



COMMUNITY ROOTS
— HOUSING —

PDA Board Meeting

September 2024

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COMMUNITY ROOTS
— HOUSING —

SECTION 1:
Meeting Keys

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September 9, 2024

Community Roots Housing Board Meeting Keys and Agenda

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

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

Meeting

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

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

Consent Agenda: Frank will present the consent agenda. Any Board member may remove an item from the consent agenda for full Board consideration. The Consent Agenda includes resolutions 2024-16 HUD Portfolio Sale (Amended) and 2024-22 Lucky Seven Loan Extension. Resolution 24-16 corrects some important typographical omissions but does not change the intent of the resolution. The Lucky Seven Loan Extension extends our predevelopment loan on substantially the same terms. Both of these resolutions were approved by FAM.

Chris will brief the Board on CRH Related Entities. The Board will be asked to adopt the consent agenda.

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

Presentations and Discussion

Resident Advisory Council: Staff will introduce the Resident Advisory Council (RAC) which has been meeting for several months and will formally establish their membership at their September meeting. We thought it was a good time for an update to the Board including an introduction of RAC members. Over the past 10 months residents and staff have been convening in planning mode working closely with our consultant, Pat Hughes. The group has drafted a charter and process rules and is planning to enter operational phase in September/October.

Public Accountability Report: Sondra will report out the 2023 Public Accountability Report

Finance and Asset Management

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

Executive Session: We will enter two executive sessions to discuss items allowed under 42.30.110.

Upcoming Meetings and Events

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

- September 17 Resident Advisory Council
- September 24-26 Housing Washington
- October 5 ATP Grand Opening
- October 7 Executive Committee Meeting
- October 10 Omnivorous
- October 14 PDA Board Meeting
- October 15 Resident Advisory Council

Board Packet Sections

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COMMUNITY ROOTS
— HOUSING —

SECTION 2:

Agenda

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**COMMUNITY ROOTS HOUSING BOARD
REGULAR MEETING**

September 9, 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) – 20 mins total**
- a. Welcome, Introductions, Agenda Review
 - b. Disclosures and Recusals
 - c. Consent Agenda
 - i. Resolution 2024-16 HUD Portfolio Sale (Amended) Sec. 5, Page 56
 - ii. Resolution 2024-22 Lucky Seven Loan Extension Sec. 5, Page 60
 - d. CRH Affiliate Boards (Persons)
- 5:50 Public Comment – 10 mins total**
- 6:00 Resident Advisory Council (RAC) (Persons, Chambers Manora,) – 15 mins**
- a. Introducing RAC Members (Persons, Chambers Manora, members of the RAC)
- 6:15 Presentations (Cardin, Persons) – 5 mins total**
- a. Public Accountability Report (Cardin) – 5 mins Sec. 4, Page 30
- 6:20 Finance and Asset Management – 10 mins total**
- a. July Financials (Fulbright, Woodworth) – 10 mins Sec. 3, Page 13
- Per RCW 42.30.110 Executive sessions.
- 6:30 Executive Session – 30 mins total**
- 7:00 Executive Session – 30 mins total**
- 7:30 Adjourn (Alvarado)**

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COMMUNITY ROOTS
— HOUSING —

SECTION 3:
September 2024 Finance
Report, July Statements,
and Asset Management
Report

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SEPTEMBER 2024 FINANCE & ASSET MANAGEMENT BOARD REPORT AND MINUTES

July 2024 reporting

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

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

Date, time and location of meeting: September 5, 2024 – 4:00 PM – RingCentral meeting

Financial Position Summary:

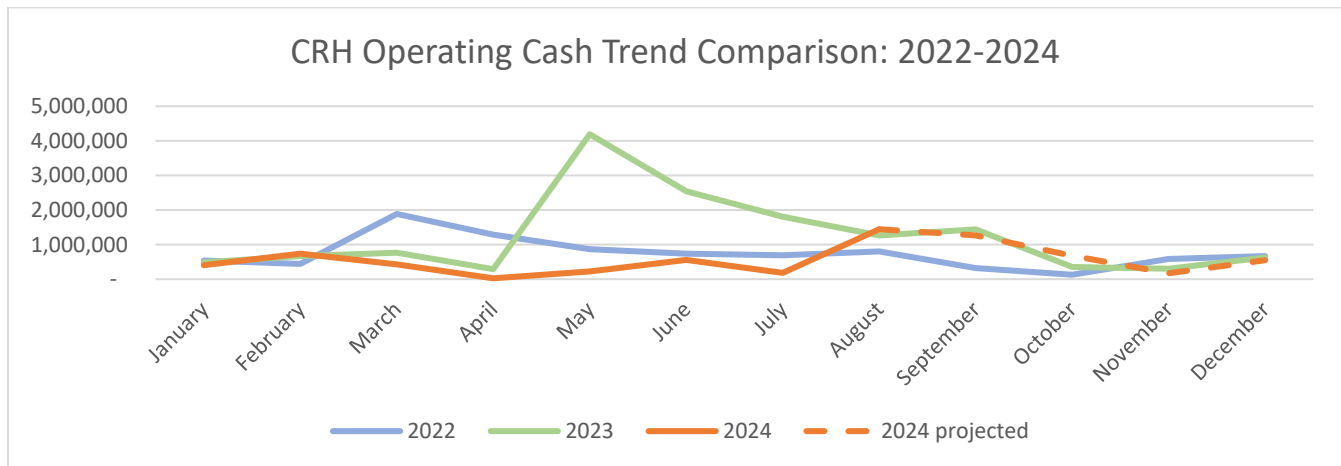
BALANCE SHEET

During July, unrestricted operating cash increased \$5m.

- The net proceeds received on sale of the Park Hill totaled \$4.74m. These funds will be used for a variety of purposes, including some retained for operating cash replenishment.
- Other significant inflows included \$280k of developer fee from 13th & Fir, and \$559k of cash passing through CRH operating checking, on route to fund the Pride Place construction account.
- Significant outflows included \$810k for two payrolls, and \$192k for Heartwood operations.
- Construction activity during the month resulted in a net increase of \$218k, compared to a net increase of \$23k 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 September 5, 2024 meeting date, these funds were replenished, and the available fund balance is \$1m.

Operating cash projections continue to be lower than historical pre-pandemic levels. Liquid cash has been replenished, however we anticipate some continued delays in receipt of cash developer fees due to longer timelines needed to achieve project milestones, including anticipated closings on new projects, construction completion, and building lease-up.



The disposition of Park Hill accounted for the following activity in July:

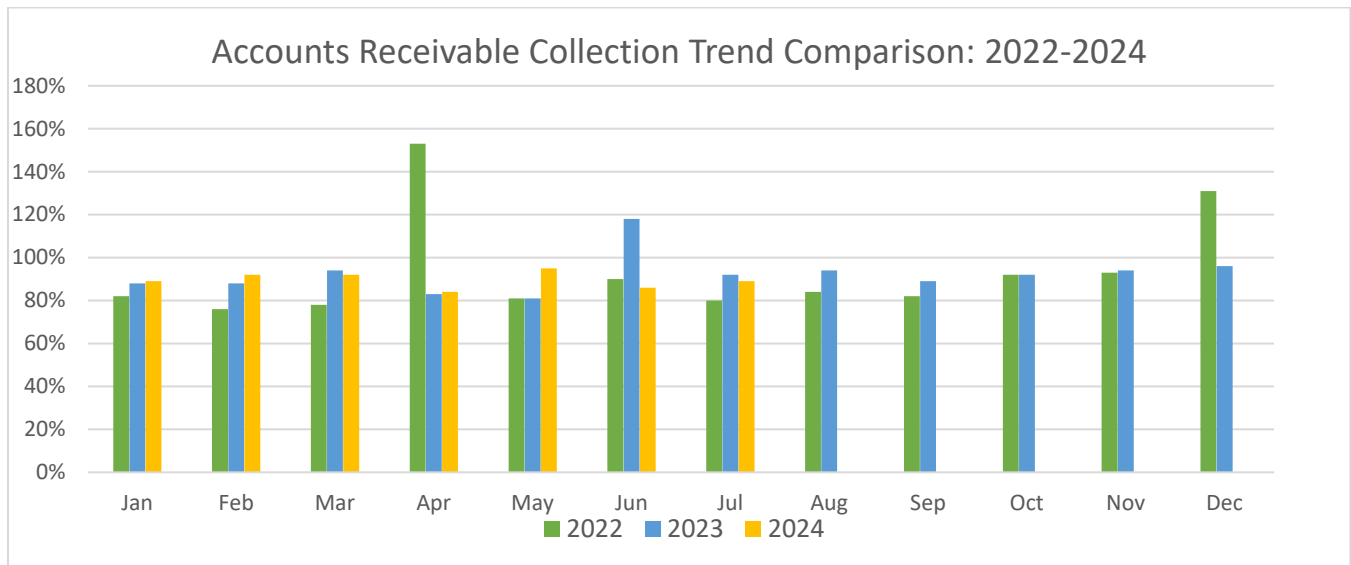
- Other Receivables increased \$1m due to seller holdbacks retained in escrow. These funds may be recovered in full or part, depending on results of environmental testing after additional cleanup.
- Land (\$185k), building (\$1.8m), furnishings and equipment (\$127k), and accumulated depreciation \$1.3m were disposed on sale of the Park Hill Apartments.
- Notes payable decreased upon debt payoff, totaling \$677k.
- Accrued interest decreased upon debt payoff, totaling \$153k.

Predevelopment and construction project activity accounted for the following:

- Other Receivables increased \$632k for accrued construction costs of the White Center HUB, to be reimbursed by White Center CDA funding sources (not a CRH affiliate)
- Cash Restricted for Development decreased \$415k related to 3 projects
- The balance Due from Affiliates increased \$500k related to 3 projects
- Accounts Payable increased \$626k from 5 projects

Accounts receivable increased \$54k, compared to a \$101k increase in the prior month. The activity was split between commercial \$14k and residential \$40k.

Portfolio-wide residential collections were approximately 89% in July, with total collections at 89%.



*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 July 2024, shows an adjusted operating surplus of \$977k, as compared to a budgeted surplus of \$870k, resulting in a positive variance of \$107k.

The budget included expectation of \$2.2m of disposition proceeds from the sale of the Park Hill Apartments to be freed up for operating use (noted as transactional inflows in the budget). The sale finalized in July. The net proceeds to be available for operations of \$1.6m is reduced from the expectation due to an additional \$600k of seller holdback, which we hope to recover before the end of 2024.

Developer fee revenue was \$296k lower than budget due the following:

- Timing difference carried forward from prior year \$151k:
 - Pride Place \$151k cash developer fee received in January, expected in December 2023
- Current year timing differences, delayed (\$1m):
 - 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
 - Pride Place (\$750k) perm conversion installment expected May, pushed out to December for extension
- Difference in amounts received \$219k
 - White Center HUB (\$200k) expected January, received \$369k in May
 - White Center Residential (\$400k) expected February, received \$450k in May
- Received but not budgeted \$54k:
 - Twelfth Avenue Arts cash flow distribution of deferred developer fee \$54k
 - 13th & Fir \$280k received for permanent conversion in July, which was not budgeted due to uncertainty over amount

Bad debt expense exceeded budget by \$244k, due to move-outs of tenants with larger balances accumulated without payment. Tenant balances were allowed to grow during the pandemic and afterwards, as public policy limited evictions and court system scheduling has forced further delays.

Cash distributions from affiliates exceeded budget by \$325k, due to a larger than expected distribution from the Bonanza properties and \$224k from Holden Vista surplus cash.

Overall operating expenses were \$420k below budget. This is due to cost savings from personnel vacancies not yet filled, various intentional cost saving efforts, offset by greater than expected spending on repairs and maintenance.

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

July figures for the portfolio were as follows:

- Monthly physical vacancy 6.3%
- Monthly economic vacancy 9.6%
- 12-month rolling economic vacancy 6.6%

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

- Resolution amendment - HUD Portfolio Sale
- Resolution for Lucky 7 predevelopment loan extension
- A/R overview
- Cash Flow overview

Community Roots Housing Blended Balance Sheet

	7.31.2024 Unaudited	6.30.2024 Unaudited	Change from prior month		12.31.2023 Internal Presentation	12.31.2022 Internal Presentation
ASSETS						
Unrestricted Cash						
CRH Operating Cash	5,563,108	532,687	5,030,421	1	652,327	670,162
Blended Partnerships Operating Cash	1,628,914	1,336,927	291,987	2	2,425,961	3,251,437
General Building Reserves	216,598	216,598	0		366,598	366,598
Total Unrestricted Cash	7,408,620	2,086,212	5,322,408		3,444,886	4,288,197
Accounts Receivable						
Tenant & Commercial AR	1,878,433	1,824,445	53,988	3	1,454,825	1,373,910
Grants Receivable	0	0	0		0	884,521
GAAP Rent Receivable	321,358	321,358	0		321,358	304,544
Other Receivable	2,228,540	623,036	1,605,504	4	2,751,772	795,482
Allowance	(981,109)	(981,109)	0		(981,109)	
Total Accounts Receivable	3,447,222	1,787,730	1,659,492		3,546,846	3,358,457
Board Designated Reserve						
General Board Reserve	500,000	500,000	0		1,000,000	1,000,000
Opportunity Fund	55,894	53,351	2,543		27,267	612,510
Total Board Designated Reserve	555,894	553,351	2,543		1,027,267	1,612,510
Restricted Cash						
Portfolio Reserves	6,845,622	6,798,927	46,695		7,317,625	8,251,631
Development	1,131,585	1,565,246	(433,661)	5	1,595,365	2,509,106
Rental Assistance	167,970	167,970	0		155,269	44,143
Restricted Misc	305,209	342,122	(36,913)		585,661	575,195
Total Restricted Cash	8,450,386	8,874,265	(423,879)		9,653,920	11,380,075
Fixed Assets						
Land	27,998,681	28,183,681	(185,000)	6	24,383,681	24,834,923
Buildings, Improvements & Equipment	143,229,319	145,134,086	(1,904,767)	7	148,436,976	147,847,211
Accumulated Depreciation	(72,534,429)	(73,471,383)	936,954	8	(71,305,223)	(69,614,902)
Lease Receivable	504,685	504,685	0		529,685	567,455
Total Fixed Assets	99,198,256	100,351,069	(1,152,813)		102,045,119	103,634,687
Other Assets						
Intangible Assets	37,739	43,477	(5,738)		52,366	(73,393)
Investment in LPs/LLCs	1,399,993	1,399,993	0		1,399,993	1,588,534
Due from Affiliates	27,651,298	27,133,684	517,614	9	26,303,761	16,333,561
Notes Receivable from Affiliates	20,933,013	20,933,013	0		21,503,408	18,089,995
Prepays & Other Current Assets	942,490	1,039,060	(96,570)		213,349	191,822
Total Other Assets	50,964,533	50,549,227	415,306		49,472,877	36,130,519
Total Assets	170,024,911	164,201,854	5,823,057		169,190,915	160,404,445
LIABILITIES						
Notes Payable	102,502,433	103,433,291	(930,858)	10	98,889,271.00	100,583,693.00
Accrued Interest Payable	6,178,828	6,331,725	(152,897)	11	6,362,084.00	5,894,987.00
Accounts Payable & Accrued Liabilities	9,070,341	7,264,837	1,805,504	12	11,386,110.00	7,781,783.00
Tenant Security Deposit Liability	449,096	453,921	(4,825)		459,392	525,066
Total Liabilities	118,200,698	117,483,774	716,924		117,096,857	114,785,529
Net Position	51,824,213	46,718,080	5,106,133		52,094,058	45,618,916
Total Liabilities and Net Assets	170,024,911	164,201,854	5,823,057		169,190,915	160,404,445

Community Roots Housing Blended Balance Sheet

Significant balance sheet changes from prior month

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

- \$4.74m Park Hill disposition net proceeds
- \$280k developer fee from 13th & Fir
- \$559k Pride Place construction proceeds (prior to transfer out)

The following significant cash transactions decreased cash during the period:

- \$810k paid for 2 payrolls
- \$192k paid towards Heartwood project, net

Construction activity:

- \$218k net inflow from development transactions, funding disbursements in excess of draws

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

- 2)** Blended Partnership Cash: Incr \$292k - regular activity and timing differences of reimbursements to CRH, increases spread across portfolio
- 3)** Tenant & Commercial AR: Incr \$54k - Commercial balances increased \$14k and residential increased \$40k.
- 4)** Other Receivable: Incr \$1.6m - \$1m related to Park Hill disposition, a balance held in escrow that the seller can access if environmental cleanup is not successful in the coming months; \$632k from White Center HUB project balance receivable from White Center CDA.
- 5)** Cash Restricted for Development: Decr \$434k - Project activity included Jazz House (\$236k), White Center HUB (\$142k), YouthCare (\$37k).
- 6)** Land: Decr \$185k - Park Hill disposition
- 7)** Bldg, Impr & Equip: Decr \$1.9m - The Park Hill sale led to asset disposal of \$1.93m. There was some additional, but minimal project activity in July.
- 8)** Accumulated Depreciation: Decr \$937k - The Park Hill sale led to disposal of accumulated depreciation of \$1.29m. This was offset by \$354k of monthly depreciation expense.
- 9)** Other Assets - Due from Affiliates: Incr. \$518k - monthly activity due to an increase (decrease) of development project cost paid by CRH: White Center \$266k, Africatown \$172k, YouthCare \$62k
- 10)** Notes Payable: Decr \$931k - Reductions from regular payments, and pay off of Park Hill debt at disposition of \$677k
- 11)** Accrued Interest Payable: Decr \$153k - Pay off debt at Park Hill disposition.
- 12)** Accounts Payable & Accrued Liabilities: Incr \$1.8m - Construction costs in accounts payable increased (decreased) for the following: YouthCare \$113k, White Center \$211k, WC HUB \$103k, Africatown \$169k, Northgate Commercial \$30k. 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. Passthrough of Pride Place funds accrued a timing difference liability of \$559k. due to cash received in July and transferred in August.

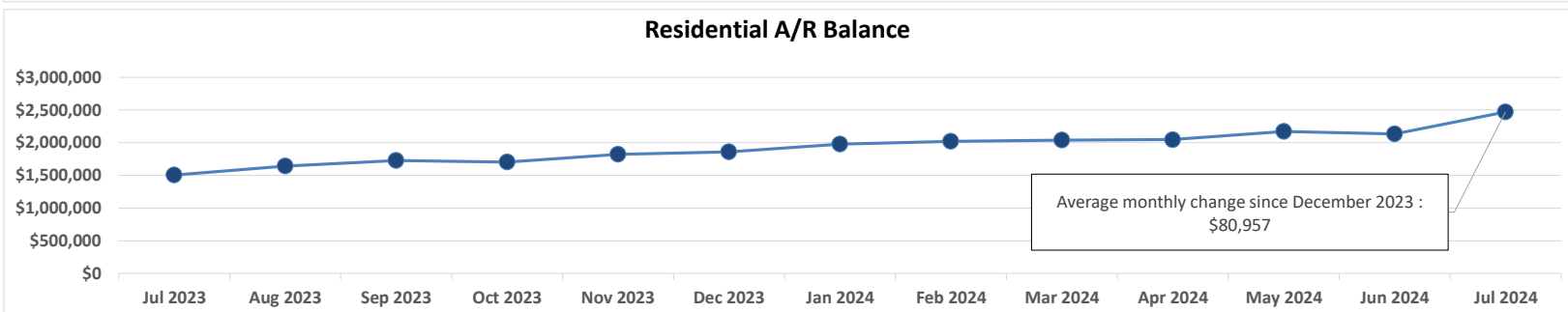
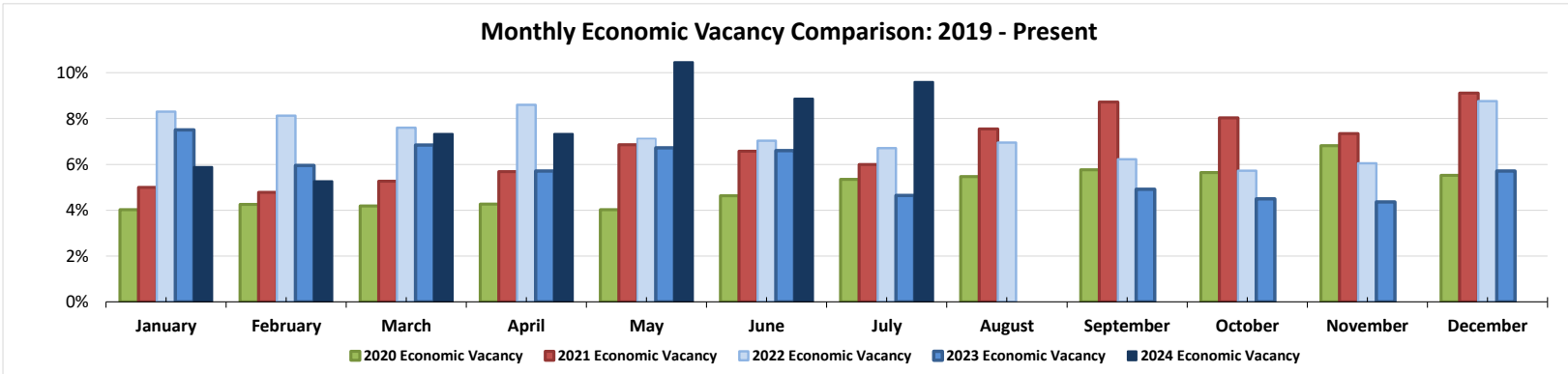
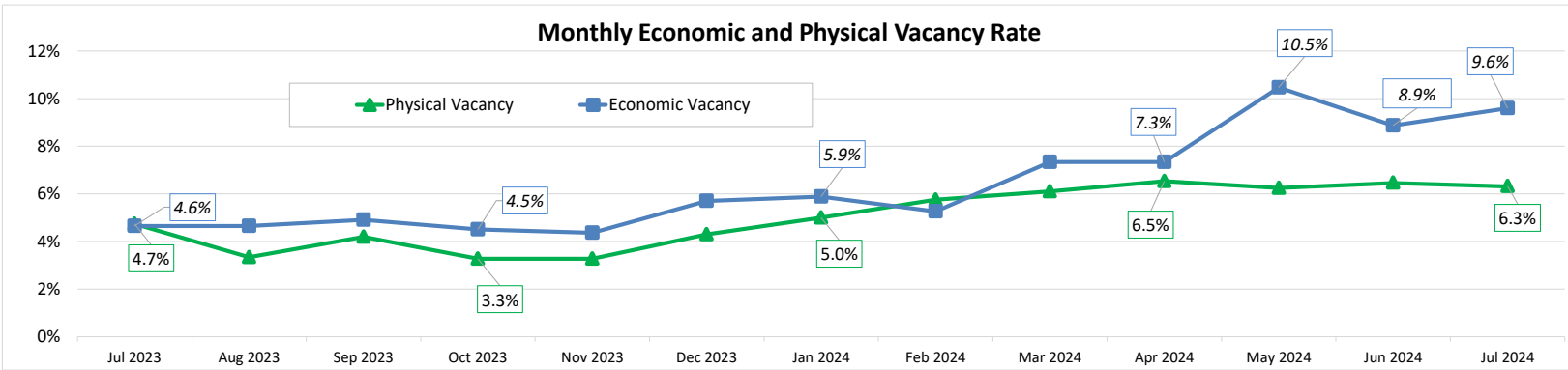
Community Roots Housing
Statement of Revenues and Expenditures - Unaudited
From 1/1/2024 Through 7/31/2024

	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	7,343,187	7,033,559	309,628	1	4.40%	12,177,775	4,834,588
Parking, Laundry & Other	131,755	90,687	41,068		45.29%	155,464	23,709
Residential Vacancy & Concessions	(751,192)	(320,889)	(430,303)	2	134.10%	(569,270)	181,922
Total Residential Tenant Revenue	6,723,750	6,803,357	(79,607)		(1.17%)	11,763,969	5,040,219
Commercial Tenant Revenue							
Commercial Rent Revenue	895,645	916,813	(21,168)		(2.31%)	1,603,281	707,636
Triple net revenue	208,296	273,857	(65,561)		(23.94%)	464,069	255,773
Commercial vacancy & concessions	(925)	(26,810)	25,885		(96.55%)	(46,944)	(46,019)
Total Commercial Tenant Revenue	1,103,016	1,163,860	(60,844)		-5.23%	2,020,406	917,390
Bad Debt & Collection Loss							
Bad debt	(442,901)	(199,357)	(243,544)	3	122.16%	(345,180)	97,721
Total Bad Debt & Collection Loss	(442,901)	(199,357)	(243,544)		122.16%	(345,180)	97,721
Grants & Donations							
Grants & Donations	659,707	330,000	329,707	4	99.91%	660,000	293
Rental Assistance Awards	0	0	0			0	0
Total Grants & Donations	659,707	330,000	329,707		99.91%	660,000	293
Other Operating Revenue							
Accounting & Compliance fees	719,938	786,935	(66,997)		(8.51%)	1,352,740	632,802
Developer Fees	1,492,094	1,788,000	(295,906)	5	(16.55%)	2,563,000	1,070,906
Cash Distribution from Affiliate	1,067,833	390,000	677,833	6		390,000	(677,833)
Partnership Management Fees	0	52,900	(52,900)		(100.00%)	52,900	52,900
Property Management Fees	900,669	995,841	(95,172)		(9.56%)	1,723,178	822,509
Interest Income	31,978	14,000	17,978		128.41%	49,000	17,022
Other Income	158,311	0	158,311	7		0	(158,311)
Total Other Operating Revenue	4,370,823	4,027,676	343,147		8.52%	6,130,818	1,759,995
Total Revenue	12,414,395	12,125,536	288,859		2.38%	20,230,013	7,815,618
Expenses							
Operating Expenses							
Accounting, Audit & Legal	526,877	596,196	69,319		11.63%	853,011	326,134
Administration	310,308	377,727	67,419		17.85%	593,375	283,067
Technology	224,662	315,792	91,130		28.86%	535,771	311,109
Board Expense	1,109	0	(1,109)		#DIV/0!	0	(1,109)
CRH Occupancy Expense	40,258	306,426	266,168	8	86.86%	525,302	485,044
Cash Distribution to CRH	497,438	173,000	(324,438)	9		173,000	(324,438)
Compliance, Taxes & License	201,961	206,788	4,827		2.33%	366,297	164,336
Consulting	61,917	203,535	141,618	10	69.58%	327,035	265,118
Debt Service	1,397,705	1,481,033	83,328		5.63%	2,492,956	1,095,251
Insurance	623,131	509,129	(114,002)	11	(22.39%)	883,646	260,515
Leasing/Compliance Expense	228,717	241,243	12,526		5.19%	410,934	182,217
Miscellaneous Financial Expense	126	3,500	3,374		96.40%	8,500	8,374
Other Operating Expense	(4,014)	2,046	6,060		296.19%	2,046	6,060
Partnership Mgmt Fee Expense	0	48,000	48,000		100.00%	48,000	48,000
Payroll, Taxes and Benefits	5,050,315	5,660,412	610,097		10.78%	9,886,873	4,836,558
Property Mgmt Fee Expense	580,671	578,331	(2,340)		(0.40%)	1,001,951	421,280
Repair and Maintenance	2,000,458	1,383,983	(616,475)	12	(44.54%)	2,209,522	209,064
Resident activities	8,062	16,355	8,293		50.71%	27,570	19,508
Utilities	972,253	1,038,193	65,940		6.35%	1,795,404	823,151
Total Expenses	12,721,954	13,141,689	419,735		3.19%	22,141,193	9,419,239
Operating Surplus (Deficit) before Reserves	(307,559)	(1,016,153)	708,594		(69.73%)	(1,911,180)	(1,603,621)

Reserve Contributions							
Replacement Reserve	(255,148)	(255,183)	35	(0.01%)	(434,399)	(179,251)	
Operating Reserve	(19,869)	(19,869)	0	0.00%	(33,347)	(13,478)	
Other Reserve	(21,082)	(77,882)	56,800	(72.93%)	(149,768)	(128,686)	
Total Reserve Contributions	<u>(296,099)</u>	<u>(352,934)</u>	<u>56,835</u>		<u>(16.10%)</u>	<u>(617,514)</u>	<u>(321,415)</u>
Operating Surplus (Deficit)	(603,658)	(1,369,087)	765,429	(55.91%)	(2,528,694)	(1,925,036)	
Additional Unrestricted Cash Flows							
Transactional Inflows	<u>1,580,768</u>	<u>2,239,344</u>	<u>(658,576)</u>	13	<u>(29.41%)</u>	<u>3,603,360</u>	<u>2,022,592</u>
Adjusted Operating Surplus (Deficit)	<u>977,110</u>	<u>870,257</u>	<u>106,853</u>		<u>12.28%</u>	<u>1,074,666</u>	<u>97,556</u>

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

- 1) Residential tenant revenue: \$310k higher - Park Hill year to date revenue of \$291k was not budgeted, due to expected timing of disposition.
- 2) Residential vacancy: \$430k higher - Park Hill vacancy recognized \$160k, which was not budgeted. The building is being intentionally vacated for disposition. Other vacancy spread across portfolio.
- 3) Bad Debt: \$244k higher - Primarily due to continued efforts to move out delinquent tenants with larger balances, with focused attention early in 2024. Some notable bad debt YTD from the following: Bremer \$37k, Four Twelve \$46k, Fleming \$32k, Centennial \$71k, Union James \$71k. Much of the larger tenant balances have already been recognized as accrued bad debt expense in the prior year. In addition, \$89k from Park Hill, as unpaid balances written off when tenants moved out or relocated in preparation for the building sale.
- 4) Grants & Donations: \$330k higher - \$153k of internal contributions for Pride Place commercial entity, and \$101k of resident services grants not budgeted. Timing differences for CRH Foundation grants, paying more earlier, but expected to even out later.
- 5) Developer Fees: \$296k lower - Timing differences in expected installments. Received \$151k for Pride Place in January which was expected in December. \$85k for Africatown expected in February was delayed. \$75k for YouthCare expected in March is delayed. \$90k for Station House cash flow distribution delayed until stabilization. \$750k for Pride Place delayed. Offset by \$54k deferred developer fee distribution from 12th Avenue Arts. Also larger than expected fees for White Center closings received in May: \$369k (vs \$200k) for residential project and \$450k (vs \$400) for community HUB project. Received \$280k for 13th & Fir, which was not budgeted.
- 6) Cash Distribution from Affiliate: \$678k higher - \$570k from Bonanza, paid down debt and accrued interest; \$224k from Holden Vista, \$24k from Silvian, \$150k Hazel Plaza, \$52k Helen V, Pantages \$22k, Harrison \$25k; These offset budgeted amounts that have not yet been distributed.
- 7) Other Income: \$158k Higher - receipts of insurance proceeds not budgeted, helps cover unexpected repairs and maintenance expense
- 8) CRH Occupancy: \$266k lower - February-July billing not recognized yet for office rent.
- 9) Cash Distribution to CRH - \$325k higher - See note 6, the actual distribution includes \$224k from Holden Vista and \$24k from Silvian, \$150k Hazel Plaza, \$52k Helen V, \$22k Pantages, \$25k Harrison; offset by budgeted amounts that have not yet been distributed.
- 10) Consulting: \$142k lower - Due to cost savings from departments, spending postponed or canceled: Admin \$20k, IT \$10k, Communications \$23k; also some costs able to be allocated directly to projects: Property Development \$110k,
- 11) Insurance: \$114k higher - New premiums higher than budgeted, premium year started May 2024
- 12) Repairs & Maintenance: \$617k higher - Timing of repair and maintenance costs can be difficult to predict, costs picked up in February due to some needed repairs related to frozen pipes. March and April costs included unit turns and inspection repairs. May had multiple high unit turn costs and repairs that will be reimbursed by insurance proceeds. Also incurred more security costs.
- 13) Transactional Inflows: \$659k lower - Park Hill proceeds allotted to current operations reduced. A \$605k holdback was included in the closing, but these funds may be recovered and added to operating cash later in the year.



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

Bank	CRH Blended Component Unit	Type	Balance
KeyBank	CRH - Misc Restricted	Operating - Restricted	280,609
KeyBank	CRH - Rental Assistance	Restricted Grant	167,970
KeyBank	12th AAA - Restricted	Equipment Reserve	24,600
KeyBank	White Center Hub - Comm Constructio	Construction	417,167
KeyBank	Capitol Hill Housing - Sound Families	Restricted Savings	3,876
KeyBank	Capitol Hill Housing	Security Deposit	103,082
Key Bank	Bremer - Resynd	Security Deposit	18,050
KeyBank	Hazel Plaza	Security Deposit	4,545
KeyBank	Larned	Security Deposit	17,730
Key Bank	John Carney - R	Security Deposit	10,905
KeyBank	Byron Wetmore	Security Deposit	8,912
Key Bank	412	Security Deposit	2,222
KeyBank	Holden Vista	Security Deposit	3,859
KeyBank	Mary Ruth Manor	Security Deposit	4,555
KeyBank	EJSH	Security Deposit	11,925
Key Bank	Boylston Howell-R	Security Deposit	11,832
KeyBank	Gilman Court LP	Security Deposit	13,196
KeyBank	Fleming Apts LP	Security Deposit	15,817
KeyBank	Villa Apts LP	Security Deposit	37,698
KeyBank	Harrison	Security Deposit	14,297
KeyBank	Oleta	Security Deposit	14,797
KeyBank	Helen V Apts LLC	Security Deposit	6,943
KeyBank	Pantages Apts LLC	Security Deposit	24,793
KeyBank	Silvian	Security Deposit	5,059
KeyBank	Broadway & Pine	Security Deposit	18,147
KeyBank	Woodland Park Ave LLC	Security Deposit	7,701
KeyBank	12th Avenue Arts Associates LLC	Security Deposit	62,971
Key Bank	Union James	Security Deposit	7,211
KeyBank	Hazel Plaza	Reserves	378,779
KeyBank	Byron Wetmore	Reserves	84,410
KeyBank	Holden Vista	Reserves	34,072
KeyBank	Mary Ruth Manor	Reserves	319,375
KeyBank	Gilman Court LP	Reserves	161,632
KeyBank	Villa Apts LP	Reserves	239,549
KeyBank	Helen V Apts LLC	Reserves	807,536
KeyBank	Broadway & Pine	Reserves	369,032
KeyBank	12th Avenue Arts Associates LLC	Reserves	46,232
Key Bank	Union James	Reserves	83,165
		Total KeyBank	3,844,249

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

Banner	Berneva	Reserves	12,807
Banner	Seneca	Reserves	180,779
Banner	Seneca	Security Deposit	13,499
		Total Banner	207,086
LGIP	Capitol Hill Housing	Reserves	1,083,697
		Total LGIP	1,083,697
Walker Dunlo	EJSH	Escrow	13,526
Walker Dunlo	EJSH	Reserves	312,514
		Total Oppenheimer	326,041
Chase	Larned	Reserves	245,136
Chase	412	Reserves	198,564
Chase	Harrison	Reserves	220,695
Chase	Oleta	Reserves	70,168
Chase	Woodland Park Ave LLC	Reserves	101,905
		Total Chase	836,468
US Bank	Pantages Apts LLC	Reserves	559,002
US Bank	Silvian	Reserves	257,139
		Total USBank	816,141
KeyBank	Capitol Hill Housing	EQII	-
		Total KeyBank	-
KeyBank	Capitol Hill Housing	Lucky 7	180,877
		Total Lucky 7	180,877
KeyBank	Capitol Hill Housing	HPN	519,484
		Total HPN	519,484
KeyBank	Youth Care Predevelopment	Plymouth	-
		Total Plymouth	-
BofA	Fleming Apts LP	Reserves	94,288
		Total BofA	94,288

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

Heritage	Bremer - Resyndication	Construction	611
Heritage	Bremer	Reserves	245,898
Heritage	John Carney	Construction	9,215
Heritage	John Carney	Reserves	138,176
Heritage	Boylston Howell	Construction	4,232
Heritage	Boylston Howell	Reserves	139,835
Heritage	Union & 24th Commercial	Security Deposit	4,090
		Total Heritage	542,056
		Total Restricted - CHH Blended Components	8,450,386
LGIP	Capitol Hill Housing	Board Designated Res	555,894
		Total Designated	555,894
Heritage	Union & 24th Commercial	Operating Checking	43,320
		Total Heritage	43,320
KeyBank	Capitol Hill Housing	Gen Building Reserve	216,598
		Total Gen Building Reserve	216,598
KeyBank	Capitol Hill Housing	Operating Checking	5,563,108
KeyBank	Capitol Hill Dev. Assoc	Operating Checking	2,719
KeyBank	Capitol Hill Housing	Operating Sweep	-
KeyBank	Capitol Hill Real Estate Mgmt Services	Operating Checking	-
KeyBank	Liberty Bank Commercial	Designated for TI	92,400
KeyBank	Bremer	Operating Checking	45,121
KeyBank	Hazel Plaza	Operating Checking	80,577
KeyBank	Larned	Operating Checking	81,261
KeyBank	John Carney	Operating Checking	112,352
KeyBank	Byron Wetmore	Operating Checking	22,047
KeyBank	412	Operating Checking	38,247
KeyBank	Holden Vista	Operating Checking	31,054
KeyBank	Mary Ruth Manor	Operating Checking	18,099
KeyBank	EJSH	Operating Checking	77,118
KeyBank	Boylston Howell	Operating Checking	39,747
KeyBank	Gilman Court LP	Operating Checking	37,586
KeyBank	Fleming Apts LP	Operating Checking	21,900
KeyBank	Villa Apts LP	Operating Checking	47,706

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

KeyBank	Harrison	Operating Checking	24,045
KeyBank	Oleta	Operating Checking	30,984
KeyBank	Helen V Apts LLC	Operating Checking	67,144
KeyBank	Pantages Apts LLC	Operating Checking	74,010
KeyBank	Silvian	Operating Checking	90,909
KeyBank	Broadway & Pine	Operating Checking	48,639
KeyBank	Woodland Park Ave LLC	Operating Checking	49,224
KeyBank	12th Avenue Arts Associates LLC	Commercial Operating	277,889
KeyBank	Union James	Operating Checking	129,382
		Total KeyBank	7,103,267
Cash	Various	Petty Cash - CHHIP	100
		Total Petty Cash	100
Banner	Berneva	Operating Checking	2,744
Banner	Seneca	Operating Checking	42,590
		Total Banner	45,335
		Total Unrestricted - CHH Blended Components	7,408,620
		Total All Cash - CHH Blended Components	16,414,900

Bank	Discrete Component Unit	Type	Balance
Chase	Pride Place	Construction	21,791
Chase	AAA	Escrow	(13,092)
Chase	AAA	Security Deposit	6,152
Chase	AAA	Reserves	308,988
		Total Chase	323,838
KeyBank	Africatown	Project Funds	28,188
KeyBank	Africatown	Construction-Res	5,059
KeyBank	Africatown	Construction	110,815
KeyBank	Africatown Commercial	Construction	1,042,761
KeyBank	Jazz House	Construction	28,966
KeyBank	Devonshire (rehab)	Security Deposit	21,651
KeyBank	El Nor LP	Security Deposit	12,775
KeyBank	18th Ave Apartments	Security Deposit	1,371
KeyBank	Ponderosa	Security Deposit	4,660
KeyBank	Holiday Apts	Security Deposit	16,618
KeyBank	SOPI / Unity Village	Security Deposit	12,450

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

KeyBank	Jefferson & 12th	Security Deposit	25,673
KeyBank	12th Avenue Arts Housing	Security Deposit	56,449
KeyBank	CH TOD Station House	Security Deposit	37,793
KeyBank	Pride Place	Security Deposit	14,446
KeyBank	SOPI / Unity Village	Reserves	184,696
KeyBank	Jefferson & 12th	Reserves	415,910
KeyBank	12th Avenue Arts Housing	Reserves	941,308
KeyBank	CH TOD Station House	Reserves	874,020
KeyBank	CH TOD Station House	Escrow	34,708
		Total KeyBank	3,870,318
UnionBank	Holiday	Reserves	210,565
		Total UnionBank	210,565
Heritage	Union & 24th Residential	Reserves	928,801
Heritage	Devonshire Construction	Construction	80,978
Heritage	Heartwood SPE	Security Deposit	22,430
Heritage	Heartwood SPE	Construction	1,363
		Total Heritage	1,033,572
Wells Fargo	El Nor	Reserves	687,188
Wells Fargo	18th Ave	Reserves	144,851
Wells Fargo	Ponderosa	Reserves	300,257
Wells Fargo	El Nor	Escrow	30,706
Wells Fargo	18th Ave	Escrow	1,389
Wells Fargo	Ponderosa	Escrow	726
		Total Wells Fargo	1,165,116
Bellwether	Union & 24th	Escrow	(79,023)
		Total Bellwether	(79,023)
		Total Restricted - Discrete Components	6,524,387
Chase	AAA	Operating Checking	425,205
Chase	Pride Place Commercial	Construction	66,518
Chase	Pride Place	Construction	45
		Total Chase	491,769

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

KeyBank	El Nor LP	Operating Checking	119,281
KeyBank	18th Ave Apartments	Operating Checking	10,601
KeyBank	Ponderosa	Operating Checking	35,120
KeyBank	Holiday Apts	Operating Checking	27,249
KeyBank	SOPI / Unity Village	Operating Checking	54,780
KeyBank	Jefferson & 12th	Operating Checking	40,263
KeyBank	Twelfth Avenue Arts Res	Operating Checking	189,905
KeyBank	CH TOD Station House	Operating Checking	557,611
KeyBank	Pride Place	Operating Checking	180,727
KeyBank	Devonshire	Operating Checking	-
		Total KeyBank	1,215,538
Heritage	Union & 24th Residential	Operating Checking	164,275
Heritage	Heartwood	Operating Checking	202,229
		Total Heritage	366,504
Capital One	White Center Residential	Construction	-
		Total Capital One	-
Total Unrestricted - Discrete Components			2,073,811
Total All Cash - Discrete Components			8,598,198
Total All Cash - CHH Blended Components			16,414,900
Total All Cash			25,013,097

TOTALS BY BANK

Key Bank	\$ 16,249,970
Chase	\$ 1,652,075
Banner	\$ 252,421
US Bank	\$ 816,141
Union Bank	\$ 210,565
Bank of America	\$ 94,288
Heritage	\$ 1,985,452
Bellwether	\$ (79,023)
Wells Fargo	\$ 1,165,116
Capital One	\$ -
LGIP	\$ 1,639,590
Other and Petty	\$ 1,026,501
TOTAL CASH	\$ 25,013,097

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COMMUNITY ROOTS
— HOUSING —

SECTION 4:
Public
Accountability
Report 2024



Public Accountability Report June 2024

The following report is presented per the Rules and Regulations of the Community Roots Housing Article V Section 4 Public Accountability. This report showcases our commitment to public accountability and highlights our compliance to communication both with and from the community and other members of the public, meeting and event notifications, community involvement and availability of information per RCW ch.42.56.

a. Public Communication

To promote continuous communication both with and from members of the public and the communities served by the Program, the Program shall observe the following policies:

- The Program will include on or post to its website the following:
 - ☑ 1. A current schedule of upcoming Program meetings and events:
 - Board & Committee meetings: [Community Roots Housing PDA - Board and Committee Meeting Dates 2024 - As of 12.2023.docx](#)
 - Events: <https://communityrootshousing.org/events/>
 - ☑ 2. A link to facilitate messages from the public to Board members:
 - [Board & Governance | Community Roots Housing](#) – see bottom of text at top of page, “Questions? Contact us at board@communityrootshousing.org”
 - ☑ 3. Copies of the Program Charter, the Rules and Regulations, and the Current Annual Budget:
 - Program Charter: On the “Board & Governance” webpage: [CHARTER \(communityrootshousing.org\)](#)
 - Rules and Regulations: On the “Board & Governance” webpage: [RULES AND REGULATIONS \(communityrootshousing.org\)](#)
 - Current Annual Budget: On “Board & Governance” webpage: [CRH-PDA-2024-Budget.pdf \(communityrootshousing.org\)](#)
 - ☑ 4. The agendas, including related reports and other public materials, and minutes of all committee and Board meetings:
 - All Board agendas and minutes, as well as Board Committee minutes, can be found in the posted Board packets on the “Board Meeting Minutes and Materials” webpage: [Community Roots Housing Board Documents | Community Roots Housing](#)

- 5. Periodic electronic newsletters issued by the Program, and periodic letters to the community from the CEO:
 - Monthly program newsletter (called “Building Beyond Buildings”) archive; links on Community Roots Housing’s “News & Stories” webpage: <https://communityrootshousing.org/news-stories/news-signup/>
 - Throughout the year there were approximately 8,929 active subscribers. There is an expected amount of fluctuation in that number, as is consistent with electronic correspondence that garners new subscriptions and updated mailing preferences. On average, 31% of recipients open our newsletter; over the course of the year as subscriber numbers grew, this averaged out to roughly 2,438 regular readers.
 - Transitioned “From the CEO” newsletter introductions (letters to the community from the CEO) to thought leadership posts on LinkedIn [Community Roots Housing | LinkedIn](#)
- Additional notification of meetings and events:
 - 1. Program staff will maintain an electronic network (such as a listserv or database) of persons and businesses who have expressed an interest in the Program by providing an email address to the program:
 - Email signup link is on the “Stay In Touch” webpage: [Sign Up for News | Community Roots Housing](#)
 - 2. Electronic notice of the date, location and time for the annual meeting and other public events will be provided to network e-mail addresses as appropriate throughout the year and to the broader community through current public media such as local community blogs and social media vehicles:
 - The 2023 annual meeting was held in person at the 12th Avenue Arts building on April 16, 2024. Notice of this meeting was published in the Building Beyond Buildings Newsletter, on the website, and on the blog.
 - Special meeting notices are posted to Community Roots’ blog: <https://communityrootshousing.org/news-stories/>
 - Events are also promoted on the Community Roots Facebook page: <https://www.facebook.com/communityrootshousing> and LinkedIn page: <https://www.linkedin.com/company/community-roots-housing/>
- Community involvement and communication:
 - 1. The Program will involve the community and seek community input to the extent practical and as appropriate in the development of programs and projects through public meetings, charrettes, public committees, open forums, focus groups and other similar means:
 - Recognizing the need for a direct channel to residents, Community Roots Housing in partnership with our residents began working to form a Resident Advisory Council. We hosted two community information sessions recruiting eager residents to assist us in planning and creating the foundation of a CRH Resident Advisory Council.
 - **Centennial**
 - Resident meeting regarding potential redevelopment of the property

- **Devonshire**
 - Resident meeting regarding upcoming redevelopment of the property
- **Pride Place (LGBTQ Senior housing on Capitol Hill (aka Eldridge))**
 - Ongoing meetings with GenPRIDE related to build out and construction of their community space.
- **SMC (lake City Menonite)**
 - project advisory committee of stakeholders continued to meet and help with design of the building and worship space; several design charettes held with SMC congregation and neighborhood stakeholders
- **Othello**
 - Continued meetings with various community organizations and project stakeholders to discuss project and overall community impact.
- **Jazz House**
 - Continued meetings with our community partner Seattle JazzED in 2023.
- **White Center**
 - continued engagement with the family resource committee of the WCCDA and project update mailers sent to neighbors regarding CUP application.

☑ 2. The Program will implement measures to routinely consult Program residential tenants to ensure that concerns of residential tenants are heard and to seek input on programs and activities as appropriate:

- CRH is home to 267 households with school-aged children. Our Resident Services team provided back to school supplies to 133 students.
- The RS team coordinated a Spooktacular family event for all CRH residents in September 2023 in conjunction with the first RAC information session.
- The new RS Manager developed a new service model for the department, which focuses on increasing resident engagement. The RS team transitioned to the new model in 2024.

☑ 3. The Program will produce a periodic newsletter and report to the community which will be disseminated widely to the community:

- The e-newsletter “Building Beyond Buildings” is disseminated monthly to our stakeholders and community members via email.

☑ 4. The Program will produce and disseminate an Annual Report to the community that will include an overview of program activities and statement of financial condition:

- The 2023 Community Roots Housing Annual Report was published in February 2024. The report was completely digital and can be accessed on the “Annual Reports” page of the Community Roots website: <https://communityrootshousing.org/annual-reports/>

☑ 5. The Program, through staff and board leadership, will be engaged within the communities served by the Program through community organizations:

- Amy Forsaith is part of the Housing Development Consortium (HDC) Survey Course
- Andrew Oommen is a Board Member of the Housing Development Consortium (HDC)
- Chris Persons is part of the Housing Partnership Network (HPN)
- Jessica Sherwin is a member of the EcoDistrict Steering Committee

- Kiley Dhatt is the Executive Director of the Community Roots Housing Foundation, Fiscal Sponsor for the Capitol Hill Arts District
 - Lisa Hagen is the Co-Chair of the HDC's Asset Management/Property Management Affinity Group
 - Michelle House is a Board Secretary of the Affordable Housing Management Association (AHMA) of Washington
 - Thea Munchel is on the ULI product council and a member of Housing Development Consortium (HDC)
 - Toni Ball is part of the of the Housing Development Consortium (HDC) Resident Services Affinity Group
 - Ann Melone is the Chair of the City of Seattle Housing Levy Oversight Committee.
 - Chasten Fulbright is a member of the Multifamily Product Council for the local chapter of the Urban Land Institute, the co-chair of the Capitol Hill EcoDistrict Steering Committee and board member of the Broadway Business Improvement Area
 - Derrick Belgarde is a board member of Housing and Health to End Homelessness (DESC), Housing Development Consortium (HDC), Downtown Seattle Association (DSA), Indian Advisory Council (IAC), and We Are In (WAI) Advisory Committee.
 - Frank F. Alvarado III currently volunteers with the following organizations in the following capacities: Community Lunch on Capitol Hill – Board Member, Broadway Business Improvement Area (BIA) – Board Member
 - Jill Cronauer is a member of the Cal Anderson Park Alliance and on the Board of Directors for the 15th Ave E. Community Improvement District (BIA)
 - Michelle Purnell-Hepburn is part of the Centennial Task Force Committee at The Bush School [MPH] and the Finance Committee of ML King County's 4Culture Organization
 - Shalimar Gonzales is Board Chair of Washington State Community Action Partnership (WSCAP), a member of Washington State's Community Compensation Guidelines Workgroup, and a member of the HealthierHere Advisory Group.
 - Shaun Frazier works with the YMCA of Greater Seattle's Social Impact Center, member of the 2023-2024 Leadership Tomorrow Cohort and The Raikes Foundation Community Leaders Fellowship
- Information shall be available to the public consistent with the Public Records Act (RCW ch. 42.56):
 - We had four public records requests in 2023. The requests were responded to within the initial five-day period and were serviced to the satisfaction of the requestor. From the acknowledgment letters, work to gather information began, and upon receipt of all materials requested, the individual requestors were emailed the information. Throughout the data collection process, the individual requestors were contacted regularly to provide them with updates as to progress or to request clarification regarding their request.

b. Annual Report:

- The 2023 CRH Annual Report to the City will be filed by June 3, 2024 with the City Clerk, the City Board, and the Mayor's designee.

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COMMUNITY ROOTS
— HOUSING —

SECTION 5:
Consent Agenda
and Attachments

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COMMUNITY ROOTS HOUSING PDA BOARD

Regular Meeting
September 9, 2024
5:30-7:30 PM
Pike Pine or RingCentral

CONSENT ITEMS

MINUTES AND REPORTS

1. August Board Meeting Minutes
2. Fundraising & Communications Memo
3. Resident Services Report
4. Property Development Committee Report and Minutes
5. Executive Committee Report and Minutes
6. 2024-16 HUD Portfolio Sale (Amended)
7. 2024-22 Lucky Seven Loan Extension

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

Blended				
Date	Bldg/Entity	Contract with:	Amount	Purpose
September 3, 2024	CHH	Fearey Group	\$65,500.00	Public Relations Services



REGULAR BOARD MEETING MINUTES
Pike-Pine Conference Room/ RingCentral
August 12, 2024

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

PDA Members present virtually: Derrick Belgarde, Jill Cronauer, Shalimar Gonzales, Ann Melone, Michelle Morlan, Drew Porter, Saunatina Sanchez, Drew Weber

PDA Board Members absent: Sara Cubillos, Bob Fikso, Shaun Frazier

Staff members and board guests present: Erin Arnold, Toni Ball, Sondra Cardin (taking minutes), Mason Cavell, Kiley Dhatt, Amy Forsaith, Lisa Hagen, Scott McEachran, Thea Munchel, Andrew Oommen, Chris Persons, Amy Phian, Carolina Rocha, Max Wilson, Leslie Woodworth

Public: Two residents.

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

Disclosures & recusals: Michelle Morlan disclosed that she has started working with Delridge Neighborhoods Development Association (DNDA) on a potential acquisition for Holden Vista. Later in the meeting, during the 2024-20 Jazz House: Application Funding resolution section, Chasten Fulbright disclosed that he previously worked at a company that was consulted on this matter.

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

Introducing Amanda Hailey: Frank announced Amanda Hailey as a candidate for the PDA Board, noting her absence due to family matters. He highlighted her enthusiasm for the role, extensive board experience, legal expertise, and strong professional background. Despite her upcoming transition to a new firm, no concerns are anticipated. Amanda is expected to attend the September 9th board meeting to introduce herself, answer questions, and facilitate a decision on her candidacy.

Public Comment: A resident reported that after calling the police around 1 PM, they had to make two additional calls before police arrived, highlighting a need for more immediate response to drug-related and safety issues. The resident also mentioned that RAC members will attend the September Board meeting and referenced the timing of the HUD sale notice, which Frank noted he and Chris will follow up on.

Another resident raised concerns about the Centennial Garden, which they have maintained since the pandemic but were recently informed that they cannot tend it due to liability issues. They suggested the office consider a waiver and inquired how CRH staff and leadership could better support the community. They also noted that a promised meeting with the manager, due to be scheduled 4 to 5 months ago, has not yet occurred.

Real Estate Development

Resolution 2024-18 – DESIRED Energy Retrofit Project: CRH was selected for participation in a U.S. Dept. of Energy-funded grant program to perform energy retrofits on existing affordable housing properties. The project is conducted in partnership with Seattle City Light, the Seattle Office of Housing, and a non-profit energy research group called EPRI. The project will target five buildings in the CRH portfolio to receive upgrades to major building systems that will result in reduced energy use, lower energy costs, and improved quality of life for residents.

Michelle Purnell-Hepburn inquired whether CRH pays first and then seeks reimbursement. Mason explained that this was discussed at the recent FAM meeting, noting ongoing negotiations with the Office of Housing (OH) for possible pre-payment arrangements. For the DESIRED grant, advance payment and reimbursement are likely required, and CRH is consulting with a financing group about a bridge loan to manage these costs. Chasten asked if the resolution allows CRH to secure this bridge loan. Mason clarified that the resolution does not specifically address this, but the opportunity will be presented to the board next month if it proceeds.

Michelle Morlan inquired about the ownership of the 12th Ave Arts and White Center HUB properties. Mason confirmed that these properties are under tax credit compliance and that CRH is working with investors for potential additional capital contributions. He also discussed compliance reporting, including portfolio management tools and utility data for tracking energy use. Frank raised concerns about cash flow risks over the next 12-18 months. Mason assured that CRH will not take actions without securing necessary funds to avoid overextension.

Saunatina asked about investing in buildings not yet constructed. Mason explained that the White HUB project is included due to its relevance to a US Department of Energy study, and E-charging is a code requirement. Saunatina sought clarification on the voting matter. Mason noted that board authorization is needed to pursue the project, with specific details of each property's scope still under analysis. The current request is to execute the funding agreement for the federal grant and seek additional funding from OH, with reimbursement to follow when work is performed. Frank pointed out that page 35 of the board packet details the actions to be resolved in this resolution.

A motion to approve the **Resolution 2024-18 – DESIRED Energy Retrofit Project** was made by Michelle Morlan, second by Chasten Fulbright, and passed with 11 members present voting “yes” and one abstention by Saunatina Sanchez.

Resolution 2024-19 – Seattle Mennonite Church Project: Funding Applications: Staff presented a resolution seeking authorization to submit funding applications to the County, State and City which all require that a board resolution is signed providing approval for submission.

Kristin Winkel asked if the project's size was a factor in its not being funded. Mason noted that CRH has met with the City to revise down the unit count so that the funding ask from the City would be less. Decreased available public funds and intensified competition, have led public funders to question if the project size is too large. Applications are due in September, with results expected by December or January. Chasten inquired if the \$10 million SMC equity is fully raised, and Mason said that it had and

includes proceeds from the land sale to the tax credit partnership and capital investment funds. Michelle Morlan noted that over 50% of the units are at 60% AMI and asked if this aligns with previous applications. Mason confirmed that the higher proportion of 30% and 60% AMI units is designed to meet competitive scoring criteria and optimize the permanent debt CRH can support.

A motion to approve the **2024-19 – Seattle Mennonite Church Project: Funding Applications** was made by Michelle Purnell-Hepburn, second by Kristin Winkel, and passed unanimously.

Resolution 2024-20 – JazzHouse Funding Applications: Staff presented a resolution for Jazz House seeking authorization to submit funding applications to the County, State and City which all require that a board resolution is signed providing approval for submission.

Thea reported that CRH is collaborating with Enterprise, which is assisting with the acquisition loan and underwriting through Amazon to address financing gaps. Concerns from Two Schools have requested certain design modifications that CRH is amenable to. Two Schools has requested an extension of the right of repurchase by up to two months to address these concerns.

Saunatina inquired about the unit mix and market projections for studios. Thea noted that the primary risk is converting predevelopment exposure into actual development. Michelle Morlan asked about the impact of extending the repurchase right on-site control contention with the application. Thea will address this in an upcoming meeting with OH next week.

Saunatina also questioned the challenges of leasing studios and the rationale for the investment. Thea clarified that the resolution is a low-risk strategy to support the funding application. While unit mix and rents may change, the number of units will remain the same to strengthen the application. Michelle Purnell-Hepburn asked about the benefits to CRH and the likelihood of funding. Staff replied that funding probability was low and that based on future conversation may withdraw this request.

A motion to approve the **2024-20 – JazzHouse Funding Applications** was made by Saunatina Sanchez, second by Michelle Purnell-Hepburn, and passed unanimously.

Resolution 2024-21 – JazzED Termination of Joint Development Agreement: As had been previously reported to the Board, Jazz Ed is exiting the partnership which requires formal termination of the agreement.

Michelle Purnell-Hepburn inquired about the Jazz House repayment structure. Chris clarified that the amount would be placed in escrow, with payment deposited into the bank account upon signing all documentation. Thea reported that Jazz House has indicated they are ready to make payment immediately, but negotiations are ongoing regarding the exit on acquisition and predevelopment loans.

A motion to approve the **2024-21 – JazzED Termination of Joint Development Agreement** was made by Chasten Fulbright, second by Kristin Winkel, and passed unanimously.

Finance and Asset Management

June Financials: Chasten presented the finances from June, which are included in the board packet.

A motion to approve the **June Finance and Asset Management Report** was made by Michelle Purnell-Hepburn, second by Kristin Winkel, and passed unanimously.

Presentation and Discussion

Sustainability Update: The Board and staff discussed ongoing industry challenges that have become well documented in the media as well as specific development and operational challenges CRH is facing. Chris reported on the difficult meeting with City and County housing staff.

The meeting was adjourned by Frank Alvarado at 7:37 pm.

Attested,

Michelle Morlan, Secretary
September 9, 2024

DRAFT

September 2024 Fundraising and Communications Memorandum

To: Community Roots Housing Board of Directors

CC: Christopher Persons

From: Kiley Dhatt

Events

Sponsorship: We are still \$26,000 behind on our sponsorship goal for Omnivorous and \$50K behind on our event sponsorship goal for the year, so we need your help! Please reach out to Laura Orella at lorella@communityrootshousing.org with any potential sponsor ideas or for materials to use in your outreach. With the new space, Omnivorous sponsors at the \$2,500 level and above will have reserved high-top tables at the event. More information about sponsorship opportunities can be found [here](#).

Flash Sale: We hosted a \$10 off Labor Day flash sale, bringing our ticket count to 100! To put it in perspective, this is nearly double the ticket count we had at a month out last year.

Tickets: Get your [Omnivorous tickets here](#) and start getting your invites out! This is a fun event, has a lower ticket price of \$85, and is a great way to introduce folks to the organization. To add some competition, our annual gatherer competition has returned, with prizes for both the individual who brings the most guests/volunteers AND the board that collectively brings in the most. There are bragging rights, private tables, bubbly, and a carrot trophy at stake!

Restaurants: We have reached our goal of 25 vendors, but we have more room to grow! It would be great if we could bring in another brewery and more options for folks with dietary restrictions.

Currently committed are: Ba Bar, Baina, Blk Pepper Catering, Cafe Avole, Chris S. Nishiwaki, Communion, Dancing Kitchen, Fast Penny Spirits, Figurehead Brewing Co, Footprint, Gold Coast Ghal Kitchen, Hello Robin, JarrBar, Jonboy Caramels, L'Oursin, Ma and Pops, OOLA, Revolver, Rachel's Ginger Beer, Sabine, Shikorina Bakeshop, Tea Moss Shop, The Raven, T'juana Tacos, and Umami Kushi.

Omnivorous Committee: We have revived the Omnivorous committee, a body that helps plan and execute our fall fundraiser. We invite and encourage PDA Board members and external community members to join us! Having more input from folks within the food & beverage industry is key as we plan this food festival. If you are interested or have connections with folks that would be interested in participating, please reach out to Laura Orella at lorella@communityrootshousing.org for more information.

Individual Giving

In early August, the Foundation Team officially launched our new monthly giving program, the Community Cultivators Club. Within the last month, 3 new recurring donors registered for monthly gifts ranging from \$20 to \$50. New club members include:

- Jenna Gabriel-Faris (Bud level)
- Sally Revere (Bud level)
- Christina Reed (Bud level)

Please contact Amy (aforsaith@communityrootshousing.org) if you are connected to any of the individuals listed above so we can coordinate an appropriate thank you message!

Grants & Awards

In the last month:

Awarded grant proposals include:

- Windermere Foundation—Resident Services, \$5,000
- JPMC, Washington Market Leadership Team—Annual Fund, \$10,000

Submitted grant proposals and LOIs include:

- Medina Foundation—Housing Stabilization, \$25,000
- Mirabella Foundation—Special Projects, \$8,700

Pending grant proposals include:

- KeyBank Foundation—Annual Fund, \$15,000
- Nimble Grant—Real estate development staff time on White Center HUB, \$30,000
- Bank of America—Annual Fund, \$50,000
- MultiCare Community Fund—Housing Stabilization, \$10,000
- Office of Congressman Adam Smith – After reconciliation with the House Appropriations Committee, our request to support the rehab of the Byron Wetmore and Joe Black apartments has been included in the draft budget at \$850,000 (from an original \$1.4MM request). This funding will not be fully committed until it is passed along with the FY2025 omnibus congressional budget, which may not happen until Q1-2 2025.

Upcoming grant proposals & LOIs include:

- U.S. Bank Foundation—Housing Stabilization, \$25,000
- Hearst Foundation – Annual Fund, \$100,000
- Norcliffe Foundation—Annual Fund, \$50,000
- Murdock Family Trust – Special Projects, \$100,000

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 pending:

- JPMorgan Chase—Africatown Plaza, Pride Place, and White Center HUB, \$300,000

Communications

In August, communications work included the following highlights:

- Omnivorous event marketing, planning, content creation, and paid media
- Planning for Africatown Plaza grand opening/ribbon-cutting earned media push
- Facilitation of Pride Place outreach and promotion (email campaign, paid ads, Sound Transit promotion, etc.)
- Management of marketing work with external vendor Conversion Logix for Pride Place and Heartwood lease up
- Communications creation and support for Liberty Bank building's Housing Stabilization Program
- Monthly Building Beyond Buildings and resident newsletters

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

- [Affordable Housers Face Deepening Rental Arrears and Ballooning Expenses](#)
- [It's stronger than steel, lighter than concrete and captures carbon — mass timber is the future](#)
- [Affordable developer Community Roots Housing begins 'disposition' process for six more Capitol Hill and Central District properties](#)
- [Pride Place is filling with an affordable, LGBTQIA-friendly community — Broadway Indian favorite Spice Bliss set to move across street to join the mix](#)
- [How to end the dysfunction in Seattle's affordable housing system](#)
- [A Seattle first at 14th and Union, the Heartwood's residents can see, touch, and feel the timber — But challenges to affordable housing have trimmed the excitement](#)
- [126 CD units now opening next month](#)

2024 Community Roots Housing Foundation Budget and Actuals - AS OF 08.31.2024

Income:

		SFDC Actuals	Goals	% to Goal
Unrestricted	Corporate	\$ 21,369	\$ 75,875	28%
	Sponsorship & Tickets	\$ 202,150	\$ 309,500	65%
	Foundation	\$ 72,379	\$ 109,320	66%
	Government	\$ -	\$ -	N/A
	DAF	\$ 84,609	\$ 343,000	N/A
	Individual	\$ 108,680		
	Individual Giving Total	\$ 193,289	\$ 343,000	56%
Subtotal		\$ 489,187	\$ 837,695	58%

		SFDC Actuals	Goals	% to Goal
Restricted	Corporate	\$ 19,500	\$ 14,950	130%
	Sponsorship	\$ -	\$ 12,500	0%
	Government	\$ 10,000	\$ 100,500	10%
	Foundation	\$ 10,000	\$ 69,550	14%
	DAF	\$ -	\$ 75,000	N/A
	Individual	\$ 6,808		
	Individual Giving Total	\$ 6,808	\$ 75,000	9%
Subtotal		\$ 46,308	\$ 272,500	17%
Total		\$ 535,495	\$ 1,110,195	48%

Expenses:

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

	Jan - Aug 24	Budget	% of Budget
▼ Expense			
▼ 10000 · Operating Expenses			
▶ 5000 · Contract Services	23,771.89	34,800.00	68.3%
▶ 6000 · Office Expenses	13,836.45	29,330.00	47.2%
▶ 7000 · Administrative Expenses ▶	16,173.75 ◀	26,450.00	61.1%
7240 · Sponsorships	2,817.80	15,000.00	18.8%
▼ 7500 · Event Expense			
▼ 7540 · Event Expense			
7542 · Top of the Town	53,853.79	62,450.00	86.2%
7544 · Omnivorous	10,605.57	77,060.00	13.8%
7570 · Groundbreakings & Grandopen...	0.00	10,000.00	0.0%
7540 · Event Expense - Other	0.00	1,500.00	0.0%
Total 7540 · Event Expense	64,459.36	151,010.00	42.7%
Total 7500 · Event Expense	64,459.36	151,010.00	42.7%
Total 10000 · Operating Expenses	121,059.25	256,590.00	47.2%
8500 · Donated Goods and Services	10,000.00		
▼ 9000 · Granting			
9050 · Grants to CRH - Unrestricted	493,783.35		
9056 · Grants to others - Restricted	67,500.00		
Total 9000 · Granting	561,283.35		
Total Expense	692,342.60	256,590.00	269.8%

Resident Services (RS) Board Report
AUGUST 2024

YOUR RS TEAM MEMBERS

Position	Team Member	Assigned Buildings	Contact Information
Resident Services Coordinators (RSC)	Sasha Ife	Haines & Liberty Bank Building (LBB)	ssobersoutlaw@communityrootshousing.org
	Christian	Broadway Crossing (BX) & El Nor	ckrupp@communityrootshousing.org
	Deborah	Elizabeth James House (EJH)	dharrington@communityrootshousing.org
Resident Services Manager (RSM)	Toni		tball@communityrootshousing.org

PORTFOLIO SERVICE DATA

Total Residents Served	Top 3 Service Categories Requested	Total Buildings Served	Portfolio Utilization of Services
25	Rental Assistance Recreation & Leisure Transportation	14	29.16%

DEPARTMENT ACTIVITIES

- Seventh Resident Advisory Council (RAC) meeting
 - At the August meeting, the RAC Planning Committee (PC) finalized the plan to launch the RAC in September. This included an agreement on Charter Updates and preparation for the presentation to the Board on 9/9. There were no new members at this meeting to be caught up, so they moved straight into the agenda. Pat will bring the updated Charter to the September PC meeting on 9/17 to be confirmed after members are voted in. They will also create a system to receive resident input at future RAC meetings and have two members as contact points for information going in and out of the RAC to simplify communication. The RAC PC also finalized the contents of their presentation to the board and which members will be presenting.

- RAC Planning Subcommittee Meeting: Sage, Kiara, Randy, Jerome, & Peter.
 - RAC Subcommittee requested the Communications and IT departments to attend a meeting to explore resources available to the council. Valencia will bring the results of an internal CRH meeting on this matter to the 9/17 PC meeting.
- RAC Meeting Staff Debrief
 - This is our opportunity as a staff to assess our support efforts and plan next steps.
- DEI Committee RS Meeting to brainstorm new projects for our department to achieve in pursuit of racial equity. Christian will have the synthesized results of this meeting brought back to the group for approval and sent to Andrew for inclusion on the CRH DEI Projects Excel Tracker.
- Department enrolled in an HPN/Compass Financial Coaching series over three Tuesday morning sessions to develop our skills in addressing resident financial barriers, discussing goals, and remaining conscious of their worldviews and experiences that inform how they approach money and priorities in their lives.
- Christian volunteered at Solid Ground's 50th Anniversary Day of Service and helped clean their Metro Access shuttles, along with deepening our relationship with the organization and strengthening the communication of relevant resources for our residents.

DEPARTMENT NARRATIVE

The development of the Resident Services Department's new service model continued through August. Our Resident Services Coordinators (RSC) have been onsite for 7 months and have brought 33 programming events/activities to six (soon to be seven) buildings. In addition to their onsite work, the RSC team attends every monthly Resident Advisory Council meeting, are actively participating in Community Roots Housing staff committees, and are constantly seeking out professional development opportunities and community partnerships.

The Resident Services Department, led by Sasha, has officially posted an information letter at Liberty Bank Building regarding the Rent Assistance Program being launched there this month. The letter outlines eligibility requirements and procedures for applying to the program. Our team looks forward to fielding questions as everyone learns this new system and road bumps are ironed out.

This month was a little out of the ordinary as our Resident Services Manager and leader Toni had to take leave starting around mid-August, but our team stayed adaptable and kept focusing on our goals. Valencia also deserves a huge shout-out for incorporating

our department meetings into her already-full schedule and making sure the team felt supported and heard when we needed it most.

We are not prepared to transition onsite services to Pride Place just yet. We are hoping to begin onsite services at Pride Place by September.

ONSITE PROGRAMMING ACTIVITIES & BUILDING ENGAGEMENT

We have set a 10% engagement goal for 3rd QTR

BUILDING	EVENT	SERVICE CATEGORIES	ENGAGEMENT (Attendance %)
LBB	Back-to-School Coloring Party	Education/Recreation & Leisure/Youth & Family	14.81%
Haines	Taco Wednesday	Advocacy/Nutrition/Senior & Disability Services	25%
EJH	BECU Financial Seminar	Advocacy, Financial Literacy	1.20%
BX	BECU Financial Seminar	Advocacy, Financial Literacy	1.30%
El Nor	Garden Party	Cultural Connection/Health & Wellness/Home Care/Nutrition/Recreation & Leisure	10.34%

SEPTEMBER 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, Amy Phian
(**BOLD** indicates those members in attendance)

Date, time and location of meeting: August 29, 2024, at 3:30 PM – 4:30 PM via Ring Central teleconference

Date, time and location of next meeting: September 26, 2024, at 3:30 PM – 4:30 PM via Ring Central teleconference

1. Project Updates
 - a. JazzHouse- Staff have determined that the best next steps for this project is to refinance existing acquisition debt on the property and to give us a longer hold period to better package the project for a future development or disposition.
 - b. Heartwood – Lease up efforts continue, and we currently have over 80 signed leases in the 124 unit building. Staff is working the construction lender to work through challenges to achieve the established milestones in the loan modification agreement. Staff is communicating with investor group regarding the current state of the project.
 - c. YouthCare/South Annex – The YouthCare/South Annex project continues to be paused and Staff continues to work to reduce the real and perceived risk exposure in order to get this project back on track to close before the end of 2024. We are working closely with YouthCare to manage communications, reduce risk exposure due to delay, and to find alternative paths forward.
 - d. Africatown Plaza – Project achieved TCO on August 15 and CRH has keys to the building! Staff are working through details on site and get the building ready for move ins. We have lost some applicants due to late building delivery, but now that we have TCO we are advancing leasing efforts. Lease up efforts will be tight – we need full occupancy in 2024 for tax credits. We are continuing to work through the loan modification closing and hope to have that completed in the next week or two.
 - e. White Center - Construction is going well, pouring first stages of foundation, no significant surprises in the soil. Found some project savings to add some of our desired add alts already. Navigating our first draw, to two different projects and shared work expenses.
 - f. Seattle Mennonite Church/Lake City – Working to prepare for upcoming NOFA applications for this pipeline project.
2. Approvals/Resolutions
 - a. No draft resolutions reviewed this month due to date of meeting in relationship to the date of the Board meeting.
3. Development Process Update
 - a. Predevelopment Budget Process – Staff presented updates to the predevelopment budget workbook for project level predevelopment tracking. Staff and PDC had a generative conversation about potential strategies to manage predevelopment budgets to better manage

both project and organizational risk. Staff will follow up with an analysis of previous project spending by milestone achievements that occur in the predevelopment phase to better shape our next conversation. Staff will also work with finance to evaluate predevelopment exposure as compared to liquidity. Outcomes of both will likely inform predevelopment spending policy currently in progress.

Meeting adjourned at 4:27 PM.

Project Name	PM	# Units	Funding Application	Construction Closing	Placed in Service	Perm Conversion Proposed/Actual	Cash Dev Fee	Cash Fee in 2024	Predev Approved	Predev Spent to Date	Acquisition
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: Lease up continues with ~60% of units leased or preleased including Swinerton change order negotiation wrapping up, and likely to be paid out here in the next week or so.							
	Next Milestone: perm conversion			Working through construction loan modification and associated milestones with the bank. Continuing to work on a two pronged approach to repay the construction loan.							
Jazz House	Thea/Holly	134	N/A	1Q 2024	4Q 2025	2Q 2026	Proposed	\$ -	\$ 4,300,000	\$ 4,097,322	\$ 2,400,000
	Current Phase: Closing			Update: No clear path to advance a 4% LIHTC project and close in 2024.							
	Next Milestone: Construction			Beginning efforts to refinance the existing acquisition and predevelopment to allow for a longer hold while we determine likelihood for the project to successfully secure public funding support given location and unit mix.							
Othello	Thea	235	N/A	TBD	TBD	TBD	Proposed	\$ -	\$ 600,000	\$ 528,645	
	Current Phase: Feasibility			Update: PPCD process complete, need to work through next steps with SHA and ecology.							
	Next Milestone: Approval										
4% Bond											
13th & Fir Family Housing	Josh / Lisa	156	9/15/2019	5/17/2021	5/5/2023	6/7/2024	Actual	\$ 583,947		Repaid	
	Current Phase: perm conversion			Update: Final developer fee pay in expected when we file the 8609. Asset Management is going to take the lead from CRH to work with SCIDpda to complete any outstanding items and ongoing reporting.							
	Next Milestone: Operations										
Pride Place	Mason	118	9/15/2019	10/25/2021	9/5/2023	6/21/2025	Actual	\$ 1,510,957	\$ 151,095.50	Repaid	
	Current Phase: Lease up			Update: Completed loan modification to extend the construction loan through July 2025.							
	Next Milestone: perm conversion			Extending retail construction loan and WCRA perm commitment until March 2025. Continued pressure to complete lease up before the end of the year, currently 49% leased. Retail space has one lease signed and two signed LOI's							
AT Plaza	Muammar/Jordan	126	9/15/2019	12/23/2021	8/15/2024	1/30/2025	Actual	\$ 1,088,597	\$ 80,000.00	Repaid	
	Current Phase: Construction			Update: Project received TCO on August 15!							
	Next Milestone: Building Transition, Lease up			Currently working through loan modification closing, hoping to have that closed in the coming days. Handful of building issues we are still working through in order to get things ready for resident move ins. Lease up schedule is going to be tight -- need total occupancy in 2024. Ribbon cutting changed to Saturday, October 5.							
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: Phase 1 residents begin moving back on 9/18, which includes 8 residents and 5 vacant units.							
	Next Milestone: Building Transition, Lease up			First phase units are painted, cabinets in place, electrical trim installed, flooring is down and appliances are in-place. Next phase of move ins will occur start of October. Tight deadline, but looking achievable at this point. Working through process for commissioning and punchlist items are remaining work to be done in phase 1. Team is working to understand air barrier testing requirements while building is partially occupied so we can get the building final. Transition to operations meetings are in place every two weeks. Vvacant units are launched on Zillow. Team is working to get picture-ready unit in place week of 9/3. Team is working on recertifications for residents moving back, Working through communications with residents regarding outstanding construction activity that will occur after initial move back. 15% contingency remaining 30% of construction remaining. Transition to Ops team is invited to join us in site walks every other week as we get closer to occupancy and lease up.							

September 2024 Pipeline Report

Project Name	PM	# Units	Funding Application	Construction Closing	Placed in Service	Perm Conversion Proposed/Actual	Cash Dev Fee	Cash Fee in 2024	Predev Approved	Predev Spent to Date	Acquisition
Northgate	Jordan	235	9/15/2021	12/21/2023	10/31/2025	12/18/2026	Actual \$ 2,417,701	\$0	\$ 200,000	\$ 59,723	
	Current Phase: Construction		Update: 29% complete construction which may be a bit ahead of schedule. Project completion was expected to be November 2025, but if trend continues, could be early delivery.								
	Next Milestone: Building Transition, Lease up		Risk standpoint, even contingency to construction billing. Still working on ground lease bifurcation with King County. Working with WSHFC and Enterprise on childcare construction financing to replace Bridge LoC Started marketing and leasing meetings to get ahead of some of our challenges related to large number of studio units. Need to begin generating a plan/strategy. Received most of our predev from Bridge, ~60,000 outstanding and awaiting payment.								
WC Residential	Mason	76	9/15/2022	5/13/2024	9/1/2025	5/1/2026	Actual \$ 1,085,955	\$ 369,205.20	Repaid \$	-	
	Current Phase: Construction		Update: Construction is going well, pouring first stages of foundation, no significant surprises in the soil. <i>*Predev includes both Res and Com projects</i>								
	Next Milestone: Construction completion		Found some project savings to add some of our desired add alts already. Navigating our first draw, to two different projects and shared work expenses. We will be working through some IT and operations questions to make decisions on access control or final review of products that we can live with.								
WC Commercial	Mason		N/A	5/10/2024	9/1/2025	n/a	Actual \$ 900,000	\$ 450,000			
	Current Phase: Closing		Update: Similar construction progress to residential site. Working with WCCDA to negotiate leases and finalize plans for build out of HealthPoint clinic space. Need to prioritize capacity building plan and CRH obligations in Q4.								
YouthCare	Mason	84	9/15/2021	11/15/2024	11/15/2026	11/15/2027	Proposed \$ 1,785,578	\$ 133,918.36	\$ 2,600,000	\$ 2,420,683	\$ 6,500,000
	Current Phase: Funding, Building Permit		Update: Currently on hold, working out solutions on the Heartwood before we can move YouthCare forward.								
	Next Milestone: Closing		In good shape to close once we get the green light to move forward.								
SMC	Mason	171	9/15/2024	11/1/2026	11/1/2028	7/1/2029	Proposed \$ 2,863,346	\$	500,000	\$ 487,595	\$ 7,750,000
	Current Phase: Prefunded		Update: Going back in for the third time on this one with some feedback we got from last year.								
	Next Milestone: Public Funding		We have reduced the size and scale of the project again to 171 units, by taking off a floor, really going for cost effective development. Change to unit mix to remove all studios in the building, and focusing on larger 2-3 bedroom units. Church unit on the ground floor for 10,000 sf. 5500 sf of commercial/retail space. Looking to program that for local BIPOC owned businesses in the neighborhood.								
Centennial	Thomas	57	9/15/2024				Proposed \$ -			\$ 284,828	
	Current Phase: Feasibility		Update: No updates								
	Next Milestone: Approval										
R & G	Thomas	139	9/15/2024	12/1/2028	12/1/2030	8/1/2031	Proposed \$ -	\$	100,000	\$ 93,273	\$ 4,500,000
	Current Phase: Acquisition		Update: No updates								
	Next Milestone: Prefunded										
										\$	209,606

Project Name	PM	# Units	Funding Application	Construction Closing	Placed in Service	Perm Conversion	Proposed/Actual	Cash Dev Fee	Cash Fee in 2024	Predev Approved	Predev Spent to Date	Acquisition
Potential Projects												
Kent	Thea							\$	-			
	Current Phase:			Update: No updates								
	Next Milestone:											
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											



SEPTEMBER 2024 EXECUTIVE COMMITTEE BOARD REPORT AND MINUTES

Executive Committee Members: Frank F. Alvarado III (Chair), Derrick Belgarde (Vice Chair), Chasten Fulbright (Treasurer), Michelle Morlan (Secretary)

Absent Committee Members: Drew Porter

Staff and Guests: Erin Arnold, Sondra Cardin (taking minutes), Chris Persons, Carolina Rocha, Kiley Dhatt, Leslie Woodworth

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

Date, time, and location of next meeting: Monday, October 7, 2024 – 5-6:30 pm – Belmont Conference Room / RingCentral

The meeting began at 5:07 p.m.

1. **Executive Session:** Per RCW 42.30.110, the Executive Committee went into executive session at 5:07 pm and they expected it to last 45 minutes. The Executive Committee exited the executive session at 5:50 pm.
2. **Critical Path Issues:** Chris revisited the Executive Team strategy document to provide updates focused on the following four main objectives: Closing Youth Care, moving Heartwood forward successfully, finding a long term solution for 21st and Hill, and issues around organizational stability, including low rent collections and violence in our communities due to state and local restrictions on owners, as well as slower than normal lease-ups due to a soft studio market.

Chasten inquired about Devonshire lease-up and Leslie reported phased efforts every 2 weeks, everything otherwise on track.

3. **Board Development:**
 - a. **Review Candidate:** Amanda Hailey withdrew due to personal considerations. Chris reviewed PDA board spreadsheet and Executive Committee discussed current board composition, candidate options, and networks. The Committee provided clear guidance on how to move forward new candidates.
4. **Review Board Agenda and Resolution:** Chris reviewed draft board agenda with Executive Committee. The group discussed timeline for various agenda items.

5. **Board Correspondence:** In August 2024, the board received correspondence from one Liberty Bank resident regarding plumbing issues. Site staff are aware of the situation and have fix as well as will replace in the faulty items.

The meeting ended at 6:33 p.m.

Board Email Correspondence August 2024

Correspondence Number	1
Date Received	August 1-31, 2024 (3 emails)
From	Resident
Topic	Plumbing Issues
Building	Liberty Bank Building
Status	Staff responded and third-party maintenance fixed the issue.



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

**Originally Adopted July 8th, 2024
Amended September 9, 2024**

**Resolution No. 2024-16 (Amended)
HUD Portfolio Disposition**

A RESOLUTION of the Board of Directors of Community Roots Housing authorizing and directing staff to further the sale of a portfolio of CRH HUD properties which includes Elizabeth James House, Four Twelve Apartments, Hazel Plaza, Mary Ruth Manor, Silvian, and Union James.

Recitals:

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; and

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; and

In furtherance of its purpose, CRH acquired Elizabeth James, a 60 unit property at 109 23rd Ave E, in 1995; Hazel Plaza, a 16 unit property at 2021 E John St, in 1990; Mary Ruth Manor, a 20 unit property at 100 30th Ave E, in 1994; Four Twelve, a 12 unit property at 412 25th Ave, Seattle, WA, in 1994; Silvian, a 32 unit property at 914 E Harrison St, in 2004, and Union James, a 24 unit property at 2101 E James St, in 2016; and

CRH has managed the buildings as affordable housing in accordance with the City of Seattle regulatory agreements, a Washington State Housing Finance Commission Bond Regulatory agreement, and the Housing Assistance Program [HAP] contracts with the Department of Housing and Urban Development renewed in various years; and

The properties all have amortizing bank notes/bonds and all except for Elizabeth James have City of Seattle soft debt; and

The restrictions from the various regulatory agreements and active HAP contracts require affordability to remain in place for the coming years, specific remaining years varies by property; and

CRH has considered its available options related to the buildings, including continued operation of the properties as is, and disposition of the buildings on the private market; and

CRH has been dealing with persistent and extraordinary operational challenges across the CRH portfolio, resulting in significant unfavorable impacts on CRH's financials and cash position; and

CRH operations have endured significant overall expense inflation related to operating, insuring, maintaining, and repairing an aging portfolio of properties; and

CRH specifically notes severe impacts due to the softening of the local rental market, diminished rent collections, unprecedented levels of bad debt written off as uncollectable, and the increased need to provide private security and video surveillance across the portfolio; and.

CRH notes that these challenges largely initiated during the COVID-19 pandemic and have persisted with limited improvement for several years, ultimately steering leadership to propose the sale of this portfolio of HUD properties to build up cash reserves and support strengthening our business model; and

CRH's Policy Framework for Use of Physical Assets identifies disposition as a strategy in cases where "capital is needed to support other business plan goals such as protecting the overall stability of the Portfolio"; and

In June 2024 CRH Staff introduced to the full Board the concept of a potential disposition in the executive session in order to discuss the minimum price at which we would accept a sale; and

CRH staff disclosed our intent to notify the residents of CRH's intention to sell the properties with the HAP contract in place and begin the City of Seattle's Notice of Intent to sell process, and

CRH has also considered the impact on the existing residents;

NOW, THEREFORE, BE IT RESOLVED by the Board of Community Roots Housing as follows:

- (1) The CRH Board of Directors hereby finds and determines that it wants to maximize CRH flexibility in determining the future use of the assets known as Elziabeth James, Hazel Plaza, Mary Ruth Manor, Four Twelve, Silvian, and Union James.
- (2) The CRH Board of Directors determines that these sales will support its mission and is consistent with organizational policies.
- (3) The CRH Board of Directors further finds that the best use of these properties at this time is to sell them at the highest price to an affordable housing operator that would operate the properties under the exiting HAP contracts.
- (4) The CRH Board of Directors, therefore, finds and determines that sale of these buildings to support ongoing operations, and the CRH mission will increase the financial stability of the organization and is therefore within the power and authority granted to CRH by its Charter.
- (5) CRH's Executive Director is authorized and directed to:
 - (a) Follow all applicable local, state, and federal laws governing the sale of affordable multifamily apartment buildings;

- (b) Enter into a Listing Agreement with an appropriate agent for the sale of the building;
 - (c) Review any offers for the purchase of the building in consultation with the CRH Leadership Team and Executive Committee of the Board of Directors, negotiate appropriate conditions, and enter into a Purchase and Sale Agreement under the most advantageous terms for CRH and the current residents;
 - (d) Prepare and execute any additional documents for CRH related to the closing of the sale of the properties;
 - (e) Utilize the proceeds from the sale of the properties to (1) pay the balance of any remaining debt that is not assumed, and (2) pay any other related costs of the sale; and
 - (f) Utilize net proceeds to support ongoing operations and the Community Roots Housing mission.
- (6) If this process is not complete by July 31st, 2025, the Executive Director will consult with the board for direction.

CERTIFICATION

I _____, certify that I am the _____ of Community Roots Housing ("CRH") and that the foregoing Resolutions were duly adopted at a meeting of the Board of Directors of CRH held on the 10th day of April 2023, in accordance with the Charter and Rules and Regulations of CRH upon proper notice and at which time a quorum was present.

DATED the 9th day of September, 2024.

By _____

Its Secretary



COMMUNITY ROOTS
HOUSING

Community Roots Housing PDA Board 2024-22

Overview: Authorization to extend \$1,500,000 Lucky 7 Predevelopment Loan by one year

Purpose: To approve CRH to extend existing Lucky 7 Loan, \$1.5M for predevelopment financing

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 (FAM)

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 Lucky 7 loan will continue to be used to fund predevelopment activities for CRH’s housing development pipeline. These expenses include design, engineering, 3rd party studies, permit fees, consulting costs, and any preclosing expenses. Outstanding balances and interest expenses will be paid by the project at the time of construction/perm financing closing.

Organizational requirements of resolution: Authorization to extend the existing \$1,500,000 loan with the same general terms. The maturity date of 9/30/2024 would be extended to 9/30/2025.

Financial cost of the resolution: The loan term will be extended 12 months, maturing 9/30/2025. The interest rate will remain at 3.0% fixed, with quarterly interest payments. No loan fees are required for the extension.

Pros: CRH will have continued use of these predevelopment funds to support the construction pipeline. This is low cost debt compared to other funding sources. Out of the \$1.5m available, CRH has currently deployed approximately \$1.3m for 3 projects in the pipeline.

Cons: The funds are not revolving, so interest is owed whether or not funds are deployed. There is an option to repay the principal early, but any returned funds may not be re-borrowed.

Further Board Action or Reporting:

- **Is further action required from the Board or a Board Committee?** Yes No
If yes, please describe: The Board will adopt project predevelopment budgets from time to time for which the predevelopment funds will be used.
- **Is further reporting required to the Board or a Board Committee?** Yes No
If yes, please describe: Staff will report regularly on use of the funds and ensure that fund use is within approved budgets.

Author of Resolution Overview: Leslie Woodworth, CFO

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

September 9, 2024

Resolution 2024-22

Lucky 7 Loan One Year Extension for \$1,500,000 of Predevelopment Funding

A RESOLUTION of the Board of Directors of Community Roots Housing authorizing and directing staff to extend the \$1,500,000 Lucky 7 loan one year for the sole purpose of investing in the pre-development activities of Community Roots Housing real estate development projects.

Community Roots Housing (CRH) 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.

The Program may provide these services, activities and facilities with prior authorization or concurrence of the Board by resolution for any project or activity located outside the limits of the City of Seattle, provided the governing body of the jurisdiction in which such project or activity is located must also, by agreement with the City, consent thereto.

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; and

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; and

Community Roots Housing deems it necessary and advisable and in the best interest of Community Roots to renew and increase the revolving line of credit with Impact Capital to support the predevelopment activities for the real estate pipeline, and

Lucky 7 has offered the loan extension and Community Roots agrees to accept the following terms:

Term:	12 additional months, 10/1/2024-9/30/2025
Amount:	\$1,500,000 principal, unchanged
Collateral:	None
Guarantors:	None
Loan Fee:	None
Interest Rate:	Fixed 3.0% per annum, unchanged
Payments:	Quarterly interest only payments throughout the term of the Loan. Principal due at loan maturity.
Intended Use:	To support Community Roots Housing's real estate development business

All spending will be within CRH Board approved budgets for project predevelopment expenses.

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 the 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:	Title:
Frank Alvarado, III	Chair
Derrick Belgarde	Vice Chair
Chasten Fulbright	Treasurer
Michelle Morlan	Secretary
Christopher Persons	Chief Executive Officer

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

CERTIFICATION

I, Michelle Morlan, certify that I am the Secretary of Community Roots Housing and that the foregoing Resolutions were duly adopted at an open public meeting of the Board of Directors of Community Roots Housing held on the 9th day of September 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 9th day of September 2024.

By _____

Its: Secretary