	Dianne	60		60	4,310	4,276	1%	3,422	2,997	-14%	17	46	0.5%	1.3%	1.5%	1.5%	(10,346)	5,777	(16,123)
Fleming	Colby	36		36	3,898	3,931	-1%	2,394	2,431	2%	15	52	0.3%	1.3%	2.5%	0.3%	13,233	13,081	152
Four Ten	Colby	6		6	4,052	3,920	3%	3,054	2,758	-11%	4	23	0.0%	1.5%	0.0%	1.8%	1,819	2,802	(983)
Four Twelve	Colby	12		12	6,697	6,447	4%	4,373	4,665	6%	0	0	0.0%	0.1%	0.3%	0.6%	21,567	7,685	13,882
Fredonia	Dianne	7	5	12	10,586	11,045	-4%	5,897	6,558	10%	9	36	5.3%	2.0%	3.6%	2.0%	24,821	22,408	2,413
Gilman Court	Valencia	25		25	5,449	5,379	1%	3,587	4,219	15%	10	51	0.0%	0.6%	0.0%	1.1%	39,875	22,346	17,529
Harrison at 15th	Colby	19		19	8,749	8,314	5%	4,362	4,676	7%			0.0%	0.1%	0.0%	0.1%	29,570	15,356	14,214
Hazel Plaza	Dianne	16		16	11,012	10,622	4%	3,721	4,132	10%			0.0%	0.2%	0.0%	0.2%	57,128	45,365	11,763
Holden Vista	Dianne	16		16	6,048	6,009	1%	4,004	4,617	13%	30	171	4.0%	5.2%	5.8%	5.5%	13,805	3,366	10,439
Joe Black Apartments	Colby	24		24	5,412	5,643	-4%	4,754	4,716	-1%	44	82	14.1%	3.0%	6.5%	1.7%	(1,017)	5,467	(6,484)
John Carney	Dianne	27		27	3,594	3,536	2%	2,690	2,684	0%	15	68	0.8%	1.9%	1.4%	1.4%	7,035	5,711	1,324
Larned	Colby	33		33	4,341	4,334	0%	2,932	2,989	2%	17	35	2.6%	2.6%	1.8%	1.9%	37,353	35,266	2,087
Lincoln Court	Colby	29		29	4,168	4,231	-1%	2,531	2,639	4%	2	88	3.4%	2.3%	2.8%	2.3%	(370)	839	(1,209)
Mary Ruth Manor	Dianne	20		20	10,419	9,936	5%	3,843	4,504	15%	17	169	0.0%	1.7%	1.6%	3.6%	54,309	31,439	22,870
Maxwell	Colby	4		4	4,844	4,737	2%	2,588	3,397	24%			0.0%	-0.1%	0.0%	0.4%	6,491	2,825	3,666
Melrose	Colby	30		30	3,761	3,788	-1%	2,864	2,977	4%	9	48	4.1%	2.3%	3.5%	1.8%	10,971	8,386	2,585
Miller Park	Dianne	12		12	5,228	5,042	4%	3,492	3,601	3%	10	31	0.0%	1.0%	0.0%	1.6%	7,142	3,608	3,534
Park Hill	Valencia	20	10	30	6,292	6,013	5%	3,724	4,028	8%	34	67	0.0%	2.1%	0.1%	3.8%	50,445	32,972	17,473
Ponderosa	Dianne	23		23	3,886	3,843	1%	3,021	3,175	5%			0.3%	0.7%	1.2%	0.1%	13,851	9,321	4,530
Seneca	Colby	32		32	4,498	4,556	-1%	3,116	3,471	10%	0	28	0.0%	0.2%	0.0%	0.2%	18,416	8,891	9,525
Union James	Dianne	24		24	5,643	5,698	-1%	4,017	3,927	-2%	46	113	11.5%	7.7%	9.8%	6.9%	(6,333)	(2,854)	(3,479)
Villa	Valencia	62		62	4,994	4,956	1%	2,974	3,045	2%	17	41	0.0%	1.1%	1.0%	1.4%	27,224	21,167	6,057
																	503,028	370,786	132,242
Discrete Component Units:																			
Broadway Crossing	Colby	44		44	4,227	4,750	-11%	3,322	3,658	9%	66	85	4.8%	1.2%	2.5%	1.7%	9,207	17,469	(8,262)
Fremont Solstice	Valencia	18		18	4,677	4,792	-2%	3,532	3,615	2%	17	50	0.0%	0.8%	1.9%	0.4%	(5,202)	(4,613)	(589)
Haines AAA	Colby	30		30	4,583	4,740	-3%	3,312	4,056	18%	7	81	2.9%	4.7%	5.6%	3.5%	(44,811)	(25,999)	(18,812)
Helen V	Valencia	38		38	7,410	7,578	-2%	4,004	3,427	-17%	30	73	6.9%	5.3%	7.7%	3.7%	73,704	101,465	(27,761)
Holiday	Valencia	30		30	4,853	4,828	1%	2,686	2,689	0%	29	59	0.0%	0.9%	0.9%	1.9%	10,867	10,032	835
Jefferson Housing	Dianne	40		40	5,431	5,560	-2%	3,761	3,410	-10%	16	55	2.6%	2.0%	3.4%	0.6%	(2,250)	3,122	(5,372)
Oleta	Colby	34		34	3,889	3,964	-2%	2,415	2,597	7%	38	57	3.7%	3.9%	4.3%	3.4%	6,625	2,975	3,650
Pantages	Colby	49		49	4,160	4,374	-5%	6,401	3,232	-98%	15	58	3.3%	2.1%	3.6%	0.8%	(155,504)	10,365	(165,869)
Silvian	Valencia	32		32	4,848	4,901	-1%	3,612	3,099	-17%	42	76	10.3%	2.1%	4.9%	0.5%	(10,638)	8,197	(18,835)
Squire Park Plaza	Valencia	31	29	60	8,714	8,278	5%	3,190	3,661	13%	14	48	1.6%	3.1%	1.3%	4.5%	121,731	67,329	54,402
Twelfth Avenue Arts	Valencia	88		88	4,799	4,731	1%	2,491	2,460	-1%	11	25	0.4%	0.7%	0.8%	1.6%	40,489	37,237	3,252
Unity Village	Dianne	30		30	4,450	4,150	7%	3,455	3,513	2%	43	97	3.1%	6.0%	3.6%	5.2%	24,377	13,659	10,718
																	68,595	241,238	(172,643)
Portfolio Totals:		**1307**	**57**	**1364**	6,979,583	6,964,065	0%	4,550,192	4,496,595	1%	23	61	2.8%	2.3%	2.7%	2.3%	571,623	612,024	(40,401)

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Capitol Hill Housing

MSP Capital Project Report
July 2018

Villa Apt Commercial Water Meter Installation

- Scope – Install remote reading water meters for the four commercial spaces.
- Status – Installation scheduled for July.

Elizabeth James HVAC Upgrade Project

- Scope – Install heat pumps to preheat the domestic water system, install heat pump in place of the baseboard heaters in the recreation room, and clean unit bath fans and set for 30 CFM.
- Status – Original specified heat pumps no longer available. Engineer reworked drawings and sent to contractor. Contractor working on cost proposal for change. Work scheduled for August.

Elizabeth James Reroof Project

- Scope – Tear off and install new SBS system in preparation for installation of solar panels.
- Status – Received 3 bids. Award on hold until HUD loan approved.

Elizabeth James ReNew Project

- Scope – Replace all toilets, aerators, and shower heads for water conservation.
- Status – Work scheduled to be completed week of July 9.

Miller Park Reroof Project

- Overlay existing roof.
- Status – received 4 bids. Awarded to Bates Roofing. Work to be started Aug.

Helen V Reroof Project

- Scope – Overlay existing roofing system.
- Status – Received 3 bids. Contract awarded to SQI Roofing. Scheduled to start July 9.

Seneca Envelope Maintenance Project

- Scope – Reseal all joints, repair cracks/damaged EIFS, and recoat.
- Status – Rebid. Bids due July 10.

12th Ave Arts Theater Lobby Acoustics Project

- Scope – Install carpet, acoustic panels, and door seals.
- Status – Bids due July 10.

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Capitol Hill Housing Foundation

July 2018 FUNDRAISING AND COMMUNICATIONS MEMORANDUM

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

Grants and Donations

In the last four weeks, the CHH Foundation has received:

- CHH Foundation received a grant of $5,000 from Banner Bank in support of the Capitol Hill EcoDistrict.
- CHH Foundation received a commitment of $15,000 from Enterprise Community Partners to support integrated design at 14th and Union. Integrated design aims to design and construct building with sustainable architecture which better serves the buildings residents and users.
- The grant from Seattle Foundation and King County's Communities of Opportunity program, described in the June 2018 memo as a $20,000 commitment, is actually a $30,000 commitment. The $20,000 we received was a first installment. The grant supports a collaborative anti-displacement effort coordinated by Yesler Community Collaborative.

The CHH Foundation submitted:

- A proposal to the Bank of America Neighborhood Builders program for $200,000 in unrestricted support over 2 years. This program is open only to pre-selected nominees.
- A proposal to Bank of America for $20,000 in general operating support.
- A proposal to Umpqua Bank Foundation for $10,000 in general support.
- A proposal to the Pride Foundation for $7,500 in support of community engagement at the 14th and Union development.

An LOI requesting $300,000 from the Surdna Foundation was declined.

Capital Campaign

The Rise Together capital campaign has gained significant momentum in the second half of June. We received an anonymous donor pledge for $500,000, payable over three years. On June 29, Africatown Plaza was awarded $1,075,000 from the City of Seattle Equitable Development Initiative. The grant supports capital expenses of $1,000,000 at Africatown Plaza, and $75,000 for capacity building at Africatown Community Land Trust. The Equitable Development Initiative, or EDI, is a new program from the City with an aim of supporting community-driven strategies to mitigate displacement and increase access to opportunity. Between grants and individual gifts, the campaign has now achieved 17% of its overall $11.4 million goal.

Rise Together organizations are still working to achieve 100% board pledge participation, which is either required or a strong factor for many institutional grants. The target deadline for submission of CHH/F Board pledges was June 14, 2018. As of today, 70% of CHH and CHH Foundation Board members have submitted pledge forms. If you have not yet submitted your pledge form, we encourage you to do so as soon as possible. Pledge payments can be spread across multiple years, and payment schedules are flexible.

Additional recent grant activity for the Rise Together capital campaign includes:

- A proposal for $1 million was submitted to the Rockefeller Foundation and Chan Zuckerberg Initiative's Communities Thrive Challenge, a national competition to fund scalable models for economic development.
- After a productive conversation with representatives from the Key Bank Foundation, CHH Foundation staff submitted a final revision to our proposal for $300,000 in capital campaign support. The grant proposal is currently under review, and we look forward to a decision in the next weeks.
- Unfortunately, Rise Together did not receive an award from the US Conference of Mayors 2018 CommunitiesWIN grant program, which we applied to in March. Awardees were announced in June.

Additional proposals to the Norcliffe Foundation, Gates Foundation, Wyncote Foundation NW, Joshua Green Foundation, and McEachern Charitable Trust are planned for summer 2018 submission.

Events

The Annual CHH Community Forum has been re-scheduled for September 27, 2018. The CHH Foundation and CHH Sustainability & Planning team continue to discuss details of our theme with our community partners, and specific new details will be released shortly. For more information on the event, including information on sponsorship, please be in touch with Joshua Okrent, jokrent@capitolhillhousing.org.

Our Event and Sponsorship team has begun planning for Omnivorous. The event returns to Washington Hall on Thursday October 11. Laura Miller of the CHH Foundation Board and Frank Alvarado of the CHH PDA Board have agreed to be the event co-chairs for a third year. The Omnivorous Committee meets monthly, and we always welcome new committee members. Tickets will go on sale toward the end of July.

Committed sponsors to date include Banner Bank, Columbia Pacific Advisors, Deirdre Doyle/Windermere Real Estate, Enslow Martin, Enterprise, Heritage Bank, Homestreet Bank, SMR Architects, Walsh Construction, Weber Thompson, and Windermere Capitol Hill. This event is actively seeking additional sponsors.

We are asking board members and other regular attendees to be "Top Bananas" for this event. Like traditional table captains, Top Bananas invite a "bunch" of 8 friends to Omnivorous who can help us reach our giving goals. Top Bananas are a vital part of our fundraising strategy for this event and will be recognized at the event and in the program.

For more information about sponsoring the event, becoming a Top Banana, or joining the rank of volunteers, please contact Joshua Okrent, jokrent@capitolhillhousing.org

Communications

CHH is proud to welcome Yiling Wong as our new Senior Communications Manager; her first day is July 9. Yiling comes to CHH with more than a decade of experience at Smart Growth America, Habitat for Humanity International, King County, and most recently, the University of Washington.

During the June 14th joint board retreat, an informal vote to rebrand passed unanimously 18-0 following a presentation and recommendations from DEI Creative. Considering that the rebranding report pointed at opportunities for CHH to increase its focus on equity, we are working to identify consultants for the next phase of this process who possess a high degree of competence in this area.

On June 19th, we celebrated the groundbreaking of Station House at the Capitol Hill light rail station. More than ten years in the making, this event was attended by Mayor Durkan and was covered by several local news outlets, including Crosscut.

We continue to emphasize people-centered stories in our marketing and recently spotlighted outgoing PDA board chair Cathy Hillenbrand for her significant efforts to ensure that development around the Capitol Hill light rail station included affordable housing as well as other community benefits.

The EcoDistrict continues to advocate for affordable transit. Joel Sisolak, Senior Director of Sustainability and Planning, wrote a guest post for the Seattle Transit Blog about the necessity of the Affordable ORCA Passport Pilot, a success story that allowed affordable housing residents in CHH buildings to purchase ORCA cards for less than $20/month.

Date	Title	Outlet
13-Jun	Apartments on Capitol Hill light rail property will final break ground June 19	Curbed Seattle
14-Jun	20 years of community engagement set to pay off as ground breaks on Capitol Hill Station's 'transit oriented development'	CHS Blog
15-Jun	It's Time to Make the ORCA Passport Program Work for All	Seattle Transit Blog
20-Jun	Work starts on Capitol Hill transit-oriented development	Capitol Hill times
20-Jun	Where to put affordable Housing? On top of a light rail station	Crosscut
25-Jun	Here's how to keep track of two years of construction coming around Capitol Hill Station	CHS Blog
2-July	Movement Starts on Seattle Capitol Hill Transit-Oriented Development	Northwest Construction News

2018 Capitol Hill Housing Budget and Actuals
Updated July 2, 2018

Unrestricted Budget

Income Source	2018 Goal	2018 Actual	% to Goal
Government	$ 66,710	$ 66,710	100.0%
Foundation	$ 182,150	$ 60,000	32.9%
Corporate	$ 201,750	$ 35,161	17.4%
Individual	$ 206,000	$ 152,049	73.8%
Events & Sponsorships	$ 256,000	$ 178,800	69.8%
TOTAL	**$ 912,610**	**$ 492,720**	**54.0%**

Restricted Budget

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

Combined Budgets (Restricted & Unrestricted)

Income Source	2018 Goal	2018 Actual	% to Goal
Government	$ 66,710	$ 66,710	100.0%
Foundation	$ 242,150	$ 95,000	18.6%
Corporate	$ 201,750	$ 35,161	17.1%
Individual	$ 256,000	$ 152,049	55.3%
Events & Sponsorships	$ 256,000	$ 178,800	69.8%
TOTAL	**$ 1,022,610**	**$ 527,720**	**51.6%**

Grants to CHH

	2018 Goal	2018 Actual	Difference
RSC Grants to CHH	$ 111,980	$ 9,000	$ 102,980
Sustainable Communities Grants to CHH	$ 183,230	$	$ 183,230
General Operating Grants to CHH	$ 430,000	$ 191,000	$ 239,000
Total Unrestricted Grants to CHH	**$ 725,210**	**$ 200,000**	**$ 525,210**
Restricted Grants to CHH	$ 110,000	$ 35,000	$ 75,000
TOTAL	**$ 835,210**	**$ 235,000**	**$ 600,210**

Capitol Hill Housing

JULY 2018 PROPERTY DEVELOPMENT BOARD REPORT AND MINUTES

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

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

Date, time and location of meeting: N/A
Date, time and location of next meeting: July 11, 2018 5:30-6:30 pm Belmont Conference Room

The PDC has not yet met in July because of moving the meeting to accommodate the holiday. Here is a brief update on projects:

Station House: The City/STs Development Agreement that references the wrong definition of affordable housing. This reference must be fixed prior to closing and requires City Council action, so the project will be delayed until the end of July, by which time its anticipated that they will act.

Northgate: CHH along with our partners and the other respondents appealed the County's decision to pull the RFP and are awaiting a response.

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Capitol Hill Housing

JULY 2018 JOINT BOARD DEVELOPMENT COMMITTEE BOARD REPORT AND MINUTES

Joint Board Development Committee Members: Margaret Pak Enslow (Foundation Secretary), Shalimar Gonzales - Committee Chair (PDA Member), Cathy Hillenbrand (PDA Member), Alice Quaintance (Former PDA Member), Randy Robinson (Foundation Member)
Staff Liaisons to the Board: Stacey McQuade, Michael Seiwerath, Sarah Shoemake

Date, time and location of next meeting: July 11, 2018 – 4-5pm – Belmont Conference Room

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

a. **Call for Nominations:** A Foundation Board candidate has accepted the position, and will be voted upon at the upcoming July 24th Foundation Board meeting.
Candidate, Sara Cubillos, was officially voted on as the Emerging Leader Fellow at the June 9th PDA Board meeting. She will serve a two-year, non-voting term.

b. **Joint Board Retreat**: The Joint Board Retreat took place on June 14th, with initial feedback being mostly positive. The Committee with further debrief the Retreat at the upcoming meeting. A poll will be sent out to all Board members to gather input on preferred logistics for future Retreats (day of the week, time, etc.).

c. **Social Events**: Per the Committee's prior request, Sarah started to plan several events for the summer, including a Joint Board BBQ and a building tour.

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Capitol Hill Housing

July 2018 COMMUNITY DEVELOPMENT COMMITTEE BOARD REPORT

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

Date, time and location of meeting: N/A
Date, time and location of next meeting: TBD

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

In addition to the EcoDistrict work highlighted below, the Sustainability and Planning team helped to lead a section of the June 4 Joint Board retreat. To that end, Steven and Joel prepared and distributed a memo as advance reading for the retreat. The memo provides background on community development practice at Capitol Hill Housing (CHH) and outlines how that practice may evolve.

EcoDistrict Updates

- ***Certification***: The Capitol Hill EcoDistrict is registered to become one of the first certified ecodistricts in North America. CHH is part of a learning cohort of "early adopters" from across the North America. At the June 8th EcoDistrict Steering Committee, Alex led a discussion around adding a Prosperity as a new focus to the EcoDistrict based on the certification protocol.

- ***LGBTQ-Affirming Senior Housing:*** Staff are looking forward to restarting community engagement and design work about creating LGBTQ-affirming senior housing this summer.

- ***District Shared Parking***: Policy recommendations from the EcoDistrict's shared parking work were adopted April 2nd by the Seattle City Council as part of a package of parking reforms. A blog post summary was posted June 21.

- ***ORCA Affordable Passport Program****:* CHH continues to work with King County on an expansion of this program to serve low-income transit riders in other neighborhoods across the county. On June 22, the King County (KC) Council unanimously passed Motion 2018-0255 directing KC Metro to study and price options for expanding transit access for affordable housing residents. The Metro report is due late September in time for County budget considerations.

- ***Pike/Pine Protected Bike Lane (PBL)****:* We continue to support efforts to bring a PBL from 6th Ave to Broadway and farther west. Funding for this extension was included in the public benefit package that CHH and others negotiated with the developers of the WSCC. With funding secured and recent confirmation from SDOT that bike lane construction will begin next year, we now turn our focus to working on a design that is safe and intuitive for bicyclists, prioritizes pedestrian safety and comfort, and retains/strengthens the vibrant retail environment on Pike/Pine. A member of the Central Seattle Greenways, which has been leading advocacy for the PBL, has joined the Capitol Hill EcoDistrict Steering Committee.

- ***Community Forum*:** The EcoDistrict Community Forum will be held the evening of September 27th. The subject of the community forum is a topic of ongoing discussion both internally and with community partners.

- ***Capitol Hill Neighborhood Design Guidelines**:* The work group formed to advise the City on an update to the Capitol Hill Neighborhood Design Guidelines met for the last time in June. Following two months of public outreach, the draft guidelines are now under internal review at the City. It is anticipated that the guidelines will go to Council for approval this fall, at the earliest. During the update process, the workgroup identified several neighborhood concerns not addressed by the update. Work group members are currently developing a memo directed at the City articulating these planning issues and opportunities.

- ***Capitol Hill Renter Initiative (CHRI)***: In May, the Renter Initiative said goodbye to the Masters in Social Work Practicum Students that have provided crucial on the ground capacity for this initiative. Many thanks to the students, Jordan, Maya, and Natasha, and the Practicum Instructor, Julie, for making the work of the Renter Initiative possible throughout this last academic year.

- ***Mandatory Housing Affordability (MHA)*:** On June 8, the Seattle Hearing Examiner issued an initial ruling identifying which appeals to the MHA appeal would be reviewed in more detail and which would be dismissed. The final ruling should be given later this summer. Depending on the content of that ruling, MHA may proceed in late summer to a final citywide hearing and Council vote this fall or it may be delayed into 2019.

- **Alley Community Redesign:** We held out first group meeting with community stakeholders about the alley community redesign project on June 29th. CHH staff have connected with representatives from four adjacent property owners or managers, four adjacent business owners, adjacent residents in Broadway Crossing, and three other community members. All contacted stakeholders have expressed interest in being involved in the planning process this year. Staff are also working on a process for selection of a design consultant for a small contract supporting this work.

Community Development Update

- **Community Liaison:** Steve recently completed a series of one-on-one interviews with CHH leadership, directors and real estate development associates—gleaning a holistic picture of CHH operations and culture in the process. He established initial contact with project partners in Lake City, White Center and Jazz House and co-presented with Joel at the June 14 Joint Board retreat.

Capitol Hill Housing

JULY 2018 EXECUTIVE COMMITTEE BOARD REPORT AND MINUTES

Executive Committee Members: **Robert Schwartz** (Chair), Drew Porter (Vice Chair), **Frank Alvarado** (Treasurer), **Derrick Belgarde** (Secretary), **Cathy Hillenbrand** (Immediate Past Chair)
Staff Liaisons to the Board: **Robyn Dhatt** (taking minutes), **Chris Persons, Sarah Shoemake** (taking minutes)
(**BOLD** indicates those members in attendance)

Date, time and location of meeting: Monday, June 25, 2018 - 5-6:30 pm Belmont Conference Room
Date, time and location of next meeting: Monday, July 30, 2018 - 5-6:30 pm Belmont Conference Room

Minutes:
Meeting began at 5:10 pm.

1. **Lead Items**

   a. **Board and Leadership Retreat Debrief**: Chris led a debrief on the Joint Board Retreat which took place on Thursday, June 14th from 11:30am-5pm, which was held jointly with the CHH Foundation Board. Chris noted that this is the 2nd official time the two Boards have conducted joint retreats. The Committee reviewed the initial feedback from the group that attended the Retreat, with most of the feedback being positive.

   Some positive responses included the high quality of presentations, balanced group sizes for interactions, and the pacing of the day. Suggested changes included more community involvement, fewer staff presentations, a larger venue, and more diverse presenters. The length, day of the week and the time of day for the retreat were discussed. Chris noted that in previous years the Retreat took place on a Saturday, rather than a weekday. It was suggested to poll the Boards to determine logistical preferences.

   b. **Renaming & Rebranding next steps:** After the unanimous, affirmative poll at the Joint Boards Retreat, the Committee reviewed and commented on a draft Resolution which Chris will make changes to it based on their feedback. the Board will be asked to consider and adopt this resolution to further the rebrand process, at July's meeting. The Executive Committee discussed the importance of selecting a consultant to further the rebrand process that is representative of the cultures within the neighborhoods we serve. This point was raised during the retreat. The Resolution will authorize Chris to assemble a rebrand task force to move forward with starting a re-naming, branding and messaging effort (together *rebrand*), hire consultants, attorneys and generally move the process forward.

   c. **Board Development**: Chris updated the Board on Drew Porter's upcoming leave of absence, due to working abroad for a year. Various options were discussed in regard to filling Drew's seat on the Executive Committee and on the Board while he is away. Chris will prepare a Resolution to be voted upon at the August Board meeting, and will briefly present the topic to the Board at July's meeting.

d. **Potential legal action against King County:** Per RCW 42.30.110(i), the CHH Executive Committee entered into an executive session to discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

   The session began at 6:01 pm. The Committee exited the executive session at 6:15 pm.

2. **External Relations, Community Programs, Board Issues**

   a. **Board Resolutions**: Chris reviewed the following potential Resolutions to be reviewed at the July Board meeting:
      i. Station House Omnibus Financing Resolution
      ii. Branding and Renaming Resolution
      iii. Use of reserves (potential) – This might be a motion from the floor, rather than a formal Resolution.

   b. **Chris' Schedule:** Chris updated the Committee on his schedule over the next few weeks, when he'll be out of the office on vacation and at a conference.

3. **Development and Acquisitions**

   a. **Updates**: Chris updated the Committee on pending property development projects including Union & 14/LGBTQ-Affirming Senior Housing, Lake City, CHP1, Eldridge/Atlas, and Imperial Jazz.

4. **Other**

   a. **Draft Board Agenda:** Chris briefly reviewed the draft agenda for the July Board meeting.

Meeting adjourned at 6:24 pm.