



COMMUNITY ROOTS
— HOUSING —

Special
PDA Board Meeting
July 2024

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COMMUNITY ROOTS
— HOUSING —

SECTION 1:

Meeting Keys

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July 2024

Community Roots Housing Special Board Meeting Keys and Agenda

The Meeting will start at 10:00 AM. Please try to join 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 and Other: Board, staff and guests of the Board will make brief introductions as time permits. The Chair will review the agenda.

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

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

Resolution 2024-17 – Modification of Pride Place Financing: The Pride Place construction loan has reached it's maturity date while lease up efforts continue. Since the project has not yet reach stabilization, it is necessary to modify the loan agreement until stabilization can be achieved and we can convert to the permanent loan. This loan modification includes two six-month extensions as well as a to change the interest rate for the permanent loan amount to the permanent loan interest rate. The change to interest rate will save approximately \$30,000 every month until we achieve perm conversion. In order to modify the loan, we need to reissue the bond, which in this case, will not require a new TEFRA hearing.

Upcoming Meetings and Events

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

- August 2 CRH All-Staff Picnic
- August 5 Executive Committee Meeting
- August 12 PDA Board Meeting

Board Packet Sections

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2. Meeting Agenda, p. 9
3. Resolution 2024-17 – Modification of Pride Place Financing, p. 13-18



COMMUNITY ROOTS
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SECTION 2:

Agenda

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**COMMUNITY ROOTS HOUSING BOARD
SPECIAL MEETING**

July 24, 2024
10:00 – 10:30 AM

RingCentral Link

<https://v.ringcentral.com/join/241001789?pw=919c1a89f5a2adbed773da0b6dc34443>

AGENDA

10:00 Call to Order (Alvarado) – 10 mins total

- a. Welcome, Introductions, Agenda Review
- b. Disclosures and Recusals

10:10 Public Comment – 10 mins total Limited to consideration of Resolution 2024-17.

10:20 Real Estate Activities (Cavell, Persons) – 10 mins total

- a. Resolution 2024-17 – Modification of Pride Place Financing
(Cavell, Persons) – 10 mins

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10:30 Adjourn (Alvarado)

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COMMUNITY ROOTS
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SECTION 3:
Resolution 2024-17 -
Modification of Pride Place
Financing

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Community Roots Housing PDA Board Resolution 2024-17

Overview: MODIFICATION OF PRIDE PLACE FINANCING

Purpose: A resolution providing for the modification of certain terms of the Pride Place Revenue Bond, extension which extends the maturity date from July 21, 2024 to include two six month extensions (January 21, 2025 and July 21, 2025) and modify interest rate for the portion of the loan in the amount of the permanent loan to the permanent fixed loan rate.

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?: The Executive Committee was informed of the need for a special meeting of the full board but did not review the resolution.

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 Pride Place construction loan has reached it's maturity date while lease up efforts continue. Since the project has not yet reach stabilization, it is necessary to modify the loan agreement until stabilization can be achieved and we can convert to the permanent loan. This loan modification includes two six-month extensions as well as a to change the interest rate for the permanent loan amount to the permanent loan interest rate. The change to interest rate will save approximately \$30,000 every month until we achieve perm conversion. In order to modify the loan, we need to reissue the bond, which in this case, will not require a new TEFRA hearing.

Organizational requirements of resolution: None.

Financial cost of the resolution: Pride Place will continue to service the construction loan debt until such time as we achieve stabilized occupancy and convert to the permanent loan. The change in interest rate will save the project \$30,000 every month.

Pros: Reduces interest burden, extends maturity date

Cons: None

Further Board Action or Reporting:

- **Is further action required from the Board or a Board Committee?** ☐ Yes ☒ No

If yes, please describe:

- **Is further reporting required to the Board or a Board Committee?** ☒ Yes ☐ No

If yes, please describe: Continue to update the Board and the Property Development Committee through monthly PDC report.

Author of Resolution Overview: Thea Munchel

COMMUNITY ROOTS HOUSING

RESOLUTION NO. 2024-17

(MODIFICATION OF PRIDE PLACE FINANCING)

A RESOLUTION of the Board of Directors of Community Roots Housing, providing for the modification of certain terms of the Community Roots Housing Revenue Bond, 2021 (Pride Place); authorizing the execution and delivery of bond and loan documents pertaining to such modification and such other documents as are useful or necessary to the purposes of this resolution; and determining related matters.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COMMUNITY ROOTS HOUSING as follows:

Section 1. Recitals and Findings. The Board of Directors (the “Board”) of Community Roots Housing (the “Issuer”) hereby makes the following findings and determinations:

(a) Statutory and Charter Authorization. Section 35.21.730 of the Revised Code of Washington (“RCW”) provides that a city, town or county may form a public corporation in order to “improve the general living conditions in the urban areas” of the State of Washington. The City of Seattle (the “City”) acting in accordance with RCW 35.21.730 formed the Issuer pursuant to a Charter, most recently restated as of July 24, 2020 (as it may be further amended or restated from time to time, the “Charter”). RCW 35.21.745 provides that a public corporation may be empowered to “own and sell real and personal property; . . . to contract with individuals, associations, and corporations, and the state and the United States; . . . to loan and borrow funds and issue bonds and other instruments evidencing indebtedness; transfer any funds, real or personal property, property interests, or services” and the Charter provides that the Issuer shall have and exercise all powers necessary or convenient to effect the purposes for which it is organized including, without limitation, the power to contract and enter into partnerships with individuals associations and corporations, to lend and borrow money, and to issue negotiable bonds and notes.

(b) Issuance of Bond. Pursuant to Resolution 2021-17 of the Issuer (the “Bond Resolution”), on October 25, 2021, the Issuer issued its Revenue Bond, 2021 (Pride Place) in the original principal amount of not to exceed \$23,400,000 (the “Bond”), for the purpose of making a loan (the “Bond Loan”) to Broadway LGBTQ Senior LLLP (the “Borrower”), a Washington limited liability limited partnership of which Broadway LGBTQ Senior GP LLC (the “General Partner”), a Washington limited liability company is the general partner, of which Community Roots Housing is the manager, pursuant to a Promissory Note (Tax-Exempt Construction-To-Permanent Loan) dated October 25, 2021 from the Borrower to the Bank in the original principal amount of \$23,400,000 (as amended, the “Bond Loan Note”) and a Loan Agreement dated as of October 1, 2021 (the “Bond Loan Agreement”), between the Issuer and the Borrower, to provide a portion of the funds required to pay the costs of constructing and equipping an approximately 118-unit affordable housing project to be known as Pride Place (the “Project”), in the City of Seattle, Washington. The Bond was purchased by JPMorgan Chase Bank, N.A. (the “Bank”) and,

in connection therewith, the Issuer assigned to the Bank the Issuer's rights under the Bond Loan Agreement, with certain reservations and exceptions described therein. In connection with the Bank's purchase of the Bond, the Issuer and the Borrower entered into a Construction and Permanent Loan Agreement dated October 25, 2021 (as amended, the "Bank Tax-Exempt Loan Agreement"), setting forth certain covenants and conditions relating to the Bond Loan, which Bank Tax-Exempt Loan Agreement was assigned by the Issuer to the Bank pursuant to an Assignment of Loan Documents dated as of October 25, 2021.

(c) Taxable Loan. In connection with the Project, the Bank and the Borrower further entered into a Construction Loan Agreement dated October 25, 2021 (as amended, the "Bank Taxable Loan Agreement"), pursuant to which the Bank extended to the Borrower one or more loans in the aggregate principal amount of Two Million Eight Hundred Eight Thousand Five Hundred Ninety Eight Dollars (\$2,808,598) (the "Taxable Loan" and, together with the Bond Loan, collectively referred to herein as the "Loans"), evidenced by (i) that certain Promissory Note A (Taxable Construction Loan) dated October 25, 2021 from the Borrower to the Bank in the original principal amount of \$2,054,645 (the "A Note") and (ii) that certain Promissory Note B (Taxable Construction Loan) dated October 25, 2021 from the Borrower to the Bank in the original principal amount of \$753,953 (the "B Note" and together with the A Note, as amended, individually and collectively referred to herein as the "Taxable Loan Notes"). The B Note has subsequently been satisfied in full.

(d) Previous Modifications of Bond and Loans. Pursuant to Resolution 2023-14 of the Issuer adopted on June 12, 2023, the Board authorized certain modifications to the Bond and the Loans related to the replacement of an interest rate formula based upon the one-month London Interbank Offered Rate ("LIBOR") with an interest rate formula utilizing the Secured Overnight Financing Rate ("SOFR"), which modification of the Bond Loan was evidenced by that certain Modification Agreement dated as of June 15, 2023, and which modification of the Taxable Loan was evidenced by that certain Modification Agreement dated as of June 15, 2023. Pursuant to Resolution 2023-21 of the Issuer adopted on August 14, 2023, the Board further authorized the assumption of the A Note by Pride Place Commercial LLC, a Washington limited liability company (the "Commercial Unit Owner"), which modification of the Taxable Loan was evidenced by that certain Second Modification Agreement dated as of August 31, 2023.

(e) Modification of Bond and Loans. The Bond Loan Note contemplated that the Construction Term Maturity Date (as defined therein) of the construction phase portion of the Bond Loan would be July 21, 2024, and that the Outside Conversion Date (as defined therein) would be July 21, 2024. The A Note contemplated that the Maturity Date (as defined therein) of the Taxable Loan would be July 21, 2024. The Borrower with respect to the Bond Loan Note has requested, and the Bank has agreed, that the Construction Term Maturity Date be extended to January 21, 2025, and that the Outside Conversion Date of the Bond Loan be extended to July 21, 2025. The Commercial Unit Owner with respect to the A Note has requested, and the Bank has agreed, that the Maturity Date of the Taxable Loan be extended to September 29, 2024, subject to an extension option to extend the Maturity Date to March 29, 2025. In addition, notwithstanding the fact that the conversion of the construction phase portion of the Bond Loan to the permanent phase loan has not yet occurred, Borrower and Bank have agreed that the portion of the Bond Loan Note representing the Permanent Loan Commitment Amount (as defined in the Bank Tax-Exempt

Loan Agreement) shall bear interest at the Permanent Fixed Rate (as defined in the Bond Loan Note) until the Conversion Date (as defined in the Bank Tax-Exempt Loan Agreement). It is necessary and advisable, important for the feasibility of the Project, and in the best interest of the Issuer, the Borrower and the Commercial Unit Owner to proceed with the modification of the Bond, the Bond Loan Note, the Bank Tax-Exempt Loan Agreement, the A Note, the Bank Taxable Loan Agreement and, if necessary, other Loan Documents (as defined in the Bond Resolution) and/or other Facility Documents (as defined in the Bank Taxable Loan Agreement) to provide for the substitution of the interest rate with respect to a portion of the Bond Loan during the construction period and the extension of the Construction Term Maturity Date and Outside Conversion Date with respect to the Bond Loan and the Maturity Date of the Taxable Loan, respectively.

Section 2. Authorization Modifications. The Board hereby delegates to the Chair, Vice Chair, Treasurer, Secretary, or Chief Executive Officer of the Issuer (collectively, the “Authorized Officers” and each, an “Authorized Officer”), and each of them acting alone, the discretionary authority to negotiate and approve the modification of the interest rate with respect to a portion of the Bond Loan during the construction period, together with any associated modifications in technical, administrative or operational terms, and the modifications to reflect the extension of the Construction Term Maturity Date and Outside Conversion Date with respect to the Bond Loan and the Maturity Date of the Taxable Loan, respectively, that any Authorized Officer determines are necessary or appropriate in connection with the implementation of the foregoing. The Authorized Officers, and each of them acting alone, are authorized and directed to negotiate, execute, deliver and perform on behalf of the Issuer (acting on its own behalf and/or as manager of the General Partner of the Borrower and/or as manager of the Commercial Unit Owner, as applicable) any and all documents, instruments and agreements pertaining to the foregoing modifications applicable to the Bond, the Bond Loan Note and the A Note including, without limitation, a Second Modification Agreement (Tax-Exempt) among the Issuer, the Borrower, and the Bank with respect to the Bond Loan, a Third Modification Agreement (Taxable) between the Commercial Unit Owner and the Bank with respect to the Taxable Loan, a Joinder by Issuer, in its capacity as guarantor, to each such Modification Agreement, a substitute Bond, and affidavits, certificates and closing statements. An Authorized Officer’s execution of any instrument contemplated by this Section 2 will constitute conclusive evidence of such officer’s approval of the terms thereof and the approval by the Issuer of such terms.

Section 3. Acting Officers Authorized. Any action authorized or directed by this resolution to be taken by the Chief Executive Officer of the Issuer may in the absence of the Chief Executive Officer be taken by a duly authorized acting Chief Executive Officer of the Issuer or any other employee of the Issuer that has been designated by the Chief Executive Officer or the Board to act in the Chief Executive Officer’s absence. Any action authorized or directed by this resolution to be taken by the Chair of the Board may, in the absence of such person, be taken by the duly authorized acting Chair of the Board.

Section 4. Changes to Titles or Parties; Omission of Documents. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form. The Authorized Officers, and each of them acting

alone, in their discretion, may omit any instrument described herein which is determined not to be necessary or desirable in connection with the transactions contemplated by this resolution.

Section 5. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Issuer to: (i) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, applications, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein; (ii) cause the Issuer or the Borrower to expend such funds as are necessary to pay for all fees and other costs relating to the actions authorized by this resolution; and (iii) notwithstanding any other Issuer resolution, rule, policy, or procedure, to create, accept, execute, send, use, and rely upon such tangible medium, manual, facsimile, or electronic documents, records and signatures under any security procedure or platform, as in such Authorized Officer's judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein.

Section 6. Ratification and Confirmation. Any actions of the Issuer or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 7. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or the Bond.

Section 8. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Directors of Community Roots Housing at an open public meeting thereof this 24 day of July, 2024.

COMMUNITY ROOTS HOUSING

By: _____
Chair, Board of Directors

ATTEST:

Secretary

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary of the Board of Directors of Community Roots Housing (“CRH”) and keeper of the records of CRH, CERTIFY:

1. That the attached Resolution No. 2024-17 (the “Resolution”) is a true and correct copy of the resolution of the Board of Directors of CRH (the “Board”) as adopted at a meeting of Board held on July 24, 2024 (the “Meeting”), and duly recorded in the minute books CRH;

2. The public was notified of access options for remote participation in the Meeting via the CRH website; and

3. The Meeting was duly convened, held, and included an opportunity for public comment, in all respects in accordance with law, and to the extent required by law, due and proper notice of the Meeting was given; that a quorum was present throughout the Meeting, and a majority of the members of the Board present at the Meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this Certificate.

4. Members of the Board voting in the affirmative for the adoption of the Resolution represented one-third of the total voting membership of the Board.

IN WITNESS WHEREOF, I have hereunto set my hand this 24 day of July, 2024.

Secretary