



COMMUNITY ROOTS
— HOUSING —

PDA Board Meeting

June 2024

THIS PAGE INTENTIONALLY LEFT BLANK



COMMUNITY ROOTS
— HOUSING —

SECTION 1:

Meeting Keys

THIS PAGE INTENTIONALLY LEFT BLANK

June 2024

Community Roots Housing Board Meeting Keys

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.

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

Meeting

Welcome and Introductions, Agenda Review: 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 Consent Agenda includes resolution 2024-11 Heartwood Debt Extension which was approved by Executive Committee at a special meeting called for the purpose of approving the resolution. The Board will be asked to adopt the consent agenda.

The 10-minute Lesson: We will forgo the 10-minute lesson this month so we can focus on larger issues.

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.

Real Estate Development

As we close out the current pipeline moving through predevelopment and starting construction, we will be analyzing what projects to prioritize as we move forward. This discussion will be part of our long-term sustainability plan but also requires review of early projects that have been brought to us. Two of these, the City of Kent and Abu Bakr/Tukwila have recently had some early activity and we want to update the Board.

Resolutions

Resolution 2024-12 - Berneva Bank Loan Refinance: The permanent bank loan on our Berneva property matured in April. Banner granted a six month extension of current loan terms and presented a term sheet outlining terms for a new loan on the property. The current loan had a balloon payment due at maturity. Refinancing will avoid the property having to pay the balloon payment. The new loan will mature in five years with the balance being due at maturity. This resolution was presented and approved at FAM.

Resolution 2024-13 - Seneca Bank Loan Refinance: The permanent bank loan on our Seneca Apartments property matured in April. Banner granted a six month extension of current loan terms and presented a term sheet outlining terms for a new loan on the property. The current loan had a balloon payment due at maturity. Refinancing will avoid the property having to pay the balloon payment.

The new loan will mature in five years with the balance being due at maturity. Excess funds from loan proceeds are to be deposited into the property's replacement reserve account. This resolution was presented and approved at FAM.

Finance and Asset Management

Financial Summary: Chasten and Leslie will present the regular report and dashboard through April 2024. Financials were reviewed by the FAM committee. Staff will discuss current property disposition concepts with the Board.

Executive Session: Per RCW 42.30.110 Executive sessions. We will enter executive session to discuss items allowed under 42.30.110.

Upcoming Meetings and Events	
<i>Please let Carolina OR Sondra know if you'd like additional information on any event or meeting.</i>	
• June 13	Leadership Retreat
• June 19	Holiday Juneteenth - Office Closed
• July 1	Executive Committee
• July 4	Independence Day - Office Closed
• July 5	Office Closed
• July 8	PDA Board Meeting

Board Packet Sections

1. Meeting Keys, p. 5-6
2. Meeting Agenda, p. 9
3. June 2024 Finance Report, April Statements and Asset Management Report, p. 13-27
4. Resolution 2024-12 - Berneva Bank Loan Refinance, p. 31-34
5. Resolution 2024-13 - Seneca Bank Loan Refinance, p. 37-40
6. Consent Agenda and Attachments, p. 43-65
 - a. Contracts and Expenditures, p. 43
 - b. May Board Minutes Draft, p. 44-46
 - c. Fundraising & Communications Memo, p. 47-49
 - d. Resident and Property Success Committee, p. 50-51
 - e. Resident Services Report, p. 52-54
 - f. Property Development Committee Report, p. 55-58
 - g. Executive Committee Minutes, p. 59-61
 - h. Resolution 2024-11 - Heartwood Project Debt Extension, p. 62-65



COMMUNITY ROOTS
— HOUSING —

SECTION 2:

Agenda

THIS PAGE INTENTIONALLY LEFT BLANK



**COMMUNITY ROOTS HOUSING BOARD
REGULAR MEETING**

June 10, 2024

5:30-7:30 PM

Pike Pine Conference Room and RingCentral
1620 12th Ave Seattle, WA 98122

RingCentral Link

<https://v.ringcentral.com/join/766871424?pw=388912b2be95af96cb38d750761b39ed>

AGENDA

5:30 Call to Order (Alvarado) – 15 mins total

- a. Welcome, Introductions, Agenda Review
- b. Disclosures and Recusals
- c. Consent Agenda
 - i. Resolution 2024-11 - Heartwood Project Debt Extension

Sec. 6, Page 41

5:45 Public Comment – 10 mins total

5:55 Real Estate Activities (Munchel) – 20 mins total

- a. Kent Update (Munchel) – 10 mins
- b. Abu Bakr Update (Munchel) – 10 mins

6:15 Asset Management (Hagen) – 30 mins total

- a. Resolution 2024-12 - Berneva Bank Loan Refinance – 15 mins
- b. Resolution 2024-13 - Seneca Bank Loan Refinance – 15 mins

Sec. 4, Page 29

Sec. 5, Page 35

6:45 Finance and Asset Management – 15 mins total

- a. April Financials (Fulbright, Woodworth) – 15 mins

Sec. 3, Page 11

7:00 Executive Session – 30 mins total

Per RCW 42.30.110 Executive sessions.

7:30 Adjourn (Alvarado)

THIS PAGE INTENTIONALLY LEFT BLANK



COMMUNITY ROOTS
— HOUSING —

SECTION 3:
June 2024 Finance Report,
April Statements, and
Asset Management Report

THIS PAGE INTENTIONALLY LEFT BLANK

JUNE 2024 FINANCE & ASSET MANAGEMENT BOARD REPORT AND MINUTES

April 2024 reporting

Finance & Asset Management Committee Members: **Chasten Fulbright, Jill Cronauer, Frank Alvarado, Michelle Purnell-Hepburn, Drew Weber** (non-voting)

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: June 4, 2024 – 4:00 PM – RingCentral meeting

Financial Position Summary:

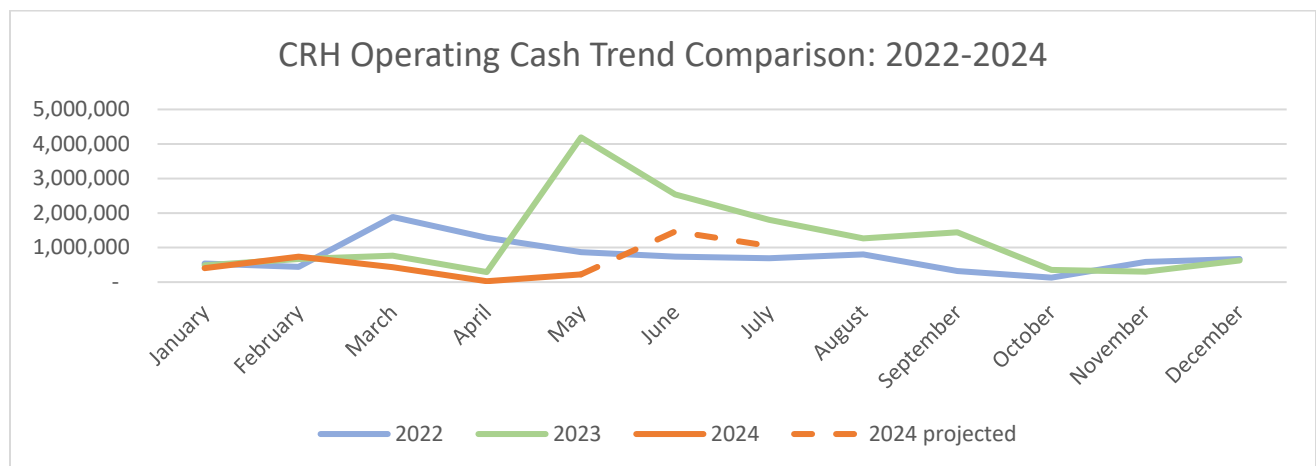
BALANCE SHEET

During April, unrestricted operating cash decreased \$465k.

- Significant inflows included distributions of \$224k from Holden Vista, a \$184k contribution from the CRH Foundation, and \$150k funding transfer from the general building reserve.
- Significant outflows included \$788k for two payrolls, \$172k for the annual retirement plan contribution, and \$104k toward Heartwood operations.
- Construction activity during the month resulted in a net decrease of \$93k, compared to \$282k in the prior month. The timing differences occur from delays between funding draws and vendor disbursements.

Board designated operating fund was authorized for use in November 2023. As of the June 4, 2024 meeting date, no funds were utilized for working capital, and the fund balance remains at \$1m.

Operating cash projections continue to be lower than historical levels, with sufficient liquid reserves available if needed temporarily. Dispositions planned in 2024 will replenish various reserves and provide additional cushion for operating cash balances and other liquid reserves.

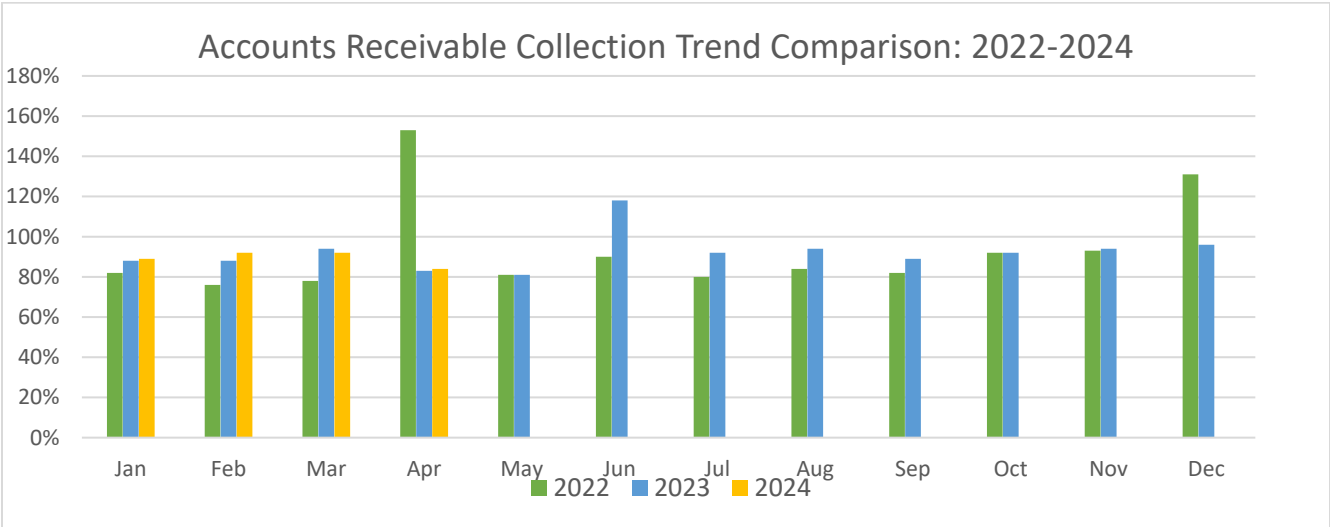


Development activity contributed towards balance sheet changes as follows:

- Cash restricted for development increased \$268k from two projects.
- Building, improvements, and equipment increased \$63k related to two projects.
- The balance due from affiliates increased \$90k related to four projects.
- Accounts payable increased \$574k, related to five projects.

Accounts receivable decreased \$91k, compared to a \$133k increase in the prior month. The activity was split between commercial \$25k and residential (\$116k).

Portfolio-wide residential collections were approximately 84% in April, with total collections at 84%.



**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 April 2024, shows an adjusted operating deficit of \$749k, as compared to a budgeted deficit of \$701k, resulting in a negative variance of \$16k.

Developer fee revenue was \$645k lower than budget due the following:

- Timing difference carried forward from prior year \$151k:
 - Pride Place \$151k cash developer fee installment received in January, expected in December 2023
- Current year timing differences, delayed (\$850k):
 - White Center HUB (\$200k) expected January, now expected in April
 - White Center Residential (\$400k) expected February, now expected in April
 - Africatown (\$85k) expected February, now expected in April
 - YouthCare (\$75k) expected March, now expected in July
 - Station House \$90k cash flow installment expected April, pushed out to Q3 after stabilization
- Received but not budgeted \$54k:
 - Twelfth Avenue Arts cash flow distribution of deferred developer fee \$54k

Bad debt expense exceeded budget by \$262k, due to move-outs of tenants with larger balances accumulated without payment.

Cash distributions from affiliates exceeded budget by \$428k, due to a larger than expected distribution from the Bonanza properties and \$224k from Holden Vista surplus cash.

Overall operating expenses were just \$44k higher than 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.

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

April figures for the portfolio were as follows:

- Monthly physical vacancy 6.5%
- Monthly economic vacancy was 7.3%
- 12-month rolling economic vacancy was 5.5%

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

- Asset Management updates
- Banner mortgage renewal resolutions for two properties
- Finance department updates
- Cash flow overview

Community Roots Housing Blended Balance Sheet

	4.30.2024 Unaudited	3.31.2024 Unaudited	Change from prior month		12.31.2022 Internal Presentation	12.31.2021 Internal Presentation
ASSETS						
Unrestricted Cash						
CRH Operating Cash	213,462	678,246	(464,784)	1	670,162	852,951
Blended Partnerships Operating Cash	2,120,506	2,554,549	(434,043)		3,251,437	2,891,308
General Building Reserves	216,598	366,598	(150,000)	2	366,598	624,761
Total Unrestricted Cash	2,550,566	3,599,393	(1,048,827)		4,288,197	4,369,020
Accounts Receivable						
Tenant & Commercial AR	1,618,769	1,709,298	(90,529)	3	1,373,910	1,461,615
Grants Receivable	0	0	0		884,521	2,521,123
GAAP Rent Receivable	321,358	321,358	0		304,544	336,280
Other Receivable	539,959	539,506	453		795,482	1,397,700
Allowance	(981,109)	(981,109)	0			
Total Accounts Receivable	1,498,977	1,589,053	(90,076)		3,358,457	5,716,718
Board Designated Reserve						
General Board Reserve	1,000,000	1,000,000	0		1,000,000	1,000,000
Opportunity Fund	45,814	41,195	4,619		612,510	285,909
Total Board Designated Reserve	1,045,814	1,041,195	4,619		1,612,510	1,285,909
Restricted Cash						
Portfolio Reserves	7,317,410	7,270,788	46,622		8,251,631	7,667,387
Development	2,930,628	2,660,412	270,216	4	2,509,106	4,082,662
Rental Assistance	167,970	155,269	12,701		44,143	526,489
Restricted Misc	418,227	453,064	(34,837)		575,195	223,355
Total Restricted Cash	10,834,235	10,539,533	294,702		11,380,075	12,499,893
Fixed Assets						
Land	28,263,681	28,263,681	0		24,834,923	22,906,927
Buildings, Improvements & Equipment	149,351,103	149,240,319	110,784	5	147,847,211	131,120,506
Accumulated Depreciation	(72,758,299)	(72,395,278)	(363,021)	6	(69,614,902)	(57,978,033)
Lease Receivable	529,685	529,685	0		567,455	602,410
Total Fixed Assets	105,386,170	105,638,407	(252,237)		103,634,687	96,651,810
Other Assets						
Intangible Assets	42,183	47,922	(5,739)		(73,393)	94,180,245.00
Investment in LPs/LLCs	1,399,993	1,399,993	0		1,588,534	5,291,555.00
Due from Affiliates	27,018,114	26,636,042	382,072	7	16,333,561	5,820,644.00
Notes Receivable from Affiliates	20,933,013	20,933,013	0		18,089,995	522,795.00
Prepays & Other Current Assets	27,556	104,777	(77,221)		191,822	273,170
Total Other Assets	49,420,859	49,121,747	299,112		36,130,519	106,088,409
Total Assets	170,736,621	171,529,328	(792,707)		160,404,445	226,611,759
LIABILITIES						
Notes Payable	103,402,873	103,508,199	(105,326)	8	100,583,693.00	86,379,496
Accrued Interest Payable	6,353,662	6,353,926	(264)		5,894,987.00	4,828,540
Accounts Payable & Accrued Liabilities	10,086,823	10,148,319	(61,496)	9	7,781,783.00	8,155,547
Tenant Security Deposit Liability	452,684	454,697	(2,013)		525,066	499,581
Total Liabilities	120,296,042	120,465,141	(169,099)		114,785,529	99,863,164
Net Position	50,440,579	51,064,187	(623,608)		45,618,916	126,748,595
Total Liabilities and Net Assets	170,736,621	171,529,328	(792,707)		160,404,445	226,611,759

Community Roots Housing Blended Balance Sheet

Significant balance sheet changes from prior month

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

- \$224k distribution from Holden Vista property
- \$24k distribution from Silvan property
- \$184k contribution from CRH Foundation
- \$150k funding transfer from General Building Reserve

The following significant cash transactions decreased cash during the period:

- \$788k paid for 2 payrolls
- \$172k annual funding contribution to employee SEP retirement plans
- \$104k paid towards Heartwood property operations, net

Construction activity:

- \$93k net outflow from development transactions, funding disbursements in excess of draws

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

- 2)** General Building Reserves: Decr \$150k - funding transfer to CRH operating cash to help cover building costs
- 3)** Tenant & Commercial AR: Decr \$90k - Commercial balances increased \$25k and residential decreased \$116k.
- 4)** Cash Restricted for Development: Incr \$270k - White Center HUB cash increased \$180k, from receipt of Rise Together grant, net of spending. \$87k replenished from Rainier & Genesee land acquisition financing.
- 5)** Bldg, Impr & Equip: Incr \$111k - Additions to construction in process for projects, including the following: White Center \$41k, Northgate \$22k
- 6)** Accumulated Depreciation: Decr \$363k - monthly depreciation expense
- 7)** Other Assets - Due from Affiliates: Incr. \$382k - monthly activity due to an increase (decrease) of development project cost paid by CRH: Jazz House \$30k, YouthCare \$12k, White Center \$21k, Northgate \$27k; Additional activity from covering Heartwood operating costs \$93k.
- 8)** Notes Payable: Decr \$105k - Regular payments and a \$20k correction of a bank error.
- 9)** Accounts Payable & Accrued Liabilities: Decr \$61k - Construction costs in accounts payable increased (decreased) for the following: White Center \$23k, YouthCare \$12k, Northgate \$51k, Devonshire \$7k, and Jazz House (\$19k). 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. The annual retirement plan payment reduced accrued expenses by \$172k.

Community Roots Housing
Statement of Revenues and Expenditures - Unaudited
From 1/1/2024 Through 4/30/2024

	Year to Date Actual	Year to Date Budget	Year to Date Budget Variance		Variance Pct	Total Budget	Budget Remaining
Revenue							
Residential Tenant Revenue							
Residential tenant revenue	4,201,422	4,003,977	197,445		4.93%	12,177,775	7,976,353
Parking, Laundry & Other	68,247	51,821	16,426	1	31.70%	155,464	87,217
Residential Vacancy & Concessions	(329,366)	(179,923)	(149,443)	2	83.06%	(569,270)	(239,904)
Total Residential Tenant Revenue	3,940,303	3,875,875	64,428		1.66%	11,763,969	7,823,666
Commercial Tenant Revenue							
Commercial Rent Revenue	500,652	521,727	(21,075)		(4.04%)	1,603,281	1,102,629
Triple net revenue	114,818	152,630	(37,812)	3	(24.77%)	464,069	349,251
Commercial vacancy & concessions	(925)	(15,292)	14,367	4	(93.95%)	(46,944)	(46,019)
Total Commercial Tenant Revenue	614,545	659,065	(44,520)		-6.76%	2,020,406	1,405,861
Bad Debt & Collection Loss							
Bad debt	(375,103)	(113,495)	(261,608)	5	230.50%	(345,180)	29,923
Total Bad Debt & Collection Loss	(375,103)	(113,495)	(261,608)		230.50%	(345,180)	29,923
Grants & Donations							
Grants & Donations	196,224	165,000	31,224	6	18.92%	660,000	463,776
Rental Assistance Awards	0	0	0			0	0
Total Grants & Donations	196,224	165,000	31,224		18.92%	660,000	463,776
Other Operating Revenue							
Accounting & Compliance fees	409,212	447,117	(37,905)		(8.48%)	1,352,740	943,528
Developer Fees	392,656	1,038,000	(645,344)	7	(62.17%)	2,563,000	2,170,344
Cash Distribution from Affiliate	818,667	390,000	428,667	8		390,000	(428,667)
Partnership Management Fees	0	52,900	(52,900)	9	(100.00%)	52,900	52,900
Property Management Fees	511,249	567,698	(56,449)		(9.94%)	1,723,178	1,211,929
Interest Income	21,892	8,000	13,892		173.65%	49,000	27,108
Other Income	30,761	0	30,761			0	(30,761)
Total Other Operating Revenue	2,184,437	2,503,715	(319,278)		(12.75%)	6,130,818	3,946,381
Total Revenue	6,560,406	7,090,160	(529,754)		(7.47%)	20,230,013	13,669,607
Expenses							
Operating Expenses							
Accounting, Audit & Legal	348,751	383,494	34,743		9.06%	853,011	504,260
Administration	174,795	228,935	54,140	10	23.65%	593,375	418,580
Technology	125,024	180,328	55,304	11	30.67%	535,771	410,747
Board Expense	320	0	(320)		#DIV/0!	0	(320)
CRH Occupancy Expense	40,258	175,101	134,843	12	77.01%	525,302	485,044
Cash Distribution to CRH	248,272	173,000	(75,272)	13		173,000	(75,272)
Compliance, Taxes & License	167,806	172,174	4,368		2.54%	366,297	198,491
Consulting	37,042	118,035	80,993	14	68.62%	327,035	289,993
Debt Service	764,791	806,257	41,466		5.14%	2,492,956	1,728,165
Insurance	305,764	284,419	(21,345)	15	(7.50%)	883,646	577,882
Leasing/Compliance Expense	130,634	138,077	7,443		5.39%	410,934	280,300
Miscellaneous Financial Expense	0	2,000	2,000		100.00%	8,500	8,500
Other Operating Expense	(5,363)	2,046	7,409		362.12%	2,046	7,409
Partnership Mgmt Fee Expense	0	48,000	48,000	16	100.00%	48,000	48,000
Payroll, Taxes and Benefits	2,821,282	3,186,163	364,881	17	11.45%	9,886,873	7,065,591
Property Mgmt Fee Expense	332,006	329,666	(2,340)		(0.71%)	1,001,951	669,945
Repair and Maintenance	1,094,440	788,785	(305,655)	18	(38.75%)	2,209,522	1,115,082
Resident activities	4,510	10,040	5,530		55.08%	27,570	23,060
Utilities	548,992	598,411	49,419	19	8.26%	1,795,404	1,246,412
Total Expenses	7,139,324	7,624,931	485,607		6.37%	22,141,193	15,001,869
Operating Surplus (Deficit) before Reserves	(578,918)	(534,771)	(44,147)		8.26%	(1,911,180)	(1,332,262)

Reserve Contributions							
Replacement Reserve	(146,554)	(146,554)	0	0.00%	(434,399)	(287,845)	
Operating Reserve	(11,532)	(11,532)	0	0.00%	(33,347)	(21,815)	
Other Reserve	(12,030)	(40,430)	28,400	20	(70.24%)	(149,768)	(137,738)
Total Reserve Contributions	(170,116)	(198,516)	28,400		(14.31%)	(617,514)	(447,398)
Operating Surplus (Deficit)	(749,034)	(733,287)	(15,747)		2.15%	(2,528,694)	(1,779,660)
Additional Unrestricted Cash Flows							
Transactional Inflows	0	31,920	(31,920)	21	(100.00%)	3,603,360	3,603,360
Adjusted Operating Surplus (Deficit)	(749,034)	(701,367)	(47,667)		6.80%	1,074,666	1,823,700

Variance Discussion (Greater than \$10K and 10%) all changes are reference to Budget

- 1) Parking, Laundry, & Other: \$16k higher - Better than budget over multiple locations, and \$14k not budgeted for temporary use of South Annex vacant parking lot, to be used toward development.
- 2) Residential vacancy: \$149k higher - Park Hill vacancy recognized \$83k, which was not budgeted. The building is being intentionally vacated for disposition.
- 3) Triple net revenue: \$38k lower - Gilman Court expected \$3.9k year to date, but the new commercial tenant billings have not been set up yet. 12th Avenue Arts Commercial billings are lower than budgeted by \$30k.
- 4) Commercial vacancy: \$14k lower - 12th Avenue Arts Commercial recognized no vacancy loss, but also recognized lower gross rent. The amounts were netted.
- 5) Bad Debt: \$262k higher - Primarily due to continued efforts to move out delinquent tenants with larger balances, with focused attention early in 2024. Noted \$32k for Freming Apartments, \$63k for Centennial, \$46k from Four Twelve, \$70k from Union James. Much of this balance has already been recognized as accrued bad debt expense in the prior year. Also \$79k from Park Hill, as unpaid balances written off when tenants moved out or relocated in preparation for the building sale.
- 6) Grants & Donations: \$31k higher - received expected installments from CRH Foundation, and Rise Together staffing contribution
- 7) Developer Fees: \$645k lower - Timing differences in expected installments. Received \$151k for Pride Place in January which was expected in December. \$200k for White Center residential expected in January was delayed. \$400k for White Center Hub and \$85k for Africatown expected in February were both delayed as well. \$75k for YouthCare expected in March is delayed and closing expected later in June. \$90k for Station House cash flow distribution delayed until stabilization. Offset by \$53k deferred developer fee distribution from 12th Avenue Arts.
- 8) Cash Distribution from Affiliate: \$429k higher - \$570k from Bonanza, paid down debt and accrued interest; \$224k from Holden Vista, \$24k from Silvan; These offset budgeted amounts that have not yet been distributed.
- 9) Partnership Management Fees: \$53k Lower - Expected \$48k from Helen V and additional fee from discrete component unit, not yet distributed.
- 10) Administration: \$54k lower - Due to cost savings for new copier lease, and other cost saving efforts; lower training costs
- 11) Technology: \$55k lower - intentional cost saving efforts, and limited capacity for new projects in early part of the year. Other costs are able to be billed to building reserves. Most of cost savings in equipment purchase category.
- 12) CRH Occupancy: \$135k lower - Febraury, March, April billing not recognized yet for office rent
- 13) Cash Distribution to CRH - \$75k higher - See note 8, the actual distribution includes \$224k from Holden Vista and \$24k from Silvan; offset by budgeted amounts that have not yet been distributed.
- 14) Consulting: \$81k lower - Due to cost savings from property development department of \$67k, Communications \$20k, IT \$10k, offset by HR consulting cost exceeding budget by \$8.5k
- 15) Insurance: \$21k higher - short term renewal, some higher costs spread among buildings
- 16) Partnership Mgmt Fee Expense: \$48k lower - See note 9, not yet recorded, although the budget expected \$48k from Helen V to be distributed
- 17) Payroll: \$365k lower - due to several staffing vacancies and lower than expected benefits cost
- 18) Repairs & Maintenance: \$306k higher - Timing of repair and maintenance costs can be difficult to predict, costs picked up in Febraury due to some needed repairs related to frozen pipes. March and April costs included unit turns and inspection repairs.
- 19) Utilities: \$49k lower - Timing of budget is smooth vs. some utilities bill alternating months. This should even out during the year.
- 20) Other Reserves: \$28k lower - commercial reserves (not required) were lower than budget. This will catch up later in the year if there is sufficient operating cash on hand.
- 21) Transactional Inflows: \$32k lower - this is an accumulated buffer to reduce the portion of future transactions that we use towards operating costs. It doesn't represent an expected transaction through April 2024.



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

Property	Physical Vacancy (at month end)				Op Rev Per Unit YTD		Op Exp Per Unit YTD		Cash Flow Per Unit ¹ YTD			A/R Resident Portion	Monthly Change	Residential AR/(Billed Rent) ³	Economic Vacancy		
	Occupied	Vacant Units	Vacancy %	Total Units	Actual	Budget Var %	Actual	Budget Var %	Actual	Variance	Budget Var %		April 2024		April 2024	12 MO Rolling	2023 Vacancy
Bremer	45	4	8.2%	49	\$3,272	-12%	\$2,954	-15%	(\$520)	\$398	43%	\$69,180	+1%	12.1%	9.6%	6.4%	6.3%
Broadway Crossing	43	1	2.3%	44	\$2,888	-24%	\$3,871	-4%	(\$1,539)	(\$1,067)	-226%	\$32,471	-14%	7.8%	5.5%	2.1%	0.4%
Eighteenth Avenue	9	0	0.0%	9	\$5,006	-34%	\$3,996	9%	(\$1,847)	(\$3,382)	-220%	\$48,167	+6%	27.2%	6.1%	6.1%	7.4%
El Nor	55	0	0.0%	55	\$6,228	7%	\$2,735	11%	\$882	(\$1,289)	-59%	\$76,345	+39%	7.6%	0.2%	0.7%	2.2%
Fleming	31	5	13.9%	36	\$2,216	-35%	\$4,016	-45%	(\$2,746)	(\$2,428)	-762%	\$21,378	-17%	6.1%	17.0%	8.2%	5.1%
Holden Vista	14	2	12.5%	16	\$10,407	45%	\$5,494	-7%	\$4,767	\$3,848	419%	\$34,301	+16%	8.5%	0.0%	7.3%	13.2%
Holiday	29	1	3.3%	30	\$3,148	-22%	\$3,766	-31%	(\$2,237)	(\$1,914)	-593%	\$67,481	+5%	20.6%	12.8%	3.8%	3.6%
John Carney	27	0	0.0%	27	\$4,284	8%	\$3,131	-5%	\$130	\$308	173%	\$34,407	+7%	10.4%	0.0%	1.1%	3.7%
Larned	32	1	3.0%	33	\$3,601	-9%	\$4,388	-26%	(\$1,009)	(\$1,278)	-474%	\$25,010	+22%	10.4%	9.8%	3.8%	3.4%
Melrose	28	2	6.7%	30	\$2,724	-3%	\$4,557	-8%	(\$2,237)	(\$422)	-23%	\$19,889	+41%	7.9%	3.3%	8.6%	12.9%
Mary Ruth Manor	17	3	15.0%	20	\$8,716	-3%	\$4,233	-11%	\$1,275	(\$721)	-36%	\$147,331	+57%	29.3%	15.0%	14.5%	22.0%
Ponderosa	23	0	0.0%	23	\$6,258	2%	\$3,313	12%	\$307	(\$3,248)	-91%	\$47,509	+16%	11.6%	2.6%	7.7%	10.0%
Station House	103	7	6.4%	110	\$4,196	-11%	\$2,744	-8%	(\$537)	(\$799)	-305%	\$135,513	-0%	8.7%	8.5%	5.1%	3.5%
Union James	22	2	8.3%	24	\$4,138	-31%	\$4,023	6%	(\$1,431)	(\$1,655)	-739%	\$117,392	-27%	24.0%	5.1%	4.2%	4.7%
Unity Village	29	1	3.3%	30	\$3,071	-14%	\$3,621	4%	(\$683)	(\$150)	-28%	\$53,246	+7%	16.1%	3.2%	3.2%	4.9%
David Total	507	29	5.4%	536	\$4,297	-8%	\$3,509	-8%	(\$614)	(\$895)	-319%	\$929,618	+7%	12.9%	6.2%	5.3%	6.3%
Burke Gilman Gardens	13	2	13.3%	15	\$4,381	-10%	\$5,367	-16%	(\$1,119)	\$299	21%	\$18,373	+15%	8.9%	25.8%	11.2%	5.3%
Boylston Howell	29	1	3.3%	30	\$4,074	2%	\$3,737	-5%	(\$338)	\$688	67%	\$32,174	-6%	9.1%	9.3%	3.5%	1.8%
Brewster	34	1	2.9%	35	\$3,172	-3%	\$2,654	7%	\$438	\$99	29%	\$20,001	+2%	5.9%	3.8%	3.5%	3.7%
Byron Wetmore	12	0	0.0%	12	\$4,089	1%	\$3,709	21%	\$185	\$1,473	114%	\$11,763	+11%	8.6%	0.0%	8.6%	11.9%
Elizabeth James	53	7	11.7%	60	\$3,775	-3%	\$3,333	-14%	(\$454)	(\$493)	-1286%	\$52,409	+18%	7.6%	8.5%	4.7%	5.2%
Four Twelve Apartments	10	2	16.7%	12	\$5,236	-41%	\$5,638	-10%	(\$2,699)	(\$4,237)	-276%	\$1,253	-97%	0.4%	5.6%	6.0%	10.4%
Hazel Plaza	15	1	6.3%	16	\$10,600	11%	\$2,887	-8%	\$5,050	\$5,577	1059%	\$43,971	+15%	9.3%	0.0%	4.1%	8.2%
Joe Black Apartments	22	2	8.3%	24	\$5,005	2%	\$4,066	7%	\$379	\$386	5652%	\$54,665	-8%	15.9%	9.5%	11.3%	11.5%
Lincoln Court	26	3	10.3%	29	\$3,299	-4%	\$2,874	-18%	(\$757)	(\$494)	-188%	\$30,818	-11%	10.2%	0.0%	7.0%	10.7%
Miller Park	12	0	0.0%	12	\$5,195	10%	\$4,325	-15%	(\$42)	(\$59)	-347%	\$105	-45%	0.1%	0.0%	4.6%	8.7%
Pantages	49	0	0.0%	49	\$3,959	2%	\$3,564	-10%	(\$226)	(\$502)	-182%	\$4,833	+972%	0.9%	0.6%	2.7%	3.1%
Park Hill																	12.6%
Lesley Total	275	19	6.5%	294	\$4,351	-3%	\$3,576	-6%	(\$43)	\$84	66%	\$270,365	-8%	8.2%	5.7%	5.6%	7.3%
Twelfth Avenue Arts Housing	86	2	2.3%	88	\$4,529	2%	\$2,538	-4%	\$513	(\$7)	-1%	\$138,647	+5%	11.8%	1.2%	2.4%	3.7%
Berneva	12	0	0.0%	12	\$3,477	3%	\$3,299	8%	(\$219)	\$407	65%	\$3,489	-73%	2.7%	1.7%	1.4%	0.8%
Broadway																	10.1%
Centennial	28	2	6.7%	30	\$2,113	-51%	\$4,072	-39%	(\$3,346)	(\$3,319)	-12536%	\$32,685	+11%	8.6%	13.7%	4.3%	4.5%
Devonshire																	N/A
Fremont Solstice	17	1	5.6%	18	\$2,899	-32%	\$4,418	-13%	(\$2,645)	(\$1,881)	-246%	\$13,077	+26%	6.3%	5.1%	1.3%	0.0%
Gilman Court	25	0	0.0%	25	\$3,965	4%	\$4,989	-26%	(\$1,206)	(\$859)	-247%	\$25,607	-7%	9.0%	0.0%	1.3%	0.9%
Haines	28	2	6.7%	30	\$5,491	-4%	\$4,084	-42%	\$451	(\$1,284)	-74%	\$5,377	-21%	1.1%	6.8%	5.1%	3.3%
Harrison at 15th	18	1	5.3%	19	\$7,016	-2%	\$5,789	-13%	(\$1,038)	(\$697)	-204%	\$34,457	+4%	13.0%	4.5%	3.9%	3.6%
Helen V	33	5	13.2%	38	\$5,584	-4%	\$3,166	-17%	\$1,233	\$567	85%	\$87,193	+12%	13.6%	11.0%	6.6%	5.7%
Jefferson Housing	38	2	5.0%	40	\$4,669	-5%	\$3,376	1%	(\$392)	(\$133)	-52%	\$67,364	+3%	12.4%	5.4%	3.2%	2.9%
Liberty Bank Building	101	14	12.2%	115	\$3,104	-26%	\$2,905	-22%	(\$1,312)	(\$1,624)	-520%	\$279,682	-4%	20.6%	15.3%	8.2%	4.1%
Maxwell	4	0	0.0%	4	\$4,077	3%	\$3,440	8%	\$130	\$423	144%	\$32	-60%	0.1%	1.2%	0.9%	0.5%
Oleta	31	3	8.8%	34	\$3,241	-5%	\$3,348	-24%	(\$1,131)	(\$810)	-252%	\$14,268	+19%	4.3%	13.3%	13.5%	11.9%
Seneca	28	4	12.5%	32	\$3,406	-9%	\$4,297	-38%	(\$1,604)	(\$1,533)	-2181%	\$21,885	-38%	5.6%	12.1%	5.1%	5.5%
Silvian	30	2	6.3%	32	\$5,766	15%	\$2,976	-9%	\$1,728	\$497	40%	\$21,265	+0%	4.0%	13.2%	8.6%	7.1%
Villa	56	6	9.7%	62	\$4,255	-2%	\$4,050	-20%	(\$1,112)	(\$780)	-235%	\$100,921	-8%	17.2%	10.1%	6.1%	5.2%
Nelda Total	535	44	7.6%	579	\$4,132	-9%	\$3,493	-18%	(\$629)	(\$830)	-414%	\$845,949	-1%	9.7%	9.3%	5.6%	4.5%
Portfolio Total	1317	92	6.5%	1409	\$4,241	-7%	\$3,517	-11%	(\$501)	(\$664)	-408%	\$2,045,932	+0%	11.0%	7.3%	5.5%	5.8%

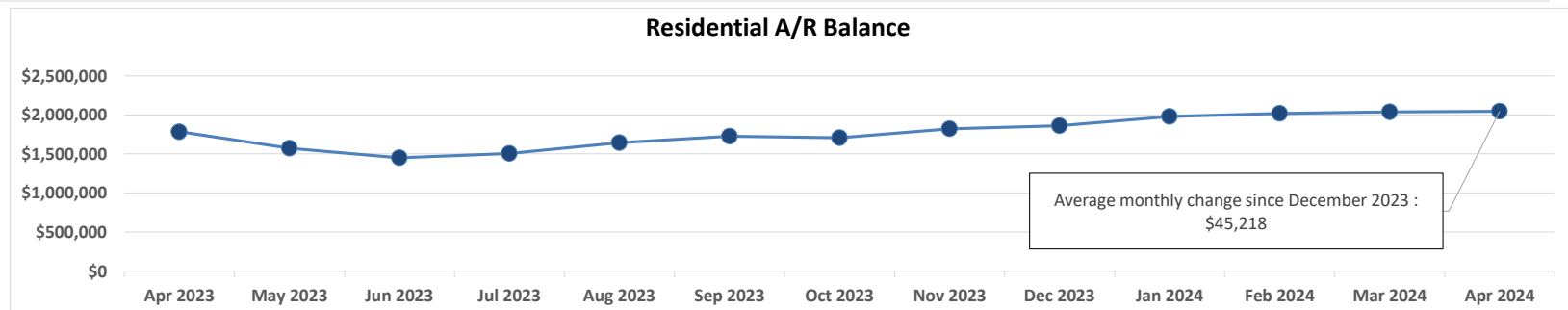
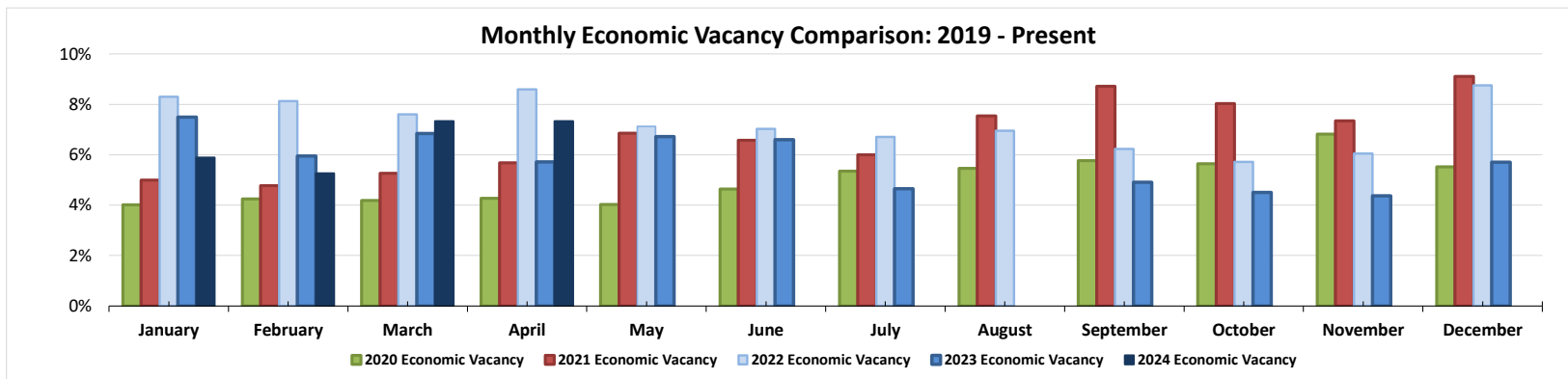
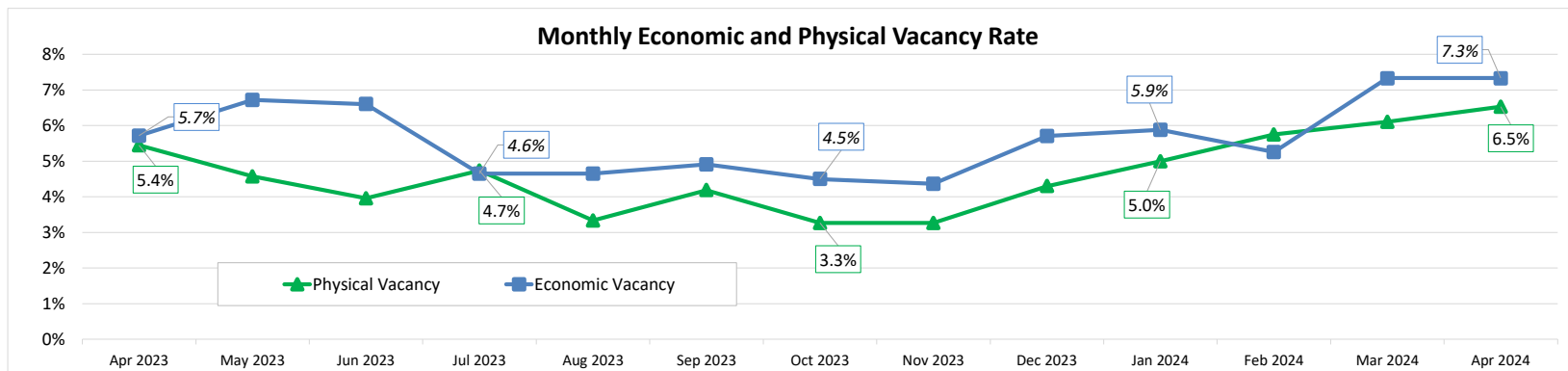
¹ After Debt, Reserve Deposits, and Cash Based Non-Operating Expenses (Deferred Developer Fees, Partnership Management Fees, etc.)

² Cumulative residential and subsidy accounts receivable balances divided by monthly gross potential rental revenue. Negative percentages reflect early subsidy payments.

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

⁴ Reporting on turntune 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%
Economic Vacancy	<5.0%	5.0% to 8.9%	9.0% or above



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

Bank	CRH Blended Component Unit	Type	Balance
KeyBank	CRH - Misc Restricted	Operating - Restricted	393,627
KeyBank	CRH - Rental Assistance	Restricted Grant	167,970
KeyBank	12th AAA - Restricted	Equipment Reserve	24,600
KeyBank	White Center Hub - Comm Constructio	Construction	2,427,584
KeyBank	Capitol Hill Housing - Sound Families	Restricted Savings	3,876
KeyBank	Capitol Hill Housing	Security Deposit	104,161
Key Bank	Bremer - Resynd	Security Deposit	18,723
KeyBank	Hazel Plaza	Security Deposit	4,649
KeyBank	Larned	Security Deposit	17,030
Key Bank	John Carney - R	Security Deposit	11,205
KeyBank	Byron Wetmore	Security Deposit	8,912
Key Bank	412	Security Deposit	1,717
KeyBank	Holden Vista	Security Deposit	4,054
KeyBank	Mary Ruth Manor	Security Deposit	4,637
KeyBank	EJSH	Security Deposit	12,630
Key Bank	Boylston Howell-R	Security Deposit	11,382
KeyBank	Gilman Court LP	Security Deposit	13,196
KeyBank	Fleming Apts LP	Security Deposit	15,816
KeyBank	Villa Apts LP	Security Deposit	38,298
KeyBank	Harrison	Security Deposit	14,747
KeyBank	Oleta	Security Deposit	14,797
KeyBank	Helen V Apts LLC	Security Deposit	6,943
KeyBank	Pantages Apts LLC	Security Deposit	25,829
KeyBank	Silvian	Security Deposit	5,059
KeyBank	Broadway & Pine	Security Deposit	18,597
KeyBank	Woodland Park Ave LLC	Security Deposit	8,226
KeyBank	12th Avenue Arts Associates LLC	Security Deposit	62,971
Key Bank	Union James	Security Deposit	7,262
KeyBank	Hazel Plaza	Reserves	373,087
KeyBank	Byron Wetmore	Reserves	82,396
KeyBank	Holden Vista	Reserves	32,332
KeyBank	Mary Ruth Manor	Reserves	311,593
KeyBank	Gilman Court LP	Reserves	157,726
KeyBank	Villa Apts LP	Reserves	226,459
KeyBank	Helen V Apts LLC	Reserves	800,908
KeyBank	Broadway & Pine	Reserves	361,423
KeyBank	12th Avenue Arts Associates LLC	Reserves	45,229
Key Bank	Union James	Reserves	292,586
		Total KeyBank	6,132,234

CRH
CASH IN BANK
FOR THE MONTH ENDING: April 2024

Banner	Berneva	Reserves	12,023
Banner	Seneca	Reserves	178,159
Banner	Seneca	Security Deposit	15,317
		Total Banner	205,500
LGIP	Capitol Hill Housing	Reserves	1,323,502
		Total LGIP	1,323,502
Walker Dunlo	EJSH	Escrow	60,808
Walker Dunlo	EJSH	Reserves	302,665
		Total Oppenheimer	363,473
Chase	Larned	Reserves	239,656
Chase	412	Reserves	193,512
Chase	Harrison	Reserves	217,934
Chase	Oleta	Reserves	66,640
Chase	Woodland Park Ave LLC	Reserves	174,908
		Total Chase	892,651
US Bank	Pantages Apts LLC	Reserves	551,728
US Bank	Silvian	Reserves	253,138
		Total USBank	804,866
KeyBank	Capitol Hill Housing	EQII	-
		Total KeyBank	-
KeyBank	Capitol Hill Housing	Lucky 7	99,063
		Total Lucky 7	99,063
KeyBank	Capitol Hill Housing	HPN	389,926
		Total HPN	389,926
KeyBank	Youth Care Predevelopment	Plymouth	-
		Total Plymouth	-
BofA	Fleming Apts LP	Reserves	90,961
		Total BofA	90,961

CRH
CASH IN BANK
FOR THE MONTH ENDING: April 2024

Heritage	Bremer - Resyndication	Construction	611
Heritage	Bremer	Reserves	241,387
Heritage	John Carney	Construction	9,214
Heritage	John Carney	Reserves	135,449
Heritage	Boylston Howell	Construction	4,232
Heritage	Boylston Howell	Reserves	137,077
Heritage	Union & 24th Commercial	Security Deposit	4,090
		Total Heritage	532,058
	Total Restricted - CHH Blended Components		10,834,234
LGIP	Capitol Hill Housing	Board Designated Res	1,045,814
		Total Designated	1,045,814
Heritage	Union & 24th Commercial	Operating Checking	33,014
		Total Heritage	33,014
KeyBank	Capitol Hill Housing	Gen Building Reserve	216,598
		Total Gen Building Reserve	216,598
KeyBank	Capitol Hill Housing	Operating Checking	213,462
KeyBank	Capitol Hill Dev. Assoc	Operating Checking	2,720
KeyBank	Capitol Hill Housing	Operating Sweep	-
KeyBank	Capitol Hill Real Estate Mgmt Services	Operating Checking	973
KeyBank	Liberty Bank Commercial	Designated for TI	92,400
KeyBank	Bremer	Operating Checking	103,488
KeyBank	Hazel Plaza	Operating Checking	216,091
KeyBank	Larned	Operating Checking	75,151
KeyBank	John Carney	Operating Checking	45,929
KeyBank	Byron Wetmore	Operating Checking	24,151
KeyBank	412	Operating Checking	84,620
KeyBank	Holden Vista	Operating Checking	43,893
KeyBank	Mary Ruth Manor	Operating Checking	23,074
KeyBank	EJSH	Operating Checking	63,342
KeyBank	Boylston Howell	Operating Checking	44,446
KeyBank	Gilman Court LP	Operating Checking	32,287
KeyBank	Fleming Apts LP	Operating Checking	47,791
KeyBank	Villa Apts LP	Operating Checking	70,985

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

KeyBank	Harrison	Operating Checking	107,125
KeyBank	Oleta	Operating Checking	48,774
KeyBank	Helen V Apts LLC	Operating Checking	186,425
KeyBank	Pantages Apts LLC	Operating Checking	127,771
KeyBank	Silvian	Operating Checking	76,425
KeyBank	Broadway & Pine	Operating Checking	55,716
KeyBank	Woodland Park Ave LLC	Operating Checking	19,706
KeyBank	12th Avenue Arts Associates LLC	Commercial Operating	407,605
KeyBank	Union James	Operating Checking	26,099
		Total KeyBank	2,240,450
Cash	Various	Petty Cash - CHHIP	100
		Total Petty Cash	100
Banner	Berneva	Operating Checking	6,164
Banner	Seneca	Operating Checking	54,240
		Total Banner	60,404
	Total Unrestricted - CHH Blended Components		2,550,566
	Total All Cash - CHH Blended Components		14,430,614

Bank	Discrete Component Unit	Type	Balance
Chase	Pride Place	Construction	322,482
Chase	AAA	Escrow	24,907
Chase	AAA	Security Deposit	14,975
Chase	AAA	Reserves	301,958
		Total Chase	664,324
KeyBank	Africatown	Project Funds	1,136,924
KeyBank	Africatown	Construction-Res	5,048
KeyBank	Africatown	Construction	(1,290)
KeyBank	Africatown Commercial	Construction	1,042,075
KeyBank	Jazz House	Construction	26,106
KeyBank	Devonshire (rehab)	Security Deposit	22,551
KeyBank	El Nor LP	Security Deposit	12,775
KeyBank	18th Ave Apartments	Security Deposit	1,975
KeyBank	Ponderosa	Security Deposit	4,709
KeyBank	Holiday Apts	Security Deposit	16,618
KeyBank	SOPI / Unity Village	Security Deposit	11,944

CRH
CASH IN BANK
FOR THE MONTH ENDING: April 2024

KeyBank	Jefferson & 12th	Security Deposit	27,001
KeyBank	12th Avenue Arts Housing	Security Deposit	55,922
KeyBank	CH TOD Station House	Security Deposit	36,705
KeyBank	Pride Place	Security Deposit	13,966
KeyBank	SOPI / Unity Village	Reserves	277,431
KeyBank	Jefferson & 12th	Reserves	409,760
KeyBank	12th Avenue Arts Housing	Reserves	927,317
KeyBank	CH TOD Station House	Reserves	863,503
KeyBank	CH TOD Station House	Escrow	129,703
		Total KeyBank	5,020,742
UnionBank	Holiday	Reserves	206,305
		Total UnionBank	206,305
Heritage	Union & 24th Residential	Reserves	916,698
Heritage	Devonshire Construction	Construction	9,073
Heritage	Heartwood SPE	Security Deposit	16,169
Heritage	Heartwood SPE	Construction	1,381
		Total Heritage	943,321
Wells Fargo	El Nor	Reserves	678,726
Wells Fargo	18th Ave	Reserves	141,798
Wells Fargo	Ponderosa	Reserves	296,253
Wells Fargo	El Nor	Escrow	54,372
Wells Fargo	18th Ave	Escrow	8,372
Wells Fargo	Ponderosa	Escrow	22,038
		Total Wells Fargo	1,201,559
Bellwether	Union & 24th	Escrow	202,930
		Total Bellwether	202,930
	Total Restricted - Discrete Components		8,239,180
Chase	AAA	Operating Checking	557,943
Chase	Pride Place Commercial	Construction	66,518
Chase	Pride Place	Construction	45
		Total Chase	624,506

CRH
CASH IN BANK
FOR THE MONTH ENDING: April 2024

KeyBank	El Nor LP	Operating Checking	124,826
KeyBank	18th Ave Apartments	Operating Checking	18,157
KeyBank	Ponderosa	Operating Checking	66,722
KeyBank	Holiday Apts	Operating Checking	44,545
KeyBank	SOPI / Unity Village	Operating Checking	46,881
KeyBank	Jefferson & 12th	Operating Checking	71,885
KeyBank	Twelfth Avenue Arts Res	Operating Checking	205,089
KeyBank	CH TOD Station House	Operating Checking	568,547
KeyBank	Pride Place	Operating Checking	187,027
KeyBank	Devonshire	Operating Checking	-
		Total KeyBank	1,333,679
Heritage	Union & 24th Residential	Operating Checking	206,626
Heritage	Heartwood	Operating Checking	114,673
		Total Heritage	321,299
Total Unrestricted - Discrete Components			2,279,484
Total All Cash - Discrete Components			10,518,664
Total All Cash - CHH Blended Components			14,430,614
Total All Cash			24,949,279

TOTALS BY BANK

Key Bank	\$ 14,943,703
Chase	\$ 2,181,481
Banner	\$ 265,904
US Bank	\$ 804,866
Union Bank	\$ 206,305
Bank of America	\$ 90,961
Heritage	\$ 1,829,692
Bellwether	\$ 202,930
Wells Fargo	\$ 1,201,559
LGIP	\$ 2,369,317
Other and Petty	\$ 852,562
TOTAL CASH	\$ 24,949,279

THIS PAGE INTENTIONALLY LEFT BLANK



COMMUNITY ROOTS
— HOUSING —

SECTION 4:
Resolution 2024-12 -
Berneva Bank Loan
Refinance

THIS PAGE INTENTIONALLY LEFT BLANK



Community Roots Housing PDA Board Resolution 2024-12

Overview: Refinance Berneva loan with Banner Bank

Purpose: Authorize CRH to refinance the current bank loan on Berneva with Banner Bank

Type of Resolution/Motion:

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

Charter or Rules and Regulations Modification:

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

General description and purpose: The permanent bank loan on our Berneva property matured in April. Banner granted a six month extension of current loan terms and presented a term sheet outlining terms for a new loan on the property. The current loan had a balloon payment due at maturity. Refinancing will avoid the property having to pay the balloon payment. The new loan will mature in five years with the balance being due at maturity.

Organizational requirements of resolution: Adopt resolution

Financial cost of the resolution: Slightly increased debt service for Berneva property over current loan terms. Debt service will be paid by the property. Estimated total loan amount is \$126,250. Loan fee of 1.0%, or \$1,262.50.

Pros: Avoid balloon payment due on current loan. Slightly reduce annual amount of debt service property is required to pay, \$9,573 with refinance versus \$10,545 under old loan.

Cons: none

Further Board Action or Reporting:

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

Author of Resolution Overview: Lucas Simons



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

June 10, 2024

Resolution No 2024-12

Refinance of Berneva Bank Loan with Banner Bank

A RESOLUTION of the Board of Directors of Community Roots Housing authorizing and directing staff refinance the permanent loan on Berneva Apartments.

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 in 1992 acquired and began the rehab of a building located at 535 17th Ave E, Seattle Washington 98112 known as Berneva (The Project).

Community Roots has also used Banner Bank financing for remodeling and small rehab projects in our existing portfolio as well as for our line of credit.

The property was refinanced in 2014 with a loan maturing in April 2024.

Banner Bank issued a short term extension of terms lasting six months.

Community Roots Housing desires to refinance the property to avoid a balloon payment and fund deferred maintenance at the property.

Banner Bank has issued a letter of interest with the following terms

Interest Rate: Fixed at 6.9% pending closure of loan agreement by July 31st, 2024

Loan Fee: 1.0% of the committed loan amount, or \$1,262.50

Term: 60 months

Estimate Loan Amount: \$126,250

Payments: Monthly installments of principal and interest on a 35-year amortization schedule with the outstanding principal and interest due at maturity

Prepayment: There is no premium for prepayment of this loan. Loan may be paid in part or in whole with no premium due

Reserve: All excess funds from the refinance of the loan will be held in a bank controlled reserve account to be used for deferred maintenance on the property. This amount is estimates at \$45,000

Security: A first deed of trust on real estate located at 535 17th Ave E, Seattle, WA and an assignment of leases and rents

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")

Name:

Frank Alvarado III
Derrick Belgarde
Chasten Fulbright
Michelle Morlan
Christopher Persons
Andrew Oomen

Title:

Chair
Vice Chair
Treasurer
Secretary
Chief Executive Officer
Chief Operating 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 foregoing Resolutions were duly adopted at an open public meeting of the Board of Directors of Community Roots Housing held on the 10 day of June 2024, 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.

DATED the 10th day of June 2024.

By _____

Its: Secretary

Resolution prepared by: Lucas Simons



COMMUNITY ROOTS
— HOUSING —

SECTION 5:
Resolution 2024-13
- Seneca Bank Loan
Refinance

THIS PAGE INTENTIONALLY LEFT BLANK



Community Roots Housing PDA Board Resolution 2024-13

Overview: Refinance Seneca loan with Banner Bank

Purpose: Authorize CRH to refinance the current bank loan on Seneca Apartments with Banner Bank

Type of Resolution/Motion:

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

Charter or Rules and Regulations Modification:

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

General description and purpose: The permanent bank loan on our Seneca Apartments property matured in April. Banner granted a six month extension of current loan terms and presented a term sheet outlining terms for a new loan on the property. The current loan had a balloon payment due at maturity. Refinancing will avoid the property having to pay the balloon payment. The new loan will mature in five years with the balance being due at maturity. Excess funds from loan proceeds are to be deposited into the properties replacement reserve account.

Organizational requirements of resolution: Adopt resolution

Financial cost of the resolution: Slightly increased debt service for Seneca property over current loan terms. Debt service will be paid by the property. Estimated total loan amount is \$828,000. Loan fee of 1.0%, or \$8,280.

Pros: Avoid balloon payment due on current loan. Bolster reserves of Seneca property.

Cons: Slightly increases annual amount of debt service property is required to pay, \$61,759 with refinance versus \$58,044 under old loan.

Further Board Action or Reporting:

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

Author of Resolution Overview: Lucas Simons



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

June 10, 2024

Resolution No 2024-13

Refinance of Seneca Apartments Bank Loan with Banner Bank

A RESOLUTION of the Board of Directors of Community Roots Housing authorizing and directing staff refinance the permanent loan on Seneca Apartments.

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 in 1997 the Program acquired and began the construction of a building located at 1214 E Boylston Ave, Seattle Washington 98101 known as Seneca Apartments (The Project).

Community Roots has also used Banner Bank financing for remodeling and small rehab projects in our existing portfolio as well as for our line of credit.

The property was refinanced in 2014 with a loan maturing in April 2024.

Banner Bank issued a short-term extension of terms lasting six months.

Community Roots Housing desires to refinance the property to avoid a balloon payment and fund deferred maintenance at the property.

Banner Bank has issued a letter of interest with the following terms

Interest Rate: Fixed at 6.75% pending closure of loan agreement by July 31st, 2024

Loan Fee: 1.0% of the committed loan amount, or \$8,280

Term: 60 months

Estimate Loan Amount: \$828,000

Payments: Monthly installments of principal and interest on a 35-year amortization schedule with the outstanding principal and interest due at maturity

Prepayment: There is no premium for prepayment of this loan. Loan may be paid in part or in whole with no premium due

Reserve: All excess funds from the refinance of the loan will be held in a bank-controlled reserve account to be used for deferred maintenance on the property. This amount is estimated at \$45,000.

Security: A first deed of trust on real estate located at 1214 Boylston Avenue, Seattle, WA and an assignment of leases and rents

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")

Name:

Frank Alvarado III
Derrick Belgarde
Chasten Fulbright
Michelle Morlan
Christopher Persons
Andrew Oomen

Title:

Chair
Vice Chair
Treasurer
Secretary
Chief Executive Officer
Chief Operating 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 foregoing Resolutions were duly adopted at an open public meeting of the Board of Directors of Community Roots Housing held on the 10th day of June 2024, 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.

DATED the 10th day of June 2024.

By _____

Its: Secretary

Resolution prepared by: Lucas Simons



COMMUNITY ROOTS
— HOUSING —

SECTION 6:

Consent Agenda and Attachments

THIS PAGE INTENTIONALLY LEFT BLANK

COMMUNITY ROOTS HOUSING PDA BOARD

Regular Meeting

June 10, 2024

5:30-7:30 PM

Pike Pine or RingCentral

CONSENT ITEMS

MINUTES AND REPORTS

1. May Board Meeting Minutes
2. Fundraising & Communications Memo
3. Resident and Property Success Committee Report and Minutes
4. Resident Services Report
5. Property Development Committee Report and Minutes
6. Executive Committee Report and Minutes
7. Resolution 2024-11 - Heartwood Project Debt Extension

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

none



REGULAR BOARD MEETING MINUTES
Pike-Pine Conference Room/ RingCentral
May 13, 2024

PDA Board Members present in person: Frank F. Alvarado III, Jill Cronauer, Shalimar Gonzales, Drew Porter, Ann Melone, Michelle Morlan, Michelle Purnell-Hepburn, Saunatina Sanchez, Kristin Winkel

PDA Members present virtually: Derrick Belgarde, Bob Fikso, Shaun Frazier, Michelle Morlan

PDA Board Members absent: Sara Cubillos, Shaun Frazier, Chasten Fulbright, Drew Weber

Staff members and board guests present: Erin Arnold, Toni Ball, Sondra Cardin (taking minutes), Valencia Chambers Manora, Morgan Ford, Lisa Hagen, Scott McEachran, Thea Munchel, Andrew Oommen, Chris Persons, Amy Phian, Carolina Rocha, Anthony Tuong, Leslie Woodworth

Public: None

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

Disclosures & recusals: None

A motion to approve the **Consent Agenda** was made by Shalimar Gonzales, seconded by Drew Porter, and passed unanimously.

10-minute lesson: Chris presented the Lay of the Land in Affordable Housing in Seattle and King County. He highlighted that much of our work is influenced by public funders such as the Seattle Office of Housing, Washington State Housing Finance Commission, Washington State Department of Commerce, and King County Department of Community and Human Services, each with experienced leadership in housing.

Public Comment: Saunatina addressed concerns raised by neighbors about a letter received informing residents of the implementation of a security service, prompting worries about additional expenses amid capacity issues. Residents have also reported headaches due to fumes and lack of communication from the site manager. Resident requested a meeting with the manager, which has not yet occurred. Additional complaints were expressed about maintenance, as a request for tenants to clean common spaces for scheduled power-washing was not fulfilled. CRH will take note of these issues and follow up accordingly.

Presentation and Discussion

Jazz House: Chris presented an overview of Jazz House's historical timeline and current challenges.

CRH was able to reduce general contractor cost, however, the budget remains unbalanced, which will be further reviewed at the next Board meeting. Plan to approach the Finance Commission to explore a bond cap allocation to bring in equity, similar to the Bonanza tax credit deal. With only two current financing

sources, a debt-only deal poses challenges. A meeting with the Capital Investments Committee is planned after discussions with WSHFC and the board in the next month or two.

Michelle Morlan asked about Jazz Ed amount contribution and Chris explained that we have been in long conversations with them on this subject and are close to agreement on a payout.

Heartwood: Andrew provided an overview of the Heartwood project, which CRH began managing in March. He discussed current challenges, including market pricing below initial targets and insufficient revenue. Lease-up has been slow, leading to cash shortages, with CRH advancing funds and monthly construction interest expenses.

Shalimar inquired about current rent prices compared to required averages and whether there had been a market shift since the proforma was created. Andrew said yes, there is decreased demand and current average rents are around of \$1,450, far below budget. Andrew attributed challenges to increased market supply and an abundance of studios. Regarding concessions, Andrew confirmed CRH is offering four weeks free rent and a \$500 gift card for same-day tour applicants. Chris noted studios across the city are slow to lease regardless of affordability and proves more challenging without amenities. Conversely, 13th & Fir leased up at normal rate for 1-4 bedroom units due to less competition.

Michelle Purnell-Hepburn asked the different between a bridge loan and a cash flow loan. Andrew explained a bridge loan with help get through the stabilization period at conversion which would provide enough fund to convert both the construction loan and pay of the bridge loan. With a cash flow loan, CRH would not be able to pay off the bridge loan at conversion and would pay with residual cash generated through operations. Ramifications will be discussed further in executive session.

Real Estate Development

Resolution 2024-07 – YouthCare Bond Issuance: This is the formal bond issuance resolution for the Youthcare project, which will allow CRH to issue and selling tax exempt bonds. The tax exempt bonds are a key financing mechanism for the Youthcare project, which is planning to break ground in Q2/Q3 of 2024. **A motion** to approve the **Resolution 2024-07 – YouthCare Bond Issuance** was made by Bob Fikso, second by Michelle Purnell-Hepburn, and passed unanimously.

Resolution 2024-08 – YouthCare Omnibus: This is the omnibus closing resolution for the Youthcare project.

A motion to approve the **Resolution 2024-08 – YouthCare Omnibus** was made by Michelle Morlan, second by Shalimar Gonzales, and passed with 12 members present voting “yes” and one abstention by Jill Cronauer.

Resolution 2024-09 – YouthCare Predevelopment Spending Increase: This resolution raises predevelopment spending authority for Youthcare by \$100,000.

A motion to approve the **Resolution 2024-09 – YouthCare Predevelopment Spending Increase** was made by Ann Melone, second by Michelle Purnell-Hepburn, and passed with 12 members present voting “yes” and one abstention by Jill Cronauer.

Resolution 2024-10: Africatown Plaza Supplemental Loan Authorization: Africatown Plaza has experienced a number of schedule and cost impacts to the project including a delay from the concrete strike, switch gear, and elevator. These impacts to the project have resulted in cost overruns necessitating the need to bring in additional funding to complete the project. This resolution authorizes the project to enter into new or modified loan agreements with the Seattle Office of Housing, King County CHIP, as well as increases to the taxable construction and perm loan with Key Bank.

A motion to approve the **2024-10: Africatown Plaza Supplemental Loan Authorization Issuance** was made by Michelle Morlan, second by Ann Melone, and passed with 12 members present voting “yes” and one abstention by Jill Cronauer.

Finance and Asset Management

March Financials: Leslie presented the finances from March, which are included in the board packet.

A motion to approve the **March Finance and Asset Management Report** was made by Shalimar Gonzales, second by Drew Porter, and passed unanimously.

Executive session: Per RCW 42.30.110 (g) to review the performance of a public employee, the Board went into executive session. The session began at 7:12pm and they expected it to last 20 minutes. The Executive Committee exited the executive session at 8:05pm.

The meeting was adjourned by Frank F. Alvarado III at 8:05 pm.

Attested,

Michelle Morlan, Secretary
June 10, 2024

June 2024 Fundraising and Communications Memorandum

To: Community Roots Housing Board of Directors

CC: Christopher Persons

From: Kiley Dhatt

Events:

Top of the Town took place on May 9 and was programmatically successful, with positive feedback from guests. As anticipated, we fell short of our overall fundraising goal. Shortfalls were largely split between sponsorship and individual giving. Here are near-final event numbers (there may still be one or two outstanding corporate matches to account for):

Income	Goal	Actuals
Sponsorship	\$155,000	\$136,000
Tickets	\$17,000	\$16,539
Individual Giving (including raffle sales)	\$95,000	\$80,669
Corporate Match	\$5,000	\$5,550
INCOME TOTAL	\$274,500	\$238,758

Save the date! Omnivorous is moving to Fisher Pavilion at Seattle Center this year, and will be held on Thursday, October 10. Early bird registration and a flash sale will be happening within the next month or so.

Grants & Awards

In the last month:

Grant proposals advanced:

- Office of Congressman Adam Smith – Rep. Smith submitted our \$1.4MM request in the FY2025 budget to support the rehab of the Byron Wetmore and Joe Black apartments to the House Appropriations Committee. To be awarded, this earmark will need to make it through reconciliation with the Senate Appropriations Committee and be passed along with the FY2025 omnibus congressional budget, which may not happen until Q1-2 2025.

Submitted grant proposals & LOIs include:

- Seattle Office of Housing – Annual Fund, \$1,000,000
- PSE Foundation—Housing Stabilization, \$10,000

Upcoming grant proposals include:

- Hearst Foundation – Annual Fund, \$100,000
- Norcliffe Foundation—Annual Fund, \$100,000

- Bank of America—Annual Fund, \$50,000
- Multicare Community Fund—Housing Stabilization, \$10,000

Rise Together Capital Campaign

To date, the Rise Together partners have raised \$39,732,143 toward a goal of \$45,000,000 (88%). In the last month:

Proposals submitted:

- \$2MM request to Senator Patty Murray’s office for a congressionally directed spending (earmark) award to support the WC HUB

Upcoming proposals:

- Full proposal to JPMorgan Chase for \$300,000, expanding on the LOI

Communications

In May, communications work included the following highlights:

- Top of the Town program messaging and event marketing
- Earned media efforts regarding the financial closing and groundbreaking of the White Center Community HUB project
- Preparation for upcoming Real Estate development pipeline milestones including YouthCare South Annex project groundbreaking, Northgate project progress, and Devonshire resident move-backs
- Project management of vendor Studio99’s marketing work on Pride Place and Africatown Plaza lease ups
- Initiation of new marketing efforts in partnership with Conversion Logix for Pride Place and Heartwood lease ups
- Research on additional Pride Place marketing tactics and resources
- Monthly Building Beyond Buildings and resident newsletters

May’s media mentions of Community Roots Housing and related projects:

- [76 affordable units, community hub, to break ground soon in White Center](#)
- [Cranes, trains and automobiles: navigating complex site conditions](#)
- [Saturday celebration will mark start of construction on new affordable housing in White Center](#)
- [Your guide to Black travel in Seattle](#)
- [Inside 12th Ave’s NOD Theater, eXit Space School of Dance has taken a leap of faith on Capitol Hill](#)
- [Washington advocates highlight LGBTQ+ elders](#)
- [White Center Community HUB groundbreaking happening May 18](#)
- [\\$32 million White Center Community HUB breaks ground; First stage to open in fall of 2025](#)
- [WEEKEND SCENE: White Center HUB groundbreaking celebration](#)
- [As Seattle considers its next growth plan, The Sarah Queen set to rise at 23rd and Union](#)

- [Rep. Smith Announces FY 2025 Community Project Funding Requests for the Ninth District | Congressman Adam Smith \(house.gov\)](#)
- [Gladys Ly-Au Young, Architect and Advocate](#)
- [KUOW - Celebrating Tulsa's 'Black Wall Street' by rebuilding Seattle's Central District](#)
- [The Jumbo Fire and How Vacant Buildings Are Driving Seattle's New Dangerous Building Legislation | South Seattle Emerald](#)
- [TALL TIMBER: Susan Jones Mass Timber By Code and At Scale](#)

2024 Community Roots Housing Foundation Budget and Actuals - AS OF 5.31.2024

		SFDC Actuals	Goals
Unrestricted	Corporate	\$7,297	\$75,875
	Foundation	\$62,000	\$109,320
	Individual	\$113,068	
	DAF	\$32,855	
	Individual giving subtotal	\$145,923	\$343,000
	Sponsorship & Tickets	\$195,529	\$309,500
Subtotal		\$412,165	\$837,695
Restricted	Corporate	\$19,500	\$14,950
	Foundation	\$5,000	\$69,550
	Government	\$0	\$100,500
	Individual	\$6,729	\$75,000
Subtotal		\$31,229	\$260,000
Total		\$444,008	\$1,097,695

Community Roots Housing Foundation 2024 Budget vs. Actual January through May 2024

	Jan - May 24	Budget	% of Budget
Gross Profit	423,621.52	1,110,195.00	38.2%
▼ Expense			
▼ 10000 · Operating Expenses			
▶ 5000 · Contract Services	17,400.00	34,800.00	50.0%
▶ 6000 · Office Expenses	20,482.29	39,330.00	52.1%
▶ 7000 · Administrative Expenses ▶	7,081.20 ◀	31,450.00	22.5%
▼ 7500 · Event Expense			
▼ 7540 · Event Expense			
7542 · Top of the Town	53,853.79	62,450.00	86.2%
7544 · Omnivorous	800.00	77,060.00	1%
7570 · Groundbreakings & Grandopenin..	0.00	10,000.00	0.0%
7540 · Event Expense - Other	0.00	1,500.00	0.0%
Total 7540 · Event Expense	54,653.79	151,010.00	36.2%
Total 7500 · Event Expense	54,653.79	151,010.00	36.2%
Total 10000 · Operating Expenses	99,617.28	256,590.00	38.8%
8500 · Donated Goods and Services	10,000.00		
▼ 9000 · Granting			
9050 · Grants to CRH - Unrestricted	358,225.00		
9056 · Grants to others - Restricted	67,500.00		
Total 9000 · Granting	425,725.00		
Total Expense	535,342.28	256,590.00	208.6%
Net Ordinary Income	-111,720.76	853,605.00	-13.1%
Net Income	-111,720.76	853,605.00	-13.1%

JUNE 2024 RESIDENT AND PROPERTY SUCCESS COMMITTEE BOARD REPORT AND MINUTES

Property Management Committee Members: Chasten Fulbright, Saunatina Sanchez

Absent Committee Members: Shaun Frazier, Shalimar Gonzales

Staff Liaisons to the Board: Toni Ball, Sarah Bramson, Lisa Hagen, **Cheri Heng**, Michelle House, Valencia Chambers Manora, **Andrew Oommen**, Chris Persons, **Carolina Rocha**, **Lariah Thompson**, **Ron Trescone** (BOLD indicates those members in attendance)

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

Date, time, and location of next meeting: August 6, 2024 – 3:00-4:00 PM – RingCentral

The meeting began at 3:02 p.m.

- 1. Projects Update:** Heartwood has been the primary focus of our efforts over the past month and will continue to be as we prepare for summer leasing. Additionally, we are managing two other lease-ups: Pride Place, which is approaching the halfway mark, and Africatown Plaza, which is nearing the completion of construction. As mentioned last month, our attention has been predominantly on supporting Real Estate activities, resulting in slower progress on our other objectives. It is likely that we will not see significant advancement on these goals until we navigate through this intense period of Real Estate activities, possibly by the end of the year or early next year.

The goal is to achieve full leasing within 90-120 days while stabilizing revenues and expenses to build trust with vendors. This stabilization is crucial as it can lower building costs when securing permanent financing.

Specific projects have their own targets: Station House is aiming for permanent financing by December, Pride Place is striving for stabilization by the end of the year, and Heartwood is seeking an extension until December 1st.

Several challenges are being addressed, including managing projects with existing debt, dealing with an oversupply of studio units which has led to decreasing prices, and facing difficulties in leasing units targeted at 50-60% of the median income. Additionally, there have been incidents of physical assault on staff, highlighting issues with resident behavior which is unacceptable, and we will not tolerate any behavior that jeopardizes the safety and well-being of our team. CRH is taking all necessary measures to address this issue.

To tackle these challenges, the strategy focuses on leasing up units to achieve stabilization. Marketing efforts are being ramped up, with a shift to using Conversion Logics for retargeting and running Zillow Ads to increase visibility. Temporary staffing solutions and engagement with third-party firms, such as Thrive, are also being utilized to support leasing efforts.

Through these strategies and a focus on performance metrics, the aim is to overcome current challenges and achieve the desired leasing and stabilization goals.

2. **KPIs:** Physical vacancy continues to rise, up to 6.5% in April from 6.1% in March. As of our last weekly vacancy report (5/31), our vacancy rate is 6.03%, or 85 vacant units. As we've reported, this is primarily driven by our continued focus on collections and managing accounts receivables.

The meeting ended at 3:33 p.m.

Resident Services Board Report MAY 2024

Your RS Team Members

Dept. Position	Team Member	Assigned Buildings
RSC	Sasha Ife	Haines & LBB
	Christian	Broadway Crossing & El Nor
	Deborah	Pantages & EJ
RSM	Toni	

Service Request

Total Residents Served	Top 3 Service Category Request	Total Buildings Served	Portfolio Utilization of Services
38	Rental Assistance/Ticket Program/Employment/Caregiver/Senior & Disability	19	39.58%

Onsite Programming Activities

BUILDING	EVENT	SERVICE CATEGORIES	ENGAGEMENT (Total Building %)
LBB	Money Talks	Financial Literacy	6.40%
Haines	Gen Pride Information Session	Cultural Connection/Education/Senior & Disabilities Services	21.40%
EJ	Bingo	Recreation & Leisure	0.8%
Pantages	Community Conversation	Advocacy/Home Care/Safety & Security/Education	Canceled
Broadway Crossing	Mixed Fit	Health & Wellness/Nutrition	6.8%
El Nor	Community Conversation	Advocacy/Senior Services	13%

Portfolio Programming: No portfolio programming held in May.

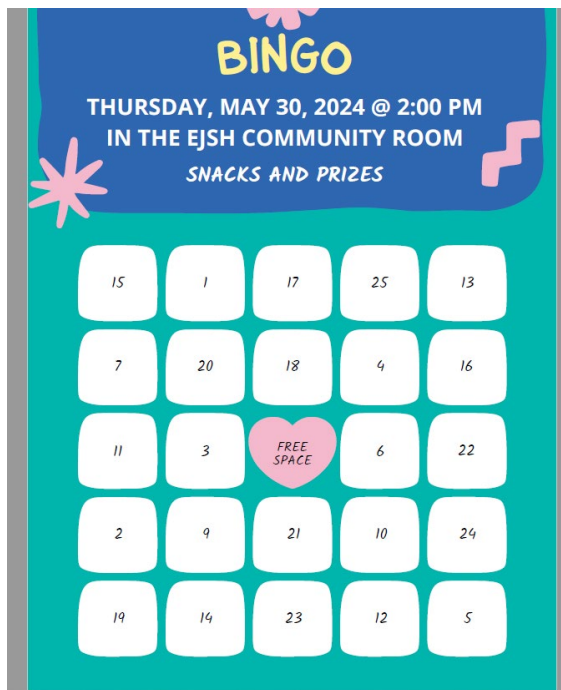
Department Activities:

- Team DEI Activity: Deborah planned this month's team DEI Activity (movie & cultural immersion): "Minari"
- The RS team participated in the following training(s): Diversity, Equity & Inclusion Conversations - Everybody at The Table.
- The RS team attended The Villa Community meeting hosted by Jeremiah.
- Fourth RAC Planning Committee meeting:

Narrative:

The RS team is looking to find its rhythm of business. We have been implementing our new onsite service model and it has been a learning experience. Two big accomplishments within the four months of implementation have been producing consistent onsite programming and our new internal data tracking system. The RS team is adjusting to using this system well. Particularly, Deborah Harrington. Deborah is the current RSC with the highest response rate to resident inquiries. Deborah is a Resident Services rockstar and our team is better for it!!

We have collected four months of data. We are seeing through this information that we still need to assess how we connect and engage with the portfolio of residents. The highest portfolio utilization rate has been 50%. This indicates we are not connecting with 50% of our residents. I am certain there are varying factors for this, such as residents who do not need our services.



RESIDENT SERVICES PRESENTS:

MONEY TALKS

WITH A MEAL ON THE SIDE. 5/30/24
THURSDAY 5:30-7:30PM
COMMUNITY ROOM

**GUEST PRESENTER MINDA
MICHELLE MATTOX, FINANCIAL
TRAUMA EDUCATOR & COACH
FROM WSECU**

COMMUNITY ROOTS HOUSING

**PLEASE DO NOT LEAVE YOUR CHILDREN AT
EVENT UNATTENDED!**



JUNE 2024 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**
(**BOLD** indicates those members in attendance)

Date, time and location of meeting: May 30, 2024, at 3:30 PM – 4:30 PM via Ring Central teleconference

Date, time and location of next meeting: June 27, 2024, at 3:30 PM – 4:30 PM via Ring Central teleconference

1. Project Updates
 - a. White Center HUB & White Center Residential Closing – HUB closed on the NMTC finance on May 10 and the Residential closed on the LIHTC finance on May 13. The White Center CDA hosted a ground breaking ceremony on May 19. Early construction activities have begun.
 - b. Heartwood – Project is no longer in the RED department, efforts to lease up, stabilize, and achieve perm conversion will be led by operations.
 - c. YouthCare – Continuing to advance project to closing in Mid-July with a posting of the bond sale in early July.
 - d. JazzHouse – Potential path forward as a 4% tax credit deal. Working through the numbers to see if that assumption holds. Connecting with funders to explore likelihood of attracting investments in 2024.
 - e. Africatown Plaza – Expected to convey commercial condo to ACLT in the next week. Continuing to work toward TCO.
 - f. 13th and Fir – Perm conversion is expected to occur in the next week.
 - g. See attached report for additional updates.
 - h.
2. Approvals/Resolutions
 - a. No resolutions this month.
 - b. Follow up to May Board Meeting. – RED team is working to complete our process update for managing predevelopment budgets and tracking spending. Will have update next month.
 - c.
3. Pipeline Report
 - a. OH priority projects – Staff met with OH to gauge support for future pipeline projects and to identify our priorities moving forward. Priority projects include JazzHouse, SMC – Lake City, Othello, Rainier and Genessee, Centennial, other existing portfolio rehabs.
 - b. Abubakr – Continuing to meet with Abubakr to explore potential project in partnership in Tukwila.
 - c. Cenro Rendu – Received a Grow America grant from the City of Kent to explore potential project in the central area of Kent. Will bring grant to the board for review and approval next month.

Meeting adjourned at 4:13 PM.

Project	PM	Assoc	# Units	2024				2025				2026			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Heartwood	Andrew		126			Conversion									
Pride Place	Mason	Brenda	118			Conversion									
13th & Fir Family Housing	Thomas	Brenda	156	Conversion											
AT Plaza	Thomas	Brenda	126	PIS			Conversion								
Jazz House	Thea	Brenda	134		CLOSE	Construction						PIS	Conversion		
Devonshire	Jordan	Michael	62				PIS	Conversion							
Northgate	Jordan	Michael	235	Construction							PIS	Conversion			
WC Residential	Mason	Brenda	76		CLOSE	Construction					PIS	Conversion			
WC HUB	Mason	Brenda			CLOSE	Construction					Conversion				
Othello	Thea		235	TBD											
Youthcare	Thomas	Brenda	84		Bond Cap	CLOSE	Construction							PIS	Conversion
SMC	Jordan	Brenda	283			Prefunded	ROUND	Predevelopment					CLOSE	Construction	
Centennial	Thomas	Michael	57			Prefunded	ROUND	Predevelopment					CLOSE	Construction	
R & G	Thomas	Michael	139	Acq and hold											

Project Name	PM	# Units	Funding Application	Construction Closing	Placed in Service	Perm Conversion	Proposed/Actual	Cash Dev Fee	Cash Fee in 2024	Predev Approved
Middle Income										
Heartwood	Andrew	126	N/A	11/8/2021	11/22/2023	5/22/2024	Actual	\$ 1,731,164		Repaid
Current Phase: Lease Up			Update: Working through extension of cosntruction loan and forward commitment							
Next Milestone: perm conversion			Lease up has gained some traction							
			Additional marketing efforts set to begin 6/1							
Jazz House	Thea/Holly	134	N/A 1Q 2024	4Q 2025	2Q 2026		Proposed	\$ -	\$	4,300,000
Current Phase: Closing			Update: Working with project partners to determine if there is a path forward for this project as a 4% bond							
Next Milestone: Construction			deal. If so, then we would like to advance for financial closing asap.							
Othello	Thea	235	N/A TBD	TBD	TBD		Proposed	\$ -	\$	600,000
Current Phase: Feasibility			Update: Public comment for PPCD complete.							
Next Milestone: Approval										
4% Bond										
13th & Fir Family Housing	Josh / Thomas	156	9/15/2019	5/17/2021	5/5/2023	6/10/2024	Actual	\$ 583,947		Repaid
Current Phase: perm conversion			Update: Conversion package submitted to Freddie Mac, with conversion planned for 6/10/2024.							
Next Milestone: Operations			Waiting on receipt of Freddie Mac approval letter. Legal items underway							
Pride Place	Mason	118	9/15/2019	10/25/2021	9/5/2023	6/30/2024	Actual	\$ 1,510,957	\$ 151,095.50	Repaid
Current Phase: Lease up			Update: Lease up continues to be slow, working with marketing team on a new direction, including lowering							
Next Milestone: perm conversion			rents for the 50% studio units, sharpening our targeted social media and online marketing, and reengaging with GenPride on direct outreach and affirmative marketing.							
			Working with lenders and investors to extend construction loan and push out perm conversion.							
			Pride Place Retail, all three retail spaces have either a lease or an LOI. Looking to begin landlord work and advance toward perm conversion of the commercial loan.							
AT Plaza	Muammar/Thomas	126	9/15/2019	12/23/2021	6/17/2024	1/17/2025	Actual	\$ 1,088,597	\$ 872,259.20	Repaid
Current Phase: Construction			Update: Intial punch completed.							
Next Milestone: Building Transition, Lease up			Beginning the condo conveyance process in order to have commercial unit out of the structure by TCO.							
			Additional funding from Key Bank and the City and County is expected to come into the project after commercial condo conveyance.							
			TCO expected 6/17							
Devonshire	Jordan	62	9/15/2022	9/19/2023	9/1/2024	5/1/2025	Actual	\$ 1,582,857	\$ 474,857.10	Repaid
Current Phase: Construction			Update: 40-45% Construction Complete. Current Activities are framing and MEP Rough-in with drywall soon to follow.							
Next Milestone: Building Transition, Lease up			Team has sent out an RFP for sewer repair contractors. Team is still working to identify funding sources, and timing of side sewer repair as it relates to current construction and projected move-backs. Move backs are still scheduled to begin 9/18. The team has a regularly scheduled Transition to Ops meeting to work through move-back coordination and project stabilization/conversion.							
Northgate	Jordan	235	9/15/2021	12/21/2023	10/31/2025	12/18/2026	Actual	\$ 2,417,701	\$0	\$ 200,000
Current Phase: Construction			Update: 20-25% Construction Complete. Primary construction activities are concrete deck pours and MEP rough-in. Project team is working through VE log. Anticipated savings is ~\$700k, up from the previous estimate of ~\$500k.							
Next Milestone: Building Transition, Lease up			Continuing to work with Bridge for reimbursement of predevelopment spending.							
			Child Care project received verbal affirmation of construction loan financing from Enterprise.							
			Continuing to work with KT and King County to advance ground lease bifurcation.							

Project Name	PM	# Units	Funding Application	Construction Closing	Placed in Service	Perm Conversion	Proposed/Actual	Cash Dev Fee	Cash Fee in 2024	Predev Approved
WC Residential	Mason	76	9/15/2022	5/13/2024	7/1/2025	3/1/2026	Proposed	\$ 1,085,955	\$ 358,365.08	Repaid
Current Phase: Closing		Update: Project closed construction finance on 5/13/2024							*Predev includes bot	
Next Milestone: Construction		NTP issued, GC is working on site to cut and cap utilities, demo and abatement of existing building, and prepare the site for mass excavation								
WC Commercial	Mason		N/A	5/10/2024	7/1/2025	n/a	Proposed	\$ 900,000	\$ 450,000	
Current Phase: Closing		Update: Project closed construction finance on 5/10/2024								
Next Milestone: Construction										
YouthCare	Thomas	84	9/15/2021	7/13/2024	7/13/2026	3/13/2027	Proposed	\$ 2,177,923	\$ 653,377.00	\$ 2,600,000
Current Phase: Funding, Building Permit		Update: Working toward a July construction finance close.								
Next Milestone: Closing		Final funding request approved by housing funders.								
		Permits secured.								
		Working through closing logistics								
SMC	Mason	283	9/15/2023	6/1/2025	6/1/2027	2/1/2028	Proposed	\$ 2,863,346		\$ 500,000
Current Phase: Prefunded		Update: No updates								
Next Milestone: Public Funding										
Centennial	Thomas	57	9/15/2024	12/1/2025	12/1/2027	8/1/2028	Proposed	\$ -		
Current Phase: Feasibility		Update: Working with public funders to explore path forward with this project considering current bond								
Next Milestone: Approval		scoring priorities.								
R & G	Thomas	139	9/15/2024	12/1/2025	12/1/2027	8/1/2028	Proposed	\$ -		\$ 100,000
Current Phase: Acquisition		Update: No updates								
Next Milestone: PreFunded										
Potential Projects										
Kent	Thea							\$ -		
Current Phase:		Update: Working with Build America to secure a \$100,000 predevelopment grant to pursue predevelopment								
Next Milestone:		on this site.								
SFBC	Mason							\$ -		
Current Phase:		Update: No updates								
Next Milestone:										
Tukwila - Abu Bakr	Jordan							\$ -		
Current Phase:		Update: Continuing to working through MOU outlining partnership roles and responsibilities.								
Next Milestone:										
CHP2-5	Thea							\$ -		
Current Phase:		Update: · No updates								
Next Milestone:										
Goodwill	Thea	TBD	TBD	TBD	TBD		Proposed	\$ -		
Current Phase: Feasibility		Update: No updates								
Next Milestone: Approval										



JUNE 2024 EXECUTIVE COMMITTEE BOARD REPORT AND MINUTES

Executive Committee Members: Frank F. Alvarado III (Chair), Derrick Belgarde (Vice Chair), Chasten Fulbright (Treasurer), Drew Porter (Immediate Past Chair)

Absent Committee Members: Michelle Morlan

Staff: Chris Persons, Carolina Rocha, Sondra Cardin (taking minutes)
(**BOLD** indicates those members in attendance)

Date, time, and location of meeting: Monday, June 3, 2024 – 5-6:30 pm – Belmont Conference Room / RingCentral

Date, time, and location of next meeting: Monday, July 1, 2024 – 5-6:30 pm – Belmont Conference Room / RingCentral

The meeting began at 5:04 p.m.

1. **Approval of May 25 special meeting minutes:** A motion to approve the **May 25 special meeting minutes** was made by Drew Porter, second by Chasten Fulbright, and passed unanimously.
2. **Critical Path Issues:**
 - Heartwood Review:** Payment has been received to extend FreddieMac, however, Heritage is still awaiting agreement from their participating lender. Anticipate receiving a commitment letter in the next day or two. Staff continue to communicate openly with investors, public and private lenders and partners about the project.
 - **Jazz House Review:** WSHFC has expressed interest in providing bond cap allocation that would allow us to bring in tax credit equity. Staff have spoken with three potential investors who have expressed interest. Thea is finalizing the budget for distribution. Chris and other CRH leadership have been rebuilding the relationship with Two Schools.
 - **Property Sales:** Park Hill and Holden Vista are progressing as planned. Staff continue to manage the portfolio both in terms of rehabilitation and disposition.
3. **Board Development:** Chris updated the Committee on board candidate discussions and decisions to date. CHDA membership was discussed, and committee membership was reviewed which Chris plans to email the proposed arrangements for approval. Further discussed attendance and will consult with staff about other Committees to ensure effectiveness and potential improvements.

4. **Review Board Agenda and Resolution:** Chris reviewed the June board meeting agenda with the Committee. Intent will be to provide opportunities for deep conversations and questions about critical paths.
5. **Board Correspondence:** In May, the board received correspondence from two residents. The first is a resident from the Holiday reaching out about PRR which we are addressing as well as other ongoing conversations. Second resident correspondence revolved around issues with their plumbing. Concerns were addressed and fixed.

The meeting ended at 6:28 p.m.

Board Email Correspondence May 2024

Correspondence Number	1
Date Received	May 1-31, 2024 (43 emails)
From	Resident
Topic	PRR/ Housing Rights/ Annual Inspection
Building	Holiday
Status	Staff responded and is addressing the PRR

Correspondence Number	2
Date Received	May 1-31, 2024 (5 emails)
From	Resident
Topic	Maintenance Request
Building	Liberty Bank
Status	Staff responded and third-party maintenance fixed the issue.



Community Roots Housing PDA Board Resolution 2024-11

Overview: Authorizes and directs staff to extend both perm conversion and construction loan on the Heartwood.

Purpose: Provide us additional time to find financing solutions for the project.

Type of Resolution/Motion:

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

Charter or Rules and Regulations Modification:

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

General description and purpose: In order to provide more time for stabilization we are extending the loans and conversion date.

Organizational requirements of resolution: None

Financial cost of the resolution: About \$320,000

Pros: Avoid not meeting conversion deadline.

Cons: It is very expensive.

Further Board Action or Reporting:

- **Is further action required from the Board or a Board Committee?** ☐ Yes ☒ No
If yes, please describe: Please include here whether full Board or Committee needs to take action, and anticipated dates for action.
- **Is further reporting required to the Board or a Board Committee?** ☒ Yes ☐ No
If yes, please describe: Staff will keep the board and applicable committees apprised of progress.

Author of Resolution Overview: Chris Persons

**RESOLUTION ADOPTED AT A MEETING OF
THE BOARD OF DIRECTORS
OF
COMMUNITY ROOTS HOUSING
(Heartwood Project Debt Extension)**

RESOLUTION 2024-11

Whereas Community Roots Housing, formerly known as Capitol Hill Housing Improvement Program, a Washington public corporation (“**CRH**”), is organized pursuant to RCW 35.21.660, 35.21.670, and 35.21.730-755 and Seattle Municipal Code Ch. 3.110;

Whereas the purpose of CRH 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;

Whereas CRH intends to participate in the development of the Heartwood Parcel as an approximately 126-unit affordable housing project with approximately 400 square feet of retail space (the “**Project**”);

Whereas, the Project will be owned by Heartwood QOZB LLC, a Washington limited liability company (“**QOZB**”);

CRH serves as the manager of CRH Heartwood LLC, a Washington limited liability company (“**CR Heartwood**”)

Whereas CRH Heartwood serves as the manager of Heartwood Manager LLC, as Washington limited liability company (“**Heartwood Manager**”);

Whereas Heartwood Manager serve as the manager of QOZB;

Whereas CRH previously passed Resolution 2020-16 with respect to its participation in the development of the Project (the “**Prior Resolution**”);

Whereas CRH previously passed Resolution 2021-01 with respect to its borrowing for financing the development of the Project (the “**Prior Borrowing Resolution**”);

Whereas from Heritage Bank (“**Heritage**”) made a construction loan to QOZB in the approximate amount of Twenty Six Million Six Hundred Eighty Six Thousand and 00/100 Dollars (\$26,686,000) (the “**Construction Loan**”); and

Whereas CRH has received a term loan commitment (the “**Term Loan Commitment**”) from Berkadia Commercial Mortgage LLC (“**Berkadia**”) dated November 2, 2021 pursuant to which Berkadia and Freddie Mac will make a term loan to QOZB in the approximate amount of Twenty Five Million Nine Hundred Forty Eight Thousand and 00/100 Dollars (\$25,948,000) (the “**Term Loan**”) and together with the Construction loan (the “**Loans**”);

Whereas CRH is seeking a six-month extension of the Forward Commit Maturity date from June 1, 2024 to December 1, 2024 (the “**Conversion Period**”) and has received a commitment letter from Berkadia Commercial Mortgage LLC (“**Berkadia**”) dated May 21, 2024 pursuant to which Berkadia and Freddie Mac will extend the Conversion Period to December 1, 2024 for a standby fee of \$19,218.75 and an extension fee of \$230,625 totaling \$249,843.75;

Whereas CRH is seeking a six-month extension of the construction loan and has received a verbal commitment from Heritage bank to grant the extension for a fee not more than \$70,000 and including other terms including establishing an interest reserve fund for 6 months, depositing approximately \$2,000,000 into an unrestricted, Heritage controlled account;

NOW THEREFOR BE IT RESOLVED AS FOLLOWS:

Resolved that CRH in its capacity as manager of CRH Heartwood, in its capacity as manager of Heartwood Manager, in its capacity as Manager of QOZB, is authorized, empowered and directed to execute and deliver all such documents as may be required for QOZB to extend the Loans;

Further Resolved that any and all documents hereby authorized to be executed on behalf of CRH 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*”)

<u>Name:</u>	<u>Title:</u>
Frank Alvarado	Chair
Derrick Belgarde	Vice Chair
Christopher Persons	Chief Executive Officer

Further Resolved that 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;

Further Resolved that the Prior Resolution remains in full force and effect; and

Further Resolved that acts taken by CRH prior to the date hereof and in furtherance of the foregoing are hereby ratified and affirmed.

OFFICER CERTIFICATE

I, Michell Morlan certify that I am the Secretary of Community Roots Housing and that the foregoing Resolutions were duly adopted at a meeting of the Board of Directors of Community Roots Housing held on _____, 2024, in accordance with the Charter and Rules and Regulations of Community Roots Housing upon proper notice and at which time a quorum was present.

Dated _____ 2024

By: _____