

(GENERAL)

COMPTROLLER FILE NUMBER 282967

APPLICATION
OF

THE CAPITOL HILL COMMUNITY COUNCIL FOR
ISSUANCE BY THE CITY OF A CHARTER FOR A
PUBLIC CORPORATION TO BE NAMED THE HOUSING
IMPROVEMENT PROGRAM, UNDER PROVISIONS OF
ORDINANCE No. 103387.

FILED JANUARY 19, 1976

E. L. KIDD ~~COMPTROLLER AND CITY CLERK~~
COMPTROLLER AND CITY CLERK

BY [Signature] DEPUTY

ACTION OF THE COUNCIL

REFERRED	TO
JANUARY 26, 1976	PLANNING & URBAN DEV.
REFERRED	TO
REFERRED	TO
REPORTED	DISPOSITION
FEB 9 1976	ON FILE
RE-REFERRED	TO
REPORTED	DISPOSITION

REPORT OF COMMITTEE

Mr. President:

Your Planning and Urban Development Committee

to which was referred the within application

would respectfully report that we have considered the same and respectfully recommend that the same
be placed on file.

CHAIRMAN

CHAIRMAN

CAPITOL HILL COMMUNITY COUNCIL

3201 Bank of California Center
Seattle, Washington 98164
464-4224

January 16, 1976

Comptroller
City of Seattle
Seattle Municipal Building
Seattle, Washington 98104

Mr. Edmund Wood
Office of the Mayor
City of Seattle
Seattle Municipal Building
Seattle, Washington 98104

Re: Stevens Area
Rehabilitation Corporation

Gentlemen:

We submit herewith for approval under Seattle Ordinance 103387 the Charter and By-Laws of a proposed rehabilitation corporation for the Stevens neighborhood area of Capitol Hill.

The name of the proposed corporation is Housing Improvement Program and its duration is perpetual. Its purposes, functions and programs are as set out in the proposed Charter.

The names and addresses of the nominees for the six directors from the community are:

Lyle H. Bjork
428 - 16th Ave. East
Seattle, Washington

Nancy Silberg
1506 - 22nd Ave. East
Seattle, Washington

Comptroller, City of Seattle
Mr. Edmund Wood
January 16, 1976
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Don P. Smiley
1918 E. Galer St.
Seattle, Washington

Breta Malcolm
1138 - 16th Ave. East
Seattle, Washington

Bernadette Noonan
2004 E. Prospect St.
Seattle, Washington

Tracy L. Brown
1204 - 32nd Ave. East
Seattle, Washington

Funding required for the first year of operation is estimated at approximately \$300,000. Anticipated sources of funding include the possibility of the neighborhood rehabilitation fund, block grant funds and bank contributions of administrative funds (\$75,000).

The applicant is the Capitol Hill Community Council, P. O. Box 12003, Seattle, Washington 98112.

Please inform us if you would like additional information or if you have any questions.

Yours very truly,



Eben B. Carlson, President
Capitol Hill Community Council

EBC:dfs
Enclosures

CHARTER

OF

THE HOUSING IMPROVEMENT PROGRAM

ARTICLE I

Name and Seal

The name of this corporation shall be the Housing Improvement Program. The corporation seal, as set forth below, shall be a circle with the name "HOUSING IMPROVEMENT PROGRAM" and the word "SEAL" inscribed therein.

[SEAL]

ARTICLE II

Authority for Housing Improvement
Program; Limit on Liability

1. The Housing Improvement Program is a public corporation organized pursuant to Chapter 37, Laws of 1974, First Extraordinary Session (43rd Leg., 3rd extra session), and Ordinance 103387 of the City of Seattle. As such a public corporation organized under said State and local laws, it is a political subdivision of the State with an area of operation limited to an area of the City of Seattle that lies within the Capitol Hill community.

2. Ordinance 103387, all of the terms of which are incorporated and adopted herein, specifically provides as follows:

"All liabilities incurred by such public corporation, commission or authority shall be satisfied exclusively from the assets and credit of such public corporation, commission or authority; and no creditor or other person shall have any recourse to the assets, credit or services of the municipal corporation creating the same on account of any debts, obligations or liabilities of such public corporation, commission or authority."

ARTICLE III

Duration of Housing Improvement Program

The duration of the Program shall be perpetual.

ARTICLE IV

Purpose and Scope of Activities of the Housing Improvement Program

The purpose of the Housing Improvement Program shall be to assist homeowners, property owners, and residents of the Stevens neighborhood in preserving, improving and restoring the quality of their homes, property and neighborhood. The initial boundaries of the Housing Improvement Program, as well as the initial composition of the Board of Directors of the Housing Improvement Program, are oriented to the operation of Seattle's Housing Rehabilitation Program in a portion of the Stevens neighborhood. At such time as it becomes appropriate to consider expanding the Housing Rehabilitation Program beyond the initial boundaries, or other programs become available for the neighborhood that the Housing Improvement Program might logically become involved in, the Charter shall be appropriately revised.

ARTICLE V

Definitions

When used in this Charter and other records of the Housing Improvement Program the terms set forth herein have the following meanings¹ :

"Program"	-	The Housing Improvement Program
"Board"	-	The Board of Directors of the Housing Improvement Program.
"Constituency"	-	Those persons of voting age who are property owners, homeowners or residents within that part of the City of Seattle lying within the geographical boundaries of the Program, as further defined by Article IX.
"Action Neighborhood"	-	A portion of the Community as established by this Charter for administrative purposes.
"General Meeting"	-	A meeting in which any or all of the Constituency of the Program may participate, whether denominated as a regular or special meeting.
"Board Meeting"	-	A meeting of the Board of Directors.

ARTICLE VI

Powers of Housing Improvement Program

The Program and the Board of Directors on its behalf shall have all powers granted to public corporations by City Ordinance #103387 as it now exists or is hereafter amended which powers include but are not limited to the following:

1. When used in this charter and other records of the Program the terms set forth herein have the above meanings subject to additional definitions contained in subsequent Articles of this Charter which are applicable to specific Articles or parts thereof.

1. Own and sell real and personal property;
2. Contract for any Program purpose with individuals, associations and corporations, and the state and the United States;
3. Sue and be sued in its corporate name;
4. Lend and borrow money;
5. Do anything a natural person may do;
6. Purchase, lease, exchange, improve, use, sell, or otherwise transfer real or personal property or any interest therein; grant security interests to secure its borrowings; buy and contract on deferred terms; grant or acquire options on real or personal property; and contract regarding the income or receipts from real property;
7. Issue negotiable bonds, notes, and other evidence of indebtedness in conformity with applicable provisions of the Uniform Commercial Code and state law in such principal amounts, with such covenants, interest rates, maturities and options of redemption as in the discretion of the Board shall be necessary or appropriate to provide sufficient funds for achieving any Program purposes or to secure financial assistance from the United States or other sources for the Program projects and activities;
8. Contract for and accept gifts or loans of funds or property from the United States, the State, the City, or other public corporations, associations, individuals or any other source and to comply with the terms and conditions thereof;
9. Sponsor, lease, manage, contract, own and lease or otherwise participate in housing projects where such activity furthers the public purpose for which the Program is chartered;
10. Lend its funds, property or credit or services for Program purposes, or act as a surety or guarantor for Program purposes;
11. Provide advisory, consultative, training, educational and community services or advice to individuals, associations, corporations, or governmental agencies, with or without charge;
12. Control the use and disposition of Program property, assets and credit;
13. Invest and reinvest its funds;
14. Fix and collect charges for services rendered or to be rendered, and establish the consideration for property transferred;
15. Maintain books and records as appropriate for the conduct of its affairs and as may be required by the City pursuant to its grant and contractual agreements;
16. Conduct the affairs of the Program, carry on its operations, use its property as allowed by law, its charter, and its rules and regulations; and to name the Program officials, agents and employees; secure the services of consultants for professional services, technical assistance or advice; and prescribed their duties, qualifications and compensation;
17. Perform all manner and type of community services and activities utilizing federal or private funds; as well as administering and executing federal grants and programs with the power to receive and administer federal funds;
18. Receive and administer private funds, goods or services for any lawful public purpose;
19. Provide and implement such municipal services and functions as the City Council and Mayor may by ordinance direct;

20. Transfer, with or without consideration, any funds, real or personal property, property interests, or services received from the Federal Government, private sources or, if otherwise legal, from a city or county;
21. Manage, on behalf of the City, any property acquired by the City through gift, purchase, construction, lease assignment, default or exercise of the City's power of eminent domain;
22. Recommend to the Mayor and the City Council appropriate public improvements and expenditures in the Stevens community and the Action Neighborhood;
23. Recommend to the Mayor and the City Council any property which if committed or transferred to the Program would materially advance the public purposes for which the Program was chartered;
24. Recommend to the Mayor and the City Council such tax, financing and security measures as the Program may deem appropriate to maximizing the public interest in the Stevens community and Action Neighborhood;
25. Perform all manner and type of community services and activities in furtherance of agreements between the City of Seattle and the United States; and
26. Exercise any power granted to the Program by City ordinance and exercise all other powers consistent with state, federal or local law which are necessary and convenient to effect the purposes for which the Program was organized and which are necessary or convenient to perform the functions authorized by this Charter.

ARTICLE VII

Limits on the Housing Improvement Program

The Program, in all activities and transactions, shall be limited in the following respects:

1. No part of the net earnings of the Program shall inure to the benefit of, or be distributable to, the Board members or officers of the Program or other private persons, except that the Program is authorized and empowered to:
 - a. Compensate the Program officials a reasonable amount for services rendered, and reimburse reasonable expenses actually incurred in performing their duties;
 - b. Assist the Program officials as members of a general class of persons to be assisted by a Board-approved project or activity to the same extent as other members of the class and as long as no special privilege or treatment accrues to such Program official by reason of his status or position in the Program;
 - c. Defend any Program official, or former Program official, in any legal action or proceeding in which he is made a party by reason of his position or former position, or at the Program's option, indemnify such Program official or former Program official for expenses actually and necessarily incurred by him in connection such defense, except as to matters on which he shall be adjudged in such action or proceeding to be liable for an act or omission performed without capacity or power, or willful misconduct in the performance of duty; and
 - d. Sell assets for a consideration greater than their reasonable market value or acquisition costs, or charge for services more than the expense of providing them, or otherwise secure an increment in a transaction as long as

such gain is not the object or purpose of the Program transactions or activities and is applied to or expended upon community services and projects and activities as aforesaid.

2. No funds, assets, or property of the Program shall be used for any partisan political activity or to further the election or defeat of any candidate for public office; nor shall any funds or substantial part of the activities of the Program be used for publicity or educational purposes designed to support or defeat legislation pending before the Congress of the United States, or the legislature of this State or the City Council; provided, however, that constituents and officials of the Program may respond to requests by contacting members of Congress, State legislatures or City Council members for information and appear before any such legislative body in connection with funding and other matters directly affecting the Program or its ability to carry out the purposes for which it is chartered.

3. The Program shall have no power of eminent domain nor any power to levy taxes or special assessments.

4. The Program may not incur or create any liability that permits recourse by any contracting party or members of the public to any assets, services, resources or credit of the City of Seattle.

5. All funds, assets or credit of the Program shall be applied toward or expended upon community services, projects and activities that serve to accomplish the purposes of the Program.

6. The Program shall not issue shares of stock, pay dividends, make private distribution of assets, or otherwise engage in business for profit.

ARTICLE VIII

Organization of the

Housing Improvement Program

Section 1. General Organization

a. In general, the organization of the Housing Improvement Program shall consist of a membership (referred to as the "Constituency"), a Board of Directors, and officers. The Constituents shall meet relatively infrequently and shall elect those members of the Board of Directors not appointed by the Mayor as specified in Section 2 hereunder. The officers of the Program shall be elected by the Board from its rank. The Board shall meet frequently and not less than once a month; it shall conduct the business of the organization in accordance with this Charter and the Bylaws.

b. The Program shall be a public corporation in accordance with applicable city, state and federal laws.

Section 2. Board of Directors

The management of the Program shall be vested in a Board of Directors selected as follows:

a. Three (3) members shall be appointed by the Mayor and confirmed by the City Council.

b. Six (6) members shall be nominated and elected by the Constituency at large.

Section 3. Board Concurrence Required

Prior authorization or concurrence of the Board by resolution shall be necessary for any of the following transactions:

- a. Transfer or conveyance of an interest in real estate other than a lien or satisfaction of a mortgage after payment has been received and the execution of a lease for a current term of less than one year.
- b. The contracting of debts, issuance of notes, debentures or bonds, and the mortgaging or pledging of corporate assets to secure the same.
- c. The donation of money, property or other assets belonging to the Program.
- d. An action by the Program as a surety or guarantor.
- e. All transactions in which: (i) the consideration exchanged or received by the Program exceeds one thousand dollars (\$1,000); (ii) the performance by the Program shall extend over a period of one year from the date of execution of an agreement therefor; or (iii) the Program assumes duties to the City, the State, the United States or other governmental entity.
- f. Adoption of an annual budget.
- g. Certification of annual reports and statements to be filed with the City Comptroller as true and correct in the opinion of the Board and of its members, except as noted.
- h. Proposed amendments to the Charter; and
- i. Such other transactions, duties and responsibilities as the Charter or Bylaws shall have reposed in the Board or which require Board participation by resolution.

Section 4. Quorum and Board Concurrence Defined

"Quorum" shall be six (6) members of the Board or two-thirds (2/3) of the filled positions of the Board membership; whichever is lesser.

"Board Concurrence", as used in this Article, may be obtained at any regular or special Board meeting by an affirmative vote of a majority of the Board members voting on the issue.

Section 5. Elections, Terms of Office, Removal of Board Members, Recalls.

1. Election of Community Board Members.

The initial community Board members shall be elected by an area-wide general election. Subsequent elections of community Board members shall take place at an annual general meeting of the Constituency. A majority vote of those Constituents present at the meeting shall be necessary to elect any Board members. Such elections shall be conducted in accordance with the Bylaws.

2. Terms of Office of All Board Members.

a. The terms of both elected community Board members shall be three (3) years. The terms of members of the Board shall be staggered. The terms of the initial Board, however, shall be determined as follows:

- (1) The initial Board members shall by resolution divide the members of the Board into three (3) classes, designated Class A, Class B and Class C.
- (2) Initially, Class A members shall hold one (1) year terms, said

terms to run until the annual general meeting held in 1977. Class B members shall hold two (2) year terms, said terms to run until the annual general meeting held in 1978. Class C members are to be the officers and shall hold three (3) year Board terms, said terms to run until the annual general meeting held in 1979.

The terms of elected Board members will begin at the adjournment of the Board meeting at which their appointments are approved. The term of an appointed officer will end when a replacement has been approved.

3. Qualifications of Board Members.

a. All Board members shall be either Constituents of the Housing Improvement Program, or "Community Participants" as appointed by the mayor.

b. As used herein, the term "property owner or homeowner" shall mean the person or association who is responsible for the upkeep of the premises and for the payment of taxes thereon, including but not limited to persons or associations with actual possession or right of possession under a real estate contract, mortgage, deed of trust, long-term lease, or other instrument under which record title is in another person or association.

4. Officers

a. There shall be at least Four (4) officers of the Program. The same person shall not occupy more than one (1) office at the same time. The initial offices shall be:

- (1) President;
- (2) Vice-President;
- (3) Secretary;
- (4) Treasurer

Any further offices, as well as the qualifications therefor, of the Program shall be provided for in the Bylaws.

b. All Officers shall be elected by the Board. Only Board members shall be eligible to be elected as officers.

c. The President shall be chief executive of the Program. The Vice-President shall be his or her assistant. The Treasurer shall be responsible for the custody of funds and for the maintenance of accounts and finances and the Secretary for the maintenance of all Program books and records.

d. Each of the officers may initiate process and each shall be the agent of the Program for service of process.

e. The terms of office of each officer shall be set by the Bylaws; provided, however, that no terms of office shall exceed three (3) years.

f. The Treasurer of the Program, prior to taking office, shall file a fidelity bond in an amount set by the Board. The Treasurer shall be entitled to hold said office only as long as such a bond continues in effect.

5. Removal of Board Members and Officers by the Board of Directors.

a. If any Board member resigns, or becomes ineligible to serve, or becomes unable to serve, the Board shall elect a successor to serve the unexpired

term.

b. If a Board member is elected to serve the unexpired term of a Board member who is then currently serving as an elected officer, the Board shall elect separately a replacement for that position as well.

c. All elections by the Board to fill an unexpired term shall require the affirmative vote of a majority of the members of the Board.

d. If a Community Board member is absent from all regular and special meetings over a sixty-day (60) period without valid reason, the other members of the Board, by affirmative vote, may deem that the member who has been absent has become unable to serve, and under this section, may proceed with the election of a successor to serve the balance of the unexpired term.

6. Recall of Board Members and Officers.

a. A petition for the recall of any Community Board member may be initiated for referral to the Constituency by a three-fourths (3/4) vote of the Board of Directors present, provided that the attendance at the meeting shall be at least three-fourths (3/4) of the members of the Board. In the event that Board approves a petition for recall of a Community Board member, the Constituency shall vote on said petition in the manner specified in Section C of this paragraph.

b. Alternatively, any Community Board member may be recalled by a vote of the Constituency if a petition for recall is presented to the Board signed by not less than one hundred (100) Constituents.

c. In the event a petition for recall is properly made as specified in Section a and b above, the Board, within six (6) weeks, will provide for a general meeting of the Constituency which will vote on the question to recall.

(1) If two-thirds (2/3) of the Constituency present at such general meeting vote to approve the petition, a replacement Board member shall be nominated and elected at that meeting.

(2) A quorum for a meeting to vote on a recall shall be one hundred fifty (150) Constituents.

d. In the event of such recall, at the same meeting at which such recall shall occur, a successor shall be selected by the Board to serve until the next general meeting of Constituents, at which time a successor shall be elected by the Constituents.

ARTICLE IX

Constituency

Section 1. Composition

1. The Constituency of the Program shall consist of its general membership, which shall be open to all persons eighteen (18) years of age and over who are homeowners, property owners or residents within the geographic area of the Program marked by the boundaries specified in Exhibit 1 hereto, which is by this reference incorporated herein as if fully set forth.

2. The area of the Program shall be changed only by an amendment to this Charter, as more particularly set forth in Article XII.

Section 2. General Provisions

The Bylaws shall further provide for the time and place of meetings of the Constituency, including notice therefor as well as other provisions dealing with the Constituency; provided, however, that the Board or a committee thereof shall report to the Constituency at a meeting held at least quarterly to receive its comments on matters on which the Board has acted during the preceding quarter and on matters proposed for action during the next quarter.

Section 3. Powers of the Constituency

In addition to the right to advise the Board concerning Program policy, the Constituency shall have the right to participate in the consideration of any of the following matters:

1. Nomination and election of community Board members;
2. Recall of community Board members in the manner provided in Article VIII;
3. Calling of special meetings of the Board in the manner provided for in Article X;
4. Approval or disapproval of each proposed "major Program activity".
5. Recommendations to be made to the city, state or federal bodies involving significant changes in tax, financing or security measures applicable to the Program.
6. Such other matters specified by this Charter or the Bylaws.

Section 4. Constituency Concurrence Required

In addition to the powers granted it by Section 3, the concurrence of the Constituency shall be required on the following matters:

1. Any proposed amendments to the Charter;
2. Any proposed amendments to the Bylaws of the Program in said amendment deals with matters which are within the power and responsibility of the Constituency as set forth in Section 3 of this Article;
3. ~~Proposed amendments of the provisions of the Bylaws governing procedures~~ for meetings of the Constituency;
4. Fixing the compensation of corporate officials and the nature and limit of expenses incurred by corporate officials that may be reimbursed;
5. Election or selection of an independent auditor.

Section 5. Voting Rights

Each Constituent shall have the right to one (1) vote at any general or special meeting; provided, however, that voting rights shall be subject to the rules and regulations governing the exercise of such rights set forth in the Bylaws.

Section 6. Terms

As used herein, the terms are defined as follows:

"Major Program Activity" - Any project or activity of the Pro-

gram in which (i) the performance of which shall extend over a period of two (2) years from the date of execution of agreement therefor; (ii) the consideration involved exceeds twenty thousand dollars (\$20,000).

"Constituency Concurrence" -

Shall be as defined in the Bylaws except that Article XII of the Charter shall define the concurrence of the Constituency that is necessary for Charter amendments to the provisions of the Bylaws that govern procedures for meetings of the Constituency.

ARTICLE X

Meetings of the Program

Section 1. General Meetings

1. A general meeting open to all Constituents of the Program shall be held at least four (4) times each year, with the date, time and place to be selected by the Board. One of such general meeting shall be denominated the "annual" meeting at which elections are to take place.

2. A special general meeting of all the Constituents may be called by the Board, according to the Bylaws.

3. At any general meeting, twenty-five (25) or more Constituents shall constitute a quorum, except that the presence of one hundred fifty (150) or more Constituents shall constitute a quorum for either a recall or a discontinuance meeting, as set forth in Articles VIII and XIII.

Section 2. Public Meetings

General meetings of the Program and all meetings of the Board shall be open to the public as required under the Open Public Meetings Act, RCW 42.30.010 - 42.30.920, and all meetings shall be called and held in accordance with said law and the Bylaws.

Section 3. Quarterly Reviews

Each general meeting shall include a review of all significant decisions and events relating to the programs and activities of the Program that have occurred since the last public meeting and a preview of significant matters that will be under consideration during the following three (3) months.

Section 4. Meetings of the Board of Directors

The Board of Directors shall meet at least once each month.

Section 5. Parliamentary Authority

The rules contained in Roberts Rules of Order (Revised) shall govern the Program in all cases to which they are applicable where they are not inconsistent with the Charter or the special rules of order of the Program set forth in the Bylaws.

ARTICLE XI

Bylaws

The Board shall adopt Bylaws to provide such rules for governing the Board, the Program and its activities as are not inconsistent with this Charter. The adoption of the Bylaws, and any amendments thereto, shall require an affirmative vote of two-thirds (2/3) of the filled positions of the Board. The Bylaws shall provide among other things for:

1. The existence of committees of the Program and the duties of any such committee;
2. The manner in which special meetings of the Program shall be called;
3. The method of selecting Program officers by the Board;
4. The method of suspension or removal of Program officers and conditions which would require such suspensions or removal;
5. Any other provisions pertaining to the internal affairs and operation of the Program not inconsistent with this Charter or not provided for herein.

ARTICLE XII

Amendments to Charter and Bylaws

Section 1. Amendments To Charter.

1. Amendment Initiated by Board.

a. Any Board member may propose an amendment to the Charter at any regular meeting, or at any special meeting prior to which thirty (30) days advance notice has been given. Resolutions of the Board approving amendments to the Charter require the affirmative vote of at least two-thirds (2/3) of the whole Board.

b. If a Board resolution approving an amendment is adopted, the amendment shall be submitted to the Constituency for ratification in the manner specified in this Article.

2. Amendment Initiated by Constituency Petition.

a. If the Board receives a petition signed by at least fifty (50) Constituents seeking an amendment, then the Board shall certify such amendment and submit it to the Constituency for ratification in the manner specified in Part 3 of this Section.

b. A petition made pursuant to this Section shall be presented to the Board not later than thirty (30) days before the general meeting at which the proposed amendment is to be considered.

3. Amendment Adoption Procedure.

a. If prior written notice of a proposed amendment to the Charter has been given to the membership, such amendment may be passed at a general meeting by a two-thirds (2/3) vote if a quorum is present.

b. Within three (3) business days of the date it is ratified by the Constituency, the amendment shall be filed with the City Comptroller by the Program President together with a statement of the reasons supporting the proposed amendment. The amendment shall be open to public inspection for at least thirty (30) days. One copy of the proposed amendment shall be filed with the Mayor for his

review and recommendations.

c. The Mayor, within thirty (30) days of receipt of the proposed amendment, shall make a recommendation concerning the acceptability or otherwise if the amendment. Should he fail to do so, the amendment automatically is deemed to have the concurrence of the Mayor.

d. If the Mayor concurs with the recommendations he shall cause to be issued, in duplicate originals, the proposed amendment, each signed by the Mayor and bearing the City Seal attested by the City Comptroller as a public record and the other shall be delivered to the Program, which shall thereupon notify the Department of Housing and Urban Development, or its successor agency, of the amendment.

4. In this Article "prior written notice" shall mean a printed document and an adequate description of its intended effects, along with a short statement by proponents and opponents, if any, regarding the proposed amendment. Such notice shall be distributed to the Constituency no later than fifteen (15) days prior to the general meeting at which the amendment is to be voted upon.

Section 2. Amendments to Bylaws

1. Conditional Amendment by Board of Directors.

The Bylaws shall be conditionally amended by a vote of two-thirds (2/3) of the members of the Board present at a meeting considering such amendment. The Board shall not consider or vote on any amendment until the next Board meeting after the initial introduction of such amendment. Between the introduction of such amendment and action being taken on it, notice of its consideration by the Board shall be published in a newspaper of general circulation in the Stevens area.

2. Rejection of Amendment by Constituency.

Conditional amendments to the Bylaws must be presented to the Constituency at the next general meeting following passage by the Board. If the Constituency, by majority vote of those present at said general meeting, votes to reject the amendment made by the Board, then the amendment shall be deemed a nullity and the Bylaws shall revert at once to its previous form.

Section 3. Special Amendments to Bylaws

The procedure for adoption of amendments to the Bylaws relating to those matters delineated in Article IX shall be the same as for Charter amendments.

ARTICLE XIII

Dissolution

Section 1. Dissolution

Dissolution of this public corporation shall be in the form and manner required by law, city ordinance and the Bylaws. Upon dissolution of the Program and the winding up of its affairs, all of the rights, assets and property of the Program shall pass to and be distributed according to the terms of any applicable Grant Agreements or covenants with the Federal Government, or to a qualified entity specified in Section 49 of City of Seattle Ordinance #103387.

Section 2. Discontinuance of the Projects Authorized by the Program.

Projects of the Program may be discontinued by a vote of the membership under the following procedures:

1. A petition shall be presented to the Board signed by not less than one

hundred (100) members;

2. The Board, within six (6) weeks, shall provide for a general meeting which will vote on the question to discontinue;

3. If two-thirds (2/3) of the members present at such general meeting vote to approve the petition, the Program will discontinue immediately after outstanding debts and contracts of the Project have been honored. All other assets of the Project shall be distributed to the Program; as well, any outstanding liabilities of the Project shall be assumed by the Program.

4. A quorum for a meeting to vote on discontinuance shall be one hundred fifty (150) members.

5. As used herein, the term "Project" shall mean a neighborhood improvement activity undertaken by the Program.

ARTICLE XIV

Miscellaneous

Section 1. Geographic Limitation

The Program may conduct activities outside the Stevens Action area, as currently defined, upon a determination by the Board that each such activity will further the purpose of the Program.

Section 2. Public Records

The public shall have access to records and information of the Program to at least the same degree that the public has access to records and information of the City of Seattle.

Section 3. Minutes

Copies of the minutes of all regular or special meetings of the Board shall be available to any person or organization that requests them. The minutes of all Board meetings shall include a record of individual votes on all matters requiring Board concurrence.

Section 4. Audits, Dissolutions, Etc.

Audits, dissolutions, trusteeships and other matters affecting the Housing Improvement Program shall be governed by Ordinance No. 103387 of the City of Seattle and the Program Bylaws.

Section 5. Nonexclusive Charter

This Charter is nonexclusive and does not preclude the granting by the City of other charters to establish additional public corporations.

Section 6. "Call for Meeting"

The Constituency of the Program shall have the right to call a general meeting for a specific purpose, provided such purpose has already been reviewed by the Board, when a petition stating the purpose of such meetings is signed by twenty-five (25) members or more of the Constituency, except in cases of Recall and Discontinuance Petitions which require one hundred (100) signatures.

Such special meetings shall be limited to the purposes of the "Call for Meeting". Upon receipt of the petition for a "Call for Meeting" and certification of signatures, the Board shall be required to call such meetings within thirty (30) days.

Section 7. Election and Certification of the Initial Board

Following the initial election, the Department of Community Development shall certify the results of the election, notifying the Community Board members of their election, the Seattle Housing Authority and the Mayor. The Mayor shall then officially designate the Initial Board members as the corporate body of the Program.

ARTICLE XV

Commencement of the Housing
Improvement Program

The Program shall come into existence and be authorized take action at such time as the Initial Board takes office in accordance with Article VIII.

ARTICLE XVX

Termination of the Housing
Improvement Program

The Program shall be terminated in the manner specified in Section 46 of Seattle Ordinance #103387.

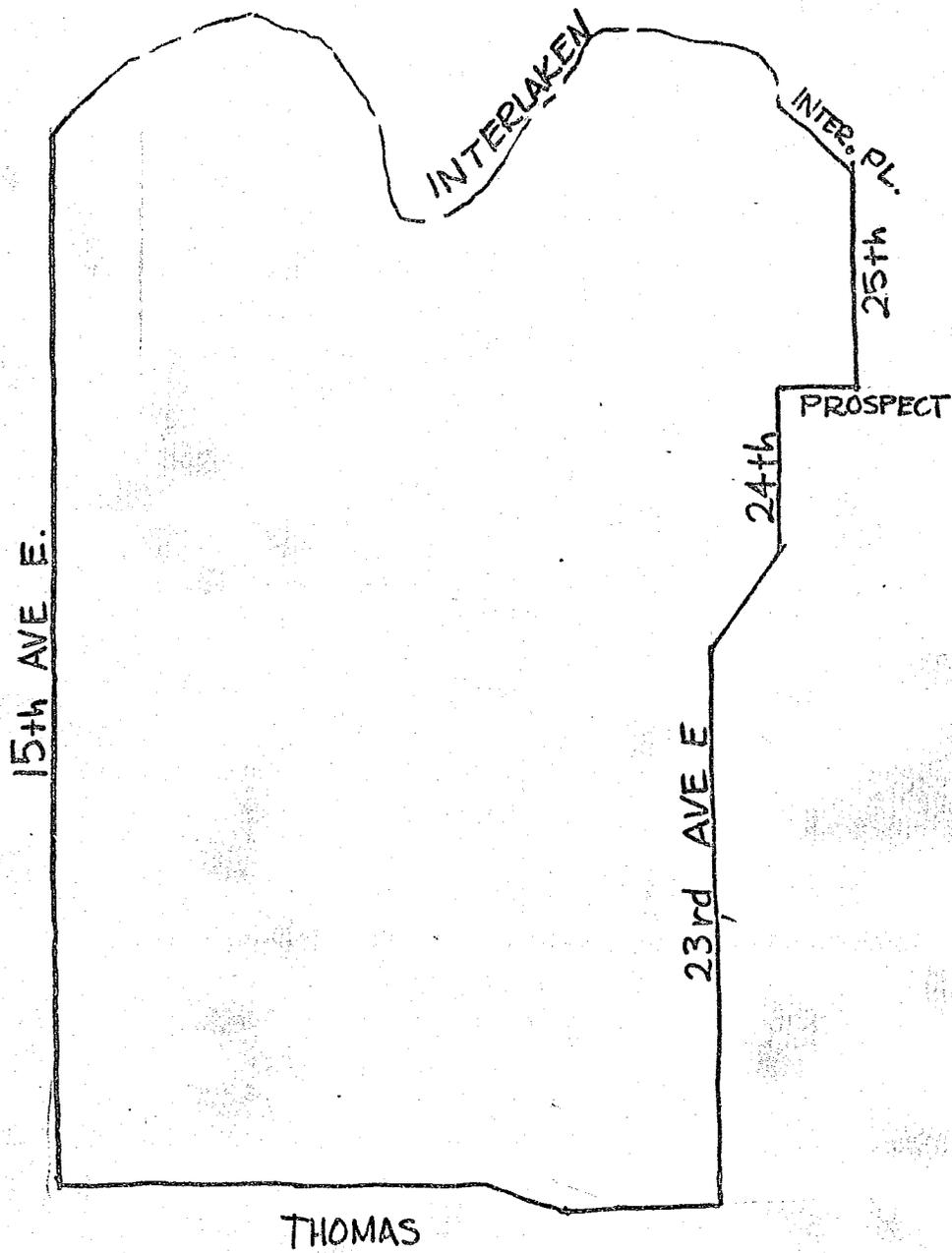


EXHIBIT 1. BOUNDARIES OF PROGRAM

BY - LAWS OF
THE HOUSING IMPROVEMENT PROGRAM

The following By-Laws are to be the rules and regulations governing the internal affairs of the Housing Improvement Program.

ARTICLE I

BOARD OF DIRECTORS

SECTION 1. Composition of the Board

- a. Management of all Program transactions and activities shall reside in the Board. It shall be composed of nine (9) members selected in the manner specified in the Program Charter. All Board members shall be subject to approval by the Seattle City Council as specified in Seattle City Ordinance #103387.
- b. Election of Board members shall continue annually for three year terms so that a new group of Board members, at least one of which shall be appointed by the Mayor, takes office each year; provided, however, that a person selected shall hold office until her or her successor shall have been selected and qualified. There shall be no restriction on members of the Board serving successive terms.
- c. The Board shall be divided into three (3) classes. Class I shall consist of three (3) Board members, Class II shall consist of three (3) Board members and Class III shall consist of three (3) Board members. The Board members in each class shall be selected at the same annual meeting at least one member appointed by the Board shall be in each class. The purpose of the class nomination is to provide for a rotation of the Board thereby avoiding the possible deleterious impact of complete changes in management and direction. The nomination and selection process shall be implemented and structured with this purpose in mind.

SECTION 2. Nomination and Election Process

Community Board members shall be nominated and elected by the constituency in the following manner:

- a. The Board shall establish a committee to submit nominations for election to Board membership. This committee shall be composed of seven (7) to fifteen (15) constituents at least two of which are Board members whose terms are not about to expire at the election for which the committee is organized. The Board chairperson shall appoint the members of this committee at least ninety (90) days preceding the election and in so doing shall seek a broad representation of the community.
- b. The nominating committee shall meet at least sixty (60) days prior to the date selected by the Board for the holding of the annual election. The committee shall report its nominations thirty (30) days before the election.

c. The nominating committee shall collect and review all nominations from the community. It shall solicit such nominations by giving full advertisement of the openings. At least two nominations shall be made for each Board opening and such nominations shall be closed thirty (30) days before the election.

d. The election each year shall be held at the fall general meeting of the Program on a date selected by the Board at least ninety (90) days prior thereto.

e. Only constituents shall be eligible to vote. The Board shall establish a certification committee, at least two members of which are Board members not up for election, to supervise the elections and certify the results. The certification committee shall obtain a list of eligible voters and shall establish appropriate safeguards for checking the qualification of each voter.

f. No individual campaign expenses for Board openings shall be permitted. The cost of the advertisement of the election and the distribution of candidate information to all eligible voters shall be borne by the Program.

g. Voting at the meeting shall be secret ballot. Absentee voters are to be permitted by only if received ten (10) days prior to the election. Voting by proxy shall not be permitted.

h. Board members shall be elected by a simple majority of those voting for the position. In the event of a tie, the certification committee shall authorize a run-off election to be held within ten (10) days of the meeting. All election results shall be certified by the certification committee and forwarded to the Mayor for ratification in accordance with Ordinance #103387.

i. No person shall be eligible to serve on the certification committee if he or she is a candidate or is a member of the same household of any candidate.

j. All election disputes shall be referred to the certification committee for handling.

k. Candidates elected by the constituency shall take office as soon as approved in the manner specified in Ordinance #103387.

SECTION 3. Vacancies

A vacancy or vacancies on the Board shall be deemed to exist in the case of the death, disability, resignation or removal of any Board member. Upon such occurrence, the Board shall select a replacement to hold office until the next annual election when the constituency shall select a replacement to serve the unexpired term, if any, of the Board member in the manner specified for election of Board members in general.

ARTICLE II

MEETINGS OF BOARD

SECTION 1. Regular Meetings

Regular meetings of the Board shall be held at least once every month; the Board shall select a regular time and place for the meetings and the meetings shall be posted.

SECTION 2. Special Meetings

Subject to the limitations of Article X of the Program Charter, special meetings of the Board may be held at any place at any time whenever called by any three (3) members of the Board.

SECTION 3. Notice of Meetings

No notice, other than posting, of the regular meeting shall be required, except of the first regular meeting after any change in the time or place of such meeting adopted by resolution of the Board as above provided. Notice of such changed regular meeting, and notice of all special meetings shall be given by the Secretary or by the person calling the meeting by personal communication over the telephone at least twenty-four (24) hours prior to the time of the meeting or by at least three (3) days notice by mail, telegram or written communication. If mailed, notice shall be mailed by United States mail, postage prepaid, to the last known address of each Board member. Notice shall also be given by posting it at the offices of the Program.

The business to be transacted and the purpose of any special meeting of the Board must be specified in the notice of any special meeting. At any regular meeting of the Board any business may be transacted and the Board may exercise all of its powers.

This Section 3 shall be subject to the applicable provisions of Section 5 of this Article.

SECTION 4. Quorum

At least six (6) members of the Board must be present at any regular or special meeting to comprise a quorum. No business may be transacted without a quorum. Provided, however, that a lesser number in attendance at such a meeting may adjourn any meeting and the meeting may be reconvened within forty eight (48) hours of the adjourned meeting without further notice.

The act of a majority of the members present at any meeting of the Board at which a quorum is present shall be the act of the Board. Board members present at a duly convened meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum.

SECTION 5. Open Meetings

All meetings of the Board shall be held and conducted in accordance with the Open Public Meetings Act, R.C.W. 42.30.010 - 42.30.920, and special meetings may be called as therein provided. In addition, the Board may hold an executive session to consider matters enumerated in R.C.W. - 42.30.110, and shall enter the cause therefor in its minutes.

SECTION 6. Waiver of Notice

Notice as provided in Section 3 hereof may be dispensed with as to any member of the Board who at or prior to the time the meeting convenes files with the Program a written waiver of notice or who is actually present at the meeting at the time it convenes and as to meetings called to deal with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, where time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage.

SECTION 7.

No Board member may vote on any Board business by proxy or by mail.

ARTICLE III

OFFICERS AND COMMITTEES

SECTION 1. Officers Designated

The officers of the Authority shall be a President, Vice-President, Secretary and Treasurer, each of whom shall be elected by the Board from its own members. Such other officers, and assistant officers, including area chairpersons, as may be deemed necessary or convenient may be elected by the Board. No person may simultaneously hold more than one office. In addition to the powers and duties specified below and in the Charter, the officers shall have such powers and perform such duties as the Board may prescribe.

SECTION 2. Election, Qualifications and Term of Office

Each of the officers shall be elected by the Board from among its members. The officers shall be elected by the Board at the first regular meeting after the term of new or reappointed Board members commences each year, for a one year term and until his successor is elected, or until removed by a vote of the Board. The first officers of the Commission shall be elected by the Board at its organizational meeting.

SECTION 3. Powers and Duties

a. President. The President shall exercise the usual executive powers pertaining to the office of a chairman. He shall be the chief executive officer of the corporation. He shall preside at all meetings of the Board and the constituency. He shall be one of the designated agents of the corporation to receive service of process. When authorized by the Board, he shall have the power to sign and execute all deeds, bonds, contracts, and other obligations or instruments in the name of the corporation and all such instruments shall be effective, valid, and binding upon his signature alone without the necessity of adding thereto the signature of any other officer or officers of the corporation unless Ordinance #103387 requires otherwise or unless otherwise required by the Charter, and such authority shall include the right to endorse for transfer in blank, or otherwise, any stocks, bonds, securities, or evidence of indebtedness owned or standing in the name of the corporation.

b. Vice President. The Vice President shall act in the place of the President in the absence of the President, or upon disability or refusal of the President to act. The Vice President shall have such other duties as the President and Board shall designate.

c. Secretary. The Secretary shall be responsible for notices for all meetings of the Board, shall be responsible for keeping its minutes, shall be responsible for the seal and corporate books, shall affix the corporate seal and shall sign the President of the Board such instruments as require the seal or his signature, and shall make such reports and perform such other duties as are incident to his office, or are properly required of him by the Board.

d. Treasurer. The Treasurer shall have the care, custody of and be responsible for all funds and investments of the corporation, and shall cause to be kept regular books of account. He shall cause to be deposited all funds and other valuable effects in the name of the corporation in such depositories as may be required by law, or, if not required as designated by the Board. In general, he shall perform all of the duties incident to the office of Treasurer. The Treasurer, together with any other officer of the Program responsible for accounts and finances, shall file a fidelity bond in an amount determined by the Board before, taking office, and may hold corporate office only so long as such bond continues in effect.

e. Area Chairpeople. An area chairperson shall serve as the link between the Board and the area of the Program which he serves. He shall do all things directed of him by the Board and shall also act as the liaison for the community by gathering and distributing information, petitions, letters and other written directives concerning the Program.

SECTION 4. Removal.

Provided that reasonable prior notice of the alleged reasons for dismissal is given to all Board members, a majority of the whole Board shall have the right to remove any officer from his office, but not from his position on the Board, whenever in its judgment the best interests of the Program will be served thereby.

SECTION 5. Vacancies.

The Board shall fill any office which becomes vacant with a successor who shall hold office for the unexpired term and until his successor shall have been duly elected and qualified.

SECTION 6. Appointment of Committees

The Board, by resolution adopted by a majority of the full Board, may designate from among its members one or more Committees, each consisting of at least three (3) or more members, to represent the Board and, on certain matters set forth below, act for and on behalf of the Board subject to later ratification. The designation of any such committee and the delegation thereto of authority shall not operate to relieve any member of the Board of any responsibility imposed by law. Only standing committees of the Board may act for and on behalf of the Board. The Board may create any standing committees to perform specified tasks if it deems such a committee is necessary and convenient for the operation and fulfillment of the Program purposes.

ARTICLE IV

MEETINGS OF THE CONSTITUENCY

SECTION 1. Regular Meetings

Regular meetings of the constituency shall be held at least quarterly on the second Tuesday of each quarter at 7:30 p.m. Provided, however, that the Board may alter the regular meeting time and place by resolution. At each such meeting the Board or a committee thereof shall report to the constituency on matters on which the Board has acted during the preceding quarter and on matters proposed for action during the next quarter.

The President of the Board shall preside at all meetings of the constituency.

SECTION 2. Special Meetings

Special meetings of the constituency may be held at any place at any time whenever called by the President or any five (5) members of the Board or by the petition of the constituency as set forth in the Charter.

SECTION 3. Notice of Meetings

Notice of all meetings stating the place, day and hour shall be made by publication of notice for three (3) days in the Seattle Times and The Seattle Post - Intelligencer and once in the Capitol Hill Times and the Seattle Sun, and a copy of the notice shall be posted at the appropriate location at the Seattle Municipal Building and at the customary meeting place of the Program.

The business to be transacted and the purpose of any special meeting of the constituency must be specified in the notice of any such special meeting. At any regular meeting of the constituency any business may be transacted and the constituency may exercise all of its powers.

SECTION 4. Constituency Concurrence and Quorum Defined

Subject to the provisions of Sections 3 and 4 of Article IX of the Charter of the Program, the concurrence of the constituency may be obtained for any matter requiring constituency concurrence by an affirmative vote of the majority of the constituents voting on the issue at any duly convened regular or special meeting of the constituency.

At least twenty-five (25) members must be present at any regular or special meeting to comprise a quorum. No business may be transacted without a quorum, provided, however, that a lesser number in attendance at such a meeting may adjourn any meeting and the meeting may be held as adjourned without further notice, and provided further that members of the constituency who are present at a duly convened meeting may continue to transact business until adjourned, notwithstanding the withdrawal of enough members to leave less than a quorum.

SECTION 5. Waiver of Notice

Notice as provided in Section 3 hereof may be dispensed with as to any member of the constituency who at or prior to the time the meeting convenes files with the Board a written waiver of notice or who is actually present at the meeting at the time it convenes and as to meetings called to deal with an emergency involving injury or damages to persons or property or the likelihood of such injury or damage, where timely requirements of such notice would make notice impractical and increase the likelihood of such injury or damage.

SECTION 6. No Voting by Proxy

No member of the constituency may vote on any business of the constituency by proxy except that the voting by mail may be authorized for absentee voting purposes.

ARTICLE V

FISCAL POLICY

SECTION 1. Fiscal Year

The Fiscal year of the Program shall be from _____ each year until the following _____.

SECTION 2. Annual Budget (to be written)

SECTION 3. Segregation of Funds

a. Funds for the Program shall be classified as either General Funds or Project Funds. The funds in each category shall be kept segregated.

b. Project Funds will be separately deposited and accounted for, and will be used only for the purpose stated in the request for funds. If project funds in excess of those required to complete a project are collected, they will, upon completion of the project, be returned on a pro-rata basis unless the amount due any source is less than \$2.00, in which case the amount due that source shall be transferred to the General Fund.

c. General Funds may be used for any purpose authorized by the Board or the membership which is not inconsistent with the Charter.

SECTION 4. Bank Accounts

a. The Treasurer shall establish and maintain necessary savings and checking accounts. The General Fund and Project Fund shall be maintained in separate accounts.

b. All checks and withdrawals from General Fund or Project Fund must be consigned by the following: The President and the Treasurer.

SECTION 5. Expenditures from the General Fund

The Program Manager shall be authorized to make such expenditures as are consistent with the Annual Budget; provided such expenditure does not exceed the current balance of General Fund less prior commitments.

SECTION 6. Expenditures from Project Funds

a. The Board may accept, on behalf of the Program, donations of monies to the General Fund.

b. The Board may accept conditional donations of money for special projects, provided that the condition of the donation is limited to proceeding with the project as originally described in the request for funds. Such donations shall be returned to the donor if the project is not started. If the project is not completed

and an excess of funds remain, or if the project is completed and an excess of funds remain, unused funds may be returned to donors on a pro-rata basis.

SECTION 8. Bonding of Fiduciaries

a. Immediately following their election or appointment, the President, the Treasurer and the Program Manager shall promptly apply for and obtain a bond in the amount which shall be specified by the Board. The cost of such bonding shall be borne by the Program treasury.

b. If any person to whom this section applies fails to apply for and obtain a bond within a reasonable time, the other members of the Board shall deem such person unable to serve and proceed with the election of a successor, or shall appoint another member of the Board to carry out the duties of such officer as provided in this Article.

SECTION 9. Treasurer's Report and Report of the Auditing Committee

a. The Treasurer shall be prepared to give the Board an accounting of Program Accounts at any Board meeting.

ARTICLE VI

ADMINISTRATIVE PROVISIONS

SECTION 1. Books and Records

The Program shall keep a current and complete set of books and records including all records of account and minutes of the meetings of the constituency, the Board or any standing committee thereof.

SECTION 2. Corporate Seal

The following is an impression of the corporate seal of this public corporation:

SECTION 3. Rules of Procedure

The rules of procedure at meetings of the Board and constituency shall be the rules contained in Roberts Rules of Order on Parliamentary Procedure, as amended, so far as is applicable and where not inconsistent with these By-Laws, the Charter, or with any resolution of the Board.

SECTION 4. Indemnification of Board Members

The Program shall defend and indemnify each current or former Board member whether acting as Board member or officer of the Program against all liabilities, costs

and expenses which may be imposed on or reasonably incurred by him/her including the amounts of any attorney's fees and other legal costs, reasonable settlements of any claims and any judgements or fines rendered pursuant to any legal or administrative action or proceedings hereafter made or instituted in which he/she may be involved or be made a party by reason of his/her being or having been a Board member or officer of the Program or by reason of any action alleged to have been taken or admitted by him/her in such capacity, except in cases wherein he shall finally adjudged to be liable for an act or omission performed without capacity or power or willful misconduct in the performance of his/her duties as such Board member or officer.

The right of indemnification shall insure to each Board member or officer upon his/her appointment to the Program and in the event of his/her death shall extend to his/her heirs, legal representatives and estate. Each person who shall act as Board member or officer of this corporation shall be deemed to do so in reliance upon such indemnification and such rights shall not be exclusive of any other right which he/she may have.

SECTION 5. Amendment of Rules and Regulations

These By-Laws may be amended in the manner set forth in Article XII of the Program's Charter. The procedures for such amendment shall be provided for by Board resolution.

ARTICLE VII

NEWSLETTER TO CONSTITUENCY

SECTION 1. Purpose of Newsletter

To insure a continuous, free flow of information both to and from the constituents of the Program, a newsletter shall be published at least four (4) times a year.

SECTION 2. Distribution

The newsletter shall be uniformly distributed to all eligible voters of record within ten (10) days of the date of its publication. The Board may also authorize the distribution to other residents of the area or to other persons interested in Program activities.

SECTION 3. Contents

The newsletter shall keep the constituency informed of the business of the Program including the progress or development of the various projects and activities of the Program. It shall also contain any items or reports from interested constituents so long as such items are found to be of interest to the entire constituency. The newsletter may also contain such other information as the Board deems appropriate.

SECTION 4. Use of Newsletter for Notification of General Meetings

a. Immediately prior to each General meeting of the constituency the newsletter shall be distributed to notify the membership of the meeting.

b. The notice given prior to General meetings shall contain information regarding those items on the meeting's agenda or those items it is anticipated will be brought before the membership at the meeting.