CHH Board Meeting
August 2019
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SECTION 1:
Meeting Keys
We will enter into executive session as needed pursuant to RCW 42.30.110.

Introductions: Board, staff and guests make brief introductions.

CHH Staff Spotlight: Each month we will highlight a CHH staff member whose commitment to our values and strong contribution to our work stands out for recognition.

Consent Agenda, Disclosures and Recusals: The Board will be asked to adopt the consent agenda. Board members will review items on the agenda and make any necessary disclosures and recusals.

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

SWOT and Strategic Planning: At the August Board meeting, we will discuss an organizational SWOT analysis as part of our strategic planning process. By Q4, we will create a strategic plan document with 4-5 major strategic initiatives that will incorporate significant tasks and set the foundation for our 2020 annual work plan and budget. To frame the strategic plan document we are performing a SWOT analysis utilizing staff surveys from the RETF, Culture Committee and external messaging/branding work. By taking advantage of this pre-existing data to populate the SWOT, we can move the process forward quickly enough to meet our timing objectives. Everyone on staff will have an opportunity to review and make recommendations on the SWOT prior to the Board presentation and discussion.

Once the SWOT is completed, staff will use it to identify 4-5 strategic initiatives and bring those to the Joint Boards Strategic Planning Meeting for further discussion and adoption. The Joint Boards Strategic Planning Meeting has been scheduled for September 16, from 9AM to noon followed by an optional lunch. The SWOT is located in the handout portion of your binder.

Strategic Considerations:
1) What have we missed?
2) Does this ring true, does it represent your view of the organization?
3) What initiatives or initiative categories jump out?

Property Disposition: Staff will introduce a proposal for disposition of an existing property. Attached to the Board packet is our Use of Physical Assets Framework which establishes the parameters under which we can sell an existing property. Also attached is the standard process for performing these transactions.

In the past 10 years, we have sold two small apartment buildings as well as our ownership share in Fire station 7. These sales allowed us to build our board reserves, strengthen our balance sheet, invest in new acquisitions and invest in our future. Additionally, in each sale, residents were treated with great care and compassion. In most cases residents found new homes within the CHH portfolio, and in the case of FS7, we sold our share to our allied nonprofit design firm, Environmental Works. The Board passed a resolution toward the disposition of this particular asset in early 2015, but the transaction was not
approved by the City as it holds a modest loan on the property. The City has recently indicated a willingness to allow us to sell the property.

**HR Items:** At the July Board meeting we addressed issues around staffing and talent and Board members asked several questions. At the September Board meeting, we will address Board questions and present a thorough analysis of our current talent challenges and opportunities.

**Finance and Asset Management**

**Financial Summary:** The Finance and Asset Management Committee presents its regular report and dashboard through June 2019. Greg will also present a cash flow analysis of Bonanza proceeds and recommendations for proceed use.

**Resolution 2018-01 Authorization of Line of Credit from Banner Bank:** The Board will review a resolution to renew an existing operating line of credit with Banner Bank for $500,000.

**Executive Committee and Governance**

**Branding Update:** Michael and Yiling will update the board on the rebranding and re-naming decision making process and timeline. Our target is to ask the PDA Board to adopt a resolution with the new name at the October 2019 Board meeting. This will follow a poll of both the PDA Board and the Foundation Board on top name options. PDA Board members, Foundation Board members, staff and others will have several opportunities to weigh in during the naming process. The current timeline is in this packet on page 55.

**Real Estate Development**

**Resolution 2019-10: Jazz House Predevelopment.** As you know, CHH is partnering with JazzEd to build affordable housing and community arts space at 2101 22nd Avenue South and has acquired the land for the development through a loan from Enterprise/Seattle OH. In 2017 and 2018 the Board adopted three separate resolutions approving the land acquisition, partnership, and otherwise moving the project forward. Resolution 2017-27 authorized staff to acquire a predevelopment loan in the amount of $500,000. Resolution 2019-10 seeks authorization for a new loan in the amount of $1,300,000 from the Rainier Valley Community Development Loan fund to continue the predevelopment process.

We will provide an update on the middle income housing opportunities and introduce a new acquisition opportunity.
Board Packet Sections
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2. Board Agenda, p. 11
3. SWOT Analysis & Strategic Planning, p. 15-16
4. CHH Disposition Policy, p. 17
   b. Disposition Framework, p. 23-24
   c. Disposition Memo, p. 25-26
   d. Disposition Process, p. 27-28
5. August 2019 Finance Report, May Statements and Asset Management Report, p. 31-46
8. Resolution 2019-10: Jazz House Predevelopment Loan, p. 59-64
9. Consent Agenda and Attachments, p. 65
   a. Contracts and Expenditures, p. 67
   b. July 2019 Board Minutes Draft, p. 69-71
   c. Property Management Report and Minutes, p. 73-80
   d. Property Management Dashboard, p. 81
   e. Fundraising & External Relations Memo, p. 83-88
   f. Property Development Report and Minutes, p. 89
   g. Community Development Committee Report and Minutes, p. 91-92
   h. Executive Committee Report and Minutes, p. 93-94
   i. Joint Board Development Committee Report and Minutes, p. 95

Upcoming Meetings and Events

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

- Aug 16: All-Staff Picnic (Board members welcome to attend)
- Aug 26: CHH Executive Committee Meeting
- Sept 9: CHH Board Meeting
- Sept 16: Joint Boards Strategic Planning Meeting
- Oct 10: Omnivorous
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SECTION 2:
Board Agenda
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AGENDA

5:30  Call to Order (Gonzales) – 10 min total
  1. Introductions, welcome
  2. CHH Staff Spotlight
  3. Approve consent agenda
  4. Disclosures and recusals

5:40  Public Comment (Not to exceed 5 minutes per individual or 15 for combined speakers)

5:45  Presentation and Discussion – 60 min total
  1. SWOT and Strategic Planning (Persons, Gibson) – 30 mins
  2. Property Disposition (Persons, L. Hagen) – 30 mins

6:45  Finance and Asset Management (Gibson) – 20 min total
  1. Finance Report – 5 mins
     a. Financial summary, cash management report:
        June 2019 Financial Statements
  2. Bonanza Closing and Cash Flow – 10 mins

7:00  Executive Committee and Governance (Seiwerath & Wong) – 10 min total

7:10  Real Estate Development – 15 min total
      Might be taken in Executive Session per RCW 42.30.110(b), to consider the acquisition of real estate when public knowledge of such consideration would cause a likelihood of increased price.
  1. Resolution 2019-10: Jazz House Predevelopment (Persons, Wilkening) – 10 min
  2. Pipeline Update (Wilkening) – 5 min
     a. Acquisition Opportunity (Persons, Wilkening)
     b. Middle Income Housing

7:30  Adjourn (Gonzales)

Future Items:
September: 7 Year Cash Flow, Bonanza Relocation & Rehab Overview, HR Update
October: Board Committee Structure Vote
SECTION 3:
SWOT Analysis & Strategic Planning
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2019 Strategic Plan Update

**Goal:** Develop and communicate a strategic plan that sets organizational priorities, focuses energy and resources, strengthens operations, and ensures that employees and other stakeholders are working toward common goals and the achievement of intended outcomes/results. To accomplish this task in the most efficient and effective manner possible, we will leverage work that has already been completed, existing committees and meeting structures, and past strategic planning documents.

**Effective timeline of goals we are looking to draft:** Q4 of 2019 through the end of 2020

### General Process Outline

**Step 1:** Perform strategic analysis of the internal and external environment – focus on strengths, weaknesses, opportunities and threats (SWOT Analysis).

**Process:** As a result of the work that has been done by the Racial Equity Task Force (RETF), Culture Task Force (CTF) and external rebranding consultants, CHH staff, board and external stakeholders have participated in several surveys and focus groups, all of which have produced reports summarizing their findings. Rather than recreate the wheel, the Culture Task Force will leverage the following documentation to draft an initial SWOT analysis:

- Culture task force and RETF reports
- Rebranding consultant reports for external feedback
- E-team discussion around the external environment
- Previous strategic plan, notes, and documentation

**Timeline:** Initial draft SWOT analysis completed by July 19th.

**Step 2:** The draft SWOT analysis will be provided to stakeholders for review through the following venues:

- **CHH Board:** Discussed at the August 12th board meeting. This will include an exercise with the board to prioritize and highlight critical areas within the analysis.
- **CHH Leadership:** Analysis will be sent out to all CHH managers, directors and senior leadership on July 22nd. The July 25th monthly leadership team will be focused solely on reviewing and discussing. This meeting will include all management staff in addition to the L-team.
- **CHH Staff:** Managers are responsible for taking the draft analysis back to their teams for comment. Members of the CTF would be available to attend team meetings and facilitate discussion as requested.

**Timeline:** Feedback from the three groups will be provided to the CTF by Monday, August 12th. An updated final version of the SWOT analysis will be reviewed by the Executive Team at the August 15th meeting.

**Step 3:** The Culture Task Force (plus any additional interested stakeholders – TBD on specifics) will use the summary report finalized in Step 2 above to draft strategic goals. The goals will follow the following outline:

- **1 or 2 goals focused on program:** Elevating resident services, real estate development closings, community development etc....
- **1 or 2 goals focused on infrastructure:** Systems, policies and procedures, training, staffing etc.
- **1 or 2 goals focused on fundraising/finances:** Rise Together/general fundraising & grants, other revenue generating opportunities, expense management etc....
**Timeline**: Draft strategic goals to be drafted by August 26th and circulated to the leadership team for review.

**Step 4**: Review of strategic goals will be completed on the following timeline:
- **CHH Board**: Reviewed and discussed at September board retreat.
- **CHH Leadership**: Presented and discussed at the August 29th leadership team meeting (again this would include all of management).
- **CHH Staff**: Managers are responsible for taking the draft goals back to their teams for any comments or feedback.

**Timeline**: Feedback from the three groups will be provided to the CTF by Monday, September 9th. An updated final version of the strategic plan will be reviewed and finalized by the Executive Team at the September 12th meeting.

**Step 5**: Rollout and implementation: The CTF will begin work with Jeff and the HR department now to start thinking about how we operationalize the strategic plan across the Organization. This will include the following:
- **Internal communications**: How do we keep the finalized plan front and center and operationalized in the daily tasks staff are performing?
- **Goal setting (departments and individuals)**: How do our individual and team goals align with the strategic plan?
- **Evaluations and ongoing employee feedback**: As we revamp this system, we need to be thinking about how our evaluations of job performance tie back to our overarching goals as an organization?
- **Budgets**: As we look at budgeting for 2020, does our allocation of resources align with our prioritized strategic goals?

**Timeline**
SECTION 4:

CHH Disposition Policy

a. Resolution 2015-03 – 410 Apartments Disposition Feasibility
b. Property Disposition Policy Framework
c. Disposition Memo
d. Disposition Process
RESOLUTION
ADOPTED AT A MEETING OF
THE BOARD OF DIRECTORS OF THE
CAPITOL HILL HOUSING IMPROVEMENT PROGRAM,
A WASHINGTON PUBLIC CORPORATION
RESOLUTION NO. 2015-03

410 APARTMENTS DISPOSITION FEASIBILITY

Purpose of Resolution

This resolution authorizes staff to study the feasibility of selling the 410 Apartments and present to the Board at a future meeting a final disposition resolution.

Background

Capitol Hill Housing (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 the Capitol Hill community among other purposes.

In 1984 in furtherance of its purpose, CHH acquired and rehabilitated a 6-unit building located at 410 11th Avenue East in Seattle, WA 98102 known as 410 Apartments and has managed the building as affordable housing in accordance with the terms of a Seattle Housing Authority Regulatory Agreement promulgated in 1994. The property is subject to a loan from the City of Seattle with a current balance of $266,169 which has several terms that will have to be modified if the property is sold.

In 2006, the CHH Board of Directors adopted the Policy Framework for Use of Physical Assets which established the protocol for selling properties at market rate and the conditions under which this alternative might be considered. In 2014, staff adopted a process for the disposition of properties.

Significant work and analysis has been completed and presented to the Board previously regarding a potential disposition of the 410. First, a Capital Needs Assessment has identified a number of capital needs, the cost of which will exceed the amount of funds available in the building’s reserve accounts and require use of CHH resources; the Mission Income Matrix identifies the 410 at a very low level. A memo was presented to the Board in June of 2014 identifying three disposition candidates including the 410. And in June of 2015, the Board received a final memorandum from staff outlining the rationale and timeline for selling the 410.

CHH staff has considered its available options related to the building, including continued operation of the building as is, paying off the loan and refinancing the property, demolition and
redevelopment of the property, and disposition of the building on the private market. Staff determines and recommends that it is in the interest of the Capitol Hill community and in the furtherance of the purpose of CHH to assure the long term financial sustainability of the organization and support the strategic activities of CHH as determined by the board; and having considered the impact on the existing residents and the availability of similar affordable units in other CHH buildings for which they would be eligible; that final feasibility of the sale of the 410 should be conducted pursuant to the Memorandum to Board dated June 1, 2015 entitled 410 Apartments Property Disposition Plan.

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

(1) The CHH Board of Directors hereby finds and determines that a final feasibility is consistent with CHH policy and procedures, that the work of the staff is accurate and thorough and that it is in the best interest of CHH and the community to perform a final feasibility to determine if a sale of the 410 should proceed; and

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

(a) Notify the current residents of a potential sale promptly, develop and present a 410 Apartments Relocation Plan to inform tenants of relocation assistance; and

(b) Finalize discussions with the City of Seattle Office of Housing to modify the terms of the loan and regulatory agreement so the property can be sold at market; and

(c) Perform any further feasibility, analysis, and preparation necessary to move the property toward sale; and finally,

(d) Prepare and submit for Board consideration pursuant to the timeline set forth in the June 1, 2015 memorandum a resolution authorizing disposition.
CERTIFICATION

I, ROBERT P. SCHWARTZ, 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 the 13th day of July 2014, in accordance with the Charter and Rules and Regulations of CHH upon proper notice and at which time a quorum was present.

DATED the 13th day of July, 2015.

By ____________________________

Its SECRETARY
## Policy Framework for Use of Physical Assets

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<th>TRIGGERS</th>
<th>What</th>
<th>When</th>
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<td>1. Create watch list of properties that lost money in prior year</td>
<td>Review during annual budget preparation</td>
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### Assessment (Staff)

- Staff will consider:
  - How many years has property lost money?
  - What is the scale (amount) of the loss and percentage of the building’s operating budget? What percentage of the total portfolio loss?
  - Why is the building losing money? Is it systemic occurrence:
    - Are there ongoing vacancies/turnover and why?
    - Have operating expenses increased and why? Is it a singular line item or more widespread?
    - Is there something about the size, number of units, or rent levels that make this building difficult to operate or at least break even?
  - Covenants on public financing:
    - What options are available and what approvals would be required?

### Analyze Options and Other Factors (Staff)

If the building is determined to run consistently at a deficit, staff will consider the following options and recommend one to pursue:

1.1 Remedy operating deficits by:
   - Raising grant dollars to cover deficit,
   - Raising other rents to subsidize this building
   - Fixing the problem that contributes to the losses
   - Changing property management staff (on/off site)
   - Prudently reducing operating expenses
   - Refinancing at lower payment level to reduce pressure on rents
   - Raising the rents to maximum levels as permitted by covenants
   - Considering capital improvements to lower costs, improve occupancy, or increase income potential

1.2 Sell the building
   - To the residents as condos:
     - How much could residents afford to pay?
     - How many want to purchase? How many can purchase?
     - What is the potential gain for CHH?
     - What financing for the residents is available through private, public and CHH?
   - To an investor/developer at market rate:
     - What is the net potential gain for CHH after costs of sale and assistance for affected residents?
     - How does this option compare to sale to residents in terms of economic return?

1.3 Redevelop the building as either affordable rental or homeownership
   - What is the potential gain in units for CHH (either number of units or type of units)?
   - What is the potential neighborhood reaction to redevelopment?

1.4 Compare each of the potential options to maintaining the status quo with respect to:
   - Achieving CHH’s mission;
   - The impact on the neighborhood;
   - The impact on the residents;
   - Financial impact to CHH; and
   - The value of the alternative use

### Decision (Board)

Based on the assessment, analysis and options developed by the staff, the board decides on a case-by-case basis.

1.1

- If changes to rents/occupancy level served are planned, develop a resident and community communications plan to include:
  - Timing of action
  - Plans for alerting residents
  - Discussion topics for meetings
  - Types and levels of assistance to be offered

- If the building is to be refinanced:
  - Identify any changes that may impact tenants
  - Obtain all necessary subordinate lender approvals

1.2 and 1.3

- If the building is going to be sold or redeveloped:
  - Provide advance notice for personal planning
  - Offer the first choice of other CHH units to displaced residents
  - Provide relocation assistance
  - Implement change on turnover

### Implementation (Staff)

- If changes to rents/occupancy level served are planned, develop a resident and community communications plan to include:
  - Timing of action
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<th>Analyze Options and Other Factors (Staff)</th>
<th>Decision (Board)</th>
<th>Implementation (Staff)</th>
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<td>2. Property requires substantial capital investment in excess of accrued reserves</td>
<td>Any time</td>
<td>Staff will assess:</td>
<td>If the building requires substantial capital improvements, staff will consider</td>
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<td>▪ The amount of the investment needed (total dollar amount and dollar per unit)</td>
<td>the following options and recommend one to pursue:</td>
<td>the assessment, analysis and options developed by the staff, the board decides</td>
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<td>▪ The availability of alternate methods of raising capital from the building such</td>
<td>as refinance or seeking additional public or private capital.</td>
<td>on a case-by-case basis.</td>
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<td>▪ Other cash available within CHH unrestricted sources</td>
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<td>▪ Whether future building operations can repay part or all of the current</td>
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<td>2.1 Retain ownership of the property but:</td>
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<td>a) Raise grant dollars to capitalize the reserve,</td>
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<td>e) Recover investment from future building NOI</td>
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<td>✓ What financing for the residents is available through private,</td>
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<td>public and CHH?</td>
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<td>b) What is the potential neighborhood reaction to redevelopment?</td>
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<td>3. Capital will be required to implement business plan strategies</td>
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<td>Business planning process every three years OR Major new project opportunity</td>
<td>▪ Analyze capital already available and current and known projected needs.</td>
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<td>▪ Identify buildings with amortizing debt or low outstanding balances</td>
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<td>▪ Identify buildings that could be sold looking first to buildings with significant net equity and buildings that do not fully cover its property management expenses.</td>
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<td>including refinance at current debt service levels (no adverse impact on rents)</td>
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<td>and use of net operating income upon retirement of debt. The building’s</td>
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<td>replacement and operating reserve levels and needs will be the first priority for use of capital. Capital in excess of reserves shall be made available for the other capital needs identified in the business plan.</td>
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<td>2.1 If seeking a large capital grant, develop a near-term fundraising strategy.</td>
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<tr>
<td></td>
<td>✓ Obtain all necessary subordinate lender approvals</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>2.2 and 2.3 If the building is going to be sold or redeveloped:</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>▪ Provide advance notice for personal planning</td>
<td></td>
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<tr>
<td></td>
<td>▪ Offer the first choice of other CHH units to displaced residents</td>
<td></td>
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<tr>
<td></td>
<td>▪ Provide relocation assistance</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>▪ Implement change on turnover</td>
<td></td>
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</tr>
</tbody>
</table>
MEMORANDUM

DATE: June 20, 2014

TO: CHH Board

FROM: Chris

REGARDING: Disposition Assessment

We have completed a first phase analysis of the CHH portfolio and recommend three properties for disposition in 2014. The following memo highlights the proposed disposition and next steps.

As with any disposition, it is important to point out that we will take great care to ensure that impact to our residents is minimized, that community relations are managed with great sensitivity and that proceeds are designated to further the mission of CHH.

As you are aware, the board and leadership of CHH have been discussing disposition strategies for many months. In 2012 we sold our first property, the EDW, and utilized the proceeds to fund our Board Designated reserves. The residents of the EDW were well supported during the process. Some stayed on and others moved into other CHH properties. As with the sale of the EDW, the board will be presented with detailed resolutions for each proposed disposition.

The CHH Policy Framework for Use of Physical Assets was followed in this analysis. This policy identifies three criteria for disposition:

1. Building operates at a deficit;
2. Building requires substantial capital investment in excess of accrued reserves;
3. CHH needs capital to implement business plan strategies.

410

410 is a six unit building built in 1901. It appears that the property was originally built as a single family home and was later converted into apartments. The building is in poor physical condition and will need a new roof, windows and siding in the near future. Additionally, the unit interiors have not been updated in a long time and are in below average condition. The property scored 10 on the mission score aspect of the Portfolio Assessment and landed in the “Cash Positive” quadrant of the Mission Income Matrix. As of 12/31/13 the building had replacement reserves of $46,732 and makes annual reserve contributions of $4,000. The projected exterior repairs are estimated to be over $100,000. Zoning on the site is LR 3 which would not allow enough additional density to justify demolition and redevelopment. The property has a city loan with a balance of $266,169 and a regulatory agreement that runs through September 2034. Staff recommends exploring the sale of 410 as its capital needs substantially exceed the reserves and the cash flow from the property is not adequate to support additional debt to cover the cost of repairs. Additionally, proceeds from the sale will support our mission and business strategies.
**Fire Station 7**

Fire Station 7 is a decommissioned fire station built in 1920. The property is owned by Fire Station Seven Associates, which has three members; CHH, Environmental Works (EW) and The Country Doctor. The first floor is currently leased to a video store and the second floor is leased to Environmental Works. As of 12/31/14 reserves were $84,017, and the property has outstanding debt of $8,182. CHH has approached EW about acquiring the building and EW is in the process of exploring the purchase. FS 7 is a non-core asset for CHH and the funds obtained from disposition could be redeployed for activities to advance CHH’s mission and business strategies. Therefore, staff recommends selling FS 7 to EW.

**Tiltsonian**

Tiltsonian is a five unit building built in 1913. The property has a mission score of 12 and is in the “Cash Positive” quadrant of the Mission Income Matrix. Reserves as of 12/31/14 were $21,600 and the property does not make annual reserve contributions. There is a $82,190 loan on the property and no regulatory agreement. The exterior of the property is in below average condition and the unit interiors have not been updated since CHH acquired the property in 1983. At some point the property will need substantial capital improvements and does not have the reserves or cash flow to finance these repairs. Preliminary conversations with a broker active in the market indicate the property will likely sell to an investor who will renovate the existing project and rent at market. The property is zoned LR2 which does not allow enough increased density to justify demolition of the existing improvements. Staff recommends Tiltsonian be listed for sale since the property has substantial unfunded capital needs and does not have the capacity to cover these costs. Additionally, proceeds from the sale will support our mission and business strategies.
Process for Property Disposition
November 4, 2014

This document describes an idealized process for disposing of a CHH real estate asset. It is not the intent of this document to take up the philosophy of disposition which was handled in a 2006 protocol adopted by the board nor is it intended to establish the process for determining which asset or assets should be disposed. The process for identifying assets for disposition was established in 2014. This document only describes action steps for disposition once a property has been identified.

Each building we own is unique. Each has different regulatory agreements, different investors and lenders, different public funding sources, different tenant populations, and different locations. Every disposition will be unique. Therefore the procedures below are idealized and provide a framework for disposition that will be used to produce a unique disposition plan for each property disposed.

General Principles:
1) We believe in maintaining a diversity of properties and are committed to the communities where we have established roots.
2) We believe that residents should always be treated with the highest regard and relocated in other CHH properties if feasible and desired by the resident.
3) The resident population of each asset targeted for sale will be evaluated and the timing will be adjusted to reflect the time necessary taking into account things such as available alternative locations.

Procedures
The following idealized example assumes a building of modest size with no HUD funding and full relocation.

4-5 months prior to listing:
1. Staff identifies properties for disposition within the strategic framework of the portfolio matrix and building action plans.
2. External investors/funders are notified of the plan if necessary.
3. Staff will discuss with Finance and Asset Management; Property Management; and Executive Committees and will keep them apprised throughout the process.

3-4 months prior to listing:
1. Staff presents the board with a property disposition plan. The plan will include at minimum and if necessary:
   a. History of the building
   b. Community impact
   c. Roster of resident information
   d. Rationale for sale based on the 2006 protocol and portfolio matrix
   e. Time line (school year, holiday and other major disruptions to be considered)
   f. Projected sales price and cost of sale

Process for Property Disposition
C Persons
g. Risk and cost analysis
h. Projected future use
i. Relocation outline
j. Description of existing or proposed covenants

2. The board will be asked to adopt a disposition feasibility resolution.
3. Communications staff creates a PR plan for use if needed.
4. Committee updates.

2-3 months prior to listing:
1. Residents are notified of the potential sale in writing.
2. Staff meets with residents to explain the rationale and process for sale and relocation.
3. Relocation benefits are presented to residents.
   a. Cash compensation for the move
   b. Possible assistance with renting a moving vehicle
   c. Possible rent deposit maintenance
   d. One-on-one connection with leasing staff
   e. One-on-one connection to resident services
4. Staff begins to identify potential relocation units.
5. Residents are provided schedule of board meetings at which to speak.
6. Committee updates.

1 month prior to listing:
1. The board passes a resolution authorizing staff to begin the disposition process.
2. Formal approval from investors and funders if necessary.
3. Staff identifies target date for the sale of the asset two to three months into the future.
4. A broker is selected from a roster of brokers maintained by asset management.

1. Residents provide income verification.
2. Relocation plans are created for each resident.
3. Broker is hired and the asset put up for sale.

1 month after listing:
1. Tenant relocation begins/continues.
2. Tenant payments are made.

2 months after listing:
1. Final unit is vacated.
2. Final tenant is relocated.
3. Property sale is closed.
4. Report to Leadership Team and Board

Process for Property Disposition
C Persons
SECTION 5:
August 2019 Finance Report, May Statements and Asset Management Report
AUGUST 2019 FINANCE & ASSET MANAGEMENT BOARD REPORT AND MINUTES

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

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

Date, time and location of meeting: August 6, 2019 – 4:00 PM - Belmont conference room

Financial Position Summary: During June, there were no significant non-operating transactions that impacted the balance sheet; however, CHH did incur approximately $215K in significant repair and maintenance costs for projects completed at 12th Avenue Arts Commercial, Union James and Joe Black.

Note that as part of the 2018 financial statement audit process, it was determined that the Imperial Jazz LLLP partnership should be classified as a discrete component unit for financial reporting purposes. As such, we have restated the May 31st internal balance sheet in this report to reflect the classification change.

The unaudited operating statement through June 30, 2019 shows an operating deficit of $850k as compared to a budgeted surplus of 121k. The negative variance of $971k is driven by four issues:
1. $106K of the Foundation’s Q2 distribution was received in early July but budgeted for June.
2. Residential vacancy and concessions currently exceed budget by $167K, while vacancies on the commercial side have led to a negative variance in Commercial Rent and NNN of $64k. CHH has taken several steps to correct the current vacancy issues; however, it is likely that the existing variances will remain throughout 2019.
3. The Bonanza resyndication project was originally projected to close in Q1. The budgeted developer fee of $500K plus an additional $20K issuance fee was received when the project closed on July 31st.
4. Repair and maintenance expense exceeds budget by $240K resulting from significant projects undertaken at the Union James and Joe Black properties. Most of this work will be paid for out of the general building reserve. The negative variances are partially offset by a favorable variance in payroll expense resulting from the delays in hiring of two senior level positions in addition to other vacant staff positions that are currently being filled (primarily property management site manager and maintenance positions).

Financial Review: The committee reviewed the monthly financial reports and the monthly financial ratio analysis. Staff also discussed the 7 year rolling cash flow projections that are still being developed and will be presented at the August board meeting. Comments and Analysis regarding the June Balance Sheet and Operating Statement are included as annotations in the attached statements.

The committee reviewed the Property Management dashboard report

Vacancy loss: The monthly economic portfolio vacancy rate was 4.7% with a rolling 12-month economic vacancy percentage of 4.1%.
Department and Project Updates: Staff provide brief updates on the following:

- Introduction of new Finance Director: Muhammadou Drammeh
- Bonanza project closed on July 31st, 2019. Staff walked through financial details of the cash including total cash received at closing. The committee discussed management’s original plan for determining uses of the funds received.
- Liberty Bank Building commercial loan was paid off July 31, 2019
- Jazz House predevelopment loan: The committee reviewed the commitment letter from the Rainier Valley Community Development Fund. The committee recommends that the board adopt a resolution to approve this loan at the August meeting.
- The committee reviewed the draft board resolution for the annual renewal of the Banner Bank operating line of credit, noting all terms remained consistent with the prior year. The committee recommends that the board adopt a resolution to approve this renewal at the August meeting.
- Commercial leasing at the 12th Avenue Arts building and the Villa
- Acquisition of land for the YouthCare project
- Systems Update: MRI Affordable Housing, Apptex and HD Supply Unit Turns
- Addition of new position focused on training and staff development
- CHREMS ended property management at Bayview Tower, effective 7/8/2019 and will end property management at Cal Anderson House in August/September
- Liberty Bank Building stabilization and conversion to permanent financing remains on track for an end of August conversion
### Capitol Hill Housing
#### Blended Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>06.30.2019 unaudited</th>
<th>05.31.2019 unaudited</th>
<th>Change from prior month</th>
<th>12.31.2018 audited*</th>
<th>12.31.2017 audited*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted Cash</td>
<td>1,701,993</td>
<td>1,878,088</td>
<td>(176,095) 1</td>
<td>2,295,438</td>
<td>2,037,757</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>1,273,609</td>
<td>1,187,106</td>
<td>86,503 2</td>
<td>1,023,384</td>
<td>811,476</td>
</tr>
<tr>
<td>Prepaids &amp; Other Current Assets</td>
<td>350,778</td>
<td>389,629</td>
<td>(38,851) 3</td>
<td>362,070</td>
<td>341,351</td>
</tr>
<tr>
<td>Contributions/Grants Receivable</td>
<td>79,749</td>
<td>79,749</td>
<td>0</td>
<td>289,290</td>
<td>61,282</td>
</tr>
<tr>
<td>Due from Affiliates</td>
<td>8,056,207</td>
<td>7,858,973</td>
<td>197,234 4</td>
<td>7,077,021</td>
<td>5,193,026</td>
</tr>
<tr>
<td>Board Designated Operating Reserve</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>0</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Board Designated Opportunity Reserve</td>
<td>8,949</td>
<td>6,875</td>
<td>2,074</td>
<td>449,931</td>
<td>567,083</td>
</tr>
<tr>
<td>Restricted Cash</td>
<td>6,578,180</td>
<td>6,751,691</td>
<td>(173,511) 5</td>
<td>6,937,674</td>
<td>6,135,901</td>
</tr>
<tr>
<td>Notes Receivable from Affiliates</td>
<td>15,313,542</td>
<td>15,313,542</td>
<td>0</td>
<td>15,313,542</td>
<td>15,322,710</td>
</tr>
<tr>
<td>Land</td>
<td>21,963,860</td>
<td>21,963,860</td>
<td>0</td>
<td>24,344,996</td>
<td>20,394,157</td>
</tr>
<tr>
<td>Buildings, Improvements &amp; Equipment</td>
<td>83,129,503</td>
<td>82,543,986</td>
<td>585,517 6</td>
<td>80,945,459</td>
<td>74,146,986</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(46,433,643)</td>
<td>(46,226,961)</td>
<td>(206,682) 7</td>
<td>(45,192,676)</td>
<td>(39,304,834)</td>
</tr>
<tr>
<td>Lease Receivable</td>
<td>717,137</td>
<td>717,137</td>
<td>0</td>
<td>792,137</td>
<td>817,531</td>
</tr>
<tr>
<td>Investment in LPs/LLCs</td>
<td>1,521,867</td>
<td>1,521,867</td>
<td>0</td>
<td>1,521,867</td>
<td>1,527,084</td>
</tr>
<tr>
<td>Other Assets</td>
<td>352</td>
<td>(5,699)</td>
<td>6,051 8</td>
<td>366</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>95,262,083</td>
<td>94,979,843</td>
<td>282,240 9</td>
<td>96,955,499</td>
<td>89,051,505</td>
</tr>
</tbody>
</table>

| **Liabilities**      |                       |                      |                         |                      |                      |
| Notes Payable        | 64,039,449            | 64,111,303           | (71,854) 8              | 65,103,914           | 58,479,561           |
| Accrued Interest Payable | 4,594,746            | 4,594,746            | 0                       | 4,594,746            | 4,385,715            |
| Accounts Payable & Accrued Liabilities | 6,353,470 | 5,740,023 | 613,447 9 | 5,396,907 | 4,956,384 |
| Tenant Security Deposit Liability | 548,900 | 547,648 | 1,252 | 576,781 | 579,612 |
| **Total Liabilities** | 75,536,565            | 74,993,720           | 542,845 10              | 75,672,348           | 68,401,272           |

| **Net Position**     | 19,725,518            | 19,986,123           | (260,605) 11            | 21,283,151           | 20,650,233           |

| **Total Liabilities and Net Assets** | 95,262,083 | 94,979,843 | 282,240 | 96,955,499 | 89,051,505 |

* Internal presentation, certain amounts netted for audit presentation

**Significant balance sheet changes from prior month**

1) The following significant cash transactions decreased cash during the period:
   - $25K for CHP1 architect fee
   - $102K in repair and maintenance costs at Union James - primarily funded from General Building reserve balance
   - $50K contractor payment made for commercial door replacement at 12th avenue arts
   - $24K single audit final payment
   - $61K Joe Black heat pump
   - $24K Eldridge design services

   The decrease was partially offset by the following cash increases:
   - $38K LGIP Q2 transfer
   - $231K Liberty Bank Building commercial developer fee received
   - $88K El Nor reserve transfers for Bonanza draws 13 and 14 - amounts reimbursed through closing

2) Prior to close on the Bonanza project, El Nor replacement reserves were used as a predevelopment source. Those amounts were refunded to the property (and subsequently contributed back into the deal) on 7/31 with the close of Bonanza. As of 6/30, $88K had been drawn against this reserve, which is reflected as a receivable on the balance sheet (and decrease in reserves).

3) Change due to routine amortization of monthly pre-paid expense items

4) Change due to timing fluctuation of due to/from affiliates balances as well as additional predevelopment expense incurred on the Bonanza and CHP Portfolio 1 resyndication projects and Africatown. Additionally $102K General Bldg Reserves draw for Union James REAC. Partially offset by $231K LBB developer fee payment.

5) Change is due to LGIP Q.2 transfer,$88K El Nor reserve transfers for Bonanza draws 13 & 14 (see discussion in #2 above) and $59K Oleta reserves taken for unit 201 & 202 overhaul.
6) Change was due to the capitalization of additional predevelopment expenditures, primarily for the Bonanza and CH Portfolio 1 projects, Big Village-Yesler Terrace and Africatown. In addition, energy efficiency upgrades and unit 16 & 18 remodel at Joe Black, along with the capitalization of certain improvements that were made at Union James.

7) Routine monthly depreciation expense

8) Decrease due to monthly paydowns of mortgages and insurance financing loan.

9) Routine fluctuation in accrued payable balances based on timing of payroll and accounts payable check run relative to month-end as well as fluctuations in intercompany “Due to CHH” balance that results from the recording of additional predevelopment expenses for those projects still included as blended component units. $102K general building reserves used for REAC repairs at Union James. $110K in outstanding liabilities related to Big Village-Yesler Terrace were paid in early July from draw #1. $80K in outstanding liabilities for Africatown consulting have been requested for reimbursement from City of Seattle in late July.
## Capitol Hill Housing Improvement Program
### Statement of Revenues and Expenditures - Unaudited
#### From 1/1/2019 Through 6/30/2019

<table>
<thead>
<tr>
<th>Year to Date</th>
<th>Year to Date</th>
<th>Year to Date</th>
<th>Variance Pct</th>
<th>Total Budget</th>
<th>Budget Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Budget</td>
<td>Variance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tenanted Rent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential tenant revenue</td>
<td>5,648,211</td>
<td>5,691,404 (43,193)</td>
<td>-0.76%</td>
<td>10,481,789</td>
<td>4,833,578</td>
</tr>
<tr>
<td>Commercial rent revenue, net</td>
<td>780,050</td>
<td>844,016 (63,966)</td>
<td>1</td>
<td>-7.58%</td>
<td>1,700,206</td>
</tr>
<tr>
<td>Triple net revenue</td>
<td>135,439</td>
<td>145,600 (10,161)</td>
<td>2</td>
<td>-7.58%</td>
<td>277,800</td>
</tr>
<tr>
<td>Parking, laundry and other</td>
<td>103,487</td>
<td>85,581 17,906</td>
<td>2</td>
<td>20.92%</td>
<td>167,575</td>
</tr>
<tr>
<td>Res vacancy and concessions</td>
<td>(326,527)</td>
<td>(159,083) (167,444)</td>
<td>3</td>
<td>105.26%</td>
<td>(298,020)</td>
</tr>
<tr>
<td><strong>Total Tenant Rent</strong></td>
<td>6,340,660</td>
<td>6,607,518 (266,858)</td>
<td>-4.04%</td>
<td>12,329,350</td>
<td>5,988,690</td>
</tr>
<tr>
<td><strong>Other Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting &amp; Compliance fees</td>
<td>358,991</td>
<td>357,618 1,373</td>
<td>0.38%</td>
<td>723,188</td>
<td>364,197</td>
</tr>
<tr>
<td>Developer Fees</td>
<td>375,738</td>
<td>811,359</td>
<td>435,621</td>
<td>53</td>
<td>-53.69%</td>
</tr>
<tr>
<td>Partnership Management Fees</td>
<td>107,096</td>
<td>123,361 (16,265)</td>
<td>5</td>
<td>-13.18%</td>
<td>342,717</td>
</tr>
<tr>
<td>Property Management Fees</td>
<td>861,294</td>
<td>861,127 167</td>
<td>0.02%</td>
<td>1,738,291</td>
<td>876,997</td>
</tr>
<tr>
<td><strong>Total Other Operating Revenue</strong></td>
<td>1,703,119</td>
<td>2,153,465 (450,346)</td>
<td>-20.91%</td>
<td>4,278,951</td>
<td>2,575,832</td>
</tr>
<tr>
<td><strong>Other Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants &amp; Donations</td>
<td>352,436</td>
<td>550,629 (198,193)</td>
<td>6</td>
<td>-35.99%</td>
<td>1,093,164</td>
</tr>
<tr>
<td>Interest Income</td>
<td>54,205</td>
<td>52,099 2,106</td>
<td>4.04%</td>
<td>24,000</td>
<td>(30,205)</td>
</tr>
<tr>
<td>Other Income (non-operating)</td>
<td>19,817</td>
<td>14,120 5,697</td>
<td>6</td>
<td>40.35%</td>
<td>61,034</td>
</tr>
<tr>
<td><strong>Total Other Revenue</strong></td>
<td>426,458</td>
<td>616,848 (190,390)</td>
<td>77.12%</td>
<td>1,178,199</td>
<td>751,741</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>8,470,237</td>
<td>9,377,831 (907,594)</td>
<td>-9.68%</td>
<td>17,786,499</td>
<td>9,316,263</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting, Audit &amp; Legal</td>
<td>311,415</td>
<td>319,715 8,300</td>
<td>7</td>
<td>2.60%</td>
<td>488,894</td>
</tr>
<tr>
<td>Administration</td>
<td>245,779</td>
<td>267,706 21,927</td>
<td>7</td>
<td>8.19%</td>
<td>485,761</td>
</tr>
<tr>
<td>Bad Debt</td>
<td>23,861</td>
<td>23,821 40</td>
<td>0.17%</td>
<td>46,950</td>
<td>23,089</td>
</tr>
<tr>
<td>Board Expense</td>
<td>151</td>
<td>5,400 5,249</td>
<td>97.20%</td>
<td>10,200</td>
<td>10,049</td>
</tr>
<tr>
<td>CHH Occupancy Expense</td>
<td>161,497</td>
<td>181,728 20,231</td>
<td>8</td>
<td>11.13%</td>
<td>364,913</td>
</tr>
<tr>
<td>Compliance, Taxes &amp; License</td>
<td>180,512</td>
<td>170,181 10,331</td>
<td>9</td>
<td>-6.07%</td>
<td>257,614</td>
</tr>
<tr>
<td>Consulting</td>
<td>228,927</td>
<td>147,080 81,847</td>
<td>9</td>
<td>-55.65%</td>
<td>23,713</td>
</tr>
<tr>
<td>Debt Service</td>
<td>1,406,957</td>
<td>1,429,900 22,943</td>
<td>10</td>
<td>-1.60%</td>
<td>2,632,638</td>
</tr>
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<td>193,286</td>
<td>169,852 23,434</td>
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<td>Leasing/Compliance Expense</td>
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<td>71,373 300</td>
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<td>Miscellaneous Financial Expense</td>
<td>3,265</td>
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<td>586,225 3,075</td>
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<td>31,606 5,405</td>
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<td>(0)</td>
<td>16,720,335</td>
<td>7,720,132</td>
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<tr>
<td><strong>Operating Surplus (Deficit)</strong></td>
<td>(850,884)</td>
<td>(121,040) (971,924)</td>
<td>15</td>
<td>-802.98%</td>
<td>492,326</td>
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<tr>
<td><strong>Other Income (non-operating)</strong></td>
<td>(850,884)</td>
<td>(121,040) (971,924)</td>
<td>15</td>
<td>-802.98%</td>
<td>492,326</td>
</tr>
</tbody>
</table>

### Reserve Contributions
- **Replacement Reserve** | (273,076) | (270,586) (2,490) | 0.92% | (478,154) |
- **Operating Reserve** | (22,542) | (22,544) 2 | -0.01% | (45,084) |
- **Other Reserve** | (25,300) | (25,300) 0 | 0.00% | (50,600) |
| **Total Reserve Contributions** | (320,918) | (318,430) (2,488) | 0.78% | (573,838) |
| **Operating Surplus (Deficit)** | (850,884) | (121,040) (971,924) | 15 | -802.98% | 492,326 |
| **Other Income (non-operating)** | 0 | 0 0 | 0.00% | 0 |

| Income/Loss | (850,884) | (121,040) (971,924) | 15 | -802.98% | 492,326 |
Variance Discussion (Greater than $15K and 10%)

1) Variance is primarily due to the three vacant commercial spaces at 12AA
2) Garage Parking and late fees are over budget - CHH typically does not budget for late fees or tenant charges
3) The following buildings have vacancies that significantly exceed budget:
   - Brewster: $9,059 variance
   - Joe Black: $16,366 variance
   - Oleta: $32,791 variance
   - Ponderosa: $11,920 variance
   - Union James: $10,427 variance
   - Bremer: $13,152 variance
   - Helen V: $9,377.40 variance
   - Fleming: $10,714 variance
   - Centennial: $11,347 variance

4) The first installment of $500K in developer fee for the Bonanza project was budgeted for Q1. Due to delays, the closing of this transaction did not occur until July 31, 2019; however, revenue earned at closing exceeded budgeted amount. Offsetting a portion of this negative variance is the $100K paydown of 12AA deferred developer fee, which was made prior to the budgeted timeline.
5) Payment of partnership management fees is dependent on building cash flows. We anticipate this variance to correct over time.
6) Through 6/30, the Foundation has distributed $152K of the Q2 distribution, which was budgeted in full for June. The final Q2 distribution of $106K was received in July. The PPG Home Grant, which had budgeted revenue of $96K through June, was billed in July.
7) Training and education is under budget due primarily to changes in timing of trainings from original budget. Staff are attending multiple out of town trainings this fall, which should correct a majority of this variance.
8) CHH NNN has not paid 2019 NNN costs yet due to cash flow. Payment will be made in August after Bonanza closing.
9) Over budget due to several reasons: CHH is paying 3rd party real estate development consultants for work on the Bonanza project and the market rate development projects (to date these amounts have exceeded budget); however, we anticipate a portion of this variance to be caught up in Q3 and Q4 now that Bonanza has closed. In addition, CHH is also paying for a 3rd party compliance specialist to assist with vacancies in the property management department. Finally, this cost also includes consulting expenses related to the health homes grant, which will be refunded in August.
10) Insurance exceeds the budgeted amount. Insurance premiums increased for 2019 based on two factors: 1. Increased claims over the past two years 2. Update to schedule of replacement values was completed in 2019.
11) $9K Liberty Bank commercial construction interest portion not capitalized.
12) Variance due to vacant Associate Director of Real Estate, Vice President of Property Operations and Assistant Maintenance Tech positions, all of which were budgeted for a full year and were vacant for a majority of the first six months of the year (Assoc. Dir of Real Estate and Assistant Maintenance Tech started in April). In addition, there have been multiple open site manager positions as turnover has continued to increase during the first half of 2019.
13) Non turn repair and maintenance is over budget due to several factors. The Union James REAC repairs (through the end of June) represents approximately $200K of this variance. These costs have been paid for out of the general building reserve including $100K in June. In addition, CHH completed a significant unit turn project in April/May to turn 26 units across the portfolio that had been vacant for long periods of time. Several of these turns required significant work, which has put them over budget year-to-date.
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### CHH
#### CASH IN BANK

**FOR THE MONTH ENDING: June 2019**

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<td><strong>Total All Cash</strong></td>
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**TOTALS BY BANK**

<table>
<thead>
<tr>
<th>Bank</th>
<th>Amount</th>
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<tr>
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<td>Chase</td>
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<td>US Bank</td>
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<td>LGIP</td>
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<td>Other and Petty</td>
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<td><strong>TOTAL CASH</strong></td>
<td><strong>$ 16,213,396</strong></td>
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### Capitol Hill Housing

#### Asset Management Dashboard

**Year to Date as of June 30, 2019**

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<th>YTD Units</th>
<th>Actual</th>
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<td>0</td>
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<td>15</td>
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<tr>
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<td>113%</td>
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<tr>
<td>Jacob Total</td>
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<td>8,071</td>
<td>5,973</td>
<td>-109%</td>
<td>87</td>
<td>56</td>
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<tr>
<td>Jacob</td>
<td>8</td>
<td>8,071</td>
<td>5,973</td>
<td>-109%</td>
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<td>6</td>
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<tr>
<td>Jacob</td>
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<tr>
<td>Jacob Total</td>
<td>8</td>
<td>8,071</td>
<td>5,973</td>
<td>-109%</td>
<td>87</td>
<td>56</td>
<td>87</td>
<td>87</td>
<td>87</td>
</tr>
</tbody>
</table>

#### Portfolio Total

- **Total Units:** 6,065
- **Actual:** 4,234
- **Var %:** 36%
- **Economic Vacancy:** 4.7%

---

1. After debt and reserve payments
2. Cumulative residential accounts receivable balance divided by monthly gross potential rental revenue
3. Portfolio Manager averages are averages across all units and forms within portfolio and not averages across buildings

### Explanation of Key Measures with High Vacancies or Large Vacancy Increases:

- **Filming:** Few vacancies in June. Two have pending leases for mid-July/early August. Four vacancies require executive turn repairs
- **Joe Black:** Four vacancies in June. Two 3-bdr and two 2-bdr units with higher rents. Two offshore units have been leased by mid-July.
- **John Garity:** Few vacancies in June. Property Manager has moved to another market.
- **Park Hill:** Four vacancies in June. Two of these units are hard turns due to water damage, another required bed bug treatment.
- **Union James:** Eight vacancies in June. Most vacant units were treated for rodent mitigation and other interior repairs. All but one were leased by late June/early July
- **Ponderosa:** Three vacancies in June. Two rooms in each unit (one was hard turn due to water damage, another required bed bug treatment).

**Research Notes:**

- Site Manager departed CHH in mid-June.
Calculations

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

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

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

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

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

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

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

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

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

  Target: 2 months operating cash on hand

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

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

  Target: 2.5 - 4: 4.0 maximum ratio
July 25, 2019

Imperial Jazz LLP c/o
Capitol Hill Housing
1620 Twelfth Avenue, Suite 205
Seattle, WA 98122

Re: $1,250,000 Pre-Development Line of Credit

The Rainier Valley Community Development Fund ("Lender") is pleased to inform you that your request for pre-development financing has been approved by Lender's Board of Directors based on the following terms and conditions:

BORROWER: Imperial Jazz LLP ("Borrower")

LOAN AMOUNT: $1,250,000

PURPOSE: Predevelopment costs for development of a multi-family site into 90 units of affordable housing and ground floor space for programming of JazzEd

INTEREST RATE: 5.5% per annum fixed, based on 365/365 method
PAYMENT METHOD: Interest payments on principal outstanding shall be payable monthly and done by Automated Clearing House ("ACH") draws on account designated by Borrower.

LOAN AND COMMITMENT FEE: $12,500, payable $6,250 upon acceptance of this Commitment and the balance funded from loan proceeds at closing.

OTHER FEES: Outside legal counsel documentation preparation not to exceed $7,500 and actual third-party title insurance and recording fees
TERM AND MATURITY: 24 months from loan closing

ORGANIZATIONAL GUARANTEES: Capitol Hill Housing Improvement Program ("CHHIP")
Seattle JazzEd
Jointly and severally

COLLATERAL:

Trust deed which will be in a subordinate second lien position to an existing lien held by Enterprise Community Partners and outstanding principal balance not to exceed $2,300,000 on the 21,771 square foot site located at 2101 22nd Avenue South, Seattle, Washington. King County Parcel ID 149830-2176. Subordination agreement will be executed between Lender and Enterprise Community Partners.

TITLE INSURANCE AND CLOSING:

The Loan shall be closed at a title insurance company subject to Lender’s approval of same, in accordance with Escrow Instructions prepared by Lender.

The Lender approved title insurance company shall provide Lender with a Preliminary Title Report or Commitment for an ALTA Lender’s Title Insurance Policy from a company acceptable to Lender. An ALTA Lender’s Title Insurance Policy shall be provided to Lender as soon as the recording numbers for the Loan Documents are obtained for insertion in the policy, with the endorsements required by Lender.

Title Policy: Title Insurance Policy shall insure Lender’s lien in a second lien position, subject only to an existing first lien position held by Enterprise Community Partners and exceptions approved by Lender.

Closing Costs: Any costs or charges associated with escrow, title insurance, or related services, including any cancellation fees for duplicate services, shall be the sole responsibility of Borrower.

INSURANCE:

Lender shall have been provided with evidence of fire and extended casualty and comprehensive general liability insurance with limits, coverages, and written by companies acceptable to Lender, and accompanied by proof of premiums paid for the current policy year. Lender shall be named as additional insured.

No construction work shall be permitted on-site without evidence of Builders All-Risk Insurance and proper notifications to all lenders and title company.
DISBURSEMENT

Disbursements under this line of credit will be made upon presentation of invoices or other certification acceptable to Lender. Requests for disbursement shall be not more often than twice in a calendar month. All disbursements will be made by ACH or wire into designated Borrower bank account.

The draw period under this loan shall be twelve months from date of closing and Lender shall have no further obligation to disburse under this line without additional authorization from Lender’s Board of Directors.

NOTICE: ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT, ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

If the above Terms and Conditions meet with your approval, please acknowledge your acceptance of this Commitment by signing where indicated below. This Commitment Letter shall be void if, on or before August 15, 2019 Lender has not received a fully-executed original of this Commitment together with a check, payable to Rainier Valley Community Development Fund, representing the initial portion of the Commitment Fee provided above in the amount of $6,500.

All terms and conditions of this Commitment must be met on or before September 15, 2019 and the loan closed, or Lender has no further obligation to fund on this Commitment, and the Commitment Fee shall be deemed fully earned as consideration to Lender for issuing this Loan Commitment.

Sincerely,

Wayne H. Lau
Executive Director

206-722-5281 office Direct
Wlau@rvcdf.org
Imperial Jazz LLC hereby accepts this Loan Commitment with the terms and conditions as contained in this Letter.

DATE: August ___ 2019

By: _________________________

Title: _________________________

Capitol Hill Housing Improvement Program
Member and Guarantor

By: _________________________

Title: _________________________

Seattle JazzEd
Member and Guarantor
SECTION 6:
Resolution 2019-09:
Authorization of Line of Credit from Banner Bank
Overview: Authorization of Line of Credit from Banner Bank

Purpose: To renew existing operating line of credit with Banner Bank for $500,000.

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?: Renewal of existing line of credit, previously discussed with the Finance and Asset Management Committee

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

General Description and Purpose: The operating line of credit provides a cash buffer when cash inflows are variable. The use of the operating line of credit is governed by Section 14.1 of the CHH Finance Policies. Management and the Finance and Asset Management Committee consider having an operating line of credit available as part of prudent cash management.

Organizational requirements of resolution: No new requirements. CHH Finance Policies address the use of the line.

Financial cost of the resolution: Annual loan fee of ½% and interest on draws at prime.

Pros: Allows for the efficient management of operating cash.

Cons: None.

Further Board Action or Reporting:
- Is further action required from the Board or a Board Committee? ☐ Yes    ☒ No
- Is further reporting required to the Board or a Board Committee? ☒ Yes    ☐ No

  If yes, please describe: Draws on the line of credit in excess of $50,000 require board treasurer concurrence and draws in excess of $150,000 require two board members to concur. In addition, the FAMC monitors operating cash on a monthly basis.
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ADOPTED AT A MEETING OF
THE BOARD OF DIRECTORS OF THE
CAPITOL HILL HOUSING IMPROVEMENT PROGRAM,
A WASHINGTON PUBLIC CORPORATION

RESOLUTION NO. 2019-09

AUTHORIZATION OF LINE OF CREDIT FROM BANNER BANK

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

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

WHEREAS, it is deemed prudent financial practice to have funds available to cover potential short term operational needs and cash flow timing differences; and

WHEREAS, the Program has previously obtained a Line of Credit Loan from Banner Bank and such Line of Credit Loan is up for renewal; and

WHEREAS, Article VII, Section 3 of the Program Charter states that “Prior authorization or concurrence of the Board by resolution shall be necessary for ... (b) The contracting of debts, issuance of notes, debentures or bonds, and the mortgaging or pledging of corporate assets to secure the same”;

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

(1) Two CHH board officers are authorized and directed to sign the Promissory Note and other necessary documents. The basic loan terms proposed are as follows:

- **Borrower:** Capitol Hill Housing, a public corporation organized as a political subdivision of the State of Washington with an area of operation focused on the Capitol Hill community in the City of Seattle and whose liabilities shall be satisfied exclusively from the assets and properties of the corporation
- **Term:** Approximately One Year with an annual renewal
- **Amount:** $500,000
- **Collateral:** None
- **Guarantors:** None
- **Loan Fee:** No more than $2,500 or 1/2 per cent
- **Interest Rate:** Prime rate
- **Payments:** Interest due monthly, principal balance and any outstanding interest due on maturity date
CERTIFICATION

I, Derrick Belgarde, certify that I am the Secretary of Capitol Hill Housing Improvement Program (“the Program”) and that the foregoing Resolutions were duly adopted at a meeting of the Board of Directors of the Program held on the 12th day of August, 2019 in accordance with the Charter and Rules and Regulations of the Program upon proper notice and at which time a quorum was present.

DATED the 12th Day of August, 2019.

By__________________________________

Its__________________________________
SECTION 7:
Branding Timeline Draft
<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>VENUE/CHANNEL</th>
<th>PURPOSE/OUTCOMES</th>
<th>PARTICIPANTS</th>
<th>STATUS/DATE</th>
</tr>
</thead>
</table>
| Initial Launch                        |                   |                                                                                                                                                                                                               | • Core Team (=Michael & Yiling)  
• Pyramid                                                                                                                                  | COMPLETE          |
| Brand Definition and Platform Round 1 | In-person @ CHH   | Distill core elements of CHH brand out of existing messaging. Present as a concise set of primary brand messages that will inform direction of naming.                                                      | • Core Team  
• Chris Persons  
• Pyramid                                                                                                                                  | 8/9               |
| Brand Definition and Platform Round 2 | Telephone         | Distill core elements of CHH brand out of existing messaging. Present as a concise set of primary brand messages that will inform direction of naming.                                                      | • Core Team  
• Pyramid                                                                                                                                  | 8/15 or 8/16      |
| Finalize Brand Definition and Platform| Email             | Distill core elements of CHH brand out of existing messaging. Present as a concise set of primary brand messages that will inform direction of naming.                                                      | • Core Team  
• Pyramid                                                                                                                                  | Week of 8/19      |
| Naming Kick Off and Naming Criteria Development | In-person @ CHH | Kick off naming process with Rebrand Crosscut Committee. Review process. Share naming best practices. Establish group’s aspirations for a name. Determine naming criteria (i.e., “guard rails”) that will be used to evaluate name options. | • Rebrand Crosscut Committee  
• Chris Persons  
• Pyramid                                                                                                                                  | Week of 8/26      |
| Invite Community to Send Name Ideas via SurveyMonkey | Resident Email, General Stakeholder Email & Website | Create a community inclusive process by inviting all audiences to share name ideas. Direction will be given for what CHH hopes the name will embody.                                                       | • Residents  
• Staff  
• External Stakeholders                                                                                                                | Week of 8/26, day after Naming Kick Off |
| Creative Session—Crosscut Committee   | In-person @ CHH   | Brainstorm name options                                                                                                                                                                                          | • Rebrand Crosscut Committee  
• Pyramid                                                                                                                                  | 9/5 or 9/6        |
<table>
<thead>
<tr>
<th>Event</th>
<th>Timeframe</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creative Session—Pyramid Only</td>
<td>@ Pyramid</td>
<td>Brainstorm name options</td>
</tr>
<tr>
<td>Creative Session—PDA and Foundation Boards (45 minutes)</td>
<td>Joint Board Strategic Planning Meeting</td>
<td>Brainstorm name options</td>
</tr>
<tr>
<td>Name Options Review (2 hours)</td>
<td>In-person @ CHH</td>
<td>Evaluate name options against the naming criteria. Pyramid will have done a preliminary sorting.</td>
</tr>
<tr>
<td>Name Testing Survey to Stakeholders</td>
<td>Email</td>
<td>Test broad set of name options (7-10) with CHH community to determine which options resonate and which do not.</td>
</tr>
<tr>
<td>Review Survey Results Narrow Down to Small Set of Name Options (3-5) for Review by PDA Board Executive Committee</td>
<td>In-person @ CHH</td>
<td>Based on name testing survey results and prior evaluation of names, determine a smaller set of 3-5 to present to PDA board executive committee.</td>
</tr>
<tr>
<td>Present Name Options to the PDA Board Executive Committee</td>
<td>In-person</td>
<td>Present smaller set of names with rationales for each. Encourage executive committee to come to full board with one name recommendation.</td>
</tr>
<tr>
<td>Present Final Name Options to the Full PDA and Foundation Boards</td>
<td>In-person</td>
<td>Poll on top 2-4 final name options and approve final name.</td>
</tr>
</tbody>
</table>

**NOTES:**
Concurrently, the Rebrand Core Team will engage with the CHHF Executive Committee, Executive Team, Leadership Team, Property Management Group, and Racial Equity Task Force to keep them informed and incorporate their input in the naming process.

Visual branding, including a logo and the look and feel, will be developed following the final name selection through January 2020.
SECTION 8: Resolution 2019-10: Jazz House Predevelopment Loan
Overview: Jazz House Predevelopment Loan

**Purpose:** CHH to apply for Office of Housing funding in September 2019. CHH to lend up to $1,300,000 from Rainer Valley Community Development Fund (RVCDF) for all predevelopment and preconstruction expenses for the JazzHouse 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?: Property Development Committee

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

**General description and purpose:** CHH will be applying to Office of Housing for affordable housing funding which will be the most significant public funding source in the capital stack. CHH will also be borrowing up to $1.3M in predevelopment loan funding from RCVDF to pay for predevelopment and preconstruction expenses.

**Organizational requirements of resolution:** None

**Financial cost of the resolution:** The RVCDF loan has a $6,250 commitment fee.

**Pros:** Applying for Office of Housing funding is a significant portion of our capital stack and would get the project closer to a construction start. Borrowing predevelopment funds from RVCDF will provide us the funding to move forward with predevelopment activities and expenses.

**Cons:** Same as previous Jazz House resolution, which is the risks associated with acquiring and holding raw land.

**Further Board Action or Reporting:**
- Is further action required from the Board or a Board Committee? ☒ Yes ☐ No
  
  If yes, please describe: Property development committee will receive reports on the progress of this development and provide input as needed.

- Is further reporting required to the Board or a Board Committee? ☐ Yes ☒ No
  
  If yes, please describe: Please include here whether full Board or Committee requires reporting, and anticipated dates for reporting.
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RESOLUTION ADOPTED AT A MEETING OF
THE BOARD OF DIRECTORS
OF
CAPITOL HILL HOUSING IMPROVEMENT PROGRAM,
A WASHINGTON PUBLIC CORPORATION
(JazzEd)
RESOLUTION 2019-10

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

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

WHEREAS subject to certain limitations, the Program shall have and exercise all powers necessary or convenient to effect the purposes for which the Program is organized and to perform authorized Program functions, including, without limitation, the power to contract and enter into partnership with individuals, associations and corporations; and

WHEREAS, the CHH may carry out any project or activity located outside of the Capitol Hill community upon a determination by the Board that such project or activity will further the purpose of CHH;

WHEREAS, CHH is participating with Seattle JazzEd (JazzEd") in the development of the real property located at 2101 22nd Avenue South, Seattle, WA (the “Site”) as a mixed-use building to be comprised of two condominium units: (i) one housing unit comprising approximately 80-85% of the building which will contain approximately 90 residential apartments affordable to low income families (the “Housing Unit”) and (ii) one commercial unit comprising approximately 15-20% of the building which will contain educational and performance facilities for musical instruction and performance, including classroom and meeting facilities, an performance auditorium, artists in residence apartments, retail space and parking (the “Commercial Unit” with the Housing Unit (the “Project”);

WHEREAS, CHH serves as a developer of the Project pursuant to the terms of a Joint Development Agreement (the “Joint Development Agreement”) to be entered into by CHH and JazzEd;

WHEREAS, CHH previously adopted resolutions numbered 2017-18 and 2017-27 (the “Previous Resolutions”) in connection with the Project which authorized CHH to (i) negotiate a partnership agreement with JazzEd; (ii) to conduct feasibility studies for development of the Site; (iii) to accept the assignment of a Purchase and Sale Agreement to acquire the Site for $2,400,000 (the “Purchase Price”); (iv) to apply for and obtain applicable financing to loan or otherwise advance the Partnership in the amount of up to $500,000 for predevelopment expenses for developer of the Project; and (v) to apply for financing from the REDI Fund in the approximate amount of up to $2,640,000 (“Acquisition Financing”);

WHEREAS, CH Development Association, a Washington nonprofit corporation (“CHDA”) was organized to support and carry out the purposes of CHH;
WHEREAS, CHDA participated in the create Imperial Jazz LLLP a Washington limited liability limited partnership (the “Partnership”) to initially own the Project and following construction completion own and operate the Housing Unit;

WHEREAS, CHDA desired to create Imperial Jazz GP LLC, a Washington limited liability company (the “Company”) to serve as a co-general partner of the Partnership with Jazz House LLC, a Washington limited liability company or an affiliate as the other co-general partner and JazzEd or an affiliate as the initial limited partner;

WHEREAS, CHDA serves as the sole member of the Company;

WHEREAS, CHH serves as the manager of the Company

WHEREAS, the Board of CHH deemed it to be in the best interest of CHH to take all actions reasonably necessary to (i) serve as the manager of the Company; (ii) negotiate the terms of and enter into the Joint Development Agreement with JazzEd; (iii) conduct feasibility studies for the development of the Site; (iv) apply for and obtain applicable financing to loan or otherwise advance the Partnership in the amount of up to $500,000 for predevelopment expenses for development of the Project (the “Predevelopment Financing”); and (v) assist in the application financing from the REDI Fund in the approximate amount of up to $2,640,000 (“Acquisition Financing”); provide necessary guaranties for the Acquisition Financing; and (vi) in its capacity as the manager of the Company, execute and deliver all such documents as may be required for the Partnership to close on the acquisition of the Site and the Acquisition Financing.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Capitol Hill Housing Improvement Program that the Board authorizes its own capacity and/or as the manager of the Company, on behalf of the Partnership, to apply for loans and/or grants for acquisition, predevelopment and development of the Project from both public and private sources, including specifically but without limitation the following:

a. The City of Seattle
b. State of Washington Department of Commerce
c. Federal Home Loan Bank
d. King County
e. Private loans and grants as required for the development of the Project
f. Low Income Housing Tax Credits allocated through the Washington State Housing Finance Commission
g. Tax Exempt Bond Private Activity Volume Cap
h. Rainer Valley Community Development Fund

BE IT FURTHER RESOLVED that the Board of the Capitol Hill Housing Improvement Program that the Board authorizes and directs the CEO to expend up to $1,300,000 from predevelopment sources, including Rainer Valley Community Development Fund, to be used for pre-development activities. This modifies the expenditure limit of $500,000 as authorized in previous resolutions 2017-18 and 2017-27.

BE IT FURTHER RESOLVED, that Christopher Persons, Chief Executive Officer, Jill Fleming, Deputy Director, and Jeremy Wilkening, Vice President of Real Estate Development are hereby authorized and directed to execute and submit all draw requests to obtain funds under the Loan (for predevelopment costs up to the amount previously or hereafter authorized by the Board of Directors to be incurred), and all similar notices and correspondence necessary or appropriate to be submitted to the lender under the Loan.
CERTIFICATE

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

1. That the attached Resolution No. 2019-10 (the “Resolution”) is a true and correct copy of the resolution of the CHHIP Council, as adopted at a meeting of the CHHIP Council held on August 12, 2019, and duly recorded in the minute books of CHHIP.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of August, 2019.

__________________________________
Secretary
SECTION 9: Consent Agenda and Attachments
MINUTES AND REPORTS
1. July 2019 Draft Board Meeting Minutes (attached for adoption)
2. Committee Reports and Minutes (attached for acceptance)

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Bldg/Entity</th>
<th>Contract with:</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 4, 2019</td>
<td>JOEBLACK</td>
<td>Green Built NW</td>
<td>$22,173.00</td>
<td>Decommission fire places and install additional roof vents in 2 bldgs.</td>
</tr>
<tr>
<td>July 15, 2019</td>
<td>FLEMIN</td>
<td>Reidel Roofing, Inc</td>
<td>$55,200.00</td>
<td>In support of the parapet wall bracing project, make roofing repairs to 160 wall and roof penetrations.</td>
</tr>
<tr>
<td>July 15, 2019</td>
<td>FLEMIN</td>
<td>Accord Contractors, LLC</td>
<td>$108,993.00</td>
<td>Provide and install bracing for the parapet wall and reconstruct the 2 chimney's.</td>
</tr>
<tr>
<td>July 24, 2019</td>
<td>PARKHILL</td>
<td>Alpine Waterproofing and Masonry</td>
<td>$82,135.00</td>
<td>Provide and install bracing to allow for the safe removal of the bricks.</td>
</tr>
<tr>
<td>May 22, 2019</td>
<td>HELENV</td>
<td>Environmental Works</td>
<td>$11,975.00</td>
<td>Window replacement design.</td>
</tr>
</tbody>
</table>
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The meeting was called to order by Robert Schwartz at 5:31 pm.

**CHH Staff Spotlight:** Sarah Shoemake introduced herself and her role on staff. As the Executive Assistant & Senior Board Liaison, she works with Chris, the Board and the Administration Team. Sarah shared that she came to CHH after earning her MSW from the University of Washington.

A motion to approve the **Consent Agenda** was made by Shalimar Gonzales, seconded by b.g. Nabors-Glass, and passed unanimously.

**Disclosures and recusals:** Rachael Steward disclosed that she works at Seattle Housing Authority.

**Public comment:** Randall Lindsay, CHH resident, shared several concerns about his building.

**Presentation and Discussion**

**Health of CHH:** Chris shared a presentation to the Board (which he recently presented to the Executive Committee) on the overall health of CHH, including updates on the overhaul of the property management department, the development pipeline and financial stability. He also reviewed the status of staffing and internal culture. The Board discussed ways in which they can know that the organization is healthy.
Finance and Asset Management

Finance and Asset Management Report: Greg presented the regular July FAM Report and dashboard for May 2019, noting that vacancy is now trending in a good direction and that the Bonanza resyndication project should close in mid-July.

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

Cash Flow Overview: Greg also reviewed the organization’s cash flow structure, sharing a chart depicting the complex relationships between all CHH entities. There will be a deeper dive on this topic at an upcoming Board meeting.

Executive Committee and Governance

Branding Update: Michael updated the Board on the timeline for the rebranding process and name change, noting that a consultant will be officially selected later this week.

Introduce discussion around Board Committee Structure: Chris noted that a new Board Committee structure will be presented to the Board for discussion at a future meeting.

Board Development

Resolution 2019-08: Board Officer Structure: Chris reminded the Board of the plan to add a second Vice Chair position to the Board Executive Committee, which will allow Shalimar Gonzales to continue serving as Vice Chair and for Drew Porter to return to his Vice Chair position following his leave-of-absence.

A motion to approve Resolution 2019-08: Board Officer Structure was made by Cathy Hillenbrand, seconded by Chasten Fulbright, and passed unanimously.

Vote on Drew Porter: Drew joined the Board in 2012 and has served as Treasure and then Vice Chair. He worked abroad for a year, while on a leave-of-absence from the Board. He has now returned and plans to attend the August Board meeting.

A motion to approve Drew Porter’s reinstatement to full Board membership was made by Cathy Hillenbrand, seconded by Rachel Ben-Shmuel, and passed unanimously.

Real Estate Development

Introduction of Real Estate Development (RED) Risk Analysis Policy Template: Jeremy and Chris introduced a template for RED risk analysis from a colleague organization. This is the beginning of a conversation to determine the risk threshold of the organization to move forward with future deals. A risk assessment format will be presented to the Board in the fall for review.

Pipeline Update: Jeremy updated the Board on two projects in the Development Pipeline; Bonanza and YouthCare.
Resolution: Heritage Bank Liberty Bank Building (LBB) Commercial Operating Account: Greg presented this resolution from Heritage Bank which authorizes staff to open a new bank account for LBB Commercial.

A motion to approve Resolution: Heritage Bank Liberty Bank Building (LBB) Commercial Operating Account was made by George Staggers, seconded by Bob Fikso, and passed unanimously.

The meeting was adjourned by Robert Schwartz at 7:19 pm.

Attested,

________________________________________
Derrick Belgarde, Secretary
August 12, 2019
August 2019 PROPERTY MANAGEMENT COMMITTEE
BOARD REPORT AND MINUTES

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

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

Date, time and location of meeting: August 6, 2019 -3:00 –4:00 PM Belmont Conference Room
Date, time and location of next meeting: September 3, 2019 -3:00 -4:00 PM Belmont Conference

Broadway Crossing Paint Project
- Scope – Repaint front canopy, resident deck structures, and trim.
  Status – Design completed. Need condo approval for canopy work. Waiting for approval from Asset Management.

Fredonia Water Heater Replacement Project
- Scope – Replace existing gas water heater and associated piping and reinsulate tank and piping.
  Status – Developing scope of work and send for bids Aug. Tested for asbestos. No asbestos found.

Larned Sprinkler Head Replacement Project
- Scope – Replace recalled sprinkler heads throughout bldg.
  Status – Waiting for test results from Froula to determine if replacement needed.

Fleming Parapet Wall/Chimney Bracing Project
- Scope – Design and install bracing systems for URM bldg. construction.
  Status – Contract awarded to Accord Const. and Reidel Roofing. Start work in Aug.

12th Ave Arts Bldg Commercial Door Project
- Scope – Repair/replace exterior folding doors in commercial spaces.
  Status – Install to start 8/5.

Union James Remodel Unit 105/207 (James) Project
- Scope – Address mold and rodent issues.
  Status – In progress. Target end of August.

Joe Black Remodel Unit 16/18 Project
- Scope – Address mold issues.
  Status – Site manager to complete.

Fleming Cable TV Wiring Relocation Project
- Scope – Relocated cable TV wiring from exterior of building/repair wire molding.
- Status – On hold.
Oleta Cable TV Wiring Relocation Project
- Scope – Relocated cable TV wiring from exterior of building/repair wire molding.
- Status – On hold.

Lincoln Ct. Cable TV Wiring Relocation Project
- Scope – Relocated cable TV wiring from exterior of building/repair wire molding.
- Status – On hold.

Berneva Cable TV Wiring Relocation/Masonry Repair Project
- Scope – Relocated cable TV wiring from exterior of building/repair wire molding.
- Status – Not funded.

Berneva Dormer Roof Repair Project
- Scope – Repair dormer roofs (4).
- Status – Not approved for 2019. Minor repairs completed to address rodent intrusion.

Park Hill Masonry Repair Project
- Scope – Reinstall bricks on south elevation.
- Status – Restart Aug 5.

Holden Vista Reroof
- Scope – Reroof and upgrade.
- Status – Delayed for funding.

Devonshire Brick Repair
- Scope – Repair bulging bricks SW corner at roof and recaulk top cap joints.
- Status – Developing scope of work for bidding.

Devonshire Exterior Lighting Repair Project
- Scope – Repair damaged conduit and replace 4 courtyard lights.
- Status – Developing bid documents.

Villa Envelope Water Intrusion Project
- Scope – Identify and repair sources of water intrusion into the Tattoo Shop.
- Status – Identified sources and developing bid documents for repairs.

Villa Commercial Space HVAC Project
- Scope – Repair and service rooftop units and air handlers.
- Status – Waiting for proposal from Johansen Mechanical.
Building Operations:

- June monthly snapshot vacancy was 4.7%
- 12-month rolling vacancy rate was 4.1%

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

**Fleming** - five vacancies in June. Two have pending leases for mid-July/early August. Four vacancies require extensive turn repairs.

**Joe Black** - four vacancies in June; two 3-bdr and two 2-bdr units with higher rents. Two of these units have been leased by mid-July.

**John Carney** - five vacancies in June (one unit is hard turn). Two have pending leases for mid July. Three have leased in mid-July.

**Oleta** - eight vacancies in June. Most vacant units were treated for rodent mitigation and other intensive repairs. All but one were leased by late June/early July.

**Park Hill** - three vacancies in June.

**Ponderosa** - four vacancies in June (one was hard turn due to water damage, another required bed bug treatment).

**Union James** - three vacancies in June (all 2-bdr units). Site Manager departed CHH in mid-June.
**Weekly Vacancy Rate**

**2019 Vacancy Rate**

The weekly vacancy rate graph shows the vacancy rates for each week from 12-19 to 7-26 in 2019. The rates range from 3.62% to 5.60%.

**Portfolio Site Manager Coverage**

As of today, August 6, 2019, all buildings have an assigned Site Manager with the exception of **Fleming** and **Larned**. We are currently looking to fill those two buildings.

**Recent REAC Scores**

**General Scoring Key**

- **a** - No health and safety deficiencies noted.
- **b** - Non-life-threatening health and safety deficiencies noted.
- **c** - At least one life-threatening health and safety deficiency noted.
- ***** - At least one inoperable smoke detector noted.

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<td>71</td>
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<tr>
<td>Elizabeth James</td>
<td>90</td>
<td>66</td>
<td>76</td>
<td>84</td>
<td>84</td>
<td>72b*</td>
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<td>Mary Ruth Manor</td>
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<tr>
<td>Union James</td>
<td>59</td>
<td>93</td>
<td>93</td>
<td>93</td>
<td>31</td>
<td>95b</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Resident Services Program Data

Highlights

2019 Resident Survey
The Resident Services team has prepared and distributed the 2019 bi-annual portfolio wide Resident Survey. This year, we are taking the opportunity to incorporate additional questions to learn more about the unmet needs of the CHH resident population. With the help of Dr. Aakanksha Sinhaa of Seattle University, the Resident Survey is the first phase of a 3-part project to engage residents in improving Resident Services. The next phase will be a focus group and 1:1 interviews. Our goal is to learn how to bridge the gaps between types of unmet needs and resources as well as how to leverage the strengths and community connections that exists in CHH resident communities.

Back to School Week – August 2019
We’re gearing up for another Back to School Week! The backpacks have been ordered and Blitz has been confirmed for all events. We will reach out to CHH staff for volunteer opportunities. It’s a really great week of hanging out with CHH families, eating ice cream, and passing out school supplies

- No health and safety deficiencies noted.
- non-life-threatening health and safety deficiencies noted
- At least one life threatening health and safety deficiency noted
  * At least one inoperable smoke detector noted

Service Touches & Community Programs

129 Total Service Touches

44 Residents Accessed Community Programs
  o 9 Tickets (Aquarium, Zoo, SAM) were provided to Residents
  o 35 Residents attended a building event (Bingo, Community Meal, or educational presentation)

85 Resident Interactions with Resident Services Coordinators
  • 18 Non-Referral Services: 1:1 check-in to follow up on service referrals, build relationships, as well as conversations between RSC and residents about PM complaints, MSP complaints, or conflict.
    o 12 Check-Ins
    o 3 Property Management Complaints
    o 3 Resident Conflict
  • 13 Resident Services Resource Line contacts: The Resident Services Resource Line is a phone line residents can contact to self-refer to Resident Services.
  • 24 Rental Assistance Referrals (outside of CHH Rental Assistance Program)
  • 30 Other Referral Types: Resources include New Resident Welcome Packets (5), Other (5), Food Assistance (5), Utility Assistance (4), Transportation Services (3), Health Services (3), Counseling Services (2), Lease Violation (1), Domestic Violence (1), Caregiver Services (1).
CHH Rental Assistance Program

- 12 Residents applied for Rental Assistance
- 7 Residents attended Financial Fitness Workshop

5 residents received Rental Assistance

Rental Assistance Program
August Board Report 2019

2019 Capital Projects in Process/Pending:

- **Holden Vista – Reroof:** Design in progress. Working through issues with T-Mobil antenna installation. On hold for funding.
- **Helen V – Window Replacement:** Environmental Works selected for design. Design in progress. New window design required.
- **Villa – Water Intrusion Repairs:** Investigation by envelope specialist completed. Developing bid documents to address.
- **Broadway Crossing – Paint Project:** Working through issues with lender. On hold. Waiting for approval by Asset Management.
- **Berneva – Masonry Repair:** Waiting for funding approval.
- **Holden Vista Water Line Replacement** – Waiting for funding.
- **Fredonia - Siding Replacement:** Contract with architect. Design in progress. Bid in August.
- **Fleming Window Sill Repair/Repaint** – Waiting for funding approval.
- **Holden Vista – Water System Replacement:** Waiting for funding approval.
- **Oleta -Masonry Repair:** Waiting for funding approval.

MSP Capital/Maintenance Project Report

**June 2019**

**Broadway Crossing Paint Project**
- Scope – Repaint front canopy, resident deck structures, and trim.
- Status – Design completed. Need condo approval for canopy work.
- **Waiting for approval from Asset Management.**

**Fredonia Water Heater Replacement Project**
- Scope – Replace existing gas water heater and associated piping and reinsulate tank and piping.
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• Scope – Relocated cable TV wiring from exterior of building/repair wire molding.
  Status – On hold.

Oleta Cable TV Wiring Relocation Project
• Scope – Relocated cable TV wiring from exterior of building/repair wire molding.
  Status – On hold.

Lincoln Ct. Cable TV Wiring Relocation Project
• Scope – Relocated cable TV wiring from exterior of building/repair wire molding.
  Status – On hold.

Berneva Cable TV Wiring Relocation/Masonry Repair Project
• Scope – Relocated cable TV wiring from exterior of building/repair wire molding.
  Status – Not funded.

Berneva Dormer Roof Repair Project
• Scope – Repair dormer roofs (4).
  Status – Not approved for 2019. Minor repairs completed to address rodent intrusion.

Park Hill Masonry Repair Project
• Scope – Reinstall bricks on south elevation.
  Status – Restart Aug 5.

Holden Vista Reroof
• Scope – Reroof and upgrade.
  Status – Delayed for funding.

Devonshire Brick Repair
• Scope – Repair bulging bricks SW corner at roof and recaulk top cap joints.
  Status – Developing scope of work for bidding.

Devonshire Exterior Lighting Repair Project
• Scope – Repair damaged conduit and replace 4 courtyard lights.
  Status – Developing bid documents.

Villa Envelope Water Intrusion Project
• Scope – Identify and repair sources of water intrusion into the Tattoo Shop.
  Status – Identified sources and developing bid documents for repairs.

Villa Commercial Space HVAC Project
• Scope – Repair and service rooftop units and air handlers.
  Status – Waiting for proposal from Johansen Mechanical.
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<td>563</td>
<td>15%</td>
<td>563</td>
<td>15%</td>
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</table>

1. After debt and reserve payments
2. Portfolio Manager averages are averages across all units within a building, not averages across buildings
3. Portfolio Manager averages are averages across all units within a building, not averages across buildings

After adjustments made in June:'

- Oleta - eight vacancies in June. Most vacant units were treated for rodent mitigation and other intensive repairs. All but one were leased by late June/early July
- Union James - three vacancies in June (all 2-bdr units). Site Manager departed CHH in mid-June.
August 2019 FUNDRAISING AND COMMUNICATIONS MEMORANDUM

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

Grants and Donations

With receipt of $230,000 from JP Morgan Chase Bank, the Foundation will plan to reserve $130,000 for institutional giving reserves, adding a stretch goal for the annual fund to $1,079,288 in 2019.

In the last four weeks:

- $40,000 anonymous donation via a donor advised fund at the Seattle Foundation
- Additional $1,000 from the Windermere Foundation towards Giving Tuesday match
- $11,586 from Enterprise grant disbursement

In the last 30 days, CHH Foundation staff has submitted the following proposals:

- Lamb Foundation LOI: no specific amount requested
- Byron and Alice Lockwood Foundation LOI: $40,000
- Enterprise Community Partners LOI: $100,000
- Foster Foundation: $5,000
- Glaser Foundation LOI: $25,000

Upcoming

Upcoming proposal deadlines include:

- Local Initiatives Support Corporation (LISC): anticipating RFP release in August
- Harvest Foundation LOI: September 14

We are seeking connections to the following local and family foundations and asking the board of CHH and CHHF for their assistance. If any board members have knowledge of, or connections to, the following foundations, please follow up with Erin Fried at efried@capitolhillhousing.org

- Ellison Foundation (http://ellison-foundation.org/)
- Greer-Solien Fund (Board list on Guidestar.org)
- Raynier Institute & Foundation (http://www.raynier.org/)

Rise Together Capital Campaign

The Rise Together partners received the incredible news during July that the Bill & Melinda Gates Foundation (BMGF) approved a $3,500,000 grant to the Rise Together campaign. This is a testament to the success of the campaign’s collaborative approach and represents the largest private grant any of the partner organizations have ever received.

The partners have determined that the best strategy for us to leverage this substantial investment is to hold off on a broad public announcement. Instead, we are sharing the news with targeted prospective funders to generate excitement and momentum toward our $15 million goal for $2019 ($6 million more to go – see below). When we approach $15 million, that would present an excellent opportunity to make a public announcement with the funders who helped us get there, including BMGF.
At the end of July, half of the grant ($1,750,000) was disbursed to Rise Together for expenditure during the first grant period (July 2019 – June 2020). The second half of disbursement is anticipated in June 2020.

BMGF grant funds have enabled the campaign to meet our fundraising goal for the Liberty Bank Building, and will also support campaign administration and future development activities at Africatown Plaza, the Byrd Barr Place Fire Station 23 renovation, the Senior LGBTQ+ Housing project, the Boylston-Howell rehab, and the White Center Community HUB.

Other recent Rise Together grant and donation activity includes:

- A site visit was conducted on July 22 by the Social Justice Fund NW’s Displaced Tenants Fund to consider a capacity-building request for GenPride and other partners on the Senior LGBTQ-Affirming Housing project, which includes $50,000 for CHH that would count toward Rise Together’s capacity-building goal of $200,000. The meeting was well attended by project partners and community members. Applicants will be notified of funding decisions mid-August.

Proposals still pending include two $1,000,000 capital requests plus two $75,000 capacity-building requests to the City of Seattle’s Equitable Development Initiative for Africatown Plaza and Byrd Barr Place’s Fire Station 23 renovation; a $10,000 proposal to the Kresge Foundation for capacity-building on the Senior LGBTQ housing project; and a $75,000 proposal to Heritage Bank for the whole Rise Together campaign.

The Rise Together campaign’s current total raised is $8,999,053 against a $25,000,000 goal. We have set a goal of $15,000,000 secured by the end of 2019, and are pursuing a number of high-level prospects to get us there by the end of the year.

**Events**

**Omnivorous** is confirmed for Thursday October 10 at Washington Hall in the Central District. We welcome participation from CHH Board members in this ad hoc committee, and ask anyone interested to be in touch with Laura Orella at lorella@capitolhillhousing.org.

Sponsorship opportunities for Omnivorous are now available at most levels. To be included in event PR materials we are asking sponsor organizations to make their commitments by **August 19**. Board members with an interest in sponsoring the event, or those who have connections with organizations that may be interested, should be in touch with Laura Orella at lorella@capitolhillhousing.org.

To date $64,000 in sponsorship has been secured vs. a goal of $80,000. The Event and Sponsorship committee has raised the sponsorship goal to $80,000 and the combined sponsorship and ticket goal to $100,000 to ensure that we meet our overall 2019 fundraising goal for CHH events. The first official mention of Omnivorous was included in the July Building Blocks e-newsletter.

Tickets are now available at bit.ly/Omniv19 and we encourage all Board members and their networks to purchase tickets at your first opportunity.

We are also looking for ‘Gatherers’ to help us reach new folks and build momentum for the event by committing to bringing yourself and 7 other folks to Omnivorous, please reach out to Laura Orella at lorella@capitolhillhousing.org to take part or ask any questions. Current Gatherers include: Chasten Fulbright, Cassandra Mitchell, Bob Fikso, Deirdre Doyle, Josephine Wong, Justin Provido, Kiley Dhatt, Michael Seiwerath, Erin Fried, Yiling Wong, and Sarah Shoemake.
Tours of Liberty Bank Building continue through August. Everyone is welcome to attend. Sign up at: http://libertybankbuilding.org/the-building/visit/

Communications

The Communications Team conducted outreach and fielded media inquiries behind the scenes and saw relatively few CHH media mentions in tandem with substantive policy movement, such as the Seattle Housing Now announcement from Mayor Durkan which was supported on-location at 12th Ave Arts by staff. The team also supported outreach efforts supporting the Liberty Bank Building for the Affordable Housing Finance Magazine Reader’s Choice Award. For one perspective from an LBB resident and local civil rights celebrity, see this inspiring story with Miriam Pratt on CHH’s Open House Blog.

Internal communications: July saw the first month of the new communications cadence per previous month’s mention. Two internal newsletters, two formal CEO Updates, and the external newsletter (Building Blocks), were delivered to staff inboxes --plus some ad hoc staffing updates as new hires of high-visibility leadership positions were established.

Rebrand Update: phase III for new name, look, feel and website are in rapid planning. We have locked in a consultant (Pyramid Communications) and are kicking off with the Rebrand Crosscut Committee and a detailed plan. See the timeline attachment in this board packet for detail on activities planned.

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<thead>
<tr>
<th>Date</th>
<th>Article Title</th>
<th>Outlet</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/3/19</td>
<td>Why you might want to give a dollar or two to a fundraising campaign to help a Central District barbershop move</td>
<td>CHS Blog</td>
</tr>
<tr>
<td>7/9/19</td>
<td>Nonprofit developer moving plan for LGBTQ-focused affordable senior housing project to Broadway — UPDATE</td>
<td>CHS Blog</td>
</tr>
<tr>
<td>7/9/19</td>
<td>Capitol Hill Housing Announces New Plans For Senior LGBTQ Housing on Broadway</td>
<td>Seattle Gay Scene</td>
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<tr>
<td>7/24/19</td>
<td>Building upon the legacy of the Central District’s Liberty Bank</td>
<td>Seattle Globalist</td>
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<tr>
<td>7/24/19</td>
<td>Durkan proposes $50M for homeless housing, renewed tax breaks for developers</td>
<td>Crosscut</td>
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<tr>
<td>7/26/19</td>
<td>Mayor Durkan Introduces New Affordable Housing Initiative</td>
<td>The Urbanist</td>
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<tr>
<td>7/25/19</td>
<td>Mayor comes to Capitol Hill to launch $50M affordable ‘Housing Seattle Now’ plan</td>
<td>CHS Blog</td>
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<td>7/29/19</td>
<td>The Capitol Hill chamber — and with it an ambitious push for a neighborhood-wide business improvement area — is dead. What went wrong?</td>
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### Unrestricted Budget

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<th>2019 Actual</th>
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<td>Individual</td>
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<td>Events &amp; Sponsorships</td>
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<td><strong>TOTAL</strong></td>
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### Restricted Budget

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### Combined Budgets

( Restricted & Unrestricted)

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<tr>
<td>Individual</td>
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<tr>
<td>Events &amp; Sponsorships</td>
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<td>79.9%</td>
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**Proposed Institutional Giving Reserve:**

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<td>PROPOSED: Institutional Giving Reserve</td>
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**NOTE:** In order to establish a $130,000 Institutional Giving Reserve and meet the 2019 grantmaking commitment to the PDA, $1,079,288 would need to be raised. The proposed Institutional Giving Reserve, and therefore a possible larger 2019 fundraising goal, will be evaluated in late fall 2019.
## Resident Communications Tracking

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<th>Building</th>
<th>Issue</th>
<th>Status</th>
<th>Resolution</th>
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<tbody>
<tr>
<td>Berneva</td>
<td>Tenant has submitted multiple complaints regarding his neighbors, their guests, and the Site Manager. His comments and communication have become harassing in nature.</td>
<td>Open</td>
<td>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.</td>
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<tr>
<td>Larned</td>
<td>Resident sent a complaint about CHH Staff cleaning out storage unit after notification that the unit contents would be removed after August 7, 2018 (unit contents removed on August 14, 2018).</td>
<td>Open</td>
<td>After investigation by SDPM and review by Lawyers it was determined that CHH should settle with this Resident. The Resident has agreed to a settlement and CHH is working with the lawyer 12th AA to draw up an agreement.</td>
</tr>
<tr>
<td>12th AA</td>
<td>Resident sent in a complaint about behavior from the Building Specialist, overheard conversations from Staff and general neglect from CHH personnel.</td>
<td>Open</td>
<td>The SDPM contacted Resident to determine what has happened on 10/8/2018 by email to set an appointment to discuss concerns and start an investigation of the facts. Resident didn’t respond. SDPM made another attempt to contact Resident by e-mail on 12/3/2018 to set a meeting date, waiting for response.</td>
</tr>
</tbody>
</table>

**Tenant communication tracking**

**Update:** Due to the departure of IT Director (*Michael Appleton*), Resident Services Manager (*Ashley Thomas*) and Associate Director of Property Management (*Terra Walsh*) have decided to halt release of new Tenant Communications Tracking System. New IT Director (*Toa’ale Mulitauaopele*) has just been hired. Terra & Ashley will be meeting with Toa’ale to address the new communication tacking sheet.
Jazz House: The PDC reviewed the terms of the commitment letter for the Rainer Valley CDF for predevelopment funding. Jeremy updated the group on the status of the project including, that schematic design is complete and getting pricing, that we intend to submit the project to OH for funding this fall, and that JazzED has received approximately $2 million in its $10 million capital campaign and expects to receive $4 million prior to OH submission. The PDC asked about the $1.25 million and if we intended to expend it quickly. Jeremy said CHH does not intend to spend any more funds, except debt service and ongoing operating costs until we are funded or pursue alternative options for the site. There will be a resolution to the board on the predevelopment line.

Middle Income Initiative: Jeremy updated the group on this work and suggested AP Hurd come to the September meeting to do a deeper dive, which the group agreed. One topic for this next meeting will be if/why pursuing more sites is advantageous versus starting with a single site. Beyond this, the PDC was ok with CHH beginning the work to short plat the Helen V parking lot (aka U14) now for eventual redevelopment.

Office of Housing Round: The PDC was updated on which projects CHH intends to apply for OH funds, the Eldridge (LGBTQ+ Senior), ACLT Plaza, and Jazz House. The top priority for the organization will be the Eldridge, which will be approximately 100 to 120 units depending on if we go up seven or eight stories.

Pipeline: Per RCW 42.30.110(b), the CHH PDC entered into an executive session to consider the acquisition of real estate when public knowledge of such consideration would cause a likelihood of increased price.
AUGUST 2019 COMMUNITY DEVELOPMENT COMMITTEE BOARD REPORT

Committee members: Derrick Belgarde, Rachel Ben-Shmuel, Sara Cubillos, Eric Snow, Rachael Steward
Staff Liaisons to the Board: Alex Brennan

Date, time and location of next meeting: TBD

The Community Development Committee last met on March 21st. During the following months, staff have continued to advance projects and finalized our 2019 work plan. Other recent highlights outlined below.

Capitol Hill EcoDistrict Steering Committee: The Steering Committee discussed public realm work at its July meeting providing feedback on public space assessments conducted by our UW partners and lessons to bring back from the Copenhagen study tour.

Messaging and Branding for the EcoDistrict: The Bullitt Foundation has awarded a $30,000 grant to Resource Media to support messaging and branding updates for the Capitol Hill EcoDistrict. Resource Media is a “nonprofit communications firm with a mission to drive social change.”

Lowell School-based Health Center: Our Master’s in Public Health student from the University of Washington, Arianne Sandel, officially started her Master’s Capstone Project with us on this project. She will be conducting a health needs assessment for the school community. At the August planning committee meeting for the school-based health center, we met with a prospective architecture team who would help identify the spatial constraints, opportunities, and potential layouts of the health center. This work is part of a $32,000 contract to support Lowell Elementary and Country Doctor in planning for the development of a school-based health center at Lowell. The contract runs from May 1, 2019 to February 28, 2020.

Copenhagen Masterclass: We had a successful pre-departure workshop with the Masterclass delegation in July to get everyone ready for the trip. This was also a focus of the July steering committee as noted above. A debrief workshop will be held on September 10 to share lessons learned with the broader community. This trip is connected to our public life study, a delegation of policy makers and local leaders will travel to Copenhagen August 11-16 to study world-renowned public spaces and the origin of the methods for promoting and evaluating public life that we will be using on Capitol Hill. Leaders from Seattle U, Seattle Central, Kaiser Permanente, City of Seattle government, WADOT, and Sound Transit will join Alex and two Capitol Hill Housing board members on the trip.

Public Realm Quality Assessments: The two fellows from the Green Futures Lab working on this project wrapped up their data collection on August 5. They have been conducting evaluations of the major commercial corridors, institution campuses, and parks on Capitol Hill. This fall they will spend in Copenhagen work with the firm Schulze Grassov to analyze these data and develop maps and other visualizations that will lay the groundwork for other public life and public space work.

We are partnering with the Green Futures Lab at the University of Washington to conduct public realm quality assessments following the Gehl Public Life Protocol development in Copenhagen and recently
adopted by the City of Seattle. The Green Futures Lab is a regional leader in this work with over a decade of partnerships with Copenhagen-based architects, landscape architects, and urban designers.

**Commute Survey:** The Employee Housing and Commute Survey was officially launched and sent out to business partners on August 1. Seattle U intern, Delsey Huit, led development of the survey and outreach to businesses and community partners about the survey design. Delsey has now completed her internship. We will be bringing on a temporary employee to follow up on the survey and ensure a large and representative response sample.

The goal of the survey is to better understand the current housing and transportation situations and preferences of Capitol Hill service workers. This data will be used to inform workforce housing projects in the Capitol Hill neighborhood and advocacy for improved transportation on Capitol Hill, especially addressing the transportation challenges of workers with late night shifts.

**Pesticide Free Park and Neighborhood:** CHH and the EcoDistrict are collaborating with multiple public and private partners to improve the health of Cal Anderson Park and secure its designation as a “Pesticide Free Park.” We intend to build from this designation to encourage healthy landscaping practices throughout the EcoDistrict and develop a habitat corridor on 11th Avenue that connects Cal Anderson Park with Volunteer Park.
Minutes

Meeting began at 5:09pm

1) Lead Items
   a) SWOT and Strategic Planning Process: Chris reminded the Committee of the plan to schedule a Joint Boards Strategic Planning Meeting in September with both the PDA and Foundation Boards, in the place of the Joint Boards Retreat. It was determined that the meeting would happen in the morning on Monday, September 16th. Sarah will share an email and calendar invite with both Boards this week. The main topics of the meeting will be the rebrand and the updated strategic plan. These will also be discussed at the August PDA Board meeting.
   b) Branding Decision Making Process: Chris presented the rebrand timeline and decision-making process from the rebrand consultant Pyramid, which covers the process of choosing a new name. This includes work that will be done at the Joint Boards Strategic Planning meeting as well as additional meetings and electronic communications. Chris will ask about the timing of the rest of the rebrand process, including choosing a new logo, colors, etc.

2) External Relations, Community Programs, Board Issues
   a) August Board Meeting: Chris reviewed the draft of the August Board Meeting Agenda.

3) Operations
   a) Third Party Management: Chris gave an update on 3rd Party Management at CHH, noting that management of Bayview Tower has been returned to SHA and management of Cal Anderson is being returned to Plymouth and Lifelong.
   b) Property Disposition (2015 Resolution & Policy): Chris reminded the Committee of the organization’s history and policy for property disposition. This will be a presentation topic at the August Board meeting.
   c) VPPO and Staffing Updates: Chris updated the Committee on the status of multiple leadership staff positions which have recently been filled, including Vice President of Property Operations, Director of Finance and Director of IT.
   d) Racial Equity Task Force (RETF) Debrief: Chris shared with the Committee that a meeting took place with the staff RETF, several higher-level staff and two PDA Board members to facilitate communication between the staff group, the Board and staff leadership. There will be a follow up meeting with all attendees to discuss options further. There will be a deeper debrief of the meeting and steps moving forward at the next Executive Committee meeting, so that meeting attendee and Vice Chair Shalimar can participate.
e) **Real Estate Development**  
   i) **Bonanza Closing:** Chris shared that the Bonanza resyndication project should close this Wednesday. He and other staff plan to meet after to determine an official protocol for closing procedures.

   ii) **Annex (YouthCare) Acquisition (April 2019 Resolution) Amendment:** There might be a change to a previously passed Resolution regarding the specific land to be purchased for this project, which might be included at the August Board meeting.

   iii) **Jazz House Resolution:** There will be a Resolution at the August Board meeting to approve the Rainier Valley Community Land Fund Loan for the Jazz House Project.

*Meeting ended at 6:35pm.*
AUGUST 2019 JOINT BOARD DEVELOPMENT COMMITTEE
BOARD REPORT AND MINUTES

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

Staff Liaisons to the Board: Michael Seiwerath, Sarah Shoemaker

Date, time and location of meeting: July 31, 2019 – 4-5pm – Belmont Conference Room

date, time and location of next meeting: September 25, 2019 – 4-5pm – Belmont Conference Room

Meeting began at 4:00pm.

1. Racial Equity Task Force (RETF) – The Committee previously discussed an idea suggested by Leadership Staff to have the staff RETF report to the Board through the Joint Board Development Committee. Shalimar, b.g., Chris, Greg and Sarah met with the RETF recently to discuss communication between the staff group, leadership and the Board. That group will meet again in the future to share suggestions on this communication structure.

2. Board Engagement
   a. Board Member Orientation – Sarah recently coordinated two Boards Orientations for new members of both the Foundation and PDA Boards. The two events went well and included building tours, presentations on Board structure and meet and greets with Staff. The main piece of feedback was that additional training and information sharing is helpful to newer Board members. The JBDC will work on scheduling trainings for the near future on topics such as Low-Income Housing Tax Credit (LIHTC) and messaging for the rebrand.
   b. Trainings – The Committee suggested additional topics for training, noting they should be open to new and long-term members from both Boards. It was suggested that trainings occur quarterly.
   c. PDA Board – The Committee discussed an upcoming vacancy on the PDA Board.

3. Events
   a. Joint Boards Strategic Planning Meeting – The Annual Joint Boards Retreat is being replaced by this meeting on September 16th. Topics on the agenda are the strategic plan and renaming. The JBDC will likely be asked to electronically review a draft agenda before finalization.
   b. Joint Board BBQ – This event is not happening this summer, but there are other events for the Boards to socialize later this year. Sarah will send an email to both Boards later this week with more information.

Meeting closed at 4:42pm.