



**COMMUNITY ROOTS**  
— HOUSING —



**COMMUNITY ROOTS**  
HOUSING FOUNDATION

# **PDA & Foundation Joint Board Convening**

**January 2025**

**Joint Board Convening - January 2025**

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**COMMUNITY ROOTS**  
— HOUSING —

**SECTION 1:**  
Meeting Keys

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## January 2025

### Community Roots Housing Board Meeting & Joint Board Convening Keys

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The Meeting will start at 5:30 PM. Please try to arrive a little early so we can start on time.

**As always, reading the Keys in advance of the meeting will provide you with a good overview of the topics to be addressed and voted on.**

#### Meeting

**Welcome and Introductions, Agenda Review and Other:** Board, staff and guests of the Board will make brief introductions as time permits. The Chair will review the agenda.

**Disclosures and Recusals:** Board members will review items on the agenda and make any necessary disclosures and recusals.

**Consent Agenda:** Frank will present the consent agenda. Any Board member may remove an item from the consent agenda for full Board consideration. The Board will be asked to adopt the consent agenda.

**Check Presentation:** Annually the Foundation presents a big check to the PDA representing the money they have raised and contributed to our work and mission.

**Peer to Peer Giving & CEO Fundraising:** We will review results of the End of Year Campaign and the boards' peer-to-peer online fundraising. The campaign and board engagement has not been as successful as we'd hoped, so we'll strategize on how to make the most of the last week do the campaign, and will solicit feedback from the board on how to improve for next year. We'll also introduce a new fundraising idea leveraging Chris's retirement to generate support for Community Roots as we move into our next era of leadership.

**Public Comment:** We will provide up to 10 minutes for public comment as needed, or members of the public can place comments in the chat.

#### Presentations and Discussion

**Board Development Update:** The Executive Committee has been leading the search for candidates to fill our current vacancies. Chris will review the status of those searches and review the Board capacity matrix which identifies Board member skillsets in order to assist us in maintaining a well-rounded board. We will also review a second emerging leader candidate who is recommended by Bob Fikso and Drew Porter. (Recall that in the past we have had two emerging leaders serving simultaneously.)

**The Housing Development Consortium Legislative Agenda:** The Housing Development Consortium (HDC) is a membership organization of affordable housing developers, ally organizations, and related businesses and public entities encompassing Seattle and King County. HDC is the leading advocate and industry organization for the affordable development sector. CRH is a founding member. HDC is developing and preparing to marshal through City Council a set of policy recommendations in support of our residents and communities. These recommendations include establishing a rental assistance program, reforming certain eviction moratoriums, and other modifications to landlord-tenant ordinances and procedures necessary to ensure the safe and effective management of affordable rental housing.

Staff will make an introductory presentation of these proposals to the Board for your consideration and comment. Later in January, staff will take these proposals to the CRH Resident Advisory Council seeking their guidance and assent. Finally, staff will bring the proposal to the February Board meeting to seek approval for CRH to full advocate for the proposals with City Council and publicly. Please note that leadership of CRH has been very active in the development of these recommendations and has made previous presentations to the Board.

**Critical Path Update:** Chris will provide an update on the critical path issues that we have been managing and reporting on for the past year. We will spend the bulk of this time looking in more detail at the lease-ups including impacts to project financing and the steps we are taking to resolve each issue.

### **Real Estate Development**

**Pipeline Overview:** Thea will provide an overview of the current pipeline. We currently have four projects in lease-up and three under construction. We have ownership of two parcels for future development and one under site control. The project that we submitted to OH for funding in 2024 did not receive an award and we are meeting with the Seattle Office of Housing to get a better understanding of this project's prospects for the future. We have also been in conversations with two locales in South King County and have buildings in our portfolio that we would like to redevelop.

**Low Income Housing Tax Credit (LIHTC) Year Fifteen Exits:** At the conclusion of the 15 year tax credit compliance period, the equity investor/limited partner exits the partnership and CRH assumes full ownership of the project usually through CRH affiliate CHDA. Although these events have become largely rote over the 40 years of the LIHTC program, we believe it is important to fully inform the Board. The Holiday is approaching year 15 so Lisa will go through a presentation about the year fifteen process. We expect the actual resolution to reach the Board in February. The resolution's primary purpose is authorizing the LP exit and CHDA entrance into the partnership.

### **Finance and Asset Management**

**Financial Summary:** Leslie and Chasten will present the regular report and dashboard through November 2024. Financials were reviewed by the FAM committee.

**Dispositions:** Lisa will update the Board on the disposition progress. We will enter into executive session as warranted.

### Upcoming Meetings and Events

*Please let Carolina or Sondra know if you'd like additional information on any event or meeting.*

- January 20 MLK Day (Office Closed)
- February 3 Executive Committee
- February 10 PDA Board Meeting
- **HOLD** February 13 YouthCare Project Groundbreaking

#### Future events

- March 26 Joint Boards Retreat
- **HOLD** April 17 Top of the Town
- **HOLD** May 8 Top of the Town

### Board Packet Sections

1. Meeting Keys, p. 5-7
2. Meeting Agenda, p. 11
3. January 2025 Finance Report, November Statements and Asset Management Report, p. 15-29
4. LIHTC Year 15 Exit Review, p. 33-35
5. Consent Agenda and Attachments, p. 39-73
  - a. Contracts and Expenditures, p. 39
  - b. November Board Minutes Draft, p. 40-44
  - c. December Board Minutes Draft, p. 45-49
  - d. Fundraising & Communications Memo, p. 50-53
  - e. December Resident & Property Success Committee Report, p. 54-55
  - f. Resident Services Report, p. 56-58
  - g. Property Development Committee Report and Minutes, p. 59-65
  - h. Executive Committee Minutes, p. 66-68
  - i. Banner Bank LOC, p. 69-71
  - j. Drew Porter Memorandum, p. 72-73

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**COMMUNITY ROOTS**  
— HOUSING —

# **SECTION 2:**

## Agenda

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**COMMUNITY ROOTS HOUSING BOARD  
REGULAR MEETING  
& JOINT CONVENING WITH COMMUNITY ROOTS HOUSING FOUNDATION BOARD**

January 13, 2024  
5:30-7:30 PM

Pike Pine Conference Room and RingCentral  
1620 12<sup>th</sup> Ave Seattle, WA 98122

RingCentral Link

<https://v.ringcentral.com/join/803106105?pw=88d3c310ecf8abde27c942bd0c7e8b65>

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**AGENDA**

- 5:30 Call to Order (Alvarado) – 20 mins total**
- a. Welcome, Introductions, Agenda Review
  - b. Disclosures and Recusals
  - c. Consent Agenda Sec. 5, Page 37
  - d. Check Presentation
  - e. Peer to Peer Giving & CEO Fundraising
- 5:50 Public Comment – 10 mins total**
- 6:00 Presentations & Discussion (Persons, Woodworth, Oommen) – 55 mins total**
- a. PDA Board Development Update – 10 mins
  - b. Housing Development Consortium Legislative Agenda – 30 mins
  - c. Critical Path Updates (Persons, Munchel) – 15 mins
- 6:55 Real Estate Development (Munchel, Cavell, Sullivan) – 20 mins total**
- a. Pipeline Overview
  - b. LIHTC Year 15 Exit Review Sec. 4, Page 31
- 7:15 Finance and Asset Management – 15 mins total**
- a. November Financials (Woodworth, Fulbright) – 5 mins Sec. 3, Page 13
  - b. Dispositions (in executive session per RCW 42.30.110 (c))
- 7:30 Executive Search Update – 10 mins total**
- 7:40 Adjourn (Alvarado)**

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**COMMUNITY ROOTS**  
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**SECTION 3: January  
2025 Finance Report,  
November Statements,  
and Asset Management  
Report**

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**JANUARY 202 FINANCE & ASSET MANAGEMENT BOARD REPORT AND MINUTES**

November 2024 reporting

Finance & Asset Management Committee Members: **Chasten Fulbright, Michelle Purnell-Hepburn, Drew Weber, Kristen Winkel**

Staff Liaisons to the Board: **Leslie Woodworth, Lisa Hagen**, Chris Persons, **Andrew Oommen**, Lariah Thompson, **Lucas Simons, Anthony Tuong**

**Date, time and location of meeting:** January 7, 2025 – 4:00 PM – RingCentral meeting

**Financial Position Summary:**

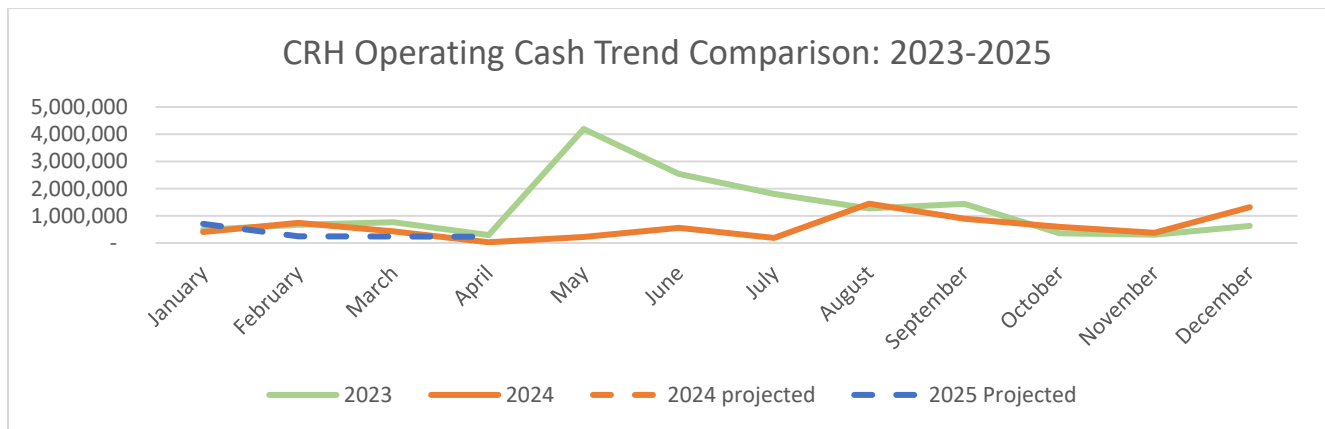
**BALANCE SHEET**

During November, unrestricted operating cash decreased \$29k.

- Significant inflows included a \$350k payment from Station House for deferred developer fee, and \$257k of funds from CRH Foundation.
- Significant outflows included \$764k for two payrolls, and noted just \$20k for Heartwood operations
- Construction activity during the month resulted in a net decrease of \$56k from various projects. The timing differences occur from delays between funding draws and vendor disbursements.
- Lease-up activities for new construction resulted in a net cash decrease of \$89k, prior to reimbursement from construction or operating funds.

The board designated operating fund balance remains at \$1m. The board’s goal is to replenish designated funds to \$3m (\$2m operating fund, \$1m opportunity fund).

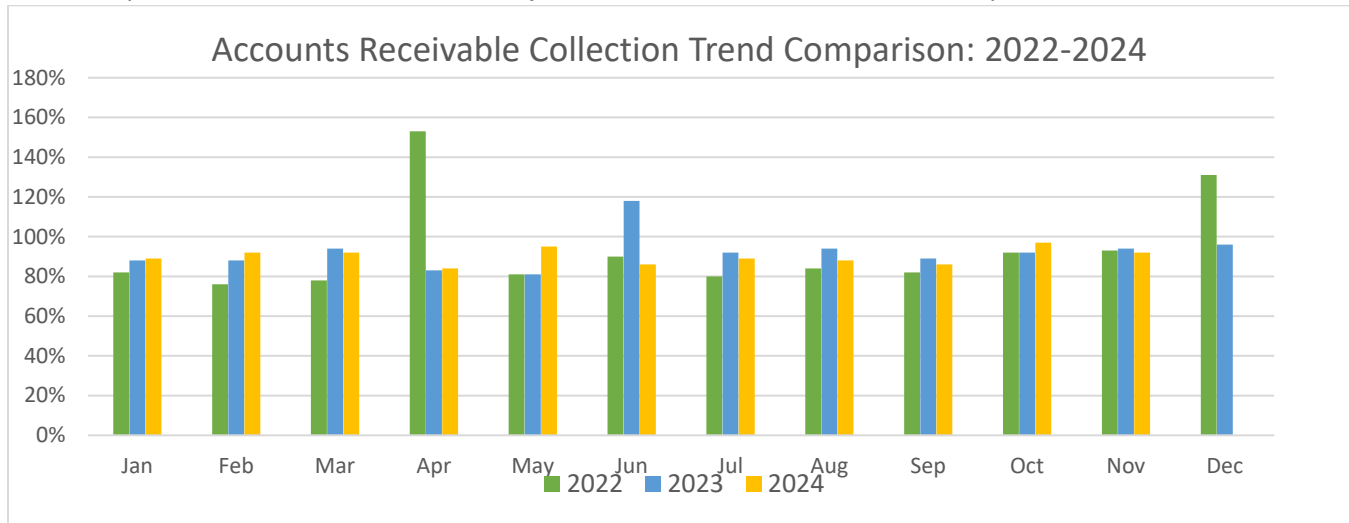
Liquid cash has been replenished from recent disposition proceeds, however careful cash management is still necessary. There are anticipated delays in receipt of cash developer fees due to longer timelines needed to achieve project milestones.



Predevelopment and construction project activity was minimal during November.

Tenant accounts receivable increased \$64k, compared to a \$22k increase in the prior month. The activity was split between commercial \$50k and residential \$14k.

Portfolio-wide residential collections were approximately 95% in November, with total collections at 92%. Total cash receipts of \$1.865k in November were just \$8k lower than October cash receipts.



\*Rental assistance awards impacted comparability for September 2021, April 2022, December 2022, and June 2023

\*New property management software implementation impacted accuracy of monthly figures in April through September 2023

## OPERATING STATEMENT

The year-to-date operating statement through November 2024, shows an adjusted operating surplus of \$687k, as compared to a budgeted surplus of \$750k, resulting in a negative variance of \$62k.

Transactional inflows provided the most significant variance between budget and actual, a difference of \$2.0m. The variance is due to \$600k of sales proceeds held back at the time of sale for the Park Hill, which we hope to recover before the end of 2025, with the next installment of \$130k expected in January. Additionally, the budget included expectation of \$1.3m of disposition proceeds from the projected sale of Holden Vista in Q4 to be used towards operations. The initial buyer fell through, and a new buyer is working through funding and HUD approvals, which would push the final sale to close in mid-2025.

Developer fee revenue was \$246k lower than budget due the following, with current month update including a net change of \$50k:

- Timing difference carried forward from prior year \$151k:
  - Pride Place \$151k cash developer fee received in January 2024, expected in December 2023
- Current year timing differences, delayed (\$1.2m):
  - Africatown (\$85k) construction completion installment expected February 2024, now expected in Q1 2025 due to delays in receiving certificate of completion
  - YouthCare (\$75k) expected March 2024, moved to closing in December 2024; noted actual receipt is higher
  - Pride Place (\$750k) perm conversion installment expected May 2024, and (\$300k) final installment expected November 2024; pushed out to June 2025 and December 2025, respectively. The installments amounts are expected to be lower due to lease-up delays and lower achievable rents.
- Difference in amounts received \$479k
  - White Center HUB (\$200k) expected January 2024, received \$369k in May 2024
  - White Center Residential (\$400k) expected February 2024, received \$450k in May 2024



- Station House (\$90k) cash flow installment expected April 2024, received \$350k in November 2024, with an additional equity installment coming in December 2024
- Received but not budgeted \$334k:
  - Twelfth Avenue Arts cash flow distribution of deferred developer fee \$54k
  - 13<sup>th</sup> & Fir \$280k received for permanent conversion in July 2024, which was not budgeted due to uncertainty

Bad debt expense exceeded budget by \$214k, due to move-outs of tenants with larger balances accumulated without payment. Tenant balances were allowed to grow during the pandemic and afterwards, as public policy limited evictions and court system scheduling has forced further delays.

Cash distributions from affiliates exceeded budget by \$844k, due to a larger than expected distribution from the Bonanza properties, \$224k from Holden Vista surplus cash, and \$166k from Haines.

Overall operating expenses were \$620k below budget. This is due to cost savings from personnel vacancies not yet filled, various intentional cost-saving efforts, offset by greater than expected spending on repairs and maintenance. The variance has increased just \$10k from the prior month to date.

#### **BUDGET PRESENTATION COMMENTS FOR 2024**

Budgeted transactional inflows (net) primarily consist of \$5.5m of expected net proceeds from two property dispositions. This is offset by a revenue contingency, to reflect likelihood of collecting less than 100% of billed revenue, as well as the intention to increase operating cash reserves.

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

#### **The committee reviewed the Property Management dashboard report**

November figures for the portfolio were as follows:

- Monthly physical vacancy 8.7%

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

- Disposition updates
- Year-15 Exit Introduction
- New credit card program introduced, enhanced controls and policy updates coming
- A/R and Cash Flow updates

## Community Roots Housing Blended Balance Sheet

	11.30.2024 Unaudited	10.31.2024 Unaudited	Change from prior month		12.31.2023 Internal Presentation	12.31.2022 Internal Presentation
<b>ASSETS</b>						
<b>Unrestricted Cash</b>						
CRH Operating Cash	666,216	695,537	(29,321)	1	652,327	670,162
Blended Partnerships Operating Cash	1,745,957	1,603,648	142,309		2,425,961	3,251,437
General Building Reserves	216,598	216,598	0		366,598	366,598
<b>Total Unrestricted Cash</b>	<b>2,628,771</b>	<b>2,515,783</b>	112,988		<b>3,444,886</b>	<b>4,288,197</b>
<b>Accounts Receivable</b>						
Tenant & Commercial AR	2,192,376	2,128,417	63,959	2	1,454,825	1,373,910
Grants Receivable	0	0	0		0	884,521
GAAP Rent Receivable	321,358	321,358	0		321,358	304,544
Other Receivable	1,684,635	1,686,820	(2,185)		2,751,772	795,482
Allowance	(981,109)	(981,109)	0		(981,109)	
<b>Total Accounts Receivable</b>	<b>3,217,260</b>	<b>3,155,486</b>	61,774		<b>3,546,846</b>	<b>3,358,457</b>
<b>Board Designated Reserve</b>						
General Board Reserve	1,000,000	1,000,000	0		1,000,000	1,000,000
Opportunity Fund	57,370	57,148	222		27,267	612,510
<b>Total Board Designated Reserve</b>	<b>1,057,370</b>	<b>1,057,148</b>	222		<b>1,027,267</b>	<b>1,612,510</b>
<b>Restricted Cash</b>						
Portfolio Reserves	7,115,489	7,072,011	43,478		7,317,625	8,251,631
Development	835,437	854,542	(19,105)	3	1,595,365	2,509,106
Rental Assistance	136,041	168,020	(31,979)		155,269	44,143
Restricted Misc	640,892	806,577	(165,685)	4	585,661	575,195
<b>Total Restricted Cash</b>	<b>8,727,859</b>	<b>8,901,150</b>	(173,291)		<b>9,653,920</b>	<b>11,380,075</b>
<b>Fixed Assets</b>						
Land	27,998,681	27,998,681	0		24,383,681	24,834,923
Buildings, Improvements & Equipment	143,398,415	143,382,577	15,838	5	148,436,976	147,847,211
Accumulated Depreciation	(73,925,811)	(73,579,821)	(345,990)	6	(71,305,223)	(69,614,902)
Lease Receivable	504,685	504,685	0		529,685	567,455
<b>Total Fixed Assets</b>	<b>97,975,970</b>	<b>98,306,122</b>	(330,152)		<b>102,045,119</b>	<b>103,634,687</b>
<b>Other Assets</b>						
Intangible Assets	28,242	33,573	(5,331)		52,366	(73,393)
Investment in LPs/LLCs	1,399,993	1,399,993	0		1,399,993	1,588,534
Due from Affiliates	29,791,999	29,785,611	6,388	7	26,303,761	16,333,561
Notes Receivable from Affiliates	20,933,013	20,933,013	0		21,503,408	18,089,995
Prepays & Other Current Assets	572,595	676,304	(103,709)		213,349	191,822
<b>Total Other Assets</b>	<b>52,725,842</b>	<b>52,828,494</b>	(102,652)		<b>49,472,877</b>	<b>36,130,519</b>
<b>Total Assets</b>	<b>166,333,072</b>	<b>166,764,183</b>	(431,111)		<b>169,190,915</b>	<b>160,404,445</b>
<b>LIABILITIES</b>						
Notes Payable	101,788,818	101,982,905	(194,087)	8	98,889,271.00	100,583,693.00
Accrued Interest Payable	6,177,868	6,178,245	(377)		6,362,084.00	5,894,987.00
Accounts Payable & Accrued Liabilities	7,828,015	7,710,494	117,521	9	11,386,110.00	7,781,783.00
Tenant Security Deposit Liability	449,057	449,823	(766)		459,392	525,066
<b>Total Liabilities</b>	<b>116,243,758</b>	<b>116,321,467</b>	(77,709)		<b>117,096,857</b>	<b>114,785,529</b>
<b>Net Position</b>	50,089,314	50,442,716	(353,402)		52,094,058	45,618,916
<b>Total Liabilities and Net Assets</b>	<b>166,333,072</b>	<b>166,764,183</b>	(431,111)		<b>169,190,915</b>	<b>160,404,445</b>

## Community Roots Housing Blended Balance Sheet

### *Significant balance sheet changes from prior month*

**1) The following significant cash transactions increased cash during the period:**

- \$350k deferred developer fee from cash flow for Station House
- \$257k CRH Foundation grant funds

**The following significant cash transactions decreased cash during the period:**

- \$764k paid for 2 payrolls
- \$20k towards Heartwood operations

**Construction & Lease-Up activity:**

- \$56k net outflow from development transactions, funding disbursements in excess of draws
- \$89k net outflow towards lease-up costs, prior to project reimbursement

Additional activity consists of inflows and outflows from regular operations, such as rent receipts, regular accounts payable disbursements, office rent, insurance financing, and funding transfers to CRH from affiliates.

- 2)** Tenant & Commercial AR: Incr \$64k - Commercial balances increased \$50k and residential increased \$14k.
- 3)** Cash Restricted for Development: Decr \$19k - Small amounts spread among various projects
- 4)** Cash Restricted Misc: Decr \$166k - Deducted November interest payment from Heartwood interest reserve
- 5)** Buildings, Improvements & Equipment: Incr \$16k - Small amounts spread among various projects, primarily for interest carry
- 6)** Accumulated Depreciation: Incr \$346k - Monthly depreciation expense.
- 7)** Other Assets - Due from Affiliates: Incr \$6k - monthly activity due to an increase (decrease) of development project cost paid/accrued by CRH: minimal project activity; accumulation of regular property fees accrued, plus Heartwood interest carry of \$165k, offset by reduction of deferred developer fee for Station House of \$350k.
- 8)** Notes Payable: Decr \$194k - Reductions from regular payments
- 9)** Accounts Payable & Accrued Liabilities: Incr \$194k - Construction costs in accounts payable increased (decreased) for the following: Northgate Commercial (\$19k), Africatown (\$84k). Also, routine fluctuation in accrued payable balances based on timing of payroll and accounts payable check run, and fluctuations in intercompany "Due to CRH" balances.

Community Roots Housing  
Statement of Revenues and Expenditures - Unaudited  
From 1/1/2024 Through 11/30/2024

	Year to Date Actual	Year to Date Budget	Year to Date Budget Variance	Variance Pct	Total Budget	Budget Remaining	
<b>Revenue</b>							
Residential Tenant Revenue							
Residential tenant revenue	11,413,872	11,148,022	265,850	2.38%	12,177,775	763,903	
Parking, Laundry & Other	180,827	142,509	38,318	26.89%	155,464	(25,363)	
Residential Vacancy & Concessions	(1,307,893)	(519,958)	(787,935)	1	151.54%	(569,270)	738,623
<b>Total Residential Tenant Revenue</b>	<b>10,286,806</b>	<b>10,770,573</b>	<b>(483,767)</b>	<b>(4.49%)</b>	<b>11,763,969</b>	<b>1,477,163</b>	
Commercial Tenant Revenue							
Commercial Rent Revenue	1,383,868	1,462,648	(78,780)	(5.39%)	1,603,281	219,413	
Triple net revenue	326,259	407,627	(81,368)	(19.96%)	464,069	137,810	
Commercial vacancy & concessions	(925)	(42,233)	41,308	(97.81%)	(46,944)	(46,019)	
<b>Total Commercial Tenant Revenue</b>	<b>1,709,202</b>	<b>1,828,042</b>	<b>(118,840)</b>	<b>-6.50%</b>	<b>2,020,406</b>	<b>311,204</b>	
Bad Debt & Collection Loss							
Bad debt	(529,922)	(316,002)	(213,920)	2	67.70%	(345,180)	184,742
<b>Total Bad Debt &amp; Collection Loss</b>	<b>(529,922)</b>	<b>(316,002)</b>	<b>(213,920)</b>	<b>67.70%</b>	<b>(345,180)</b>	<b>184,742</b>	
Grants & Donations							
Grants & Donations	1,970,584	495,000	1,475,584	3	298.10%	660,000	(1,310,584)
Rental Assistance Awards	(32,079)	0	(32,079)		0	32,079	
<b>Total Grants &amp; Donations</b>	<b>1,938,505</b>	<b>495,000</b>	<b>1,443,505</b>	<b>291.62%</b>	<b>660,000</b>	<b>(1,278,505)</b>	
Other Operating Revenue							
Accounting & Compliance fees	1,119,059	1,239,678	(120,619)	(9.73%)	1,352,740	233,681	
Developer Fees	1,842,094	2,088,000	(245,906)	4	(11.78%)	2,563,000	720,906
Cash Distribution from Affiliate	1,233,849	390,000	843,849	5	216.37%	390,000	(843,849)
Partnership Management Fees	0	52,900	(52,900)	(100.00%)	52,900	52,900	
Property Management Fees	1,438,322	1,576,824	(138,502)	(8.78%)	1,723,178	284,856	
Interest Income	33,648	22,000	11,648	52.95%	49,000	15,352	
Other Income	268,965	0	268,965	6	0	(268,965)	
<b>Total Other Operating Revenue</b>	<b>5,935,937</b>	<b>5,369,402</b>	<b>566,535</b>	<b>10.55%</b>	<b>6,130,818</b>	<b>194,881</b>	
<b>Total Revenue</b>	<b>19,340,528</b>	<b>18,147,015</b>	<b>1,193,513</b>	<b>6.58%</b>	<b>20,230,013</b>	<b>889,485</b>	
<b>Expenses</b>							
Operating Expenses							
Accounting, Audit & Legal	932,488	798,275	(134,213)	(16.81%)	853,011	(79,477)	
Administration	494,608	549,749	55,141	10.03%	593,375	98,767	
Technology	347,071	491,038	143,967	7	29.32%	535,771	188,700
Board Expense	814	0	(814)		0	(814)	
CRH Occupancy Expense	40,258	481,527	441,269	8	91.64%	525,302	485,044
Cash Distribution to CRH	497,438	173,000	(324,438)	9	(187.54%)	173,000	(324,438)
Compliance, Taxes & License	351,218	359,320	8,102	2.25%	366,297	15,079	
Consulting	107,357	311,535	204,178	10	65.54%	327,035	219,678
Debt Service	2,147,590	2,298,997	151,407	6.59%	2,492,956	345,366	
Insurance	1,050,553	808,743	(241,810)	11	(29.90%)	883,646	(166,907)
Leasing/Compliance Expense	369,694	376,748	7,054	1.87%	410,934	41,240	
Miscellaneous Financial Expense	93	8,000	7,907	98.84%	8,500	8,407	
Other Operating Expense	(4,014)	2,046	6,060	296.19%	2,046	6,060	
Partnership Mgmt Fee Expense	0	48,000	48,000	100.00%	48,000	48,000	
Payroll, Taxes and Benefits	7,860,283	9,037,549	1,177,266	13.03%	9,886,873	2,026,590	
Property Mgmt Fee Expense	918,694	916,354	(2,340)	(0.26%)	1,001,951	83,257	
Repair and Maintenance	3,150,447	2,101,348	(1,049,099)	12	(49.93%)	2,209,522	(940,925)
Resident activities	11,622	25,245	13,623	53.96%	27,570	15,948	
Utilities	1,528,109	1,636,618	108,509	6.63%	1,795,404	267,295	
<b>Total Expenses</b>	<b>19,804,323</b>	<b>20,424,092</b>	<b>619,769</b>	<b>3.03%</b>	<b>22,141,193</b>	<b>2,336,870</b>	
<b>Operating Surplus (Deficit) before Reserves</b>	<b>(463,795)</b>	<b>(2,277,077)</b>	<b>1,813,282</b>	<b>(79.63%)</b>	<b>(1,911,180)</b>	<b>(1,447,385)</b>	

Reserve Contributions						
Replacement Reserve	(367,942)	(399,096)	31,154	(7.81%)	(434,399)	(66,457)
Operating Reserve	(28,402)	(30,776)	2,374	(7.71%)	(33,347)	(4,945)
Other Reserve	(33,151)	(118,351)	85,200	(71.99%)	(149,768)	(116,617)
Total Reserve Contributions	(429,495)	(548,223)	118,728	(21.66%)	(617,514)	(188,019)
Operating Surplus (Deficit)	(893,290)	(2,825,300)	1,932,010	(68.38%)	(2,528,694)	(1,635,404)
Additional Unrestricted Cash Flows						
Transactional Inflows	1,580,768	3,574,880	(1,994,112) 13	(55.78%)	3,603,360	2,022,592
Adjusted Operating Surplus (Deficit)	687,478	749,580	(62,102)	(8.28%)	1,074,666	387,188

**Variance Discussion (Greater than \$100K and 20%) all changes are reference to Budget**

- 1) Residential vacancy: \$788k higher - Park Hill vacancy recognized \$160k, which was not budgeted. The building was intentionally vacated for disposition, which occurred at the end of July, later than planned. Other vacancy spread across portfolio, with some notable larger vacancy at Mary Ruth Manor (\$61k variance) and Helen V (\$88k variance).
- 2) Bad Debt: \$214k higher - Primarily due to continued efforts to move out delinquent tenants with larger balances, with focused attention early in 2024. Some notable bad debt YTD from the following: Bremer \$60k, Four Twelve \$46k, Fleming \$32k, Centennial \$74k, Union James \$71k. Much of the larger tenant balances have already been recognized as accrued bad debt expense in the prior year. In addition, \$89k from Park Hill, as unpaid balances written off when tenants moved out or relocated in preparation for the building sale.
- 3) Grants & Donations: \$1.4m higher - \$210k of internal contributions for Pride Place commercial entity, and \$256k of resident services grants not budgeted. \$660k of OH Stabilization funds not budgeted. Timing differences for CRH Foundation grants, paying more earlier, but expected to even out later.
- 4) Developer Fees: \$246k lower - Timing differences in expected installments. Received \$151k for Pride Place in January which was expected in December. \$85k for Africatown expected in February was delayed. \$75k for YouthCare expected in March is delayed. \$90k for Station House cash flow distribution delayed until stabilization, received \$350k in November. \$750k and \$300k installments for Pride Place delayed. Offset by \$54k deferred developer fee distribution from 12th Avenue Arts. Also larger than expected fees for White Center closings received in May: \$369k (vs \$200k) for residential project and \$450k (vs \$400) for community HUB project. Received \$280k for 13th & Fir, which was not budgeted. (November changes netted to \$50k.)
- 5) Cash Distribution from Affiliate: \$843k higher - \$570k received from Bonanza compared to \$217k budgeted; \$224k from Holden Vista not budgeted; \$166k from Haines not budgeted. (No changes in November.)
- 6) Other Income: \$268k Higher - \$178k of receipts of insurance proceeds not budgeted, helps cover unexpected repairs and maintenance expense.
- 7) Technology: \$144k lower - savings primarily under small hardware such as printers, servers, displays under \$1k each; intentional cost savings efforts
- 8) CRH Occupancy: \$441k lower - February-November billing not recognized yet for office rent.
- 9) Cash Distribution to CRH - \$324k higher - See note 5, the actual distribution includes \$224k from Holden Vista and other smaller items (No changes in November)
- 10) Consulting: \$204k lower - Due to cost savings from departments, spending postponed or canceled: Admin \$40k, IT \$20k; also some costs able to be allocated directly to projects: Property Development \$168k. Offset by building consulting costs estimated at \$16k (savings).
- 11) Insurance: \$242k higher - New premiums higher than budgeted, premium year started May 2024
- 12) Repairs & Maintenance: \$1.0m higher - Timing of repair and maintenance costs can be difficult to predict, costs picked up in February due to some needed repairs related to frozen pipes. March and April costs included unit turns and inspection repairs. Multiple high unit turn costs and repairs were partially offset by insurance proceeds (see Note 6). Also incurred more security costs.
- 13) Transactional Inflows: \$2m lower - Park Hill proceeds allotted to current operations reduced, accounts for \$605k of the variance; Remaining variance due to delay in sale closing for Holden Vista, now expected in 2025.



**Community Roots Housing**  
**Asset Management Dashboard**  
 Year to date as of November 30, 2024

Property	Physical Vacancy (at month end)				Op Rev Per Unit YTD		Op Exp Per Unit YTD		Cash Flow Per Unit <sup>1</sup> YTD			A/R Resident Portion	Monthly Change	Residential AR/(Billed Rent) <sup>3</sup>
	Occupied	Vacant Units	Vacancy %	Total Units	Actual	Budget Var %	Actual	Budget Var %	Actual	Variance	Budget Var %	November 2024		
Berneva	10	2	16.7%	12	\$9,229	-2%	\$10,424	-19%	(\$2,297)	(\$1,828)	-391%	\$3,344	+11%	2.7%
Burke Gilman Gardens	14	1	6.7%	15	\$13,297	-2%	\$12,621	-10%	\$476	\$227	91%	\$50,889	+3%	24.0%
Boylston Howell	30	0	0.0%	30	\$10,468	-6%	\$11,174	-23%	(\$2,564)	(\$1,969)	-331%	\$34,967	-7%	9.8%
Bremer	41	8	16.3%	49	\$8,492	-18%	\$8,695	-28%	(\$2,506)	(\$2,606)	-2622%	\$66,634	+9%	12.6%
Brewster	34	1	2.9%	35	\$8,738	-5%	\$8,299	-2%	\$319	\$271	574%	\$21,799	+11%	6.6%
Broadway Crossing	41	3	6.8%	44	\$7,858	-30%	\$11,497	-22%	(\$5,167)	(\$5,334)	-3201%	\$33,252	+25%	8.5%
Byron Wetmore	11	1	8.3%	12	\$10,397	-8%	\$11,990	2%	(\$2,128)	(\$288)	-16%	(\$1,251)	+82%	-0.8%
Centennial	28	2	6.7%	30	\$9,012	-25%	\$12,327	-55%	(\$6,963)	(\$7,209)	-2930%	\$47,222	+1%	12.8%
Elizabeth James	53	7	11.7%	60	\$9,980	-7%	\$8,876	-22%	(\$1,360)	(\$2,330)	-240%	\$74,538	+7%	11.3%
Fleming	32	4	11.1%	36	\$8,189	-14%	\$11,467	-57%	(\$5,742)	(\$5,479)	-2087%	\$36,755	+12%	10.8%
Four Twelve Apartments	10	2	16.7%	12	\$8,743	-24%	\$17,285	-27%	(\$4,863)	(\$9,481)	-205%	\$204	+105%	0.1%
Fremont Solstice	18	0	0.0%	18	\$10,728	-10%	\$10,827	-11%	(\$3,195)	(\$1,950)	-157%	\$23,505	+31%	10.9%
Gilman Court	25	0	0.0%	25	\$11,285	2%	\$12,659	-27%	(\$1,905)	(\$1,772)	-1334%	\$51,184	+8%	17.7%
Harrison at 15th	18	1	5.3%	19	\$19,502	-3%	\$16,883	-27%	(\$3,608)	(\$3,753)	-2582%	\$54,934	-16%	21.3%
Hazel Plaza	15	1	6.3%	16	\$27,504	4%	\$8,748	-12%	\$11,211	\$4,562	69%	\$65,811	+0%	13.8%
Helen V	31	7	18.4%	38	\$14,696	-9%	\$10,366	-46%	\$1,070	(\$2,769)	-72%	\$146,979	+9%	23.3%
Holden Vista	14	2	12.5%	16	\$21,735	10%	\$17,955	-65%	\$3,382	(\$4,079)	-55%	\$27,241	+24%	7.2%
John Carney	27	0	0.0%	27	\$12,276	10%	\$7,585	1%	\$1,878	\$1,555	480%	\$36,079	+8%	10.8%
Joe Black Apartments	24	0	0.0%	24	\$13,473	-2%	\$12,695	-13%	(\$687)	(\$1,585)	-177%	\$73,264	+2%	21.0%
Larned	30	3	9.1%	33	\$11,037	0%	\$10,043	-10%	\$385	(\$915)	-70%	\$28,419	+29%	11.4%
Lincoln Court	23	6	20.7%	29	\$8,917	-7%	\$8,499	-27%	(\$2,582)	(\$1,981)	-330%	\$39,765	+3%	13.9%
Maxwell	4	0	0.0%	4	\$10,362	-7%	\$11,787	-24%	(\$2,670)	(\$2,857)	-1526%	(\$223)	+26%	-0.5%
Melrose	25	5	16.7%	30	\$6,966	-11%	\$10,452	-1%	(\$4,545)	(\$965)	-27%	\$52,890	+1%	22.9%
Miller Park	11	1	8.3%	12	\$13,502	3%	\$11,309	-15%	\$47	(\$766)	-94%	\$2,639	+24%	1.5%
Mary Ruth Manor	17	3	15.0%	20	\$24,578	-1%	\$11,223	-5%	\$4,102	(\$1,154)	-22%	\$182,087	+9%	34.1%
Oleta	30	4	11.8%	34	\$8,861	-7%	\$8,835	-22%	(\$2,789)	(\$2,134)	-326%	\$11,337	+952%	3.3%
Pantages	46	3	6.1%	49	\$8,718	-20%	\$9,908	-16%	(\$2,896)	(\$3,601)	-511%	\$27,065	-18%	6.1%
Seneca	30	2	6.3%	32	\$9,812	-7%	\$10,317	-23%	(\$2,426)	(\$2,614)	-1389%	\$25,270	+16%	6.9%
Silvian	29	3	9.4%	32	\$16,332	17%	\$8,654	-18%	\$4,756	\$1,077	29%	\$25,835	+5%	4.2%
Union James	21	3	12.5%	24	\$20,723	25%	\$17,493	-48%	(\$1,023)	(\$1,502)	-313%	\$180,412	+12%	37.4%
Villa	55	7	11.3%	62	\$11,379	-7%	\$11,416	-27%	(\$3,660)	(\$3,235)	-762%	\$187,425	+15%	34.3%
<b>Blended Total</b>	<b>797</b>	<b>82</b>	<b>9.3%</b>	<b>879</b>	<b>\$11,772</b>	<b>-6%</b>	<b>\$10,831</b>	<b>-23%</b>	<b>(\$1,619)</b>	<b>(\$2,321)</b>	<b>-330%</b>	<b>\$1,610,272</b>	<b>+2%</b>	<b>14.7%</b>
Devonshire														
Twelfth Avenue Arts Housing	84	4	4.5%	88	\$12,464	0%	\$6,545	-1%	\$1,855	\$6	0%	\$176,834	+6%	14.9%
Eighteenth Avenue	9	0	0.0%	9	\$17,538	-16%	\$13,116	-28%	(\$3,540)	(\$6,517)	-219%	\$66,088	+2%	38.2%
El Nor	52	3	5.5%	55	\$16,996	5%	\$8,127	-8%	\$1,581	(\$1,515)	-49%	\$163,800	+8%	16.0%
Haines	28	2	6.7%	30	\$15,385	-3%	\$10,166	-42%	\$2,427	(\$3,513)	-59%	\$8,772	+9%	1.7%
Holiday	28	2	6.7%	30	\$8,317	-26%	\$10,277	-38%	(\$6,155)	(\$5,890)	-2221%	\$51,372	+15%	17.3%
Jefferson Housing	39	1	2.5%	40	\$12,058	-13%	\$9,402	-11%	(\$1,979)	(\$2,398)	-573%	\$63,468	+15%	11.6%
Liberty Bank Building	102	13	11.3%	115	\$9,301	-21%	\$7,965	-19%	(\$2,818)	(\$3,696)	-421%	\$224,503	-12%	16.8%
Ponderosa	22	1	4.3%	23	\$16,823	0%	\$12,118	-27%	(\$2,655)	(\$6,429)	-170%	\$43,821	+9%	10.1%
Station House	101	9	8.2%	110	\$12,428	-6%	\$7,415	-12%	(\$413)	(\$1,741)	-131%	\$196,487	-3%	12.5%
Unity Village	25	5	16.7%	30	\$7,598	-24%	\$14,244	-44%	(\$7,013)	(\$6,497)	-1259%	(\$3,592)	-130%	-1.1%
<b>Discrete Total</b>	<b>490</b>	<b>40</b>	<b>7.5%</b>	<b>530</b>	<b>\$12,140</b>	<b>-8%</b>	<b>\$8,619</b>	<b>-18%</b>	<b>(\$1,158)</b>	<b>(\$2,790)</b>	<b>-171%</b>	<b>\$991,553</b>	<b>-0%</b>	<b>13.3%</b>
Heartwood	101	25	19.8%	126	\$5,267		\$5,650		(\$699)	(\$699)		(\$23,591)	-31%	-2.9%
Pride Place	76	42	35.6%	118	\$5,816	-51%	\$7,118	-17%	(\$1,465)	(\$7,250)	-125%	\$8,725	+3%	1.2%
<b>Portfolio Total</b>	<b>1287</b>	<b>122</b>	<b>8.7%</b>	<b>1409</b>	<b>\$11,910</b>	<b>-7%</b>	<b>\$9,999</b>	<b>-21%</b>	<b>(\$1,445)</b>	<b>(\$2,498)</b>	<b>-237%</b>	<b>\$2,601,824</b>	<b>+1%</b>	<b>14.1%</b>

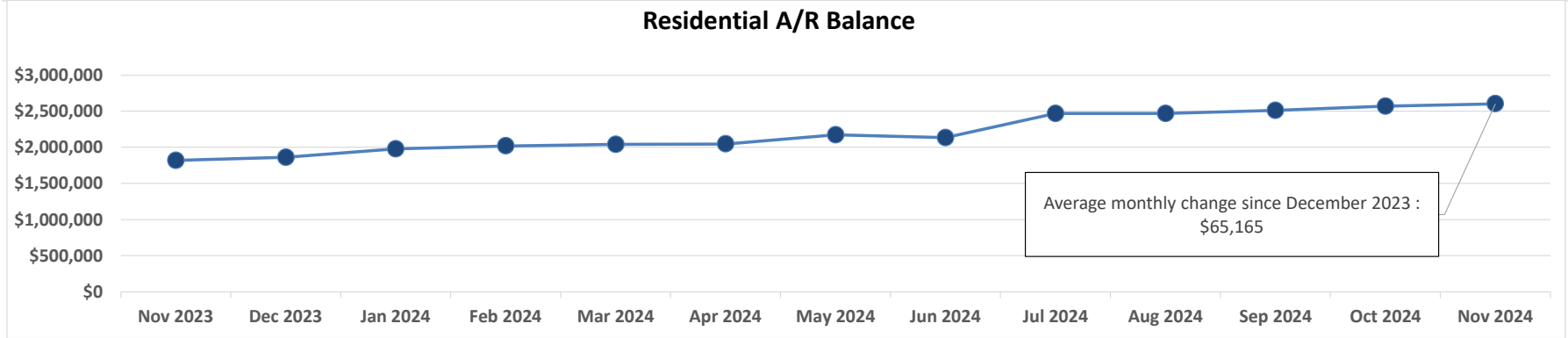
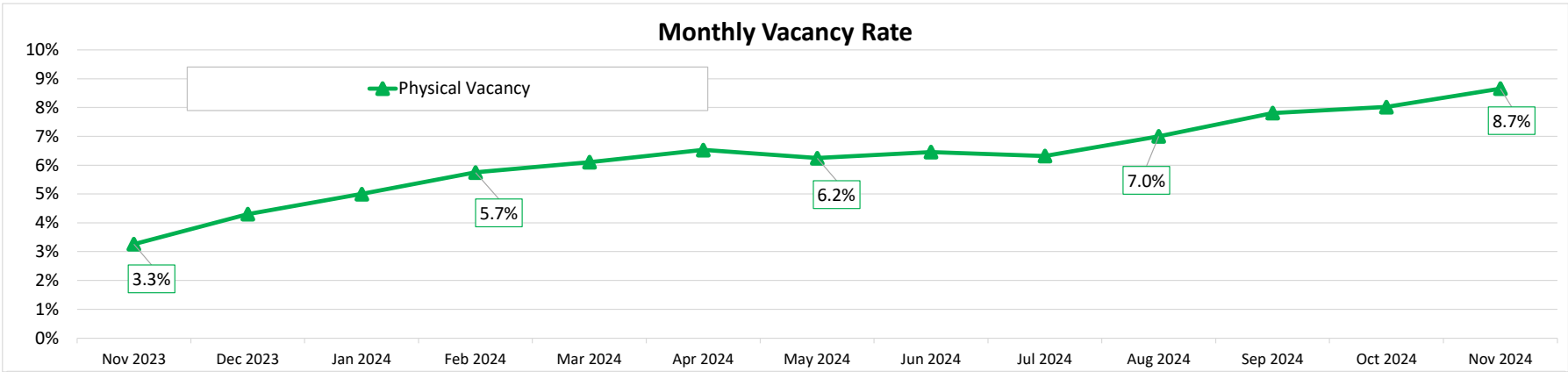
<sup>1</sup> After Debt, Reserve Deposits, and Cash Based Non-Operating Expenses (Deferred Developer Fees, Partnership Management Fees, etc.)

<sup>2</sup> Cumulative residential and subsidy accounts receivable balances divided by monthly gross potential rental revenue.

<sup>3</sup> Resident Portion Account Receivable % is calculated as resident A/R balance divided by billed rent, inclusive of subsidy income.

<sup>4</sup> Reporting on turntme suspended during RealPage transition due to inability to compile accurate data

COLOR CODING	Green	Yellow	Red
AR Monthly Change	<0%	0% - 9.9%	>10%
Residential AR/(Total GPR)	<2.0%	2.0% to 3.0%	>3.0%



**CRH  
CASH IN BANK  
FOR THE MONTH ENDING: Nov 2024**

<b>Bank</b>	<b>CRH Blended Component Unit</b>	<b>Type</b>	<b>Balance</b>
KeyBank	CRH - Misc Restricted	Operating - Restricted	268,419
KeyBank	CRH - Rental Assistance	Restricted Grant	136,041
KeyBank	12th AAA - Restricted	Equipment Reserve	24,600
KeyBank	White Center Hub - Comm Constructio	Construction	239,279
KeyBank	Capitol Hill Housing - Sound Families	Restricted Savings	3,876
KeyBank	Capitol Hill Housing	Security Deposit	96,255
Key Bank	Bremer - Resynd	Security Deposit	17,099
KeyBank	Hazel Plaza	Security Deposit	4,545
KeyBank	Larned	Security Deposit	17,308
Key Bank	John Carney - R	Security Deposit	11,205
KeyBank	Byron Wetmore	Security Deposit	8,462
Key Bank	412	Security Deposit	2,422
KeyBank	Holden Vista	Security Deposit	3,859
KeyBank	Mary Ruth Manor	Security Deposit	5,637
KeyBank	EJSH	Security Deposit	12,407
Key Bank	Boylston Howell-R	Security Deposit	11,552
KeyBank	Gilman Court LP	Security Deposit	13,196
KeyBank	Fleming Apts LP	Security Deposit	15,223
KeyBank	Villa Apts LP	Security Deposit	37,137
KeyBank	Harrison	Security Deposit	14,597
KeyBank	Oleta	Security Deposit	14,797
KeyBank	Helen V Apts LLC	Security Deposit	6,528
KeyBank	Pantages Apts LLC	Security Deposit	24,090
KeyBank	Silvian	Security Deposit	5,034
KeyBank	Broadway & Pine	Security Deposit	18,147
KeyBank	Woodland Park Ave LLC	Security Deposit	8,676
KeyBank	12th Avenue Arts Associates LLC	Security Deposit	62,971
Key Bank	Union James	Security Deposit	7,211
KeyBank	Hazel Plaza	Reserves	385,443
KeyBank	Byron Wetmore	Reserves	86,882
KeyBank	Holden Vista	Reserves	36,392
KeyBank	Mary Ruth Manor	Reserves	331,276
KeyBank	Gilman Court LP	Reserves	166,431
KeyBank	Villa Apts LP	Reserves	256,597
KeyBank	Helen V Apts LLC	Reserves	816,309
KeyBank	Broadway & Pine	Reserves	379,175
KeyBank	12th Avenue Arts Associates LLC	Reserves	47,568
Key Bank	Union James	Reserves	86,909
		<b>Total KeyBank</b>	<b>3,683,553</b>



**CRH  
CASH IN BANK  
FOR THE MONTH ENDING: Nov 2024**

Banner	Berneva	Reserves	26,814
Banner	Seneca	Reserves	274,220
Banner	Seneca	Security Deposit	13,299
		<b>Total Banner</b>	<b>314,333</b>
LGIP	Community Roots Housing	Reserves	1,102,183
		<b>Total LGIP</b>	<b>1,102,183</b>
Walker Dunlo	EJSH	Escrow	23,435
Walker Dunlo	EJSH	Reserves	325,646
		<b>Total Oppenheimer</b>	<b>349,082</b>
Chase	Larned	Reserves	255,502
Chase	412	Reserves	205,112
Chase	Harrison	Reserves	224,376
Chase	Oleta	Reserves	74,432
Chase	Woodland Park Ave LLC	Reserves	105,070
Chase	Maxwell	Escrow	-
		<b>Total Chase</b>	<b>864,492</b>
US Bank	Pantages Apts LLC	Reserves	568,701
US Bank	Silvian	Reserves	262,969
		<b>Total USBank</b>	<b>831,670</b>
KeyBank	Community Roots Housing	Lucky 7	184,136
		<b>Total Lucky 7</b>	<b>184,136</b>
KeyBank	Community Roots Housing	HPN	397,964
		<b>Total HPN</b>	<b>397,964</b>
BofA	Fleming Apts LP	Reserves	97,615
		<b>Total BofA</b>	<b>97,615</b>
Heritage	Bremer - Resyndication	Construction	611
Heritage	Bremer	Reserves	251,835
Heritage	John Carney	Construction	9,215
Heritage	John Carney	Reserves	141,506

**CRH  
CASH IN BANK  
FOR THE MONTH ENDING: Nov 2024**

Heritage	Boylston Howell	Construction	4,232
Heritage	Boylston Howell	Reserves	143,468
Heritage	Union & 24th Commercial	Security Deposit	4,090
Heritage	Community Roots Housing	Interest Reserve	347,874
		<b>Total Heritage</b>	<b>902,831</b>
		<b>Total Restricted - CRH Blended Components</b>	<b>8,727,860</b>
LGIP	Community Roots Housing	Board Designated Res	57,370
		<b>Total LGIP</b>	<b>57,370</b>
Heritage	Community Roots Housing	Board Designated Res	1,000,000
		<b>Total Heritage</b>	<b>1,000,000</b>
		<b>Total Designated - CRH Blended Components</b>	<b>1,057,370</b>
Heritage	Union & 24th Commercial	Operating Checking	37,756
		<b>Total Heritage</b>	<b>37,756</b>
KeyBank	Community Roots Housing	Gen Building Reserve	216,598
		<b>Total Gen Building Reserve</b>	<b>216,598</b>
KeyBank	Community Roots Housing	Operating Checking	666,216
KeyBank	Capitol Hill Dev. Assoc	Operating Checking	2,720
KeyBank	Community Roots Housing	Operating Sweep	-
KeyBank	Capitol Hill Real Estate Mgmt Services	Operating Checking	-
KeyBank	Liberty Bank Commercial	Designated for TI	92,400
KeyBank	Bremer	Operating Checking	17,584
KeyBank	Hazel Plaza	Operating Checking	129,649
KeyBank	Larned	Operating Checking	102,766
KeyBank	John Carney	Operating Checking	63,949
KeyBank	Byron Wetmore	Operating Checking	28,693
KeyBank	412	Operating Checking	42,862
KeyBank	Holden Vista	Operating Checking	35,096
KeyBank	Mary Ruth Manor	Operating Checking	52,027
KeyBank	EJSH	Operating Checking	72,537
KeyBank	Boylston Howell	Operating Checking	34,411
KeyBank	Gilman Court LP	Operating Checking	35,668
KeyBank	Fleming Apts LP	Operating Checking	30,484

**CRH  
CASH IN BANK  
FOR THE MONTH ENDING: Nov 2024**

KeyBank	Villa Apts LP	Operating Checking	61,259
KeyBank	Harrison	Operating Checking	39,062
KeyBank	Oleta	Operating Checking	38,930
KeyBank	Helen V Apts LLC	Operating Checking	30,411
KeyBank	Pantages Apts LLC	Operating Checking	73,809
KeyBank	Silvian	Operating Checking	141,127
KeyBank	Broadway & Pine	Operating Checking	51,533
KeyBank	Woodland Park Ave LLC	Operating Checking	44,350
KeyBank	12th Avenue Arts Associates LLC	Commercial Operatin	250,780
KeyBank	Union James	Operating Checking	181,962
		<b>Total KeyBank</b>	<b>2,320,284</b>
Cash	Various	Petty Cash - CHHIP	100
		<b>Total Petty Cash</b>	<b>100</b>
Banner	Berneva	Operating Checking	(2,239)
Banner	Seneca	Operating Checking	56,272
		<b>Total Banner</b>	<b>54,033</b>
		<b>Total Unrestricted - CHH Blended Components</b>	<b>2,628,771</b>
		<b>Total All Cash - CHH Blended Components</b>	<b>12,414,002</b>

<b>Bank</b>	<b>Discrete Component Unit</b>	<b>Type</b>	<b>Balance</b>
Chase	Pride Place	Construction	79,180
Chase	AAA	Escrow	(2,372)
Chase	AAA	Security Deposit	6,094
Chase	AAA	Reserves	316,844
		<b>Total Chase</b>	<b>399,746</b>
KeyBank	Africatown	Project Funds	86,996
KeyBank	Africatown	Construction-Res	5,059
KeyBank	Africatown	Construction	1,123,902
KeyBank	Africatown Commercial	Construction	112
KeyBank	Jazz House	Construction	28,966
KeyBank	Devonshire (rehab)	Security Deposit	20,799
KeyBank	El Nor LP	Security Deposit	12,775
KeyBank	18th Ave Apartments	Security Deposit	1,371
KeyBank	Ponderosa	Security Deposit	4,705
KeyBank	Holiday Apts	Security Deposit	15,093

**CRH  
CASH IN BANK  
FOR THE MONTH ENDING: Nov 2024**

KeyBank	SOPI / Unity Village	Security Deposit	10,776
KeyBank	Jefferson & 12th	Security Deposit	26,185
KeyBank	12th Avenue Arts Housing	Security Deposit	54,998
KeyBank	CH TOD Station House	Security Deposit	36,738
KeyBank	Africatown	Security Deposit	12,746
KeyBank	Pride Place	Security Deposit	19,990
KeyBank	SOPI / Unity Village	Reserves	176,061
KeyBank	Jefferson & 12th	Reserves	423,088
KeyBank	12th Avenue Arts Housing	Reserves	957,521
KeyBank	CH TOD Station House	Reserves	888,043
KeyBank	CH TOD Station House	Escrow	108,643
		<b>Total KeyBank</b>	<b>4,014,566</b>
UnionBank	Holiday	Reserves	215,987
		<b>Total UnionBank</b>	<b>215,987</b>
Heritage	Union & 24th Residential	Reserves	881,144
Heritage	Devonshire Construction	Construction	1,222,603
Heritage	Heartwood SPE	Security Deposit	37,356
Heritage	Heartwood SPE	Construction	1,339
		<b>Total Heritage</b>	<b>2,142,442</b>
Wells Fargo	El Nor	Reserves	698,341
Wells Fargo	18th Ave	Reserves	148,875
Wells Fargo	Ponderosa	Reserves	305,533
Wells Fargo	El Nor	Escrow	45,739
Wells Fargo	18th Ave	Escrow	3,849
Wells Fargo	Ponderosa	Escrow	7,013
		<b>Total Wells Fargo</b>	<b>1,209,351</b>
Bellwether	Union & 24th	Escrow	119,761
		<b>Total Bellwether</b>	<b>119,761</b>
Capital One	White Center Residential	Construction	276,639
		<b>Total Capital One</b>	<b>276,639</b>
		<b>Total Restricted - Discrete Components</b>	<b>8,378,493</b>
Chase	AAA	Operating Checking	114,560

**CRH  
CASH IN BANK  
FOR THE MONTH ENDING: Nov 2024**

Chase	Pride Place Commercial	Construction	66,957
Chase	Pride Place	Construction	45
		<b>Total Chase</b>	<b>181,561</b>
KeyBank	El Nor LP	Operating Checking	31,175
KeyBank	18th Ave Apartments	Operating Checking	21,847
KeyBank	Ponderosa	Operating Checking	36,988
KeyBank	Holiday Apts	Operating Checking	50,539
KeyBank	SOPI / Unity Village	Operating Checking	17,378
KeyBank	Jefferson & 12th	Operating Checking	68,800
KeyBank	Twelfth Avenue Arts Res	Operating Checking	234,503
KeyBank	CH TOD Station House	Operating Checking	268,064
KeyBank	Pride Place	Operating Checking	329,908
KeyBank	Devonshire	Operating Checking	-
		<b>Total KeyBank</b>	<b>1,059,201</b>
Heritage	Union & 24th Residential	Operating Checking	201,401
Heritage	Heartwood	Operating Checking	625,905
		<b>Total Heritage</b>	<b>827,305</b>
<b>Total Unrestricted - Discrete Components</b>			<b>2,068,068</b>
<b>Total All Cash - Discrete Components</b>			<b>10,446,561</b>
<b>Total All Cash - CHH Blended Components</b>			<b>12,414,002</b>
<b>Total All Cash</b>			<b>22,860,563</b>

**TOTALS BY BANK**

Key Bank	\$ 11,294,204
Chase	\$ 1,445,799
Banner	\$ 368,366
US Bank	\$ 831,670
Union Bank	\$ 215,987
Bank of America	\$ 97,615
Heritage	\$ 4,910,334
Bellwether	\$ 119,761
Wells Fargo	\$ 1,209,351
Capital One	\$ 276,639
LGIP	\$ 1,159,554
Other and Petty	\$ 931,282
<b>TOTAL CASH</b>	<b>\$ 22,860,563</b>

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**COMMUNITY ROOTS**  
— HOUSING —

**SECTION 4:**  
**LIHTC Year 15**  
**Exit Review**

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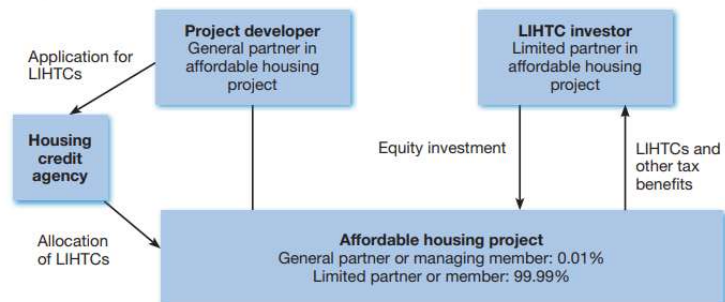
# COMMUNITY ROOTS

## HOUSING

### Year 15 Investor Exit What is happening?

- Investor limited partners acquire ownership interests in LIHTC projects to receive tax benefits
- Project developer and general partner (CRH) receives equity investments for affordable housing projects in exchange for the investors anticipated tax benefits

**Figure 1: Typical Legal Structure for Direct Investment in LIHTC-Financed Project**



Source: OCC

## Year 15 Investor Exit What is happening?

- After a property has completed its initial 15-year tax credit compliance period
- The developer general partner (CRH) seeks the exit of the investor limited partner to simplify operations and reporting requirements
- The investor limited partner (tax credit investor) has received the benefits they anticipated and wishes to exit the partnership
- The investor limited partner's position is acquired by an entity wholly controlled by CRH

## Year 15 Investor Exit Impact to the Housing Project's Org Chart



CH Development Association is the entity designated to take over the investor limited partner position and is wholly controlled by Community Roots Housing

3

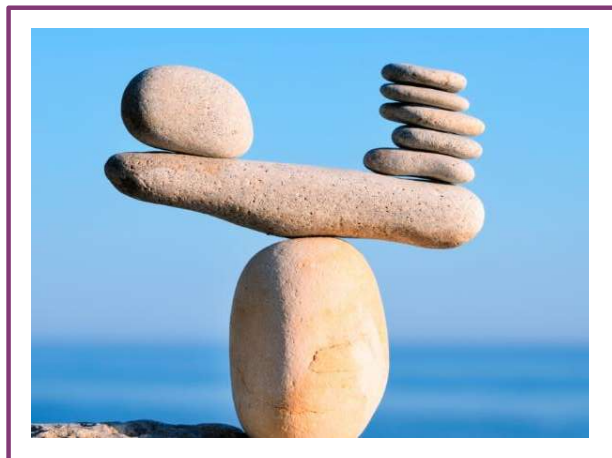
## Year 15 Investor Exit - Typical Process

- Terms of the investor exit are detailed in the Limited Partnership Agreement (LPA)
- For simplicity, this presentation is focused on the typical exit process for CRH's projects
- Right of First Refusal Agreement (ROFR) within LPA details the process
  - Agreement gives CRH the right to purchase the investors 99.9% interest
  - Price set at minimum purchase price required by the IRS (typically \$1.00 plus fees)
  - CRH must exercise this right before the end of the term detailed in the ROFR (often 1-2 years)
  - CRH initiates this process with our investors and legal counsel in the 15<sup>th</sup> year of the project
    - 1<sup>st</sup> - CRH seeks Investor limited partner's approval of investor exit transaction
    - 2<sup>nd</sup> - CRH presents resolutions to the CRH and CHDA board to authorize the investor exit
    - 3<sup>rd</sup> - Investor exit closing documents are executed, and transaction is completed
- Investor exit typically occurs within the first few months of the 16<sup>th</sup> year



5

## Year 15 Investor Exit Relationships Matter!



- Longstanding relationships with tax credit investors often limit the risk and impact of investor exit transactions
  - Ex. Exit taxes related to negative capital accounts informally “waived” by investors upon Year-15 exit (Fremont Solstice)
  - Ex. Investor informed CRH well before the exit that the project needed to spend down over 500K on capital improvements to avoid costs upon Year-15 exit (Silvian Apartments)
- Typical CRH costs for Year-15 exit transactions:
  - Legal Fees incurred by CRH counsel (Always)
  - Remaining Asset Management Fees payable (Often)
  - Legal Fees incurred by investor billed to CRH (Infrequent)

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## Post Year 15 Investor Exit - Now What?



- Affordability restrictions remain in place through the “Extended Use Period” - up to 25 more years
- CH Development Association, wholly owned and controlled by Community Roots Housing, takes over LP position via the Right of First Refusal
- Ownership Entity will move from Discrete to Blended and Blended balance sheet will increase
- Property life cycle continues to progress:
  - Building systems start to wear out and require repairs and replacement
  - More frequent use of replacement reserves to pay for capital replacements
  - Operating strategy focuses on efficiency and preventing costly deferred maintenance
- Property may have a bank loan maturing in the next year or two with a balloon payment and/or have insufficient funds to cover upcoming capital needs
  - Refinance or Resyndication required
  - Strategy: extract capital from the refinance/resyndication to address capital needs

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**COMMUNITY ROOTS**  
— HOUSING —

**SECTION 5:**  
Consent Agenda  
and Attachments

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**COMMUNITY ROOTS HOUSING PDA BOARD**

Regular Meeting  
January 13, 2025  
5:30-7:30 PM  
Pike Pine or RingCentral

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**CONSENT ITEMS**

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**MINUTES AND REPORTS**

1. November Board Meeting Minutes
2. December Board Meeting Minutes
3. Fundraising & Communications Memo
4. December Resident & Property Success Committee Report and Minutes
5. Resident Services Report
6. Property Development Committee Report and Minutes
7. Executive Committee Report and Minutes
8. Banner Bank LOC
9. Drew Porter Memorandum

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

<b>Blended</b>				
Date	Bldg/Entity	Contract with:	Amount	Purpose
December 17, 2024	CRH	Zoom	\$98,931.36	Communication Services



**REGULAR JOINT BOARD MEETING MINUTES**  
Pike-Pine Conference Room/ RingCentral  
**November 18, 2024**

**PDA Board Members present in person:** Derrick Belgarde, Bob Fikso, Shaun Frazier, Chasten Fulbright, Shalimar Gonzales

**PDA Members present virtually:** Frank F. Alvarado III, Jill Cronauer, Michelle Morlan, Drew Porter, Michelle Purnell-Hepburn, Saunatina Sanchez, Drew Weber

**PDA Board Members absent:** Ann Melone, Kristin Winkel

**Foundation Board Members present virtually:** Sara Bago, Rennie Elliot, Cassandra Mitchell, Kelly Price

**Foundation Board Members absent:** Robin Devlin, Wesley Fruge, James Hunter, Andy Post, Jeff Reibman, Caleb Stephens, Jon Weil, Josephine Wong

**Staff members and board guests present:** Erin Arnold, Sondra Cardin (taking minutes), Mason Cavell, Valencia Chambers Manora, Kiley Dhatt, Morgan Ford, Amy Forsaith, Lisa Hagen, Scott McEachran, Thea Munchel, Andrew Oommen, Laura Orella, Chris Persons, Amy Phian, Carolina Rocha, Leslie Woodworth

**Public:** Members of the Resident Advisory Council: Lee Bazel, Ronald Blasé, Jerome Cherry, Peter Gula, Rebecca Leslie, Randall Lindsay, Mark Lowe, Alison Simon

**The meeting was called to order by** Derrick Belgarde at 5:31 p.m.

**Disclosure & recusals:** Michelle Morlan disclosed that she is currently working with DNDA on the purchase of Holden Vista Apartments and Jill Cronauer disclosed that she has an ownership stake at Hunters Capital which is across the street from the future YouthCare project.

**Board Membership:** Derrick acknowledged the memorandum in the board packet announcing that Sara Cubillos has resigned from the CRH PDA Board.

**A motion** to approve the **Consent Agenda** was made by Shalimar Gonzales, seconded by Frank F. Alvarado III, and passed unanimously.

**David and Feng, a remembrance:** CRH unexpectedly lost two dear colleagues in a matter of a few short weeks. The team is deeply saddened by the loss. Andrew shared some memories with them and asked for a moment of silence.

**Foundation Year End Campaign:** Kiley announced the launch of the annual year-end fundraising campaign on December 2nd, the day before Giving Tuesday, running throughout the month of December. The goal is to raise \$50,000 for the resident services program, building on last year's success of \$40,000 for rental assistance. This year, the campaign will utilize a new online giving platform, Classy, which includes peer-to-peer fundraising tools. Board members are encouraged to raise \$500 each by



reaching out to at least five friends, family members, and colleagues. Amy Forsaith, CRH Philanthropy Manager, is leading the campaign, titled "Thriving Neighbors," which will combine traditional strategies such as email outreach and social media with peer-to-peer fundraising. Amy provided an overview of the Classy platform, including how to navigate the landing and fundraising pages. The team will set up these pages for each board member to review before December 2nd, and detailed instructions will be provided to ensure a smooth process. To support the campaign, the fundraising team will host virtual office hours on Monday, November 25th, to address questions or troubleshoot needs. With proactive outreach, the goal is not only to meet the target but also to refine this approach for future campaigns.

**Public Comment:** None

### **Resident Services**

**Resolution 2024-23 – Resident Advisory Council:** Chris and Valencia introduced a resolution to formally recognize the Resident Advisory Council (RAC), as the official advisory body comprised solely of residents of Community Roots Housing properties. It is established to work collaboratively with the Community Roots Board, staff and leadership to improve residents' quality of life and to create a positive living environment. Chris noted that resolution was forwarded by the Executive Committee.

Derrick Belgarde recognized Saunatina Sanchez's efforts in organizing the RAC, and Chris emphasized the importance for the PDA Board to officially recognize the council. He provided background on the RAC and its progress then introduced RAC members in attendance. Valencia updated the Board on the planning stages, noting that the RAC charter would be voted on tomorrow, November 19. She highlighted the formation of a communications committee and an attendance committee and praised Pat Hughes for her excellent facilitation. Looking ahead to 2025, Valencia shared plans to bring in speakers to support advocacy efforts.

**A motion** to approve the **Resolution 2024-23 – Resident Advisory Council** was made by Shalimar Gonzales, seconded by Frank F. Alvarado III, and passed unanimously.

### **Finance and Asset Management**

**September Financials:** Chasten Fulbright presented the finances from September, which are included in the board packet.

Michelle Morlan asked why physical vacancies are rising while total net vacancies are decreasing, despite gains in total occupancy and a growing stabilized portfolio. Chasten explained that the stabilized portfolio, which excludes lease-ups, has more vacant units. While overall occupancy is improving, the growth in stabilized portfolio units has led to more vacancies in that segment, even as lease-ups are contributing to the overall gains.

**A motion** to approve the **September Finance and Asset Management Report** was made by Michelle Purnell-Hepburn, second by Frank F. Alvarado III, and passed unanimously.

At this point in the meeting Chris explained to the Board that staff had wanted to include in the agenda a resolution renewing the Banner Bank line of credit but were unable to include it in time. Chris suggested delegating approval to the Finance & Asset Management Committee (FAM) as it is a standard annual

renewal. Michelle asked about the terms of the loan and staff responded that the terms were unchanged and that a modest renewal fee was being charged. It was asked whether the Finance and Asset Management Committee could be authorized to do this. Chris said that the FAM was a formal committee of the Board. Bob suggested that as the Board, the Board can take such actions even if they were not on the agenda. Chris noted that we will include the resolution in a future Board consent agenda.

**A motion** to delegate the approval of the **Resolution 2024-27 – Banner Bank - Line of Credit Renewal to the FAM Committee** was made by Frank F. Alvarado III, second by Shalimar Gonzales, and passed unanimously.

**Budget Introduction:** Andrew presented the current draft budget showing a positive net adjusted operating surplus of \$170,000. However, the operating results prior to adjustments reflect a \$2.8 million deficit. The deficit is driven by low collections, vacancy, and growing operating expenses. The deficit is compensated by transactional revenue. A portion of transactional revenues supports ongoing operations, with the remainder of funds allocated to reserves and contingencies. The budget includes relatively conservative assumptions, including a 6% vacancy rate and 6% bad debt expense, and additional contingencies of \$1.5 million. These measures aim to ensure stability as we refine business models to achieve surplus operations in the coming years. A more detailed final budget, with refinements and updates, will be presented at the December board meeting and will progress through the FAM Committee for approval before full board consideration. Shalimar Gonzalez requested including vacancy data for the year, alongside bad debt, to track comparisons and forecasts for 2025, which Andrew agreed to incorporate into the 2025 projected budget. Andrew thanked the many staff who participated in the complex budget process. Chris noted that Andrew's detailed budgets over the past few years have been superb.

**Mini portfolio and dispositions:** Lisa provided updates on the mini portfolio disposition and other dispositions. She noted that we have received several offers for the HUD properties, and a purchase and sale agreement is being finalized with the leading buyer. The PSA is under attorney review with execution expected in the coming days. Chris noted that the closing is conservatively budgeted for late August or September to move through HUD process. This allows time for negotiations with the city regarding shared appreciation. Lisa confirmed that the buyers plan to assume the city loans, which will influence discussions around shared appreciation.

The Holden Vista, the feasibility period ends on Thursday, November 21. The buyer is pursuing parallel tracks for HUD approval and County funding applications, with acquisition funding already in progress and additional rehab funding planned for January. We remain supportive of their efforts as they navigate financing and state loan assumptions.

Lisa shared that the Broadway property transaction has been remarkably straightforward. With zero contingencies, the deal is set to close on December 2nd. All relocations will be completed before Thanksgiving, with the final key exchange the day prior. All residents, except two, have successfully relocated to CRH properties.

## **Real Estate Development**

**Resolution 2024-24 – Broadway Center for Youth Supplemental:** Chris introduced this resolution reminding the Board that the planned closing for July 2024 was delayed due to the project being linked to the Heartwood project. After extensive discussions with the City about solutions to insulate YouthCare, a potential solution was identified to introduce a partner into the project’s general partnership. We approached SCIDpda with a partnership proposal, which they expressed strong interest in supporting. SCIDpda's board will vote on this resolution on November 19. Chris noted that a revised version of the resolution, which was not included in the packet, allows SCIDpda or an affiliate member to create an LLC. We will be adopting the revised version.

Mason provided details on the resolution that it updates previous financing resolutions to admit SCIDPDA as a member of the General Partnership entity and provides for modest increased cost, up to 10%, due to project delay. We anticipate that the SCIDPDA board will adopt a similar resolution at their Board meeting on November 19. Mason noted that we are targeting a closing date of December 19 and the start of construction in January.

**A motion** to approve the **Resolution 2024-24 – Broadway Center for Youth Supplemental** was made by Chasten Fulbright, seconded by Michelle Morlan, and passed with 12 members present voting “yes” and one abstention by Jill Cronauer.

**Resolution 2024-25 – Broadway Center for Youth Restated Bond:** Chris and Mason introduced a second Youth Care related resolution for the issuance of the bonds. Mason reminded the Board that they adopted a bond resolution in May but it was now outdated. This restated resolution rescinds and updates it and adds \$250,000 to bond authorization to compensate for increased costs due to these unwarranted delays.

**A motion** to approve the **Resolution 2024-25 – Broadway Center for Youth Restated Bond** was made by Bob Fikso, seconded by Michelle Purnell-Hepburn, and passed unanimously.

### **Critical Path Update**

Chris updated the Board on the critical path issues the team is tracking. For the Heartwood project, the team continues to progress parallel strategies, to dispose of the building while also seeking funding for long-term ownership. For Hill and 21st (formerly Jazz House), progress has been made with new financing secured from WSHFC to replace the Enterprise loan, positioning the property for future development. The Othello project, which has seen minimal capital investment, remains stalled, though a PPCD grant for site cleanup has been obtained. Development will only proceed if a viable path is established, with negotiations ongoing with stakeholders. Portfolio dispositions are advancing, but operational challenges persist, including high vacancy rates, collection difficulties, and community safety concerns. These issues are being addressed alongside broader efforts to stabilize operations.

### **Presentation and Discussion**

**Executive session:** Per RCW 42.30.110 (c) to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price., the Board went into executive session. The session began at 6:44pm and they expected it to last 50 minutes. The Executive Committee exited the executive session at 7:35pm.

**Resolution 2024-26 – Heartwood:** The Heartwood resolution will authorize staff to move forward with the sale of the property or with a longer-term work-out strategy.

Chris reviewed challenges in advancing middle-income housing projects, including Heartwood, highlighting difficulties with construction guarantees, unmet rent targets, and rejections from public funders. He explained that the resolution authorizes actions such as engaging a broker, extending the construction loan, converting it to a cash flow-only mortgage, negotiating with lenders for long-term restructuring, and preparing contingency plans, including foreclosure if necessary. Final board approval is required before executing any sale or backup plans, with an emergency meeting potentially called if needed.

Chasten Fulbright raised concern regarding the approximately \$500,000 cash outflow required for loan extensions, given the organization’s constrained cash flow. Chris noted that both putting the property on the market and retaining the Freddie Mac loan were terms of the Heritage extension agreement. Ann Melone inquired about the possibility for further analysis of the property’s value. Chris noted that we had received an appraisal, two brokers opinions and a third BOV has been ordered. Other members emphasized the importance of maintaining leverage in negotiations with lenders and investors while mitigating reputational risks. Ultimately, the board emphasized transparency and strategic positioning to secure a sale while retaining a viable backup plan if the sale does not achieve sufficient value.

**A motion** to approve the **Resolution 2024-26 – Heartwood** was made by Bob Fikso, seconded by Michelle Morlan, and passed unanimously.

**The meeting was adjourned by** Derrick Belgarde at 7:52 pm.

Attested,

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Michelle Morlan, Secretary  
January 13, 2024



**REGULAR JOINT BOARD MEETING MINUTES**  
Pike-Pine Conference Room/ RingCentral  
**December 9, 2024**

**PDA Board Members present in person:** Frank F. Alvarado III, Bob Fikso, Chasten Fulbright, Shalimar Gonzales, Michelle Purnell-Hepburn, Kristin Winkel

**PDA Members present virtually:** Derrick Belgarde, Jill Cronauer, Michelle Morlan, Drew Porter, Saunatina Sanchez

**PDA Board Members absent:** Shaun Frazier, Ann Melone, Drew Weber

**Staff members and board guests present:** Erin Arnold, Sondra Cardin (taking minutes), Valencia Chambers Manora, Morgan Ford, Lisa Hagen, Scott McEachran, Thea Munchel, Andrew Oommen, Chris Persons, Carolina Rocha, Max Wilson, Leslie Woodworth

**Public:** None

**The meeting was called to order by** Frank F. Alvarado III at 5:32 p.m.

**Disclosure & recusals:** Michelle Morlan disclosed she is currently assisting DNDA with the acquisition of Holden Vista Apartments.

**A motion** to approve the **Consent Agenda** was made by Michelle Purnell-Hepburn, seconded by Shalimar Gonzales, and passed unanimously.

**Public Comment:** None

### **Presentation and Discussion**

**Budget Presentation and Adoption:** Andrew Oommen presented the 2025 Budget for adoption, highlighting key technical notes including its review and approval by the FAM committee and adherence to the 2024 budget development calendar, reminding that CRH is a PDA and the budget uses government accounting principles and is presented as a blended, modified cash-basis budget with a forecast-to-budget comparison.

Andrew emphasized a strong net operating margin driven by real estate transactions. He noted that major variances are due to property acquisitions and dispositions. Transactional cash continues to support operations. The budget excludes rental assistance and assumes no City or State general operating support, though CRH is actively pursuing additional funding. Contingencies, including vacancy, bad debt, payroll, and general revenue total \$2.3MM, which Andrew noted provides a conservative outlook.

Chris inquired about differences between projected accounts receivable (AR) and bad debt. Andrew explained the projected new AR of \$820k (net of bad debt) is expected to decrease AR over time, with

total non-collectable rent for the year projected at \$1.7MM (bad debt plus AR). Andrew attributed the increase in bad debt from 2022 to 2024 to the lapse of eviction moratoriums, leading to more move-outs.

Chris shared insights from a CFO at the HPN conference in Austin, noting significant increases in uncollected rent in major cities due to eviction moratoria, in Washington DC for example nonprofit uncollected rents in affordable housing was \$10 MM in 2020 but grew to \$110 MM in 2024. He noted that similar numbers are seen in other communities reflecting a dire situation nationally. Michelle Purnell-Hepburn sought clarification that this is more than a business model problem, but one that actually and directly impacts people needing affordable housing. Chris confirmed that not only does this impact people in need of affordable housing but also the affordable housing organization, highlighting that these funds are crucial for maintenance of properties, resident services, and staff salaries.

Andrew concluded by reporting on 2022-2023 actuals and key drivers of changes between the 2024 forecast and 2025 budget, including residential vacancy, concessions, bad debt, collection loss, and various operating revenue items. He noted that budget planning is an ongoing process, with work on the 2026 budget already underway.

Saunatina Sanchez raised concerns about the underutilization of resident value in the operation of CRH buildings and emphasized the importance of relying on the community built over the years, such as the RAC, when making decisions about removing buildings from the community, especially given the current national situation. She highlighted the need to acknowledge the value of each individual building and its residents, viewing the “portfolio” as a “community of buildings and residents.” In discussions around building dispositions, it is important to recognize the challenges at different buildings and approach decisions in a way that fosters collaboration.

Michelle Morlan inquired about the -46.7% change in the 2024 forecasted expense for repairs and maintenance compared to the 2025 budget, seeking clarification on the assumptions behind the figures. Andrew explained that repairs and maintenance expenses are budgeted property by property, in collaboration with Site Managers who assess needs based on their daily experience. He noted that unexpected and costly projects in 2024, along with challenges in recruiting and retaining maintenance staff, led to significantly higher expenses in 2023 due to reliance on more expensive third-party vendors. However, increased pay and other incentives have improved staff recruitment and retention in 2024, which contributed to the reduction in the 2025 budgeted repair and maintenance expenses. Other members of the Board also expressed some concern with the drop in maintenance budget and Andrew reassured that there was plenty of contingency baked into the budget and the staff had fully analyzed the expense projections building by building.

Andrew concluded his presentation by acknowledging the staff's hard work on the 2025 budget, especially given the challenging year and capacity issues. He also announced that work on the 2026 budget has already begun and outlined the next steps. Chris emphasized that the budget process is a team effort and commended Andrew's leadership.

**A motion** to approve the **2025 Budget** was made by Saunatina Sanchez, seconded by Michelle Purnell-Hepburn, and passed unanimously.

**Critical Path Items:** Chris provided a verbal update on several critical items CRH is managing. Youth Care is set to close on December 19<sup>th</sup> with public bonds placed on the market last week and pricing scheduled for this week. Attorneys and relevant parties will meet Wednesday to finalize the deal. The Heartwood

path remains the same , with an extension of both loans expected on December 16th. Chris reminded the Board of the approved a Resolution regarding the extension and building's sale and the backup plan financing solutions. Staff are preparing materials to share with investors and a vote expected by week's end. The team is in conversations with both lenders to extend the loan timelines, after which a broker will be hired. Three BOVs varying in range have been received, and one of those brokers will be chosen to list the building by February 1. Chris emphasized that, as outlined in the Board Resolution, CRH staff must seek board approval before entering a purchase and sale agreement. Chris also noted that there could be a deficiency between the sale price and loan, potentially requiring a recommendation to sell at that level with a plan to repay the deficiency from a different source. Andrew noted that leasing is progressing well, with 102 tenants currently in the building, and on track for full occupancy by early 2025.

Chris noted that a resolution on 21st & Hill (formerly Jazz House) was close and that the Board will consider a resolution to approve \$3MM loan from WSHFC toward acquiring the property for a later development. Thea noted that we are aiming to close by year-end, though no firm date is set. This funding will pay off the Enterprise loan and other predevelopment costs which Thea will discuss in detail later, noting that a few million dollars in predevelopment costs will be carried by the organization.

Station House has been stabilized, Broadway has been sold, and the mini portfolio is under contract at. Collections and safety issues remain challenging, with Morgan focusing on installing cameras at various properties in response to resident security concerns, which have increased costs. Thea and Andrew will provide updates on the three main lease-ups later in the agenda. While there have been struggles, particularly with studios, progress is being made at Pride Place and solutions are emerging for Africatown Plaza. Chris concluded by noting the progress being made across all areas and as these platform issues continue to be addressed, staff will be able to focus more on day-to-day operations.

### **Finance and Asset Management**

**October Financials:** Chasten Fulbright presented the finances from October, which are included in the board packet. Frank reminded the Board that they had authorized FAM to review and approve the 2024-27 Banner Bank Line of Credit Renewal resolution, which was completed last week.

**A motion** to approve the **October Finance and Asset Management Report** was made by Shalimar Gonzales, second by Michelle Purnell-Hepburn, and passed unanimously.

**Mini portfolio and dispositions:** Per RCW 42.30.110 (c) to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price, the Board went into executive session. The session began at 6:37pm and they expected to exit at 6:50. The Board exited the executive session at 7:12 pm.

### **Real Estate Development**

**Abu Bakr Early Predevelopment:** Thea Munchel updated the Board on ongoing discussions with Abu Bakr in Tukwila regarding the development of their first multifamily project, which is potentially the first of a larger planned master development they have asked CRH to participate in. She provided a site overview and aerial views, noting that Abu Bakr is working through the acquisition of the site, expected to be completed by the end of the year. The project would be planned for CRH's 4% tax credit equity

pipeline, serving families and individuals at 30%, 50%, and 60% AMI in South King County. It would be a community partnership, with CRH leading predevelopment activities and Abu Bakr handling land acquisition, community engagement, and resident services. CRH would oversee property and asset management, construction management, and have ultimate decision-making authority in the development process. The project would seek funding from King County, the WA Housing Trust Fund (HTF), tax-exempt bonds, and deferred developer fees. Thea outlined the LLLP structure, which must be Sharia-compliant requiring CRH to finance this in a way to isolate the project from loan borrowing and discussed the developer fee split and Abu Bakr's potential role in the ownership entities for the first 15 years. The team is also addressing how to structure ownership post-15 years and how this project fits into the larger public funding pipeline while managing CRH's predevelopment exposure.

Thea discussed the project's fit within the larger CRH project schedule, looking at a possible close in 2026. Chris mentioned plans to present an MOU to the board, with Thea confirming there will be a more formalized version and some initial pre-development spending. Chris added Abu Bakr approached CRH for its reputation for working in community.

Jill Cronauer raised questions about the board's process for approving pre-development spending at the next meeting, including evaluating metrics such as units, pricing, returns, and how they compare to similar projects. She emphasized the need to establish financial deliverables and a clear decision-making framework. Thea anticipated returning with a modest budget proposal to put together a comprehensive comparison. Michelle Morlan echoed similar concerns, highlighting the need for a broader approach rather than sequential decision-making. She questioned the capacity of organizational partnerships, including their fundraising abilities, and recommended creating a formal evaluation structure. Bob Fikso added a modest initial spend is necessary for underwriting and comparisons, it should precede significant funding requests, a point Jill supported.

**Resolution 2024-28 – 21<sup>st</sup> and Hill:** Thea presented the resolution for 21st and Hill (formerly Jazz House) to refinance the acquisition loan maturing at the end of the month and provided background on the project dating back to 2017. The request is to acquire the property from Imperial Jazz Ed LLLP, which used an Enterprise Community Partners loan with an 80% AMI covenant for 50 years. The project is partially permitted, and CRH is collaborating with Weinstein AU. CRH will enter a loan with WSHFC for up to \$3MM as part of the transaction, with Jazz Ed reimbursing CRH for \$865,000 in predevelopment costs. CRH will pay off the Enterprise and Rainier Valley Community Development Fund loans then acquire the land from Imperial Jazz LLLP. Thea will work closely with Leslie to manage the financial records, including predevelopment expenses. After acquisition, CRH plans community scoping and review of the design and unit matrix in early 2025, aiming for a fall funding application with a potential 2026 closing.

Frank Alvarado inquired about the committees that had reviewed the resolution. Thea responded that it was discussed in the PDC, but the resolution was not ready for presentation. Thea noted that it was also discussed at the Thursday CIC meeting, and the resolution has since been prepared by CRH's Kantor Taylor attorneys.

Jill Cronauer asked about the price per square foot of the land, estimated additional predevelopment spending, total spending estimates, and rent in the area. Thea confirmed that RED has been focused on the acquisition, crucial for existing financing, and assured the Board that CRH would return for approval before any further spending. Leslie clarified that the partnership held the loan, which CRH guaranteed.



Michelle Morlan sought clarification about the reduction of one partner, which Thea confirmed will happen once the property is transferred, with the site appraised at \$5.5MM in 2023. Michelle also inquired about the rates of the existing loans. Thea stated that the current loan has a 2% interest rate, with deferred payments, and refinancing would improve the situation. Leslie added that approximately \$22,000 is paid per quarter on the loan.

Frank asked about options if CRH decides not to refinance. Thea suggested refinancing and then selling, as the loans are maturing, which would put CRH in a better position and allow for further evaluation of the preferred plan for the site. Michelle asked if \$2.5MM in predevelopment expenses is still on the books, which Thea confirmed. Leslie explained that these expenses are tied up in predevelopment sources, taking up space in other funding, but could be reassessed with HUD disposition proceeds to potentially pay down the debt.

**A motion** to approve the **Resolution 2024-28 – 21<sup>st</sup> and Hill** was made by Saunatina Sanchez, seconded by Michelle Morlan, with 1 abstention from Shalimar Gonzalez, 1 vote no from Michelle Purnell-Hepburn and passed with 8 votes yes.

**Lease Ups:** Andrew reported a total of 105 vacant units across lease-up properties, with 88% being studios, which have presented significant challenges over the past year. The influx of new studio units has impacted both new buildings and CRH’s existing portfolio. Despite slow progress, Heartwood is now over 80% leased, with 16 new applications resulting from marketing efforts. Andrew noted that Devonshire, an occupied rehab project, remains challenging due to active construction, but it historically leases well because of its prime Belltown location. Currently, it has 20 vacant units, with leasing activity expected to increase in the spring. Africatown, he reported has 50 tenants and 34 pending applications, leaving 41 vacant units, mostly studios. Processing applications under LIHTC rules takes a minimum of three weeks, contributing to delays.

Thea provided updates on Pride Place, which was placed in service last year. CRH elected to take its first-year tax credit in 2024, with 64% of units currently occupied. She noted that vacant units by year-end will shift from a 10-year to a 15-year tax credit, affecting investor returns. To accelerate leasing, CRH has increased marketing efforts and reduced rents, which will impact the permanent loan size. Thea said that conversations with Seattle OH are ongoing to address a funding gap before permanent conversion, expected in June 2025. Thea noted that this financial gap has influenced conservative budget planning for development delivery this year. In response to Michelle Morlan’s question, Thea confirmed Hudson is the project’s investor.

**The meeting was adjourned by** Frank F. Alvarado III at 7:52 pm.

Attested,

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Michelle Morlan, Secretary  
January 13, 2024

**January 2025 Fundraising and Communications Memorandum**

To: Community Roots Housing Board of Directors      CC: Christopher Persons

From: Kiley Dhatt

**Individual Giving**

A HUGE "thank you" to those who have helped champion the 2024 end of year campaign, Thriving Neighbors. While we've seen some positive momentum for the campaign over the last couple of weeks, as of Friday, 1/3, we have only raised about \$12,000 against our goal of \$50,000. **We'll be extending the campaign through Friday, 1/17** and ask that you leverage your networks to encourage contributions.

Individuals who have already generously donated to the campaign include:

Abbott/Smith Family	Glen Eddy	Chris Libby
Addison Linville	Helen Gamble	Michael and Jocelyn Go
Alison Lorig	Hunters Capital	Michael and Kathryn May
Andy Post	Isabelle R Oliveira	Michelle Purnell-Hepburn
Brett Sheehan	Jeff Reibman	Michelle Seelig
Catherine Hillenbrand	Joan Caine	Peter Dewey
Charles Wiggermann	John Bry	Rennie Elliott
Cheryl Bry	Kent Johnson	Rob and Debbie Schwartz
Corey Elliott	Kiley Dhatt	Sarah Schuyler
Daniel Schubert	Kristin Winkel	Seth and Pam Schwartz
David Jassny	Laurie Walloch	Stephanie Jones
David Winkel	Leigh Sims	Susan Kunimatsu
Elizabeth Allen	Lisa Pacheco	Tess FLUM
Elizabeth Powers	Liz Birkholz	Thomas Borgen
G Shepodd-Bergman	Maggie Anthoney	Tracy Elliott
Genevieve Peaslee	Mehrdad Azemun	

**Grants & Awards**

In the last month:

Awarded grant proposals include:

- Providence Swedish—Resident Services, \$7,500 plus an additional \$5,000 award

- Hill Family Foundation – Annual Fund, \$150,000

Declined grant proposals include:

- Weyerhaeuser Giving Fund—Resident Services, \$30,000

Submitted grant proposals and LOIs include:

- Enterprise Section 4—Annual Fund, \$50,000
- Digital Equity Grant—Resident Services, \$30,000

Pending grant proposals include:

- Muckleshoot Charity Fund—Annual Fund, \$5,000
- Lockwood Foundation—Housing Stabilization Fund, \$30,000
- Washington Federal Foundation—Annual Fund, \$5,000
- Office of Congressman Adam Smith – After reconciliation with the House Appropriations Committee, our request to support the rehab of the Byron Wetmore and Joe Black apartments has been included in the draft budget at \$850,000 (from an original \$1.4MM request). This funding will not be fully committed until it is passed along with the FY2025 omnibus congressional budget, which may not happen until Q1-2 2025.

Upcoming grant proposals & LOIs include:

- Hill Family Foundation – Annual Fund and Resident Advisory Council, \$200,000/year for 3 years
- Medina Foundation—Housing Stabilization, \$25,000
- Hearst Foundation – Annual Fund, \$100,000
- Norcliffe Foundation—Annual Fund, \$50,000
- Murdock Family Trust – Special Projects—Capacity-Building, \$100,000

### **Rise Together Capital Campaign**

To date, the Rise Together partners have raised \$40,032,143 toward a goal of \$45,000,000 (89%). No major grant activity in the last month.

### **Communications**

In December, communications work included the following highlights:

- Drafting the 2024 Community Roots Housing annual report
- Collaboration with fund development staff to execute Giving Tuesday and EOY fundraising campaign centered on Resident Services
- Pride Place, Africatown Plaza, Heartwood, and Devonshire leasing marketing
  - Strategies include email campaigns, Google AdWords campaigns, Meta ads, King5 commercial, Sound Transit and King County Metro print ads, on-site signage.
  - Creation of new email CRM for lease ups, set up of drip campaigns to interest lists

- Management of marketing work with external vendor Conversion Logix for Pride Place and Heartwood lease ups
- Drafting and publication of [splashpage](#) and on-site preleasing construction signage for upcoming Northgate TOD
- Preliminary planning for White Center HUB leasing marketing
- Monthly Building Beyond Buildings and resident newsletters

December's media mentions of Community Roots Housing and related projects:

[It's Giving Tuesday! Where you can donate in and around Seattle – KIRO 7 News Seattle](#)

[Tenants sign on at Pride Place - Seattle DJC.com](#)

[Mixed-use building, with 235 affordable units, tops out near Northgate Station - Seattle DJC.com](#)

[Landlord Lobby Wishlist Leaked - The Stranger](#)

[Can Seattle's social housing program survive the February ballot? - KUOW](#)

**2024 Community Roots Housing Foundation Budget and Actuals - AS OF 12.31.2024**

**Income:**

		SFDC Actuals	Goals	% to Goal
Unrestricted	Corporate	\$ 51,920	\$ 75,875	68%
	Sponsorship & Tickets	\$ 258,320	\$ 309,500	83%
	Foundation	\$ 211,317	\$ 109,320	193%
	Government	\$ -	\$ -	N/A
	DAF	\$ 151,468	\$ 343,000	N/A
	Individual	\$ 193,535		
	Individual Giving Total	\$ 345,003	\$ 343,000	101%
<b>Subtotal</b>		\$ 866,560	\$ 837,695	103%

		SFDC Actuals	Goals	% to Goal
Restricted	Corporate	\$ 24,500	\$ 14,950	164%
	Sponsorship	\$ 15,000	\$ 12,500	120%
	Government	\$ 10,000	\$ 100,500	10%
	Foundation	\$ 48,700	\$ 69,550	70%
	DAF	\$ -	\$ 75,000	N/A
	Individual	\$ 11,092		
	Individual Giving Total	\$ 11,092	\$ 75,000	15%
<b>Subtotal</b>		\$ 109,292	\$ 272,500	40%
<b>Total</b>		\$ 975,852	\$ 1,110,195	88%

**Expenses:**

**Community Roots Housing Foundation  
2024 Budget vs. Actual  
January through December 2024**

	Jan - Dec 24	Budget	% of Budget
▼ Expense			
▼ 10000 · Operating Expenses			
▶ 5000 · Contract Services	25,371.89	34,800.00	72.9%
▶ 6000 · Office Expenses	17,196.97	29,330.00	58.6%
▶ 7000 · Administrative Expenses ▶	24,949.99 ◀	26,450.00	94.3%
7240 · Sponsorships	3,469.44	15,000.00	23.1%
▼ 7500 · Event Expense			
▼ 7540 · Event Expense			
7542 · Top of the Town	53,853.79	62,450.00	86.2%
7544 · Omnivorous	56,824.46	77,060.00	73.7%
7570 · Groundbreakings & Grandopen...	422.75	10,000.00	4.2%
7540 · Event Expense - Other	0.00	1,500.00	0.0%
Total 7540 · Event Expense	111,101.00	151,010.00	73.6%
Total 7500 · Event Expense	111,101.00	151,010.00	73.6%
Total 10000 · Operating Expenses	182,089.29	256,590.00	71%
8500 · Donated Goods and Services	99,460.00		
▼ 9000 · Granting			
9050 · Grants to CRH - Unrestricted	791,820.76		
9055 · Grants to CRH - Restricted	66,851.00		
9056 · Grants to others - Restricted	67,500.00		
Total 9000 · Granting	926,171.76		
<b>Total Expense</b>	<b>1,207,721.05</b>	<b>256,590.00</b>	<b>470.7%</b>

## DECEMBER 2024 RESIDENT AND PROPERTY SUCCESS COMMITTEE BOARD REPORT AND MINUTES

**Property Management Committee Members:** Jill Cronauer, Shaun Frazier

**Absent Committee Members:** Shalimar Gonzales, Saunatina Sanchez

**Staff Liaisons to the Board:** Sarah Bramson, **Michelle House**, **Valencia Chambers Manora**, **Andrew Oommen**, **Carolina Rocha**, **Lariah Thompson**, **Max Wilson** (taking notes).  
(**BOLD** indicates those members in attendance)

**Date, time, and location of meeting:** December 3, 2024 at 3:00-4:00 PM – RingCentral

**Date, time, and location of next meeting:** February 4, 2025 at 3:00-4:00 PM – RingCentral

The meeting began at 3:05 p.m.

- 1) 2025 Committee Meeting Dates:** The Committee discussed and approved the proposed 2025 Committee meeting dates. The Committee will continue to meet on the first Tuesday of the month with the exception of January, July and September, due to holidays.

February 4	May 6	October 7
March 4	June 3	November 4
April 1	August 5	December 2

- 2) Projects Update:** Andrew updated the committee on the ongoing projects, program and staff development activities. Real estate activities are keeping us from critical projects, delaying our ability to make progress on program development, process improvement, new technology adoption and refinements. Instead, staff continue to focus on lease-ups.

- Lease ups:
  - Heartwood: 101 of 126 units occupied. We expect to reach full occupancy by February.
  - Pride Place: 76 of 118 units occupied. We expanded marketing to include transit ads and a TV commercial. We significantly reduced rents, which seems to have made a big impact on interest. Deadline to meet full occupancy is December 31, 2024. We are not likely to meet this deadline.
  - Africatown: 46 of 126 units occupied. Deadline to meet full occupancy is December 31, 2024. We are not likely to meet this deadline.
  - Devonshire: 40 of 62 units occupied. Deadline to meet full occupancy is December 31, 2024. We are not likely to meet this deadline. As an active construction zone, we have not been able to do leasing at the building. Construction should be completed in January, which we need to get leasing going.

- Stabilized: Station House and 13<sup>th</sup> & Fir have been stabilized.
  - Closing:
    - Youth Care: The building is on track to close in December.
  - Construction:
    - Northgate: Construction completion is expected in Summer of 2025.
    - White Center: Construction completion is expected in Summer of 2025.
  - Dispositions:
    - Park Hill: We should have final items closed out soon, and held back funds should be released soon.
    - Holden Vista: Due diligence is beginning, and we expect to close in the next six months.
    - Broadway: Broadway sold this week.
- 3) **Third-Party Management:** Andrew shared that we are pursuing third-party management for both the Northgate and White Center projects. Without time to absorb our recent growth, and without time to dedicate to program development, we will not be able to make progress on performance improvement and will very likely fail to bring on new buildings successfully. Growth without capacity building isn't sustainable, and we're already well passed that point. We need to build our capacity. Jill asked if the third-party property management company would be taking on both lease ups and managing the buildings. Andrew said we should learn more in January. Jill stated that it's common to contract with third-party companies to handle lease ups and hiring a third-party management company at Northgate and White Center is highly advised due to the number of units being brought online. Jill asked when Youth Care will open. Andrew said that the construction timeline is longer than usual, so completion is likely in early 2027.

Lariah said we might try to package Unity Village into third-party contract as well since White Center is in the same area. Jill asked when the deadline was to have a third-party lined up and Andrew noted that the decision will be made by early January. Jill expressed concern that hiring a third-party property management company takes time, and we don't have a lot of enough time to make it happen.

The meeting ended at 3:50 p.m.

**Resident Services (RS) Board Report**  
**DECEMBER 2024**

**YOUR RS TEAM MEMBERS**

<b>Position</b>	<b>Team Member</b>	<b>Assigned Buildings</b>	<b>Contact Information</b>
<b>Resident Services Coordinators</b> (RSC)	Sasha Ifé	Haines & Liberty Bank Building (LBB)	<b>ssobersoutlaw@communityrootshousing.org</b>
	Christian	Broadway Crossing (BX) & El Nor	<b>ckrupp@communityrootshousing.org</b>
<b>Resident Services Manager</b> (RSM)	Valencia		<b>vchambersmanora@communityrootshousing.org</b>

**PORTFOLIO SERVICE DATA**

<b>Total Residents Served</b>	<b>Top 3 Service Categories Requested</b>	<b>Total Buildings Served</b>	<b>Portfolio Utilization of Services</b>
25	Advocacy Rental Assistance Ticket Program	11	<b>22.92%</b>

**DEPARTMENT ACTIVITIES**

- Resident Advisory Council (RAC) meeting
  - Per RAC member voting in November, the December RAC Meeting was cancelled so residents could focus on their holiday plans with loved ones. Meetings will resume in the new year with January’s meeting. As a token of appreciation from CRH staff for all the RAC’s hard work, the gift cards customarily given for attending the meeting each month were still sent out to RAC members through the mail with holiday cards signed by staff.
- RAC Meeting Staff Debrief
  - In accordance with the cancelled December RAC meeting, there was no typical RAC meeting debrief for staff and Pat to discuss future meeting agendas or facilitation strategies.
- The monthly regional Resident Services Affinity Group meeting was cancelled for December due to the holidays. It will resume in January on the first Thursday of the month.



- Although the RS team no longer works directly on-site at Elizabeth James due to staff loss later in the year, we all agreed a holiday gathering would go a long way for their building. Seeing as they learned the EJ is being sold a few months ago, that coupled with losing an on-site RS Coordinator made them feel a loss of community. We wanted to foster that through an extra holiday card-writing event.

### **DEPARTMENT NARRATIVE**

The Resident Services Department’s service model continued successful operation through December. Our Resident Services Coordinators (RSCs) have been onsite for 11 months and have brought 49 programming events/activities to six different buildings. In addition to their onsite work, the RSC team generally attends every monthly Resident Advisory Council meeting, are actively participating in Community Roots Housing staff committees, and are constantly seeking out professional development opportunities and community partnerships.

December proved to be a somewhat difficult month for the department. There were unplanned outages in addition to planned vacations that restricted their activities to only the expected monthly events. However, despite these setbacks, the team rallied to put on an extra holiday event for Elizabeth James, a gesture not unnoticed by the residents.

January is normally a time of self-reflection for departments to plan yearlong strategies and tweak service models, and Resident Services will be no exception. Come the new year, we plan to collaborate as a group to create a unified vision for 2025 and set up the residents and CRH for success as productively and efficiently as possible.

### **ONSITE PROGRAMMING ACTIVITIES & BUILDING ENGAGEMENT**

<b>BUILDING</b>	<b>EVENT</b>	<b>SERVICE CATEGORIES</b>	<b>ENGAGEMENT (Attendance %)</b>
LBB	Holiday Card-Writing Event	Cultural Connection, Digital Inclusion, Recreation & Leisure, Senior & Disability Services, Youth & Family	<b>13.95%</b>
Haines	Holiday Card-Writing Event	Cultural Connection, Digital Inclusion, Recreation & Leisure, Senior & Disability Services, Youth & Family	<b>21.4%</b>

BX	Cookie Decorating Event	Cultural Connection, Nutrition, Recreation & Leisure, Youth & Family Services	<b>11.69%</b>
El Nor	Holiday Card-Writing Event	Cultural Connection, Digital Inclusion, Recreation & Leisure, Senior & Disability Services, Youth & Family	<b>6.90%</b>
EJ	Holiday Card-Writing Event	Cultural Connection, Digital Inclusion, Recreation & Leisure, Senior & Disability Services, Youth & Family	<b>10.00%</b>

## JANUARY 25 PROPERTY DEVELOPMENT BOARD REPORT AND MINUTES

**Property Development Committee Members:** **Bob Fikso**, Derrick Belgarde, Robin Lien, Anne Melone  
(**BOLD** indicates those members in attendance)

**Staff Liaisons to the Board:** Chris Persons, **Thea Munchel**, Mason Cavell, Jordan Sullivan, **Scott Surdyke**  
(**BOLD** indicates those members in attendance)

**Date, time and location of meeting:** Thursday, January 2, 2025, at 3:30 PM – 4:30 PM via Ring Central teleconference

**Date, time and location of next meeting:** Thursday, January 30, 2025, at 3:30 PM – 4:30 PM via Ring Central teleconference

### 1. Project Updates

#### a. Hill21

- i. Closed on the acquisition loan with WSHFC. Closed on the acquisition of the property, CRH is now the owner of the property. The Enterprise REDI loan and the RVCDF loan have both been repaid and CRH has received reimbursement from JazzEd for their portion of predevelopment expenses. Partnership can be dissolved and we can complete the work associated with our dissolution agreement with JazzEd.
- ii. No further assessment of the site or potential path for a project have been advanced at this time. Will work with the board to review the project and determine the best path forward for the property.

#### b. Othello

- i. Connected with project partners to explore the project status, the various commitments and grants associated with the partners portion of the project. We agreed to work together to pick the project back up enough to explore a path forward, examine risk and opportunity, and make a decision as to CRH's role in the short and long term for the project.
- ii. Completed the work with Ecology in June 2024 to pave the path to enter into the PPCD and to advance a grant with Ecology to remediate the site. The grant needs to be under contract by June 2025 or we risk losing the funds. We believe this grant is valuable and worth considering CRH pursuing. New Ecology grants require matching funds, but ours does not. Working to scope the work that needs to occur to complete clean up and to create a budget and schedule to complete that work.
- iii. Exploring the possibilities of partnering with another developer to complete the vertical development on the site, developing the site ourselves, or passing on this opportunity.

2. Leasing

a. Pride Place:

- i. Leasing at Pride Place ended the year strong with the second highest move-ins in one month since the grand opening. This is great news and is the result of reduced rents, increased advertising, and reaching back out to leads that did not qualify for the higher rent rates.
- ii. Project has elected 2024 credits and any units vacant at the end of 2024 will significantly reduce the amount of tax credits that the project generates. This could create a gap in project sources. We are working with our investor to minimize the amount of that impact and seeking support from our public funders to help provide a backstop if needed.
- iii. See lease up report for 2024 below.

### Pride Place

		Total Units:	118
<b>Unit Delivery &amp; Lease Up</b>			
	2023	2023	2024
January			6
February			6
March			0
April			1
May			2
June			1
July			1
August			5
September		17	6
October		12	4
November		7	8
December		0	14
<b>Total Units</b>		<b>36</b>	<b>54</b>

	#	Percent
<b>Occupied</b>	90	76%
<b>Vacant</b>	28	24%

b. Africatown Plaza:

- i. Leasing at Africatown Plaza has been fairly consistent since we received TCO in August and resolved an elevator issue and building access control in September.
- ii. We have worked with the investor and have decided to elect 2025 credits and continuing to work with the investor to understand how they considering the lease up timing and credit delivery and how that will impact project sources.
- iii. See project leasing report below:

## Africatown Plaza

Total Units: 126

Unit Delivery & Lease Up		
2023	2023	2024
January		
February		
March		
April		
May		
June		
July		
August		0
September		7
October		22
November		22
December		21
Total Units	0	72

	#	Percent
<b>Occupied</b>	72	57%
<b>Vacant</b>	54	43%

c. Devonshire:

- i. Devonshire is an occupied rehab with all existing residents moved back on site. Construction is behind schedule and remains on-going in common areas and roof.
- ii. Lease up is behind schedule and we have worked with the investor to agree to elect 2025 credits on this project. If we can get leasing back on track and completed in February, the project should be able to manage the impact to the credit delivery schedule.
- iii. Project leasing report below:

## Devonshire

Total  
Units:        62

### Unit Delivery & Lease Up

	2023	2024
January		
February		
March		
April		
May		
June		
July		
August		
September		6
October		12
November		14
December		2
<b>Total Units</b>	<b>0</b>	<b>34</b>

	#	Percent
<b>Occupied</b>	34	55%
<b>Vacant</b>	28	45%

- 3. Approvals/Resolution -- NONE
- 4. Pipeline Report
  - a. Review attached pipeline report

**Meeting Adjourned 4:37 PM**



December 2024 Pipeline Report

Project	Lead Staff	Support Staff	# Units	2024				2025				2026			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Heartwood	Thea		126							Conversion					
13th & Fir Family Housing	Josh	Lisa	156	Conversion					8609						
Pride Place	Mason		118					Conversion							
AT Plaza	Muammar	Jordan	126			PIS		Conversion							
Devonshire	Jordan	Michael	62				PIS	Conversion							
Northgate	Jordan	Michael	235	Construction							PIS	Conversion			
WC Residential	Mason	Jordan	76		CLOSE	Construction					PIS	Conversion			
WC HUB	Mason	Jordan	0		CLOSE	Construction					Conversion				
Youthcare	Mason	Michael	84				CLOSE	Construction							
SMC	Mason	Michael	200			ROUND			Feasibility						
Hill21 (aka JazzHouse)	Scott		TBD				LAND		Feasibility						
Othello	Scott		235						Feasibility						
Centennial	TBD	Michael	57							Feasibility					
R & G	Scott	Michael	139	Acq and hold							Feasibility				
Tukwila/ Abu Bakr	Jordan		TBD						Feasibility						
Kent	Thea		TBD							Feasibility					
CHP2-5	Thea									Feasibility					

Project Name	PM	# Units	Funding Application	Construction Closing	Placed in Service	Perm Conversion Proposed/Actual	Cash Dev Fee	Cash Fee in 2025	Predev Approved	Predev Spent to Date	Acquisition
<b>Middle Income</b>											
Heartwood	Thea	126	N/A	11/8/2021	11/22/2023	9/1/2025	Actual	\$ 1,731,164		Repaid	
Current Phase: Lease Up			Update: Construction loan and Freddie forward commit have been extended until 9/1/2025.								
Next Milestone: perm conversion/sale			105/126 units leased, putting us at 83% occupied. Signed listing agreement with KM and provided notice of intent to sell.								
<b>4% Bond</b>											
13th & Fir Family Housing	Josh / Lisa	156	9/15/2019	5/17/2021	5/5/2023	6/7/2024	Actual	\$ 583,947		Repaid	
Current Phase: Operations			Update: Continuing to wait for final 8609 from WSHFC and the release of the final developer fee associated with that milestone								
Next Milestone: 8609											
Pride Place	Mason	118	9/15/2019	10/25/2021	9/5/2023	6/21/2025	Actual	\$ 1,510,957	\$ 755,479.00	Repaid	
Current Phase: Lease up			Update: 89 units occupied putting us at 75% occupancy at the end of 2024.								
Next Milestone: Perm Conversion			Working with Investor to minimize equity adjuster associated with actual unit delivery. Communicating with Seattle OH for support related to the equity impacts from unit delivery.								
AT Plaza	Muammar/Jordan	126	9/15/2019	12/23/2021	8/15/2024	1/30/2025	Actual	\$ 1,088,597	\$ 870,878.00	Repaid	
Current Phase: Lease Up/Stabilization			Update: 72 move ins at the end of the year.								
Next Milestone: Perm Conversion			Expecting to hit 80% occupancy in February and to begin perm conversion activities. Will need to extend construction loan +6 months to complete lease up/stabilization activities. Worked with Investor to identify 2025 as our first tax credit year. Received full Certificate of Occupancy, resolving heart trace issue. Working through finalizing our DRAFT Cost Cert. We are close on the 50% test and will likely need to adjust our deferred developer fee to meet the requirement.								
Devonshire	Jordan	62	9/15/2022	9/19/2023	1/15/2025	5/15/2025	Actual	\$ 1,582,857	\$912,107	Repaid	\$ -
Current Phase: Construction /Lease Up			Update: All residents have been moved back to the Devonshire as of 11/25 (35 in total).								
Next Milestone: Perm Conversion			Worked through most income certification only two residents remain non-responsive. 28 vacant units that we need to lease ASAP or risk further downward adjuster impacts. Construction completion is scheduled for the end of January. Electing 2025 credits.								
Northgate	Jordan	235	9/15/2021	12/21/2023	10/31/2025	12/18/2026	Actual	\$ 2,417,701	\$400,000	Repaid	
Current Phase: Construction			Update: ~50% complete construction which continues to trend a bit ahead of schedule.								
Next Milestone: Building Transition, Lease up			Ground lease bifurcation scheduled to go to County Committee on January 22. Reengaging on the childcare construction loan now that the Hill21 LAP loan closed. Recruiting third party managers to the project for consideration.								
WC Residential	Mason	76	9/15/2022	5/13/2024	9/1/2025	5/1/2026	Actual	\$ 1,118,803	\$ 190,196.51	Repaid	\$ -
Current Phase: Construction			Update: Construction is 33% complete, tracking on schedule. Current construction activities include window opening flashing, MEP rough-in, and a temp roof should be complete by end of January. CRH and WCCDA have scheduled a time for operational staff to meet and tour site in preparation for								
Next Milestone: Transition to OpEx 9/2025			Transition to Ops activities.								
WC Commercial	Mason		N/A	5/10/2024	9/1/2025	n/a	Actual	\$ 900,000	\$ 450,000		
Current Phase: Closing			Update: Construction is 27% complete, tracking on schedule. Current construction activities include L3 framing and park level classroom and office rough-in. The WCCDA are working on finalizing programming with commercial tenants. The Healthpoint clinic TI on L3 has been awarded to Marpac and is expected to be under contract by end of January, which will allow the buildout of that space to fit into the broader community building construction schedule without impact.								
Next Milestone: Construction											
YouthCare	Mason	84	9/15/2021	12/17/2024	4/14/2027	4/14/2028	Proposed	\$ 1,785,578	\$ -	Repaid	
Current Phase: Funding, Building Permit			Update: Closed on Construction Financing on 12/17/2024!								
Next Milestone: Closing			Notice to Proceed is scheduled for 1/6/2025. Working to schedule a ground breaking.								
SMC	Mason	171	9/15/2024	11/1/2026	11/1/2028	7/1/2029	Proposed	\$ 2,863,346	0 \$	500,000	\$ 487,595 \$ 7,750,000
Current Phase: Prefunded			Update: No funding in the 2024 round.								
Next Milestone: Public Funding			Will follow up with OH and Projct partner to explore next steps.								



Project Name	PM	# Units	Funding Application	Construction Closing	Placed in Service	Perm Conversion	Proposed/Actual	Cash Dev Fee	Cash Fee in 2025	Predev Approved	Predev Spent to Date	Acquisition	
<b>Potential Projects</b>													
Hill21	Scott/Holly	134	N/A					\$ -		\$ 4,300,000	\$ 3,937,322	\$ 3,000,000	
	Current Phase: Closing			Update: Closed on WSHFC approved LAP loan and repaid Enterprise REDI loan and RVCDF loan.							*Assumes we repaid predev sources reimbursed by JazzEd and		
	Next Milestone: Construction			Dissolved Imperial Jazz LLLP and Imperial Jazz GP LLC.							some predev reclassified as land/acq		
Othello	Scott	235	N/A					\$ -		\$ 600,000	\$ 528,645		
	Current Phase: Feasibility			Update: Working through updates to the PSA and to develop a financing plan and schedule for remediation									
	Next Milestone: Approval			and development activities.									
Centennial		57	9/15/2024				Proposed	\$ -			\$ 284,828		
	Current Phase: Feasibility			Update: No updates									
	Next Milestone: Approval												
R & G	Scott	139	9/15/2024	12/1/2028	12/1/2030	8/1/2031	Proposed	\$ -	\$ 100,000	\$ 93,273	\$ 4,500,000		
	Current Phase: Acquisition		Update: No updates										
	Next Milestone: Prefunded											\$ 209,606	
Tukwila - Abu Bakr	Jordan							\$ -					
	Current Phase:		Update: No updates.										
	Next Milestone:		Goal is to bring a resolution to the Board in February										
Kent	Thea							\$ -					
	Current Phase:		Update: No updates										
	Next Milestone:												
CHP2-5	Thea							\$ -					
	Current Phase:		Update: No updates										
	Next Milestone:												



## JANUARY 2025 EXECUTIVE COMMITTEE BOARD REPORT AND MINUTES

**Executive Committee Members:** **Frank F. Alvarado III** (Chair), **Chasten Fulbright** (Treasurer), **Michelle Morlan** (Secretary), **Drew Porter** (Immediate Past Chair)

**Absent Committee Members:** Derrick Belgarde

**Staff:** **Chris Persons, Carolina Rocha, Michelle House** (For Board Correspondence), **Sondra Cardin** (taking notes)

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

**Date, time, and location of meeting:** Monday, January 6, 2025 – 5-6:30 pm – Belmont Conference Room / RingCentral

**Date, time, and location of next meeting:** Monday, February 3, 2025 – 5-6:30 pm – Belmont Conference Room / RingCentral

The meeting began at 5:05 p.m.

- 1. Board Correspondence:** In December 2024, the board received two correspondences. The first was from a resident of the Liberty Bank Building regarding ongoing noise complaints with a neighbor. Staff met with the tenant to better understand their concerns. Frank asked about quiet hours, which Sondra agreed to confirm, while Chasten highlighted that noise complaint notices require complainant's information which results in challenges managing these issues when individuals wish to remain anonymous.

The second correspondence raised concerns about a resident's eligibility at Pride Place. Chris presented the issue and clarified that, after consulting with Michelle House, Director of Compliance, the resident was fully qualified during their 2023 recertification. Morgan Ford, Director of IT, assisted in reviewing documents included in the correspondence, finding no breach of confidential information on our end. Chris also reported that annual recertifications are in progress. Michelle emphasized that the resident had been accurate with their information during the recertification and cooperative throughout this process.

- 2. Executive Search Update:** Frank stated that he will provide a 5–10-minute update at the board meeting on the progress of the CEO Search Committee. He reported that Saunatina, Erin, Chasten, and Michelle (when available) will be conducting interviews with search firms this week, with the goal of selecting a firm by the end of January 2025.
- 3. Critical Path Issues:** Chris provided updates on several ongoing projects. Station House has been stabilized, and YouthCare is under construction. Jazz House, now Hill21, has been temporarily resolved, and staff meet with Two-Schools this Thursday to address ongoing matters. Othello's

immediate issues have been resolved. We are meeting with a potential project partner later in January.

Heartwood has extended both loans and signed a listing agreement, with the property required to be listed for sale by February 1. Lariah is working with them as the asset manager and keeping the team updated. Staff are also exploring additional soft financing options with equity partners, and a Public Funder meeting is planned to be scheduled this or next week, with initial talks having taken place with other philanthropic and social impact investors.

Chris reported that funding for SMC will not be received this year. Frank asked about the funding timeline, and Chris confirmed this was our third round of applying. A meeting with OH is being scheduled to debrief. Michelle Morlan asked about the size of the project and if it could have any relation to the project not being approved since it could be a smaller risk. Chris said that we had reduced the project scale a couple of times. Michelle asked if they ever provided feedback on why the fund wasn't approved and Chris stated that every time they gave us feedback, Mason worked on it before submitting a new request for funds. He then briefly shared that the Mini Portfolio is under contract, and a meeting with HUD is scheduled for Wednesday to discuss their process, with buyers included in the call.

There are four active lease-up projects: Africatown, Pride Place, Northgate, and Heartwood. WC Residential and Northgate will start later this year. A third-party firm will be used for Northgate and Thea is currently interviewing firms. A full report will be presented at the upcoming board meeting. Discussions with both banks and OH are ongoing, and mitigation will be a key focus moving forward. Frank asked about eligibility for the property, and Chris clarified that residents must be 55+ years old and income eligible. Marketing efforts resulted in 14 new move-ins in December. Michelle inquired about taking the first tax credit, which Chris said would require further clarification with Thea.

- 4. CDP 2025 Workplan & Priorities:** Chris, working with transition consultant, Betsy, shared the draft of the CDP 2025 Workplan & Priorities, which he and Frank have discussed. The plan includes eight overall goals, initiative descriptions, and quarterly targets, and will be presented to the E-Team on Thursday. The primary goal is to establish a fully seated board, strong leadership, and financial stability by year-end, along with recommendations for necessary changes.

His first goal is to elevate the RAC's importance to staff and plans to attend most meetings until his transition. He announced their first agenda item will be discussed at this month's RAC meeting. He also would like to include Andrew and Leslie in the Executive Committee to provide a leadership and board bridge for the new CEO. Frank asked when we plan to bring them in, which Chris is aiming for a 10-month timeline and will seek E-Team feedback. Michelle suggested a 360-degree review of board capacity to ensure all skill sets are represented, and Drew Porter noted the need to address skills gaps, especially in legal.

Frank asked if fundraising would be handled by the Foundation team, and Chris confirmed it remains part of his role. Final goals include management of critical path issues and his transition. Chris then reviewed then the 2008 Mary Vasys Report recommending a similar process now to address sector challenges. Chasten inquired if we have a consultant in mind, and Chirs confirmed further discussions on the process will happen on Wednesday, with proposals expected soon.

- 5. Board Development:** Chris reviewed the Board Development list, noting three open seats and an additional three seats with terms ending this year, though recertification for those members is not anticipated posing any challenges. He updated the committee on conversations with potential board candidates and sought guidance from the Executive Committee on next steps for identifying additional candidates. Chris has several upcoming meetings and is awaiting responses

from others he has already met. Other board members, including Bob Fikso, will also actively source strong candidates, particularly another attorney. Additionally, Chris suggested introducing a second emerging leader candidate for consideration. He also provided an update on the demographics of the board and executive committee, with Chasten recommending outreach to HAL Real Estate for potential candidates.

- 6. Review Board Agenda and Resolutions:** Chris reviewed the January 13th Joint Board Convening Agenda, starting with the consent agenda, which will include the Banner Bank LOC and a memo regarding Drew’s transition to an emeritus position. Chris will confirm details with Kiley and Kelly. The primary items for board discussion will include HDC Advocacy priorities, which will be then presented to RAC for input and support. An update on advocacy efforts will be provided in February. Thea will present a broad review of the pipeline.

The executive committee discuss approaching our leading banking relations to discuss possible lending products.

The meeting ended at 6:30 p.m.

**Board Email Correspondence December 2024**

<b>Correspondence Number</b>	1
<b>Date Received</b>	December 2, 2024 (2 emails) December 16, 2024 (1 email)
<b>From</b>	Resident
<b>Topic</b>	Issues with neighbor/ Noise complaint
<b>Building</b>	Liberty Bank Building
<b>Status</b>	Staff has been addressing the issue regularly.

<b>Correspondence Number</b>	2
<b>Date Received</b>	December 20, 2024
<b>From</b>	Resident
<b>Topic</b>	Residency Eligibility
<b>Building</b>	Pride Place
<b>Status</b>	Staff has investigated the issue and found no merit to the complaint.



**ADOPTED AT A MEETING OF  
THE BOARD OF DIRECTORS OF THE  
COMMUNITY ROOTS HOUSING,  
A WASHINGTON PUBLIC CORPORATION**

**November 18, 2024**

**Resolution No 2024-27**

**Banner Bank \$500,000 Revolving Line of Credit Renewal for Operations**

A RESOLUTION of the Board of Directors of Community Roots Housing authorizing and directing staff renew the \$500,000 operating line of credit with Banner Bank for a term of one year with the same terms.

**Recitals:**

Community Roots Housing is a public corporation organized pursuant to RCW 35.21.660, 35.21.670, and 35.21.730-755, and Seattle Municipal Code Ch. 3.110. As such, it is a political subdivision of the State with an area of operation focused on the City of Seattle.

The purpose of the Program shall be to preserve, develop, own, and operate affordable multifamily housing, as well as cultural, social, and economic facilities and to provide programs and services to promote equity and resilience in communities and to perform other functions as the Board shall determine.

RCW 35.21.730 authorizes the creation of public development authorities (“PDAs”) to meet specified purposes, including (among other things) to “improve the general living conditions in the urban areas” of the state or any city, town, or county. PDAs may “perform any lawful public purpose or public function” to achieve these purposes. PDAs are specifically empowered to own and sell property, to contract with individuals and public entities, to loan and borrow funds and issue bonds, and to perform all manner and type of community services, among other things.

The City of Seattle (SMC 3.110.010 A) authorizes the establishment and chartering of one or more public corporations as an independent legal entity to: improve governmental efficiency and services and general living conditions within the City; administer and execute federal grants and programs; receive and administer federal funds; perform all manner and type of community services; provide and implement such municipal services and functions as the City Council may direct; and allow a character of community participation in appropriate municipal projects and activities that are, in practical effect, restricted by the organizational structure of City government, all as authorized by RCW 35.21.730 through 35.21.755.

Community Roots’ charter, as restated, provides that Community Roots shall have and exercise all powers necessary or convenient to affect the purposes for which it is organized including, without limitation, the power to lend and borrow money and to issue bonds and notes to provide sufficient funds for achieving its purposes.

Community Roots Housing first obtained a line of credit from Banner Bank in 2014 for which the Board passed Resolutions 2014-13 and subsequently adopted several renewal resolutions including 2015-11, 2017-02, 2018-01, 2019-09, 2020-19, 2021-24, 2022-17, and 2023-32.

Community Roots has also used Banner Bank financing for remodeling and small rehab projects in our existing portfolio.

Community Roots Housing deems it necessary and advisable and in the best interest of Community Roots to maintain a revolving line of credit with Banner Bank to cover potential short-term operational needs and cash flow timing differences, and

Banner Bank has offered a renewal of the revolving line of credit and Community Roots agrees to accept the following terms:

<b>Borrower:</b>	Community Roots Housing, a public corporation organized as a political subdivision of the State of Washington and whose liabilities shall be satisfied exclusively from the assets and properties of the corporation
<b>Term:</b>	Approximately One Year with an annual renewal
<b>Amount:</b>	\$500,000
<b>Collateral:</b>	None
<b>Guarantors:</b>	None
<b>Loan Fee:</b>	No more than \$2,500 or 1/2 per cent
<b>Interest Rate:</b>	Prime rate
<b>Payments:</b>	Interest due monthly, principal balance and any outstanding interest due on maturity date
<b>Intended Use:</b>	Community Roots Housing operations

The Board of Directors of CRH voted unanimously at their regularly scheduled meeting held on November 18, 2024 to delegate approval authority to the Finance and Asset Management Committee.

The Finance and Asset Management Committee met on December 3, 2024, and unanimously approved the terms of the loan agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of the Community Roots Housing that Community Roots is authorized and directed to execute and deliver all such documents as may be required to effectuate the foregoing.

- (1) Community Roots Housing's Board hereby finds that approving this loan will further Community Roots Housing's efforts to promote the development of quality affordable housing in the Seattle region.
- (2) Further Resolved that any and all documents hereby authorized to be executed on behalf of Community Roots in furtherance of the foregoing are authorized to be executed or taken by any one of the following individuals or their duly appointed successors (the "Authorized Representatives")

<b>Name:</b>	<b>Title:</b>
Frank Alvarado III	Chair

Derrick Belgarde	Vice Chair
Chasten Fulbright	Treasurer
Michelle Morlan	Secretary
Christopher Persons	Chief Executive Officer

- (3) Further Resolved that any one Authorized Representative, acting alone, is authorized, empowered and directed to take such further action on behalf of CRH, as the Authorized Representative may deem necessary to effectuate the foregoing.
- (4) Further Resolved that any and all acts authorized pursuant to these Resolutions and performed prior to the passage of these Resolutions are hereby ratified and affirmed.

**CERTIFICATION**

I, Michelle Morlan, certify that I am the Secretary of Community Roots Housing and that the Board of Directors of Community Roots Housing at the regular meeting held the 18th day of November 2024, at an open public meeting, in accordance with the law and with the Charter and Rules and Regulations of Community Roots Housing upon proper public notice and to which options for remote participation were readily available and at which time a quorum was present authorized the Board Finance and Asset Management Committee to approve the foregoing held.

DATED the 3rd day of December 2024.

By Michelle Morlan

Its: Secretary

**Resolution prepared by:** Leslie Woodworth and Chris Persons



## Brief Memorandum

**Date:** January 13, 2025  
**To:** PDA Board  
**From:** Chris Persons and Sondra Cardin

**Re:** PDA Board Member Transition – Drew Porter

I am writing to inform you that Drew Porter has concluded his term as a Community Roots Housing PDA Board of Directors and has transitioned to emeritus status effective immediately. The policies and procedures of the Emeritus Board Position are found on page 2 of this memorandum. Drew's transition was approved in the Resolution 2024-05 unanimously passed at the April 8<sup>th</sup>, 2024, PDA board meeting. We extend our deepest gratitude to Drew for over 12 years of outstanding dedicated service. His commitment, leadership, and contributions have been invaluable to our organization. Thank you, Drew.

The board will begin the process of filling the vacancy in accordance with our bylaws. If you have any questions, please feel free to reach out.

**This brief memorandum has been incorporated into the Consent Agenda, and your approval of the Consent Agenda signifies your recommendation to PDA board to make the said changes.**

Thank you for your attention to this matter.





## MEMORANDUM

To: CHH Board of Directors  
From: Chris Persons, CEO  
Date: September 2015  
Re: DRAFT Emeritus Board Position

### **Background**

This memo sets forth the policy and procedures for the Emeritus Board Position.

### **Program Goal and Outline**

The Emeritus Board Position allows CHH to retain the strategic leadership of an exiting Board member. There may be different circumstances when the Board would want to maintain a formal ongoing relationship with a former Board member without that individual seated in a full-rights seat.

The Emeritus Board Position will retain a seasoned leader on the CHH board. An Emeritus Board member will serve a one-year term and may be re-elected annually. The Emeritus Board (EBM) position is advisory and is provided no voting rights, nor does the attendance of that Board member count toward quorum. The Board member filling the EBM position will have access to all conversations and information the board considers and will be encouraged and expected to engage in those conversations. The EBM has no rights of board membership beyond what is detailed in this policy.

An EBM candidate will be presented to the Executive Committee and then to the full Board for election. The EBM position is the 17<sup>th</sup> Board roster position and only one position is currently provided by this policy.

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